

Corporate Sustainability Reporting Directive (CSRD)

Werken aan een veerkrachtig bedrijf

28-02-2024



Welkomstwoord

Roy Tummers & Jan Appelman

28-02-2024

Agenda

- 13:00 – 13:15 Welkomstwoord
- 13:15 – 14:00 Wat betekent CSRD voor u? – Mirjam van der Velde, HaskoningDHV
- 14:00 – 14:45 CSRD meets Waterwet – Jeppe Rietveld, HaskoningDHV
- 14:45 – 15:00 Pauze
- 15:00 – 15:45 Duurzaamheid, energie en efficiëntie – Weero Koster, Aeolian
- 15:45 – 16:30 CSRD vanuit accountantperspectief - Michiel Hondema, Mazars
- 16:30 – 17:00 Praktijkervaring FrieslandCampina – Barry Doesburg, Friesland Campina
- 17:00 – 17:15 Afsluiting
- 17:15 – 18:00 Borrel

What is CSRD?

Mirjam van der Velde

28-02-2024



Who am I?

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 06 5201 8586

Mirjam van der Velde ([LinkedIn](#))

Sustainability Lead Industrials
22 years with RHDHV



Corporate Sustainability

- is all about how your business is going to achieve a **balance** between environmental, societal and economic goals and remain profitable for years to come.

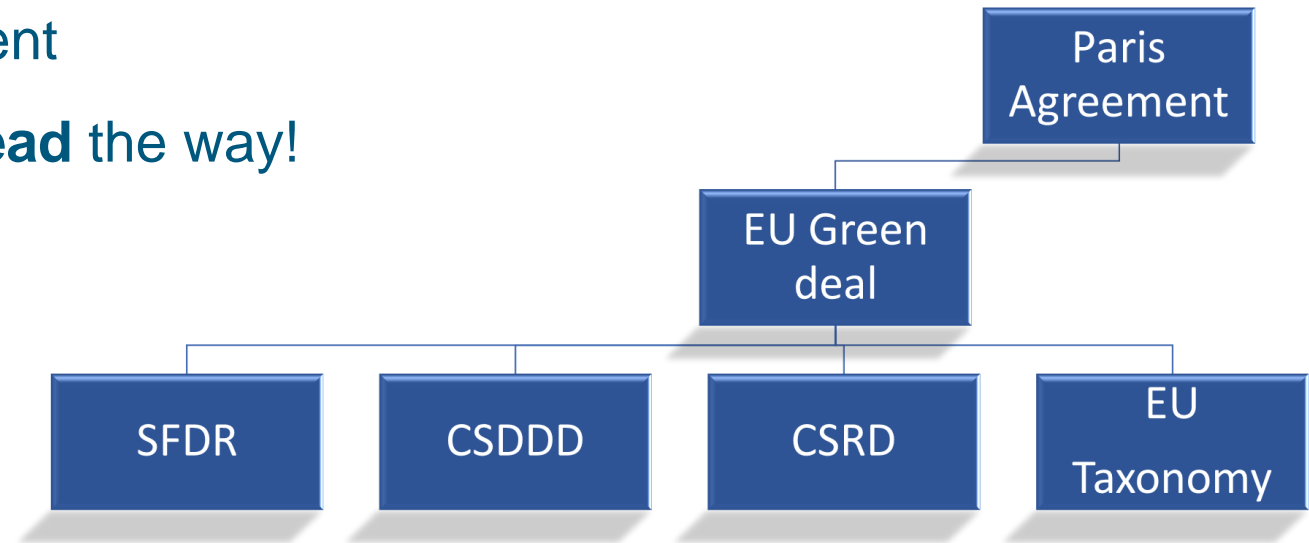




Context

European green deal

- Paris Agreement
- EU wants to **lead** the way!



- EU Green Deal: sustainable climate neutral economy by 2050
- EC has set policies to meet the Green Deal targets
- One of these is ‘investing in a green future’ aiming to make sustainable considerations an integral part of financial policy to support European green deal.

CSRD

Reasons for a new standard

With the CSRD the EU aims to:



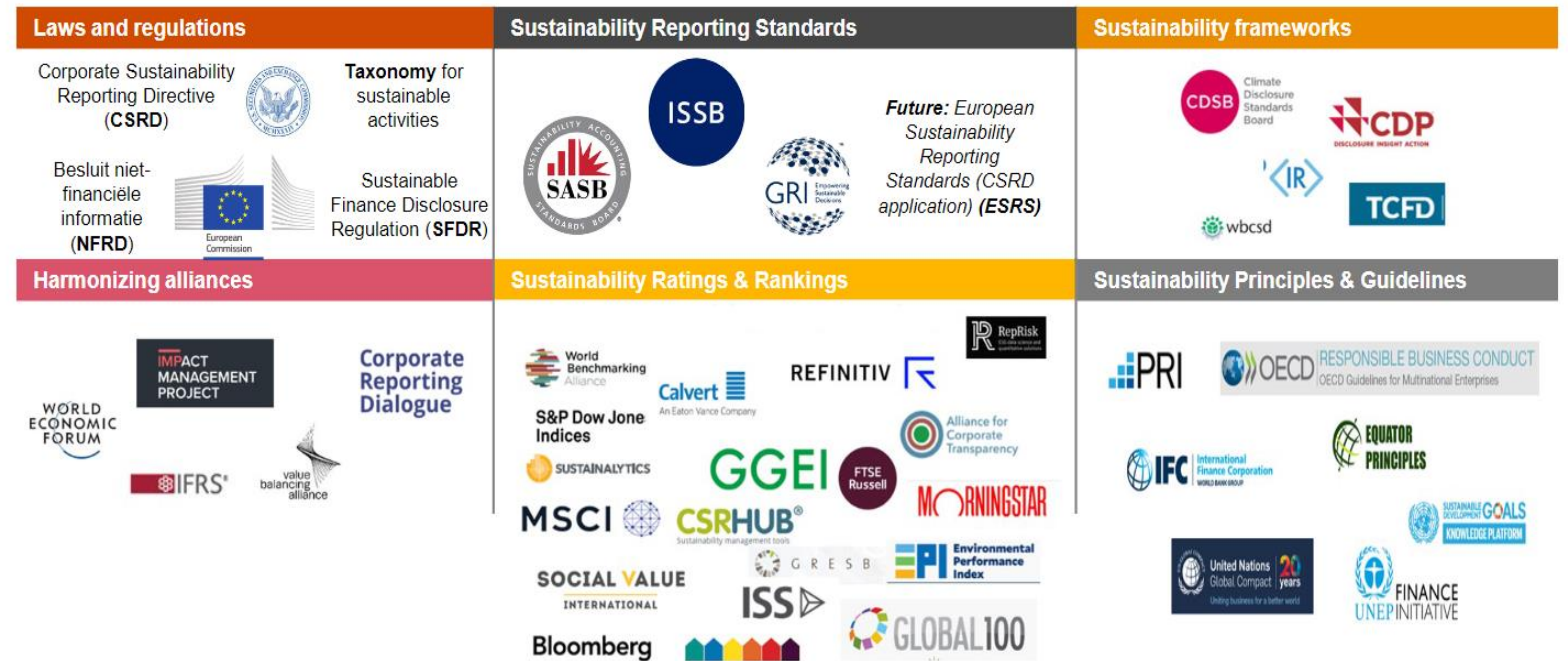
- **Decrease systemic risks** in European Economy due to e.g. climate change
- Incentivize a change in capital flows towards **investments in sustainable activities and businesses**
- CSRD provides investors improved **insights** into opportunities and risks
- **Accountability** of companies with respect to their environmental and social impact
- Bring sustainability reporting **on par with financial reporting**
- CSRD provides a **standard**: the European Sustainability Reporting Standards (the so-called ESRS)

What is CSRD?

Reporting landscape

Guiding principles embedded in these initiatives:

- For business sustainable operations: **Do No Significant Harm (DNSH) principle**
- For business sustainability reporting: **‘double materiality’ principle - report** about how sustainability issues affect business and about your own impact on people and the environment



Key Features of the European legal regime

CSRD

Corporate Sustainability Reporting Directive



Key Features

Corporate Sustainability Reporting Directive



A key concept: **double materiality** (impacts and financial opportunities)



Reporting in the **value chain**



Location and timing of reporting: in the **management report**, i.e. at the same time as financial statements.



Phase-in Provisions in 1-3 years



Qualitative/quantitative information: Forward-looking and retrospective information; Short, medium and long-term time horizons



Mandatory Audit. limited assurance to start with, moving to reasonable assurance

When will it affect you?

Large listed companies (> 500 employees) already subject to non-financial reporting directive, with reports due in 2025

Large companies not presently subject to non-financial reporting directive (> 250 employees and/or €50 million in turnover and/or €25 million in total assets*), with reports due in 2026

Listed SMEs and other undertakings, with reports due in 2027

Large non-EU companies with substantial activity in EU market; €150 million+ in net turnover generated within EU in the last financial year.



Summer 2023:
EU commission will adopt 1st final ESRS's.

* two out of three criteria

OPT-OUTS:
Listed SMEs can opt-out from the new system until 2028.

Key Features of the European legal regime

ESRS

European Sustainability Reporting Standards



Standards

European Sustainability Reporting Standards (ESRS)

Cross cutting standards

ESRS 1
General principles

ESRS 2
General, strategy, governance and materiality assessment

Sector agnostic standards

Environment

ESRS E1
Climate change

ESRS E2
Pollution

ESRS E3
Water and marine resources

ESRS E4
Biodiversity and ecosystems

ESRS E5
Resource use and circular economy

Social

ESRS S1
Own workforce

ESRS S2
Workers in the value chain

ESRS S3
Affected Communities

ESRS S4
Consumers and end-users

Governance

ESRS G1
Business conduct



European Financial Reporting Advisory Group

82 Disclosure Requirements
Qualitative and Quantitative

1053 datapoints
(narrative sub-element of a Disclosure Requirement)

Implementation guidances

*To be complemented by **sector specific standards** + **SME standards***

European Sustainability Reporting Standards (ESRS)

Subtopics (ESRS 1)

ESRS	Topic	Sub-(sub-) topics
E1	Climate change	Climate change adaptation Climate change mitigation
E2	Pollution	Air / water / soil Living organisms Substances of (very high concern) Microplastics
	<i>Etcetera</i>	
E3	Water and Marine Resources	Water (consumption, withdrawals, discharges) Marine resources
E4	Biodiversity and Ecosystems	Biodiversity loss State of species Condition of ecosystems

ESRS

General structure of an ESRS



Governance (GOV) : processes, controls, procedures to monitor and manage IRO



Strategy (SBM): interaction strategies and business models with IRO's



Impacts, Risks & Opportunities (IRO): identification, assessment and management of IRO's



Metrics & Targets (MT) to measure performance

Key Features of the European legal regime

How to start?

European Sustainability Reporting Standards



How to start?

7 steps to implementation

Our 7 step-method to get you ready for the new CSRD

steps

1

Stakeholders mapping across the value chain

2

Double materiality assessment: finance and impact

3

Gap assessment

4

Set Sustainability statements: governance, strategy, EU Taxonomy, metrics & targets

5

Data collection

6

Set up report structure

7

Prepare report in digital format (XHTML) for the European Single Access Point (ESAP) database

How to start ?

Don't wait too long!

	Mrt	April	May	June	July	Aug	Sep	Oct	Nov	Dec
	Preparation		Corporate framework		Summer		Training and implementation			
0. Scope definition / threshold analysis										
1a. Value Chain Assessment										
1b. Stakeholder Mapping										
2. Double Materiality Assessment										
3. Gap assessment										
4. Sustainable Corporate Strategy										
5. Data Collection										
6. Reporting Structure										
7. Reporting										

Value Chain

ESRS Definition **Value Chain**: “*The full range of activities, resources and relationships related to the undertaking’s business model and the external environment in which it operates.*”

Risk based approach helps manage scale and complexity: identify general areas where impacts, risks and opportunities are most significant.



Stakeholders

ESRS Definition: “**Stakeholders** are those who can effect or be affected by the undertaking.”

- Affected stakeholders in value chain: individuals or groups whose interests are affected or could be affected
- Users of sustainability statements such as investors, lenders, business partners, trade unions, social partners, non-governmental organizations, governments



How to comply

Double materiality matrix

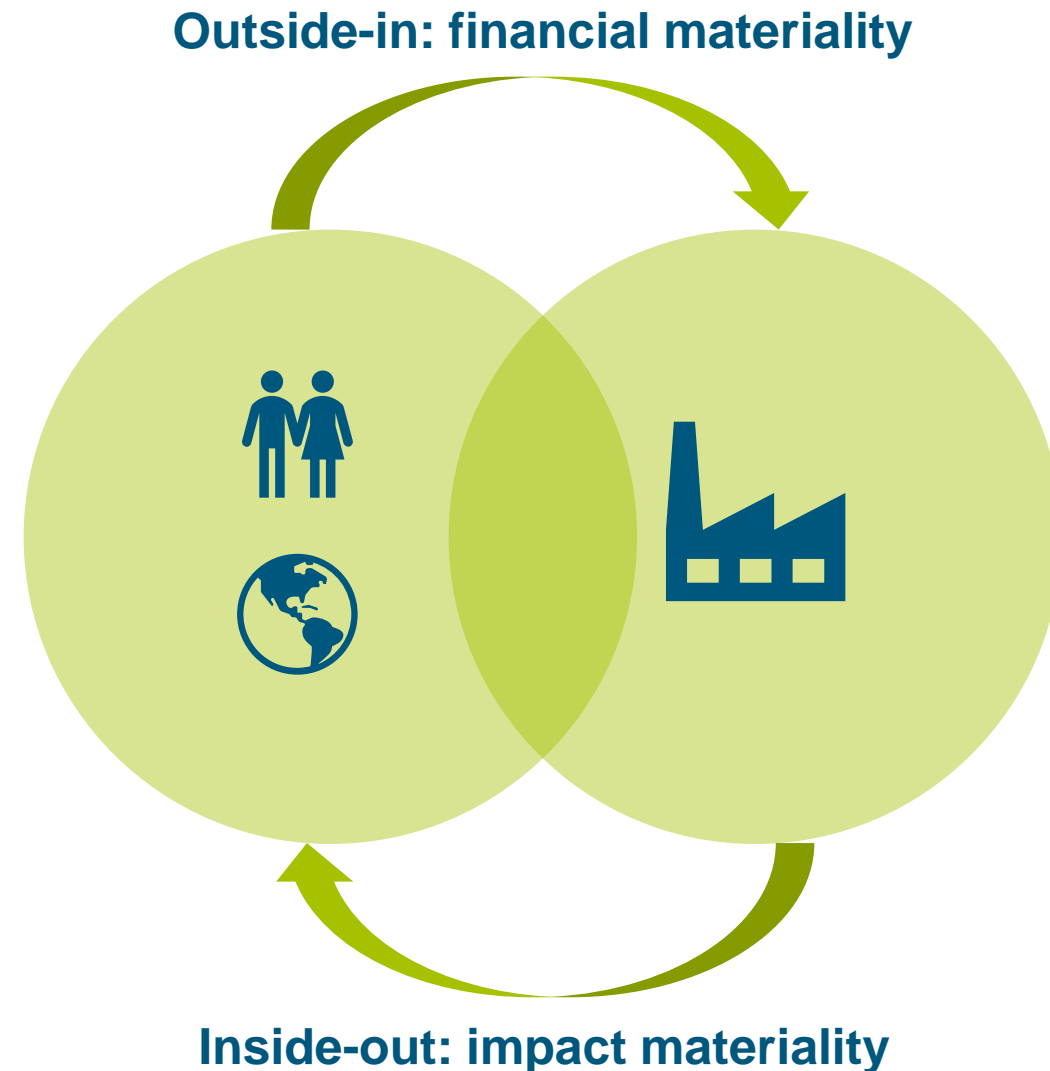
A sustainability matter is material if it is material from the impact perspective or from the financial perspective or from both of these perspectives

Financial materiality:

Captures the outside-in impact of a business, considering the positive and negative impact of environment and society on your business.

Impact materiality:

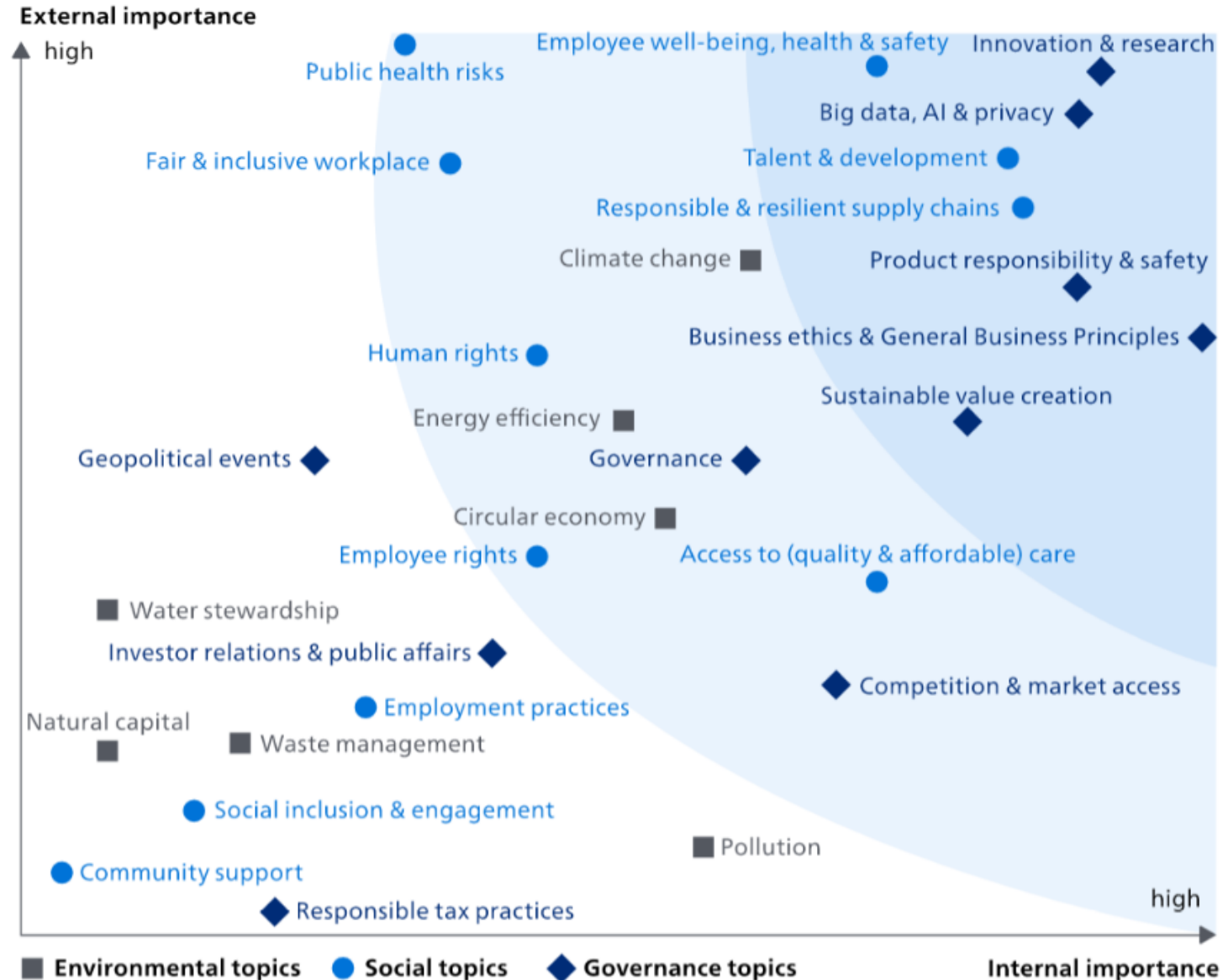
Captures the inside-out impact of your business, considering both positive and negative impacts on people, planet and society over the long, medium and short term.



How to comply

Example of a Double materiality matrix

Source: Philips, Annual Report 2022



How to comply

Next steps

Source: Presentation at
Nationaal Sustainability
Congres, 23 November 2023
by Simon Braaksma, Philips

Double Materiality Assessment

Cross-cutting standards		
ESRS 1 General principles		
ESRS 2 General, strategy, governance and materiality assessment disclosure requirements		
Topical sector-agnostic standards		
Environment	Social	Governance
ESRS E1 Climate change	ESRS S1 Own workers	ESRS G1 Governance, risk management and internal control
ESRS E2 Pollution	ESRS S2 Workers in the value chain	
ESRS E3 Water and marine resources	ESRS S3 Affected communities	
ESRS E4 Biodiversity and ecosystems	ESRS S4 Consumers and end-users	
ESRS E5 Resource use and circular economy		

 as not material

Next step: Gap Assessment

- “Text” Gaps associated with external communication. These can be addressed through new/revised:
 - Policies, targets, actions plans, methodologies
 - Changes to the annual report, including potential appendices
- “Metrics” Gaps associated with missing data, including targets
 - Is data missing or needed?
 - Source systems
 - Baseline setting

How to comply?

Data points

- Datapoints for each ESRS (sub) topic
- It includes **voluntary and mandatory data points**
- **The data type** for each data point e.g. monetary, narrative, percent, volume, table

ESRS	DR	Paragraph	Related A	Name	Data Type
E1	E1.GOV-3	13		Disclosure of how climate-related considerations are factored into remuneration of members of administrative, management and supervisory bodies	narrative
E1	E1.GOV-3	13		Percentage of remuneration recognised that is linked to climate related considerations	percent
E1	E1.GOV-3	13		Explanation of climate-related considerations that are factored into remuneration of members of administrative, management and supervisory bodies	narrative
E1	E1-1	14	AR 1	Disclosure of transition plan for climate change mitigation	narrative
E1	E1-1	16a	AR 2	Explanation of how targets are compatible with limiting of global warming to one and half degrees Celsius in line with Paris Agreement	narrative
E1	E1-1	16b		Disclosure of decarbonisation levers and key action	narrative
E1	E1-1	16c		Disclosure of significant operational expenditures (Opex) and (or) capital expenditures (Capex) required for implementation of action plan	narrative
E1	E1-1	16c		Financial resources allocated to action plan (OpEx)	monetary

CSRD

How does it impact you?

- Reporting might be **mandatory** for your company: check the thresholds!
- Otherwise, it is a reason to start thinking about your own impact; your partners might ask for this as well!
- **You might have a role** in data management, measuring and reporting
- CSRD will **increase awareness** with your clients on sustainability
- On the longer term: CSRD will increase investments in sustainable technology (on water, energy etc) **as businesses need to implement actions**

CSRD meets Waterwet

Jeppie Rietveld

28-02-2024

Agenda

1. Introductie
2. Het belang van waterbeleid
3. EU waterbeleid: een ontwikkelend kader
4. Wisselwerking waterbeleid
5. ESRS E3: Water en mariene hulpbronnen
6. ESRS E2: Verontreiniging
7. Toekomstige ontwikkelingen
8. Q&A

Over deze presentatie

■ Waar we op ingaan

- Huidig waterbeleid EU
- Wisselwerking waterbeleid en CSRD
- De wateraspecten van de CSRD
- ESRS E2: verontreiniging i.r.t. water
- ESRS E3: water en mariene hulpbronnen

■ Wat we niet zullen bespreken

- Een overzicht van de gehele CSRD
- Materialiteitsbeoordeling
- Concrete invulling van eisen

Industrial Water Compliance

- Team Water for Industry
- Watertechnologie, waterstrategie en watercompliance
- Vergunningtrajecten, ZZS-studies,
waterbesparingsstudies



Jeppe Rietveld
Adviseur Industrieel water
Gevaarlijke stoffen (PFAS)
Waterwetvergunningen

Het belang van waterbeleid

- Water van essentieel maatschappelijk belang en een basisbehoefte
- Waterwetgeving is belangrijk voor het welzijn van burgers en het behoud van natuurlijke ecosystemen
- Water is zeer waardevol in de economie van de EU
- Goede kwaliteit, voldoende omvang
- Goede ecologische en chemische status (KRW)
- SDG's: Water, consumptie en oceanen



EU Waterbeleid: een ontwikkelend kader

Naast de KRW: andere beleidsstukken en wetgeving omtrent water

**Richtlijn stedelijk
afvalwater – groen
licht herziening**

**Vervuiler betaalt
principe (EPR) –
controle
geschiktheid**

**Richtlijn
industriële
emissies (RIE) –
wordt herzien**

**Herziening
drinkwater
richtlijn- start
2026**

Voor het eerst dat een EPR-plan wordt voorgesteld door de EU op gebied van waterwetgeving, waarbij producent dient te betalen voor verwijderen van microverontreinigingen uit water

Gekoppeld aan CSRD en chemicaliënwetgeving

EU Waterbeleid: een ontwikkelend kader

EPR-voornemen kan invloed hebben op uw rapporteerstijl!

Richtlijn stedelijk afvalwater

Betekent praktisch gezien dat producenten:

- Jaarlijks kwantiteit en waterbezwaarlijkheid rapporteren
- Daaraan gekoppelde financiële bijdrage

Uitzonderingen

- *Als minder dan twee ton product op de markt gebracht wordt*
- *Producten geen microverontreinigingen in water brengen*

*Van toepassing op farmacie en cosmetica,
Evaluatie EC of sectoren uitgebreid moet worden*

Kaderrichtlijn Water, Grondwaterrichtlijn en Richtlijn milieukwaliteitsnormen

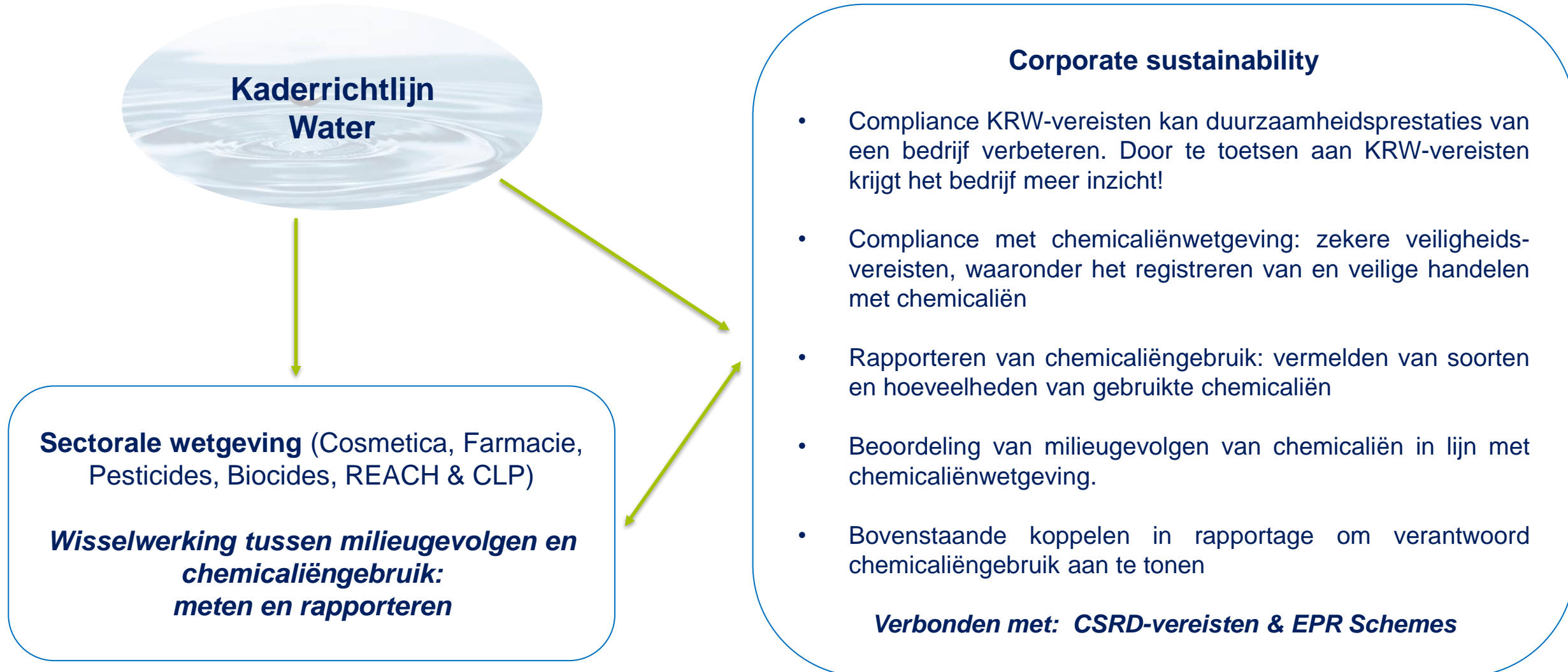
Het EP ENVI comité heeft ingestemd met het presenteren door de EC van een **impact assessment en wetgevingsvoorstel** voor de introductie van EPR

EPR-verdrag heeft als doel dat producenten bijdragen aan kosten voor monitoringsprogramma's van stoffen die op de KRW prioritaire stoffen of opkomende stoffen lijsten staan

Kan van toepassing zijn op scala aan sectoren. Van pesticiden tot biociden, geneesmiddelen voor dieren, maar ook voor mensen

Wisselwerking tussen wettelijke kaders

Waterbeleid, chemicaliënwetgeving & corporate sustainability



ESRS E3 – Water en mariene hulpbronnen

Doelen van inzichtelijkheid

Begrijpen

- Impact op water en mariene hulpbronnen

Definiëren

- Maatregelen om waterbronnen te beschermen (bv inname verminderen)

Definiëren

- Bijdrage aan EU Green Deal (op gebied van water en blauwe economie)

Beschrijven

- Aanpassingsplannen en ruimte voor aanpassing (gerelateerd aan water en mariene hulpbronnen)

Begrijpen

- Materiele risico's en kansen voor water en mariene hulpbronnen (en hoe deze beheerst worden)

Kwantificeren

- Financiële gevolgen van die risico's op de korte, middellange en lange termijn

ESRS E3 – Waar moet over gerapporteerd worden?



Proces om risico's op te sporen en te beoordelen



Beleid om impact, risico's en kansen te beheersen



Maatregelen met betrekking tot water en mariene hulpbronnen



Doelen met betrekking tot water en mariene hulpbronnen



Prestaties op het gebied van watergebruik



Verwachte financiële gevolgen door risico's en kansen

E3-1: Beleid t.a.v. water en mariene hulpbronnen

Q: Heeft u al beleid opgenomen voor vermindering van waterverbruik in gebieden met waterrisico's? Ook voor uw up- /downstream?

Hoe het beleid zich verhoudt tot:

- **Waterbeheer:** winning, gebruik van water en mariene hulpbronnen
- **Waterbehandeling** en voorkomen en bestrijden van waterverontreiniging
- Producten/diensten als antwoord op **waterproblemen** en **behoud** mariene hulpbronnen
- **Vermindering** van waterverbruik in **gebieden met waterrisico's**
- Of er beleid is aangenomen ten aanzien van **duurzame oceanen en zeeën**



E3-1: Beleid t.a.v. water en mariene hulpbronnen



Beleid: geen water onttrekken in tijden van waterschaarste (ook up-/downstream)

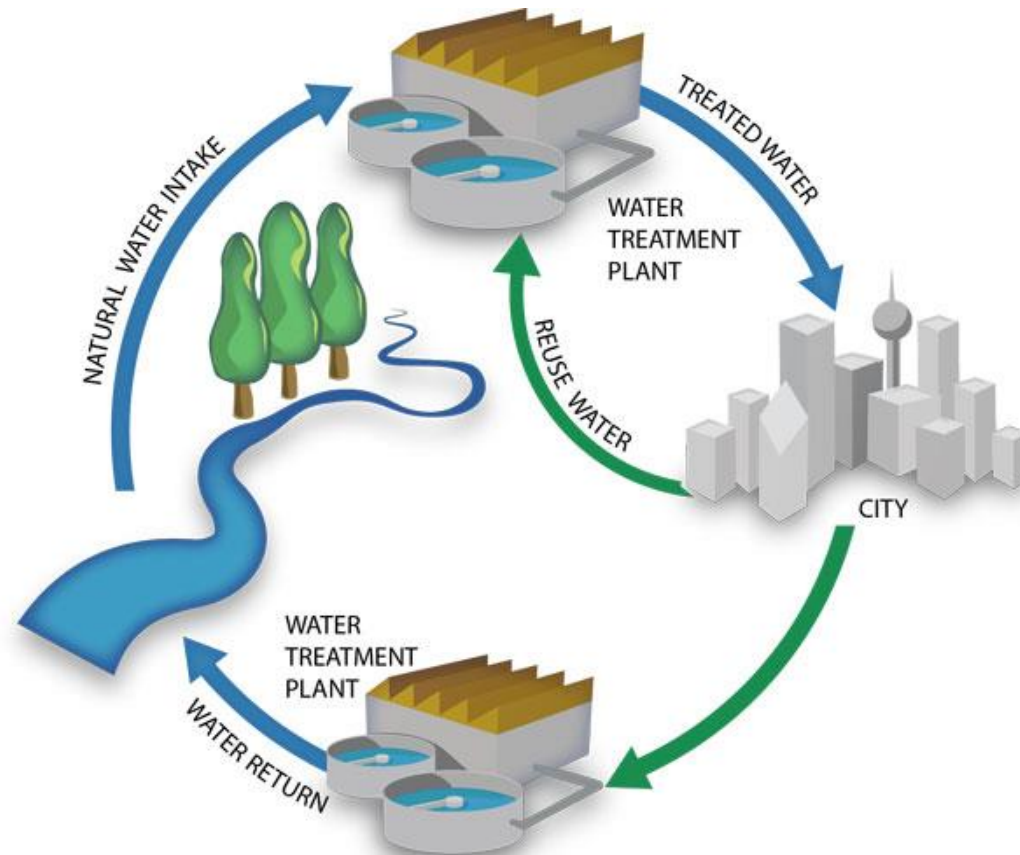
E3-2: Maatregelen en middelen wat betreft water en mariene hulpbronnen

Welke maatregelen worden genomen om:

- Watergebruik en het gebruik van mariene hulpbronnen te **vermijden**
- Watergebruik en het gebruik van mariene hulpbronnen te **verminderen**
- Water terug te winnen of **hergebruiken**
- Aquatische ecosystemen te **herstellen**
- Gebieden met waterrisico's **minder te belasten**



E3-2: Maatregelen en middelen wat betreft water en mariene hulpbronnen



Maatregel: afvalwater gaan hergebruiken

E3-3: Doelen wat betreft water en mariene hulpbronnen

Q: Heeft u concrete doelen gesteld om water en mariene hulpbronnen minder te belasten?

Hoe verhouden de doelen zich tegenover:

- **Beheersing** in gebieden met waterrisico
- Verbeteren van de **waterkwaliteit**
- **Verantwoord gebruik** van mariene hulpbronnen
- Verminderen van **waterverbruik**
- **Ecologische drempels**

Zijn de vermelde doelen verplicht (bv. wettelijk) of vrijwillig gesteld?



E3-3: Doelen wat betreft water en mariene hulpbronnen



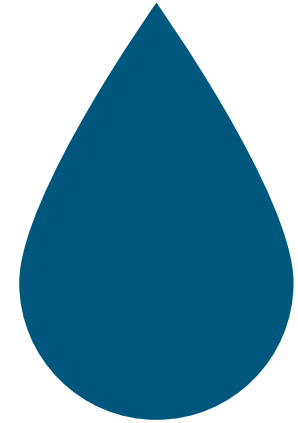
Doel: 90% vermindering van de jaarvracht van lood naar het oppervlaktewater

E3-4: Waterverbruik

Q: Is het totale waterverbruik in kaart gebracht? Heeft u ook de zogenaamde waterintensiteit bepaald?

Rapporteren door beschrijven van:

- Het **totale waterverbruik** van de onderneming
- Het totale waterverbruik in **gebieden met waterrisico's**
- De totale hoeveelheid gerecycled en **hergebruikt** water
- De totale hoeveelheid **opgeslagen** watervoorraad
- **Waterintensiteit**: totale waterverbruik tegen over netto-omzet: m³/ €1.000.000



E3-4: Waterverbruik



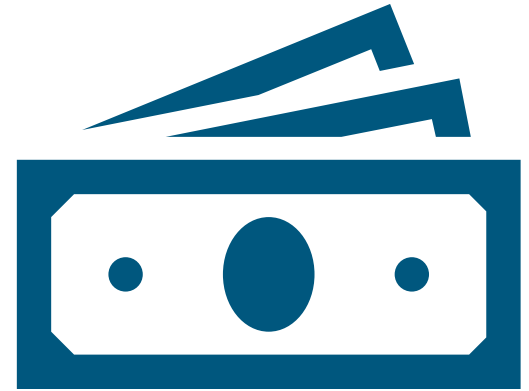
3.000.000 m³

Rapporteren: waterintensiteit en totaal volume
hergebruikt (en bespaard) water

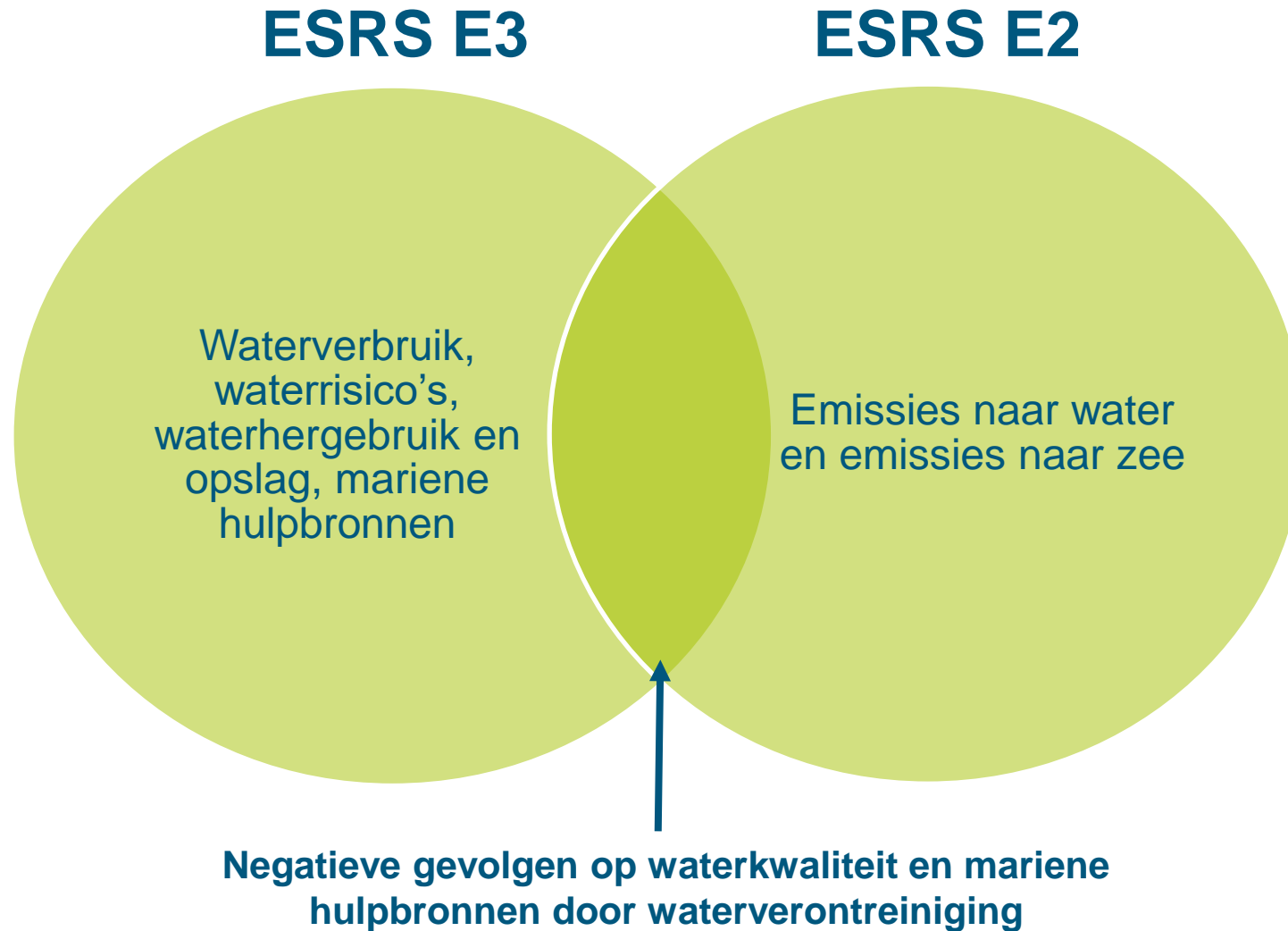
E3-5: Financiële gevolgen wat betreft water en mariene hulpbronnen

Rapporteren door beschrijven van:

- Beoogde financiële effecten van maatregelen
- Beschrijven van de beschouwde effecten en tijdsbestek
waarin deze op zullen treden
- **Kritieke aannames** die bij deze kwantificatie zijn gebruikt,
alsmede de bronnen en onzekerheid daarvan



ESRS E2: – Overlap met ESRS E3



ESRS E2 – Verontreiniging

Doelen van inzichtelijkheid

Begrijpen

- Hoe de bedrijfsvoering gevolgen heeft op verontreiniging van bodem, **water** en lucht

Definiëren

- Maatregelen om negatieve gevolgen van verontreiniging te voorkomen of verminderen

Beschrijven

- Aanpassingsplannen en ruimte tot aanpassing (in relatie tot het maken van een gifvrij milieu en Green Deal Zero Pollution doelen)

Begrijpen

- Materiële risico's en kansen omtrent verontreinigingen (en beheersing daarvan)

Kwantificeren

- Financiële gevolgen van die risico's op de korte, middellange en lange termijn

ESRS E2 – Waar moet over gerapporteerd worden?



Proces om risico's op te sporen en te beoordelen



Beleid om impact, risico's en kansen te beheersen



Maatregelen met betrekking tot verontreinigingen



Doelen met betrekking tot het voorkomen van verontreiniging



Verontreiniging van lucht, **water** en bodem



Productie, gebruik en distributie van (Z)ZS



Verwachte financiële gevolgen door risico's en kansen

E2-1: Beleid ten aanzien van verontreiniging

Q: Heeft u beleid opgenomen voor het vervangen en beperken van gebruik van zeer zorgwekkende stoffen?

Hoe het beleid is t.a.v. de eigen processen, maar ook upstream en downstream, m.b.t.:

- Negatieve gevolgen door mitigatie van verontreiniging van water door voorkomen en bestrijden;
- Vervangen en beperken van gebruik van (zeer) zorgwekkende stoffen
- **Vermijden van (milieu)-incidenten en impact op mens en milieu beperken**



E2-2: Maatregelen en middelen w.b. verontreiniging

Q: Neemt u maatregelen voor het herstellen van ecosystemen?

Welke stap in de mitigatieladder wordt genomen?

- Bronaanpak: uitfaseren materialen/verbindingen met negatieve impact op water
- Reduceren verontreiniging: toepassen van best beschikbare technieken (BBT)
- **Herstellen, regenereren en transformeren van het ecosysteem**



E2-3: Doelen wat betreft verontreiniging

Q: Heeft u concrete doelen gesteld om emissie van verontreinigende stoffen naar water te verminderen? Is het stellen van deze doelen wettelijk verplicht?

Hoe verhouden de doelen zich tegenover:

- Het bestrijden en voorkomen van emissies naar water
- Het beheersen van (Z)ZS-emissie
- Vastgestelde ecologische drempels

Zijn de vermelde doelen verplicht (bv. wettelijk) of vrijwillig gesteld?

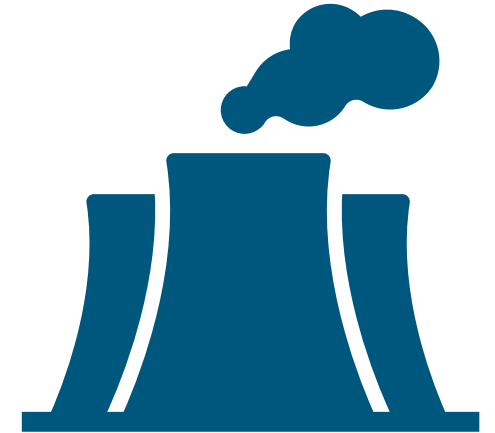


E2-4: Verontreiniging lucht, water, bodem

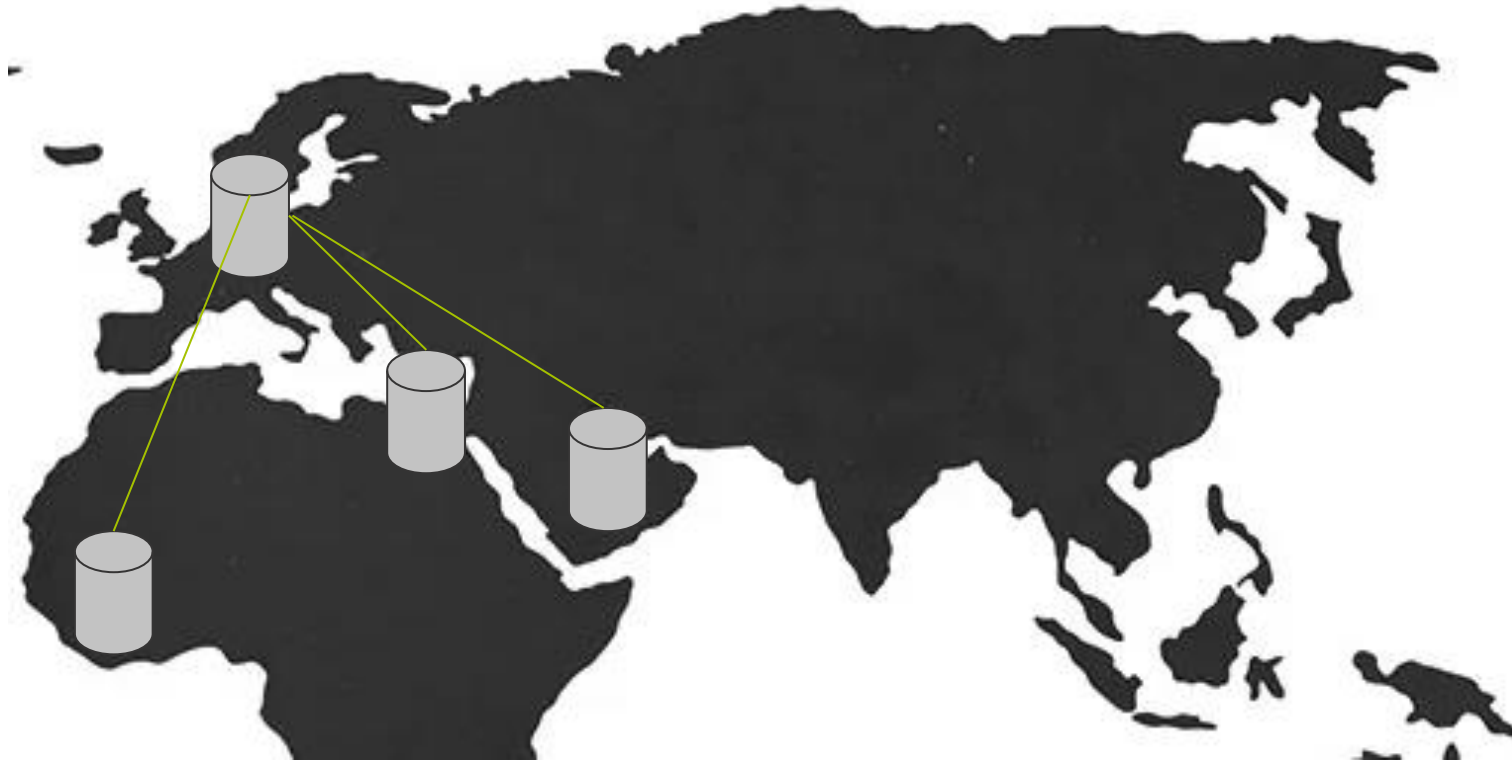
Q: Rapporteer u reeds emissies naar water? Rapporteer u ook de gebruikte meetmethodes?

Rapporteren door beschrijven van:

- Emissies naar water van stoffen aanwezig op Bijlage II EG nr. 166/2006 (E-PRTR)
- **Eveneens rapporteren over uitstoot van bedrijven waarover bedrijf financieel en/of operationeel zeggenschap heeft**
- Methodes voor dataverzameling en gehanteerde meetmethodes
- Wanneer inferieure kwantificatie-methoden gebruikt zijn, onderbouwen waarom dit het geval is



E2-4: Verontreiniging lucht, water, bodem



Rapporteren wateremissies voor
hoofdonderneming én dochterbedrijven

E2-5: (Zeer) Zorgwekkende stoffen

Q: Heeft u in kaart gebracht hoeveel ZZS de onderneming binnenkomen? En ook hoeveel de onderneming verlaten?

Rapporteren door beschrijven van:

- Mengsels of voorwerpen waarin (Z)ZS aanwezig zijn
- Totale hoeveelheden (Z)ZS die ontstaan, ingekocht en/of gebruikt worden
- **Totale hoeveelheden (Z)ZS die de onderneming verlaten als emissie, product of dienst**
- Informatie over ZZS separaat van ZS presenteren



E2-5: (Zeer) Zorgwekkende stoffen



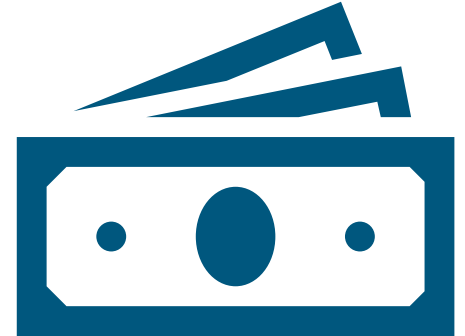
Rapporteren (Z)ZS in, (Z)ZS geproduceerd,
(Z)ZS uit

E2-6: Financiële gevolgen

Q: Heeft u financiële inzichtelijkheid van de netto-opbrengst door diensten en producten die ZZS bevatten?

Rapporteren door beschrijven van:

- **Aandeel netto-opbrengst door producten en diensten die (Z)ZS bevatten**
- OPEX/CAPEX in samenhang met incidenten en sanering
- Getroffen voorziening voor milieubescherming en herstelkosten



Toekomstige ontwikkelingen

Water in het steeds veranderende beleid

- Water zal centraal staan in beleidsinitiatieven van EU in komende politieke cyclus
- Ontwikkeling van coherente, geharmoniseerde en alomvattende benadering van water zal belangrijk punt op agenda van Commissie zijn
- Dit zal vorm krijgen als een EU-breed kader voor waterveerkracht dat gericht is op waterduurzaamheid in verschillende sectoren, waaronder consumenten, landbouw en industrie
- Gezien het brede toepassingsgebied zal het EU-kader voor waterveerkracht waarschijnlijk ingrijpende sectoronafhankelijke gevolgen hebben voor bedrijven

Ontwikkelen van waterstrategie en naleving van de ontwikkelingen binnen de kaderrichtlijnen zal de sleutel voor de industrie zijn!

Q&A

Pauze

We gaan verder om
15:00 uur

28-02-2024





Duurzaamheid, energie en efficiëntie

Weero Koster

28-02-2024

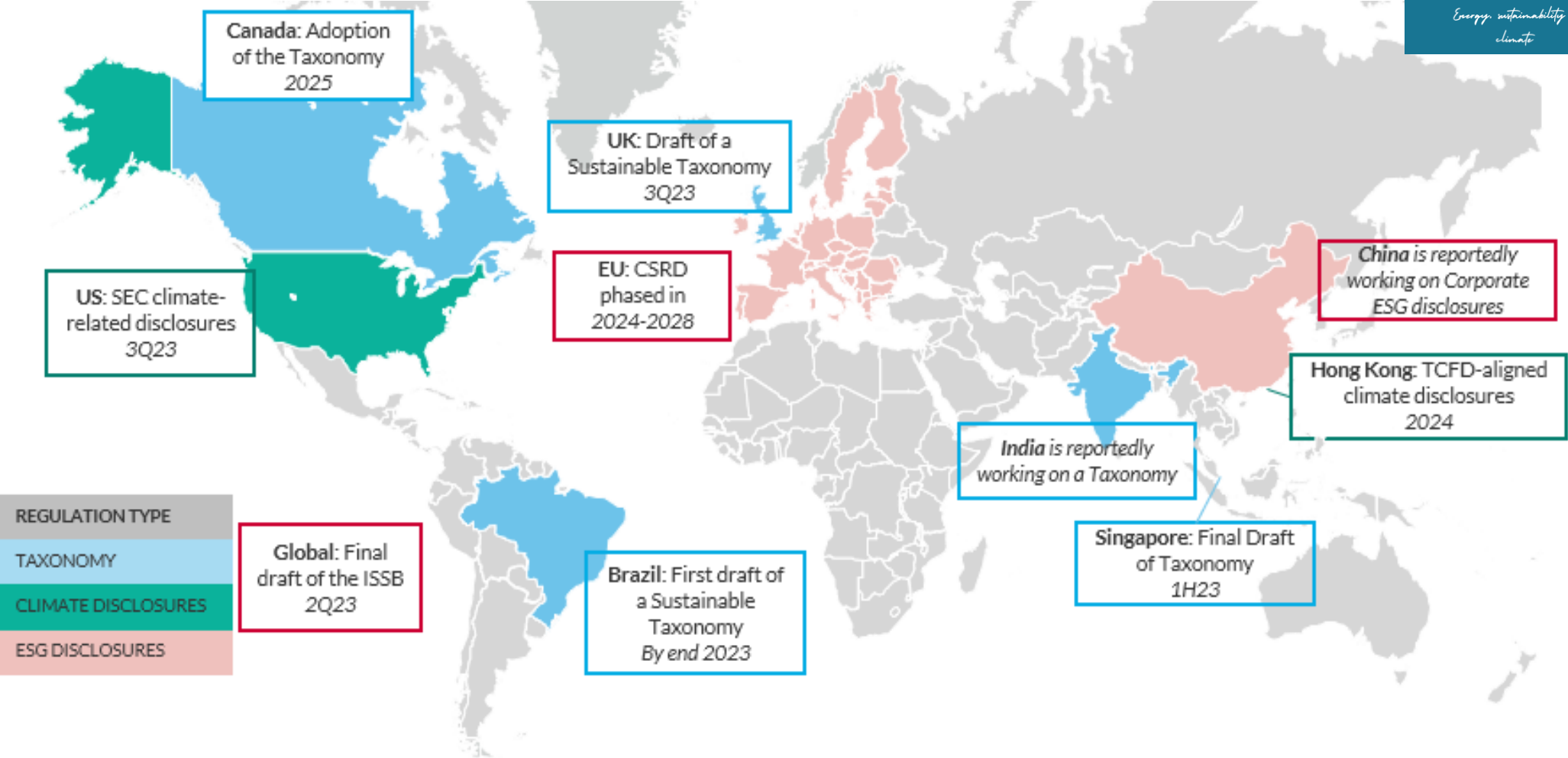


Sustainability, Energy & Efficiency

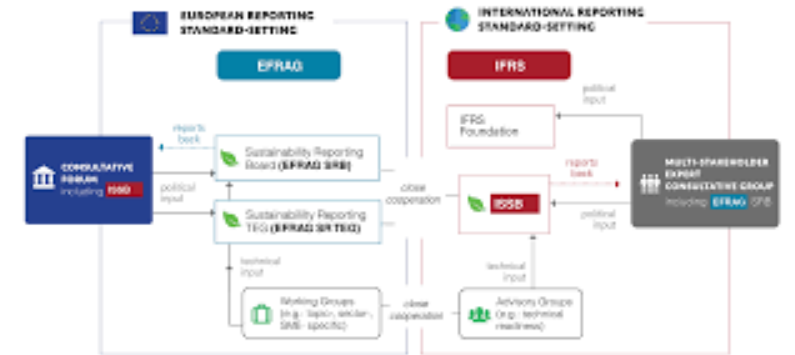
Topics:

- EU green deal goals and the package
- Energy efficiency and circularity
- EU Taxonomy
- ESRS' E1 (E2 en E5)
- Practical examples

Upcoming ESG regulations



Alphabet soup

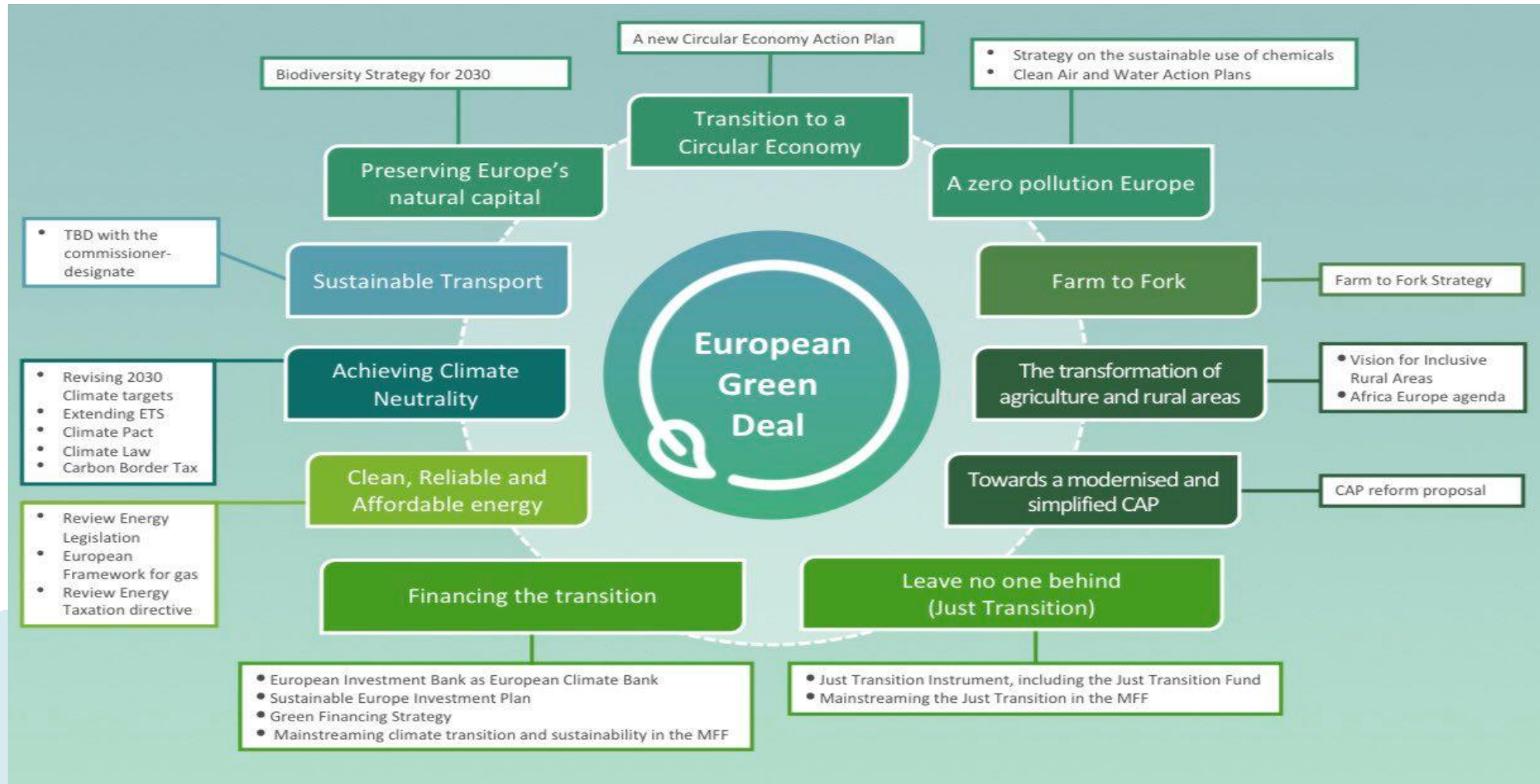


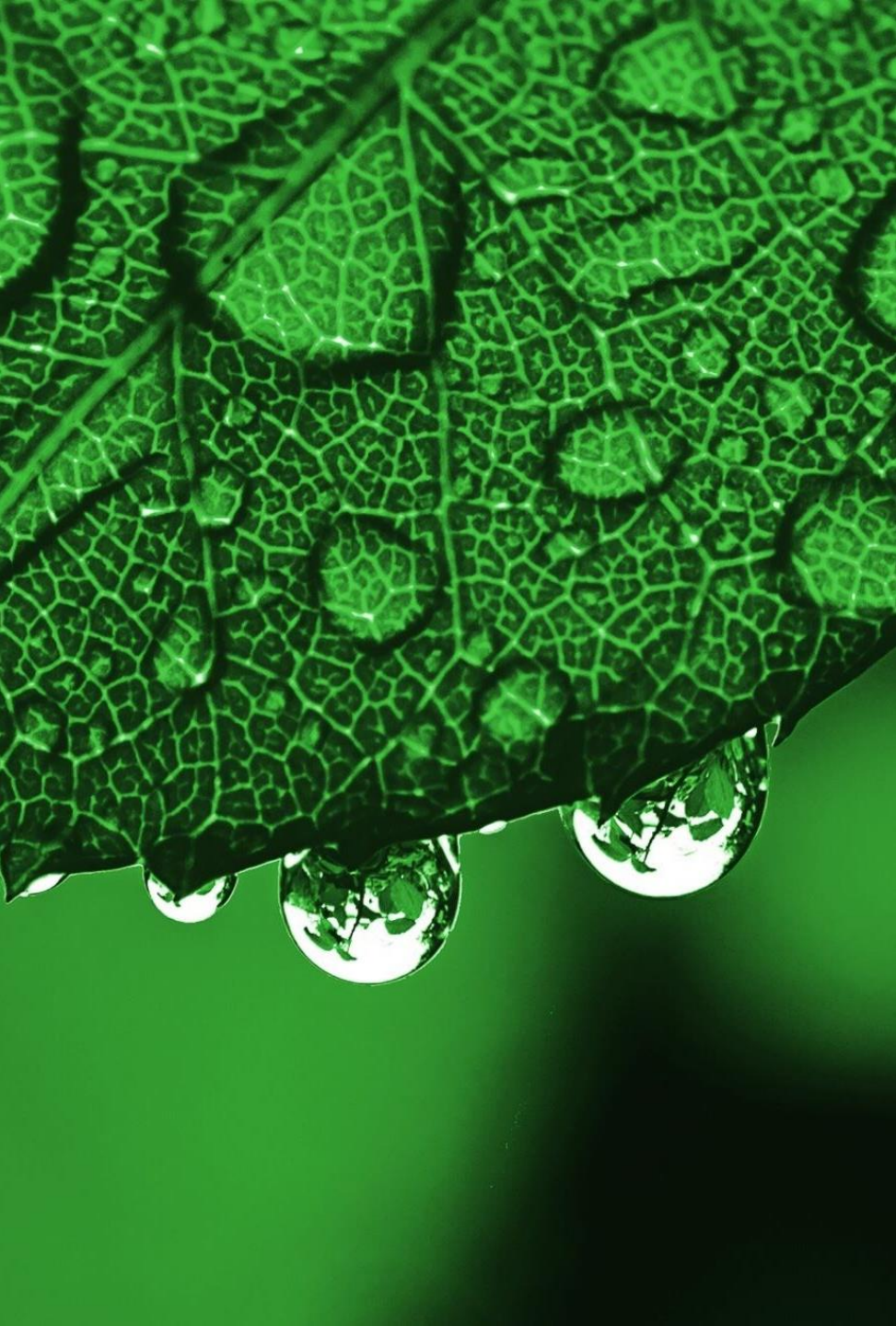


Main goals EU Green Deal (“man on the moon moment”):

- To reorient capital flows by establishing :
 - a classification system (taxonomy) for sustainable activities, and
 - standards and labels for green bonds, benchmarks, and other financial products.
- To increase EU funding for sustainable projects.
- To mainstream sustainability into risk management.
- To foster transparency and long-term thinking by strengthening the disclosure requirements.







Green deal initiatives

- CSRD
 - ESRS > “reporting” or “transformation”
- CSDDD
- EU-Taxonomy
- Energy Efficiency Directive
- Renewable Energy Directive(s)
- Others
 - Fit for ‘55 initiative
 - Biodiversity strategy
 - Circular Economy Action plan
 - Sustainable products initiative
 - Clean air & water action plan
 - Waste Framework Directive
 - EU Industrial Policy

CSRD, CSDDD and EU taxonomy

EU Taxonomy (2022)

- Classification business activities
- Helps investors direct funds
- Transparency on basis of turnover, Opex, Capex
- Climate change and adaptation, water & marine resources, circular economy, pollution, biodiversity & ecosystems
- social taxonomy by reference UNGPHR, OECD Guidelines, UNGC

CSRD/ESRS (2024)

- Stakeholders, strategy & governance
- Own operations and value chain

CSDDD (2025)

- Due diligence duty to “identify, prevent, bring to an end adverse human rights and environmental impacts”
- Own operations and value chain



EU taxonomy



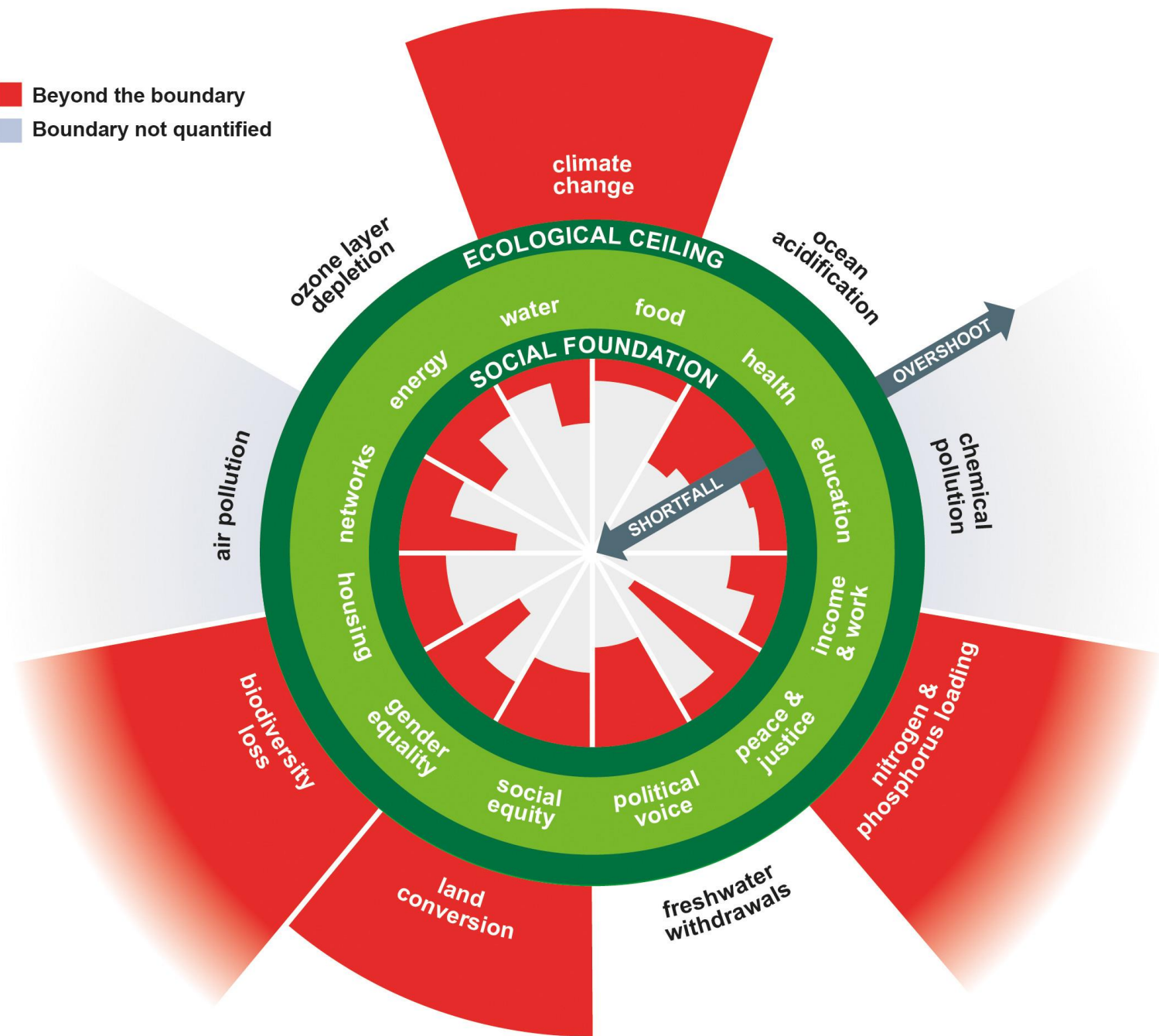
- Contributes substantially to one or more environmental objectives, and
- Does not significantly harm any environmental objective, and
- Is compliant with minimum safeguards (e.g. UN Convention HR, UNGP, OECD Guidelines), and
- Complies with the technical screening criteria.

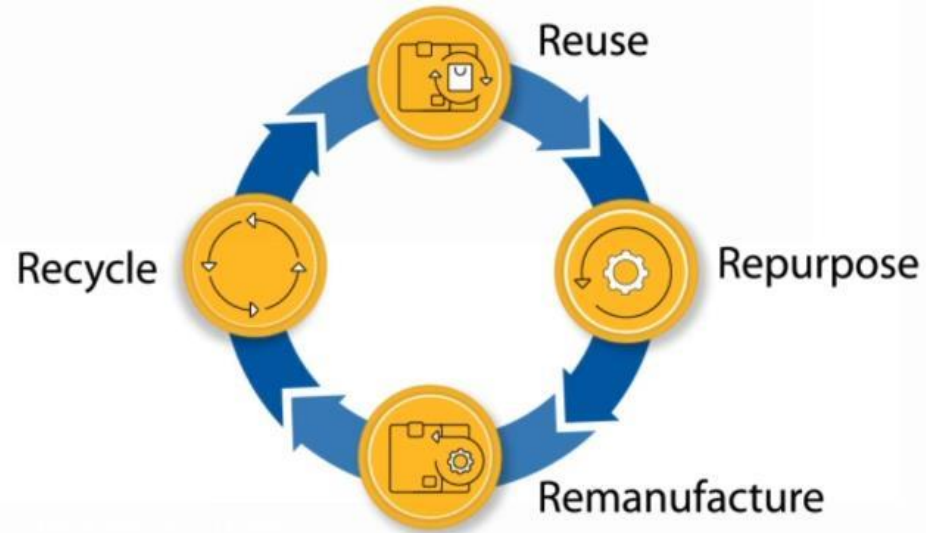
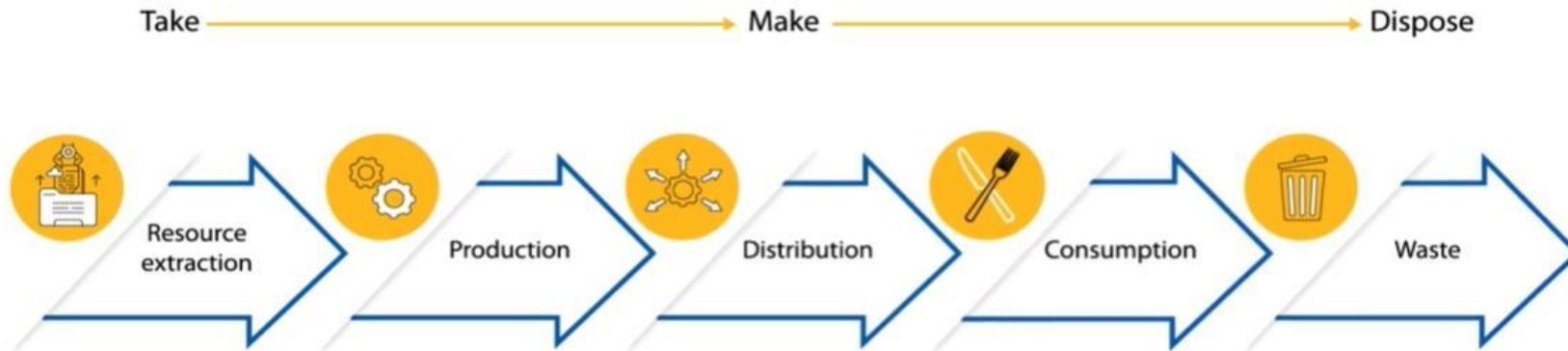


- Climate change mitigation and adaptation (2 C / 1,5 C)
- Water & marine resources protection
- Circular economy
- Biodiversity and ecosystem protection
- Pollution prevention and control



Planetary Boundaries/Doughnut economics Kate Raworth, based on Rockström et al., 2009, Steffen et al., 2015
<https://www.youtube.com/watch?v=Rhcrbcg8HBw&t=63s>
<https://doughnuteconomics.org/tools/191>

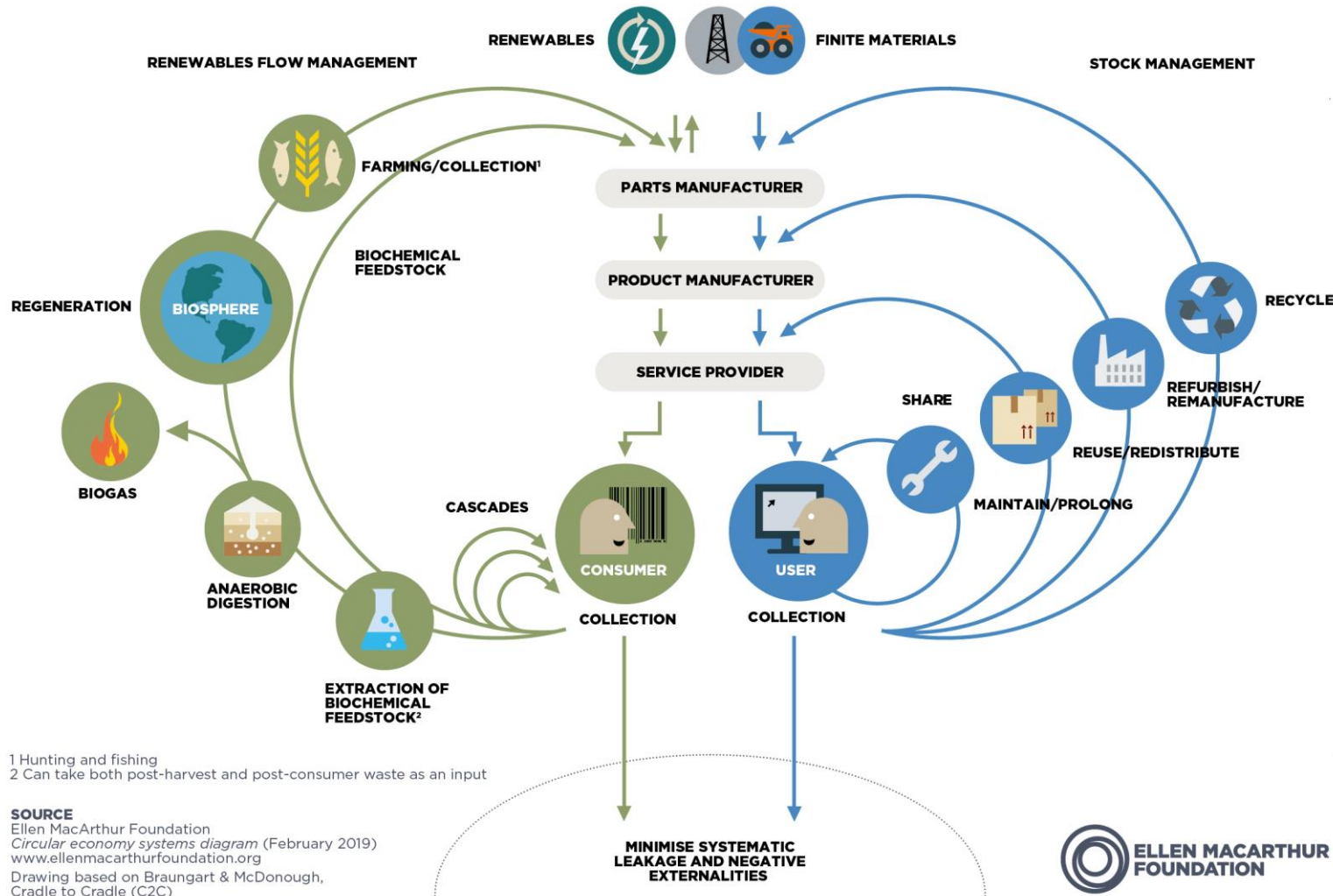




Source: BIOAZUL SL based on European Commission

https://circulareconomy.europa.eu/platform/sites/default/files/categorisation_system_for_the_ce.pdf

Circular Economy Ellen MacArthur



1 Hunting and fishing
2 Can take both post-harvest and post-consumer waste as an input

SOURCE
Ellen MacArthur Foundation
Circular economy systems diagram (February 2019)
www.ellenmacarthurfoundation.org
Drawing based on Braungart & McDonough,
Cradle to Cradle (C2C)



<https://www.storyofstuff.org/movies/story-of-stuff/>
<https://youtu.be/6g0AYbEoOGk>

Structure ESRS

Cross-cutting requirements

- General requirements
- General disclosures

Sector-agnostic (topical standards across E,S,G applying to all sectors)

- Environmental (climate change, pollution, water & marine resources, biodiversity & ecosystems, resource use & circular economy)
- Social (own workforce, workers in value chain, affected communities, consumers and end-users)
- Governance (business conduct, ~~deleted~~: risk management & internal control)

Sector specific (first draft stage and postponed)

- Coal mining, Mining, Oil & Gas mid to downstream, Oil & Gas upstream, Agriculture, Energy production, Food & Beverage, Motor vehicle production, Road transport, Textiles, Accessories, Footwear, Jewellery

[Draft] List of ESRS Data Points - Imple

05-03 EFRAG SRB Meeting 25 October 2023

Please find instructions, explanations and a disclaimer on the content of this W

Standard (click to jump):

[ESRS 2 - General Disclosures](#)

[ESRS 2 - Minimum Disclosure Requirements \(MDR\)](#)

[E1 - Climate Change](#)

[E2 - Pollution](#)

[E3 - Water and Marine Resources](#)

[E4 - Biodiversity and Ecosystems](#)

[E5 - Resource Use and Circular Economy](#)

[S1 - Own Workforce](#)

[S2 - Workers in the Value Chain](#)

[S3 - Affected Communities](#)

[S4 - Consumers and End-users](#)

[G1 - Business Conduct](#)

ESRS E 1 Climate Change

- Covers Disclosure Requirements related to the following sustainability matters: (...) and “Energy”.
- The requirements related to “Energy” cover all types of energy production and consumption.
- Performance of members of the administrative, management and supervisory bodies to be assessed against the GHG emission reduction targets.
- Enable an understanding of the undertaking’s past, current, and future mitigation efforts to ensure that its strategy and business model(s) are compatible with the transition to a sustainable economy.
- The undertaking shall indicate whether and how its policies address the following areas:
 - (...)
 - energy efficiency;
 - renewable energy deployment; and (...)



ESRS E1-5 Energy Consumption & Mix

- Information on its own operations' energy consumption and mix:
 - total energy consumption from non-renewable sources for high climate impact sectors disaggregated by fuel; and
 - total energy consumption from renewable sources, by fuel consumption (including biomass, biogas, green hydrogen, waste, etc.), purchased and self-generated.
- Energy intensity based on net revenue (total energy consumption per net revenue) associated with activities in high climate impact sectors (definition as per SFDR: energy, mining, transport, construction, agriculture, water, F&B, etc.).



ESRS E3 Pollution

- Policies, actions and resources, targets.
- Air water and soil (and inorganic or ozone-depleting pollutants and microplastics).
- Substances of concern and very high concern.
- Potential financial effects from pollution related impacts, risks and opportunities.
- Interaction with ESRS E1 (CC), E3 (water), E4 (biodiversity) and E5 (resource use and circular economy), possibly S3 (affected communities)



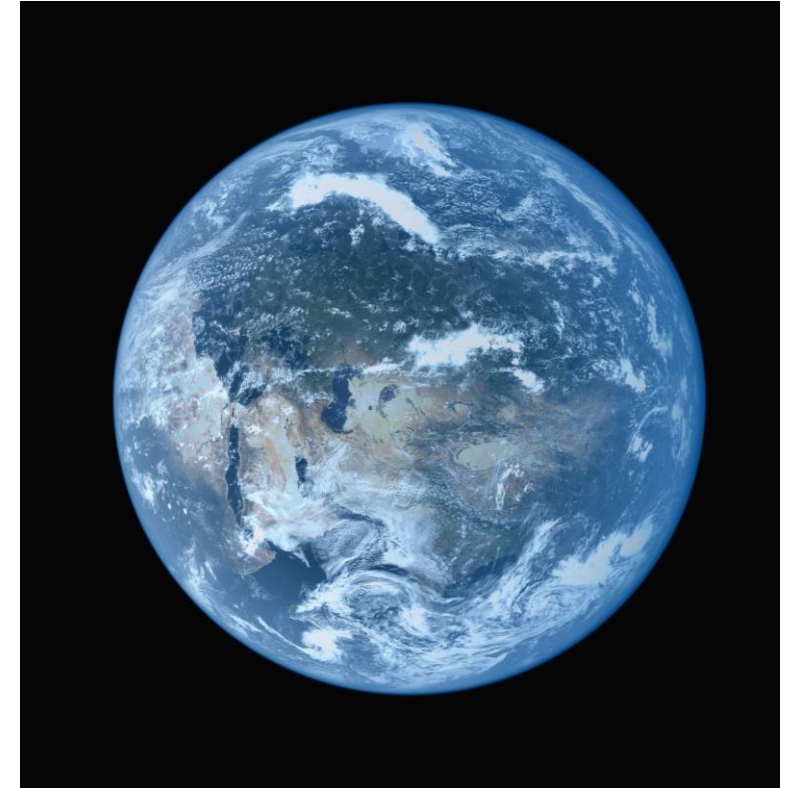
ESRS E5 Resource use and circular economy

- Policies, actions and resources, targets related to resource use and circular economy.
- Resource inflows and resource outflows.
- Products and materials (in tonnes or percentages) designed along circular principles.
- Waste streams and materials, hazardous and non-hazardous, and possible reuse, recycling or their recovery operations.
- Potential financial effects from resource use and circular economy related impacts, risks and opportunities.
- Interaction with ESRS E1 (CC), E2 (pollution), E3 (water), E4 (biodiversity) and E5 (resource use and circular economy), possibly S3 (affected communities).
- Appendix B refers to ESRS 2 on impact, risk and opportunity management.



Key shifts CSRD from NFRD

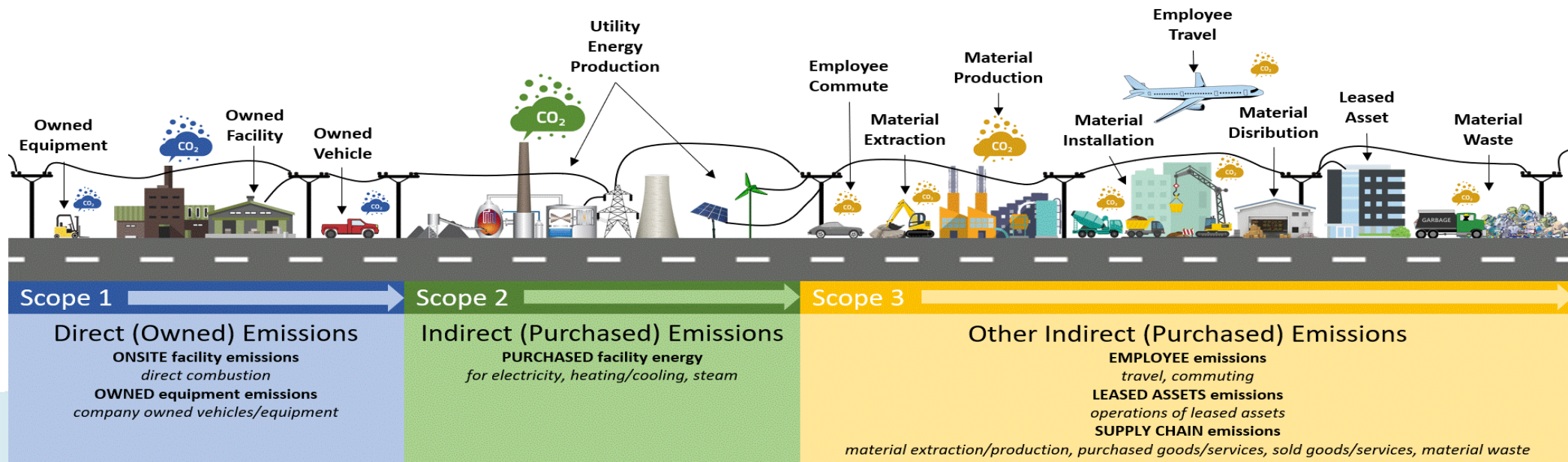
- Entire value chain considered:
 - ESRS compliant ESG reporting on ALL phases of the value chains: upstream, own operations, and downstream: *“the undertaking shall include material impacts, risks and opportunities connected with its upstream and downstream value chain(s)”*
- Link to governance, business model and strategy
- (limited) assurance
- Expansion of data capacity





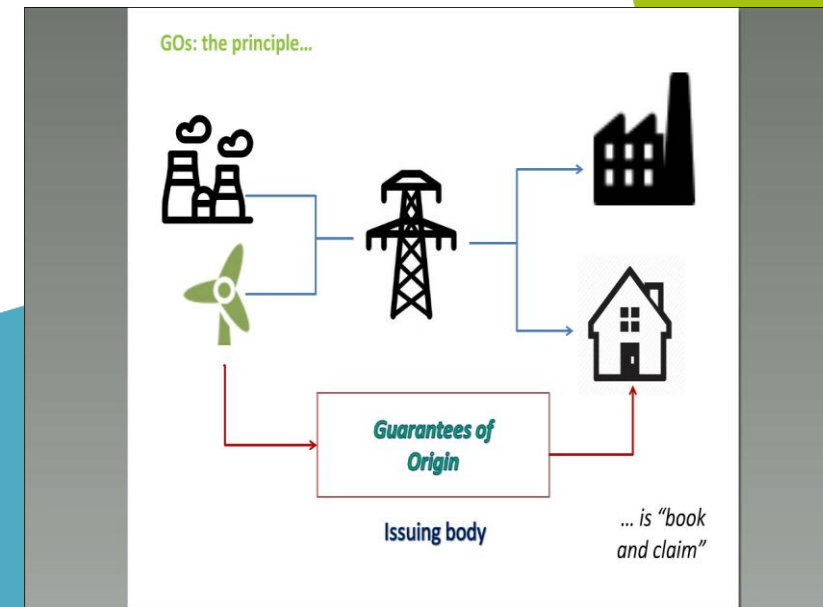
Graphic by Stacy Smedley, 2021

Understanding Scope 1, 2 and 3 Emissions





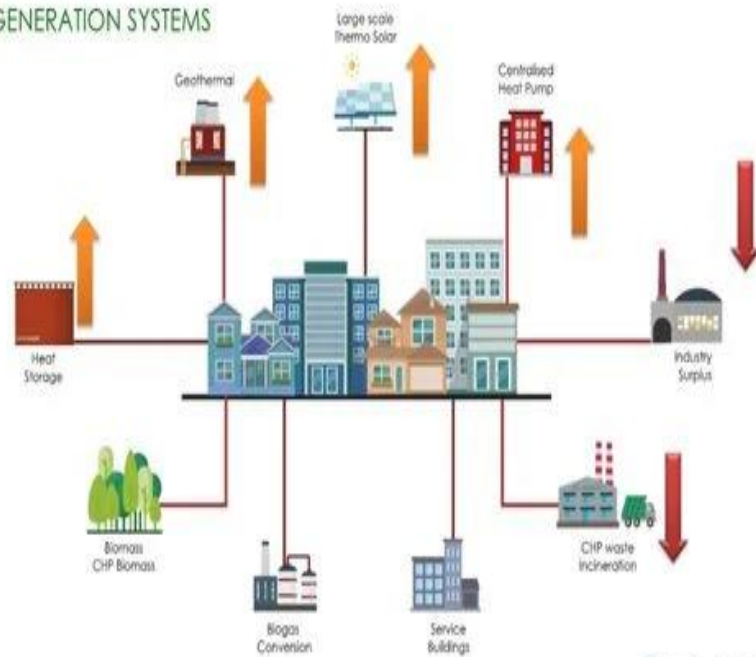
Examples: renewable power



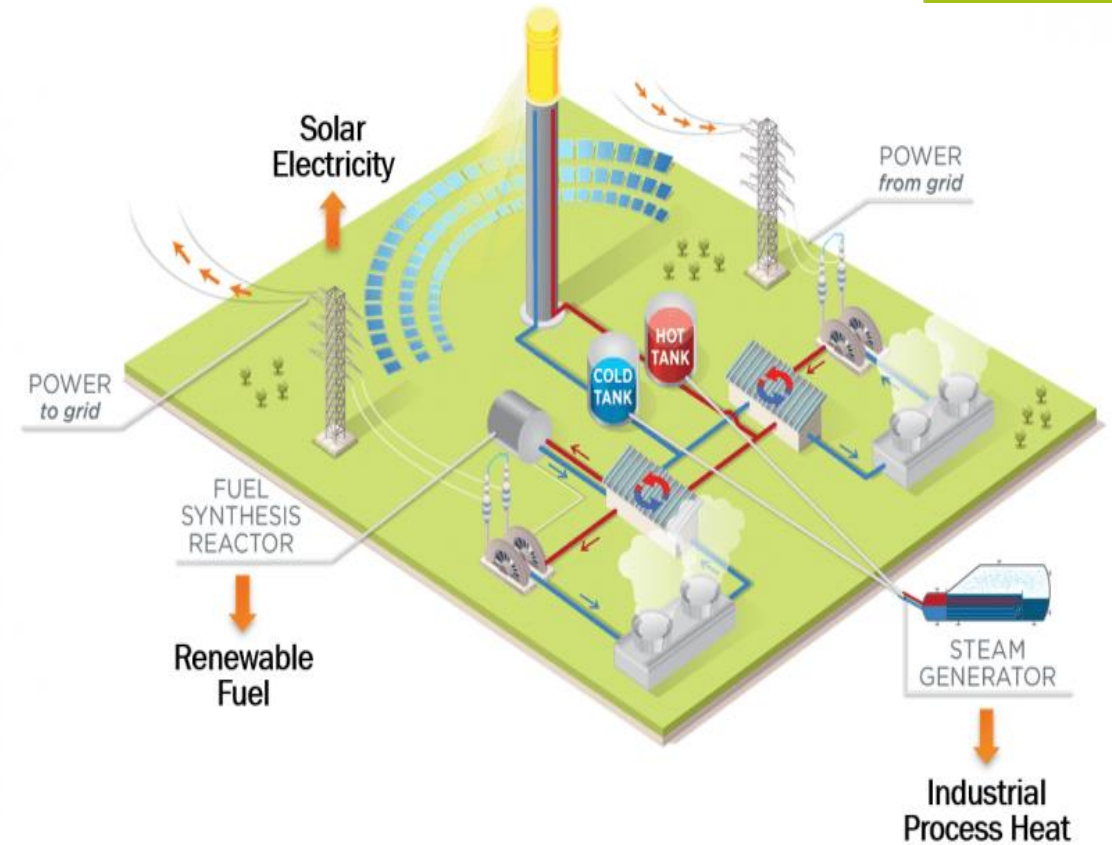


Examples renewable heat

HEAT GENERATION SYSTEMS

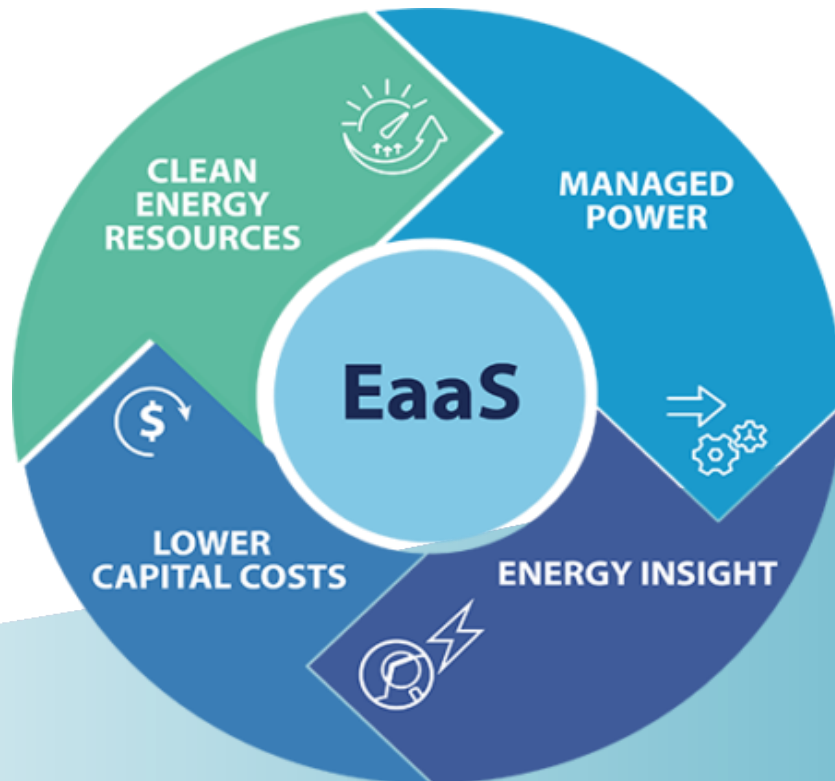


ARANER





Examples “as a service”



<https://www.wbcd.org/Pathways/Energy/News/Heat-as-a-Service-how-companies-can-use-this-innovative-solution-on-their-decarbonization-journey>

CSRD vanuit accountantperspectief

Michiel Hondema

28-02-2024

Corporate Sustainability Reporting Directive (CSRD)

from accountant perspective

28 February 2024



Agenda

About Mazars

1. Corporate Sustainability Reporting Directive (CSRD)
2. Double Materiality
3. Reporting Example



About Mazars

One company, worldwide - the Mazars Group



95+
Countries and territories



+ 47.000
Employees



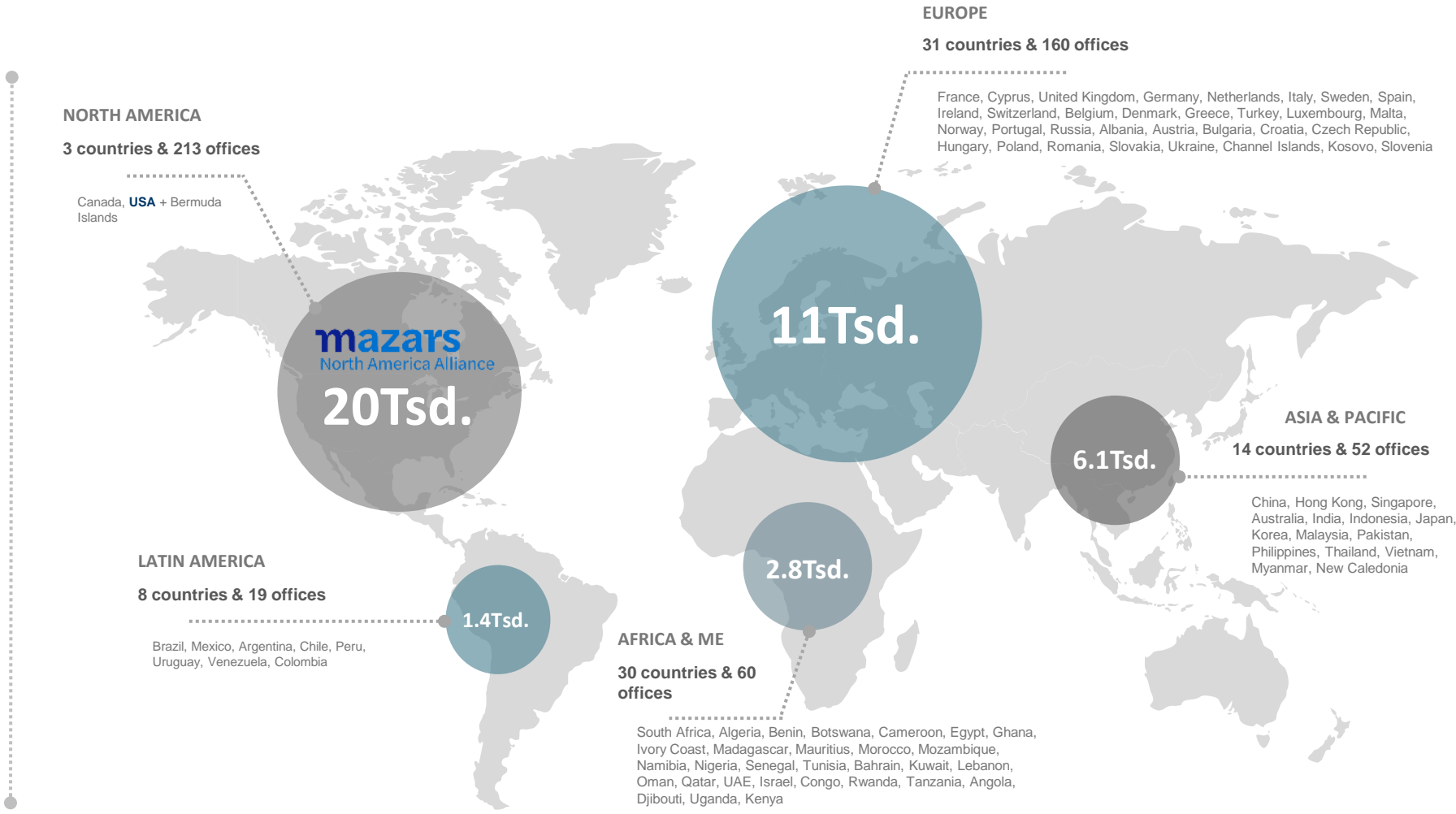
+ 1.200
Partner



500
Offices, 160 of them in Europe



2,45
Billion euro fee income

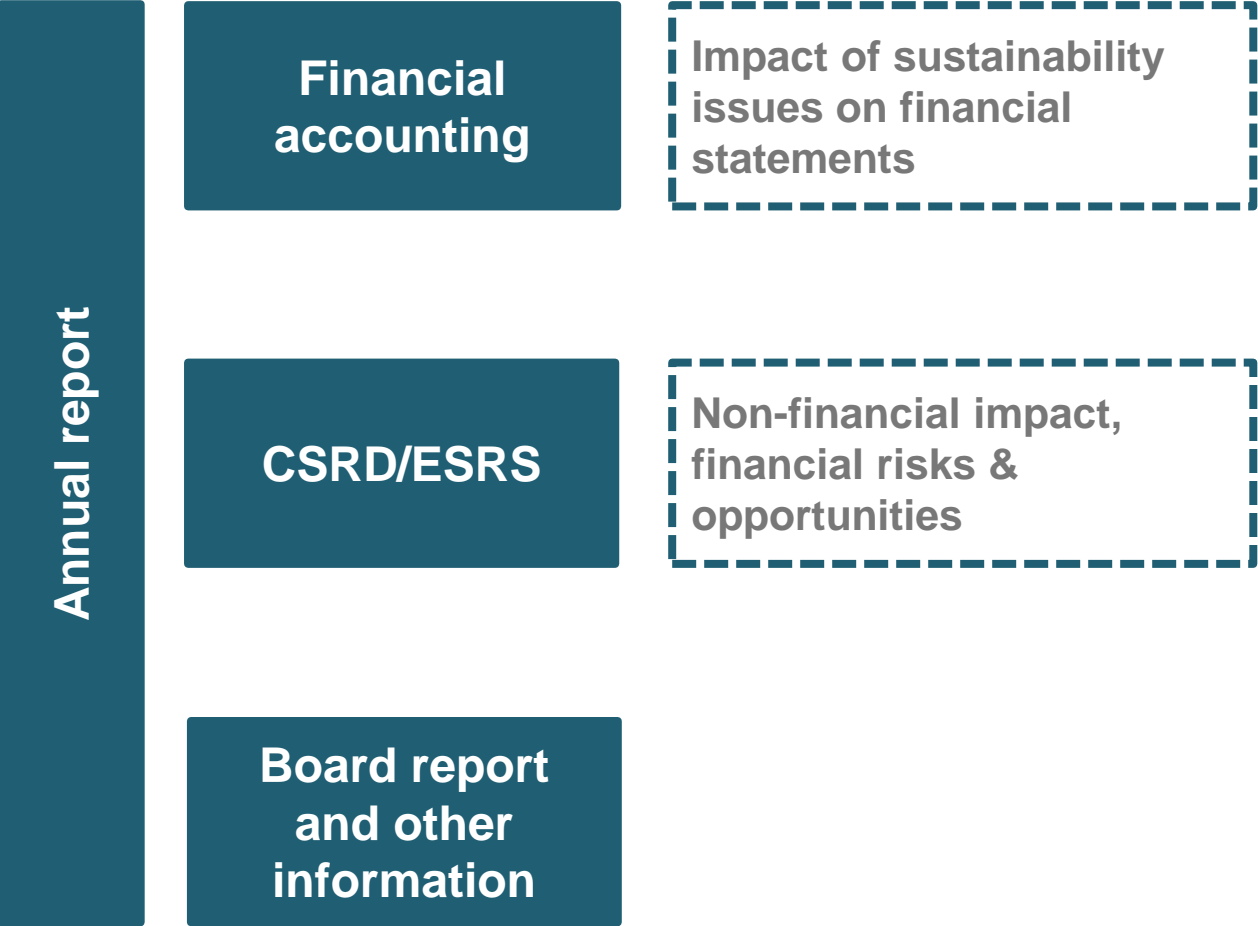


01

CSRD Introduction

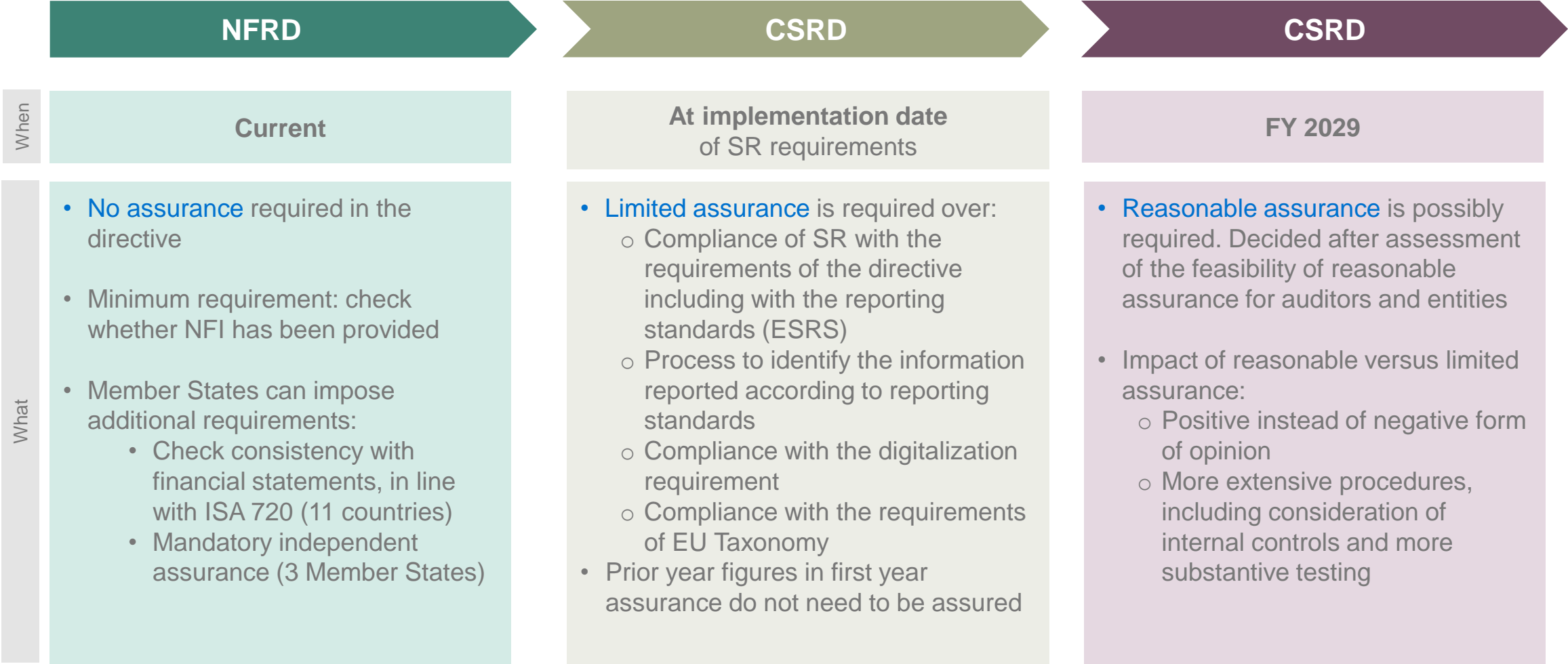
Impact of sustainability topics on the organisation

How that impact influences reporting



Development in assurance

CSRD will bring changes to the minimum level of assurance required over sustainability reporting (SR). All entities in the CSRD scope are under scope of assurance as well.



Impact on the work of the accountant

Assurance on sustainability information

What does the accountant look at when providing assurance on sustainability information?

- Uniform criteria
- Understanding the processes and control measures
 - Understanding the IT systems
 - Whether all the input is gathered via the (same) systems
- Numerical assessments
- Alignment of reporting to bridge-state
- Aligning bridge-state to systems / specifications
- Alignment of underlying information with specifications
 - Invoices/ purchase orders for purchased goods
 - Underlying documentation for impact determination

Extra complexity in the above due to the use of management experts and expert assurance providers



What is the ESRS?

Concepts

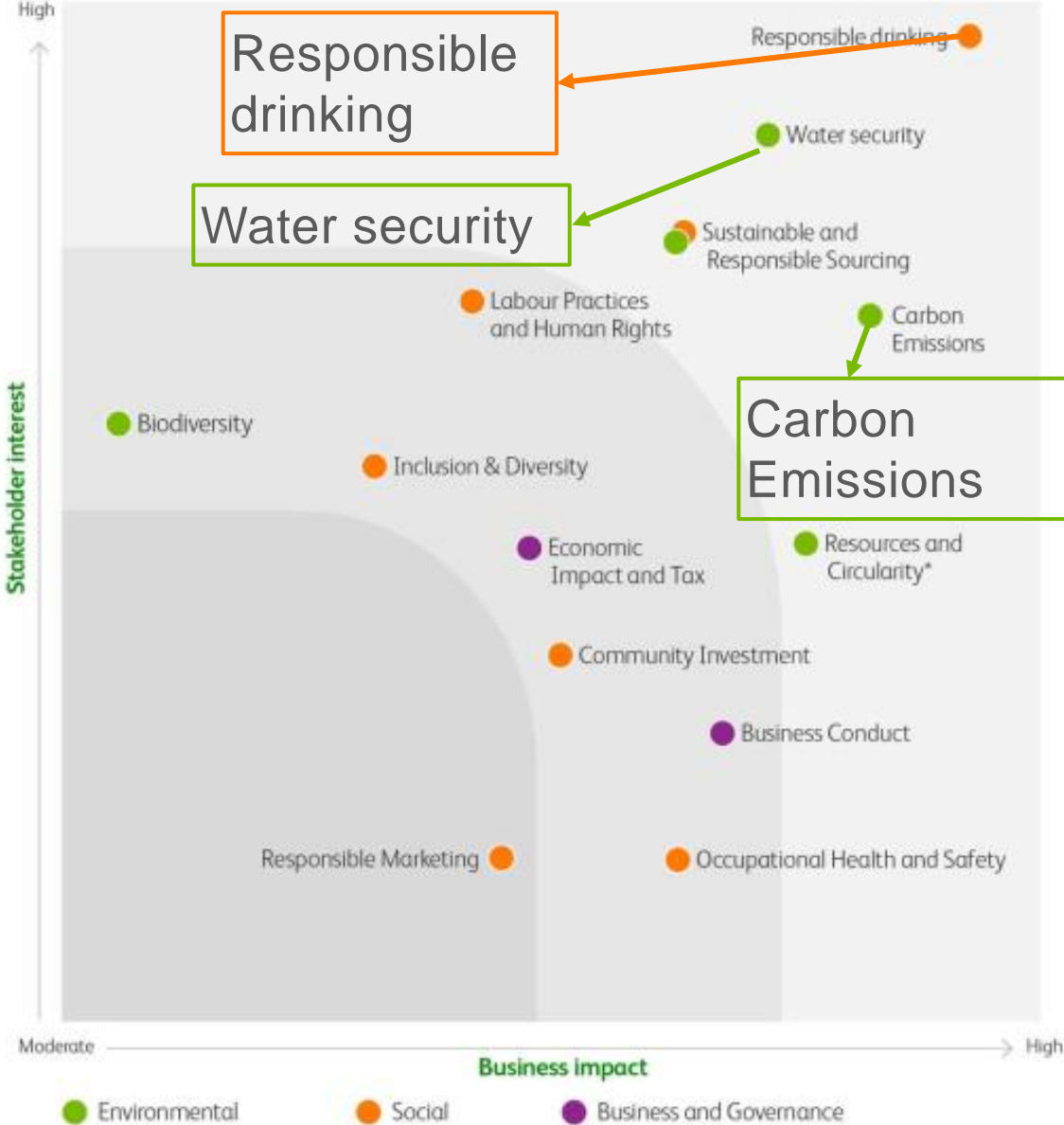
“Shall” disclose	Reporting obligation per DR or data point . Mandatory when mentioned in ESRS 1 or when it is a material subject.
“Shall” consider	Components that the entity should consider – when applicable – when preparing the DR or data point reporting → Considerations and background do not (always) need to be explained but must be documented so that this can be validated by the assurance provider.
“May” disclose or “may” consider	Voluntary disclosures or considerations in reporting
References to specific sectors	Mandatory disclosures for specific sectors → For example, at energy intensity based on turnover - ESRS E1 (DR E1-5), applicable in activities with high impact on the climate.

02

Double Materiality Assessment

Material Topics

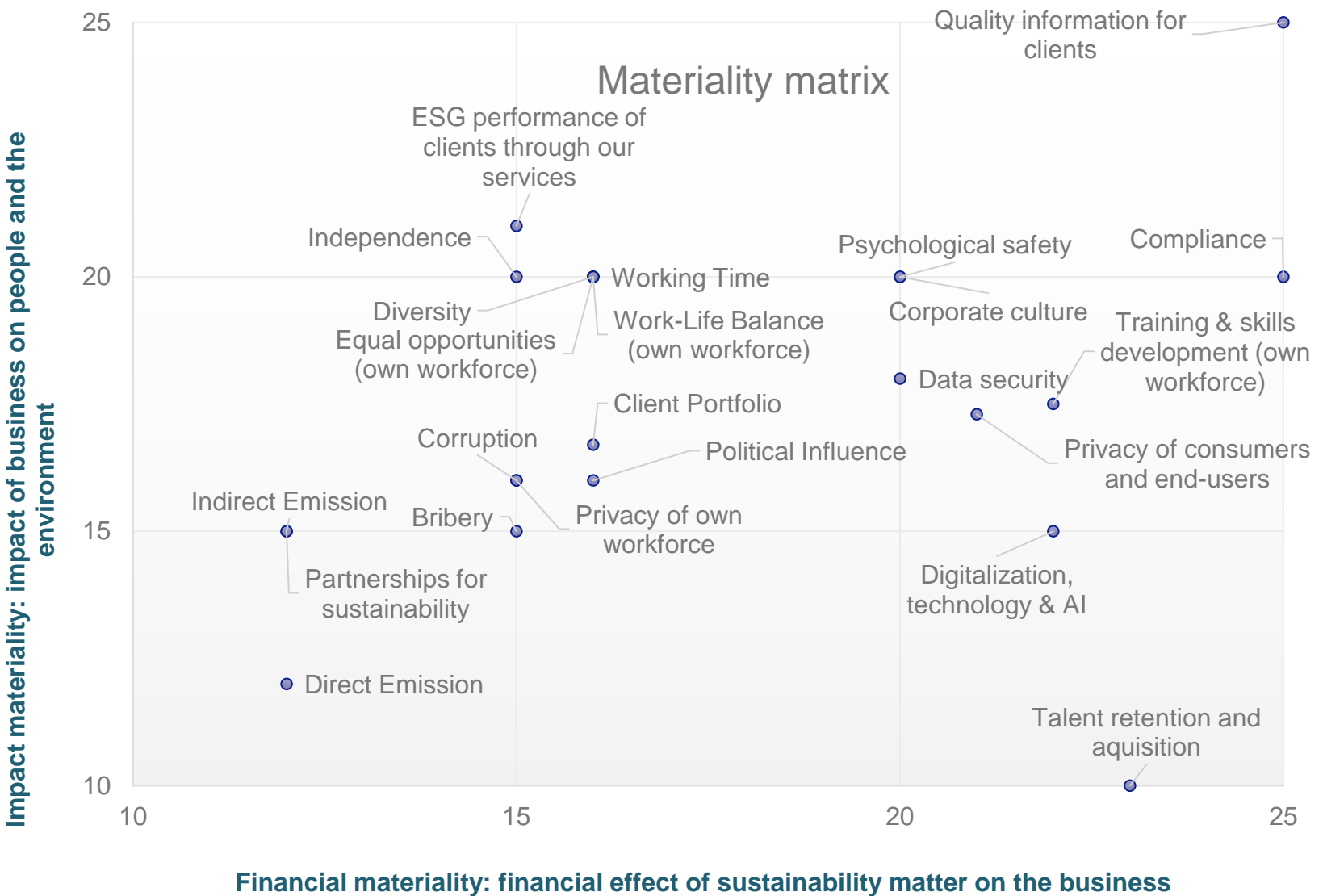
Example Heineken 2022



Bron: Heineken jaarverslag 2022

Material Topics

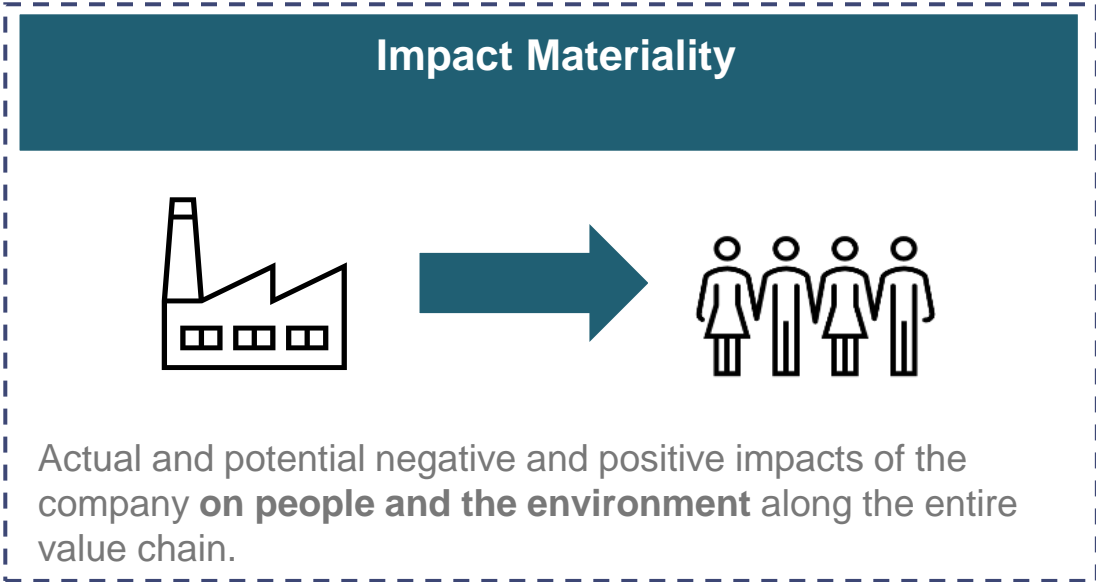
Example Mazars NL



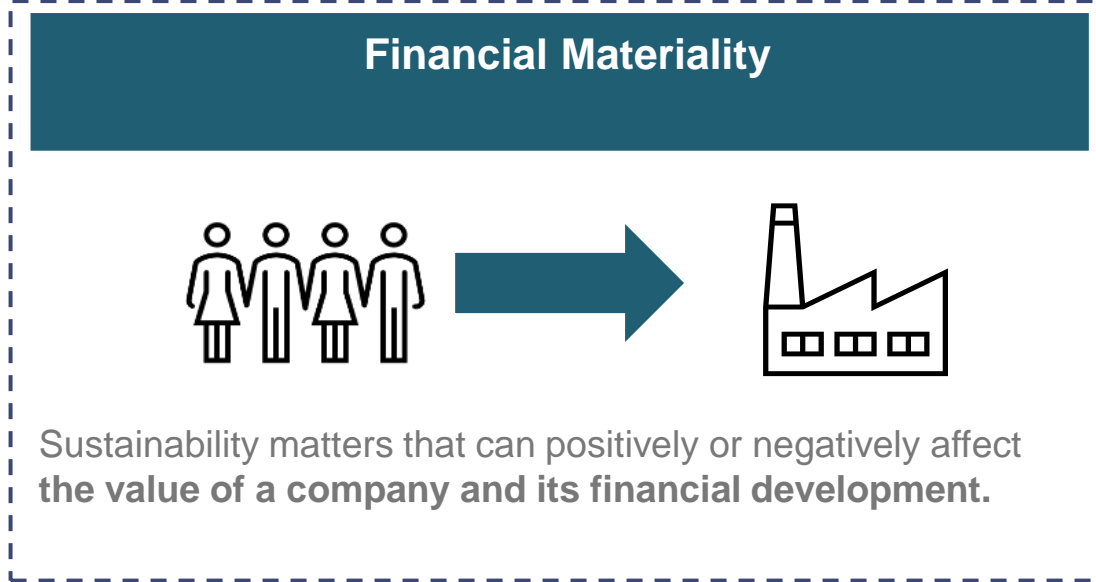
Source: Mazars NL

Double Materiality

Are both impact and financial materiality taken into account?



Reporting on the impact (I) via metrics

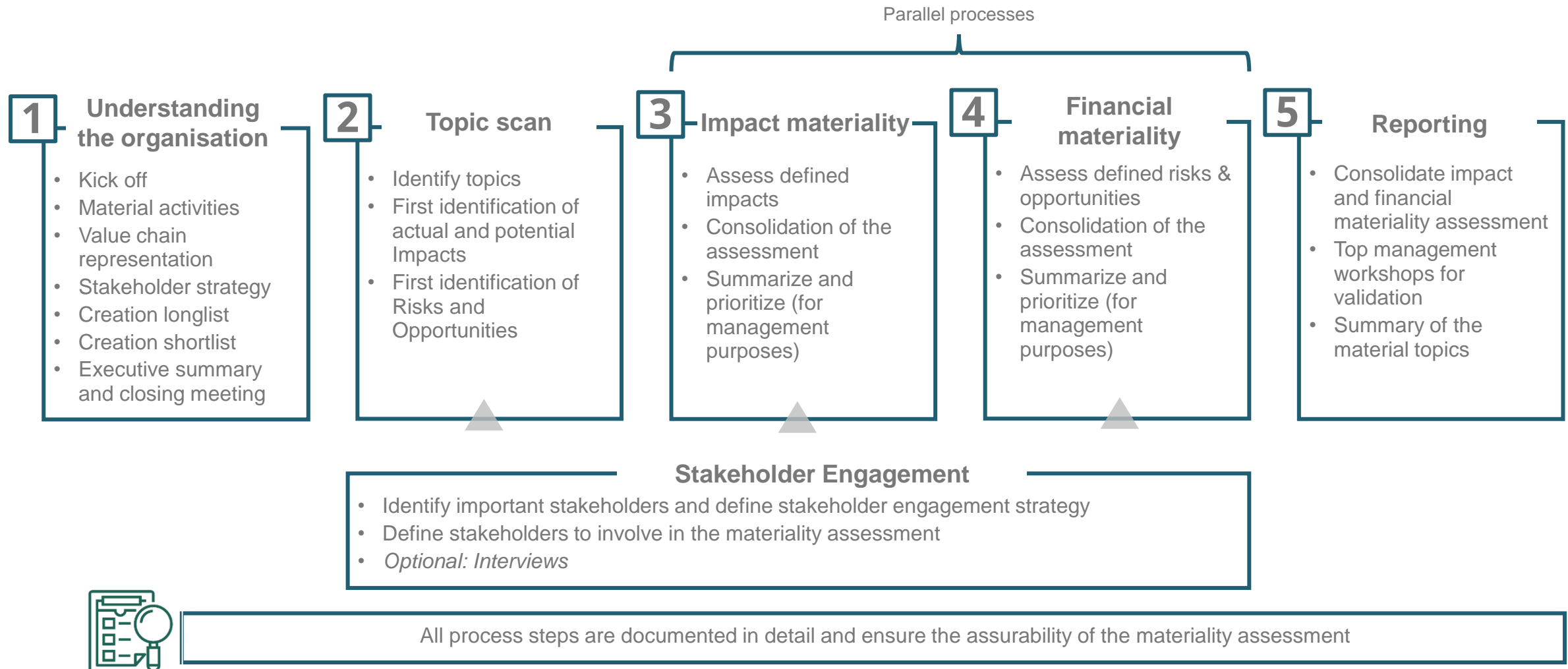


Reporting on the financial risks and opportunities (ROs)

With regard to the legal requirements (CSRD/ESRS), both perspectives must be taken into account.

Double Materiality

The methodology followed?



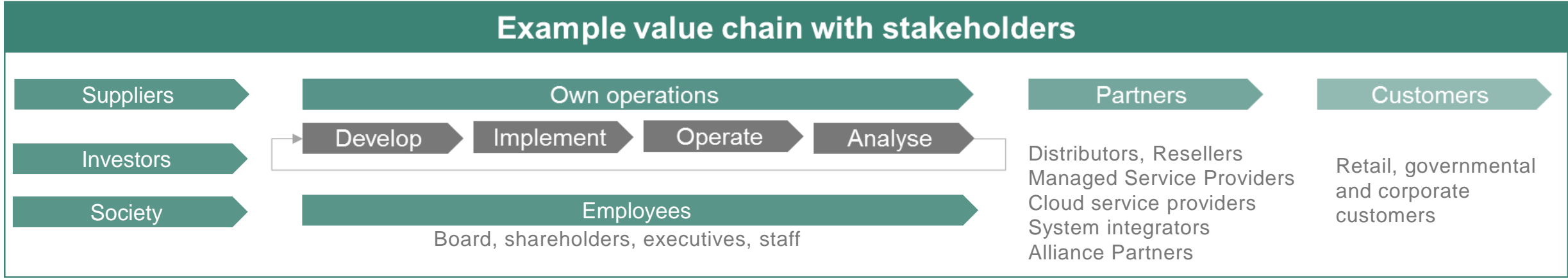
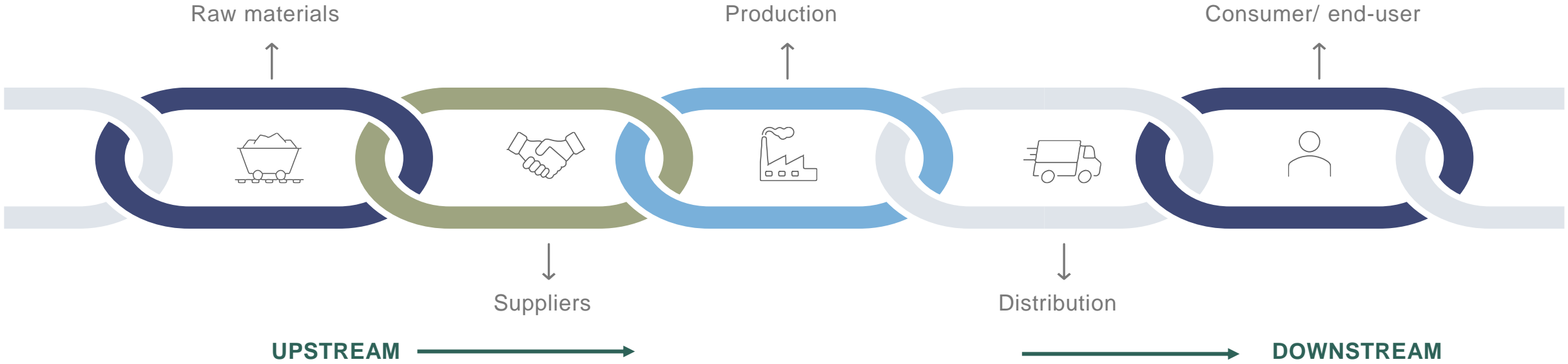
Understanding the organisation

Are all topics taken into account?



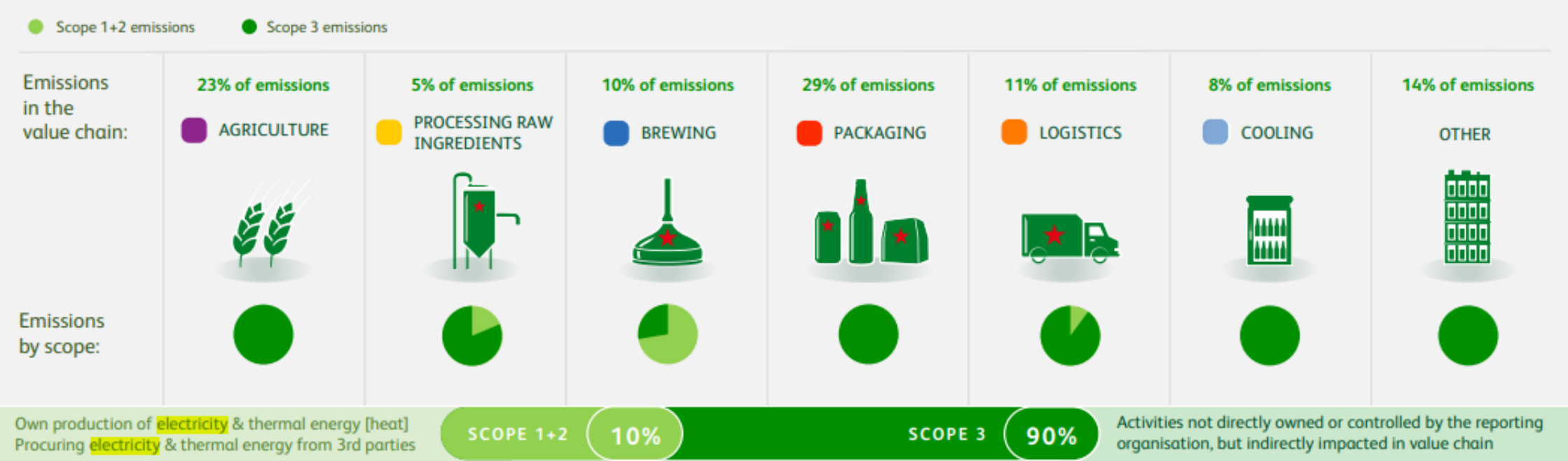
Understanding the organisation

What is your value chain?



Value chain

Example Heineken



Source: Heineken annual report

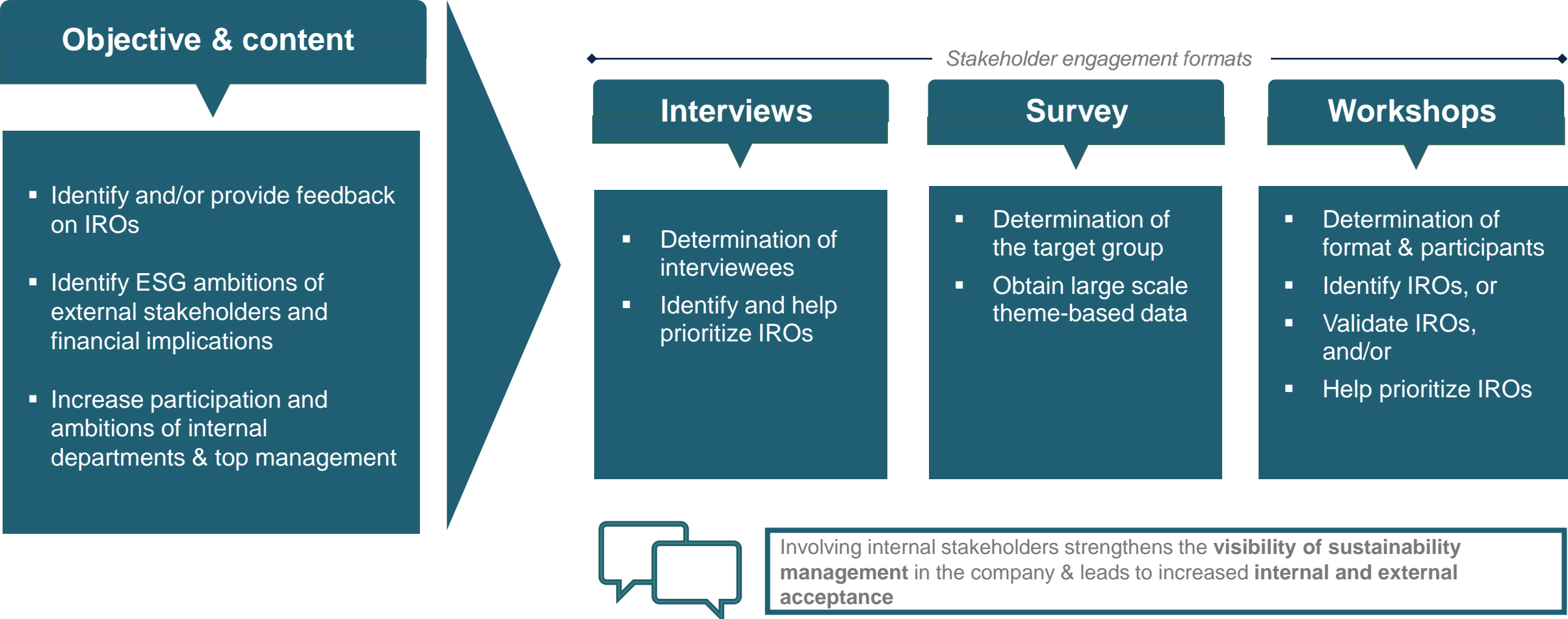
Value chain

Example Zeeman



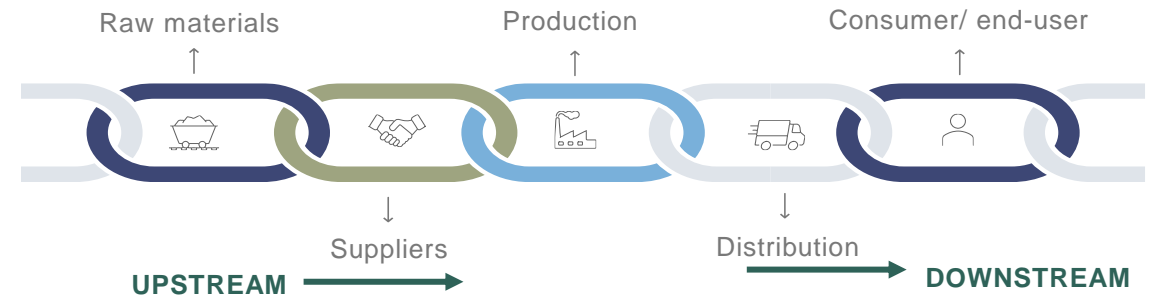
Understanding the organisation

Are the stakeholders engaged and how?



Understanding the organization

Why did you exclude topics?



Tips for excluding topics:



Which topics are relevant for the sector but not for the specifics of your organisation or its value chain?



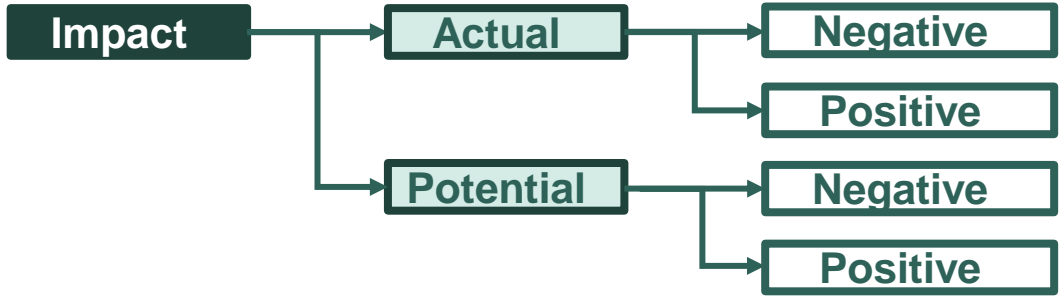
Not sure on whether a topic applies? Consult your stakeholders!



Make sure your exclusion reasons are substantiated and well-documented for reporting and audit purposes

Topic scan

What are the impacts per topic?



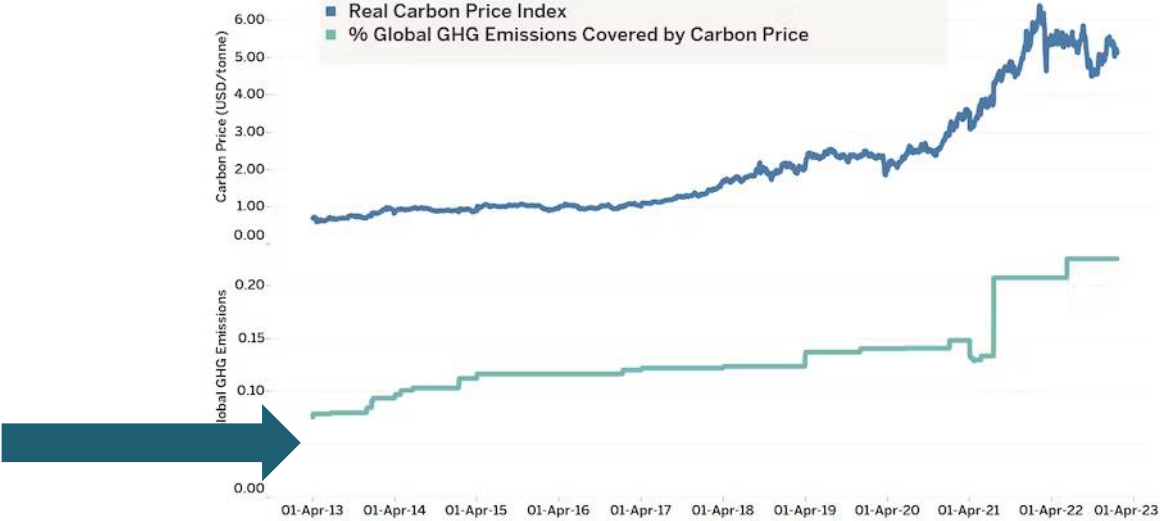
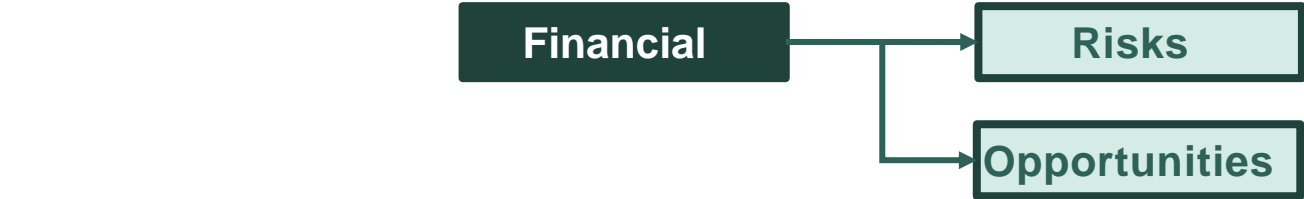
Example of impacts:



Topic scan

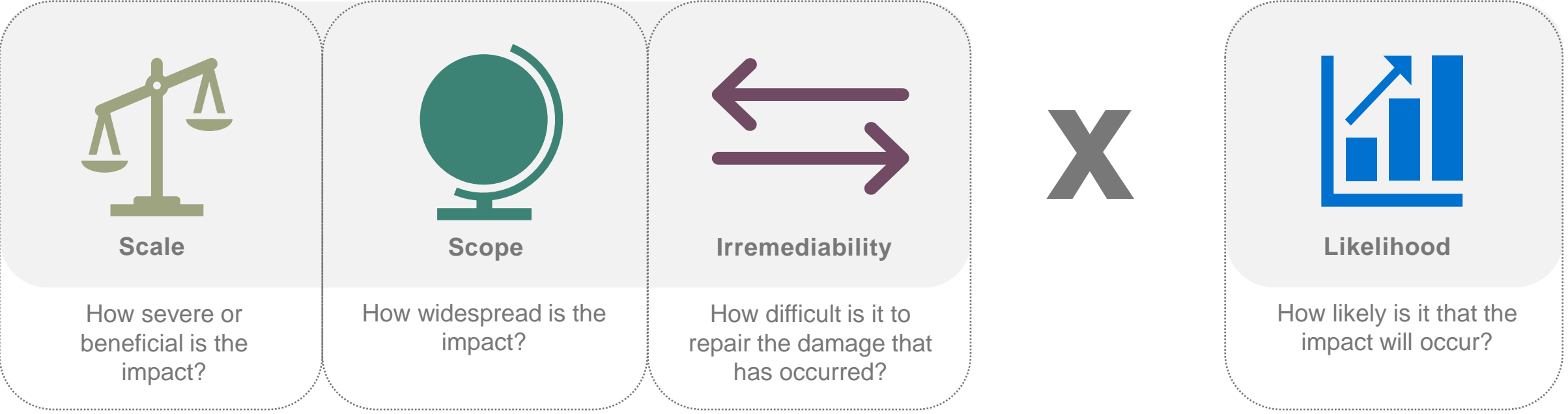
What is the financial impact?

An example of risks and opportunities:



Impact materiality

How did you assess your impact?



Impact materiality

How did you assess your impact?

Sub-(sub)-topic

Impact description


Scoring the sub-sub-topic					
Scale	Scope	Irremediability	Likelihood	Total	Type
1	1	1	1	= average of scale, scope and irremediability x likelihood	Potential if likelihood < 5
2	2	2	2		
3	3	3	3		
4	4	4	4		
5	5	5	5		Actual if 5
Additional information					
Time horizon	Involvement	Value chain	Geography	Reasoning	Data source
Short term: 2027 Mid-term: 2030 Long-term: 2050	Business relationship Activities	To be determined	Specification of location and geography	Reasoning behind scores,	If available, corresponding data source on which assessment is based

*Example

Financial materiality

How did you assess the risks and opportunities?

How to assess your risks and opportunities?



Potential magnitude of financial effects

How small/large is the financial effect?

X



Likelihood

How likely is it that the impact will occur?

Financial materiality

How did you assess the risks and opportunities?

Scales

- To be aligned with Enterprise Risk Management practices
- EBITDA, cash flow, revenue, profit

Example of scales used for Mazars NL:

Likelihood	
5	very high (80-100%)
4	high (60-80%)
3	medium (40-60%)
2	low (20-40%)
1	very low (1-20%)

Size of the impact		Min effect EBITDA (%)	Max effect EBITDA (€)
1	Minimal	0,00%	€ 171.140
2	Informative	0,50%	€ 342.282
3	Important	1,00%	€ 855.705
4	Significant	2,50%	€ 1.711.412
5	Critical	5,00%	€ >1.711.413

mazars

03

Reporting Example

ESRS E1: Climate Change Reporting Obligations

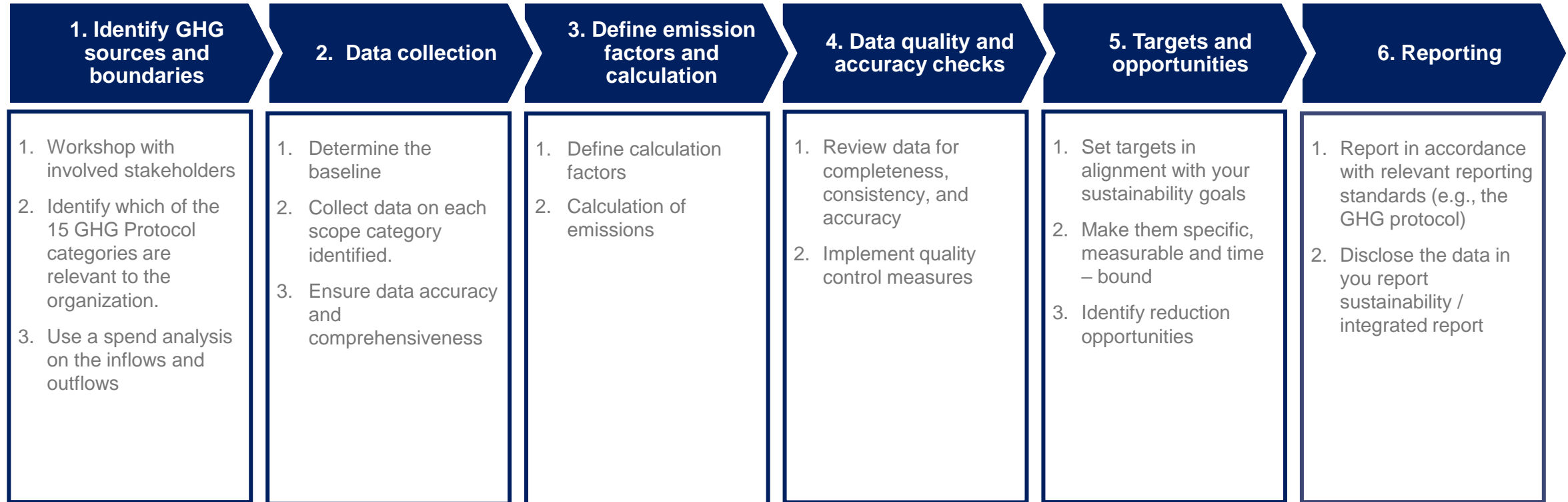
Content

- E1-1 – Transition plan for climate change mitigation
- E1-2 – Policies related to climate change mitigation and adaptation
- E1-3 – Actions and resources in relation to climate policies
- E1-4 – Targets related to climate change mitigation and adaptation
- E1-5 – Energy consumption and mix
- E1-6 – Gross Scope 1, 2, 3 and total GHG emissions**
- E1-7 – GHG removals and GHG mitigation project financed
- E1-8 – Internal carbon pricing
- E1-9 – Potential financial effects from material physical and transition risks and potential climate-related opportunities



Our service

GHG emissions quantification methodology



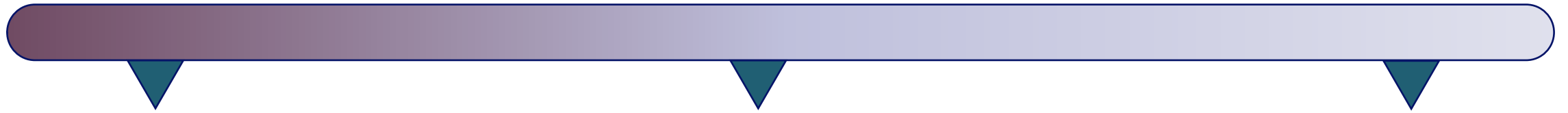
Identify GHG Sources and boundaries

Which categories are relevant?



Collect data

Scope 3 - Indirect emissions



Supplier specific data

- Chain approach; in cooperation with suppliers
- Highest quality and most certainty

Average data

- Combination between vendor-specific data and public data sources
- Average quality, security and effort

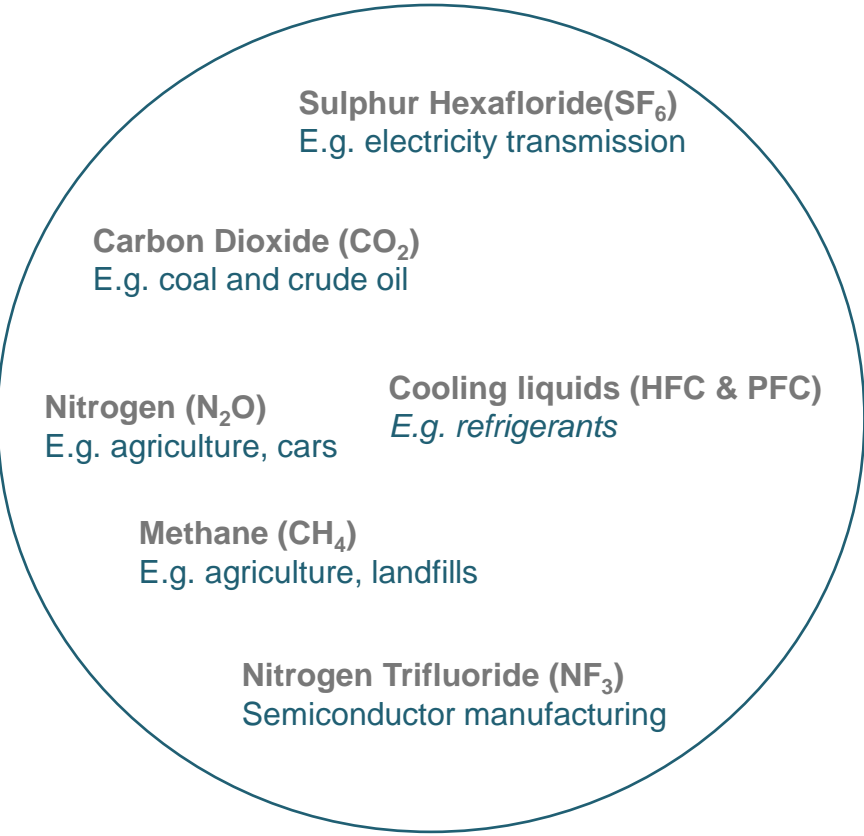
Spend-based data

- Spending in sectors, linked to average CO₂eq emissions per €
- Low quality, used for initial start-up

Ensure data accuracy and comprehensiveness

CO₂ or CO_{2eq} ?

CO_{2eq}

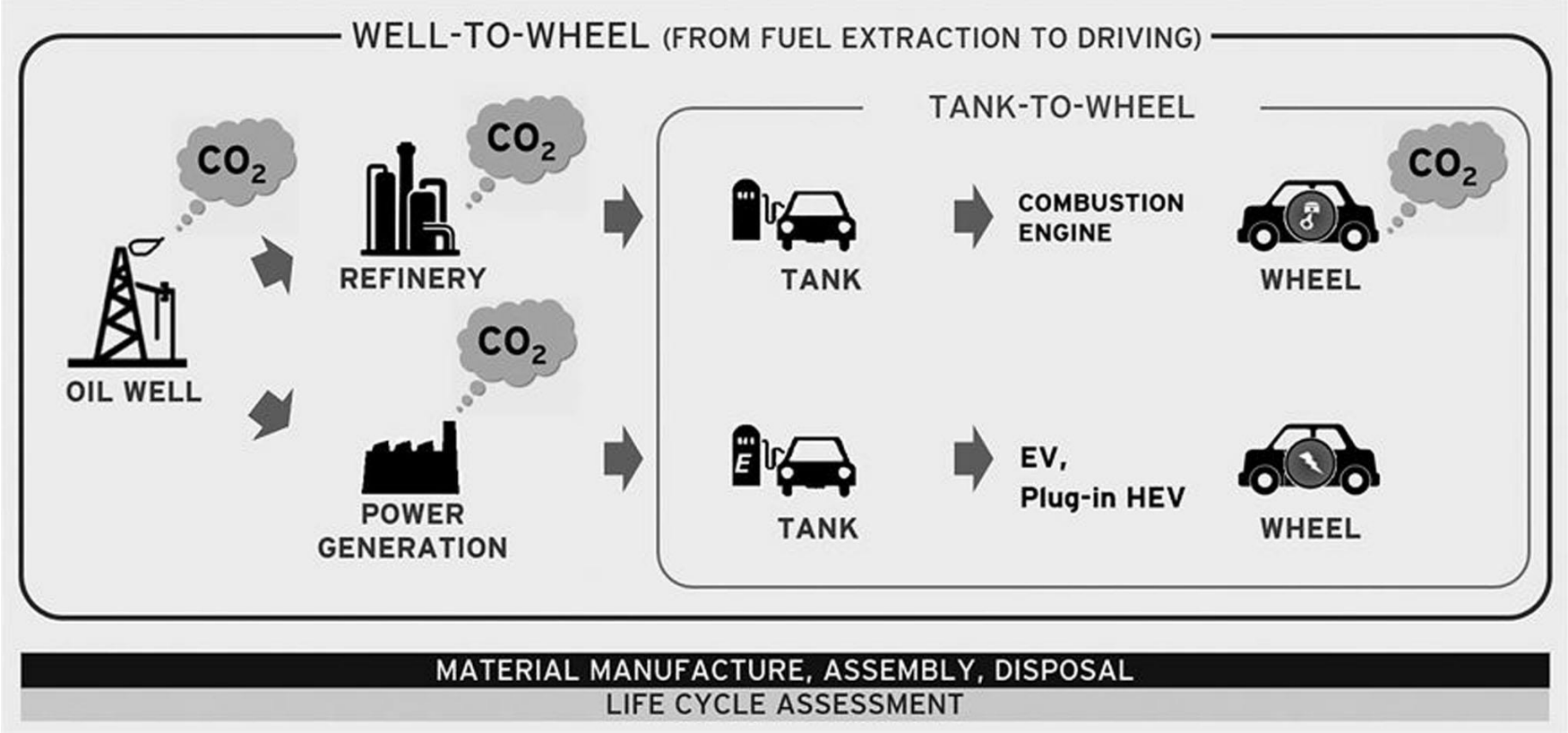


molecules	GWP100 (AR6)
CO ₂	1 kgCO _{2eq}
CH ₄	29,8 kgCO _{2eq}
N ₂ O	273 kgCO _{2eq}
SF ₆	22.800 kgCO _{2eq}
NF ₃	16.800 kgCO _{2eq}
Cooling liquids (HFC & PFC)	124 – 22.800 kgCO _{2eq}

IPCC AR6 WG1, 2021, SPM p. 7

Ensure data accuracy and comprehensiveness

Well – To – Wheel or Tank – To - Wheel ?





Define emission factors and calculation

Carbon footprint calculations

Multiple 'standards'



Standards **Guidance**



EU ETS Calculation Methodology



Reporting

ESRS guidance

Calculation guidance - Gross Scopes 1, 2, 3 and Total GHG emissions

AR 48. The undertaking shall disclose its total GHG emissions disaggregated by Scopes 1 and 2 and significant Scope 3 in accordance with the table below.

	Retrospective				Milestones and target year			
	Base year	Comparative	N	% N / N-1	2025	2030	2050	Annual % Target / base year
Scope 1 GHG Emissions								
Gross Scope 1 GHG emissions (tCO2eq)								
Scope 2								
Scope 3								

Reporting

Base year and recalibration.

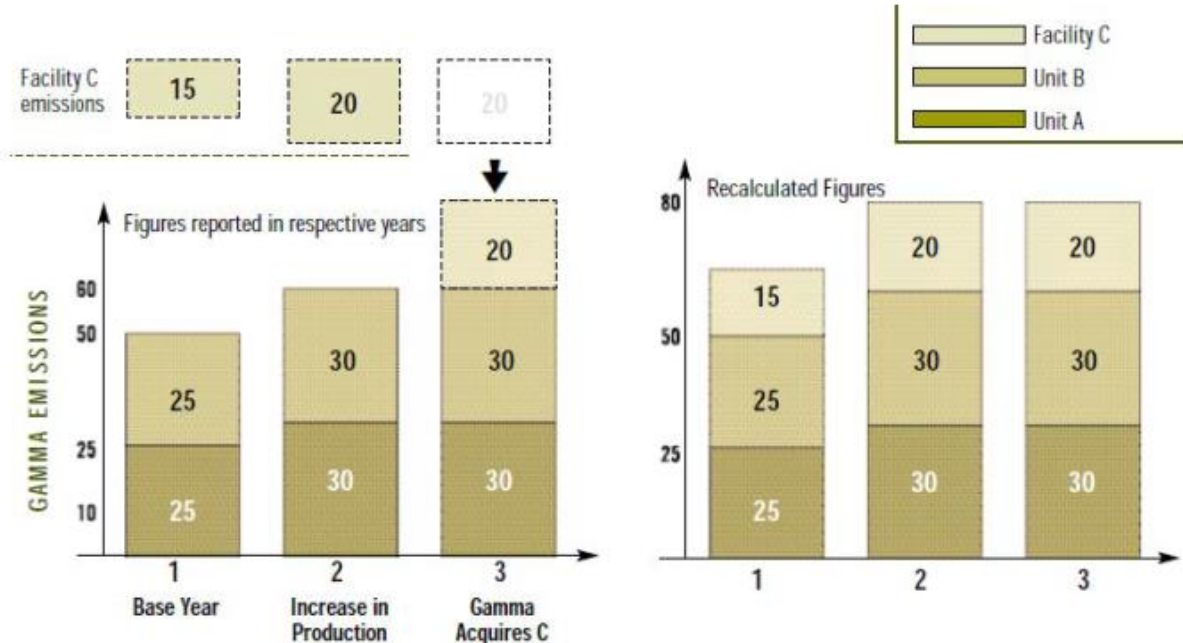
Organizations can track emissions both retrospectively and into the future.

For consistent monitoring of emissions over time, it may be necessary to recalculate the emissions from the base year when organizations undergo significant structural changes. When:

- 1. Acquisition
- 2. Divestment or selling off business units
- 3. Merges

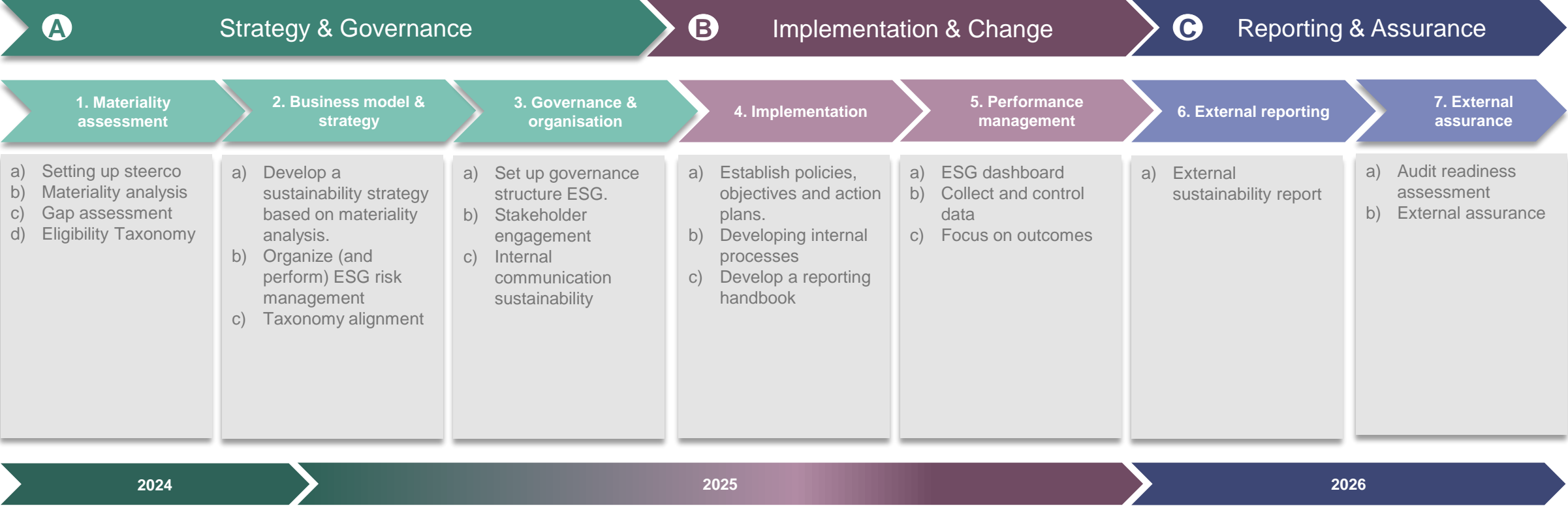
Voorbeeld:

Acquisition



The double materiality is the starting point for reporting

Mazars' 7-step plan for sustainable business operations and CSRD compliance



- The Double Materiality Assessment is the starting point for reporting in accordance with CSRD
- If an organization is subject to CSRD, it must do a Double Materiality Assessment, describe the process and update it periodically
- The Double Materiality Assessment can of course also be used voluntarily to shape sustainable business operations

Mazars

Watermanweg 80

P.O. Box 23123

3001 KC Rotterdam

The Netherlands

Mazars is een internationale, geïntegreerde accountants-, tax en adviesorganisatie. Wij nemen verantwoordelijkheid voor het vormgeven van een duurzame sector en willen bijdragen aan het creëren van een economische basis voor een eerlijke en welvarende wereld. Mazars opereert als een wereldwijde partnership met een geïntegreerd team van professionals op het gebied van audit, accountancy, tax en consultancy.

Michiel Hondema

Senior Manager Sustainability

Michiel.hondema@mazars.nl

+31(6) 51 76 57 84

Afsluiting

Roy Tummers & Jan Appelman

28-02-2024



The banner features a background image of a river and a globe with water droplets. On the left, there are three circular icons: a water drop with a circular arrow, a water drop with a recycling symbol, and a water drop with a gear. Below these icons are the words 'Strategie', 'Oplossingen', and 'Optimalisatie'. At the bottom left is the 'AQUA' logo with the tagline 'DE TOEKOMST VAN WATER MANAGEMENT'. In the center, it says 'Bezoek ons op Aqua Nederland Stand E202'. At the bottom right is the Royal HaskoningDHV logo and tagline.

Strategie Oplossingen Optimalisatie

AQUA DE TOEKOMST VAN WATER MANAGEMENT

Bezoek ons op Aqua Nederland
Stand E202

Royal HaskoningDHV
Enhancing Society Together



Borrel

Bedankt en tot ziens!

28-02-2024



thank you / merci / grazie / obrigado /謝謝 / 고맙습니다 / ti благодарам / ευχαριστώ / dankewol / terima kasih / kam sah hamnida / najis tuke / diidi / tanemirt / rahmet / diolca / taiku / krap / toda / xixie