mitigate
esg platform

Sustainability Reporting Life-Cycle

- **Establish objectives** (compliance, opportunities, other)
  - Establish sustainability goals
    - Consider strategy and business model
    - Consider value chain and reach
    - Consider stakeholder feedback, if any
    - Consider peers 'goals'
  - Connect sustainability goals to business-specific goals
- **Create action and resource plan**
  - Assemble a core " Green Team"
  - Set milestones
  - Allocate resources and ensure budget allocation
  - Select a tool(-s) for ESG data governance and reporting
  - Choose standards/frameworks (e.g. CSRD/ ESRS, SFDR, GRI, TCFD, IFRS)
  - Select assurance strategy and provider
    - Schedule pre-audits
    - Set milestones
  - Perform ESG cost-benefit analysis
- **Describe corporate sustainability strategy**
  - Align/Integrate sustainability strategy with overall commercial (business) strategy
    - Map sustainability to value creation
    - Develop joint KPIs
    - Integrate sustainability into product and service offerings
    - Embed sustainability in sales and customer engagement
    - Incentivize and recognize aligned behavior
  - Identify strategic priorities related to sustainability
  - Re-evaluate sustainability goals and targets (from 1st step)
  - Establish sustainability governance
  - Define & Describe the entity's corporate sustainability strategy
  - Align company policies (e.g. procurement, sales, transport) with sustainability goals
  - Implement policy enforcement mechanisms (e.g. penalty/reward mechanism)
  - Implement performance incentives
  - Consider internal ESG training programs
- **Set up internal controls**
  - Establish control environment
    - Establish authorities
    - Establish responsibilities
  - Conduct risk assessment
    - Identify the risks to operations and performance
    - Develop mitigation actions
  - Implement preventive control activities
    - Establish organizational structure
    - Implement separation of duties
    - Restrict Access
    - Create policies and procedures
  - Information and communication
    - Set up systems to track goals and operations
    - Share info timely
    - Establish separate lines of communication
    - Establish feedback mechanisms for improvement
  - Monitoring
    - Establish reviews
    - Establish approvals
    - Conduct routine performance and status reviews
    - Watch for signs of control problems
- **Perform due diligence**
  - Outline the reporting entity structure
  - Describe business model
    - Products & Services
    - Locations
    - Resources
    - Suppliers & partners
    - Core operations
    - Customer groups
    - Revenue streams
    - Costs
    - Distribution channels
    - Stakeholders
    - Business models canvas
  - Map & Document value chains
    - Upstream
    - Own operations
    - Downstream
  - Collect company existing policies
  - Consider value chain evaluations - for partners specific compliance on ESG
    - Third-party risk assessments
    - Human Rights Due Diligence
- **Define reporting foundation**
  - Identify reporting scope and boundaries
    - Outline the reporting entity structure
    - Describe consolidation principles
    - Expand the reporting scope to include value chain activities
  - Define time-horizon periods
  - Identify sensitive or classified information to be omitted
  - Perform gap analysis
  - Define structure of the sustainability report
    - Define general presentation layout
    - Create table of contents (content and structure)
    - Consider whether presentation is mandated by regulations
  - Reference additional standards and frameworks if used
    - Industry or sector specific considerations
  - Consider to engage with subject-matter specialists / consultants (if needed)
  - Define principles for consolidating reporting data across subsidiaries, ensuring comparability and consistency
- **Identify sustainability impacts, risks and opportunities**
  - Identify impacts
    - Environmental
    - Social
    - Governance-related
    - Specific
  - Identify risks
    - Financial
    - Operational
    - Reputational
    - Other
  - Identify opportunities
    - Innovation
    - Efficiency
    - Market growth
    - Other
  - Consider using AI to perform modelling (e.g. to forecast risks)
  - Map impacts, risks and opportunities to sustainability topics
  - Detail and describe prevention, mitigation, and remediation actions (consider to do this after DMA)
- **Perform a Double Materiality Assessment**
  - Describe methodology
    - Apply a scoring or ranking system
    - Determine thresholds
  - Setup solid DMA audit trail system
    - Document everything
    - Store and link related documents
    - Arrange executive reviews, ensuring accountability
  - Engage with stakeholders
    - Send surveys
    - Conduct interviews
    - Conduct workshops
  - Assess the impact materiality
  - Assess the financial materiality
  - Conduct climate-related scenario analysis (ARTs ; 12.)
    - Select recognized scenario framework
    - Define methodology and scope
    - Develop scenarios
    - Identify and model key impacts, risks and opportunities
      - Quantify Potential Impacts
    - Develop response strategies
  - Consolidate impact and financial materiality outcomes
  - Select material sustainability topics
  - Report on the assessment process and its outcome
    - Disclose ESRS 2 IRO-1
    - Disclose ESRS 2 SBM-3
    - Disclose ESRS 2 IRO-2
  - Perform gap analysis
    - Assess current state
    - Identify data gaps
    - Identify process gaps
  - Select relevant disclosure requirements and data points based on materiality results
  - Share results with stakeholders
  - Pre-validate results results with an auditor
  - Set up a mechanism for periodic materiality review
  - Benchmark against peer company materiality outcomes
- **Collect and disclose data**
  - Assign responsibilities
  - Send information requests
    - To colleagues
    - To partners
  - Define the level of disaggregation for information
    - By country
    - By a significant site or asset
    - Entity specific level
  - Describe targets
    - Describe key metrics and indicators
    - Describe progress against targets
  - Describe policies
  - Describe actions plans and allocated resources
    - Link with financial statements
  - Disclose information by data points
    - General disclosures
    - Environment
      - GHG emissions
      - Energy
      - Pollution
      - Water & marine
      - Biodiversity
      - Circular economy
    - Social
      - Own workforce
      - Workers in value chain
      - Affected communities
      - Consumers and end-users
    - Governance
      - Business conduct
  - Setup data aggregation methods
    - Systems, files, tools
    - Colleagues, subsidiaries, partners
  - Validate and verify data accuracy
    - Consider data validation using AI-powered tools
  - Consider ESG data integration with financial reporting
  - Consider assurance for third-party data (e.g. subsidiaries, suppliers)
  - Consider automated XBRL tagging
  - Manage communication
  - Track status
  - Define data collection methodology and methods for each disclosure requirement
- **Prepare EU Taxonomy report (optional)**
  - Identify the business activities
  - Determine taxonomy alignment for each activity
    - Check if it is associated with a taxonomy activity
    - Verify substantial contribution to one of six environmental objectives
    - Ensure no significant harm (DNSH) to other objectives
    - Check if it meets the minimum safeguards
  - Calculate financial KPIs
    - Identify and address data gaps
    - Calculate turnover
    - Calculate CapEx
    - Calculate OpEx
  - Disclose additional qualitative information
  - Report the taxonomy-aligned economic activities
- **Create the report**
  - Combine all disclosed information in the report
  - Include executive summary and highlights
  - Include entity specific pages (custom content)
  - Ensure different formats
    - iXBRL
    - PDF
    - Word
    - Web
  - Apply visual design
- **Perform formal assurance**
  - Select assurance provider
  - Finalize and organize all required reporting materials
    - Ensure traceability of data and disclosures
    - Organize supporting evidence
  - Conduct pre-assurance review (internal audit)
  - Provide access to necessary data and documents
  - Collect feedback
  - Address findings
- **Publish the report**
  - Include assurance statements
  - Share
    - Corporate website
    - Regulatory platforms
    - Investor relations portals
  - Announce and communicate the publication
    - Issue press releases or public announcements
    - Inform key stakeholders directly
  - Ensure compliance with Web Content Accessibility Guidelines (WCAG)
- **Post-Reporting activities**
  - Hold a lessons-learned session with team and management
  - Track evolving regulations and standards
  - Track and review KPIs
  - Establish continuous stakeholder engagement cycles
  - Benchmark against industry peers
  - Conduct public communication
    - Identify key messages to highlight
    - Define communication KPIs
    - Prepare a communication plan

Support activities

- Document supporting evidence
- Review and approve
- Maintain data version control (log changes)