

CSRD TERMINOLOGY SHEET

Acronym	Meaning
CSRD	Corporate Sustainability Reporting Directive
ESG	Environment, Social and Governance
Project CSRD Synergy	An RSM workstream with two distinct working groups (assurance and advisory) that has been established to develop common methodologies, processes and technical training to meet the needs of our clients as they pertain to CSRD
Paris Agreement	A UN pact aiming to combat global warming
European Green Deal	The EU's plan for a sustainable economy, aiming to achieve carbon neutrality and environmental protection
GHG	Greenhouse Gases
EU Emission Trading System (ETS)	Regulates greenhouse gas emissions by assigning and trading allowances within the EU to reduce pollution
CBAM	Carbon Border Adjustment Mechanism: An EU policy intending to levy tariffs on imports based on their carbon footprint, aiming to prevent carbon leakage and incentivize global emissions reductions
SFDR	Sustainable Finance Disclosure Regulation: Requires financial firms to disclose environmental and social impacts in investment decisions
NFRD	Non-Financial Reporting Directive: The directive that preceded the CSRD that mandated large EU companies to disclose non-financial information regarding environmental and social aspects
Double Materiality	Refers to the consideration of financial impacts on a company by external ESG factors, and vice versa, recognising how a company's activities impact both financial performance and broader ESG contexts
ESRS	European Sustainability Reporting Standards: Established guidelines for companies to report ESG activity transparently
EFRAG	European Financial Reporting Advisory Group: Advises the European Commission on the development of financial reporting standards and policies
ISAE	International Standards for Assurance Engagements
ISAE 3000	Outlines principles for assurance engagements, guiding auditors assessing non-financial information like sustainability reports for reliability and credibility
ISAE 3410	Outlines assurance guidelines for auditors evaluating the fairness of greenhouse gas assertions in sustainability reports and disclosures
ISSA 5000	International Assurance Standards (Exposure Draft) 5000: A standard proposed by the ISSA that would serve as a comprehensive, standalone standard suitable for any sustainability assurance engagements
CSDDD	Corporate Sustainability Due Diligence Directive: Piece of EU legislation that will require EU and non-EU companies to conduct environmental and human rights due diligence across their operations, subsidiaries and value chains