



G&A GOVERNANCE &
ACCOUNTABILITY
INSTITUTE, INC.™

DFIN

XBRL Digital Tagging for CSRD & ESRS:

How Companies Can Meet the EU's New Digital Reporting Requirements

Presented by G&A Institute and DFIN

Created in
ActiveDisclosureSM
by **DFIN**

Introduction

The European Union's (EU) Corporate Sustainability Reporting Directive (CSRD) represents a fundamental shift in corporate transparency, requiring thousands of companies to expand their sustainability disclosures in significant ways. As part of this mandate, companies covered by the Directive must align their reporting with the European Sustainability Reporting Standards (ESRS) and file structured reports in a digital format to local regulators using the international standard known as XBRL (eXtensible Business Reporting Language). XBRL plays a crucial role in the CSRD process by enabling digital, structured, and machine-readable reporting. This shift to a digital format is designed to make data more comparable among companies, provide investors with more confidence in the information they use to determine investments, and provide wider stakeholders with sustainability information that is both accessible and verifiable.

For companies subject to the CSRD, the transition to XBRL-tagged reporting introduces new challenges. Organisations must not only ensure compliance with complex sustainability reporting frameworks but also integrate digital reporting processes into their existing financial and regulatory reporting workflows. This requires expertise in both the subject matter of environmental, social, and governance (ESG) reporting, as well as comfort with digital reporting standards and technology. G&A Institute and DFIN have partnered to offer companies a comprehensive solution, combining strategic sustainability reporting expertise with a cutting-edge support system for applying XBRL.

With support from G&A and DFIN, companies can turn the challenges of CSRD requirements into an opportunity for better managing corporate ESG efforts and providing higher-quality ESG information to all stakeholders. Together, we provide strategic guidance, reporting solutions, and XBRL expertise to help companies navigate the evolving regulatory landscape and streamline their compliance efforts.

This paper explores:

- the key requirements of the CSRD
- the role of XBRL
- how companies can streamline compliance by leveraging G&A's ESG expertise and DFIN's ActiveDisclosure platform

Background on EU CSRD and ESRS

The CSRD replaces and expands upon the EU's Non-Financial Reporting Directive (NFRD), broadening disclosure requirements for thousands of additional companies, including large private firms and non-EU entities with substantial European operations.

Under the CSRD, companies must align their reporting with ESRS, a framework for creating consistency across ESG disclosures. The ESRS aligns with global standards such as the International Sustainability Standards Board (ISSB), the Global Reporting Initiative (GRI), and the Task Force for Climate-related Financial Disclosures (TCFD), allowing companies to create reports that meet both EU requirements and wider investor expectations.

A critical aspect of CSRD compliance is the requirement for digitally tagged reports using XBRL, making sustainability disclosures machine-readable, verifiable, and comparable across sectors.

For a company to effectively transition to CSRD-compliant reporting, it must take on several challenges, including:

- **Data Collection and Integration** – Aggregating accurate ESG data across global operations is complex.
- **ESRS Disclosure Complexity** – Determining which ESG topics and data points to report requires expertise.
- **XBRL Tagging Requirements** – Companies must apply ESRS XBRL taxonomies, a highly technical process.
- **Assurance and Regulatory Scrutiny** – The CSRD mandates third-party assurance, increasing the need for precise, auditable ESG data.

Addressing these challenges requires a strategic approach combining sustainability knowledge with advanced software-as-a-service (SaaS) reporting solutions—the core expertise of G&A Institute and DFIN.

Introduction to XBRL: Requirements and Benefits in Corporate Reporting

Why does CSRD require digital tagging?

The European Financial Reporting Advisory Group (EFRAG) – a private association that supports the EU in its development of corporate sustainability reporting frameworks – has developed a taxonomy, or a set of topics found in the ESRS standards that can be used to tag reporting and ensure it is standardised, while also streamlining data collection.¹

To whom does the digital tagging requirement apply?

Until the CSRD began to take effect on 1 January 2024, the requirement that companies file their annual reports using XBRL – or ESEF (European Single Electronic Format) more broadly – applied to listed entities in Europe. But with the phasing in of the CSRD last year, all companies covered by CSRD reporting requirements must now use Inline XBRL (iXBRL) to mark up the annual report's sustainability disclosures, which tags each disclosure to an item in the ESRS taxonomy.²

¹ As of April 2025, the proposed taxonomy remains under consideration by the European Securities and Markets Authority. We expect the European Commission to adopt the standards as an amendment to its Delegated Regulation on the European Single Electronic Format (ESEF).

² The ESEF reporting format requires that management reports be prepared in XHTML format with markup using iXBRL, and that the sustainability information cover the disclosures indicated in Article 8 of the Regulation 2020/852 (Taxonomy Regulation).

What is the standard language for digital tagging?

XBRL is a computer language based on XML code used for the electronic communication of business report information. XBRL, which is machine-readable, allows automatic data exchange, validation, and analysis, but is not human-readable.

Inline XBRL (iXBRL) is an international standard that merges machine-readable business reporting data into a human-readable XHTML page. iXBRL is a format used for embedding XBRL into human-readable documents, like Extensible Hyper Text Markup Language (XHTML) web pages.

Three Key Benefits to Using XBRL:

- **Taxonomies Define Reporting Structures** – XBRL uses predefined taxonomies (such as the ESRS taxonomy under the CSRD) to standardise ESG reporting across companies and industries.
- **Tagging Ensures Consistency** – Each reported data point is assigned an XBRL tag, enabling automated analysis and regulatory review.
- **Validation and Accuracy** – XBRL-tagged reports undergo validation checks, reducing errors and ensuring compliance with regulatory requirements.



ActiveDisclosure
auto-scans for
missed tags

GAIA Q3 2022 10-Q

Donnelly Financial Solutions, Inc. and Subsidiaries ("DFIN")
Condensed Consolidated Balance Sheets
(in millions, except per share data)
(UNAUDITED)

	March 31, 2021	December 31, 2020
ASSETS		
Cash and cash equivalents	\$ 18.5	\$ 73.6
Receivables, less allowances for expected losses of \$12.6 in 2021 (2020 - \$10.7)	215.3	175.5
Inventories	8.5	4.9
Prepaid expenses and other current assets	17.8	9.7
Assets held for sale	5.5	5.5
Total current assets	265.6	269.2
Property, plant and equipment, net	12.3	12.0
Right-of-use assets	48.6	52.5
Software, net	10.9	51.2
Goodwill	119.0	109.9
Other intangible assets, net	1.6	9.8
Deferred income taxes, net	10.2	24.0
Other noncurrent assets	29.0	29.0
Total assets	\$ 497.1	\$ 657.6
LIABILITIES		
Accounts payable	\$ 19.8	\$ 54.2
Accrued liabilities	61.0	148.3
Total current liabilities	80.8	202.5
Long-term debt	32.7	230.5
Deferred compensation liabilities	10.0	20.8
Pension and other postretirement benefits plan liabilities	18.7	51.0

Why is Digital Tagging Important?

The main goal of the ESEF mandate is to modernise financial and sustainability reporting, with the benefits of enhancing transparency, accessibility, and comparability of annual reports, as well as making ESG data more widely available to regulators and investors, with the hope that this will encourage investment and technological innovation to advance a sustainable future.

Moreover, mandating financial and sustainability statement submissions in XBRL is expected to ensure data provided by companies is of higher quality and therefore more widely used by regulators, investors, and analysts.

Beyond regulatory compliance, XBRL offers several operational and strategic advantages:

- **Improved Data Integrity** – Ensures that ESG disclosures are complete, accurate, and aligned with financial statements.
- **Efficient Reporting Workflows** – Automates parts of the reporting process, reducing manual effort and the risk of errors.
- **Better Decision-Making for Investors and Stakeholders** – Facilitates clearer insights into ESG risks and opportunities.
- **Global Interoperability** – Aligns sustainability reporting with other disclosure frameworks like ISSB, GRI, and TCFD.

Changes on the Horizon

A new proposal emerged from the European Commission in February 2025 seeking to simplify and lighten the sustainability reporting burden for companies. The proposed "omnibus package" pares back requirements of the CSRD but aims to maintain its foundational principle of double materiality and its alignment with ESRS standards. In this way, the rules would preserve some transparency and data accessibility. The Omnibus proposal, introduced in February 2025, aims to streamline the CSRD while maintaining its foundational double materiality principle and alignment with the ESRS. These adjustments reduce the regulatory burden on companies while preserving transparency and data accessibility.

The omnibus proposal would bring the following key changes to the CSRD:

- **Higher Threshold for Compliance** – The employee threshold for mandatory reporting increases from 250 to 1,000 employees, removing many companies from the legal reporting requirement. However, value chain transparency remains critical, meaning large companies may still voluntarily request ESG data from suppliers and business partners.
- **Extended Reporting Timelines** – The second wave of CSRD reporting (large companies) is delayed from 2026 to 2028, and third-wave companies (listed SMEs) are relieved of their reporting obligations. This shift buys time for companies to prepare but also creates uncertainty about future regulatory shifts.
- **Simplified ESRS Standards** – The European Commission will reduce the number of mandatory data points and eliminate sector-specific standards, making compliance less complex while still maintaining alignment with global ESG frameworks.
- **Limited Assurance Only** – The planned transition from limited to reasonable assurance has been eliminated, easing compliance burdens but shifting the responsibility onto companies to ensure their data credibility remains strong for investors, regulators, and other stakeholders.

Why XBRL Still Matters—Even If CSRD Becomes Voluntary for Some

While the Omnibus proposal reduces mandatory compliance, the need for structured, reliable ESG data remains unchanged. Investors, regulators, customers, business partners, and other important stakeholders still expect transparency, and XBRL plays a crucial role in ensuring that sustainability data is useful, credible, and accessible.



Investor Confidence – Institutional investors rely on machine-readable XBRL disclosures to assess ESG risks and opportunities consistently across markets.



Regulatory Alignment – Even if a company is not legally required to report under the CSRD, other regulations (such as California's climate laws, Canada's climate laws, or others) may require structured sustainability data.



Competitive Differentiation – Companies that continue to digitally report in XBRL will be better positioned for future regulations and meet stakeholder expectations proactively, rather than scrambling to adapt later.



Operational Efficiency & Data Quality – XBRL ensures standardisation, reducing manual errors and making ESG data more assurable and usable across financial and sustainability reporting teams.

The CSRD's evolution does not eliminate the demand for structured ESG data for the companies that are no longer legally required to comply with the CSRD—it simply shifts who is driving the expectation from regulators to investors, customers, other stakeholders and market forces. Companies that continue leveraging XBRL for ESG reporting will be better prepared, more transparent, and more resilient in an era of increasing sustainability scrutiny.

Services to Support the Transition

Given the complexities of XBRL adoption, companies find they must invest in expert guidance and technology solutions to ensure a smooth transition. G&A Institute helps organisations prepare ESG data and align disclosures with regulatory requirements, while DFIN's ActiveDisclosure platform simplifies the XBRL tagging and submission process, ensuring full compliance with CSRD mandates.

ActiveDisclosure by DFIN: Secure Reporting with Cloud-based, XBRL-enabled Software

Meet financial, regulatory, and CSRD requirements accurately and securely with Excel-based, single-source data management, easy team collaboration, and improved workflows. Built by DFIN on a secure platform that meets the highest security standards in the industry, ActiveDisclosure includes ESRS-aligned XBRL tagging to help ensure reports are accurate and compliant with the CSRD.

ActiveDisclosure has a simplified user interface, is cloud-based, and leverages Microsoft Office and other software. Featuring tools to simplify communication and collaboration within teams and across departments, ActiveDisclosure is supported 24/7/365 by DFIN experts to ease a company's burden when creating, drafting, and reporting against the CSRD.

The tool features intelligent ESRS-aligned iXBRL tagging. The software, combined with DFIN's XBRL experts, takes the complexity out of compliance by making it easy to avoid common mistakes in ESRS XBRL tagging.

ActiveDisclosure also facilitates a streamlined review process between users and DFIN experts, including automated disclosure comparisons, ESRS validation reporting, collaboration, commenting, and approvals.

Choose the Leading Global Software to Simplify ESEF and CSRD ESRS Annual Reporting



PURPOSE-BUILT

Core tools you need for successful and efficient ESEF and CSRD ESRS-periodic reporting, without extra functionalities you'll never use.



INTUITIVE

Easy-to-use software that automates any financial, operational, or sustainability reporting process.



EFFICIENT

Streamline reporting with features like data, table, and chart linking, commenting, tasking, review tools, intelligent iXBRL tagging, and simple implementation in 1-2 weeks.



CONNECTED

Simple integration to your current data sources and tech stack (e.g. Excel/MS Office, ERP) allows you to control your data and review workflow the way you want to.



EXPERT-DRIVEN

24/7/365 support by European DFIN ESEF reporting experts dedicated to your success.



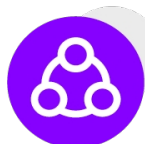
SECURE

Best-in-class, built-in security tools, including single sign-on, ensure mitigation of data and risk.



STYLISTED

Presentation & design capabilities that allow you to amplify your brand and create impactful messaging to all your stakeholders.



COLLABORATIVE

Real-time collaboration features like team & task notifications, track changes, tie-outs, & comments.

G&A's Expertise in Sustainability Reporting

As a leading provider of sustainability reporting services, the G&A Institute team leverages decades of experience helping organisations meet the evolving demands of ESG disclosure and stakeholder expectations. Our team specialises in guiding companies through ESG frameworks, materiality assessments, sustainability strategy development, and compliance with reporting standards. These include GRI, ISSB, TCFD, SASB, and now ESRS under the CSRD.

The G&A Institute team's role in CSRD compliance includes:

- **Materiality Assessment and Gap Analysis** – Helping companies determine which ESRS disclosures are required and identifying data gaps that need to be addressed.
- **Data Management and ESG Integration** – Assisting in structuring sustainability data to align with financial reporting and digital compliance requirements.
- **Regulatory Alignment and Best Practices** – Ensuring that CSRD reports are compliant, comprehensive, and aligned with industry-leading sustainability practices.
- **Writing and Design** – G&A's experienced writers, editors, and designers on staff ensure that we can take a company's report from initial strategy all the way to stylised publication.
- **Training and Advisory Services** – Educating internal teams on ESRS requirements and digital reporting obligations, including how to effectively integrate sustainability and financial disclosures.

By partnering with DFIN and its ActiveDisclosure platform, G&A helps clients ensure that their sustainability reports are not only compliant but also strategically positioned to enhance transparency, investor confidence, and long-term ESG performance.

Key Benefits for Companies

- **Streamlined Compliance** – Our combined expertise simplifies the complex process of ESRS disclosure, materiality assessment, and XBRL tagging.
- **Enhanced Data Accuracy and Transparency** – Ensuring sustainability disclosures are structured, verifiable, and aligned with financial reporting requirements.
- **Seamless XBRL Integration** – Leveraging DFIN's ActiveDisclosure to simplify the XBRL tagging process, reducing the burden on internal teams.
- **Regulatory Readiness** – Proactively addressing CSRD assurance requirements and potential regulatory scrutiny.
- **Interoperability across Standards** – Ensuring compliance with multiple sustainability frameworks, including GRI, ISSB, SASB, TCFD, and emerging regulations such as California Climate Rules (SB253, SB262, AB1305).

Our Collaboration

For organisations preparing to comply with CSRD, the collaboration between G&A Institute and DFIN offers unique, definable, and significant advantages.

By leveraging G&A's strategic sustainability guidance and DFIN's deep technical expertise in XBRL digital reporting, companies can navigate CSRD requirements with confidence..

For companies facing CSRD compliance deadlines, the time to act is now. Implementing a structured approach to sustainability data management, ESRS reporting, and XBRL tagging requires both strategic expertise and digital reporting technology.

Invitation to Engage with G&A and DFIN

G&A Institute and DFIN have deep expertise in guiding organisations through CSRD compliance and XBRL reporting. Our partnership provides a seamless, end-to-end solution that combines:

- Sustainability reporting expertise to ensure ESRS-aligned disclosures
- Advanced XBRL technology through DFIN's ActiveDisclosure platform
- Regulatory and assurance readiness to prepare for external audits and investor scrutiny

Whether your company is at the beginning of its CSRD journey or refining a more advanced digital reporting strategy, G&A and DFIN can help you achieve compliance, enhance reporting accuracy, and foster more meaningful stakeholder engagement.

Resources for Further Learning

To stay ahead of CSRD and XBRL requirements, we invite you to explore:

- **Webinars and Training Sessions** on ESRS reporting and XBRL implementation
- **Industry Insights and Best Practices** from G&A Institute's sustainability experts
- **Technology Demos and Advisory Sessions** with DFIN's XBRL specialists



Contact Information and Next Steps

To discuss your organisation's CSRD compliance strategy and explore how G&A Institute and DFIN can support your reporting needs, contact us today:

G&A Contact: ga-institute.com/contact

DFIN Contact: dfinsolutions.com/contact

About DFIN

DFIN is a leading global provider of innovative software and technology-enabled financial regulatory and compliance solutions. We provide domain expertise, enterprise software and data analytics for every stage of our clients' business and investment lifecycles. Markets fluctuate, regulations evolve, technology advances, and through it all, DFIN delivers confidence with the right solutions in moments that matter. Learn about DFIN's end-to-end risk and compliance solutions online at DFINSolutions.com or you can also follow us on X (formerly Twitter) @DFINSolutions or on LinkedIn.

About G&A Institute

Founded in 2006, Governance & Accountability Institute, Inc. (G&A) is a sustainability consulting and research firm headquartered in New York City. G&A helps corporate and investor clients recognize, understand, and develop winning strategies for sustainability and ESG issues to address stakeholder and shareholder concerns. G&A's proprietary, comprehensive full-suite process for sustainability reporting is designed to help organizations achieve sustainability leadership in their industry and sector and maximize return on investment for sustainability initiatives.

Since 2011, G&A has been building and expanding a comprehensive database of corporate sustainability reporting data based on analysis of thousands of ESG and sustainability reports to help steer strategy for our clients and improve their disclosure and reporting. More information is available on our website at ga-institute.com.