3Bee

Sustainability Reporting Guide

November 2024

Index

Abstract

Every day, companies and organisations in every sector are confronted with the inevitability of the **sustainability transformation.** In fact, no business model can ignore the **impact** of its activities on the environment, nor can it ignore its **dependence** on natural resources and the possible **risks** arising from the ongoing climate and environmental crisis.

Environmental **reporting** is therefore one of the most important issues facing companies today. However, the **guidance** available to companies is often fragmented. Everything related to sustainability - from regulations to indicators - is constantly **evolving**, and companies struggle to keep up with new obligations and requirements.

This is particularly the case with **Sustainability Reporting**, the tool that companies and organisations can use to transparently communicate their activities and performance with regard to environmental, social and governance (ESG) sustainability. Although there is no universal requirement to produce a sustainability report, in many contexts there are non-financial reporting guidelines that are mandatory for certain categories of companies. In **Europe**, for example, this issue is regulated by the **EU Directive 2022/2464,** the so-called **Corporate Sustainability Reporting Directive,** which is discussed in more detail in the following sections. In order to standardise the reporting of different companies, **reporting standards come into play**, which aim to make different reports comparable. The main ones are the **GRI** (Global Reporting Initiative) indicators, the most widespread voluntary standards at international level, the **ESRS** issued by the EFRAG, i.e. the European Financial Reporting Advisory Group, and the **SASB** (Sustainability Accounting Standards Board), which is particularly widely used in the financial world.

The Context

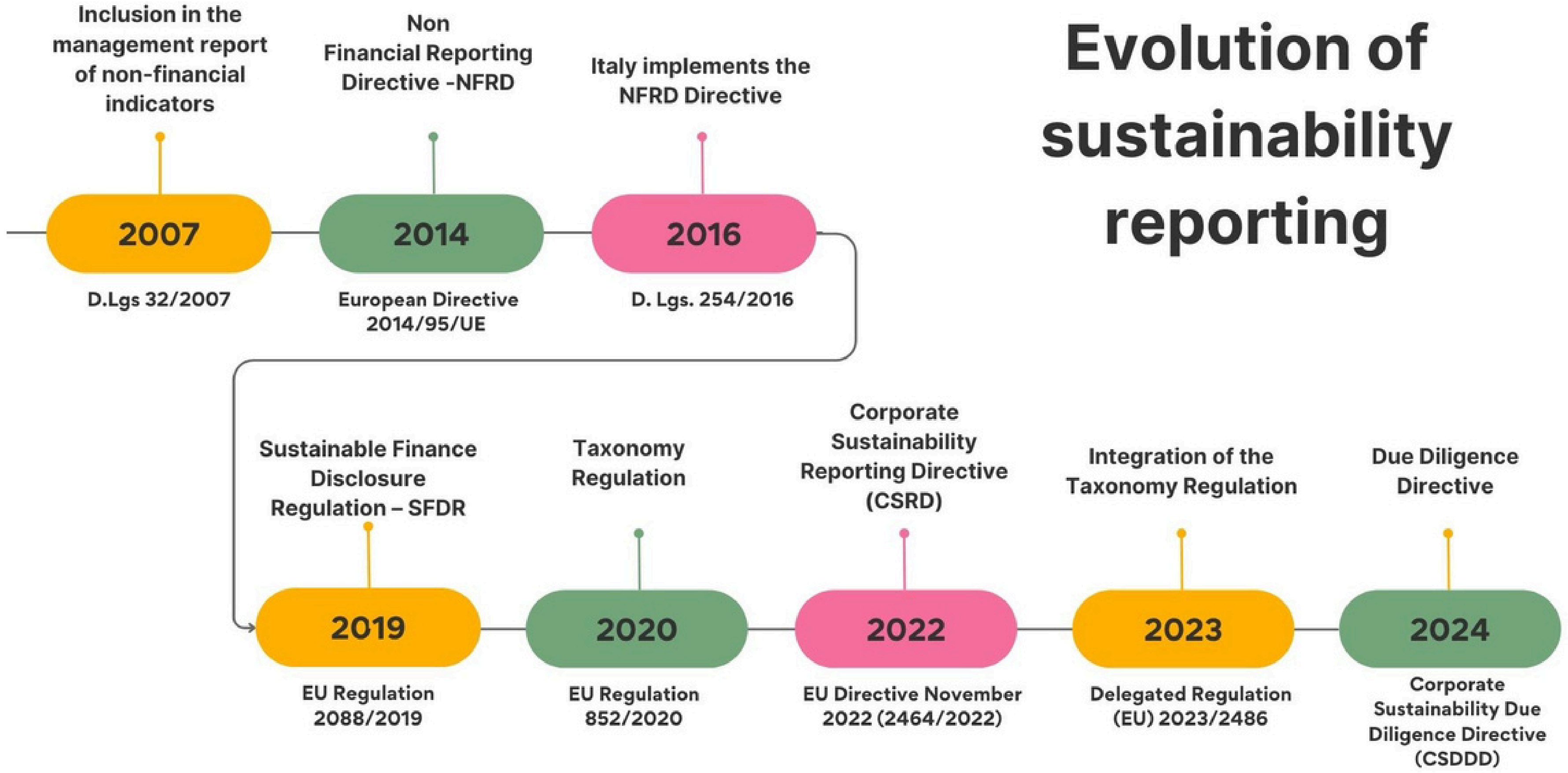
Interest in **non-financial reporting** in Italy has developed since 2007. Prior to that date, there was no such requirement. Since 2007, certain non-financial indicators have started to be included in the management report.

This marked the beginning of a series of significant developments, culminating in 2014 with the introduction of the **Non-Financial Reporting Directive (NFRD)** , which was later replaced by the Sustainability Reporting Directive (**CSRD**) .

An important transition took place in **2019**, when legislation began to be based on the idea that it was the **financial system** that would lead the transition, as it is the financial system that allocates financial resources through investments and financial products. This led to the adoption of specific regulations, such as the **Sustainable Finance Disclosure Regulation.**

Another key step was the introduction of the **Taxonomy Regulation** in 2020, which was later supplemented in 2023. The Taxonomy Regulation is an essential piece in the mosaic that the EU is building, as it defines the criteria according to which companies' activities are considered eligible in terms of environmental objectives. This regulation is useful for public administrations in te context of public tenders, as well as for banks and financial institutions in the allocation of investments.

Another important piece in this mosaic is the **CSRD**, a directive that extends reporting requirements to more and more companies.



What is the sustainability report?

It is often a challenge for companies to convince their stakeholders of the importance of developing a robust **sustainability strategy** and communicating it effectively in their reports. However, the benefits to companies are numerous and demonstrate that sustainability is no longer just a voluntary option, but should be seen as an opportunity to rethink the business model. Let's explore the **benefits**:

Consumer Attraction
According to a study by *Simon-Kucher & Partners*, 39% of Gen Z and 42% of Millennials are willing to pay a **premium** of around **31% for sustainable products**, compared to 14% of Baby Boomers. This data demonstrates not only a growing environmental awareness among young consumers, but also their powerful ability to '**reward**' the most virtuous brands with their consumer choices.

Talent acquisition and talent retention
A survey by Bain & Company showed that 2 out of 3 employees say they are more concerned about sustainability today than they were three years ago, and almost as many say that sustainable business is important to them. This means that a strong sustainability record can not only help attract **new talent**, but also strengthen **employees' commitment** to the company's values.

Investment attraction
According to *J.P. Morgan Asset Management* over **500 billion USD** was invested in ESG funds in 2021, contributing to a 55% increase in assets under management within these products. Investor attention to ESG criteria is growing and companies with a good rating can attract more investment.

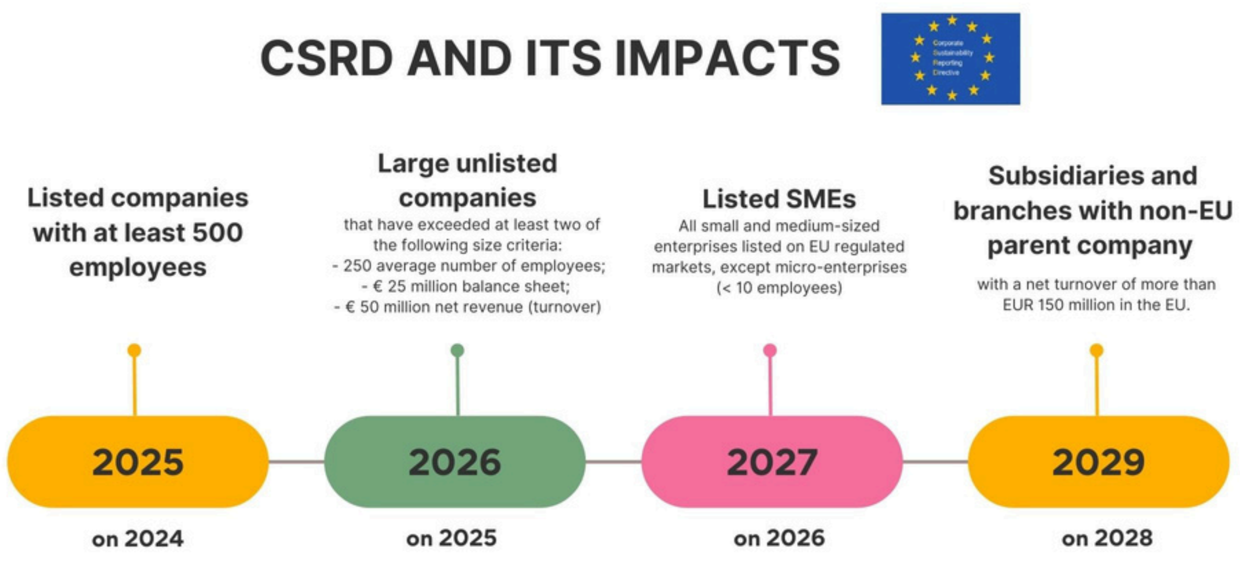
Compliance with regulations
Since the approval of the CSRD, European companies need to be aware that over the next few years they will be required to report in accordance with the deadlines set out in the Directive.

In addition, those responsible for producing the sustainability report can use it to assess their **progress** towards sustainability goals, benchmark against **competitors**, monitor the long-term **impact** of their actions, and adjust their course if necessary. The sustainability report thus becomes a key strategic tool for any company or organisation that is committed to managing its business responsibly and to using sustainability as a growth opportunity.

Mandatory Sustainability Reporting: the CSRD Directive

In the European context, we are seeing a **gradual expansion of the requirement for certain categories of companies to disclose information**, specifically regarding their environmental impacts and strategies for improvement.

This is happening thanks to the **Corporate Sustainability Reporting Directive** (CSRD), the EU Directive 2022/2464, which was published in the EU Official Journal on **16 December 2022** and will come into force on **3 January 2023**. This Directive replaces the previous **Non-Financial Reporting** Directive (2014/95/EU). The new directive primarily changes the name of the report from 'non-financial' to 'sustainability', but the most significant change is the expansion of the reporting requirements:



- From **01/01/2025**, all large listed companies with at least 500 employees will be required to report for the year 2024.
- From **01/01/2026**, all large non-listed companies with two of the following three criteria: **more than 250 employees**, **more than €50 million net revenue** and/or **€25 million balance sheet**, and non-EU companies with more than €150 million turnover in the EU and at least one establishment in the EU will be required to report for the year 2025.
- From **01/01/2027**, all listed SMEs (with the exception of micro-enterprises) will be required to report for the year 2026.
- From **01/01/2029**, non-EU companies with net sales and service revenues in the EU of more than EUR 150 million will be required to report for the year 2028 if they have at least one subsidiary or branch in the EU.

Unlisted SMEs and micro-enterprises are currently exempt from these obligations. Nevertheless, some have proactively started to report on their sustainability efforts.

What should the Sustainability Report contain?

As we have seen, a sustainability report is a document that provides information on the **performance** of a company or organisation in relation to **environmental, social and economic issues.**

Guidelines and **indicators** are available for preparing such a document, but the specific content of each report varies based on the unique characteristics and needs of the company or organization producing it. A sustainability report is most impactful when its content aligns closely with the sustainability issues that are genuinely **relevant** to the **organization's operations** and the interests of its **stakeholders**.

However, the following fundamental information should never be missing:

Vision, strategy and goals: description of the mission and goals in relation to sustainability, as well as the strategies and actions taken to achieve these goals. This must take into account sustainability issues relevant to the company and its strategy as well as to (internal and external) stakeholders.

Scope: it is good practice to define which company activities, products or services the report refers to, as well as the locations, divisions or branches involved.

Risk management: it is essential to include a description of the main risks and opportunities associated with sustainability issues, as well as the processes and procedures adopted to manage them.

Stakeholder involvement: description of how stakeholders are involved in the preparation of the sustainability report and in the management of sustainability issues in general.

Management and compliance: description of the management of sustainability issues within the company, including the processes and procedures adopted to ensure accountability and transparency. In addition, it is necessary to describe how sustainability rules and regulations are complied with.

Indicators: the communication of the company's performance on the various aspects of sustainability must be based on specific indicators, so-called KPIs (Key Performance Indicators). It is essential that the performance indicators included are measurable, verifiable and comparable, and presented in a transparent manner. This serves to avert the risk of untruthful and/or irrelevant information being presented.

Reporting Standards

Although there is no single format for sustainability reports, some international organisations have developed **guidelines** to ensure the **consistency** and **transparency** of the information provided.

GRI (Global Reporting Initiative), **SASB** (Sustainability Accounting Standards Board) and **EFRAG** (European Financial Reporting Advisory Group) are three organisations that develop sustainability reporting standards to ensure comparability.

Standardised indicators are used by companies and organisations to draw up their sustainability reports. They are also used by **investors**, particularly in the case of the SASB indicators, to assess risk and investment opportunities.

These three classes of indicators help companies identify and manage **sustainability risks and opportunitie**s, and communicate their performance transparently.

Furthermore, although they are **not mandatory,** they are a good reporting practice for all interested companies and organisations, as they cover a wide range of environmental, social and economic issues and are often industry-specific.

Although the GRI, EFRAG and SASB indicators may seem very similar, there are some differences between their approaches. Let us look at them in more detail.

GRI Standards

The Global Reporting Initiative (GRI) is an international organisation that develops **guidelines** for sustainability reporting for companies and organizations. It defines the **key elements** that such reports should include.

One of its main tools is the **GRI Indicators**, a standardised, globally recognised set of sustainability indicators designed for use by any company or organisation preparing a sustainability report. These indicators are regularly reviewed and updated to address emerging issues and enable organisations to communicate their sustainability performance in a transparent and comparable manner.

The GRI Standards are divided into three main categories: U**niversal Standards, Sector Standards, and Topic Standards.**

The **Universal Standards** consist of **GRI 101** (Fundamentals), **GRI 102** (General Disclosures), and **GRI 103** (Management Approach) and provide a common framework for reporting applicable to all organisations.

Sector Standards are tailored to specific industries, offering guidance on material issues relevant to each sector. To date, GRI has developed Sector Standards for industries such as Oil and Gas, Coal, Agriculture and Fisheries, and Mining, with a long-term goal of creating standards for 40 sectors.

The **Topic Standards** provide in-depth guidance on specific sustainability issues, addressing economic, environmental, and social dimensions with detailed performance indicators for each of these pillars.

Today, the GRI standards have become a global benchmark for sustainability reporting and are also widely adopted and recommended by various international organisations, such as the United Nations Global Compact.

ESRS Standards

The ESRS Standards are the standards developed by EFRAG (European Financial Reporting Advisory Group).

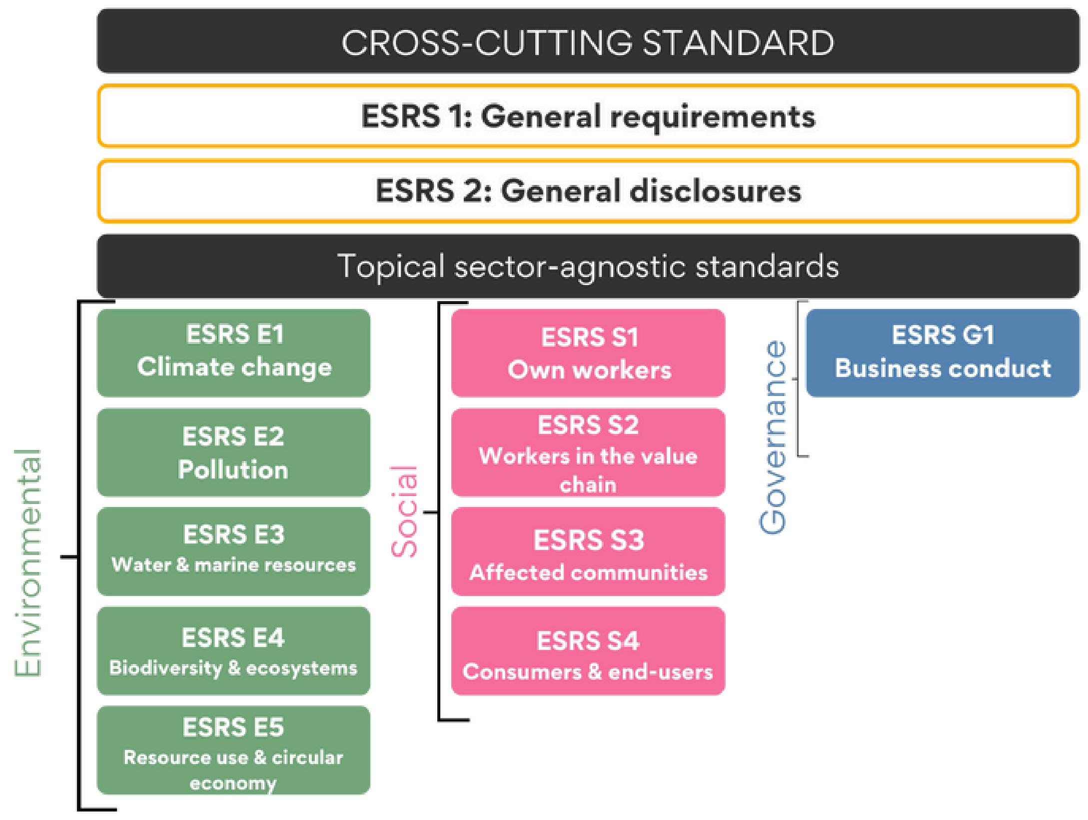
EFRAG (European Financial Reporting Advisory Group) is a private, non-profit association established in 2001. It acts as a technical advisor to the **European Commission** in the development of reporting standards, initially focusing on financial reporting and, from 2020, on **sustainability reporting**. Its role was further expanded with the creation of the European Sustainability Reporting Standards (ESRS). In **July 2023**, the EU adopted the first delegated act related to these standards.

The full ESRS package includes **12 standards** covering disclosure requirements for both qualitative and quantitative data, with approximately **1,200 data points** in total.

These reporting requirements are governed by the **Corporate Sustainability Reporting Directive (CSRD)** and cover all ESG dimensions: environmental, social, and governance.

These requirements are built on existing standards and **frameworks** for sustainability reporting (e.g., **GRI and TCFD**) while also incorporating other **EU regulations**, such as the SFDR and Taxonomy Regulation. The aim is to align the ESRS as closely as possible with the **ISSB** standards, particularly where similar issues are addressed.
The CSRD will be implemented in stages, starting with reporting for the financial year 2024. The directive acknowledges that, while the reporting requirements cover both the company's operations and its value chain, it may not be immediately feasible to obtain the same level of detailed information across the value chain.

As a result, value chain reporting may be phased in over a **three-year period.** For information that is **unavailable**, the company should indicate whether efforts are being made to obtain it and base its reporting on alternative sources, such as available internal data. Additionally, the company should explain why certain information is inaccessible for the given reporting period and outline the steps it plans to take to secure this information in the future.



How to read ESRS standards

The ESRS consist of general **cross-cutting standards**, which apply to all aspects of sustainability, and **topical standards**, which define the disclosure requirements for a specific ESG topic.

Ten topical standards have been adopted with the first delegated act. Sector-specific standards will be published between 2024 and 2027. Topical disclosure requirements must be reported when an area is considered **material**, with the exception of some **cross-cutting requirements** (ESRS 2), which are always considered material.
Terms used in the ESRS include:

- '***shall disclose***' to indicate an obligation to disclose;
- '***may disclose'*** to suggest voluntary disclosures;
- '***shall consider***' when referring to resources or methodologies to be considered, if applicable.

Impacts, Risks and Opportunities (IRO)
The ESRS requires a company to provide information on the **impacts, risks and opportunities** related to ESG issues, including company’s impact on the environment and how ESG issues affect the company's development, performance and financial position:

- **Impacts**: are the positive or negative sustainability impacts associated with the company's activities, based on an assessment of materiality in relation to the company's sustainability impacts (materiality of impact).
- **Risks and opportunities:** are the financial risks and opportunities related to sustainability arising from dependencies on natural, human and social resources, identified through a financial materiality assessment.

ESRS 1 - General Requirements

This standard does not contain direct disclosure requirements, but describes the structure of ESRS and establishes general principles for reporting based on the following aspects:

Double materiality: has two dimensions, namely the materiality of the company's impact on sustainability issues (impact materiality) and the impact of sustainability issues on the company (financial materiality). An ESG issue is considered material if it meets the criteria for one or both dimensions.

Due diligence: process to identify, monitor, prevent, mitigate and report on how the company addresses actual and potential negative impacts on the environment and people related to its activities.

Reporting enterprise: Sustainability reporting must cover the same enterprise as reported in the annual report, including information on material impacts, risks and opportunities related to the enterprise through its direct and indirect relationships along the value chain.

Information to be reported

ESRS 1 sets out **mandatory reporting requirements.** These always include all disclosure requirements of **ESRS 2** and those of the topical standards associated with the **IRO-1 requirement** (Description of processes for identifying and assessing material impacts, risks and opportunities), regardless of the outcome of the materiality assessment. Other disclosures depend on the outcome of the materiality assessment.

Materiality

An ESG topic is ‘material’ if it meets the defined criteria of **impact materiality** or **financial materiality**, or both.

If, after conducting a materiality assessment, a company concludes that an ESG topic is not material and therefore decides not to report under all ESRS requirements, it may provide a brief explanation of the conclusions of its materiality assessment. If the company concludes that **climate change** is not material and therefore omits all disclosure requirements of ESRS E1, it should provide a detailed explanation of the conclusions of the assessment, including a forward-looking analysis of the conditions that might lead the company to consider climate change material in the future.

Materiality of impacts
A sustainability issue is considered material from an **impact perspective** when it involves actual or potential significant impacts—whether positive or negative—that the company may have on people or the environment over the short, medium, or long term. In this context, material ESG issues encompass those related to the company's operations and its entire **value chain**, including business relationships. These relationships are not confined to direct contractual ties but extend to upstream and downstream connections within the value chain.

The materiality assessment needs to follow these three steps:

- Understand the context of the **company's impacts** (activities, business relationships and stakeholders).
- Identify **actual and potential impacts** (both negative and positive), including through stakeholder and expert engagement.
- **Assess the materiality** of the company's actual and potential impacts and identify the material issues.

Financial materiality
An ESG issue is financially material if it has, or could reasonably be expected to have, a **significant financial impact on the company**. This is the case when a sustainability issue creates risks or opportunities that have, or could reasonably be expected to have, a material effect on the company's development, financial position, financial performance, cash flows, access to finance or cost of capital in the short, medium or long term.

ESRS 2 - General Disclosures

ESRS 2 defines how a company should **report and describe its policies, actions and objectives.** The disclosure requirements of ESRS 2 apply to all ESG topics and to all companies, regardless of their sector.

The IRO, GOV, SBM and BP requirements are disclosure categories defined in the ESRS architecture and provide a framework for all other topical standards that are specific to particular environmental, social or governance issues.

What they represent and how they fit into the ESRS architecture is explained below:

1. **IRO (Impacts, Risks, and Opportunities):** These requirements refer to the management of the company's impacts, risks and opportunities related to ESG issues. In ESRS 2, the IRO requirements require the company to describe the process for identifying, assessing and managing material sustainability impacts, risks and opportunities. The IRO-1 requirement, which concerns the description of processes for identifying and assessing material impacts, risks and opportunities, must always be reported by the company, regardless of the outcome of its materiality analysis. This means that the company must provide information on how it manages the assessment of sustainability issues, even if specific ESG issues are not material to its operations. However, the other requirements are only mandatory if the ESG issue is considered material.
2. **GOV (Governance):** GOV requirements cover corporate governance, including the composition, roles and responsibilities of administrative, management and control bodies in relation to ESG issues. It also includes information on how sustainability performance is integrated into incentive systems and internal control and risk management systems.
3. **SBM (Strategy and Business Model)**: These requirements focus on the strategic aspects of the company, such as the relationship between the business model and ESG issues. The SBM requirements require the company to provide information on how the strategy addresses sustainability risks and opportunities and how these aspects interact with the business model.
4. **BP (Basis for Preparation):** BP requirements refer to the basis for the preparation of the sustainability reporting, including general information on the methodology used, the scope of consolidation, the upstream and downstream value chains, and any estimates or uncertainties related to the measurement of indicators.

Sector Standards - ESRS E1

ESRS E1 - Climate Change sets out disclosure guidelines for companies on climate risks and mitigation and adaptation strategies.

Objectives of the standard

1. Provide information on the company's impact on climate change and plans to reduce this impact in line with the Paris Agreement (limiting global warming to 1.5°C).
2. Describe the company's ability to adapt its strategy and business model to climate-related risks and opportunities.
3. Disclose specific actions and achievements to prevent, mitigate or resolve impacts, and manage climate risks and opportunities.
4. State the financial impact of climate change on the company in the short, medium and long term.

Metrics and Targets

- Climate targets.
- Energy consumption and energy mix.
- Total GHG emissions (Scope 1, 2, and 3).
- GHG removal and storage through developed or financed projects.
- Internal carbon price to support decisions and incentives.
- Expected financial impact of climate-related physical and transition risks.

This standard requires companies to detail their actions to address climate change, including policies and allocated resources, and to provide clear data on physical and transition risks.

Sustainability topics covered

- **Climate change mitigation:** initiatives to reduce greenhouse gas emissions.
- **Climate change adaptation:** ability to adapt to current and projected climate change.
- **Energy:** information on climate-related energy production and consumption.

Sector Standards - ESRS E2

The ESRS E2 - Pollution standard sets out guidelines for companies to disclose information on air, water and soil pollution and the use of substances of concern, including high risk substances.

Objectives of the standard

1. Disclose the company's impacts on air, water and soil, as well as the use of hazardous substances.
2. Describe the actions taken to prevent or reduce potential or actual adverse effects and manage the risks and opportunities associated with pollution.
3. Identify the material risks and opportunities associated with pollution and their financial implications for the enterprise in the short, medium and long term.

Metrics and Targets

- Pollution reduction targets: specify the targets that have been set.
- Information on emissions: disclose pollutants emitted and microplastics generated or used.
- Substances of high concern: Provide information on production, use, distribution and trade of hazardous substances, including those imported or exported.
- Expected financial impacts: identify the economic impacts of pollution-related risks and opportunities.

This standard requires companies to clearly document their emissions and associated risks, along with actions to reduce pollution and manage substances of concern..

Sustainability topics covered

- **Air pollution**: indoor and outdoor emissions and measures to prevent, control and reduce them.
- **Water pollution**: discharges to water and measures to prevent and control them.
- **Soil pollution:** emissions to soil and measures to prevent and control them.
- **Substances of concern:** production, use and distribution of hazardous substances, with disclosure of restrictions and potential impacts.

Sector Standards - ESRS E3

ESRS E3 - Water and Marine Resources sets out the requirements for disclosure of information concerning water and marine resources.

Objectives of the standard

1. Disclose how the company affects water and marine resources, including current and potential positive and negative impacts.
2. Describe the actions taken to prevent or mitigate negative impacts and to protect water and marine resources, with a focus on reducing water consumption.
3. Disclose material risks and opportunities arising from the company's activities on these resources and how they will be managed.
4. Disclose the financial implications of risks and opportunities related to water and marine resources in the short, medium and long term

Metrics and targets

- Targets for water and marine resources: describe the targets set for the management of these resources.
- Water consumption performance: provide details of company performance in terms of water consumption, considering material impacts and risks.
- Expected financial impacts: disclose the expected economic impacts arising from material risks and opportunities related to water and marine resources.

Sustainability topics covered

- **Water resources:** covers surface water and groundwater, including information on consumption, withdrawals and dwastewater discharges.
- **Marine Resources:** covers the extraction and use of marine resources, including economic activities related to coastal and marine resources (blue economy).

Sector Standards - ESRS E4

ESRS E4 - Biodiversity and Ecosystems sets out disclosure requirements for companies regarding impacts on terrestrial, freshwater and marine habitats, ecosystems and species, including local populations and indigenous communities.

Objectives of the standard

- Disclose how the company impacts biodiversity and ecosystems, describing both positive and negative impacts.
- Describe actions taken to prevent or mitigate negative impacts and measures to protect and restore biodiversity, identifying risks and opportunities.
- Assess and plan the adaptation of business strategy to reduce impacts and manage dependence on natural resources.
- Disclose material risks, dependencies and opportunities related to biodiversity and how the company manages them.
- State the expected financial impacts of biodiversity-related challenges in the short, medium and long term.

Metrics and Targets

- E4-4: List targets set in support of the company's biodiversity policy.
- E4-5: Provide metrics related to material impacts on biodiversity and ecosystems.
- E4-6: Disclose the expected economic impacts of biodiversity related risks and opportunities.

Sustainability topics covered

- **Biodiversity:** Biodiversity refers to the variability among living organisms of all origins, including terrestrial, freshwater, marine and aquatic ecosystems and the ecological complexes of which they are part.

Sector Standards - ESRS E5

ESRS Standard E5 - Resource Use and Circular Economy sets out disclosure requirements related to resource use and the circular economy. Companies are required to report on resource flows, material circularity and waste management, taking into account the efficiency and sustainability of the resources used.

Objectives of the standard

1. Disclose how the company influences resource use, promoting efficiency and reducing consumption of non-renewable resources.
2. Describe the actions taken to avoid negative impacts related to resource use and waste management, and how it supports circularity and sustainable sourcing.
3. Plan and adapt business strategy to manage risks and opportunities related to resource use and circular economy principles.
4. Explain the expected financial impact of resource use and circularity risks and opportunities in the short, medium and long term.

Metrics and Targets

- E5-3: Targets set on resource use and the circular economy.
- E5-4: Information on resource flows and their impacts, including risks and opportunities.
- E5-5: Information on output streams, including waste, in relation to material impacts.
- E5-6: Projected financial effects of material risks and opportunities associated with resource use and the circular economy.

Sustainability topics covered

- **Circular economy:** an economic system that maximises the value of products and materials and minimises waste and pollution through recycling, reuse and recovery practices.

EFRAG indicators for SMEs

EFRAG has also developed a voluntary sustainability reporting standard for unlisted SMEs (VSMEs), which represent 99.8% of all companies in the European Union.

The European Commission's **SME Support Package,** published in September 2023, refers to **VSME** as a measure to support SMEs in accessing sustainable finance.

EFRAG's work on this **voluntary standard for unlisted micro, small and medium-sized enterprises** is outside the the scope of the Corporate Sustainability Reporting Directive (CSRD).

It is driven by the market need for a **common reference point** to help SMEs meet the increasing demand for sustainability information from business partners and to reduce the barriers to entry for sustainability reporting by unlisted SMEs.

Its modular approach allows for greater **proportionality**, with simplified language and differentiated reporting requirements. The modules cover different aspects of sustainability, with disclosures ranging from environmental and social impacts to corporate governance, and are designed to be easy to use even for micro-enterprises.

There are three main modules focusing on different areas of reporting:

1.**Basic Module:** includes 12 disclosures covering fundamental aspects such as report preparation, energy use, greenhouse gas emissions, pollution, biodiversity, resource use, worker health and safety, remuneration and anti-corruption compliance. Some parameters must always be reported, while others are subject to specific conditions (e.g. ‘if applicable’).

2**. Narrative-PAT Module:** focuses on corporate strategies and initiatives related to sustainability. It comprises five disclosures covering the business model, sustainability policy and objectives, management of material issues and governance. This module is suitable for SMEs that already have clear sustainability policies and objectives.

3. **Business Partners Module:** is designed to respond to ESG data requests from business partners. It includes 11 disclosures on topics such as sourcing of revenue from certain sectors, gender diversity, emissions reduction targets, climate change transition plans, physical climate-related risks, hazardous waste management and compliance with international guidelines.

The disclosures required in the VSME were selected by analysing more than 12 real-life examples of **ESG questionnaires** used by banks, national federations and rating agencies, with the aim of covering the most common information needs. The paper emphasises that the disclosures are designed to be **simplified and proportionate** to the resources of SMEs, avoiding overly complex requirements.

Public consultations and field tests, conducted in parallel, aim to assess the proposed architecture, relevance of the required disclosures and market acceptance. The VSME also aims to improve SMEs' management of sustainability issues, enabling them to better meet the needs of lenders, investors and customers, and to facilitate access to the sustainable finance market.

SASB indicators

SASB indicators cover a wide range of topics, from the environment to human rights and transparency.

SASB indicators are a set of standardised indicators that companies can use to communicate their sustainability performance on a **sector-specific basis**. In fact, SASB is an independent organisation whose mission is to develop and disseminate sector-specific reporting standards that companies can use to communicate relevant information to investors.

The SASBs are diverse and specific to **77 industries** and are designed to enable companies around the world to identify, manage and communicate financially relevant sustainability information to investors.

Example

The SASB indicator related to the **Food & Beverage sector**, section '**Agricultural Products**', requires companies to provide clear data on: hectares of land actively used for the production of these products; total tonnes of each crop produced; amount of raw materials from other sources; number of production facilities.

This specificity of reporting allows, on the one hand, companies to report the information that is **most relevant to their sector;** on the other hand, it ensures greater transparency between the different actors in the sector. n this way, investors can draw informed conclusions to the extent that they themselves recognise the SASB standards as essential requirements for the provision of consistent and comparable sustainability information.

Which standards to choose?

The choice of which standards to adopt depends on the **reporting requirements** and the **relevant stakeholders**. In the case of a European entity or organisation that interfaces primarily with the European market, it is preferable to choose the standards issued by **EFRAG**. In addition, the ESRS standards are those directly related to the **CSRD**. Consequently, an entity that will be required to report will necessarily have to use the ESRS standards.

On the other hand, if the target market has a **broader scope** and there is a need to disseminate data more widely, **GRI** indicators are the most appropriate choice. In fact, there are now more than 10,000 companies worldwide that use these standards to communicate their impacts. As a result, the understanding and comparability of the information reported will undoubtedly be greater.

Finally, SASB indicators are the most recommended choice if the company wants to communicate sustainability information that is financially relevant, **sector specific** and of interest to **investors**.

3Bee

Virginia Castellucci
virginia.castellucci@3bee.com

Federica Nova
federica.nova@3bee.com

Join the Network's Telegram channel dedicated to sustainability professionals to receive news and updates on the ESG world