

Webinar

Sustainability Reporting Beyond CSRD - What and How

25 April 2025



Agenda

1. Sustainability reporting beyond CSRD -
What and How best to prepare for voluntary reporting?
2. Preparing for voluntary sustainability reporting by ensuring robust ESG data
3. Case: LEGO Group



Sustainability reporting beyond CSRD

What and how best to prepare for voluntary reporting?

Omnibus Proposal: Status

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‘Stop the clock’ proposal



Current stage:

The EU published the final text of the omnibus stop-the-clock mechanism on 16 April 2025 in the Official Journal of the EU. Member states have until 31 Dec 2025 to transpose it into national law.



Goal:

Granting 2 more years for CSRD-implementation for Wave 2 companies.

Content proposal



Current stage:

EU Commission has asked EFRAG to provide draft simplified ESRS by 31 October. An agreement on the Content-proposal is not expected before early 2026.

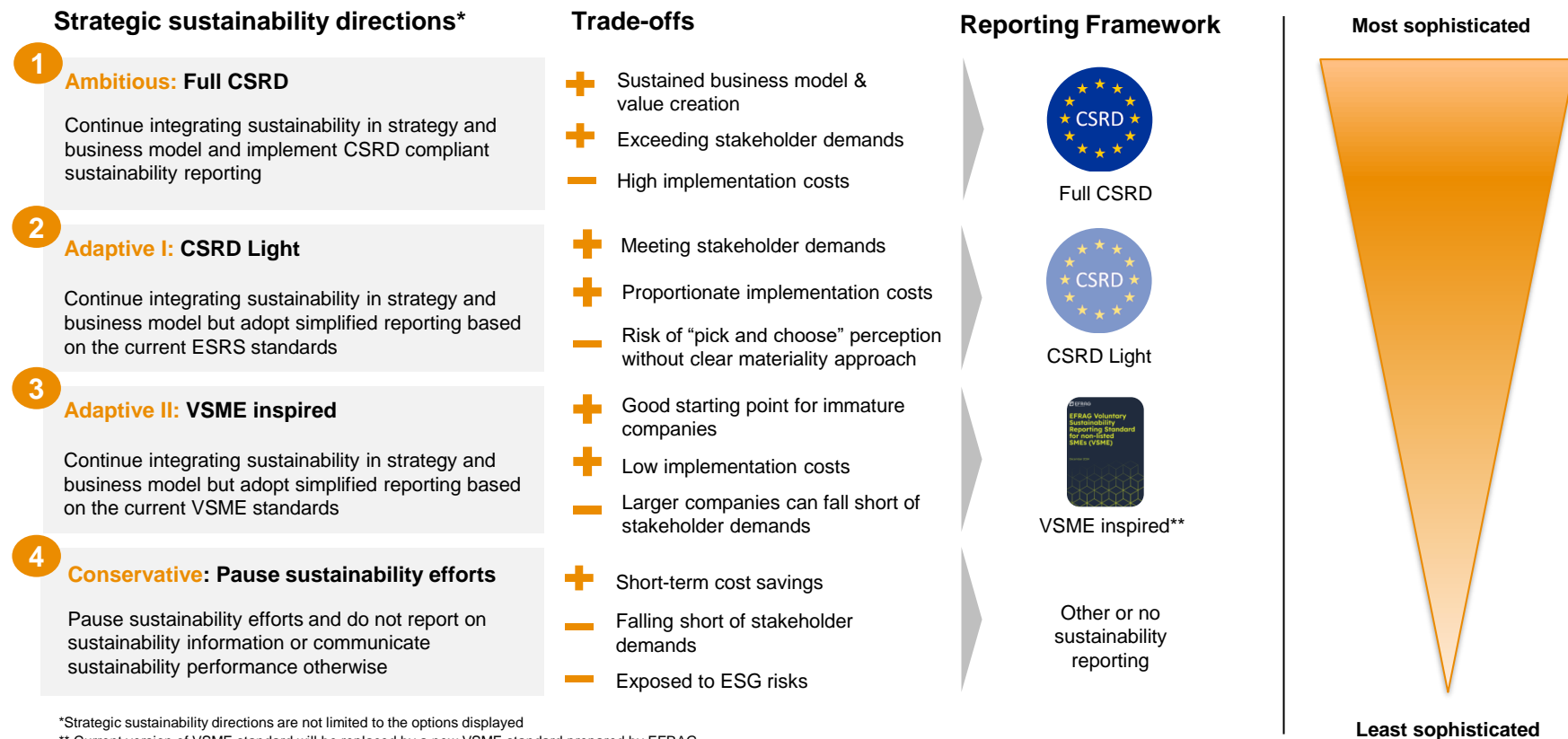


Goal:

Simplify reporting requirements under CSRD.

Reporting frameworks in light of Omnibus

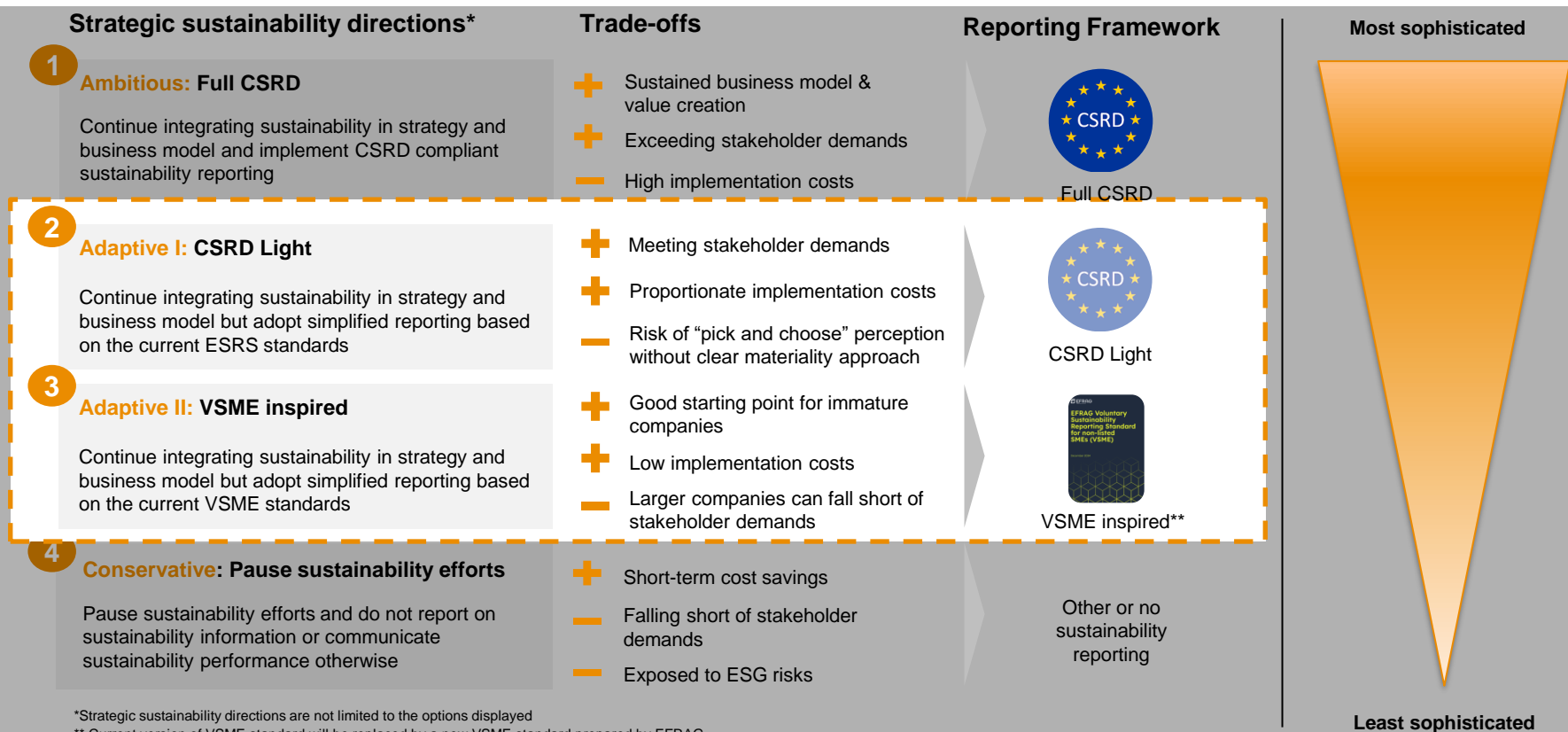
Navigating uncertainty: Strategic sustainability directions for organizations amidst proposed changes in reporting requirements



*Strategic sustainability directions are not limited to the options displayed

** Current version of VSME standard will be replaced by a new VSME standard prepared by EFRAG

Focus for today's webinar



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** Current version of VSME standard will be replaced by a new VSME standard prepared by EFRAG

The ESRS consists of two cross cutting and 10 topical standards

Module	1 Cross-cutting standards	2 ESRS Topical standards
Contents	General Principles General Disclosures	Environmental Social Governance
In brief	Cross-cutting Standards <ul style="list-style-type: none">• Mandatory reporting for all companies covered by CSRD• Not based on result of DMA (Double Materiality Assessment)• Total number of DR's: 18	The Topical Standards <ul style="list-style-type: none">• Based on result of DMA (Double Materiality Assessment)• Total number of DR's: 82
Overview of disclosures	<p>General Principles ESRS 1 General definitions and concepts for sustainability reporting</p> <p>General Disclosures ESRS 2 General disclosure requirements related to strategy, governance and materiality assessment</p>	<p>Environment E1 Climate Change E2 Pollution E3 Water and Marine Resources E4 Biodiversity and ecosystems E5 Resource use and circular economy</p> <p>Social S1 Own Workforce S2 Workers in the value chain S3 Affected communities S4 Consumers and end-users</p> <p>Governance G1 Business Conduct</p>





The VSME standard consists of a Basic module and a Comprehensive module

Module	1 The Basic module	2 The Comprehensive Module
Contents	Basic narratives → Basic metrics	Narratives on strategy, practices, policies and initiatives → Comprehensive metrics
In brief	The Basic Module <ul style="list-style-type: none">• 11 Disclosures including narrative disclosures and ESG topical metrics• Based on conditions for applicability or voluntary reporting, some disclosures may be omitted.• 3 pages within the standard	The Comprehensive Module <ul style="list-style-type: none">• 9 Disclosures including link to strategy and additional ESG disclosures• Based on conditions for applicability or voluntary reporting, some disclosures may be omitted.• 3 pages within the standard
Overview of disclosures	General information B1: Basis for preparation B2: Practices, policies and future initiatives for transitioning towards a more sustainable economy Environmental metrics B3: Energy and greenhouse gas emissions B4: Pollution of air, water and soil B5: Biodiversity B6: Water B7: Resource use, circular economy and waste management Social metrics B8: Workforce – General characteristics B9: Workforce – Health and safety B10: Workforce – Remuneration, collective bargaining and training Governance metrics B11: Convictions and fines for corruption and bribery	General Information C1: Strategy: business model and sustainability – related initiatives C2: Description of practices, policies and future initiatives for transitioning towards a more sustainable economy Environmental Metrics B3+: Consideration when reporting on greenhouse gas emissions – Scope 3 C3: GHG reduction targets and climate transition C4: Climate risks Social Metrics C5: Additional (general) workforce characteristics C6: Additional own workforce information – Human rights policies and processes C7: Severe negative human rights incidents Governance Metrics C8: Revenues from certain sectors and exclusion from EU reference benchmarks C9: Gender diversity ratio in the governance body

The Basic module is a prerequisite for applying the Comprehensive Module

Choose the sustainability reporting frameworks that best suits your needs and those of your stakeholders

Current ESRS and VSME are both subject to change – however, currently the best basis to get started

	 CSRD Light based on ESRS	 VSME inspired based on VSME
Approach	<ol style="list-style-type: none"> Conduct DMA with focus on stakeholder expectations and value creation Determine material ESRS Disclosure Requirements based on your DMA Report relevant sustainability information leveraging the ESRS proposed structure and methodology 	<ol style="list-style-type: none"> Conduct simplified DMA with focus on stakeholder expectations and value creation Determine relevant VSME disclosures in the comprehensive module (C1 – C9) based on your DMA* Report relevant sustainability information in line with the VSME standard
Benefits	<ul style="list-style-type: none"> + ESRS is considered as gold standard of sustainability reporting + Allows to design sustainability reporting according to your specific needs + Provides basis to meet stakeholder expectations for companies experienced with sustainability reporting 	<ul style="list-style-type: none"> + Simple sustainability reporting framework that requires low efforts for implementation + Meets basic stakeholder expectations and can serve as good starting point
Challenges	<ul style="list-style-type: none"> - Requires solid DMA to avoid greenwashing claims - Can be challenging to strike the right level of detail for reporting 	<ul style="list-style-type: none"> - May not satisfy all stakeholder expectations - Less flexibility as it is not based on materiality principle and basic module needs to be reported on - Not aligned with other voluntary reporting standards
Conclusion	 Recommended for companies that are experienced in sustainability reporting and / or face stakeholder demand for specific sustainability information	 Recommended for companies that are new to sustainability reporting and don't face stakeholder demand for specific sustainability information

*Note that the reporting on all disclosures in the basic module (B1 to B11) is mandatory

Process for voluntary sustainability reporting

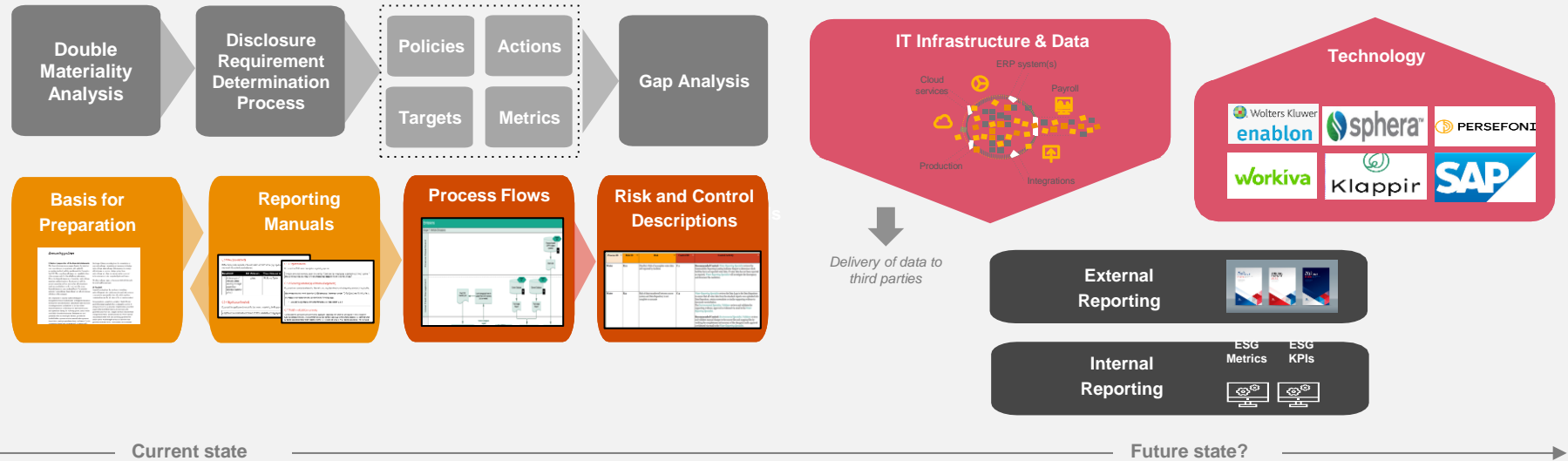
With our 3-step approach you can integrate Sustainability in your organisation, drive action and communicate sustainability performance

Simplified approach for companies outside of CSRD



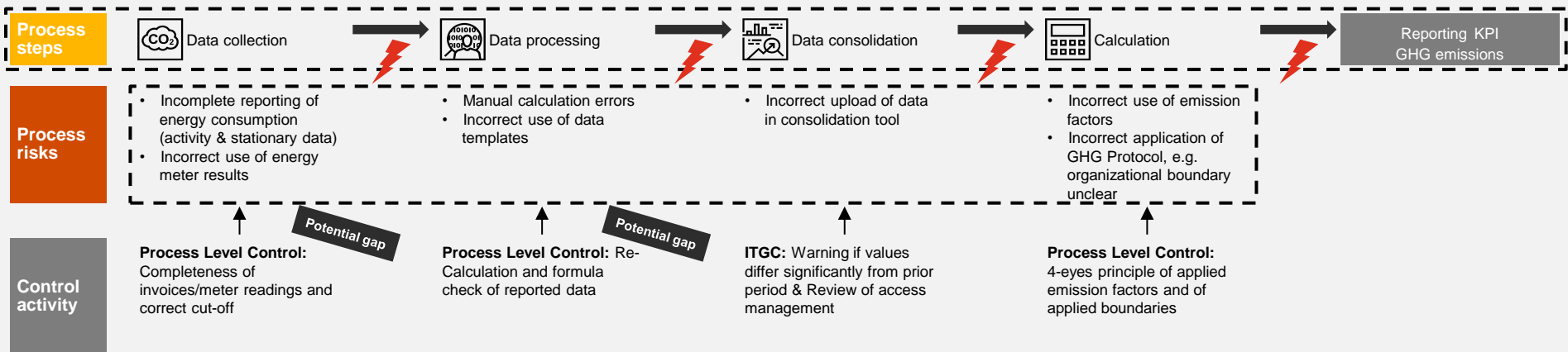
Preparing for voluntary sustainability reporting by ensuring robust ESG data

PwC's approach applied to the sustainability reporting



Review of data collection process and definition of internal controls

Illustrative: GHG Emissions data



 Risk of incomplete, invalid data input

There are a multitude of vendors moving into the market offering different types of sustainability solutions



Data platforms

End-to-end data collection, storing and cleaning



Transaction Systems

ESG source data (human capital, cyber, greenhouse gas emissions, security, other)



Financial systems

ERP platforms



Reporting systems

Report on ESG, 99a/b, risk, tax, internal operations & management



Case: LEGO Group



Thank you to the LEGO Group

To learn more, please reach out to:

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Q&A

...and yes, we'll post the slides after the webinar!

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at pwc.dk/sustainability-2025

Mastering the New PPWR—Unlocking Opportunities in Sustainable Packaging

- Thursday 15 May 2025 at 09:00-10:00 AM

Transition Plan for Climate Change Mitigation - How to Go About it?

- Tuesday 17 June 2025 at 09:00-10:00 AM



Thank you for your attendance



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