



INSPIRING
ENVIRONMENT

ESG and non-financial reporting: HOW TO?

25 January 2023



About us

- International environmental consulting company ELLE (Estonian, Latvian & Lithuanian Environment) founded in 1998 by a group of environmental professionals from the three Baltic countries.
- By now ELLE brand unites a group of three enterprises in the **three Baltic countries, employing more than 50 highly professional staff.**

Our experience



Our services in most relevant fields

**Financial sector
consulting**

**Climate change
and GHG
calculations**

**Environmental
Impact Assessment
(EIA)**

**Preparation of
applications for
permits for
polluting activities**

**Environmental
management
systems**

**Non-financial
reporting**

PLATĪNS

PAR ILGTSPĒJĪU. Visa kara|valsts kāroja pēc platīna gredzena - kurš to iegūtu, kļūtu neuzvarams. Tomēr tikai viedie zināja, ka šis gredzens nav iegūstams vienkārši. Ceļš pie tā ir ilgs un izaicinājumiem pilns. Un ne katrs, kas reiz to iegūvis, spēs to noturēt mūžīgi. Tie, kuriem gredzens pieder vēl šobaltdien, apveltīti ar īpašām zināšanām par lietu un pasaules kārtību un izpratni par lielo atbildību, kuru gredzens iemieso.



ZELTS

PAR PĀRLIECĪBU. Ābeli, kas nes zeltainus augļus, uzlūkoja jo daudzi. Cauri vienpadsmit saules ritumiem vien diviem gribētājiem bija izdevies plūkt šos zelta ābolus ar pirmo mēģinājumu. Ābolu īpašniekiem bijis jāpierāda sevi caur sevišķu dzīvesziņu, un jāvelta pūles, nesnaužot uz veciem lauriem.



SUDRABS

PAR IZAUGSMI. Sudraba avots plūda strauji. Pie avota veldzēties steidzās daudzi - gan tādi, kas tālu ceļu mērojuši, gan tādi, kas psteigušies kļūtu no tuvienes. Bet tomēr - pie avota satiksī vien tos, kas tur nonākuši mērķtiecīgi. Ceļš prasa savu artavu, ar apņēmību vien nepietiek, solis jāliek spēji.

Institute for Corporate social responsibility (InCSR)

- **Mission:** strengthen regional sustainable development and international competitiveness
- **One of the co-founders:** ELLE
- **Established:** 2011
- **Action fields:** education, benchmarking



Corporate sustainability reporting Directive (CSRD)



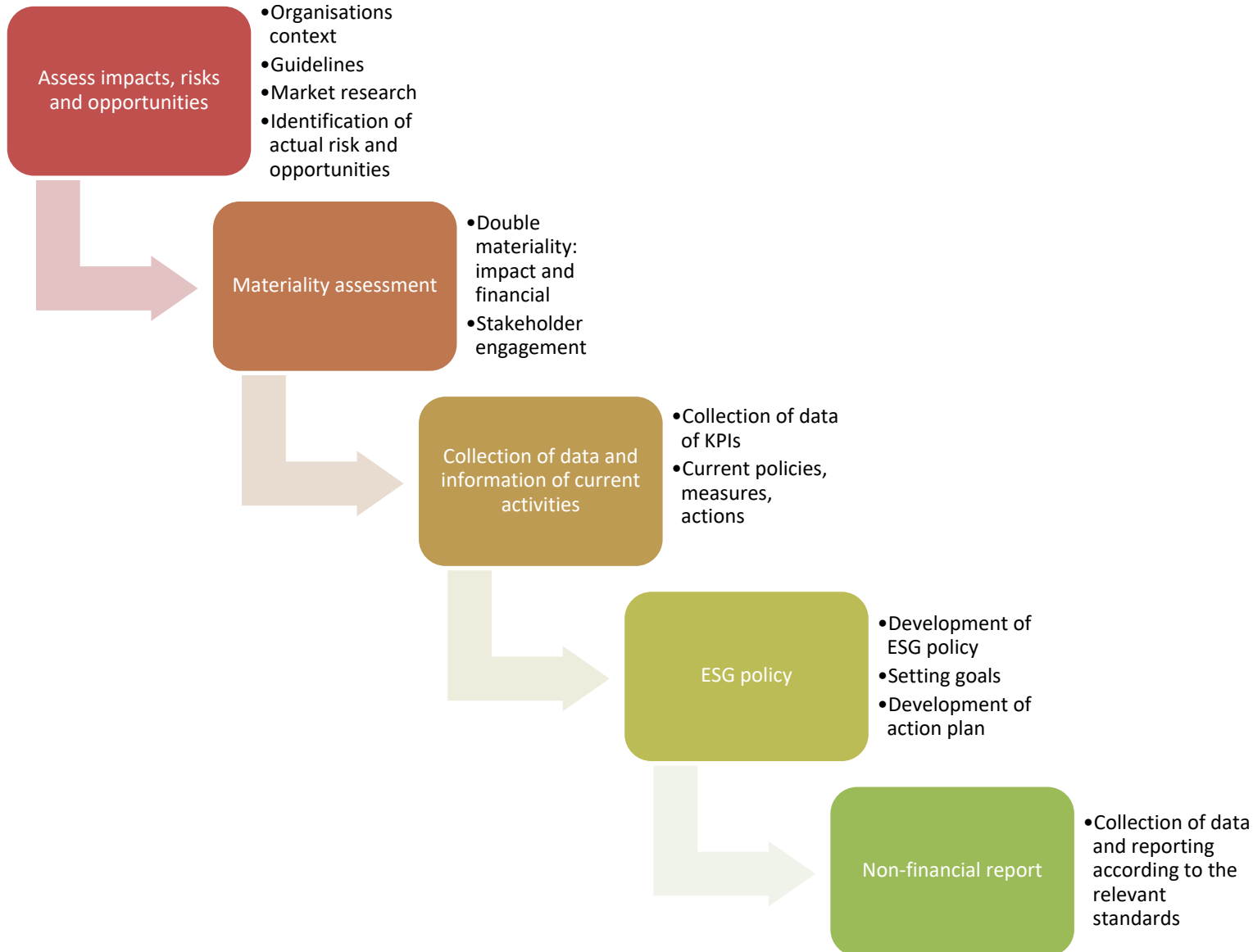
- Adopted in November 2022, On 5 January 2023 entered into force, to be transposed by MS
- Aim: helps investors, civil society organisations, consumers and other stakeholders to evaluate the sustainability performance of companies
- Unified Reporting Standards
- Extended list of applicable companies (est. 49 000..)
- ESG reported as part of Management Report
- Machine-readable format/"Single Electronic Reporting Format"
- External 3rd party verification
- Penalties to be defined by MS



Non-financial report: what to include?

- According to CSRD:
- the **company's business model** and strategy in relation to sustainability aspects,
- its **sustainability objectives**,
- the **role** of the administrative, management and supervisory bodies in relation to sustainability issues,
- its **sustainability policy** implemented in relation to sustainability aspects,
- the **due diligence process** implemented with regard to sustainability issues as well as the main actual or potential adverse impacts related to the **company's value chain** plus an indication of the measures taken and the outcome of those measures to prevent any actual or potential adverse impacts, and
- the **main risks** to which the company is exposed in relation to sustainability issues.

Key steps



Reporting standards

Twelve draft ESRS

Cross-cutting standards

DRAFT EUROPEAN SUSTAINABILITY REPORTING STANDARDS

ESRS 1
General requirements



November 2022



DRAFT EUROPEAN SUSTAINABILITY REPORTING STANDARDS

ESRS 2
General disclosures



November 2022



Draft ESRS 1 General requirements

Draft ESRS 2 General disclosures

Topical standards

Environment

DRAFT EUROPEAN SUSTAINABILITY REPORTING STANDARDS

ESRS E1
Climate change



November 2022



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ESRS E2
Pollution



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ESRS E3
Water and marine resources



November 2022



Draft ESRS E1 Climate change

Draft ESRS E2 Pollution

Draft ESRS E3 Water and marine resources

DRAFT EUROPEAN SUSTAINABILITY REPORTING STANDARDS

ESRS E4
Biodiversity and ecosystems



DRAFT EUROPEAN SUSTAINABILITY REPORTING STANDARDS

ESRS E5
Resource use and circular economy



<https://www.efrag.org/lab6?AspxAutoDetectCookieSupport=1>

Why?

“You can't manage what you can't measure”, Peter Drucker



TRUE FOR ESG?!

Info sources

- CSRD: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32022L2464>
- EP: https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/corporate-sustainability-reporting_en#related-links
- <https://www.mwe.com/pdf/csrd-update-corporate-sustainability-reporting-directive-csrd-adopted/>
- GRI: <https://www.globalreporting.org/media/wtaf14tw/a-short-introduction-to-the-gri-standards.pdf>
- First Set of draft ESRS:
<https://www.efrag.org/lab6?AspxAutoDetectCookieSupport=1>

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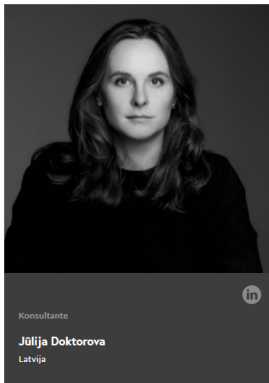
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