

ITAA

Institute  
for Tax Advisors  
& Accountants

# CONGRÈS ITAA

# SUSTAINABILITY REPORTING STANDARD

Deborah Fischer

# Qu'est ce que la durabilité ?

**Une économie durable** présente les caractéristiques suivantes :

- Protection des ressources naturelles et de la base de la vie sur la planète
- Réduction de la pauvreté et protection des droits de l'homme
- Gestion transparente

**Un rapport de durabilité** est un rapport sur les impacts économiques, environnementaux et sociaux causés par une organisation dans le cadre de ses activités quotidiennes. Il présente des informations sur les impacts les plus significatifs d'une organisation, qu'ils soient positifs ou négatifs.

# Quelles sont les grande tendances ?

La raréfaction des ressources appelle de nouvelles solutions



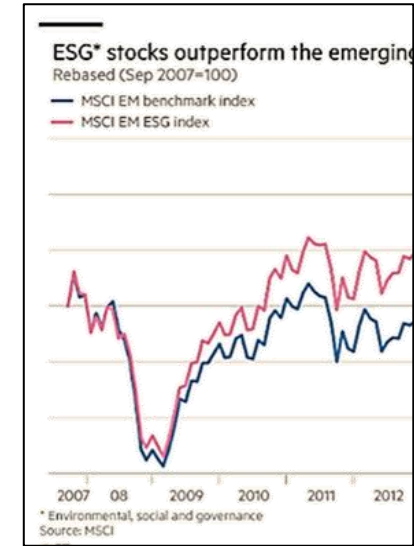
Le changement climatique menace la durabilité



Des attentes sociétales accrues



Des attentes accrues des investisseurs et prêteurs



# Les objectifs de développement durable (SDGs)

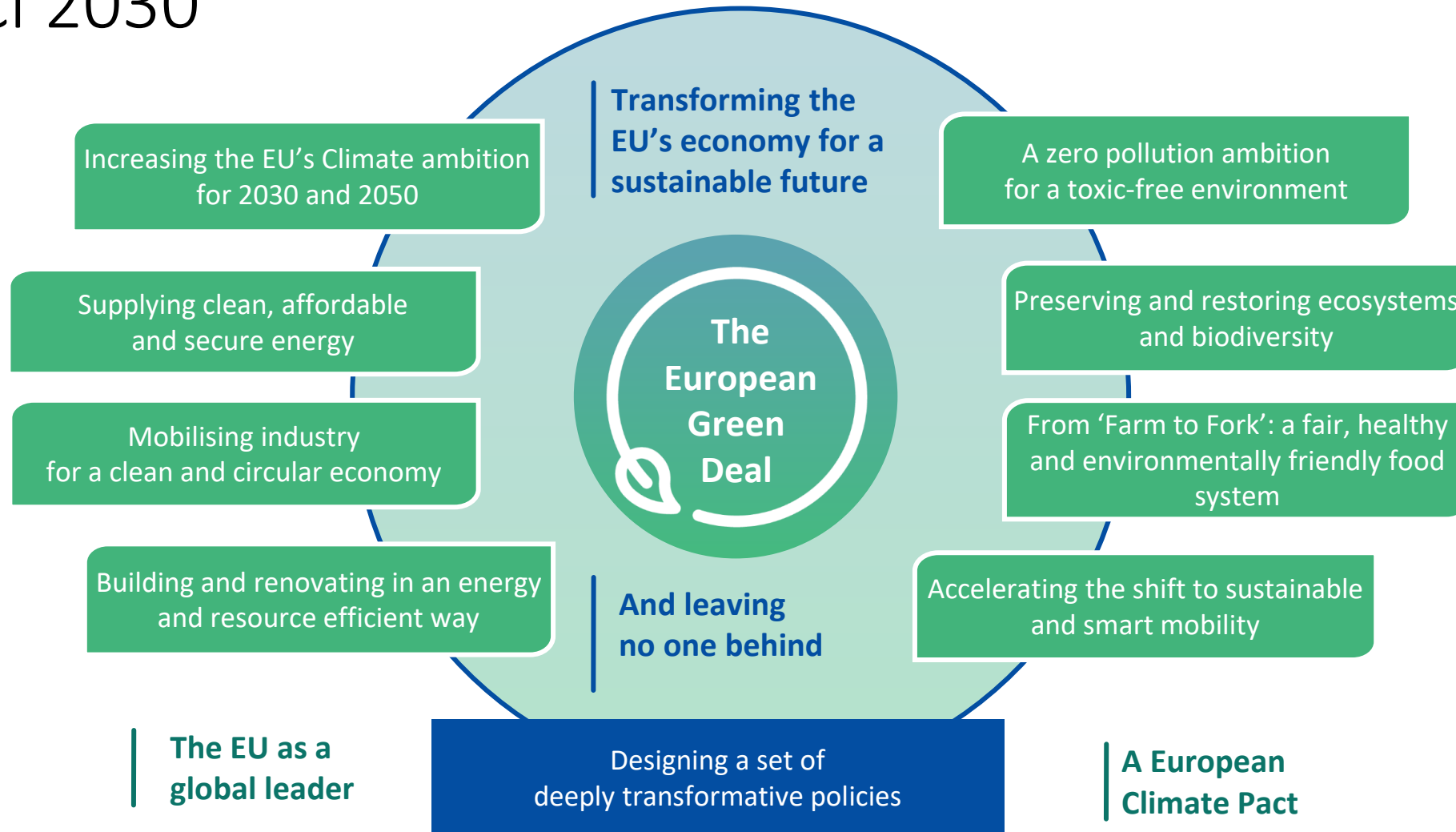
- 17 objectifs
- 169 cibles au sein de ces objectifs

Ces objectifs peuvent être abordés au niveau

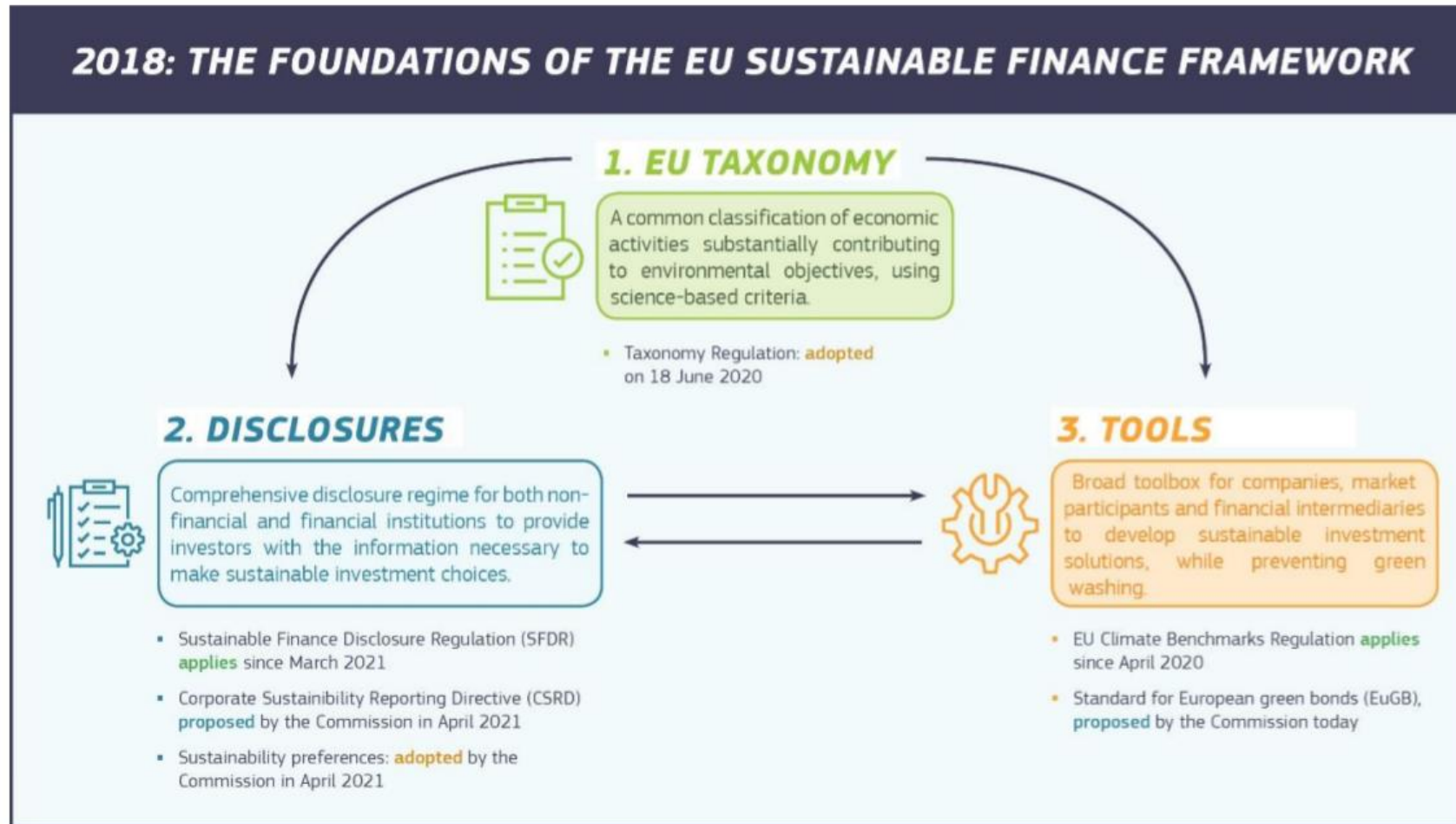
- Des Gouvernements
- des entreprises
- Et vous, citoyens !



# Le pacte vert : réduction des gaz à effet de serre de 55% d'ici 2030



# Initiatives européennes



# Le règlement Taxonomie

## Objectifs de la Taxonomie

Classification des activités économiques pour définir celles qui contribuent de manière substantielle aux objectifs du Green Deal

## 6 objectifs environnementaux

1. Atténuation du changement climatique
2. Adaptation au changement climatique
3. Utilisation durable et protection des ressources en eau et des ressources marines
4. Transition vers une économie circulaire
5. Prévention de la pollution
6. Des écosystèmes sains

## Qui doit appliquer la taxonomie?



Grandes sociétés cotées comptant plus de 500 employés, qui sont déjà tenues de fournir une déclaration non financière en vertu de l'art. 19a ou 29a de la directive européenne sur les rapports non financiers (NFRD).

Le CSRD entrera en vigueur le 1er janvier 2024. Le champ d'application des entreprises concernées par la Taxonomie européenne sera très probablement aligné sur la CSRD à l'avenir.



Acteurs du marché financier ou émetteurs proposant des produits financiers dans l'UE



L'UE et les États membres lorsqu'ils définissent des mesures, des normes ou des labels publics pour les produits financiers verts ou les obligations vertes.



# Le règlement Taxonomie

## Obligations

### Communication du % du chiffre d'affaires – dépenses – investissement

Il n'y a aucune obligation pour les entreprises ou les investisseurs d'être alignés sur les objectifs de la taxonomie

### Comment définir une activité durable ?

Contribuer de manière substantielle à au moins un des six objectifs environnementaux.

Ne pas nuire de manière significative (DNSH) aux autres objectifs environnementaux.

Respecter les garanties minimales en matière sociale et de gouvernance (par exemple, les lignes directrices de l'OCDE).

Les critères de sélection technique sont adoptés dans le cadre du règlement (NACE).

Vérification externe : la conformité à la taxonomie peut devoir être vérifiée par des tiers accrédités.

# Corporate Sustainability Reporting Directive (CSRD) - draft

- La NFRD (directive sur les rapports non financiers) est modifiée pour devenir la CSRD (directive sur les rapports de durabilité des entreprises).
- Les conclusions suivantes ont été tirées par la Commission européenne
  - les informations rapportées ne sont pas suffisamment comparables, fiables ou faciles à trouver pour les parties prenantes
  - les rapports ne couvrent pas ce que les utilisateurs estiment nécessaire
  - il est difficile pour les investisseurs et les autres parties prenantes de trouver des informations non financières, même lorsqu'elles sont communiquées
  - les entreprises sont confrontées à l'incertitude et à la complexité lorsqu'il s'agit de décider quelles informations non financières communiquer, et comment et où communiquer ces informations.
- Objectifs du CSRD :
  - Améliorer la divulgation des données climatiques et environnementales
  - Faire le lien avec la Taxonomie et le SFDR

# Corporate Sustainability Reporting Directive (CSRD) - draft

- Toutes les entreprises d'intérêt public, y compris celles cotées sur un marché réglementé de l'UE, devront présenter un rapport sur les questions de durabilité. Les autres entreprises qui répondent à deux des critères suivants sont également tenues de présenter un rapport :
  - 250 employés ou plus
  - 40 millions d'euros de chiffre d'affaires net
  - 20 millions d'euros d'actifs.
- **Thèmes à couvrir**
  - Environnement
  - Social
  - Gouvernance
- **Audit des informations non-financières**
  - Rapport d'assurance externe limitée à partir de la première année de rapport
  - Assurance raisonnable à partir de 6 ans après l'entrée en vigueur de la directive.

# Corporate Sustainability Reporting Directive (CSRD) - draft

- **L'objectif est que cette directive soit adoptée d'ici octobre 2022, puis traduite dans la législation locale des pays de l'UE.**
- **Selon la dernière proposition, toutes les entreprises qui doivent se conformer à la directive CSRD devront publier leurs rapports de durabilité :**
  - à partir de janvier 2025 avec des données de 2024 pour les entités qui appliquent déjà la NFRD actuelle.
  - **à partir de janvier 2026 avec des données de 2025 pour les entités qui ne sont pas actuellement soumises à la directive NFRD**
  - à partir de janvier 2027 avec des données de 2026 pour les PME cotées, les établissements de crédit non complexes et les compagnies d'assurance captives.
- **Impact pour les entités déclarantes :**
  - Pour publier le premier rapport, il est nécessaire d'inclure des données comparatives (au moins sur un an).
  - Pour rassembler les données, l'analyse de l'importance relative, la sélection des indicateurs clés de performance et les contrôles/circuits internes pour rassembler les données doivent être effectués avant la publication du rapport.

# Standards de reporting : vers une convergence

## Initiatives



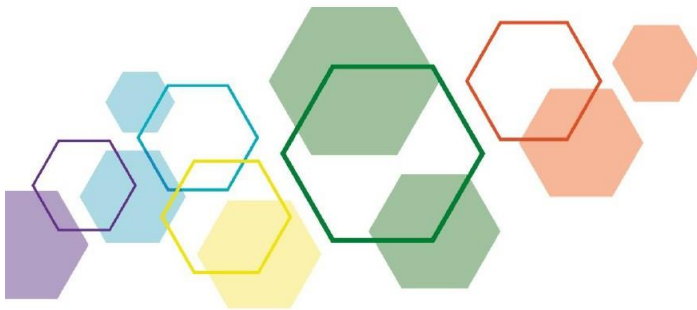
### Autres initiatives ::

- GRI
- TCFD
- GHG Protocol
- ...

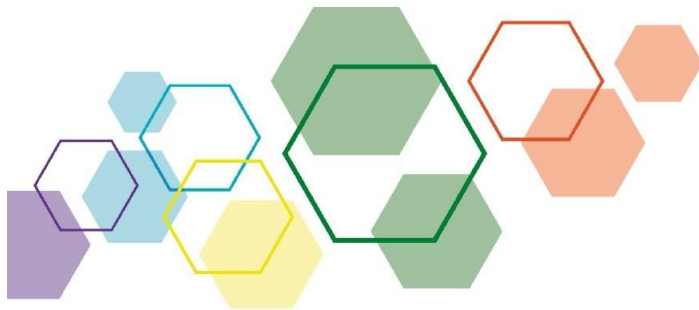
# European Sustainability Reporting Standard (ESRS)

## Ces standards sont basés sur:

- Taxonomie
- SFDR (Sustainable Finance Disclosure Regulation)
- Benchmark Regulation
- GHG allowance Directive,
- EMAS regulation (Eco-Management and Audit Scheme)
- European Commission recommendation on the life cycle environmental performance of products and services
- Draft Corporate Sustainability Due Diligence Directive (CSDDD )
- GRI (Global Reporting Initiative)
- TCFD (Task Force on Climate-Related Financial Disclosures)
- ISSB Standards (IFRS)



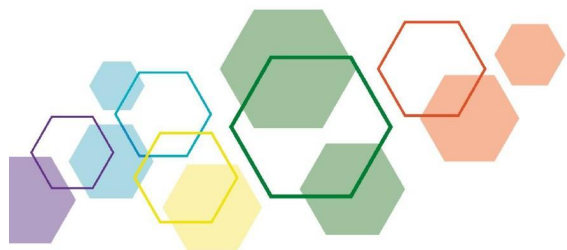
# ESRS



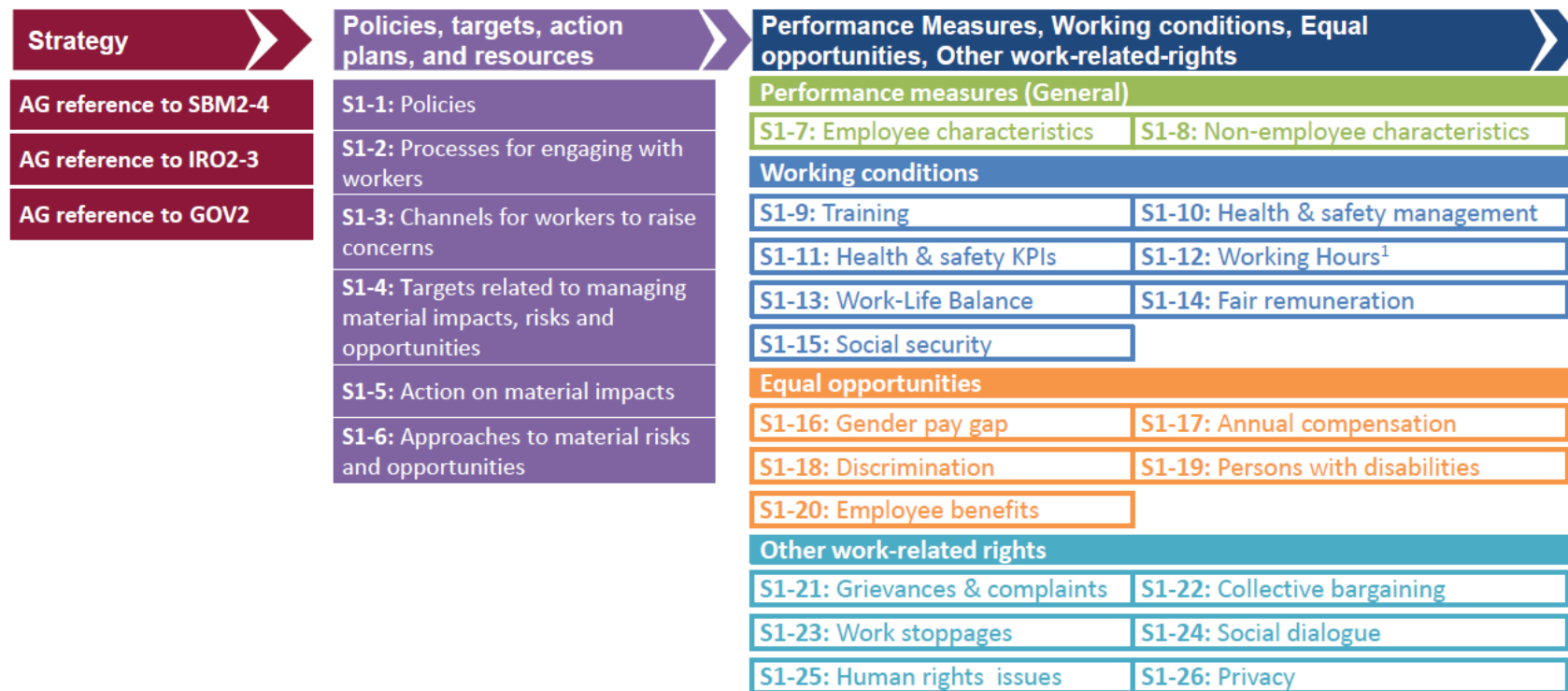
## Structure des ESRS

- **ESRS 1 : General principles**
- **ESRS 2 : General, strategy, governance and materiality assessment disclosure requirements**
- **Environmental EDs ( ESRS E1 to E5 )**
  - Climate change
  - Pollution
  - Water and Marine resources
  - Biodiversity and ecosystems
  - Resource use and circular economy
- **Social EDs (ESRS S1 to S4)**
  - Own workforce
  - Workers in the value chain
  - Affected communities
  - Consumers and end-users
- **Governance (ESRS G1-G2)**
  - Governance, risk management and internal control
  - Business conduct

# ESRS



## Standard Architecture

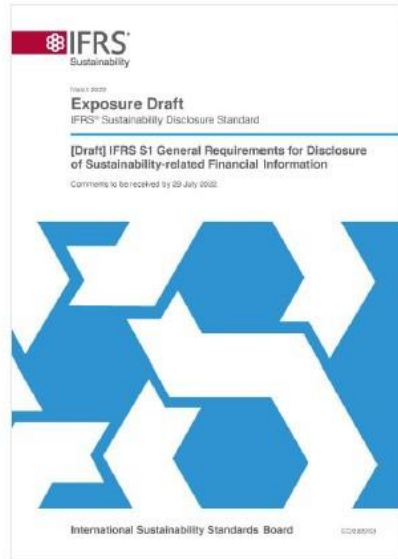


<sup>1</sup> Optional Disclosure Requirement



# ISSB (International Sustainability Standards Board)

1



General Requirements  
Exposure Draft

2

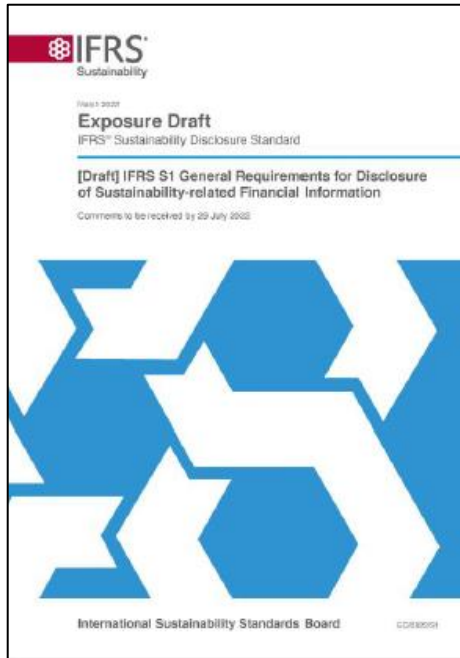


Climate  
Exposure Draft

Date de publication attendue

December 2022

# ISSB (International Sustainability Standards Board)



## ISSB 1 – General requirements

- Exige que les entreprises fournissent des informations sur tous les risques et opportunités significatifs liés au développement durable nécessaires pour évaluer la valeur de l'entreprise.
- Structure conforme au TCFD

### Governance

The governance processes, controls and procedures a reporting entity uses to monitor sustainability-related risks and opportunities.

### Strategy

The sustainability-related risks and opportunities that could enhance the entity's business model and strategy over the short, medium and long term.

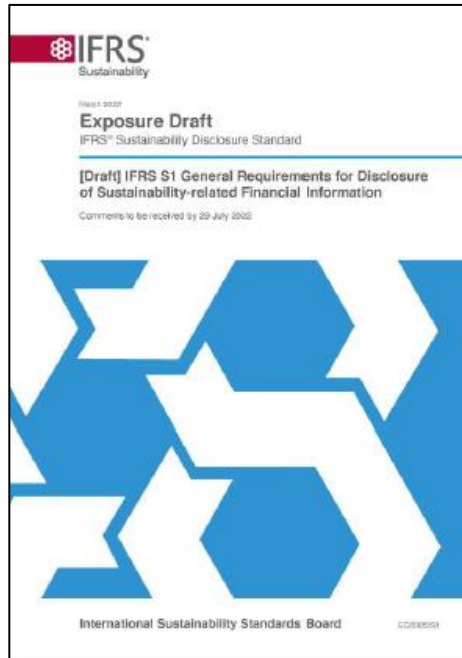
### Risk management

How sustainability-related risks are identified, assessed, managed and mitigated.

### Metrics and targets

Information used to manage and monitor the entity's performance in relation to sustainability-related risks and opportunities over time.

# ISSB (International Sustainability Standards Board)



## ISSB 1 – General requirements



Emphasises need for consistency and connections between financial statements and sustainability reporting by requiring companies to

- explain linkages in information
- use consistent assumptions when relevant



Requires financial statements and sustainability disclosures to be published at the same time



Facilitates application in different jurisdictions by

- not specifying a particular location for sustainability information
- allowing additional information to be provided

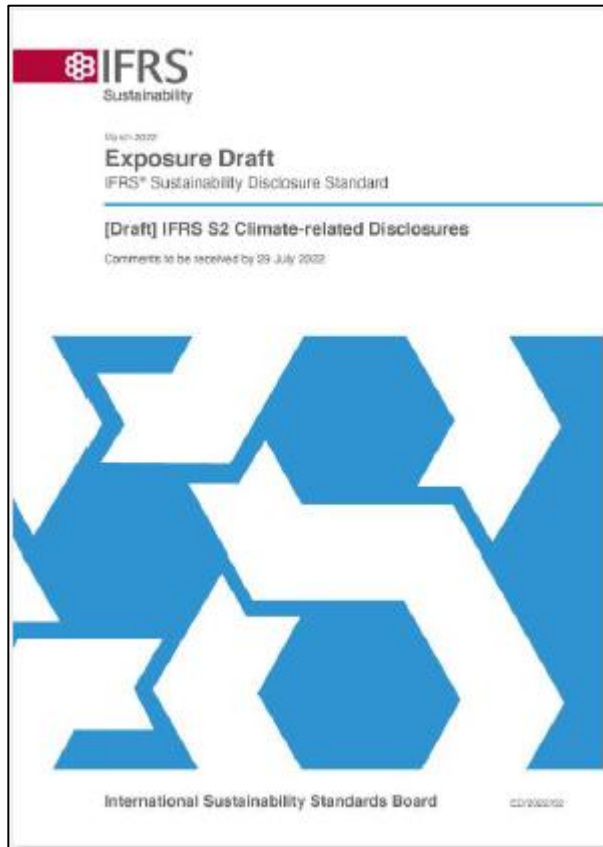
# ISSB (International Sustainability Standards Board)



## ISSB 2 – Climate

- Intègre les recommandations du TCFD
- Inclut les exigences sectorielles liées au climat de la SASB.
- Exige la divulgation d'informations sur :
  - les risques physiques (par exemple, le risque d'inondation)
  - les risques de transition (ex. : changement de réglementation)
  - les opportunités liées au climat (par exemple, les nouvelles technologies)

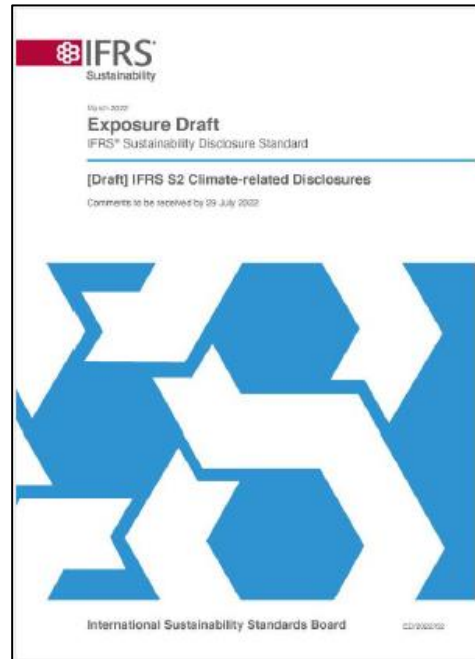
# ISSB (International Sustainability Standards Board)



## ISSB 2 – Climate

- Les informations fournies doivent permettre aux investisseurs :
  - d'évaluer l'impact des risques et opportunités liés au climat sur la valeur d'entreprise de la société
  - comprendre la réponse de l'entreprise et sa stratégie de gestion des risques et opportunités liés au climat
  - d'évaluer la capacité de l'entreprise à adapter sa planification, son modèle économique et ses opérations aux risques et opportunités liés au climat.

# ISSB (International Sustainability Standards Board)



## ISSB 2 – Climate



### Transition planning

Emissions targets and use of carbon offsets



### Climate resilience

Resilience of business strategy in multiple scenarios



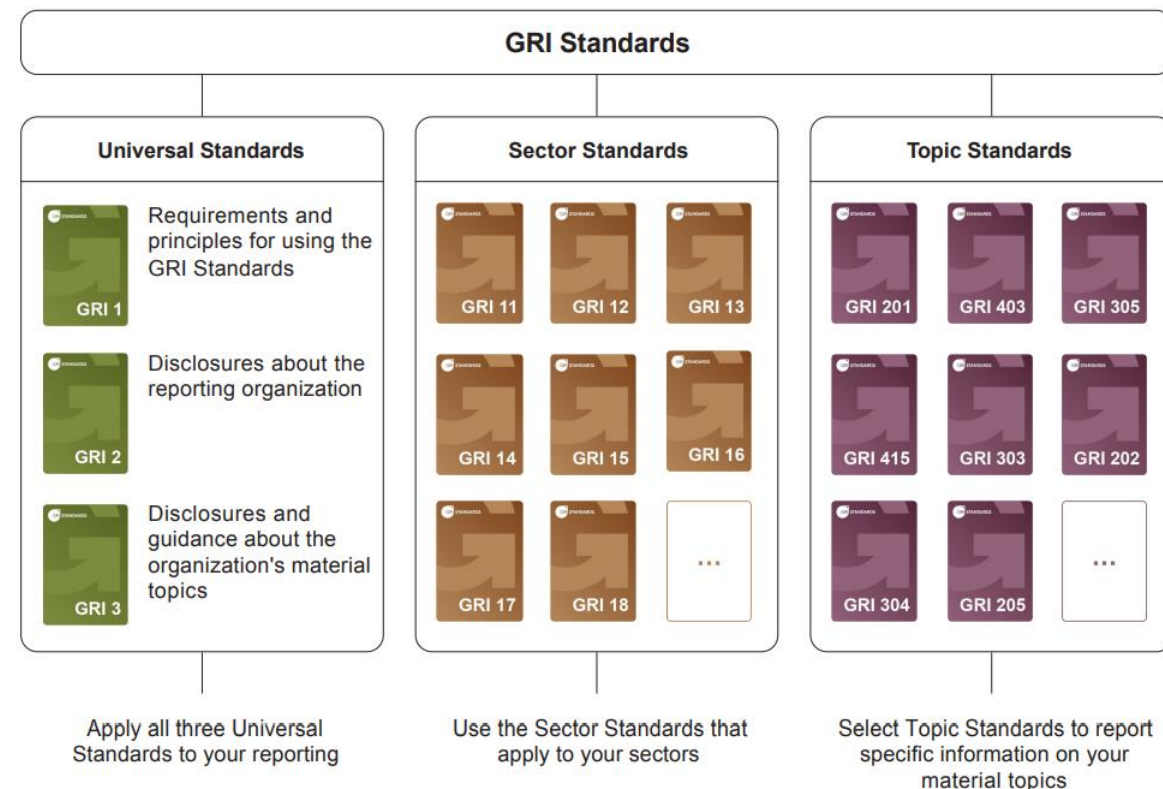
### Scope 1-3 emissions

Requirement to disclose GHG emissions

# Global Reporting Initiative (GRI)

## Structure des normes

- Le contenu est structure de la manière suivante :
  - 3 normes générales
  - Des normes spécifiques pour certains secteurs
  - Des normes relatives aux différents sujets :
    - Economie
    - environnement
    - Social
- Les IFRS S1 et S2 et les ESRS font des liens avec le GRI



# Tendances en matière de reporting de durabilité

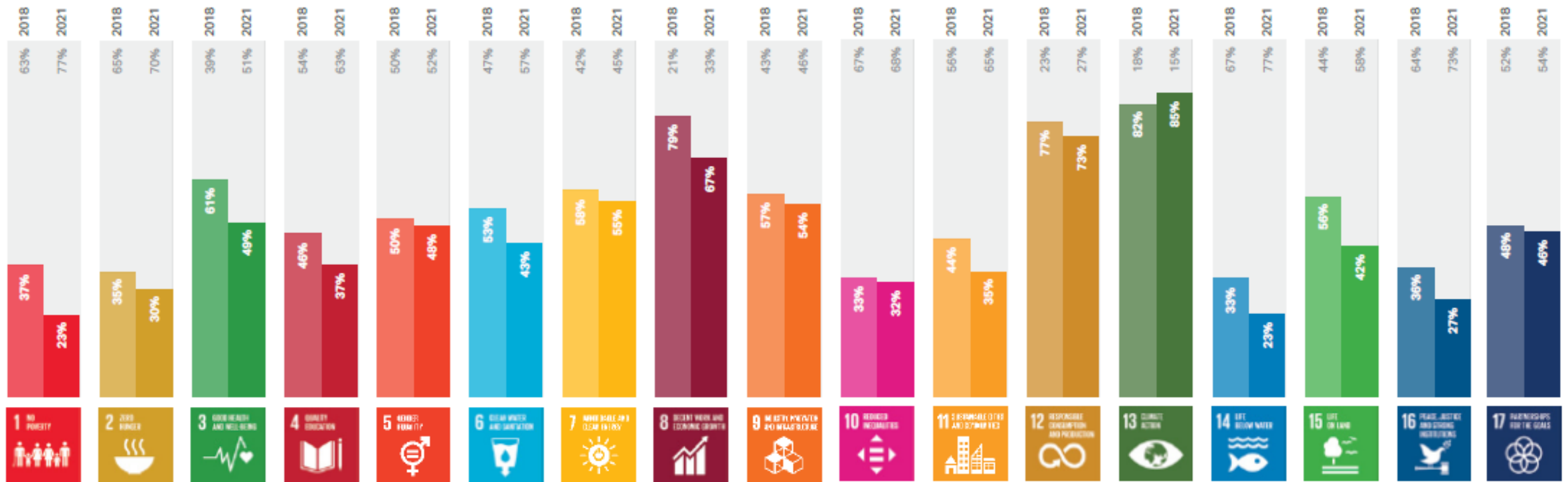
Table 1: percentage of companies with priority material issues by topic in 2018 & 2021

% of reports		Material issue topic
2021	2018	
87%	74%	Labor practices decent work
83%	60%	Climate change
73%	49%	Product responsibility
72%	66%	Governance
70%	67%	Economic
64%	49%	Human rights

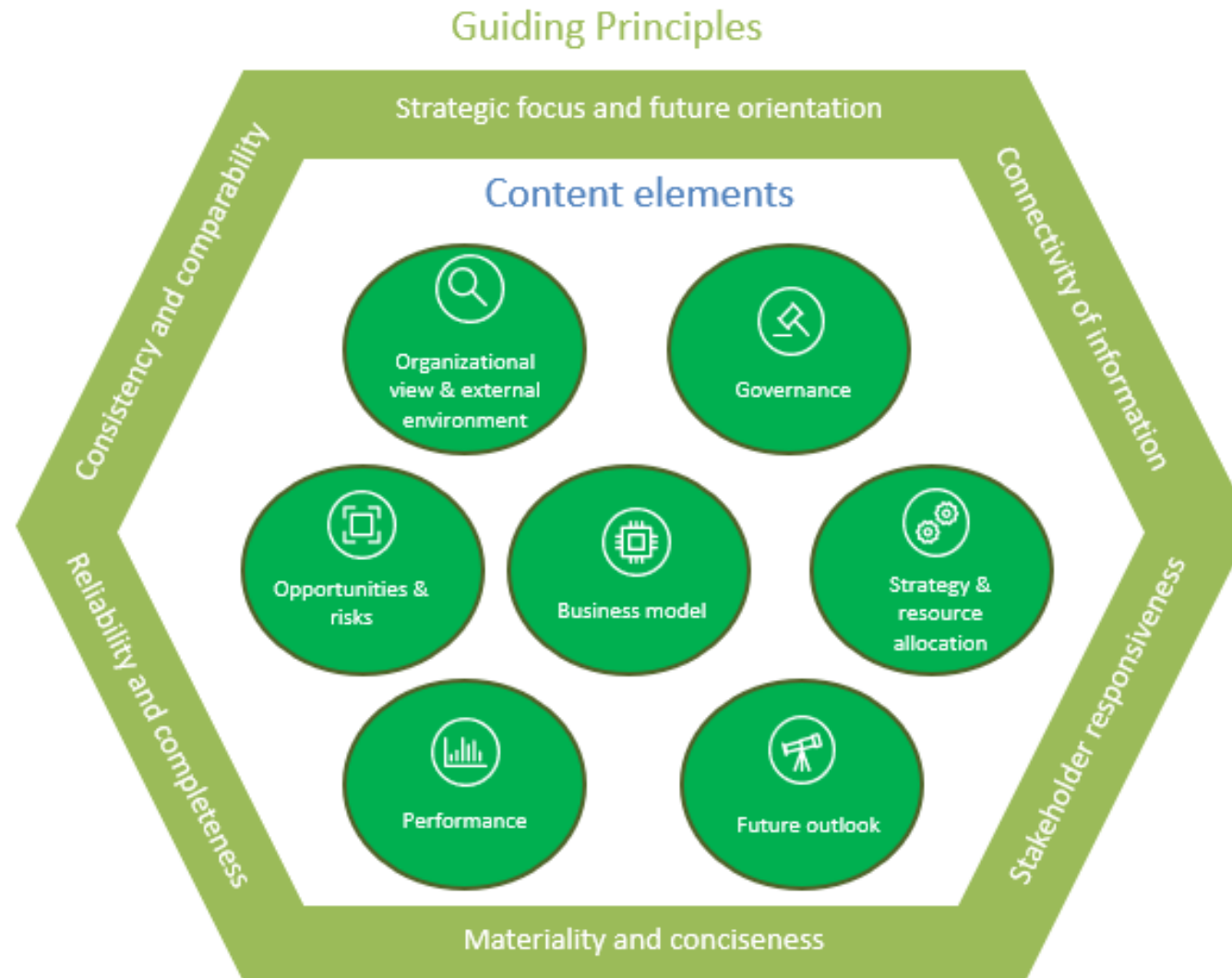
% of reports		Material issue topic
2021	2018	
55%	56%	Society
46%	40%	Renewable resource use
45%	35%	Supply chain practices
37%	27%	Waste and effluents
36%	18%	Ecosystem services
20%	20%	Non-renewable resource use



# Tendances en matière de reporting de durabilité



# Concepts clés pour l'établissement d'un bon rapport



# Définition des parties prenantes



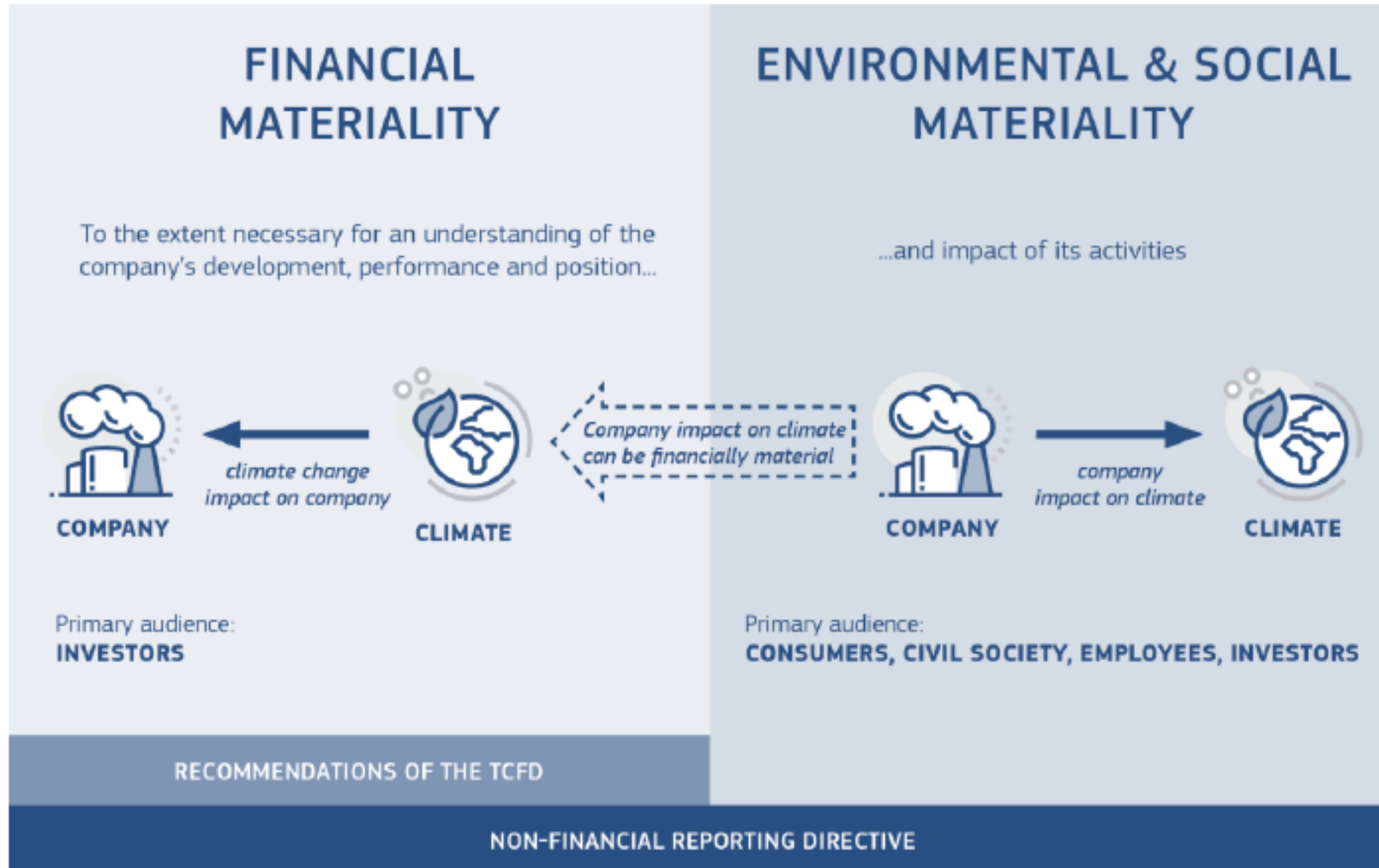
# Définition des parties prenantes

- Ex Solvay

Customers	Employees	Investors
<p><b>How we bonded in 2021</b></p> <ul style="list-style-type: none"> <li>Engagement of major customers on common high materiality aspects</li> <li>Direct contacts with G&amp;B teams (management, R&amp;D, sales, supply chain)</li> <li>Rating questionnaires (CDP, EcoVadis)</li> <li>Sustainable Portfolio Management (SPM) profiles</li> <li>Net Promoter score (digital surveys every two years)</li> </ul> <p><b>High materiality aspects</b></p> <ul style="list-style-type: none"> <li>Product design and lifecycle management</li> <li>Customer welfare</li> <li>Hazardous materials</li> </ul> <p><b>Stakeholders' expectations</b></p> <ul style="list-style-type: none"> <li>Continued increase in number of customers assessing Solvay's performance via EcoVadis, CDP, or specific questionnaires confirms focus on risks and opportunities in supply chain</li> <li>Increasing number of customers express need for innovative solutions in line with circular economy principles</li> </ul>	<ul style="list-style-type: none"> <li>Solvay Solidarity Fund to enhance solidarity among employees</li> <li>Pulse surveys every six weeks to improve our people's well-being</li> <li>Communication between CEO and employees using digital tools (Q&amp;A sessions, virtual visits on sites)</li> <li>Regular dialogue between Group managers and employees through Performance and Development annual appraisal</li> <li>Labor relations dialogue with employee representative bodies at four levels: site, country, Europe and Group</li> </ul> <p><b>Employee health and safety</b></p> <ul style="list-style-type: none"> <li>Inclusion and diversity</li> <li>Employee engagement and well-being</li> </ul> <ul style="list-style-type: none"> <li>Engagement on sustainability principles by employees from top management to shop floor</li> <li>Covid-19 crisis management</li> </ul>	<ul style="list-style-type: none"> <li>60 events with institutional investors (15 digital roadshows, 6 of which were ESG roadshows, and 39 conferences)</li> <li>Responding to rating agency questionnaires, credit rating agencies, proxy voting agencies</li> <li>Participation in diverse shareholder events using digital tools</li> <li>One Solvay ESG webinar</li> </ul> <p><b>All high materiality aspects</b></p> <ul style="list-style-type: none"> <li>Solid financial performance and consistent shareholder reward</li> <li>Sustainability and focus on long-term value creation</li> <li>Strong focus on innovation, governance, ethics and transparency</li> <li>Rapid evolution of sustainability reporting frameworks, particularly the new International Sustainability Standards Board in the US and the future European sustainability standards in the framework of the Corporate Sustainability Reporting Directive (CSRD)</li> </ul>

<p><b>Our responses</b></p> <ul style="list-style-type: none"> <li>About 150 customers representing about 20% of our sales require Solvay's EcoVadis evaluation</li> <li>Solvay in the top 1% of companies assessed by EcoVadis in the chemical industry</li> </ul> <p><b>Our challenges</b></p> <ul style="list-style-type: none"> <li>EcoVadis 360 screening identified controversies, fines or penalties relating to environmental/social issues in the last five years</li> <li>Reducing Scope 3 greenhouse gas emissions linked to processing, use and end of life of sold products</li> </ul>	<ul style="list-style-type: none"> <li>Solvay One Dignity to accelerate Diversity, Equity and Inclusion, with 9 objectives and action plans</li> <li>Global employee share purchase plan</li> <li>Solvay Solidarity Fund: €2.4M to support employees and their families since April 2020</li> <li>Extended 16-week maternity leave to all co-parents worldwide</li> <li>Solvay Sales Academy: -€2M invested over one year; 11,500 hours of training</li> <li>Employee Assistance Program to provide mental health support and other assistance</li> <li>7,500+ employees moved into a hybrid working mode (35 administrative sites globally)</li> <li>Global Performance Sharing Plan</li> <li>100% employees covered by collective agreement</li> </ul> <ul style="list-style-type: none"> <li>Implementation of our plan to better align the organization with G.R.O.W. strategy</li> <li>Involve employees in Solvay One Planet initiatives, e.g. Stop Office Waste project</li> </ul>	<ul style="list-style-type: none"> <li>Solvay One Dignity</li> <li>Announced carbon neutrality plans</li> <li>Announced employee share purchase plan</li> <li>Dividend increase (+2.7% vs 2020)</li> <li>Capex of €736 million targeting growth businesses</li> </ul> <ul style="list-style-type: none"> <li>Climate action confirmed as priority topic</li> <li>Facing challenging environment in key markets</li> <li>Impact of Covid-19 crisis</li> <li>Impact on reputation related to controversies</li> </ul>
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# Concept de double Materialité



# Concept de double Materialité

Figure 3- Visual representation of prioritization of topics



See GRI 101: Foundation for more detail

## Definition of 'impacts' as related to materiality

- 'Impacts' refers to effects on the economy, the environment, and/or society (*does not focus on impacts on the organization*)
- Applying the Materiality principle requires this understanding of 'impacts'

## Material topics not covered by the GRI Standards

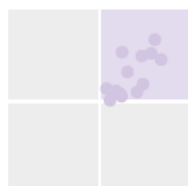
- All material topics are to be included in an 'in accordance' report
- For topics not covered by the GRI Standards, it is *required* to report the management approach (using *GRI 103*) and *recommended* to report other appropriate disclosures

# Concept de double Materialité

## Ex Proximus

### Highly material topics

Materiality matrix 2019



The matrix on the right represents the upper right quadrant of the overall materiality matrix showing the topics which are most material for stakeholders and the impact Proximus can have.



- 1 Innovation and sustainable infrastructure**  
How the company keeps up to date with the newest technologies and includes them within the products and services portfolio. Investments in digital infrastructure (connectivity -5G, Fiber, network) and innovation in smart energy, smart mobility, smart cities, smart education, smart buildings, smart health, smart security, etc
- 2 Connectivity and digital inclusion**  
How the company makes sure that its infrastructure is up-to-date and inclusive for all members of the community, as well as ensuring that the connectivity of the customers is at all times at a good level. Further it relates to the digital inclusion of the all layers of the general public.
- 3 Sustainability, energy & circularity**  
How the company plans to reduce energy consumption and how this affects emissions. How the company contributes to the circular economy and deals with waste management, equipment recycling, responsible sourcing and resource efficiency.
- 4 Business conduct & ethics**  
Comprises the conduct of business practices in regard to transparency, integrity, corruption, lawsuits and claims. It should include the corporate governance of the company.
- 5 Privacy & data security**  
The way the company makes sure that privacy laws are complied with, and that the data of the customers are handled in a secure way. The topic also relates to GDPR and the development of new technologies relating to this topic.
- 6 Health and safety**  
The way the company treats its employees in terms of health and safety in linkage to production and overall health and safety management.
- 7 Human capital & employee development**  
How the company deals with its human capital including labor conditions. It includes topics such as: Diversity and inclusion; gender; aging population; turn-over; training and development.
- 8 Digital competitiveness of institutions and companies**  
How the company is enhancing the competitiveness of institutions, cities and companies in terms of digitalization.
- 9 Quality products and services**  
How the company ensures that it delivers top quality products and services to its customers, including safe and healthy products.
- 10 Responsible marketing**  
The policies and practices around marketing and advertising.
- 11 Pricing and billing transparency**  
How the company discloses its pricing of its different products and services in a transparent way.
- 12 Customer relationship**  
How the company ensures that customers are satisfied. It also includes the impact on their health of these customers and providing them with all necessary information.
- 13 Sustainable supply chain**  
The way the company manages its responsibility towards the sustainability practices of its supply chain. Some other topics already involve this issue, however Proximus should also present an overarching approach to manage the impact of its supply chain and address its economic impact.

# Concept de rapport équilibré

## Ex Rockwool

### Sustainability goal progress

In addition to measuring and documenting our products' handprint, we have set specific goals on reducing our operational footprint.

In 2016, we set six sustainability goals, five of which have 2015 as the baseline year. The sixth goal on safety is updated annually.

During 2021, we met the intermediate 2022 goal for an additional two sustainability goals (CO<sub>2</sub> intensity and reclaimed material), adding to the two sustainability goals we met in 2020.

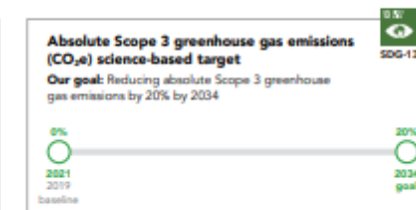
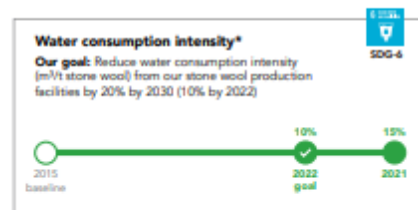
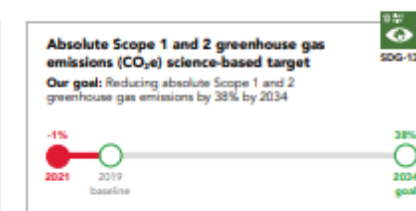
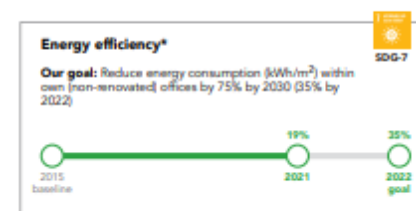
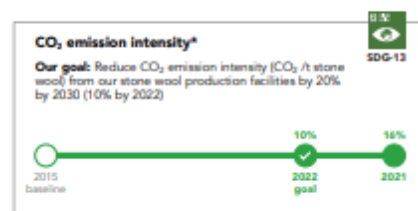
For CO<sub>2</sub> intensity, we achieved 16 percent reduction compared to the 10 percent intermediate goal. Regarding reclaimed material, we added three new countries to the list of countries where we offer our Rockcycle® reclaimed material service, reaching a total of 17 countries compared to the intermediate goal of 15.

We continue to progress on our energy efficiency in owned offices goal, completing the renovation of five buildings during 2021, with several additional buildings due for completion in 2022.

We experienced a negative trend on our Scope 1 and 2 science-based absolute emission reduction target compared to last year. This is a reflection of a significant increase in production volumes.

We took important measures to decarbonise several of our factories, the impact of which will kick-in in the coming years (see page 17), ensuring we are on track to meet our science-based absolute emission reduction targets while continuing to significantly increase production volumes.

While we did not have any fatalities in 2021, there was a deterioration in the Lost Time Incidents rate from 3.0 to 3.6. We take this very seriously and have initiated a number of measures to reverse this trend. These include additional safety audits at those factories where LTI rates are highest together with extra focus on sharing best practices across the Group. Progress is monitored very closely by executive management.



\*In scope of limited assurance provision.  
Scope 1, 2 and 3 are defined according to the Greenhouse Gas Protocol.  
Scope 1 includes all direct emissions from sources that are owned or controlled by the company.

Scope 2 includes indirect emissions from consumption of purchased electricity, heat or steam.  
Scope 3 includes other indirect emissions from an organisation's activities that result from sources that they do not own or control.



# Des questions ?