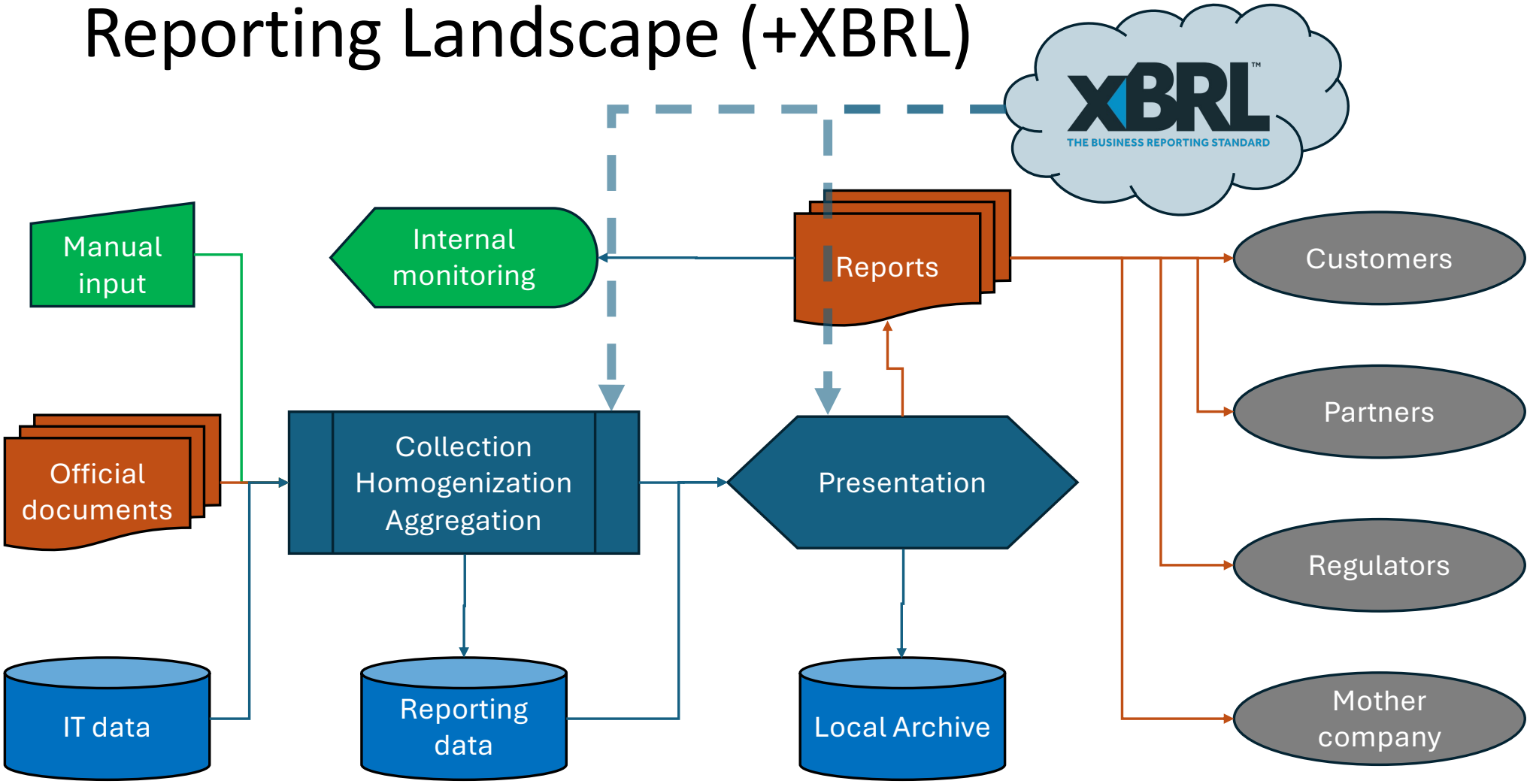
Big picture - Merge ESG and finance in CSRD

- Current situation
  - Sustainability: NFRD/CSDDD (EU) -> ESG Law (HU)
  - XBRL (EU ESEF): finance, internal or external consultants
  - Limited custom reporting: country, company hierarchy, supply chain
- Reason: DMA theory, reuse XBRL tools, but…
  - XBRL: issues known in finance, expensive solutions/support
  - ESG domain: already complex, evolving knowledge
  - Reach: wide, unprepared audience with Scope 3 / supply chain oversight
- Practical challenges
  - What data to collect? (combine established systems with missing input)
  - How to process? (complex formulas, missing practices, auditability)
  - Moving target (ESRS/national concepts and dimensions)

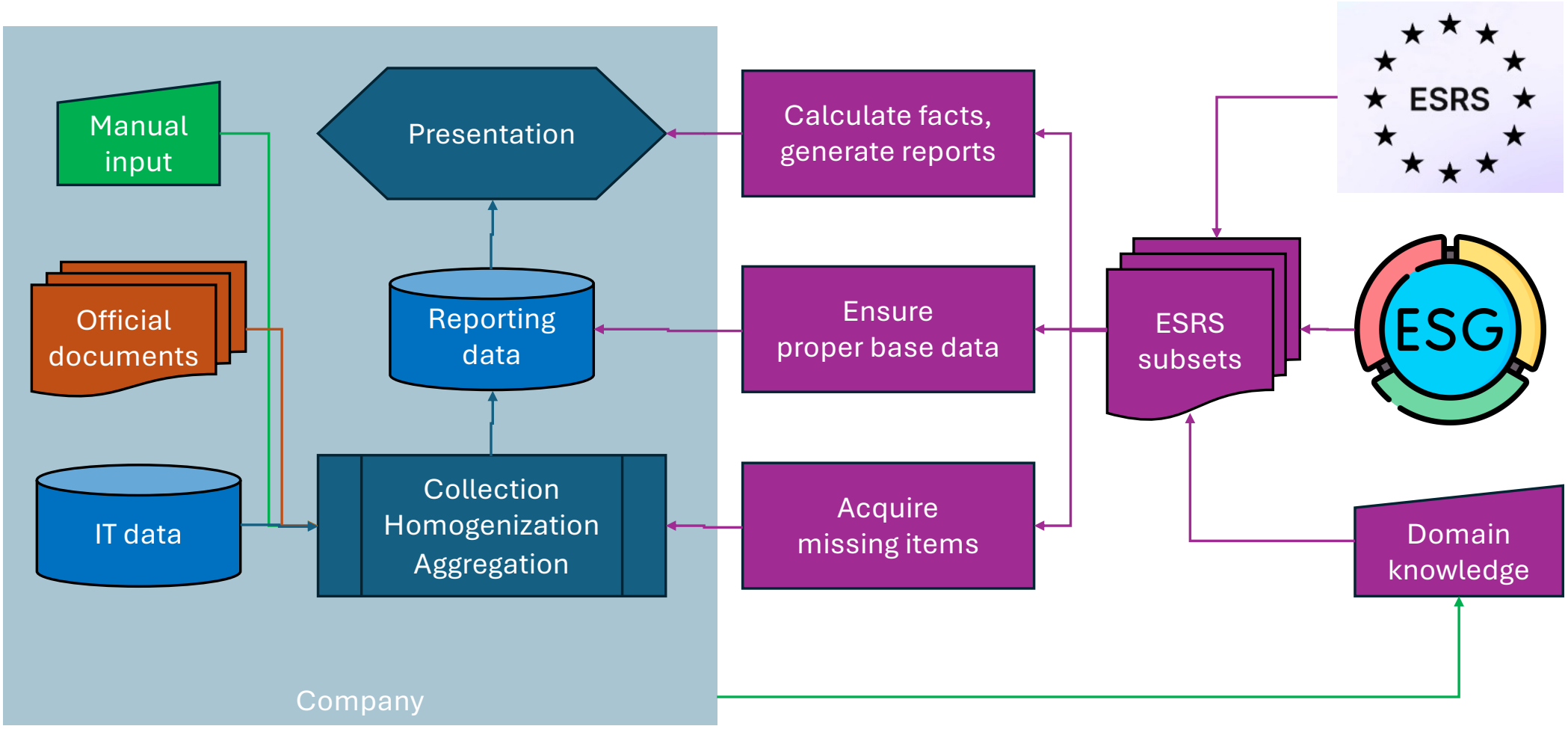
Reporting Landscape (+XBRL)



Scope 1, 2

- Relevant taxonomy subset identification -> target dataset
  - ESRS reporting requirements, taxonomies
  - General ESG knowledge + consultancy
  - Client business domain + general aspects
- Data acquisition and calculation -> reporting process
  - Review existing reporting / source data, ensure total coverage
  - Policies and formulas to generate XBRL facts
  - Generate primary XML reports and optional custom exports
- Documentation, trainings
  - Mandatory for audits, helps in business partner / customer relations
  - Essential for policy changes, assuming many in the first years
  - Improve internal knowledge (following changes, using results in planning)

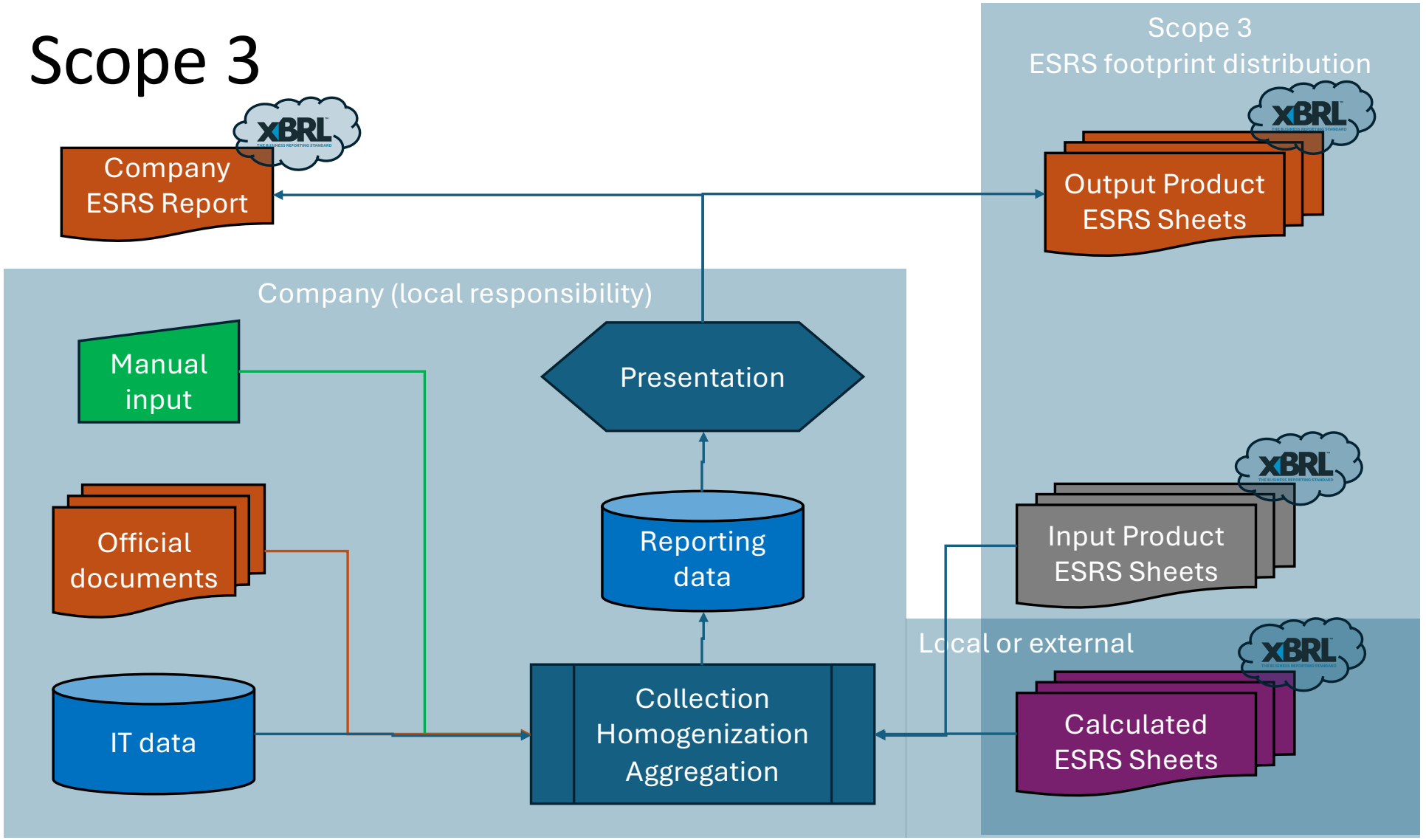
Scope 1, 2


Manual input
Official documents
IT data
Presentation
Reporting data
Collection
Homogenization
Aggregation
Company
Calculate facts, generate reports
Ensure proper base data
Acquire missing items
ESRS
ESRS subsets
ESG
Domain knowledge

Scope 3

- Separation of responsibility levels
  - **Total**: Scope 1, 2 + outgoing products ESRS property sheets (EPS)
  - **Trusted**: accepting EPS from suppliers
  - **Best Practice**: calculated EPS for incoming products and services
- Application
  - Identify the responsibility levels, Total and Trusted components
  - Create Best Practice EPS (in house or consultancy)
  - Use EPS data in the company report and EPS generation formulas
- Best Practice improvements
  - Switch to Trusted EPS when it becomes available
  - Keep looking for policy changes, update calculations
  - Or: outsource this task to consultants / expert groups

Scope 3


Scope 3
ESRS footprint distribution
Company ESRS Report
Output Product ESRS Sheets
Company (local responsibility)
Manual input
Presentation
Official documents
Reporting data
Input Product ESRS Sheets
Local or external
IT data
Collection Homogenization Aggregation
Calculated ESRS Sheets