



# ESG Webinar

Anticipating changes to EU regulations  
instead of  
constantly revising them

**Part 1: Political framework – EU enforcement options**

# Agenda: Environment Social Governance – Webinar, Part 1

## Political framework – EU enforcement options

1. Who we are, our background experience
2. What ESG is supposed to achieve
3. How EU legislation works
4. The six key pieces of ESG legislation
5. "Salami tactics" of EU legislation on ESG, taking the example of supply chain monitoring
6. What ESG also enables
7. Anticipatory approach to EU regulatory changes
8. Our two tandems: EU monitoring insider + ESG interim manager = your "ESG guides"
9. Outlook on ESG webinar, part 2: Action opportunities for companies

# 1. Who we are, our background experience – (a)

## What experiences have led us to our conclusions?

### Master of Economics Donald Greiner

has been working as an analyst at the interface between business, science and politics since 2009.

2009–2014, he was an advisor in the EU Parliament. 2015–2017, he worked as an entrepreneur in the fields of solar thermal energy, energy storage and lightweight metal construction. 2017–2024, he had been working as an advisor in the German Bundestag, since 2024 again in the EU Parliament, always with reference to ESG topics.



### Master of Economics Hansjörg Müller

has been working since 1994 in international companies, since 2015 as an interim manager in various functions (PM, CFO, CCO, CRO, CEO) with a focus on sales, supply chain management, process optimisation, restructuring and ESG.

2017–2021, he was MP of the German Bundestag. As member of the Committee on Economic Affairs & Energy, he gained intimate insights into the restructuring of the economy in line with the Green Deal and human rights. There, he dealt extensively with the EU's ESG regulations.



# 1. Who we are, our background experience – (b)

## What experiences have led us to our conclusions?

### Entrepreneur Julian Kopetzky

Julian Kopetzky is managing director of an environmental consulting company. Parallel to his entrepreneurial activities, he studied computer science. At the company, he prepares ESG ratings and energy performance certificates for properties. He works with Donald Greiner on analysing the EU's ESG regulations.



### Engineer Karlheinz Zuerl

Has been working since 1984 in the automotive, mechanical engineering and environmental industries. Since 2013, as interim managing director and consultant with a focus on turnaround and business development (finance, quality, supply chain management, HR, digitalisation, automation). Since 2005, he has been living and working in Europe as well as in China and Asia (Japan, Korea, Taiwan, Vietnam, Malaysia, India). ESG and CO2 issues (carbon footprint, neutrality management) are part of his tasks for export-orientated clients.



# 2. What ESG is supposed to achieve

Environment	Social	Governance
<ul style="list-style-type: none"><li>➤ Waste &amp; Pollution</li><li>➤ Energy Management</li><li>➤ Opportunities in environmental management</li><li>➤ Climate strategy (!)</li><li>➤ Emissions (!)</li><li>➤ Decarbonisation (!)</li><li>➤ Water management</li><li>➤ Circular economy</li></ul>	<ul style="list-style-type: none"><li>➤ Human Capital</li><li>➤ Supply chain (!)</li><li>➤ Product quality and safety</li><li>➤ Stakeholder relationships</li><li>➤ Internal co-determination and transparency</li><li>➤ Meaning and social impact of products (!)</li><li>➤ Employee safety</li><li>➤ Diversity management (!)</li><li>➤ Consumer protection and customer safety</li><li>➤ Contribution to the common good (!)</li><li>➤ Health</li></ul>	<ul style="list-style-type: none"><li>➤ Corporate governance</li><li>➤ Transparency in the remuneration of executives</li><li>➤ Business ethics (!)</li><li>➤ Compliance (!)</li><li>➤ Risk management (!)</li><li>➤ Ethical handling of funds (!)</li><li>➤ Competitive behaviour</li></ul>

It is about "sustainability" in the 3 ESG areas

Source: According to Steinbeiss Augsburg Business School

# 3. How EU legislation works

Repetitive process in loops, confusing



## Problem

- EU “salami tactics” - i.e. rules are changed bit by bit, including changes to the changes - causes repeated time-consuming and cost-intensive adjustments in companies.
- Companies are constantly lagging behind new rule changes = reacting.

## Solution

- Ongoing monitoring of EU legislation + recognising the typical “EU speech” between the lines of documents and announcements from Brussels. This enables forward-looking action = acting.
- Knowledge of the internal logic of EU legislation, including the relatively arbitrary delegated and implementing acts by the EU Commission. This enables an assessment of what companies can expect in the near future.

# 4. The six key pieces of ESG legislation

The following six EU regulations regulate the main ESG obligations of companies in an interlinked manner. Leads to a lack of clarity between the E, S and G sub-requirements per set of rules.

1. Climate Benchmarks Regulation (EU 2019/2089) CBR (**Regulation**, applies)
2. Sustainable Finance Disclosure Regulation (EU 2019/2088) SFDR (**Regulation**, applies)
3. Taxonomy Regulation (EU 2020/852) TR (**Regulation**, applies)
4. Corporate Sustainability Reporting Directive (EU 2022/2464) CSRD (**Directive**, applies)
5. EU Green Bond Regulation (EU 2023/2631) EU-GBR (**Regulation**, applies)
6. Corporate Sustainability Due Diligence Directive (EU 2024/1760) CSDDD (**Directive**, applies)

As with any set of regulations, this results in extensive reporting, liability and action obligations. The already considerable amount of bureaucracy in companies will continue to increase.

# 5. "Salami tactics" of EU legislation on ESG – (a)

## Taking the example of supply chain monitoring

1. In Germany, the Supply Chain Due Diligence Act (LkSG) has been in force since 01/01/2023: as an EU test balloon.
2. It affects companies with > 1,000 employees since 2024 (> 3,000 employees until 2023) and includes prototype components of the new EU CSDDD regulation on supply chains: environmental and human rights requirements, reporting obligations, complaints procedures, liability rules, duties to act. Often vaguely formulated.
3. LkSG partially dissolved the unity of "influence + responsibility" for companies:
  - Companies are responsible for Scope 3 "To Do's" that they cannot always influence.
  - Supply chains are complex and in reality there is no complete transparency about upstream suppliers.
  - Too many "To Do's" are undefined, but control and penalisation of companies are precisely regulated!
4. The BAFA, as the responsible federal control authority, therefore seems rather clueless in its handouts.
5. The EU CSDDD goes further in its requirements than the German LkSG. In conjunction with CSRD and the delegated acts ESRS on the reporting standard, the obligations from the LkSG are significantly tightened up, even though they have not yet been properly implemented by companies. Nevertheless, the state requires the fulfilment of new actions and reports which, however, were postponed in 2024 to 2027 and 2029 respectively.
6. In addition, there are numerous delegated and implementing acts by the EU Commission. Experience teaches us



# 5. "Salami tactics" of EU legislation on ESG – (b)

that the EU Commission acts hereby relatively arbitrarily and further tightens existing rules at its own discretion. There, civil servants often decide beyond the realities of life and business.

7. It can be assumed that the EU Commission will always see a need for more regulation. It acts in the interests of NGOs and large consulting firms that want to make money from the business model of ever new consulting loops. Every rule change creates a new need for consultancy to keep companies up to date.

**Conclusion:** Companies are confronted with a highly dynamic ESG regulatory situation which will not even begin to be worked through before the next changes have to be complied with!

## Further pitfalls

Social standards within and outside the EU come into conflict. Example: in many countries it is part of the culture that young people contribute to the family budget. In the EU, however, this is considered illegal child labour.

Possibility of abuse or questionability of the new CSDDD rules:

- Whistleblowing of alleged breaches of regulations by third parties, who are not liable for the consequences (anonymously or through trade unions), can be used to undermine competitors.
- Extension of due diligence obligations to the entire value chain, including upstream suppliers and downstream customers, if their impact is „significant“, with reversal of the burden of proof.

# 6. What ESG also enables – (a)

As can be seen from the example of supply chain monitoring, ESG regulations can also be used to enforce something different on companies than is stated in public

- The obligations are vaguely formulated and are constantly being amended during their fulfilment.
- However, the penalties that companies have to pay if they do not fulfil their obligations are precisely regulated. The permanent need for consultation costs additional money.
- Penalties + reporting obligations enable the state to exercise top-down control over companies through coercion.

**Emotional Packaging**

Saving the environment (E),  
human rights (S), ethics (G)

**In public**

Publicly stated goals with a positive connotation

**Factual Possibilities**

Forced top-down control + payment

**Behind the scenes**

The factual possibilities are very problematic

distinguish



## 6. What ESG also enables – (b)

### Question: Is this assessment correct?

Let's hear from Larry Fink, CEO of Blackrock, a key driver of ESG, on whether this also involves coercion towards companies:

*Source: DealBook Conference 2017*



Softening of this previously hard position at the beginning of 2025: Blackrock left the climate alliance! "Trump effect"?

### To think about:

- EU legislative proposals and amendments essentially originate from external interest groups (investment funds, NGOs, corporations, consultancies, etc.) which are fed into the EU legislative process by around 25,000 lobbyists with an annual budget of 1.5 billion euros. *Source: <https://www.lobbycontrol.de/lobbyismus-in-der-eu/>*
- "Follow the money and you find the power".
- Legislation triggers the following: people behave the way the incentives are set.

# 7. Anticipatory approach to EU regulatory changes – (a)

## Every decision-maker can see it as they wish

- From the perspective of the publicly declared goals or the factual possibilities – or from both perspectives.
- Regardless of their origin: the ESG rules are there and must be complied with!

**Our new approach helps companies to master with foresight the permanent change requirements from the six ESG regulations, while minimising their time and financial burdens!**

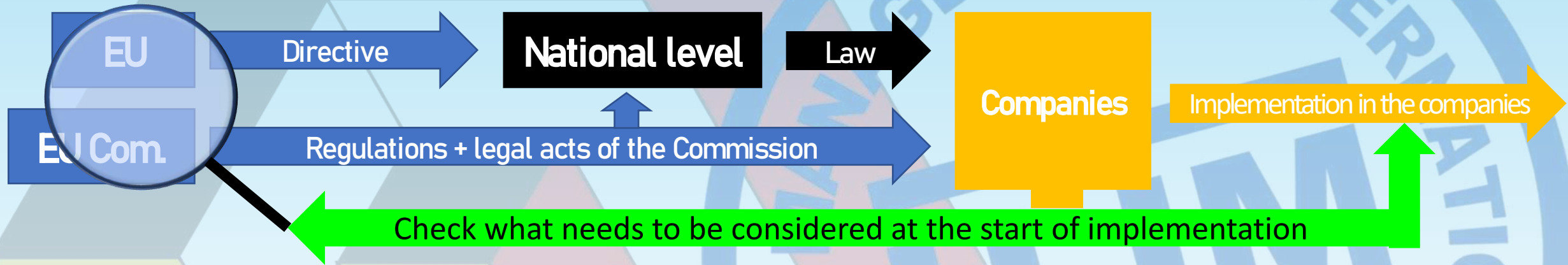
## Problems of previous approaches for companies to comply with ESG rules

- ESG issues are relatively unknown, very few companies know to what extent they are already affected.
- The EU is issuing the rules bit by bit and is constantly changing/tightening previously issued rules ("salami tactics").
- No decision-maker can see through this alone and is dependent on buying in expertise.
- The consulting industry has no incentive to provide companies with sustainable ESG solutions so that it can be commissioned again when the next EU regulation is changed.

**Conclusion: previous approaches to the corporate handling of ESG and "sustainability" are not sustainable!**

# 7. Anticipatory approach to EU regulatory changes – (b)

Tandem of EU monitoring insider, our analyst + ESG interim manager in the company



**Anticipatory approach = sustainable implementation. Anticipatory action in the company, from the start of the ESG implementation project, replaces repeated consultations following new EU regulatory changes: act instead of react!**

- Set up ESG processes from the outset in such a way, that expected regulatory changes in the future are built in from the start (we know how regulators tick, e.g. by recognising typical "EU speech", etc.).
- Constant monitoring of EU rule changes by the EU monitoring insiders, our analysts (Greiner, Kopetzky). Immediate forwarding of news to the ESG interim managers (Müller, Zuerl) in the client company.
- Our two tandems steer the ESG project in such a way that the client company is "ahead of the curve".

# 8. Our two tandems = your "ESG guides"

[www.esg-guides.com](http://www.esg-guides.com)

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# 9. Outlook on ESG Webinar, Part 2

## Action opportunities for companies

1. Follow-up to ESG webinar, part 1: Political framework - EU enforcement options
2. Repetition of ESG areas
3. Companies of what size are affected by ESG?
4. Each fulfilment of ESG rules works individually
5. ESG standards, certifications and forms of reports
6. Fulfilment of main ESG obligations - Methodical approach
7. Decision matrix for anticipatory action
8. Expectations of companies towards ESG interim managers
9. Our two tandems: EU monitoring insider + ESG interim manager = your "ESG guides"