



Corporate Sustainability Reporting Directive

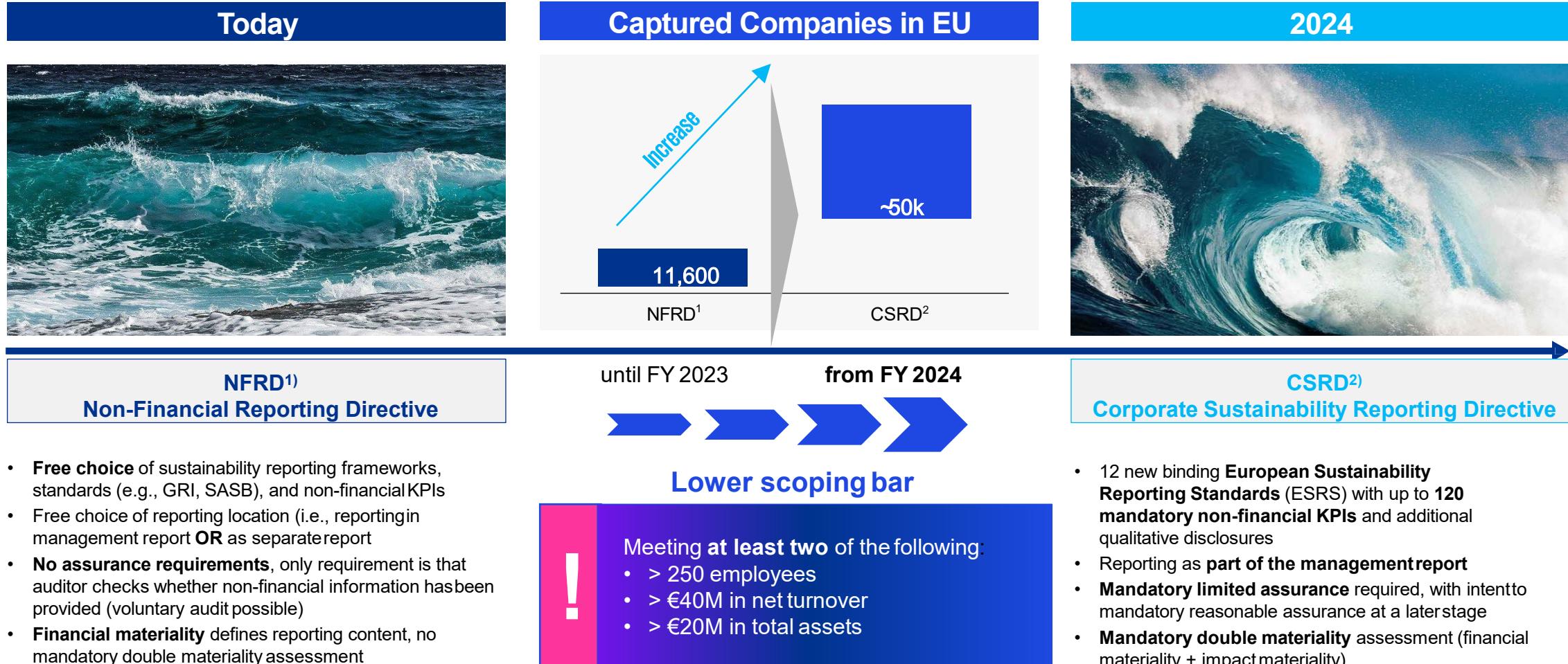
30th November 2023



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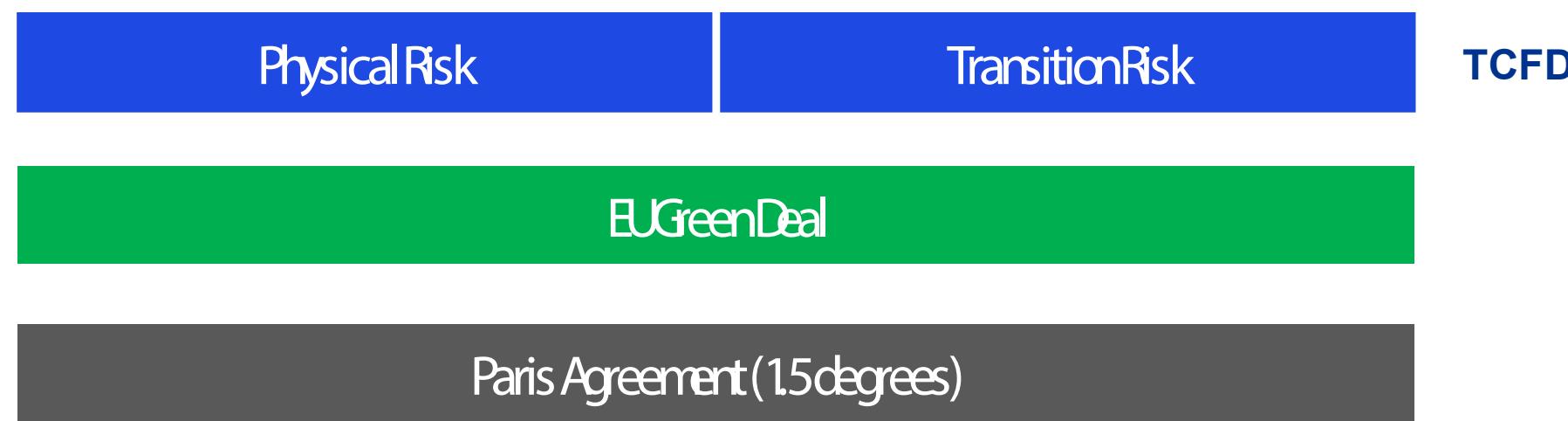


CSR Revolution Reporting

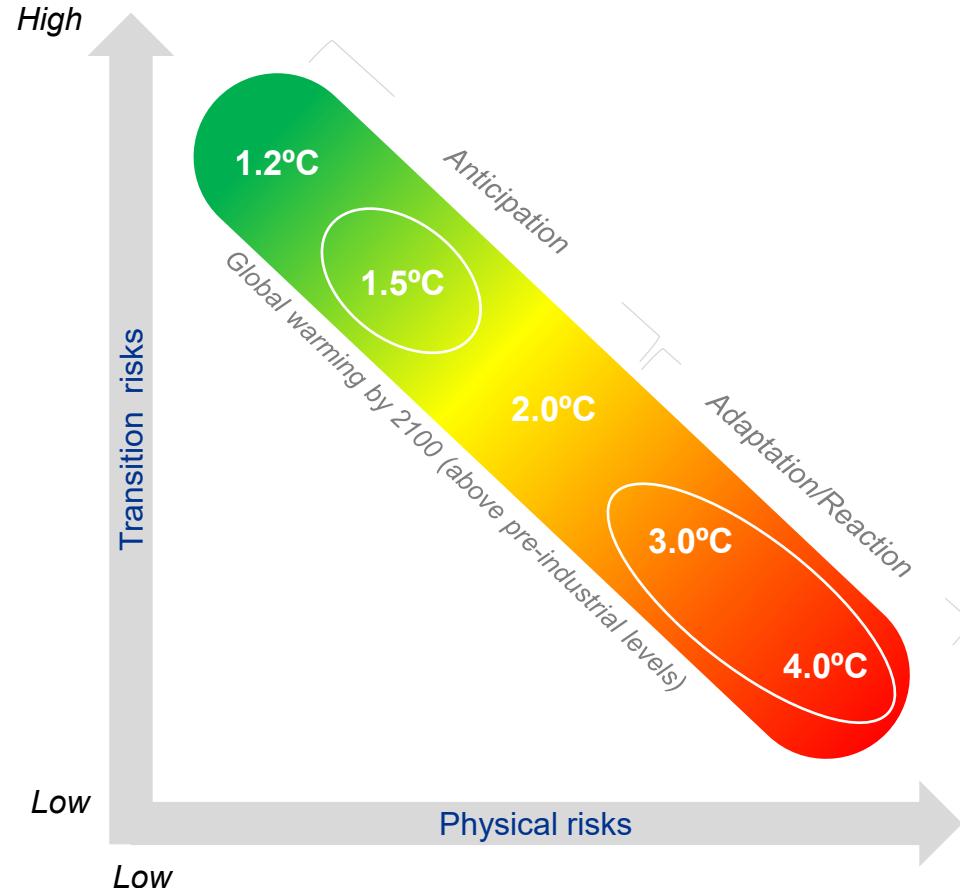




Regulatory Landscape

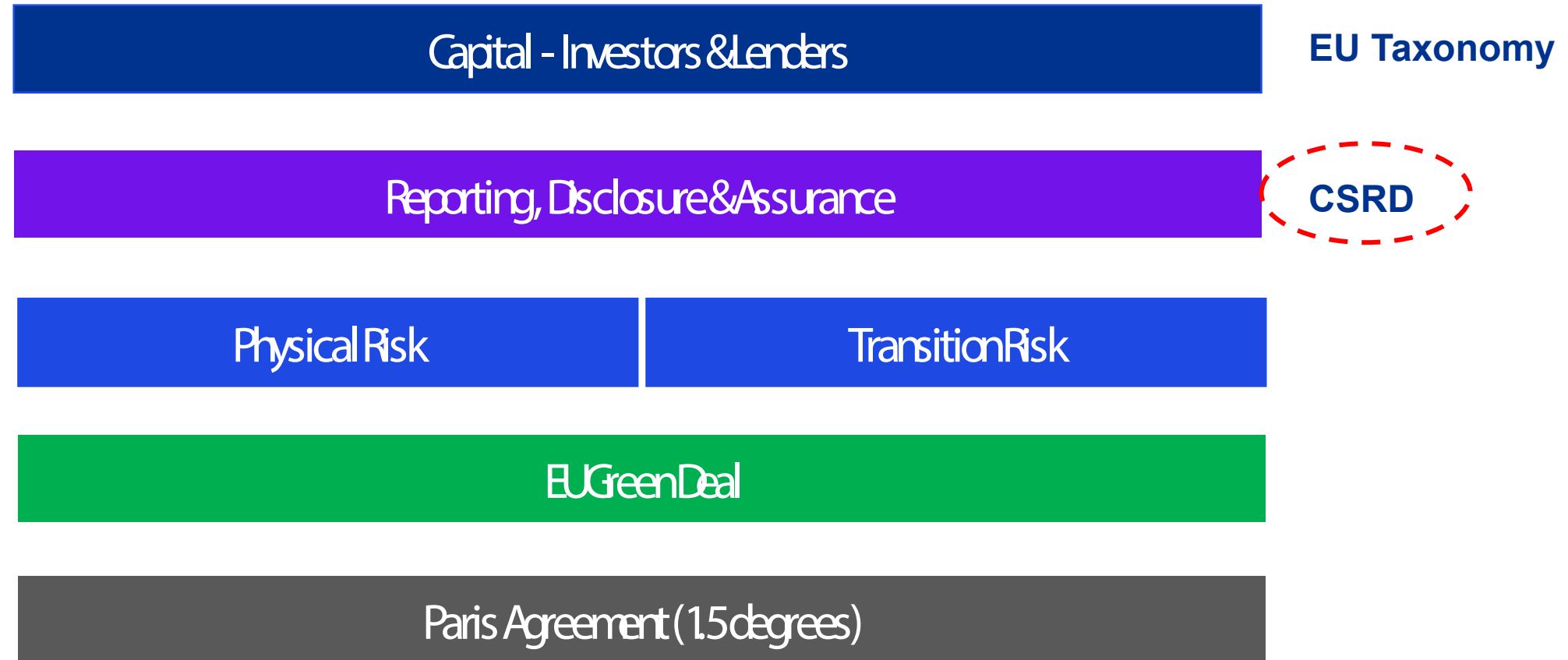


Climate Risk-Physical and Transition



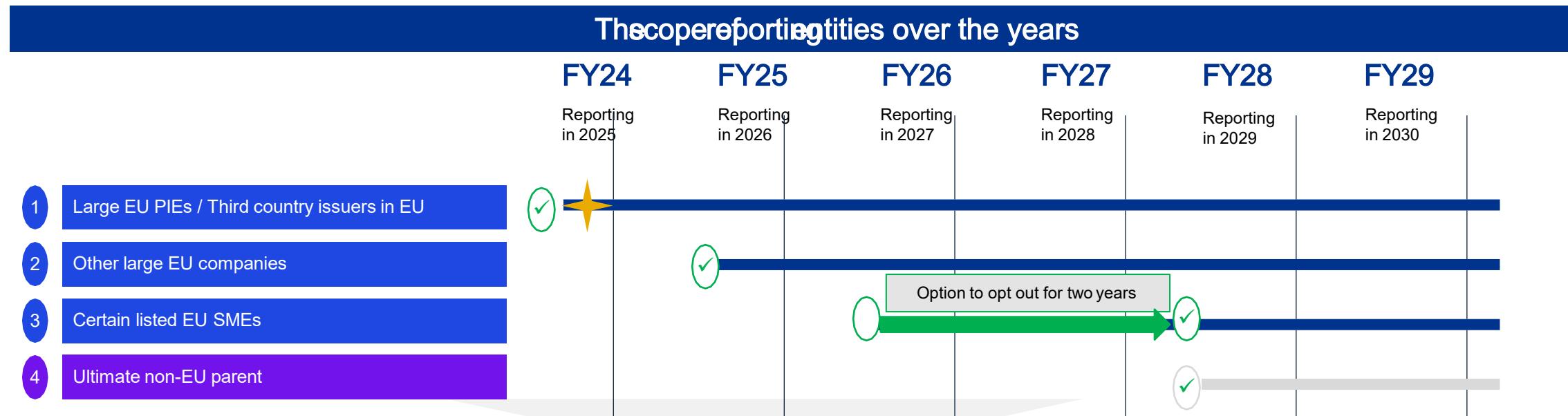


Regulatory Landscape





What is in scope for SFDR?



Accounting Directive



Transparency Directive

- 1 **FY 2024:** EU PIE with > 500 employees and > €40M in net turnover or > €20M in total assets. Third country issuers in EU regulated market.
- 2 **FY 2025:** EU entities meeting at least two of the following: > 250 employees, > €40M in net turnover, > €20M in total assets, referred to as "**general scoping requirements**"
- 3 **FY 2026-2028:** Certain listed EU SMEs (option to opt out until FY29, effective date of FY28) and small and non-complex credit institutions and captive insurers. Meeting at least two of the following: > 10 employees, > €700,000 net turnover, > €350,000 in total assets
- 4 **FY 2028:** Non-EU parent companies with €150m in EU for last 2 consecutive years and 1 sub. meeting general requirements or 1 branch (in general, a physical presence) that generated net turnover greater than €40M in the preceding year



How ready are Irish Corporates?



Only 4%

obtain any external assurance over their sustainability-related indicators



54%

of companies did not report targets set on any material topics



54%

either did not publish any sustainability-related information within the annual report or reported this information in a separate sustainability report

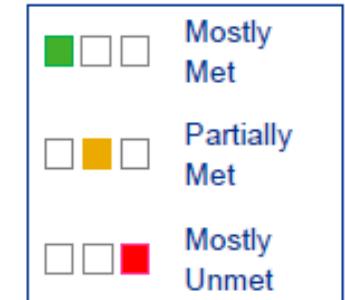
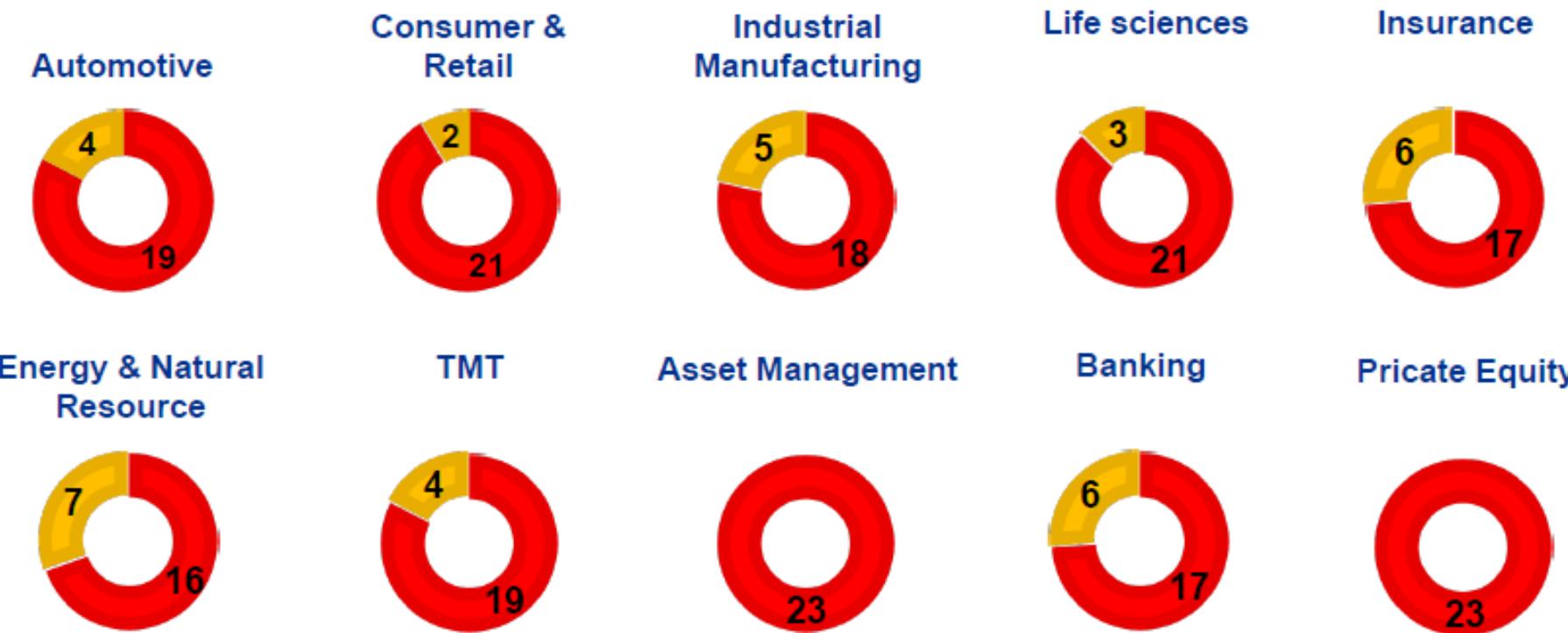


50%

of companies do not clearly describe the role of the board and management in relation to sustainability



How ready are EU Sectors?



Roadmap to compliance and alignment

1. Double Materiality Assessment

- Identifying **material** and therefore reportable Sub-Sub topics



2. Gap-Analysis

- Assessment of current **degree of fulfillment** of reportable Sub-Sub topics



4. Governance Structures

- Need to decide on **appropriate governance structure internally** for how ESG information will be measured, managed and reported



5. Don't operate in silos

- Understand which parts of the business will need to be involved in formulating **policies, targets, action plans and resources**



3. Remediating gaps

- Taking steps to **close reporting gaps**



6. Data Collection of Reportable KPIs

- Preparing for disclosure of quantitative **performance-driven KPIs as well as qualitative alignment**



7. Reporting-Readiness

- Dry run of **reporting** and undertaking **assurance readiness**





A wave of topics and sub-topics

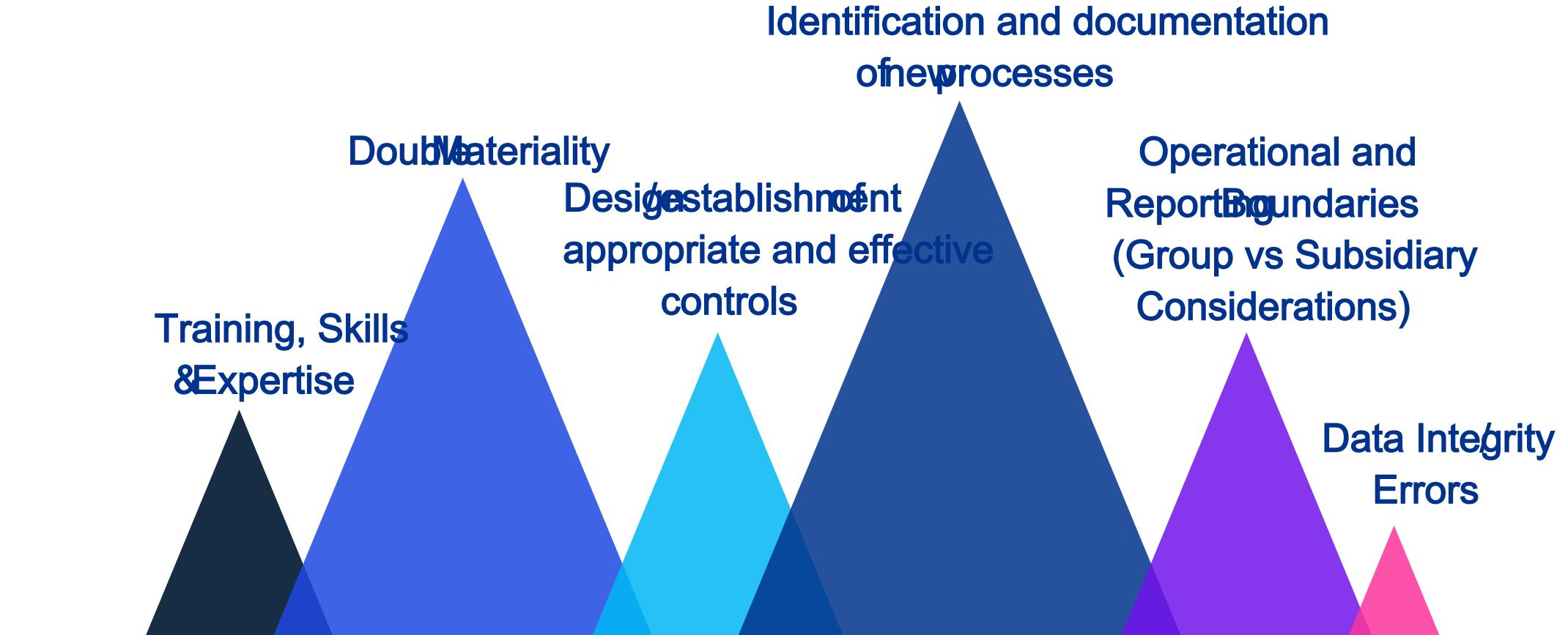


Illustrative

Environment					Social				Governance
ESRS1	ESRS2	ESRS3	ESRS4	ESRS5	ESRS1	ESRS2	ESRS3	ESRS4	ESRS1
Climate Change	Pollution	Water & Marine Resource	Biodiversity & Ecosystems	Resource Use & Circular Economy	Own Workforce	Workers in the Value Chain	Affected Communities	Consumers & End-users	Business Conduct
CC Adaptation	Pollution of air	Water	Direct impact drivers on biodiversity loss	Resources inflows, including use	Working conditions	Equal treatment & opp	Economic, cultural & social rights	Information impacts	Corporate culture
CC Mitigation	Pollution of water	Water consumption	Climate change	Resources outflows re products & services	Secure employment	Gender equality / pay	Adequate housing	Privacy	Protection of whistleblowers
Energy use	Pollution of soil	Water withdrawals	Use change – land, fresh water, sea	Waste	Working time	Training & skills	Adequate food	Freedom of expression	Animal welfare
	Pollution of living organisms & food resources	Water discharges	Direct exploitation		Adequate wages	Disability inclusion	Water & sanitation	Access to quality info	Political engagement
	Substances of concern	Marine	Invasive alien species		Social dialogue	Violence & harassment	Land-related impacts	Personal safety	Supplier relationships
	Substances of very high concern	Water discharges in oceans	Pollution		Freedom of association	Diversity	Security-related impacts	Health & safety	Corruption & bribery
	Microplastics	Extraction & use of marine resources	Others		Collective bargaining	Other work-related rights	Civil & political rights	Security of a person	Prevention & detection, & training
			Impacts on state of species		Work life balance	Child labour	Freedom of expression	Protection of children	Incidents
			Impacts on extent and condition of ecosystems		Health & safety	Forced labour	Freedom of assembly	Social inclusion	
			Impacts & dependencies on ecosystem services			Adequate housing	Impact on human rights defenders	Non-discrimination	
						Water & sanitation (S2 only)	Rights of indigenous people	Access to products & services	
						Privacy	Free, prior & informed consent	Self-determination	Responsible marketing
							Cultural rights		



What challenges have you faced?





Take Aways

- **Don't underestimate the challenge of reporting under CSRD**
- **Prepare early – don't wait until disclose is mandatory**
- **Use it as an opportunity to reduce risk and identify opportunity, and to engage with your stakeholders**
- **Establish clear, appropriate ownership of CSRD within the organisation**



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