

The Corporate Sustainability Reporting Directive (CSRD)

Alignment to impact

Ramboll Management Consulting

RAMBOLL

The Corporate Sustainability Reporting Directive (CSRD) creates tangible business value - Five reasons to take action today

01

Compliance

The CSRD is mandatory for a large number of companies. It will impact EU entities – first large undertakings and at a later stage, listed SMEs.

It will also apply to certain non-EU entities. For non-EU entities that operate within the EU, their EU subsidiaries will also, in time, be obliged to comply with the requirements of the CSRD.

02

Improved assessment of sustainability

The CSRD helps companies gain a better understanding of their ESG-related risks, opportunities and impacts and, therefore, of their sustainability performance through annual measurement and disclosure.

The concept of double materiality – a cornerstone of the CSRD – offers a new perspective on companies' sustainability performance, as companies must assess both how they are affected and how they affect people and the environment.

03

Reputation & risk management

The CSRD aims to increase transparency and protect against greenwashing by streamlining sustainability reporting standards.

By enhancing clarity around companies' sustainability performance, the CSRD empowers stakeholders to compare companies' performance which may affect an entity's reputation.

Ultimately, as the CSRD becomes the mainstream framework for reporting, [it will provide a license to operate and grow.](#)

04

Inform strategic decision-making

By bringing together key information about a company's sustainability performance, the CSRD can be leveraged to create a future-proof business that is more attractive to investors and customers.

It empowers corporate management to make informed decisions and to be proactive in mitigating risks and grasping opportunities in relation to sustainability that reflect in cash flows, cost of and access to capital, brand & reputation and ultimately its competitive position.

05

Provide material information to investors

The CSRD is a key piece of regulation improving the transparency of sustainability information for investors to enable the steering of funds into sustainable investments.

The CSRD ensures providing investors with material sustainability information for decision-making, incl. metrics aligned with the Sustainable Finance Disclosure Regulation (SFDR). Disclosure on eligibility and alignment with the EU Taxonomy Regulation is mandatory under the CSRD.

Who we are

About Ramboll

We are an independent engineering, architecture, and consultancy company founded in Denmark in 1945.

Across the world, Ramboll combines local experience with global knowledgebase to create sustainable businesses and societies.

We combine insights with the power to drive positive change to our clients, in the form of ideas that can be realized and implemented.

We call it: [Bright ideas. Sustainable change.](#)



Global offices in
35 countries



Employees



Global revenue, in 2020
across all markets

We work in multidisciplinary teams across seven markets:

Buildings

Water

Energy

Architecture
& Landscape

Environment
& Health

Management
Consulting

Transport

We pride ourselves in being a leading CSRD consultant enabled by Ramboll's broad expertise



World Class Technical Expertise

18,000 specialists globally combining both technical and scientific expertise across multiple sectors including industry & manufacturing, property & real estate, energy, transport, infrastructure etc.



Environment & Climate

With over 3,000 environment and climate specialists spread across the globe, Ramboll can truly claim to be a global leader within climate, water, pollution, biodiversity and circular economy.



Social & Governance Insight

Global team of social scientists and human rights experts focusing upon decent work, social protection, affected communities, end users & consumers as well as governance and responsible business conduct.



EU Policy Insight & Legal Specialists

Our Brussels office and our legal experts specialise in all policy and legalisation related to the EU Green Deal, providing guidance to both the EU Commission and private sector clients.



Sustainable Economics & Finance

A specialist management consulting division bridging the nexus between finance and technical with respect to the EU Sustainable Finance Strategy.

Context

The EU Green Deal consists of a series of important commitments and a detailed roadmap to create a net zero EU by 2050

The European Green Deal consists of a series of major proposals, important commitments and a detailed roadmap to create a Net Zero EU by 2050. Among other things, it includes:

- Proposals to reduce greenhouse gas emissions to half of 1990 levels or even more by 2030
- Policies to ensure economic growth is decoupled from resource use
- Key actions to restore biodiversity
- A law that will direct the European Union towards the goal of being climate neutral by 2050
- All these policies are supported by the Just Transition Mechanism and the Sustainable Finance Strategy. The Sustainable Finance Strategy aims to finance the sustainable transition, while the Just Transition Mechanism ensures this transition is just and inclusive.



The CSRD aims at improving the availability of material sustainability information to achieve the goals of the Green Deal

EU Sustainable Finance Strategy

The EU Sustainable Finance Strategy supports the European Green Deal by directing investments toward and raising finance for activities that support the sustainable transition.

The CSRD is a key element of the mandatory disclosure regime presented in the Sustainable Finance strategy. The other key elements of sustainable finance, the EU Taxonomy and the set of investment instruments, aim to ensure that funds are steered to sustainable investments.



EU Taxonomy

The EU Taxonomy is a core part of the EU Sustainable Finance strategy. The regulation provides the first uniform and credible standard and common language that allows economic parties to align their activities with the transition to low carbon, resilient and sustainable pathways.

The EU Taxonomy guides private investments in different sectors to achieve the goals of the EU Green Deal.



SFDR

The SFDR is the other core element of the mandatory disclosure regime. The regulation sets disclosure requirements that apply to all financial market participants and advisors offering financial products in the EU.

The disclosures embedded in the CSRD are aligned with the indicators included in the SFDR to ensure provision of harmonized information to investors.



CSRD

The Corporate Sustainability Reporting Directive (CSRD) replaces the Non-financial Reporting Directive (NFRD)

The CSRD requires large and listed companies to disclose information on the way they operate and manage social and environmental challenges.

The CSRD aims to improve the availability and materiality of sustainability information for investors and the society.

CSRD

Explained

The Corporate Sustainability Reporting Directive (CSRD) introduces a fundamental change in companies' reporting

Three main objectives of the Corporate Sustainability Reporting Directive (CSRD)

- 01 The CSRD harmonizes and strengthens the rules and practices on ESG reporting
- 02 The CSRD will improve the comparability, reliability and relevance of reported data and help investors and other stakeholders make informed decisions
- 03 The CSRD will drive positive change and the transition to a sustainable, low-carbon, green economy



New requirements for sustainability reporting

Double materiality principle

The CSRD embeds the concept of double materiality requiring companies to identify and assess the ESG impacts, risks and opportunities across their value chain.

Disclosures that need to be made are defined based on the outcomes of the double materiality assessment.

Extended scope of reporting

The CSRD expects disclosures of forward looking and retrospective information instead of solely reporting on past performance.

The CSRD also requires value chain coverage of the identified material topics and reporting.

Uniform reporting standards

The CSRD streamlines and harmonizes sustainability reporting requirements with existing international frameworks.

Sustainability reporting needs to follow the European Sustainability Reporting Standards (ESRS) that includes in excess of 80 disclosure requirements and in the region of 1,100 data points

External assurance and integrated reporting

The CSRD requires including the sustainability report in the management reporting and third-party assurance of reported sustainability information.

The CSRD includes gradual approach from limited assurance to reasonable assurance of sustainability information.

EU Taxonomy aligned reporting

The CSRD expands the EU Taxonomy disclosure requirement to all entities subject to the CSRD.

EU Taxonomy requires disclosure of alignment of revenue, CapEx and OpEx with the six environmental objectives.

Digital tagging of sustainability data

The CSRD requires management reporting to be prepared in electronic format to increase availability and comparability of data and make it machine readable.

The CSRD also requires digital tagging of information to the ESRSs.

The CSRD expands the scope of non-financial reporting obligations to +50,000 companies

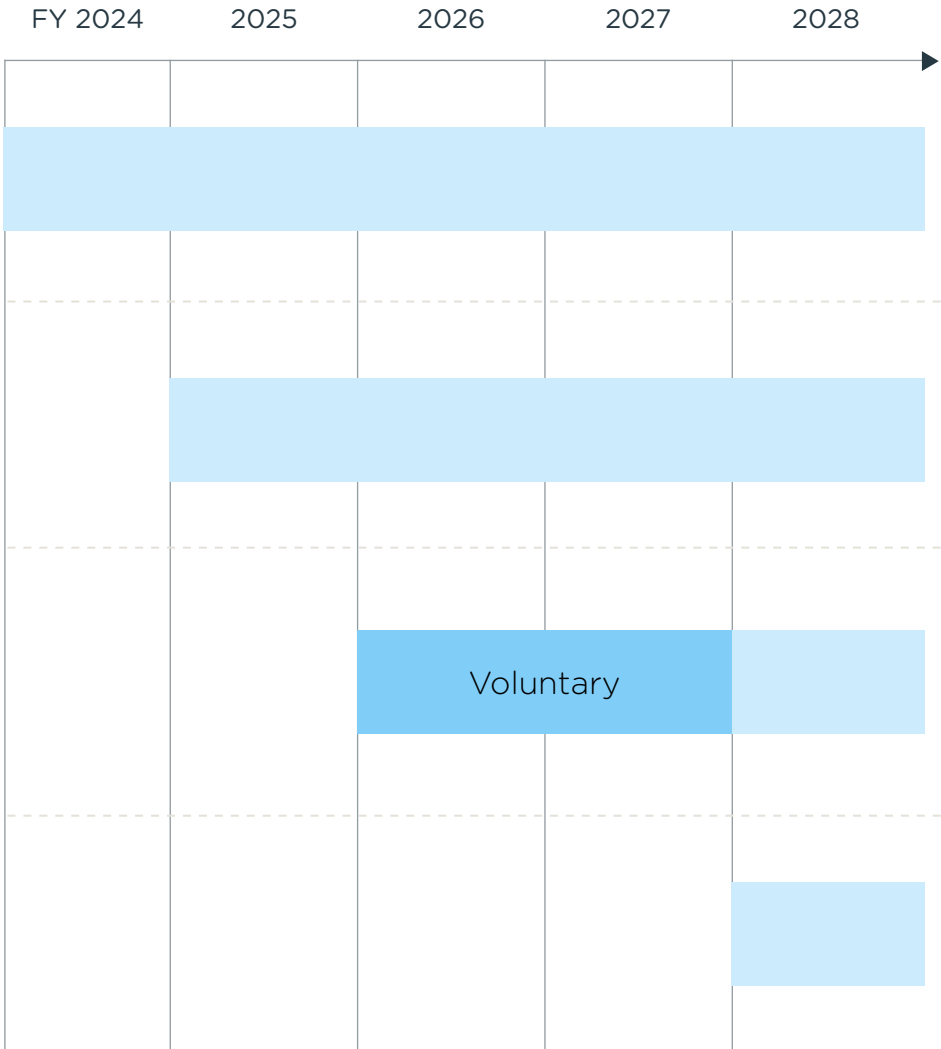
The CSRD will impact EU entities – starting from large undertakings already subject to the Non-financial Reporting Directive (NFRD) to all large undertakings and public interest entities, and at a later stage, listed SMEs. The CSRD will also apply to certain non-EU entities. For non-EU entities that operate within the EU, their EU subsidiaries will also be obliged to comply with the requirements of the CSRD.

Companies need to start preparing for the CSRD as soon as possible, independent of the regulatory timeline

Alignment with the new requirements of the CSRD requires substantial efforts and it is recommended that companies start preparing well before disclosures are due, indeed well before the financial year that the CSRD will cover.

Companies required to report in the later stages should also consider preparing and aligning with the regulation in advance of the regulatory timeline. The CSRD disclosures present harmonized disclosures on material topics requested by investors and stakeholders. Competing with larger entities, having large entities as suppliers or clients, or ambitious growth targets are reasons to start the alignment in advance to improve competitive positioning.

Undertakings already subject to the NFRD, including EU subsidiaries of non-EU entities	Companies with - more than 500 employees and - either a balance sheet of more than € 25 million - or a net turnover of more than € 50 million.
'Large' undertakings', i.e. EU entities not currently subject to the NFRD or EU subsidiaries of non-EU entities	Exceeding at least two of the following criteria: 250 employees on average - a balance sheet total of € 25 million - a net turnover of € 50 million.
Listed companies on an EU regulated market, including SMEs, but excluding micro-enterprises	Listed companies that - do not exceed above mentioned 'Large companies' limits and - do not go under the micro-enterprises limits (2 of balance sheet € 450 000, net turnover € 900 000 and have 10 employees on average)
Non-EU parent companies having a strong presence in the EU through branches or subsidiaries	Third-country undertakings with - a net turnover of more than € 150 million for each of the last two consecutive financial years in the Union and - have a subsidiary undertaking or a branch on the territory of the Union.



The CSRD embeds the concept of double materiality

The CSRD expands the scope of what information is to be considered for reporting. Businesses are required to report publicly on the impact of their activities on the environment & society and on how the environment and society have a significant effect on their business, i.e. their ESG related material impacts, risks, and opportunities.

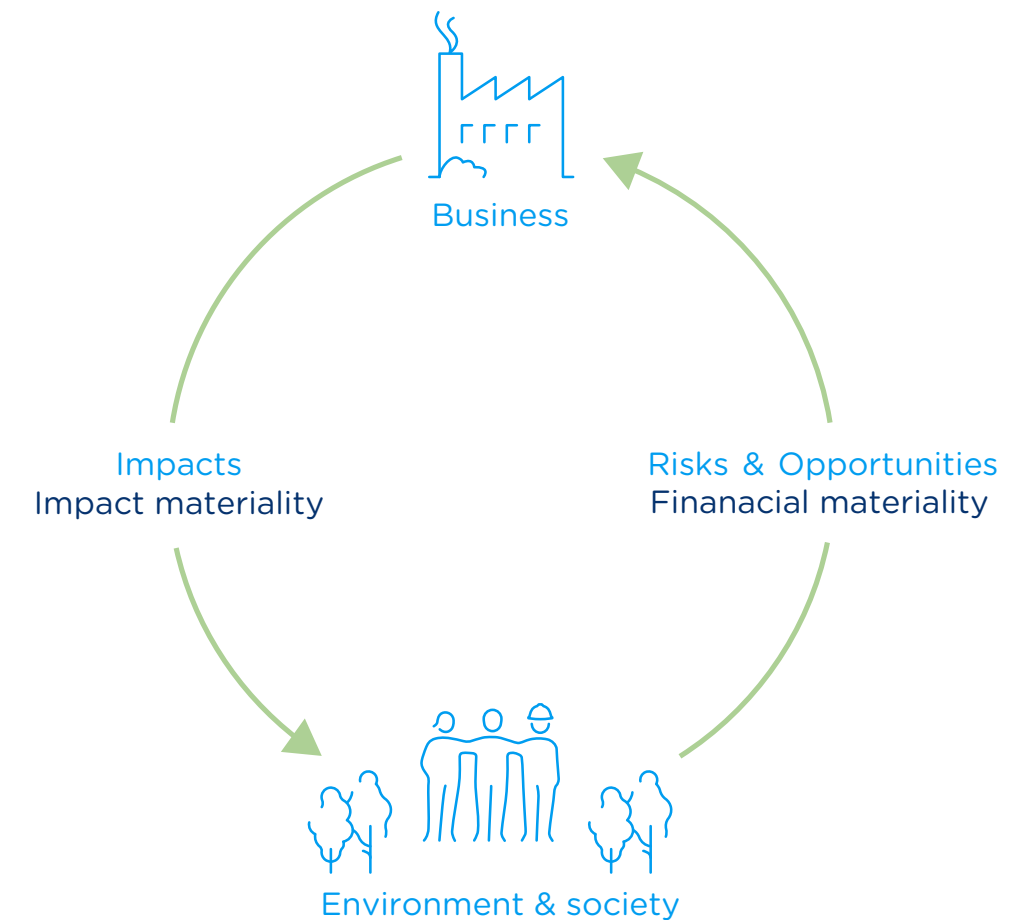
Businesses have to assess whether a given sustainability topic is material from the perspective of financial materiality, impact materiality or both.

Stakeholders are central to a double materiality assessment. The objective of stakeholder engagement is to understand how people may be impacted by the organization and to get input and feedback on (material) sustainability matters.

The objective of stakeholder engagement is to understand how people may be impacted by the organization and to get input and feedback on (material) sustainability matters. Qualitative and quantitative stakeholder input helps inform the assessment (relative scoring) of impacts, risks and opportunities in subsequent steps.

Impact materiality relates to the company's actual or potential, positive or negative impacts on people or the environment. The impact is either directly caused or contributed to by the company or is otherwise directly linked to the company's upstream and downstream value chain.

Financial materiality considers the financial effects of sustainability risks and opportunities on businesses. A sustainability topic is material from a financial perspective if it triggers or may trigger financial effects on companies by generating risks and opportunities that influence cash flows, development, performance, costs, etc. Sources of financial effects may derive from dependencies on natural and social resources through own operations or business.



Double Materiality – Key Considerations

When commencing the double material assessment and whilst in the process of same, there are a range of key considerations. These include for example:

- Auditor/assurer engagement: stakeholder confidence is enhanced when the assurer is engaged at an early stage. The methodology for the double materiality should be shared as early as possible to get “sign off”
- Resource estimation: requirements will vary from company to company. To determine what could be required one should consider business complexity, data availability and level of granularity in the resource estimation process
- Existing assessments: all existing information and framework alignment should be assessed. All will be of use and will enhance the overall quality of the double materiality assessment but will probably be insufficient for the double materiality assessment. But existing information will need to be added to.

Further key considerations are highlighted to the right. It is important to note that all organisations are different and that there is no “one size fits all” perfect solution for the double materiality assessment.

Stakeholders

Including the right stakeholders is more important than the numbers of stakeholders engaged. The right stakeholders is more important than many i.e. quality feedback and input as apart from quantitative. Internal stakeholders may have the most insight and stakeholder representative organisations can provide holistic input.



Materiality thresholds

What is the threshold by when something becomes material? Where possible it is recommended to keep as many existing thresholds as possible. When thresholds may not exist liaise with subject matter expertise to define what is an appropriate threshold.



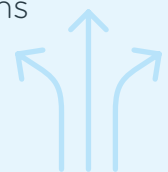
Value chain

For the first three years of sustainability reporting under the ESRS, if some of the necessary information regarding the value chain is not available, the undertaking shall explain the efforts made to obtain the value chain information and the reasons why this information could not be obtained, and the plans of the undertaking to obtain such information in the future.



Disaggregation

Matters that are disclosed at group level may need to be disaggregated for a proper understanding of their material impacts, risks and opportunities. For example, there may be significant variations of material impact when presented at a higher level of aggregation which could obscure material information



The European Sustainability Reporting Standards (ESRS) outline the disclosure requirements for companies reporting under the CSRD

The European Sustainability Reporting Standards (ESRS) specify the sustainability information that business entities will have to disclose under the CSRD.

In total, 12 sector-agnostic standards apply, as visible on the right. The standards are grouped into general cross-cutting standards and topical standards on environmental, social and governance (ESG) topics.

Each ESRS specifies the detailed disclosure requirements that should be included in the companies' annual report, accompanying the reported financial information.

The standards include disclosures on:

- Governance processes, controls and procedures
- Strategy and business model in relation to material sustainability topics,
- Policies and action plan to identify, assess, and manage material topics, and
- Metrics and targets on sustainability performance for measuring progress.

European Sustainability Reporting Standards (ESRS)

Cross-cutting standards	Environmental standards	Social standards	Governance standards
ESRS1 General principles	ESRS E1 Climate change	ESRS S1 Own workforce	ESRS G1 Business conduct
ESRS2 General disclosures	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/circular economy		

ESRS 1 & 2 are mandatory

Topical disclosures require a double materiality assessment

Cross-cutting standards

Mandatory

They explain fundamental concepts, set cross cutting disclosure requirements applicable to all topics as well as provide principles of disclosure and presentation structure.

ESRS1

Prescribes the mandatory concepts and principles to apply for preparation of sustainability statements under the CSRD

ESRS2

Sets out the disclosure requirements that apply to all undertakings regardless of their sector of activity and apply across sustainability topics e.g. company governance, strategy, due diligence process etc.

Topical standards

Applicable disclosures depending on materiality

They provide topic-specific disclosure requirements on governance, strategy and impact, risk & opportunity management. They also explain how to disclose related targets for each topic.

Environmental standards	Social standards	Governance standards
ESRS 2 Double materiality assessment process Materiality assessment	IRO Impact, risk and opportunity mgmt. - Policies - Actions and resources	M&T Metrics and targets - Targets - Actions and resources - Anticipated financial effects

Scoping to Disclosure

Navigating our clients on their CSRD journey

Ramboll supports companies throughout the five steps from scoping to disclosure in line with the CSRD



Interpretation and application of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) is both complex and new, requiring a systematic and methodological approach.

At Ramboll we have the requisite inhouse legal, regulatory, strategic and reporting expertise to ensure an accurate interpretation and systematic implementation of the CSRD.

It is recommended that companies start preparing well before disclosures are due, indeed well before the financial year that the CSRD will cover.

Ramboll support companies with all the steps from scoping to disclosure to prepare for and implement the CSRD requirements.

01

Scoping and Double Materiality Assessment

We guide our clients in understanding what exactly needs to be done and by when. Our financial and technical experts ensure that both scoping and double materiality is done in unison ensuring a robust and holistic approach/outcome.

02

Gap assessment, Roadmapping & Action Planning

Scoping and double materiality will identify what needs to be done but not how it should be done. We specialise in carrying out detailed ESRS gap assessments and in providing realistic roadmaps & plans based upon technical, environment and social insight.

03

Implementation & Integration

The CSRD, albeit a reporting directive, we believe to be much more. It combines all aspects of how a company behaves and operates and the resilience of its strategy and business model. As a result, its implementation and integration is complex. Our specialists navigate our clients through this complexity.

04

Reporting and disclosure

We provide expert assistance and guidance in all aspects of CSRD reporting and disclosure, combining both sustainability and financial data. Our reporting specialists couple data with a qualitative narrative ensuring our clients clearly articulate their sustainability performance.

Scoping and double materiality assessment

The scoping stage involves identifying the boundaries and setting up assessment criteria for the Double Materiality assessment. Where does a company start geographically or product wise? It is important to set a scope that is realistic and meaningful and linked to the overall ambition of a company and the pace at which it wishes to progress with respect to incorporating the requirements of the CSRD across its operations.

The double materiality assessment is the cornerstone of CSRD implementation. It includes assessing both impact and financial materiality to identify material ESG impacts, risks, and opportunities for basis of reporting and strategic sustainability considerations.

Common project steps:

Scoping	Identification of impacts, risks and opportunities	Assessment of materiality
- Identify and define assessment boundaries with respect to the geographical reach, product or business segment and the length & depth of the value chain coverage - Identification of mandatory data points - Develop stakeholder involvement plan - Set up assessment criteria for the Double Materiality Assessment	- Identify potential ESG impacts, risks and opportunities across a company’s own operations and value chain in line with the assessment boundaries - Map impact, impact drivers & time horizons - Map risk and opportunities and underlying capital dependences - Consult with external stakeholders and experts to inform assessment	- Assess the materiality of identified impacts by evaluating severity and likelihood - Assess materiality of risks and opportunities by evaluating potential size and likelihood - Determine which impacts, risks and opportunities are material - Carry out validation workshop - Document methodology and results

Output

- Involvement plan
- Ambition setting workshop
- Double Materiality assessment methodology
- Validation workshop
- Double Materiality Assessment results, including material ESG impacts, risks and opportunities in own operations and in the value chain

Gap assessment, road mapping & action planning

Gap assessment stage reveals the gaps in meeting the disclosure requirements defined on the basis of the double materiality assessment. Based on the list of disclosures for material topics, companies can identify the documentation and missing data to comply with the disclosure requirements.

Based on the gap assessment, companies should determine how to bridge identified gaps and prioritize actions to comply with the required disclosures. This will allow the creation of a roadmap and action plan to be able to reach – and potentially revisit – companies’ ambition for reporting on the ESRS.

Common project steps:

Map out material datapoints

- Identify datapoints in all relevant ESRS to be reported based on the double materiality assessment results
- Establish an overview of existing sustainability reporting and data

Assess gaps and needed actions

- Identify missing data needs for reporting based on existing reporting
- Identify policies, actions, targets or processes that need to be set in place and internal data availability
- Assess the effort needed and priority to close the identified gaps

Roadmap and Action Planning

- Define how to bridge identified gaps and prioritize actions to comply with the required disclosures
- Create a roadmap and action plan to reach the disclosure requirements at the level of ambition

Output

- ESRS gap-fit assessment identifying material disclosure topics and datapoints, related gaps and recommended actions to close the gaps
- Action Plan and Roadmap with prioritized actions, timelines and ownership for ESRS and CSDR implementation

Implementation and integration

Implementation and integration of the new disclosure requirements, data collection processes and reporting structures is complex and requires substantial efforts. To prepare the company for reporting and disclosing in line with the CSRD, Ramboll provides support in implementing the defined action plan and integrating the requirements into policies, processes and controls, creation of the data collection processes, reporting governance and structures.

Common project steps:

ESRS implementation and integration

- Carry out company-wide training and awareness
- Define ESRS governance structures and roles & responsibilities
- Integration of sustainability performance and incentives into business management systems

New processes and procedures

- Describe new processes, controls and procedures needed
- Describe new period-end processes for reporting on ESG data, targets, policies and processes required by the ESRS

System support and monitoring

- Set up system support and monitoring processes to integrate systems into the company’s existing ones and to enable the company to follow up on ESRS reporting on an ongoing basis

Output

- Guidance on how to organise period-end processes for reporting on ESG data for CSRD disclosures
- Governance structure for management of impacts, risks and opportunities
- New and updated ESG policies to manage material impacts, risks and opportunities
- Training materials and skill development plans
- Assessment of IT maturity and recommended actions

Reporting and disclosure

Ramboll support in the preparation of both quantitative and qualitative information by combining sustainability and financial data. Our reporting specialists support companies in the structuring and use of necessary templates for the sustainability disclosures, ensuring alignment with all requirements set for disclosure of the report and preparing for assurance of the report.

We support companies in coupling the data with an accurate and understandable narrative, in the communication of the sustainability disclosures as well as assistance in the drafting of the final report.

Common project steps:

Map out the reporting requirements

- Outline the CSRD disclosure requirements for both qualitative and quantitative information
- Clarify the mandatory templates and reporting structures for the sustainability report

Report

- Structure a final report that complies with all relevant requirements for disclosure
- Summarize input, process and output of the double materiality assessment and preparation of the disclosures for assurance

Publish sustainability report

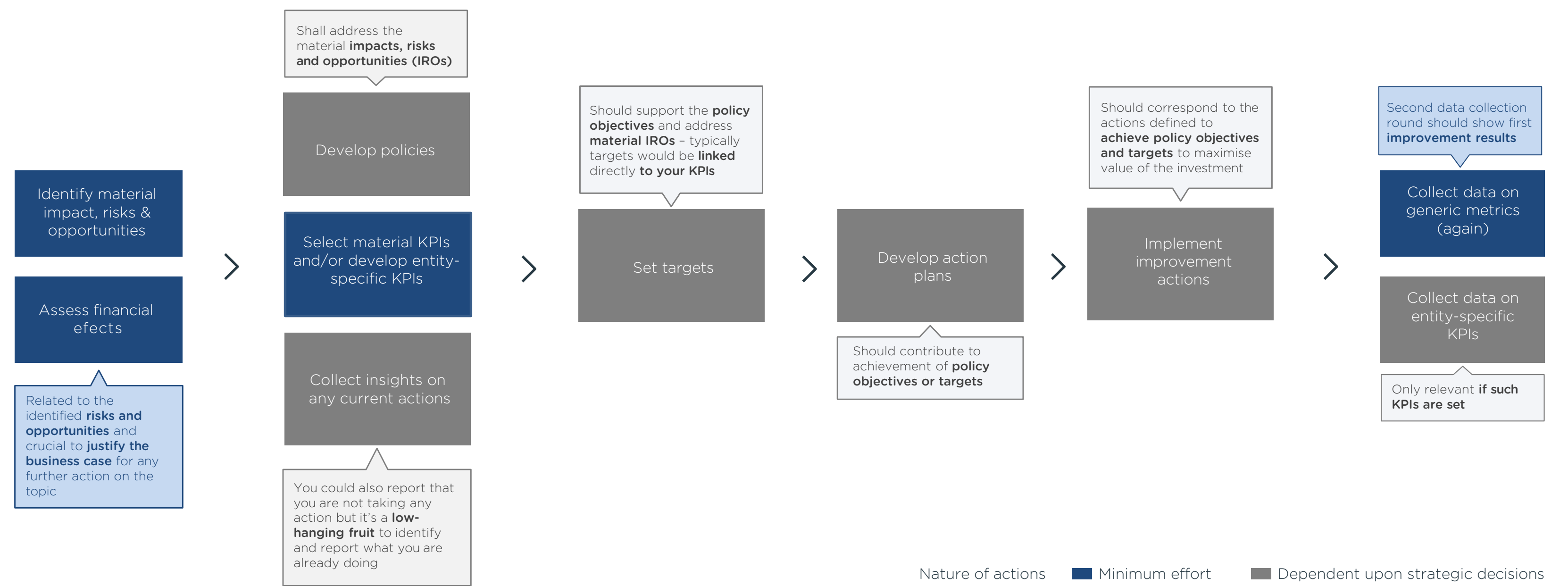
- Support in the inclusion of the sustainability disclosures into the annual report
- Assist in ensuring that the communication of the sustainability reporting is understandable for readers while also compliant with the reporting requirements

Output

- Quantitative and qualitative sustainability information for reporting under the CSRD
- Clear and accurate communication of sustainability disclosures

Pathway for addressing ESRS gaps

Indicative overview of a prioritised order in which companies might want to develop the management and reporting contents related to ESRS. Actions in blue boxes are deemed **‘minimum effort’** while actions in grey depend on strategic decisions (de facto voluntary).



EU Taxonomy

Eligibility to alignment

EU Taxonomy – An Overview

The CSRD stipulates that an undertaking include in its sustainability statement the disclosures pursuant to Article 8 of the EU Taxonomy Regulation.

The EU Taxonomy is a green classification system that translates the EU’s climate and environmental objectives into criteria for specific economic activities for investment purposes.

It recognises as green, or ‘environmentally sustainable’, economic activities that make a substantial contribution to at least one of the EU’s climate and environmental objectives. This disclosure of the proportion of Taxonomy-aligned activities allows for the comparison of companies and investment portfolios. In addition, it can guide market participants in their investment decisions.

The CSRD stipulates that an undertaking include in its sustainability statement the disclosures pursuant to Article 8 of the EU Taxonomy Regulation. The undertaking shall ensure that these disclosures are separately identifiable within the sustainability statement.

The disclosures relating to each of the environmental objectives defined in the Taxonomy Regulation shall be presented together in a clearly identifiable part of the environmental section of the sustainability statement.



Climate change mitigation



Climate adaptation



Pollution prevention & control



Protection & restoration of biodiversity and ecosystems



Transition to a circular economy



Sustainable use of water & marine resources

In order to align with the EU Taxonomy an economic activity is required to go through a robust technical screening process with 3 core components

01 Substantial contribution to the objective
Activity contributes substantially to one or more of the six environmental objectives

02 Do no significant harm to the other objectives
Activity does not significantly harm the other five objectives

03 Comply with the minimum safeguards
Activity meets minimum (social) safeguard standards

EU Taxonomy – Eligibility to Disclosure

Ramboll has long-standing experience and knowledgeable professionals in all sectors that are included in the EU Taxonomy. We understand the technical requirements, thresholds and measurement methods addressed in the technical screening criteria. Our approach entails four key steps as outlined below.

Eligibility

- Map overall business areas and activities
- Assess what business areas can be considered as economic activities
- Assess which of the company’s activities are covered in the Taxonomy and thus eligible for screening
- Create an overview of the eligible economic activities within the company and the corresponding Taxonomy activity

Alignment

- Identify the applicable technical screening criteria
- Screen against the criteria for substantial contribution, DNSH and minimum safeguards
- Identify company’s total Revenue, CAPEX and OPEX according to Taxonomy definitions and make allocations to activities
- Calculate alignment per KPI by summing the amounts associated with economic activities identified as environmentally sustainable

Disclosure

- Outline the Taxonomy disclosure requirements for both qualitative and quantitative information under the CSRD
- Summarize input, process and output of the screening to serve as assurance documentation
- Stipulate documents in order to comply with the CSRD
- Structure a final report that complies with CSRD
- Inclusion of the Taxonomy report into the annual integrated report

Improvement

- Outline a list of recommendations on how to improve alignment with the EU Taxonomy
- Outline a roadmap towards increased alignment with the EU Taxonomy based on the alignment impact and the effort needed to implement the recommendations
- Describe new processes and procedures needed and integrate Taxonomy principles in business procedures, project models, and the preparation of business cases.

CSRD Enablers

Laying the foundation for long lasting impact

People, governance and system integration are key enablers for CSRD implementation

CSRD implementation requires substantial efforts to be able to collect and provide the required data and information efficiently and accurately. Beyond reporting, the CSRD requires managing the identified impacts, risks and opportunities by setting up policies, structures, targets and action plans.

Implementing the new requirements requires involvement of a large number of stakeholders both internally and externally. Training and competence building will be a key success factor in implementing the requirements and managing company's sustainability performance.

Management of the impacts, risks and opportunities comes along with the need for setting up new policies, processes and procedures – and integrating them into relevant systems.



Organisation and governance

Companies need clearly defined organisational and governance structures that lay out roles, responsibilities and relationships between different actors supporting CSRD implementation. Companies also need to develop a stakeholder governance structure to enable engagement with their value chain and external stakeholders.



Policy, process and procedure development

Putting in place policies to manage the identified impacts, risks and opportunities is a prerequisite for compliance with CSRD requirements. These policies cover the company's approach to the identification, assessment, management and/or remediation of material ESG issues.



System support and integration

The CSRD and the ESRS require collecting data on up to 1100 data points (materiality depending). Companies need processes and infrastructure for collecting and managing this data. Developing the IT systems and integrating sustainability information not only streamlines the data collection, management and provision of information but is also essential in managing sustainability performance.



Organisation and governance

Companies need clearly defined organisational and governance structures that lay out roles, responsibilities and relationships, in order to ensure the proper oversight and management of ESG impacts, risks and opportunities. In addition, skills development within the organisation is essential, when developing the roles and responsibilities.

Companies also need to define stakeholder governance structures and start engaging with their value chain and external stakeholders. Engagement is necessary not just for the double materiality assessment but also for the ongoing data collection process.

Core components

Sustainability governance

- Defining the administrative, management and supervisory bodies for oversight of ESG impacts, risks and opportunities
- Defining roles and responsibilities for managing and reporting on ESG issues

Skills development

- Education and skills development across the organisation, tailored to different needs and levels of involvement in the CSRD process
- Engaging the right people across the organisation for the sustainability agenda

Stakeholder governance

- Identifying and engaging stakeholders as part of the double materiality assessment
- Defining ongoing stakeholder engagement structures for ongoing data collection processes
- Identifying and defining stakeholder due diligence processes



Policy, process and procedure development

Companies need to adopt policies to manage material impacts, risks and opportunities, and they need to review and update existing policies to better align with the CSRD. Putting in place policies is essential in ensuring companies address material ESG topics, are able to provide required information, conduct due diligence, and engage with stakeholders.

Companies have to implement and enhance existing processes for data collection, reporting and managing ESG performance. An annual plan needs to be developed that outlines activities taking place each month.

Core components

Policy development

- Gap assessment to identify new policies needed to manage identified impacts, risks and opportunities
- Compliance review of existing policies against the ESRS requirements and recommendations for policy updates
- Internal stakeholder engagement as part of policy development

Performance management

- Integration of sustainability performance and incentives into business management systems
- Creation of processes and procedures for performance management, training and skills development of responsible persons

Data and reporting processes

- Creating guidelines and procedures for data collection, management and review
- Creating CSRD reporting processes, reporting support and review of prepared reporting against the ESRS standards
- Outlining management and reporting timelines for each material ESG topic



System support and integration

The CSRD and the ESRS require collecting information on up to 1100 data points. Companies need IT infrastructure for collecting and managing this data efficiently and accurately.

In addition, IT maturity and integration into systems will enable companies to conduct due diligence and better manage sustainability performance in accordance with the new requirements. Sustainability data should be integrated into relevant systems to provide information for decision-making to manage the material impacts, risks and opportunities in relevant business operations.

Core components

Assessment of IT maturity

- Assessing the current level of maturity of the sustainability IT infrastructure
- Identifying IT gaps in relation to the large number of ESRS reporting requirements
- Vetting sustainability IT vendors against business needs

Performance systems

- Mapping the performance management systems and relevant KPIs and targets
- Creating an implementation plan to integrate relevant metrics and KPIs to systems and reporting utilized in strategic decision-making and performance management

Reporting systems integration

- Mapping out the data needs and data sources for ESRS reporting
- Creating an implementation plan to integrate sustainability data into the reporting infrastructure

ESRS Insight

Creating sustained ESG impact & tangible value

An approach built upon 80 years of experience drawing upon +3,000 dedicated ESG specialists

World class environment & climate expertise

Since it's foundation in 1945, Ramboll has placed environment and social issues at the centre of "who we are".

Over the years, Ramboll has built a world class global team of circa. 3,000 environmental specialists that bring an evidence-based approach to all that Ramboll does within the realms of pollution, biodiversity and water.

In recent decades, with the onset of climate change, expertise in climate mitigation, adaptation and resilience has grown into a global team that combines strategy, science and engineering to guide clients on their climate journeys, from target setting to actual engineered solutions.

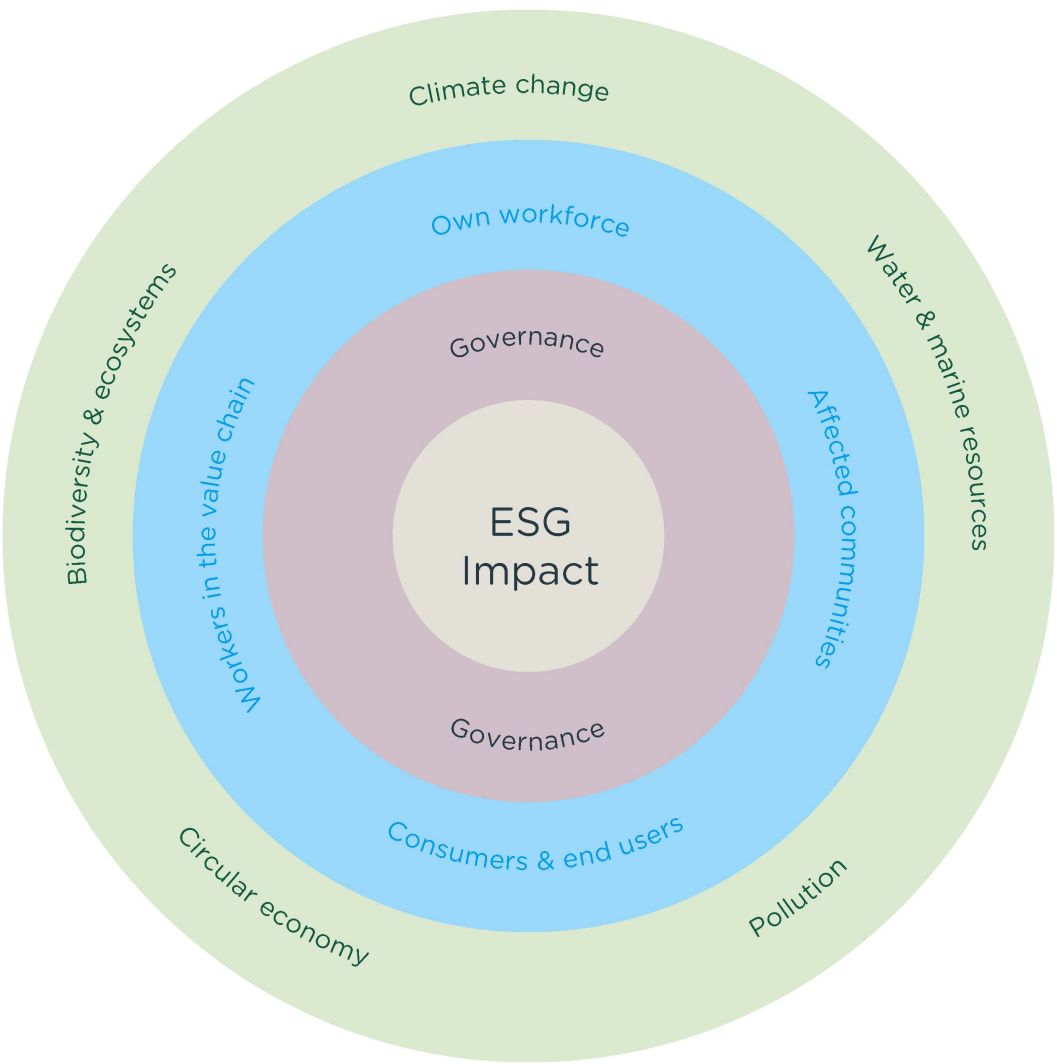
This growth has partnered with real technical insight in for example low carbon technologies, green energy and, in the case of climate adaptation, engineered adaptation solutions.

People & society at the core

Ramboll's founders, also recognised, much before their time, that society is about people as well as the environment. As result, social science and social justice are two themes that are very much integrated into all that we do at Ramboll. This approach is now accompanied by in-depth insight into responsible business conduct and good governance with world class expertise in human rights and business integrity.

A sectoral specific approach

With over 18,000 engineers, scientists, economists and consultant working across multiple sectors, our global ESG team are supported with real sectoral insight. This ensures a customised and sectoral specific approach providing real insight and creating tangible, long term value.



In-depth insight across four themes that are central to successful ESRS implementation, integration & disclosure



Metrics & Targets

Defined metrics and specific targets are key requirements of all ESRSs. In some instances, metrics are quite clear e.g. climate in others less so e.g. circular economy.

We work with our clients to identify metrics that are relevant to their particular organisation whilst meeting ESRS requirements.

Target setting incorporates industry best practice combined with technical and specialist insight.



Impact, Risk & opportunity management

Impact, risk and opportunity mapping is an ongoing process which requires both sectoral and ESRS specific insight.

Our approach incorporates in-depth due diligence and policy setting with sectoral insight to ensure impacts are mitigated and risk is minimised.

Opportunity realisation is often overlooked. We ensure that real and tangible sustainable value is both created and captured as part of ESRS implementation.



Strategy

Informed strategic direction is key to successful ESRS implementation.

We provide strategic guidance upon all aspects of ESRS implementation, collectively but also ESRS specific, to create and capture maximum value.

Our approach includes baseline assessment, action planning, milestone identification and long-term foresight and direction setting. Scenario analysis is central to the strategic guidance that we provide.



Governance

We assess and assist in establishing ESG & sustainability governance structures to ensure that ESRS implementation has the necessary oversight in place to be long lasting.

We are aware that many organisations will be faced with more complexity than others with levels of maturity varying dramatically.

We place emphasis upon simplicity over complexity.

Environmental standards Insight

With over 3,000 environment & water specialists spread across the globe, Ramboll can truly claim to be a global leader in all aspects ESRS-E implementation. We combine our deep environment & water knowledge with climate science & innovation to ensure our clients have access to leading expertise in all facets of climate change, pollution, water, biodiversity and circular economy.

This expertise is coupled with strategic foresight, regulatory insight and economics & finance to guide our clients with respect to taking crucial investment decisions as well as to plot intricate yet achievable ESRS pathways.

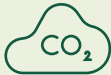
The focus on climate change mitigation and adaptation by organisations is driven by a combination of ethical, regulatory, financial and competitive factors. Emphasis, however, is now shifting as the interlinkages between all five topics becomes more apparent.

With this in mind, we provide ESRS specific guidance but also in-depth cross- ESRS navigation ensuring a robust and coherent approach.

Climate change, resource scarcity, biodiversity loss etc. all pose significant risks to organisations, including physical damage to assets, supply chain disruptions and increased operational costs. Organisations that proactively address these issues can not only mitigate risks but also seize opportunities for sustainable growth.

Our approach entails:

- **Metrics definition:** determine clear and tangible metrics based upon ESRS requirements, standards and regulation. Apart from CO₂ and water, metrics may not be clear to a particular ESRS e.g. circular economy, biodiversity
- **Baseline assessment & footprint analysis:** measurement and monitoring of all key environmental metrics including CO₂, water, resource use etc.
- **Risk Assessment & resilience planning:** analyse and quantify risks in relation to climate change, water usage, biodiversity loss etc., mitigation strategy development and contingency plans, scenario development
- **Transition planning:** detailed transition analysis and planning in line with both TCFD and TNFD recommendations and methodology
- **Financial appraisal & assessment:** assessment of financial effects due to material risks arising from climate and environmental related impacts and dependencies
- **Performance management & improvement:** going beyond strategy o action planning, change management, capital expenditure planning etc. to ensure environmental improvement and transformation in relation to climate mitigation & adaptation, emissions, water, biodiversity and circular economy.



ESRS E1
 Climate Change



ESRS E2
 Pollution



ESRS E3
 Water & Marine Resources



ESRS E4
 Biodiversity & Ecosystems



ESRS E5
 Circular Economy

Social standards Insight

We combine our expertise in responsible business conduct, human rights, ESG strategy and disclosure instruments with our deep understanding of global business dynamics to guide organisations on all issues related to worker & labour rights across value chains and affected communities. With a broad geographical platform, we ensure that local culture and sensitives is a core component of our approach.

With the ever-increasing global focus on human rights, organisations must ensure their operations and value chains align with the principles of responsible business conduct. Furthermore, it is important that how operations affect communities is fully understood, risk is clearly assessed, and actions taken to prevent, mitigate or remediate any potential impacts. International frameworks, such as the UNGPs and OECD Guidelines, provide the foundation, but operationalizing these principles requires clarity and precision.

Organisations are tasked with demonstrating a robust commitment to human rights, undertaking comprehensive risk & impact assessments, developing and implementing processes to address identified concerns and ensuring effective remediation. The scope, includes workers in an organisation, upstream and downstream in the value chain and affected communities as well as end-users and consumers.

Our approach entails:

- **Human rights due diligence & risk assessment:** embed into strategies, business models, policies and management systems enabling companies to have a systematic preparedness to carry out due diligence across organisations, value chains and affected communities
- **Stakeholder & community engagement:** formulation and activation planning & implementation with respect to meaningful stakeholder engagement
- **Developing & improving policy commitments:** assisting in setting and improving organization-level commitments and policies that are aligned with the requirements of relevant ESRS as well as the OECD Guidelines and UNGPs
- **Social inclusion & personal safety assessment:** assessment of consumers & end users with respect to non-discrimination, access to products/services and responsible marketing practices
- **Remediation:** designing policies and establishing protocols for organizations to remedy impacts. Advice and guidance on procedures to effectively remedy impacts now and in the future.



ESRS S1

Own Workforce



ESRS S2

Workers in the Value Chain



ESRS S3

Affected Communities



ESRS S4

Consumers & End-Users

Governance Standard Insight

Our perspective on good governance & business conduct is comprehensive. We seek to understand the unique characteristics and needs of an organisation be they public sector, private enterprise or financial institution to help them embed governance & business conduct principles, processes and procedures seamlessly into their management systems throughout the value chain.

Good governance & business conduct serves as the bedrock upon which organisations build trust, ensure sustainability and deliver value to all their stakeholders. It is a commitment to the principles, practices and processes that guide an organisation’s decisions and actions, ensuring that they are made with accountability, transparency, fairness, and responsibility at the core.

With heightened expectations from various stakeholders and evolving regulatory frameworks and not just ESRS alignment, organisations face the ongoing task of ensuring that governance & business conduct practices remain robust, transparent and adequately integrated into their operational procedures organisational culture and value chains

Our approach entails:

- **Business conduct policies & commitments:** assisting in setting and improving organization-level business conduct commitments and policies aligned with the requirements of the OECD Guidelines and UNGPs
- **Corporate culture:** mapping, assessment and management of an organisation’s approach to corporate culture
- **Supplier engagement:** procurement training, supplier engagement & communication, screening & evaluation processes and mechanisms establishment
- **Anti corruption & bribery:** stakeholder mapping, risk assessment, procedures development and monitoring systems establishment & integration
- **Grievance mechanism establishment:** guidance in choosing the ideal grievance mechanism that fits a specific organizational context, assisting in creating structures around the grievance mechanism
- **Capacity building & training:** capacity building and training, from multiday workshop for managers to general Code of Conduct training of the whole organization



ESRS G1

Business Conduct



Responsible business conduct



Corporate culture



Anti-corruption & bribery



Stakeholders & suppliers

Selected References

Supporting EFRAG to analyse the public consultation on the draft ESRS as part of the CSRD

Our Client

European Financial Reporting Advisory Group

What we did

The European Commission's proposal for a Corporate Sustainability Reporting Directive (CSRD) envisaged the adoption of EU Sustainability Reporting Standards (ESRS).

In this context, EFRAG was requested by the EU Commission to provide Technical Advice to the European Commission in the form of fully prepared draft standards and/or draft amendments to Sustainability Reporting Standards.

EFRAG invited comments on all aspects of the Draft ESRS. Ramboll assisted EFRAG in all aspects of analysis with respect to comments received upon all ESRS.

Double materiality assessment, ESRS gap fit assessment and ESG program

Our Client

European renewable energy company

What we did

We supported the client to identify and assess their material ESG-related impacts, risks and opportunities and identified their material sustainability topics.

Based on material topics, we carried out an ESRS gap fit analysis using Ramboll's gap fit tool. To create a reporting readiness heatmap and prioritisation where to start, we also considered other metrics they already are required to report for their major shareholder and other co-investors.

Ramboll also supported in creating the company's first ESG program.

We created a roadmap on where to start with ESG organisational set-up, employee empowerment and implementing sustainability into policies, processes and daily work. European Financial Reporting Advisory Group

CSRD acceleration for an international shipping and logistics company

Our Client

Our client is an international shipping and logistics company with a strong position across Europe.

What we did

In light of the new disclosure requirements set out in the CSRD, Ramboll was asked to support its implementation in the company and to help prepare for the new disclosures entering into effect in 2025 for the reporting year 2024.

The project included four specific phases. First, the scoping phase included the identification of the organisation's ambition levels, an overview of the CSRD and its implications, as well as the identification of existing documents and data points that can help the reporting efforts.

The second phase included a double materiality assessment, which is at the heart of the CSRD, assessing both financial materiality and impact materiality.

The third phase entailed an ESRS gap assessment to identify the client's gaps related to the disclosure requirements set out in the CSRD and the associated ESRS.

The fourth and final phase consisted of an implementation plan based on the ESRS gap assessment.

CSRD acceleration for a large construction company

Our Client

Our client is a large construction company, property developer, and materials manufacturer with a strong position in Denmark and the Baltic Sea region.

What we did

In light of the new disclosure requirements set out in the CSRD, Ramboll was asked to assist the client with preparing for the new reporting requirements going into effect for financial year 2025.

The project included four specific phases. First, the scoping phase included the identification of the organisation's ambition levels, an overview of the CSRD and its implications, as well as the identification of existing documents and data points that can help the reporting efforts.

The second phase included a double materiality assessment, which is at the heart of the CSRD, assessing both financial materiality and impact materiality. The third phase entailed an ESRS gap assessment to identify the client's gaps related to the disclosure requirements set out in the CSRD and the associated ESRS.

The fourth and final phase consisted of an implementation plan based on the ESRS gap assessment.

Support on CSRD for public energy and ICT company

Our Client

Our client is a Swedish public energy and ICT company.

What we did

Ramboll was asked to support with the implementation of the new CSRD legislation, and prepare the company for the coming requirements on sustainability disclosure.

In the project, we started with mapping the company's value chain, created a plan for stakeholder engagements as well as identified existing documents and data points that are relevant for the reporting.

Then, we performed a double materiality assessment, which is a key element of the CSRD disclosure. We assessed both financial materiality and impact materiality.

Continuing, the project entailed an ESRS gap assessment to identify the client's gaps in relation to data and information. It is based on the outcome of the double materiality assessment and is related to the disclosure requirements set out in the CSRD and the associated ESRS.

Lastly, we developed an implementation plan based on the ESRS gap assessment, outlining the company's continued work on the CSRD.

Double materiality assessment for a Danish financial services company

Our Client

Our client is one of the Nordics leading financial services groups.

What we did

For this project, Ramboll was trusted to conduct a double materiality assessment following the EU sustainability requirements of the Corporate Sustainability Reporting Directive (CSRD). The engagement allows our client to report following the EU standards.

A central piece of the engagement is to identify impacts, risks and opportunities arising from the clients' complex and diverse investment structure.

During the project, we are leveraging Ramboll's proven double materiality assessment methodology, tested and applied across a range of sectors.

CSRD gap assessment and Taxonomy alignment screening Toy production company

Our Client

Toy production group operating numerous retail stores across the globe.

What we did

We identified the relevant business activity to map eligibility and performed a Taxonomy screening and financial KPIs allocation to calculate alignment.

We guided the company to achieve a higher degree of compliance by providing recommendations and developing a roadmap to incorporate the EU taxonomy requirements into its business processes.

A Gap-Fit analysis was conducted to assess how the Corporate Sustainability Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) will affect the client in the long term. A roadmap to prepare the client to report and comply with the disclosure requirements was stipulated.

CSRD acceleration for a public-transport company

Our Client

The client is a major urban transport & mobility provider.

What we did

The client is a company operating public transport infrastructures for more than 100 Mio passengers a year. We are working as trusted advisors to assist them comply with the CSRD and report in 2026 for financial year 2025.

The project included four specific phases. First, the scoping phase included the identification of the organisation's ambition levels, an overview of the CSRD and its implications, as well as the identification of existing documents and data points that can help the reporting efforts.

The second phase included a double materiality assessment, which is at the heart of the CSRD, assessing both financial materiality and impact materiality.

The third phase entailed an ESRS gap assessment to identify the client's gaps related to the disclosure requirements set out in the CSRD and the associated ESRS.

The fourth and final phase consisted of an implementation plan based on the ESRS gap assessment.

Double materiality assessment evaluation

Our Client

The client is a large international company that produces plant-based oils and fats that are typically used as intermediate products in other food products.

What we did

We are doing a full Double Materiality Assessment together with the client, applying the Ramboll four step methodology.

In parallel, we are doing a joint ESRS gap assessment, looking into the client's current sustainability data in respect to availability, consistency and quality to understand potential gaps towards the ESRS disclosure requirements. We also added an analysis of IT systems in the assessment to help the client understand where in the company architecture needed data would be stored.

During the project, we are leveraging Ramboll's well tested tool and methodology for mapping data gaps, tested and applied across a range of sectors. The fourth and final phase consisted of an implementation plan based on the ESRS gap assessment.

Preparing for CSRD – EU Taxonomy compass, business unit screening & roadmap

Our Client

Global enterprise with multiple European subsidiaries across multiple sectors.

What we did

Screening and alignment

The assignment entails carrying out detailed eligibility and technical screening of two key European business units which are used as models for other entities. Detailed scoping, economic activity identification, screening, financial KPI allocation but also disclosure per Regulatory Appendix.

Reporting and compliance

A template to report Taxonomy-alignment on entity or business line level is provided. Ramboll stipulates relevant documents for the client to comply with NFRD disclosure requirements and the upcoming reporting requirements under the CSRD.

Risk management

Working with the company and its subsidiaries to integrate Taxonomy risks identified into their business processes.

Double materiality assessment methodology build up

Our Client

The client is a large food and ingredient manufacturing company.

What we did

Ramboll assisted the client in establishing its methodology for the Double Materiality Assessment compliant with the EU CSRD and ESRS legislation.

The project focused on three selected topics, specifically ESRS E1 Climate Change, ESRS E4 Biodiversity and Ecosystem, and ESRS1 Own Workforce.

Ramboll defined and guided the client through a methodology compliant with the ESRS requirements to identify sustainability-related impacts, risks and opportunities and assess their materiality. The project included the definition of thresholds and criteria that could be used for other ESRS topics.

The project included deep-dive workshops on climate change, biodiversity and own workforce. A methodology guidance document constituted the final deliverable.

CSRD acceleration for a construction and civil engineering company

Our Client

Our client is a leading construction and civil engineering company in the Nordics.

What we did

In light of the new disclosure requirements set out in the CSRD, Ramboll was asked to support its implementation in the company and to help prepare for the new disclosures entering into effect in 2025 for the reporting year 2024.

The project included four specific phases. First, the scoping phase included the identification of the organisation's ambition levels, an overview of the CSRD and its implications, as well as the identification of existing documents and data points that can help the reporting efforts.

The second phase included a double materiality assessment, which is at the heart of the CSRD, assessing both financial materiality and impact materiality.

The third phase entailed an ESRS gap assessment to identify the client's gaps related to the disclosure requirements set out in the CSRD and the associated ESRS.

The fourth and final phase consisted of an implementation plan based on the ESRS gap assessment.

Double materiality assessment for a beverage company

Our Client

The client is a large Danish company active in the beverage sector.

What we did

We are conducting a double materiality assessment following the EU sustainability requirements of the Corporate Sustainability Reporting Directive (CSRD). The engagement will allow our client to report following the EU standards and simultaneously further integrate the financial effects of sustainability risks and opportunities into their business strategy.

A central piece of the engagement is to integrate financial risks and opportunities stemming from the sustainability matters listed in the European Sustainability Reporting Standards (ESRS) into the existing Enterprise Risk Management system of the client. Hence, enabling our client on an annual basis to reassess their sustainability impacts, and the impacts that these have on the business model and ability to conduct business in priority geographies.

During the project, we are leveraging Ramboll's proven double materiality assessment methodology, tested and applied across a range of sectors.

EU Taxonomy & CSRD Implementation Telecommunications and data centre sector

Our Client

The client is a global digital infrastructure company known for its high-bandwidth network, voice services and data centre & colocation services in Europe, Asia, and North America.

What we did

The client engaged our services for assistance in navigating the complex landscape of CSRD and EU taxonomy implementation, along with the development of necessary systems. This presented a significant undertaking, due to the CSRD and EU taxonomy being new requirements for the client's. The project also encompassed capacity building, IT systems development advice, as well as strategic advice to align with the client's broader sustainability objectives.

A pivotal initial task involved ensuring the client gained a clear understanding of their compliance timeline and future requirements. We worked closely with the client, delivering tailored training and providing ongoing support. This support aimed to answer questions and develop strategic ambitions for EU Taxonomy and CSRD, aligning them with the client's wider sustainability objectives.

The introduction of EU taxonomy pilots was key to this project and welcomed by the client. In specific it enabled the client to test the feasibility and impact of alignment within specific business lines before full-scale implementation, considering the scope of the client's operations. Below is a snapshot of the project plan for our client.

CSRD acceleration for European car supplier



Our Client

Our client is one of Europe's largest full-service suppliers of cars, with a leading position within service and sales of cars, transport vehicles and trucks.

What we did

Ramboll was asked to support with the implementation of the new CSRD legislation and to help prepare for the new disclosures entering into effect in 2025 for the reporting year 2024. The project included the following phases:

The scoping phase included the identification of the organisation's ambition levels, an overview of the implications of the as well as the identification of existing documents and data points that are relevant for the reporting.

The second phase included a double materiality assessment. This is a key element of the company's CSRD disclosure, assessing both financial materiality and impact materiality.

The third phase entailed an ESRS gap assessment to identify the client's gaps. It is based on the outcome of the double materiality assessment and is related to the disclosure requirements set out in the CSRD and the associated ESRS.

The fourth and final phase consisted of an implementation plan based on the ESRS gap assessment, outlining the company's continued work on the CSRD.

Double materiality assessment for an aviation company

Our Client

The client is a large flag carrier.

What we did

We conducted a double materiality assessment following the EU sustainability requirements of the Corporate Sustainability Reporting Directive (CSRD). The engagement allowed our client to report following the EU standards and simultaneously further integrate the financial effects of sustainability risks and opportunities into their business strategy. In addition, we assessed the client's current data in respect to availability, consistency and quality to understand potential gaps towards the ESRS disclosure requirements and to close those gaps.

For this project, it has been key for the client to also ensure internal training and competence building for the organization. Hence, there were several training sessions built in, to allow the client to work with double materiality assessments and data assessment going forward inhouse.

During the project, we leveraged Ramboll's proven double materiality assessment methodology, tested and applied across a range of sectors.

To know more about what services Ramboll offers regarding the CSRD contact:



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Bright ideas.
Sustainable change.