How to effectively address CSR challenges while meeting sustainability reporting obligations

Our holistic and comprehensive approach

2023

CSR is a new business performance driver

Corporate social responsibility (CSR) is the commitment of businesses to act ethically and contribute to the social and environmental well-being of their stakeholders and communities.

CSR is **not only a moral duty**, but also a **strategic advantage that can enhance reputation, innovation, and competitiveness (CSR used as rating criteria in calls for tender)**

- Running a CSR initiative **can be very rewarding**, but it also comes with challenges. One of the biggest **challenges concerns measuring the value of CSR actions and initiatives**.

- As **sustainability reporting** are becoming a regulatory requirement all over the world, a robust CSR framework is a good way to achieve it.

MAIN STAKES

Sponsorship at top management level

Communication on CSR is key

Involvement of employees and stakeholders is important to reach CSR strategic objectives and coordinate all initiatives

Selection of relevant KPI that are informative, impactful

Address different sustainability initiatives

Some sustainability reporting are **mandatory** and may show a bad economic, environmental, social and governance performance affecting the **company's image**
These reporting concern different subjects that exist in the **referential** and can be proven by CSR **labels**

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Sustainability Reporting

CSR

Social and Environmental concerns

3

CSR labels

2

CSR oriented referential and market initiatives
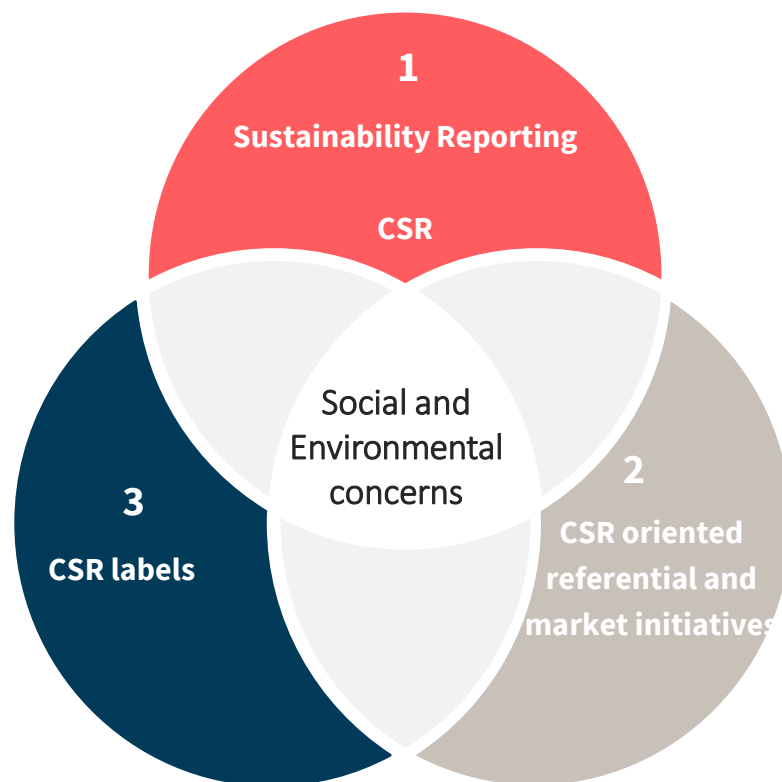
Sustainability Reporting

- Some sustainability reporting are required by local supervisors in different geographic areas: EU CSRD / ESRS, HKEx Climate Reporting, SGX Sustainability Reporting, SEC Climate Disclosures
- Some others are on **voluntary** basis: ISSB, Global Reporting Initiative

CSR oriented referential and market initiatives

- Many CSR referential exists such as: ISO 26000, Sustainable Development goals, United Nations Global compact principles, declaration on fundamental principles and rights at work, GRI standards, OECD guidelines
- They are applied on **voluntary** basis

CSR labels

- Some CSR labels have a geographical coverage in a specific country such as: "Lucie 26000" and "Engagé RSE" in France, "ESR" in Luxembourg. Others have a **worldwide coverage** such as: "B corp" and "EcoVadis"
- They are acquired on a **voluntary** basis

From CSR voluntary initiatives to sustainability regulatory requirements (and vice-versa)

To build a **robust** CSR system, it is necessary to adopt a **holistic approach** that take into account **reporting, referential and labels.**
CSR framework is composed of **voluntary** elements while **ESRS** are **mandatory** for reporting. **CSR framework and ESRS** treat business conduct, environmental and social subjects. Therefore, a company may use CSR framework to do the mandatory reporting or use the reporting to adapt it's CSR framework.

CSR framework

CSR policies

Sets and frameworks of general objectives and management decision used to promote ethic, social and environmental acts

CSR actions

Measures taken to demonstrate ethic, social and environmental engagement

CSR KPI

Performance measures including progress towards the targets

Supported by market initiatives and labels

A quality seal that gives credibility to the CSR approach while benefiting from support to structure the approach

Sustainability reporting (CSRD / ESRS)

ESRS are EU's new **mandatory** standards that companies under the **CSRD** must align their **reporting** to. There are **12 ESRS** : 2 general (cross cutting) and 10 topical concerning environmental, social and governance subjects

Extract

General	Gov.	Env.	Env.
ESRS 2 General disclosures	**ESRS G1** Business conduct	**ESRS E1** Climate	**ESRS E2** Pollution

| Social	Social	Social	Social
ESRS S1 Own workforce	**ESRS S2** Workers in the value chain	**ESRS S3** Affected communities	**ESRS S4** Consumers and end-users

Our areas of expertise

CSR main stakes and sustainability approach

- Definition and implementation of CSR Framework
- Main benefits of a good CSR culture
- CSR approach pillars: initiatives, detailed content
- CSR governance
- Holistic approach CSR / sustainability reporting
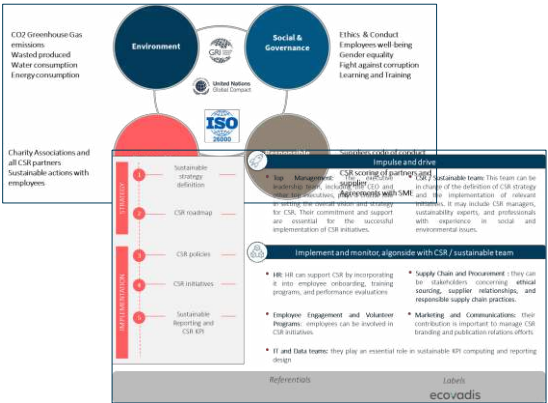
CSR labels and referentials

- Overview of main CSR referentials and labels
- Detailed analysis of CSR referentials
- Main drivers to choose relevant CSR referentials and labels
- Detailed approach to obtain a CSR label
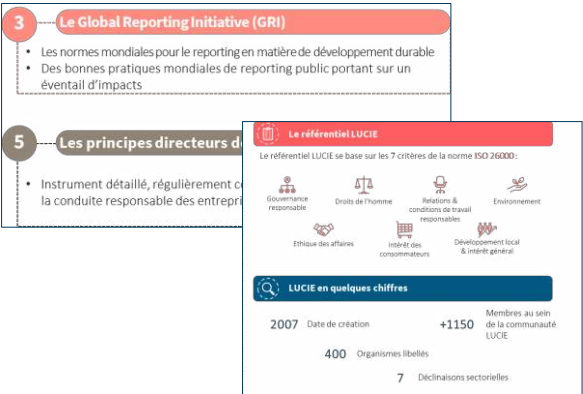
Focus on CSR data and sustainability reporting

- CSR KPI definition and mapping with sustainable reporting data
- ESRS materiality, ESRS datapoints analysis
- ESG datalake: architecture, governance, links with external ESG data providers
- Carbon footprint computation
- CSR dashboards

Holistic and comprehensive approach for CSR and sustainability regulatory reporting

CSR Framework definition

- **Strategy:** CSR main pillars identification, taking into account market standards (GRI, TCFD)
- Link with ongoing **ESG regulatory streams and market practices**
- Definition of **relevant CSR KPI** according to strategy
- **Governance** set-up
- **Initiatives set-up**: identification of relevant initiatives to be put in place according to the strategy and CSR goals
- **Labellisation** identification of relevant CSR labels to be acquired
- **CSR roadmap** drafting
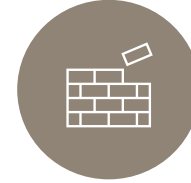
CSR Framework implementation

- **CSR pillars** operational deployment: **CSR policies** drafting, link between market standards and internal actions
- **CSR initiatives launch and follow-up**: internal and external communication supports drafting, employee mobilization, coordination with charities and partners
- **Labellisation**: coordination of actions and evidence gathering

CSR monitoring and ESG reporting

- **Technical requirements** related to various reporting: regulatory (CSRD and equivalent), labels (Ecovadis, UN Pact, B Corp..)
- **Collection of data** from various sources including HR databases, sustainable partnerships, management offices, and procurement
- **Processing and preparation of data**
- **Creation of CSR dashboard**

Contact us

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BENEFIT FROM THE CAPACITIES OF OUR AUREXIA SUSTAINABLE TEAM AND OUR TECHNICAL TEAM

CSR FRAMEWORK DEFINITION

CSR FRAMEWORK IMPLEMENTATION

CSR MONITORING, SUSTAINABILITY REPORTING

Aurexia *Sustainable*

Aurexia

Bringing value, together