

Interview_09

- 1 0:0:0.0 --> 0:0:3.130
Parth Sharma
Yes, it works now. Yes.
- 2 0:0:3.140 --> 0:0:6.490
Parth Sharma
So the first question is around like let's say the first quadrant.
- 3 0:0:6.500 --> 0:0:17.620
Parth Sharma
When we talk about companies, internal resources in the present times, So what are the internal resources they can leverage to implement economy and suicidal regulations?
- 4 internal resources
So I guess from my experience what we will leverage was, **but we did as mapping the existing data.**
- 5 So we really tried to, **I mean you need an IT system that is able to extract data that are aligned to taxonomy and CSRD.**
- 6 0:0:37.660 --> 0:0:44.270
Interviewee_09
But the first step is to already **assess what is available, so I guess you can leverage the available data in the reporting tools.**
- 7 So I guess the data and the reporting tool itself, maybe the reporting tool they have can be used to develop or like be restructured towards taxonomy and CSRD.
- 8 I guess another one is the people they have that work on this data and this reporting and the relationships that have.
- 9 Umm yeah, that's the only decided 2 main points I would say of what already exists in the company.
- 10 0:1:16.930 --> 0:1:25.30
Parth Sharma
11 Since and then and if you move to the second quadrant, what are the resources which they can use?
- 12 0:1:26.100 --> 0:1:39.720
Interviewee_09
External UM, well, if I think on CSRD, sometimes **they ask you about value chain data so they can use publicly available data on their suppliers. Uh, if they have good relationships like long term trusted relationships with their suppliers and subcontractors, they can use that relationship to gather data for their reporting.**
- 13 Yes, I would say publicly available information and then use their relationship with external third parties to gather information and also work towards better disclosure together.
- 14 0:2:11.700 --> 0:2:16.910
Parth Sharma
And uh, so like from your experience, how are companies?, how can company, let's say, collect data from this suppliers and this and the supply chain? Is there some approach which the companies usually use?
- 15 0:2:28.630 --> 0:2:30.870
Interviewee_09
I haven't worked a lot on the topic.
- 16 I'd say you can either do to the Germans criteria.
- 17 So in your procurement phase you in the contract you request certain types of information, UM, that seems the easiest because if it's set in the contract they are and they have to give it to you, if it's for existing suppliers, **best to have good relationships and ask for it.**
- 18 And if not **publicly available information is the last resort.**
- 19 If you have access to nothing else.
- 20 0:3:11.510 --> 0:3:22.320
Parth Sharma
Uh, and do you also see, like, uh, it just came in to my mind that is IT consulting also

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uh something which will be helpful for the companies. Like there's one consulting which, like Ramboll, does in sustainability consulting. So it has the knowledge of the domain in journal and it can impart it to the companies. But then there is our IT consulting forms which can help the companies to integrate their different IT systems together. Is it something which companies usually look into?

21 0:3:43.40 --> 0:3:48.450

Interviewee_09

Umm yeah, I'm I only have one taxonomy project experience, but it has actually one of the main issue. It's a company that used to be state owned and that has really old IT systems that are not integrated and they are. I mean it's internally so they don't have it consultants, they have IT teams in the different units that we're working together to go towards one reporting system where data can be organized also to be extracted for this type of reporting. So I guess it depends on the company.

22 If it's a big company with their own IT team, probably.

23 If a consultant like Ramboll defines what is needed, then the internal IT team can work on it.

24 But for companies that don't have as strong IT team, I guess IT consultants can do the job.

..FW-Quad 2

25 0:4:35.100 --> 0:4:44.30

Parth Sharma

And like when the companies have these different IT teams and they need to club them together into a common thread, I would say so. How do they do it usually?

26 0:4:47.100 --> 0:4:47.710

Interviewee_09

I don't know. I was not involved in that process, but I know it's uh, it was quite a quite a hassle.

27 0:4:53.760 --> 0:4:54.40

Parth Sharma

OK.

28 0:4:54.410 --> 0:4:58.90

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Umm, but I don't know how to do it to integrate it or together.

29 0:4:58.940 --> 0:4:59.180

Parth Sharma

OK.

30 0:5:1.850 --> 0:5:6.700

Parth Sharma

How do you see it happening in the future after the CSRD and EU taxonomy has been implemented into the company the first time? How can they keep on doing it again through available internal resources?

31 0:5:20.640 --> 0:5:45.70

Interviewee_09

What I think they have to work like from my little experience, once they've done the exercise once, this allows to highlight the data gaps because from what companies you have to do so many assumptions at first because I just don't have the data either at all or ready to use or they don't know where to find it because some big companies data is all over the place.

Random information

..FW-Quad 3

Random information

32 And so I guess work on the data mapping so work on the structure, the tools, the reporting tools to really integrate have a clear structure for data storage and to retrieve them easily. Then if they want for taxonomy, if they want CSRD as well. If they want to improve their reporting on the topic, the **first reporting allows to flag where there is a lot of room of improvement or not**. So I guess it can help define priorities for improvement. UM, so yeah, I would say on the data side, improve data collection and structure and storage and on the company core business work on the the points that need to be worked on according to the reporting.

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- 33 But I it's it's hypothetical I.
- 34 0:6:42.980 --> 0:6:44.200
Parth Sharma
Yeah, that's, that's for sure.
- 35 And then are there some external resources which will be helpful for the companies in the long run after they have implemented CSRD and you?
- 36 0:6:59.270 --> 0:7:2.280
Interviewee_09
But I mean implementing it is not a one time thing, right? They have to, uh.
- 37 Keep reporting on it. So I think, but complementary to what I said, they have to work on the internal data structure, but then they also the first time doing the reporting allows to highlight external data that is missing. So I guess working on their procurement strategy to integrate the data they need to be able to have a more transparent reporting with less assumption, but in more real numbers, yeah, that's the main point I see.
- 38 0:7:38.850 --> 0:7:53.330
Parth Sharma
And OK so after yeah and from experience, can you like highlight some potential IT specific pitfalls like some problems which are short short which companies will face in this area?
- 39 0:7:55.150 --> 0:8:2.530
Interviewee_09
And as I said, except like the only little insight I have is that this company had different IT systems for different units in the group. And they had to report on a group level and it was really a struggle to gather data and especially the same level of detail because some units would go really into details for type of data. But then some other companies of the group would have no detail. But then you have to report as a group and so to put all of it at the same level is really a hassle. Uh, so I guess this and it's this is linked to IT, right?
- 40 Because they had different IT systems. So I guess really ensuring the IT system is consistent throughout the company. Uh, the data is inserted and uh saved. There is also consistent and then I assume. I think it's maybe already the case some systems are being developed towards like to be structured to be easy to use for this type of reporting. **So if you change IT system, I would strongly recommend a company to keep this in mind and at least take a system where you can integrate this kind of reporting, because in the future it's gonna be mandatory.** So you might as well anticipate.
- 41 0:9:20.540 --> 0:9:37.320
Parth Sharma
And uh talking about like these teams, which usually work on implementation of CSRD in the companies, what are the potential competencies or I would say like which departments should be part of these teams, like people's background?
- 42 0:9:39.590 --> 0:9:41.870
Interviewee_09
I don't think it's in terms of background. I would say it's mostly about human skills. You need to get. You need to get info and data from a lot of people from pretty much all departments, so I think you need somebody that is that knows the company really well. Uh so knows where to find the key people to get which type of data, and that's our well connected within the company.
- 43 For me, I think the only project I did that was like the two projects, one on taxonomy, one on CSRD, the key was that the project manager was well connected throughout the company. And when we send the, they gave us a name for this type of data we connect we contacted the person, say we contacted and we got the name from this one person and you gotta answer right away. And this opened a lot of doors. And so I think if they do it internally, it has to be a person that is well connected as a good overview and knows which strings to pull to get what they need, yeah. So it's mostly human. Human skills like human relationship skills. Obviously you need to understand you need to know what's needed, but I don't think you need a lot of technical competencies.
- 44 60 --> 90
Parth Sharma
OK, interesting.

Team formation for EU Taxonomy

Random information

- 45** 30 --> 80
Interviewee_09
I mean, you do need some reporting competences, right? And you need to understand what is required from you.
But once you have a standardized approach, the most important like the the trickiest parts seem to be data collection and you need. You need the people to collect the data. So on top of the obvious, let's say it's not the only one, but on top of the obvious, I would say we sometimes underestimate the human aspect of it.
- 46** 70 --> 40
Parth Sharma
And like from my experience like you taxonomy it's is it super technical as compared to CSRD like which one would you say is more? Technical and it's formulation or demand.
- 47** 10 --> 80
Interviewee_09
Umm, it's very different. Uh, especially if you talk about manufacturing the taxonomy has manufacturing. I have not digged into a industry level CSRD so I can't really compare so I cannot tell you about the technical requirements. I guess taxonomy is smaller than CSRD less requirements probably, but I don't know. But I think obviously understanding the business, know where you're located in the value chain and in the two directives and then?
- 48** 00 --> 80
Parth Sharma
And do you think like this framework when when you talk about a large companies and we when you talk about SMEs, will this differ somehow?
- 49** 10 --> 00
Interviewee_09
- 50** I mean, there's the study we did with Interviewee_06 last summer. My first contact with the EU taxonomy and it was focused on the applicability to the SMEs and big large groups. Struggle. Uh, so for SMEs? UM, it's not not possible.
- 51** Uh, if we need, like, if large companies struggled in understanding it, uh, they often have the means to hire consultants and do the job for them. SME's don't, so I think it needs to be more accessible for SME.
- 52** More transparent with a clear KPIs. And so on all levels. They don't have their internal resources like large companies do. They don't have the same leverage on suppliers has for external aspects. They don't have the same leverage.
- 53** Like if small companies buying from a big company who are there to ask for data, you know when it's a large group asking to another large group where a large group asking to assume they have **way more leverage because they probably represent a larger part of their and turn over**. So I think, uh yeah, I think there should be. There's not. If there can be, I think there should be a difference.
- 54** 0:14:7.600 --> 10
Parth Sharma
And when we talk about SME, do you think what are the good resources they can use because their access to the external resources will be very limited. How can they optimize their internal systems to better integrate with CSRD? I mean, as a means is quite a a broad term, right?
- 55** 20 --> 10
Interviewee_09
- 56** You can be a small startup with four people and you you also do have quite big estimates with internal processes, so I guess it really depends on where you are. Like big companies with processes and stuff where they need to like similar to large groups, really ensure that the data is flowing, that it's stored in a good place. If it's that is well categorized and easy to retrieve small companies I think would have less issues for the available data, but I think they would have a lot of issues in having this data available at all because not a lot of small startups do their carbon footprint.
- 57** For example, like the would often not have it at all, so that's not about retrieving the data, it's about having the means of paying a consultant to do that for you. Do the carbon

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- footprint or do the value chain analysis? Uh, so depending on the size, I think it's really a resource issue. Yeah, access to data, all resource issue, or both.
- 58 20 --> 90
Parth Sharma
Interesting and Can they do something to handle this dilemma once problem?
- 59 10 --> 40
Interviewee_09
Uh, I don't think.
- 60 I don't think companies should do something. I think the European Union should offer them support or solution, a simplified tool, guidance, support, something like that, because on the company side they're just subject to the regulation. It's not like they can change it, and I think the issues are really within the regulation. The regulation is too broad too demanding for small companies and too hard to understand as well. So I don't know.
- 61 If on the company side I'm are, we don't see what they can do except try their best. Not sure, not sure where it brings them.
- 62 50 --> 20
Parth Sharma
Yeah, I can imagine. And I think you is also bringing out a alternate version of CSRD which is SME specific. I suppose in the coming years. So that should be something to watch out for. Maybe for the SME?
- 63 80 --> 70
Interviewee_09
Yeah, that's very good because I know for, I don't, I haven't look into CSRD as much, but I know for the taxonomies was a big issue from our study a few months ago.
- 64 0 --> 0:17:8.420
Parth Sharma
But I think for the EU also they have released recently, I think last week or something, the other four uh objectives and they have included new sectors like manufacturing as well in it. Yeah. Do you see some implications of the like of these six new objectives on the manufacturing?
- 65 00 --> 0
Interviewee_09
I haven't read them yet. It's on my To Do List so I I really can't help you on that.
- 66 10 --> 70
Parth Sharma
OK, OK, that's fine. Uh, so yeah, this is on the left side. You can see like the embedded perspective of sustainability, which is there. So we have the society and then so we have the environment which has the site integrated in it and then we have the businesses. So I think have you have you come across this embedded view before?
- 67 30 --> 60
Interviewee_09
I've seen other versions of it. Uh, yeah, I I know the concept.
- 68 60 --> 80
Parth Sharma
So like the business cannot exist without society, and a society cannot exist without environment. So it's a codependence relationship between each level of it. So I tried to replicate this to CSRD in taxonomy specific problems. So I like in the place of business I have the green companies like there's the company which is adding to the compliances. So this is dependent upon the green team.
- 69 Let's say this is the team which is responsible from implementing CSRD in in the company. So it cannot exist without the team and the team cannot make these reportings without an IT system or IT infrastructure in place. Does this make sense to integrate them together?

Random information
EU critism on EU taxonomy and

Cake model

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- 70 30 --> 00
Interviewee_09
I think it does.
- 71 I just think right now I think a lot of companies do have a green team and do reporting without having the adequate IT systems, but it's definitely, I would say it could be a key. I don't know if it cannot exist without the IT system, because I think it does right now, but I think ideally having the adequate IT system is a key success factor and it really makes it more efficient if you know what I mean.
- 72 So I think it makes sense, **but I would not go so far to say it doesn't exist without it because** it, I mean they do have IT systems not adapted to the needs the current needs. Uh, and they're making it work. Not saying it's efficient, not saying it's done good, but so I think it's it's good like this just for the phrasing. **I would not say cannot exist without it.** Just say like did it. System is the solid basis for supporting or rest more than the existing factor.
- 73 I do that.
- 74 50 --> 0:20:0.90
Parth Sharma
But like the for the first, uh reporting of CSRD will happen in 25, right? So when that when that happens, companies need need to do the digital tagging thing as well as revalidation of data, right? Like they have to have an option where they can click and go and go and verify data through them. Sources.
- 75 30 --> 00
Interviewee_09
Not sure.
- 76 60 --> 50
Parth Sharma
Do you think that would be possible without an IT system or something?
- 77 60 --> 90
Interviewee_09
No, you're right.
- 78 I was thinking more of the taxonomy. And taxonomy, they do it. But for the CSRD and there's this mandatory tagging, so this is more constraining on the IT side, but it's also really short term when you think of it, all companies gonna be ready on the IT side, it sounds like uh, a really optimistic approach, but no you on the CSRD, I would agree more on the taxonomy.
- 79 I would say it's best, but it still happening so far in some companies without it.
- 80 Parth Sharma
Yeah, makes sense.
And uh, yeah, I think that was the last question which I needed to ask.
- 81 0:21:8.550 --> 10
Parth Sharma
Do you have any more inputs for my projects which would be helpful or some resources which you think can help?
- 82 20 --> 00
Interviewee_09
I honestly even worked on the topic the last few months, so I'm not up to date and but no, I think I gave everything I knew I mean on the inputs I could give you on the topic if I have something coming to my mind, I can always shoot you an email.
- 83 60 --> 20
Parth Sharma
And can you just like briefly share your experience working on the project which you which you mentioned?

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- 84 90 --> 50
Interviewee_09
Which one?
- 85 30 --> 80
Parth Sharma
Uh, the CSRD 1.
- 86 30 --> 20
Interviewee_09
It was for hospital in Belgium and it was a small project. It was a gap assessment, so try to bring the different actors or around the table present them. What is mandatory for the CSRD and try to assess where, if they have data available for all the KPIs where it was, if they had it, and if it was lacking, what kind of kind of quantifying the effort needed to gather that data, they'll have to report.
- 87 Right now, they're willing 26, but and the the one to OK already assess now where they're standing. So yeah, that was the project and basically it ended up being a the result was A and heat map where we said for each mandatory disclosure requirement. Uh, we basically gave a color code to a availability of data and effort to gather.
- 88 The data is not available.
- 89 60 --> 80
Parth Sharma
And repeat the last sentence I your voice just broke.
- 90 20 --> 0:23:8.730
Interviewee_09
So it was a heat map where we listed all the mandatory disclosure requirements and for each one we put a green, orange or red to assess whether the data was available already. And it's not available. We gave another colour code.
- 91 It was also green, orange, red to assess the effort needed to have that data when they need to report umm. And so they could, like, have an easy overview of the effort that they have to go through in the coming years to be able to report.
- 92 70 --> 00
Parth Sharma
And you have also worked on you taxonomy projects right before. Can you share some experience from those projects?
- 93 0 --> 90
Interviewee_09
I I did only one implementation. Uh, I only support that. I provided some support. Uh, I'd say it was really, really hard. It was a group like it was a lot of bureaucracy because it used to be a state company.
- 94 Now it's like 50% owned by the state, but then they added pieces here and there and they all have their own systems and even we were in contact with the consolidation team that has to do the group financial statements and accounting and they were like, I go to people because they are used to contacting people in each unit or each sub or each company of the group.
- 95 And there was really a hassle. Different IT systems. Uh, different contact people, different way of reporting data, different level of granularity. And So what I remember that was the hardest part. And then also defining if there were within the scope of an activity or not, which they ended up being in almost like their core business was not, so they had to report on taxonomy, but their core business was not eligible. So they had like 2% of eligibility.
- 96 So that was really low. Lot of work for not a lot of results. But yeah, that's the only feedback I have. I didn't finish a project so I cannot give you the outcome, but.
- 97 0:25:9.590 --> 00
Parth Sharma

.CSRD Gap analysis/assessment

Random information

Random information

Random information

Team formation for EU Taxon
.CSRD Gap analysis/assessme

- 98 Yeah, it's fine.
- 98 And and what are the biggest problems you saw in respect to the teams working there? So did they had their adequate knowledge about the regulations or did you had to train them or educate them about them? How did it go with that?
- 99 30 --> 60
Interviewee_09
So the the project manager she was in charge of sustainability reporting, so she really knew what was going on. Uh in the teams and we had interviews with different teams and different units. We had to present them the taxonomy and make them understand that it's not the choice like it's a mandatory requirement like they have to, the group has to report on it, so they really need to provide the data and information we need and but there was still a lot of awareness to do, like awareness our campaign and explaining what, why we are bothering them in their routine with our stupid questions. Uh, so I would say sustainability teams are aware direction teams as well because it's a mandatory requirement for them and some of their stakeholders asked them about it. Uh, have you done that? How aligned are you? And so they know it's a strategic point as well. But the operational teams that actually have the data, they have no clue, most of them.
- 100 00 --> 80
Parth Sharma
The data problem and that was the problem.
- 101 0 --> 90
Interviewee_09
No, no. We like had to explain to them they were like, yeah, but why? Why do you want to do that? And we were like, where is not a choice you have to. It's a legal requirement.
- 102 The like, OK. And for when I have too much work, I'm like, OK, but we need this by that date because then it has to be in the annual report. So it was a lot of also kind of convincing people and that's where having the key person that puts you in touch and introduces you, not like the annoying consultants that tries to get data out of them and bother them. Them. But like as someone that tries to help you and be efficient is important. Yeah, makes sense. And other than the people part and the IT systems part, did you face any other barriers or problems when implementing these regulations? No, I mean, as I said, I've taxonomy and didn't really work fully on it and CSRD was just a gap assessment.
- 103 40 --> 20
Interviewee_09
So not really implementation, so I cannot really pronounce myself on that. OK, happy to help.
- 104 20 --> 30
Parth Sharma
Umm, OK, OK, I think that that's all from my end and it was really insightful talking to you and then and yeah.
- 105 --> 80
Parth Sharma
Yeah.
- 106 70 --> 0:28:0.680
Parth Sharma
Thank you for your time.
- 107 0:28:2.600 --> 0:28:3.170
Parth Sharma
Yeah.
- 108 0:28:1.350 --> 0:28:5.620
Interviewee_09
No worries and good luck for your thesis and the last Sprint.
- 109 0:28:3.240 --> 0:28:7.10
Parth Sharma
And yes, yeah.
- 110 0:28:7.110 --> 0:28:9.450
Parth Sharma

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111 Thank you and have a very beautiful summer.

20 --> 70

Interviewee_09

Thank you.

112 50 --> 10

Parth Sharma

Bye bye.

113 80 --> 70

Interviewee_09

You as well. Bye.