



ESG PEER
NETWORK



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Head of Sustainability Advisory



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Sustainability Associate

Sustainability Trends for Business 2025

Webinar: 30 January 2025, 10-11am

Davy Horizons. **Helping you define sustainable solutions.**

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Sustainability trends for business 2025

Aim

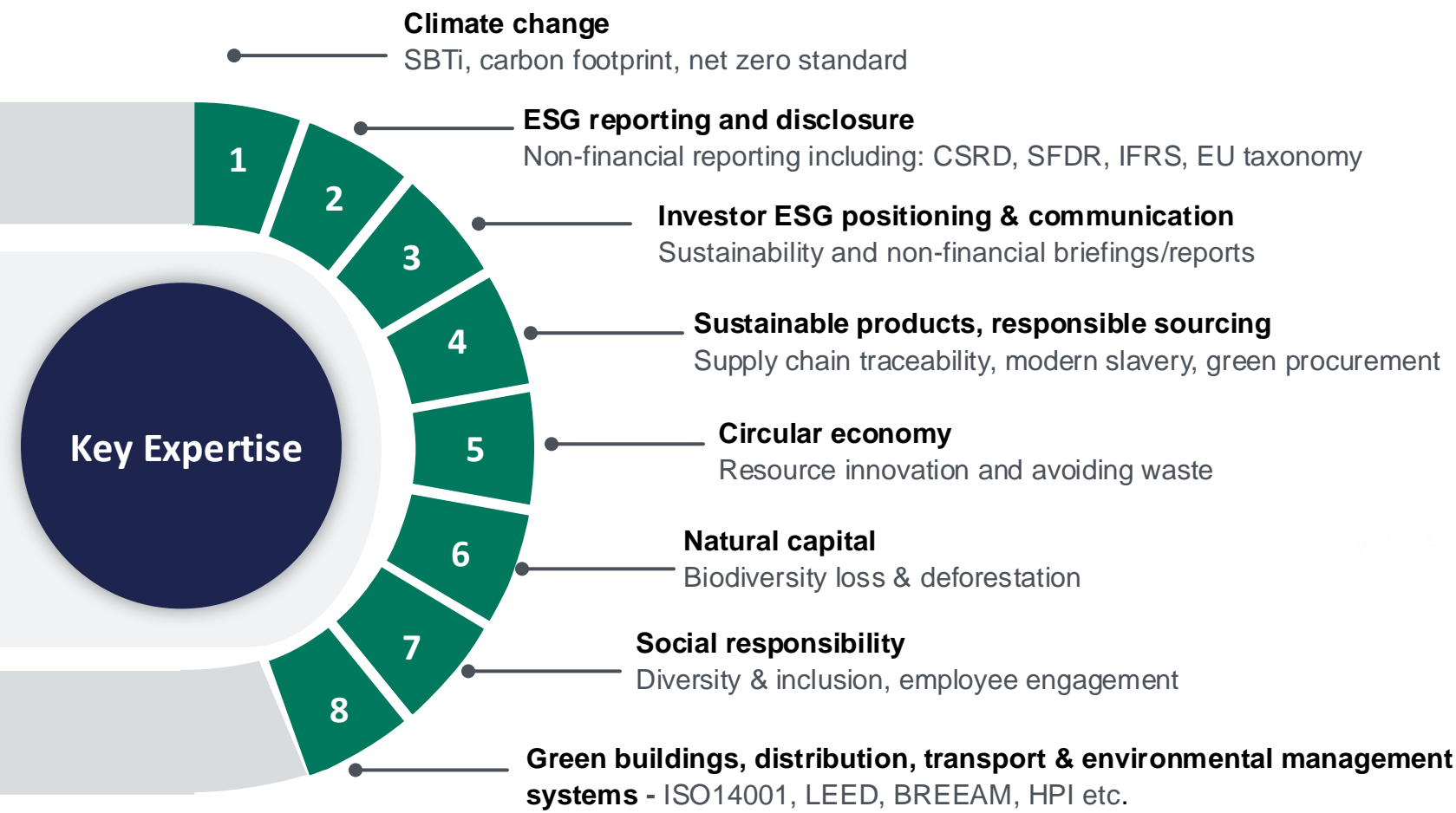
- Highlight the key sustainability trends for business that we see ahead for 2025. This is based on upcoming policy, regulations and stakeholder demands (lenders, shareholders, insurers, customers +)
- An insight accompanies the webinar providing more detail on each trend.

Agenda

- 1 Welcome & Introduction
- 2 Overview : Sustainability Trends 2025
- 3 Unpack each trend
- 4 Key Takeaways
- 5 Q&A/Discussion

Meet the Davy Horizons Team & Services

davy.ie/horizons



Davy Horizons are the sustainability consultancy in Davy and Bank of Ireland Group.

We are a world class team of sustainability practitioners bringing > 45 years combined track record supporting business and government across ESG topics.

The services we provide are illustrated.

As thought leaders, our affiliations are below and publications/events on the next page. For more information visit us at davy.ie/horizons



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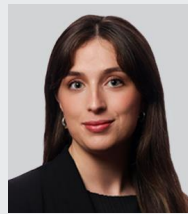
Ruchi Vansia
Senior Sustainability
Manager



Gina Mester
Senior Sustainability Associate



Ellen Keating
Sustainability Business
Executive



Seána Carty
Sustainability Associate



ESG peer network events
& insights



Regular newsletter updates -
[SUBSCRIBE here](#)



Stimulating the debate

Davy Horizons ESG Peer network

- CFO, IR and ESG specialist events in Dublin and London to help build networks, understand trends and solve problems

Working Groups

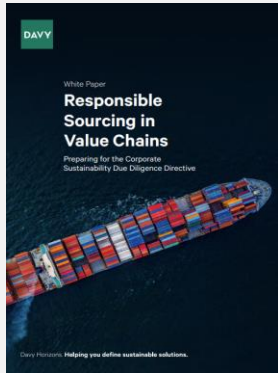
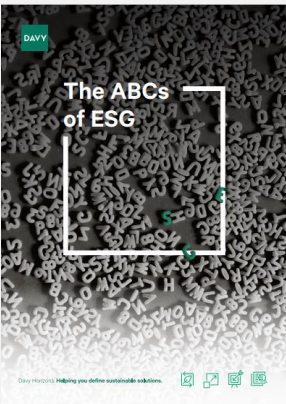
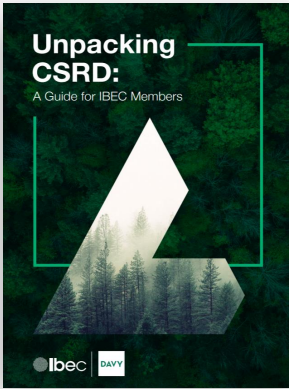
Central Bank of Ireland Climate Forum

- Davy Horizons is Co-Chair of the Capacity Building working group which seeks to address the ‘green skills gap’ across the broader financial services sector

International Sustainable Finance Centre of Excellence

- Davy Group is a partner of the ISFCE and is also a member of the Net Zero Transition and Climate Reporting & Disclosures working groups

Publishing insights for ESG stakeholders



Introduction to webinar hosts from Davy Horizons



Dr. Dorothy Maxwell FICRS, Dip IOD
Head of Davy Sustainability Advisory

25 years international experience working with business and government on sustainability across all ESG verticals based in New York, Brussels, London, Dublin & Singapore. Previous roles include with Accenture, Willis Towers Watson, McKinsey Centre for Sustainable Business, European Commission, UK Dept of Environment (DEFRA), and Senior Advisor to HRH Prince of Wales International Sustainability Unit. She has also been Head of Sustainability with Sanpower Group (China & UK) and Selfridges Group. She has an extensive track record leading and delivering sustainability and ESG projects in PLC, private and SME business across food, financial services, construction, real estate, FMCG/retail, distribution/warehousing, transport, pharmaceuticals and ICT.

Dorothy holds a MSc and PhD in Environmental Science and Economics from Imperial College London and lectures on their sustainability MSc. She is author of Valuing Natural Capital: Future Proofing Business & Finance, on the board of the Institute of Corporate Responsibility and Sustainability (ICRS) and the UK Corporate Eco Forum. She is a member of the Central Bank of Ireland (CBI) Climate & Sustainable Finance Forum, Co-Chairs the CBI Climate Finance Capacity Building Working Group and is a member of the ISO14000 Technical Committee (TC207) for drafting new sustainability standards.



Jonathan McKeown
CIFD, MBA
Director of ESG

Jonathan has over 25 years international financial markets experience including as Director, Commonwealth Bank of Australia & VP, Barclays structuring regulated securities solutions for corporates, investment funds and on M&A transactions.

Jonathan has a Masters in Business Administration, holds the CFA Certificate in ESG Investing and is a Certified Investment Funds Director. Prior to joining Davy, Jonathan co-founded an independent directors office with a focus on investment funds governance for SFDR & the EU Taxonomy. Jonathan is a member of the Institute of Directors in Ireland and the Institute of Banking.



Seána Carty
Sustainability Associate

Seána joined the Davy Horizons team in 2024 as a Sustainability Associate. She has international experience in the field of sustainability and human rights law and policy. Prior to joining Davy Horizons, she worked at the Department of Foreign Affairs in Ireland, supporting, among other things, the implementation and review of Ireland's National Plan on Business and Human Rights.

She has experience working in international organisations and civil society organizations in Dublin and Brussels. Her academic background includes a Master of Laws (LLM) in Business and Human Rights from the University of Dundee in Scotland and a Bachelor of Civil Law (BCL) in Law and Politics from University College Dublin in Ireland.

A M A R A



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IRISH FOOD BOARD

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THE CROWN
ESTATE



daa

DCC

epa Environmental Protection Agency
An Ghníomhaireacht um Chaomhú Comhshaoil

RYANAIR

EVERMORE | ENERGY

Glenveagh

G **Grafton**
Group plc



Thorntons
recycling

uniphar



KENNEDY WILSON

LYST

Origin
ENTERPRISES PLC

Smurfit Westrock

1 SUSTAINABILITY TRENDS 2025 OVERVIEW



Sustainability Trends 2025



Global Divide



Climate & Weather



Transition Finance



Reporting/
Benchmarks/ Governance



Data, AI & Digital



ESG & US Politics

Roll back climate targets, renewables, tariffs, DEI, human rights

The unravelling of a \$130tn climate alliance

The Glasgow Financial Alliance for Net Zero has undertaken radical changes amid a US member exodus

The New York Times U.S. Orders Federal D.E.I. Efforts to Shut Down by Wednesday Night

Staff members overseeing diversity, equity and inclusion efforts were to be placed on paid administrative leave by 5 p.m. Wednesday.

\$2tn = Cost of climate related extreme weather in last decade globally



1.5°C breached

A shadow 'financial crisis' has cost the world \$2 trillion



In this aerial photo, a vehicle drives through a flooded street after Hurricane Milton in Santa Key, Florida, on October 10, 2024. (Chandan Khanna/AP Photo)

Can transition finance get us to a greener future?

Helping investors navigate the complexities behind decarbonising hard-to-abate industries will be essential, given the need to attract more capital

The energy transition will be much cheaper than you think

Most analysts overestimate energy demand and underestimate technological advances

The global green transition will survive Trump

Higher borrowing costs from tariffs and tax cuts will be the US's main impact on carbon-saving investment worldwide

The \$9tn question: how to pay for the green transition

The bill for meeting climate goals will be immense. Governments worldwide are trying to figure out how to foot it

€101 m / annum - cost of flooding Ireland (CBI, 2024)
Re-insurance appetite low



EU Omnibus Simplification

- Competitiveness
- Decarbonisation

Governance



Growth in ESG digital applications

EU Cloud & AI Development

Balancing AI Carbon Footprint



Future of ESG Ratings?

2 CORPORATE LENS



Climate, Environment & Corporates

Global

- Risk: Climate, Extreme Weather & Environment – 5 of top 10
- Geopolitical headwinds with US & international climate & Carbon market goals (COP30)

EU & Ireland GHG Targets – 2030 & Climate Neutral by 2050

EU Green Transition

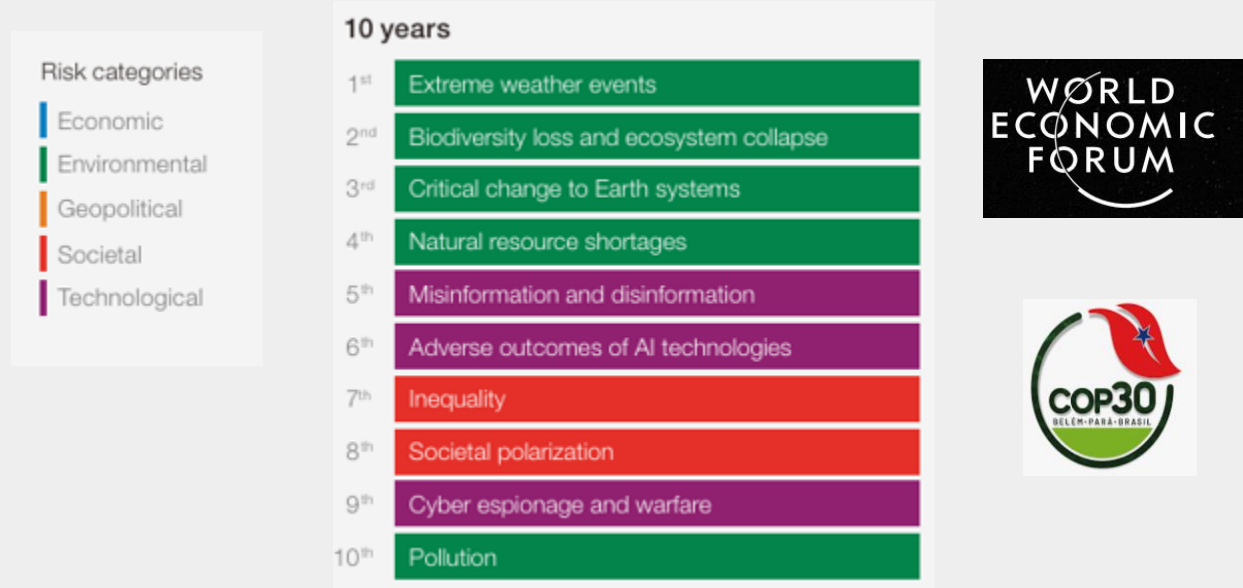
- Decarbonisation – core to competitiveness & security policy
- Renewables, green products/tech, fuels, Carbon capture/removal & storage
- Carbon Border Adjustment Mechanism – expansion avoid C leakage outside EU
- Sectors: Power, Transport, Agriculture, Built Environment, Chemical, Bio-Energy, Manufacturing

Spotlight for business in 2025

- 1.5C aligned science- based reduction Targets (Scope 1-3) & Climate Transition Plan
- SBTi
- Decarbonising Supply Chains (Scope 3)
- Integrating climate and environment in risk & investment frameworks (CSRD, CDP)
- Accountability of board & incentivisation of senior leaders



Global Risks Ranked by Severity (WEF 2025)



EU - 55% GHG reduction by 2030 vs 1990



Clean Industrial Deal



Ireland - 51% GHG reduction by 2030 vs 2018

Transition Finance

- Broad capital supports → decarbonisation
- Increasing momentum
- Supports transformation
- Sustainability-linked finance
- Credibility issues
- CSRD
- Assurance, strategic alignment, climate transition plans



Supply Chains – Environment & Human Rights

- CSRD
 - ESRS S2
 - ESRS E2
- EU Taxonomy – minimum safeguards (UN Guiding Principles & OECD Guidelines for MNCs)
- Corporate Sustainability Due Diligence Directive - upcoming (2027)
- Regulation prohibiting products made with forced labour – upcoming (2027)
- Regulation on Deforestation-free Products – upcoming December 2025
- New Taskforce on Social-related Financial Disclosures (TSFD)
- Responsible Sourcing



Council of the EU | Press release | 19 November 2024 15:08

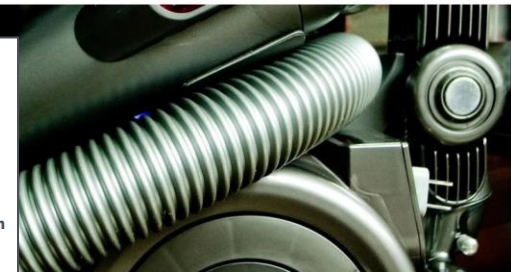
Products made with forced labour: Council adopts ban

TISFD | TASKFORCE ON INEQUALITY and SOCIAL-RELATED FINANCIAL DISCLOSURES

27.6 million
people in a situation of forced labour

Forced labour, as defined by the ILO, is 'all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily'.

UK Court of Appeal says migrant workers lawsuit against Dyson over allegations of forced labour in Malaysia can be heard in the UK



Circular Economy & Sustainable Products

Product manufacturers & retailers impacted by the roll out of

- EU Eco-design for Sustainable Products Regulation (ESPR)
- Right to Repair Directive
- Digital Product Passports

Traceability and Green Product Claims

- CSRD & Empower Consumers in Green Transition Directive (ECGT)
- Credible data & use of 3rd party verified labels
- Environmental Product Declarations (EPDs)

Ireland & Built Environment/Real estate

- Roll out of Energy performance in Buildings Directive
- Revamp of BER ratings
- Life Cycle Assessment, Costing in new developments
- Launch of Circular Built Environment Roadmap

Digital Product Passports



Reporting & Disclosure

Is a simplification for competitive reasons coming?

- Omnibus Proposal (CSRD, CSDDD, Taxonomy) avoiding overlap – expected 26 February 2025
- SMEs

EU Corporate Sustainability Reporting Directive (CSRD) & IFRS S1 & S2

- Regulating sustainability reporting
- Live in 2025: 1st CSRD Sustainability Statements in Integrated Reporting live & 1st IFRS S1 & S2 reports
- EFRAG sectoral standards continue – Double Materiality
- Interoperability – CSRD, IFRS, GRI, CDP +

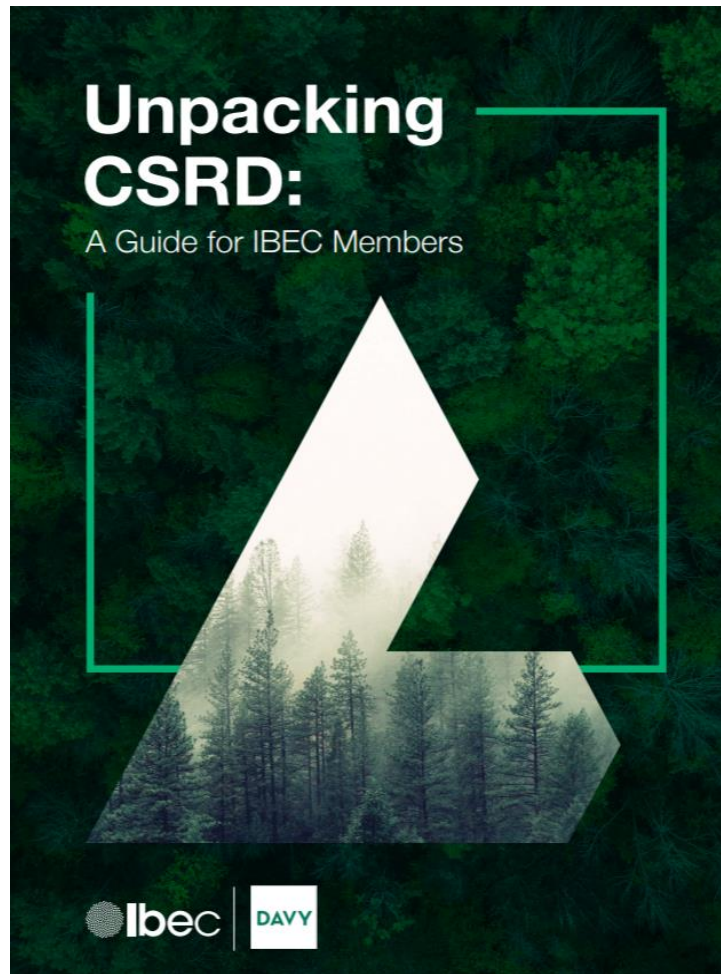
EU Taxonomy

- Disclosing annual CAPEX, OPEX, Investment for sustainable market transition
- 6 environmental objectives, DNSH & 3rd country exposures



12 x ESRS Standards	~ 350 pages	> 80 Disclosure requirements	> 1000 Datapoints
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Unpacking CSRD: A Guide for Business

[DOWNLOAD Unpacking CSRD - IBEC](#)

AIM

- Demystify – Practical Toolkit for business that companies can use as they prepare for CSRD reporting.
- Case studies illustrate good practice
- Roadmap with actionable steps
- Resources to facilitate implementation.

SCOPE & INTENDED USERS

- Corporates in scope of CSRD or in their value chain
- Functions overing sustainability, reporting, finance, operations (CSO, Co Sec, CFO, GM)



51 / Responds

Unpacking CSRD: A Guide for Business

In this episode of Ibec Responds, we delve into the upcoming changes brought by the Corporate Sustainability Reporting Directive (CSRD) with expert insights from Ibec's Kara McGann, Dr Dorothy Maxwell and Dr Helen Kavanagh of Davy Horizons.



Kara McGann
Head of Skills and Social Policy, Ibec



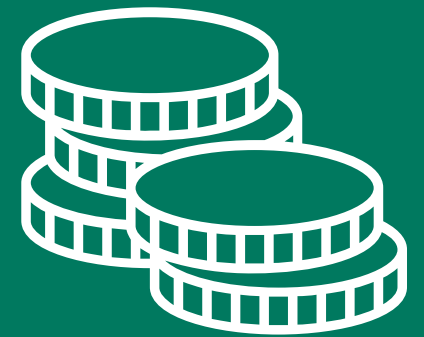
Dr Dorothy Maxwell
Head of Sustainability and ESG Advisory, Davy



Dr Helen Kavanagh
Associate Director of Sustainability, Davy

Ep.51

3 INVESTOR LENS



Ratings

EU ESG Ratings regulation – 2026

- Disclosure. Scoring methodologies, data sources & assumptions
- Operational change & potential consolidation
- Standardisation → transparency & clarity

Credit Ratings Agencies – ESG factors

- Integration of ESG factors into Credit Ratings
- ESG considerations can significantly impact creditworthiness
- Implications for issuers & investors



EU Green Bond Standard

EU Green Bond Standard

- Entered into force December 2024
- Addresses greenwashing & improves investor confidence
- Establishes strict criteria



SFDR 2.0

SFDR 2.0

- December 2024 proposal
- Articles 6, 8, 9 → product categorisation
- New Transition category
- Watching brief

ESAs Opinion on SFDR



Sustainability categories for financial products

“Sustainable” category

- Focus on sustainable investments
- Clear and objective minimum criteria
- EU Taxonomy basis for environmental sustainability

“Transition” category

- Focus on transition investments
- Mix of KPIs
- Consider initial ambitious but realistic share of investments that can grow over time

Non-categorised products

- Products that do not fulfil the conditions to fall under the proposed categories

Sustainability indicator(s) for financial products

Option 1: one indicator for products within and outside the sustainable and transition categories

Option 2: one indicator per sustainability category (non-categorised products not included)

Examples for grading



Sustainable category



Transition category



4 KEY TAKEAWAYS



Key Takeaways



Global

- Disruption from US ESG Rollback – government & business
- EU holds the line, simplification from competitiveness coming



Cost of climate risk & severe weather growing



Transition Finance



Reporting, Governance, Accountability & Competence

5 Q&A/Discussion





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ESG PEER
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Upcoming 2025 Events

ESG Peer Network 2 – Hybrid, Davy House

Date & Time: 05th March, 4-7pm

Topic: Financing, Insurance and Benchmarking in the Green Transition

Speakers:

James Chamberlayne, Director Sustainable Finance Program, CDP

Damien Lodge, Head of Sustainability and Public Affairs, RSA Ireland

Elchin Mammadov, UK Head of ESG & Climate Research, MSCI

Colette Shirley, Director of Sustainability, Corporate & Commercial, Bank of Ireland



ESG Peer Network 3 – Hybrid, Davy House

Date & Time: 21 May, 4-7pm

Topic: Supply Chain/ Due Diligence/ Nature Risk

ESG Peer Network 4 – Hybrid, Davy House

Date & Time: 06 November, 8-11am

Topic: Scaling Ireland's Net Zero Solutions

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Thank you

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