News release

Date:	**1 July 2024**
Contacts:	Caroline Belgrave Marketing & Communications Leader PwC East Caribbean +1-246-256-6640

Almost two-thirds (63%) of companies confident they will be ready for CSRD, but many don't know how: PwC Global CSRD Survey

- Almost **two-thirds of companies** (63%) surveyed are **very or extremely confident that they will be ready to report** under the EU's Corporate Sustainability Reporting Directive (CSRD)

- However, with the first wave of companies due to report from six months time, executives cite **data availability and quality** (59%), **value chain complexity** (57%) and **staff capacity** (50%) as **obstacles to implementation** to a large or very large extent.

- Despite even higher levels of confidence for those companies due to report from six months time (72%), **less than half of these companies have completed key activities**, such as confirmation of reporting activities (39%), double materiality assessment (38%), and validation of availability of data (20%)

- **More than three-quarters** (76%) **believe CSRD is or will lead to company leadership considering sustainability in decision making to a greater extent**

- **Respondents believe CSRD will benefit their company to a large extent** through environmental performance (51%), improved engagement with stakeholders (49%), and risk mitigation (48%)

BARBADOS, 1 July 2024 – Almost two-thirds (63%) of companies say they are very or extremely confident that they will be ready to report under the EU's new Corporate Sustainability Reporting Directive (CSRD), according to PwC's inaugural *2024 Global CSRD Survey*, published today.

The global survey, of more than 500 senior executives and business professionals, including finance, sustainability and risk leaders, found that the EU directive, which will impact about 50,000 companies, is having a global impact. More than three quarters (79%) of companies headquartered outside the EU and 74% headquartered within the EU believe CSRD is or will lead to company leadership considering sustainability in decision making to a greater extent. Of respondents from companies headquartered in 38 countries and territories, 75% already plan to report at a consolidated group level, including operations outside the EU.

While the survey results indicate confidence around sustainability reporting, survey respondents cite obstacles to implementation. The single biggest concern listed is data availability and quality (59%).

Only one-fifth of companies due to report in their 2025 financial year have validated the availability and completeness of data for their disclosures. Additionally, less than 60% of respondents have involved their technology function, although most respondents plan to do so, and most companies are not using specialist tools or technology. Spreadsheets are the most commonly used tool (74%), compared with 26% using centralised sustainability data storage (e.g. a data lake) and 20% using AI, although more have plans to use these tools in the future.

Kevin Cambridge, Regional ESG Leader, PwC in the Caribbean, said:

> *"As the countdown to CSRD compliance approaches, it is positive to see in our survey leading companies are largely confident that they will be ready to report and increasingly embedding sustainability into their decision making. However, there is still some way to go, with the majority grappling with complex challenges, particularly the quantity and quality of data required, not only for their own operations but across their value chain. Many companies in the Caribbean are further behind in their sustainability journey than those in other parts of the world, making this finding even more significant as to how it will help or hinder Caribbean based companies to turn words into actions. As the CSRD essentially requires sustainability reporting to be on par with financial reporting, while leading executives are recognising that sustainability information must be available, accurate, and audit-ready: not just on a one-time basis, but annually, the challenge across the Caribbean is making sure this is also the case."*

Implementation obstacles beyond data persist

Despite high levels of confidence, especially for companies due to report in their 2025 financial year (72%) , less than half of these companies have completed key activities, such as confirmation of reporting activities (39%), double materiality assessment (38%), and validation of availability of data (20%). Nonetheless, companies that have completed early-stage activities are more likely to be confident in meeting the reporting requirements.

While respondents report high confidence on topics that are generally included in existing disclosures such as workforce (76%), business conduct (75%), climate change (60%), they are far less confident in their ability to meet reporting requirements on less familiar topics such as biodiversity (35%), pollution (43%), and workers in the value chain (45%).

Sustainability is rising in the leadership agenda

The survey finds 76% believe CSRD has or will lead to company leadership considering sustainability in decision making, including 59% who say sustainability is already being considered to a greater extent due to CSRD, and 17% who say it will be considered.

Companies expect a wide range of business benefits to flow from CSRD. Namely, more than half (51%) expect they will benefit to a large or very large extent through better environmental performance, 49% cite improved engagement with stakeholders, and 48% cite better risk mitigation.

Almost one-third believe CSRD will lead to revenue growth (29%) or cost savings (26%). The expectation of financial benefits is higher for companies closer to their reporting deadline, with 38% of companies due to report in FY 2025 expecting to benefit to a large extent through revenue growth and 34% through cost savings.

Ronaele Dathorne-Bayrd, ESG Leader, PwC East Caribbean, [replace with local ESG Leader] said:

> *"The misconception for companies in Barbados and the Eastern Caribbean is that CSRD won't affect them at all. CSRD is truly global and some companies operating locally could be impacted through their global value chain - upstream, downstream or both, depending on the type of business and their operations. The global impact of CSRD shows the importance of getting to a global baseline of reporting standards to reduce complexity and improve comparability. It's also anticipated that through the implementation of CSRD, companies can*

expect strong environmental benefits, better risk mitigation and improved engagement with stakeholders. The survey also shows that companies that are further along in their CSRD journey expect greater overall benefits from its implementation. What is critical locally is that the divide already evident doesn't increase. Most larger companies with parents in other territories have begun their sustainability journey and will therefore be better placed to address the impacts of CSRD should they arrive. ***Ronaele continued:*** *"Even if CSRD directly impacts only a small proportion of businesses locally, there is a constant need for good governance in driving positive environmental and social impact in all organisations. This is the only way we can ensure that these vital matters form an intrinsic part of the strategy of any organisation. Stakeholders need to know that those with economic power are doing good environmentally and socially, while doing well financially. It's crucial that we support each other, especially small and medium sized companies, to ensure that no one is left behind."*

-ENDS-

Notes to Editors:

About the Survey
In April-May 2024, we surveyed 547 executives and senior professionals across more than 30 countries and territories. About one-third of respondents hold C-suite roles while the remainder were senior professionals across business functions including sustainability, finance, and risk. Sixty percent of companies represented are headquartered within the European Union. More than half had annual revenues of over $1bn. Sectors represented included: Manufacturing (25%); Financial Services (21%); Technology, Media & Telecommunications (18%); Consumer & Retail (14%); Energy, Utilities & Resources (13%); Healthcare (7%). Across all respondents, 57% say they will file for the first time in the 2025 financial year, based on 2024 data.

About PwC