

CSRD and ESRS

Katja Tolkki 31.10.2023



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ESG-Advisor, Orthex Group

- Sustainability strategy
- Long/short term ESG targets, metrics and KPIs
- Sustainability reporting (GRI, NFI, CDP, UN Global Compact, Ecovadis, SEDEX, SBTi and others)
- ESG risk management
- Compliance Manager

Background in SAP project implementation, financial management consultancy, supply chain management and outsourcing projects.



[Katja Tolkki | LinkedIn](#)



A leading Nordic producer of everyday household goods



7 sales offices



40 customer countries



3 factories (incl. warehouses)



90% own brands



~300 FTEs



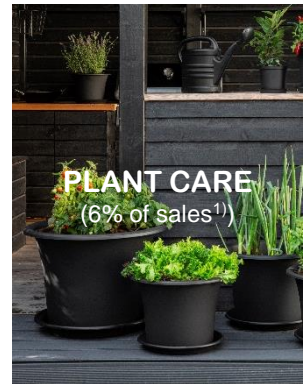
Sustainability focus



GastroMax™
by orthex™

orthex™

Mission to make everyday life easier



Functional and award-winning design



Long-lasting high-quality products



Forerunner in sustainability



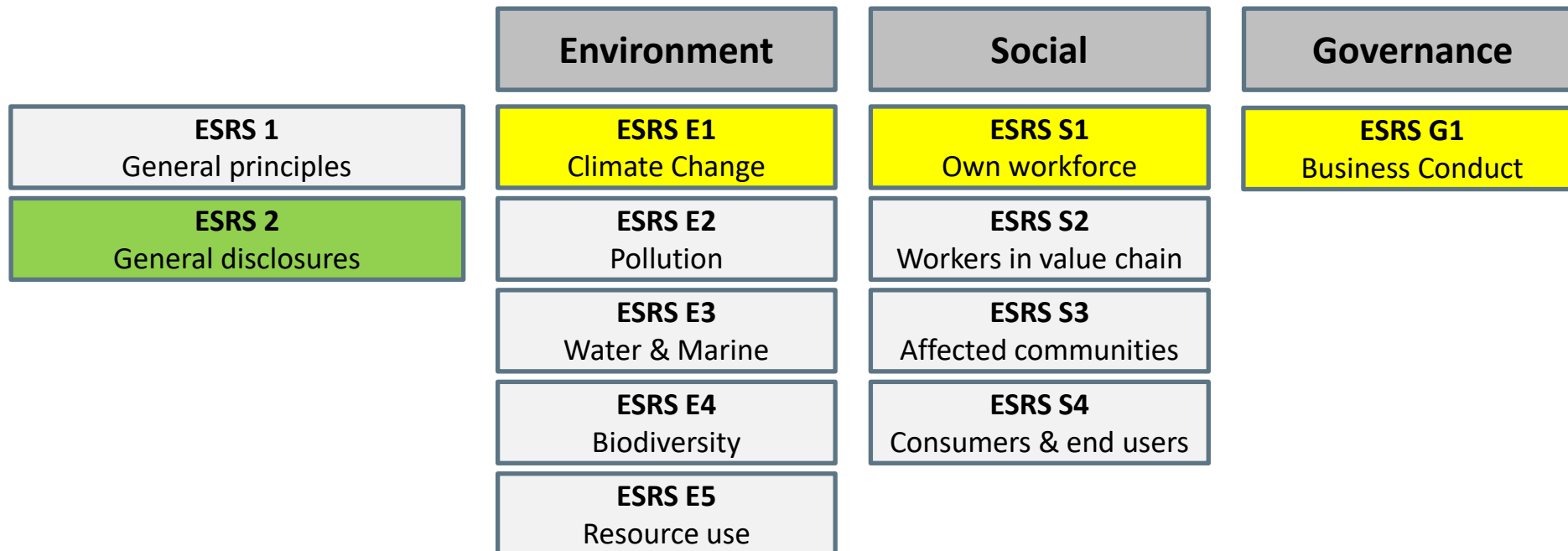
~ 10% of sales from new launches

CSRD shortly

- The scope covers all **large companies as well as listed medium and small companies**
- Sustainability information is **published in BoD report**
- The information to be published is **to be assured** (limited assurance) **by the third party**
- CSRD is implemented in the **European reporting standards (ESRSs)** to ensure the availability of information required for sustainable financing and the reporting of comparable information. Standards developed in cooperation with existing global initiatives.
- **Digital taxonomy of data**, uniform electronic reporting format - data is reported to the **EU-wide ESG data register**.
- **Monitoring and sanctioning**
- Implementation and affected companies
 - **January 1, 2025 (for the 2024 fiscal year)** large companies with over 500 employees that are already subject to the Non-Financial Reporting Directive (NFDR).
 - **January 1, 2026 (for the 2025 fiscal year)** large companies that meet at least two out of three specified requirements: **more than 250 employees and/or, 40 million EUR in turnover and/ or, 20 million EUR in total assets**
 - **January 1, 2027 (for the 2026 fiscal year)** small and medium-sized enterprises (SMEs) listed on EU-regulated markets that exceed at least two of these thresholds: more than 10 employees, more than 700 000 EUR in net turnover, more than 350 000 EUR in total assets
 - **January 1, 2028 (for the 2027 fiscal year)** for non-European companies whose European revenue exceeds 150 million euros through a subsidiary or branch.

CSRD is implemented in the European reporting standards (ESRS)

- The final standards were published on **31 July 2023**
- Only mandatory information for all companies is **General Disclosures (ESRS 2)**, all other reportable information based on materiality analysis
- The standards also contain transitional provisions, e.g. comparison data is not required for the first reporting year, information about the value chain is only mandatory after 3 years, climate risks can be qualitatively reported during the first 3 years
- Review of standards every 3 years



CSRD will impact us in 2025 – how we prepare?

2023

- **GAP analysis** to assess the CSRD compliancy of reporting
- Development plan 2023-2025 (based on **probable materiality**)
- Report some key figures as part of the 2023 report according to CSRD (emissions?)

2024

- Development of reporting according to the development plan (focus on ESRS 2)
- Follow closely how other companies are preparing

2025

- **Double materiality assessment**
- Development of reporting according to the development plan and double materiality assessment
- Follow closely how other companies are reporting

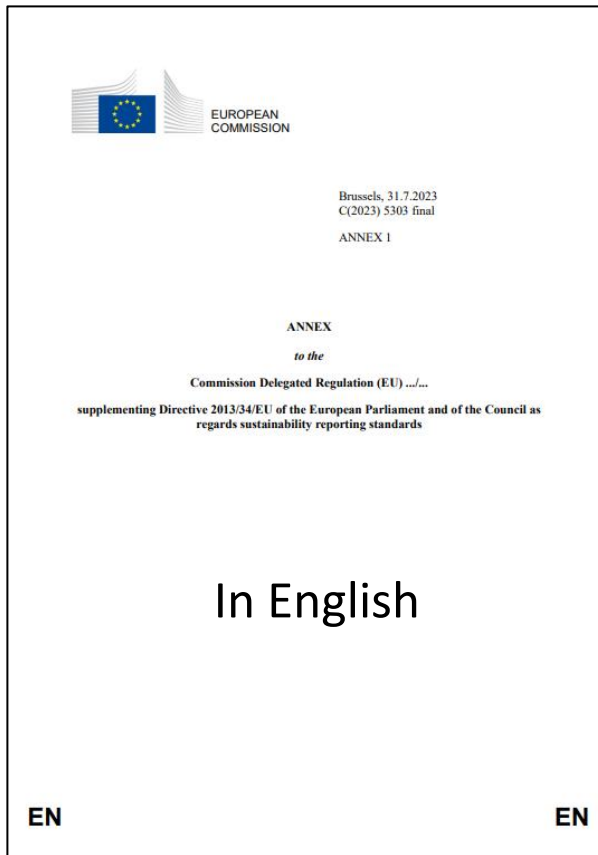
2026

- The first CSRD compliant report

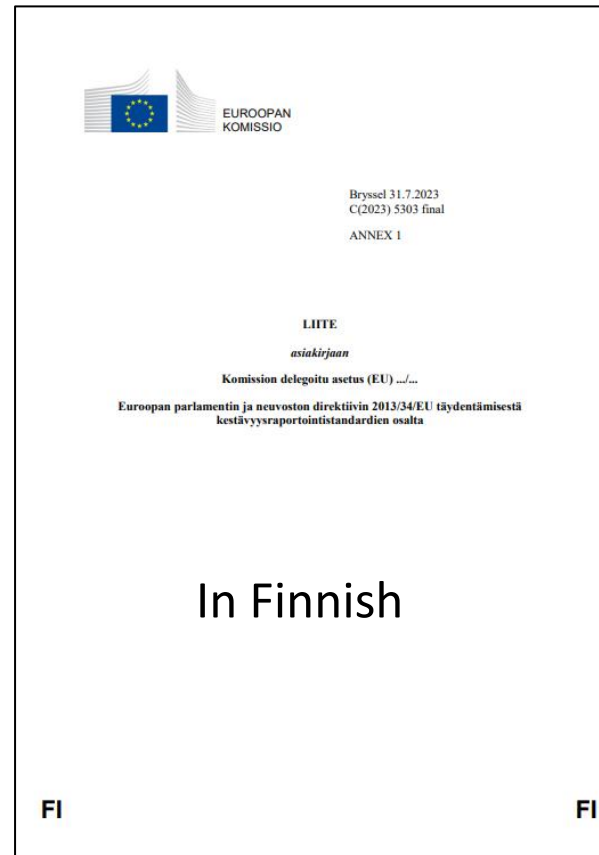
First step: GAP analysis

1. Download the ESRS standards (ENG & FIN)
2. Map the key standard requirements (in Excel) and identify relevant key standards based on probable materiality
 - Mandatory
 - Most probably material
 - Potentially material
 - Not material
3. Review the standards in detail (in Excel) with the priority order based on materiality
4. Clarify the gaps (in Excel)
5. Make development plan to close the gaps

Download the ESRS standards (ENG & FIN)



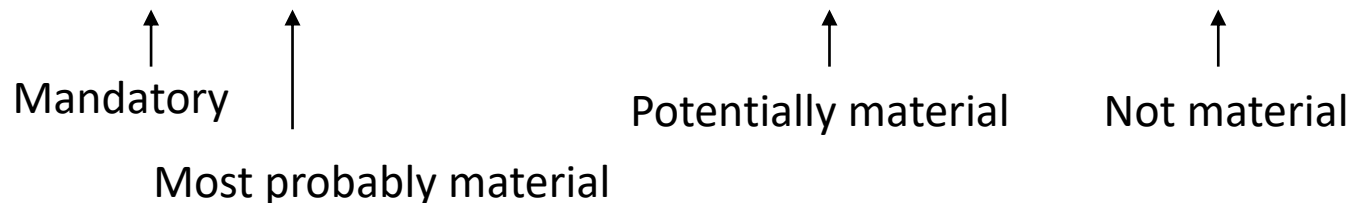
[Link to ESRS](#)



Map the key standard requirements

-> identify relevant key standards based on probable materiality

Topic	#	Disclosure Requirement	p.	Related ESRS paragraph
ESRS 2: GENERAL DISCLOSURES				
Basis for preparation	BP-1	General basis for preparation of the sustainability statement	37	
Basis for preparation	BP-2	Disclosures in relation to specific circumstances	38	
Governance	GOV-1	The role of the administrative, management and supervisory bodies	40	ESRS G1 Business conduct (paragraph 5)
Governance	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory	41	
Governance	GOV-3	Integration of sustainability-related performance in incentive schemes	42	ESRS E1 Climate change (paragraph 13)
Governance	GOV-4	Statement on due diligence	42	
Governance	GOV-5	Risk management and internal controls over sustainability reporting	43	
Strategy	SBM-1	Strategy, business model and value chain	43	
Strategy	SBM-2	Interests and views of stakeholders	45	ESRS S1 Own workforce (paragraph 12)
Strategy	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	46	ESRS E1 Climate Change (paragraphs 18 to 19)
Impact, risk	IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	47	ESRS E1 Climate change (paragraph 20 to 21)
Impact, risk	IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	48	
Minimum disclosure	MDR-P	Policies adopted to manage material sustainability matters	49	
Minimum disclosure	MDR-A	Actions and resources in relation to material sustainability matters	50	
Metrics and indicators	MDR-M	Metrics in relation to material sustainability matters	51	
Metrics and indicators	MDR-T	Tracking effectiveness of policies and actions through targets	51	
Katja: Mandatory				



Review the standards in detail

-> the priority order based on materiality

F4						
The undertaking shall disclose the following information:						
(a) whether the sustainability statement has been prepared on a consolidated or individual basis;						
(b) for consolidated sustainability statements:						
i. a confirmation that the scope of consolidation is the same as for the financial statements, or, where applicable, a declaration that the repo required to draw-up financial statements or that the reporting undertaking is preparing consolidated sustainability reporting pursuant to Art 2013/34/EU; and						
ii. where applicable, an indication of which subsidiary undertakings included in the 38 consolidation are exempted from individual or consolidated reporting pursuant to Articles 19a(9) or 29a(8) of Directive 2013/34/EU;						
	A	B	C	D	F	G
1	ESRS 2: GENERAL DISCLOSURES					
2						
3	Topic	#	Disclosure Requirement ENG	Disclosure Requirement FIN	Content ENG	Content FIN
4	Basis for pr	BP-1	General basis for preparation of the	Kestävyyspalvelusten yleiset laatimisperusteet	The undertaking shall disclose the following	5. Yrityksen on annettava seuraavat tiedot:
5					(c) to what extent the sustainability statement covers	c) missä määrin kestävyyspalvelus kattaa yrityksen
6					(d) whether the undertaking has used the option to	d) onko yritys käyttänyt mahdollisuutta jättää pois
7					(e) for undertakings based in an EU member state that	e) sellaiseen EU:n jäsenvaltioon sijoittautuneiden
8	Basis for pr	BP-2	Disclosures in relation to specific circumstances	Tiettyjä olosuhteita koskevat tiedot	Time horizons	Aikavälit
9					Value chain estimation	Arvoketjun estimointi
10					Sources of estimation and outcome uncertainty	Estimoinnissa käytetyt lähteet ja tuloksen
11					Changes in preparation or presentation of	Muutokset kestävyystietojen valmistelussa ja
12					Reporting errors in prior periods	Raportointi aiemmillä kausilla tehdyistä virheistä
13					Disclosures stemming from other legislation or	Muuhun lainsäädäntöön tai yleisesti
14					Incorporation by reference	Tietojen sisällyttäminen viittauksina
15					Use of phase-In provisions in accordance with	Siirtymäsäännösten käyttö ESRS 1:n lisäyksen C
16	Governance	GOV-1	The role of the administrative, management and	Hallinto-, johto- ja valvontaelinten rooli	19. The undertaking shall disclose the composition of	19. Yrityksen on ilmoitettava hallinto-, johto- ja
17					21. The undertaking shall disclose the following	21. Yrityksen on annettava seuraavat tiedot
18					22. The undertaking shall disclose the following	22. Yrityksen on annettava seuraavat tiedot

Clarify the gaps - Ongoing -

ESRS 2: GENERAL DISCLOSURES						
Topic	#	Disclosure Requirement ENG	Disclosure Requirement FIN	Content ENG	Content FIN	Compliant / Development needed
Basis for pre	BP-1	General basis for preparation of the sustainability	Kestävyysselvitysten yleiset laatimisperusteet	The undertaking shall disclose the following (c) to what extent the sustainability statement covers (d) whether the undertaking has used the option to omit (e) for undertakings based in an EU member state that	5. Yrityksen on annettava seuraavat tiedot: c) missä määrin kestävyys selvitys kattaa yrityksen an d) onko yritys käyttänyt mahdollisuutta jättää pois ti e) sellaiseen EU:n jäsenvaltioon sijoittautuneiden	Yes, AR 2023 p. 22
Basis for pre	BP-2	Disclosures in relation to specific circumstances	Tiettyjä olosuhteita koskevat tiedot	Time horizons Value chain estimation Sources of estimation and outcome uncertainty Changes in preparation or presentation of sustainability Reporting errors in prior periods Disclosures stemming from other legislation or Incorporation by reference Use of phase-In provisions in accordance with Appendix	Aikavälit Arvoketjun estimointi Estimoinnissa käytetyt lähteet ja tuloksen Muutokset kestävyystietojen valmistelussa ja Raportointi aiemmilla kausilla tehdyistä virheistä Muuhun lainsäädäntöön tai yleisesti hyväksytyihin Tietojen sisällyttäminen viittauksina Siirtymäsäännösten käyttö ESRS 1:n lisäyksen C	
Governance	GOV-1	The role of the administrative, management and	Hallinto-, johto- ja valvontaelinten rooli	19. The undertaking shall disclose the composition of 21. The undertaking shall disclose the following 22. The undertaking shall disclose the following	19. Yrityksen on ilmoitettava hallinto-, johto- ja 21. Yrityksen on annettava seuraavat tiedot 22. Yrityksen on annettava seuraavat tiedot	



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**Next step:
Development plan
2023-2025
to close the gaps**