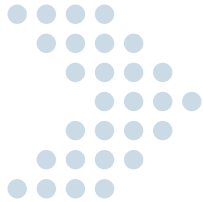


Sustainability reporting in 2024

The HOLLIS & BEAN guide to preparing for CSRD



HOLLIS & BEAN



Sustainability reporting: a moving target?

Sustainability reporting is at a pivotal moment as companies navigate a new generation of regulations. One of the biggest developments for businesses is the introduction of the EU's **Corporate Sustainability Reporting Directive, or CSRD**.



Who?

CSRD is set to impact around **500,000 companies**. While the directive focuses on EU companies, **its scope includes international companies** with more than €150 million net turnover in the EU and European branches or subsidiaries.



What?

The directive requires **broader disclosure on sustainability matters**. It is based around **12 European Sustainability Reporting Standards (ESRS)** that cover ESG topics. The other main requirements of CSRD are a **double materiality** assessment and **EU taxonomy** audit.



When?

CSRD entered into force in January 2023, and the 12 ESRS were finalized in July 2023. The first companies will need to abide by new rules for **reports published in 2025**, so now is the time to start preparing.

The real **game changer** with CSRD is **double materiality**

Materiality is already commonplace in sustainability reporting today. It refers to the level of importance companies give to specific environmental, social and governance issues according to their relevance.

Going a step further, CSRD requires an **assessment of double materiality**, taking into account both:

The impact of the company's activities on sustainability matters



How sustainability matters affect the company

4 steps to prepare for CSRD

1 

Get familiar with CSRD

First things first, ensure you have a **good grasp of CSRD rules** and the steps you need to take.

It can be tempting to dive straight in with ideas for your next report, but start by **reading up on the 12 ESRS** or **watch EFRAG's handy summary videos**.

2 

Take stock of previous reports

The work needed to make reporting CSRD-compliant will **vary between businesses**.

Carry out an **assessment of your existing publications to get your starting point**. There'll surely be areas you're already excelling in, and others that will need more attention.

3 

Start data collection early

Once you have completed your gap analysis, **don't wait to start collecting data**.

Setting up a double materiality assessment is a lengthy process. So while CSRD may seem a long way off for your business, it's **never too early** to start gathering information.

4

Get your team on board

Spread the word about **what CSRD means for your business**.

Share your findings with colleagues and **ensure all internal stakeholders are aware of what's required of them**. This will help you source information and keep to your report timeline.

CSRD in practice

Once you have all the pieces in place, it's time to start laying out and writing your report.

While new regulations can feel like obstacles to overcome, they present a number of **opportunities to up your game on reporting.**



Read on for our 5 convictions on sustainability reporting **best practices**, how to **put them into action** and some of **our favorite examples.**



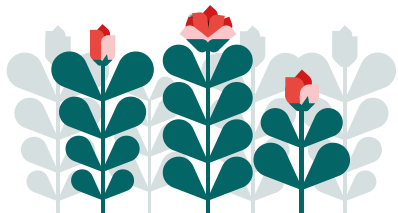
1

Be clear and transparent

CSRD responds to growing demand for **transparent reporting**. Readers – and auditors – are looking for accurate, clearly presented information they can trust.

While this requires businesses to be especially vigilant when it comes to reporting on ESG credentials, it is an opportunity to be **open and honest with your audience**.

By being clear and upfront about your performance, you **build trust in your report** and position your company as a **proactive leader** in your industry.



HOLLIS & BEAN picks

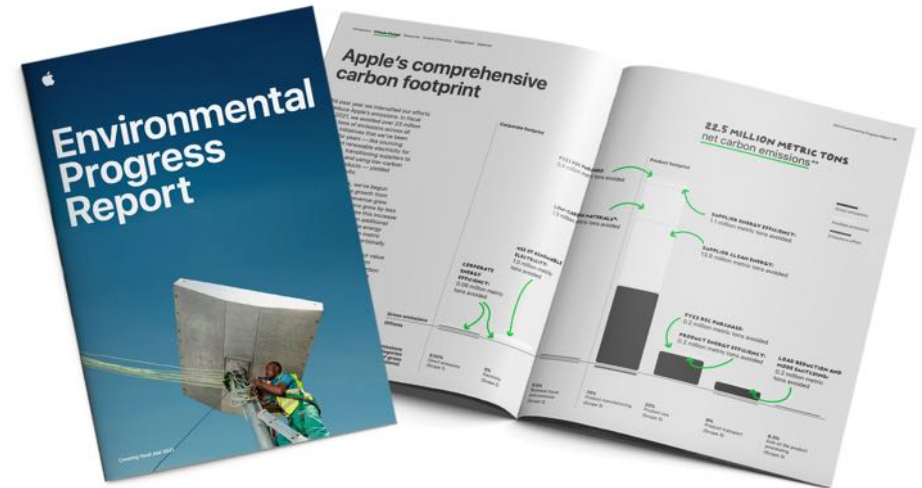


Rio Tinto

— United Kingdom / Australia —

In its 2022 climate change report, global mining group Rio Tinto is **transparent about its successes and shortfalls**. The opening CEO statement outlines missed targets and future action plans. The honest narrative **creates trust and adds credibility** to the report.

DOWNLOAD



Apple

— United States —

Conscious of the complexity of sustainability data, Apple uses **visual graphics to present information clearly**. Whether to explain its carbon footprint and scope 1, 2 and 3 emissions, or its product lifecycle, **simple diagrams make the data accessible and understandable**.

DOWNLOAD



2

Tell your story

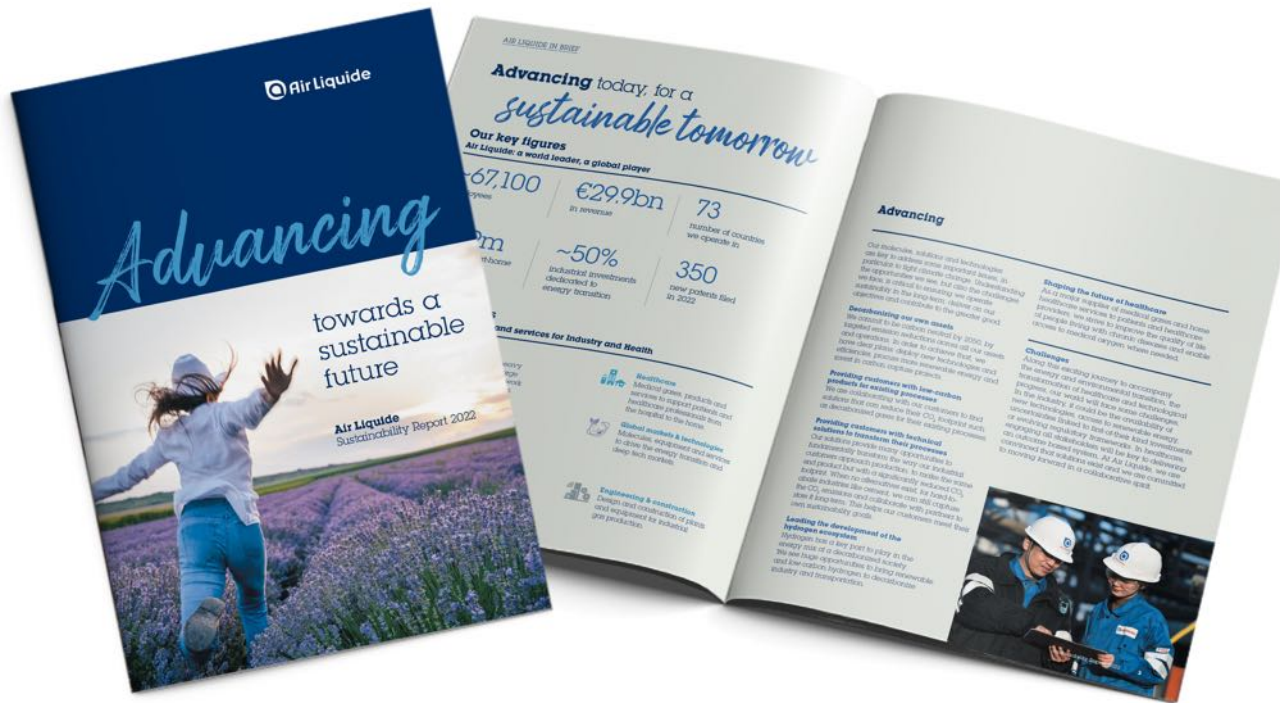
CSRD requires businesses to report a large amount of sustainability data, but this doesn't mean your report should read like a list of figures. **Storytelling is crucial to engage your audience and bring the data to life.**

Consider your readership. Investors usually make up a large share, but so do civil society, NGOs, customers and your employees. Beyond the figures, they want to understand **your company's sustainability story** and see **real-world examples**.

To achieve both compliance and reader engagement, reflect on how you can **align CSRD principles with your existing sustainability strategy**. While some of the ESRS may be less relevant to your business, chances are the majority are already on your agenda. Draw on these parallels to tell a **comprehensive, inspiring story** that also meets CSRD requirements.



HOLLIS & BEAN picks



Air Liquide

— France —

Leader in gases, technologies and services, Air Liquide tells a story with its 2022 sustainability report, woven around **concrete actions** and **real-world examples**, and supported by key figures. Magazine-style pieces paint a broad picture of the company's actions and **present sustainability data in a clear, easy-to-understand way.**

DOWNLOAD



3

Go beyond environmental

When it comes to sustainability reporting, environmental issues tend to be top of mind. Yet CSRD sets out a **balance between environmental, social and governance issues**.

12 European Sustainability Reporting Standards

5

environmental

4

social

2

governance

2

cross-cutting

Inevitably, environment will be center stage for many businesses, both as a result of their outsized impact and the urgency of the climate crisis. **Use environmental issues as a springboard to explain and contextualize social and governance matters.** Taking an **integrated approach** will help you strike the right balance between topics and **cover the issues important to all your different audiences.**

HOLLIS & BEAN picks



Ørsted

— Denmark —

As a green energy major, Ørsted's 2022 sustainability report is inevitably closely tied to environmental issues. To **meet reporting standards and balance ESG issues**, Ørsted uses its environmental focus as a **stepping stone to talk about social and governance issues** – like the impact of renewable energy on communities.

DOWNLOAD



Shell

— United Kingdom —

Shell's 2022 sustainability report clearly **demonstrates how social sustainability and governance are key to its purpose of "Powering Progress"**. While it dedicates two pillars to nature and net-zero emissions, the other two sections of the report cover the impact of its energy business on people and value for shareholders.

DOWNLOAD



4

Position your report in the wider reporting ecosystem

In a catch 22, there is pressure on reporters both **to meet increasingly stringent requirements** and to **cut the length of reports**. The annual *Reporting Matters* review actually found that the average length of stand-alone sustainability reports increased **from 102 pages in 2019 to 165 pages in 2022**.

To avoid a dense, hard-to-read report, **companies need to be succinct**.

One solution is to **lead readers to existing content** on your corporate website or in your annual report. This enables the report to **maintain its narrative flow** and stay concise, and gives readers the opportunity to dive deeper into certain topics.



HOLLIS & BEAN picks



Mercedes

— Germany —

Mercedes' 2022 digital sustainability report includes **links to policies, documents and other pages of the corporate website**. It also includes pop-up definition boxes for certain terms, linking to a full glossary. With these features, Mercedes **cuts down on length and avoids interrupting the flow of its sustainability story**.

DOWNLOAD 

5

Demonstrate compliance

In your report, explain the steps you've taken to adapt to the new directive and ensure compliance.

- Which **standards affect your business** and which don't have such a big impact?
- Which areas are you leading in, and where are you **investing more time and resources** to perform better?

By taking a transparent and thorough approach to compliance, you **give credibility to the sustainability story** running throughout the report.



HOLLIS & BEAN picks



* HOLLIS & BEAN worked with Expleo on writing this report.

Expleo

— France —

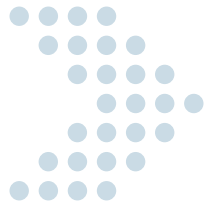
Expleo's 2022 corporate sustainability report is **one of the first in its industry to take steps toward aligning with CSRD.***

*The global engineering, technology and consulting service provider begins the report with an outline of **how it ensures compliance, and extra-financial risks and opportunities** for the business and its stakeholders.*

*The end of the report also provides an **ESRS correspondence table** which clearly indicates how Expleo tackles each issue.*

DOWNLOAD





What's next for your business?



New rules are fast approaching. **Now is the time to get ahead** and understand what **evolving sustainability reporting regulations** mean for your business.



Take the opportunity to **revisit your sustainability reporting approach**. Use the CSRD framework to **demonstrate transparency** and **tell a complete and engaging sustainability story**.



Even if CSRD won't affect your business right away, **use the coming year as a test run**. It will give you time to **identify and iron out any issues** ready for your first audits.



Looking for a writing team
for your **sustainability report**
or **integrated annual report**?
We'd love to help!

HOLLIS & BEAN is the **#1 English-language communications agency in Paris** for multinational companies.

We have been creating clear and transparent reports for **Europe's leading asset managers and listed companies** for the past decade.

We draw on international best practice to tell your story simply and effectively to your **global investors, employees**, and other **stakeholders** in the language they share: English.

 + 33 (0)1 83 62 20 41

 hello@hollisbean.com

www.hollisbean.com



Follow us on LinkedIn for the latest sustainability reporting developments and communications trends