

# Strategic leadership in sustainability

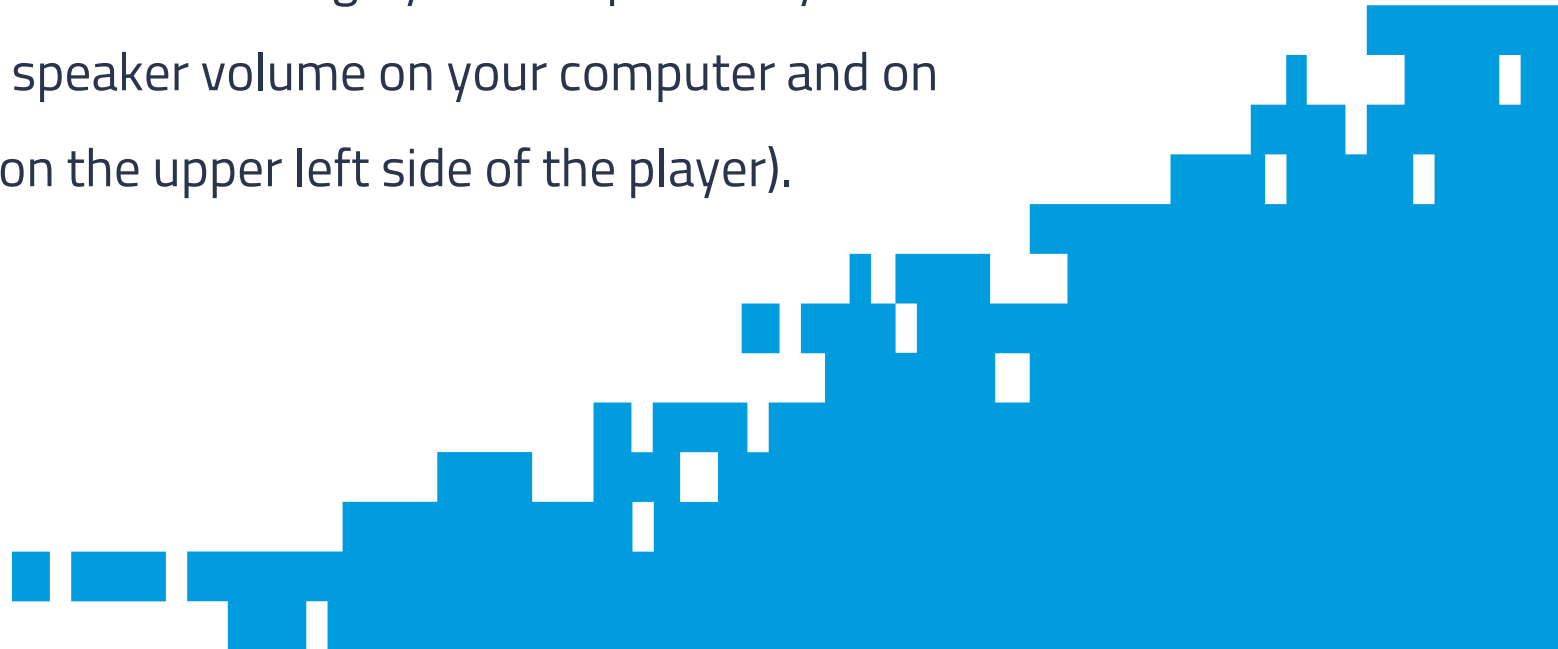
Insights from RSM's 2024  
Sustainability Report

December 2024



# For Today

- Introduction by David Shaw, Publishing Director, *Directors & Boards*.
- There will be time for questions. Enter them from your computer anytime during the presentation.
- The webinar is 60 minutes.
- The audio portion of this webinar will stream through your computer. If you are not hearing sound, please check the speaker volume on your computer and on the player (look for the volume icon on the upper left side of the player).



# Today's roundtable presenters



**Sonita Lontoh**

Independent Board Director

Sunrun, TrueBlue; Advisor, Sway Ventures



**Jon Caforio**

RSM, Chicago, IL

Principal, Sustainability Leader,  
Consulting



**Anthony DeCandido**

RSM, Stamford, CT

Partner, Sustainability Leader,  
Assurance

“

With the complexity of global business structures, there's also so much that goes into evaluating whether you must comply, and if so, under which jurisdiction, it's not always as simple as 'this regulation applies, and this one doesn't.' It could be a combination of two or it could be it could be none at all.

**Anthony DeCandido, Partner, RSM US LLP**

”





# Mandated regulatory reporting is here



## North America

- ❑ California Climate Bills: SB 253 and SB 261 (GHG and TCFD) Reporting
- ❑ SEC Climate Disclosure (in litigation)
- ❑ Modern Slavery Act, S-211 (Canada)
- ❑ Prohibition of Greenwashing C-59 (Canada)

## Europe

- ❑ Corporate Sustainability Reporting Directive (CSRD)
- ❑ Corporate Sustainability Due Diligence Directive (CSDDD)
- ❑ EU Deforestation Regulation (EUDR)
- ❑ Carbon Border Adjustment Mechanism (CBAM) (reasonable assurance)
- ❑ Germany: Supply Chain Due Diligence Act
- ❑ Anti-Modern Slavery Reporting (UK, France, Netherlands, Germany, Norway)

## Asia/Pac

- ❑ Australia: Climate-related Financial Disclosures Treasury Bill
- ❑ Climate related disclosure laws
- ❑ Japan, South Korea, Hong Kong, Singapore, India, etc.

75% of survey respondents report their organization has already taken steps to prepare for compliance.

“

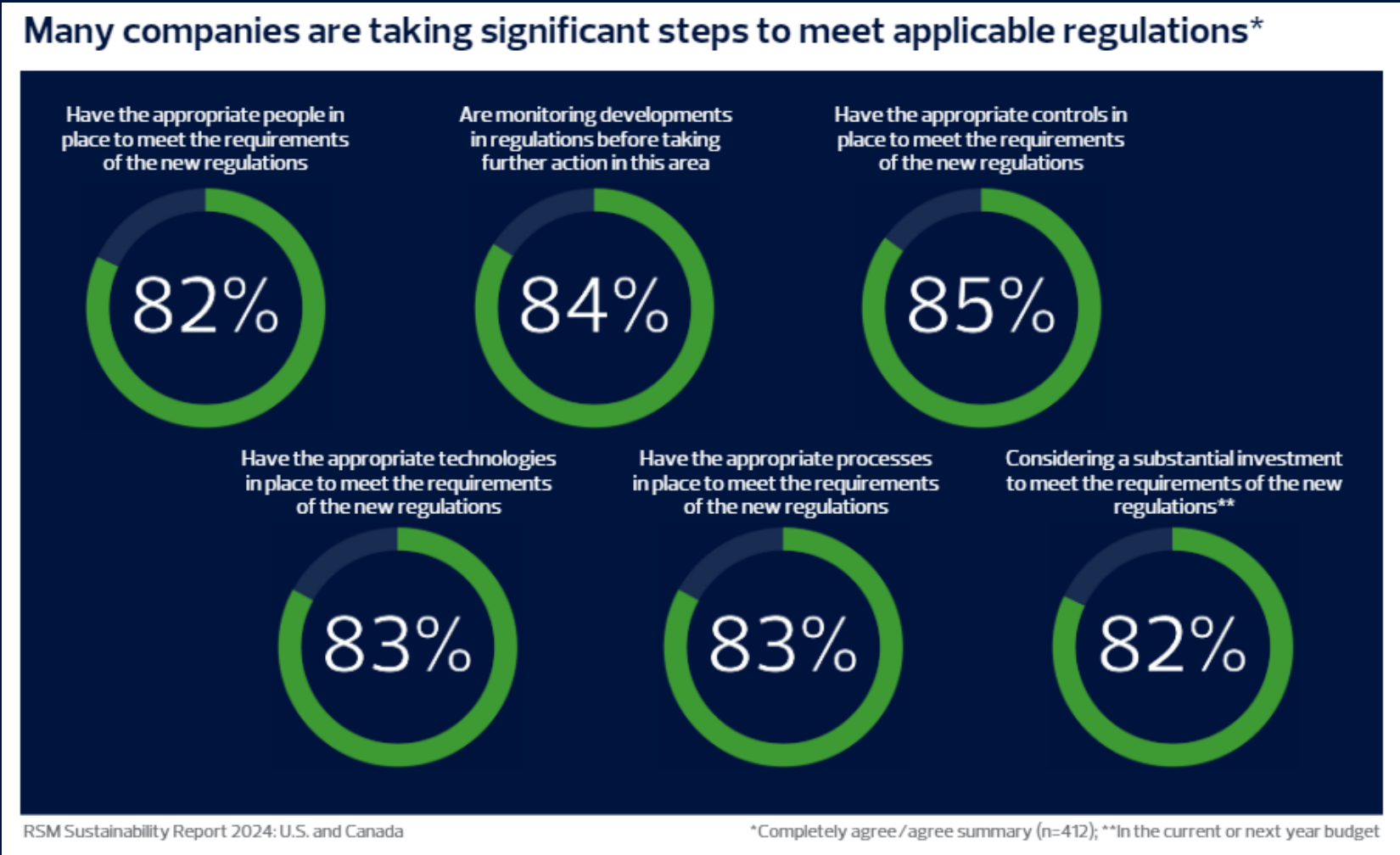
This is a big shift. Ten years ago, sustainability was seen as something a few niche businesses would participate in, and others may not have paid much attention. Today, that's no longer the case.

Tu Nguyen, economist, RSM Canada

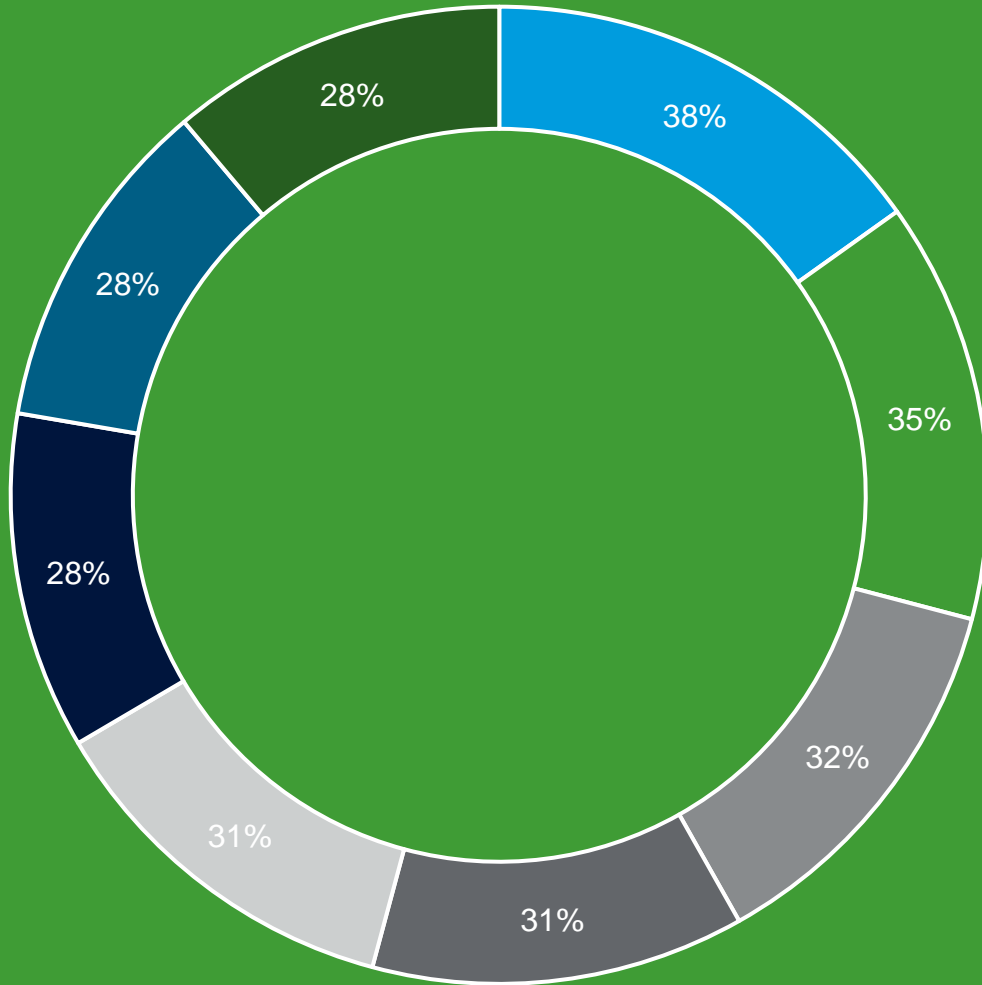
”



# Companies are taking steps to meet sustainability regulations



# Motivating factors in navigating sustainability



- Reducing environmental impact
- Complying with government or regulatory requirements
- Being consistent with the organization's commitment to sustainability
- Supporting their local community or communities
- Supporting sustainability initiatives is the right thing to do as an organization
- Attracting or retaining customers or clients



“

If it were not for regulations, embracing sustainability initiatives would have to be largely board- or C-suite-driven. Alongside new rules there are other stakeholder forces; key customers, key suppliers, investors and employees particularly care about this.

**Anthony DeCandido, Partner, RSM US LLP**

”

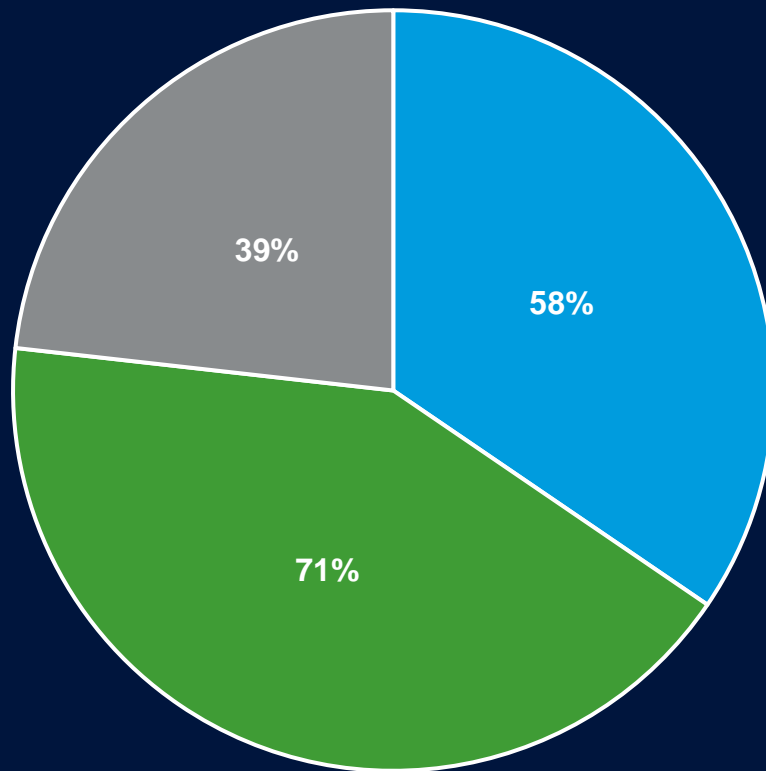


# Top sustainability challenges expected/experienced by organizations:



# Training: A central challenge for sustainability

When it comes to compliance with sustainability regulations, the RSM Middle Market Sustainability Survey 2024: US and Canada found:



- Providing training for staff was the most common action taken.
- Survey respondents state their organization has a senior executive whose primary responsibilities include establishing and achieving a vision for sustainability.
- While training and education is the most common action taken toward compliance, it is also seen as the greatest hurdle.

“

The fact that addressing sustainability disclosure requirements will likely be layered into employees' existing jobs might add another challenge in the training realm.

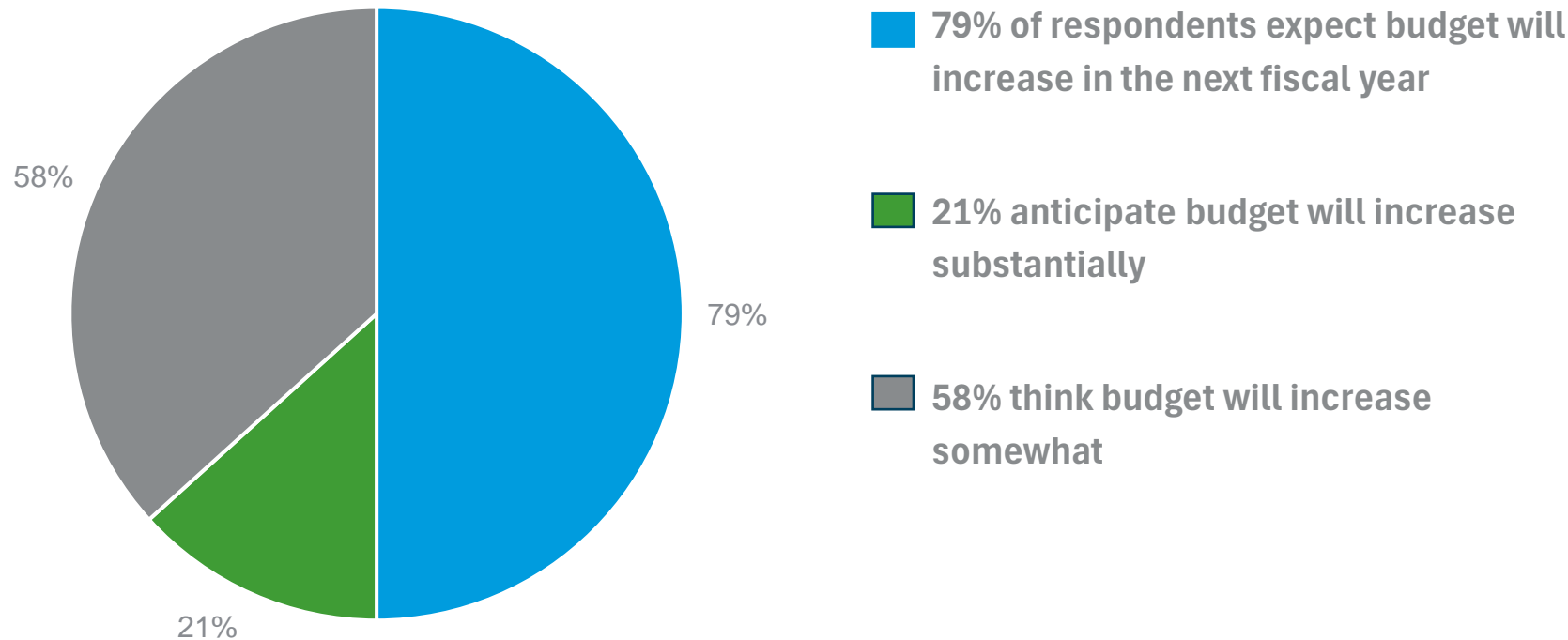
Alex Kotsopoulos, Principal, RSM Canada

”



# Investing in sustainability

When it comes to budget for sustainability, the RSM Middle Market Sustainability Survey 2024: US and Canada found those who report having a budget for sustainability:



Source: The RSM Middle Market Sustainability Survey 2024: US and Canada





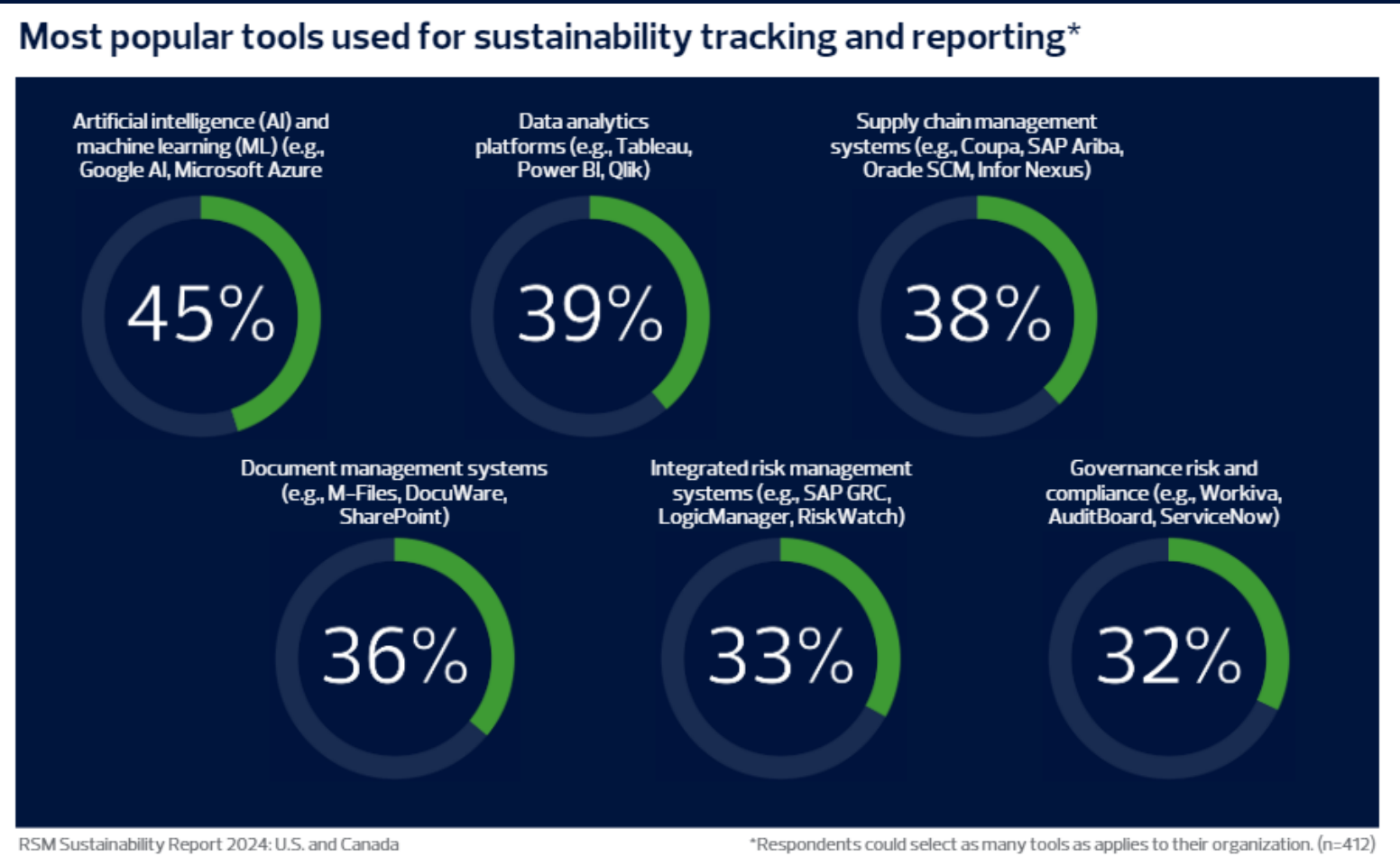
“

Similar to regularly closing your books from an accounting perspective, these technologies make it easier to have a repeatable reporting process for closing your books on non-financial, sustainability-related data.

Jonathon Caforio, Principal, RSM US LLP

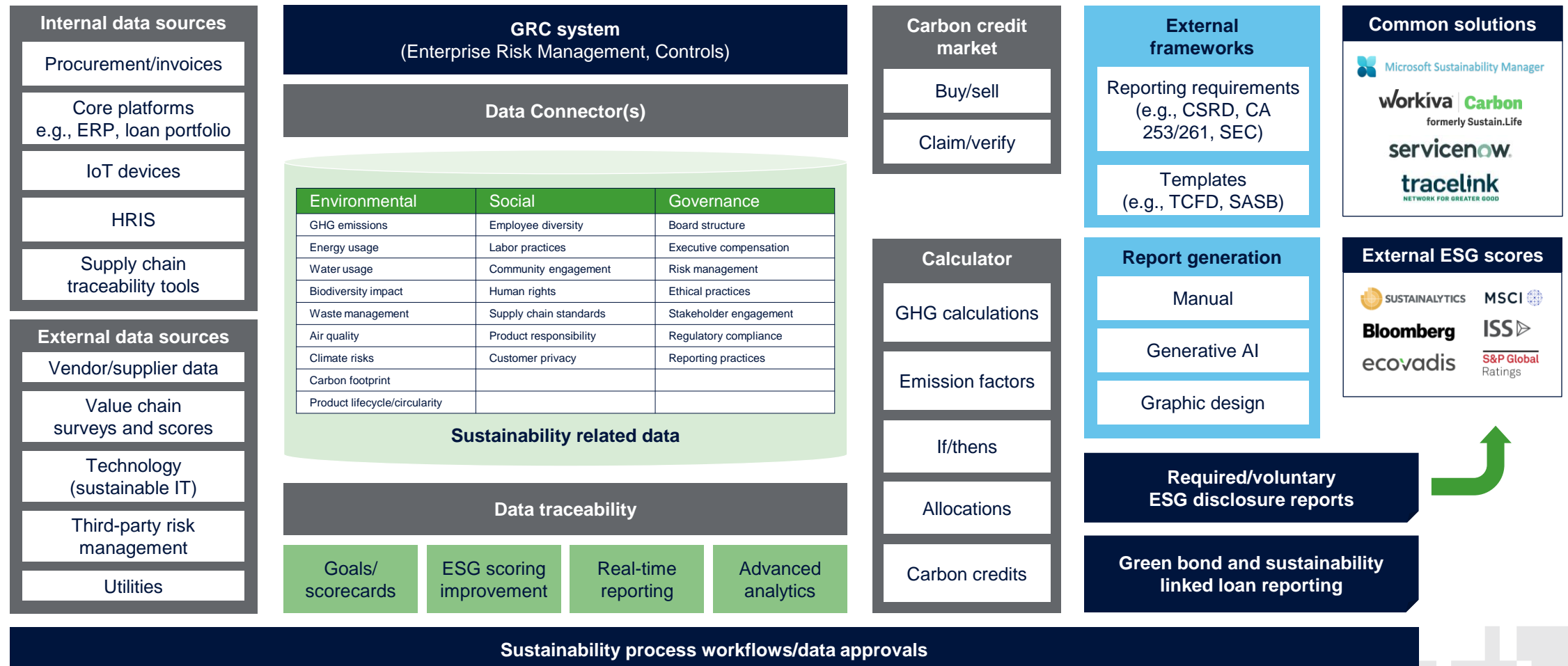
”

# Most popular tools used for sustainability



# Sustainability reference architecture

Applicable technology and process capabilities required for technology enablement of sustainability data gathering through reporting.





“  
The tax function really needs to be in constant contact with the operations side and others focused on sustainability.  
”

Debbie Gordon, Principal, RSM US LLP

# Clean energy and tax incentives

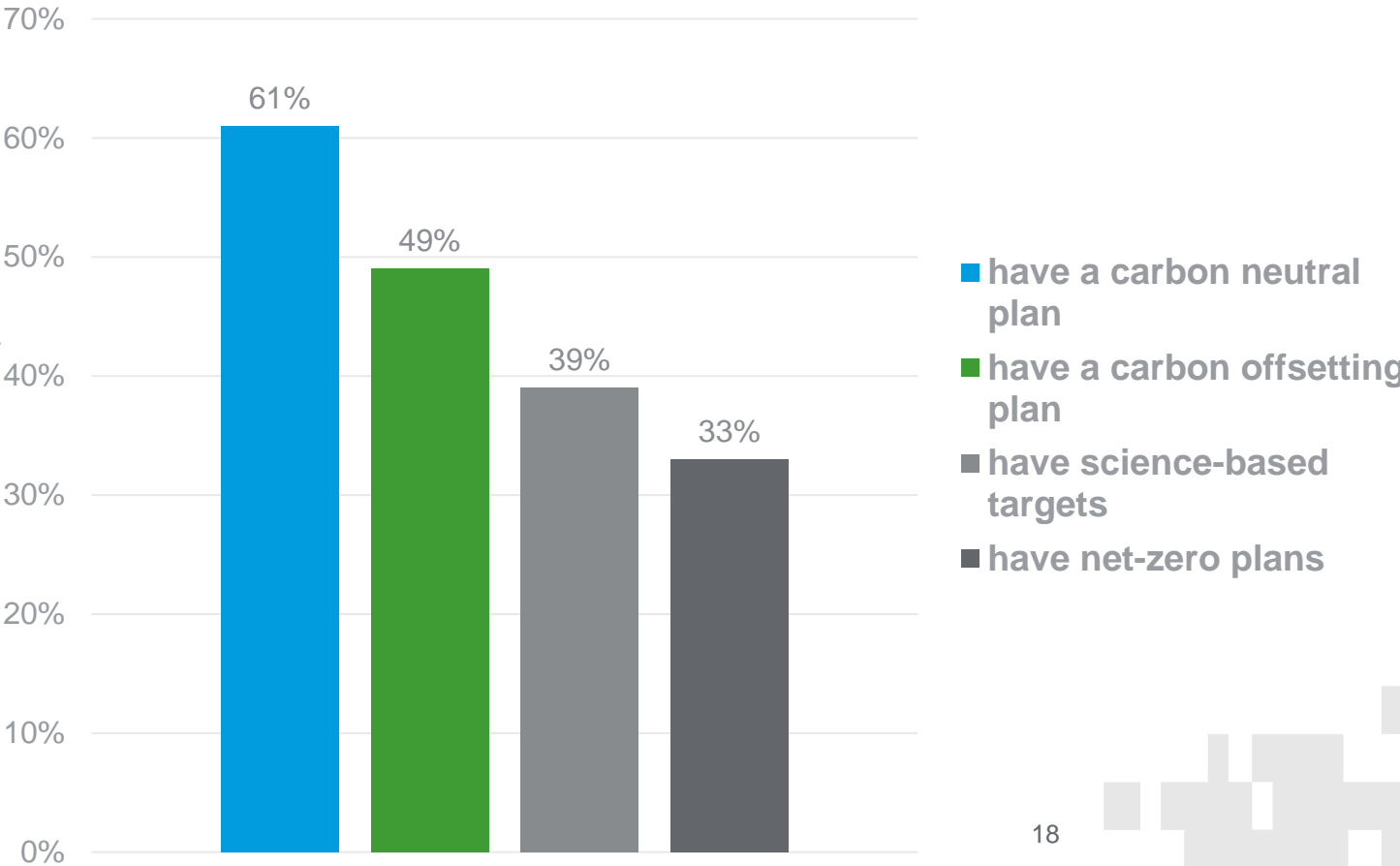
Awareness of federal clean energy tax credits is high. Key survey findings include:

- 78% of respondents are aware their organization can purchase federal clean energy tax credits to reduce its taxable income.
- 38% of these respondents have already purchased credits
- 12% of respondents are actively looking to purchase more.

Tax incentives are one part of companies' broader decarbonization efforts, some of which are more formalized than others.

**54% of survey respondents have a written decarbonization plan in place; carbon neutral plans are most common.**

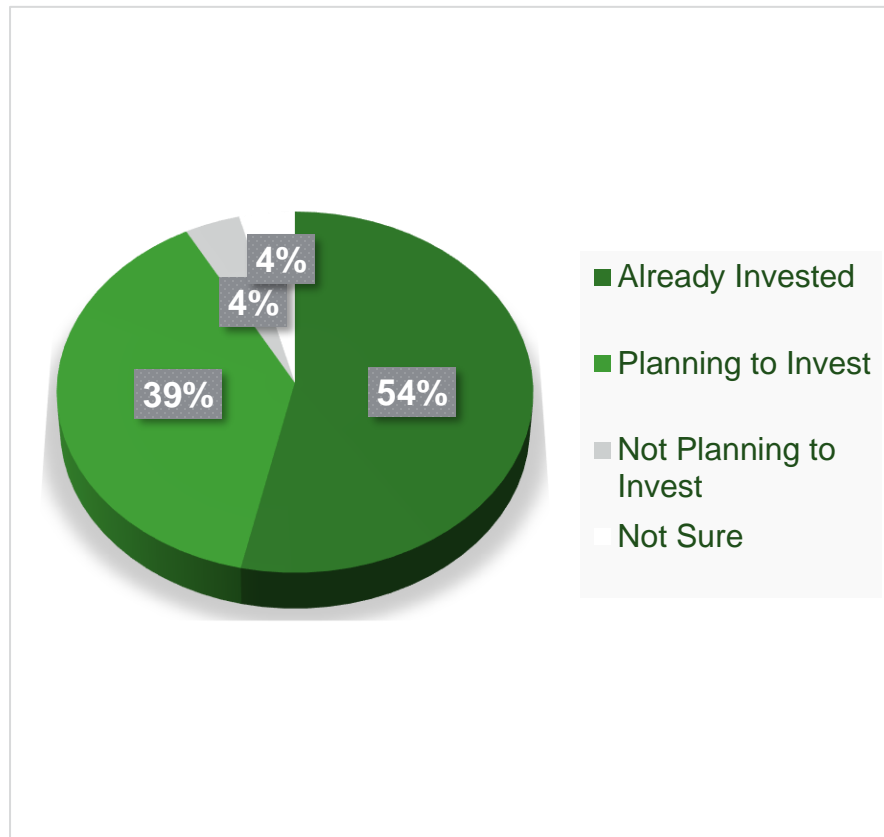
Of those with written plans in place...



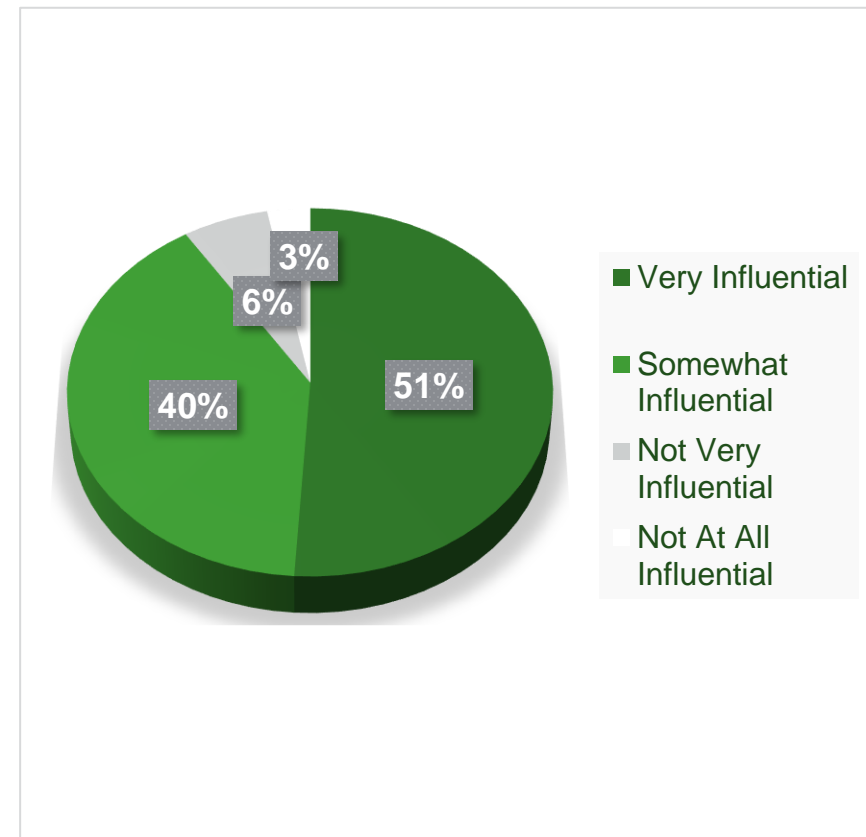


# Clean energy capital expenditures

Has your organization invested in clean energy projects?

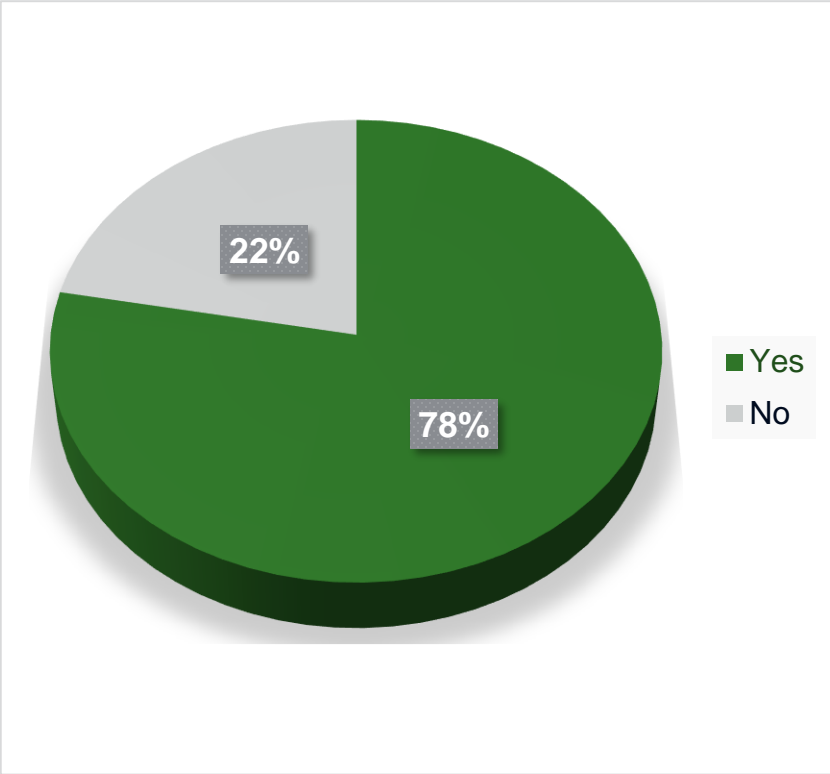


To what extent did the availability of tax credits influence your organization's decision to invest in clean energy projects?

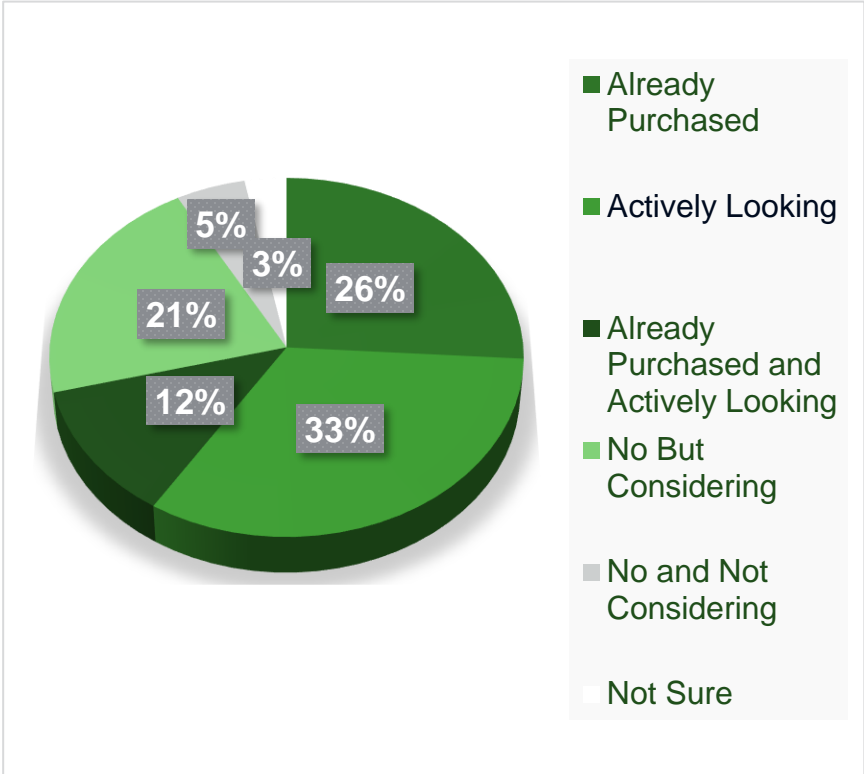


# Buying clean energy tax credits

Are you aware your organization can purchase clean energy tax credits to reduce its taxable income?



Has your organization taken any steps toward purchasing federal clean energy tax credits?



# Director's and board's role with sustainability

01

## Strategic oversight

Establish clear **sustainability goals** aligned with the company's mission and vision, and ensure they are embedded in the overall strategy.

02

## Risk management

Regularly review and assess **ESG risks** (e.g., climate risks, human rights issues, and regulatory compliance) and establish a framework for proactive mitigation.

03

## Stakeholder engagement

Engage with **stakeholders**, including investors, employees, communities, and regulators, to understand and respond to sustainability concerns and opportunities.

04

## Monitoring and reporting

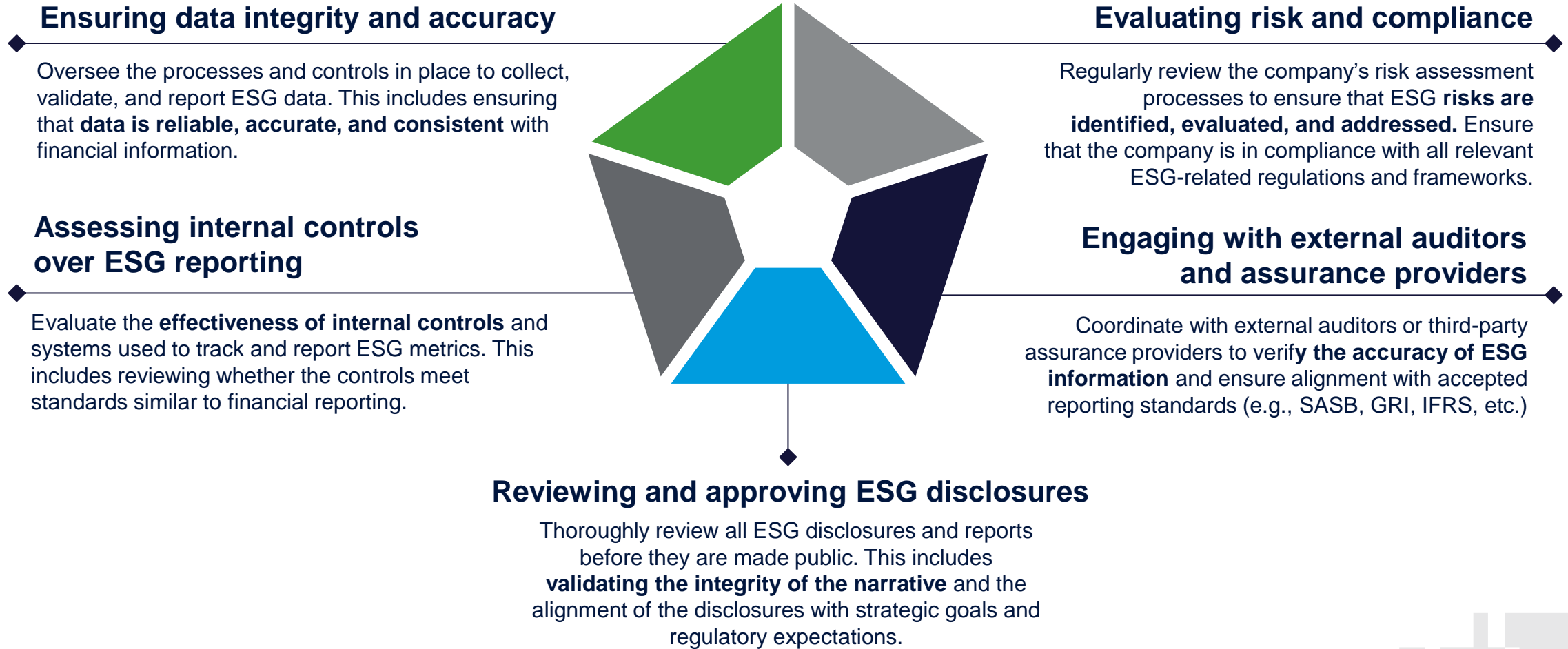
Set up key **performance indicators (KPIs)** that connect to business performance and monitor progress through regular board meetings.

05

## Organizational value

Ensure the **value of sustainability related efforts** through access to new markets, product and services, cost containment, innovation, risk reduction, talent attraction and retention.

# The role of the audit committee



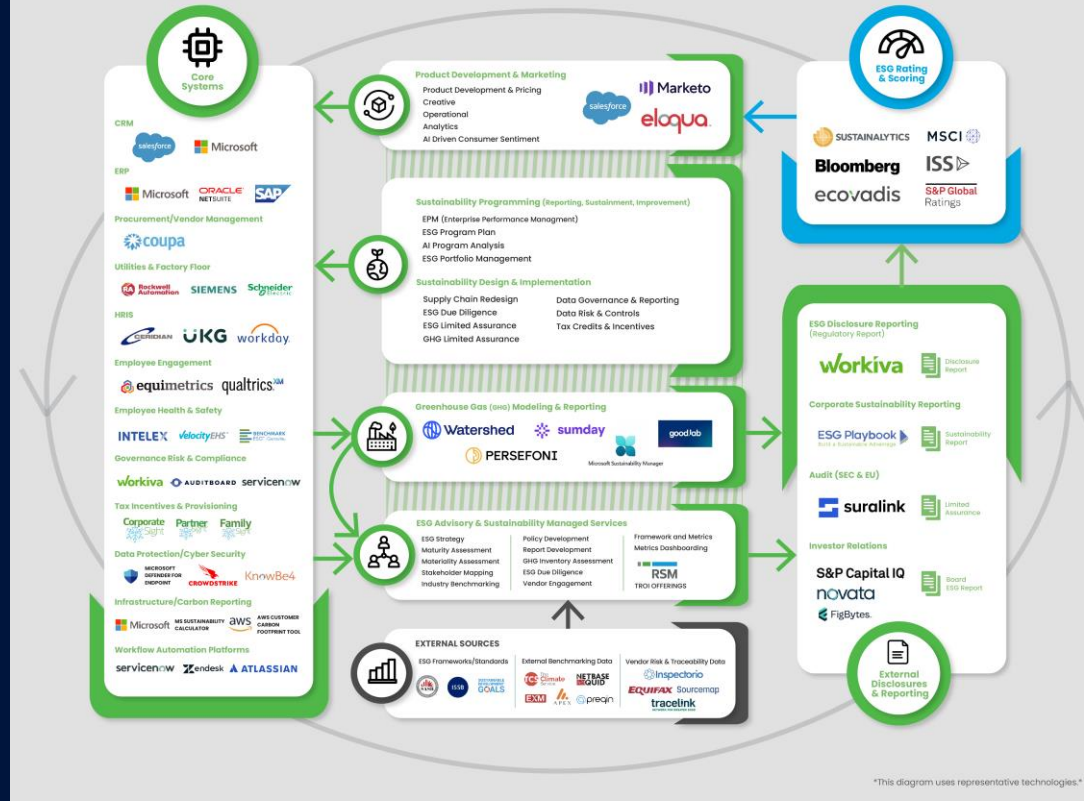


# How sustainability efforts preserve and enhance value





## Where does ESG currently exist in your company?



**RSM** ESG Ecosystem  
Architect for Impact:  
Process & Technology





# Q&A

## **RSM US LLP**

30 South Wacker Dr  
STE 3300  
Chicago, IL 60606

**T 312.634.3400**  
[rsmus.com](https://rsmus.com)

This document contains general information, may be based on authorities that are subject to change, and is not a substitute for professional advice or services. This document does not constitute audit, tax, consulting, business, financial, investment, legal or other professional advice, and you should consult a qualified professional advisor before taking any action based on the information herein. RSM US LLP, its affiliates and related entities are not responsible for any loss resulting from or relating to reliance on this document by any person. Internal Revenue Service rules require us to inform you that this communication may be deemed a solicitation to provide tax services. This communication is being sent to individuals who have subscribed to receive it or who we believe would have an interest in the topics discussed.

RSM US LLP is a limited liability partnership and the U.S. member firm of RSM International, a global network of independent audit, tax and consulting firms. The member firms of RSM International collaborate to provide services to global clients, but are separate and distinct legal entities that cannot obligate each other. Each member firm is responsible only for its own acts and omissions, and not those of any other party. Visit [rsmus.com/aboutus](https://rsmus.com/aboutus) for more information regarding RSM US LLP and RSM International.

RSM®, the RSM logo and The power of being understood are registered trademarks of RSM International Association, used under license.

© 2024 RSM US LLP. All Rights Reserved.



# The Private Company Governance Summit®

The largest conference for owners, shareholders  
and directors of privately held companies

May 14-16, 2025 • Washington, D.C.

***GOVERNANCE 2040:  
BUILDING THE BEST-IN-CLASS  
PRIVATE COMPANY BOARD***

<https://events.privatecompanydirector.com/PCGS25>

**Register  
Today!**

