

The Integrated Financial-Sustainability Framework

*How Existing Financial and Accounting Software Can
Be Used for Climate Disclosures Today*

2 INSIGHTS

1. Sustainability reporting is new for finance teams. Using existing financial and accounting software simplifies the challenge and increases the quality of reported data
2. When financial reporting and sustainability reporting are integrated, a business is assured of getting a cost-effective and defensible emissions reduction plan, the biggest “bang for the buck”

FACTS

- Everyone is frustrated with current sustainability reporting
- There is a global shortage of sustainability expertise
- Global standards bodies, such as ISSB and ICFR, are quickly moving towards Integrated Reporting of financial and sustainability data. This will create a new “normal” around reporting sustainability data and relieve the finance team from becoming sustainability geeks. Just a modest level of expertise will suffice!
- GLYNT has developed the Integrated Financial-Sustainability Reporting framework to enable use of existing finance and accounting software
- Focused on the expense area of the income statement, GLYNT’s offering is compliant with the GHG Protocols, standard reporting formats and upcoming Integrated Reporting

“Enterprise value reflects expectations of the amount, timing and certainty of future cash. An entity’s sustainability-related financial disclosures are essential inputs and material to any significant sustainability-related risks and opportunities to which the entity is exposed.”

- [ICFR](#)

THE INTEGRATED FINANCIAL-SUSTAINABILITY FRAMEWORK

A recent article in Harvard Business Review proposes a full integration of financial and sustainability reporting. As the authors note, there is plenty of double counting in the GHG Protocol, the framework that underlies every midsize reporting standard.

Also, GHG Protocol has ambiguities around the boundaries of operational control and reporting, while financial accounting has a rigorous, well-tested approach. And the GHG Protocol lacks internal self-consistency checks, while financial reporting is based on double-entry accounting. Resolution of these matters increases investor confidence.

While there have been efforts to integrate financial and sustainability reporting in the past, the clarity of the HBR article and the authority of the authors – Bob Kaplan of Harvard Business School and Karthik Ramanna of Oxford University - has given this approach new life.

GLYNT's experience is that integrated financial and sustainability reporting is essential. First, it places sustainability reporting into a familiar financial framework, making it much easier and quicker for finance teams to report sustainability data.

Second, integrated reporting is needed to optimize emissions reduction plans. Which projects pay for themselves? Which are too expensive to do now? How do the projects fit together into a multi-year reduction plan?

And there are financing options to consider. Using debt or project financing could be the right decision. Modern financial planning software is ready to make these tradeoffs.

Without integrated sustainability-finance reporting, the CFO is flying blind. Talk to GLYNT our data is ready for Integrated Financial-Sustainability Reporting.

Indicative Enhanced Financial Statement for Salesforce (NYSE: CRM)

	FROM SFDC ANNUAL REPORT (millions of \$)		FROM GLYNT (millions of tons CO2e)		
	FY2022	FY2021	FY2022	FY2021	
REVENUE					
Subscription & Support	24,657	19,976	-1,205,280	-1,046,250	
Professional Services	1,835	1,276	-90,720	-78,750	
TOTAL	26,492	21,252	-1,296,000	-1,125,000	
COST OF REVENUES					
Subscription & Support	5,059	454	246,240	213,750	
Professional Services	1967	1,284	95,904	83,250	
TOTAL	7,026	948	342,144	297,000	
Net Revenues	19,466	15,814	-953,856	-828,000	
OPERATING EXPENSE					
Research & Development	4,465	3,598	195,330	171,900	
Marketing and Sales	8,855	9,674	505,560	443,080	
General and Administrative	2,598	2,087	94,900	100,700	
TOTAL	15,918	15,359	815,790	716,680	
Income from Operations	548	455	204,078	183,970	
Gain on Investments	1,201	2,170	47,000	34,000	
Other expense	-227	-64	9,571	7,714	
Depreciation expense			251,878	243,970	
EBIT	1,532	2,561	251,878	243,970	
Taxes	-88	151			
Net Income	1,444	4,012	251,878	243,970	
Carbon Credits			-1,296,000	-885,000	
Net Emissions			-1,044,122	-641,030	
Total Emissions Produced, per Enhanced Financial Statement			1,294,505	1,053,684	
Total Emissions Reported by SFDC			1,296,000	1,125,000	
Difference Due to Treatment of Capital Goods & Avoidance of Double-Counting			81,495	71,316	

Expense Management
Financing Options
Emissions Reductions

READ THE RESEARCH

- [Accounting for Climate Change](#), Harvard Business Review
- [Sustainability Strategies and Net Zero Goals](#), Strategic Finance
- [Key Actions for Establishing Effective Governance Over ESG Reporting](#), AICPA

ABOUT GLYNT

GLYNT is the leading platform for Enterprise Sustainability Data. Our mission is to enable businesses, homes and communities around the globe to produce and profit from their emissions data. GLYNT's advanced machine learning accelerates and simplifies emissions, energy, waste and water data flows for finance and sustainability teams, and our Enterprise Sustainability Data enables reporting compliance, operational savings and climate finance. Learn more at glynt.ai

