From: Aakanksha, Advisor, EY FAAS  
To: Ren, Senior Advisor, EY FAAS  
Date: 30/12/2024   
Subject: **Key considerations for meeting CSRD Disclosure Requirements – Draft email to client**

Hi Ren,

As requested, I have drafted the main content of the email addressed to Fi-Fintech outlining how we can help them in meeting the disclosure requirements under the CSRD (Corporate Sustainability Reporting Directive).

Please could you review and share your comments?

Dear Emily,

I hope this email finds you well. Following our recent discussion, I wanted to provide you with a high-level summary of the key considerations Fi-Fintech should address in navigating compliance with the CSRD requirements and how EY’s FAAS team can support your organization in this process.

**Key Considerations under the CSRD**

The CSRD introduces robust and detailed sustainability reporting requirements that will impact various facets of Fi-Fintech. Below are the primary areas to focus on:

1. **Comprehensive Sustainability Disclosures:**

* Fi-Fintech will need to disclose information on environmental, social, and governance (ESG) factors in alignment with the European Sustainability Reporting Standards (ESRS).
* Specific emphasis on material topics, including climate change, biodiversity, employee well-being, and corporate governance practices.

1. **Double Materiality Assessment:**

* Conducting a double materiality analysis to assess the impact of Fi-Fintech’s activities on the environment and society, as well as the risks these pose to the business.

1. **Data Collection and Reporting Systems:**

* Establishing robust systems to collect, validate, and report ESG data across Fi-Fintech’s operations in Germany and France.
* Addressing potential gaps in current data availability and quality.

1. **Governance and Internal Controls:**

* Ensuring strong governance structures to oversee sustainability reporting.
* Developing processes for the audit and assurance of reported data to meet the CSRD’s requirement for third-party verification.

1. **Alignment with Broader ESG Strategies:**

* Integrating CSRD reporting into Fi-Fintech’s broader ESG objectives to ensure consistency and alignment.

**How FAAS Can Help**

EY’s Financial Accounting Advisory Services (FAAS) team is well-equipped to support Fi-Fintech in achieving CSRD compliance through:

1. **Regulatory Expertise:**

* Staying updated on the latest regulatory changes and requirements related to sustainability reporting, including the CSRD.
* Helping Fi-Fintech understand specific disclosure obligations, deadlines, and nuances within the regulations.

1. **Gap Analysis:**

* Conducting a thorough assessment of current sustainability reporting practices and identifying gaps in compliance.
* Assisting in identifying the necessary data points and sources for compliance.

1. **Process Improvement:**

* Helping redesign internal processes to ensure efficient data collection, validation, and reporting.
* Recommending and implementing automation solutions to streamline these efforts.

1. **Data Management:**

* Establishing robust data governance frameworks to ensure data accuracy, consistency, and reliability.
* Implementing data quality checks and validation procedures.

1. **Reporting Framework:**

* Creating standardized reporting templates aligned with CSRD requirements.
* Guiding the development of meaningful narratives around sustainability performance.

1. **Training and Capacity Building:**

* Delivering training programs to upskill teams in sustainability reporting and compliance.
* Building internal capacity for sustainable reporting to manage future requirements.

1. **Assurance and Validation:**

* Providing assurance services to validate the accuracy and reliability of sustainability data and disclosures.
* Preparing Fi-Fintech for external audits related to sustainability reporting.

1. **Technology Solutions:**

* Recommending or developing software solutions tailored to sustainability data management and reporting needs.
* Ensuring seamless integration of sustainability data systems with existing financial and operational systems.

1. **Continuous Monitoring:**

* Offering ongoing support to help Fi-Fintech stay compliant with evolving CSRD requirements.
* Assessing risks associated with non-compliance and proposing mitigation strategies.

1. **Stakeholder Engagement:**

* Assisting in effectively communicating sustainability efforts to stakeholders, promoting transparency and trust.

**Next Steps**

If you have any questions or require further clarification on any of the points outlined above, please don’t hesitate to reach out. We can arrange a follow-up meeting to delve deeper into Fi-Fintech’s specific needs and discuss a roadmap for compliance.

We look forward to supporting Fi-Fintech on its journey toward CSRD compliance and enhancing its sustainability reporting framework.

Best regards,

Aakanksha  
Advisor, EY FAAS

Many thanks,

Aakanksha