

WHITE PAPER

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# A Practical Guide to Non-Financial Reporting

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 **Achilles**  
Global Risk Management

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# Introduction

## Why Non-Financial Reporting Matters

In recent years, non-financial reporting has moved firmly into the spotlight, driven by evolving methodologies and frameworks and growing stakeholder demand for transparency. Today, companies are increasingly expected to disclose their environmental, social, and governance (ESG) impact, risk, and opportunities (IRO) with the same clarity and rigour as their financial performance. Whilst sustainability reporting is not new, and many companies have well-developed reporting structures for voluntary disclosures and their corporate sustainability reporting, the landscape is shifting. With new regulations coming into force and the number of obligated entities expanding, the challenge has evolved from getting started to reporting better. Organisations are now focused on streamlining processes, improving accuracy and aligning with rising expectations from regulators, investors, customers and the wider public.

## Who This Guide Is For

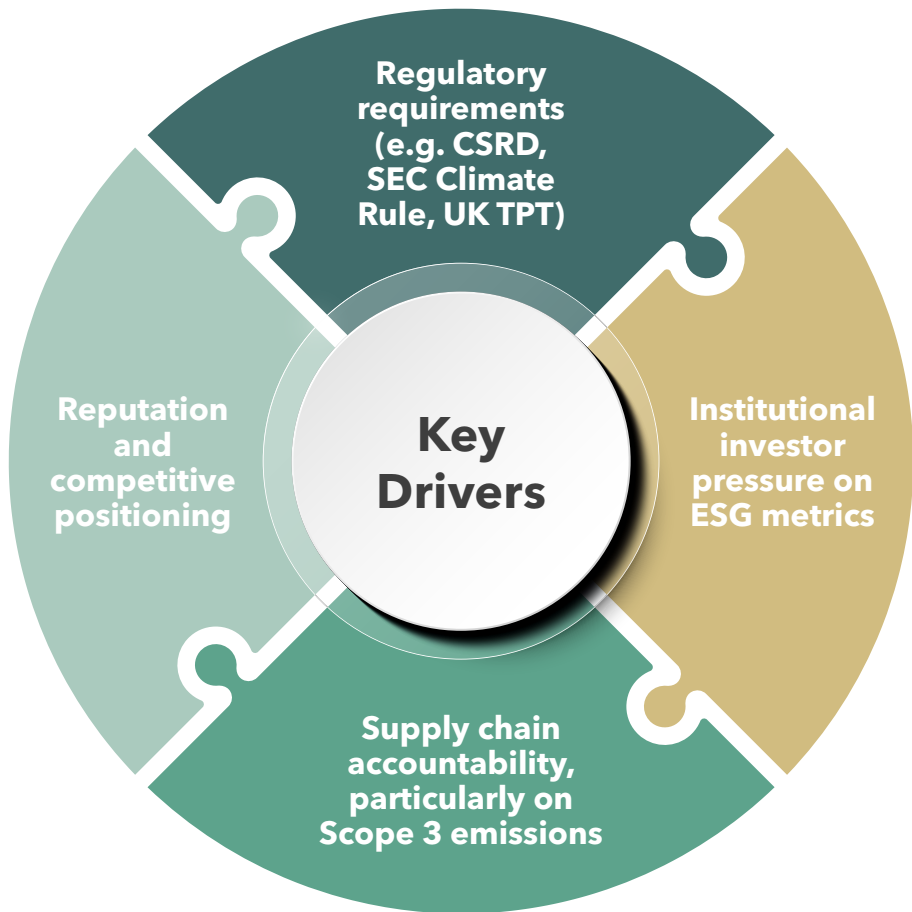
This Guide is designed to aid ESG and sustainability leads, compliance and financial teams, and business leaders who may have to oversee non-financial reporting within their organisation.

## Achilles' Perspective

With over three decades of experience helping global organisations manage supplier risk and sustainability data, Achilles brings a unique perspective to non-financial reporting. Our pre-qualified supplier networks, risk assessments, and data collection and reporting solutions provide 360 degree reporting capability, helping to ensure our clients report credibly and with confidence.



# The Evolving Non-Financial Reporting Landscape



## From Voluntary to Mandatory

Regulatory reform, a need for consistent and accurate ESG data is transforming sustainability reporting. What initially began as best practice and the reporting of performance against voluntary frameworks like the Global Reporting Initiative (GRI) and Taskforce for Climate-related Financial Disclosures (TCFD) is now being embedded

in law through CSRD and the International Sustainability Standards Body (ISSB) / International Financial Reporting Standards (IFRS), Sustainability Disclosure Standards that continue to be adopted globally.

Companies must quickly adapt to the slight changes and increased requirements that mandatory disclosure requirements now place upon them, failure to do so risks legislative non-compliance, reputational damage and reduced investor confidence.





# Core Frameworks at a Glance

For multinational businesses, navigating the evolving reporting landscape means understanding how major frameworks align, overlap, and diverge. This guide focuses on four of the most influential and actively refined standards: the IFRS Sustainability Disclosure Standards, the Corporate Sustainability Reporting Directive (CSRD),

the Global Reporting Initiative (GRI), and the Task Force on Climate-related Financial Disclosures (TCFD). While each was developed by a different body with varying levels of detail and emphasis, they share a common expectation: companies must report on both their own operations and those of their supply chains across critical issues such

as climate change, human rights, and ethical business practices. As these frameworks become more interconnected, familiarity with their core requirements is essential.

This section offers a side-by-side view to help you quickly grasp their scope, applicability, and timelines.

## Overview of Sustainability Reporting Frameworks

Framework	Focus	Applies To	Key Requirements	Timeline	Region	Assurance / Executive Compensation Disclosure
CDP	Environmental impact (climate, water, forests)	Companies, cities, states, and regions (voluntary)	Questionnaire-based, aligned with TCFD; annual disclosures	Annual (by July 31)	Global	No
CSRD	Comprehensive ESG, including supply chain	Large EU firms and non-EU firms with EU activity	Double materiality, ESRS standards, supply chain due diligence, third-party assurance	Phased from 2024 to 2028	European Union	Yes (Executive pay disclosure required)
Dow Jones Sustainability Index (DJSI)	ESG performance benchmarking	Publicly listed companies	CSA-based ESG assessment for DJSI eligibility	Annual; varies by index	Global	No
GRI	ESG impacts on people and planet	All organisations (voluntary)	Stakeholder inclusiveness, sector standards, double materiality	Ongoing; basis for ESRS	Global	No
IFRS S1	Sustainability-related financial disclosures	Public and private companies using ISSB standards	Disclose performance on ESG risks, opportunities, and strategy across any material topic	Annual by Dec 31 (from 2024)	Global	No executive compensation disclosure
IFRS S2	Climate-related financial disclosures	Same as S1, with climate-specific emphasis	Scope 1, 2, and relevant Scope 3 GHG emissions; climate risk strategy, metrics, targets	Annual by Dec 31 (from 2024)	Global	No executive compensation disclosure
SBTi	Science-based emissions targets	Voluntary, used globally	Net-zero pathways, Scope 1–3 coverage, target validation	Ongoing	Global	No
SEC Climate Rule	Climate-related financial risks	SEC-registered U.S. public companies	Climate risk, Scope 1 & 2 emissions; some Scope 3; climate-linked financial metrics	Climate risks (2025), Emissions (2026)	United States	No
SFDR	ESG impact of financial market products	Financial market participants	Principal Adverse Impacts (PAIs), sustainability risks, promotion of ESG outcomes	Annual; Jan–Dec 2022 start, submit by Jun 2023	EU markets and beyond	No
TCFD	Climate risk and opportunity	Voluntary but mandatory in UK, Japan, and others	Governance, strategy, risk management, metrics, and targets	Voluntary since 2017; mandatory in some regions	Global	No
UK SDR (Sustainability Disclosure Requirements)	ESG impacts, investment sustainability	UK companies, banks, asset managers	ESG performance across climate, nature, and social factors	Annual by fiscal year-end (from 2024)	United Kingdom	No
UK TPT	Net-zero transition planning	UK-listed and large private companies	Strategy, governance, TCFD alignment	Expected rollout from 2025	United Kingdom	TBD

### IFRS Sustainability Disclosure Standards (S1 and S2)

- Developed by the ISSB under the IFRS Foundation
- S1: General sustainability-related risks and opportunities
- S2: Climate-related disclosures aligned with TCFD
- Emphasis on materiality to investors and enterprise value

### TCFD (Task Force on Climate-related Financial Disclosures)

- Structure: Governance, Strategy, Risk Management, Metrics & Targets
- Adopted widely as the de facto climate disclosure standard
- Integrated into IFRS and other regulatory regimes

### CSRD (Corporate Sustainability Reporting Directive)

- Applies to EU and non-EU companies with significant EU operations
- Based on European Sustainability Reporting Standards (ESRS) developed by the European Financial Reporting and Advisory Group (EFRAG)
- Focus on double materiality (impact on business and society)
- Mandatory third-party assurance of sustainability information

### U.S. SEC Climate Disclosure Rule (Finalised in 2024, currently under legal challenge)

- Applies to U.S.-listed companies
- Focus on Climate-related risks and financial impact, aligned in part with TCFD
- Requires disclosure of Scope 1 and 2 emissions; Scope 3 only in some cases
- Even non-U.S. companies may be indirectly affected via investors or value chain relationships

### UK Transition Plan Taskforce (TPT)

- Applies to UK-listed companies, large private firms
- Focus on Transition planning for net zero, aligned with TCFD
- Becoming integrated with the UK's mandatory disclosure regime
- Critical for companies reporting in the UK or with large UK supply bases

### GRI (Global Reporting Initiative)

- Applies to Voluntary use globally; often used in parallel with other frameworks
- Focus on Impact on society and the environment (double materiality)
- Widely used by companies with strong sustainability track records
- Forms the basis of CSRD/ESRS, so still relevant even if not mandated

### CDP (formerly Carbon Disclosure Project)

- Applies to Voluntary; investor-driven
- Focus on Environmental impact, especially emissions, water, and forests
- Often used to benchmark supplier environmental performance
- Achilles clients may face data requests through CDP supply chain programs

### SBTi (Science Based Targets initiative) (Not a reporting framework but highly influential)

- Applies to Voluntary participation
- Focus on Setting emissions reduction targets in line with climate science
- Increasingly expected by investors and large customers



# What It Means for Your Business

## Stakeholder Engagement and Collaboration

Most disclosure frameworks focus on the reporting of a company's own data. Disclosures often require significant input from a variety of teams within an organisation including finance, human resources, legal, sustainability and information security teams.

To collect internal data, significant stakeholder engagement and collaboration is required to ensure information is compiled and evaluated well in advance of disclosure deadlines. Many individuals can be involved in the process, creating additional resource pressures on companies. Effective communication and collaboration within a company is critical to successful disclosure.

### *Key Internal Challenges*

In theory, the collection of this data appears to be straightforward; however, for many businesses, particularly multinationals, internal data collection can pose a significant headache in practice. Stakeholder engagement, siloed information and a lack of communication can all impact the disclosure process. Key challenges include:

- Siloed and difficult to locate ESG information
- Lack of structure in the collection of data
- Lack of colleague engagement or awareness
- Poor oversight in the progress of data collection and consolidation





# What It Means for Your Supply Chain

## The Importance of Supply Chain Transparency

Several reporting frameworks including CSRD, IFRS and TCFD all require companies to disclose information about their value chains. This includes ESG impacts, risks and opportunities associated with Scope 3 emissions, human rights practices and corporate governance mechanisms.

CSRD, TCFD, and IFRS all require companies to disclose information about their value chains. This includes ESG risks, Scope 3 emissions, human rights practices, and environmental impacts.

## Key Supply Chain Challenges

For many businesses, collecting and verifying supply chain data is one of the biggest challenges associated with non-financial reporting. Often, supply chain sustainability information is hard to access, in several formats and of varying degrees of accuracy. Key challenges include:

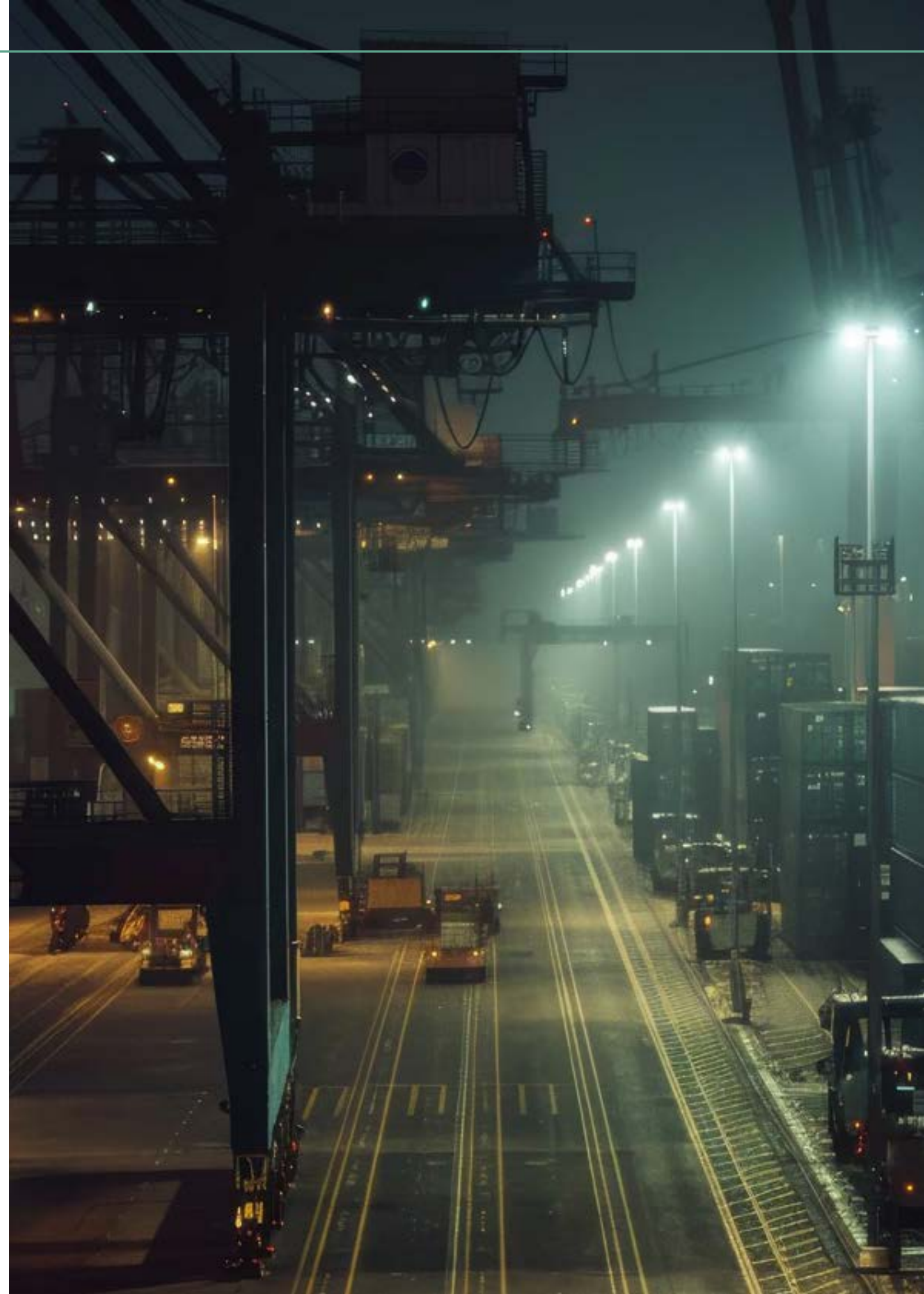
- Incomplete or poor-quality ESG data
- Reliance on supplier estimates for Scope 3 emissions

- Lack of supplier engagement or readiness
- Data collection at scale across complex global networks

## The Achilles Advantage

Achilles supports businesses to meet these challenges by providing a comprehensive supply chain risk management, carbon accounting, and non-financial reporting solution.

- Achilles Supply Chain 360 – Rigorous value chain data collection, due diligence and analysis across a broad set of risk factors, including ESG
- Achilles Carbon Accounting – Accurate and automated data capture and decarbonisation, including Scope 3 emissions
- Achilles Comply360 – Centralised reporting software leveraging AI to streamline non-financial reporting
- Achilles Audits to provide deeper due diligence and verify ESG and carbon claims
- Achilles Consultancy and Training to support your business and your value chain





# Getting Ready: A Step-by-Step Approach

Given the history of non-financial reporting, many businesses already have well-established reporting processes in place to support the calculation of greenhouse gas emissions, map ESG risks, and engage value chain partners.

But, with increasing regulatory complexity and greater expectations around accuracy, auditability, and comparability, the focus is now shifting from 'getting started' to scaling, integrating, and refining the reporting process. Below are some of the practical steps a business can take to streamline and improve current reporting processes:

- 1 Assess Applicability**  
Determine which frameworks apply based on company size, geography, and operations.
- 2 Map Your ESG Exposure**  
Conduct a single or double materiality assessment and identify impacts, risks, and opportunities associated with your operations and your value chain.
- 3 Identify Gaps**  
Identify existing gaps in your data and prioritise engagement with internal stakeholders or suppliers to ensure information is collected as soon as possible.
- 4 Engage Internal Stakeholders**  
Work closely with colleagues across functions to identify where data is held and determine how it can be collected efficiently.
- 5 Engage Suppliers**  
Begin data requests early. Support suppliers through capacity-building, not just compliance checks.
- 6 Collect & Validate Data**  
Use credible third-party data and verification services to ensure accuracy.
- 7 Align with Frameworks**  
Map collected data to the relevant standards and identify where data is interoperable to reduce repetition.
- 8 Review & Approve**  
Before any assurance activity, review the collected information and your disclosure against the requirements of the reporting framework to identify any gaps.
- 9 Monitor & Improve**  
Build reporting into business processes and monitor the effectiveness of your approach. Regularly refresh data and close identified gaps.



# How Achilles Can Help

Achilles plays an important role in helping companies meet non-financial reporting requirements with clarity and confidence. As frameworks become more complex and the importance of supply chain data increases, Achilles bridges the gap between compliance and action.

With validated supplier information, a broad suite of ESG solutions, and expert support, Achilles enables organisations to collect, verify, analyse, and report non-financial data they need, without overburdening internal teams or value chain partners.



### Supply Chain Risk Management

Gain visibility into supplier sustainability performance through supplier data collection, assessment and analysis.



### ESG Audits

On-the-ground assessments to support deeper due diligence, more effective risk mitigation, supplier improvement and more accurate disclosure.



### Achilles Carbon Accounting

User-friendly platform for measuring, managing, and reporting Scope 1, 2, and 3 emissions across operations and supply chains using recognised methodologies.



### Toitu Carbon Data Verification

Independent assurance and verification of emissions claims to the highest standards.



### Achilles Comply360 Platform

Simplify data collection, stakeholder engagement, and reporting preparation.



### Global Reach, Local Insight

Operating in over 140 countries, Achilles ensures support wherever your suppliers are.



## Resources and Next Steps

### Useful Links

- [IFRS Sustainability Standards](#)
- [EFRAG](#)
- [ESRS](#)

### Take Action

- ✓ Contact Achilles for a demo of Comply360
- ✓ Explore supplier ESG readiness through a pilot program
- ✓ Download our [Non-Financial Reporting Readiness Checklist](#)



# About Achilles

Since our story began more than 30 years ago, Achilles’ goal has been to build a more sustainable, cleaner, safer and fairer world.

Using our global technology platform and protocols based on our unrivalled ESG knowledge and experience, our highly qualified validators and auditors perform due diligence and provide deep insights that ensure the organisations can confidentially manage supply chain risk and fully meet ESG, sustainability, human rights and health and safety obligations.

## Comprehensive Supply Chain Risk Management

Achilles provides a complete supply chain risk solution. We are world-leading experts in procurement and supply chain regulation, health and safety, financial and cyber risk and sustainability and carbon management.

## Unrivalled Supply Chain Transparency

Achilles rigorous validation of supplier information draws from multiple sources to create a complete picture that uniquely also includes in-person audits and worker interviews to provide unrivalled ESG and supply chain transparency.

## Effective Carbon Reduction

Achilles provides the only accredited Carbon Reduction programme in Europe to independently measure and reduce carbon emissions and meet all stakeholder reporting requirements. In 2022, Achilles saved organisations 97,000 tonnes of CO2 – equivalent to the planting of 4.8 million trees.

## The Achilles Difference

Achilles is the only ESG specialist to offer truly in-depth assessments, including on-site audits, to provide the level of supply chain transparency and confidence truly required by today’s most environmentally conscious and ethical organisations.

500+

People



Expert global team including validators and auditors provide end-to-end supply chain management and client support in more than 20 languages.

22

Office Locations



Global reach and local presence ensures understanding of local regulations, language and culture to enable superior supply chain risk management.

6700+

Audits



Achilles unique desk and on-site audit and worker interview capability supports rigorous supply chain due diligence requirements and goals.

#1

Global Platform



The MyAchilles platform is designed to collect, validate and manage complex supply chain data and simplify supply chain management and reporting.

# Contact Us

Learn more about Achilles at [www.achilles.com](http://www.achilles.com).

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**Learn More**  
To learn more about Achilles and how you can harness our capabilities within your own organisation, contact us [here](#).





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