



*The Future of ESG in Cyprus*  
*What to expect*

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**Founder & CEO, Global Sustain**

# About Global Sustain

**Est. 2006**



## Global Sustain Club

The Global Sustain Club offers to its Members training and capacity building, networking and engagement, consulting, synergies and partnerships along with branding and communication on ESG issues



## Global Sustain Advisory

The Global Sustain Advisory department provides ESG advisory services, training and capacity building to SMEs, corporates, banks, investors, funds and rating agencies in 50 countries across Europe, Asia, Africa, the Middle East and the Americas.



## Global Sustain Technologies

Global Sustain provides digital ESG solutions, which enables companies of all sizes to collect, manage and assess their ESG data to access funding from banks and investors, as well as meet value chain sustainability requirements.

# Regulatory Frameworks & Standards



# The Double Materiality Perspective



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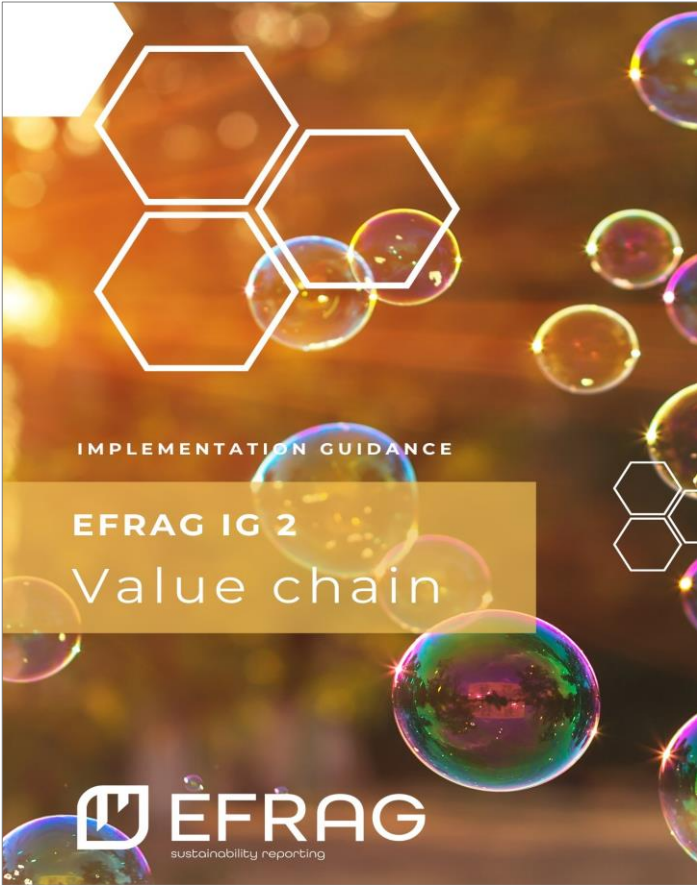


# The Value Chain Perspective



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# CSRD/ESRS Methodologies



**Stakeholders**  
identification  
prioritization  
engagement



**Value Chain Assessment**



**Impacts, Risks & Opportunities (IRO) & Time Horizons**



**Impact Materiality**  
matrix & thresholds



**Financial Materiality**  
matrix & thresholds



**Double Materiality**  
matrix & thresholds



**Sustainability Frameworks Interoperability**  
IFRS/ISSB, GRI, TCFD, SASB, ...



**Time Horizons and Material Issues**



**ESRS Datapoints**



**Sustainability Statement**



**EU Taxonomy Report**




**Assurance Statement**

# EU Directive on CSDD



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	Official Journal of the European Union	EN L series
2024/1760		5.7.2024
DIRECTIVE (EU) 2024/1760 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL		
of 13 June 2024		
on corporate sustainability due diligence and amending Directive (EU) 2019/1937 and Regulation (EU) 2023/2859		
(Text with EEA relevance)		
THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,		
Having regard to the Treaty on the Functioning of the European Union, and in particular Article 50(1), Article 50(2), point (g), and Article 114 thereof,		
Having regard to the proposal from the European Commission,		
After transmission of the draft legislative act to the national parliaments,		
Having regard to the opinion of the European Economic and Social Committee <sup>(1)</sup> ,		
Acting in accordance with the ordinary legislative procedure <sup>(2)</sup> ,		
Whereas:		
<p>(1) As stated in Article 2 of the Treaty on European Union (TEU), the Union is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights as enshrined in the Charter of Fundamental Rights of the European Union (the 'Charter'). Those core values, that have inspired the Union's own creation, as well as the universality and indivisibility of human rights, and respect for the principles of</p>		

# CSDDD – Key Take-aways Alignment with ESRS

---



1. Mandatory Due Diligence on Human Rights and Environmental Impacts
2. Integration of Sustainability into Core Business Practices
3. Climate Change Mitigation and Transition Plans
4. Civil Liability and Enforcement Mechanisms
5. Transparency and Public Reporting
6. Scope 3 Emissions Management
7. Support for SMEs



# How CSDDD and CSRD Interact

## CSRD

- Focus on corporate reporting
- Focus on anti-greenwashing and transparency in disclosures
- Double Materiality Assessment
- Entire value chain

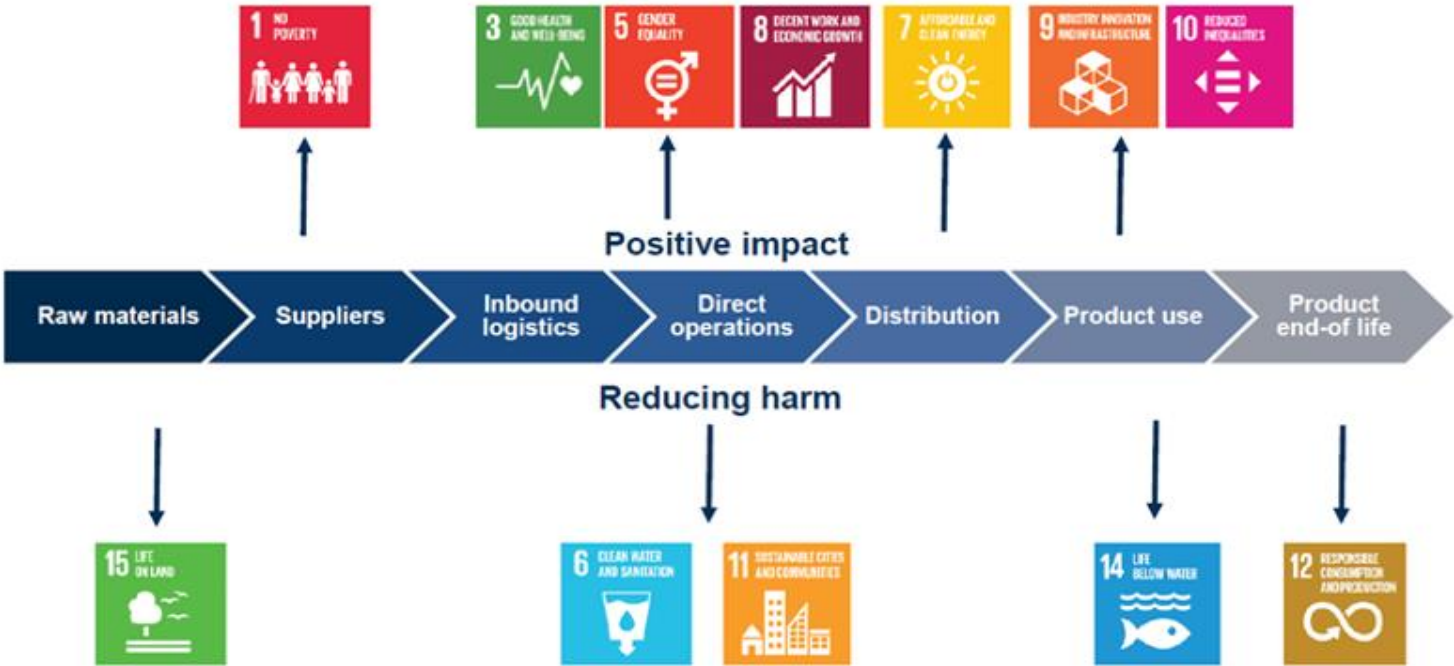
## Compliance with both

- Requires data granularity for supply chain traceability and transparency
- Requires climate transition plan to be in place
- Submission via the European Single Access Point

## CSDDD

- Focus on due diligence processes
- Focus on adverse impacts on the environment and human rights
- Requires mitigation of negative risks
- Chain of activities

# Paris Climate Agreement Sustainable Development Goals



# Top 5 Megatrends to Watch

01

## **Decarbonization and Climate Resilience**

Environmental Impact  
Climate Resilience

03

## **Governance and Compliance**

Regulatory Adherence  
Risk Management

02

## **Circular Economy and Resource Efficiency**

Resource Management  
Product Lifecycle Management

04

## **Social Responsibility and Ethical Sourcing**

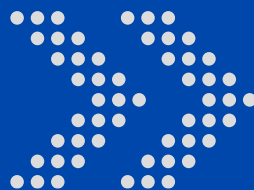
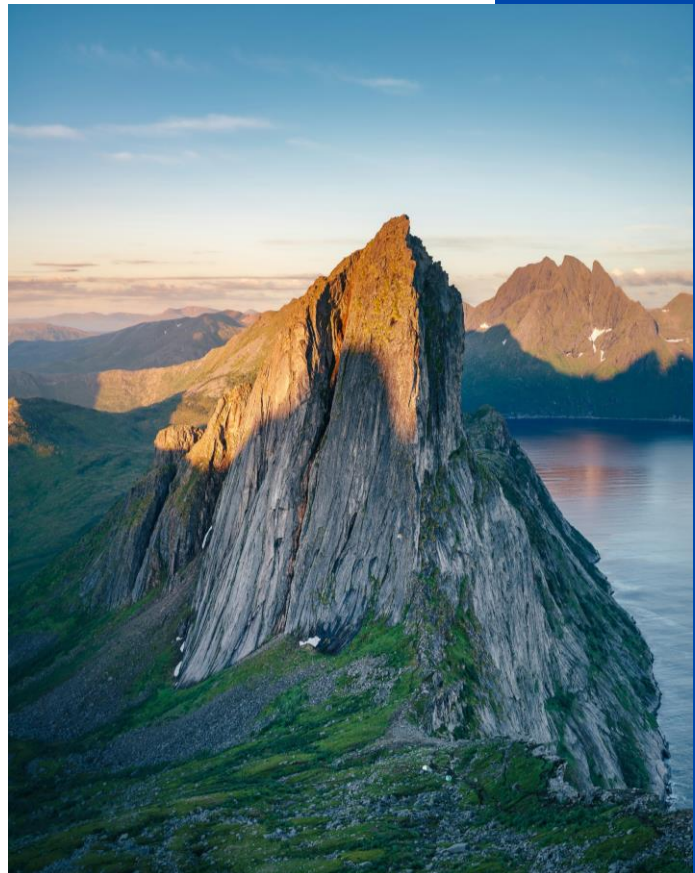
Labor Practices  
Community Engagement

05

## **Transparency and Traceability**

Blockchain, AI, Machine Learning and Digital Technologies, Stakeholder Engagement

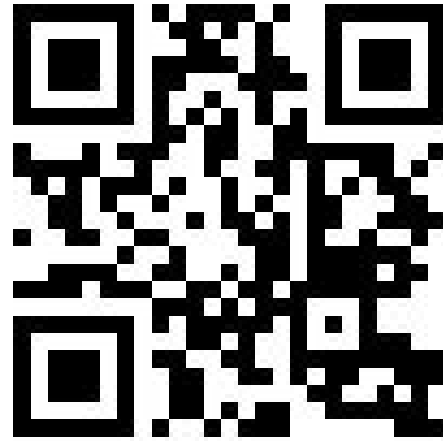
# Recommendations



1. Strengthen Collaboration Across the Value Chain
2. Promote Capacity Building and Education
3. Reassess the Risk Management Function
4. Enhance Transparency and Disclosure
5. Integrate ESG in Strategy
6. Invest in Technology

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GLOBAL SUSTAIN

ESG4ALL



# Key Features



## Data Collection

Data Sources Integration  
Data Requests Automation  
A single point of sustainability source

01



## ESG Assessment

Assign Questionnaires  
Review Responses  
Perform Audit

02



## Reporting

ESRS/CSRD Reporting  
International Standards  
Company Filings & Custom Reports

03



## Supply Chain Assessment

ESG Due Diligence  
Assess & Monitor  
CSDDD Compliance

04

# Users



- Corporate/SMEs ESG Sustainability Departments
- Financial Institutions (FIs)
- Asset Managers
- Asset Owners
- Private Equity Investors
- Holding Companies
- (Re)Insurance Undertakings
- Development Organizations
- Sovereign Funds
- Municipalities & Cities
- Anchor Buyers
- Audit Firms
- Consultants
- Service Providers
- Suppliers
- Individuals

SOFTONE

⌵ Collapse

- 🏠 IRO
  - 👥 Stakeholders
  - 🔗 Value Chain
  - 📊 **Materiality** -
  - Impact Materiality +
  - Financial Materiality +
  - Double Materiality >
  - 📄 Frameworks
  - 🕒 Time Horizon
  - 📄 ESRS Datapoints
  - 📄 Sustainability Statement
  - 🏷️ EU Taxonomy
  - 📄 Assurance Statement
- Support

Resources

Acronyms

Roles

ESRS-AR16

## DOUBLE MATERIALITY

Status ● IN PROGRESS

Submit your data →

### Introduction

Double materiality concept broadens the traditional view of materiality in financial reporting. It considers not only the financial impact of (ESG) issues on a company but also the impact of the company's activities on the environment and society

### Double Materiality Matrix

It is a data visualization that helps to illustrate the most important issues, in terms of Impact and Financial Materiality that the Company needs to address.

Each dot represents an issue and it is placed on the matrix according to its importance for the Company. Select a dot and check on the list below what is it about.



### List of Material Issues

- |                                      |                                      |
|--------------------------------------|--------------------------------------|
| 1. Economic performance and growth   | 2. Traceability of raw materials     |
| 3. Supply Chain Assessment           | 4. Solid and liquid waste management |
| 5. Reputation and risk management    | 6. Information security              |
| 7. Diversity and work-life balance   | 8. Human Rights                      |
| 9. Employee training and development | 10. Business conduct                 |
| 11. Health and safety                | 12. Biodiversity                     |





## SOFTONE

Stakeholders +

Sustainability Topics &gt;

IRO +

Value Chain +

Materiality +

Frameworks &gt;

Time Horizon &gt;

ESRS Datapoints &gt;

EU Taxonomy -

• Introduction &gt;

• Identification &gt;

• Eligibility &gt;

• Alignment +

• Report on KPIs +

Support

Resources

Acronyms

Roles

ESRS-AR16

## EU TAXONOMY introduction

Alignment →

Status **IN PROGRESS**

## Introduction

In the context of ESRS, Taxonomy refers to the classification of company's economic activities.

So in this module you will need to assess the Taxonomy Eligibility and Alignment of your company's economic activities.

## → Steps of Assessment

- **Identification:** Map out company's economic activities you will assess in terms of Taxonomy Eligibility
- **Eligibility Assessment:** Evaluate if the identified activities contribute substantially to one or more of the six environmental objectives of the Taxonomy.
- **Alignment Assessment:** Evaluate if the identified eligible activities meet the following criteria to be considered environmentally sustainable.
  - a. TSC Check
  - b. Do No Significant Harm (DNSH)
  - c. Minimum Safeguards
- **Report on KPIs:** report the proportion of their turnover, capital expenditure (CAPEX), and operating expenditure (OPEX) that is associated with taxonomy-eligible and taxonomy-aligned activities.

## → Assessment final outcome

Based on the above process, you will define which of your company's activities are taxonomy eligible and aligned and thus can be considered environmentally sustainable.

Continue the Taxonomy Eligibility Assessment following the steps below.

Activity  
Identification

Start Identifying →

Eligibility  
Assessment

Start Assessing →

Alignment  
Assessment

Start Assessing →

Report  
on KPIs

Start Reporting →

SOFTONE

## STAKEHOLDERS engagement

Status **IN PROGRESS**

Set the Threshold

Next step →

Stakeholders +

Sustainability Topics >

IRO +

Value Chain +

Materiality +

Frameworks >

Time Horizon >

ESRS Datapoints >

Sust. Statement >

EU Taxonomy >

Assurance Statement >

Support

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Roles

ESRS-AR16

### IDENTIFIED STAKEHOLDERS

Employees >

Shareholders

Investors

Suppliers

Customers

Local Community

Pending >

### STAKEHOLDER QUESTIONNAIRE

Table view



1. Are employees affected by your business activity?

YES  NO



3. Will employees participate in Double Materiality Assessment?

YES  NO



4. Will employees participate in interviews?

YES  NO



5. Will employees participate in Focus Groups / Roundtables?

YES  NO



6. Will employees participate in surveys?

YES  NO



## SOFTONE

 Stakeholders + Sustainability Topics > IRO + Value Chain + Materiality + Frameworks > Time Horizon > ESRS Datapoints > Sust. Statement > EU Taxonomy > Assurance Statement >

Support

Resources

Acronyms

Roles

ESRS-AR10

## VALUE CHAIN ASSESSMENT

Status **IN PROGRESS**

Get list of operations

Next step &gt;

## ESRS TOPICS

 Environment > Society > Governance > Pending >

Select each topic **"Environment"**, **"Society"** and **"Governance"** and the respective subtopic to find the Operations list.

“Making ESG accessible  
to all with Innovation  
and Technology”

# Thank you.

**Michael Spanos**

*Founder & CEO*

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