



Greater Than

eGUIDE

# Everything you need to know about ESG reporting

# Introduction

It seems that everyone is talking about ESG. More importantly, about the rules, regulations, and legislation surrounding it. But what exactly is ESG and why does it matter to your company?

In this eGuide, we provide an at-a-glance guide to all things ESG, aimed at organizations in the mobility ecosystem, including motor insurance companies, fleet management companies and service providers. You will learn:

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# What is ESG?

ESG stands for Environmental, Social and Governance. Let's break it down:

**Environment** – everything connected with an organization's environmental impact, including transport, energy usage, and carbon emissions.

**Social** – an organization's wider societal impact, incorporating factors such as employee well-being, company culture, and community involvement.

**Governance** – how the business operates, including policies, reporting, transparency, and accountability.

In the same way that financial KPIs might be used to measure a company's performance, ESG looks at how a company performs in terms of environmental and social matters.

The key question to ask yourself when thinking about ESG is: "What does your company do to contribute to a safer, more sustainable world?"





## EU legislation

For organizations, legislation is probably the most complicated part of ESG. Unfortunately, it's not simple to summarize. Legislation is dependent on many factors, including where your company is based, industry, size and whether it is publicly listed. Here's an overview of the current regulations in the European Union (EU):

**Non-Financial Reporting Directive<sup>i</sup>**: requires certain large companies to disclose non-financial information on their annual reports, including information on ESG issues.

**Corporate Sustainability Reporting Directive<sup>ii</sup>**: a revision of the NFRD that requires more detailed reporting requirements on companies' impact on the environment, human rights and social standards.

**The European Green Deal<sup>iii</sup>**: a set of policy initiatives by the European Commission with the aim of making the European Union (EU) climate neutral by 2050.

**Sustainable Finance Disclosure Regulation<sup>iv</sup>**: requires asset managers, investment advisers, and fund managers to disclose information on how they integrate sustainability risks into their investment decision-making processes.

**Taxonomy Regulation<sup>v</sup>**: creates a classification system for sustainable economic activities, which can be used to determine whether an investment or economic activity is environmentally sustainable.

# Global legislation

Of course, legislation is not limited to the EU. Globally, there are different regulations that impose sustainability standards, practices, and disclosure requirements. We've highlighted some of the key regulations to be aware of. To discuss the legislation in your area, please schedule a chat.

## UK

Companies (Strategic Report) Climate-related Financial Disclosure Regulations 2022<sup>vi</sup>. Requires some companies and LLPs to incorporate climate-related risks and disclosures in their annual reporting.

## USA

The Securities and Exchange Commission has proposed rule changes that would require registrants to include certain climate-related disclosures in their registration statements and periodic reports, as well as disclosure of greenhouse gas emissions.

Additionally, mandatory greenhouse gas emission reporting requirements are in place at state-level.

### **International Sustainability Standards**

The International Sustainability Standards Board (ISSB)<sup>viii</sup>, a standard-setting board within the IFRS Foundation, is finalizing a global baseline of sustainability disclosure standards.

The ISSB's work is backed by the G7, the G20, IOSCO, the Financial Stability Board, African Finance Ministers and by Finance Ministers and Central Bank Governors from over 40 jurisdictions.

Jurisdictions such as Australia, Brazil, Canada, Japan and South Korea are also establishing—or have established—sustainability standards boards that enable them to cooperate with the ISSB.

### **The Paris Agreement**

The Paris Agreement<sup>vii</sup> is a legally binding international treaty on climate change. It was adopted by 196 Parties at the UN Climate Change Conference (COP21) in Paris, France, on 12 December 2015.

Its overarching goal is to hold “the increase in the global average temperature to well below 2°C above pre-industrial levels” and pursue efforts “to limit the temperature increase to 1.5°C above pre-industrial levels.”

The Paris Agreement was a landmark in climate action because, for the first time, it brought together all nations to combat climate change and adapt to its effects.

# ESG information

ESG reporting aims to provide transparency and accountability in business. It provides investors and other stakeholders with access to the information they need to assess investment risks arising from climate change and other sustainability issues. It also demonstrates how well organizations are performing in relation to climate targets.

While specific regulations include different criteria, ESG reporting might include the following:

- Your company's emissions data, reduction targets and measures
- The risks and opportunities to your company related to climate change
- How ESG factors influence investment decisions and strategies
- How your company contributes to global sustainability goals
- Any negative impacts on sustainability and how you will address them
- The steps your company takes to manage driver safety and mitigate risk
- How your company minimizes risk to the wider society, including road risk
- Ongoing environmental performance

This is a simplified list of requirements that are likely to be common to all companies. See specific legislation for detailed requirements.



## Business benefits

Obviously, for some companies, ESG reporting is not an option. However, even for smaller companies – or any company not yet required to report – it can bring many associated business improvements.


Placing the spotlight on driver safety and sustainability through a formal program strengthens the control you have over your company's activities whilst also helping to meet ESG requirements.



### Increase:

1. Safety and sustainability efforts
2. Employee well-being
3. Employee performance
4. Customer satisfaction
5. Investor satisfaction
6. Compliance
7. Brand awareness
8. Company profile
9. Financial performance
10. Competitive advantage

### Reduce:

- 
1. Total cost of ownership
  2. Collisions, incidents, injuries
  3. Damage – vehicle and property
  4. Lost working time
  5. Claims costs and insurance premiums
  6. Vehicle wear and tear
  7. CO2 emissions
  8. EV battery usage
  9. Paperwork/investigation/collision management
  10. Replacement driver costs

# Top 5 opportunities

Compiling any type of business report is a sure-fire way to identify new opportunities for improvement – and to provide a benchmark to act on the opportunities. ESG reporting is no exception. Whether your company is obliged to report or not, here are five key business opportunities that ESG reporting has the potential to deliver:

## 1. Compliance

Of course, adhering to legislation and reporting requirements means that your company is compliant with the relevant laws. Being ahead of compliance is even better. What better way to show environmental and social commitment than by demonstrating that your small or mid-sized company follows the same guidance as some of the world's biggest names?

## 2. Transparency

Greenwashing remains a hot topic and customers today are looking for companies that not only talk about environmental commitment, but prove it. By being transparent about your activities and how they impact the planet, you are making it clear that you have nothing to hide, and are proud of your actions.

## 3. Employee engagement

People want to work for companies that care – not just about the planet but about them as individuals. ESG reporting is a great platform to showcase your commitment to your employees by highlighting the efforts your business makes to keep them safe – and to protect the communities in which they live.

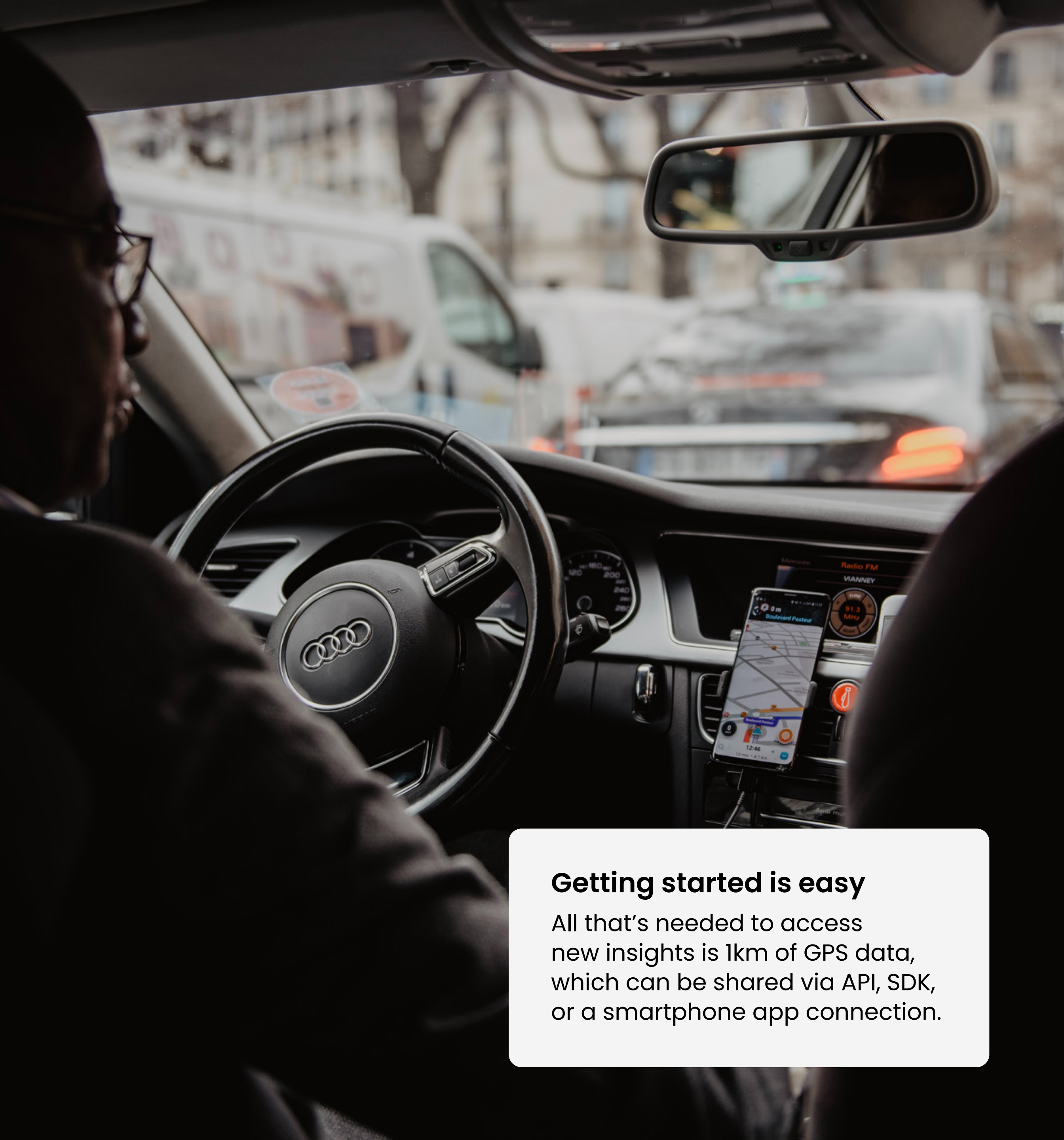
## 4. Stakeholder satisfaction

Investors want to make smart business decisions and, today, ESG information helps them to make those decisions. Similarly, in the procurement process, proving your ESG credentials in tenders is likely to be favorable. Of course, customers too are more climate-conscious than ever and may make buying decisions based on your company's eco commitments.

## 5. Safety and sustainability management

Evaluating your organization's activities will highlight specific strengths and weaknesses, and enable you to take greater control. For example, if you identify your organization's transport-related CO2 emissions, you can take action to reduce them. This might, for example, include route optimization or delivering eco-training to drivers who need it.





### **Getting started is easy**

All that's needed to access new insights is 1km of GPS data, which can be shared via API, SDK, or a smartphone app connection.

## **How we help**

At Greater Than, we utilize artificial intelligence (AI) to convert GPS data into driver scores that predict crash probability and climate impact.

We've been training our AI since 2004, using data from over 106 countries and 1,600 cities. This extensive knowledge enables us to rapidly identify driver impact on the roads.

### **Through the power of AI, we can help you:**

- Obtain a uniform measure of driver environmental impact, regardless of vehicle type, fuel used, or location
- Reduce emissions by an average of 20%
- Identify training needs and incentive opportunities
- Accurately report on your ESG initiatives
- Enhance your existing telematics product with crash probability and climate impact
- Demonstrate your safety and eco credentials

# Driver scoring

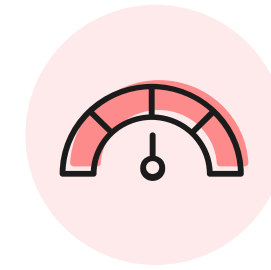


## Climate Impact Score

Greater Than's Climate Impact Score quantifies climate impact to put you in greater control.

### Enables you to:

- Measure CO2 savings (grams or %), or EV battery savings
- Identify drivers in need of eco training
- Support sustainability efforts and strengthen Environmental, Social and Governance (ESG) reporting



## Crash Probability Score

Greater Than's Crash Probability Score brings a new dimension to driver risk management.

### Enables you to:

- Identify the 15% of drivers who are responsible for 50% of crashes as well as the 85% of drivers who are lowest risk
- Assign targeted training and recognize the safest drivers
- Ensure accurate insurance pricing

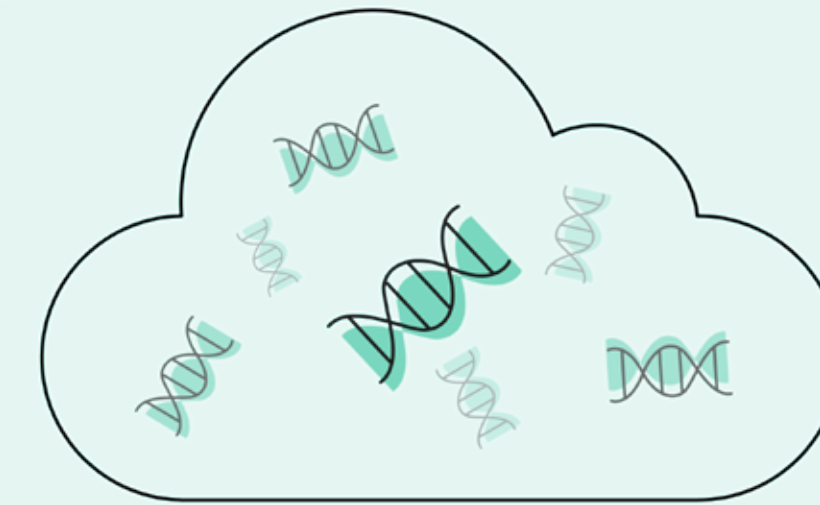
The scores can be further enhanced with additional intelligence including an analytics dashboard, predict and prevent tool, and summary reports. Greater Than's Crash Probability Score and Climate Impact Score provide valuable intelligence to support ESG management and reporting.

# How it works



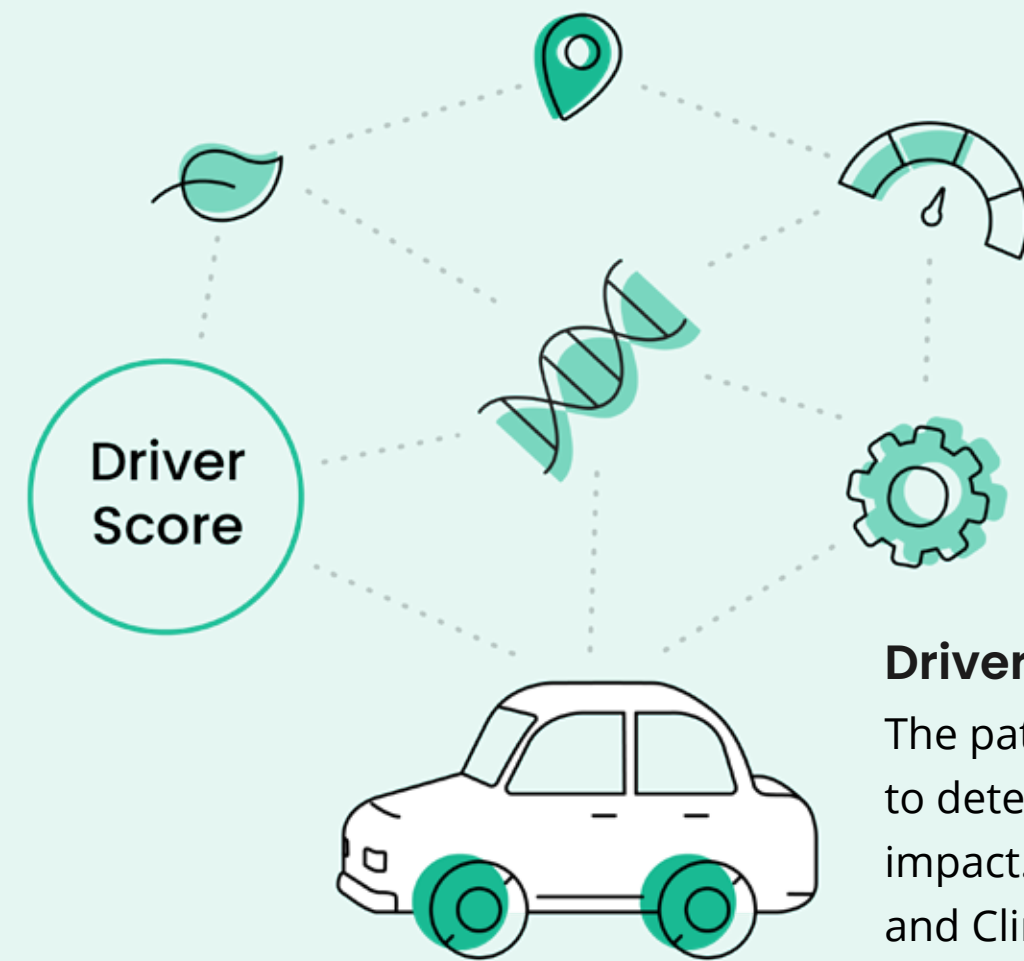
## Connection in a single step

GPS data is shared via an app, SDK in an existing app or API from dashcam, connected car, telematics device, or any other system.



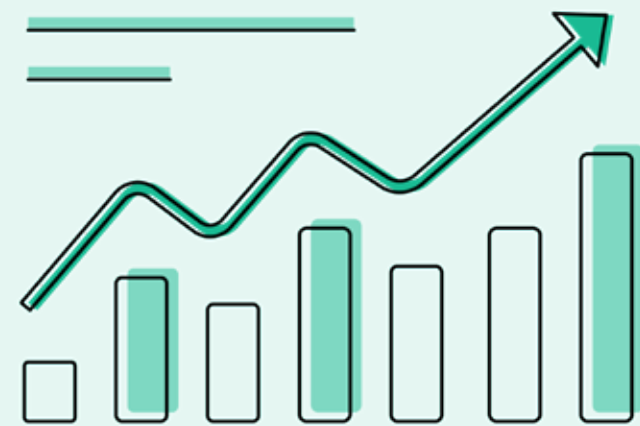
## AI pattern profiling

GPS driving data is transformed into unique DriverDNAs and processed by our database of 7 billion driving profiles to identify patterns in driving behavior.



## Driver scoring

The patterns in driving behavior are used to determine crash probability and climate impact. The output: Crash Probability Score and Climate Impact Score.



## Score visualization

The scores can be pushed back to an existing driver risk management product or visualized via a range of solutions including a dynamic dashboard, predict and prevent tool, and summary reports.



## Score engagement

Add-on tools to support driver risk management efforts including app creator, gamification, achievements, and communication.

# ESG checklist

Now you know the rules and how easy it is to get started, it's time to start working through your ESG checklist.

- ✔ Identify relevant legislation
- ✔ Define what your company currently does to manage safety and climate impact
- ✔ Connect your GPS data to Greater Than's AI platform using a simple API
- ✔ Obtain data to determine your company's (or your customers') current crash probability and climate impact
- ✔ Utilize the feedback from Greater Than to take action to improve safety and reduce climate impact
- ✔ Demonstrate your safety and eco credentials to customers, investors, employees and other stakeholders



# About Greater Than

Greater Than is a leading provider of driver data analytics that helps GPS data owners gain powerful data insights for better business decisions. The analysis includes information on the driver's crash risk, CO2 emissions, and fuel and battery consumption with correlated costs per driver.

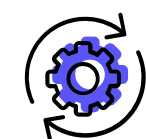
Our AI has experienced the equivalent of 855,000 man- years of real driving and has to date discovered over 7 billion unique DriverDNAs learning that makes it the most experienced AI driver in the world.

Greater Than is appointed as an InsurTech100 company and AIFinTech100 company and has been named Provider of AI Automotive Product of the year, 2021. Greater Than (GREAT) is listed on Nasdaq First North Growth Market. FNCA Sweden AB is the Company's Certified Adviser. Learn more at [www.greaterthan.eu](http://www.greaterthan.eu).



## World unique AI database

Our database has over 7 billion driving patterns, trained since 2004 using data from over 106 countries and 1,600 cities.



## Revolutionary pattern AI

Using GPS data, our pattern AI analyzes every second of driving to determine crash probability and climate impact.



## Expertise and innovation

We enable our clients to innovate and contribute to safer roads, fairer insurance pricing and a more sustainable future.



## Solutions for the future

Our data can be visualized to suit our customers' needs, enabling customer-centric solutions that prioritize safety and sustainability.



STOCKHOLM | SINGAPORE | TOKYO | DENVER | PALO ALTO | LONDON | BRUSSELS

# References

<sup>i</sup> Non-Financial Reporting Directive, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32014L0095>

<sup>ii</sup> Corporate Sustainability Reporting Directive, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32022L2464>

<sup>iii</sup> The European Green Deal, [https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal\\_en](https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal_en)

<sup>iv</sup> Sustainable Finance Disclosure Regulation, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32019R2088>

<sup>v</sup> Taxonomy Regulation, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32020R0852>

<sup>vi</sup> Companies (Strategic Report) Climate-related Financial Disclosure Regulations, <https://www.legislation.gov.uk/uksi/2022/31/made>

<sup>vii</sup> The Paris Agreement, <https://unfccc.int/process-and-meetings/the-paris-agreement>

<sup>viii</sup> International Sustainability Standards Board, <https://www.ifrs.org/groups/international-sustainability-standards-board/>