

Accelerating ESG Progress: The Latest On CSRD & Unveiling New ESG Solution



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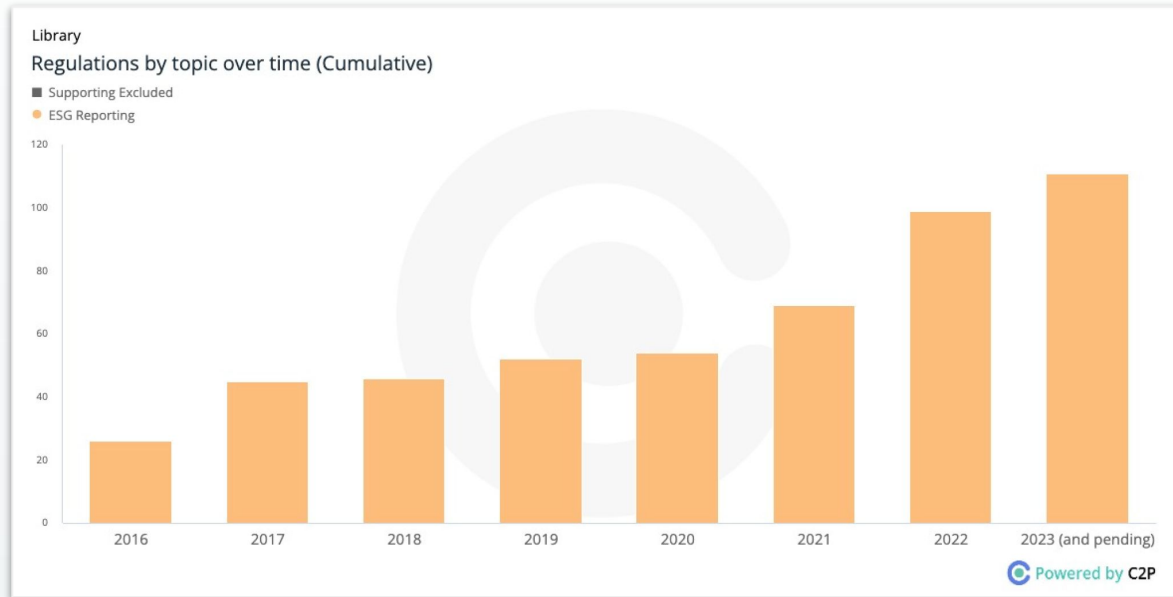
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Chief Marketing Officer



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Chief Product Officer

15 March 2023

Regulations are Increasing



THE TIME TO ACT IS NOW

Deadlines are looming around the world...

APRIL 2023
Climate disclosures rule in USA & Global ISSB Standards

OCTOBER 2023
Carbon Border Adjustment in EU

JANUARY 2025
Large EU companies not subject to NFRD to prepare for CSRD

JANUARY 2024
Large EU companies subject to NFRD to prepare for CSRD

JANUARY 2023
Supply Chain & Taxonomy Regulations in EU & Germany

JUNE 2023
EFRAG's EU Sustainability Reporting Standards (ESRS)

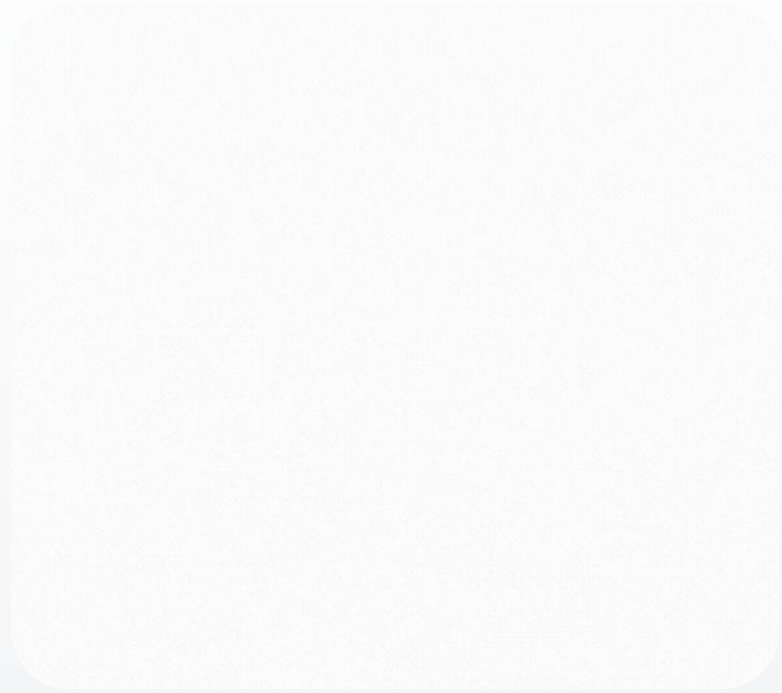
JUNE 2024
EFRAG's EU sector specific reporting standards

JANUARY 2026
EU listed-SMEs to prepare for CSRD

JANUARY 2028
Non-EU parent companies to prepare for CSRD

Pressure is Building...

Immense pressure to incorporate ESG including climate disclosures into company strategy in order to create a sustainable business & value for shareholders.

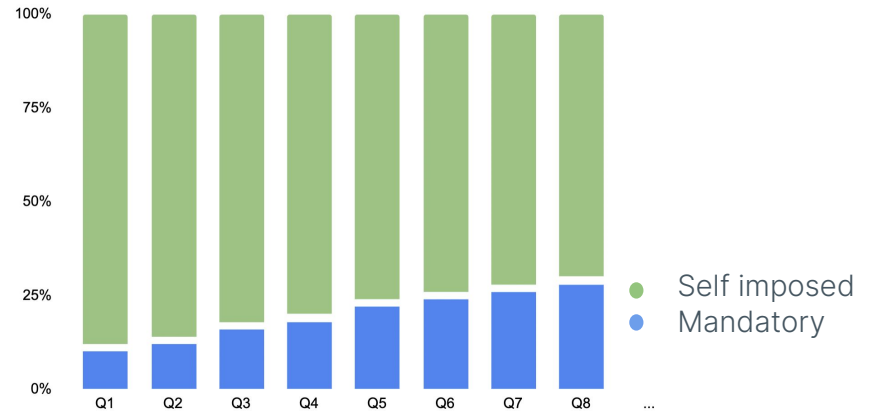


GROWTH IN REGULATIONS

The Starting Point... →

Focus on
Mandatory Obligations

ESG Reporting Obligations



Source: C2P

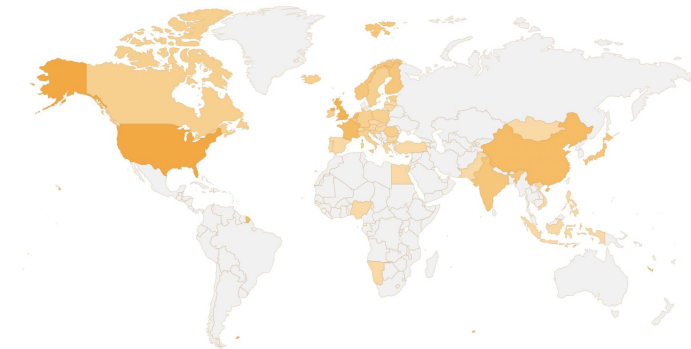
GROWTH IN REGULATIONS

But..What's Mandatory is also Growing

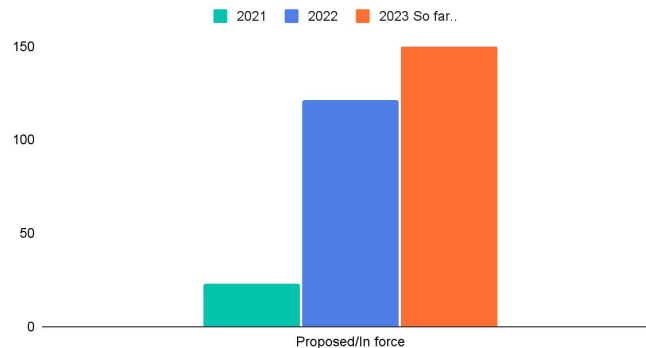


Making it increasingly difficult to maintain compliance

Global ESG Regulatory Density



Increasing trend in Mandatory ESG Regulations



Mission Statement

“Our goal is to ensure global companies have the tools & information to build safe, sustainable, products in a world full of change”



85k+
Regulations

195
Countries

20+
Industries

27
Languages

30
Global Network
Partners

9.6k
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CSRD Overview & Impact

Non-Financial Reporting Directive (NFRD)

Since 2014, “public interest entities” with more than 500 employees have been required to report on the following non-financial matters in the EU:

- Environmental matters
- Social matters and treatment of employees
- Respect for human rights
- Anti-corruption and bribery
- Diversity on company boards (age, gender, educational and professional background)

Absence of reporting format - “Alphabet soup” of standards:

Companies were free to choose from several reporting standards, such as GRI (Global Reporting Initiative), SASB (Sustainability Standards Board), UNGC (United Nations Global Compact) or TCFD (Task Force on Climate-related Financial Disclosure).

Corporate Sustainability Reporting Directive (CSRD)

Entered into force on 5 January 2023.

Third Pillar of EU's sustainability reporting framework alongside the **EU Taxonomy Regulation** and the **SFDR**.

Ensure investors and other stakeholders have access to the information they need to assess investment risks arising from climate change and other sustainability issues.

Create a culture of transparency about the impacts of companies on people and the environment.



What Companies are In Scope?

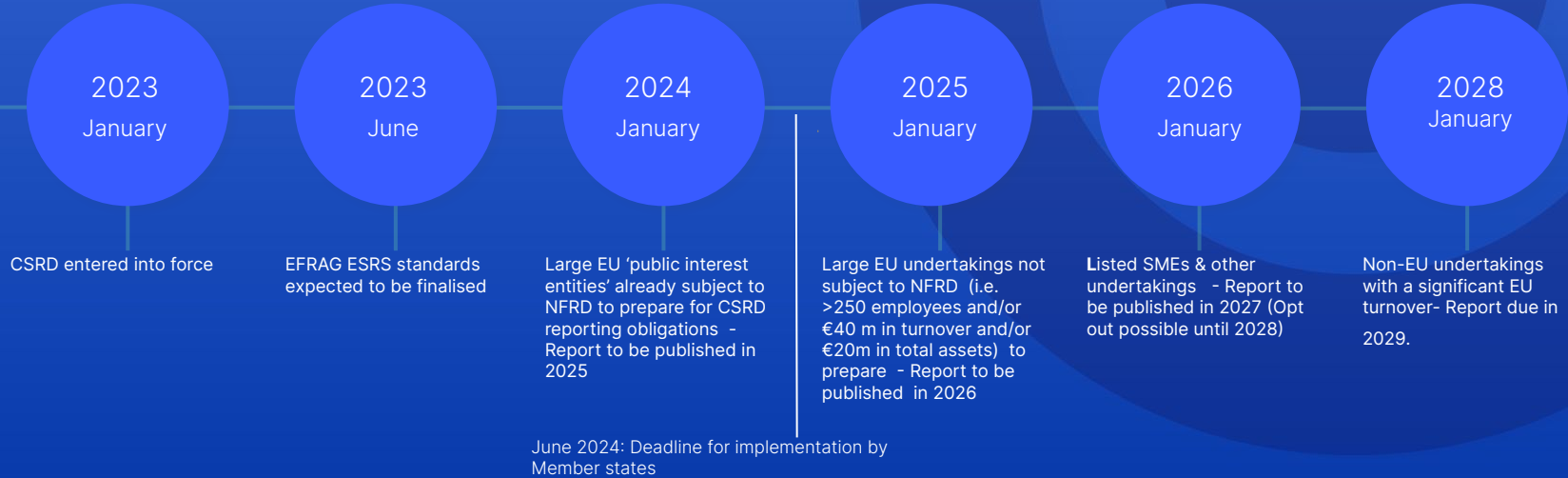
- **Large public-interest entities** > 500 employees (already subject to NFRD)
- **Large companies:** that meet 2 out of the following 3: >250 employees; balance sheet total >EUR 20 million; net turnover > EUR 40 million
- **SMEs listed on EU regulated markets** except micro undertakings (i.e. that meet 2 out of the following 3: <10 employees; a turnover of <€0.7m; total assets <€0.35m.)
- **Non-EU companies with net turnover** >EUR 150 million for each of the last 2 years and has a subsidiary in the EU that follow the criteria applicable to EU companies or a branch in the EU generating >EUR 40 million net turnover

Poll: Are you in scope of the CSRD?

- Yes
- No
- Not sure

THE TIME IS NOW

What are the Timelines?



What Must Companies Disclose?

Disclosures under the CSRD must cover a range of ESG related topics:

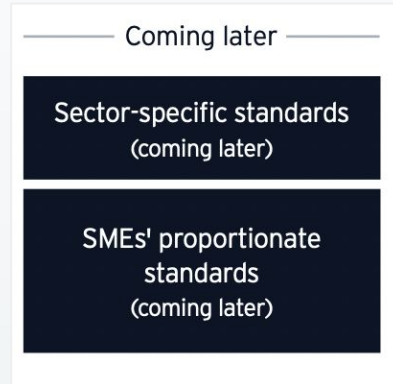
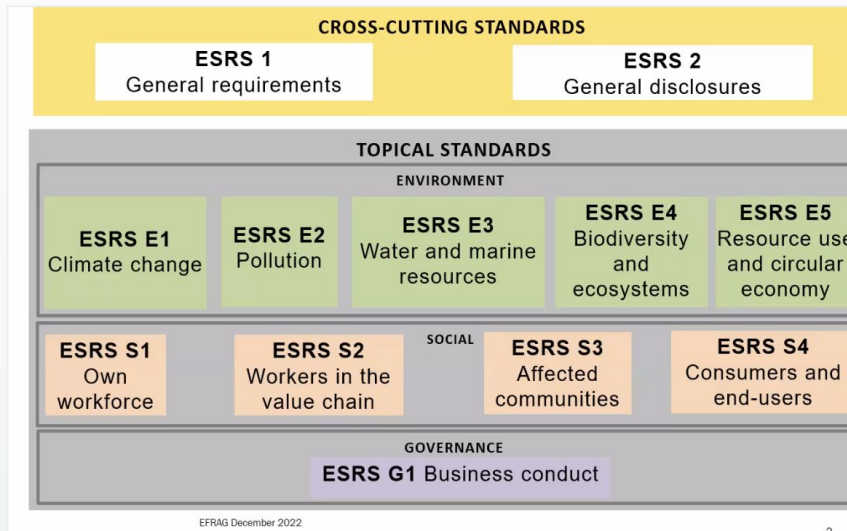
- **Environmental**, i.e., each of the 6 EU Taxonomy environmental objectives, i.e., climate change mitigation (Scope 1, 2 and 3), climate change adaptation, water and marine resources, biodiversity and ecosystems, resource use and circular economy.
- **Social**, i.e., diversity and inclusion, human rights, working conditions, health and safety, employee relations, pay gaps, related rights, workers in the value chain, affected communities, consumers and end-users.
- **Governance**, i.e., policies, risk management and internal controls, ownership and structural transparency, independence and oversight, responsible business practices, ethics, anti-corruption and executive pay fairness.

What are the Key Concepts?

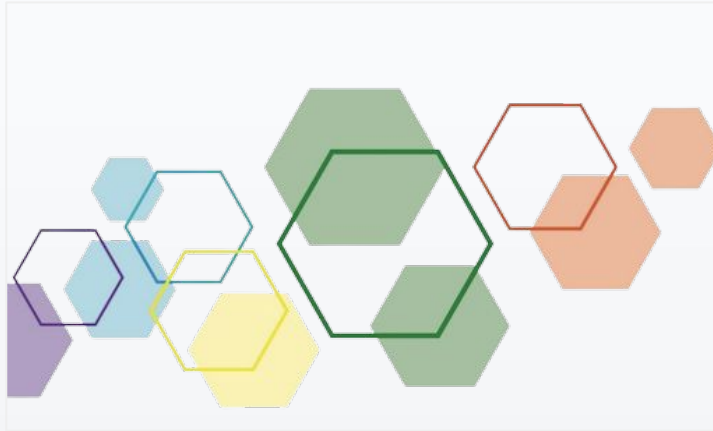
- **Double materiality**: Sustainability risk (incl climate change) affecting the company + companies' impact on society and environment;
- **Climate Transition Plans** with time-bounded **targets**;
- **Sustainability due diligence** process;
- Information about own operations, **value chain**, business relationships and supply chain
- **Assurance/auditing**: ensure that reported information is audited by qualified third parties to confirm accuracy and reliability
- **Digitisation**: Financial statements and management report in a single electronic reporting format to be digitally tagged - machine-readable.

What Will the Reporting Standards be?

First Set of Draft ESRS: The Standards



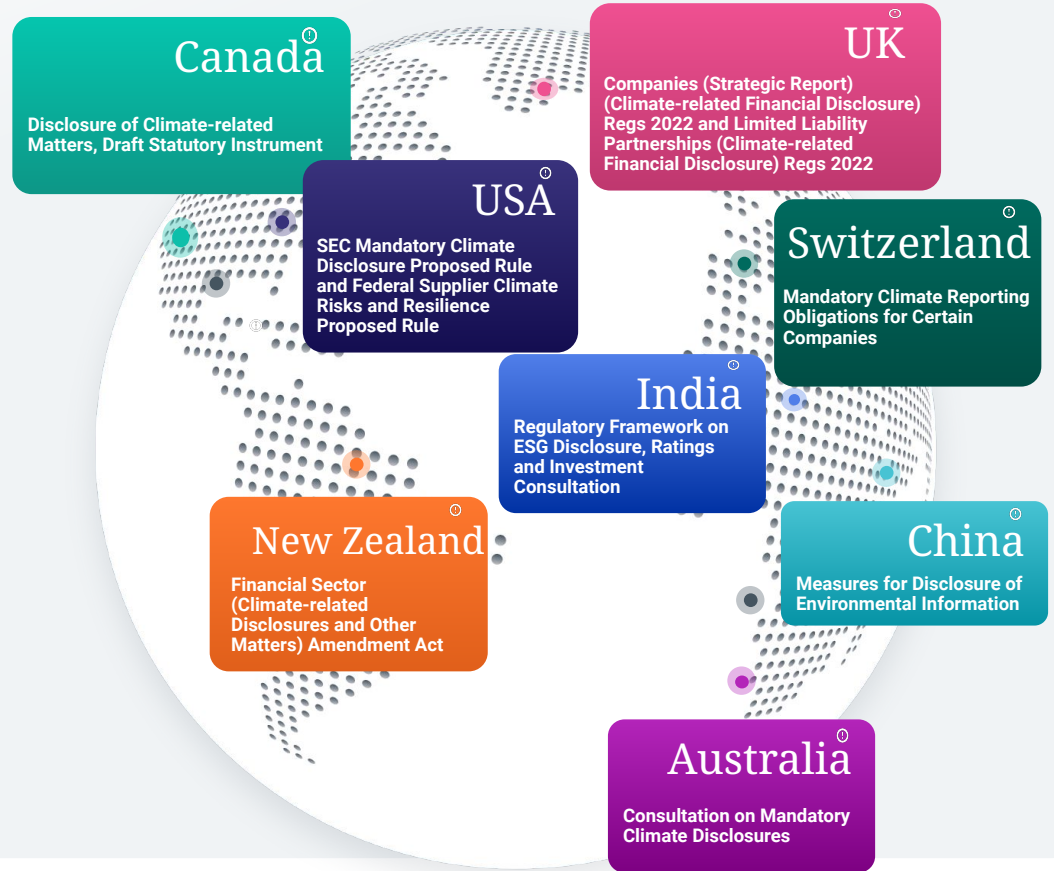
82 Disclosure Requirements



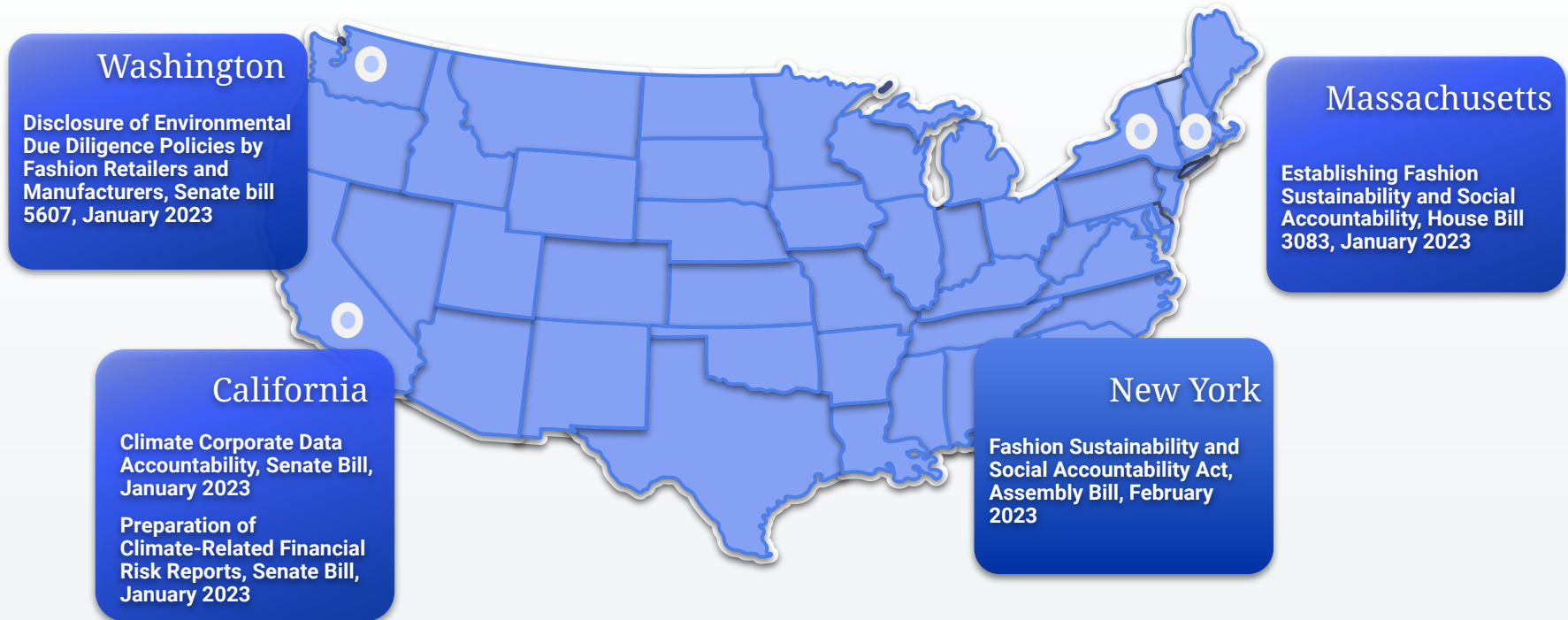
	Total number of DR per ED
ESRS 1 – General principles	-
ESRS 2 – General, strategy, governance and materiality assessment	12
Total General	12
ESRS E1 – Climate change	9
ESRS E2 – Pollution	6
ESRS E3 – Water and marine resources	5
ESRS E4 – Biodiversity and ecosystems	6
ESRS E5 – Resource use and circular economy	6
Total Environment	32
ESRS S1 – Own workforce	17
ESRS S2 – Workers in the value chain	5
ESRS S3 – Affected Communities	5
ESRS S4 – Consumers and end-users	5
Total Social	32
ESRS G1 – Business conduct	6
Total Governance	6
Total	82

THE TIME TO ACT IS NOW

Regulatory Developments Outside the EU



Regulatory Developments at US State Level



ESRS, ISSB & SEC Alignment

	ESRS Draft proposals <i>(Mandatory)</i>	IFRS/ISSB proposals <i>(Voluntary but may be made mandatory upon implementation)</i>	US SEC climate proposal <i>(Mandatory)</i>
Coverage:	12 proposals covering “E” “S” and “G”	2 proposals covering climate but eventually full ESG	1 proposal covering climate only
Scope:	All companies subject to EU CSRD (including certain non-EU companies with EU subsidiaries)	International	All publicly listed companies under SEC in the US including foreign private issuers
Materiality:	Double (financial and impact)	Financial (investor focus)	Financial (investor focus)
Deadlines:	January 2024: companies subject to NFRD (report to be published in 2025) January 2026 : listed SMEs (report to be published in 2027) January 2028: Non-EU undertakings with significant EU turnover (report due in 2029)	Not specified but expected to take effect as soon as finalised	Reports 2024 covering financial year 2023
Scope 1, 2 & 3 emissions	Scope, 1, 2 and 3	Scope 1 and 2 in all cases Scope 3 if material (with possible exemption for one year)	Scope 1 and 2 in all cases. Scope 3 if material or included in company’s emissions target
Timelines:	Expected to be adopted as delegated acts in June 2023	Final versions expected end of Q2 2023 to take effect from January 2024 .	The SEC has indicated final action on climate disclosure in April 2023
Alignment:	TCFD, IFRS, GRI	TCFD and SASB	TCFD, GHG Protocol and others

What is in Store for Remainder of 2023?

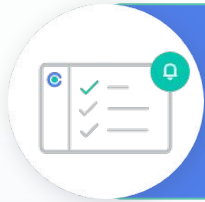
- Finalization of ESRS, ISSB and SEC proposals (Q2 2023)
- Exposure drafts for sector-specific ESRS standards
- Exposure draft for EFRAG voluntary standard for unlisted SMEs (VSME)
- EU CSDDD- Human rights and environmental due diligence requirements
- Greenwashing and ESG claims / litigation
- Climate Transition Plans
- Further increases in ESG disclosure requirements
- ESG regulatory monitoring and tracking tools

ESG Solution

New Product Reveal

Trying to keep on top of *it all*?

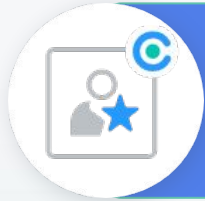




Powerful Enterprise
Technology



Extensive Global
Regulatory Content



Team of Subject
Matter Experts

Holistic solution
to **achieve your**
ESG Goals...

Your ESG Journey



1. Understand your mandatory obligations



3. Collect your data



5. Track & report on progress



7. Monitor Regulatory Changes



9. Adjust Goals & Targets



2. Set your goals & targets



4. Align your teams



6. Report to: Investors, Shareholders, Customers

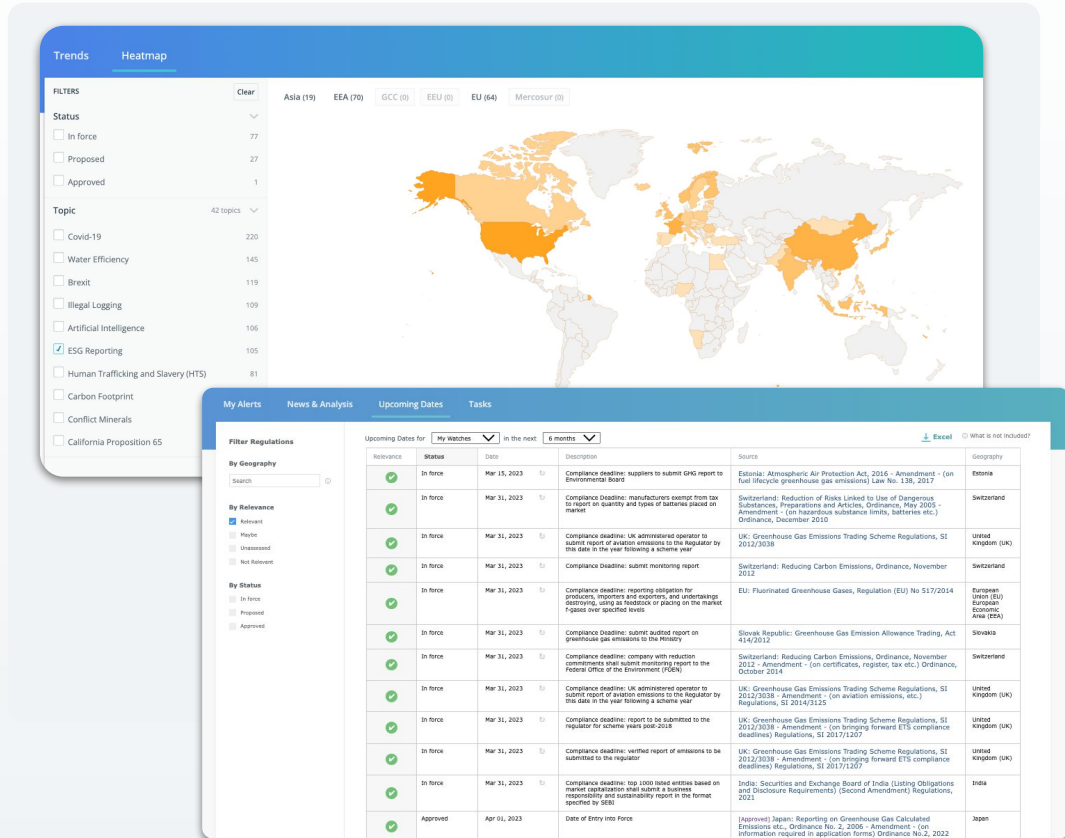


8. Understand Impact of Changes



ESG Solution: Drive Progress

- Know where to start with regulatory heatmaps and trends
- Keep ahead of proposed changes with upcoming dates, news & analysis
- Ensure compliance with monitoring and alerting for ESG Reporting & related regulatory changes



ESG Solution: Drive Progress

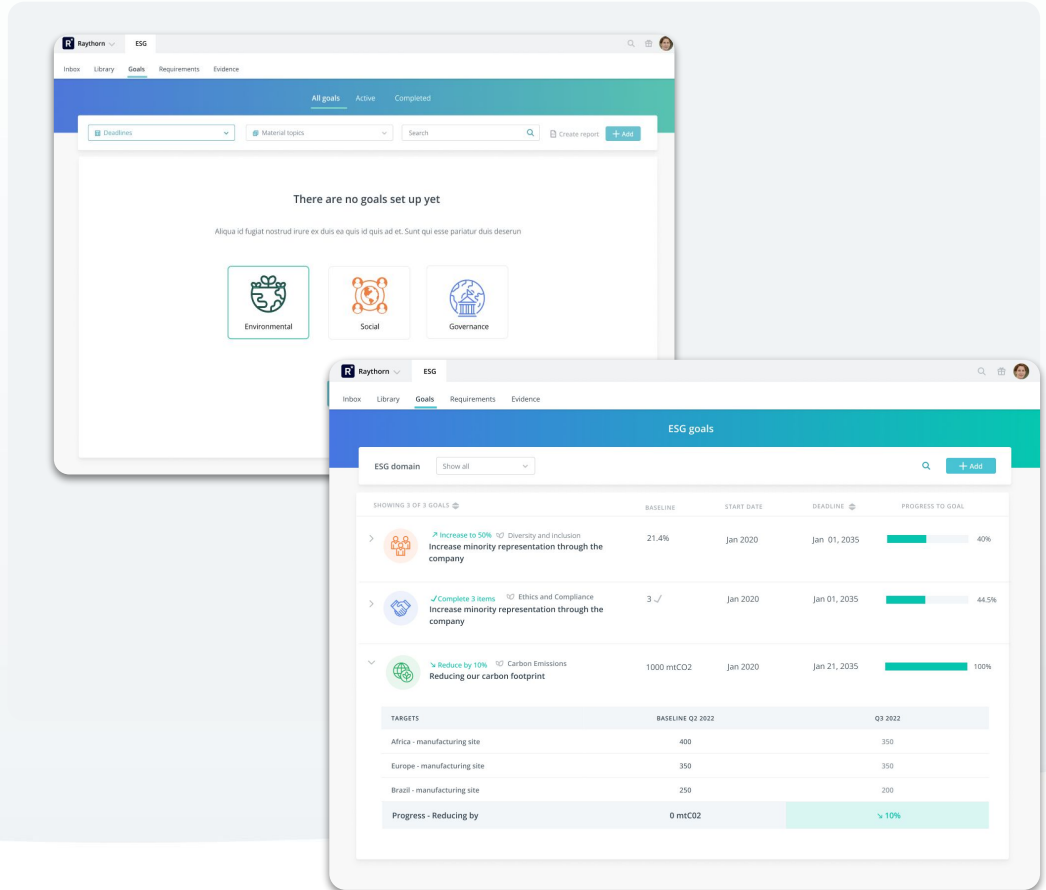
- Enable collaboration with teams & stakeholders using assessments, notes, workflow tags and tasks
- Build corporate memory by documenting decisions and capturing compliance evidence
- Streamline operations by having a single source of truth and efficiently share information across your organization

The screenshot displays the ESG solution interface. The top section shows a regulation overview for "Germany: Corporate Due Diligence in Supply Chains Act, BGBl. 2959, 2021". It includes a status bar (In force since Jan 01, 2023; Last alert: Feb 24, 2023 - CAD update), a reference link, and a share button. Below this, there are tabs for "Assessments", "Company attachments", and "Requirements". The "Assessments" tab is active, showing a "Relevant" status and a workflow diagram. The "Overview" section provides a summary of the act, including its purpose and key provisions. The "Evidence" section is a table listing various documents related to the regulation.

DOCUMENT TYPE	GEOSCOPE	NOTE	EXPIRY DATE	COMPLETE	LAST UPDATE
Complaints procedure	Germany	D	Apr 27, 2024	Yes	Mar 06
Human Rights & Environment Policy Statement	Germany	D	Feb 27, 2024	Yes	Mar 06
Human Rights & Environmental Risk Assessment	Germany	D	Mar 26, 2024	Yes	Mar 06
TCD Status Report 2022	United Kingdom (UK)	D	Dec 28, 2023	Yes	Feb 23
TCD link to Goals (metrics & targets reporting)	United Kingdom (UK)	D		Yes	Feb 23
Attestation Report	World	D	Dec 30, 2022	No	Feb 13

ESG Solution: Drive Progress

- Quickly align teams & stakeholders with common goals and targets
- Aggregate data across program efforts and confidently report on progress to stakeholders from one place
- Clearly track and communicate the impact of your ESG strategy

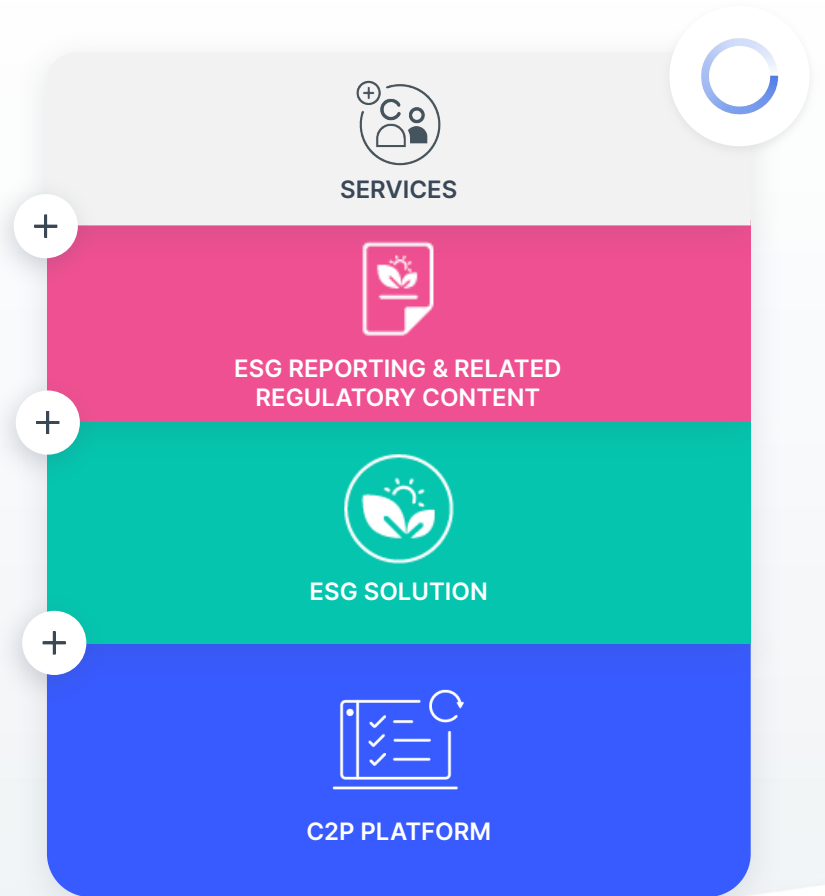


ESG SOLUTION

C2P

The Key to Managing your ESG Program

- Enterprise grade technology, cloud based platform
- Intelligent search and filtering capabilities
- Productivity tools to share and collaborate with stakeholders
- ESG Reporting & related Regulatory content available
- Global regulatory monitoring and alerting
- Regulatory heatmaps with what's hot & where
- AI powered probability analysis
- APIs for integration with existing systems



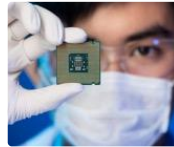
REGULATORY CONTENT

Unrivalled Global Coverage

- Compliance news & alerts, requirements types, topics, materials & substances, products covered, key dates, deadlines, exceptions & exemptions
- Commentary from regional experts in the Americas, EMEA & Asia



ESG
Reporting



Circular
Economy



Water
Efficiency



Carbon
Footprint



Conflict
Minerals



Human Trafficking
& Slavery



Illegal
Logging



Environmental
Health & Safety



Climate
Change

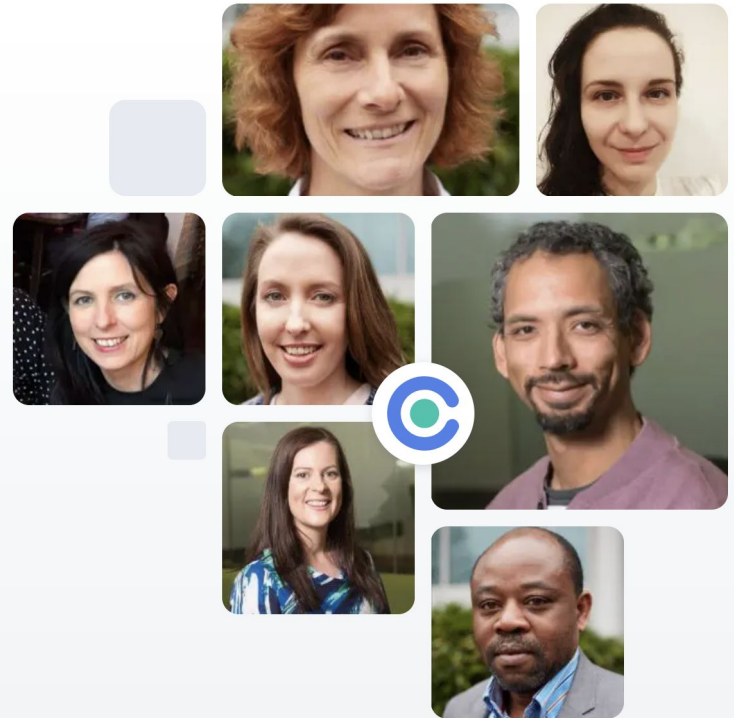


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Protection

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Ask our Experts at the click of a button...

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- 7 Sustainability Experts
- Extensive Knowledge Partner network
- Expertise across products, geographies & policy areas
- Addressing questions on laws & regulations including purpose, applicability, requirements highlights & more.



Q&A

Thank you!



Joanne O'Donnell
Head Of Global Regulatory
Compliance Team



Trish Butler
Chief Marketing Officer



Matt Kuo
Chief Product Officer