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**THE CURRENT STATE OF SUSTAINABILITY REPORTING: OPPORTUNITIES
AND CHALLENGES FOR CONSULTANCY COMPANIES**

The challenges and opportunities of Human Resources Management in consulting companies:

The rise of HR analytics

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Abstract

This thesis examines the difficulty of implementing sustainability reporting for a consulting company. Along the case of a consulting firm providing non-financial reporting services, measures to enter the Portuguese market with sustainability reporting services are discussed. Therefore, the opportunities and challenges of this market-entry decision are analysed. Challenges such as brand awareness, human resources management, and data collection are discussed. The teaching note offers a recommended approach for instructors to put the case study in a broader perspective whilst focusing on the specific challenge of human resource management and the opportunity of human resource analytics for consulting firms. Subsequently, comprehensive recommendations on actions for the Company to implement are provided.

Keywords: Sustainability Reporting, Non-Financial Information disclosure; Consulting; ESG; CSRD; Sustainability, Human resources management, Human resources analytics

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Disclaimer

A non-disclosure agreement was necessary to gather company information and create the case study and report. Consequently, the name of the Company's employees, their clients' names, sensible human resources information, and other identifying information were concealed or altered. The sensible nature of the information related to human resources made it impossible to conduct specific interviews. Despite some material (e.g., the interviews' transcripts) being withheld in accordance with the non-disclosure agreement, the case study's details remain accurate to the situation of the consulting company between 2020 and 2022.

CASE STUDY

A CONSULTANCY COMPANY'S FIRST STEPS IN SUSTAINABILITY REPORTING: A CASE STUDY IN SPAIN

i. Introduction

The Company is an international consultancy company specialized in IT services. Founded in the 2000s, and with headquarters in Switzerland, it is now established in more than 20 countries worldwide. The Company provides consulting services, develops software, and is a systems integrator for a wide range of industries, aiming at improving clients' operational efficiency and decision-making capabilities through IT solutions and digital transformation. At the time of this case study, the Company had worked for more than 20 years with its Partner, a market leader in Enterprise Resource Planning (ERP) systems, that is, the platforms (i.e., software and digital tools) used by businesses to coordinate and manage the key elements of their operations. The Company, as one of the Partner's most trusted partners, helps build, deploy, and run the Partner's solutions for its clients. An example of such solutions is the Solution, a powerful calculation engine designed by the Company, which was initially intended to simulate business processes and enhance performance and profitability decision-making. For instance, it enables businesses to build profitability and cost analysis, creates pricing models, forecasts, and simulations to help businesses' decision-making.

The Company operates in Spain since it was founded and aims to intensify its position in the Iberian Peninsula, starting by strengthening its market position in Spain before expanding to the Portuguese market. To meet the growing demand for non-financial reporting and sustainability consulting services in the market, the Company decided to start developing products and services in this sector. In fact, new legislations increasingly require companies to generate reports that include non-financial data, such as their environmental footprint or their human rights impact. The Company took this opportunity to expand its offer of services and decided to create a tool that would assist clients in integrating social and environmental concerns into their business strategy. Thus, the Company slowly started to adapt its Solution to include social and environmental data analyses, metrics, and simulations. The present case

study intends to depict the Company's first steps in providing sustainability reporting services, as well as the challenges it faced along the way.

ii. Understanding the origins of the Partner's request

The Company & The Partner

The Partner is a world-renowned ERP software provider with several business solutions that help companies centralize data management, get better insights on all parts of the business, and thus improve workflows, operational efficiency, and productivity. Over the years, the Partner built a vast network of investors, customers, and development partners. Both companies have been working together for several years, and many potential clients are introduced to the Company through the Partner; while the latter handles the licensing of solutions and sells them to clients, the first is responsible for the development of these solutions (and their extensions), as well as the implementation services associated to them. The Solution is an example of such a dynamic.

In 2020, the Partner was contacted by a client in Spain which was facing difficulties in producing its sustainability report.

It's important to note that one of the first steps to creating a sustainability report is to define sustainability goals (e.g., reducing carbon emissions) and the KPIs that will be used to measure progress towards those goals (e.g., tons of carbon emissions per month). In this client's case, their difficulty was to report specifically scope 3 emissions, which are all indirect emissions in the value chain of the company, while already reporting Scope 1 emissions, which are the direct greenhouse emissions from the company and the creation of the product, and Scope 2 emissions, which are linked to the purchase of electricity, heat, steam, or cooling. Then, on the one hand, this company was more focused on reviewing, automatizing, and improving the way it reported Scope 1 and 2 emissions, while on the other hand, it struggled to collect the right

data for Scope 3 emissions. As the latter are not directly linked to the production of the product and include the suppliers' and customers' emissions, reporting them requires the collection of significantly higher volumes of data on all the stages of the creation of the service or product. Among its large repertoire of solutions, the Partner determined that the flexibility, simulations and forecast capability, and strong calculation engine integrated into the Solution would make the latter the easiest tool to adapt and integrate the sustainability features required by the client.

Context on the Spanish market

Following a global trend, Spain underwent a moment of significant transformation in terms of standardization of non-financial information disclosure, also commonly referred to as sustainability reporting. Sustainability reporting is the practice of companies disclosing and reporting their progress towards environmental, social, and governance (ESG) goals. In this new environment, companies had to look for solutions to tackle the difficulties they were facing to cope with the new legislation. Besides struggling with being compliant with relevant national legislation, i.e., EINF (*Estado de Información No Financiera*, the Spanish Law 11/2018 on Non-Financial Information and Diversity), companies routinely failed to tell their story effectively, both externally and internally. (Epstein-Reeves 2012).

The Company's decision to start a sustainability service was partially based on information found on reports such as «Desarrollo Sostenible de la Pyme España.", which aims to give insights on sustainability-related matters. This report in particular expanded on the difficulties faced by companies in Spain related to sustainability reporting. Through this report, the Company understood that 74% of the companies participating in the study saw "the lack of public help to support or empower sustainability in the companies" as the first reason not to comply, and 60.2% said that there was a "lack of specialized consultants to help implement the rightful strategies." Truth is, many clients that came to the Company and the Partner, especially in Spain, were already producing sustainability reports. Instead of looking for support on how

to start doing a sustainability report, companies looked for more efficient and automatized ways to do one repeatedly, as well as have tools that allow them to respond and adapt quickly to legislative changes as well as stakeholders' demands for additional information.

Choosing the Company

The Partner has many trusted partners. And yet, they turned to the Company and chose it to help its new client overcome its challenges. Several factors contributed to this choice. Firstly, the Company had the technological know-how of the Solution, being the only one who developed it: the Company was thus suited to further develop the Solution and customize it to fit the client's needs. Secondly, because of its flexible design, the Solution could be adapted to address this client's needs as a pilot and be further expanded to its full potential and support other companies as well, considering the increasing market pressure to report on corporate impact in economic, social and environmental areas, and the projected demand for effective sustainability reporting.

Taking all of this into account, the Partner transferred the client to the Company, who immediately started working with them to provide a solution to their case. A team to do so was created, and it was led by Arthur Hilman, an employee of the Company that had worked with the Solution for more than 5 years. Moreover, he was someone with close contact to the Partner which, when added to his experience with the Solution and in the Company overall, made him the right fit to lead this project of adapting the tool and entering the Spanish market. However, such only happened with a few bumps along the road.

iii. Facing the learning pains

The basis for the solution that the Company wanted to deliver was its Solution. This tool is a powerful calculation engine that allows for integration with any internal or external data source and includes a simulation application that allows clients to perform what-if scenario analysis.

It was initially designed to facilitate financial reporting and enhance profitability and performance management specifically, but given its extremely flexible design, it would be possible to tailor it to the specific needs of a client and make it include non-financial reporting as well.

The new content

To adapt the existing tool, Arthur and the team had to take some factors into consideration. For instance, it was necessary to create pre-defined content related to sustainability that would allow for different types of reporting, depending on the customer's needs, and that would help the Company establish a basis for clients to keep building on top of it. The sustainability content and KPIs that would appear on the newly-adapted Solution would be based on reporting standards, frameworks, and requirements such as the GRI (one of the most widely used reporting guidelines due to its comprehensiveness and reliability, and thus popular with clients), EU Taxonomy (since companies operating in Europe are obliged to comply with it), and the GHG Protocol (used to measure scope 1, 2 and 3 emissions, the first two being mandatory in many cases). On top of these basic features, there was the flexibility to vary slightly the content and KPIs depending either on the type of report the client was aiming for or on the purpose the sustainability report would be used for, or both. If the client wished to solely comply with the national law, the Company would provide the basic features and KPIs necessary to comply with said law. In the same way, the content would be adapted if the goal of the client was to present a set of specifically demanded information to its stakeholders. For instance, the Company could provide more social and performance KPIs to a Bank, and more environmental KPIs to a company wishing to improve its environmental footprint. Content like the “Value Chain Sustainability Management” was especially relevant since it covered in-depth and holistically all ESG dimensions. For instance, it included different relevant standards and frameworks in the sustainability area, and a carbon footprint simulator to calculate and create

forecasts for scope 1, 2, and 3 emissions. Each content provided a reporting dashboard with condensed data and a sustainability process template for managing data input processes (which allowed companies to put the data in the tool by themselves). Moreover, with the adapted Solution, clients would have access to different environment-related KPIs for monitoring and reporting purposes (e.g., water consumption, land use, single-use plastic and hazardous waste used, waste recycled, energy consumption from which renewable energies). This tool also provided KPIs and analysis for social data, which allowed companies to improve their human resources processes such as recruitment, compensation and reward, training, safety, and diversity improvement. This human resource analytics approach allowed the Company to track, for instance, the headcount by country, personnel expenses and incentives, retention rates, training expenses, number of injuries, and the percentage of women in management.

The new team

At the time, the Company had a wide team with the required technical skills to work on the existing software (150+ employees spread globally), and Arthur was able to allocate this project to a team in Spain. However, this process of creating new content and adding new features was more complex than initially considered. Developers were required to know not only how to program and code everything into the existing software (hard skills) but also to have deep knowledge of the industry the client operates in and how exactly it is affected by current sustainability-related regulations (soft skills). More than people that were able to program, Arthur needed people who would be able to understand the industry's needs and how current legislation on non-financial data reporting would impact its client's business model. Only with this knowledge could Arthur's team understand what content was relevant, what functions had to be created, what indicators had to be defined, what new calculations would have to be integrated into the software, and what data should be considered. As sustainability is a wide subject, sustainability experts from different sectors were needed, with knowledge

on, among others, waste management, cement, food, energy, textile industry, and GHG emissions. Therefore, there was a need to hire new experts in sustainability, to whom the Company could offer a young and open company culture. To attract such experts, they also put forward the possibility of enhancing their technical skills. At the start, as the Company was still getting known in the Spanish market and it was the first time hiring sustainability consultants, attracting, training, and retaining the right employees was no easy endeavour for Arthur and the human resources department.

Data and processes

When it comes to sustainability reporting, the main frustrations stem from high data complexity and lack of reporting standardization.

In the first place, several companies struggle to understand what kind of data they should report on. Naturally, requirements stated in the national law are a good starting point, as well as standards that are internationally recognized and widely used (such as the ones developed by the GRI). Conducting a materiality assessment is also useful, as it allows the company to define what and how certain (financial, environmental, and social) issues are relevant for the company, as well as understand the impacts such issues can have on the company's value.

This process is followed by data collection. Some types of data are easier to collect than others, but considering the increasingly broad and rigorous reporting requirements, which force you to disclose information not only about your business' direct corporate activities, but also information regarding your value chain (e.g., scope 1, 2 and 3 greenhouse gas emissions), companies are struggling to extract this type of data more than ever. Furthermore, companies vary significantly in levels of automatization of data collection, from doing it on paper, PDF and excel files, or to using specialized software. The more rudimentary tool a company uses to collect and record data, the more difficulties it will face when creating any report.

Nowadays, the difference between the reporting of financial and non-financial data lies exactly in the level of automatization of current tools that exist to aid in the creation of said reports. For example, to facilitate financial reporting, there exist frameworks such as the International Financial Reporting Standards (IFRS) that help bring consistency, transparency, and comparability across countries. Unfortunately, equivalent frameworks aimed at non-financial reporting are still being developed and perfected. Because non-financial reporting is not a standardized process yet, coupled with the fact that requirements vary across countries and industries, companies are often confused and struggle when reporting about their non-financial data.

With the adapted Solution, the Company can alleviate this process for companies. The tool includes a feature that allows companies to build a process to manage input data that is tailored to their own internal organization. It involves setting different activities, allocating roles and responsibilities, and integrating data from various sources. In the end, the client gets to have its data collected (and posteriorly presented) in an auditable and traceable way. On top of that, once this process is designed (and it is included in the Company's implementation services), the client will be able to replicate it repeatedly and without the Company's intervention. In fact, the Company offers training sessions to its clients so that they can learn how to use the tool independently, which allows for further autonomy and automatization of processes (and, consequently, a decrease in costs) for the company whenever they need to adapt to the changing demands of stakeholders (investors, consumers, government or society at large).

Nevertheless, in this case, the first sustainability client of the Company presented a significant level of maturity in terms of automatization and data collection. Such circumstances significantly facilitated the implementation process and, within months, Arthur Hilman and his team were able to provide the client with a working solution that covered their EINF reporting needs. Today, the client still counts on the Company's support to continuously improve its

sustainability management and is now better equipped to deal with the disclosure of its non-financial information in a more efficient, reliable, and automatized way.

iv. Deciding to stay

After successfully delivering the promised sustainability report to their client and creating a sound tool that enhances and facilitates the processes for such kind of reporting, the Company made a big decision: to continue providing this kind of implementation services in Spain. Through his role, Arthur Hilman had the responsibility of successfully implementing these sustainability services in Spain with his team.

Spain has been developing a commitment to continually improve the non-financial reporting of its enterprises and, in 2018, the Spanish government adapted its legislation in accordance with the EU directives (i.e., the EINF). In fact, it was noticed through the "Sustainable Development Report 2020" report that the non-financial information coming from Spanish companies achieved high scores in sustainability indexes. And yet, according to other reports, companies were still struggling to produce their EINF, mainly due to a lack of public help to develop the report, as well as a lack of both human and financial resources. That, coupled with rising pressures from other stakeholders such as investors, created good market conditions and opportunities that the Company could take advantage of. Furthermore, compared to its Portuguese counterpart, the Spanish market was more mature, since companies were already developing their sustainability reports, and so they would be more willing to bet on a service that would facilitate this process. After all, they were looking for a way to push this process to be more efficient and automated – and that's where the Company could help them with.

Establishing themselves in the Spanish market and finding new clients proved to be more difficult than working with the first client. For once, the Company was still building its brand awareness and thus was not widely known in the market. In fact, as previously mentioned, most

customers are obtained through direct collaboration with the Partner. Moreover, the Company still relies mainly on word-of-mouth. In one way, this is a statement of the Company's confidence in the quality of the products and services it provides. When clients try out its service and understand how it works (and that it does work), more clients follow. More "mature" (i.e., those that are already doing sustainability reporting to some extent and in a more automatized way) are, in general, the first ones (and more willing) to use the Company's solutions. Other companies that are waiting for industry leaders to use these kinds of tools will wait for them to try them out first, and, if these turn out to be successful, they are quick to follow and implement them.

Furthermore, there existed a mismatch between the customer expectations and what the Company provided. Truth is, customers expected to get a pre-built solution, something where they could easily plug in the data and that would automatically generate the needed sustainability report with all the necessary information and adapted it to the business needs. Unfortunately, sustainability reporting is much more complex than that, and the Company delivers a tool that requires adaptation to each client, which in turn calls for implementation services and industry-specific expertise to create the needed reports. It is relevant to point out that it's this customization that is key to a successful sustainability report. Although every company operates in a specific country and sector, bound by its own general requirements, each business has its own specificities that are reflected in differentiated corporate activities. This, in turn, calls for a certain degree of differentiation when deciding which KPIs to report on, for example, which the Company can help with through its Solution. This way, companies can build reports that are more reliable, accurate, and useful.

When clients are not acquainted with your company and brand, they do not understand why they should choose you and your services over the competition, and so there exists a certain degree of lack of trust. Once again, the Company's lack of brand awareness slightly hinders its

chances of attracting new clients, even if it possesses exactly what the market is looking for. Many clients did not fully comprehend the extent of the usefulness and practicality of the Company's tools, and it was often necessary to explain to customers how these tools would help them overcome their troubles with sustainable reporting. Still, even after recognizing the usefulness of the offer, clients would be dissuaded from working with the company due to the financial costs associated with acquiring both the license from the Partner and the implementation services from the Company. After all, many companies were still not used to paying for this kind of service and oftentimes preferred to assemble a technical team that would handle this internally.

A point of confusion for clients that Arthur and his team had to fix was the communication of the available products and services. The Company works with the Partner's software tools almost exclusively, and thus it has multiple products and services to choose from, all for different areas of a business (e.g., financial management, CRM and customer experience, supply chain management, etc) and different topics inside each business area (e.g., financial planning and analysis, accounting and financial close or treasury management, all of which are products related to the financial management of a business). Furthermore, the Company and the Partner have distinct sales teams that may be working with the same client but have different targets in mind for said client. It would happen that different salespeople were trying to position different solutions that, despite both addressing sustainability-related topics, would not help with the same challenges. The client would end up receiving different options, and the lack of coordination between the chief sales officers (of the companies and the customers) contributed to their confusion and indecisiveness.

v. *Zooming out*

It is important to point out that the Company was far from being the only one facing these challenges. In fact, it is a perfect example of a very wide phenomenon.

These past years, society at large and governments had no choice but to start acting to tackle pressing matters such as the climate crisis. There has been a rise in sustainability legislation, accompanied by the private sector putting forward the triple bottom line approach. This approach pushes businesses to concentrate not only on "profits" but also on the "people" and the "planet". Today, there is pressure on businesses from not only the government but also other stakeholders (clients, investors, banks, etc.) to report their non-financial statements. In a small amount of time, companies and organizations had to learn about the complex and ever-changing rules of sustainability reporting. This is where consulting companies come into play: as businesses face challenges in their non-financial reporting, they turn to these companies for help. However, as shown by the case of the Company, consulting companies themselves faced troubles adapting to the demands of non-financial reporting. Adapting was hard, particularly for consulting companies such as the Company, which success is deeply based on their technical expertise. They had to change their "product push" and "get things done" mentality, typical of IT-based companies, to a more client-centric and generalist profile. Instead of concentrating only on selling their tools, they had to start explaining clearly the sustainability changes and how value can be created from it to the client in order to attract them. For that, these consulting companies not only had to change their brand management but also their human resources management. To create a sustainability reporting solution and communicate about sustainability with their clients, they needed consultants with expertise in sustainability who also had enough technical know-how to be able to translate the sustainability needs of the clients to the software coders. As shown in the example of the Company, finding the right consultants is difficult; however, retaining these consultants is even harder. In a sector with

high turnover rates as consulting, consultancy companies must fight to keep their best consultants, ensuring that they will not leave for better opportunities elsewhere.

vi. Taking the next step

The Company entering Spain was no coincidence. Having its first client based in Spain and given the favourable conditions of the market (i.e., strong sustainability-related legislation, moderate level of automatization of companies, a considerable degree of sensibility towards sustainability issues, and strong pressure from various stakeholders towards social responsibility and sustainability reporting), it seemed natural for the Company to decide to pursue this opportunity in Spain.

And yet, despite a seemingly positive environment to start promoting the new tool and service, the Company struggled. Initially, difficulties were mainly related to the adaptation of the existing Solution to support a sustainability consulting service. With time, other obstacles such as little brand awareness, a mismatch between customer expectations and the Company's provided services, and poor product or service communication became evident, causing the company to struggle when establishing itself in the Spanish market. Then, how could the Company face these challenges and successfully enter the Spanish market? How could it ensure that its consultants would be well integrated into the company and would stay? Was the Company aware of and ready to make the most of the emerging business opportunities? What were the driving forces for these emerging trends?

TEACHING NOTE

**THE CHALLENGES AND OPPORTUNITIES OF HUMAN RESOURCES
MANAGEMENT IN CONSULTING COMPANIES: THE RISE OF HR ANALYTICS**

Case overview and Teaching Background

vii. Case Synopsis

The case study "**A consultancy company's first steps in sustainability reporting: a Case Study in Spain**" is set in 2020 and relates the path of the Company, an international consulting company, to enter the Spanish market offering sustainability reporting services in Spain. Being already established in Spain since the early 2000s, the Company was approached by a client requiring sustainability consulting and a sustainability reporting tool. The Company decided to modify its best-suited tool for profitability reporting into a sustainability reporting tool. The alteration of the tool required not only technical expertise but also extensive sustainability-related content and knowledge, for which the Company had to quickly hire consultants with sustainability expertise. The case study highlights the challenges faced by this consulting firm, from the technical difficulties of developing a sustainability tool to attracting consultants with the right sustainability expertise, finding potential clients, brand management and product communication issues, and managing clients' expectations. The case is designed to teach the issues related to providing a new service in the consulting service, in specific sustainability reporting. This paper delivers a teaching note for this case study, offering solutions to the organizational challenges faced by the Company, specifically focusing on the field of organizational studies on human resources management in the consulting sector.

viii. Methodology and data collection

This teaching note's content is based on the case study "**A consultancy company's first steps in sustainability reporting: a Case Study in Spain**". The organization's information was gathered from the Company's official website and five interviews with employees from various departments. As per the nondisclosure agreement and sensible nature of the information related to Human resources, private information was concealed or altered. The data gathering is

complemented by extensive literature research on human resource management, organizational strategies, human resources management in consulting firms, future consulting trends, and human resources analytics.

ix. Case Use, Teaching Objectives, and Intended Audience

The case study is applicable to graduate programs with an emphasis on Management and organizational studies. Specifically for courses covering consulting, non-financial reporting, and human resources management. No particular prerequisites are necessary, although an introduction to sustainability and consulting can be beneficial to solve the case efficiently. As the teaching note explores human resources analytics, this case study can be useful to students interested in computer sciences and data management. At the end of the class discussion, students must be capable of: (1) Explaining the key concepts, processes, and tasks linked to human resources; (2) Providing solutions to human resources challenges faced by consulting companies; (3) Explaining the rising importance and key concept of HR analytics. To facilitate learning and a constructive in-class discussion, the introductory readings, preparatory content, and additional resources are included in Appendix and should be completed beforehand.

Teaching Plan and Case Analysis

x. Teaching Plan

The teaching plan provides questions, topics for discussion, and advice to assist the instructor in leading the course. While a consulting company is the subject of this case, the questions and teachings are applicable to the human resources management of other sectors. It is recommended to distribute the case study before the class, in order for the students to carry out the preparatory exercises and become familiar with the case study. The case study concentrates on the problems faced by the Company, displayed more or less implicitly in the case study,

without providing the solutions implemented by the company. This structure was chosen in an effort to stimulate the student's creativity and problem-solving skills while encouraging them to elaborate on possible solutions and develop their managerial thinking abilities. Providing the case study in advance will ensure that students are prepared and guarantee richer in-class discussions and constructive debates.

xi. Case Introduction

Although discussed in the case study, it is important to emphasize the global sustainability context so that students may comprehend why businesses hire consulting firms for their sustainability reporting services: they are pressured by stakeholders and new legislations to follow the Environmental Social and Governmental (ESG) standards and the triple bottom line approach. ESG standards refer to taking into account Environmental, Social, and Governance aspects when assessing the sustainability and human impact of a company's financial investment¹. The triple bottom line approach is a business concept that states that companies should measure their social and environmental impact, must not concentrate exclusively on making profits, and take into account the "three Ps"(profit, people, and the planet).²

The teacher is advised to begin the class discussion by asking a student to briefly explain the case study to the class if it was given to the students a long time before the course. Then, the teacher can ask 4 or 5 students to list the Company's challenges, with some examples being: adapting the tool, hiring sustainability experts, low brand awareness, and low level of automatization and data collection of the Company's clients.

xii. Theoretic approach: an introduction to HR analytics

The instructor may begin the theoretical portion of the lesson by defining human resources management (HRM). According to the Cambridge dictionary³ Human resources management is the process of overseeing a company's workforce, including hiring new employees, providing them with training, maintaining their employment records, and assisting them with issues. The teacher can ask the students to list HR processes, with which students should be familiar based on the preparatory content and the 5-minute video "Preparing to Manage Human Resources" by Professor John Budd (**Appendix 1**). If necessary, the professor can play the video for the class once again while naming the HR processes on the whiteboard before proceeding to define HR analytics as follows: *"Human Resources (HR) analytics refers to the integration of relevant HR data from different sources, the performing of organizational and workforce analysis on this captured data, and ultimately the gleaning of insights from the findings to shape decisions for better organization performance."*(Kapoor and Kabra 2014)⁴.

The teacher can discuss the significance of human resources analytics in organizations in order to put this new information in context: As a result of recent technological advancements such as artificial intelligence (AI), cyber-physical systems, big data, and the cloud, successful businesses have started making significant investments in data collection and processing.⁵. Companies across all industries use this data approach to enhance, among others, user satisfaction, product and service customization, revenue management, operational efficiency, and decision-making. This data approach applies *key performance indicators (KPIs)* to improve a company's financial status, competitive advantage, and automation of processes, among others⁶. An example of such data-driven technologies is the Solution, which ensures the tracking of *ESG-related data*. As a result of automation and digitization, data collection for businesses is now simpler than it ever was. The methods and software used to analyze this data become more sophisticated as the amount of data increases, ensuring detailed calculations and

KPIs, and necessitating the monitoring of skilled workforce⁷. These tools, like the Solution and in research from Cagliano et al. (2019), call for qualified professionals with specialized expertise to ensure the proper deployment of technologies. Engineers, or the *"technical employees"* mentioned in the Company's case study, are the first category of skilled professionals that are required. Engineers tend to possess excellent technology and data skills (i.e., coders and software engineers). The second category of employees required are *multidisciplinary professionals* capable of working collaboratively between people and software⁸. According to research, these talents need to have increasingly strategic, creative, and diverse skills to add value to a company (Becker and Stern 2016)⁹. The sustainability experts that the Company had to hire are an example of the latter (the sustainability consultants). Companies have to adapt their culture and business model to these developments, creating a *"digital culture of digital people trained with digital tools, that is, with the right skills to increase productivity"* (Kumar 2018)¹⁰. Consulting companies, as in the case study, can sell customers tools like the Solution, enabling more flexible and effective environmental and human resources management. These tools can also be used by the consulting firms themselves to enhance HR processes and decision-making. Similar to the Company, many consulting companies struggle to attract or retain the qualified workers they require. Due to consulting businesses' propensity to conceal their internal concerns, there is very little study on the nature of these issues, which ultimately makes HR challenges more difficult to address (Mohe 2004)¹¹. As portrayed in the case study, the difficulties experienced by consulting companies can be partly attributed to the high turnover rates of the consulting sector¹². In particular, in the sustainability consulting industry, the difficulty in finding and retaining talents with sustainability expertise is important¹³. According to research from Graubner and Richter (2003), this unfortunate trend is not set to decline, as consulting firms are increasingly losing some of their bargaining power to their clients (forcing them to become more client-centric),

which causes them difficulties covering their costs and capturing value. This situation affects consulting companies' internal organization, especially the HR sector: as the consulting firms have lower margins, they have to find innovative ways to motivate, train, and recruit their staff¹⁴.

xiii. Class Discussion and Case Analysis

The in-class discussion that follows expands on the content previously covered, which the students are expected to apply in their responses. The teacher should write the questions and students' answers on the whiteboard while providing further advice based on the notes below.

- *Why did the Company need to hire sustainability experts on top of their technical employees to adapt their Solution to sustainability reporting, and what were the risks of doing it?*

The first part of the question must be answered by the students using only the data from the case study: The company had to hire consultants because they needed their specialized skills to produce sustainability-related material, data, KPIs, and calculations to modify the Solution. The consultants were hired based on their past experiences (work experience in Spain or Portugal), their industry background (i.e., cement, food, energy, steel, chemistry, food, oil and gas, textile industry), and expertise (i.e., in waste management, GHG emissions reporting). These consultants' goal would be to understand the client's needs and pains and translate these needs to the technical employees who create the software. The teacher can then disclose that, in less than one year, the Company hired around 50 of these consultants worldwide, with about half of them being based in Spain and Portugal. As HR issues are not public information, it is difficult to understand the impact of this hiring decision. Students must use their analytical skills and theoretical knowledge to deduce the potential risks related to hiring these employees. Some examples of challenges can be that the initial training and hiring process had to be

adapted and the opportunity costs related to this new service. The upcoming new consultants also required the company to adapt its culture, as the Company wanted to create a younger team with a family team spirit and existing technical employees had to adapt to these young sustainability consultants. The hiring of these consultants is also linked to the change of mentality of companies described in the "zooming part" of the case study, which pushes the company to become more "client-centric" and "generalist". In that sense, the changes necessary in the business model, operations, brand management, marketing, and sales are also risks associated with the hiring of these consultants.

- *Which challenges did the Company face to attract the best consultants?*

Although consulting firms tend to have a large number of applications¹⁵, the Company initially struggled to find sustainability consultants. In the beginning, it was not yet a well-known company in Spain, which made it difficult to attract applicants. This was specifically the case for sustainability consultants, as a high demand was observed for sustainability consultants in the job market. This demand is expected to increase in the future due to reinforced sustainability regulations and the increased demand for sustainability consulting services. The supply of sustainability consultants is low, as the offer of sustainability studies is low, which makes it difficult to find such applicants. To attract them, the Company put forward in its job description and recruitment process the possibility for these consultants to increase their technical skills by working on the software with technical employees. The Company used mostly LinkedIn and referrals to find these applicants. Through interviews, it was shown that the Company's management counts on having more "projects and interesting challenges" to increase its attractiveness.

- *Why do consulting companies have trouble retaining consultants?*

The consulting industry is defined by high turnover rates, making it difficult for consulting companies to ensure that their consultants will not leave for better opportunities elsewhere. As

experience is a big value-added for consultants to help their customers, it is particularly difficult for consulting firms to retain skilled, experienced, or senior consultants. As these consultants tend to leave the company with their knowledge in their brains and laptops, it creates difficulties for the company to retain its intellectual property and can reduce its profitability. In order to decrease turnover rates and increase their profitability, HR managers can improve their investment in human resources and senior management, and use HR analytics tools to improve their compensations and incentives as well as performance management processes.

- *How can a data-driven approach help the Company and its customers improve HR processes?*

The Solution allows to improve the companies' human resources processes (i.e., recruitment, compensations and incentives, training) by tracking and analyzing data (i.e., numbers of employees, retention rates, training expenses, percentage of women) tailored to the specific needs of the clients. In general, such predictive analytics “identify relationships that can help HR determine what actions are appropriate and how to best allocate resources”¹⁶ which has been proven to have a strong impact on companies' financial performance¹⁷. A data-driven HR approach can help a company improve many HR processes and decision-making while reducing administrative expenses. During the *Recruitment and selection process*, it can automate long tasks such as the screening of candidates (sorting through employment applications) by analyzing patterns that might predict appropriate candidates.¹⁸ By “capturing the strategic linkage between human capital and profitability”¹⁹, HR analytics can improve *Performance management*, enhance the employee's competitive advantage and performance, individuate the “star performers” that contribute greatly to the company's knowledge and opportunities²⁰, and conduct sentiment analysis (to detect early on the signs of potential problems). The *Training and development* of employees can be improved through predictive analytics by assessing the training that leads to greater productivity or to a greater number of

innovations while “reducing the cost of human capital” (Chadwick 2017)²¹. The *Compensation and reward* process can be improved by finding what compensation and motivational programs lead to improved customer service, higher product quality²². According to interviews, the Company will continue to improve its Solution in the future. It can also help companies decrease their staff turnover by creating retention models that describe the causal relationship in the employee's choice to leave and allow HR to create precise retention plans (Nocker and Sena 2019)²³. By providing better decision-making and forecasts, HR analytics ensures that companies attract the right employees, understand their social and financial needs, help them achieve training that fits their career development goals, ensure diversity, inclusion and safety at work, and finally improve the overall business sustainability of companies.

xiv. Conclusion

If there is remaining time, **Appendix 2** contains an additional question. The most significant learnings from the conversation can be summarized to conclude the class. For instance, the rising importance of human resources analytics in organizations as companies become more automatized; the necessity to hire specialized employees (technical and expert consultants) to use the analytics tools; the need to hire expert consultants with multidisciplinary and strategic skills; the difficulties in hiring and retaining said consultants (in particular sustainability consultants); and the opportunities brought by human resources analytics for the improvement of human resources processes and promotion of sustainable business.

xv. *Appendix of the Teaching note*

Appendix 1: Preparatory exercises for students

1. Before class, students should read the case study titled “A consultancy company’s first steps in sustainability reporting: a Case Study in Spain”
2. Students should see the teaching note's extra appendices, which should be distributed to them (Appendix 1 and 2)
3. Students should read the suggested reading.
4. Students should see the video clip "Preparing to Manage Human Resources," by Professor John Budd

-Readings:

Nocker, Manuela, and Vania Sena. 2019. “Big Data and Human Resources Management: The Rise of Talent Analytics.” *Social Sciences* 8 (10): 273. <https://doi.org/10.3390/socsci8100273>.

-Video clip "Preparing to Manage Human Resources," by Professor John Budd from the Carlson school of management., University of Minnesota. Link:

<https://www.youtube.com/watch?v=9MWFkH4xb3U> and human resources processes covered:

For a company to create products and services which are valued by the market, the HR department has to first create a Workflow analysis that will describe the business processes and the tasks to accomplish (the “work to do”). Then, will follow a *Job analysis*, describing the set of tasks for each job position. Once the job description is created, will start the *Recruitment and selection process*, where the job will be advertised to attract job applicants, followed by interviews to ensure the applicant’s skills and fit with the company. Once the applicant has been chosen, starts the *Onboarding process* which includes an orientation program to ensure the newly-hired employee’s fit and integration into the team and the company. The onboarding

process also helps the employee to familiarize themselves with the job tasks to ensure that they are done accordingly to the company's values and expectations. Once the employee starts working and showing their first results, the process of *Performance management* starts. This process is necessary to evaluate and assess the quality of the work of the employee, giving directions and advice on ways to improve the employee's results, while helping the employee sustain motivation and develop future career development goals. Follows the process of *Training and development*, which can be done formally (with courses) or informally (with on-the-job practice) and provides the employee with further knowledge, skills, and certifications. The HR department also takes care of *Compensation and reward* management, the compensations and rewards are divided into three methods: direct, indirect, and non-financial. The direct methods are in general monetary remuneration, for example, "wages, salaries, allowances, commission, monetary incentives, bonus, overtime payments and profit sharing". The indirect methods are compensations and rewards generally given to the employee at the end of their contract period, with some examples being a pension, insurance, and provident fund. The non-financial methods are non-monetary benefits that often offer enhanced social recognition and trigger the internal reward system of the employee. Some examples of these methods are promotions, maternity, and sick leave, and change of the job conditions (as options for remote working or flexible schedules). The HR department is also taking care of ESG tasks such as ensuring *Safety and diversity* in the company. Thus, the HR department puts into place health and safety practices for employees, with the goal of decreasing the risks of stress, possible physical threats, and discrimination. On this note, in companies without a sustainability department, the HR department also takes care of the environmental practices, such as decreasing the energy use of the company (i.e. decreasing the use of lighting or air conditioning), or organizing workshops to increase employees' sustainability awareness. All the processes described above are always analyzed, reassessed, and adapted by the HR

department, to improve the *Organizational development* of the company. In order to single out the critical points to improve the HR processes, the HR department needs to collect data about the different processes, and create metrics to quantify and analyze this data. To facilitate the collection and analysis of data, some companies use an *HR information system*. In order to automate the process, companies often have access to software or data analytics tools. These tools can be created by the company itself, or be bought from external software engineering suppliers. In some cases, these kinds of software and tools are provided by consulting companies, similar to the Solution that the Company provides to its clients in the Case study.

Appendix 2: Additional question and answer

- *What actions did the Company's HR department have to take to create the sustainability expert consultant role?*

First, the HR department had to execute a workflow analysis, describing the tasks that are necessary to create the tool and the business processes added by the new sustainability consulting service provided by the Company. Then, through the job analysis, they had to divide these tasks into job positions, evaluate the number of sustainability consultants necessary, and create job descriptions. During the recruitment and selection process, the HR department chose the right platform to advertise the job, screen the received CVs, and interview the applicants. Once these applicants were chosen, the onboarding of the sustainability consultants would start, to welcome them and integrate them into their teams and departments. To ensure them doing their tasks in line with the values of the Company, the HR department has to ensure that their tasks, the different tools, and the company values are explained to them. Once they start working, the HR department had to speak with the consultant's supervisors to evaluate and assess the performance of the consultants, give them direction and motivation to increase their performance, and help them improve the way they work and communicate with the technical

employees, through the performance management process. The HR department had to ensure the training and career development of its consultants (ensuring they would receive training on the tool and on their consulting tasks), and monitor their compensations and rewards (paychecks, incentives, and other rights). The HR department also has to ensure the safety and diversity of these employees, promoting gender equality, healthy work relations and practices.

PROJECT EVALUATION REPORT

**HOW CAN THE COMPANY LEAD IN THE PORTUGUESE MARKET FOR
SUSTAINABILITY REPORTING?**

xvi. Situation Analysis

The Company is slowly, but surely, establishing itself in the Spanish market. After facing several challenges, namely adapting its Solution to include sustainability reporting services, assembling a team of sustainability experts, and communicating its brand, products, and services, the Company is now trying to tap into the Portuguese market. Despite being two neighboring countries, both subject to the same EU legislations, there are differences in compromise towards sustainability agendas, sustainability reporting maturity of companies, demand for sustainability-related services (especially on a voluntary basis), etc. That said, the Company can expect a different panorama in Portugal than it has in Spain, and it is the present report's aim to understand the current state of sustainability reporting from a legislative standpoint, specifically in the European Union, analyze the competitive landscape in both countries, as well as provide insightful, useful and actionable recommendations to successfully enter and operate in the Portuguese market.

xvii. Research Question and Methodology

Following the assessment of the Company's entry into the Spanish market, it became relevant to understand how the company could leverage its expertise in sustainability reporting, while considering current and future legislation on this topic, the market that surrounds it (both the competitive outlook and the perspective from potential clients), with a particular emphasis on Portugal. The research ultimately culminates in the proposal of several actionable recommendations that consultancy companies such as the Company could implement while entering and operating in the Portuguese market. Sustainability reporting is understood in this research as the "part of a non-financial risk report in which a company provides transparency in their environmental and socio-ethical actions and outlines preventative measures for mitigating medium to long-term risks" (Sphera's Editorial Team 2022)²⁴. Therefore, the

proposed research question is as follows: “*How can the Company lead in the Portuguese market for sustainability reporting?*”.

It is worth noting that this evaluation report, despite having a greater focus on the Company following up on the previously studied case study’s context, is still of value to a broader audience, as many findings that are presented can be of interest to anyone wishing to understand the opportunities and challenges of sustainability reporting.

The applied research was conducted mainly through online research and several interviews with employees of the Company that play different roles, both from top management and more specialized departments. A table of acronyms can be found in Appendixes (**Appendix 1**).

xviii. The global context and issues faced by consultancy firms

Today, sustainability is an accepted fundamental topic on the agenda of governments and intergovernmental organizations, as well as a core part of companies' corporate strategy. Over time, what was once a concern over the climate crisis only grew up to be a more comprehensive understanding of our environment, economy, and society. Such is reflected in many companies’ shift from the traditional approach of having profits as the only priority, to the triple bottom line approach, which puts people, planet and profits on an equal footing.

In light of pressures from both the government and the market to include and monitor non-financial data in their quarterly or annual reports, companies, much like outsourcing business functions such as marketing or human resources, started to resort to the help of external parties when planning their sustainability strategy. Such services can range from sustainability reporting and compliance with legislation, to helping achieve specific certifications, to a more personalized and detailed delineation of a business sustainability strategy, as well as its implementation and monitoring. Normally, consulting companies offer this type of service to

help businesses cope with the changing legal environment and the arising need to put sustainability at the core of a business' strategy.

In fact, the overall consultancy sector (not limited to sustainability consulting) showed a fast and exponential growth worldwide in the past years. In Portugal, the annual consulting industry revenue growth has been multiplied by four from 2008 to 2020, and, between 2017 and 2022, the number of management consultancy businesses has grown 4.1% per year on average²⁵. The European management consulting services market is expected to continue growing, with a forecasted CAGR (compounded annual growth rate) of 5.8% between 2022 and 2027²⁶.

The fast growth of the consultancy sector confronted these companies with new challenges that forced them to adapt accordingly quickly. In the case of environmental consultancy businesses specifically, the biggest issue reported was directly linked to the nature of their core structure and business. Environmental consultancy companies' strength often lies in the technical expertise they behold, which allows them to meet the high expectations and specific needs of their clients. However, for a company to ensure the long-term viability of its business it must not only concentrate on the development of its technological assets, but also on the competitiveness of its business model and talent retention ability. For instance, the market proposition of environmental consultancy businesses was often focused on a “product push” of their technology, describing their technology and fees. To attract customers, they had to learn to push forward a value proposition that clearly portrays the potential outcomes, while defining themselves to the clients as an investment and not a cost. On the other hand, the “get things done” mentality typical of technically led firms also impacted negatively their human resources core business area, as they invested poorly in staff training and human resources management. Furthermore, the consultancy sector is defined by high turnover rates, which makes it generally difficult to retain the best consultants. Experienced consultants often leave with the knowledge they gained, and companies lose know-how (and sometimes intellectual

property). The loss of experienced consultants and valuable knowledge, coupled with bad investment in human resources and senior management, tends to reduce the profitability of companies.²⁷

xix. European legislative landscape

More and more, companies are making efforts towards having a responsible approach to business and evaluating their non-financial performance. This change is largely incentivized by legislation coming forward on the part of governments and other intergovernmental bodies on sustainability reporting. Knowing that the Company has its headquarters in Europe, that the present evaluation report focuses on the Company's operations in Portugal and Spain, and that both countries are EU Member States, it becomes relevant to give an overview of the European legislative landscape.

The prevailing legislation that pertains the disclosure of non-financial information is the Directive 2014/95/EU, commonly referred to as the Non-Financial Reporting Directive (i.e., the NFRD). The guidelines present in this directive reflect the importance of sustainability reporting not only to increase the transparency of information in social and environmental matters but also to identify possible risks and increase stakeholders' trust. This directive affects large public-interest companies (including listed companies, banks, insurers, etc.) that have more than 500 employees during the financial year, and obliges them to disclose non-financial information to an extent such that it is possible to understand the evolution, development, position, and impact of a company's activities, referring to the following dimensions: environmental matters, social matters and the company's treatment of its employees, respect for human rights, diversity on boards, and anti-corruption and bribery policies. Although the European Commission proposed guidelines on the disclosure of such information, these were not mandatory, and companies were given the opportunity to decide whether to use the

European (e.g., Eco-Management and Audit Scheme, etc.), international (e.g., United Nations Global Compact, Global Reporting Initiative, ISO 26000 standard, etc.), or national guidelines. The non-financial information disclosure can be made either in the financial statement or in a separate report. Additionally, the company's statutory auditor is responsible for verifying whether the non-financial information is included in the annual management report or in a separate report²⁸.

It should be noted that, due to the increasing number of frameworks and standards companies can choose from, combined with the lack of precise requirements, it is currently hard for companies to know what exactly they need to report. Moreover, companies are often asked for additional and complementary sustainability information from stakeholders, which only aggravates business costs. More often than not, the disclosed non-financial information is not sufficiently reliable nor relevant, as well as under-reported. This, added to the lack of standardization across industries and countries, poses significant challenges for stakeholders to effectively compare businesses regarding their non-financial performance and understand whether they align with the stakeholder's values or not, depending on the environmental and social impacts those businesses generate²⁹.

Bearing such limitations in mind, in April 2021, the European Commission came forward with the proposal of the Corporate Sustainability Reporting Directive (CSRD) which would amend, among other directives, the existing reporting requirements of the NFRD, improve current sustainability reporting practices (at the lowest cost possible), and ensure reliable, comparable, and transparent information for stakeholders.

One of the main changes that this new directive entails is the enlargement of the scope of companies that are now obliged to disclose such type of information: it will extend to all large companies, listed or not, in which "large" is defined as exceeding two out of these three criteria for two successive accounting periods: a) employ an average of 250 employees or more during

the year; b) obtain net revenues amounting to more than 40€ million; or c) hold 20€ million or more in assets; as well as listed SMEs with securities admitted to trading on an EU regulated market (except micro-enterprises that either have a turnover or total assets below €2 million, or have less than 10 employees). Additionally, non-European companies which generate a net turnover of €150 million in the EU, and which have at least one subsidiary or branch in the EU, are also covered by the CSRD. In total, this new directive will affect nearly 50,000 companies in the EU, around 75% of all EU companies' turnover, a significant increase from the 11,600 that were already affected by the NFRD since 2018³⁰. The proposed timings to start enforcing the CSRD are as follows: companies that are already subject to the NFRD would be required to report in 2025 with reference to the fiscal year (FY) of 2024; large companies that are not presently subject to the NFRD would report in 2026 with reference to the FY of 2025; SMEs would be included through simplified reporting standards in 2027 with reference to the FY of 2026. Furthermore, auditing will become stricter (limited and reasonable assurance within three and six years of implementation of the directive, respectively), and management reports must be prepared in an electronic reporting format such that allows to tag the non-financial information³¹.

One of the amendments of the CSRD encompasses an improvement of the quality of the information disclosed. Following the CSRD, companies must provide both qualitative and quantitative, forward-looking and retrospective information on how the company's activities impact ESG dimensions, and how these, in turn, affect the company's short, medium and long-term strategy and targets. Speaking of impact, companies must also apply double (both financial and environmental & social) materiality when preparing their report. In other words, they must demonstrate, conjointly with the impact climate change has on corporate activities, how these same corporate activities impact the economy, environment, and people. Moreover, it is also an objective for the European Commission, with the CSRD, to make companies

disclose information about their value chain, their own operations and due diligence processes along the value chain, whenever such would make sense, thus slowly starting to push for disclosure of scope 3 emissions^{32 33}.

Finally, contrary to the NFRD, the CSRD will require companies to follow mandatory European sustainability reporting standards (ESRS)³⁴, which are currently being developed by the European Financial Reporting Advisory Group (EFRAG). The EU fully supports the harmonization of global sustainability reporting standards thus it will contribute and build on existing frameworks, standards and initiatives carried out by entities such as the IFRS Foundation, the Sustainability Accounting Standards Board (SASB), the International Integrated Reporting Council (IIRC), the Climate Disclosure Standards Board (CDSB), the Task Force on Climate-related Financial Disclosure (TCFD) and the Global Reporting Initiative (GRI). The latter is distinctively relevant, as it is the entity the EFRAG is working with to co-create the ESRS European companies will have to abide to in the future. The GRI is a “global common language to communicate”³⁵ the actions, as well as its impacts, companies are taking in their sustainability journey. In other words, the GRI provides standards for sustainability reporting. On its website, companies can find several resources that will aid and advance them in their sustainable reporting practices. Through its work, the GRI has been contributing towards more transparency, accountability and informed decision-making that benefits the planet and its people.

Moreover, the EFRAG, when outlining the ESRS, will seek to ensure consistency with existing policy provisions, namely the Sustainable Finance Disclosure Regulation (SFDR) and the Taxonomy Regulation. On the one hand, the SFDR instructs financial markets participants (banks, hedge funds, brokers, mutual funds, etc.) and financial advisors on how they should integrate ESG factors into their investment decisions and disclose non-financial information to their end-investors and asset owners. In order to do that, they must have access to adequate

non-financial information from the investee companies, hence the importance of having a directive that ensures consistency between sustainability reporting requirements for all market participants and, particularly, one that allows financial market participants to answer the SFDR's requirements. On the other hand, the Taxonomy Regulation outlines a classification system that helps identify whether an economic activity is environmentally sustainable or not, and details what indicators related to the extent to which a company's activities are environmentally sustainable according to the taxonomy must be disclosed by companies currently under the NFRD.

Altogether, the NFRD, the SFDR and the Taxonomy Regulation are the central components of the European legal framework that aims to “create a consistent and coherent flow of sustainability information throughout the financial value chain”³⁶. The CSRD, through its new sustainability reporting standards (the ESRS), intends on giving continuity to these efforts.

xx. Spain and Portugal sustainability reporting legislation comparison

First and foremost, it is relevant to point out that Portugal and Spain are currently subject to their own national legislation regarding the disclosure of non-financial information, Decree-Law n.º89/2017, of 28 July³⁷, and Law 11/2018, of 28 December³⁸, respectively, which in turn are both the result of the transposition of the Directive 2014/95/EU (i.e., NFRD).

When analyzing whether Portugal and Spain changed or not requirements, when allowed, from the NFRD when transposing the European directive into their national law, the following conclusions can be drawn:

- Both Portugal and Spain adapted the definition of a public interest entity according to their national law, and both adhered to the safe harbour principle;
- Both Portugal and Spain adapted the definition of a large undertaking, the latter having included all other big non-PIEs (public interest entities);

- While in Portugal auditors only need to assure the presence of the statement of non-financial information, in Spain the consolidated statement must be verified by an independent assurance provider;
- Portugal maintained the NFRD's report topics and context, disclosure format, and diversity reporting requirements; Spain, on the other hand, included a topic on Community (showcase the company's commitment to sustainable development, information about subcontracting and suppliers, as well as consumers tax information), adds the possibility to disclose information in a consolidated management report, and obliges listed PIEs to provide additional information on diversity;
- Portugal defined fines for non-compliance ranging from 50€ to 1500€, whereas Spain did not specify any information on fines.

xxi. Spain and Portugal competitive market comparison

A description of the competitive landscape describing a set of the Company's competitors can be found in the appendixes for Spain (**Appendix 2**) and Portugal (**Appendix 3**).

The consultancy sector is growing worldwide in the past years, so it is not surprising to observe a positive development of the consultancy market in both Spain and Portugal. However, it is important to note the differences between both countries. In fact, Spain's consultancy sector is growing two times faster than Portugal's (growth rates of 6% and 2.7%, respectively, between 2017 and 2022). Additionally, both markets show low market share concentration (i.e., 5% in Portugal), which ensures competitiveness and innovation in them. Although the consulting market is scattered in both countries, there are big international companies providing a wide range of consulting services, which could be threats to the Company. For instance, Accenture SL is the biggest player in terms of management consultancy in Spain. This player can also be found in the Portuguese market, along with other big competitors such as PWC. Other than these

important competitors, in terms of sustainability reporting, there are mostly smaller and specialized competitors in both markets.

Through the detailed competitors' research found above, other pertinent findings have come to light. For instance, most of the Company's competitors in Spain and Portugal tend to not give a detailed description of the tools and software they use. Some of them do not even name such tools on their websites. Another relevant finding is that most of the competitors in Spain and Portugal offer a training service on top of their consulting services. In fact, there seems to be an interest in providing training for the client's employees, in particular online training. These training courses offer, for example, the possibility of learning more about sustainability (i.e., sustainability legislation, carbon footprint) and human rights.

xxii. The Company's entry in Portugal

Current situation

The Company decided to enter the Portuguese market with its sustainability consulting services in 2021. The team working for the Portuguese market is composed of nine employees of different nationalities. As the Company did not open an office in Portugal yet, the employees are home-based. Most of the employees are working from Spain (Madrid) and Portugal (Lisbon), which facilitates contact with Portuguese companies and stakeholders. The Company is on the path to contracting its first potential client in Portugal. This client was found directly through the Company's partnership with their Partner. Now, the Company is planning to work on a consultancy project, laying out the groundwork to sell its client the sustainability-adapted Solution in the future. In the short term, its goal is to become more known in the market. According to interviews with the management team, the Company strives to enhance its visibility by participating in sustainability events, contacting new potential customers, and

being part of the Partner's user groups. It also relies on word-of-mouth, expecting that good results from the first projects will attract other customers in the future.

Motivation

The Company chose to enter Portugal with a long-term vision in mind. In fact, its management team knew from the start that entering the Portuguese market would be harder than the Spanish one, because of the low market demand for sustainability reporting services. However, in the past years, Portugal has taken steps to improve its sustainability practices and policies: since 2015, the Green Growth Commitment (GGC) adopted by the Portuguese government follows the path set by the UN's SDGs by increasing green jobs and efficiency in resources utilization, while improving biodiversity, air and water quality³⁹. Through the UN 2030 Agenda framework, Portugal is also set to improve its human rights, gender equality and sustainability in the future⁴⁰. This overall increasing interest in sustainability, as well as the legislative proposal of the CSRD, gives positive prospects for the future of the sustainability reporting market in Portugal. Furthermore, the forecasts for the Portuguese consulting market are positive, with an expected increase of 6.06% from 2018 to 2023. Being one of the pioneer companies providing sustainability reporting services in Portugal could allow the Company to create a partnership and a client base early on (through an early mover advantage), and help become a market leader in the future.

The client's need to automate

To better understand the clients' need to automate their reporting process, it is important to be aware of the differences between non-financial reporting and financial reporting. When it comes to financial reporting, businesses will already have in place highly automatized processes, as well as well-established guidelines and reporting standards. In the case of non-financial reporting, companies will usually subcontract consultancy companies to collect data and create KPIs. This is because, when it comes to sustainability reporting, the process is more

complicated as the traceability of data is more difficult to achieve with the same tools used for financial reporting.

Knowing that the “one size fits all” approach is not as efficient as having personalized and specific KPIs for the sustainability sector further motivated the Company to develop a tool (the Solution) where the KPIs are personalized for each company.

The Company's first strength: the Solution

The Solution is part of the Company's added value for customers, as it allows them to automate and facilitate the way they do reports. Today, most companies use Excel to do so, which makes it difficult to understand the source of the data. In other words, the traceability of data (and consequently feasibility of the expected outcomes) is lower. Compared to that, the Solution brings a big improvement. Through the Solution and its user interface, the Company is analyzing the needs of the customer, creating analytics, and pinpointing which KPIs are important for each specific sector. Namely, they create material analyses, on CO2 emissions, water, plastic production, etc. The Company explains how to calculate KPIs and which data sources should be used.

The Company's second strength: its sustainability consultants

However, during the interviews with consultants from the Company, it was understood that it's not just what they do, but also how they do it, that gives them a competitive advantage. In the field of sustainability, the Company puts its efforts into creating an environment of deep expertise and automation in its services. As companies operate in different sectors and therefore have different targets in their non-financial reports, it is crucial to adopt different strategies to customize this report to the client's needs. Having consultants that have the right expertise is part of the Company's strengths in sustainability consulting. These consultants are experts in terms of sustainability, and they are adept at addressing extremely complex topics like waste management and CO2 control. On the contrary, a lot of consultancy companies are the typical

depiction of an IT business: they have trouble understanding and considering that engines such as computers produce CO2. Another example is the difficulties some consulting companies have understanding the gender diversity challenge, as the IT sector is mostly constituted of men. The Company has the right people, which know how to speak the same language as sustainability experts and how to measure all sustainability KPIs. They have been chosen specifically for having graduated with a sustainability master's or having worked on top-level sustainability projects.

Sustainability reporting Pioneers: Their long-term vision

The Company's strength lies in its software's capacity to continuously improve. At the moment, companies tend to do reports once a year, because it is what stakeholders require for now. However, in the case of sustainability reporting once a year will soon not be enough. Through its Solution, the Company facilitates reporting and allows enterprises to report monthly and improve their sustainability impact. The Company provides a solution that is part of a monthly cycle, is agile, and promotes automatization (versus manual reporting). The Company also believes that in the future sustainability and financial data will be probably reported together. In fact, for financial reports, there is a process in place: companies simply find an auditor, and the auditor takes care of the reports and signs them. Companies, at the moment, are somehow doing the same for sustainability. The difference is that, for sustainability, there is no process in place. Now, sustainability is not yet reinforced, companies only report it once a year. But in the future, when sustainability reporting will be reinforced, they will have no choice but to change this process and automate it. This is where the Solution comes into play.

Lastly, the Company's strength lies in its long-term vision. They want to provide clients with a "sustainability accounting system". They believe that in the same way people count and exchange money today, people will count and exchange CO2 in the future. In the same way

people do accounting today, people will measure sustainability in the future. It will probably take more than 5 years to get to this point, but this is why the Company is starting to position itself on that path to be able to be someday perhaps the leader in this sector. In appendixes, can be found a SWOT analysis of the previous research findings (**Appendix 4**).

xxiii. The potential clients

According to the Observatory of the ESG in the Portuguese companies' annual report⁴¹, 95% of the 60 largest companies operating in the Portuguese economy and 100 Small and Medium Enterprises (SMEs) acknowledge that sustainability is a “strategic opportunity”. Furthermore, they also state that 61,7% of those companies' main motivation to do sustainability reporting is to have an “impact on the industry as a leader in sustainability”. To follow up with this context, it is noticeable that there is an opportunity in the Portuguese market to continuously improve sustainability reporting.

Having a more detailed look into the Portuguese market, it was observed that in the year 2020 big size enterprises represent 0.1% (1.312 companies), medium size enterprises represent 0.5% (7.180 companies), small enterprises represent 3.3% (4.3678 companies), and the micro-enterprises represent 96.1% (1.264.086 companies) of the overall enterprises in Portugal (1.316.256 companies).⁴²

It is clear, small and medium-size enterprises have a high representativity at a national level accounting for 58,3% (approximately 230.207,2 m€) of the total turnover. Truth is, the remaining 41.7% (approximately 164.846,6 m€)⁴³ correspond to only 0,1% of the overall Portuguese companies. For this reason, we advise the Company to concentrate on the big-size enterprises since they would be more likely to have the funds to purchase the Solution.

Looking closely at some of the biggest players operating in Portugal and as sustainability KPIs for non-financial reporting differ depending on the sector, it was necessary to scrutinize the

details of each sector and find crucial players.

Retail enterprises in Portugal represent 16.3% of the overall market in Portugal and have an average turnover of 140.636 m€⁴⁴. The biggest players in this sector are Modelo Continente Supermercados, S. A.; Pingo Doce – Distribuição alimentar, S. A.; and Auchan Retail Portugal, S.A..⁴⁵ In the Agriculture, animal production, hunting, forestry, and fishing sector, which represents 9.6% of the overall companies in Portugal and have a turnover of 7.711 m€, three examples of the major players are De Prado Portugal, S.A.; Best Farmer – Atividades Agro Pecuárias, S.A.; and Intersuínos – Suínos de Portugal, S.A..⁴⁶ Manufacturing industries corresponds to 5.0% of the overall market in Portugal and have a turnover of 86.439 m€ where some of the relevant players would be Companhia União Fabril; Cimpor – Cimentos de Portugal, SGPS ; and Sodecia. ⁴⁷ In the Accommodation and catering sector, which represents 8.5% of the overall market and has a turnover of 9.611 m€, Pestana Hotel Group, Vila Galé Hóteis, and Accor Hotels correspond to three of the biggest players in this sector.⁴⁸ The Construction sector represents 7% of the overall market, it has a turnover of 23.645 m€ and major companies operating in this sector are Mota Engil; Teixeira Duarte; Soares da Costa.⁴⁹ Human health activities and social support, which represent 7.9% of the companies in Portugal and have a turnover of 7.540 m€, is a very broad sector. For that reason, well-known enterprises that operate in Portugal in the healthcare industry were chosen: CUF⁵⁰, Trofa Saúde⁵¹, and Hospital da Luz⁵². In the real estate activities, this sector represents 3.9% of the overall market, having an overall turnover of 8.914 m€, and some important players in this field are Remax, Era, Centory 21, and KW.⁵³ The transports and storage sector acquires 2.6% of the overall market, it has a turnover of 17486 m€ and the biggest players are Transportes Aéreos Portugueses S.A.; NetJets – Transportes Aéreos, S.A.; and CTT – Correios de Portugal S.A..⁵⁴ Financial and insurance companies characterize 1.2% of the overall market, it has a turnover of 23.578 m€ and, naming some of the most important players in this sector: Fidelidade;

Occidental Vida; and Generali Seguros.⁵⁵The electricity sector stands for 0.5% of Portuguese companies, it has a turnover of 22.989 m€ and three big players operating in Portugal would be EDP- Energia Portugal; Galp Energia SGSP, and Greenvolt Energias Renovaveis S. A.⁵⁶. For extractive industries, which represents 0.1% (1023 companies) of the companies in Portugal, and have a turnover of 1.106 m€; two examples of relevant players would be SOMINCOR - Lundin Mining; and Almina – Minas do Alentejo. They take care of some of the most relevant mining projects in Portugal.⁵⁷Finally, because there are many other sectors that combined represent 37.3% of the companies in Portugal, and an overall turnover of 45398 m€, below is portrayed an overview of the 20 most profitable enterprises operating in Portugal: Jerónimo Martins, SGPS; EDP Energias de Portugal; Galp Energia- Nom; Sonae; B.C.P Banco Comercial Português; Mota Engil; Semapa; EDP Renovaveis; The Navigator Company; NOS SGPS,SA; INAPA Investimentos; Corticeira Amorim – SGPS; CTT – Correios de Portugal SA; REN; Altri SGPS; Teixeira Duarte SA; Toyota Caetano; IBERSOL – SGPS, Martifer, SGPS, SA; Impresa SGPS SA.⁵⁸

xxiv. Future outlooks of the Portuguese market

Legal

Sustainability reporting is an increasing trend, as investors and stakeholders require more detailed information about how companies are generating a relevant impact and adding value to society⁵⁹. As it stands, Portugal follows the current mandatory legislation on the disclosure of non-financial information, that is, it transposed the NFRD into its national law. Still, this trend's development is far from over: in April 2021, the European Commission came forward with the proposal of the CSRD, a directive that would amend the NFRD, among other directives, and empower the improvement of current sustainability reporting practices. This directive will bring changes such as enlarging the scope of companies that are now obliged to

disclose this information, affecting nearly 50,000 companies in the EU. On the 28th of November 2022, the Council of the European Union adopted the legislative act for the CSRD, which will enter into force 20 days after its publication in the Official Journal of the European Union. Member States are expected to implement it in the following 18 months.

Additionally, auditing requirements will tighten (limited and reasonable assurance within three and six years of the directive's implementation, respectively), and management reports must be created in an electronic reporting format that enables the non-financial information to be identified.

Technology

As the demand for disclosure of non-financial information arises, automating the reporting process has become essential. Collecting data is often a pain point of sustainability reporting due to the lack of accuracy and traceability. Technology, among other ways, can help to tackle environmental issues by aggregating real-time data and optimizing processes. In the future, AI and advanced analytics are set to provide real-time and accurate data so that it is possible to empower the performance and automatization of sustainability reporting⁶⁰.

Political and Economic

Although at a slower pace compared to Spain, the Portuguese government is walking towards a more sustainable way of operating as a society and community. To do so there were several commitments they put in place when designing the partnership Portugal 2020. One of those commitments was that by 2050 Portugal would become carbon neutral⁶¹. Furthermore, the Portuguese government is also stepping up and making huge progress in renewable energy implementation. By 2026 it aims to achieve 80% of its electricity output being sourced by renewable energies⁶². Moreover, in Portugal's green growth agenda, the aim is to be the national leader in sustainable and economic growth focusing on a low-carbon economy, great

resource efficiency, and an increase in jobs related to sustainability. The 2030 agenda focuses on the 5Ps: People, Planet, Prosperity, Peace, and Partnerships⁶³.

xxv. Targeted recommendations

Having analyzed the upcoming changes in European legislation on the disclosure of non-financial information and the competitive landscape in Spain and Portugal, and characterized the Portuguese market by sector and largest players, several opportunities for improvement were identified. First, legislation on sustainability reporting requirements is quickly evolving and companies wishing to step up their sustainability reporting services must be aware of potential opportunities to do so and adapt to these changes accordingly. Furthermore, clients often scout potential sustainability service providers online and choose them based on online communication (e.g., a company's website). Therefore, it is necessary for companies to improve their digital communication throughout all stages of the client's decision process. Additionally, the Portuguese market is mainly characterized by SMEs and micro-enterprises, which have generally less available capital to cope with the increasingly strict requirements related to sustainability practices.

To address these areas for improvement and challenges, and to make greater use of the current panorama in the field of sustainability reporting, a number of recommendations are provided below.

Recommendation #1 – Being acquainted with the forthcoming standards and their consequent opportunities

Consultancy companies that wish to expand their sustainability reporting services in Europe should have a good understanding of the requirements of the law, both at a national and

European level, when it comes to sustainability reporting, and at the same time accompany the most prominent reporting standards.

This said, EFRAG assumes significance within the CSRD as it is responsible for creating the standards that the directive will use. In April 2022 the EFRAG launched a public consultation on the ESRS exposure drafts. The results from this public consultation were taken into account upon further development of said standards, which culminated in the submission of a set of twelve draft ESRS to the European Commission in November 2022. These standards are expected to be adopted as delegated acts in June 2023 and will be applicable to all companies starting in the financial year of 2024. A second set of draft ESRS are expected, this time focused on SMEs and sector specific standards⁶⁴.

Speaking of which, EFRAG established Community Sector Groups across different sectors and set up several workshops in October and November 2022 to allow for an exchange of inputs and ideas that would contribute to the development of Sector specific draft ESRS⁶⁵. It is recommended for companies to be attentive to this kind of opportunity in which they can actively contribute to the development of the ESRS. Moreover, being part of this process gives additional knowledge that will be useful to develop and improve the services offered within the scope of sustainability reporting, hence becoming a possible advantage against competitors. Furthermore, it should be noted that the GRI, a global authority on reporting standards and one of the most widely used by companies, is co-creating the ESRS with EFRAG⁶⁶, and thus it constitutes another relevant reporting standard consultancy companies should be familiar with.

Recommendation #2 – Become an Independent Assurance Service Provider

As previously observed, under the proposed CSRD companies under its scope would be subject to limited assurance of the non-financial information provided. Later on, such assurance would be reasonable. The difference between the two levels lies in the greater rigor and demand, and

therefore reliability, from the former to the latter. This transition from limited to reasonable assurance is a progressive one for a number of reasons. First, companies enjoy an adaptation period to accommodate the necessary changes and control the increased costs that come with this assurance requirement. Second, it gives time to the audit services market to improve its current capacity and technical ability. Third, it also allows more time for the creation of sustainability assurance standards, which would, later on, be used as the basis for reasonable assurance. In fact, as it stands, the EC has not yet adopted an assurance standard, nor has it defined clearly the subject matters. Until the EC does so, Member States may apply their own national assurance standards, procedures or requirements.

It is worthy to point out that the European Commission predicts the possibility of Member States, if these choose to do so, allowing "independent assurance services providers" to participate in the market for sustainability assurance alongside with the usual auditors of financial information⁶⁷. This means that, in addition to chartered accountants (belonging to the OROC in Portugal, for example), audit, certification and consulting firms could also possibly be qualifiable to provide assurance. Regardless of who is allowed to provide sustainability assurance, it is commonly agreed a levelled playfield must be put in place: all must comply with additional requirements and training which attest to their competence to carry out this kind of service, as well as apply the same professional assurance standards to ensure consistency, quality and trust.

The preference of most stakeholders as to who should provide this type of service falls largely on specialist environmental auditors (to the detriment of financial auditors)⁶⁸. Given the high level of complexity and specialization that is required to be able to provide sustainability assurance, subject matter competence is highly valued and prioritized, hence the preference for consultants and auditors that already have experience navigating sustainability.

The Company is favourably positioned to take advantage of this opportunity, in case the Member States the company operates in, namely Portugal and Spain, choose to open the market to independent assurance services providers. As an IT consultant that has been specializing in the past couple of years in sustainability reporting, a company that thoroughly understands the underlying processes leading to a sustainability report (an understanding which stems from the practice of creating a tool specifically designed for that, the Solution), and possesses extensive knowledge on sustainability-related topics in numerous industries (thanks to its investment on a growing number of sustainability consultants with experience in different industries), the Company is in a favourable position to leverage the expertise it has been accumulating.

Companies such as the Company could also benefit from qualifying as an independent assurance service provider from a competitive perspective. Many potential clients already resort to the competition for advisory services. Should they look for an independent assurance provider, the latter must be a company other than the one which supported the creation of the sustainability report. This constitutes an opportunity for companies such the Company to step in and act as the assessor.

Furthermore, it is advisable for consultancy companies to be a more active voice in the discussion about whether Member States should open the sustainability reporting market for independent assurance providers or not, as well as engage in public consultations and put forward their own recommendations related to the application of the CSRD, since the European Commission is open to stakeholders' inputs and insights.

Nevertheless, providing assurance services will only be possible in case Member States allow for it. Countries like Portugal, which usually transpose the minimum requirements, in which there is a low percentage of companies reporting on sustainability on a voluntary basis, and in

which statutory auditors believe that they should be the ones to prepare and assure the sustainability reports exclusively⁶⁹, the probability of this limitation becoming real is high.

Recommendation #3 – Enhance the Company’s blog with sustainability articles

Through our Spain and Portugal market analysis, it was observed that many competitors offer articles and publications about new sustainability trends and sustainability regulations. These articles have the benefit of retaining the client's attention while increasing the perceived reliability of the company on sustainability topics. The recommendation is for the Company to provide a wider range of articles in its blog, concentrating further on the recent development of the Portuguese market in terms of sustainability and regulations. In particular, in the Portuguese market, where clients tend to be more cost adverse, providing visible proof that the Company is knowledgeable and up-to-date on sustainability topics can increase the potential client’s trust in the company. By displaying articles on the need and benefits of non-financial reporting and green incentives, the Company can also increase the sustainability awareness of its existing clients. This would allow converting the clients interested in financial reporting into potential clients for the non-financial reporting services. The recommendation aims to take examples from the best strategies and services provided by successful competitors. It is recommendable to add online events and interactive features to the blog. In a similar way to Accenture (**Appendix 5**), it is suggested to add “real world” examples and success stories on the blog, if possible inspired by the Company’s clients. This will provide the potential client with proof of the success of the Company’s sustainability services. It is also possible to take the Company itself as an example for sustainability reporting and sustainability-friendly actions. These “success stories” would portray the sustainability commitment, accountability, and transparency of the Company, while providing pragmatic examples of the benefits of such commitment. As in the example of Accenture (**Appendix 6**), these articles can also focus on

the partners of the Company. It is also recommended to increase the visibility of the blog on the rest of the website and provide the possibility to subscribe to it. Some examples of competitors' sustainability-related topics^{70 71} to relate in the articles are displayed in **Appendix 7**.

Recommendation #4 – Improve the display of the Company’s solutions

Along Spain and Portugal’s market research and analysis, it was observed that smaller competitors tend to not display extensive information about their tools or software used on their websites, contrary to bigger competitors like Accenture which provide a description of their tools. The Company provides a description of its tools on its website, as well as its Partner's. However, as observed in the interviews, it can still be difficult for customers to understand the specificities and benefits of each tool. It is possible to decrease the risks linked to miscommunication and losing the interest of potential clients by changing the way these tools are displayed. At the moment, the Company’s tools are displayed on the website individually, with the name of the tool and an explanation of the features. However, one tool can be used for several purposes which can create confusion. For instance, the Solution is displayed on the Company’s website as a profitability and cost analysis tool, although it also executes ESG reporting. This can lead to the client not understanding that the Company provides this sustainability tool by solely looking at the “solutions” page. The recommendation is to organize the tools in themes or categories, as in the examples of BearingPoint⁷² and Sygris (**Appendix 8**). Some possible themes or categories could be: Sustainability, Human Resources, Profitability and cost analysis, and Insurance. Through this method, tools could be described in different categories simultaneously, and it would also allow to target and adapt the product communication more specifically to the client’s needs. This would allow the Company to lose less time in communicating its tools and would ensure not losing potential clients at the very

start of the process. As Sygris, it is also suggested to state clearly the pains and gains for each tool (**Appendix 9**): the challenges faced by the clients and the benefits of each tool have to be clearly communicated to attract the client. To increase the product's attractiveness and perceived reliability, adding key facts and numbers for each tool (i.e. number of clients using the tools, positive feedbacks), as well as real-life success stories and quotes from the Company's clients, could be beneficial. To facilitate contact with the client, it is suggested to offer the possibility to fill out a form and be contacted directly by the Company (rather than the client having to contact the Company as it is now). In particular, for the Portuguese market which tends to be more cost-averse, providing a "free trial" of the tool (**Appendix 10**) could be an option to work a sample and increase the potential client's trust in the tool.

Recommendation #5 – Offer courses through an “online Academy

As noticed previously, companies turn to consultancy firms for help to create sustainability strategies and follow sustainability regulations. As these become more complex over time, the metrics and tools necessary to measure sustainability have also become increasingly more detailed and expansive (i.e., Scope 3 emissions are harder to measure than Scope 1 and 2 emissions). The consulting companies accomplish the “hard work” for their clients by providing the software, checking the quality and viability of the data collected, and providing information on the new regulations. However, especially in the long term, the clients themselves have to learn to use the tool or software provided, and learn the basics of sustainability reporting. As a result, consulting companies are introducing significantly more certifications and online courses as part of their services. Through our Spain and Portugal market analysis, it was determined that 5 of the 7 competitors in Spain, and 6 of 8 competitors in Portugal provided courses for their clients. These courses can be divided into two categories: the courses that teach the client's employees to use the tool or software provided by the

consulting company (which often finalize with a certification), and courses on ESG topics which are more similar to academic courses (the courses on ESG topics can be done online, in the office, through events, personalized, or in a group). In particular, in Portugal where the market lacks sustainability awareness, starting the change from the roots and fueling the interest in sustainability can help the Company attract its potential future clients. Some of Portugal's market leaders as Accenture and PwC have started offering these courses by creating an "Academy". However, these academies and online training services are only at the start of their journey, which offer still the opportunity for newcomers as the Company to start their own. On top of the tool-related training provided, it is recommended that the Company creates online courses and training through an online Academy. The recommendation aims to take examples from the best strategies and services provided by the Company's successful competitors. In the same way as PwC and Sygris (**Appendix 11**), offering different pricing options to attract a wider range of clients would be beneficial. This pricing could vary by individual or group, increasing with the size of the group. This would allow the Company to attract individual entrepreneurs, SMEs as well as increasingly bigger companies. It is recommended that the Company starts by only offering online courses through its Academy, to lower costs and facilitate the planning and organization of the courses. However, once this service starts to take off, it is possible to expand the offer to real-life training by organizing private events tailored to the company's and team's needs. The real-life events would allow the Company to create stronger relationships with its clients and increase brand awareness, with the goal to offer later on consulting courses to these potential clients. On top of the certification provided by the Company, providing a system to track and monitor the client's progress could increase their motivation to follow the courses. This can be provided by "gamifying" the platform (i.e. by offering visual cues which trigger the internal reward system in the client and track its level of experience) and providing e-badges. Providing online live events and webinars

can also ensure an interactive experience (**Appendix 12**). The subscription to the courses has to be as customer-friendly as possible (i.e. with a “subscribe now” button and offering the possibility to pay online). The e-badges and certifications system can be used for the courses linked to the mastering of the tool, but also for more academic-like courses⁷³. This community can allow the clients to collaborate and help each other with the training. To increase the trust in the online training offered, it is important for the Company to visibly provide proof of success. In the case of Oracle (**Appendix 13**), they provide examples of companies that have followed the training (“success stories”), display positive customer reviews, and offer a free trial. As soon as the demand starts to grow for this service, it is possible to provide numbers on the digital minutes watched, the completed courses and training, or the number of trainers. The recommendation is for the Company to provide this online Academy service directly on its website as its competitors, especially as the Company has already the technical knowledge and coders necessary to create this online page. Partnering with an online-courses company in Portugal could allow the Company to increase sustainability awareness while attracting and molding the first potential clients. Providing online courses would allow the Company to have another revenue stream (on top of its consulting and software services) by attracting the many SMEs in Portugal which tend to be more cost-adverse. For academic-like courses (the courses which are not focused on the tools or software), some examples of sustainability courses provided by other companies are displayed below.

Examples of sustainability courses offered by competitors:

“Education ESG and sustainability management; The evolution of the history of Sustainability: Trends, standards, and guidelines; Waste management; Water management; Air pollution; Renewable energy; Environmental legislation and Legal Conformity Assessment; Evaluation of the life-cycle of products and processes; Internal audits of the environmental management system; Specialization in Environmental Management, Training in Environmental law.”

Recommendation #6 – Integrated Continuous feedback

It is recommended for consultancy companies as the Company to create systems for detailed and continuous feedback. One of the enterprise's main goals should be delivering the best products and services, alongside great customer support. This can only be achieved through receiving users' feedback and understanding what is not working for them while creating meaningful modifications to make the final product and services more user-friendly. This way, it is less likely to stray away from customers' needs.

On the client's side, this feedback system could be implemented by putting into practice a periodical survey covering customer satisfaction and an overview of the Solution. There is also the opportunity to implement a survey for the potential clients that decide not to stick with the Company. By collecting the reasons why they did not choose the Company, the latter can have a clearer overview of the market: where it stands, to where it is evolving and where to improve. By putting into practice integrated feedback for the Solution, both credibility and customer trust will increase. Customers will not only feel understood and valued but it also demonstrates a concern for the personalization of the services. Furthermore, the creation of a continuous feedback system allows the dissemination and communication of the company itself, which attracts new consumers and can also enhance customer loyalty.

Recommendation #7 – Strategic Partnerships

The development of added-value partnerships to get inside Portugal's sustainability network is recommended for the Company. By partnering with already trusted brands in the field, enterprises can leverage their credibility and reach new audiences.

Many companies reported that one of the biggest obstacles to embracing sustainability reporting was not only the budget they had to spend but also the lack of knowledge.^{74/75}

Through partnerships and new contact points there is the mutual benefit and creation of new opportunities both by filling gaps and for the creation of new offers for different market segments. Relevant contact points and partnerships would be: Academic institutions doing research in the sustainability field; sustainability certifying entities and associations working in the sustainability field. It would also be interesting to partner with the confederation of the main sectors such as the “Confederação do Comércio e Serviços em Portugal”⁷⁶; “Confederação dos Agricultores”⁷⁷ and “Confederação Empresarial de Portugal”⁷⁸. It is through partnerships such as these that new market opportunities can be created by increasing competitiveness and reducing the associated costs and burdens.

Moreover, and as previously mentioned, the Company, and consultancy companies in general, are recommended to target big-size enterprises to deliver their services. Even though they represent only 0.1% of the overall market in Portugal, their turnover accounts for 41.7% of the total national turnover. In addition to this, big-size companies today are more targeted in terms of sustainability reporting requirements, which means they are leading the demand for this service.

xxvi. Conclusion

It was the aim of the present evaluation report to understand how consultancy companies such as the Company can lead in the area of sustainability reporting, specifically in the Portuguese market. For that, several key findings which were gathered throughout the evaluation report are presented below.

The enlargement of the scope of companies that would be affected by the CSRD forces almost 50 000 companies to disclose non-financial information. That’s equivalent to the number of clients that are now potentially interested in the services the Company provides, which constitutes a major opportunity for it. Moreover, the Company can also explore the possibility

of becoming an independent assurance services provider, should the Member States in which it operates open the market for firms other than statutory auditors to assure non-financial information. This would be a way to recover clients that are now resorting to the competitors' advisory services on sustainability.

Although Spain shows a higher growth rate of its consultancy sector, both Spain and Portugal present a low market share concentration in this sector. Despite the market being scattered, large multinational enterprises such as Accenture SL and PWC still pose a threat to the Company.

It was noted that competitors are hesitant to provide information on the software and tools they use to provide services related to sustainability reporting, and thus such type of information is scarce. It was also noted that competitors, in general, provide training to their client's employees to increase knowledge in sustainability-related topics.

Finally, it is important to highlight that despite the Portuguese market is mainly comprised of micro-enterprises and SMEs; large enterprises account for a turnover of 41,7% of total national turnover. Added to the fact that large enterprises are the ones currently targeted by stricter sustainability reporting requirements, one can conclude these types of enterprises represent the most attractive potential clients for the Company to pursue now.

xxvii. Future research

This evaluation report had the goal of giving a broad overview of how sustainability reporting is evolving in the European Union, specifically in the Iberian region, while covering legal aspects, competitors, potential clients, and future outlooks. This analysis was accompanied by targeted recommendations to consultancy companies such as the Company and was aimed at pointing out possible opportunities for business in the Portuguese market.

While developing research for the report, the lack of comprehensive information about the company (much of which was deemed as sensitive and thus could not be shared) was

doubtlessly the biggest limitation when trying to provide the abovementioned recommendations. From a forward-looking perspective, possible steps to overcome the limitations were identified, as well as ways to further the research presented in the report.

In the potential client's section, the first step would be contacting entities responsible for tracking the growth of enterprises in Portugal in order to create a list of the biggest companies operating in Portugal per sector. After collecting that information, it would be crucial to conduct either surveys or focus groups with the potential clients and understand: are they reporting their non-financial information?; what were their main motivations for the deciding to report or not?; did they get help from a consultancy company to develop the non-financial report?; how much would they be willing to pay?; How does non-financial information influence the decision-making inside the company?

On the competitor's side, the same methodology (i.e., surveys, and focus groups) can be applied to companies already operating in this field. Interesting information that could be acquired and further developed is the sectors these competitors target, what are their current pain points, points of improvement, and where are they generating a meaningful impact. With this information, the next step would be to deeper analyze the market context and provide more detailed recommendations that could help provide better sustainability reporting services.

xxviii. Appendices

Appendix 1: Table of Acronyms

BSCD	Business Council for Sustainable Development
CAGR	Compounded Annual Growth Rate
CDSB	Climate Standard Board
CO2	Carbon Dioxide
CRM	Customer Relationship Management
CSRD	Corporate Sustainability Reporting Directive
EC	European Community
EFRAG	European Financial Reporting Advisory Group
EINF	Estado de Información No Financiera
ERP	Enterprise Resource Planning
ESG	Environmental, Social, Government
ESRS	European Sustainability Reporting Standards
EU	European Commission
FY	Fiscal Year
GGC	Green Growth Commitment
GHG	Greenhouse Gases
GRI	Global Reporting Initiative
HR	Human Resources
HRM	Human Resources Management
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council
ISO	International Organization for Standards

IT	Information Technology
KPIs	Key Performance Indicators
NFRD	Non-Financial Reporting Directive
SASB	Sustainability Accounting Standards Board
SFDR	Sustainable Finance Disclosure Regulation
SMEs	Small and Medium-Sized Enterprises
TCFD	Task Force on Climate-Related Financial Disclosure
UN	United Nations

Appendix 2: Spain's competitive landscape

Spain's overall consultancy sector is a fast-growing market with strong potential. In fact, between 2017 and 2022 it has grown on average 6.0% per year. It is defined by having a low market share concentration, with the company with the biggest market share being Accenture SL. The number of consulting businesses is also growing each year, with an average growth of 3.2% between 2017 and 2022¹. When analyzing the main competitors of the Company, on top of acknowledging the enterprises themselves, the software they use must also be considered. Below, the competitors' description and particularities are depicted:

Oracle- Oracle is an international consulting company created in 1977 and established in 140 countries. It provides computing, storage, networking, database, and platform services to effectively manage data towards strong business outcomes¹. In what concerns sustainability, Oracle Cloud offers services related to ESG goals and analytics, and also about more sustainable computing processes. Oracle has a high presence in sustainability solutions for the supply chain business¹. In Spain, the company has offices in Valencia, Barcelona, Madrid,

Bilbao, and Malaga¹. Oracle also provides online courses, which teach how to use their platform, digital training on Oracle cloud products, and provide an Oracle certification¹. This enterprise was chosen as a direct competitor due to the fact that it is a well-established business with a great presence in the Spanish market.

Clarity Ai- Clarity Ai is a consulting company with offices in Madrid, New York, London, and Abu Dhabi. It offers sustainability solutions for Impact, Risk, Climate, and Regularity Compliance. To do so they use a user-friendly SAAS tool that through business intelligence and machine learning facilitates analyses, automated and fully customizable reports, data mining, and predictive modeling with the help of dashboards. They cover a wide range of business fields such as Banks; Consumer eCommerce; Wealth Managers; Asset owners, Tech Platforms; and enterprises in General. It provides online research articles but does not seem to offer online courses. Clarity AI was chosen as a competitor because this enterprise operates in Spain and as a strong software that covers many tools and functionalities¹.

Sygris – Sygris is a Spanish enterprise that, among other services, provides Sustainability solutions. They use their own software applications with the help of low code. Their versatile tools help companies empower and guarantee data quality by automating data collection and management; optimize resources by reducing the cost and time of assigning; connect sustainability and business by intersecting sustainability strategy with the company's sustainable goals¹. Sygris provides group and personalized training as well as certifications to use the tool¹. Since Sygris uses low code, which provides its client with further autonomy (a quality companies are increasingly looking for), the company is viewed as a potential competitor.

Metrio – Metrio is an end-to-end sustainability reporting Software. They operate worldwide and for all enterprise sectors. Their software allows customers to centralize ESG data in a collaborative reporting tool; track sustainability performance with personalized analytics, KPIs, and dashboards; comply with any corporate disclosure requirement by using a library of source data; build trust and transparency with stakeholders by publishing auditable reports. Metrio was chosen because they have a strong and well-designed tool and strong partnerships.¹

Cority – Cority is a well-established enterprise in more than 120 countries, that offers a wide range of solutions concerning sustainability reporting. Their solutions provide a 360 view of sustainability and ESG programs and then they create objectives and targets; collect data from the entire organization and use dashboards to analyze their efficiency. This sustainability workflow helps to simplify companies' sustainability reporting. It was chosen as a competitor due to the diverse sustainability standards covered and the great customer experience overview.¹

PwC Spain – PwC is a consulting, assurance, tax and audit company created in 1998. The company is widely established internationally in 152 countries¹. In Spain, PwC has offices in Barcelona, Alicante and La Coruña¹. The company provides services such as sustainability assurance and reporting for the corporate, private equity and public sector¹. It provides its clients advice on socially responsible investing, sustainability performance (with the help of sustainability metrics) and provides assurance on the data for sustainability reports. For their reports, they use standards like the Global Reporting Initiative (GRI), Greenhouse Gases (GHG) Protocol and AA1000. For instance, they measure EU ETS, RTFO, and GHG emissions. PwC provides internal audits on the current ESG (environmental, social and governance) situation as well as forward-looking sustainability strategies. They also provide

legal services on standards and regulations. With the help of their “green taxes and incentives” tracker, they inform companies on the costs of green taxes and the benefits of green incentives. PwC uses a wide set of tools¹, and also provides online courses of accounting and finance; tax and legal, talent development, banking and insurance, compliance and governance, digital and analytics, sustainability, and solutions for e-learning through its “PwC Academy”¹. Accenture is considered an important competitor because of the size of the company and its offer of sustainability reporting services.

Accenture Spain – Accenture is a consulting, technology and outsourcing firm with headquarters in Dublin (Ireland), created in 1989. It is considered the largest consulting company worldwide. It is today established in more than 120 countries, has 249 partners, and has more than 721K employees. It has a very wide range of services on top of consulting, in sectors such as strategy, technology, digital, and operations¹. In Spain, Accenture has offices in Alicante and Barcelona, Madrid, Biscay, Vizcaya, Zaragoza, Vigo, Seville, Malaga, León, and La Coruña¹. Accenture was assessed by the Everest Group as being the “Leader in Sustainability Enablement Technology Services”, when Accenture provided sustainability assessment for 14 companies. Accenture provides sustainability services, such as helping clients create a sustainability strategy and helping them achieve a net zero transition. They provide measurement, analytics and performance linked with sustainability. Accenture also helps its customers in the execution of these strategies, for example in creating a sustainable value chain, a sustainable technology, improving the sustainability of the leadership and the organization, and creating a sustainable customer experience and brand¹. Accenture offers training through its “Accenture Training center”, they provide in-company training and online trainings¹. Accenture is considered an important competitor because of its size, its wide range of consulting services, and its offer of sustainability reporting services.

Appendix 3: Portugal's competitive landscape

Portugal's consultancy sector can be defined as a growing market, with a market growth of 2.7% per year on average between 2017 and 2022. It can also be defined as a scattered one: with its low market share concentration, no consultancy company in Portugal owns a market share greater than 5%. The number of consulting businesses in Portugal is also quickly increasing; between 2017 and 2022 a growth of 4.1% per year on average was noted. For instance, only recently the international consultancy companies PNO consultants and Bain & Company entered the Portuguese market¹.

In terms of consultancy in general, the Company will face some important competitors in the Portuguese market, to name a few: Eurogroup consulting, TGS Portugal, Acumen, CB Business consulting and Mercal Consulting Group¹. In terms of environmental consultancy, the competitors are very diverse but tend to concentrate on selling specific sustainability-related products or being specialized on a particular field (i.e., engineering and construction, restoring biodiversity and ecosystems in damaged lands, petrol and gas industry, renewable energies, waste management and composting solutions, as well as improvement of air and water quality). Examples of these specialized environmental consultancy companies are QED Environmental Systems, EDZ Environmental Consulting Lda, Tanknology Inc., Floradata, and Ecogestus Lda. It is interesting to note that several consulting companies that offer sustainability-related services **do not provide sustainability reporting services**. In this landscape, the strength of the Company is their broad offer of services (financial, innovation management, operational etc.) but more importantly the sustainability reporting service they provide. Below, can be found the few examples of consultancy companies in Portugal offering such sustainability reporting and advisory services:

Noctula – Consultores em Ambiente

Noctula is an environmental consultancy company created in 2009 and based in Viseu that offers environmental impact reports and monitoring as an Environmental Impact Assessment (EIA), they help their clients achieve environmental compliance and due diligence to Portugal's sustainability rules. On top of its consultancy services, Noctula offers sustainability solutions. The other services provided by Noctula are as follow: monitoring of environmental noise and water quality, forest and biodiversity management, studies and monitoring of offshore wind energy (i.e. wind-powered technologies), research on the production of green hydrogen gas (h2), thermography (research on the best solar solutions with the help of a drone technology), monitoring of health and safety at work, monitoring of ecosystems and of the stock of carbon in the soil. Noctula does not seem to offer online courses or give further information on the software and tools it uses¹.

Ambilético - Consultoria em Ambiente, Qualidade e Segurança, Lda.

Ambilético is a environmental consultancy company created in 2000 and based in Linda-a-Velha. Its team being mainly composed of law professionals, it specialises in legal advice, providing legislation database and information on legal compliance and licensing. This legal advice is deeply focused on environmental due diligence and reporting, social responsibility, health and safety, management of construction and medical waste, and risk control. On top of providing its clients with technical documentation, internal audit, communication with authorities, Ambilético also offers training sessions on topics as environmental law and labour law. The tool Ambilético uses to offer its clients continuous updates and explanation of the new laws and ensure legislative compliance is called Datalexico¹. Some of Ambilético's clients are Galp Energia, Ctt, Pt Comunicações, Abb, Siemens, Fertagusm, Dhl, Oceanário de Lisboa, Schindler.

AmbiPrime - Consultoria e Gestão Ambiental, Lda.

AmbiPrime is an environmental consultancy company created in 2004 and established in Cacém. It provides consulting, training and legal services to private and public stakeholders in terms of environmental best practices. AmbiPrime advice its clients on how to lower their energy consumption, switch to renewable energies, calculate their CO2 emissions, and improve their waste management and recycling practices (i.e. construction waste). With the help of their Sustainability Reporting framework, which is in line with the GRI guidelines, they provide audits and strategies to improve the environmental impact and assess environmental damage. With the help of the *lvlegislação* website, AmbiPrime provides health, safety and environmental legal advice to its clients. To ensure the client's regulatory compliance they provide complete information on environmental due diligence, technical procedures, licensing and permits¹. Through a partnership, AmbiPrime also offers online courses on environmental legislation and conformity, and environmental management¹. Some examples of AmbiPrime's clients are Decathlon S. A., Banco de Portugal, IKEA Furniture and Decoration, Lda. , Câmara Municipal de Cascais, Câmara Municipal de Serpa, Câmara Municipal de Lagoa, Câmara Municipal da Pampilhosa da Serra, and Campo Militar de Santa Margarida¹. AmbiPrime's partners are: Anthesis Consulting Group; Enac , Engineering, Auditing, and Consulting, Lda.; Formaçãoonline - Courses and University courses; InAcoustics - Engineering, Acoustics, Vibration, and Environmental Lda; Term Consultancy Projects and Training, Environment, and Safety in the Workplace, Lda¹.

Qcertmais – Engenharia, Consultoria e Formação, Lda

Qcertmais is a consulting company created in 2008 and established in Viseu that provides support on subjects as quality management, environmental protection, health and safety (i.e. on construction sites), social responsibility, safety, research, development and innovation,

human resources, food safety, integrated management systems, maintenance and risk management, and project management. They offer auditing, technical advisory, market research, feasibility studies, investment advice, certifications and legal advice. Their website also showcases online courses and training about quality management, food safety, environmental and security management, sales and marketing, computer science, and farming. On the environmental consultancy aspect, they offer advice on energy certifications and costs management, decision making and human resource management, and products and processes improvement. They offer environmental studies and audits, advice on environmental management systems and licenses¹. Some examples of Qcertmais clients are Repower Systems, Galp Energia, EDP - Energias de Portugal, Grupo Floponor , EP - Estradas de Portugal S.A., Martifer group, and APCER - Associacao Portuguesa de Certificacao¹.

BearingPoint

BearingPoint is an international management and technology consultancy company created in 2009. With its headquarters in the Netherlands in Amsterdam, it is located in more than 23 countries, from which in Portugal in Lisbon. BearingPoint offers consulting services on topics such as customer experience, finance and risk, governance and compliance, operations and logistics, strategy, sales, human resources, technology (data analysis, Artificial Intelligence, IT) and sustainability. In terms of environmental consultancy, BearingPoint created a cloud-based emissions calculator, which calculates businesses' carbon footprint and works as a reporting and simulations software¹. BearingPoint ensures the collection of sustainability data (i.e., emissions and consumption) and creates industry-specific sustainability assessments (for example through sustainability performance indicators) and sustainable business strategies. To promote traceability, compliance with environmental laws, improved risk management, and reusing and recycling of raw materials, BearingPoint collaborates with different partners such

as ECOVADIS¹. They have different 27 different softwares starting from their “Emissions calculator” for sustainability, to softwares for management or security. BearingPoint does not seem to offer online courses¹.

Stravillia – Sustainability Hub

Stravillia is a sustainability consulting company based in Lisbon and created in 2020. It is a member of Portugal’s Business Council for Sustainable Development (BCSD) and GRACE¹, and it has partnerships with ELEVATE Limited, Lift World, and aplanet. Stravillia offers consulting services linked to strategy, management, and communication, such as: stakeholder engagement, benchmarking and trend analysis, carbon capture, supply chain management, and management systems. Stravillia is specialised in environmental and human rights consultancy, providing sustainability reporting, environmental due diligence and SDGs compliance. As a certified training partner of GRI in Portugal, Stravillia offers courses and trainings through its Stravillia Academy¹. These courses are specialised in sustainability reporting, SDGs, Integrated Report, human rights, carbon, GRI, and stakeholder engagement¹. Some examples of Stravillia’s clients are Aeroportos de Portugal, ATM Manutenção Total, CUF, El Corte Inglés, NOS, and Sociedade pontoverde.

PwC Portugal

PwC is a consulting, assurance, tax and audit company created in 1998. The company is widely established internationally in 152 countries. In Portugal, PwC has offices in Lisbon and Porto¹. The company provides services such as sustainability assurance and reporting for the corporate, private equity and public sector. It provides advice to its clients on socially responsible investing, sustainability performance (with the help of sustainability metrics) and provides assurance on the data for sustainability reports. For their reports, they use standards like the

Global Reporting Initiative (GRI), Greenhouse Gases (GHG) Protocol and AA1000. For instance, they measure EU ETS, RTFO, and GHG emissions. PwC provides internal audits on the current ESG (environmental, social and governance) situation as well as forward-looking sustainability strategies. They also provide legal services on standards and regulations. With the help of their “green taxes and incentives” tracker, they inform companies on the costs of green taxes and the benefits of green incentives. Through its “PwC Academy”, PwC also provides online courses in accounting and finance, tax and legal, talent development, banking and insurance, compliance and governance, digital and analytics, sustainability, and solutions for e-learning.

Accenture Portugal

Accenture is a consulting, technology and outsourcing firm with headquarters in Dublin (Ireland), created in 1989. It is considered the largest consulting company worldwide. It is today established in more than 120 countries, has 249 partners, and employs more than 721K people. It has a very wide range of services on top of consulting, in sectors such as strategy, technology, digital, and operations. In Portugal, Accenture has offices in Porto and Braga¹.

Accenture was assessed by the Everest Group as being the “Leader in Sustainability Enablement Technology Services”, when Accenture provided sustainability assessment for 14 companies. Accenture provides sustainability services, such as helping clients create a sustainability strategy and helping them achieve a net zero transition. They provide measurement, analytics and performance linked with sustainability. Accenture also helps its customers in the execution of these strategies, for example in creating a sustainable value chain, a sustainable technology, improving the sustainability of the leadership and the organization, and creating a sustainable customer experience and brand. Accenture offers training through its “Accenture Training center”, they provide in-company training and online trainings.

Appendix 4 – SWOT Analysis

<p>Strengths</p> <ul style="list-style-type: none">• Flexible Solution with a strong simulation engine• Diverse set of tools and services (for Insurance, Finance, Sustainability, and Innovation)• Strong team of sustainability experts• International company with worldwide contacts• Strong partner entity	<p>Weaknesses</p> <ul style="list-style-type: none">• Low sales (marketing and sales to improve)• Confusing product communication• Low brand awareness (not known by the Portuguese public)• Low companies' tendency to sustainability reporting• Small company compared to bigger competitors, such as Accenture
<p>Opportunities</p> <ul style="list-style-type: none">• Future improvement of the software and tools (technology and AI improvement)• New stricter sustainability reporting legislation• Automatization and digitalization (due to Covid-19) of companies which ensures smoother data collection	<p>Threats</p> <ul style="list-style-type: none">• Competing consulting firms entering the Portuguese market• Portuguese demand being price sensitive (pricing perception)• Consulting firms in Portugal implementing sustainability services

Accenture COP27 Virtual Event Series

COP27: Working together for transformation and progress
Dates: November 10 - 16, 2022

OVERVIEW

AGENDA FOR PANEL SESSIONS

SPEAKERS

INSIGHTS

THOUGHTS FROM OUR LEADER

"Today's rapid acceleration to digital presents us with a breakthrough opportunity to create a more sustainable future."

— JULIE SWEET, Chair & CEO

Client case studies

COVID-19 has created once-unimaginable challenges—but it also has awakened the world to an incredible opportunity to reimagine and rebuild. We have deep experience helping clients improve their environmental, social and governance (ESG) performance, raise the bar on purpose, and embed responsible business—including sustainability—by design.



Travel

A net zero roadmap for travel & tourism

A decarbonization framework and concrete actions for Travel & Tourism companies to achieve



Sustainability

Sustainability drives market cap



Natural Resources

Achieving

Appendix 6: Accenture's Partners sustainability commitment.

At Accenture we work closely with our partners to help our clients achieve their sustainability objectives and deliver outcomes. We work with a range of different partners from the largest software and cloud companies to small, disruptive innovators.

We also work with global organizations such as the [World Economic Forum](#), the [United Nations Global Compact](#) and [World Business Council for Sustainable Development](#).

In addition, we have taken strategic minority investments in businesses such as [Arabesque S-Ray](#) to accelerate our clients' ability to benchmark and evaluate sustainability impacts, and [Reactive Technologies](#) to help utilities accelerate the transition to low-carbon energy.

Accenture + Microsoft sustainability... →

Drive your sustainability goals and economic growth forward with Accenture, Avanade, and Microsoft.

SAP and Accenture partnership →

Accenture and SAP help companies accelerate their sustainability transformation, drive new sources of value, and lead in the circular economy. [Read more.](#)

Accenture + Salesforce sustainability... →

We bring sustainability to the front office by providing true visibility of environmental, social and governance (ESG) data. [Read more.](#)

Appendix 7: Accenture and Oracle's articles offer

1506 results for **sustainability**



Q&A: A sustainable conversation with Oracle CSO Jon Chorley

Rick Bell | November 30, 2022

In this Q&A, Chorley talks about his career background, fostering a sustainable culture, emerging technologies in sustainability, and how the construction industry can boost its environmental sustainability.



Keeping Sustainability in mind for CloudWorld 2022

Caroline Firer | November 22, 2022

CloudWorld 2022 was a success as sustainability was woven throughout the event.



Q&A: A sustainable conversation with Oracle CSO Jon Chorley

Rick Bell | November 21, 2022

Learn about Oracle Chief Sustainability Officer Jon Chorley's thoughts on fostering a sustainable culture, emerging technologies in sustainability, and how the construction industry can boost its environmental sustainability.



Oracle Cloud Sustainable Business Solution

Marc Kamphausen, Paul Mardle | November 9, 2022

Detailed ad-hoc analysis, benchmarking, and visualization of trends are just a few of the many offerings on the single trusted platform needed for ESG reporting that Oracle Consulting can help you implement within a few weeks.



[Energy efficiency for resilience: four things to consider](#)

AUGUST 2, 2022

Take these four actions to cut your organization's energy demand and deliver impact quickly. Accenture's...



Reduce energy demand with net-zero buildings

JULY 6, 2022

Accenture leadership shares three ways to accelerate energy efficiency and make the shift to net-zero...



Decarbonizing industry: If Industrial Clusters win, we all win

JUNE 21, 2022

Industrial clusters are a regional path to create jobs and competitive industries while reducing emissions. Accenture...

SustainAbility Conference

Learn more here about the **SustainAbility** Conference powered by Accenture.

NOVEMBER 3, 2021

SustainAbility Conference

Learn more here about the virtual **SustainAbility** Conference powered by Accenture Portugal.

BUSINESS EVENT | NOVEMBER 3, 2021

Environmental Sustainability

We are helping to transform the global economy into a more sustainable marketplace. Learn more.

INDEX | MARCH 9, 2021

Sustainability Value Promise

Accenture is committed to making **sustainability** one of our greatest responsibilities by infusing **sustainability** value into everything we do. Learn more.





INDEX | JUNE 10, 2021

Sustainability by Design

Accenture will deliver on our value promise to our clients by embedding a **sustainability** mindset into everything we do. Read more.







INDEX | APRIL 7, 2021

Appendix 8: BearingPoint and Sygris's products categories.



 <p>Sygris Sustainability</p> <p>Increase the value of your company, managing sustainability as an integral part of your business strategy and your entire value chain.</p>	 <p>Sygris QHSE</p> <p>Manage and demonstrate your compliance in the area of Quality, Health, Safety and the Environment.</p>	 <p>Sygris Human Resources</p> <p>Calculate your salary gap using a template of all company employees. Create an Equality Plan and Talent Management Tool.</p>	 <p>Sygris GRC</p> <p>Risk Management and Governance Tool. Monitor regulatory and internal compliance requirements.</p>
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	<p>ACM Management Active Manager</p> <p>Unleash operational performance in teams by unlocking managerial talent.</p> <p>Learn more</p>
	<p>ATI Security Advanced Threat Inspection</p> <p>A holistic service for assessing vulnerabilities and cyber security risks of software, hardware, and services.</p> <p>Learn more</p>
	<p>A&S Data & Digitalization Agree&Sign</p> <p>Digitize your approval and contract processes - quickly, easily and securely!</p> <p>Learn more</p>
	<p>CDP Open Source Coding Platform</p> <p>Accelerate your software development in a more agile, faster, and secure way, while we operate the platform to deliver your innovations.</p> <p>Learn more</p>

Appendix 9: Sygris's tool description.

What are your challenges?	We have the solution
 <p>Difficulty in collecting data I need a tool to centralise all information and monitor the general state of my company.</p>	 <p>Sygris guarantees the quality of your data Automated data collection and management, reducing human errors and facilitating the work of auditors. You can also reuse information for reporting on other areas of your business, for example, the Environment.</p>
 <p>Poor flexibility My data management tools aren't flexible and don't allow me to compare nor manage information efficiently.</p>	 <p>Optimise resources Digitalise processes, reduce costs and assigned time for your projects.</p>
 <p>Problems in reporting I find it difficult to align reports with regulations and international standards, complicating the auditing process.</p>	 <p>Connect sustainability and business Align your strategy with the objectives of your company.</p>

Appendix 10: HyperCube's free trial service.

Free Trial	Enterprise Solution
	
Try HyperCube!	Get a quote
<p>With a two-week free trial:</p> <ul style="list-style-type: none">• Get complete access to our secure online solution• Test HyperCube on a shared server managed by our team• Use a sub-set of your own data• No install required	<p>Our enterprise solution includes:</p> <ul style="list-style-type: none">• An annual HyperCube license• A training package• 12-months ongoing support• Unlimited dataset uploads• Unlimited processing power usage

Appendix 11: PwC, Oracle and Sygris's offer options

<p>OPTION A</p> <p>PwC's Online Academy Premium Live</p> <p>+ 12 live updates sessions (worth RM 12,000)</p> <p>RM 3,888 /pax</p>	<p>OPTION B</p> <p>PwC's Online Academy Premium</p> <p>RM 2,888 /pax</p>
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Our launch promotion

<p>For 1-20 pax</p> <p>RM 3,388 /pax</p>	<p>For 21-40 pax</p> <p>RM 2,999 /pax</p>	<p>For 41 pax or more</p> <p>RM 2,500 /pax</p>	<p>For 1-20 pax</p> <p>RM 2,388 /pax</p>	<p>For 21-40 pax</p> <p>RM 1,999 /pax</p>	<p>For 41 pax or more</p> <p>RM 1,500 /pax</p>
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Basic training

Sygris offers a basic training program to get started building any solution.



Personalised training

Whatever your role (developer, consultant, architect or final user) we have the right program to meet your needs.



Group training

Want to train your employees in Sygris? We offer completely flexible and personalised group training sessions for your team.

Experience Oracle Guided Learning

Drive instant user productivity, reduce costs, and accelerate cloud adoption. Learn through in-application guidance in the flow of work.



[Explore this digital adoption platform](#)

Explore Oracle Cloud Learning Subscriptions

Ensure your journey to the cloud is successful. Subscribe to get one year of unlimited access to the latest digital training on Oracle cloud products.

[Get started](#)

Appendix 12: PwC's interactive platform and reward system



 <p>Certificates and badges</p> <p>Obtain e-certificates and badges when you complete courses on PwC's Online Academy.</p>	 <p>Live events and webinars</p> <p>Get current industry updates by attending event streams hosted by live instructors.</p>
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Making online learning work

You may be struggling with time-consuming and inflexible learning schedules. We hear you. To support your learning and development goals, we have designed a range of bite-sized, interactive and goal-oriented professional development programmes based on the best practices of PwC's global network of firms.

[Subscribe now](#) 

Get access to anywhere, anytime learning

 <p>PwC curated content</p>	 <p>Monitor and track progress</p>
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Appendix 13: Oracle's proofs of success

 180 million+ digital minutes watched by Oracle Learners.	 2.2 million Oracle Certified Professionals in the global workforce.	 2.3 million users completing business processes using Oracle Guided Learning.
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Customer success View all

Get inspired by other companies who use Oracle Guided Learning and Oracle Cloud Learning Subscriptions to accelerate cloud adoption, increase productivity, reduce costs, and mitigate risks.



 Take FREE training	 See what success looks like	 Contact us
Become an Oracle Learning Explorer. Learn new cloud skills, pass quizzes, and earn accreditation badges.	Discover how other Oracle customers around the world are accelerating cloud adoption with hands-on training.	Have questions? Connect with an Oracle University digital learning expert.
Start learning now	See what our customers say	View global contacts

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