

MAYER | BROWN

SUSTAINABILITY DISCLOSURES AND ARTIFICIAL INTELLIGENCE

21 May 2025

speeki 

WEDNESDAY 21 MAY 2025 SUSTAINABILITY DISCLOSURES AND ARTIFICIAL INTELLIGENCE

1. 9:30 a.m. to 10:15 a.m. Session One
2. 10:20 a.m. to 11:15 a.m. Session Two
3. Q&A to follow

TODAY'S SPEAKERS



PARTNER
ENVIRONMENTAL, SOCIAL
& GOVERNANCE
TIM BAINES
LONDON
+44 20 3130 3073
TBAINES@
MAYERBROWN.COM



COUNSEL
INTERNATIONAL TRADE
DYLAN GERAETS
BRUSSELS
+32 2 551 5948
DGERAETS@
MAYERBROWN.COM



SENIOR ADVISOR
SPEEKI
**ANDREW
HENDERSON**



PARTNER
ANTITRUST & COMPETITION
**DR. JOHANNES
WEICHBRODT**
DÜSSELDORF
+49 211 86224 150
JWEICHBRODT@
MAYERBROWN.COM



SENIOR ASSOCIATE
LITIGATION &
DISPUTE RESOLUTION
JAMES FORD
LONDON
+44 20 3130 3351
JFORD@
MAYERBROWN.COM

About Speeki

Speeki enables companies to build, manage, report on and assure ESG and sustainability initiatives, transforming ESG challenges into business opportunities with AI-driven software and solutions.

With our all-in-one Speeki® platform, we help companies seamlessly manage their ESG and sustainability programmes and streamline reporting according to standards and frameworks such as GRI, ESRS, IFRS (S1 and S2) and more.

More than just software, Speeki provides ESG assurance and ISO certifications covering over 20 ESG and sustainability topics.

Our mission is to build a more sustainable world by helping companies achieve their sustainability goals, meet regulatory requirements and address stakeholder expectations, driving long-term value at every stage of their ESG journey.

Contact us or visit www.speeki.com to find out more.

Andrew Henderson Senior Advisor Speeki



Andrew Henderson is a Senior Advisor at Speeki, bringing a unique blend of technical expertise and legal training. With over 15 years in the ESG industry, he has a proven track record of developing innovative solutions, offering strategic advice and managing certifications. Andrew also regularly leads webinars and training sessions, sharing his deep insights into ESG matters and more.

AGENDA – SESSION ONE

1. Setting the scene - Tim Baines, Mayer Brown
2. Update on Omnibus - Dylan Geraets
3. Practical steps for Assessing Materiality - Andrew Henderson, Speeki

An aerial photograph of a serene landscape. On the left, a calm lake reflects the sky. On the right, a dense green forest covers a hillside. A paved road with yellow lane markings curves through the forest. The text '01' is centered over the lake.

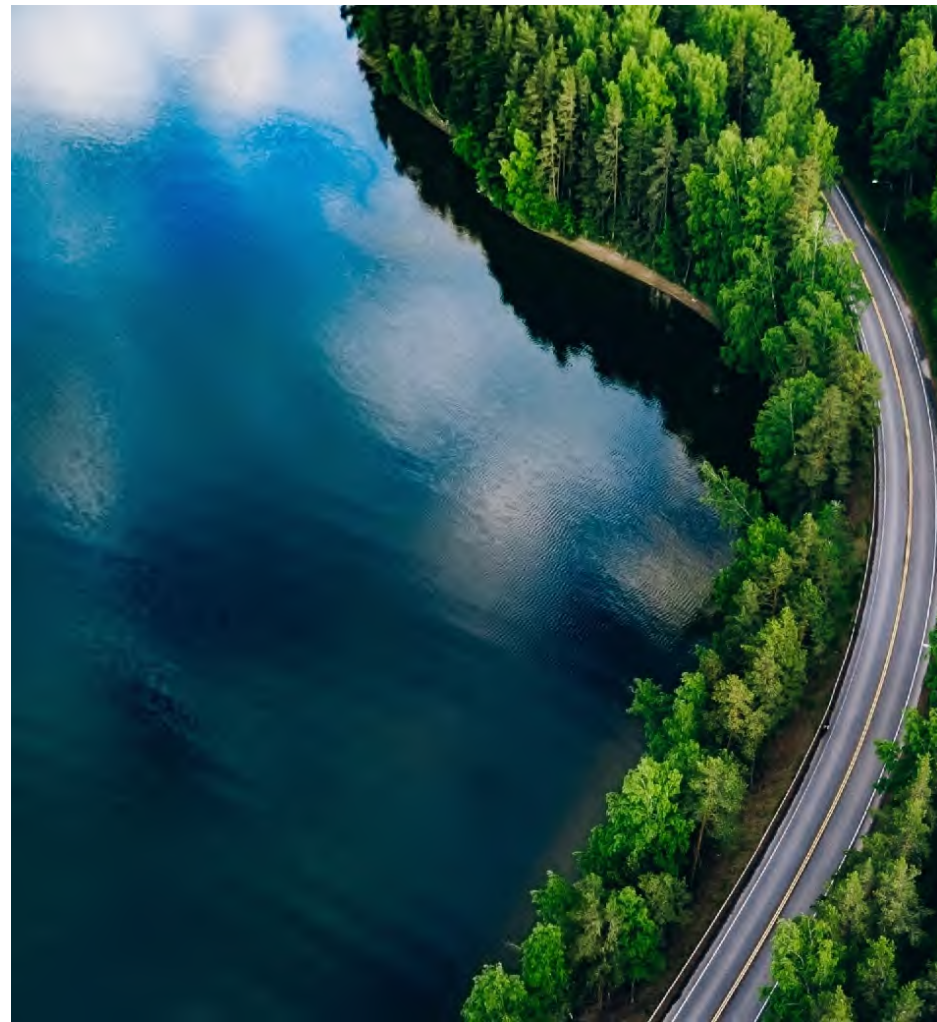
01

SETTING THE SCENE

TIM BAINES

CSRD – IN A NUTSHELL

- The CSRD is intended to close existing gaps in reporting regulations and expand sustainability reporting as a whole. The CSRD entered into force on 5 January 2023.
- It is one part of a wide range of ESG disclosure regulations in the EU besides: SFDR, Taxonomy Regulation, EU Green Bond Regulation, Prospectus Regulation, MiFID II etc.
- The aim is to increase the accountability of companies with regard to sustainability aspects and to introduce binding reporting standards at EU level for the first time.
- It is complex and amends a number of pieces of existing EU legislation
- Has a significant interaction with the EU Corporate Sustainability Due Diligence Directive (CSDDD/CS3D)



CSRD – HOW WILL IT APPLY?

CATEGORY	DEFINITION	TIMING
Companies currently subject to the NFRD + certain non-EU listed entities	Large EU "public interest entities" that are already subject to the NFRD and non-EU companies with securities listed** on a regulated market in the EU within the definition of large undertakings with more than 500 employees	FY 24
"Large" EU companies and groups.	EU companies and EU consolidated groups meeting two of the following tests: a) balance sheet total exceeding €25 million, b) net turnover exceeding €50 million, and c) more than 250 employees.	FY 27
Other EU and non-EU companies (excluding micro-enterprises) with securities listed on EU regulated markets.	Other EU and non-EU companies (excluding micro-enterprises***) with securities listed** on an EU regulated market.	FY 28
Non-EU companies with a net turnover of more than €150 million in the EU and an EU branch or subsidiary.	Non-EU companies with a) an annual net turnover at the consolidated or individual level in the EU exceeding €150 million for each of the last two consecutive financial years, and b) which have a qualifying EU subsidiary (which is either a large EU company, or an EU company listed on an EU regulated market which is not a micro enterprise) or a branch in the EU that generated an annual net turnover in excess of €40 million in the preceding financial year.	FY 28

*PIE = EU company with EU regulated market listed securities, EU credit institutions and EU insurance companies + others specifically designated as PIEs

** **For debt listings of non-EU companies, applies only where denominations are less than EUR100,000.** CSRD information is included in management reports. The Article 8 "wholesale" exemption from requirement to produce a management report on account of listing on a regulated market remains.

***Micro-enterprise = two of: balance sheet less than EUR350,000, net turnover less than EUR700,000 or less than 10 employees

THE KEY AMENDMENTS OF THE CSRD

- **Extended, standardised reporting** obligation - In future, companies will have to report more comprehensively and according to more uniform standards.
- **New understanding of “materiality”** - The CSRD enshrines what is known as “**double materiality**”. This means that companies are obliged to report on the impact of their own business operations on people and the environment (*inside-out view*) as well as on the impact of sustainability aspects on the company itself (*outside-in view*).
- **External audit** - In future, sustainability reporting, like financial reporting, must be audited externally.
- In order to facilitate access to **sustainability information**, this is to be a mandatory **part of the management report** in future.
- **Standardised electronic reporting format.**



CSRD – DISCLOSURE OBLIGATIONS

In-scope companies will be required to disclose a range of sustainability-related information, including:

- a brief description of the company's business model, strategy, sustainability risks and opportunities, and sustainability policies (including incentive schemes linked to sustainability matters);
- ESG targets (including greenhouse gas emission targets) and annual progress on these targets;
- transition plans, measures taken to limit global warming in line with the Paris Agreement and to achieve climate neutrality by 2050, exposure to coal, oil and gas-related activities;
- sustainability matters that affect the company and the impact of the company on sustainability matters;
- due diligence processes implemented by the undertaking in relation to sustainability matters and the actual and potential adverse impacts of the company's operations and value chain; and
- Taxonomy alignment reports.

In-scope entities will be also required to disclose against new EU Sustainability Reporting Standards (**ESRS**).

THE 12 EFRAG REPORTING STANDARDS

CROSS-CUTTING STANDARDS

General Requirements: ESRS 1

General Disclosures: ESRS 2

TOPICAL STANDARDS

Environmental

- ESRS E1
- ESRS E2
- ESRS E3
- ESRS E4
- ESRS E5

Social

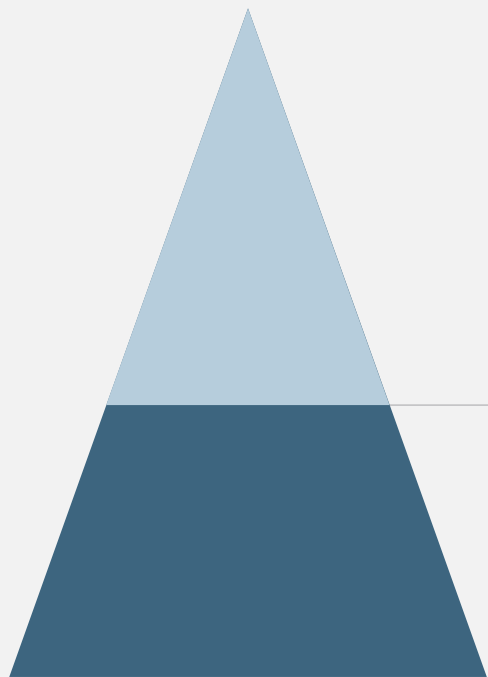
- ESRS S1
- ESRS S2
- ESRS S3
- ESRS S4

Governance

- ESRS G1

HOW TO REPORT?

- One consolidated report added to the **management section of the annual financial report** in electronic reporting format (to be available on the European Single Access Point ("**ESAP**"))
 - The ESAP platform should be available from summer 2027
- The companies should consider EFRAG Implementation Guidance and Q&As:



Draft EFRAG Implementation on Guidance

No. 1: Materiality Assessment

No. 2: Value chain

No. 3: List of ESRS datapoints

EFRAG ESRS Implementation on Q&A Platform Explanations

No. 1: February 2024

No. 2: March 2024

INTERNATIONAL DISCLOSURE - ISSB

- The International Sustainability Standards Board (ISSB) was established by the International Financial Reporting Standards Foundation to develop a global baseline of sustainability disclosure standards.
- The ISSB published its final sustainability disclosure standards (ISSB Standards) on 26 June 2023.
- The ISSB Standards require entities to disclose material information about all sustainability-related and climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects.



THE ISSB STANDARDS

IFRS S1

- Requires entities to disclose **material information** about all **sustainability-related risks and opportunities** that could reasonably be expected to affect the entity's **prospects**.
 - “Prospects” refers to cash flow, access to finance or cost of capital over the short, medium or long term, whilst “material information” refers to information that if omitted, misstated or obscured could reasonably be expected to influence the decisions of users of financial reports.
- The specific disclosures required under IFRS S1 are grouped into **four categories**:
 - **Governance**: the processes, controls and procedures entities use to monitor and manage sustainability-related risks and opportunities.
 - **Strategy**: how entities manage sustainability-related risks and opportunities.
 - **Risk management**: how entities identify, assess, prioritise and monitor sustainability-related risks and opportunities.
 - **Metrics and targets**: entities’ performance in relation to sustainability-related risks and opportunities, including progress towards any targets the entity has set or is required to meet by law.

THE ISSB STANDARDS (CONT.)

IFRS S2

- Requires entities to disclose **material information** about **climate-related risks and opportunities** that could reasonably be expected to affect the entity's **prospects**.
 - It is designed to be used in addition to IFRS S1.
- The specific disclosures required under IFRS S2 are grouped into **four categories**:
 - **Governance**: information about the governance body(s) for oversight of climate-related risks and opportunities, and management's role in the processes, controls and procedures used to monitor and manage these risks / opportunities.
 - **Strategy**: information to enable users of financial reports to understand the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects.
 - **Risk management**: the processes used to identify, assess, prioritise and monitor climate-related risks and opportunities.
 - **Metrics and targets**: the quantitative and qualitative climate-related targets entities have set to monitor progress towards achieving their goals, as well as targets they are required to meet by law.

An aerial photograph of a serene landscape. On the left, a calm lake reflects the sky. On the right, a dense green forest covers a hillside. A paved road with yellow lane markings curves through the forest. The text is overlaid on the lake side of the image.

02

SIMPLIFICATION OMNIBUS NEGOTIATIONS UPDATE

DYLAN GERAETS



OMNIBUS “SIMPLIFICATION” PROPOSAL

- **26 February 2025** – publication of Commission “Omnibus I” or “Simplification” package covering CSDDD, CSRD, and CBAM
- “Proposals to simplify EU rules and boost competitiveness, and unlock additional investment capacity. [...] [F]ar-reaching simplification in the fields of sustainable finance reporting, sustainability due diligence, EU Taxonomy, carbon border adjustment mechanism, and European investment programmes.”
- **CBAM:** separate proposal
- **CSRD / CSDDD:** combined proposal

OMNIBUS I: CBAM PROPOSAL

- No changes to the main operation of the mechanism, but simplification of processes for businesses and exclusion of small importers through a higher “de minimis threshold”
- Simplification measures regarding authorisation of declarants, emissions calculations, reporting requirements and access to the CBAM registry for third-country operators and verifiers
- Financial liability simplifications
- Strengthened anti-circumvention and anti-abuse provisions





OMNIBUS I: CBAM PROPOSAL

- **On 13 May 2025** the EP's Environment, Climate and Food Safety (ENVI) Committee supported the Commission's CBAM proposal adopting only technical amendments for clarification purposes
- Text adopted by 85 votes in favour, 1 against and 1 abstention
- Formal adoption in "Plenary" on **22 May 2025**
- Negotiations between Council and the EP will start thereafter, but all indications point towards a swift adoption.

OMNIBUS I : CSRD/CSDDD PROPOSAL

- **14 April 2025** – adoption of the “stop-the-clock” Directive, amending the CSRD’s reporting dates and the CSDDD’s implementation dates, followed by publication in the EU Official Journal on 16 April
- **Council:** Negotiations in the Antici Group (Simplification)
- **European Parliament:** discussions are led by the JURI committee (Lead Rapporteur Jörgen Warborn (EPP)), with the ECON, ENVI, AFET, EMPL, and INTA committees also involved





OMNIBUS I: CSRD/CSDDD PROPOSAL

- **Developments in Council**
 - **5 May 2025** – first “Presidency Compromise Text” reflecting divergences f.e. on Article 22 (climate transition plans) and civil liability regimes (Article 27)
 - **16 May 2025** – second “Presidency Compromise Text” with many issues still unresolved and “not subject to discussion during meeting of 19 May 2025”
- At this stage it is likely that the negotiators will require additional “political guidance” from the EU Ambassadors in “COREPER”. Rapid conclusion of negotiations in Council unlikely at this stage



OMNIBUS I: CSRD/CSDDD PROPOSAL

- **Developments in European Parliament**

- **23 April 2025** – initial debate in JURI committee.
 - Increase the threshold for companies to be in scope
 - Clearly define the "chain of activities"
 - Only have Tier 1 due diligence
 - Keep the new proposal on civil liability
 - Have a "reality check" on the need for mandating transition plans
- Draft Rapport by Lead Rapporteur expected early June, with amendments through June and a vote towards the end of July (before the summer recess). Trilogue possibly in fall.

CSDDD LATEST DEVELOPMENTS: GERMANY'S POSITION

- **Merz / Von der Leyen Press Conference**, 9 May 2025 – Merz calls on EU to scrap CSDDD: *"We will revoke the national law in Germany. And I also expect the European Union to follow suit and **really cancel this directive**"*
- **Klingbeil opposes Merz on CSDDD** (Handelsblatt, 12 May 2025) – "A few days after Friedrich Merz's first trip to Brussels in his new role, disagreement between the Chancellor and his deputy, Lars Klingbeil, has become apparent."
- **Merz opposes Klingbeil: CSDDD has to go** (Welt Online, 13 May 2025) – "Federal Chancellor Friedrich Merz insists on the demand to abolish the EU Supply Chain Directive, despite opposition from the SPD. The chairman of the SPD Members of the European Parliament, Rene Repasi, publicly called on Merz on Monday to withdraw his statement."



An aerial photograph of a serene landscape. On the left, a calm lake reflects the sky. On the right, a dense green forest covers a hillside. A paved road with yellow lane markings curves through the forest. The text '03' is centered over the lake.

03

AI AND SUSTAINABILITY

ANDREW HENDERSON

AI and Sustainability

How sustainability can utilise AI



speeki 



Our Topic



- Using AI in Sustainability
 - ✓ What is AI
 - ✓ Impacts, Risks & Opportunities of AI
- Practical steps for Assessing Materiality
- Building a Carbon Accounting programme
- Building a Sustainability Due Diligence Programme





ESG

What is AI?

A useful definition

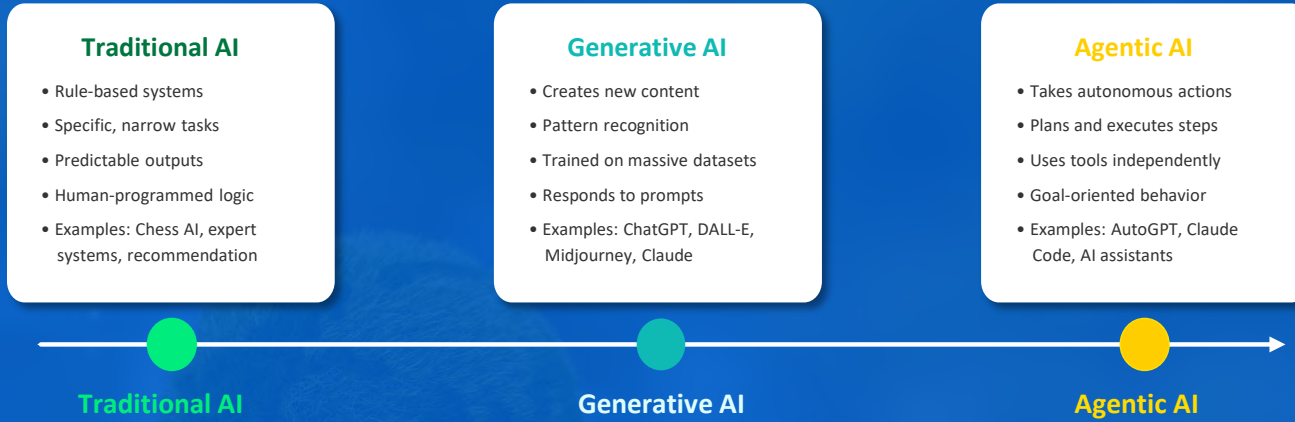
Artificial Intelligence is pattern matching learned through recursion.

- ✓ Breaking content into small pieces (syllables, facial features, sound waves)
- ✓ Identifying where those pieces have been seen before (from training set)
- ✓ Providing the context of where those pieces were seen before (to provide advice)
- ✓ Feedback loops to improve by learning

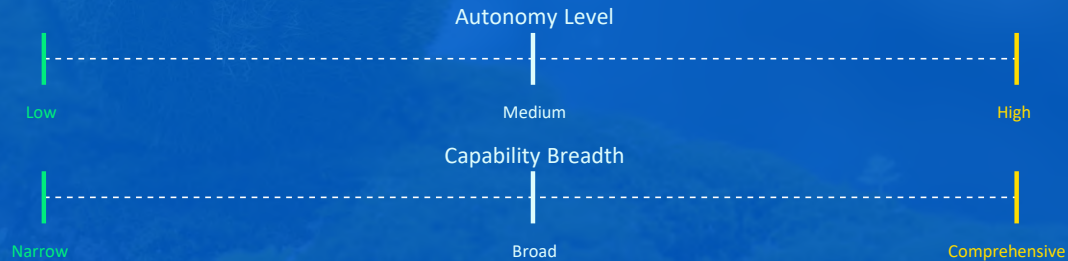
Artificial Intelligence is more than just automation



The AI revolution ...



Key Differences





ESG

Impacts, Risks and Opportunities

A person in a suit is writing on a notepad. The notepad has 'ESG' written on it, and a checklist with 'environment', 'social', and 'governance' items, each with a checkmark. There are also icons for a lightbulb, a leaf, a recycling symbol, and a person. The background is a blurred office setting with a window showing greenery.

ESG

Opportunities

Environment



Waste

- ✓ Waste sorting
- ✓ IoT bins collection
- ✓ Contamination detection
- ✓ Drone landfill mining
- ✓ Autonomous or electric vehicles
- ✓ Route/Load operation
- ✓ Landfill monitoring
- ✓ Enviro Monitoring

Water

- ✓ Predicting water infrastructure failures
- ✓ Predicting repairs
- ✓ Optimize water distribution networks
- ✓ Water quality testing for contaminants
- ✓ Flood predictions
- ✓ Reducing energy used for treatment
- ✓ Smart irrigation systems
- ✓ Cyber biosecurity predictions



Modern Slavery

- Victim identification by harnessing its capabilities to analyse online content and detect potential signs of trafficking
- Contribute to the efficiency of identification by matching victims' faces in images across law enforcement databases such as arrest records



Cyber Risks

- Predictive threat intelligence
 - Vulnerable systems
 - Anomaly detection
- Automated incident response
 - Detection of phishing
 - Deep fake identification

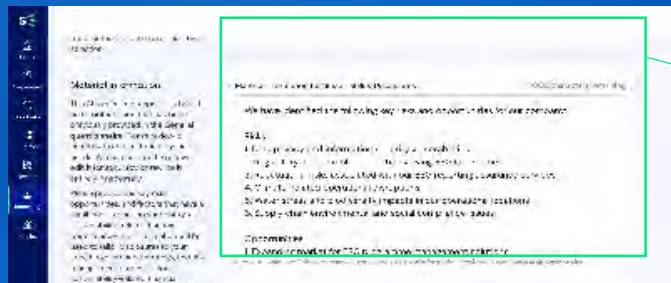


And also, in the Sustainability Profession

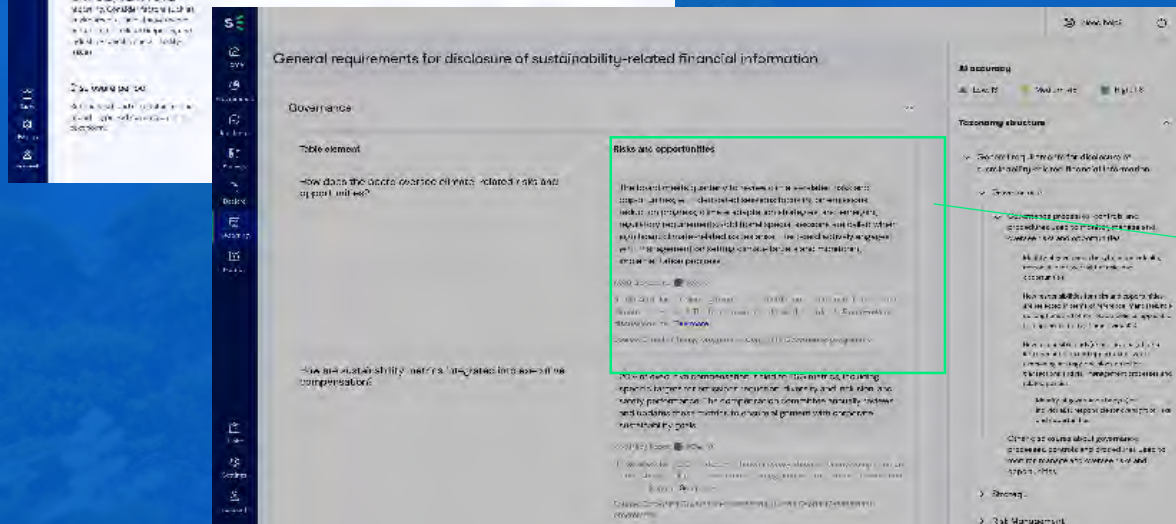
- ✓ A Chief Sustainability Officer will need to manage a large number of topics and people.
- ✓ Existing technology can support some of these topics, but CSO's often lack the skills and resources to execute.
- ✓ Generative AI is already supporting some tasks (drafting, analysis)
- ✓ Agentic AI will be able to actually interact with systems and perform tasks – working with humans.



Generative AI - Reporting and Disclosures (e.g. GRI, IFRS S1&S2 and ESRS)



AI refines general material information to align with IFRS or ESRS disclosure requirements. Users can review, validate, and adjust responses.



AI customises responses based on your sources, aligning them with specific standards.

It includes an accuracy score, reasoning, and source references for transparency. Users can identify weak answers, then review, refine, and validate answers to meet disclosure requirements.

Generative AI - Whistleblower and grievance ...

Whistleblower reporting powered by AI-driven chatbots, featuring voice-to-text transcription, multilingual translation, and expert-guided dialogue for accurate and secure disclosures.



Greetings, I'm here to assist you in creating a report for your company. Kindly follow the conversation below. Once you're done with the chat, please click or press the 'Next' button to conclude your report.

Every employee must receive the same treatment and the same opportunities at all stages of the employment relationship, regardless of gender, age, religion, race, color, sexual orientation, ethnic or national origin, or disability.

Did you witness or experience discrimination in the company?

☐ YES, I WAS A VICTIM ☐ YES, I WITNESSED IT ☐ NO, BUT I HEARD FROM OTHERS THAT IT HAPPENED
☐ NO, MY REPORT IS RELATED TO SOMETHING ELSE, NOT DISCRIMINATION



Speak up

The options you selected are listed below.

Country where the incident occurred

Indonesia

Incident type:

Discrimination



BACK

NEXT

Generative AI - Certifications and Ratings ...

Compliance

1. Do you have a standardised methodology that you apply to the creation of each compliance programme in the organisation? Initial survey

Expert's comments:
The use of a standardised methodology e.g. ISO management systems to design and implement your compliance programme can improve your score as it will ensure coherency amongst different programmes and facilitate the creation and update of these programmes. The organisation should establish, implement, maintain and continually improve a compliance programme, including the processes needed and their interactions. The compliance programme should reflect the organisation's values, objectives, strategy and compliance risks. Values into account the content of the compliance...


Your answer: Yes

Your comment: Yes, we apply a standardized methodology for creating each compliance programme. You can find it in Appendix C of attached. This approach includes: conducting a strategic preparation and analysis, risk and impact assessment, stakeholder engagement, developing strategies and action plans, resource allocation, implementation, and continual monitoring and improvement. This framework ensures consistency, thoroughness, and alignment with regulatory requirements across all compliance initiatives.

Attached links and/or files:
[Compliance Framework.docx](#)

2. Is there clarity across the organisation as to who owns the compliance framework applied across the business? Review survey

Expert's comments:
The governing body and top management must appoint or nominate a compliance function to run the compliance programme and communicate on the clarity of this individual or individuals throughout the organisation. Failure to do so will impact your score. The programme should be written in plain language so that all personnel can easily understand...



Results: Compliance

Silver

Company: White Spain Inc.
Country: New Zealand
Address: 105 Fonthill, Auckland

AI is used to conduct an initial assessment of responses, enabling a more efficient and custom review process for a well-calibrated scorecard.

A person in a suit is writing on a notepad. The notepad has 'ESG' written on it, and a checklist with 'environment', 'social', and 'governance' items, each with a checkmark. The background is a blurred office setting with a window showing greenery. A blue semi-transparent banner is at the bottom.

ESG

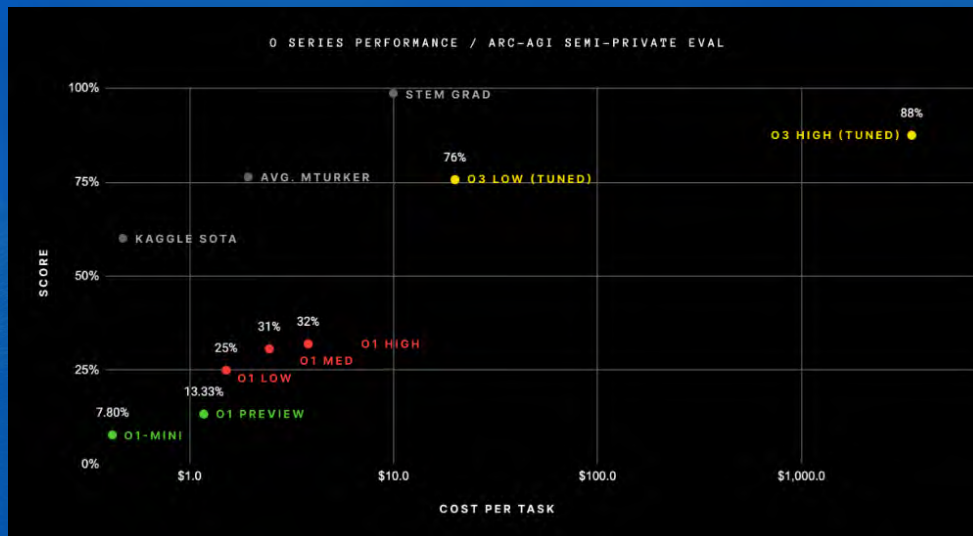
Risks

But still not as accurate or cheap as a human (for specific tasks)



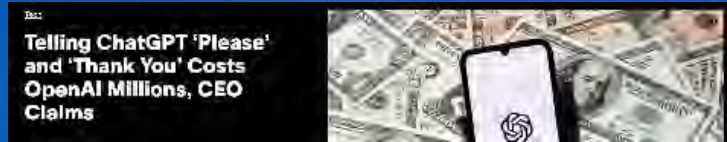
At an achievable price

Highest performance of latest OpenAI model achieved 88% accuracy – but at \$30K in compute costs.



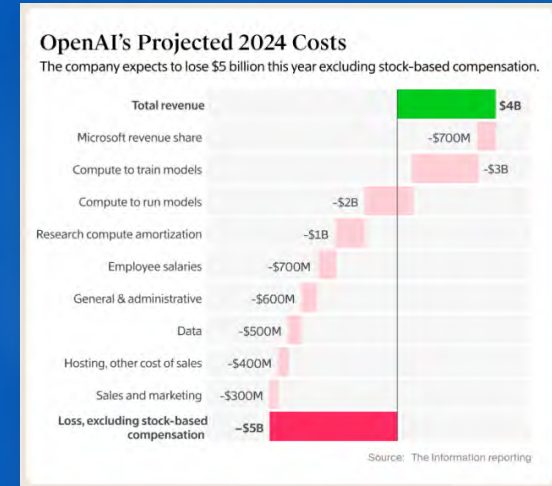
Cost of access will need to increase

OpenAI lost roughly \$5 billion last year after paying for costs related to running its services and other expenses. It has over 20M users, but less than 1% pay for the service.

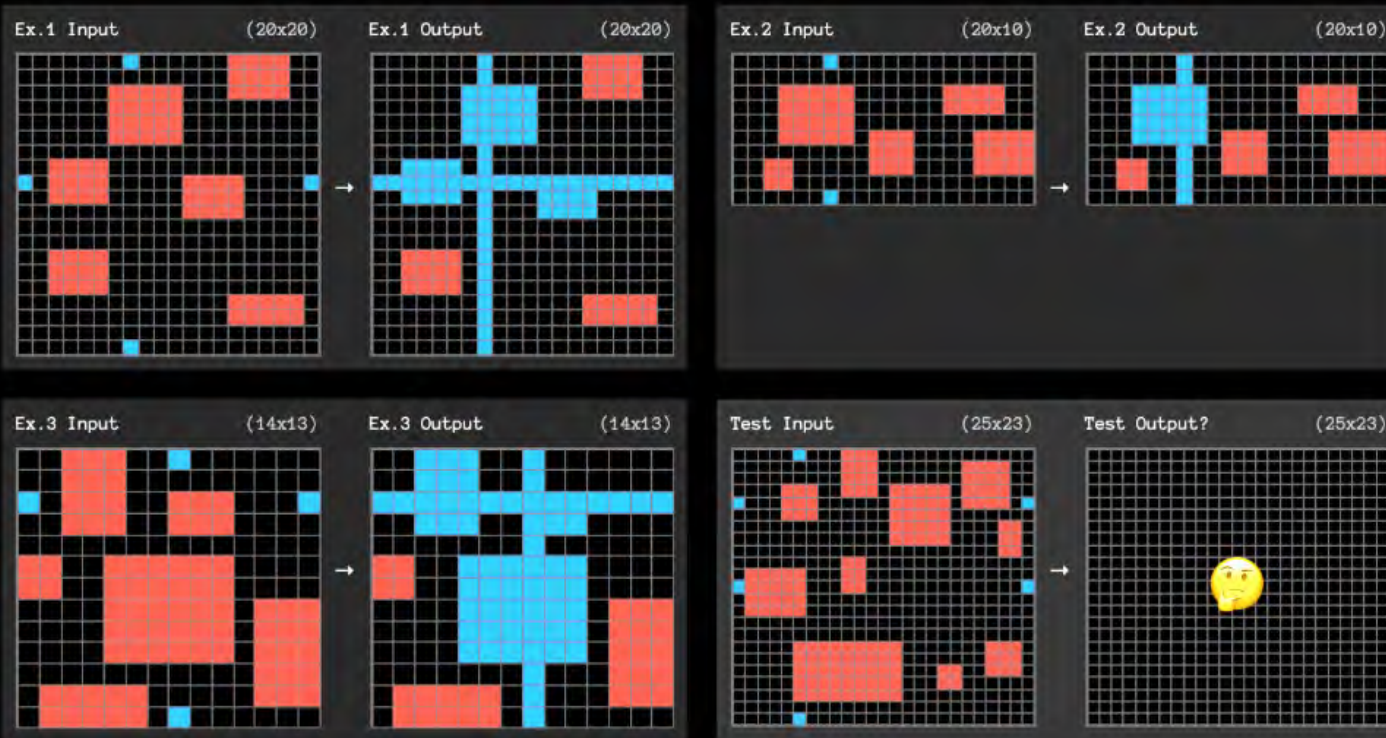


According to “The Information” journal, OpenAI intends to launch several “agent” products.

- a “high-income knowledge worker” agent, will reportedly be priced at \$2,000 a month;
- a software developer agent, is said to cost \$10,000 a month;
- a PhD-level research agent, priced at \$20,000 a month.



AI task example



ARC-AGI Task ID: 0d87d2a6



ESG

and... Impacts

What impacts?

Environmental

- ✓ Energy to train models
- ✓ Energy to operate
- ✓ Water for cooling
- ✓ Materials for GPU and Data Center creation

Social

- ✓ Impact to workers (change of role, loss of roles)

Governance

- ✓ Generally manageable with ISO42001 or similar



A person in a suit is writing on a notepad. The notepad has 'ESG' written on it, and a checklist with 'environment', 'social', and 'governance' items, each with a checkmark. The background shows a laptop screen with various icons and a window with greenery outside.

Materiality Assessments

What does Materiality mean?



- ✓ Providing material financial information to investors has been part of the business world for over 100 years. In that domain, the concept of materiality is a well understood.
- ✓ A more recent adaptation of that concept is Assessing Materiality for the purposes of Sustainability Reporting. That is the process where a company decides what its stakeholders want to know about sustainability matters, so it can provide them that information.
- ✓ The definition of what is material – and to who is complex, but there are three main models.



Financial Materiality



- ✓ For Financial Materiality, information is material if omitting, misstating or obscuring that information could reasonably be expected to influence decisions that primary users of general-purpose financial reports make on the basis of those reports, which include financial statements and sustainability-related financial disclosures and which provide information about a specific reporting entity.
- ✓ This model of materiality closely mirrors that of the materiality for financial statements.

(IFRS Definition)



Impact Materiality



- ✓ Impact Materiality refers to the effect an organization has or could have on the economy, environment, and people, including effects on their human rights, as a result of the organization's activities or business relationships.
- ✓ The impacts can be actual or potential, negative or positive, short-term or long-term, intended or unintended, and reversible or irreversible. These impacts indicate the organization's contribution, negative or positive, to sustainable development.
- ✓ This is a very different model of materiality.



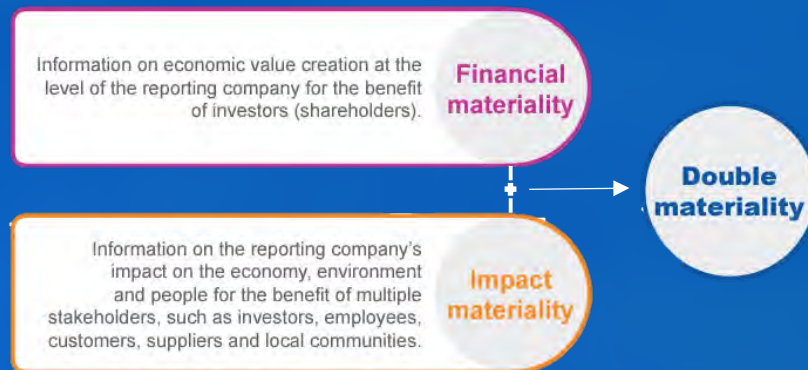
(GRI Definition)

Double Materiality

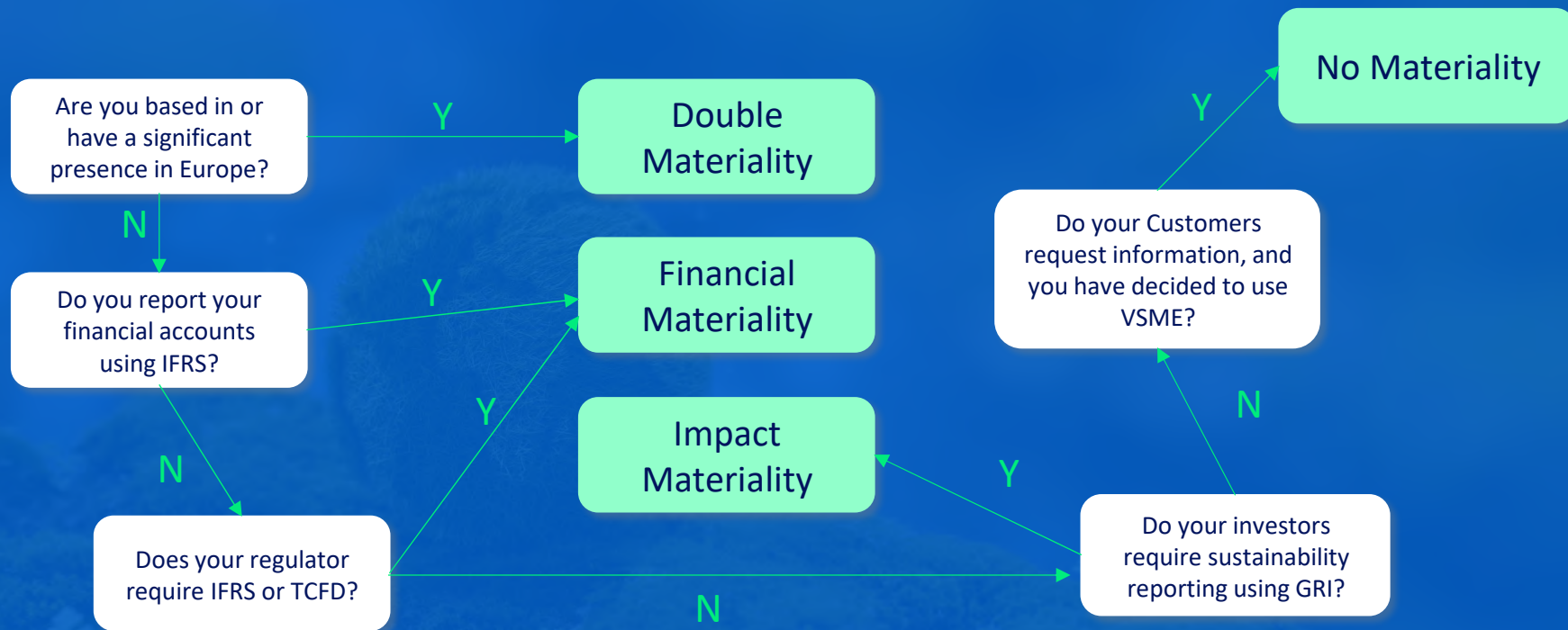
Double materiality is a combination of the two other models.

- ✓ It recognizes that Impact materiality and Financial materiality assessments are inter-related and the interdependencies between these two dimensions shall be considered.
- ✓ In general, the starting point is the assessment of impacts, although there may also be material risks and opportunities that are not related to the undertaking's impacts.

(ESRS Definition)



Summary – how to determine which version of Materiality to use? ...



What is the difference between: ... Important vs. Material



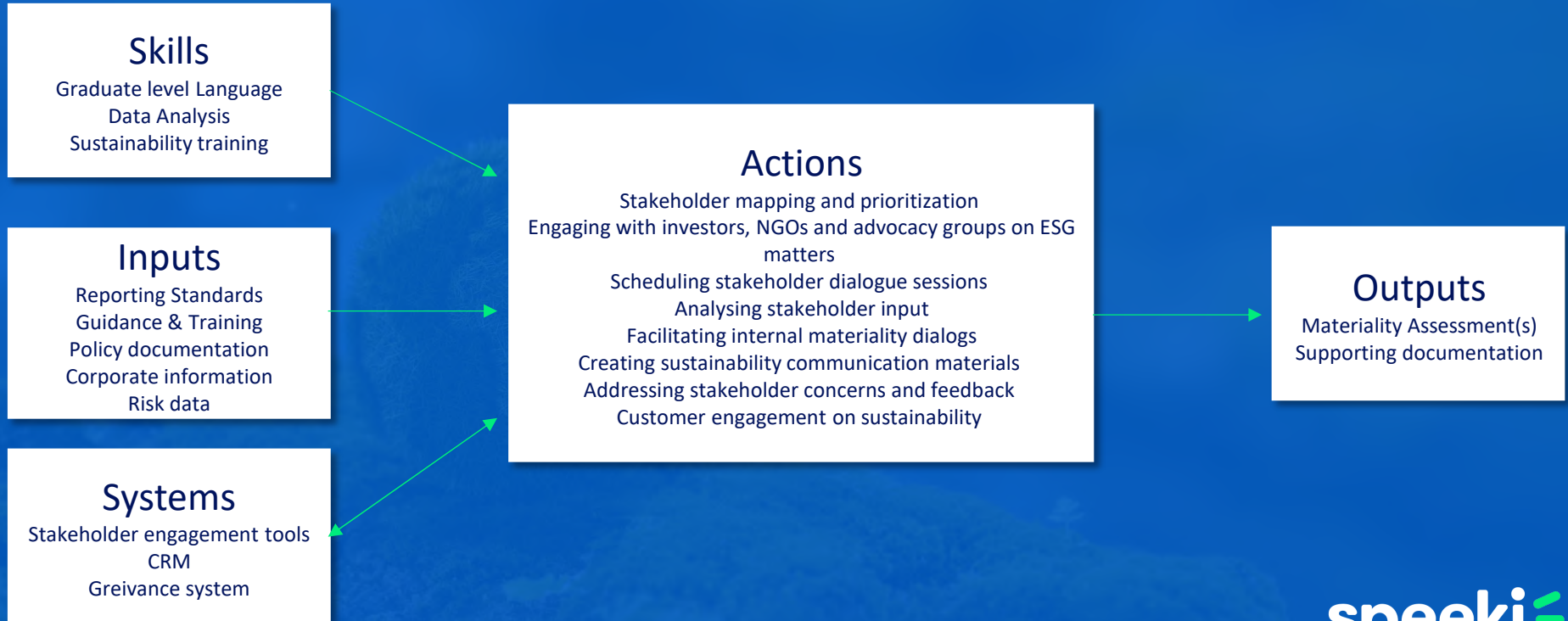
Important – means focus on

Speeki looks at things that are 'IMPORTANT' for you to consider as part of ESG and sustainability. These are topics, sub-topics and events that you believe are important to address as part of your ESG initiatives.

Material – means disclosure

Various standards, directives and ESG reporting laws focus on disclosing 'MATERIAL' issues. This is very focused on materiality and very focused on disclosing.

What would an AI agent need to do to support a Materiality assessment? ...



An aerial photograph of a serene landscape. On the left, a calm lake reflects the sky and surrounding trees. On the right, a paved road curves through a dense, lush green forest. The text 'WEBINAR RESUMES SHORTLY' is centered over the lake area.

**WEBINAR RESUMES
SHORTLY**

AGENDA – SESSION TWO

1. Building a Carbon Accounting programme - Andrew Henderson, Speeki
2. Building an International Due Diligence System – the legal perspective - James Ford, Mayer Brown
3. Building a Sustainability Due Diligence Programme - Andrew Henderson, Speeki
4. Lessons from Germany - Johannes Weichbrodt, Mayer Brown
5. Closing remarks and Q&A

An aerial photograph of a serene landscape. On the left, a calm lake reflects the sky. On the right, a dense green forest covers a hillside. A paved road with yellow lane markings curves through the forest. A thin white vertical line runs down the center of the image, passing through the text.

01

BUILDING A CARBON ACCOUNTING PROGRAMME

ANDREW HENDERSON



ESG

Carbon Accounting

Why do companies need to account for Carbon? ...

To manage their own **carbon emissions** and identify opportunities to reduce them.

To participate in **GHG markets** like the EU Emissions Trading System (EU ETS) or UK Emissions Trading Scheme (UK ETS)

To report according to voluntary **GHG standards** like GRI or SASB, or voluntary targets like CDP or SBTi.

To report against mandatory reporting programs like **TCFD**, **IFRS** (local variants), **CSRD**, California's Climate Corporate Data Accountability Act, **SEC Climate Rule**

To make your own decisions

To allow others to make decisions about you

What does the GHG Protocol Require? ...



What is a Carbon Accounting Programme? ...



Generative AI - GHG emission calculations ...

The screenshot displays the Speeki web application interface. A central modal window is open for data entry. The modal title is 'Electricity | Headquarter | 01/10/2023 - 12/31/2023'. It contains two main sections: 'General information' and 'Data entry type'. The 'General information' section has dropdown menus for 'Emission source' (Electricity), 'Location' (Headquarter), and 'User assigned' (Andrew Gray). It also includes date pickers for 'Start date' (01/10/2023) and 'End date' (12/31/2023). The 'Data entry type' section has a dropdown for 'Data entry type' (Consumption data) and a text input for 'Consumption data type' (Electricity). At the bottom of the modal are buttons for 'Save draft' and 'Submit to start calculations'. The background shows a sidebar with navigation options like 'Getting started', 'Dashboard', 'Emission calculations', 'Data entries', 'Bulk import', 'Company', 'Users', and 'Admin'. A table on the right lists various data entries with columns for date and consumption.

Date	Consumption (kWh)
01/10/2023	12345
02/10/2023	12345
03/10/2023	12345
04/10/2023	12345
05/10/2023	12345
06/10/2023	12345
07/10/2023	12345
08/10/2023	12345
09/10/2023	12345
10/10/2023	12345
11/10/2023	12345
12/10/2023	12345

AI calculates from electricity bill into Scope 2 – Indirect Emissions from Purchased Electricity

For scope 3 (other indirect emissions) AI can read spend data and assign a correct category and emission factor

What would an AI agent need to support Carbon Accounting? ...



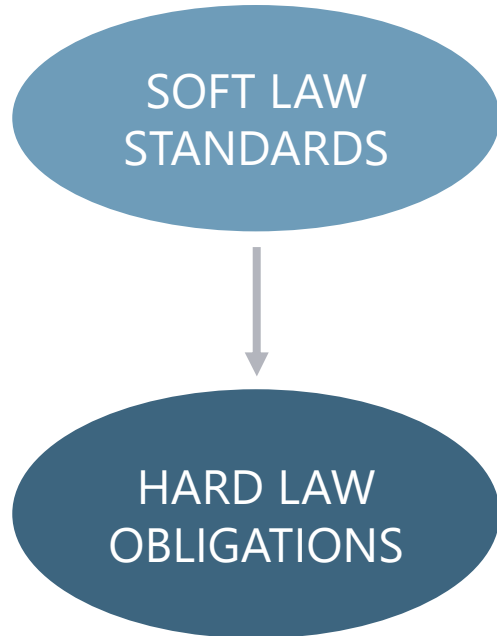
An aerial photograph of a serene landscape. On the left, a calm lake reflects the sky. On the right, a dense green forest covers a hillside. A paved road with yellow lane markings curves through the forest. A thin white vertical line runs down the center of the image, passing through the text.

02

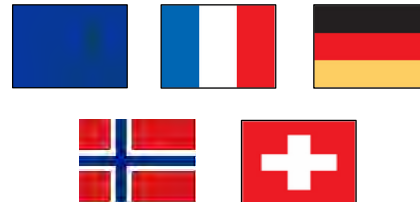
**BUILDING AN INTERNATIONAL
DUE DILIGENCE SYSTEM – THE
LEGAL PERSPECTIVE**

JAMES FORD

DUE DILIGENCE: KEY TRENDS AND DEVELOPMENTS



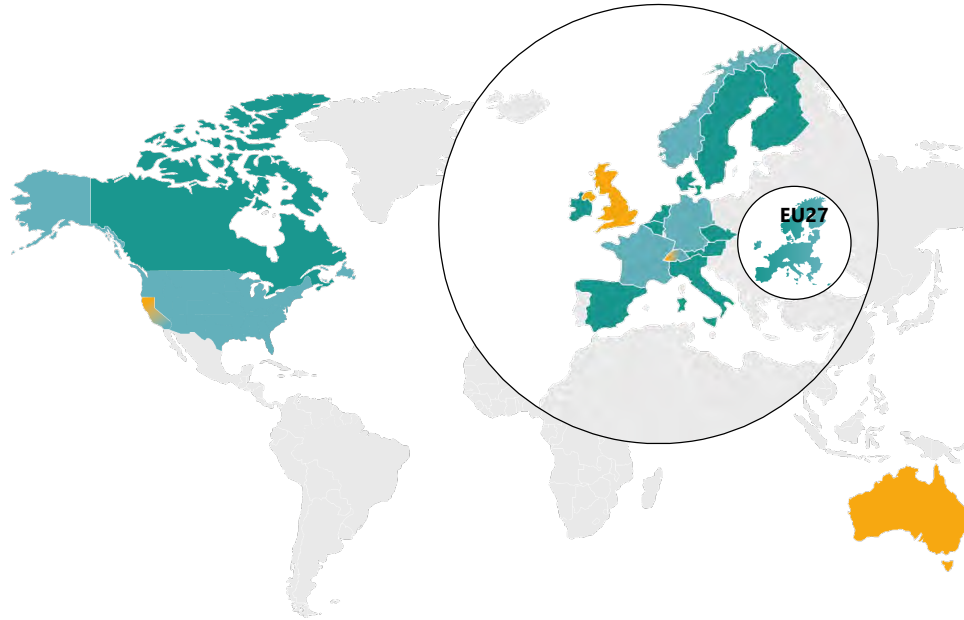
Due Diligence



Reporting



SUPPLY CHAIN DUE DILIGENCE ON THE RISE



Due Diligence (With Reporting) Obligation

- German SCDDA
- Loi de Vigilance
- Norwegian Transparency Act
- EU Conflict Minerals Regulation
- Swiss Conflict Minerals Regime
- EU CS3D + Forced Labour Regulation + EU DR

Reporting Obligation

- Australian Modern Slavery Act
- California Transparency in Supply Chains
- UK Modern Slavery Act
- Swiss Non-Financial Reporting Regime

Proposals for Regimes Developed/Considered

- Dutch Child Labour Due Diligence Law (expected July 2024)
- Belgian Duty of Vigilance Bill
- Danish Due Diligence in the Field of Human Rights
- Austrian Due Diligence Law
- UK Due Diligence Law

Resistance to Due Diligence Legislation

- Protect USA Act 2025

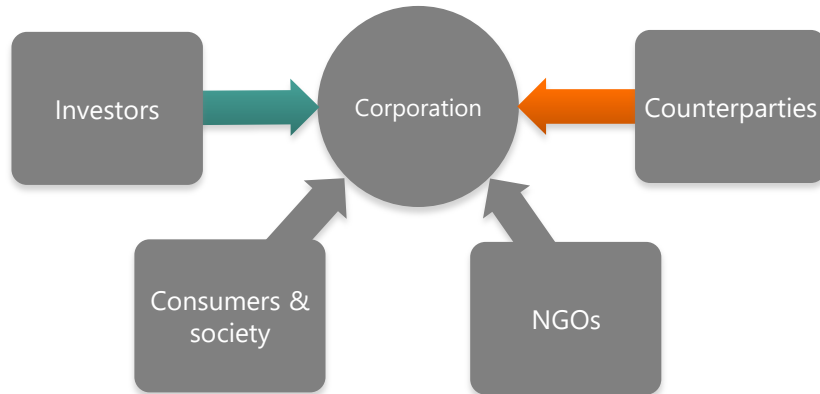
AN INCREASINGLY COMPLEX STAKEHOLDER DYNAMIC

CORPORATE GOVERNANCE

Business Roundtable Redefines the Purpose of a Corporation to Promote 'An Economy That Serves All Americans'

AUG 19, 2019

Updated Statement Moves Away from Shareholder Primacy, Includes Commitment to All Stakeholders



THE RISE OF CORPORATE HUMAN RIGHTS LITIGATION



200+

Lawsuits against companies for
human rights abuses profiled

selected based on the salience of the
alleged abuse and litigation strategy used

45%

of cases were brought against
mining or oil & gas companies

making the extractives sector the most
prevalent in the database

8/10

cases were filed by workers or
affected community members

(including indigenous peoples and ethnic
groups)

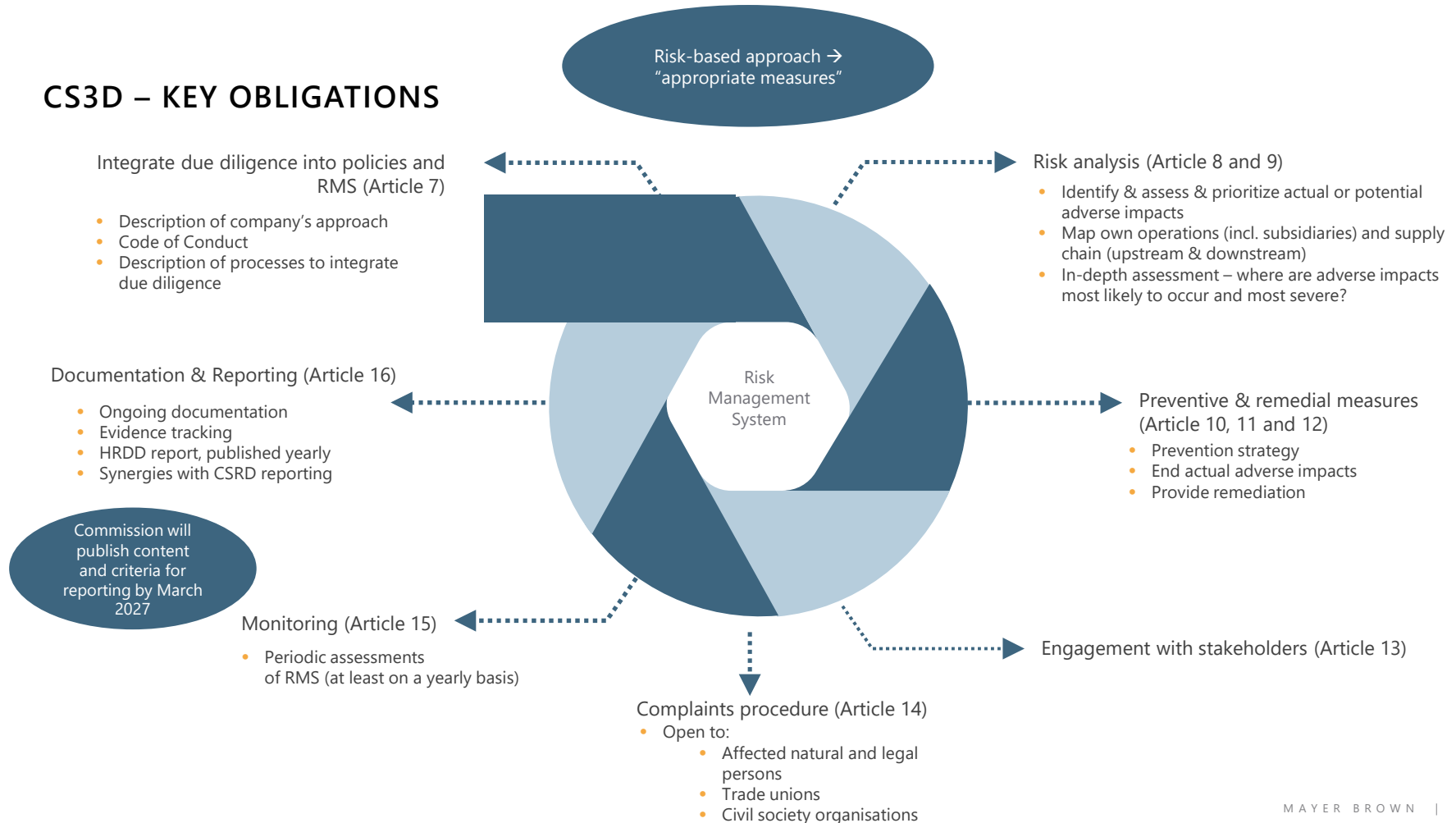
1 in 2

cases were filed in a different
country from where the harm

meaning victims are using transnational
litigation to pursue justice



CS3D – KEY OBLIGATIONS



LESSONS LEARNED FROM ANTI-CORRUPTION COMPLIANCE PROGRAMS

Many of our clients are leveraging approaches and lessons learned from their existing anti-corruption compliance programs and seeking to “bake in” human rights considerations into existing processes.

- An opportunity for leveraging senior management support for human rights;
- Policy alignment possibilities (e.g., supplier codes of conduct and contract clauses);
- Scope for integration of human rights into well established procedures (such as training, reporting and non-financial auditing);
- Risk assessment methodologies that can be adapted;
- Existing cross-functional collaboration; and
- Collective action opportunities.

MANAGING HUMAN RIGHTS RISKS IN PRACTICE

Generally, companies anticipating upcoming change should be looking to:

- ✓ Carry out a human rights impact assessment and take proportionate counter-measures;
- ✓ Integrate human rights into group policies and strategic planning processes;
- ✓ Disclose how human rights considerations are integrated into strategies, policies and procedures;
- ✓ Review and reinforce complaints mechanisms and speak-up programmes;
- ✓ Ensure the business is well equipped to deal with 'crises';
- ✓ Review the extent to which their board is equipped to address supply chain risks; and
- ✓ Review the role, resources and expertise of the legal and compliance functions.

An aerial photograph of a serene landscape. On the left, a calm lake reflects the sky. On the right, a dense green forest covers a hillside. A paved road with yellow lane markings curves through the forest. A thin white vertical line runs down the center of the image, passing through the text.

03

BUILDING A SUSTAINABILITY DUE DILIGENCE PROGRAMME

ANDREW HENDERSON

A person in a suit is writing on a tablet. The tablet displays the letters 'ESG' in large white font. Below 'ESG', there are three checked boxes labeled 'environment', 'social', and 'governance'. To the right of the text, there are several small icons representing sustainability: a lightbulb, a leaf, a recycling symbol, a wind turbine, a solar panel, a water drop, and a factory. The background shows a laptop and a window with greenery outside. A blue semi-transparent banner is overlaid on the bottom half of the image.

Sustainability Due Diligence

What does the CSDDD require? ...



The directive is aimed at identification and eradication of adverse environmental and human rights impacts in a company's own business as well as in its subsidiaries and suppliers.

This requires far more than database screening and media research.

Appropriate measures to identify and assess actual and potential adverse impacts arising from their own operations, their subsidiaries or business partners.

The requirement is to perform:

- ✓ A mapping of the value chain
- ✓ Identification of adverse environmental and human rights impacts in the value chain – either in the business, its subsidiaries or its business partners.
- ✓ The impacts could either be:
 - actual impacts – i.e. known events
 - Potential impacts, based on an assessment of risk

Tips:

1. Understand your expected risks first – based on existing categories
2. Gather easily accessible information to inform you of any potential risks – such as SpeekiPath™ to provide an instant assessment of the highest likely or known risks of the partner.
3. Engage with the supplier (e.g. questionnaires) only if the risk warrants it
4. Gather deeper dive analysis of the actual and potential risks for your highest risk suppliers

● ● ●

By registering your supplier with basic information, Speeki Path identifies and evaluates ESG-related risk areas, providing actionable recommendations for onboarding and effective risk management.

2/7.4. Expertise analysing your industry

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AI Expert's recommendations

AI Expert's recommendations are based on the company **Agrale S.A.** Please note that there may be other companies with the same name, which could affect the results.

Based on your company's focus on ESG risks and the specific areas you've mentioned, here's a list of ESG and sustainability risks you should consider when qualifying Agrale S.A. as a new supplier for agricultural machinery:

- Climate stability:**
 - Carbon emissions from manufacturing and operation of agricultural machinery
 - Climate change adaptation strategies for agricultural equipment
- Natural resources:**
 - Resource consumption in manufacturing processes
 - Impact on soil and water resources during machine operation
- Waste management:**
 - Disposal practices for manufacturing waste
 - End-of-life management for agricultural machinery
- Energy innovation:**
 - Energy efficiency of manufacturing processes
 - Development of energy-efficient agricultural machinery
- Human capital management:**
 - Labor practices in manufacturing facilities
 - Employee training and development programs
- Diversity, equity and inclusion (DEI):**
 - Diversity policies and practices within the company
 - Inclusive hiring and promotion practices
- Supply chain and partner management:**
 - Responsible sourcing of raw materials
 - Supplier code of conduct and monitoring
- Society:**
 - Community engagement and support in areas of operation
 - Impact on local agricultural communities
- Human rights and modern-day slavery:**
 - Zero-tolerance policy on forced labor
 - Prevention of forced labor in supply chain
- Data privacy and information security:**
 - Protection of shared proprietary information
 - Cybersecurity measures for connected agricultural machinery
- Health and safety:**
 - Workplace safety in manufacturing facilities
 - Safety features in agricultural machinery
- Board and Corporate governance:**
 - Board structure and independence
 - Stakeholder engagement practices
- Compliance:**
 - Adherence to environmental regulations
 - Compliance with agricultural machinery standards

Supplier information

Company name

Agrale

Location/Address

Brazil, BR 116, 15.104 Caxias do sul

Product/Services

Bus, coach, tractor, truck & military vehicles

Keywords/Additional info


-


Access to your company's data


YES

Relevant documents

Climate Change programme, Whistleblowing programme

 Third Party Onboarding Policy.pdf


REGENERATE AI EXPERT'S INSIGHT



Appropriate measures to prevent or mitigate and remediate potential adverse impacts

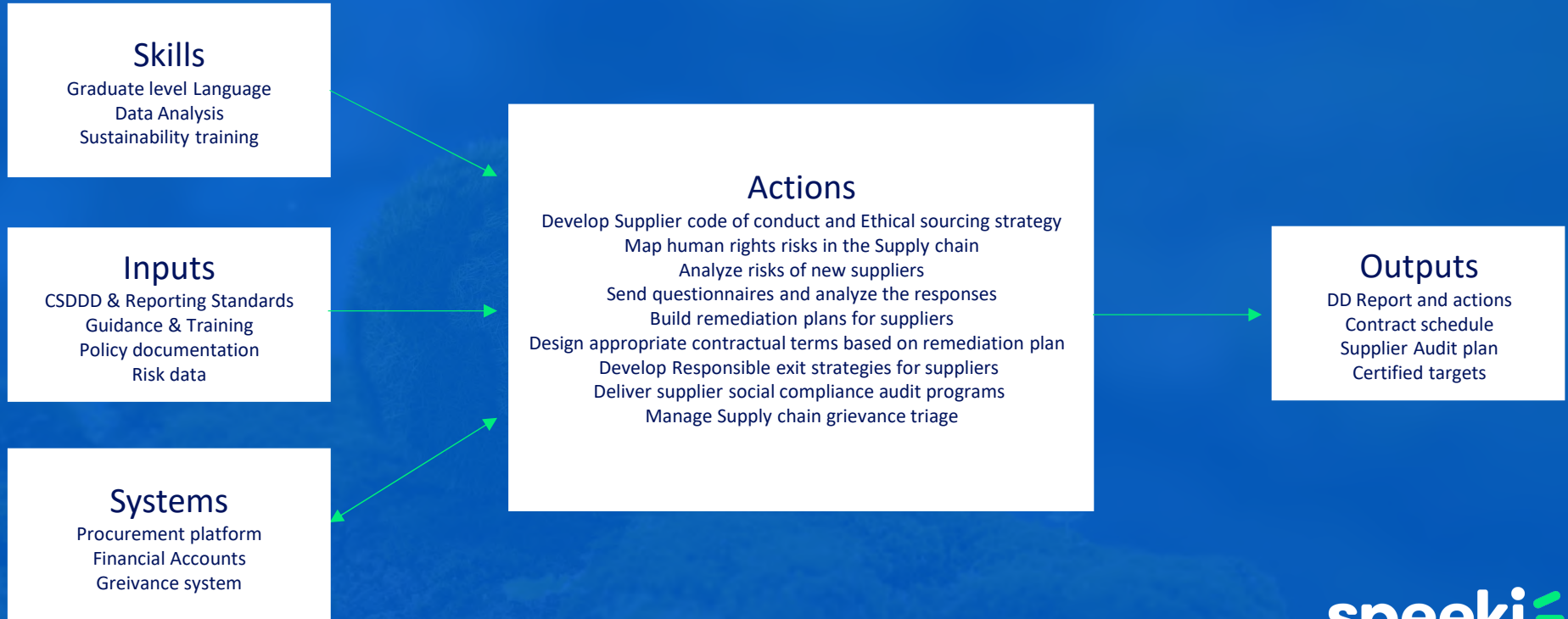
The requirement is to take appropriate measures with relation to third parties. This includes:

- ✓ Developing actions plans for the prevention or mitigation of impacts
- ✓ Seeking contractual assurances that partners will comply with the code of conduct and any other specific requirements as well as methods to verify compliance.
- ✓ Managing purchasing practices to ensure they reflect the need to prevent impacts.
- ✓ Providing support to SME business partners for training or upgrading management systems - potentially including financial support.
- ✓ Remediation of impacts, or influencing third parties to provide remediation

Tips:

1. Ensure appropriate measures are available to be taken - the **Speeki OnBoard** product helps businesses to draft contractual terms which reflect the due diligence.
2. Verify that your suppliers comply with their contract and your code of conduct - with an audit programme.

What would an AI agent need to do to support Supplier Due Diligence? ...





ESG

Final Thoughts

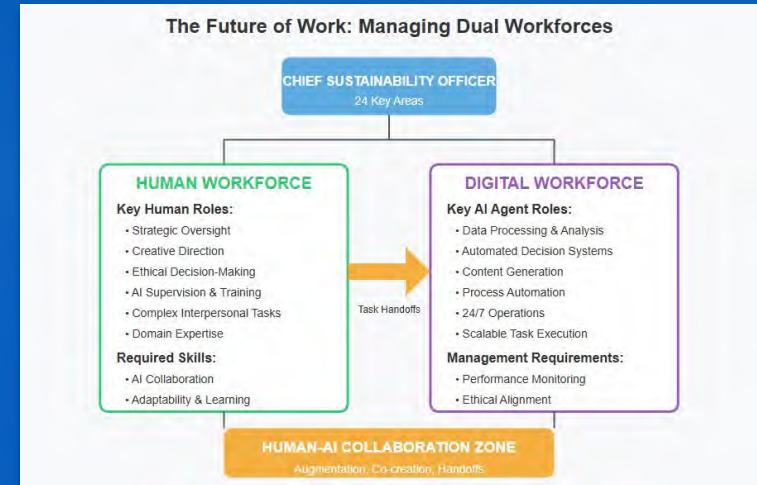
The future of work will redefine Sustainability ...

1. Change is coming

“The shift from SaaS to SaaS 2.0 or ‘service as a software’ represents a fundamental reimagining of enterprise software, where the software itself becomes an active participant in business processes rather than a passive tool” Andrea Lin, VP of Corporate Strategy at Salesforce.com

2. Future management will involve dealing with both human and digital workforces.

3. Sustainability professionals will be included in the change; and will also need to manage its impact.



An aerial photograph of a serene landscape. On the left, a calm lake reflects the sky. On the right, a dense green forest covers a hillside. A paved road with yellow lane markings winds through the forest. The text '04' is centered over the lake.

04

LESSONS FROM GERMANY

JOHANNES WEICHBRODT



MAYER|BROWN

GERMAN SUPPLY CHAIN DUE DILIGENCE ACT ENFORCEMENT EXPERIENCES

Dr. Johannes Weichbrodt

Partner

EXPERIENCE FROM 2 YEARS OF THE GERMAN SUPPLY CHAIN ACT (LKSG)



- **Scope:** Since January 1, 2023: LkSG applies to companies with more than 3,000 employees (since 2024: 1,000)
- **Objective:** Improve human rights protection in global supply chains – **obligations** essentially **same as CSDDD**
- BAFA's positive review: **Most companies** are **successfully implementing** requirements
- **Cooperative approach:** BAFA provides support and oversight, extensive information and assistance
- **Agency's focus (2023): Risk management and complaints procedures** (general questionnaires)
- **Agency's focus (2024): ad hoc investigations**

KEY FIGURES (2023) (NO FIGURES FOR 2024 PUBLISHED YET)

Metric / Topic	Value / Information
Scope (since 2023)	Companies with >1,000 employees
Number of inspections conducted	486
Inspected company sectors	Automotive, Chemicals, Pharmaceuticals, Mechanical Engineering, Energy, Furniture, Textiles, Food & Beverage
Event-driven inspections	78 (cross-sector)
Complaints received by BAFA	38
Complaints unrelated to LkSG	20
Cases with company contact after complaint	6
Sanctions imposed	0
Inquiries processed (email)	approx. 1,000
Participation in events	>140 (major events, panels, bilateral meetings)

IMPLEMENTATION & CHALLENGES

Topic	Status 2023 / Key Findings
Risk management	Internal responsibility mostly established
Complaints procedure	Majority satisfactorily implemented
Areas for improvement	Accessibility, clarity, visibility, involvement of affected parties
Transfer of obligations to suppliers	Not permitted; obligations cannot be simply passed to suppliers
BAFA approach	Cooperative, supportive, extensive information and assistance
Information materials	Numerous guidelines, FAQ updates, special support for SMEs

EXAMPLES OF GENERAL QUESTIONNAIRES

Questions on the risk analysis according to § 5 LkSG

1) Please state the period for which the annual risk analysis was last carried out and when it was completed

2) Please describe the main steps and methods of the risk analysis in a comprehensible manner, for example a) the internal and external sources used as part of the abstract risk assessment, b) the methodology of identification, evaluation and prioritization in the context of the concrete risk assessment, c) whether and to what extent information on risks and actual breaches of duty obtained by processing information from the company's complaints procedure was taken into account in the risk analysis, and d) how the interests of the potentially affected persons are appropriately taken into account in the risk analysis.

3) Which risks were identified as part of the risk analysis, broken down into the company's own business area and direct suppliers? a) In which divisions, e.g. subsidiaries etc., and countries were the risks identified? b) At which direct suppliers and in which countries were the risks identified?

4) Were the identified risks weighted and, if applicable, prioritized and, if so, on the basis of which appropriateness criteria? a) Describe in more detail how the weighting and, if applicable, prioritization was carried out and what considerations were made. b) Present the identified risks with the final weighting.

5) Which risks were prioritized in your own business division in the financial year? a) Please also state the divisions or subsidiaries, including the countries, in which the prioritized risks were identified. 6) Which risks were prioritized for direct suppliers in the financial year? a) Please also state the direct suppliers, including the countries in which the prioritized risks were identified. 7) How were the results of the risk analysis(es) for the financial year or the analysis period communicated internally to the relevant decision-makers? 8) Were event-driven risk analyses also carried out in the financial year or analysis period?

Questions on the policy statement pursuant to Section 6 (2) LkSG

9) When was the policy statement prepared for the first time and when was it last updated?

10) If applicable: Please explain the reasons for updating the policy statement in the financial year or the analysis period.

11) Who in the company issued the policy statement?

12) How and to whom was the policy statement and any updates to it communicated?

EXAMPLES OF AD HOC QUESTIONNAIRES

Trigger for BAFA's Investigations

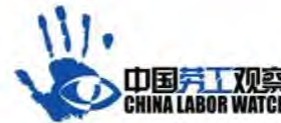
- Extensive media scanning
- NGO's reach out

BAFA's Focus

- Cocoa: Child Labour West Africa
- Cattle / Land-grabbing: Brazil
- Workers Rights: China / Germany / Poland
- Environmental Issues: Germany / US

BAFA's Approach

- Cooperative, investigative, looking for remedies, not fines
- Several deep-dives
- Generally no formal decisions, but statements of „satisfaction“



„Ich hatte Angst, dass es Tote gibt“

Thorsten Schäfer: 2020/2021/2022 - www.faz.net



Torsten Schäfer ist Präsident der Behörde, die zuständig ist für die Einhaltung der Gesetze beim Warentransport. Beim Besuch der streikenden Fahrer von



Bundesamt
für Wirtschaft und
Ausfuhrkontrolle

Wer muss einen Bericht einreichen?

Aktuelle Hinweise

Vor dem Hintergrund der Entwicklungen zur Umsetzung der unionsrechtlichen Vorgaben hinsichtlich der Nachhaltigkeitsberichterstattung von Unternehmen (Richtlinie (EU) 2022/2464) wird das BAFA erstmalig zum Stichtag 1. Januar 2026 das Vorliegen der Berichte nach dem LkSG sowie deren Veröffentlichung prüfen. Auch wenn die Übermittlung eines Berichts an das BAFA und dessen Veröffentlichung nach dem LkSG bereits vor diesem Zeitpunkt fällig war, wird das BAFA die Überschreitung der Frist nicht sanktionieren, sofern der Bericht spätestens zum 31. Dezember 2025 beim BAFA vorliegt.

Die Erfüllung der übrigen Sorgfaltspflichten gemäß der §§ 4 bis 10 Absatz 1 LkSG sowie deren Kontrolle und Sanktionierung durch das BAFA, für welche auch Angaben aus einem Bericht Anlass geben können, werden von dieser Stichtagsregelung nicht berührt.

SUSPENSION OF REPORTING REQUIREMENTS

- First checks whether LkSG reports have been submitted and published as of 1 January 2026.
- Even if report was due to be submitted to BAFA and published before this date, BAFA will not impose sanctions if the report is received by 31 December 2025, the latest.
- Alignment with obligation for German government to implement CS3D into national law by July 2026.
- The obligation to comply with other due diligence requirements is not impacted by the suspension of the reporting requirement.
- BAFA send out questionnaires to companies subject to the LkSG focusing on risk analysis, incl. detailed questions on process and identified risks, and potential updates on human rights policy.
- Questions very similar to reporting questionnaire.

OUTLOOK

POLITICO

NEWS > SUSTAINABILITY

Macron and Merz call to abolish EU law on ethical supply chains

Leaders of Europe's two most powerful countries ramp up EU's pro-business, anti-green push by calling for repeal of due diligence rule.

SHARE

POLITICO PRO

Free article usually reserved for subscribers



Vs.

Verantwortung für Deutschland

Koalitionsvertrag zwischen CDU, CSU und SPD

21. Legislaturperiode

- 1909 Darüber hinaus schaffen wir das nationale Lieferkettensorgfaltspflichtengesetz (**LkSG**) ab. Es wird
- 1910 ersetzt durch ein Gesetz über die internationale Unternehmensverantwortung, das die Europäische
- 1911 Lieferkettengerichtlinie (CSDDD) bürokratiearm und vollzugsfreundlich umsetzt. Die Berichtspflicht nach
- 1912 dem **LkSG** wird unmittelbar abgeschafft und entfällt komplett.
- 1913 Die geltenden gesetzlichen Sorgfaltspflichten werden bis zum Inkrafttreten des neuen Gesetzes, mit
- 1914 Ausnahme von massiven Menschenrechtsverletzungen, nicht sanktioniert. Wir unterstützen den
- 1915 „Omnibus“ der Kommission, um die umfangreichen Vorgaben zum Inhalt der EU-
- 1916 Nachhaltigkeitsberichterstattung insbesondere für die mittelständische Wirtschaft deutlich zu
- 1917 reduzieren und zeitlich zu verschieben.

An aerial photograph of a serene landscape. On the left, a calm lake reflects the sky and surrounding trees. On the right, a paved road curves through a dense, lush green forest. The text 'Q&A' is centered over the lake. Two thin vertical white lines are positioned on either side of the text, extending from the top and bottom edges of the image.

Q&A

THANK YOU



PARTNER
ENVIRONMENTAL, SOCIAL
& GOVERNANCE

TIM BAINES

LONDON
+44 20 3130 3073
TBAINES@
MAYERBROWN.COM



COUNSEL
INTERNATIONAL TRADE
DYLAN GERAETS

BRUSSELS
+32 2 551 5948
DGERAETS@
MAYERBROWN.COM



SENIOR ADVISOR
SPEEKI
**ANDREW
HENDERSON**



PARTNER
ANTITRUST & COMPETITION

**DR. JOHANNES
WEICHBRODT**

DÜSSELDORF
+49 211 86224 150
JWEICHBRODT@
MAYERBROWN.COM



SENIOR ASSOCIATE
LITIGATION &
DISPUTE RESOLUTION

JAMES FORD

LONDON
+44 20 3130 3351
JFORD@
MAYERBROWN.COM

THANK YOU



Contact us
info@speeki.com



Our website
www.speeki.com



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