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5 steps to ramp up reporting and get ready for new sustainability regulations by 2023



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Digital

Introduction

As a whole host of new sustainability regulations come into force next year, it can feel overwhelming to know where to start. From delving into your data to setting new targets, it helps to have a clear plan of action to not only fulfil compliance obligations but stay competitive with sustainability-savvy customers.

This guide will lay out the five steps you can take to get ready for upcoming changes and create long-term, meaningful change at your organisation.



Scope 3 regulations are coming—but it's just the start of your sustainability journey

If you're just starting to get your head around Scope 3 emissions disclosure coming into effect in 2023, there's one thing you might have noticed: this is the big one.

Scope 3 regulations require companies to report on emissions and ESG performance across their value chain. This brings a whole host of data and logistical challenges, which is why it can help to have a third party, such as Deloitte, to report on and understand any new legislation — as well as use high-end technology, such as Salesforce Net Zero Cloud, to fulfil these reporting obligations.

But it's not just Scope 3 that's driving companies to get their data in line. Increased legislation from the EU Corporate Sustainability Reporting Directive (CSRD), as well as wider climate change actions are prompting organisations to get ready and set new goals.

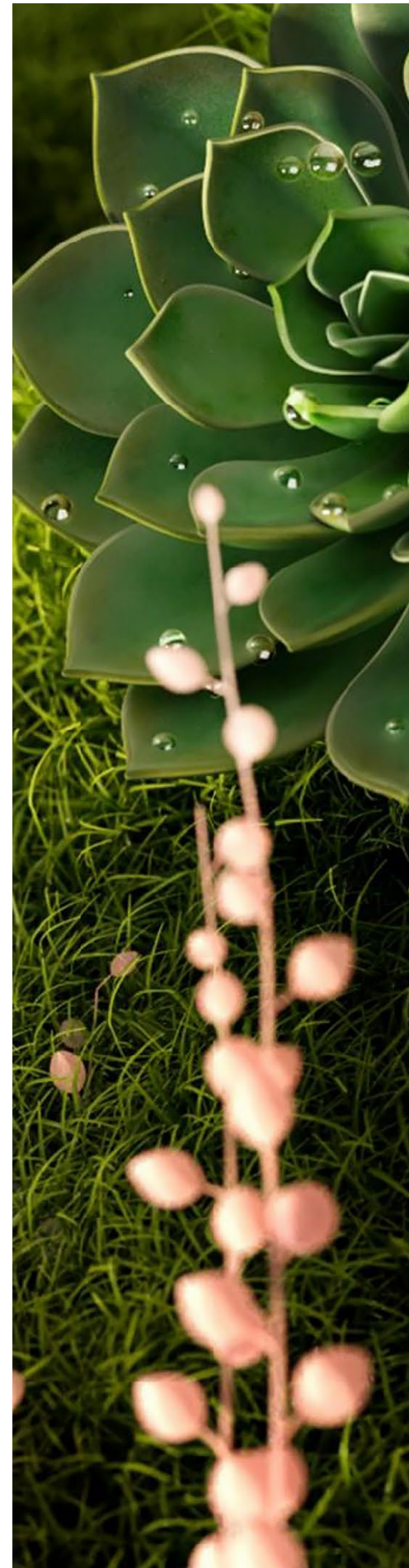
On top of this, customer and stakeholder pressure for transparency means tangible action is even more essential, not just for your brand reputation and sales, but for achieving long-term impact that matters (and lasts).

The good news? Scope 3 is where you can create the most impact, often making up more than 70% of your carbon footprint—and the clearer your reporting on these emissions are, the more likely other companies will want to do business with you.

“Companies are first and foremost made up of people, which includes the next generations to come. It's important to show you're ready to commit to sustainability goals and that you care—as well as stay relevant and competitive in the market.”

– Eustache Bountzoukos, Director of Sales Transformation, Deloitte

So, what do you have to do? The more concrete you can make your data, the more insight you can provide when it comes to getting into the habit of reporting. This guide will show you 5 steps to get you started.



1. Define your ambition

First things first, where do you want your company to be in the coming years? Are your ambitions to stay in line with the Paris Agreement or beyond? Most companies are in this brainstorming phase, and it can be overwhelming. To put ideas into actions, it can firstly help to understand your baseline and then set some SMART targets from there.

Top tip: Assess how fast your emissions are growing. If you're a growing company, chances are your emissions are also on the up, so it's important to act now.

2. Balance your ambition with your costs and resources

Reducing your carbon footprint often saves on costs, but some projects might take longer and involve a bit of investment. To understand how each measure will contribute to your goals, collect them all into a single view. Then, you'll have an outline of projects that pay for themselves, are cost neutral or those that will take a significant amount of investment.

It's worth noting that Scope 3 regulations don't just centre on emissions reporting, but cover wider ESG performance such as human rights and labour laws. This means you need an approach that evaluates your entire supply chain's resilience, risks and emissions all at once.

Top tip: There are a huge number of standards and frameworks on ESG reporting (800 and counting!), so it's easy to

get confused. Focus on the ones you need for compliance and for key investors and stakeholders as a starting point.

3. Understand what you're missing

Once you've set your key goals and understand the regulations you're going to focus on, you need to understand where you need to get to. A great way to help with this is to consider tooling to bring together all your data and provide the insights you need. Platforms such as [Salesforce's Net Zero Cloud](#) can help jumpstart your carbon journey and identify any gaps—as well as provide the level of data accuracy you'll need for robust reporting.

4. Assess governance, data management and assurance

In order to have robust ESG data, you need to evaluate your current systems. Assurance is a key tool to drive transparency and accountability, but remember, this doesn't have to be done externally right away. This can primarily be part of an internal audit that's private as a practice dry run.

Top tip: Don't use Excel to do this.

Because of the amount of data required, along with strict reporting rules, spreadsheets just won't cut it. You need a proper tool to support your efforts and share your progress. New technology can show how far you've come and how proud you should be working towards lowering your company's carbon footprint.

5. Educate, upskill and take action

As you get started on your sustainability reporting journey, building knowledge and capacity at broader management levels is important. In fact, the CSRD actually requires involvement at different levels of the company. This means you need to get everyone on a common agenda to connect stakeholders as early as possible. This could include teams such as sustainability, finance, risk or legal. With everyone aligned, you can identify any learning gaps and develop clear strategies to meet coming reporting requirements.

Top tip: Start small with a group of enthusiastic people to build momentum. Create an ambassador and put training in place to get the whole organisation involved.



5 steps to ramp up reporting and get ready for...

- Deloitte is a one-stop shop for sustainability regulations, offering you the industry knowledge you need to lower your emissions, as well as the ability to integrate the right strategy and tech to get you started.
- Deloitte helps its customers create impact across four key areas: Strategy, transformation, finance and reporting, so you can focus on what matters most—your core business.
- Deloitte has invested \$1bn in global sustainability and climate practice and we want to transform your business to become more sustainable. We're committed to becoming Net Zero by 2030 and we're well on our way.
- Salesforce has net zero residual emissions, achieved 100% renewable energy for our operations, and is a founding partner of 1t.org. We actively engage policymakers, our peers, partners, suppliers, and customers to accelerate our collective impact.
- Salesforce offers you a complete sustainability management solution into your organisation. Thanks to Salesforce Net Zero Cloud, we can help accelerate your company's journey to Net Zero with a trusted platform that serves as the single source of truth for environmental data.
- Deloitte and Salesforce have partnered for +15 years to bring our customers industry-disrupting digital transformations. Our unique combination of insights, data, strategy and technological implementation covers everything from supply chain resilience to risk management. Our approach to company-wide change has helped customers succeed across a range of sectors.

Want to learn more about ramping up your sustainability strategy for new regulations?

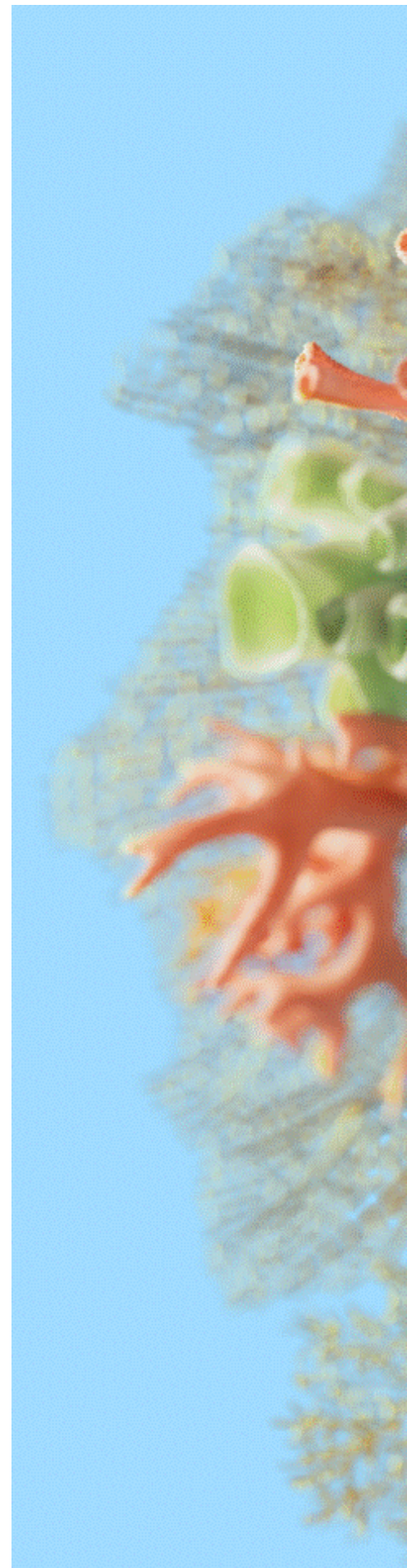
Join our webinar on 12th December to discuss this (and plenty more).

Sign up here or contact

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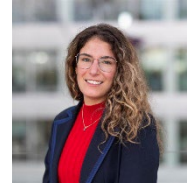
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