

# Compiling ESG reports correctly

WITH MAXIMUM TRANS-  
PARENCY AND MINIMAL RISK  
OF INCURRING FINES



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Time to get informed



## Initial situation:

## Mandatory duty to report across the EU from 2023

### Your organization should be managing data more sustainably. Why?

Because it pays off – and because you may soon be required to do so anyway. First of all, sharply rising energy prices are drawing attention to the power consumption connected with data storage. And one thing is crystal clear – the more data you store, the more power you need. Your data lakes are growing by the hour. However, there is another very compelling reason for taking a sustainable approach to data management ...

### More than 250 employees? Then you should definitely keep reading!

The EU-wide duty to report on ESG is drawing closer. On 21 April 2021, the EU commission unveiled a new guideline for non-financial corporate reporting. With the revised Corporate Sustainability Reporting Directive (CSRD) many more companies will now be required to disclose sustainability information starting 2023. Do you already have to issue ESG reports for 2023? It's highly advisable to check, because companies failing to report are likely to face substantial fines.

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### What is an ESG report?

An environmental, social and governance report (ESG) consists of the mandatory disclosure of an organization's environmental, social and corporate governance information. The EU directive aims to increase transparency for investors and customers, while also encouraging the markets to embrace sustainability.

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## What happens if reporting is incomplete or not done at all?

The ESG report should be visible in the management report in the company's annual report, which is always published within four months of the conclusion of the fiscal year. Should an organization fail to comply with their mandatory duty to report, they potentially face three types of sanctions:

- 1. Public declaration:** The responsible natural persons or legal entities and the nature of the violation will be made public (naming & shaming). In addition, reporting false information can lead to the executive or supervisory board being charged personally with a criminal offence – with the threat of up to 3 years imprisonment.\*
- 2. Injunction:** The responsible natural persons or legal entities may be ordered to refrain from the sanctioned behaviour and may never be allowed to repeat it.
- 3. Regulatory fines:** The height of the fines non-compliant businesses would face is not explicitly stipulated. However, criteria have been outlined that need to be considered when determining them. The amount an organization has to pay following a violation is determined by the EU members themselves.

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49.000  
COMPANIES



49,000 Companies with more than 250 employees will be required to issue ESG reports from 2023.\*\*

Sources:  
\*CSRD: [csr-berichtspflicht.de](https://www.csr-berichtspflicht.de)

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Quick wins in sustainability – and cost savings



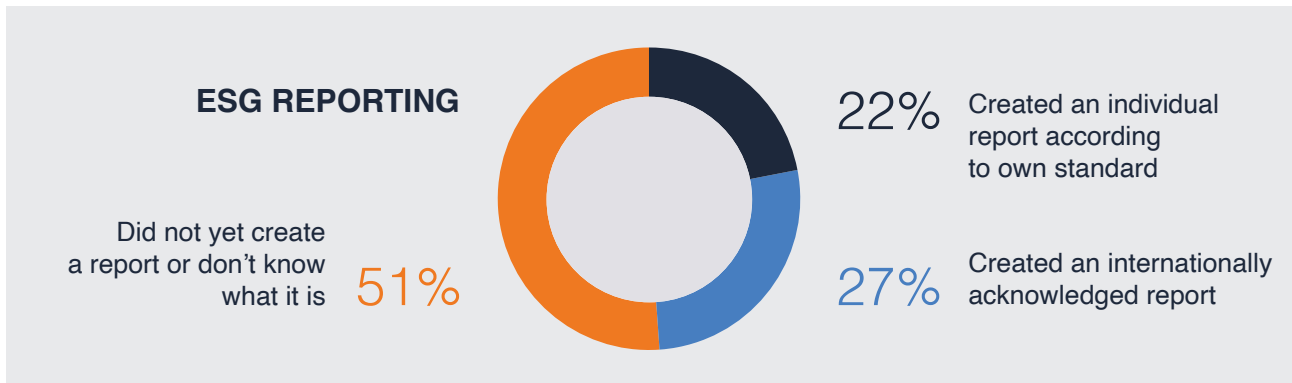
## The challenge: Sustainability yes, but where to get started?

In the German business environment, those talking about ESG reports are usually concerned with the reduction of CO<sub>2</sub> emissions. At the same time, very few organizations know precisely how much CO<sub>2</sub> they are emitting or how it is created. It follows that comprehensively taking stock of all an organization's parts should be the first step, allowing it to subsequently develop a set of appropriate measures.

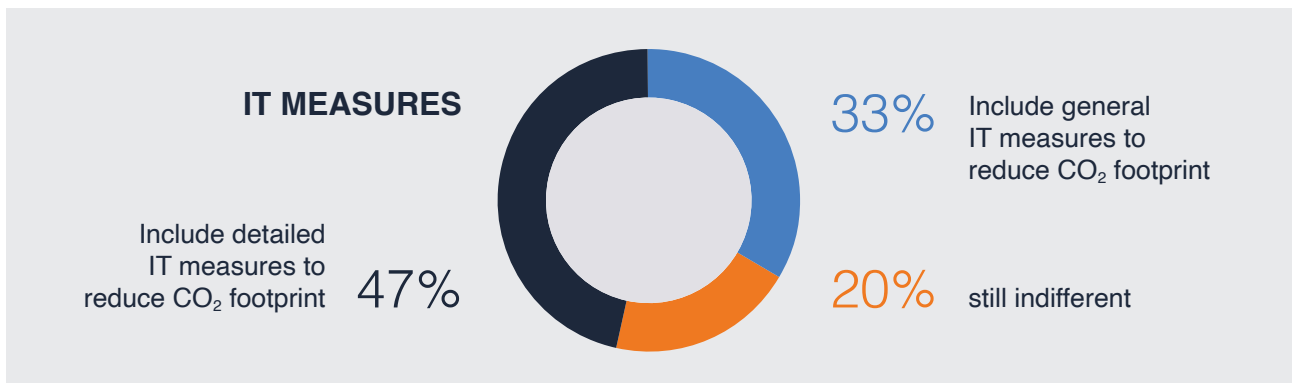
### Insights from APARAVI's GREEN DATA study

A survey of more than 500 IT decision-makers\* in Germany shows gaps in their knowledge of sustainability and the opportunities it offers organizations:

#### “What ESG reporting have you done in the past?”



#### “How many measures for reducing CO<sub>2</sub> were included in the report?”\*



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## Key insights from the Green Data study:

- **Roughly half of those surveyed** were from companies with fewer than 500 employees, meaning that they **had never yet compiled an ESG report** or they did not know exactly what it was.
- Of those companies which had already issued ESG reports **only 50 percent of the respondents stated that they had already implemented comprehensive IT measures** to reduce their CO<sub>2</sub> footprint. The rest either did not know or saw room for improvement in the measures they employed.



## APARAVI recommends

### Pick your low-hanging “CO<sub>2</sub> fruit” first!

Organizations should now look to take measures which cost as little and can be implemented as quickly as possible. In this way, you can achieve significantly high CO<sub>2</sub> and cost-cutting outcomes. Experts are unanimous on the target – stay below 50€ per ton of carbon dioxide saved.

Source:

*\*The survey was conducted by YouGov in September 2021, demographically 80 % men, 20 % women, 50 % over 45 years of age, more than 60% in managing positions, over 60 % IT field, 50 % companies with more than 500 employees.*

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Cleanse data pools and save up to 40% CO<sub>2</sub>

## The solution: Data sustainability as a service by APARAVI®

Anyone intending to create an ESG report, first needs to take stock of all CO<sub>2</sub> -generating activities at their organization. This may be a simple enough calculation when it comes to company vehicles. In the field of IT, however, it quickly gets tricky: complex internal and external infrastructures, applications, data storage and a lot more. And all of it needs to be recorded in as granular detail as possible. This is the only way to ensure that energy consumption is assigned correctly and allow the appropriate cost-saving measures to be implemented.

### **Storing data always costs money – and mostly more than you think**

The APARAVI® approach targets achievable and measurable sustainability within an organization's data governance. When it comes to data storage, especially in the cloud, the prevailing attitude is often a lack of due concern: "It hardly costs anything at all!" Our experience with data projects proves

the opposite to be true. On the one hand, the costs are exploding faster than one would imagine due to the rampant growth of unstructured data by about 44% per annum. On the other hand, the opportunity costs are radically underestimated, for instance the loss of reputation due to having no sustainability measures in place or only pretending to (green washing), higher reserves for data security and incurring maximum fines due to having inappropriate technical and organizational measures.

### **First things first**

At the outset of a data-related sustainability concept, the assessment and analysis of all the data stored by company needs to take centre stage. This is the great strength of the APARAVI® platform. It is able to find, comprehend and structure all the unstructured data you are storing – no matter where it has been saved.

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Cleanse data pools and save up to 40% CO<sub>2</sub>

## Only once one knows all the parameters, can one calculate correctly

Only once you know which data you actually have, can you define what you can get rid of. After taking stock of your data with APARAVI®, deletion policies, migration plans and archiving measures can be implemented efficiently. The more often the discovery, analysis, structuring and cleansing of your data takes place via the APARAVI® platform, the higher your benefit is in terms of the EU ESG score.

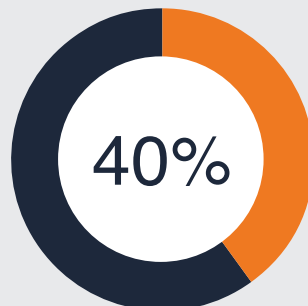
## Clean & lean: Systematic automation for targeted data reduction

In addition to cost-savings, the speed with which you are required to fulfill the regulations is also of crucial importance. As you know: Starting 2023, ESG reporting is set to become mandatory. Our experts know a lot of quick ways to cut down on CO<sub>2</sub> emissions through reducing your stored data sustainably. Here are just a few of them:

- **Identifying legacy data** using search functions which identify data based on the date of creation, and flag it for deletion
- **Searching for personal data** which according to GDPR provisions should no longer be stored and needs to be deleted immediately
- **Classification** of trivial, but typically very large files, such as images, videos, gaming, etc
- **Elimination of duplicates** e.g., redundant file attachments from emails sent to multiple recipient
- **Compression of data** which needs to be kept available for legal purposes but can still be compressed by up to 50 percent with APARAVI®

**It only costs 50 euros** to save 1 ton of CO<sub>2</sub> with APARAVI®

CO<sub>2</sub>  
SAVE



Save up to 40% CO<sub>2</sub> by cleansing your data pools of unused, useless data with APARAVI®

*\*Large medium-sized business with 5 Petabytes of data*

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With maximum transparency and minimal risk of incurring fines

## Proceed correctly while making considerable savings!

Let our experts advise you now on your ESG reporting and potential cost & CO<sub>2</sub> savings!

**APARAVI's ESG experts would be pleased to support you.**

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