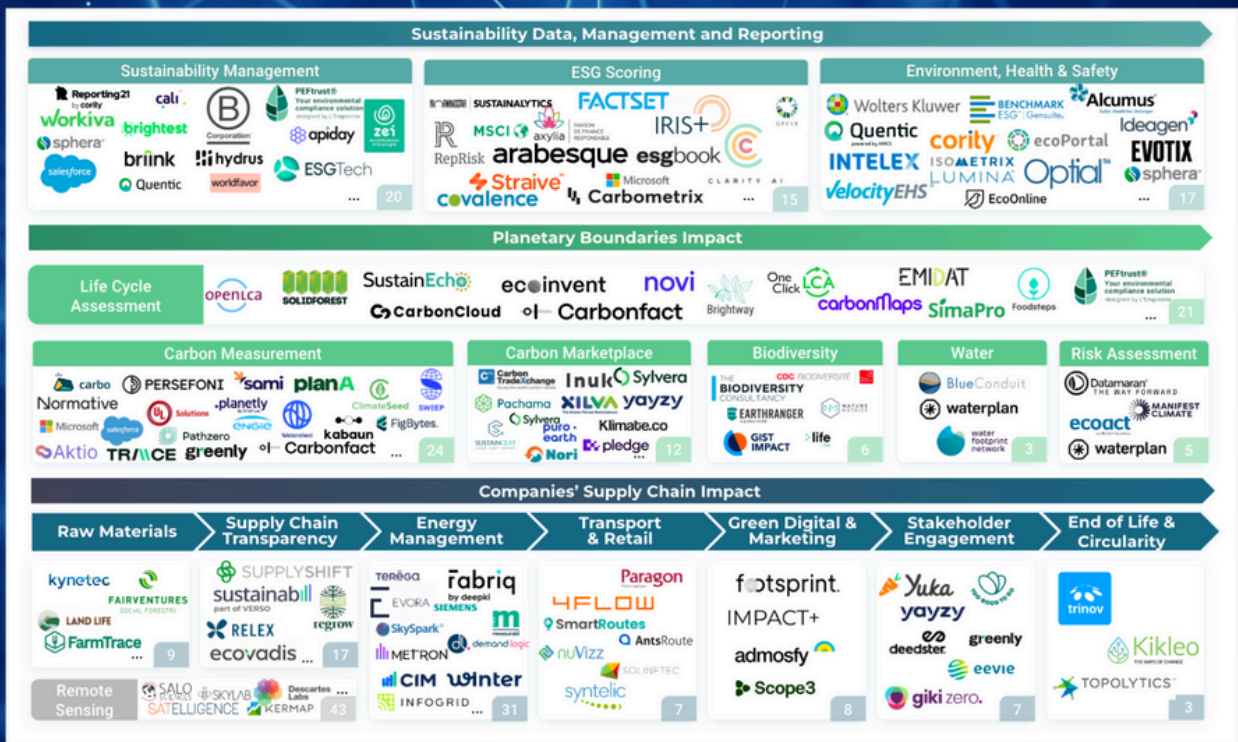


# Digital4Impact Tech Radar

## Deep Dive

## CSRD Automation Tech



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## INTRODUCTION

The Corporate Sustainability Reporting Directive (CSRD) has entered into force making it mandatory for a wide range of companies to extensively report on their sustainability efforts.

Implementing the CSRD presents several major challenges for companies, including the integration of disparate data sources, ensuring data accuracy and consistency, and managing the substantial costs associated with deploying advanced reporting technologies. Companies must navigate complex regulatory requirements and continuously update their reporting processes to stay compliant, which can be resource-intensive. Additionally, the need for cross-departmental collaboration often highlights existing silos within organizations, complicating the data collection and reporting process. Moreover, there is a continuous demand for training employees and maintaining stakeholder engagement, all while striving to align the CSRD initiatives with the company's broader strategic objectives and sustainability goals.

As regulatory landscapes evolve and stakeholder expectations heighten, leveraging technology for CSRD becomes essential for maintaining compliance, improving operational efficiency, and fostering a culture of sustainability.

This report will provide you with a full overview on:

- Importance of implementing technology for CSRD
- Benefits of using technology for CSRD
- An overview of the CSRD technology players
- An analysis of our Top selection of CSRD Technology
- Importance and current status of the CSRD

## Technology Solutions for CSRD

The growth in CSRD tech solutions is a testament to the increasing importance of sustainability in the corporate world. As the CSRD imposes more rigorous reporting requirements, companies are turning to advanced technologies to streamline their compliance processes, enhance data accuracy, and improve overall transparency. By adopting these tech solutions, companies not only ensure regulatory compliance but also gain a strategic advantage in their sustainability efforts, contributing to a more sustainable and accountable business landscape.

### Benefits of using CSRD tools:

Benefit	Description
<b>Improved Accuracy and Efficiency</b>	Automation of data collection and reporting reduces human error and increases efficiency, allowing faster completion with fewer resources.
<b>Enhanced Data Integration</b>	Facilitates the integration of financial and non-financial data, providing a comprehensive view of a company's performance.
<b>Greater Transparency and Accountability</b>	Technologies like blockchain and digital assurance tools enhance transparency and accountability in sustainability reporting.
<b>Regulatory Compliance</b>	Ensures that companies meet CSRD requirements, reducing the risk of non-compliance and associated penalties.
<b>Strategic Decision-Making</b>	Provides valuable insights into ESG performance, supporting strategic decision-making and identifying areas for improvement.



If you want to know more about what to take into consideration when choosing a technology solution for your CSRD sustainability reporting and strategy check out our post and checklist. If you need help on your RFP process contact us, we are happy to help!

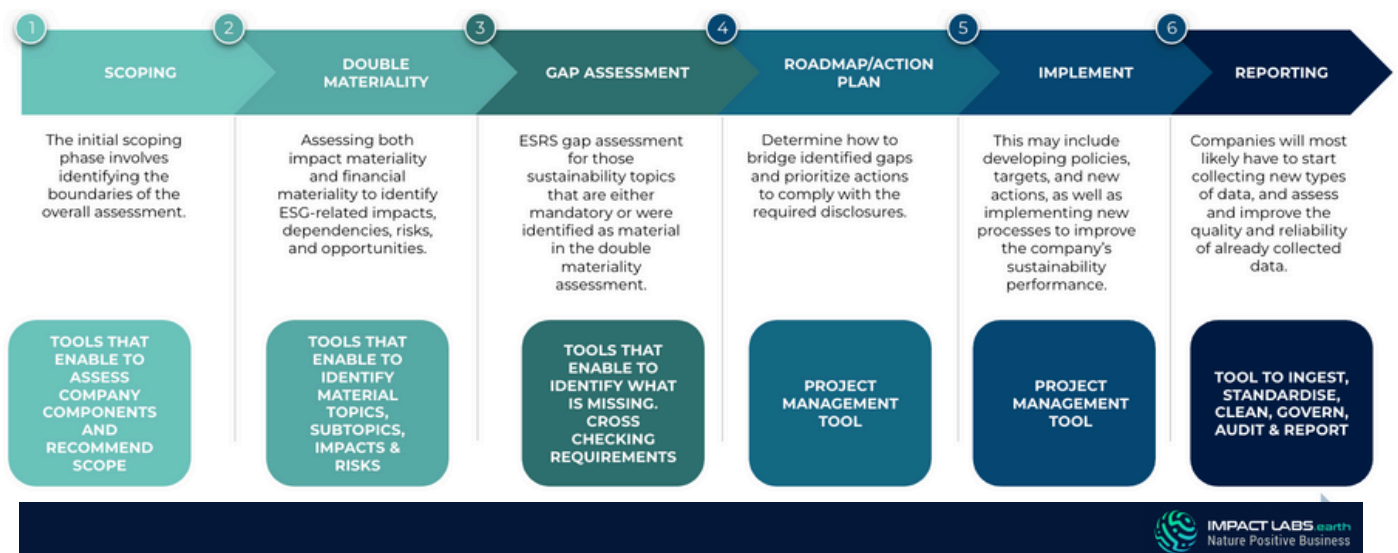


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## Passing from Compliance challenges to building Strategic Opportunities; through TECHNOLOGY

Businesses may face challenges in meeting the new requirements, particularly in terms of data collection, reporting processes, and ensuring compliance with the ESRs. Companies will likely need to invest in new systems and processes, build internal expertise, and potentially increase collaboration with external consultants and auditors.

While the CSRD imposes new obligations, it also offers opportunities for companies to enhance their sustainability performance, build trust with stakeholders, and potentially gain a competitive advantage. Proactive engagement with the CSRD requirements can help businesses identify and mitigate risks, uncover new market opportunities, and improve their overall resilience and long-term value creation.



**Automation and integration are critical for effective CSRD implementation, enhancing efficiency, accuracy, compliance, and overall sustainability performance. They provide the necessary tools to meet the directive's stringent requirements and support businesses in their journey towards greater transparency and accountability in sustainability reporting.**

### HIGH AUTOMATION LEADING TO MORE TIME TO FOCUS ON OTHER THINGS WE SUPPORT IN SELECTING THE MOST ADEQUATE TECH AT ALL LEVELS

	1 SCOPING	2 DOUBLE MATERIALITY	3 GAP ASSESSMENT	4 ROADMAP/ACTION PLAN	5 IMPLEMENT	6 REPORTING
Time savings	2 months		3 to 5 months		3 to 5 months	2 months
Cost savings	20K/year		10-20K/year		15k-25k/year	20K/year

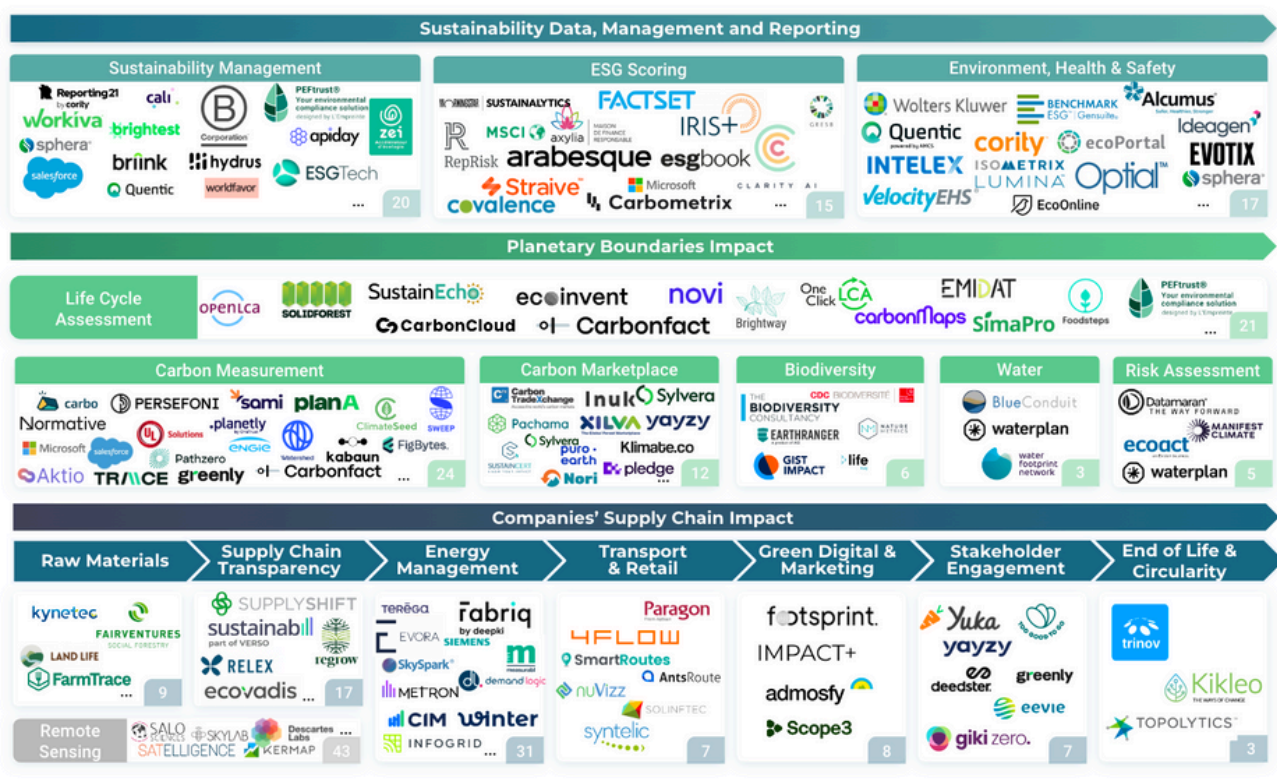
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## Zoom on CSRD Automation Tools:

At Impact Labs we are keen on continuously researching and analyzing the Tech market to provide you with valuable insights on a range of features. Backed by our expert team of sustainability analysts and consultants we have screened, tried out and analyzed more than **360 technology solutions in the last year**.

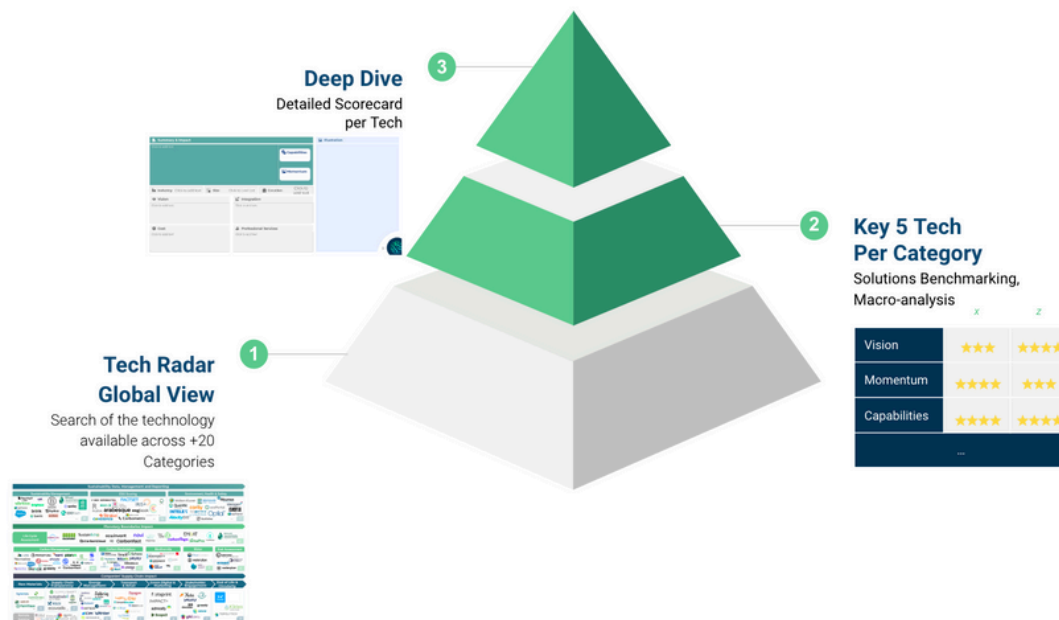


## CSRD Tools Analysed



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The following section of this document contains levels 2 and 3 of our analysis, targeted at CSRD Management Software solutions.



## Mapping of the tools against the CSRD implementation phases:

From the +20 Tools for CSRD we have analyzed we have mapped where do they bring value within the full CSRD process implementation:



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## CSRD Tech Companies: Capabilities Deep Analysis



When selecting technology solutions for compliance with the CSRD, several critical aspects need to be considered to ensure the chosen tools are effective, reliable, and aligned with your company's needs.

We have evaluated more than 20+ Technology solutions addressing CSRD by evaluating the following 10 criteria which we believe is essential when selecting a CSRD Tech solution.

Capabilities	Definitions
<b>Full CSRD Implementation Process</b>	Does the software cover all process implementation: Double Materiality, GAP analysis, Roadmap/Action Plan, Implementation, Report
<b>Full ESRS Topics coverage (ESG)</b>	Full ESG Topics
<b>Tool/Methodology Configuration</b>	Enables customization of tool (dashboards) and setup of methodology criteria
<b>Input Data</b>	Enables upload of documentation and prefills all components based on the upload document; AI tools/assitant that provides examples of text, examples of other companies; Manual Input....
<b>ESG Accounting Tools</b>	Provides other tools like carbon footprint accounting which enables automated data input and 1 tool solution for several data points (Carbon tool)
<b>Alignment to frameworks/standards</b>	Provides interoperability with other frameworks/standards (GRI, Taxonomy, CSDDD....)
<b>Audit Trail</b>	Provides clear compliance layer (audit trail which enables third party auditors to check all necessary components)
<b>Reporting</b>	Provides a final report in the different formats.
<b>Project Mgt / Built in Workflows</b>	Enables project management and collaboration (to assign tasks to people and that you can see status of pending tasks)
<b>Client support</b>	Inhouse Sustainability Consulting Possibilities

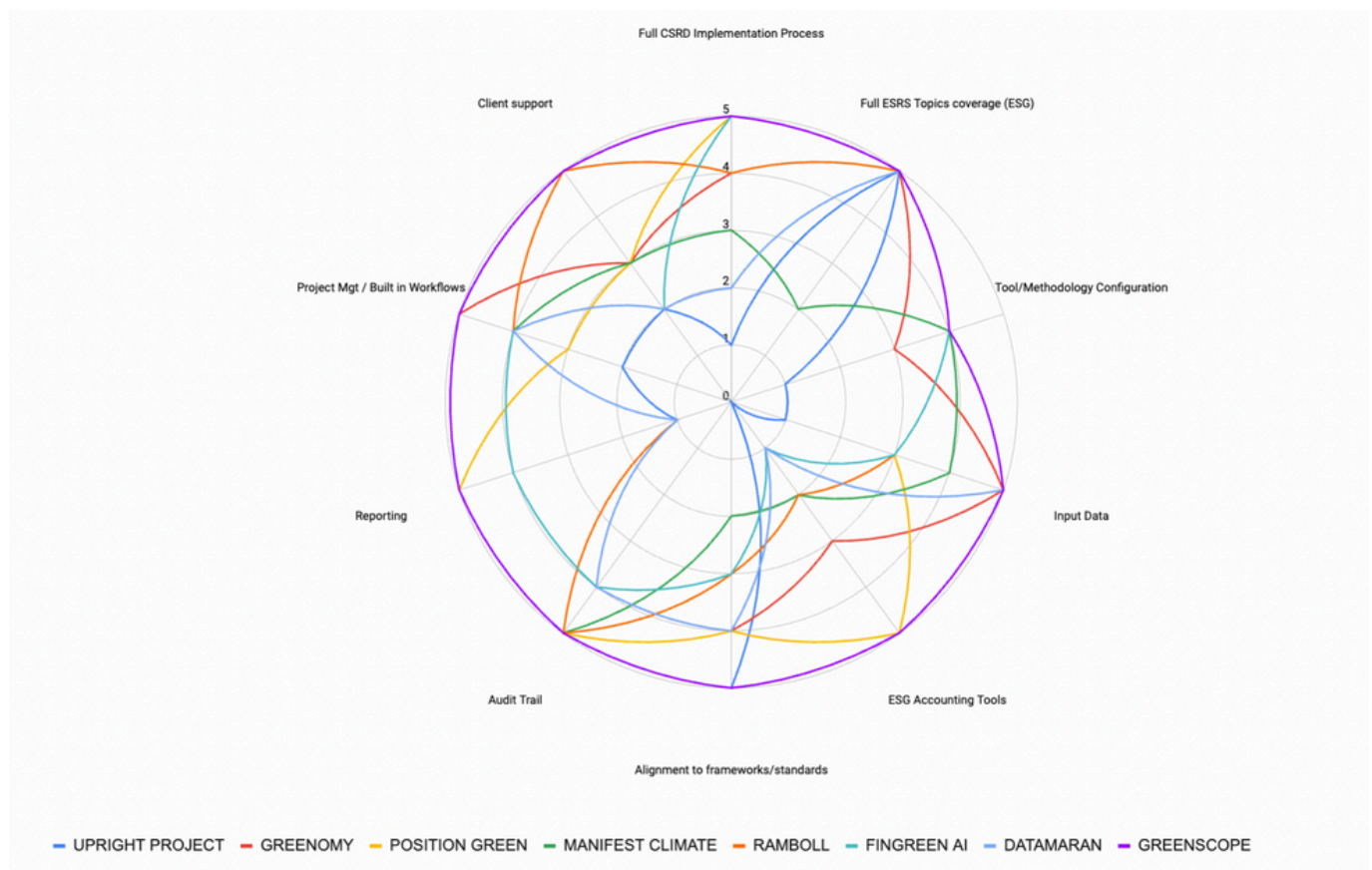


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Here you may find the comparison and analysis of 8 CSRD Tech Solutions against the 10 capabilities/features we believe are the most important to consider when selecting the correct technology for your business needs and requirements.



## Mapping of 8 CSRD Tech solutions against the 10 Capabilities



You have a Deep dive one pager summary of our TOP 5 selection of technologies for CSRD in the following pages. If you want to know more about what to take into consideration when choosing a technology solution for your sustainability strategy check out our post and checklist. If you need help on your RFP process contact us, we are happy to help!

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## Overview of our selection of the TOP- Most complete CSRD Tools



	 <b>GREENOMY</b>	<b>Position Green</b> 	 <b>Greenscope</b>	 <b>MANIFEST CLIMATE</b>	 <b>FINGREEN AI</b>
Business Target	Medium, and Large Businesses	Medium, and Large Businesses	Medium, and Large Businesses	Medium, and Large Businesses	Medium, and Large Businesses
International Coverage	Yes	Yes	Yes	Yes	Yes
Date of Creation	2021	2015	2022	2015	2022
Momentum: Current traction on the market	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★
Vision: Understand where the market is going and/or has an idea to shape the market	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★
ESRS: Process Coverage	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★
Cost	€€€	€€€	€€€	€€€	€€€
Professional Services/ Support	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★

# Digital4Impact Tech Radar



Business Target

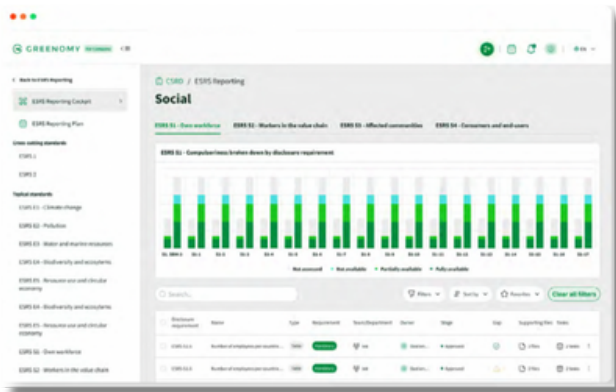
Medium, and  
Large Businesses

International  
Coverage

YES

Date of  
Creation

2021



## Summary

AI-powered software and supporting services help companies collect and manage sustainability data and make it easy to meet reporting requirements of the CSRD and EU Taxonomy.

## Impact

1. All your ESG data centralised in one location
2. Always up to date with the latest regulations
3. Accelerate your reporting and spend more time on driving impact
4. Benefit from Artemis, your AI advisor, simplifying ESG requirements

### VISION



Empower companies to build their capacity through our comprehensive end-to-end solution, prioritising reporting autonomy.

### INTEGRATION



- Easy upload of company data via our ESG Data Library and connectors.
- Coordinate tasks & deadlines across teams and legal entities.
- AI tools that enable to populate components and extract data.

### COST



Depending on company Size and Modules covered.

Approx range; **15- 20K eur**

### PROFESSIONAL SERVICES



Sustainability Experts and specialised partners accompany you throughout your CSRD and EU Taxonomy reporting journey, from setting up your ESG strategy to conducting your Double Materiality Assessment.



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Position Green

Business Target

Medium, and  
Large Businesses

International  
Coverage

YES

Date of  
Creation

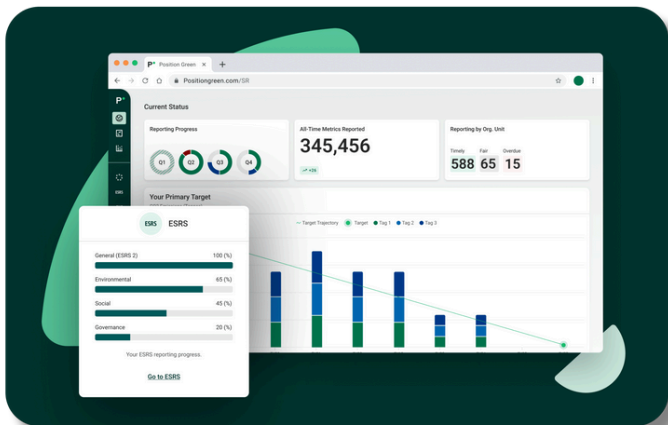
2015

## Summary

Sustainability management platform, designed to automate compliance so you can focus on impact.

## Impact

1. Ready-to-go solutions
2. Customize as needed
3. Automate data collection and reporting
4. Designed by our leading advisory experts
5. Represent your organizational structure, reporting
6. cycles and more.
7. Consolidate all your ESG Data, wherever it's housed.



### VISION



Position Green is designed to let you self-manage your sustainability efforts with your in-house team, and since it's your platform, you can bring outside advisors too.

### INTEGRATION



The integration hub automates data capture from all your sources, systems and providers. It can even import files such as documents and spreadsheets.

### COST



Transparent and Straightforward Pricing

- Cloud based - always available, access anywhere
- Subscription licence - continuously improved
- No per-user fee - bring everyone

Approx range; **15-18 K eur**

### PROFESSIONAL SERVICES



- Dedicated platform success team
- Full support from their seasoned advisors when conducting your double materiality assessment or gap analysis

# Digital4Impact Tech Radar



Business Target

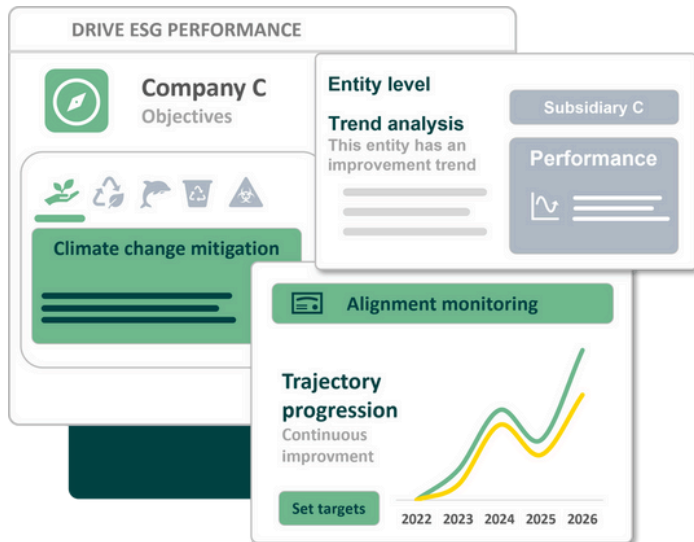
Medium, and  
Large Businesses

International  
Coverage

USA, Europe,  
America

Date of  
Creation

2022



## Summary

One-stop-shop solution: all-in-one ESG platform  
CSR diagnosis | EU Taxonomy & CSRD | Carbon & biodiversity footprint calculator

## Impact

1. **Agile, intelligent and learning:** Generating ESG insights and reports thanks to AI, dynamically integrating new repositories, adapting to the complexity of large organizations.
2. **Robust, reliable and auditable:** Available 24/7, triple redundant, based on SOC 2-certified services, state-of-the-art and built to the highest banking standards.
3. **Collaborative and empowering:** Involving all stakeholders in the value chain (internal and external) from the data collection phase through the deployment of action plans.

### VISION



- Engaged with our customers to develop their sustainable performances
- Involving all stakeholders in the value chain (internal and external) from the data collection phase through the deployment of action plans.

### INTEGRATION



- Questionnaires designed to simplify data entry and pre-filling, with enriched data and chat modules.
- Scores and analyses based on the intelligence of the tool, benchmark and expertise, available via dashboards.

### COST



- Depending on company Size and Modules covered.

Approx range; **15- 20K eur**

### PROFESSIONAL SERVICES



- ESG expert consultants support you through all stages of CSRD reporting



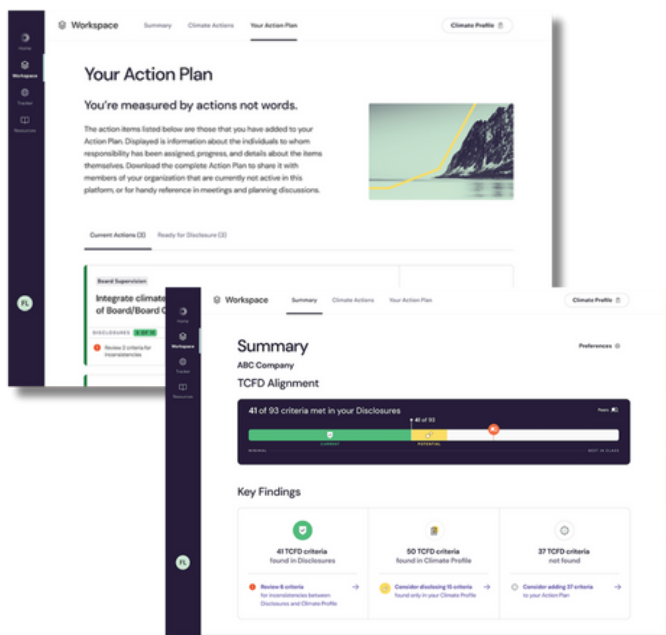
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Business Target  
Medium , Large

International  
Coverage  
YES

Date of  
Creation  
2015



## Summary

Accelerate your climate strategy with one software engine, powered by AI.

## Impact:

- 1.Aligns climate disclosures with requirements
- 2.Identifies climate risks and opportunities
- 3.Provides competitive benchmarks
- 4.Delivers an actionable climate roadmap

## VISION



- Accelerate business alignment and action for a climate adjusted future.

## INTEGRATION



- Proprietary methodology and AI Climate Risk Planning Software.
- AI Tools to ease the process

## COST



- Depending on company Size and Modules covered.  
Approx range; **10k USD/Client**

## PROFESSIONAL SERVICES



- Climate expert team to further assist within the process





# Digital4Impact Tech Radar



FINGREEN AI

Business Target

Medium, Large

International Coverage

YES

Date of Creation

2022



## Summary

Stay ahead of the CSRD reporting requirements through AI-driven sustainability platform.

## Impact

### CSRD Suite

- Value chain analysis
- Double materiality assessment
- ESRS requirements automation
- Carbon emissions Scope 1/2/3 accounting
- Document hub for audit and justification
- Data Room, xHTML & XBRL reporting
- Task assignment and delegation
- User access controls
- AI recommendations
- 12 x ESRS data collection (1200+ data points)

## VISION



- Simplify, store and centralise the processes of managing large data sets and stakeholder input.
- Tool to ease consultants work on CSRS implementation

## INTEGRATION



Questionnaires designed to simplify data entry and pre-filling, with enriched data

## COST



Approximate range; < 5K eur / year

## PROFESSIONAL SERVICES



Designed to ease consultants work on CSRS implementation and Sustainability champions within the company.



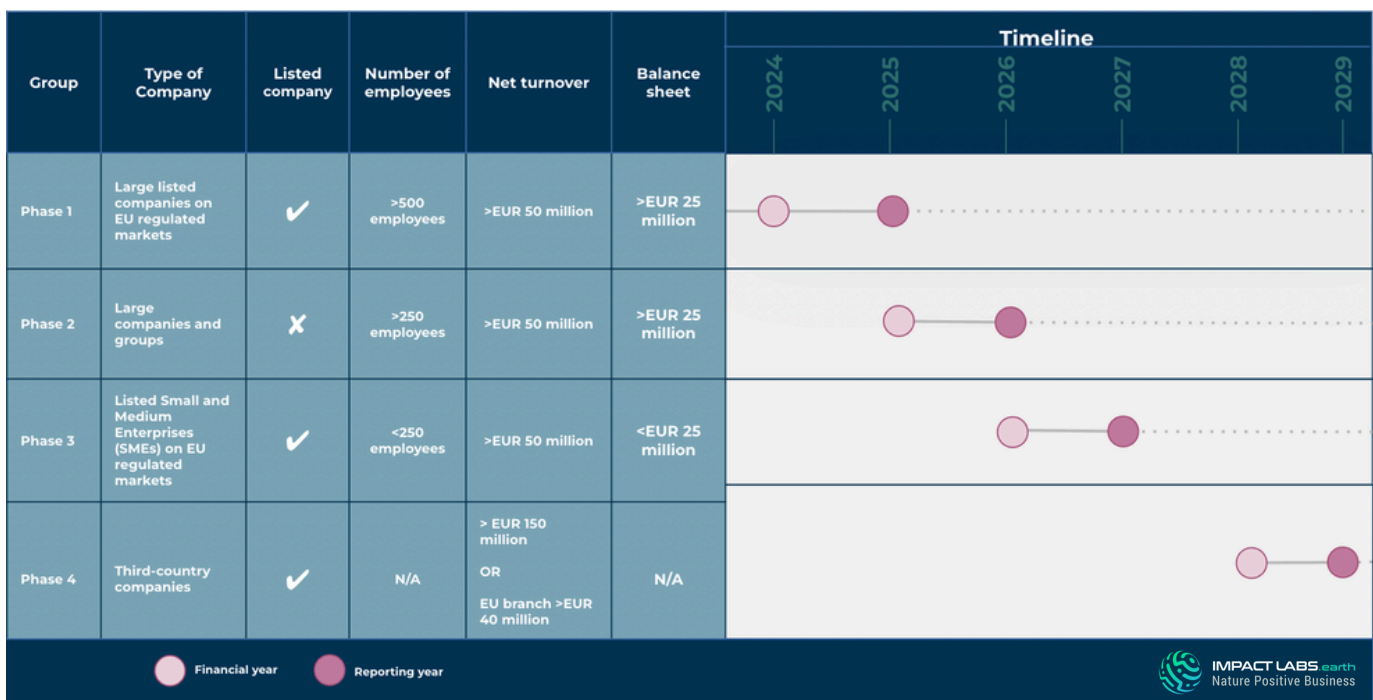
## Conclusions

- **CSRD technology solutions represent a critical evolution in sustainability reporting**, providing organizations with the tools needed to comply with regulations, enhance transparency, and drive meaningful improvements in sustainability performance. As the demand for corporate accountability continues to grow, **these solutions will play a vital role in helping organizations navigate the complex landscape of sustainability reporting and achieve their long-term sustainability goals.**
- Modern **CSRD technology solutions are designed to integrate seamlessly with existing enterprise systems such as ERP, CRM, and HR platforms.** This integration ensures that sustainability data is harmonized across the organization, providing a holistic view of performance and enhancing the overall efficiency of the reporting process.
- Having a well-conducted **Request for Proposal (RFP) process for technology acquisitions is crucial for ensuring that organizations make informed and strategic decisions.** A thorough RFP helps identify the most suitable technology solutions by clearly outlining the organization's needs, expectations, and evaluation criteria. This process not only facilitates competitive bidding, leading to better pricing and terms, but also ensures that the selected technology aligns with the organization's goals, integrates seamlessly with existing systems, and supports future scalability. Additionally, a well-executed RFP mitigates risks by promoting transparency and accountability, encouraging vendors to deliver innovative and reliable solutions, and ultimately contributing to the long-term success and sustainability of the organization.
- CSRD technology is evolving at an astonishing pace, with advancements occurring almost weekly, with new software updates, data analytics tools, and integration capabilities which are being released continuously, enhancing the accuracy, efficiency, and comprehensiveness of sustainability reports. **In such an ever-evolving technology landscape it is important that companies are able to select solutions that will last on the long-term (technology solutions that will survive this first wave of CSRD tech emergence).**

## The Importance and Current Status of the Corporate Sustainability Reporting Directive (CSRD)

The Corporate Sustainability Reporting Directive (CSRD) has significant implications for businesses operating in the European Union. This directive, adopted by the European Commission, aims to enhance and standardize sustainability reporting, ensuring that companies provide more comprehensive and comparable information about their environmental, social, and governance (ESG) impacts. Here are the key implications for businesses:

- **The CSRD extends its reach to a larger number of companies compared to its predecessor**, the Non-Financial Reporting Directive (NFRD). It applies not only to large public-interest entities but also to large private companies and listed small and medium-sized enterprises (SMEs), significantly increasing the number of businesses required to report on sustainability issues.



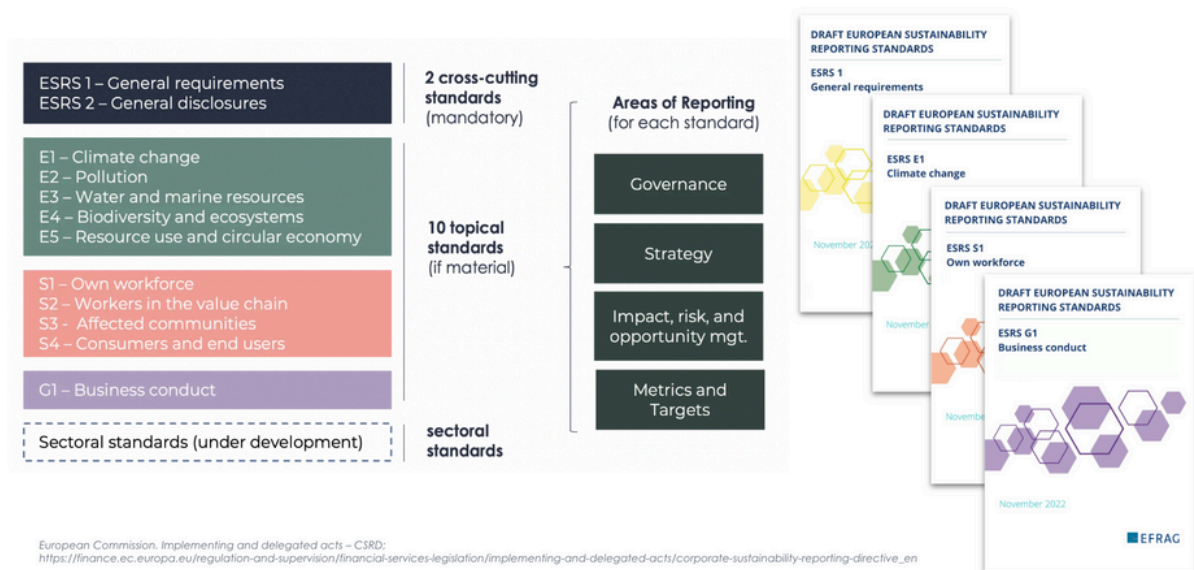
CSRD Implementation Timeline



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- **Detailed Reporting Requirements:** Companies must report on a broad range of sustainability topics, including climate change, biodiversity, human rights, and social capital. This includes both qualitative and quantitative information, providing a comprehensive view of their ESG performance. The directive mandates the use of the European Sustainability Reporting Standards (ESRS), ensuring consistency and comparability across different organizations and sectors.

Structure of the ESRS



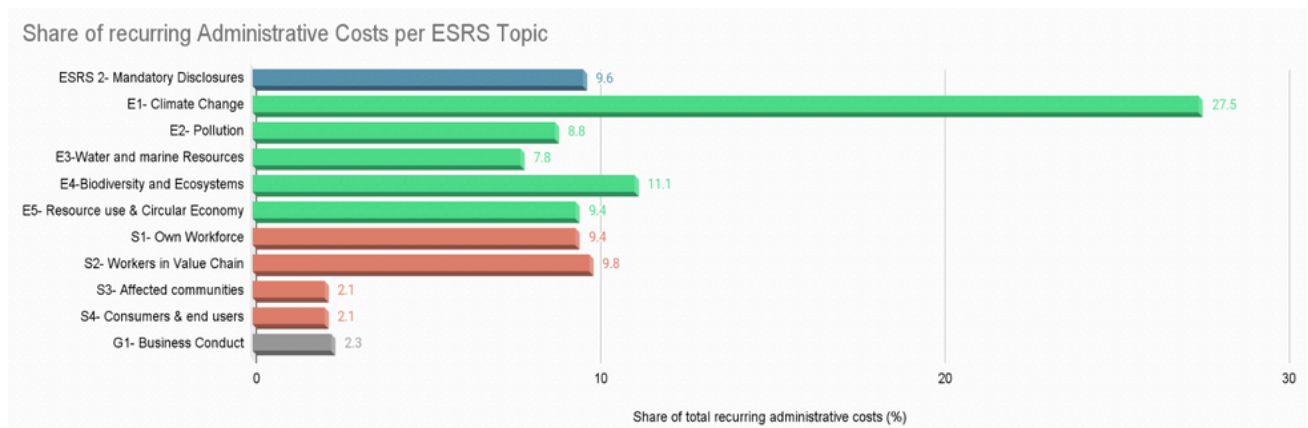
## ESRS disclosure chapter by type and distribution of data points:

ESRS TOPIC	Total number of Data Points	# Narrative Data Points	# Semi-narrative Data Points	# Numerical Data Points
ESRS 2- Mandatory Disclosures	135	103	13	19
E1- Climate Change	195	60	25	110
E2- Pollution	45	18	4	23
E3-Water and marine Resources	27	18	2	7
E4-Biodiversity and Ecosystems	55	37	14	4
E5- Resource use & Circular Economy	62	30	3	29
S1- Own Workforce	127	59	22	46
S2- Workers in Value Chain	50	45	5	0
S3- Affected communities	47	43	4	0
S4- Consumers & end users	45	41	4	0
G1- Business Conduct	39	25	6	8
Total	827	479	102	246
Total DP (%)	100	58%	12%	30%

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- **Digitalization, Assurance & Integration into Management Reports:** Sustainability information must be disclosed in a digital, machine-readable format, facilitating easier access and analysis by stakeholders. Companies are required to have their sustainability reports audited by an independent third party, enhancing the reliability and credibility of the reported information. The CSRD requires that sustainability information be integrated into the management report, promoting a more holistic approach to corporate reporting. This integration ensures that sustainability is considered alongside financial performance, reflecting its importance to overall business strategy and operations.

## ESRS disclosure chapter by share of total recurring administrative costs, type and distribution of data points:



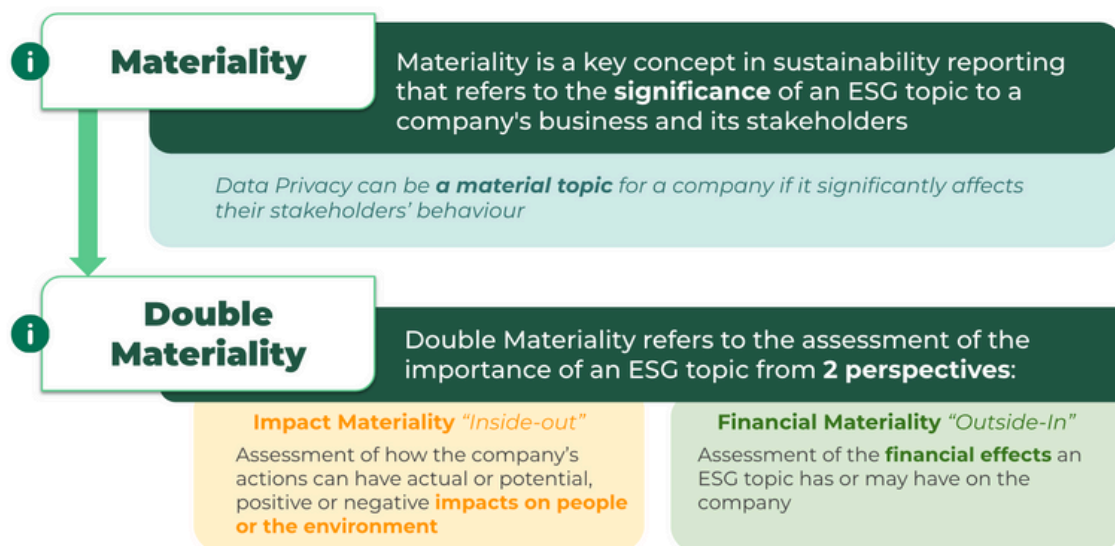
## Top 10 ESRS disclosure requirements with the highest cost:

Rank	Top 10 ESRS disclosure requirements with the highest costs	Share of total recurring administrative costs (%)
1	E1-6 Gross scope 1, 2, 3 and total GHG emissions	8.4
2	S2-2 – Processes for engaging with value chain workers about impacts	6.5
3	E1-9 Potential financial effects from material physical risks, material transition risks and climate-related opportunities	5.3
4	E1-7 – GHG removals and GHG mitigation projects financed through carbon credits	3.5
5	E4-5 – Impact metrics related to biodiversity and ecosystems change	2.5
6	E2-6 – Potential financial effects from pollution-related impacts, risks and opportunities	2.4
7	E1-3 – Action plans and resources in relation to climate change mitigation and adaptation policies and targets	2.3
8	E1-4 Targets related to climate change mitigation and adaptation	2.2
9	E5-5 – Resource outflows	2.2
10	E5-3 – Action plans and resources in relation to resource use and circular economy	1.9

Source: Impact labs;\_ ammended from: EFRAG, List of ESRS Data Points – Implementation Guidance; EFRAG Cost-benefit analysis

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- **Double Materiality:** Businesses need to adopt the double materiality perspective, considering not only how sustainability issues affect the company (financial materiality) but also how the company's activities impact society and the environment (impact materiality). This dual approach encourages companies to assess and report on a wider range of sustainability impacts.



- **Increased Transparency and Accountability:** The enhanced reporting requirements aim to improve transparency, allowing stakeholders—including investors, customers, employees, and regulators—to make more informed decisions based on a company's ESG performance. Greater accountability is expected as companies will need to demonstrate how they manage and mitigate their sustainability impacts, aligning their strategies with broader societal goals, such as those outlined in the European Green Deal and the United Nations Sustainable Development Goals (SDGs).

Overall, the CSRD represents **a significant shift towards more rigorous and standardized sustainability reporting** in the EU, aiming to foster greater corporate accountability and transparency in addressing ESG issues. Businesses will need to adapt to these new requirements, which may involve substantial changes in their reporting practices and strategic approaches to sustainability.







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