

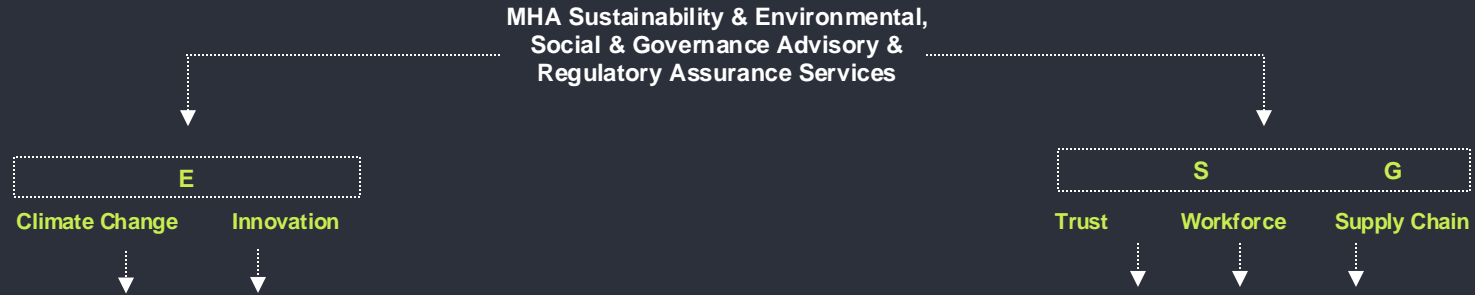
DESG in Detail



Now, for tomorrow

A Dynamic ESG Services Options in detail

Our Integrated regulation in advisory services
The MHA Approach



MHA DYNAMIC IMPLEMENTATION

- **Managing Emissions**; Scope 1, 2, 3 & 4 Reporting
- **The Net Zero Transformation Approach**; Plan-Transform-Deliver aligned to decarbonise matched to ESG standards
- **The Dynamic ESG Program**; Creating, evaluating and implementing a robust internal ESG systems approach with compliant reporting
- **Emissions management and Climate scheme** (UK Emissions Trading Scheme) and EUETS (UK: Woodland Carbon Code) & other schemes
- **Regulatory scheme compliance**; including Climate Change Agreements, Carbon Border Adjustment Mechanism & Taxes
- **ESG Assurance** (regulatory) Client assets; prudential reporting; data privacy; benchmarks and indices; Voluntary reporting compliance
- **ESG Assurance** (including 3rd Party) supply chain, IT Systems, emerging risks; social and sustainable financing, corporate governance, EDI
- **ESG Assurance Internal Audit Services** integrating into existing external or internal programs
- **ESG Sector best practise (including new technology)**; Guidance on the best in MHA core sectors encouraging value creation and opportunity utilisation

1
*

REGULATORY ALIGNMENT WITH MHA SERVICES (Including ISAE 3000 & ISSA 5000)

- **Task Force for Climate Related Disclosures (TCFD & UK CFD) - Best practice, compliance and assurance**
- Corporate Sustainability reporting directive (**CSRD**) & **EFRS** - Best practise, compliance and assurance
- International sustainability standards board (ISSB) S1 S2. – Best practice, compliance and assurance
- International Business Council (**IBC**) **Reporting Finance & Metrics** with the World Economic Forum (WEF)
- Task force on Nature related financial disclosures (**TNFD**) – Best practice, compliance and assurance
- Taxation frameworks across all jurisdictions including EU, Non EU & wider international locations.
- Bespoke compliance services with:
 - : **United Nations** Sustainable Development Goals (**UNSDG's**) alignment protocols
 - : **Mandatory Reporting: SECR** – Streamlined Energy Carbon Reporting & **ESOS** – Energy Saving Opportunity Schemes
 - : **Other assurance** frameworks including PRI; A4S; WEF IBC

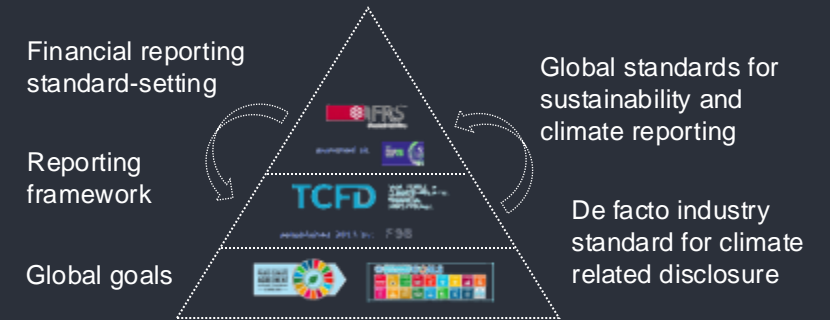
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MHA Assurance services across All areas of offering to meet the needs of the client

*1 Additional voluntary Carbon Credit schemes to consider: Social Carbon, CCB Standards, Gold Standard for Global Carbon

*2 When adopted into law

ESG – Why with MHA?



- The MHA service team engage with ESG function.
- The MHA service team discuss + question what is required.
- MHA develop the appropriate ESG function service.

1

- An Understanding of advisory offer.
- An Understanding of ESG processes.
- An Understanding of output from service.

2

- An Internal client use of ESG function.
- Utilisation of non ESG Specialist 'ambassadors' in ESG services.
- Leadership of sector specific ESG Issues.

3

- MHA delivery meets client expectations.
- Client business improvement in ESG terms. (Financial + Non Financial)
- Global client Engagement (BTI)
- Alignment with global standards.

4

It's a journey,
not a destination

A Dynamic ESG Services Approach in detail

Integrating regulation in advisory services for competitive advantage.
The MHA Approach – Survive the Tsunami



A dynamic ESG approach

Integrating regulation

Our integrated regulation in advisory services
The MHA Approach – Reporting as standard

Five steps to implement common metrics based on current reporting

Many companies will likely have some form of sustainability reporting already. In this section, we outline five simple steps to implement the WEF IBC metrics based on current reporting. For those companies who are just starting on the journey, the second step would be skipped.



Material factors affecting the business and external environment

Long term value creation generated through materiality assessment of primary areas and focus on growth. Consider short, medium, long-term actions



Analytical gap analysis

Metrics versus materiality versus historic versus best practise ESG data points



Feasibility assessment improvements on Gaps

Consideration of the gaps identified in areas such as Data constraints, legal restrictions, data processing and integrity, corporate governance



Reporting and system development

Evaluation of existing reporting systems to meet obligations for ESG integration. Internal control, leadership and management and alignment to strategy and value creation

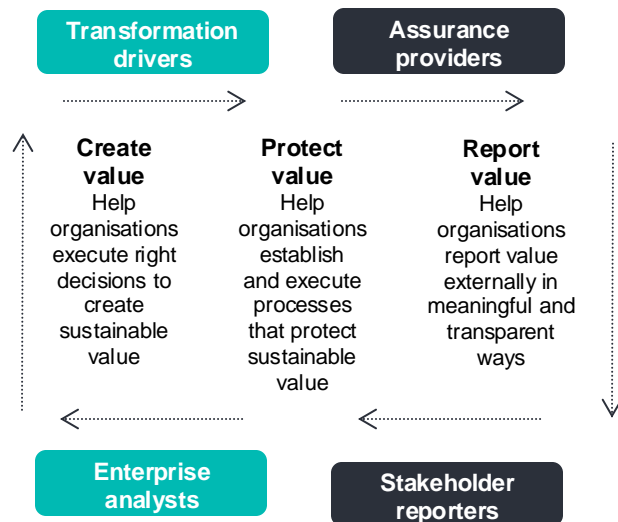


Financial and non-financial reporting assurance / compliance

Statutory and management reporting alignment into corporate disclosures. Integration of metrics in internal and external reporting, as well as 'soft statements' aligned to non-financial disclosures

Advisory, assurance and compliance

Profit with purpose 'value creation'



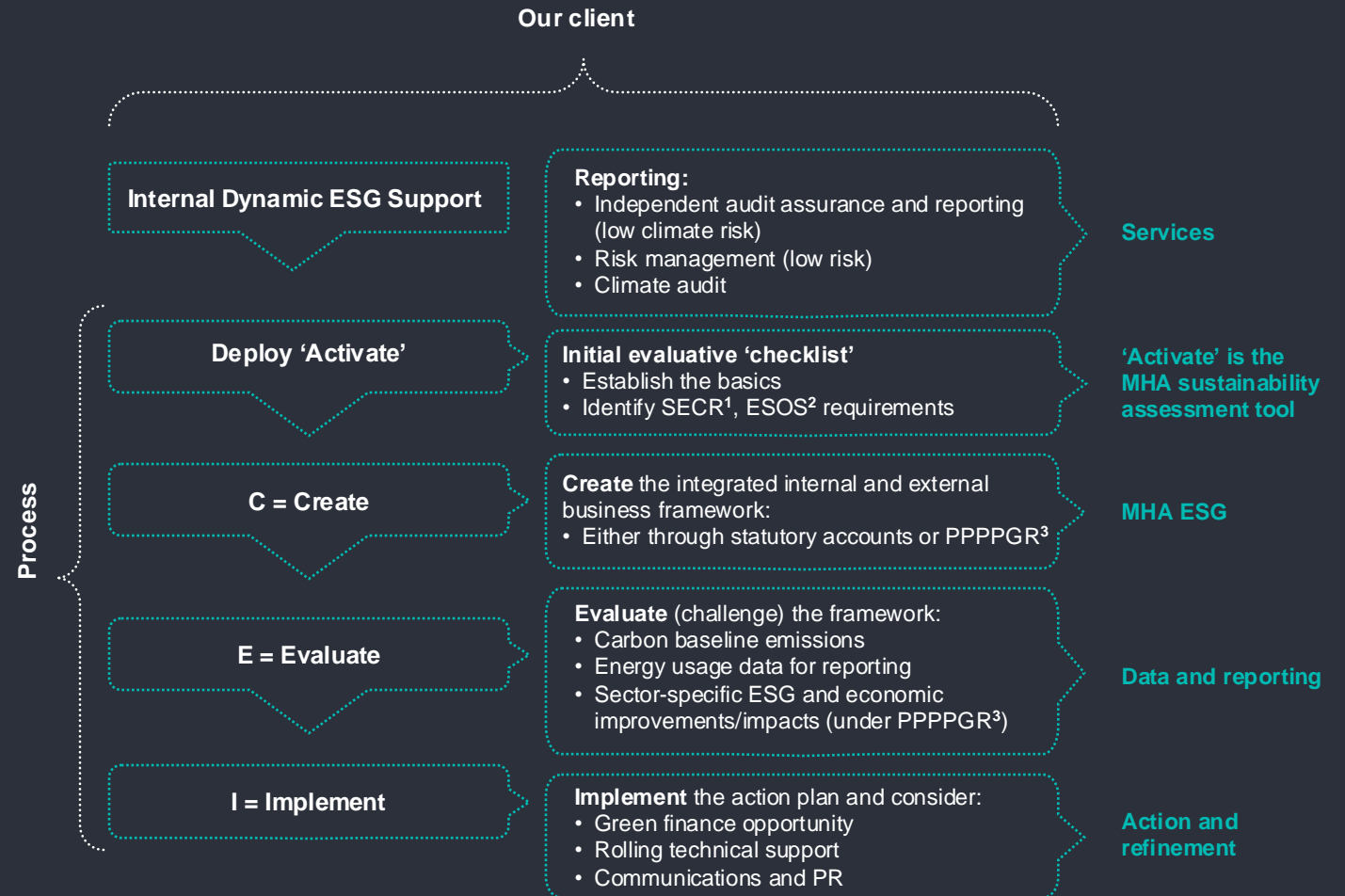
Create an integrated external engagement framework.
Deployment of MHA Activate ESG tool

Evaluate performance and create ESG plan. Right audience? Capacity? Innovation and fresh thinking? Actions (commitment) internal and external?

Implement solutions with effective ROI and communications frameworks.

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A dynamic framework



¹SECR: Streamlined Energy and Carbon Reporting

²ESOS: Energy Savings and Opportunities Scheme

³PPPPGR: Product – Price – Place – Promotion – Governance – Risk

How we do it - where do you want to be?

1. Mandatory reporting requirements

- Streamlined Energy Carbon Reporting (SECR)
- Energy Saving Opportunities Scheme (ESOS – Phase 3)

2. Build strategy

ESG maturity

- Strategy
- Programmes
- Operations
- Data & Measurement
- Stakeholders
- Reporting

- 1 Disregard:** ignore and face the consequences.
- 2 Compliance:** legally obliged to do - reduce operational and compliance risks. (Mandatory ESG reporting)
- 3 Obligations:** expected to do - reduce operational, brand, reputation risks. (Voluntary ESG reporting)
- 4 Efficiency:** the smart thing to do - operational cost savings, measure baselines, environmental process.
- 5 Leadership:** long-term value and investment - sustainable innovation, business models, brand enhancement.
- 6 Excellence:** purpose, equity, differentiation and sustainable value creation - increasing value for society and stakeholders.

3. ESG advisory

External value creation

- Market differentiation
- Tender advantage through supply chain
- Raise supplier standards

Social value creation

- Attract staff in competitive market
- Retain staff
- Sector leadership stance (societal licencing)
- Single-minded purpose (staff cohesion)

Direct financial value


- Content for publicity and market positioning
- Cost-savings (energy; technology)
- Qualify for financial support grants

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