STRATEGIC COMPLIANCE

STREAMLINING SUSTAINABILITY AND CHEMICAL REGULATION

Presented at CHEMUK | May 2026



Who are we & what do we do?

STAND M120

- We are one of the world’s top professional services firms, bringing together some of the brightest engineers, advisors and scientists from across the globe.
- We exist to shape communities to advance humanity. We see the world through a Future Ready® lens, fuelled by a shared commitment to making a positive impact - one project and community at a time.
- We empower our clients to dream big and carve new paths, tackling the real-world challenges that matter most.
- We leverage our global scale and local expertise to deliver remarkable projects that bring positive change.
- We inspire, guide, and collaborate with our clients across over 100 sectors and 180 services.

No matter the challenge, our teams envision future possibilities and bring them to life through technical know-how and innovation.



European Sustainability Reporting Standards (ESRS)

Corporate Sustainability Reporting Directive (CSRD) – Directive (EU) 2022/2464

- Legal obligation to disclose sustainability information in annual reporting
  - Environmental and Social Impacts
  - Sustainability-Related Risks and Opportunities
  - Governance Arrangements affecting Sustainability
- Reporting specifics outlined by the ESRS – Delegated Regulation (EU) 2023/2772
  - Currently being revised under the ‘Simplification Omnibus I package’ to streamline reporting
  - Expected to reduce the mandatory datapoints and reduce reporting costs for companies with <1000 employees
  - Consultation closes 3rd June 2026 and is expected for publication later this year

Material Topics

Companies perform a double materiality assessment to identify material sustainability topics

- Topics are defined within
  - Environmental (E), Social (S) and Governance (G)
- Topics deemed Material are subject to detailed disclosure requirements

Standardised Reporting Structure

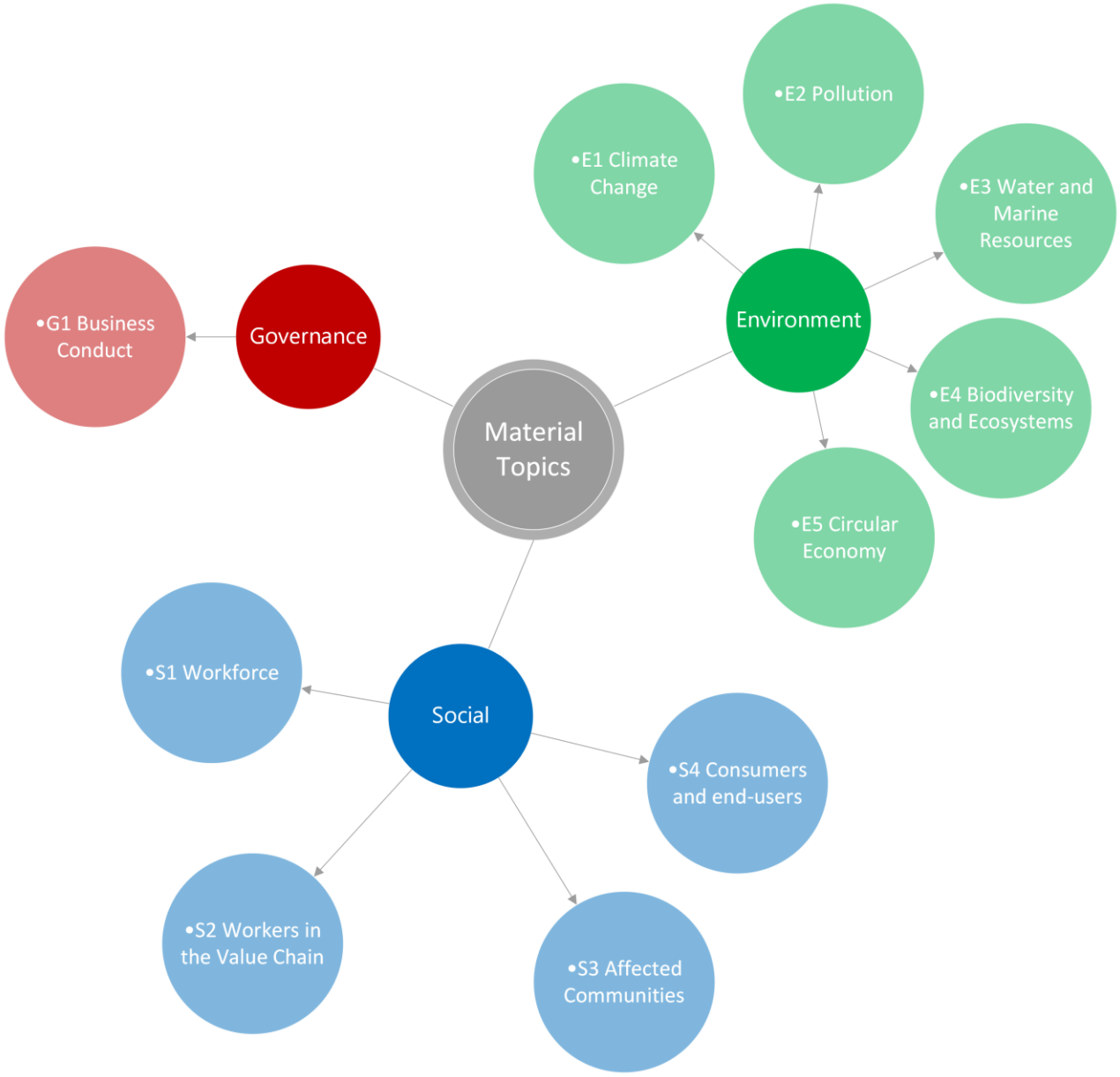
- Governance
  - Processes, controls and procedures used to monitor, manage and oversee
- Strategy
  - How the strategy and business model addresses the risks and opportunities
- Impact, Risk and Opportunity Management (IRO)
  - Process by which the business identifies IROs and manages them through policies and actions
- Metrics and Targets
  - Performance and the progress made towards meeting goals

Material Topics

Topics are deemed ‘material’ based on a double assessment approach:

- **Impact materiality**
  - Impact on environment and society
- **Financial materiality**
  - Financial risks and opportunities affecting the company

Topics assessed as Material to the company operations and value chain are subject to detailed ESRS disclosure requirements



Overlap with Existing Company Activities

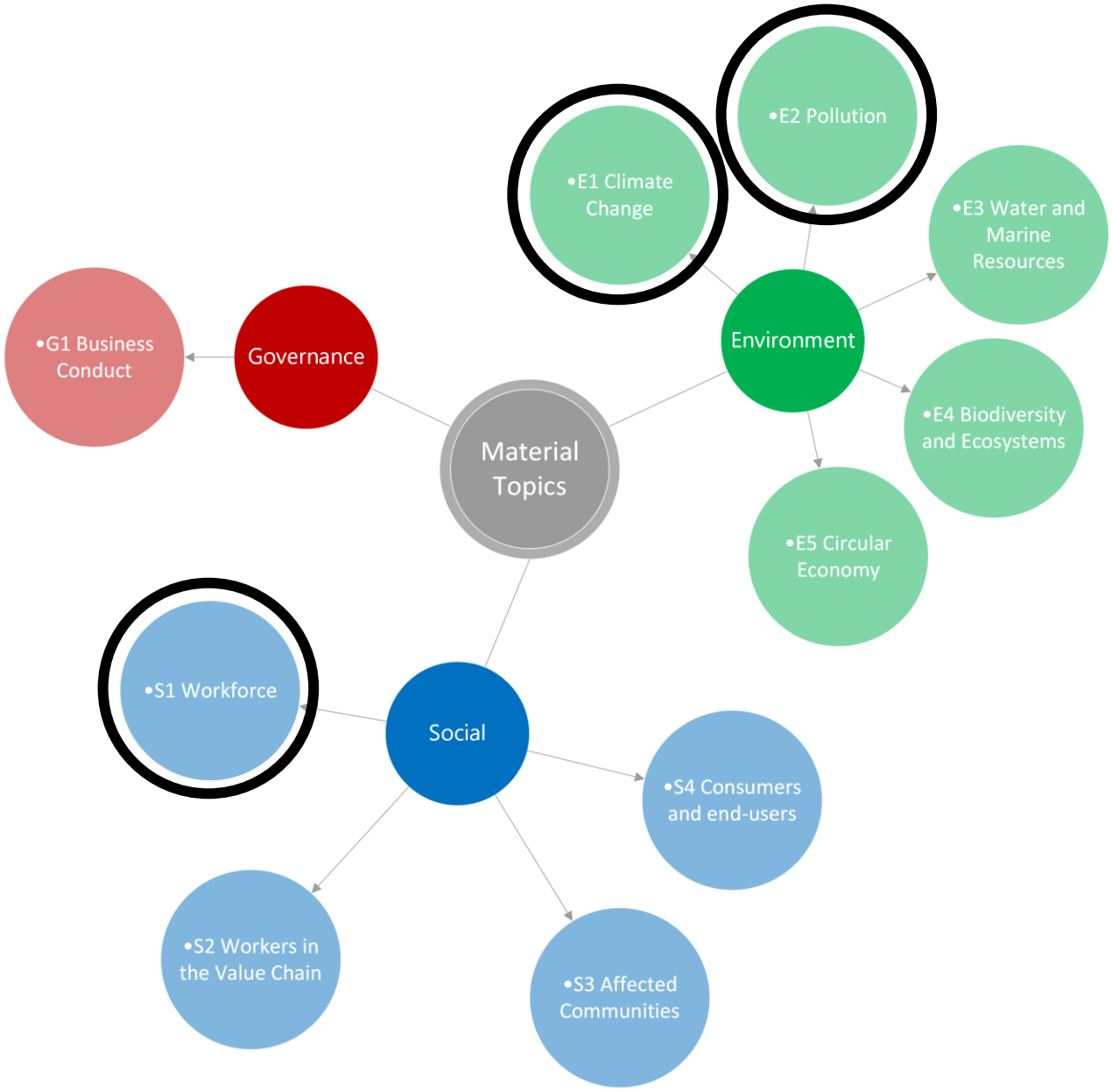
E1 - Climate Change

- Greenhouse Gas Reporting
- Energy Management Systems (ISO 14001/ISO 50001)

S1 - Workforce

- HR Systems
- Health and Safety Reporting
- Employment law compliance
- Diversity, equity and inclusion (DEI) metrics

E2 – Pollution…



E2 – Pollution

Disclosure Requirements for:

- **Pollution of air**
  - Indoor and outdoor emissions
  - Prevention, control and reduction
- **Pollution of water**
  - Emissions
  - Prevention, control and reduction
- **Pollution of soil**
  - Emissions
  - Prevention, control and reduction
- **Substances of Concern**
  - Production, Use and/or Distribution and Commercialisation
  - Substances of Very High Concern
  - Actual or Potential Impacts to Users
  - Restrictions on Use and Commercialisation



Substances of Concern

Existing Supply Chain Tracking of SoC is usually limited to SVHCs

- Formally identified on the REACH Candidate list
- Identified on Safety Data Sheets

Expanding the Regulatory definition to match the ESRS scope

- May not be recognized in supply chain requests
- May significantly increase the expected measure of substances of concern in the business
- May result in volatile metrics
  - Classifications are subject to change



Substances Affecting Recycling and Reuse

No predefined or exhaustive list of substances

Not limited to SVHCs or Regulated chemicals

Must consider:

- **Technical Factors**
  - Recyclability, compatibility, constraints
- **Practical Measures**
  - Available technologies, infrastructure
- **Compliance**
  - Restrictions, market thresholds

Assessments are judgement based and vary due to:

- Product Type (Plastics, Electronics, Metals)
- Sector of Use (Consumer goods, food contact)
- Region of Sale (Recycling thresholds, national regulatory lists)



Consequences of Inconsistent Identification

The lack of a harmonised definition of '**Substance of Concern**' throughout your business and value chain leads to inconsistent identification measurement and reporting

Audit Risk

- Difficulty demonstrating consistency and traceability
- Increased scrutiny by third parties

Operational Inefficiency

- Duplication of Effort
- Poor communication
- Inefficient implementation of strategy

Reputation Risk

- Inconsistent messaging to customers, investors and regulators

Strategic Risk

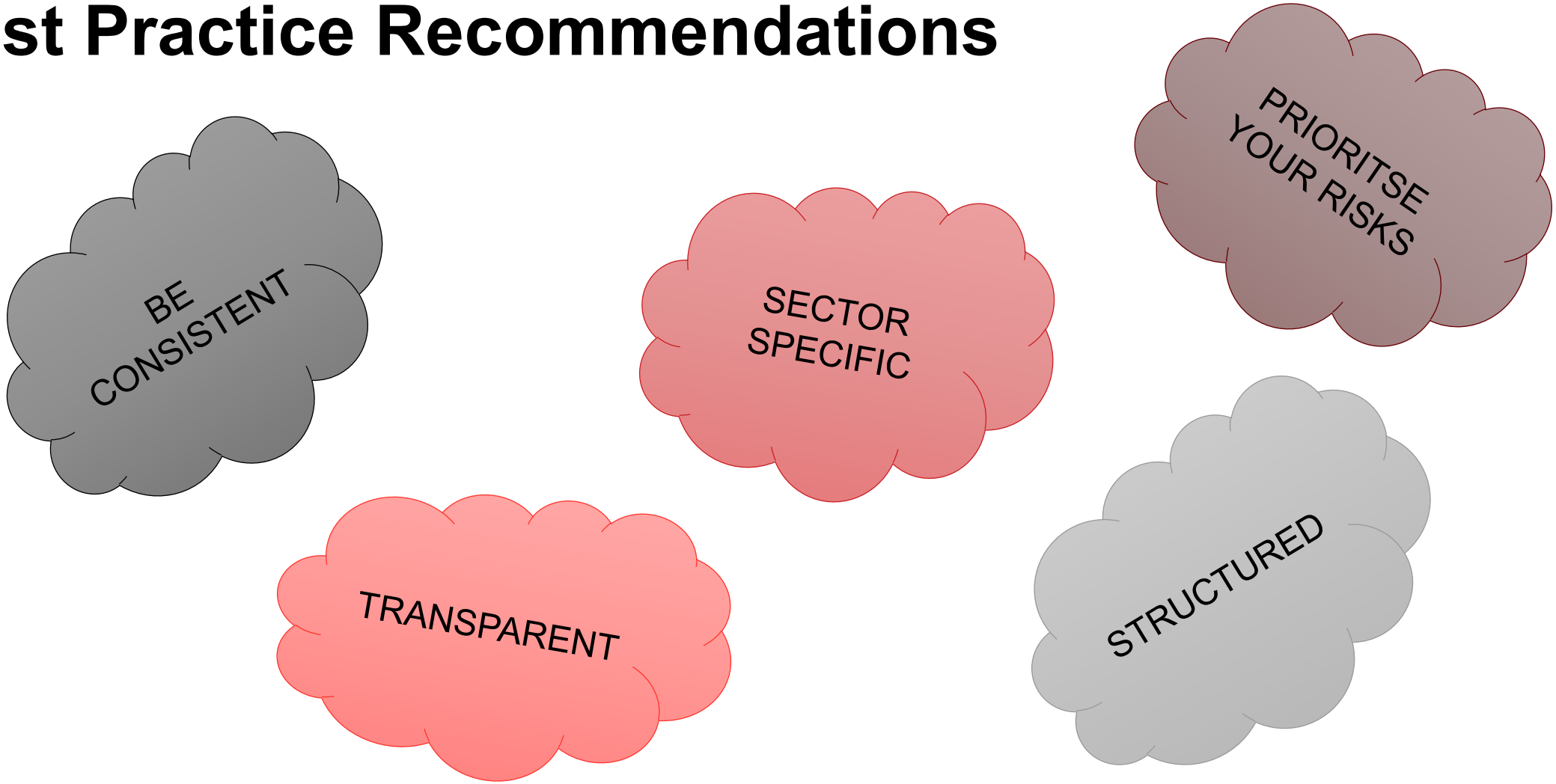
- Misaligned prioritisation of substances
- Ineffective or duplicated substitution strategies
- Regrettable substitution

Streamlining Compliance

- **Establish your company definition of ‘Substances of Concern’**
  - Include your ESPR circularity criteria
  - Maintain a controlled, documented substance list
- **Consolidate to a single data source (one source of truth)**
  - Include: SDS Data, Supplier declarations, REACH/SCiP data, Product Composition/Bill of Materials Databases
  - Avoid duplication across sustainability reporting tools and regulatory systems
- **Align quantification methodologies**
  - Define consistent approach to thresholds
  - Site vs. Aggregated reporting
  - Document assumptions for estimates and/or data gaps
- **Cross Functional Governance**
  - Establish clear ownership between EHS, Regulatory and Sustainability
  - Who owns data, provides reporting outputs?
- **Audit Ready**
  - Documented, traceable from Source data -> Calculations -> Disclosure



Best Practice Recommendations



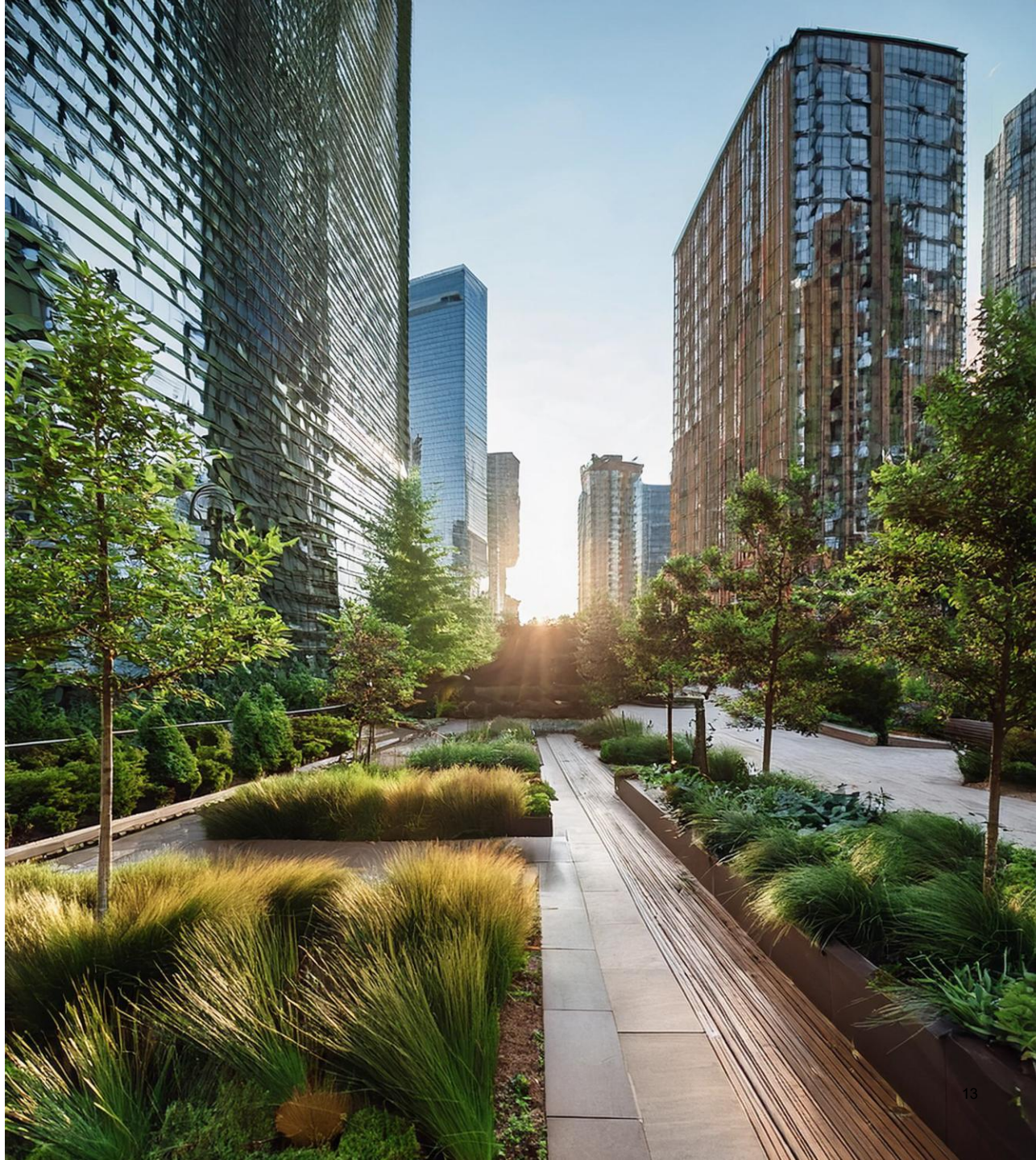
Delivering Confidence

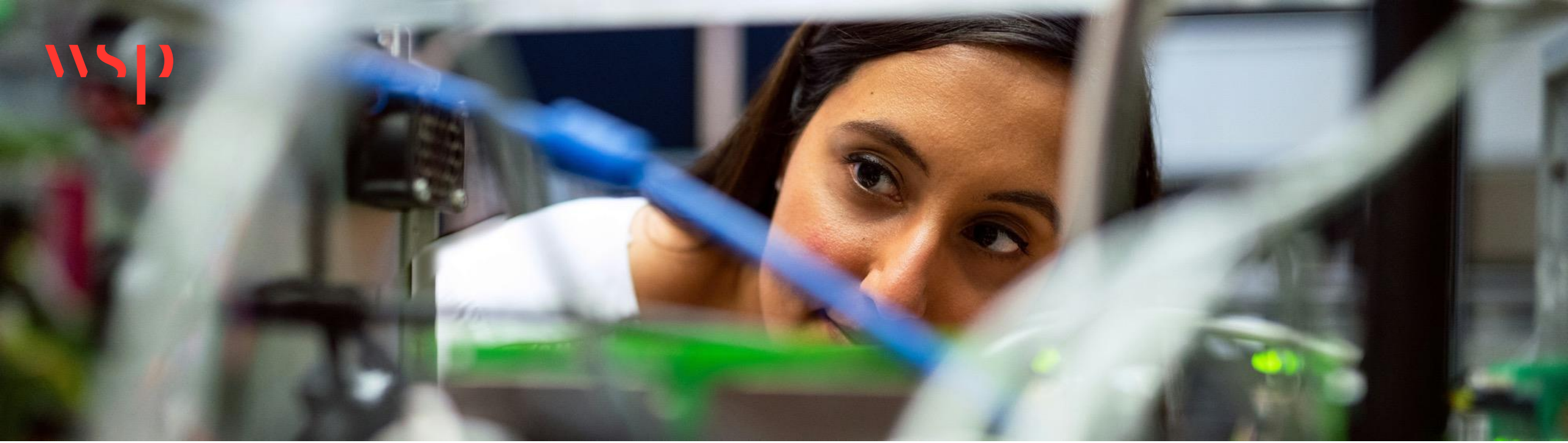
Supporting Effective and Defensive Implementation

Effective alignment between ESRS and Chemical Regulation benefits from

- Independent Interpretation
  - Translate and align requirements
  - Establish scope and applicability across portfolio
  - Ensure consistency with regulations, guidance and best practice
- Robust Methodology
  - Consistent
  - Repeatable
  - Defensible
- Audit Ready Implementation
  - Traceable, well documented, justified

WSP provides integrated support across regulatory compliance and sustainability reporting to deliver consistent, audit ready outcomes





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