

BearingPoint®

Hailiang Metal Europe becomes a pioneer in pursuing CSRD compliance for Chinese enterprises going global

HME

Through its partnership with BearingPoint, Hailiang Metal Europe (HME) has successfully addressed the requirements of the Corporate Sustainability Reporting Directive (CSRD), while setting ambitious goals for continuous improvement. This laid a strong foundation for HME's sustainable development and responsibility in the global industry.

Hailiang Metal Europe (HME) is a leading manufacturer of copper and brass products, with production facilities across Germany, Spain, France, and Italy. As a subsidiary of Zhejiang Hailiang Co., HME specializes in producing high-quality copper tubes and brass alloys for industrial and domestic applications.

Addressing sustainability and compliance in a global market

The European Commission's Corporate Sustainability Reporting Directive (CSRD), part of the Green Deal initiative, requires companies to disclose regularly and comprehensively the social and environmental risks they face and the impact of their activities on people and the environment. However, these reports require significant investments in technology and infrastructure, which can be particularly challenging for companies with global operations. In addition, non-EU companies that generate more than €150 million in the EU market are also mandated to comply with these reporting standards

An increasing number of Chinese manufacturing companies are expanding globally. Among these is the Hailian Group, recognized as a leader in the copper and brass industry, as well as its commitment to sustainability and compliance.

The Group has established a presence in Europe with multiple production and manufacturing sites managed by Hailiang Metal Europe (HME). As the holding company of Hailiang Metal Europe (HME) in the European Union, Hailiang Netherlands Holding B.V. must comply with the new CSRD regulations. Additionally, its parent company Zhejiang Hailiang Co. will need to report the entire scope at a later date.

Hailiang Metal Europe is committed to minimizing its environmental footprint by using state-of-the-art production methods, significantly reducing greenhouse gas emissions and relentlessly pursuing recyclability. The company is required to comply with the new regulation in fiscal year 2025, with reports to be published in 2026.

Developing a roadmap for environmentally friendly practices

To navigate this complex regulatory landscape, Hailiang Metal Europe partnered with BearingPoint to guide them through their reporting on sustainability. The project began with an as-is assessment, which was critical to understanding HME's current situation.

A double materiality assessment was used to pinpoint the company's environmental topics, ensuring a thorough evaluation of both financial and non-financial impacts. The project team also conducted a gap analysis to identify discrepancies between HME's

current practices and the data requirements of the European Sustainability Reporting Standards (ESRS).

Next, BearingPoint conducted an in-depth analysis of HME's business activities to determine the company's eligibility according to the EU taxonomy, ensuring alignment with the latest regulatory frameworks and sustainability criteria. In addition, an internal carbon accounting process has been developed in accordance with the ISO 14064-1:2018 standard to accurately measure and manage HME's greenhouse gas emissions.

Embracing challenges to shape a successful future

HME's leadership in CSRD compliance sets a new industry benchmark for other Chinese companies seeking to expand globally. Their proactive approach to sustainability demonstrates their commitment to ethical business practices and long-term success. This approach fosters trust among investors, customers and other stakeholders and enhances HME's competitiveness in the marketplace. The company's vision to redefine the brass and copper industry by addressing issues such as climate change, worker safety, diversity and ethical governance aligns with the CSRD's focus on broad sustainability themes.

HME benefits from a comprehensive corporate governance structure that meets compliance requirements and enhances operational efficiency and environmental responsibility.

The new ESG Data Architecture helps the company improve the accessibility, quality, compliance, traceability, and sharing of ESG data both internally and externally.

HME's compliance with EU environmental regulations demonstrates Hailiang Group's commitment to corporate sustainability and long-term goals. In addition, as Hailiang Group's main operating unit in Europe, HME's compliance journey will provide valuable experience and insights for the Group's future overseas expansion. Its success will enable Hailiang Group to promote its sustainability achievements globally, strengthening its market position and leadership in sustainable practices.

Contact

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