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Nykytilakartoitus yrityksen datasfääristä (olennaisuusmäärittelyn pohjana)

Current status of the company's data sphere (as a basis for materiality definition)

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Ohjelma

9.00 – 9.15	Tervetuloa FIBSin ja Knowitin valmennukseen	FIBS & Knowit
9.15 – 9.30	**European Green deal**	Johanna Wallnäs
9.30 – 9.50	New regulations and standards demand new ways of working	
	Have you started to prepare?	Johanna Wallnäs
	Ryhmäkeskustelu	
9.50 – 10.05	Tauko	
10.05 – 10.20	**Deep diving into directive –** from strategy to specific data points	Johanna Wallnäs
10.20 – 10.40	**Changes in the operating model** – are you prepared?	Johanna Wallnäs
	Ryhmäkeskustelu	
10.40 – 10.55	Tauko	
10.55 – 11.10	**Specific standards**	Johanna Wallnäs
11.10 - 11.25	**Data collection**	Mira Malhotra
11.25 – 11.50	Q&A	
11.50 – 12.00	Loppusanat	FIBS

Who are we ?

Johanna Wallnäs

- *Management consultant & Project manager*
- *Specialist in law including the EU Taxonomy & CSRD*

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Mira Malhotra

- *Senior analytics consultant*
- *Experience in financial and economic data*

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Aki Lindberg

- *Service Designer*

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Nandita Wager

- *Senior Business Designer & Management consultant*

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European Green Deal

- New regulations and standards demand new way of working

→ A European Green Deal – The road to a climate neutral block

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- The European Green Deal will transform the EU into a **resource-efficient** and **competitive economy**, ensuring a **climate neutral continent** 2050

- To achieve this objective, massive investments are needed within the European industry

- The EU Taxonomy and Corporate Social Responsibility Directive (CSRD) allows more capital to flow from investors into sustainable projects, assets and companies

- To manage capital, **value-relevant**, **reliable** and **comparable** information about how companies perform in sustainability is needed

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New regulatory frameworks are creating new demands for how to work with sustainability

60 000 companies across the EU will be affected by the new reporting standard

Sustainability reporting will be regarded as being on the same level as financial reporting

The directives and regulations affect all parts of a company's operating model: from data flows and processes to culture, governance, strategy and policy processes

Identify the gaps

Map

Incorporate into the overall strategy

It´s all about transparency

Compliance requirements
Understanding what CSRD and the new standards mean and what requirements they place on the organization is a minimum requirement.

Transparency regulations
The requirements do not equal that the organization must implement what is stated.

Current status
A mapping against the requirements provides a clear picture of where we stand.

Are we satisfied, are we ambitious enough? How do stakeholders receive this image and description?

Our ambition is not governed by the requirements

- this can be an opportunity to evaluate the ambition!

We are on a transformation journey

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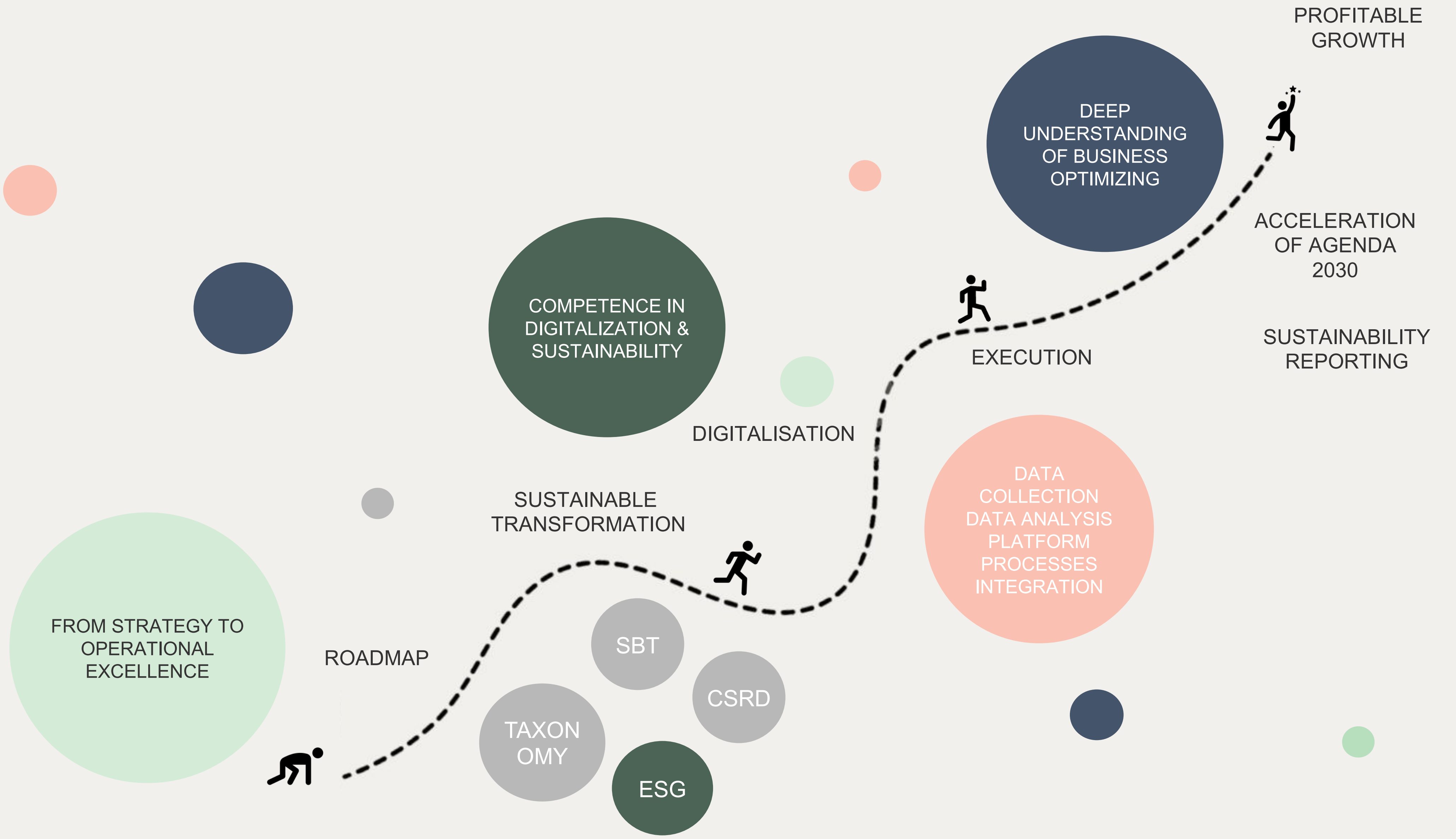
Through sustainability intelligence and digital processes



Have you started to prepare?

Deep diving into directive - from strategy to specific data points

What does the timeline look like?

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Apr 2021
CSRD Proposal
European Commission (EC) adopted CSRD proposal

Nov 2022
CSRD Passed
European Parliament passed the CSRD

Draft ESRS
EFRAG submitted final Draft ESRS to the European Commission

Jun 2023
Sector & SME Standards
EFRAG to submit Sector and SME specific requirements to the European Commission

Delegate Act
European Commission to adopt CSRD with Delegate Act

Jan 2024
CSRD for listed Companies
CSRD effective for listed companies with over 500 employees

Reports due in 2025

Jan 2025
CSRD for large Companies
CSRD effective for large non-listed companies*

Reports due in 2026

Jan 2026
CSRD for listed SMEs
CSRD effective for listed SMEs

Reports due in 2027 (opt-out until 2028)

Jan 2028
CSRD for EU-based subsidiaries
CSRD effective for 3rd-country undertakings**

Reports due in 2029

*Large companies that exceed 2/3 of the following:
- Balance sheet total: >EUR 20M
- Net revenue: >EUR 40M
- >250 average number of employees during the FY

**Significant activity in EU:
- At least one EU subsidiary or listed on an EU regulated market
- Net turnover in EU >EUR 150M

CSRD is a paradigm shift in sustainability reporting

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European Sustainability Reporting Standards

ESRS 1
General Requirements

ESRS 2
General Disclosures

E1
Climate Change

S1
Own workforce

G1
Business conduct

E2
Pollution

S2
Workers in the value chain

E3
Water and marine

S3
Affected communities

E4
Biodiversity

S4
Consumers end users

E5
Resource use /circular economy

= mandatory

Some facts and figures to consider and incorporate in the business

12 standards

82 disclosures requirements

1,144 data points
Quantitative and qualitative

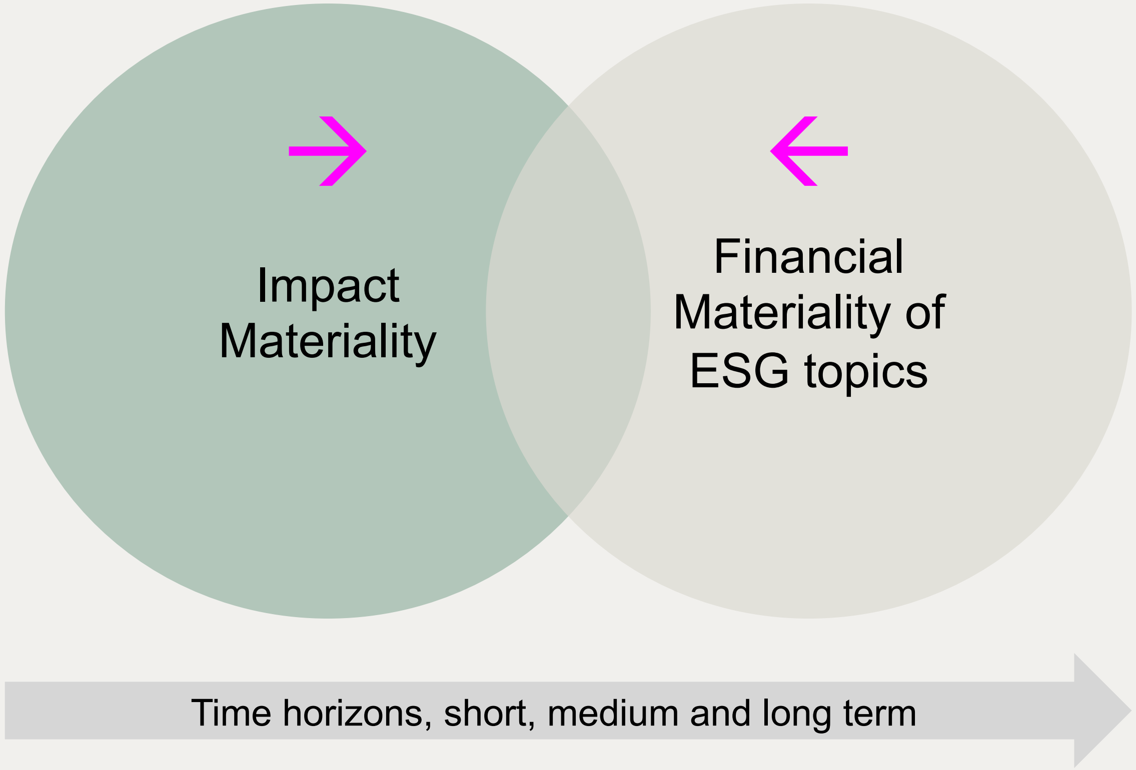
Sector specific & assurance
Standards under way

Double materiality
Requires organizations to assess how sustainability issues affect their business, as well as their impact on people and the environment

Value chain
Disclosure material environmental and social impacts e.g., scope 3 emissions and workers in the value chain

This will affect widely in the organization so the transformation should start as soon as possible!

Double materiality – starting point



Environmental & Social Materiality (inside-out)

- Impact linked to one's own operations, its products/services, and business relationships.
- Business relationships include the upstream and downstream value chain.

Financial Materiality (outside-in)

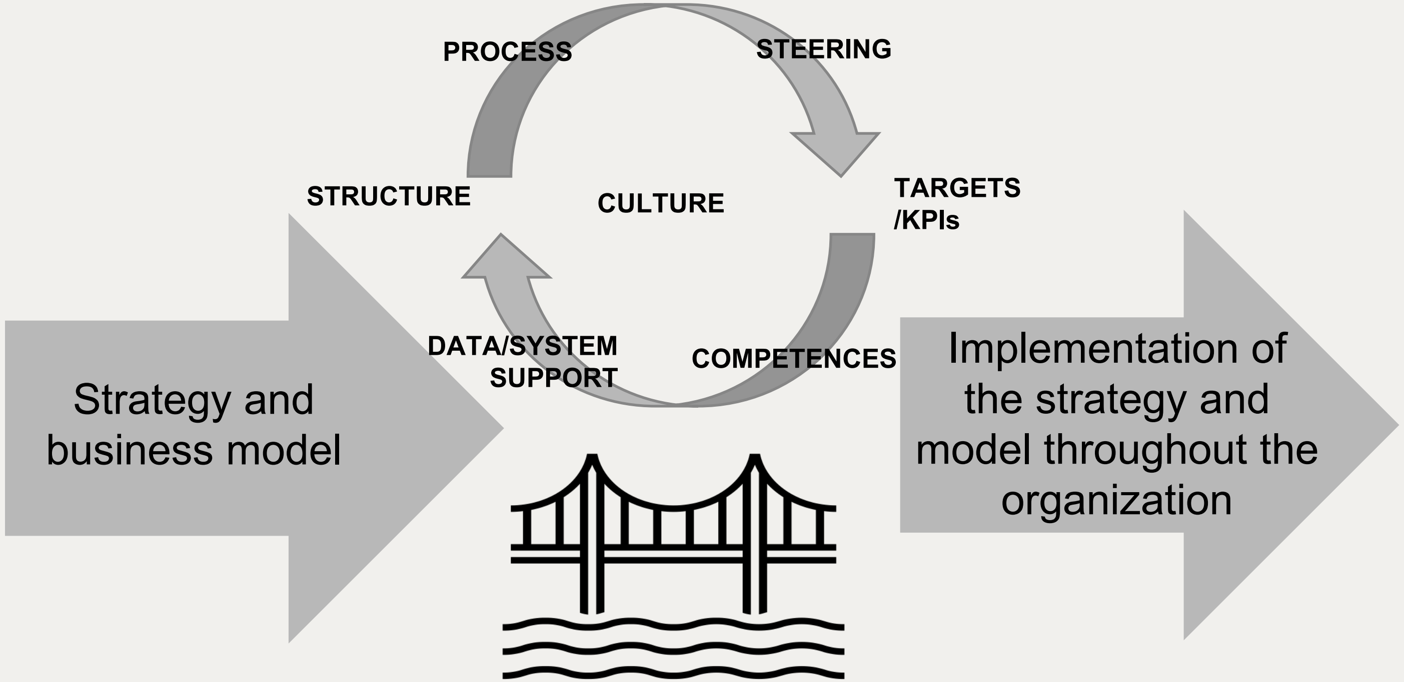
- The impact on the company's business and financial performance, including the development of cash flows, financial position, and financial results.

The purpose of the dual materiality approach is to identify all areas that have, or will have, an impact on the company - and how the company affects its environment.

From strategy to data point

- Steering
- Stategy and business model
- Impact, risk and opportunity
- Policy and structure
- Activities
- Goals and KPIs

  - concrete data points (carbon footprint, climate related capital expenditures etc)



The operating model is the bridge between strategy and implementation

Mapping current status

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MAP

Identify the gaps

Current status

- GRI - Materiality analysis within the framework can be the starting point for double materiality
- ISO Standards – 14001, 9001 and 27001 support the implementation of demands connected to processes & sustainability due diligence
- SBT – reporting against Science based targets makes the gaps smaller against the EI Standard
- Culture and operation model

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Our approch to succeed with preparing for CSRD

Strategy and goal setting

- Map and analyze impact and effect
- Define ambition, goals and strategy

Involve & engage

- Create crossfunctional teams
- Educate and engage key internal stakeholders

Moving target – requires adaptive process

- Develop a process that can change and adapt
- Start small and scale up - build durable and custom ways of working
- Explore systematic changes

Work smart

- Explore how to work data-driven for continuous follow-up and change management

Changes in the operating model- are you prepared?

Specific standards

Environment and Social standards

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European Sustainability Reporting Standards

ESRS 1
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S3
Affected communities

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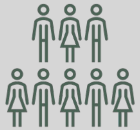
Biodiversity

S4
Consumers end users

E5
Resource use /circular economy

= mandatory

E1 - Climate Change



S1 - Own workforce

Within each area, policy, activities, strategy, due diligence, data, methodology, governance, targets and metrics are reported

E1 – Climate change

The goal of this standard is to

- Understand how the company impacts climate change - risks and opportunities?
- The company’s efforts to align with the Paris Agreement and the 1.5°C limit
- The company's plans and capacity to adapt its strategic business model in line with the transition to a sustainable economy and contribute to limiting global warming to 1.5°C
- Actions and results related to negative impact
- The economic effects on the company of risks and opportunities arising from climate change over time.

Specific demands:

- Energy consumption and energy mix
- Climate account - all scopes
- Possible uptake and carbon storage from own operations and in the value chain
- The amount of GHG emission reductions and uptakes outside its own value chain that the company has financed through the purchase of carbon credits
- Internal systems for carbon pricing, and whether these support its decision-making or provide incentives to achieve set goals.

S1 – Own workforce

The goal of this standard is to:

- Enable understanding of the company's significant impact on its employees and workforce, including risks and opportunities related to its own workforce.
- Actions and resources to manage risks and take advantage of opportunities related to its own workforce
- Financial effects of opportunities and risks over time, as a result of the company's impact on and dependence on its own workforce.

Data points – example:

- What percentage of employees have participated in development talks?
- The average number of hours of training that employees have participated in?
- "The number of lost days" from work-related illness or work-related accidents?
- The difference in average hourly wages between male and female employees.
- The number of incidents related to discrimination, harassment, and similar issues?

Sustainability data collection

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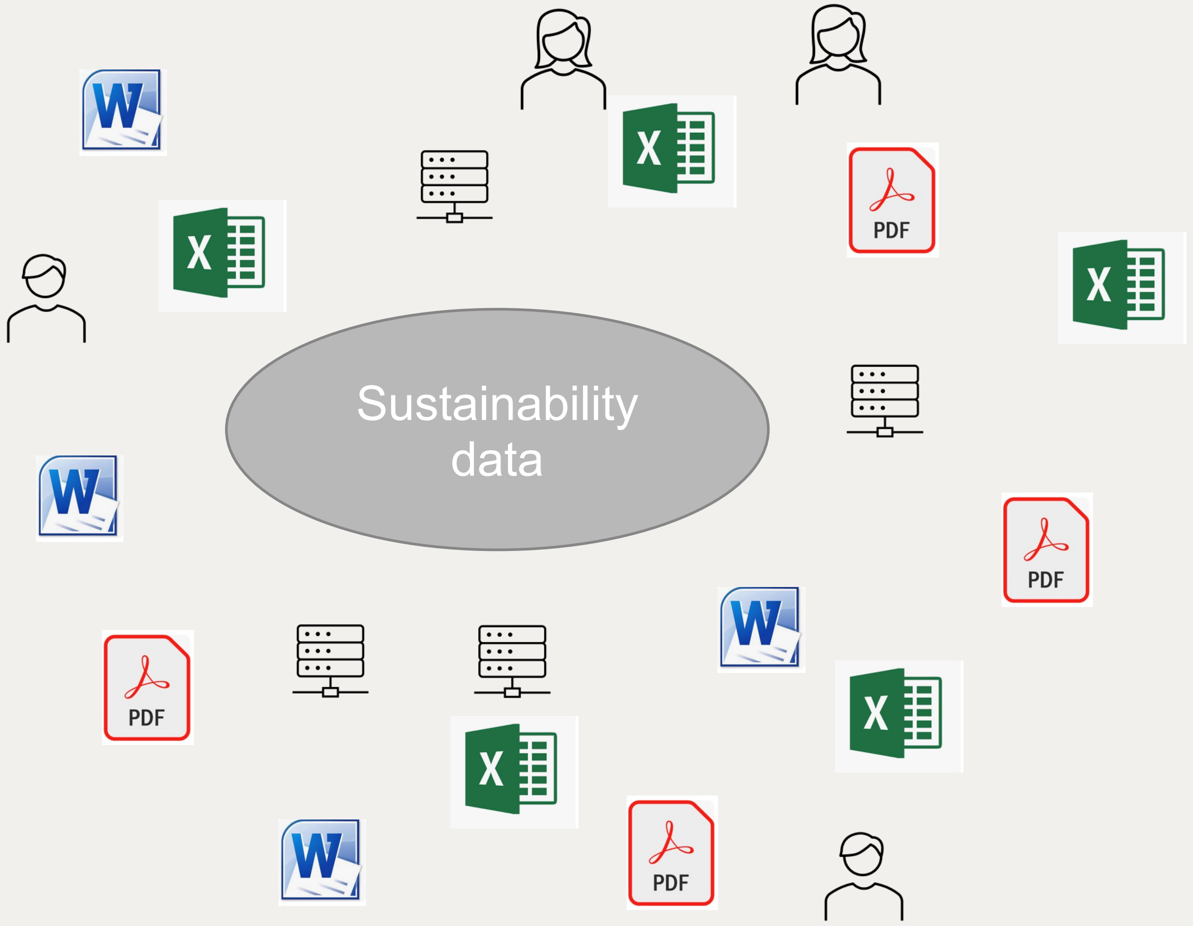
Common problems

- Manual work
- Takes time
- Not accurate
- Not updated
- Bad for decision making



We are on a transformation journey

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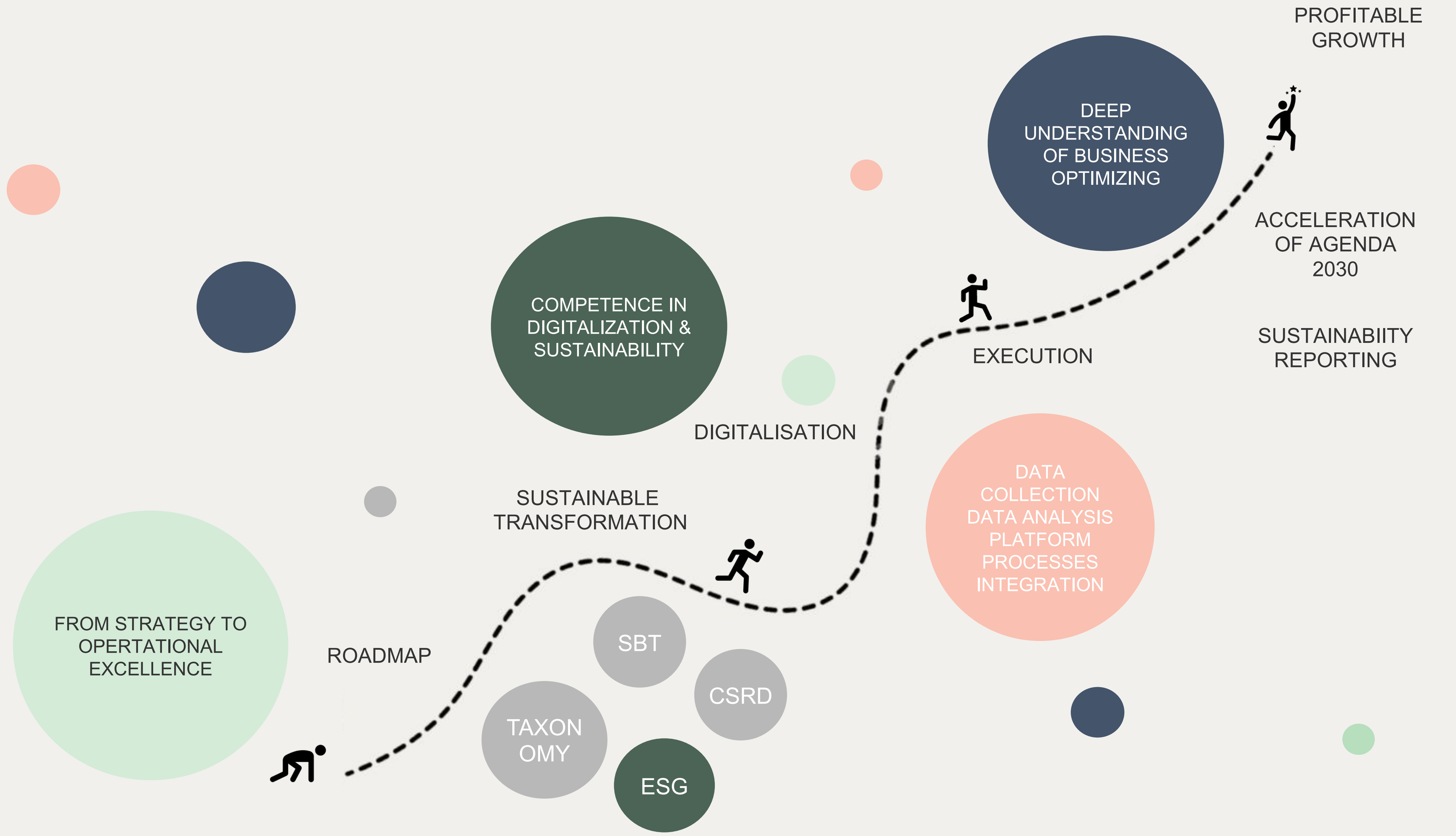
Through sustainability intelligence and digital processes



Data Collection / Making most of Sustainability data

Muutoksen suuntana enemmän kuin viranomaisraportointi?

- Talousdata ja vastuullisuusdata yhdessä enemmän kuin osiensa summa

Uusi, moniulotteisempi kokonaiskuva yrityksestä ja sen toiminnasta

Uutta näkemystä liiketoimintaan

Dataälykäs organisaatio

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Askelmerkit vastuullisuusdatapohjan rakentamiseen

Tietotarpeiden määrittely

- **Tietovaatimusten** tunnistaminen
- **Määritelmien** tunnistaminen
- Tietojen **saatavuus**

Suunnittelu

- Datan keruun suunnittelu
- Datan kulku keruusta raportointiin
- Prosessoinnin ja analyysin suunnittelu
- Mitä **järjestelmiä ja integraatioita** tarvitaan?
- Dokumentointi
- Yhdistäminen muuhun dataan

Rakennus ja keruu

- Nykyjärjestelmien hyödyntäminen ja / uusien rakentaminen
- Data-alustan hyödyntäminen
- Erillinen **mallinnuskerros**
- Testaaminen

Analyysi ja raportointi

- Datan analyysi ja raportointi
- Tietojen validointi
- Tiedon laatu

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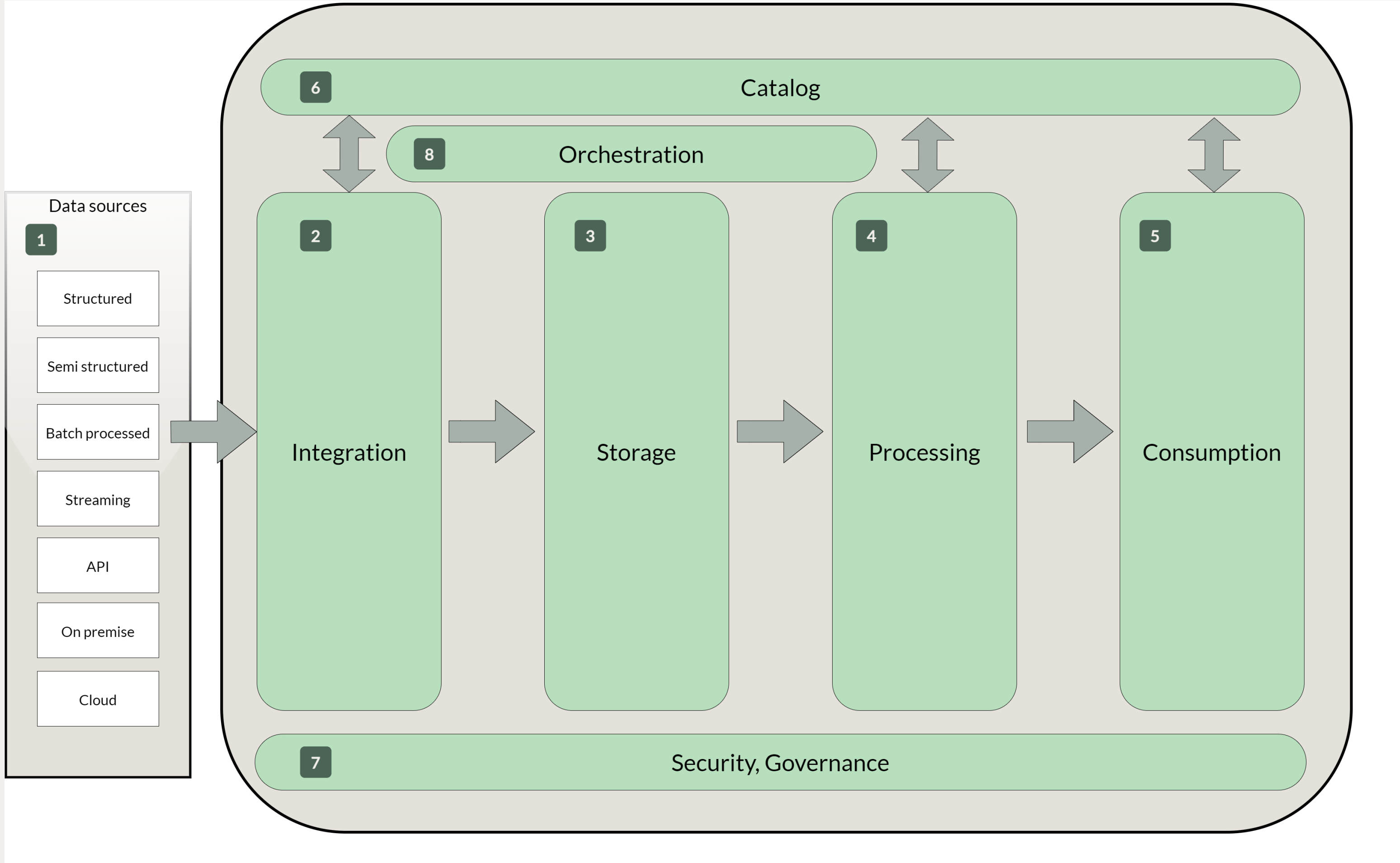
Esimerkki yleisestä mallista



1. Many source systems and formats are usually present. In this phase, it's just data which needs to be inguested to analytics platform.

2. Integration choises depends mostly on data need requirements and source system capabilities, like amount of data, source format, and method like batch processed or streaming data, full loads or incrementals, on cloud or on premises. In practice, one technology, service or vendor is not optimal for all integration needs. Combination of few different options is usually most cost effective. Custom coded connector or skript is usually the last in list.

3. Cloud vendors provide very cost effective and secure storage for data. In almost all cases storing all source data is recommended. This provides audit trail to history and processing can be start from beginning if necessary. Storage can be used as a data lake for data which is not actively used, but may provide valuable information.

4. Raw source data needs to be validated, cleaned, enriched and transformed to be more easily analysed. It may take several steps and need varying computational power. Orchestration for individual parts may be required if there are dependencies between them. If possible, whole pipeline would be under one orchestration and schedule based processing is minimized.

5. Datasets modelled to dimensional model are consumed usually by BI and data scientist tools. It may also include data sharing to other stakeholders or partners.

6. Metadata for source and transformed data, transformations and computations needs to be documented and version controlled. It should be available for data consumers for validation and leverage better data usability in a form where relevant information is easy to find. Documentation needs to be automatically generated to be up to date. Version control for all scripts or integration tool configurations is also needed.

7. Maintaining security in all phases includes access control, encryption, network protection, usage monitoring for both human and automatic events, and auditing. Not only technical environment aspects, but also data related requirements are maintained, tested and metered.

8. Dataflow thru pipeline may need several dependent components which execution must be synchronized. Event based invocation and flow control using orchestration improves overall execution times and enhances error handling.

Mitä meillä jo on?

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Mitkä datarat-kaisut ja prosessit toimivat?

Mitä vastuullisuus -dataa jo tuotamme?

Pienin askelin liikkeelle

Talousdata osaaminen

Nykyisen datan jatkohyödyn-täminen

Mitä voimme oppia muilta?

Datamaturiteetin portaissa ylöspäin

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	Raportointi *"Fokus datassa"*	**Johdon raportoinnit** *"Fokus informaatiossa"*	**Analytiikkaa** *"Fokus oivalluksissa"*	**Edistynyt analytiikka** *"Liiketoiminnan transformaatio"*
Ihmiset ja kulttuuri	• Omistajuuden puute • Vähän datan hyödyntämistä • Päätökset perustuvat puutteelliseen informaatioon	• Tunnistetaan pääkäyttäjät • Johto ja liiketoiminta hyödyntävät dataa • Tietoon perustuvia päätöksiä	• Datan käyttö kaikkien toimenkuvassa • Liiketoiminta saa itse analysoida ja pyörittää dataa • Enemmän data-ohjautuvuutta	• Datan hyödyntäminen kaikkien oikeus ja velvollisuus • Jatkuvasti kehittyvä data-ohjautuva kulttuuri
Prosessit	• Selkeiden prosessien puute • Hidas ja manuaalinen • Asiantuntijavetoisia	• IT tai BI vetoinen • Raporttien tuotantoa • Keskitetty • Tiukka, rajattu tiedonhallinta	• Ymmärrys eli liiketoimintojen tarpeista • IT:n tehtävä tukea liiketoimintaa tarjoamalla työkalut ja alustat ja dataa • Joustava tiedonhallinta	• koneoppiminen • Analytiikka liiketoimintaprosessien ytimessä
Data ja teknologia	• **Datan tärkeyttä ei tiedosteta** • Asia tiedostetaan, mutta asialle ei käytännössä tehdä tarpeeksi toimenpiteitä jotta maturiteettitasolla päästäisiin eteenpäin	• **Datan kehitykseen suhtaudutaan reaktiivisesti**	• **Datan kehitykseen suhtaudutaan proaktiivisesti** • Datan kehitys on hallittua (Data nähdään organisaation kannalta katsottuna kriittisenä tekijänä, jota kehitetään systemaattisesti)	• Dataa kehitetään uusia liiketoiminta huomioiden (Datan kehitys nähdään mahdollisuutena luoda täysin uutta liiketoimintaa, esim. Siirtymä tuotannosta palveluliiketoimintaan)

Askelmerkit vastuullisuusdatan rakentamiseen- ei maturiteettia ilman kulttuuria

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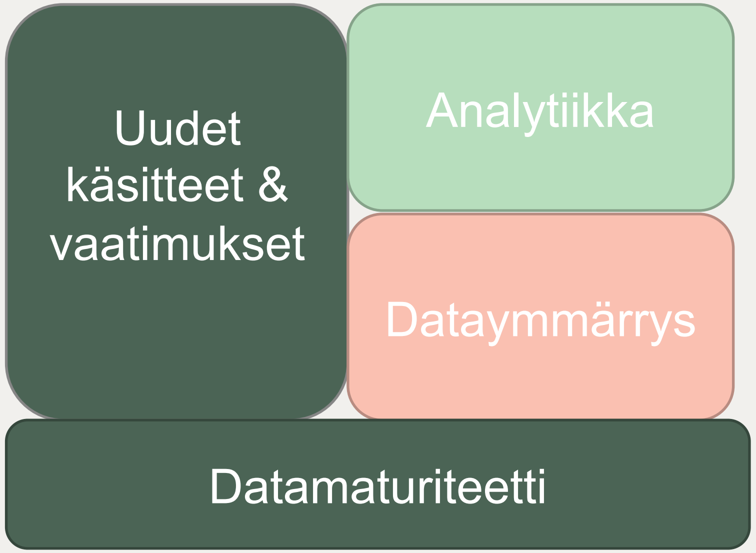

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Vastuullisuusdatan hyödyt käyttöön

Pohjakartoitus

- Aloitetaan pienin askelin
- Otetaan käsitteet arkityössä aktiiviseen käyttöön

Hyödynnetään nykyprosessien parhaat käytännöt ja tiedot

Vastuullinen ja dataälykäs organisaatio

Makers of a sustainable future