

EU DISCLOSURE REGIME AND CSRD: Regulatory Burden or Business Opportunity?

June 29, 2023 | 14.30 CET



Aurélie Lustenberger
Senior Director,
Sustainability Performance
Capgemini Invent



Guilherme Cassaro
Senior Corporate
and Policy Officer
CDP Europe



WE ARE PLEASED TO WELCOME YOU AT THIS CDP X CAPGEMINI ONE-HOUR WEBINAR ON THE EU DISCLOSURE REGIME AND CSRD

SPEAKERS



& Capgemini  invent



Guilherme Cassaro
Senior Corporate and
Policy Officer
CDP Europe



Aurélie Lustenberger
Senior Director,
Sustainability Performance
Capgemini Invent

AGENDA

1. **Introduction** **10'**
2. **Presentation of the EU Disclosure Regime, by CDP** **15'**
3. **Focus on CSRD: pain points & opportunities, by Capgemini** **15'**
4. **Q&A** **20'**

TODAY'S PRESENTATION IS BASED ON CDP'S RECOGNIZED EXPERTISE AND CAPGEMINI'S THOUGHT LEADERSHIP & FIELD EXPERIENCE



It is...

- The sharing of CDP's recognized expertise on the EU Disclosure Regime
- The sharing of Capgemini's thought leadership and field experience from recent and current clients' CSRD and ESG Reporting projects in Europe ...
- ... providing highlights on **current status, achievements** and **difficulties** met and a focus on **three main topics**:
 - ① Organization and internal mobilization
 - ② Data
 - ③ Architecture & tools

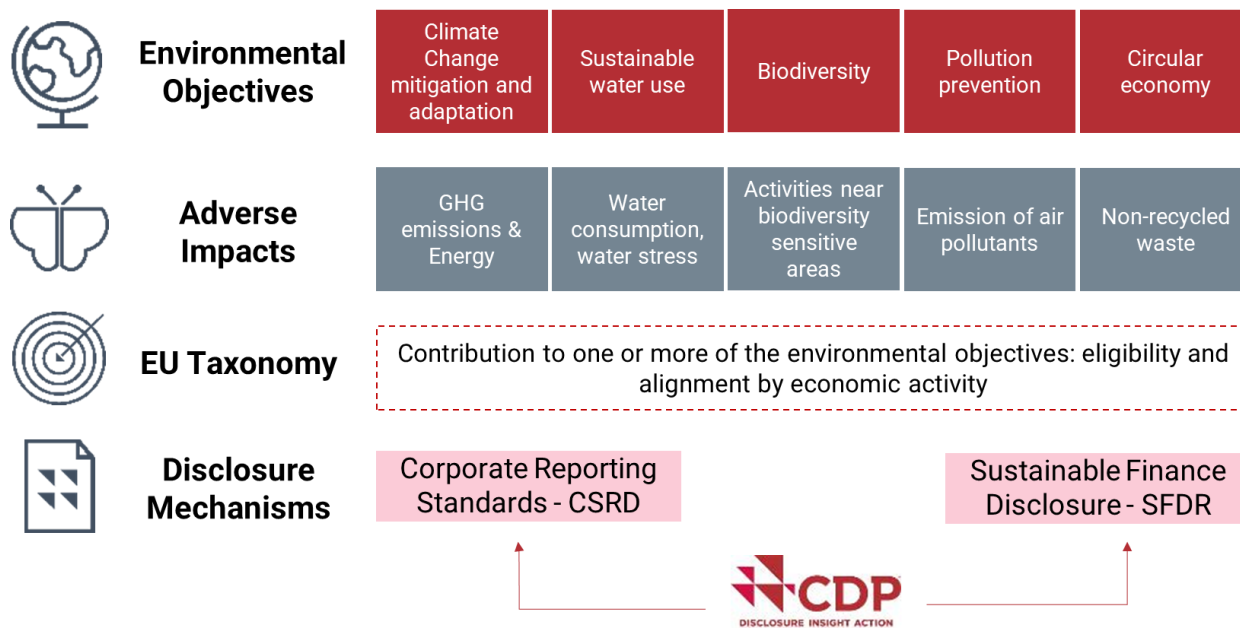
It is not...

- A **detailed review** of the CSRD regulation texts, their possible interpretations and areas of uncertainty
- A ready-to-use list of **detailed operational recommendations**
- A deep-dive into specific **sectors / industries**



WE WILL BE EXPLORING HOW THE EU DISCLOSURE REGIME IS EVOLVING, WHAT IT MEANS FOR YOU, AND TO WHAT EXTENT CSRD IS A GAME CHANGER

EU Disclosure Regime gaining in comprehensiveness



CSRD as a strategic lever, beyond compliance

Move from ESG ex-post monitoring to « ESG driven » strategy

Fully take your impact materiality into account and better integrate them in your business decisions



Leverage the ESRS framework to establish a unified and transversal governance

Align ESG reporting across your company and industrialize



ON 9 JUNE, THE EUROPEAN COMMISSION OPENED A FOUR-WEEK PUBLIC FEEDBACK PERIOD BEFORE FINALIZING THE ESRS STANDARDS



On 9 June, the Commission opened a four-week public feedback period on a first set of sustainability reporting standards for companies. These draft standards take account of technical advice from EFRAG in November 2022.

Following the feedback period, the Commission will **consider the feedback received before finalising the standards as delegated acts** and submitting them to the European Parliament and Council for scrutiny.

Source: https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/corporate-sustainability-reporting_en

FEEDBACK: OPEN

Feedback period

09 June 2023 - 07 July 2023 (midnight Brussels time)

The Commission would like to hear your views.

This draft act is open for feedback for **4 weeks**. Feedback will be taken into account for finalising this initiative. Feedback received will be published on this site and therefore must adhere to the [feedback rules](#).

[More about draft acts](#)

In order to contribute you'll need to register or login using your existing social media account.

[Give feedback >](#)



Draft delegated regulation - Ares(2023)4009405
English (346.4 KB - PDF - 11 pages)

14 December 2022	<ul style="list-style-type: none"> Legislation - Corporate Sustainability Reporting Publication of the Corporate Sustainability Reporting Directive (CSRD) in the Official Journal
23 November 2022	<ul style="list-style-type: none"> Standards - Corporate Sustainability Reporting First set of draft EU sustainability reporting standards published by EFRAG ↗
22 June 2022	<ul style="list-style-type: none"> Legislation - Corporate Sustainability Reporting Political agreement by the European Parliament and the Council on the Corporate Sustainability Reporting Directive (CSRD)
21 April 2021	<ul style="list-style-type: none"> Legislative proposal - Corporate Sustainability Reporting Proposal for a Corporate Sustainability Reporting Directive (CSRD) to amend the reporting requirements of the NFRD.

EU Disclosure Regime: Regulatory Burden or Business Opportunity?

2023

Guilherme Cassaro
Senior Corporate Officer
CDP Europe

Agenda



Overview: EU's Disclosure Regime – 5min



CDP's Role in the Disclosure Landscape – 5min



EU Disclosure in the CDP Questionnaire – 5min



ESRS & CDP Disclosure – 5min



Further Resources

About CDP



CDP runs the global disclosure system that enables companies, cities, states and regions to **measure** and **manage** their **environmental impacts**.

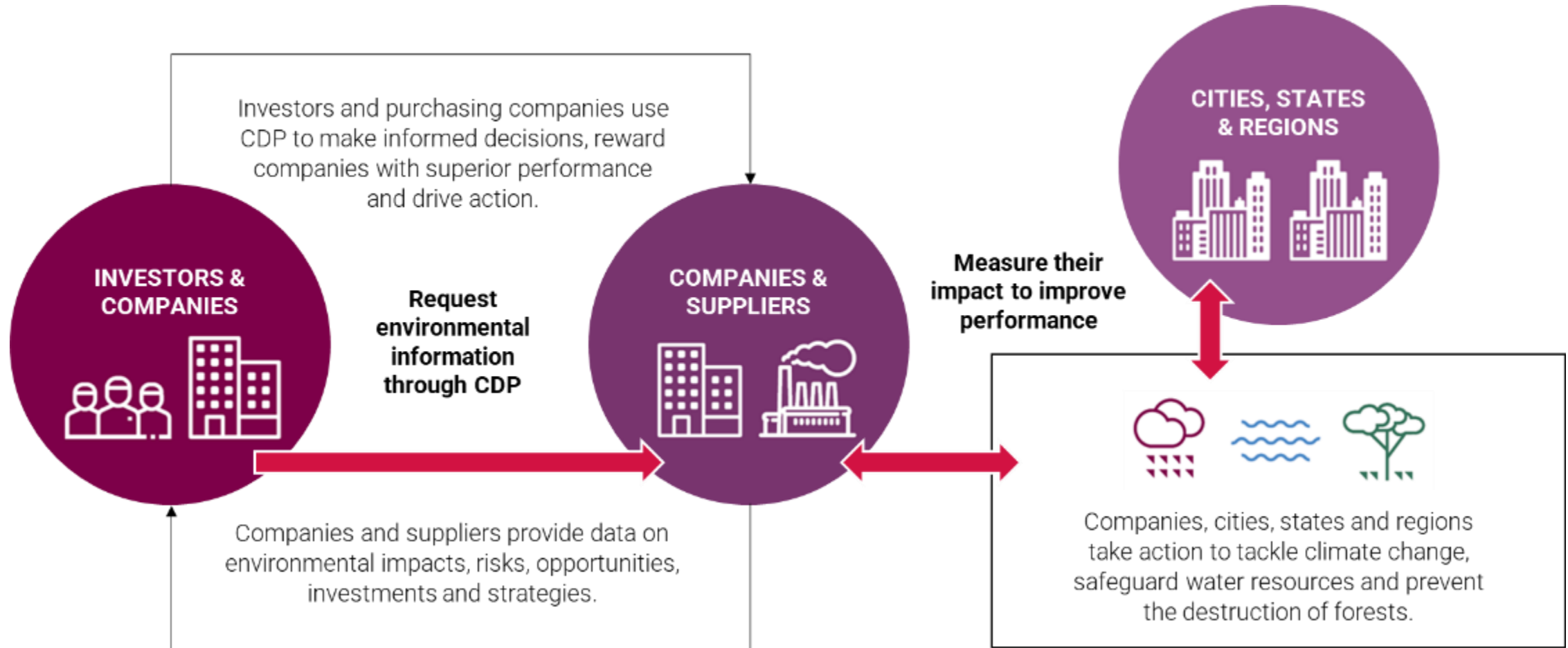


With the world's most comprehensive collection of self-reported data, the world's economy looks to **CDP as the gold standard of environmental reporting**.



Our network of **capital markets, purchasers** and **policymakers** around the globe **use our data** and insights to make better-informed decisions.

The CDP system: linking finance and business to reduce risks



Disclosure to CDP

2003 - 2022



+50%

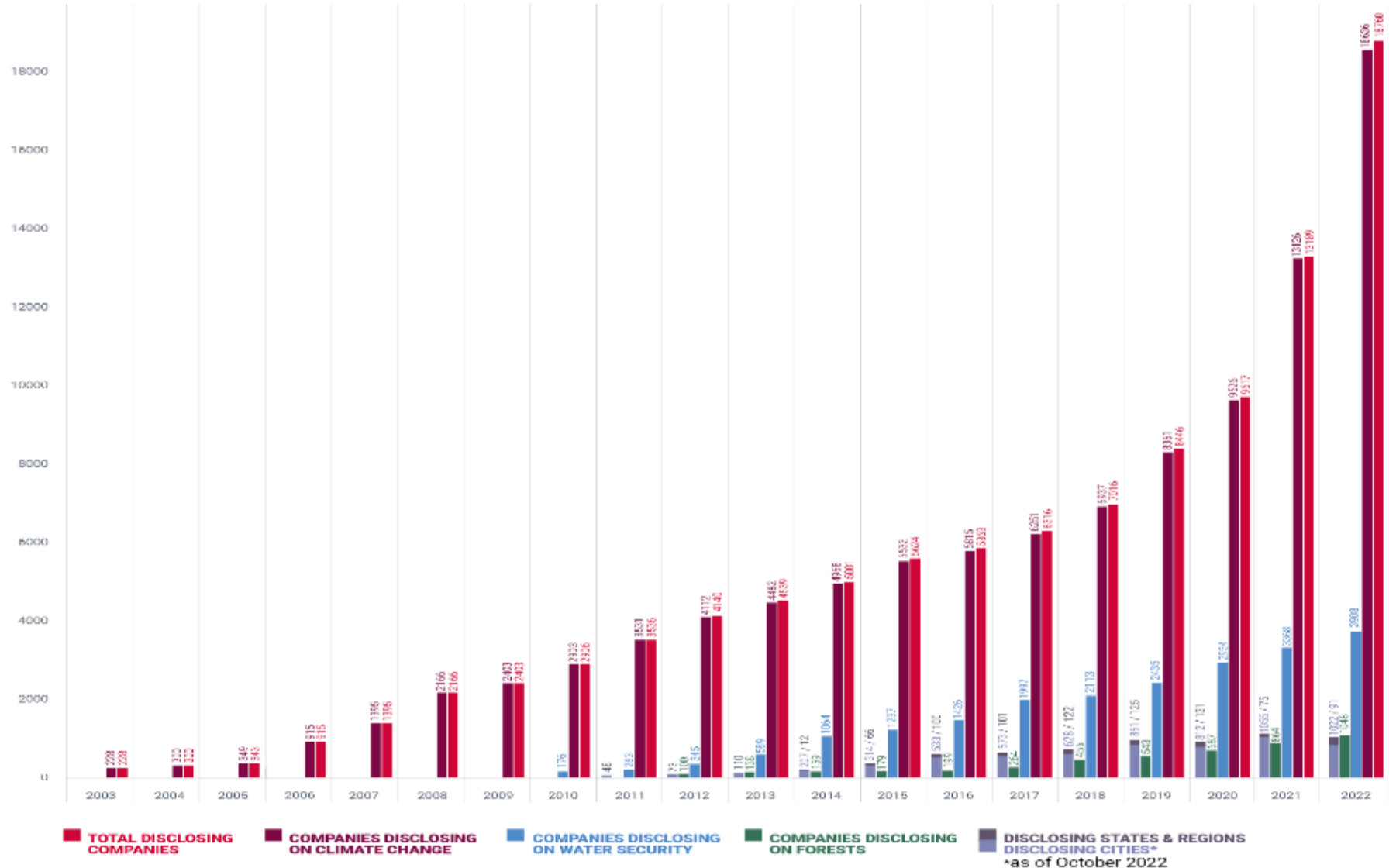
of global companies by market capitalization use CDP.

38%

Increase in disclosure from 2021

18.700

Companies reporting to investors and customers through CDP.





EU Disclosure Regime

The EU Disclosure Regime



Environmental Objectives

Climate Change mitigation and adaptation	Sustainable water use	Biodiversity	Pollution prevention	Circular economy
--	-----------------------	--------------	----------------------	------------------



Adverse Impacts

GHG emissions & Energy	Water consumption, water stress	Activities near biodiversity sensitive areas	Emission of air pollutants	Non-recycled waste
------------------------	---------------------------------	--	----------------------------	--------------------



EU Taxonomy

Contribution to one or more of the environmental objectives: eligibility and alignment by economic activity

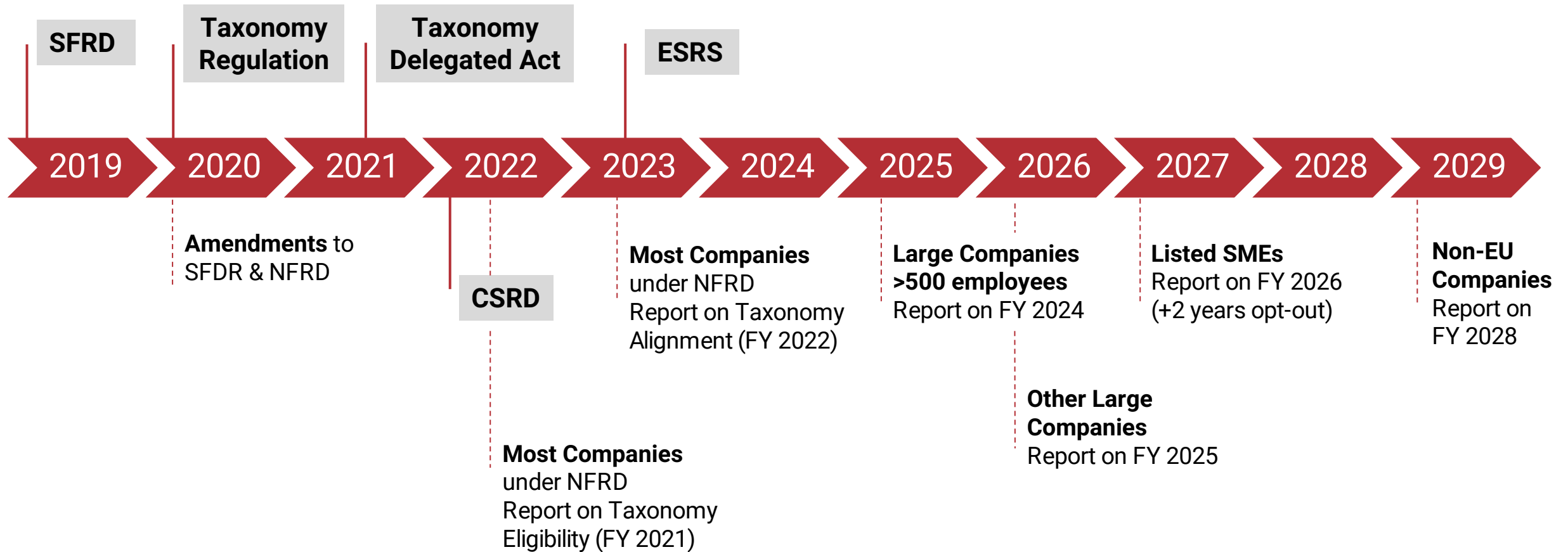


Disclosure Mechanisms

Corporate Reporting Standards - CSRD	Sustainable Finance Disclosure - SFDR
--------------------------------------	---------------------------------------



Timeline of Implementation



Mainstreaming Global Standards

CDP has Mainstreamed Environmental Transparency



64%

of global companies by market capitalization use CDP

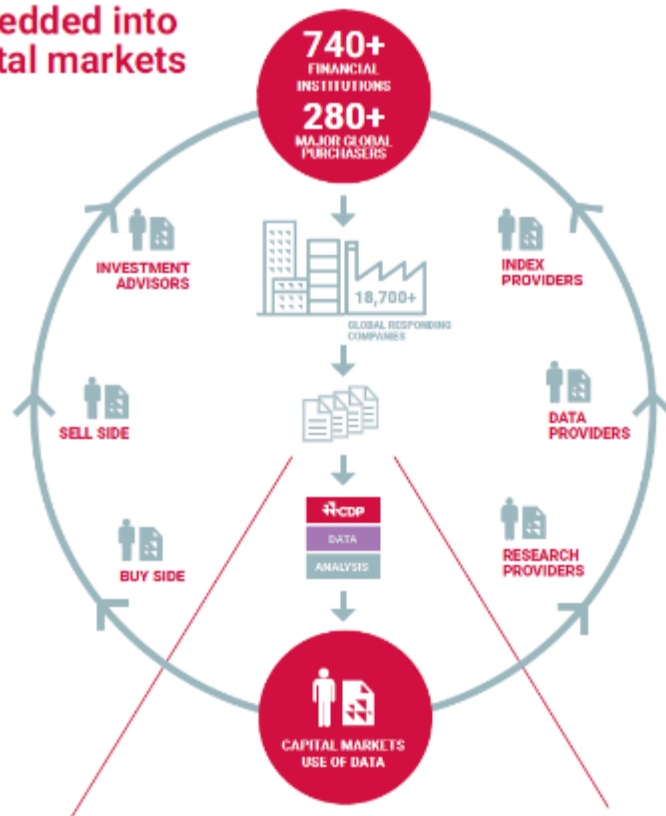
74%

of Europe's companies by market value

18,700

organizations reporting to investors and customers through CDP

How our data is embedded into capital markets



Global Harmonization



- ▼ **CDP's unique position** in the environmental disclosure ecosystem **can rapidly scale the adoption** of all high-quality frameworks and standards across the global economy.
- ▼ CDP's platform allows to **translate standards and frameworks into a standardized annual format** and brings them into real-world practice through the collection, analysis and sharing of data.
- ▼ Companies already disclosing through CDP will be reporting in line with upcoming frameworks and standards and **providing data to stakeholders in a way that is standardized, comparable and accessible regardless of region or regulatory requirements.**



ESRS & CDP Disclosure

Alignment with TCFD



- ▼ The EU’s Corporate Sustainability Reporting Directive (CSRD) is aligned with TCFD guidelines.
- ▼ By reporting through CDP’s questionnaire, companies are well prepared for the new CSRD reporting requirements.

ESRS Reporting Requirements	Business Model	Policies & Due Diligence	Outcome of Policies	Risks & Risk Management	Key Performance Indicators
TCFD Recommendations	Strategy	Governance	Metrics & Targets	Risk Management	Metrics & Targets
CDP Climate Questionnaire Modules	Business Strategy (C3)	Governance (C1)	Targets & Performance (C4)	Risks & Opportunities (C2)	Emissions Data (C6)

CDP's Questionnaires are a Tool

ESRS & Materiality

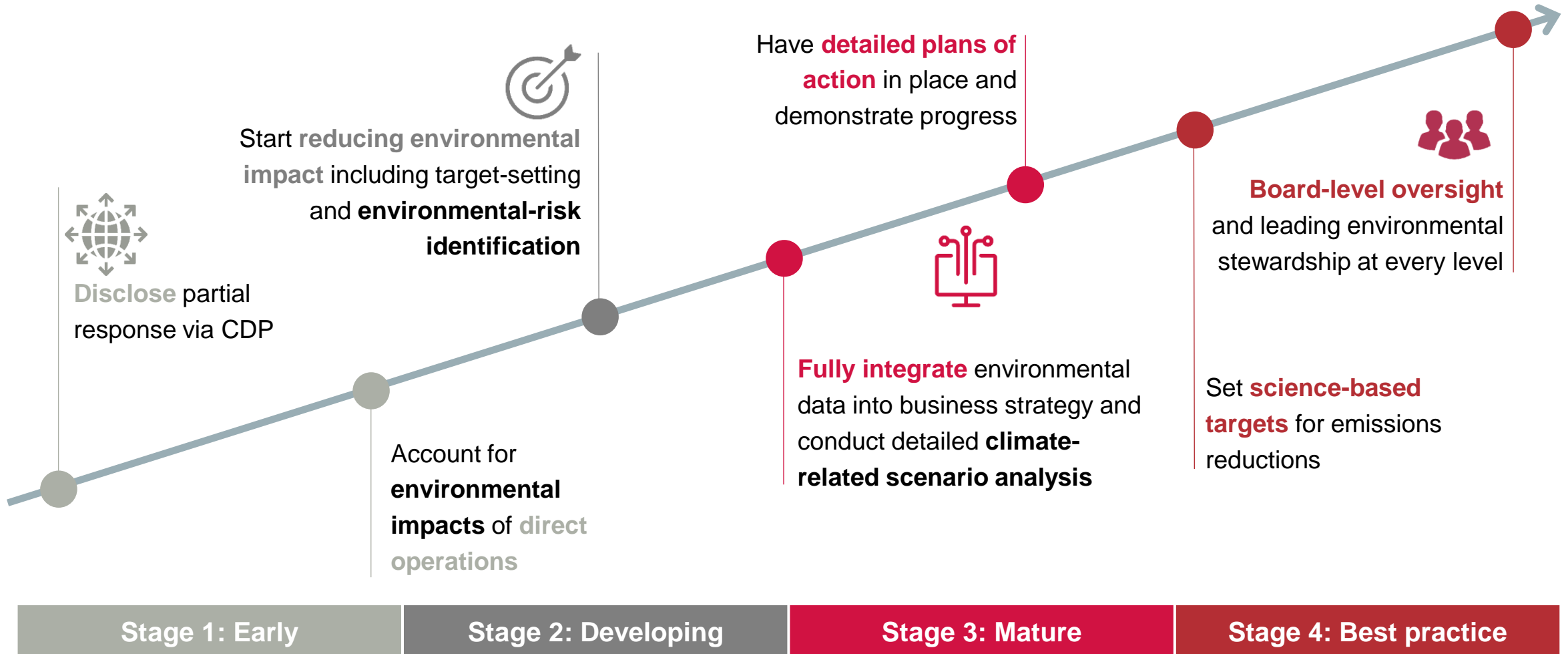


The new version of the ESRS focuses on the concept of Materiality.

- ▼ CDP is a tool to build on your sustainability strategy.
- ▼ CDP's reporting journey is about identifying pressure points potential risks and opportunities.
 - ▼ At the company-level and within its value chain.
- ▼ Measuring these pressure points, your impact, is in a nutshell a type of materiality assessment.
- ▼ **CDP questionnaires help companies ask the right questions.**

THE COMPANY JOURNEY

At the different stages, organizations disclosing...



CDP CORPORATE QUESTIONNAIRES



Climate Change

- C1 Governance
- C2 Risks and opportunities
- C3 Business strategy
- C4 Targets and performance
- C5 Emissions methodology
- C6 Emissions data
- C7 Emissions breakdown
- C8 Energy
- C9 Additional metrics
- C10 Verification
- C11 Carbon Pricing
- C12 Engagement
- C15 Biodiversity



Water Security

- W1 Current state
- W2 Business impacts
- W3 Procedures
- W4 Risks and opportunities
- W5 Facility-level accounting
- W6 Governance
- W7 Business strategy
- W8 Targets
- W9 Verification
- W10 Plastics



Forests

- F1 Current state
- F2 Procedures
- F3 Risks and opportunities
- F4 Governance
- F5 Business strategy
- F6 Implementation
- F7 Verification
- F8 Barriers and challenges

More information: [Technical note on the TCFD](#)

CDP mapping to draft ESRS*



Draft ESRS Standard	Draft ESRS Climate Related Disclosure Requirement	Relevant 2023 CDP questions (TCFD aligned questions in green)
Draft ESRS E1 - Climate change	1 – Transition plan for climate change mitigation	C1.1b, C2.2, C2.3a, C3.1, C3.2a, C3.2b, C3.5a, C3.5b, C4.1a, C4.1b, C4.3, C4.3a, C4.3b, C4.5a, C-FS4.5a
	2 – Policies related to climate change mitigation and adaptation	C2.2
	3 – Actions and resources in relation to climate change policies	C3.5a, C3.5b, C4.1a, C4.1b, C4.2a, C4.2b, C4.3, C4.3a, C4.3b
	4 – Targets related to climate change mitigation and adaptation	C4.1a, C4.1b, C4.2a, C4.2b, C4.2c
	5 – Energy consumption and mix	C6.10, C8.1, C8.2, C8.2a, C8.2c, C8.2d, C-EU8.2d
	6 – Gross Scopes 1, 2, 3 and Total GHG emissions	C5.1a, C5.1b, C5.1c, C6.1, C6.3, C6.5, C6.10, C11.1b
	7 – GHG removals and GHG mitigation projects financed through carbon credits	C4.2c, C-FS4.5a, C-AC6.8a/C-FB6.8a/C-PF6.8a, C11.2a
	8 – Internal carbon pricing	C11.1b, C11.3, C11.3a
	9 – Potential financial effects from material physical and transition risks and potential climate-related opportunities	C2.3a, C2.4a

*Mapping subject to change pending changes after current public consultation on ESRS.

CDP mapping to draft ESRS*



Draft ESRS Standard	Draft ESRS Climate Related Disclosure Requirement	Relevant 2023 CDP questions (TCFD aligned questions in green)
Draft ESRS 2 - General, strategy, governance and materiality assessment disclosure requirements	1 – Basis for preparation	C0.5
	2 – Governance	C1.1a, C1.1b, C1.1d, C1.2, C1.3a, C2.2, C2.3a
	3 – Strategy	C2.2, C2.3a, C2.4a, C3.3, C3.4
	4 – Impact, risk and opportunity management	C2.2, C2.2g, C2.4a
	5 – Metrics and targets	C4.1a, C4.1b, C4.1c, C4.2, C4.2a, C4.2b, C4.2c, C10.1, C10.1a, C10.1b, C10.1c, C10.2a

*Mapping subject to change pending changes after current public consultation on ESRS.

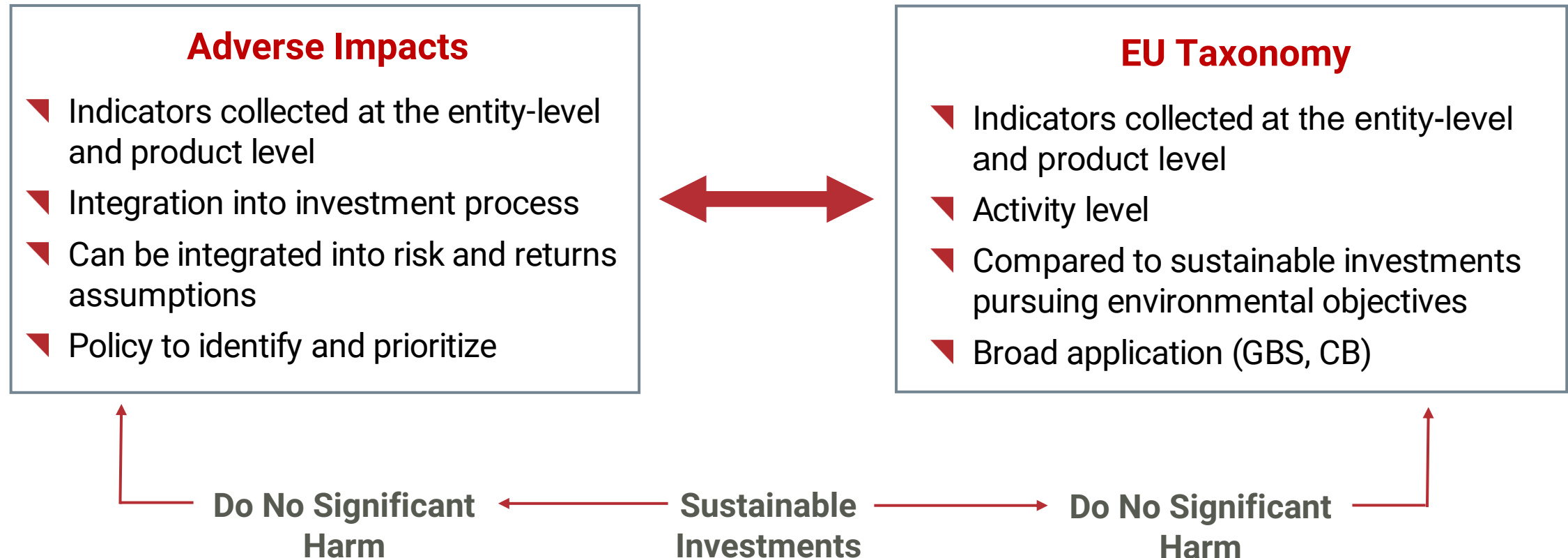
The Sustainable Finance Framework in Data

SFDR, EU Taxonomy & CSRD



6 climate and environmental objectives

Climate (2), Water, Biodiversity, Pollution, Circularity



EU Disclosure Regime: Taxonomy Aligned Data Points & SFDR Adverse Impacts

SFDR Mapping of Principle Adverse Impacts

Available now



CDP - SFDR Mapping

Requesting portfolio companies to disclose through CDP helps investors measure and manage their environmental risk. By doing so, they obtain better data on their individual portfolio companies, preparing them for the emerging Sustainable Finance Disclosure Regulation (SFDR). Some datapoints in the CDP questionnaire directly map to metrics that are required to be reported for the SFDR. We have mapped each mandatory and optional SFDR question to our questionnaires and other data products below.

SFDR Metrics excluding EU Taxonomy					CDP coverage excluding EU Taxonomy questions	
Mandatory/Additional	Indicators applicable	Adverse sustainability	Adverse sustainability indicator	Metric	CDP question	Additional sector specific
Mandatory	Indicators applicable to investments in investee companies	Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	C.6.1	
Mandatory	Indicators applicable to investments in investee companies	Greenhouse gas emissions	1. GHG emissions	Scope 2 GHG emissions	C.6.3	
Mandatory	Indicators applicable to investments in investee companies	Greenhouse gas emissions	1. GHG emissions	Scope 3 GHG emissions	C.6.5	Financial Sector, Scope 3 in question C-FS14.1a
Mandatory	Indicators applicable to investments in investee companies	Greenhouse gas emissions	1. GHG emissions	Total GHG emissions	Self-calculated based on reported data	
Mandatory	Indicators applicable to investments in investee companies	Greenhouse gas emissions	2. Carbon footprint	Carbon footprint	Self-calculated based on reported data	
Mandatory	Indicators applicable to investments in investee companies	Greenhouse gas emissions	3. GHG intensity of investee companies	GHG intensity of investee companies	Self-calculated based on reported data	
Mandatory	Indicators applicable to investments in investee companies	Greenhouse gas emissions	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	CDP filter "Primary Industry" = Fossil fuels	See CDP Classification System
Mandatory	Indicators applicable to investments in investee companies	Greenhouse gas emissions	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	Consumption: C.8.2a Production: C.8.2.d	C-EU8.2d_C2 Gross electricity generation (GWh)
Mandatory	Indicators applicable to investments in investee companies	Greenhouse gas emissions	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	Self-calculated based on reported data	
Mandatory	Indicators applicable to investments in investee companies	Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	First collected in 2023: C15.4.a	Sector specific question F-MM9.3a/F-CO9.3a
Mandatory	Indicators applicable to investments in investee companies	Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	First collected in 2023: W1.2.k	For some sectors (Food & Bev, Chemicals, Oil & Gas, Electrical Utilities) companies are asked to identify specific pollutants and how they manage these pollutants (W-XX3.1)
Optional	Indicators applicable to investments in investee companies	Emissions	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	Emissions reduction targets (C4.1) and emission reduction initiatives (C4.3)	
Optional	Indicators applicable to investments in investee companies	Energy performance	5. Breakdown of energy consumption by type of non-renewable sources of energy	Share of energy from non-renewable sources used by investee companies broken down by each non-renewable energy source	For Fuel only (not for SHEC) C8.2c	
Optional	Indicators applicable to investments in investee companies	Water, waste and material emissions	6. Water usage and recycling	1. Average amount of water consumed by the investee companies (in cubic meters) per million EUR of revenue of investee companies	W1.2b	
Optional	Indicators applicable to investments in investee companies	Water, waste and material emissions	7. Investments in companies without water management policies	Share of investments in investee companies without water management policies	W6.1	
Optional	Indicators applicable to investments in investee companies	Water, waste and material emissions	8. Exposure to areas of high water stress	Share of investments in investee companies with sites located in areas of high water stress without a water management policy	W1.2d (operations in Water stress areas) and W6.1 (water management policy)	
Optional	Indicators applicable to investments in investee companies	Water, waste and material emissions	9. Investments in companies producing chemicals	Share of investments in investee companies the activities of which fall under Division 20.2 of Annex I to Regulation (EC) No 1893/2006	CDP ACS Activity Group = Chemicals	
Optional	Indicators applicable to investments in investee companies	Water, waste and material emissions	10. Land degradation, desertification, soil sealing	Share of investments in investee companies the activities of which cause land degradation, desertification or soil sealing	Mapping in progress	
Optional	Indicators applicable to investments in investee companies	Water, waste and material emissions	11. Investments in companies without sustainable land/agriculture practices	Share of investments in investee companies without sustainable land/agriculture practices or policies	Mapping in progress	Agriculture sector specific questions
Optional	Indicators applicable to investments in investee companies	Water, waste and material emissions	15. Deforestation	Share of investments in companies without a policy to address deforestation	F4.5	

[SFDR PAI's Mapping to CDP's 2023 Questionnaire's](#)

CDP & EU disclosure regime: a non-exhaustive overview



Principal Adverse Impacts

Climate Change

GHG emissions

C6.1 - C6.3 - C6.5

Renewable and non-renewable energy consumption/production

C8.2a until C8.2d

Biodiversity

Activities near biodiversity sensitive areas with potential for negative impact

C15.4 - C15.4a

Water

Water consumption

W1.2b

Water sourced from areas of stress

W1.2d

Emissions to water

W1.2k – W3.1 – W3.1a

Taxonomy Compliance

Spending & Revenue aligned with taxonomy-compatible sustainable activities.

C3.5a- C3.5b - C3.5c

New!

New!

New!

CDP & EU disclosure regime: biodiversity



MODIFIED QUESTION

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

- Question text revised to address dependencies on biodiversity in addition to impacts
- Question structure changed to have separate rows for impacts and dependencies
- New columns added to ask details of the tools and methods companies use to assess the impacts and dependencies of their value chain on biodiversity

New columns					
1	2	3	4	5	6
Type of assessment	Indicate whether your organization undertakes this type of assessment	Value chain stage(s) covered*	Portfolio activity [FS only]*	Tools and methods to assess impacts and/or dependencies on biodiversity*	Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)*
Impacts on biodiversity	Select from: <ul style="list-style-type: none"> Yes No, but we plan to within the next two years No and we don't plan to within the next two years 	Select all that apply: <ul style="list-style-type: none"> Direct operations Upstream Downstream [not shown to FS] Portfolio activity [FS only] 	Select all that apply: <ul style="list-style-type: none"> Bank lending portfolio (Bank) Investing portfolio (Asset manager) Investing portfolio (Asset owner) Insurance underwriting portfolio (Insurance company) 	Select all that apply from drop-down options below	
Dependencies on biodiversity					

New rows

CDP & EU disclosure regime: biodiversity



NEW QUESTIONS

(C15.4) Does your organization have activities located in or near to biodiversity-sensitive areas in the reporting year?

(C15.4a) Provide details of your organization's activities in the reporting year located in or near to biodiversity -sensitive areas.

- ▼ Two new questions which request details of activities in or near biodiversity-sensitive areas
- ▼ Aligned with EU Sustainable Finance Disclosure Regulation (SFDR) indicator 7

C15.4a snippet

1	2	3	4	5
Classification of biodiversity -sensitive area	Country/area	Name of the biodiversity-sensitive area	Proximity	Briefly describe your organization's activities in the reporting year located in or near to the selected area
Select from: <ul style="list-style-type: none"> • Natura 2000 network of protected areas • UNESCO World Heritage site • Key Biodiversity Area (KBAs) • Other biodiversity sensitive area, please specify 	Select from: [List of countries/areas]	Text field [maximum 500 characters]	Select from: <ul style="list-style-type: none"> • Overlap • Adjacent • Up to 5 km • Up to 10 km • Up to 25 km • Up to 50 km • Up to 70 km • Data not available 	Text field [maximum 2,500 characters]

CDP & EU disclosure regime: water accounting



NEW QUESTIONS

(W1.2k) Provide details of your organization’s emissions of nitrates, phosphates, pesticides, and other priority substances to water in the reporting year.

▼ This question allows organizations to indicate their emissions to water of priority substances, helping them understand, manage, and reduce the use of nitrates, phosphates, pesticides, and other priority substances listed under the EU Water Framework Directive.

Emissions to water in the reporting year (metric tonnes)	Category(ies) of substances included	List the specific substances included*	Please explain
Numerical field [enter a number from 0-999,999,999,999 using a maximum of 2 decimal places]	Select all that apply: <ul style="list-style-type: none">• Nitrates• Phosphates• Pesticides• Priority substances listed under the EU Water Framework Directive	Text field [maximum 1,000 characters]	Text field [maximum 1,500 characters]

Scoring: This question is scored at the Disclosure and Awareness level for completion.

Introduction of Taxonomy Questions in 2023



MODIFIED QUESTION

(C3.5) In your organization’s financial accounting, do you identify spending/revenue that is aligned with your organization’s climate transition?

- Question text has been revised to indicate if you identify the alignment of your spending/revenue with your climate transition plan, a sustainable finance taxonomy, or both. The response options have been reformatted into a table to drive the new taxonomy questions, C3.5b and c.
- Due to the addition of datapoints related to sustainable finance taxonomies in this section, C3.5 is no longer only shown to organizations who have indicated that they have a climate transition plan in C3.1

Scored at Disclosure and Management Levels

Identification of spending/revenue that is aligned with your organization’s climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy*
Select from: <ul style="list-style-type: none">Yes, we identify alignment with our climate transition planYes, we identify alignment with a sustainable finance taxonomyYes, we identify alignment with both our climate transition plan and a sustainable finance taxonomyNo but we plan to in the next two yearsNo, and we do not plan to in the next two years	Select from: <ul style="list-style-type: none">At both the company and activity levelAt the company level only

Introduction of Taxonomy Questions in 2023



MODIFIED QUESTION

(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization’s climate transition.

- Column 2 and 5 added for all companies and columns 3 and 4 added only for companies who are reporting on their taxonomy alignment.
- This question appears if you select “Yes, we identify alignment with our climate transition plan” in column 1 of C3.5 or “At both the company and activity level” or “At the company level only” in column 2 of C3.5.

Scored at Disclosure Level

1	2	3	4	5
Financial metric	Type of alignment being reported for this financial metric	Taxonomy under which information is being reported*	Objective under which alignment is being reported	Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)
Select from: <ul style="list-style-type: none"> Revenue/Turnover CAPEX OPEX Other, please specify 	Select from: <ul style="list-style-type: none"> Alignment with a sustainable finance taxonomy Alignment with our climate transition plan 	Select from: <ul style="list-style-type: none"> EU Taxonomy for Sustainable Activities Other, please specify 	Select from: <ul style="list-style-type: none"> Climate change mitigation Climate change adaptation Total across all objectives 	Numerical field [enter a number from 0-999,999,999,999,999 using a maximum of 2 decimal places]



Introduction of Taxonomy Questions in 2023



NEW QUESTION

(C3.5b) Quantify the percentage share of your spending/revenue that was associated with eligible and aligned activities under the sustainable finance taxonomy in the reporting year.

- Asks about the share of spending and revenue aligned with sustainable finance taxonomies at the activity level.
- This allows companies to provide evidence of the extent to which their spending and revenue is directed at/derived from activities defined as sustainable by a sustainable finance taxonomy.

Not scored

C3.5b snippet

1	2	3	4	5
Economic activity	Taxonomy under which information is being reported	Taxonomy alignment	Financial metric(s)	Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)*
Select from drop-down options below	Select from: <ul style="list-style-type: none"> EU Taxonomy for Sustainable Activities Other, please specify 	Select from: <ul style="list-style-type: none"> Taxonomy-aligned Taxonomy-eligible but not aligned 	Select all that apply: <ul style="list-style-type: none"> Turnover CAPEX OPEX 	Numerical field [enter a number from 0-999,999,999,999,999 using a maximum of 2 decimal places]

Introduction of Taxonomy Questions in 2023



NEW QUESTION

(C3.5c) Provide any additional contextual and/or verification/assurance information relevant to your organization's taxonomy alignment.

▼ Requests additional contextual information relevant to taxonomy alignment. This helps CDP data users interpret the information companies provide on the alignment of their spending/revenue with a sustainable finance taxonomy. Assurance and verification provide confidence in the accuracy of data reported.

[Open text question with a limit of 5,000 characters]

Not scored

FEEDBACK



Useful Resources

CDP Resources

- ▼ [CDP's integration of the EU disclosure regime: Insight Note](#)
- ▼ [CDP Policy Explainer on CSRD and ESRS](#)
- ▼ [CDP is piloting EU Taxonomy questions in 2023 - what does that mean for your company?](#)

CDP Reporting Guidance

- ▼ [CDP Technical Note: EU Taxonomy](#)
- ▼ [CDP 2023 Climate Change Reporting Guidance](#)
- ▼ [CDP 2023 Water Security Reporting Guidance](#)
- ▼ [CDP 2023 Forests Reporting Guidance](#)

EU Taxonomy Regulation and Taxonomy Tools

- ▼ [EU Taxonomy Navigator](#)
- ▼ [EU Taxonomy User Guide – new!](#)



Thank you!

Guilherme Cassaro

Senior Engagement Manager

+49 030 629 033 200

guilherme.cassaro@cdp.net

More information about how CDP can help you prepare for upcoming mandatory disclosures [here](#).

Check out CDP's:

[**Sustainable Finance Webinar Series**](#)



With the contribution of the
LIFE Programme of the
European Union





LET'S HAVE A QUICK REMINDER ON WHAT CSRD IS BASICALLY ABOUT: ESRS STANDARDS, DOUBLE MATERIALITY, EXTERNAL AUDITABILITY

Main components of CSRD

- 1) **ESRS** (European Sustainability Reporting Standards)
- 2) Implementation of the **double materiality** concept
- 3) Assertion of the principle of verification by an **independent third-party**

Even if they follow on existing ESG regulations and frameworks, CSRD and ESRS standards involve additional requirements:

- Double materiality
- Audit by an independent third-party
- Reporting in XRBL format (mandatory)
- Specific disclosure standards by sector
- Extended number of companies applicable

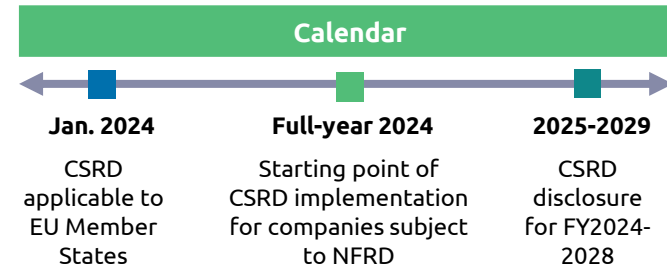
Non Financial Reporting Directive (NFRD, 2018)

Applicable to ~11,700 companies



Corporate Sustainability Reporting Directive (CSRD, 2024)

Scope expansion to ~50,000 companies



- A total of **~1100 indicators**
- Applicable starting **FY2024 data***
- Will widen to bigger scopes of companies until 2029 with gradual requirements depending on the ESRS

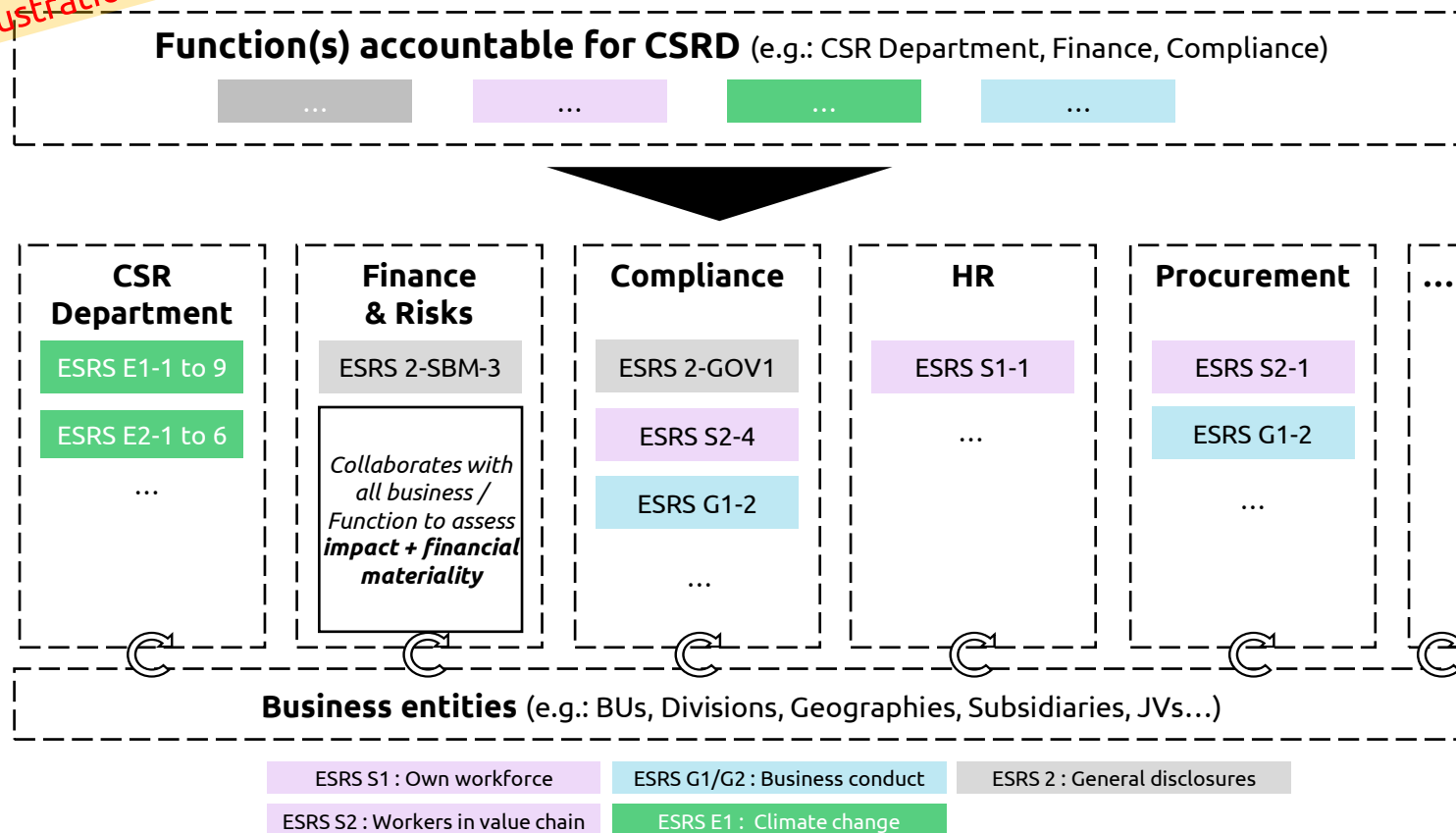


But CSRD is not only a matter of regulatory compliance;
 it is an **opportunity** to become **“ESG driven”** and should be considered as an opportunity to launch wider **TRANSFORMATION PROGRAM**



A WELL-DESIGNED CSRD PROJECT INCLUDES REINFORCING YOUR ESG GOVERNANCE AND ESTABLISHING CLEAR OWNERSHIP ON EACH ESRS STANDARD

Illustration



The Function accountable for CSRD assigns the full operational ownership of ESRS disclosures to the various Functions or Businesses

Each Function or Business is then responsible, for each ESRS disclosure they own to:

- build their own CSRD implementation roadmap;
- operationalize their CSRD roadmap ;
- assess their ESRS disclosure materiality, in cooperation with Finance & Risk functions

NB #1: For some ESRS disclosures, the operational ownership can sometimes be shared by several Functions or Businesses

NB #2: Finance, Risks and CSR Functions work closely together on all topics, to tackle double-materiality

CSRD PROJECTS ARE COMPLEX AND HIGHLY COLLABORATIVE BY NATURE, THAT IS WHY THEY MUST BE PUT UNDER CONTROL THROUGH DETAILED ROADMAPS AND ACTION PLANS

A CSRD project must be put under control with the set up of detailed planning and action plans at a global level (CSRD program) with key milestones until the first publication, and at operational level at the level of the various contributive entities.

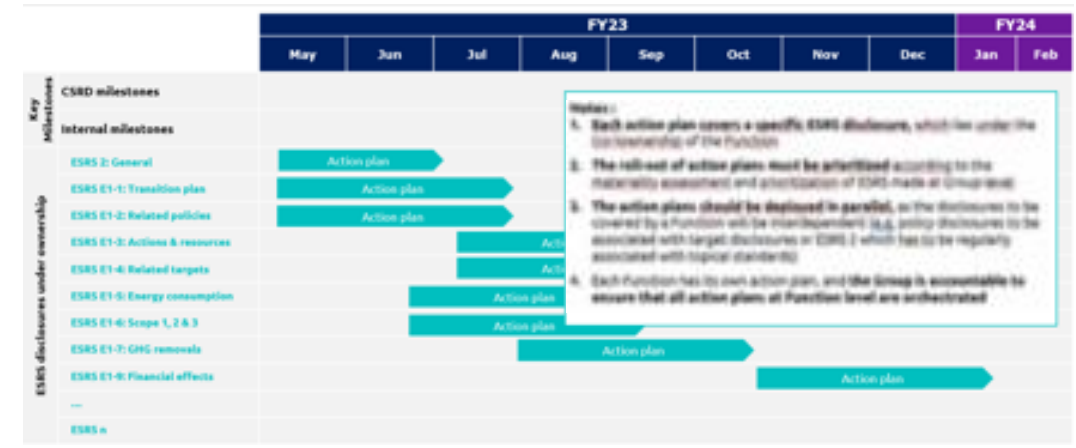
Guidelines to design action plan at Function level

Action plans at the Functions levels will be defined for each ESRS disclosure to be produced : they will detail activities to be performed around the key topics defined in general CSRD guidelines, associated with start and end dates to ensure the disclosure will be produce in alignment with key milestones imposed by the Group CSRD roadmap.

Illustration

Disclosure requirement and associated application requirement*		Application requirements are to be considered mandatory at disclosure requirements
Key topics / workstreams	Questions to be asked	Example of activities to be performed
1 CSRD policy requirements & associated targets	What policy currently covers CSRD requirements, internally or externally? Are targets defined?	• Review existing policies/revisions (ESRS disclosure)
2 Level of complexity	What is the full extension for the level of complexity, that includes high or low? (ESRS or currently disclosed level of complexity for CSRD)	• Identify which subject matter aspects of process that will be required (ESRS or currently disclosed, transitional period?)
3 Data and tooling requirements	What are the data sets to be collected? In which system? Do I have existing data that covers all the data sets and quality requirements? Do I have existing data covering all the data sets? Do I have existing data covering all the data sets? Do I have existing data covering all the data sets?	• CSRD data collection and management (internal/external) • CSRD data collection and management (internal/external) • CSRD data collection and management (internal/external) • CSRD data collection and management (internal/external)
4 Process	What are the information already reported? If not, what is the process to report the information (data sources, controls, etc.) and to ensure it is reliable? What is the target system? What are the controls in place to ensure the information is reliable?	• Develop a process / create reporting process, especially at high level of risk • Develop a process / create reporting process, especially at high level of risk • Develop a process / create reporting process, especially at high level of risk
5 Interactions with other Functions	Do I have the full ownership of the disclosure requirements? Do I have other functions to be involved in the process? (e.g. HR, IT, Finance, etc.)	• Define responsibilities with functions who own the CSRD disclosure
6 Resources needs	Am I able to find all the resources that are needed to ensure the disclosure is produced on time? Do I have the resources needed to ensure the disclosure is produced on time?	• Identify and allocate the resources needed to implement CSRD • Identify and allocate the resources needed to implement CSRD

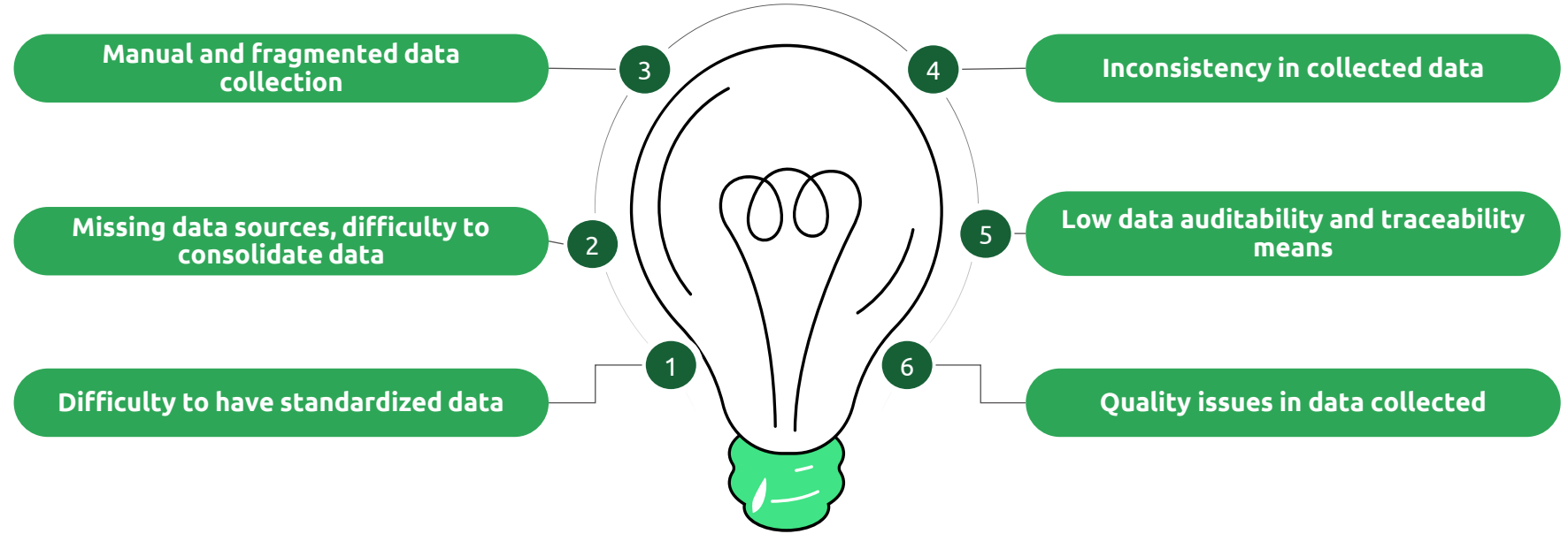
Illustration





WITH CSRD, IMPROVING ESG DATA RELIABILITY THROUGH EFFECTIVE DATA MANAGEMENT IS A KEY STAKE ON CARBON EMISSIONS AND BEYOND

It becomes even more urgent with the volume increase of necessary data in preparation of CSRD, but must also serve other internal needs, of which ESG performance steering



TO REACH THE FULL POTENTIAL OF DATA USAGES, ORGANIZATIONS MUST PUT IN PLACE SOME KEY ELEMENTS:

The standardization of ESG data and indicators

The access to reliable proxies through external providers

The development of granular and infra-annual data

The extension of the data perimeter taken into account in order to enrich ESG indicators

The capacity to trace data throughout the audit & certification process

SELECTION OF KEY LEARNINGS FROM OUR CLIENTS ON ESG DATA MANAGEMENT IN THE CSRD CONTEXT



Extract of a client benchmark

- In general, a **first level of gap analysis** has been realized in cooperation with external auditors, but it **has to be deepened with a further analysis**.
- **Double materiality** is generally a **well-understood concept** but **concerns** and questions remain regarding **frequency** and **deepness of the updating process**.
- The **timing discrepancy** between the availability of **operational data** and the **reporting schedule** is often mentioned as a complex challenge.
- In front of **certain limitations of ESG reporting** maturity (missing data, estimates with limited reliability, lack of update...), the Exec. Com. and the Leadership teams must **arbitrate and assume reasonable risks levels**.
- A key role on realized data consolidation and the monitoring of the decarbonization trajectory, with a clear trend for **convergence with financial reporting**, in particular with the **year-end budget landing forecast**.



BEST-IN-CLASS ESG MANAGEMENT SOLUTIONS CAN BE A REAL ACCELERATOR FOR COMPANIES IN A CSRD CONTEXT, BUT ONLY UNDER CERTAIN PREREQUISITES

- Solutions are now **available on the market** by financial **ERP vendors** (SAP, Salesforce...) and by **specialists** (Sweep, Greenly...). They progressively become more and more mature.
- **Several vendors have recently packaged specific CSRD offers**, that will continue to evolve in the next months/quarters.
- **A detailed analysis of the AS-IS and of needs/requirements must be established upstream**, to chose the most adapted solution (with trade-offs between internal developments and the buying of solutions on the market).

ERPs and hyperscalers

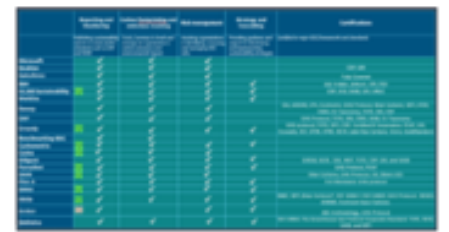
- SAP**
 - Sustainability Control Tower
 - Product Footprint Management
 - Responsible Design & Production
 - ...
- salesforce**
 - MS Cloud for Sustainability
 - MS Sustainability Manager
- G** (Google)
- IBM**
 - Envizi ESG Suite
- aws**
 - Net Zero Cloud
 - Net Zero Marketplace
- ...

ESG specialists

- SWEEP**
- Greenly**
- UL**
- PERSEFONI**
- workiva**
- enablon**
- ...

Illustration purpose only – Not for a benchmark purpose or does not reflect Capgemini preference

Illustration



Benchmarks and detailed analysis of covered features / functionalities, leading very often on a mix of *make* AND *buy* depending on the expected functional bricks.



CAPGEMINI X CDP

STAY TUNED AND REGISTER TO RECEIVE OUR REPORT COMING SOON

From Stroll to Sprint: A Race Against Time for Corporate Decarbonization

“From 2019 to 2022, the number of companies disclosing to the CDP rose in 16 out of 17 sectors. European companies disclosing publicly to the CDP grew by over 300, a 56% increase compared to 2019.”

Register your interest to receive the report when it is released.

Register →



Coming soon!
A new joint research study from Capgemini Invent and non-profit CDP on the progress European companies are making on their path to net zero.

Register online:

FROM STROLL TO SPRINT

**CAPGEMINI
PUBLIC WEBSITE**

About Capgemini

Capgemini is a global leader in partnering with companies to transform and manage their business by harnessing the power of technology. The Group is guided everyday by its purpose of unleashing human energy through technology for an inclusive and sustainable future. It is a responsible and diverse organization of 360,000 team members in nearly 50 countries. With its strong 55 year heritage and deep industry expertise, Capgemini is trusted by its clients to address the entire breadth of their business needs, from strategy and design to operations, fueled by the fast evolving and innovative world of cloud, data, AI, connectivity, software, digital engineering and platforms. The Group reported in 2022 global revenues of €22 billion.

Get the Future You Want | www.capgemini.com

