



**ACCOUNTANCY
EUROPE.**

CFRR Meeting Vienna, Austria

Accountancy Europe: opportunities & challenges for the accounting profession on sustainability reporting

Hilde Blomme

Deputy CEO Accountancy Europe

6 December 2023

**WE REPRESENT
ACCOUNTANTS,
AUDITORS
& ADVISORS.**



**CLOSE TO 1 MILLION
PROFESSIONALS**



**26 EU
MEMBER STATES**

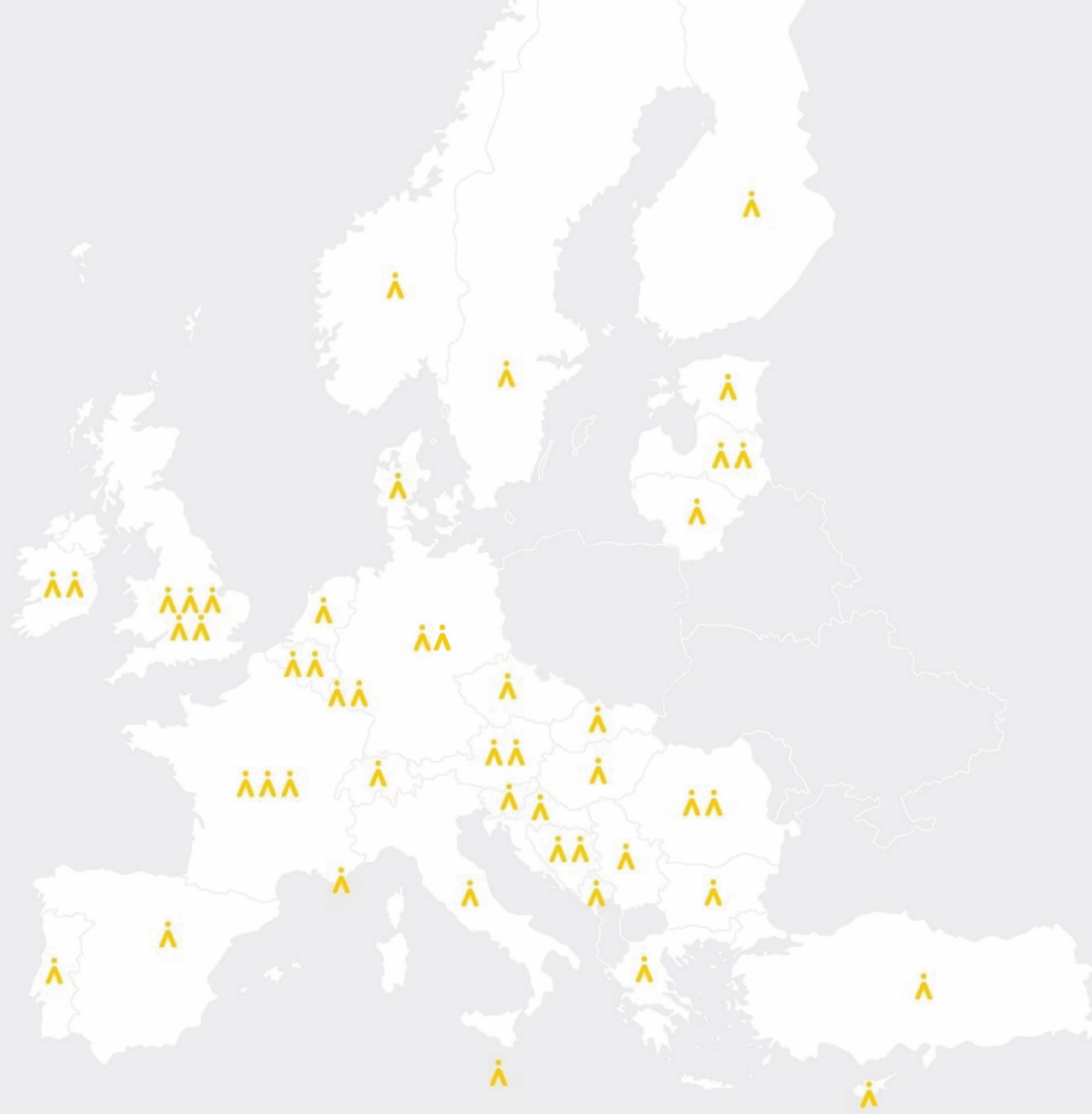


50 INSTITUTES



35 COUNTRIES

**BECAUSE
MEMBERS
COUNT.**



WHAT WE DO



Facilitate members **cooperation**



Dialogue with policymakers



Help shape the profession's **future**

3

OUR STRATEGIC PRIORITIES

Support a **sustainable & just transition**

Advance the **corporate governance ecosystem**

Shape the **profession's future & attractiveness**

ONGOING ACTIVITIES

- Corporate reporting
- SMEs (LCE)
- Tax

- Anti-money laundering
- Public sector
- Ethics

- Professional bodies' roles
- Digitalisation
- ...

Impact of EU law



**COMPANY
LAW**



TAX



ACCOUNTING



AUDIT



**ACCOUNTANCY
EUROPE.**



80%

of the legislation
applying to
accountants & their
clients

Profession's role & responsibility in sustainability



**Transition: our
prime public
interest duty**



MEASURE



ADVISE



REPORT



ASSURE

Corporate Sustainability Reporting Directive (CSRD) – Key Changes

- Expanding **scope** from 12k to 50k companies (large & up)
- Mandatory reporting in accordance with **European Sustainability Reporting Standards (ESRS)**
- **Digital tagging** of reported sustainability information in accordance with taxonomy
- **Requirement for (limited) assurance** over sustainability reporting
- Law transposition in EU Member States to be done **by 6 July 2024**

Accountancy Europe Sustainability Education Hub


Accountancy Europe [webpage](#) to showcase members' initiatives on sustainability education

Sustainability education initiatives

Facilitate exchange of experience & good practice on **sustainability education** among member bodies and raise awareness through:


- Accountancy Europe webpage to showcase members' initiatives on sustainability education
- Members' only webinar *Integrating sustainability into education across Europe*
- Members' only webinar *CSRD transposition trends*
- More to come ...

LAST UPDATED: MARCH 2022
SCOTLAND – ICAS




Sarah Miles, Director of Sustainability at ICAS, discusses what the Institute of Chartered Accountants of Scotland is doing regarding sustainability education and how ICAS supports their members with practical skills and knowledge.

LAST UPDATED: FEBRUARY 2022
SPAIN – ICJCE




Rafael San Jaime and Roger Domercq, responsible for Sustainability and for Education at the ICJCE respectively, and the current education offer at the Institute and the impact of their initiatives to help students navigate through sustainability related requirements that affect their education.

LAST UPDATED: MARCH 2022
SWEDEN – FAR



Karin Agnarsson, Secretary General and CEO at FAR, explains how the Institute for the Accounting Profession in Sweden has been leading professional education on sustainability for members.


LAST UPDATED: MARCH 2022
UK – AICPA & CIMA



Dr Jeremy Gwynne, FICMA, CCMA, CPA (UK), Global Head of Sustainability, AICPA & CIMA, explains how the Association of International Certified Professional Accountants has been leading specific sustainability, driving accounting and finance professionals to embrace their digital and green skills to help them with their skills and knowledge and support them to become leaders in ESG and to contribute to more sustainable, resilient, and modern future.

More information on:
 • [AICPA & CIMA's membership programme 2022/2023/2024/2025/2026](#)
 • [AICPA & CIMA and Environmental and Social Governance \(ESG\) and Sustainability](#)
 • [AICPA & CIMA's Sustainability and ESG Strategy](#)

LAST UPDATED: DECEMBER 2022
UK – ICAEW



Susanna D'Almeida, Head of CPD, Head of CPD, explains how the Institute of Chartered Accountants in England and Wales has been helping its members on the journey to a more sustainable business future.

14 November 2022
SUSTAINABILITY EDUCATION MEMBERS' INITIATIVES

Category: [Global Governance & Sustainability Learning](#)

Tags: [Accounting & Transparency](#) [Education - CPD/CPA](#) [Future Skills & Resilience](#) [Future Sustainable Reporting](#) [Non-financial assurance](#) [Non-financial reporting](#) [Sustainability](#) [Sustainable finance](#)



In June 2022, 22 member bodies reached an agreement on the Corporate Sustainability Reporting Directive (CSRD). The new EU-wide sustainability reporting requirements will impact over 50,000 companies. It also introduces a 10-year timeline for the implementation of CSRD for sustainability information.

The CSRD comes with additional educational requirements for the industry's workforce to provide assurance on sustainability information. They will have to acquire the necessary theoretical and practical knowledge on the areas of the required information. This is a major shift for the accounting profession and getting started with the following. Many small practices will rely on their professional skills to help them get ready to face up the new challenge.

Accountancy Europe serves as a platform to exchange experience and good practice among Member Bodies. The page introduces how they have responded to their members' and their professional education requirements. For more information contact [AccountancyEurope.com](#).

LAST UPDATED: MARCH 2022
FINLAND – ST-AKATEMIA

The Finnish Association of Auditors (Tilintarkastajat) has been working on [sustainability](#) within courses and education for its members. It has been responsible for sustainability in their education. It is a part of their work to ensure the members receive the necessary sustainability-related requirements.

In the summer of 2021, the Finnish Association of Auditors (Tilintarkastajat) has been working on sustainability information. The new members' [Tilintarkastajat](#) website has been updated to include sustainability information.

Watch on: [YouTube](#)

LAST UPDATED: DECEMBER 2022
GERMANY – IDW



Silke Weidmann, Head of Education at IDW, explains what the Institute of Public Auditors in Germany has been doing on sustainability education to support German auditors.

LAST UPDATED: JUNE 2022
IRELAND – CHARTERED ACCOUNTANTS IRELAND (CAI)



Chartered Accountants Ireland has new professional and post-qualification sustainability training for their members.

In 2021, CAI started off by integrating sustainability in a new qualification curriculum with the introduction of new concepts like Corporate Social Responsibility (CSR) and developing case studies adding their students to reflect their knowledge of CSR principles to bring to the right decisions.

CAI is working on professional development (CPD) framework (the current requirement regarding the relevant accountants' competences will cover relevant requirements and levels of knowledge, e.g., 'Start level will require basic knowledge + new level in the next).

CAI aims for their members to understand the challenges, identify the risks and to be able to come up with their own solutions on the basis of their own business.

LAST UPDATED: JUNE 2022
NORWAY – REVISOR FORENINGEN



Anette Rasmussen, Head of CPD, explains how the Institute of Chartered Accountants in Norway has been helping its members on the journey to a more sustainable business future.

Accountancy Europe sustainability initiatives



OUR MEMBERS' INITIATIVES IN SUSTAINABILITY EDUCATION

SUPPORTING HIGH-QUALITY ESRS IMPLEMENTATION

Webinar

📅 12 December 2023 (10:00 - 12:00)

[Add to my calendar](#)

8 June, 16:00 – 17:15 CEST

Developing green skills for finance professionals

Building capacity for a fair and sustainable transition

EUROPEAN YEAR OF SKILLS

Think Ahead ACCA ACCOUNTANCY EUROPE IFAC International Federation of Accountants



3-11 June 2023

#EUGreenWeek PARTNER EVENT



PREPARING FOR HIGH-QUALITY SUSTAINABILITY ASSURANCE ENGAGEMENTS

📅 3 October 2023 (14:00 - 17:00)

[Add to my calendar](#)

📍 ACE events, Av. d'Auderghem 22, 1040 Brussels, Belgium

[View on Google Maps](#)

Sustainability & SMEs

Our work to support SMEs and SMPs – an overview



ACCOUNTANCY EUROPE.

SME RISK MANAGEMENT: SUSTAINABILITY


FACTSHEET **JULY 2020**

HIGHLIGHTS

As the [backbone](#) of the European economy, SMEs are increasingly in the centre of the focus on sustainable transition.¹

This is because the relationship between SMEs and sustainability is increasingly interdependent, and it is no longer possible to ignore the impact of sustainability discussions on SMEs' business and markets. The sustainable transition needs the involvement of SMEs, while long-term resilient SME success cannot be achieved without the integration of sustainability considerations into their business strategies.

Thinking about sustainability can feel overwhelming for many small businesses that deal with everyday challenges and business survival, especially given the current unprecedented COVID-19 crisis (see our publication [COVID-19: 5 key steps for accountants to guide SMEs through the crisis](#)). Yet, the pandemic has demonstrated the urgent need for more resilient and sustainable business



ACCOUNTANCY EUROPE.

3-STEP SUSTAINABILITY ASSESSMENT FOR SMES


MAY 2021

with the support of **EUROPEAN ASSOCIATION OF COOPERATIVE BANKS**

WHAT IS THE 3-STEP SUSTAINABILITY ASSESSMENT?

Many small and medium-sized enterprises (SMEs) are busy with the day-to-day running of their business. It can be daunting for them to prioritise their business' sustainable transition. This sustainability assessment checklist helps SME accountants and advisors to support their SME clients to build their sustainability profile. It can be the first step to enable a smoother shift to more durable business models and translate these challenges into new opportunities.

This checklist follows-up on our publication [SME risk management: sustainability \(2020\)](#). We encourage users to adjust it according to evolving sustainability related developments, market, partners' and authorities' expectations, and different SMEs' needs¹.



ecopreneur.eu

ACCOUNTANCY EUROPE.

supported by **EUROPEAN ASSOCIATION OF COOPERATIVE BANKS**

5-STEP STARTING GUIDE TO A SUSTAINABLE TRANSITION FOR SMES

VIEWS **SEPTEMBER 2023**

HIGHLIGHTS

The sustainable transition is a collective effort and a matter for society as a whole. SMEs, as the backbone of Europe's economy, also have a key role to play. The transition poses challenges, but also offers opportunities. However, it can feel daunting to get started and to imagine how the sustainable transition affects the business, even before being fully informed.

This paper presents 5 first steps an SME can take to begin their sustainable journey. It is vital to initiate the process, even with small steps, and gradually start preparing the business for what lies ahead.

INTRODUCTION

Small and medium-sized enterprises (SMEs) are facing growing pressures and expectations to make their businesses more sustainable¹, and start reporting on their sustainability performance. Simultaneously, they are presented with new prospects, such as green finance and meeting consumer demands, which can bring about favourable business opportunities.

Some SMEs are already proactively taking steps to adapt their businesses. However, at the same time, many SMEs and their advisors are unsure about the expectations to meet and what standards or criteria to follow. Moreover, some sustainability matters may be more relevant for certain SMEs than others.

This paper suggests to SMEs and their advisors 5 initial steps any SME can take to begin their sustainability journey. It also describes general stages of the sustainable transition journey to enable SME owners to assess where they currently stand regarding sustainability.

The paper has been prepared in collaboration with [Accountancy Europe](#), [Ecopreneur.eu](#) – the European Sustainable Business Federation, and supported by the [European Association of Cooperative Banks \(EACB\)](#). It has also been informed by interviews with small and medium-sized accountancy practitioners (SMPs) from around Europe, offering sustainability services for SME clients.

SMES' SUSTAINABLE TRANSITION STAGES

Some SMEs are already more sustainable than large companies operating across the globe. Yet their full participation in the collective sustainable transition effort is pivotal.

Preparing for a sustainable transition can be a demanding task for many SMEs. Even businesses aware of the need to transition and plan to act early on can wonder where to begin. Sustainability needs to become central to how an SME thinks about every aspect of the business (often referred to as "integrated thinking"). That is why this section outlines 5 general stages of sustainable transition. This should enable businesses to assess where they stand and where they should start.

¹Sustainability means meeting the needs of the present without compromising the ability of future generations to meet theirs. It is often broken down into three


15 July 2022

INSIGHTS FROM SME ACCOUNTANTS: PRACTITIONERS HELP SMES GO GREEN

BY JESPER ESMAN ANDERSEN, ROESGAARD

Category

Tag



Jesper Andersen is an accountant in a medium-sized accounting firm in Horsens, central Denmark. For over 40 years, the practice has been supporting its diverse SME client base– ranging from 1-employee businesses to EUR 250 million turnover medium-sized companies. Last year, it opened a new service line: sustainability.

5 reasons why sustainability matters for SMEs

- Aims to answer the "why": SMEs are going through multitude of crises & challenges – where does sustainability fit in?
- Not rocket science! There are risks from not addressing sustainability & opportunities from doing so
- In collaboration with Ecopreneur (sustainable business association) & support of EACB
- From November 2023

5 REASONS WHY SUSTAINABILITY MATTERS FOR SMES

SMES

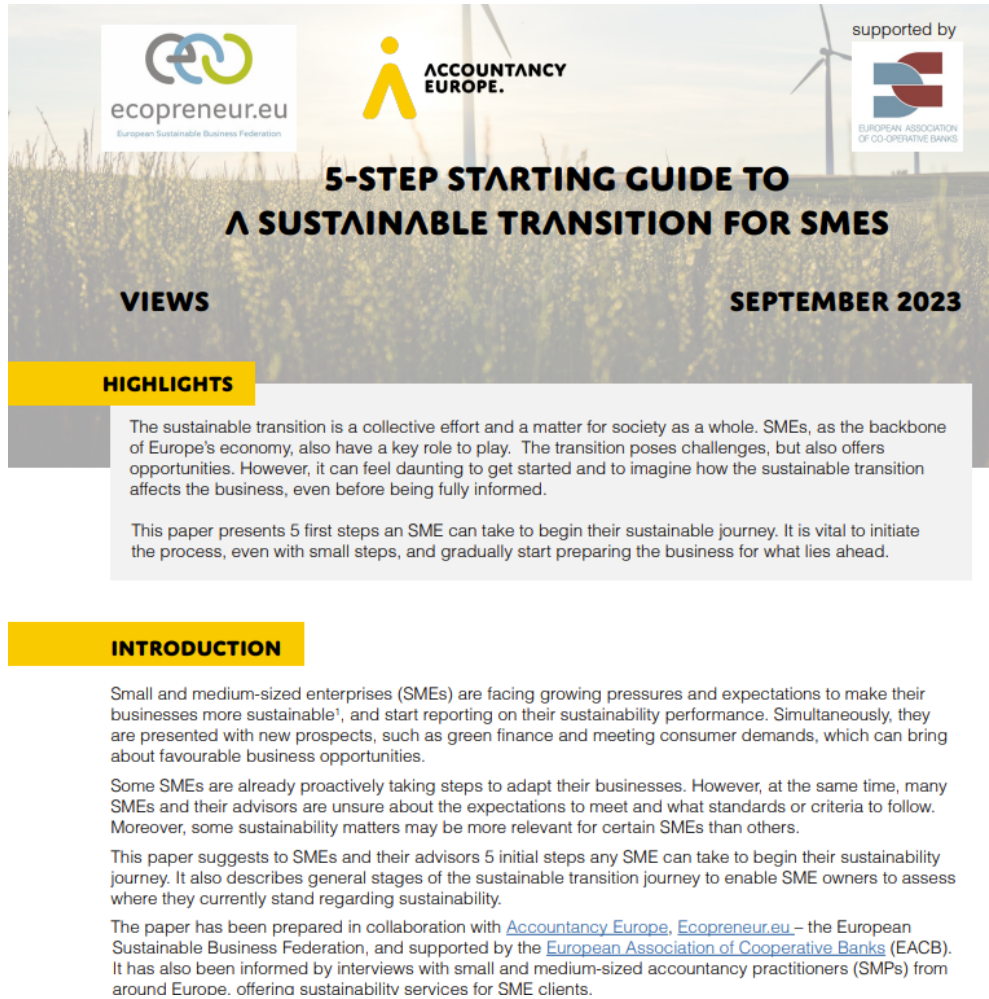


The sustainable transition is a collective effort and a matter for society as a whole. SMEs, as the backbone of Europe's economy, also have a key role to play. The transition poses challenges, but also offers opportunities. However, it can feel daunting to get started and to imagine how the sustainable transition affects the business, even before being fully informed.

This paper details 5 reasons for why SMEs should not wait to start transitioning to more sustainable business models.

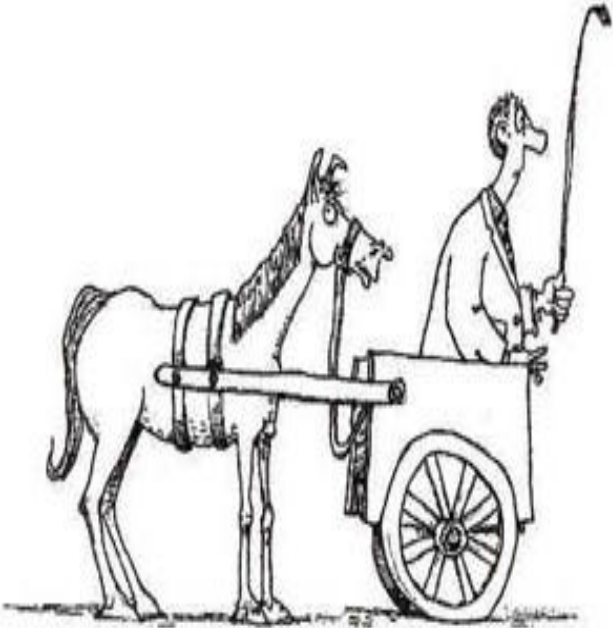
Written in collaboration with [Ecopreneur.eu](https://ecopreneur.eu) – the European Sustainable Business Federation, and supported by the [European Association of Co-operative Banks \(EACB\)](https://www.eacb.eu).

5 first steps for SMEs to take on sustainability



- A lot of confusion among SMEs: “sustainability”, CSRD, ESRS, CSDDD, banks’ ESG questionnaires... WHAT? HOW? WHEN?
- Paper’s idea: propose 5 first simple steps that any SME can take to get started
- Collaboration with Ecopreneur & EACB
- From September 2023

How to get started? The 5 first steps



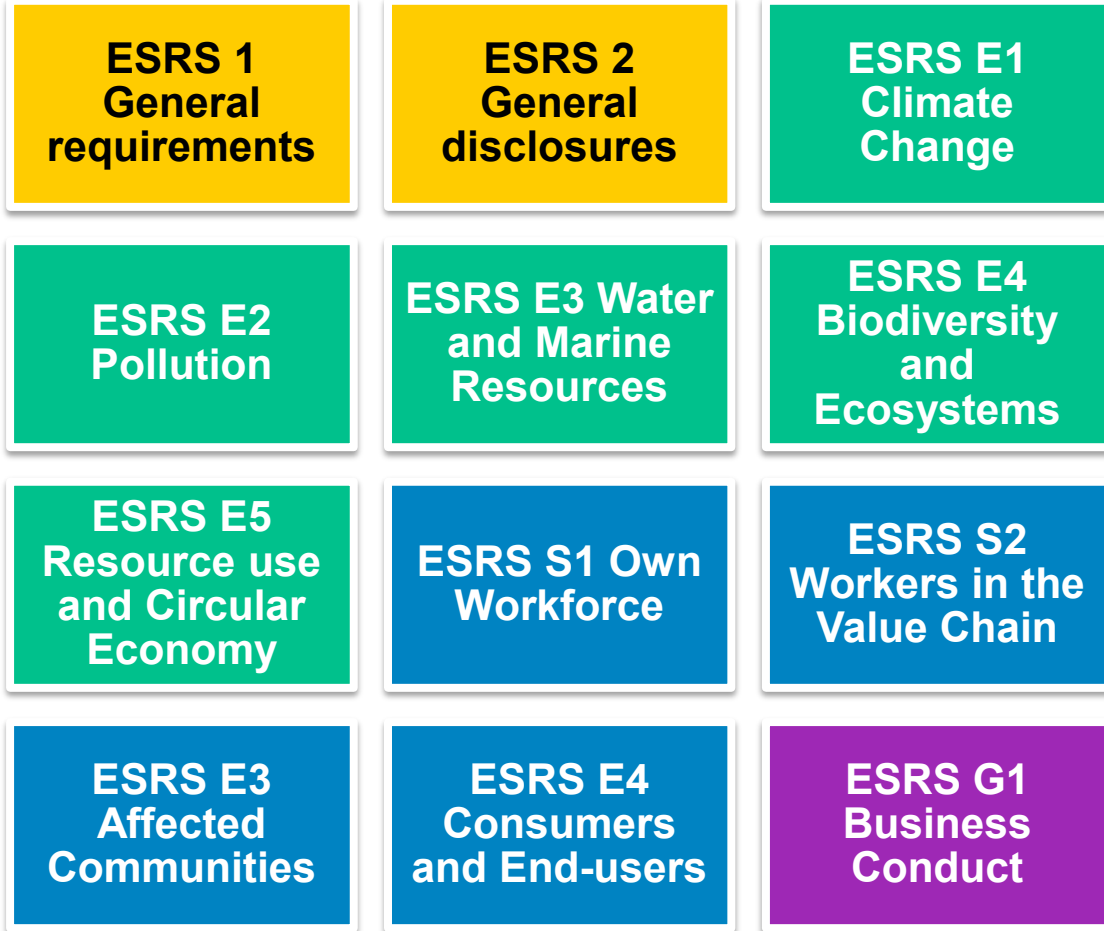
- **Don't put the cart before the horse!**
Reporting is the 'end-game', actions are what count

Small steps, big results:

1. Reach out to experts & support points
2. Reflect on business' future in the context of ESG transition (both impact on YOU and YOUR impact on society)
3. Identify what ESG data you might **ALREADY** have
4. Map out/analyse your value chain & identify key risks
5. Develop realistic targets & initial KPIs

Sustainability reporting and SMEs

ESRS state of play



22 OCTOBER 2023



Set 1 adoption of these 12 ESRS

Translation of ESRS



NEXT?

- *ESRS Q & A Platform*
- *EFRAG Guidance by Q1 2024*
 - *On Materiality*
 - *On Value Chain*
 - *Datapoint Inventory*
- *In 2024:*
 - **Listed SME standard**
 - **Voluntary SME standard**
- *Sector-specific ESRS: first batch by June 2026*
- *Standard for non-EU companies?*

JANUARY 2024



ESRS set 1 effective date

CSRD sustainability reporting – Impact on SMEs

Through the **value chain**

- Reporting request not to exceed Listed SME ESRS (LSME)
- SMEs in the value chain could be part of the materiality assessment
- 3 year phase-in period to provide info, not for materiality assessment



Voluntary **SME ESRS (VSME)**:

- 3 modules:
 1. Basic: 11 DR
 2. Narrative top-up: + impact materiality (PAT)
 3. Business Partners: + 10 DR
- Goal: align requests to SMEs from stakeholders & eliminate different questionnaires

LSME and VSME: EFRAG to open a 4-month consultation in January 2024

THANK YOU

STAY CONNECTED



@AccountancyEU

@AccountancySME



Accountancy Europe

**BECAUSE
QUESTIONS
COUNT.**