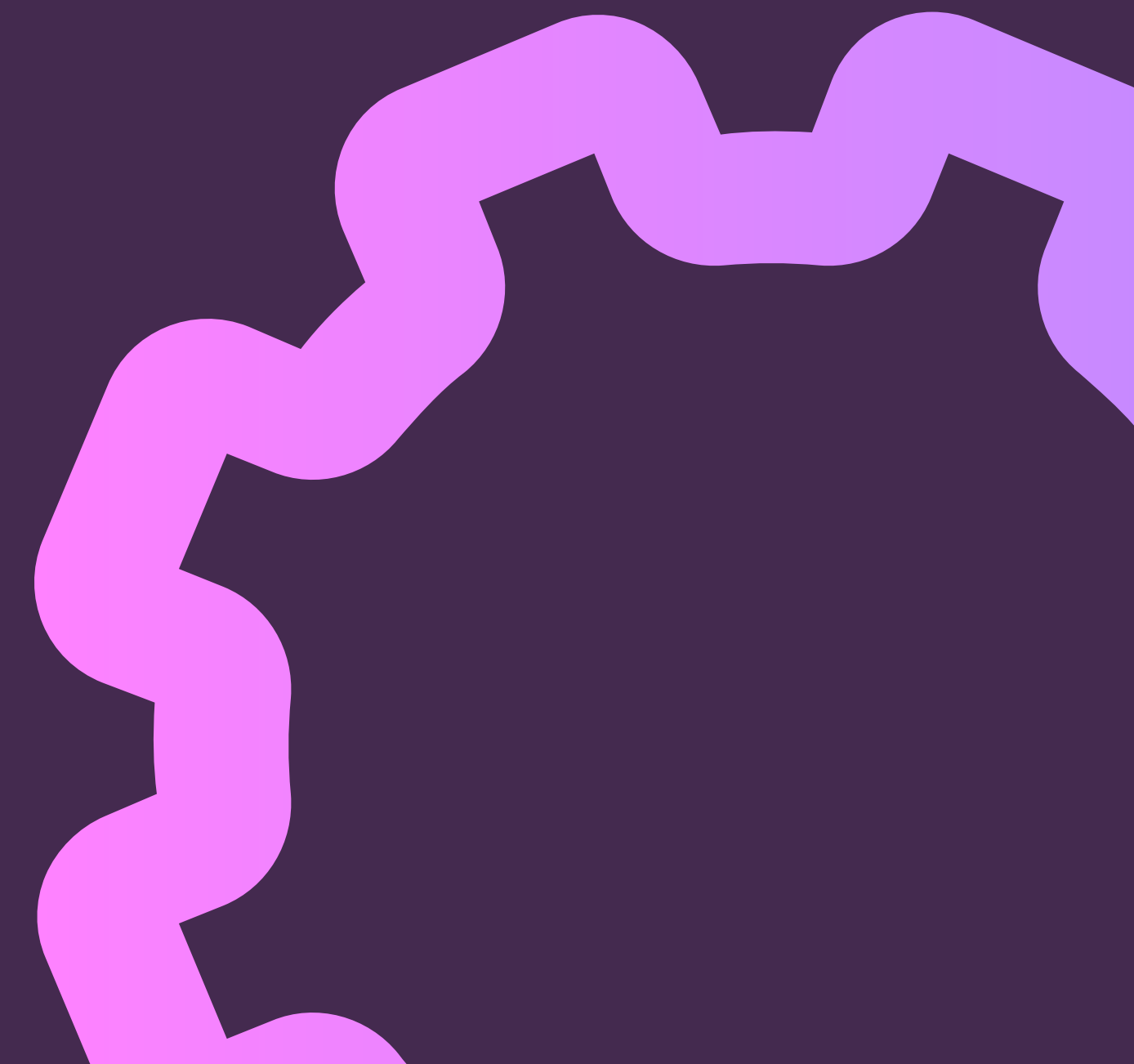


Sustainability frameworks and their interoperability

Expert advice on how to prime your business for
CSRD and work more efficiently by reaping the
benefits of interoperability

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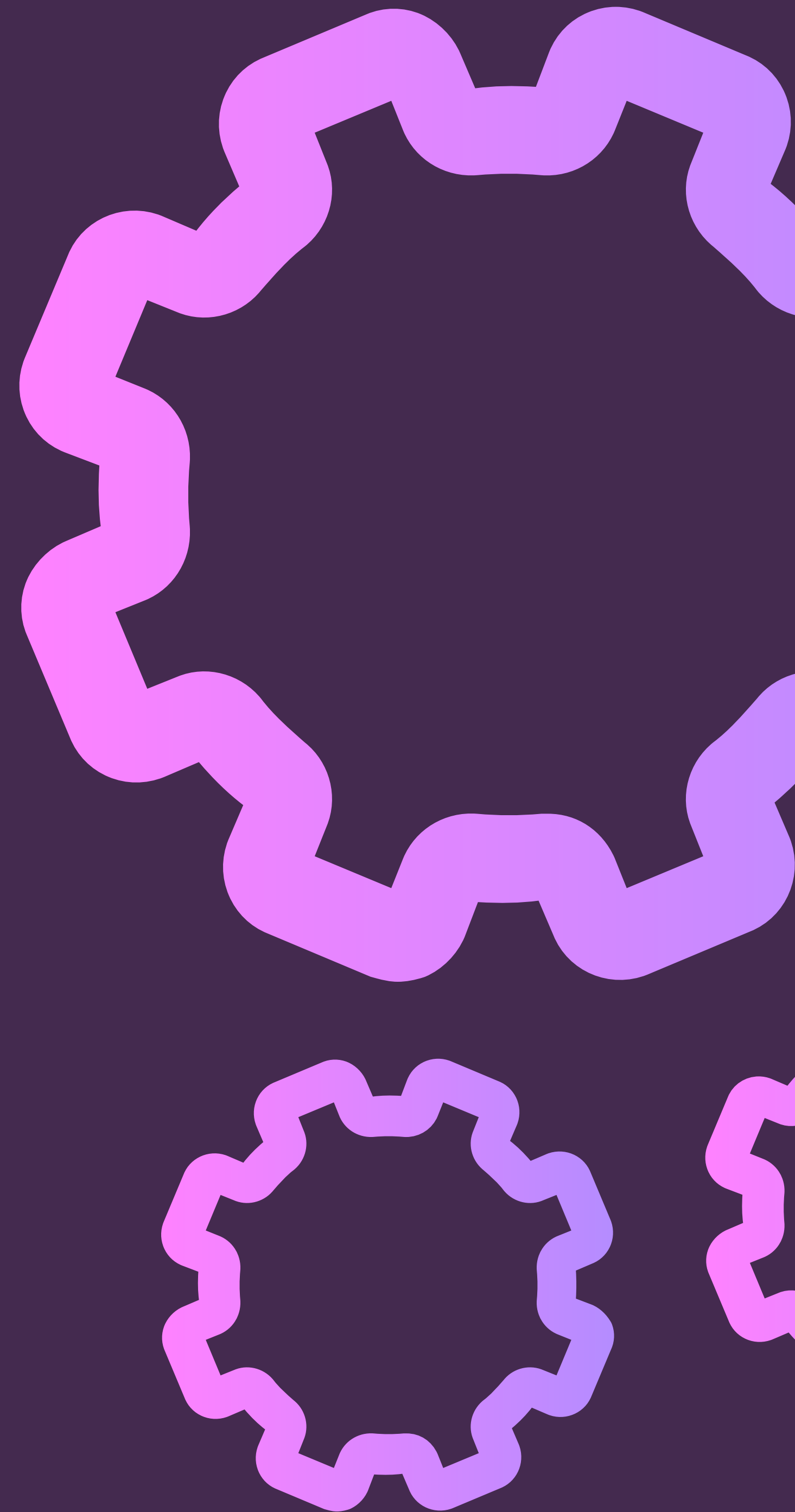
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What is interoperability?

There has been a proliferation of different sustainability standards, frameworks and regulations. Although this is ever-changing, the standard setters have broadly similar goals.

Interoperability aims to avoid the duplication of effort and ease the burden of reporting. It facilitates and enables comparability of sustainability reporting. The end goal is to support you to use your time and resources efficiently.

We help our clients to navigate the reporting landscape. This document is a handy reference with guidance and mapping tables to illustrate how the different standards interrelate.



CSRD and ESRS overview

Sustainability reporting has been evolving significantly over the past two decades. Originally, companies only reported financial metrics but as societal priorities shifted, companies began integrating ESG aspects into their disclosures. We saw the emergence of voluntary reporting frameworks, such as the Global Reporting Initiative (GRI), CDP and Sustainability Accounting Standards Board (SASB), which encouraged companies to report.

CSRD

The Corporate Sustainability Reporting Directive is the overarching sustainability framework announced by the European Commission.

Its goal is transparency in corporate sustainability reporting.

Major changes introduced regarding:

- Double Materiality Assessment
- Value Chain information to be included
- Mandatory Assurance
- Sustainability Statement to be included within financial documents.

ESRS

The European Sustainability Reporting Standards are the 'what and how' detail of the CSRD.

There is a full set of sector agnostic standards which cover a range of ESG issues.

Sector standards are currently being developed to help companies report on sector specific ESG issues.

ESRS is developed by the European Financial Reporting Advisory Group (EFRAG). They promote thought leadership and European perspectives in the International Accounting Standards Board (IASB) standard-setting process.

The key standard setters

GRI

The Global Reporting Initiative is a non-profit organisation that develops sustainability reporting standards (which are the most widely used in the world).

SASB

The Sustainability Accounting Standards Board aims to simplify and standardise the reporting language of sustainability efforts.

TCFD

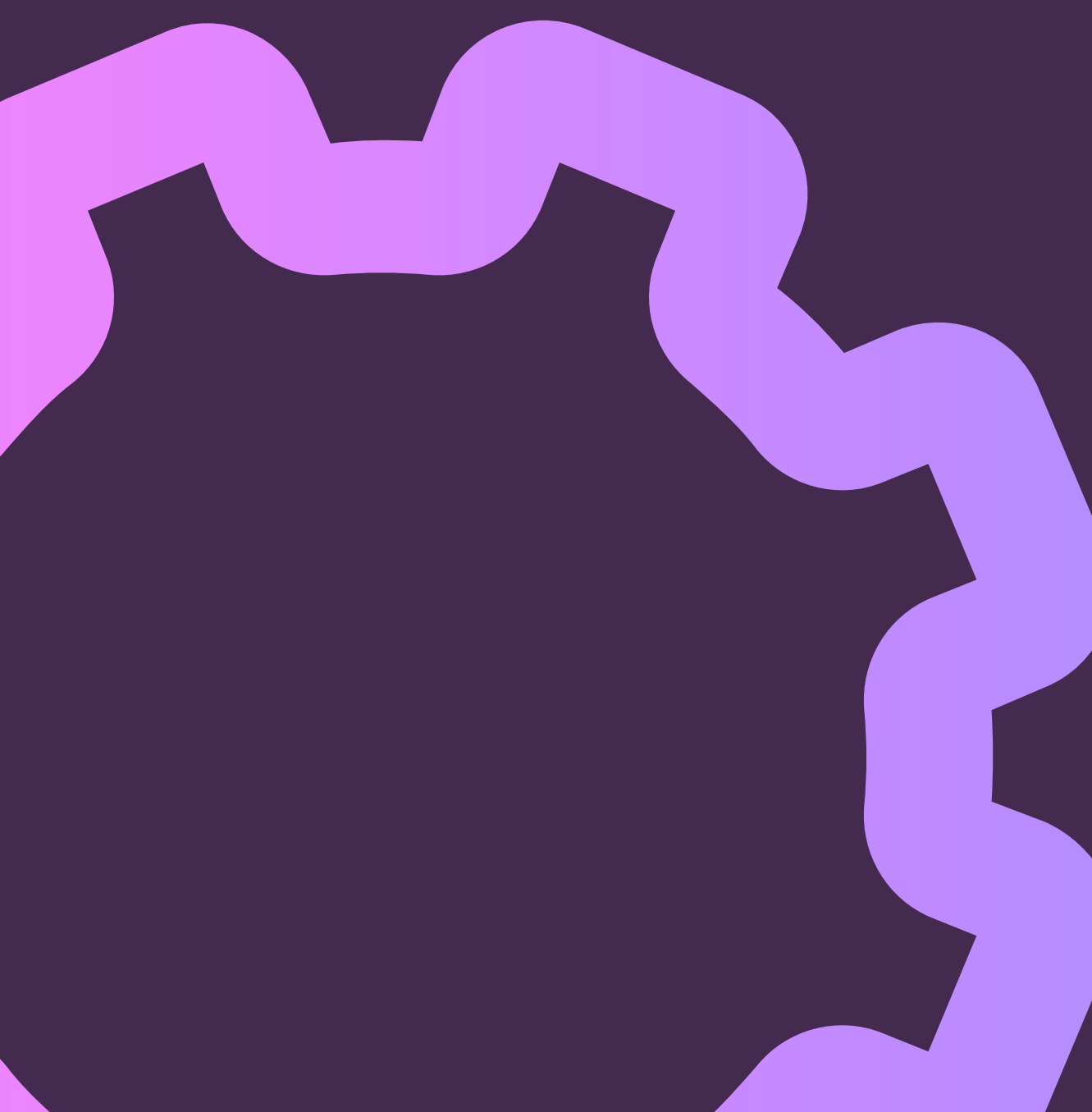
The Taskforce for Climate-Related Financial Disclosures is an international taskforce. Their recommendations are being adopted by organisations around the world.

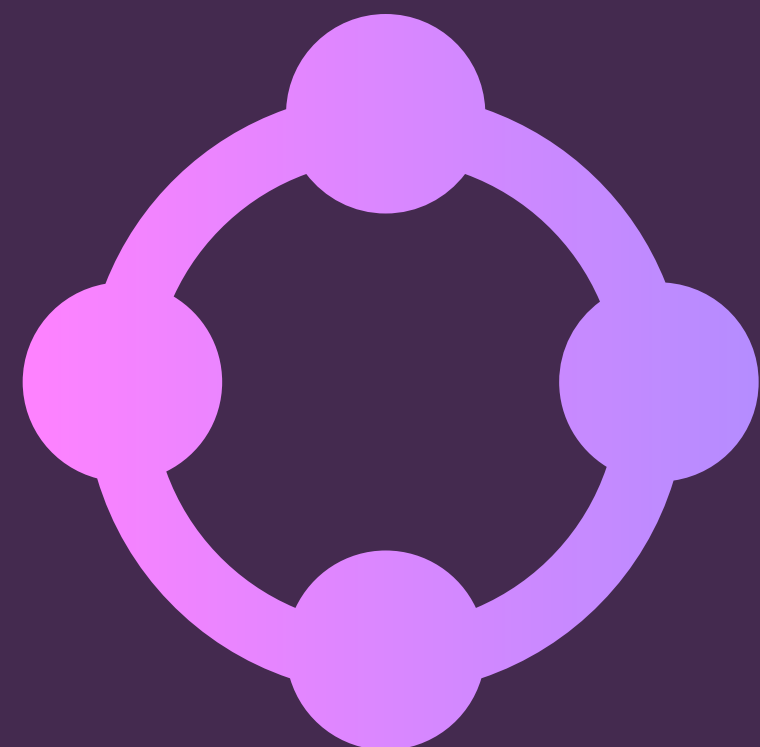
IFRS

The International Financial Reporting Standards are voluntary standards published by the ISSB. They are designed to enable companies to communicate to investors about the sustainability-related risks and opportunities they face.

TNFD

The Taskforce on Nature-related Financial Disclosures encourage and enable businesses to assess, report and act on their nature-related dependencies, impacts, risks and opportunities.





Integration into ESRS development

GRI ✓

EFRAG drew on existing GRI resources as a reference during ESRS development, GRI formally supported EFRAG standards development with TEG membership.

TCFD ✓

All 11 TCFD disclosures appear in ESRS standards.

IFRS S1 & S2 ✓

ISSB standards were considered as a reference source.

SASB ✓

SASB indicators were considered as a reference

CDP ✗

CDP was used as a reference source but there was no formal integration into ESRS development.

TNFD ✓

EFRAG aimed to maximise consistency between TNFD and ESRS standards during development.



Future alignment with CSRD planned?

GRI ✓

There is an agreement on future co-operation and co-development in place from 2023.

TCFD ✗

No, TCFD is now integrated into ISSB standards.

IFRS S1 & S2 ✓

There is a working group on co-operation in place.

SASB ✓

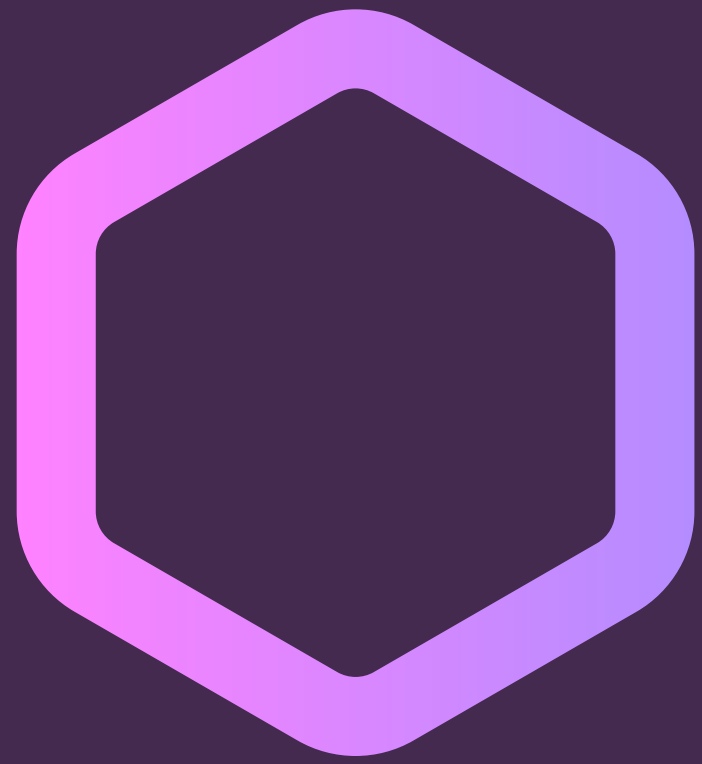
Future co-operation is planned in further sector indicator development.

CDP ✓

Co-operation between CDP and EFRAG was announced in November 2023.

TNFD ✓

Yes, Memorandum of understanding for future collaboration in December 2023 focussed on tools and reporting guidance.



Relevant datapoints

GRI

GRI disclosure requirements cover all ESG issues and are an important resource for data to prepare to disclose against ESSR.

TCFD

Disclosure of climate risks and opportunities in standard E1 should align with TCFD.

IFRS S1 & S2

S2 climate standard maps to many of the ESRS E1 data requirements, however there is less specificity on datapoints to disclose.

SASB

Sector-specific datapoints not found elsewhere. These may be critical to identify entity-specific disclosures.

CDP

CDP refers to other sources for datapoints but does offer guidance around the calculation of some specific KPIs included in its questionnaire.

TNFD

Offers nature-related indicators and links to other resources.



Benefits

GRI

Gap analysis of existing ESRS reporting against GRI can inform planning towards reporting compliance and the double materiality assessment.

TCFD

Ensure that disclosure of climate risks and opportunities, and the risk assessment methods and approach described, are aligned with ESRS and TCFD. Build off existing TCFD disclosures and internal knowledge and processes when preparing to report against ESRS.

IFRS S1 & S2

ESRS is generally more extensive than IFRS, but if IFRS compliance is anticipated, integrating IFRS guidance into disclosure preparations is highly advisable. This includes IFRS recommendation on financial materiality calculation.

SASB

SASB is a key source of sector and industry- specific metrics for the sectors which it covers. 11 sectors and 77 industries.

CDP

CDP collates leading practice into its questionnaire so can be helpful for horizon scanning. It also publishes some technical guidance.

TNFD

TNFD framework and tools, such as the LEAP approach, are a comprehensive approach to screening, assessing and managing



Limitations

GRI

ESRS standards are more extensive and detailed than GRI standards, with more specificity on how some indicators should be calculated. Impact materiality approach only.

TCFD

Climate only and focussed on financial climate risks and opportunities. No indicators and more limited in scope than ESRS. Financial materiality approach only.

IFRS S1 & S2

Only general sustainability and climate covered by standards so far. Few datapoints specified. Financial materiality approach only.

SASB

Financial materiality approach only. May not be applicable to all sectors.

CDP

Only covers climate, water, land use change, plastics and biodiversity. Is a questionnaire and associated guidance. Agnostic on materiality approach used, does not give guidance on materiality assessment.

TNFD

Only covers environmental topics. Agnostic on materiality approach used, does not give guidance on materiality assessment.

Overview of interoperability

	GRI	TCFD	IFRS	TNFD	SASB	CDP
Integration into ESRS development	EFRAG drew on GRI as a reference during ESRS development	All TCFD disclosures appear in ESRS standards	ISSB standards were considered as a reference source	EFRAG maximised consistency between TNFD and ESRS	SASB indicators considered as a reference source	Reference source, no formal integration
Mapping documents to ESRS published?	Yes	Published in 2022 - small differences to the final standards	Yes	Yes	No	Yes
Future alignment with CSRD planned?	Agreement in place since 2023	No	Working group now in place	Yes	Yes	Co-operation announced in 2023
Relevant guidance	Materiality assessment and reporting	Climate scenario analysis	Governance, strategy, financial materiality etc.	LEAP approach to nature impacts risks and opportunities	Sector-specific disclosures	Reporting and calculating datapoints
Relevant datapoints	Covers all ESG issues. Use to disclose against ESSR	Standard E1 disclosure should align with TCFD	S2 maps to many of the ESRS E1 data requirements	Nature-related indicators and links to other resources	Sector-specific data critical to entity-specific disclosures	Guidance around the calculation of some specific KPIs
Advice on use	Gap analysis of ESRS reporting can inform planning	Build off existing TCFD disclosures	Integrate IFRS guidance into disclosure prep	Use the wide range of relevant TNFD tools and resources	Key source of sector and industry-specific metrics	Use for horizon scanning and technical guidance
Limitations	ESRS standards are more extensive and detailed	No indicators and more limited in scope than ESRS	Limited datapoints specified	Only covers environmental topics	May not be applicable to all sectors	No guidance on materiality assessment



Relevant guidance

GRI

GRI guidance on materiality assessment and reporting is relevant to ESRS.

TCFD

Conceptual pillars are fully aligned with ESRS. Climate transition planning guidance broadly aligns with ESRS E1. TCFD has relevant guidance on climate scenario analysis.

IFRS S1 & S2

Guidance on the key pillars of Governance, Strategy, Risks and Opportunities, Metrics and Targets. Financial materiality assessment guidance.

SASB

Guidance on sector-specific disclosures.

CDP

Technical guidance on reporting and calculating datapoints.

TNFD

LEAP approach to Nature impacts risks and opportunities is a key resource for the approach relevant to environment in ESRS standards.

Get in touch for more information

Verco can help

Get in touch with our expert team if you have any questions about the disclosure process.

[Contact us to find out more](#)

Climate disclosure support

Find out how we can help you price climate risks and opportunities and direct capital accordingly.

[Download the service document](#)

