



# CSRD Social & Governance ESRS Topical Disclosures

SEV

-

June 2024



# With you today



**Vassilios Kaminaris**  
Partner,  
Head of Audit, KPMG Greece



**George Iliopoulos**  
Director,  
ESG & Sustainability Services, KPMG Greece



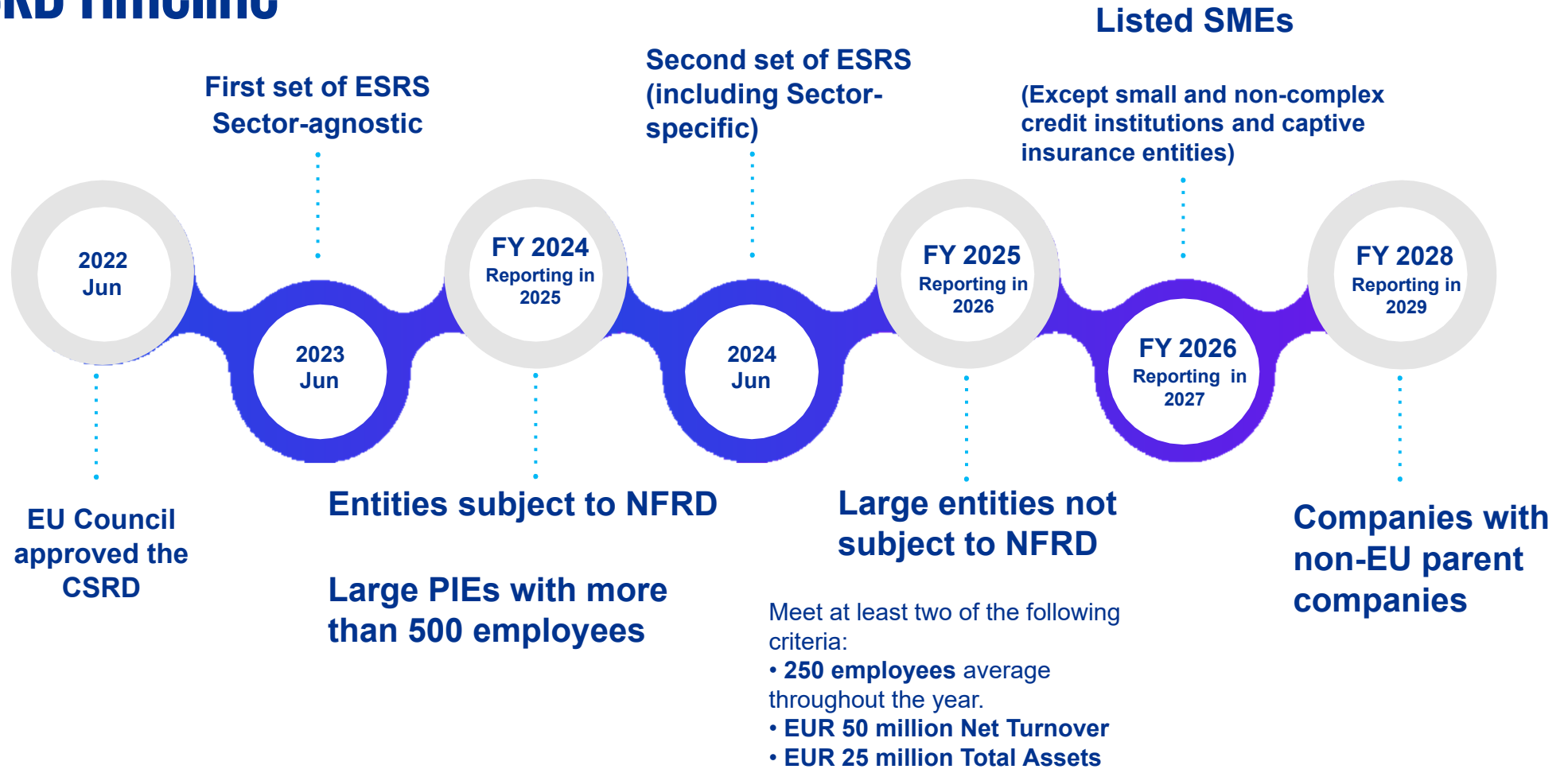
# Contents

1. The Corporate Sustainability Reporting Directive (CSRD)
2. Double Materiality Assessment
3. European Sustainability Reporting Standards (ESRS)
4. ESRS Social Topical Disclosures
5. ESRS S1 Own Workforce
6. ESRS S1 Own Workforce Topical Disclosure Requirements (DRs)
7. ESRS Governance Topical Disclosures

# 01 The Corporate Sustainability Reporting Directive (CSRD)



# CSRD Timeline





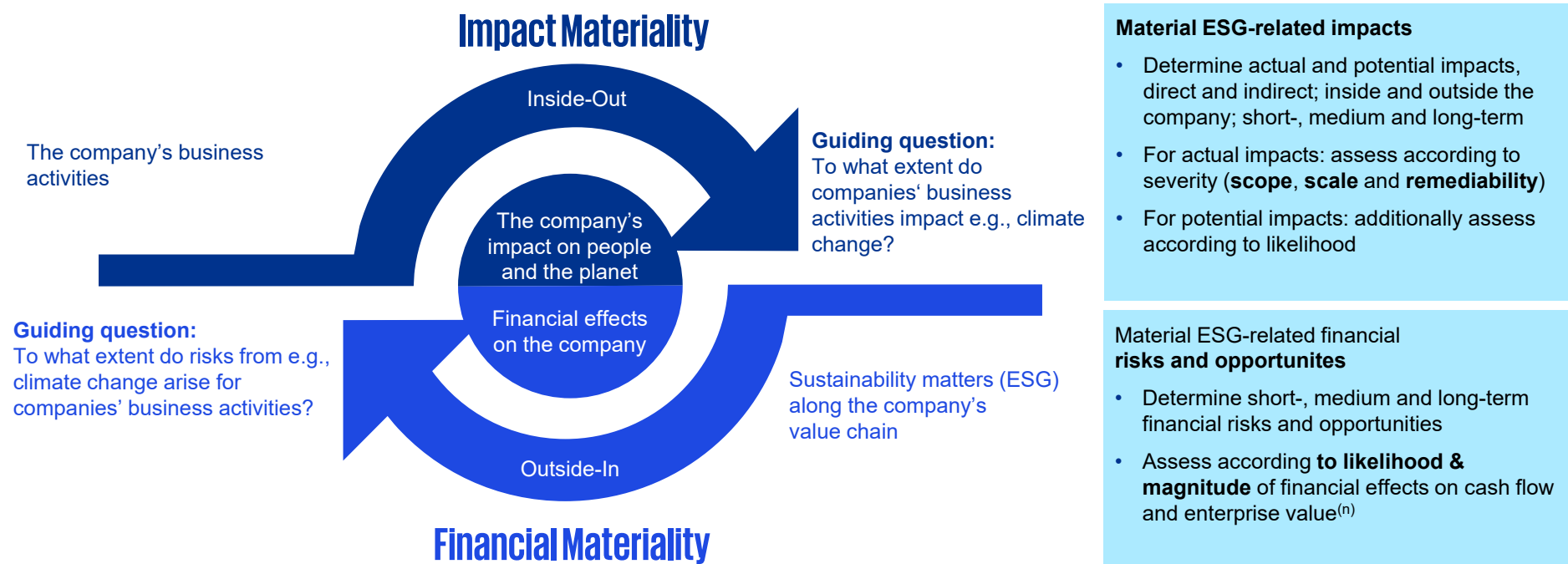
# CSRD provisions

	Current EU Directive 2014/95/EU (NFRD)	Corporate Sustainability Reporting Directive
 <b>How many EU companies are subject to the new directive?</b>	11,600	49,000 Covering >75 percent of total EU companies turnover
 <b>What is the scope of reporting requirements?</b>	Companies are to report on: <ul style="list-style-type: none"> <li>• Environmental protection</li> <li>• Social responsibility and treatment of employees</li> <li>• Respect for human rights</li> <li>• Anti-corruption and bribery</li> <li>• Diversity on company boards (in terms of age, gender, educational and professional background)</li> </ul>	General disclosures: <ul style="list-style-type: none"> <li>• Business model, strategy and policies</li> <li>• KPIs and targets (forward looking information)</li> <li>• Company and sustainability governance</li> <li>• Double materiality assessment and due diligence</li> </ul> Topic-specific disclosures: <ul style="list-style-type: none"> <li>• Environmental (incl. EU Taxonomy)</li> <li>• Social</li> <li>• Governance</li> <li>• Sector-specific standards</li> </ul>
 <b>What is the reporting standard to use?</b>	In accordance with recognized national, Union- based, or international frameworks	In accordance with binding European Sustainability Reporting Standards (ESRS) to be developed by the EFRAG
 <b>Is independent third party assurance mandatory?</b>	Non-mandatory (for most countries) In some countries part of legal audit requirements	Mandatory — limited level of assurance Including: <ul style="list-style-type: none"> <li>• Integration in Auditor's Report</li> <li>• Involvement of key audit partner</li> <li>• Scope to include EU Taxonomy information and process to identify key relevant information</li> </ul>
 <b>Where should companies report?</b>	Inclusion in the Management Report or in a separate report	Inclusion in the Management Report
 <b>In what format should companies report?</b>	Online or PDF version	To be submitted in electronic format

# 02 Double Materiality Assessment (DMA)

# The principle of Double Materiality is at the heart of all ESRs

1. **Impacts** and 2. Financial **opportunities and risks** related to an ESG topic must be assessed :



Note.: (n) ESRS I, par. 53: "Sustainability matter is material (...) when it generates or may generate risks or opportunities that have a material influence (or are likely to have a material influence) on the undertaking's cash flows, development, performance, position, cost of capital or access to finance"



# Why is Double Materiality Important?

DMA's are a strategic exercise that will determine what organisations need to report on under the CSRD.



## Determines Reporting

**DMA's drive the content of CSRD sustainability reporting.**

Topics deemed to be 'material' from a financial or impact perspective must be included.

Companies will be able to conclude that information is immaterial on the level of a topical standard, an individual disclosure requirement or even a single datapoint.



## Influences ESG Strategy

**The material topics identified in the DMA can change the prioritisation of sustainability matters for our clients,** causing them to reassess their existing ESG strategy.

It's important to understand the broader implications of the DMA and be prepared to support our clients on this journey.



## Value chain

**Information disclosed should** be forward-looking and retrospective and **span across the whole of the value chain,** requiring organisations to have greater visibility on their upstream and downstream value chain.



## Stakeholder Engagement

**The DMA process relies heavily on stakeholder engagement.** This provides an opportunity for KPMG to gain greater visibility and insight into the structure of the organisation and form deep and trusted relationships with our clients.

# 03 European Sustainability Reporting Standards (ESRS)

# What do companies need to disclose in CSRD?

The key elements of CSRD in terms of reporting layers, areas and standards are outlined below:

## Three reporting layers

### Sector-agnostic disclosures

Each ESRS prescribes common mandatory requirements for all reporting companies to ensure comparability

### Sector-specific disclosures

40 additional standards to address sector-specific requirements will be developed for later adoption

### Company-specific disclosures

When necessary, the company shall provide additional entity-specific information that depicts its unique situation

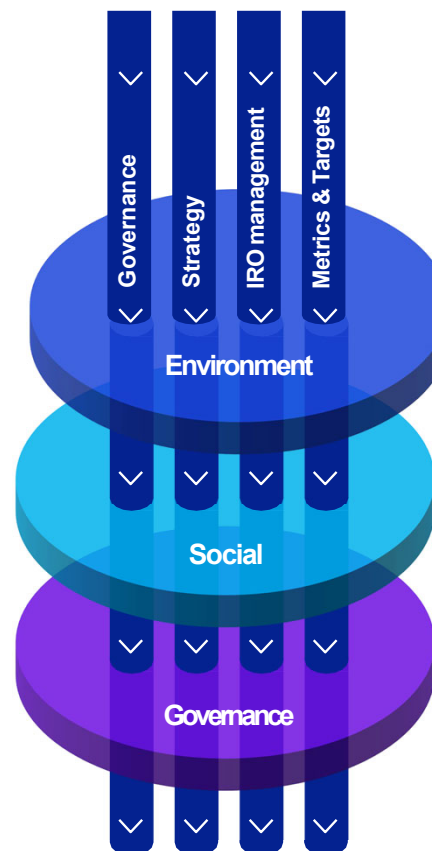
## Four reporting areas

**Governance** – Coverage of supervisory bodies' and management's responsibilities, processes, and reporting procedures in place to manage and oversee sustainability matters

**Strategy** – Description of the company's strategy and business model, stakeholders and value chain, materiality assessment

**Impact, risk and opportunity management** – Disclosures on impacts, risks and opportunities (IRO) on sustainability matters that are assessed to be material and how the company translates its strategy into action through policies, targets, action plans and resources

**Metrics and targets** – Specific sets of metrics and targets in line with materiality assessment



## Twelve standards

### Two cross-cutting standards

- ESRS 1: General requirements – introduces the double materiality concept
- ESRS 2: General disclosures

### Three topic-specific standards sets

#### Environmental

- E1: Climate change
- E2: Pollution
- E3: Water and marine resources
- E4: Biodiversity and ecosystems
- E5: Resource use and circular economy

#### Social

- S1: Own workforce
- S2: Workers in the value chain
- S3: Affected communities
- S4: Consumers and end-users

#### Governance

- G1: Business conduct

# ESRS Topics & sub-topics

Environmental			Social			Governance		
E1	Climate change	<ul style="list-style-type: none"> <li>Climate change adaptation</li> <li>Climate change mitigation</li> <li>Energy</li> </ul>	S1	Own workforce	<ul style="list-style-type: none"> <li>Working conditions</li> <li>Equal treatment and opportunities for all</li> <li>Other work-related rights</li> </ul>	G1	Business Conduct	<ul style="list-style-type: none"> <li>Corporate culture</li> <li>Protection of whistleblowers</li> <li>Animal welfare</li> <li>Political engagement</li> <li>Management of relationships with suppliers including payment practices</li> <li>Corruption and bribery</li> </ul>
E2	Pollution	<ul style="list-style-type: none"> <li>Pollution of air/water/soil</li> <li>Pollution of living organisms and food resources</li> <li>Substances of concern</li> <li>Substances of very high concern</li> <li>Microplastics</li> </ul>	S2	Workers in the value chain	<ul style="list-style-type: none"> <li>Working conditions</li> <li>Equal treatment and opportunities for all</li> <li>Other work-related rights</li> </ul>			
E3	Water & marine resources	<ul style="list-style-type: none"> <li>Water</li> <li>Marine resources</li> </ul>	S3	Affected communities	<ul style="list-style-type: none"> <li>Communities' economic, social and cultural rights</li> <li>Communities' civil and political rights</li> <li>Rights of indigenous peoples</li> </ul>			
E4	Biodiversity & ecosystems	<ul style="list-style-type: none"> <li>Direct impact drivers of biodiversity loss</li> <li>Impacts on the state of species</li> <li>Impacts on the extent and conditions of ecosystems</li> <li>Impacts and dependencies on ecosystem services</li> </ul>	S4	Consumers & end-users	<ul style="list-style-type: none"> <li>Information-related impacts for consumers and/or end-users</li> <li>Personal safety of consumers and/or end-users</li> <li>Social inclusion of consumers and/or end-users</li> </ul>			
E5	Circular economy	<ul style="list-style-type: none"> <li>Resources inflows, including resource use</li> <li>Resource outflows related to products and services</li> <li>Waste</li> </ul>						

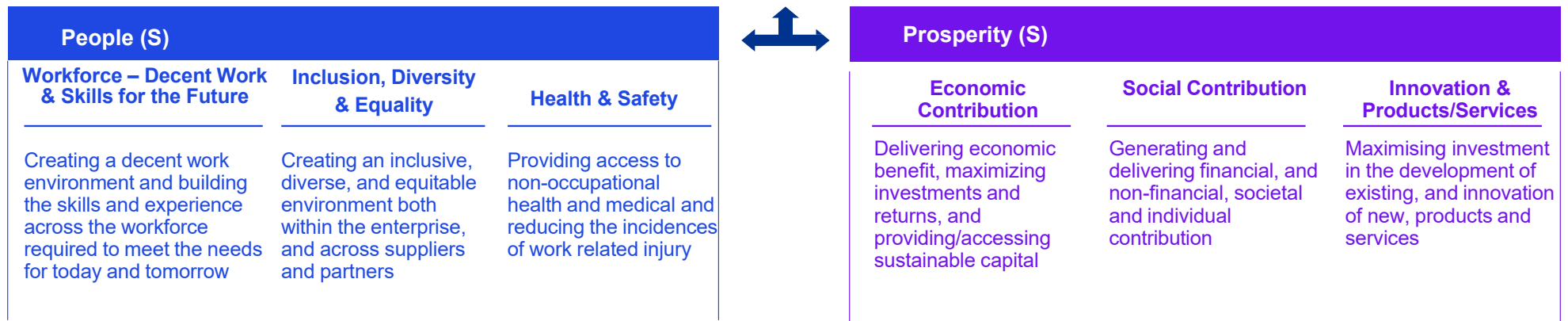
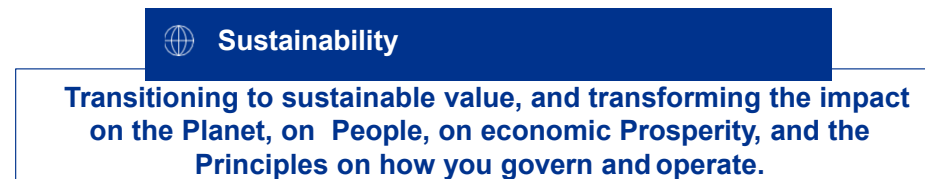


# 04 ESRS Social Topical Disclosures



# The Social Agenda

Investors and customers are increasingly taking social concerns into account: There is no escaping the growing importance of the “S” in ESG.



# ESRS Social topical standards



**Subject to materiality analysis**

# ESRS Social topical standards

Topic	Sub Topic	Sub-sub Topics		
S1 Own workforce	• Working conditions	<ul style="list-style-type: none"> <li>• Secure employment</li> <li>• Working time</li> <li>• Adequate wages</li> <li>• Social dialogue</li> </ul>	<ul style="list-style-type: none"> <li>• Freedom of association, the existence of works councils and the information, consultation and participation rights of workers</li> </ul>	<ul style="list-style-type: none"> <li>• Work-life balance</li> <li>• Health and safety</li> <li>• Collective bargaining, including rate of workers covered to collective agreements</li> </ul>
	• Equal treatment and opportunities for all	<ul style="list-style-type: none"> <li>• Gender equality and equal pay for work of equal value</li> <li>• Training and skills development</li> </ul>	<ul style="list-style-type: none"> <li>• Employment and inclusion of persons with disabilities</li> </ul>	<ul style="list-style-type: none"> <li>• Measures against violence and harassment in the workplace</li> <li>• Diversity</li> </ul>
	• Other work-related rights	<ul style="list-style-type: none"> <li>• Child labour</li> <li>• Forced labour</li> </ul>	<ul style="list-style-type: none"> <li>• Adequate housing</li> <li>• Privacy</li> </ul>	
S2 Workers in the value chain	• Working conditions	<ul style="list-style-type: none"> <li>• Secure employment</li> <li>• Working time</li> <li>• Adequate wages</li> </ul>	<ul style="list-style-type: none"> <li>• Social dialogue</li> <li>• Freedom of association, including the existence of work councils</li> </ul>	<ul style="list-style-type: none"> <li>• Collective bargaining</li> <li>• Work-life balance</li> <li>• Health and safety</li> </ul>
	• Equal treatment and opportunities for all	<ul style="list-style-type: none"> <li>• Gender equality and equal pay for work of equal value</li> <li>• Training and skills development</li> </ul>	<ul style="list-style-type: none"> <li>• The employment and inclusion of persons with disabilities</li> </ul>	<ul style="list-style-type: none"> <li>• Measures against violence and harassment in the workplace</li> <li>• Diversity</li> </ul>
	• Other work-related rights	<ul style="list-style-type: none"> <li>• Child labour</li> <li>• Forced labour</li> </ul>	<ul style="list-style-type: none"> <li>• Adequate housing</li> <li>• Water and sanitation</li> </ul>	<ul style="list-style-type: none"> <li>• Privacy</li> </ul>
S3 Affected communities	• Communities' economic, social and cultural rights	<ul style="list-style-type: none"> <li>• Adequate housing</li> <li>• Adequate food</li> </ul>	<ul style="list-style-type: none"> <li>• Water and sanitation</li> <li>• Land-related impacts</li> </ul>	<ul style="list-style-type: none"> <li>• Security-related impacts</li> </ul>
	• Communities' civil and political rights	<ul style="list-style-type: none"> <li>• Freedom of expression</li> </ul>	<ul style="list-style-type: none"> <li>• Freedom of assembly</li> </ul>	<ul style="list-style-type: none"> <li>• Impacts on human rights defenders</li> </ul>
	• Rights of indigenous peoples	<ul style="list-style-type: none"> <li>• Free, prior and informed consent</li> </ul>	<ul style="list-style-type: none"> <li>• Self-determination</li> </ul>	<ul style="list-style-type: none"> <li>• Cultural rights</li> </ul>
S4 Consumers & end-users	• Information-related impacts for consumers and/or end-users	<ul style="list-style-type: none"> <li>• Privacy</li> </ul>	<ul style="list-style-type: none"> <li>• Freedom of expression</li> </ul>	<ul style="list-style-type: none"> <li>• Access to (quality) information</li> </ul>
	• Personal safety of consumers and/or end-users	<ul style="list-style-type: none"> <li>• Health and safety</li> </ul>	<ul style="list-style-type: none"> <li>• Security of a person</li> </ul>	<ul style="list-style-type: none"> <li>• Protection of children</li> </ul>
	• Social inclusion of consumers and/or end-users	<ul style="list-style-type: none"> <li>• Non-discrimination</li> </ul>	<ul style="list-style-type: none"> <li>• Access to products and services</li> </ul>	<ul style="list-style-type: none"> <li>• Responsible marketing practices</li> </ul>

# 05 ESRS S1 Own Workforce



© 2024 KPMG Certified Auditors Member S.A., a Greek Societe Anonyme and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

# ESRS S1 “Own Workforce” in a nutshell

Topic	Sub Topic	Sub-sub Topics
Own workforce	<ul style="list-style-type: none"> <li>Working conditions</li> </ul>	<ul style="list-style-type: none"> <li>Secure employment</li> <li>Working time</li> <li>Adequate wages</li> <li>Social dialogue</li> <li>Freedom of association, the existence of works councils and the information, consultation and participation rights of workers</li> <li>Collective bargaining, including rate of workers covered to collective agreements</li> <li>Work-life balance</li> <li>Health and safety</li> </ul>
	<ul style="list-style-type: none"> <li>Equal treatment and opportunities for all</li> </ul>	<ul style="list-style-type: none"> <li>Gender equality and equal pay for work of equal value</li> <li>Training and skills development</li> <li>Employment and inclusion of persons with disabilities</li> <li>Measures against violence and harassment in the workplace</li> <li>Diversity</li> </ul>
	<ul style="list-style-type: none"> <li>Other work-related rights</li> </ul>	<ul style="list-style-type: none"> <li>Child labour</li> <li>Forced labour</li> <li>Adequate housing</li> <li>Privacy</li> </ul>



# What is the objective of ESRS S1 – Own Workforce

ESRS S1 specifies disclosure requirements which will help users to understand the company's material impacts on its own workforce, as well as related material risks and opportunities

These shall include:

- How the company **affects** its own workforce, in terms of material positive and negative actual or potential impacts
- Any **actions taken** and the **results** of such actions, to prevent, mitigate or remediate actual or potential negative impacts and to address **risks** and **opportunities**
- The **nature, type and extend of the company's material risks and opportunities** related to its impacts and dependencies on its own workforce and how the company manages them
- The **financial effects on the company over the short, medium and long term of material risks and opportunities** arising from the company's impacts and dependencies on its own workforce



# ESRS S1 - Disclosure requirements which relate to ESRS 2

		Topical standards									
ESRS-2: Reporting areas		E1	E2	E3	E4	E5	S1	S2	S3	S4	G1
<b>GOV</b>											
	GOV-1										X
	GOV-2										
	GOV-3	X									
	GOV-4										
	GOV-5										
<b>SBM</b>											
	SBM-1										
	SBM-2						X	X	X	X	
	SBM-3	X			X		X	X	X	X	
<b>IRO</b>											
	IRO-1	X	X	X	X	X					X
	IRO-2										

**ESRS 2 - Minimum disclosure requirements**

- MDR-P – Policies adopted to manage material sustainability matters
- MDR-A – Actions and resources in relation to material sustainability matters
- MDR-M – Metrics in relation to material sustainability matters
- MDR-T – Tracking effectiveness of policies and actions through targets



**SBM-2**  
This requirement relates to the interests and views of stakeholders.

**SBM-3**  
This requirement relates to the material impacts, risks and opportunities and their interaction with strategy and business model.

**GOV:** Governance, **SBM:** Strategy Business Model, **IRO:** Impact Risk Opportunity

# DR related to ESRS 2: SBM-2 & SBM-3

## SBM 2 Interests & views of stakeholders

### What is the requirement?

Companies are required to explain how the interests, views and rights of people in their own workforce, including respect for their human rights, **inform their strategy and business model**.

*This is a mandatory disclosure requirement in relation to the company's own workforce-if the information is material.*



## SBM 3 Material IRO

### What is the requirement?

Companies are required to explain:

- 01** • Whether and how actual and potential impacts on their own workforce
  - ✓ Originate from or are connected to their strategy and business model
  - ✓ How these impacts contribute to the adaptation of their strategy and business model
  
- 02** • The relationship between (i) risks and opportunities arising from the impacts and dependencies on their own workforce, and (ii) their strategy and business model

*This is a mandatory disclosure requirement in relation to the company's own workforce-if the information is material.*

# SBM-3: Material IRO

Example

## How might companies present SBM-3?

Company X (operating in the communications industry) might disclose in the current reporting period in order to meet the requirements of part of this DR - specifically ESR S1, paragraph 13 (b).

The example shows the relationship between its material risks arising from dependencies on its own workforce, and its strategy and business model.

## Our people

**Company X's strategy depends on its ability to recruit and retain people with appropriate talent and skills.**

Delivery of our strategy and business plan depends on whether we can compete to recruit and retain people with appropriate talent and skills, including those with innovative technological capabilities.

Our business plan targets an increasing level of business in international export markets outside the US and UK. It is important that we recruit and retain management with the necessary international skills and experience in the relevant jurisdictions.

### What's the risk?

The loss of key employees, or being unable to attract the appropriate people at the right time could adversely impact Company X's ability to deliver its strategy and meet the business plan.

### What's the impact?

This could have a negative impact on the Company's future results and financial condition.

## Action plan and commitments

Company X recognizes that its employees are key to delivering its strategy and business plan, and focuses on developing the existing workforce and hiring talented people to meet current and future requirements.

The group has well-established graduate recruitment and apprenticeship programmes, and has effective career development programmes to maximise how our workforce can contribute to the performance of the business.

To maximise the skills in our talent pool, Company X is committed to creating a diverse and inclusive environment for its employees.

# ESRS S1 – Disclosure requirements

## Governance

- *There are no governance disclosures related to ESRS S1.*

## Strategy

- DR related to SBM-2: **Interests and views of stakeholders.**
- DR related to SBM-3: **Material impacts, risks and opportunities** and their interaction with strategy and business model.

## IRO management

- **DR S1-1:** Policies related to own workforce
- **DR S1-2:** Processes for engaging with own workers and workers' representatives about impacts
- **DR S1-3:** Processes to remediate negative impacts and channels for own workers to raise concerns
- **DR S1-4:** Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce and effectiveness of those actions

## Metrics and Targets

- **S1-5:** Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities
- **S1-6:** Characteristics of the employees
- **S1-7:** Characteristics of the non-employees in the undertaking's own workforce
- **S1-8:** Collective bargaining coverage and social dialogue
- **S1-9:** Diversity metrics
- **S1-10:** Adequate wages
- **S1-11:** Social protection
- **S1-12:** Persons with disabilities
- **S1-13:** Training and skills development metrics
- **S1-14:** Health and safety metrics
- **S1-15:** Work-life balance metrics
- **S1-16:** Remuneration metrics
- **S1-17:** Incidents, complaints and severe human rights impacts



# ESRS S1 Phase-in or effective dates

## IRO management

- **DR S1-1:** Policies related to own workforce
- **DR S1-2:** Processes for engaging with own workers and workers' representatives about impacts
- **DR S1-3:** Processes to remediate negative impacts and channels for own workers to raise concerns
- **DR S1-4:** Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce and effectiveness of those actions

## Metrics and Targets

- **S1-5:** Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities
- **S1-6:** Characteristics of the employees
- **S1-7:** Characteristics of the non-employees in the undertaking's own workforce
- **S1-8:** Collective bargaining coverage and social dialogue
- **S1-9:** Diversity metrics
- **S1-10:** Adequate wages
- **S1-11:** Social protection
- **S1-12:** Persons with disabilities
- **S1-13:** Training and skills development metrics
- **S1-14:** Health and safety metrics
- **S1-15:** Work-life balance metrics
- **S1-16:** Remuneration metrics
- **S1-17:** Incidents, complaints and severe human rights impacts



Undertakings or groups not exceeding on their balance sheet dates the average number of **750 employees** during the financial year (on a consolidated basis where applicable) may omit the information specified in the disclosure requirements of ESRS S1 for the first year of preparation of their sustainability statement.

# ESRS S1 Phase-in or effective date

## Metrics and Targets


- **S1-5:** Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities
- **S1-6:** Characteristics of the employees
- **S1-7:** Characteristics of the non-employees in the undertaking's own workforce
- **S1-8:** Collective bargaining coverage and social dialogue
- **S1-9:** Diversity metrics
- **S1-10:** Adequate wages
- **S1-11:** Social protection
- **S1-12:** Persons with disabilities
- **S1-13:** Training and skills development metrics
- **S1-14:** Health and safety metrics
- **S1-15:** Work-life balance metrics
- **S1-16:** Remuneration metrics
- **S1-17:** Incidents, complaints and severe human rights impacts

The undertaking may omit the information prescribed by ESRS S1-11, S1-12, S1-13, S1-15 for the first year of preparation of its sustainability statement.

The undertaking may omit reporting for all datapoints in this Disclosure Requirement for the first year of preparation of its sustainability statement.

The undertaking may omit this Disclosure Requirement with regard to its own employees in non-EEA countries for the first year of preparation of its sustainability statement.

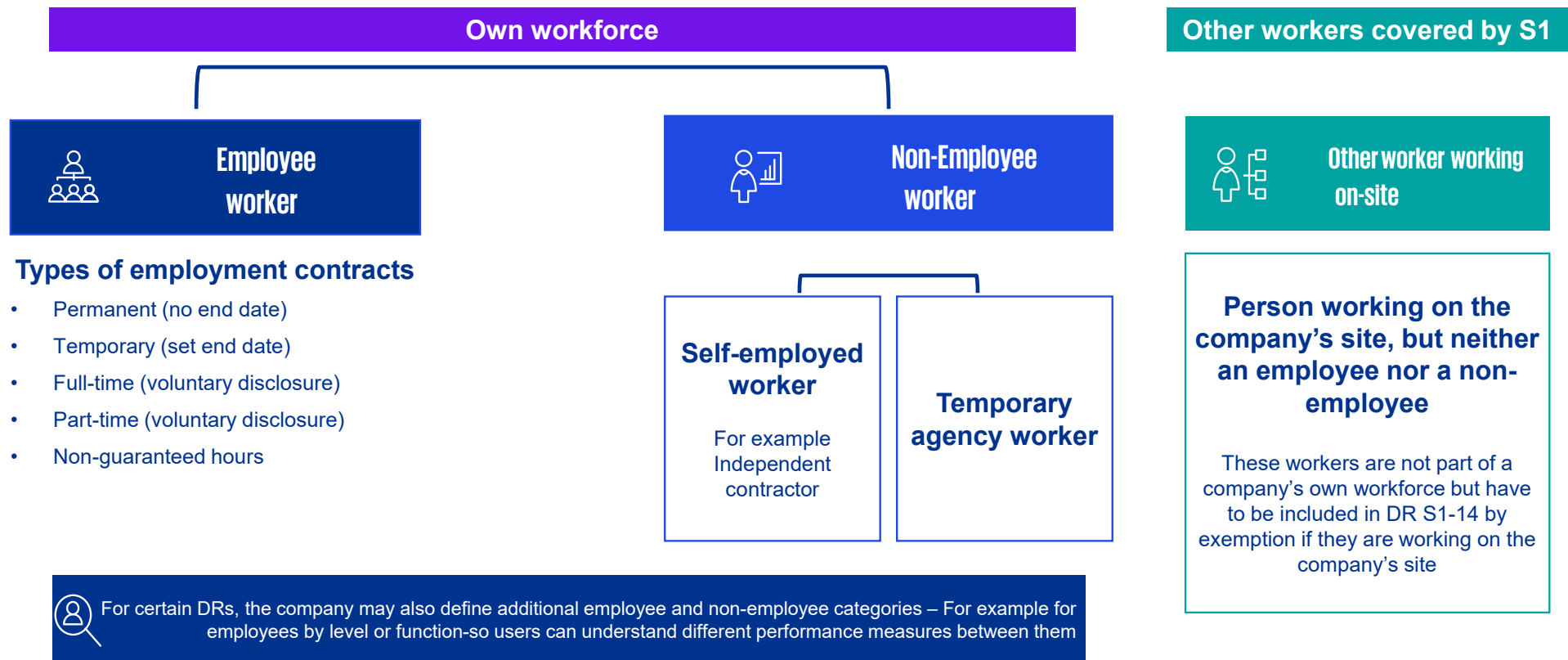
- The undertaking may omit the data points on cases of work-related ill-health and on number of days lost to injuries, accidents, fatalities and work-related ill health for the first year of preparation of its sustainability statement.
- The undertaking may omit reporting on non-employees for the first year of preparation of its sustainability statement.



# 06 ESRS S1 Own Workforce Topical Disclosure Requirements (DRs)

# S1 Employee Categories

The objective of ESRS S1 DRs is to enable users to understand a company’s approach to employment, its employment practices, and differentiate the different categories of the entity’s own workforce.



# DR S1-1: Policies related to own workforce

## IRO management DR S1-1

Companies are required to describe their **policies for managing its material impacts** on its own workforce, as well as associated material **risks and opportunities** (or IROs).

The objective of the DR is to enable an understanding of the extent to which an entity has **policies that address the identification, assessment, management and/or remediation\*** of material impacts on the company's own workforce specifically, as well as policies that cover material impacts, risks and opportunities related to its own workforce.

What is the requirement?

What will companies disclose?

- Whether it has **specific policies** aimed at eliminating discrimination, including harassment, **promoting equal opportunities** and other ways of promoting diversity and inclusion.
- Whether the policy cover **grounds for discrimination** (racial and ethnic origin, color, sex, sexual orientation, disability, age, religion etc.).
- Whether the company has **internal policy commitments related to inclusion** and/or affirmative action for people from groups at risk of vulnerability (and which) within the workforce itself.
- Whether and how these policies are implemented **through specific procedures to ensure that discrimination is prevented, mitigated and treated once detected**, as well as to promote diversity and inclusion in general.



# DR S1-2: Processes for engaging with own workers and workers' representatives about impacts

## IRO management DR S1-2

### What is the requirement?

Companies are required to explain **how they engage with their own workforce and workers' representatives** about material impacts, actual and potential, positive and/or negative, that affect them or are likely to affect them.

### What will companies disclose?

- Whether engagement occurs directly with the company's own workforce or workers' representatives.
- The stage(s) at which engagement occurs, the type of engagement and frequency of the engagement.
- The function and the most senior role within the company that has operational responsibility for ensuring that this engagement happens and that the results inform the company's approach.
- Where applicable, a Global Framework Agreement or other agreements that the company has with workers' representatives related to the respect of human rights.
- Where applicable, how the company assesses the effectiveness of its engagement with its own workforce.

# DR S1-3: Processes to remediate negative impacts and channels for own workers to raise concerns

## IRO management DR S1-3



### What is the requirement?

The objective of this disclosure requirement is to enable an understanding of:

- The formal means by which the company's own workers can communicate their concerns and needs directly to the company and/or through which the company supports the availability of such channels in the workplace
- How the company carries out follow-up with people regarding the issues raised
- The effectiveness of these channels

### What will companies disclose?

- Processes they put in place to remediate the negative impacts they have caused or contributed to on their own workers including whether and how the company assesses that the remedy provided is effective.
- The channels by which the own workforce can make their concerns and needs known directly as well as the formal means through which they support the availability of those channels (for example, grievance mechanisms\*).
- The way in which the issues raised through those channels are followed up as well as their effectiveness.

\***Grievance mechanisms** refer to any routinized, state-based or non-state-based, judicial or non-judicial processes through which stakeholders can raise grievances and seek remedy.

# DR S1-4: Taking action on material impacts on own workforce

## IRO management DR S1-4

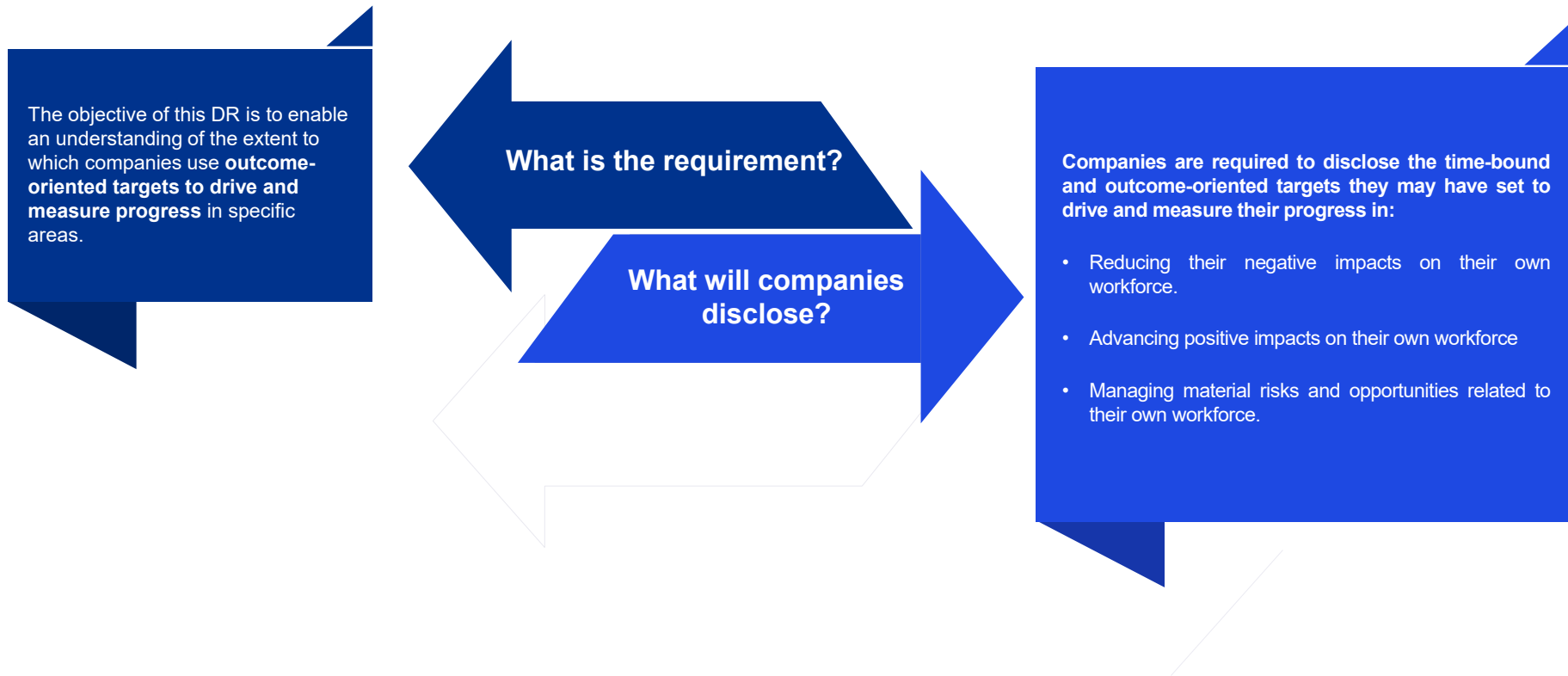
### What is the requirement?

- How they take action to address material impacts, both positive and negative, and manage processes, initiatives or engagements to improve workers' lives.
- How they address material risks and pursue opportunities related to their own workers.



# DR S1-5: Targets

## Metrics & Targets DR S1-5



# DR S1-5: Targets

Example

## How might companies present S1-5?

Company C (operating in the communications industry) might disclose in the current reporting period in order to meet the requirements of part of this DR - specifically ESRS S1, paragraph 44 (a) and (b):

- Achieve 33% women directors by 2025.
- Achieve an adjusted gender pay gap of +/-1% in 2025. This is the basis to progress towards zero gross pay gap.
- Achieve gender parity in Company C's highest governance bodies by 2030 (parity is defined as no more than 60% and no less than 40% representation of each gender).
- Continue to be included in the Bloomberg Gender Equality Index.
- Maintain a score of 70% on our work-life balance in the employee motivation survey.
- Double the number of employees with disabilities within the workforce by 2024.
- Achieve at least 50% participation of the workforce in skill development programs each year.
- 100% of eligible workers (those whose activity can be carried out remotely) in hybrid work by 2024.
- Continue to achieve an Employee Net Promoter Score (eNPS) of at least 60.



# DR S1-6: Characteristics of the undertaking's employees

## Metrics & Targets DR S1-6

### What is the requirement?

Companies are required to describe the key characteristics of employees in their own workforce\* in order to provide insight into their approach to employment, aiding the understanding of the information reported in other disclosures and serving as the basis for calculation for quantitative metrics to be disclosed under other disclosure requirements in ESRS S1



**\*Own workforce employees** All employees who perform work for any of the company's entities included in its sustainability reporting. An employee is an individual who is in an employment relationship with a company according to national law or practice.

# DR S1-6: Characteristics of the undertaking's employees

How will companies present this information?

Example



Information regarding the company's employees shall be disclosed in the following tabular formats from ESR S1:

- Total number of employees (head count), broken down **by gender**.
- Total number of employees (head count), broken down **by country** (for countries in which the company has 50 or more employees representing at least 10% of its total number of employees.)

Gender	Number of employees (head count)
Male	
Female	
Other	
Not reported	
Total Employees	

Country	Number of employees (head count)
Country A	
Country B	
Country C	
Country D	

[Reporting period]		
Region A	Region B	Total
Number of employees (head count / FTE)		
Number of permanent employees (head count / FTE)		



Information regarding the company's employees shall be disclosed in the following tabular formats from ESR S1:

- Total number of employees (head count or FTE), broken down by:
  - Full-time equivalent for permanent, temporary and non-guaranteed hours employees.
  - And broken down by gender
  - Contract type
  - And region

[Reporting period]				
Female	Male	Other*	Not Disclosed	Total
Number of employees (head count / FTE)				
Number of permanent employees (head count / FTE)				
Number of temporary employees (head count / FTE)				
Number of non-guaranteed hours employees (head count / FTE)				
Number of full-time employees (head count / FTE)				
Number of part-time employees (head count / FTE)				



# DR S1-7: Characteristics of non-employee workers in the undertaking's own workforce

## Metrics & Targets DR S1-7

### What is the requirement?

Companies are required to describe the key characteristics of their non-employees\* in their own workforce to provide insight into their approach to employment, aiding the understanding of the information reported in other disclosures and serving as the basis for calculation for quantitative metrics to be disclosed under other disclosure requirements in ESRS S1, and understanding of how much a company relies on non-employees as part of its workforce.

### What will companies disclose?

#### Information a company will disclose about their non-employees includes:

- The **total number** of non-employees in their own workforce, for example, either people with contracts with the company to supply labor ("self-employed people") or people provided by companies primarily engaged in "employment activities" ("employment activities are defined in NACE Code N78).
- An explanation of the methodologies and assumptions used to compile the data.
- A provision of contextual information necessary to understand the data, if applicable.

*\*Non-employees in a company's own workforce include both individual contractors supplying labor to the company ("self-employed workers") and people provided by companies primarily engaged in "employment activities".*

# DR S1-8: Collective bargaining coverage and social dialogue

## Metrics & Targets DR S1-8



### What is the requirement?

The objective of this disclosure requirement is to enable an understanding of the coverage of collective bargaining agreements and social dialogue for the company's own employees.

***\*Social dialogue** All types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers, their organizations and workers' representatives, on issues of common interest relating to economic and social policy.*

### What will companies disclose?

Under this disclosure requirement, companies are required to disclose:

- Information on the extent to which the **working conditions and terms of employment** of their employees are determined or influenced by **collective bargaining\* agreements (CBA)**.
- The extent to which their own employees are represented in social dialogue\* in the European Economic Area (EEA) at the establishment and European level.

***\*Collective bargaining** All negotiations which take place between an employer, a group of employers or one or more employers' organizations, on the one hand, and one or more trade unions or, in their absence, the representatives of the workers duly elected and authorized by them in accordance with national laws and regulations, on the other, for: (1) determining working conditions and terms of employment; and/or (ii) regulating relations between employers and workers or their organizations and a workers' organizations.*

# DR S1-9: Diversity metrics

## Metrics & Targets DR S1-9



### What is the requirement?

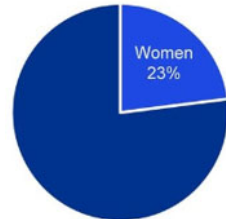
Companies shall provide an understanding of gender diversity at top management level and the age distribution amongst their employees.



### How might a company present this information?

Company P (operating in the financial services industry) might disclose in the current reporting period to meet the requirements of part of this DR - specifically ESRS S1, paragraph 66 (a) and (b).

**Example**



“Higher up in the organization there are less women. Low representation of women in senior leadership roles is the biggest contributor to most organizations gender pay gap.”

### 3.4 Gender diversity at Company P

Encouragingly, the composition of our Global Workforce is already in balance, with 49% women and 51% men. However, the picture changes when we look at our senior management level and the talent pipeline to senior leadership - here, we still have progress to make.

# DR S1-10: Adequate wages

## Metrics & Targets DR S1-10

### What is the requirement?

Companies are required to disclose information on **adequate wages** to provide an understanding of whether or not **all their employees are paid an adequate wage**, in line with applicable benchmarks.


There are mandatory disclosure requirements if the information is material in relation to employees and optional disclosure requirements in relation to non-employees.

### What will companies disclose?

- Whether all its **employees are paid an adequate wage**, in line with applicable benchmarks. If so, stating this will be sufficient to fulfil this disclosure requirement and no further information is needed.
- If not all its employees are paid an adequate wage in line with applicable benchmarks, the undertaking shall disclose **the countries** where employees earn below the applicable adequate wage benchmark and **the percentage** of employees that earn below the applicable adequate wage benchmark for each of these countries.

# DR S1-10: Adequate wages

Example

 **How might a company present this information?**

Company P (operating in the financial services industry) might disclose in order to meet the requirements of part of this DR-specifically ESRS S1, paragraph 69.



## Ratio of minimum wage to graduate-entry wage

Across Reporting Company P entities, the ratio of average graduate entry-level salary compared to the country minimum wage for FY22 ranged from 1.3 to 3.2 times the minimum wage (for FY21, A ranged from 1.30-3.13). The range across entities is mainly driven by regional variations and the difference in ratio between men and women is minimal.



# DR S1-11: Social Protection

## Metrics & Targets DR S1-11

Companies are required to enable an understanding of whether their employees are covered by social protection\* (through public programs or through benefits offered by companies) against loss of income due to major life events and, if not, the countries where this is not the case.

There are mandatory disclosure requirements if the information is material in relation to employees and optional disclosure requirements in relation to non-employees.

What is the requirement?

What will companies disclose?

- Whether all its employees are covered by social protection, through public programs or through benefits offered by the undertaking, against loss of income due to any of the following major life events: **a) Sickness, b) Unemployment starting from when the own worker is working for the undertaking, c) Employment injury and acquired disability, d) Parental leave, e) Retirement.**
- If so, stating this is sufficient to fulfil this disclosure requirement and no further information is needed.
- If not all above life events are covered, disclose the countries where employees do not have social protection with regard to one or more of the types of major life events and for each of those countries the types of employees who do not have social protection with regard to each applicable major life event.

*\*Social protection The set of measures designed to reduce and prevent poverty and vulnerability across the lifecycle.*

# DR S1-12: Person with disabilities

## Metrics & Targets DR S1-12



### What is the requirement?

Companies are required to disclose information on persons with disabilities\* to enable an understanding of the extent to which such people are included among employees.

There are mandatory if the information is material and optional disclosure requirements in relation to employees.

### What will companies disclose?

- The **percentage of persons with disabilities** among its employees subject to legal restrictions on the collection of data.
- The company may also disclose the percentage of employees with disabilities **broken down by gender**.

*\*Persons with disabilities include those who have long-term physical, mental, intellectual or sensory impairments which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others.*



# DR S1-13: Training and skills development metrics

## Metrics & Targets DR S1-13



### What is the requirement?

Companies shall describe the extent to which training\* and skills development is provided to their employees as part of ongoing professional growth, in order to improve their skills and facilitate the maintenance of their employability.

There are mandatory disclosure requirements if the information is material-in relation to employees and optional disclosure requirements in relation to employees and non-employees.



### What will companies disclose?

- The percentage of employees that participated in regular performance and career development reviews by gender.
- The average number of training hours per employee and by gender.

*\*Training In this context, training refers to initiatives put in place by companies to maintain and/ or improve skills and knowledge of their own workers. It can include different methodologies, such as on-site training and online training.*

# DR S1-14: Health and safety metrics

## Metrics & Targets DR S1-14

### What is the requirement?

Companies are required to provide an understanding of the coverage, quality and performance of the health and safety management they established to prevent incidents to work-related injuries of its own workforce, the number of incidents associated with work-related injuries, ill health and fatalities of its own workforce, and the number of fatalities as a results of work-related injuries and work-related ill health of other workers working on company's site.

### What will companies disclose?

#### Information a company will disclose about health and safety metrics:

- The percentage of people in its own workforce covered by the company's health and safety management system based on legal requirements and/or recognized standards or guidelines
- The number of fatalities because of work-related injuries and work-related ill health (to be reported also for other workers working on the company's sites, such as value chain workers if they are working on the company's sites)
- The number and rate of recordable work-related accidents
- Regarding the company's employees, the number of cases of recordable work-related ill health, subject to legal restrictions on the collection of data
- Regarding the company's employees, the number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health, and fatalities from ill health

# DR S1-15: Work-life balance metrics

## Metrics & Targets DR S1-15



### What is the requirement?

Companies are required to provide an understanding of the entitlement and actual practices among their employees to take family-related leave\* (maternity leave, paternity leave, parental leave and carers' leave) in a gender equitable manner as it is one of the dimensions of work-life balance.

### What will companies disclose?

- The percentage of employees entitled to take family-related leave\*
- The percentage of entitled employees that took family-related leave, and a breakdown by gender

*\*Family related leave: Maternity leave, Paternity leave, Parental leave, Carer's leave.*

# DR S1-16: Compensation metrics

## Metrics & Targets DR S1-16

Companies are required to give an understanding of the extent of any gap in the pay between women and men amongst the employees and to provide insights into the level of remuneration inequality and whether wide pay disparities exist.

**What is the requirement?**

**What will companies disclose?**

- **Information a company will disclose about remuneration metrics:**
- The gender pay gap, defined as the difference of average pay levels between female and male employees, expressed as percentage of the average pay level of male employees
- The annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees, excluding the highest-paid individual (CEO-to-worker pay ratio)

# DR S1-17: Incidents, complaints and severe human rights impacts metrics

## Metrics & Targets DR S1-17

### What is the requirement?

Companies are required to provide an understanding to the extent to which work-related incidents and severe cases of human rights impacts are affecting their own workforce.

### What will companies disclose?

#### Information a company will disclose about remuneration metrics:

- The total number of incidents of discrimination, including harassment, reported in the reporting period.
- The number of complaints filled through channels for people in the undertaking's own workforce to raise concerns (including grievance mechanisms).
- The total amount of fines, penalties, and compensation for damages because of the incidents and complaints, and a reconciliation of such monetary amounts disclosed with the most relevant amount presented in the financial statements.
- Identified cases of severe human rights incidents (e.g. forced labor, human trafficking, or child labor) including the total amounts.



# 07 ESRS Governance Topical Disclosures

# The importance of Governance



Robust governance and **clear roles and responsibilities** are the prerequisite **to deliver on an organisation's ESG ambition** in the long term (accountability).

Clear governance is **essential to fulfil enhanced transparency requirements (CSRD)** and deliver accurate and reliable information and data on time.

It allows companies a **comprehensive view and deep understanding of risks and opportunities** for their operations and planning through ESG.



Robust governance enables companies to make **informed and future-proof decisions** that are economically sound and socially accepted.

It **prepares a company for managing any topic** – not only ESG related questions – fast and efficiently.

Governance **contributes to a strong and reliable brand position** towards stakeholders (e. g. financial market, current and future employees)



# General drivers for ESG Governance

## Corporate Governance

**Corporate governance is the system of rules, practices and processes by which a company is directed and controlled.**

Corporate Governance refers to the way in which companies are governed and to what purpose. It identifies who has power and accountability, and who makes decisions. It is, in essence, a toolkit that enables management and the board to deal more effectively with the challenges of running a company. Corporate governance ensures that businesses have appropriate decision-making processes and controls in place so that the interests of all stakeholders (shareholders, employees, suppliers, customers and the community) are balanced.<sup>(a)</sup>

## Drivers for ESG Governance

### Regulation/Hard Law

- EU directive CSRD with ESRS (FY 2024/2025)
- EU Corporate Sustainability Due Diligence Directive
- Taxonomy/Article 8 ESG Disclosure for financial market; EBA Pillar 3 Transparency
- European Central Bank, National central banks

### Frameworks/Soft Law

- TCFD
- IFRS Standards (IFRS S2)
- National corporate governance codes: To be found in EMA countries, being adapted to integrate sustainability; (Germany 2022, Netherlands 2023, UK 2024).

### Investors & rating agencies

- Investors and banks assess and engage on governance questions. Increasingly ESG aspects enter voting policies or are addressed at AGMs (Say-on-climate).
- Rating agencies assess publicly disclosed information on governance related ESG information.

### Civil society & broader stakeholders

- Civil society organisations voice their expectations regarding ESG publicly on Annual General Meetings.
- Disruptive engagements, activism

Note: (a) [What is corporate governance? \(cgi.org.uk\)](https://www.cgi.org.uk)

# ESRS topical standard - Governance

	Topic	Sub-topic	Sub-sub topics
G1	Business Conduct	<ul style="list-style-type: none"> <li>• Corporate culture</li> <li>• Protection of whistleblowers</li> <li>• Animal welfare</li> <li>• Political engagement</li> <li>• Management of relationships with suppliers including payment practices</li> </ul>	
		<ul style="list-style-type: none"> <li>• Corruption and bribery</li> </ul>	<ul style="list-style-type: none"> <li>• Prevention and detection including training</li> <li>• Incidents</li> </ul>

# ESRS G1- Business conduct

ESRS G1 is subject to materiality analysis

**ESRS  
2**

## General Information: Mandatory

Governance to monitor, manage and oversee sustainability matters

**ESRS  
G1**

## Business Conduct: Subject to materiality analysis

- Business ethics and corporate culture
- Management of relationships with suppliers
- Political influence and lobbying

## ESRS G1



### Business ethics and corporate culture:

Including anti-corruption and anti-bribery, whistle blower protection and animal welfare.



### Management of relationships with suppliers:

The Management of relationships with suppliers including payment practices, especially with regard to late payment to small and medium-sized undertakings



### Political influence and lobbying:

The company's activities and commitments related to exerting its political influence, including its lobbying activities



### Other business relationships

The management and quality of relationships with:

- Communities affected is addressed in ESRS S3
- Customers is addressed in ESRS S4

# ESRS G1 Disclosure Requirements which relate to ESRS 2

ESRS 2 contains *the requirement to disclose information*, and the topical standard specifies *what to disclose*.

## ESRS 2 - Minimum disclosure requirements

- MDR-P – Policies adopted to manage material sustainability matters
- MDR-A – Actions and resources in relation to material sustainability matters
- MDR-M – Metrics in relation to material sustainability matters
- MDR-T – Tracking effectiveness of policies and actions through targets



		Topical standards									
ESRS-2: Reporting areas		E1	E2	E3	E4	E5	S1	S2	S3	S4	G1
<b>GOV</b>											
	GOV 1										X
	GOV 2										
	GOV 3	X									
	GOV 4										
	GOV 5										
<b>SBM</b>											
	SBM 1										
	SBM 2						X	X	X	X	
	SBM 3	X			X		X	X	X	X	
<b>IRO</b>											
	IRO 1	X	X	X	X	X					X
	IRO 2										

### GOV 1

ESRS GOV 1 requires companies to disclose material information on the role of the administrative, management and supervisory bodies.

### IRO 1

ESRS IRO 1 requires companies to disclose the processes to identify and assess material impacts, risks and opportunities.

# ESRS 2 GOV-1: The role of the administrative, management and supervisory bodies

## Governance

### What is the requirement?

In addition to GOV-1 of ESRS 2, companies are specifically required to disclose:

- i) The role of the administrative, management and supervisory bodies related to business conduct
- ii) The expertise of the administrative, management and supervisory bodies on business conduct matters



### Administrative management and supervisory bodies

This refers to the company's bodies with the highest decision-making authority, including its committees.



### Business conduct

Normally refers to all actions and policies that provide the company's employees with guidelines for behaving ethically and with integrity, in accordance with the group's ethics charter (if existent) and the national and international legislation applicable to the group. In the context of ESRS G1, this refers in particular to the following topics: ethics and corporate culture, political influence and lobbying, and management or relationships with suppliers.

# ESRS 2 IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities

## IRO Management

### What is the requirement?

- Companies are required to disclose the process and all relevant criteria used on the process to identify material impacts, risks and opportunities.
- The criteria includes, for example, the location, activities, sector and structure of the transactions data.

## How will companies disclose this information?

When identifying their material impacts, risks and opportunities, companies are required to explain:



The tools and processes that enabled them to carry out such an identification.



The details of the criteria used on this process.

## Key criteria



**Location**



**Activities**



# ESRS G1 – Disclosure requirements



# G1-1: Business conduct policies and corporate culture

## IRO management G1-1

### What is the requirement?

Companies are required to disclose their policies on business conduct matters, and explain how they establish, develop, promote and evaluate their **corporate culture**.



### Identification mechanisms

A description of the mechanisms for identifying, reporting, and investigating concerns about illegal behaviour or contrary to the code of conduct or similar internal rules and whether it accommodates reporting from internal and/or external stakeholders



### Safeguard measures

For the reporting of irregularities, including protection of whistleblowers and non-retaliation against employees of the company who have been granted whistleblower status and employees who report any incidents of unethical behaviour. Companies should also disclose details on the establishment of internal whistleblower reporting channels



### Training

The company's policy regarding business conduct training, including target audience, frequency and depth of coverage as well as the functions within the company that are most at risk of corruption and bribery



### Animal welfare

Policies with respect to animal welfare

### Corporate culture

Corporate culture expresses goals through values and beliefs. It guides the undertaking's activities through shared assumptions and group norms such as values or mission statements or a code of conduct.

# G1-2: Management of relationships with suppliers

## IRO Management

### What is the requirement?

Companies are required to provide information on the management of its relationships with its suppliers and the impact of this management on its supply chain.

This includes the understanding of the:

01

Procurement processes applied to ensure fair behavior with suppliers

02

Description of the policy to prevent late payments, specifically to small and medium sized enterprises (SMEs)

# G1-2: Management of relationships with suppliers

How might a company present this information?

Company E (operating in the energy sector) might disclose in the current reporting period in order to meet the requirements of part of this DR – specifically ESRS G1, paragraph 15.

## Supplier policy

The new supplier policy adopted at the end of 20X3 has a special focus on the Company's commitment to maintaining robust, sustainable partnerships with its suppliers. It details the Company's commitment to responsible procurement, with a systematic inclusion of environmental, social, and human rights-related

## Responsible procurement process

Company commitments and obligations in respect of responsible procurement apply to every stage of the procurement process, including during supplier qualification, as well as when preparing for tenders.



## Supplier monitoring

### Identifying CSR risks

The Company completes assessments designed to ensure suppliers comply with Corporate Social Responsibility (CSR) commitments.

### Risk mapping

We prioritize these assessments based on risk mapping limited to the purchases driven by the Procurement Department, via on-site audits.

Title of the brochure or column title 55

1

## Supplier policy

The new supplier policy adopted at the end of 20X3 has a special focus on the Company's commitment to maintaining robust, sustainable partnerships with its suppliers. It details the Company's commitment to responsible procurement, with a systematic inclusion of environmental, social, and human rights-related clauses in all supplier agreements.

2

## Responsible procurement process

Company commitments and obligations in respect of responsible procurement apply to every stage of the procurement process, including during supplier qualification, as well as when preparing for tenders.

3

## Supplier monitoring

### Identifying CSR risks

The Company completes assessments designed to ensure suppliers comply with Corporate Social Responsibility (CSR) commitments.

### Risk mapping

We prioritize these assessments based on risk mapping limited to the purchases driven by the Procurement Department, via on-site audits.

# G1-3: Prevention and detection of corruption and bribery

## IRO management G1-3

### What is the requirement?

Companies are required to provide information about its system to prevent and detect, investigate and respond to allegations or incidents related to corruption and bribery.



### Findings

Information on the process of reporting results to administrative, management and supervisory bodies. If the Company does not have the process, it must disclose this fact and, where applicable, its plans to adopt it.



### Independence

Whether the investigators or the investigation committee are independent of the management involved in the situation



### Communication

Information on how the company communicates its policy to the relevant recipients should be included to ensure that it is accessible and that they understand its implications



### Training

Describe the following information

- The nature, scope and depth of anti-corruption/anti-bribery training programs
- The **percentage of functions at risk** covered
- The **extent to which training is given** to the members of the administrative, supervisory and management bodies

### Corruption

Refers to abuse of entrusted power of private gain, which can be instigated by individuals or organizations

### Bribery

Dishonestly persuading someone to act in your favor by giving them a gift of money or another inducement.

# G1-3: Prevention and detection of corruption and bribery

Example

## How might a company present this information?



Company H (operating in the private health sector) might disclose in the current reporting period in order to meet the requirements of part of this DR – specifically ESRG G1, paragraph 18(a).

1

### Policy on high-risk fields

We comprehensively assess every kind of corruption risk when selecting new domestic and international business partners and entering new regions and business areas. We ask prospective business partners to fill out a compliance check sheet, and also have our legal compliance-related departments confirm the absence of any violations. In this way, we carry out a comprehensive examination in areas designated or assessed to be high risk.

2

### Monitoring business units

Businesses deemed to be at high risk of corruption are monitored closely by the Executive Management Committee and the Strategy Planning Special Committee. The Risk Management Special Committee has oversight of anti-corruption policy, and it regularly reports to the Board of Directors.



“Our efforts to assess the risk of - and prevent – corruption”

### Policy to prevent bribery and corruption

“Company H positions compliance as a management issue of the highest priority, and in addition to ensuring compliance with laws, regulations, and social norms, it forbids any kind of corruption, and executes corporate activities that are fair and highly transparent, in line with corporate ethics. The Company’s Compliance Policies set forth conduct guidelines, as well as summarizing the structure and procedures needed to achieve its basic policies as its Compliance Rules and Compliance Procedures.”

nore voluptas remota sum delectis a v  
rehereditatis ea nos et volubus, et a  
Miquaeae reherem, occupi quae  
et ut falligui dermatia nesci, sequor et  
quae? Em et fuga emm Nonne vob  
fonsaque cum exereio lupatur sin  
Offitiae ovali elabro et valentim in pe  
vempat et etlaris quae cotexum hi  
lunt ut placenti met quodis solorem  
not et escium vellemolorem vellei  
tem cum quem ligula appenge riba  
voluptatem. Nam inveniata quo con

Figure x:  
Headline goes here

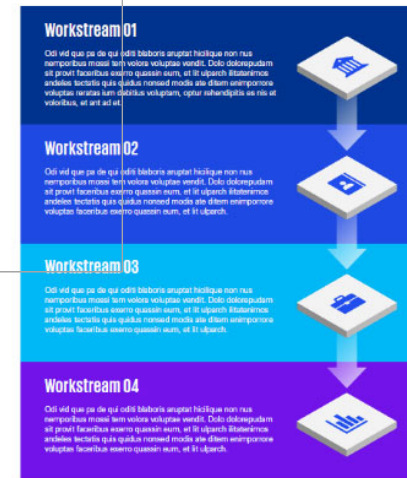


Source: KPMG in Deutschland, 2022. Angab  
Bundesrat/Newsroom mitglied

3

Based on company policies, we carry out training on issues such as **eliminating organized crime, preventing money laundering, eliminating unfair transactions, preventing insider trading, prohibiting gifts and entertainment, and preventing any other kind of corruption.**

## Anti-Corruption Training



4

### Internal consultation service

We have established an internal whistle-blower system that allows consultations to be made anonymously. In this way, we strive to prevent bribery or any other kind of corruption. Any potential violations of our compliance policies are either dealt with by local line management, or escalated to the Company H Alert Officer.

Title of the brochure or column title



# G1-4: Incidents of corruption or bribery

## Metrics & Targets

### What is the requirement?

Companies are required to disclose information on incidents of corruption or bribery during the reporting period.

This includes the understanding of the:

01

Number of convictions and the amount of fines for violation of anti-corruption and anti-bribery laws

02

Actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery

03

Confirmed incidents if the company wants to do so



# G1-4: Incidents of corruption or bribery

How might a company present this information?

“ Company H (operating in the private health sector) might disclose in the current reporting period in order to meet the requirements of part of this DR – specifically ESRS G1, paragraph 25(a).

### Consequence Management

We apply a zero-tolerance policy to violations of the Code. Under our whistleblower policy, most (potential) violations are dealt with by local line management. Where this is not appropriate, reports can be made directly to the Company H Alert Officer, who reports to the Managing Board and also independently to the Audit Committee of the Supervisory Board each quarter.

In 2022, the Company H Alert Officer received **22 reports** of potential violations (“Alert cases”), four of which were reported by an external party. This is at a level comparable with previous years. There were three potential bribery and corruption cases, none of which were substantiated.

This table gives an overview of all Alert cases broken down by substantiated, not substantiated and under investigation.

Figure 1:   
 headline goes here

Example	Percentage
Example 1	69%
Example 2	48%
Example 3	30%

Source: KPMG in Deutschland, 2022; Angaben in Prozent, Rundungsdifferenzen möglich.

1

Alert cases (whistleblower procedure)	2023
Number substantiated/ not substantiated/ under investigation	10 / 12 / 0
<b>Total</b>	<b>22</b>

# G1-5: Political influence and lobbying activities

## Metrics & Targets

### What is the requirement?

Companies are required to provide information on the activities and commitments related to exerting its political influence, which includes lobbying activities\*.

*\*Lobbying activities: Refers to the activities carried out with the objective of influencing the formulation or implementation of policy or legislation or the decision-making process of any national or international regulatory body.*

## What will companies disclose?



Eventual responsibilities in the administrative, management and supervisory bodies for oversight of those activities



Financial or in-kind political contributions and explanations of how these topics interact with the material impacts, risks and opportunities



The registration in the EU transparency Register or equivalent



Main topics covered by the lobbying activities and the company positions on these

# G1-6:Payment practices

## What will companies disclose?

### Metrics & Targets

#### What is the requirement?

Companies are required to provide information on their payment practices, especially with respect to late payments to small and medium enterprises (SMEs).

**01**

Average term that the company takes time to pay an invoice from the date on which the contractual or statutory term of payment starts to be calculated, in number of days

**02**

Standard conditions of the company's payment in number of days, by main category of suppliers, and the percentage of its payments aligned with these standard conditions.

**03**

Number of legal proceedings (currently outstanding), for late payments.

**04**

Additional information necessary to understand the context.

# G1-6: Payment practices

How might a company present this information?



Company T (operating in the food retail sector) might disclose in the current reporting period in order to meet the requirements of part of this DR – specifically ESRS G1, paragraph 33(a) and (b).



## Standard payment terms:

- 5 days: For small suppliers with up to € 250.000 of business with Company T each year.  
The company made payments that aligned with these terms 75% of the time.
- 60 days: For large suppliers with more than € 250.000 of business with Company T each year.  
The company made payments that aligned with these terms 86% of the time.

## Payment statistics

The average time taken to pay invoice is 52 days

- |                       |     |
|-----------------------|-----|
| • Within 30 days:     | 9%  |
| • In 31 to 60 days:   | 61% |
| • In 61 days or more: | 30% |



**Thank you!**

# Contact us



## Vassilios Kaminaris

Partner,  
Head of Audit, KPMG Greece

T +30 210 60 62 100  
M +30 697 33 40 984  
E vkaminaris@kpmg.gr



## George Iliopoulos

Director, Consulting  
ESG & Sustainability Services

T +30 210 60 62 100  
M +30 694 51 63 305  
E giliopoulos@kpmg.gr







[kpmg.com/socialmedia](https://kpmg.com/socialmedia)

© 2024 KPMG Certified Auditors S.A., a Greek Societe Anonyme and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

Document Classification: KPMG Public

GCR 001352601000