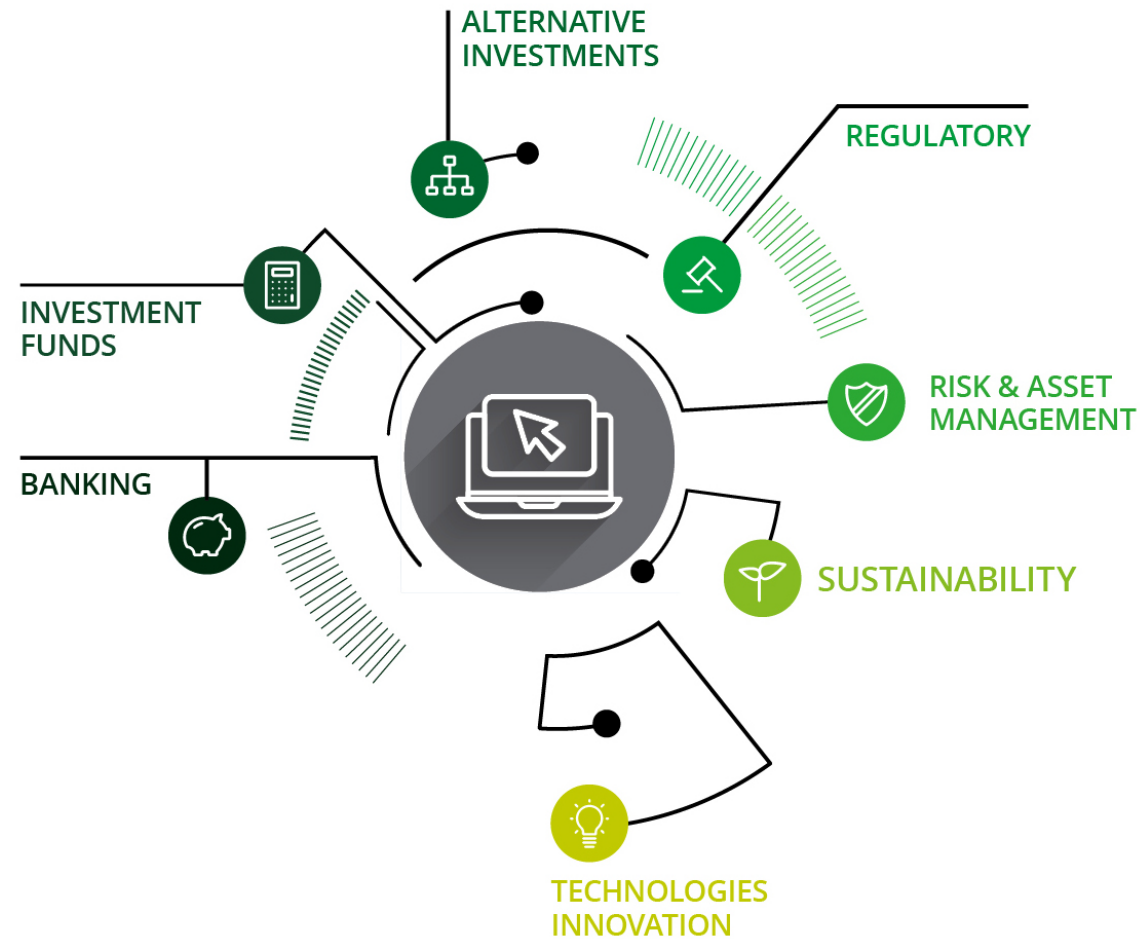




Sustainability | Navigating the Evolving Sustainability Landscape: Strategic 'No Regret Moves' for Accelerating Growth, Enhancing Resilience, and Ensuring Compliance with Emerging Regulations

Getting Started

Here with you today



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Agenda

- 1 Understanding the Current Sustainability Reporting Landscape
- 2 Omnibus package & Impact on SFDR
- 3 Strategic 'No Regret Moves' OR Strategy: Accelerating Growth Through Sustainability
- 4 The European Accessibility Act (EAA)
- 5 Navigating Sustainability: The Challenges of Modern Global Disruption

Understanding the Current Sustainability Reporting Landscape

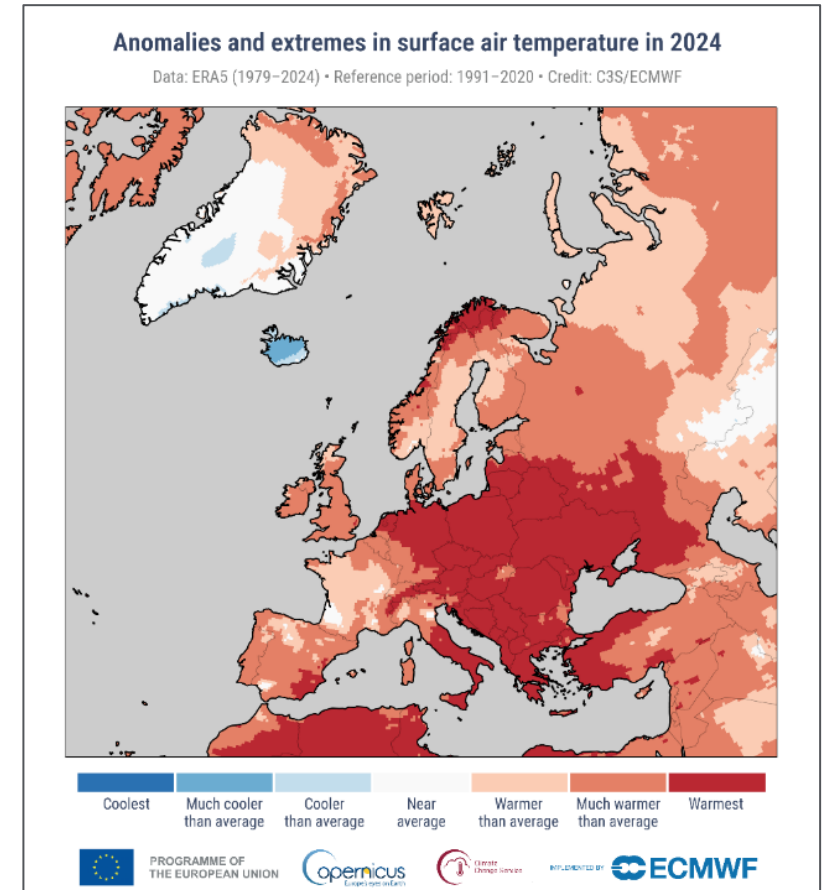
European Union' Green Deal

Environment change...



196 countries signed the Paris Agreement in 2015 committing to reduce greenhouse gas emission to a level consistent with limiting climate change to below 2°C and to pursue efforts to limit temperature increase even further to 1.5°C.

The European Union's comprehensive **Green Deal** serves as a cornerstone in the journey towards a prosperous society, defined by a resource-efficient, competitive, and modern economy. This strategy envisions net-zero emissions of greenhouse gases by 2050, aiming to separate economic growth from resource use.



The original European sustainable finance strategy

Green Deal

EU goals



01

Redirect capital flows to sustainable investments

02

Systematically integrate sustainability into risk management

03

Promote transparency and a long-term perspective

→ International companies

→ EU regulations

→ European companies

→ EU regulations

→ Financial sector



SFDR → Sustainable Finance Disclosure Regulation

EU Taxonomy for Sustainable Activities

CSDDD → Corporate Sustainability Due Diligence Directive

CSRD → Corporate Sustainability Reporting Directive

EU Taxonomy for Sustainable Activities

Green Claims Directive

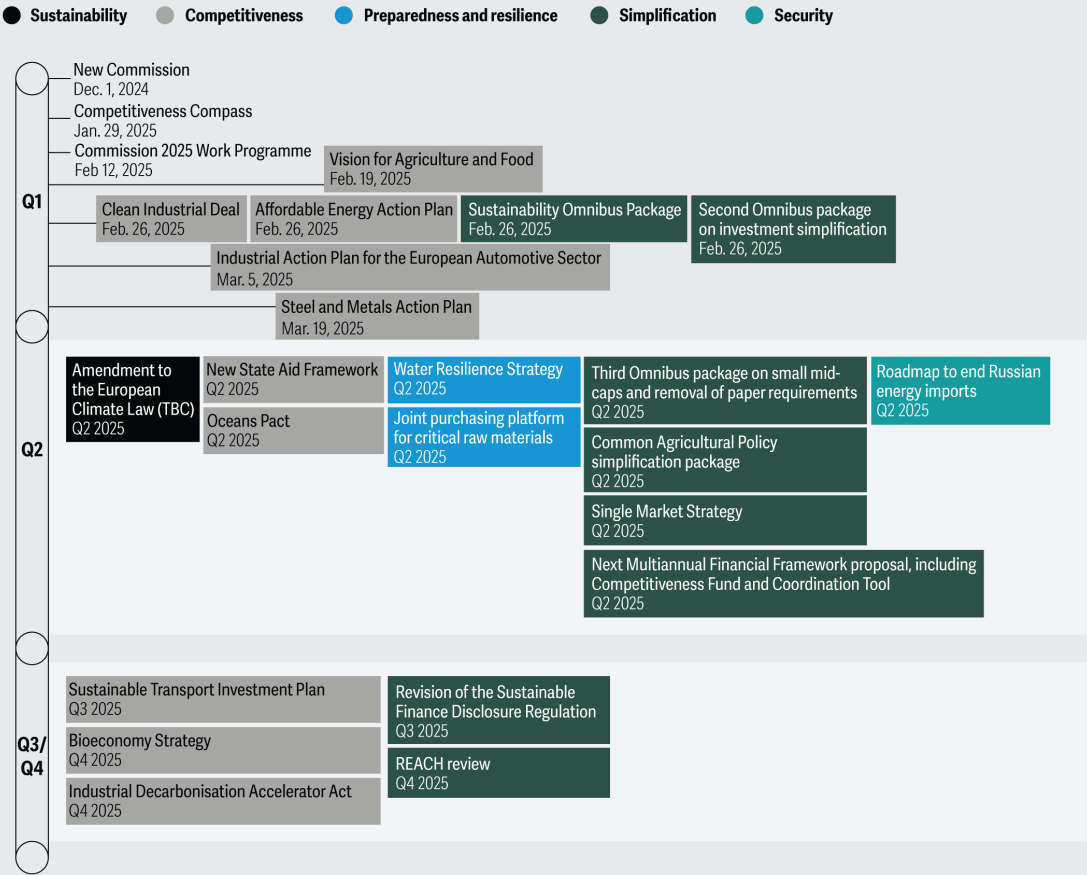


Green Bonds Standard

EU Policy Agenda

Environment

Figure 1
European Commission's 2025 agenda for sustainability action



Source: Deloitte analysis, based on the European Commission's work plan for 2025.

Figure 2
A breakdown of the EU's policy journey and the implications for companies



Source: Deloitte analysis.

Recent EU Policy Update

Last week the Council (EU Member States) agreed on its position on changes that the European Commission (Commission) is proposing to the CSRD and CSDDD (Omnibus I).

Key changes include:

- Scope of the CSRD
- Scope of the CSDDD
- Postponing application of the CSDDD
- Easing transition plan requirements

Now it is the turn of the European Parliament (EP) (co-legislator with the Council) to reach its final position, paving the way for 'trilogue' negotiations between both co-legislators, in the presence of the Commission, to reach agreement on the final legislation changing the CSRD and the CSDDD.

Due diligence

CSRD

Trilogue negotiations

CSDDD

Omnibus I

Simplification of DMA

Sensitive information

Value chain cap

Regulatory Update – CSRD/Omnibus package – Evolution in Luxembourg

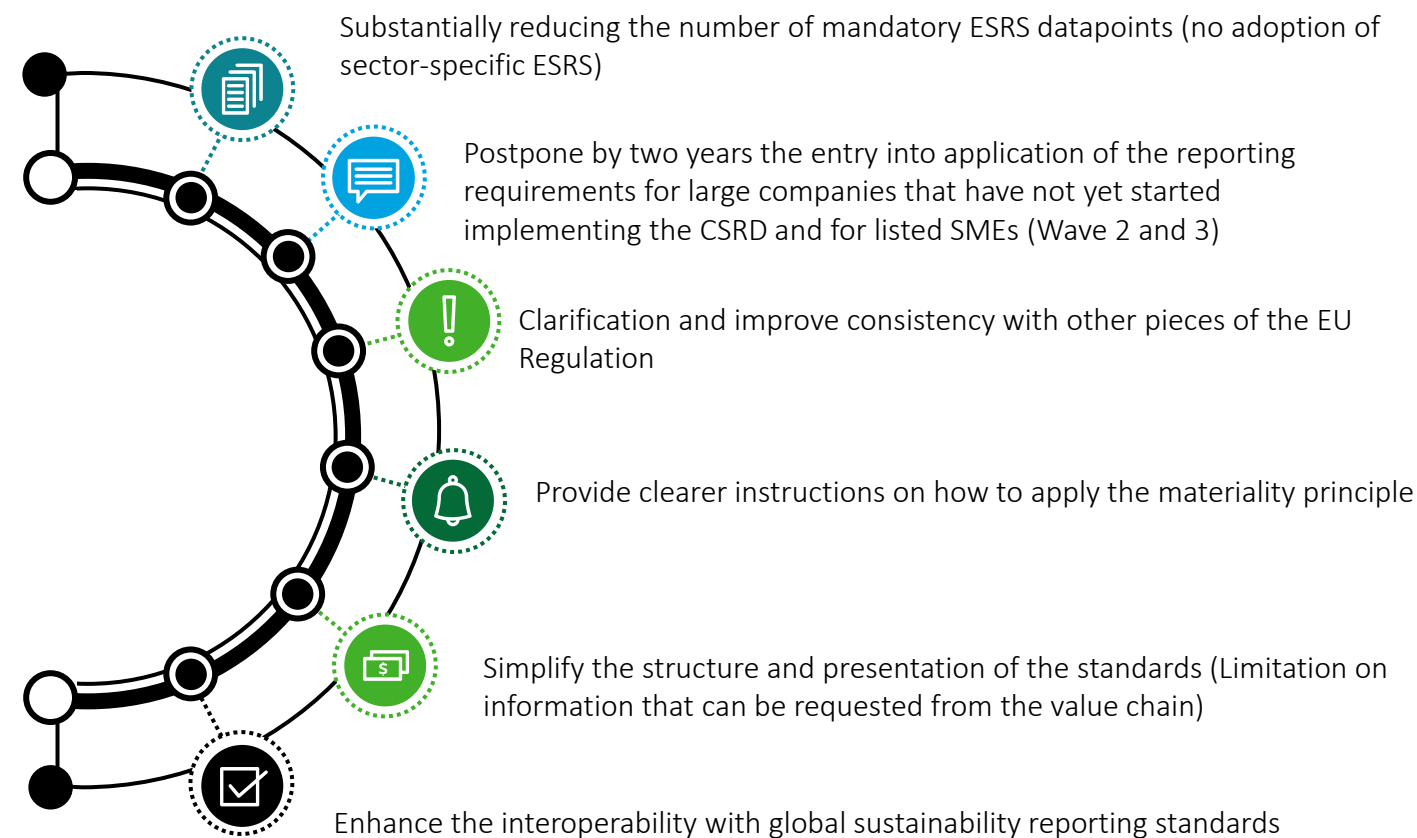
Update of the legislative process in Luxembourg (June 2025)

Date	Activity
March 29, 2024	Release of public draft of the document (bill 8370) transposing CSRD into Luxembourg law to Luxembourg Chambre des Députés
April 18, 2024	Referred to finance committee and justice committee
May 28, 2024	Release of complementary filing document related to bill 8370
July 12, 2024	State Counsel Report
October 22, 2024	Avis de la Chambre de Commerce
October 25, 2024	Avis de la Chambre des Métiers
October 25, 2024	Amendements adoptés par la/les commission(s) : Commission des Finances; Commission de la Justice
October 31, 2024	Avis de la Chambre de Commerce (22.10.2024)
November 15, 2024	Avis de la Chambre des Salariés (14.11.2024)
November 26, 2024	Update State Counsel Report
December 19, 2024	Avis complémentaire de la Chambre de Commerce (13.12.2024)
May 6, 2025	Update of the draft law (Amendements gouvernementaux)
June 3, 2025	Second Update State Counsel Report
June 11, 2025	Avis de la Chambre de Commerce
Pending	Remaining steps: Final draft adjustments, Parliamentary approval and Majority voting for transposition CSRD into Luxembourg law



Omnibus & Impact on SFDR

Focus on CSRD Revision as Part of The Omnibus Directive



KEY POINT #1

Reporting requirements – change of scope

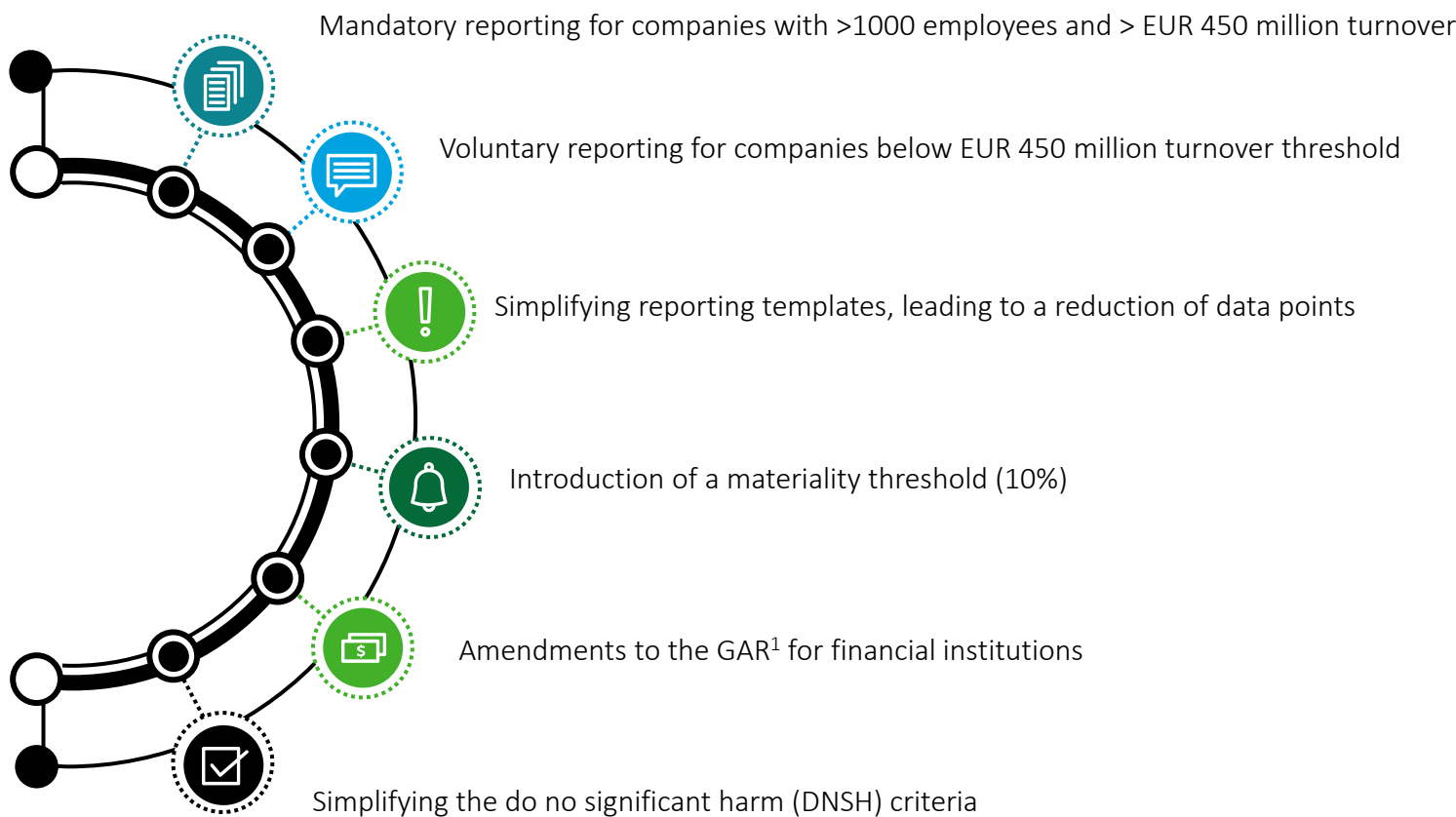
KEY POINT #2

The principle of Double Materiality will remain

KEY POINT #3

Limited versus reasonable assurance requirement

Focus on Taxonomy Revision Following Omnibus I and II Proposals



KEY POINT #1

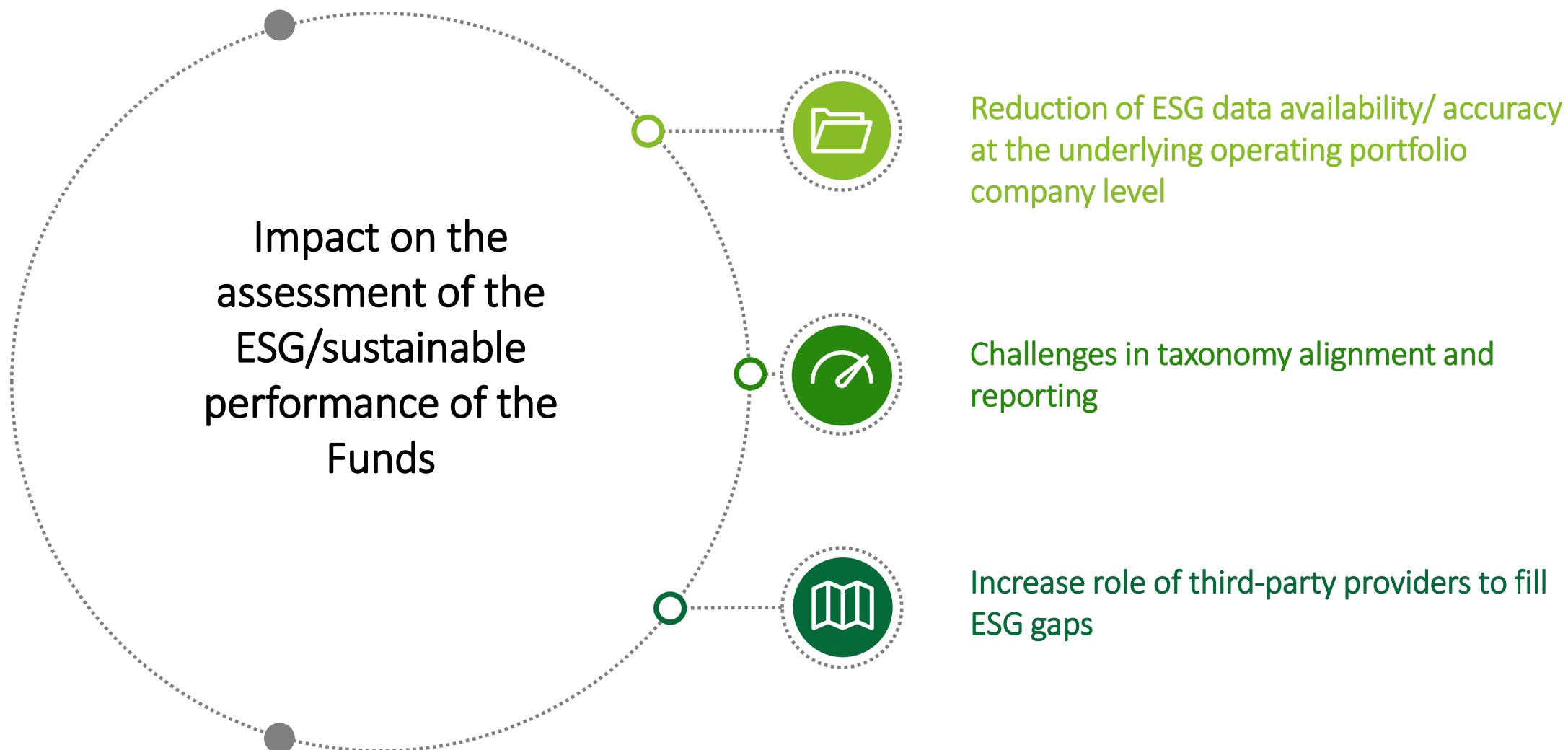
Limitation of the entity under the scope

KEY POINT #2

Introduction of a materiality threshold

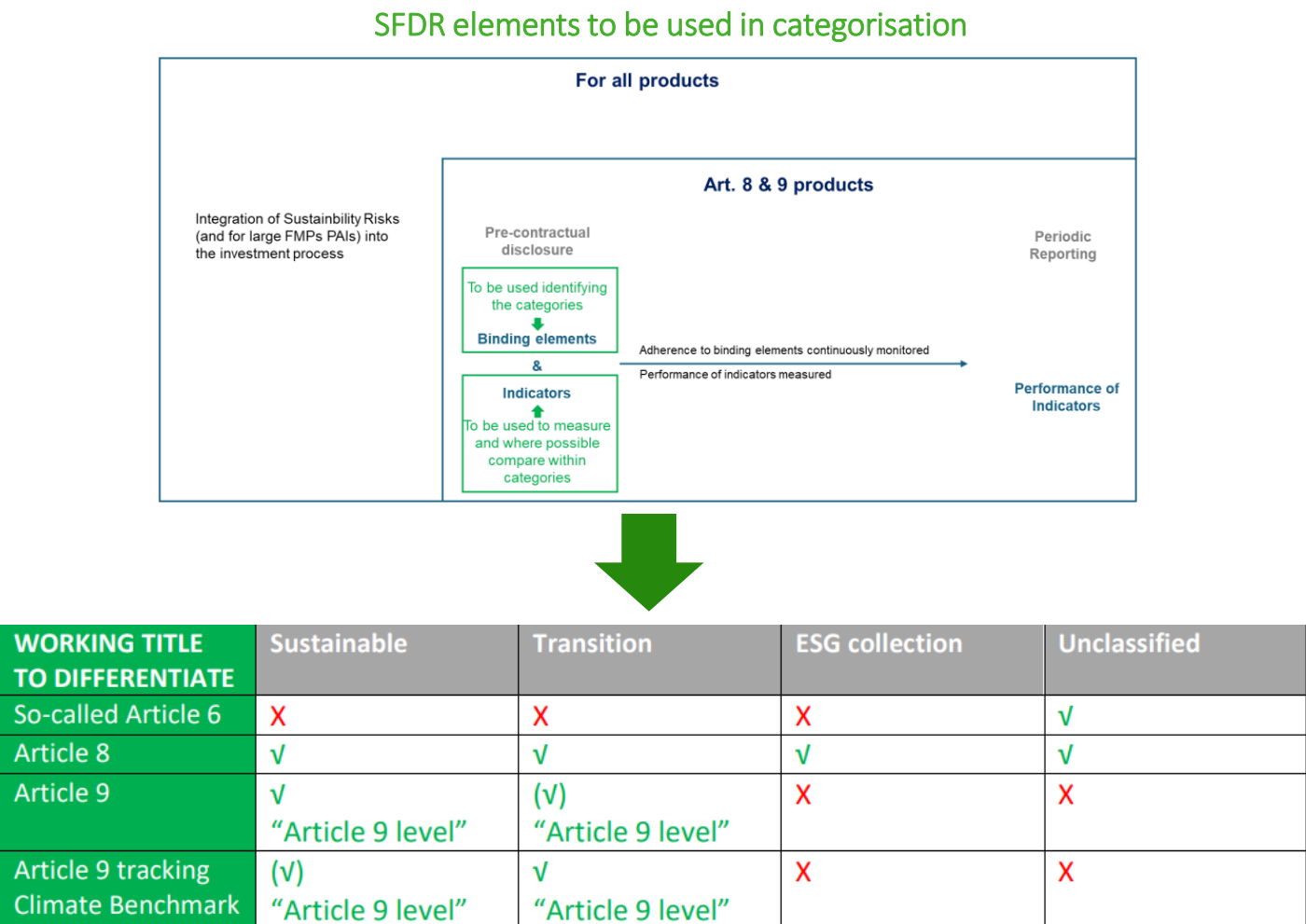
1. GAR: Green Asset Ratio

Connection between the EU Omnibus regulation and SFDR



SFDR 2.0: A proposal of categorisation scheme of Products under the SFDR

This categorisation of products should reflect the sustainability strategy employed in constructing each financial product.



Strategic 'No Regret Moves' OR Strategy: Accelerating Growth Through Sustainability

No Regret Moves for Wave 2 or Entities Expected to Fall Out of Scope

As others hesitate, companies committed to Sustainability will gain a competitive advantage. Climate inaction remains a critical financial risk, with extreme weather, supply disruptions, and resource scarcity set to intensify. Pressure from investors, banks, customers, regulators, and employees will continue to grow.



Sustainability Strategy

- Analyse FY24 reporting by comparable industry and sector organisations to identify key impacts, risks, and opportunities and understand priorities for peers, suppliers and customers.
- Consider conducting a DMA, DMA-light or alternative sustainability strategy assessment and collaborate with your assurance provider to review and identify remediation gaps.
- Leverage DMA insights to inform your strategic direction, including obtaining limited assurance report on a voluntary basis.



Climate

- Explore qualitative/quantitative climate scenario analysis.
- Climate mitigation and adaptation remain core risks and opportunities.
- Develop GHG Inventory.
- Formulate a qualitative climate transition plan.
- Enhance energy management while encouraging suppliers to use renewable energy solutions.



Nature & Biodiversity

- Enhance internal biodiversity and nature-related capabilities, e.g. training.
- Consider performing a high-level biodiversity impact assessment.
- Review alignment possibilities with the TNFD framework.



Policies, Action and Targets

- Focus on key policies related to climate, workforce, and governance that support information requests from customers and suppliers
- Establish a process for setting targets in key areas like climate and workforce while assessing if these targets remain a strategic priority.
- Explore transitioning to more energy-efficient, renewable solutions to identify potential cost savings.



Disclosures

- Evaluate voluntary reporting standards and frameworks and peer practices to inform approach to non-financial reporting.
- Align on reporting strategy for FY25+ including earning trust by obtaining independent sustainability assurance.
- Consider an EU Taxonomy eligibility activity assessment to confirm KPIs in scope based on Omnibus materiality thresholds.



Data, Process & Controls

- Evaluate data, processes and controls for significant non-financial metrics where there remains strong stakeholder interest or other regulations, including Scope 1 & 2 emissions, Gender Pay Gap, and Adequate Wages. Consider obtaining independent limited assurance on such data.
- Build metrics into internal management reporting to build awareness and alignment
- Enhance data control and validation systems



Digital Enablement

- Explore options to automate ESG disclosure management processes.
- Develop a strategic digital architecture to enable long-term ESG goals.
- Consider establishing digital architecture aligned with sustainability objectives.
- Create a unified sustainability platform for comprehensive reporting.



Operating Model

- Review and assess the current sustainability operating model in alignment with broader strategic ambitions.
- Continue defining roles and responsibilities clearly across Finance, Sustainability, and other relevant business functions.

Reminder of main changes proposed by the Omnibus package

Status and looking to the future

'Stop-the-clock' directive:

- A mechanism to postpone **by two years** the entry into application of the CSRD requirements for (wave 2-3) large companies that have not yet started reporting, as well as listed SMEs
 - ✓ **Approved** by the Council, the April 14, 2025

Reduction of the scope of reporting companies:

- The reporting requirements would only apply to large undertakings with more than **1000 employees**

Revised reporting standards:

- The **EFRAG** has been tasked by the European Commission to provide **technical advice** for the **simplification of the existing ESRS**
- **Sector-specific standards** requirements would be removed

Changes to the European Taxonomy:

- The Taxonomy reporting would be **voluntary** for companies with a **turnover** below **EUR 450 million**
- The **reporting templates** and **criteria** would be streamlined and simplified with a 70% reduction of data points
- A **public consultation** on the proposed amendments closed on 26 March 2025

Proposed voluntary standards:

- For companies no longer in the scope of CSRD the European Commission would adopt a **voluntary reporting standard** based on the standard for SMEs developed by the EFRAG in December 2024 (VSME)

Overview of the Voluntary Standard objectives

Why should entities not in scope of CSRD report voluntarily



The voluntary reporting standard has been developed by EFRAG¹ to help companies outside the scope of CSRD achieve the following:



Provide information that will help satisfy the **data needs of large undertakings** requesting sustainability information from their suppliers



Provide information that will help satisfy **data needs from banks and investors**, therefore helping undertakings in their access to finance



Improve the **management of the sustainability issues** they face



Contribute to a more **sustainable and inclusive economy**



Gain a **competitive position** and an **enhanced reputation among consumers**



Better access green markets, including green public procurement



Increase awareness of **ESG aspects** and related risks



Improve **employees' satisfaction** and **talent retention**

Understanding what to report under the Voluntary Standard

Depending on the size two reporting module options (basic/comprehensive)

The Voluntary Standards allows for two reporting options:



The Voluntary Standard and the optional double materiality approach :

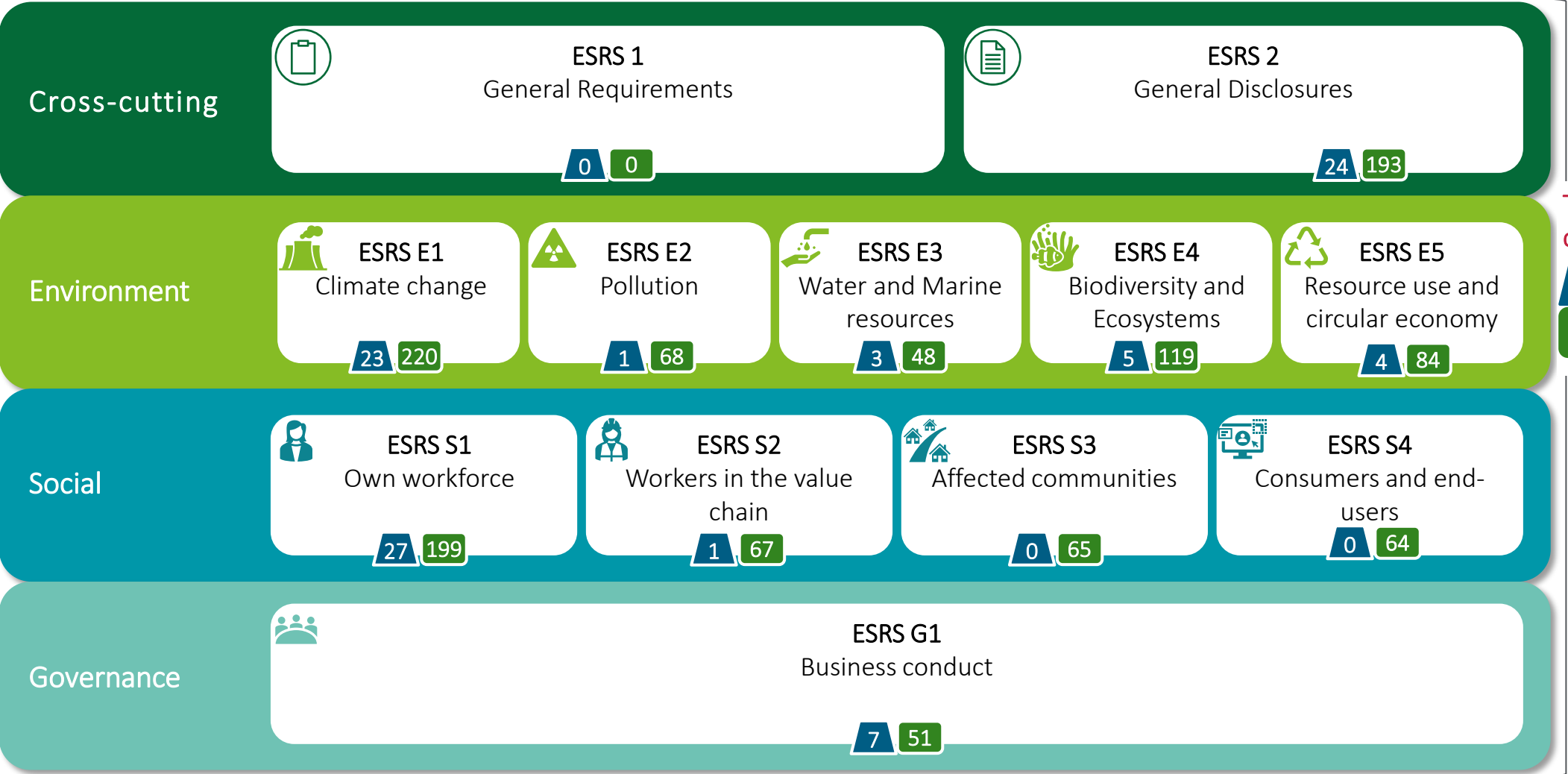
- Impacts of the company on people & the environment
- Impacts of people & the environment on the company’s financial performance

From the initial list of data points that companies must report on, some may not be disclosed due to:

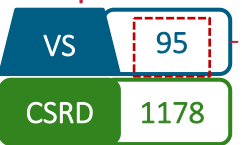
Lack of applicability	For instance, companies involved in the provision of services are typically excluded from disclosing information on “Pollution of air, water and soil”
Employee threshold	For instance, the “employee turnover rate” is only required to be disclosed by companies with over 50 employees
Confidentiality	Certain disclosures may be omitted if they involve classified or sensitive information

CSRD vs Voluntary Reporting standards datapoints

A significantly reduced scope



Total number of data points:



The data points are **mainly quantitative**, and **most of the data** is typically **already collected** by companies, e.g.:

- energy consumption
- average annual training hours per employee
- gender diversity ratio of the governance body

The European Accessibility Act (EAA)

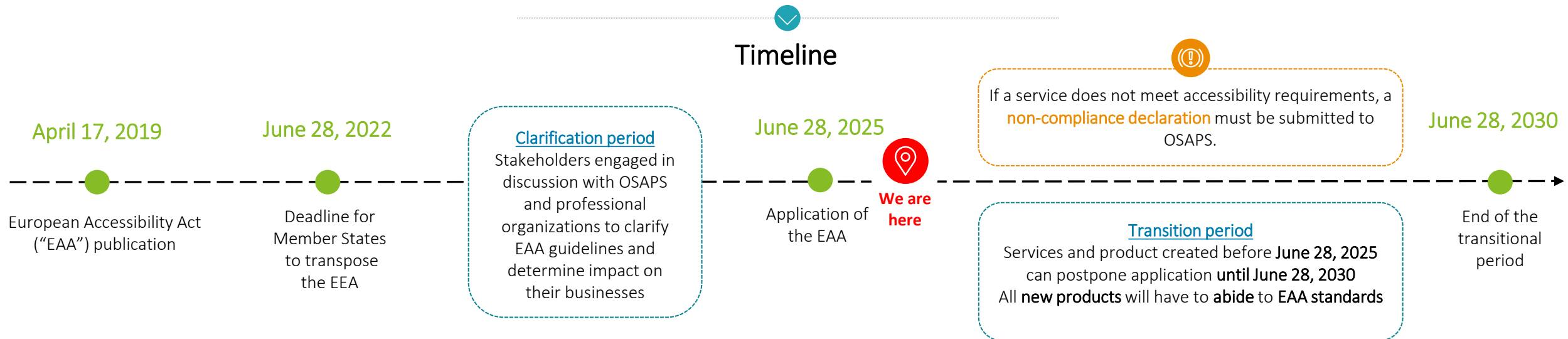
Overview

The European Accessibility Act (EAA)

Overview and timeline

What is the EAA?

- Why** → Enhance accessibility and inclusion for individuals with disabilities
- How** → Promote universal design principles, fostering innovation and a more inclusive economy
- Who** → Any entity offering products and services to consumers in the EU market. E.g.: online banking, payment terminals, ATMs, etc.
- When** → Businesses must comply by June 28, 2025
- Where** → All businesses that operate with the European Union Common Market need to abide by the new rules imposed by the EU



Key accessibility principles recommended by the EAA

Maximize the foreseeable use by persons with disabilities according to the four principles of accessibility

Principle	Description	What can it entail
 PERCEIVABILITY	Information and user interface components presentable to users in ways they can perceive	Providing key information in more than one sensory channels, e.g., real time text conversion of voice communication, or audio description of pictures
 OPERABILITY	User interface components and navigation cannot require interactions that a user cannot perform	Checking each product and service can be accessed and utilized, e.g., with multifactor authentication not relying only on visual controls, or with keyboards in braille display
 UNDERSTANDABILITY	Information and the operation of the user interface must be understandable	Providing information in a clear manner, in a B2 (upper intermediate) language level, e.g., when describing the service or when sharing form filling instructions
 ROBUSTNESS	Content must be robust enough to be interpreted reliably by a wide variety of users	Designing application structure to be easily navigate, e.g., interoperable with assistive technologies generating alternative formats to read the content

What comes next

Suggested key actions to align accessibility to your strategy

Design your accessibility strategy

1

Design



Perform a gap analysis:

- **Identify** the regulatory requirements set by the EAA which are relevant for your business
- **Conduct** an audit through products and services to assess their accessibility
- **Assess** gap between current state of business and the applicable requirements



Define your **accessibility policy**, evaluate the **proportionality** of the burden to comply, and develop an **action plan** to fill the gaps.



Assess if a **non-compliance declaration** must be submitted to OSAPS.

Implement your accessibility strategy

2

Implement



Implement accessibility design practices: Adapt your products and services to accessibility principles (e.g., review contractual documentation, relevant instructions, online banking and application interfaces, subscription forms, etc.)



Involve users with disabilities: Test interfaces with real users with disabilities and implement a feedback system for improvements

Maintain your accessibility setup

3

Maintain



Trainings: Train your development, content, and design teams on accessibility standards and best practices



Regular monitoring and updates: Regularly review and update digital interfaces to stay compliant, incl. **disproportionate burden** assessment renewal



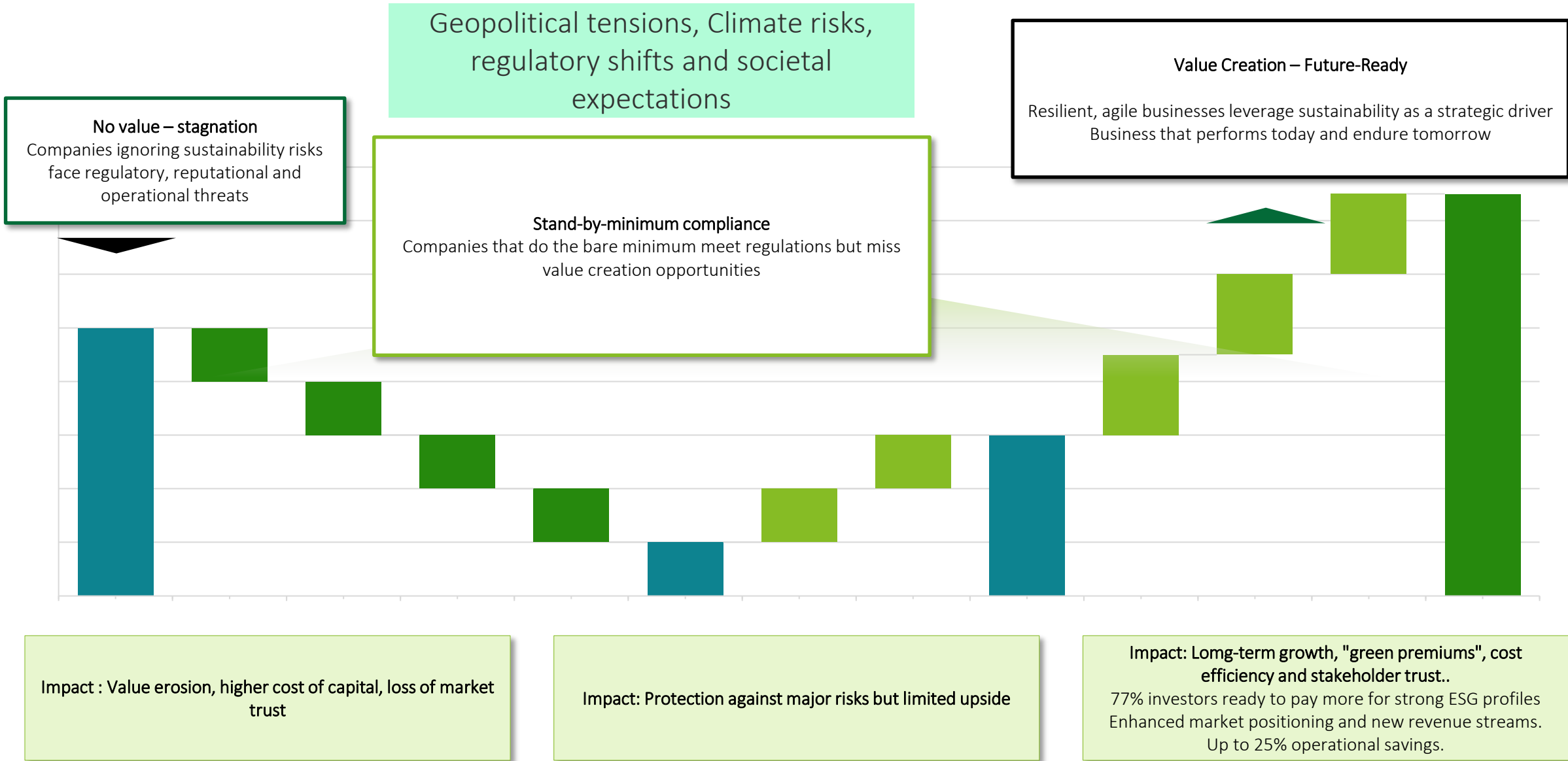
Check our latest article on the topic:

[The European Accessibility Act](#)
[Towards greater financial inclusivity](#)



Navigating Sustainability: The Challenges of Modern Global Disruption

Sustainability as a Driver for Future Performance : Resilience, Innovation and Long-term Value Creation



The step forward of Norges Bank Investment Management (NBIM)

We believe the flow of capital can be one of the most powerful levers for a sustainable transition. Regulation is needed, but capital moves faster and has more impact when it signals clear expectations to companies

NBIM's article turned the Sustainability business upside down.

- A solid sustainable economic, environmental and social development is building companies which will last in the long-term.
- EU policies or global businesses' decision?
- The collaborations will increase between stakeholders if these are engaging towards a zero net target





A long journey ahead of us

"Embracing disruptive changes through sustainable development and ESG principles not only transforms company operations and compliance but reshapes entire industries, ushering in a future where business success aligns with global challenges."



What's next?

***Stay tuned for the 2025/2026
edition starting in September***





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