

CSRD Benchmark

Analysis of 35 sustainability reports
Preparing your next program

June 2024

WAVESTONE

In a nutshell

First sustainability reports: Is the **sustainable transformation** underway?



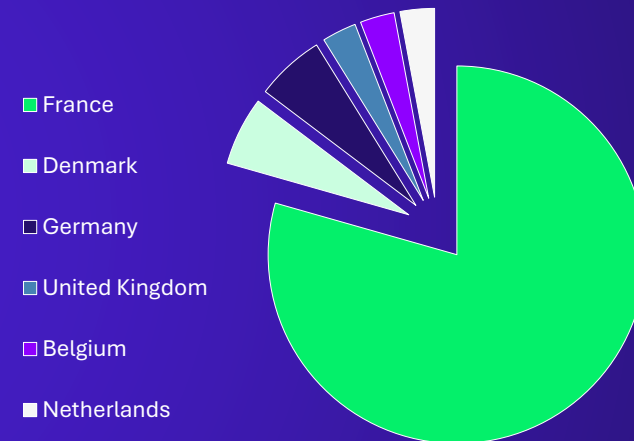
- Differences in approaches and maturity, particularly depending on the **sector**, but also **convergence**, including in the difficulties encountered.
- While economic models remain little questioned at this stage, the **foundations are in place to initiate more profound transformations**.

Wavestone conducted an in-depth analysis of **35 sustainability reports of European companies**, mainly French, and from **5 major sectors** of activity (Banking, Insurance, Industry, Energy & Utilities, Transport & Travel, Services).

These reports generally represent nearly **a third of the URD*** (with significant variations of **20% to 50% in the number of pages**).

* Universal Registration Document

Geography of the reports studied



Methodological approach

Definition of the scope

- Selection of **35 CSRD-compliant sustainability reports** from European (mainly French) companies, published between **February and March 2025**
 - **Multi-sectoral** representation to ensure inter- and intra-sectoral comparability
-

Construction of an analysis grid

- Definition of **analysis criteria** aligned with the requirements of the CSRD (double materiality, ESRS, taxonomy, governance, etc.) and construction of a **standardized evaluation grid**
 - Reading structured according to a mixed approach: **qualitative and quantitative**
 - Analysis of both **content** (level of compliance, precision of commitments) and **presentation** (readability, clarity)
-

Benchmarking and synthesis

- **Benchmarking** of practices
- Identification of **best practices** and deviations **from CSRD requirements**

Sample of companies analysed

Number of companies

35

Industries

12

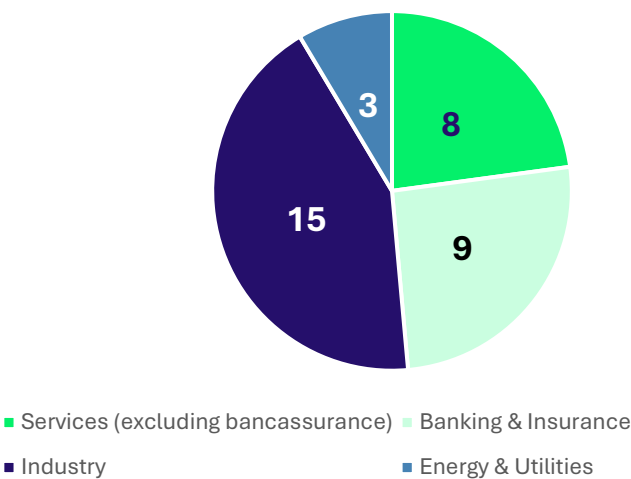
Average number of employees

105 208

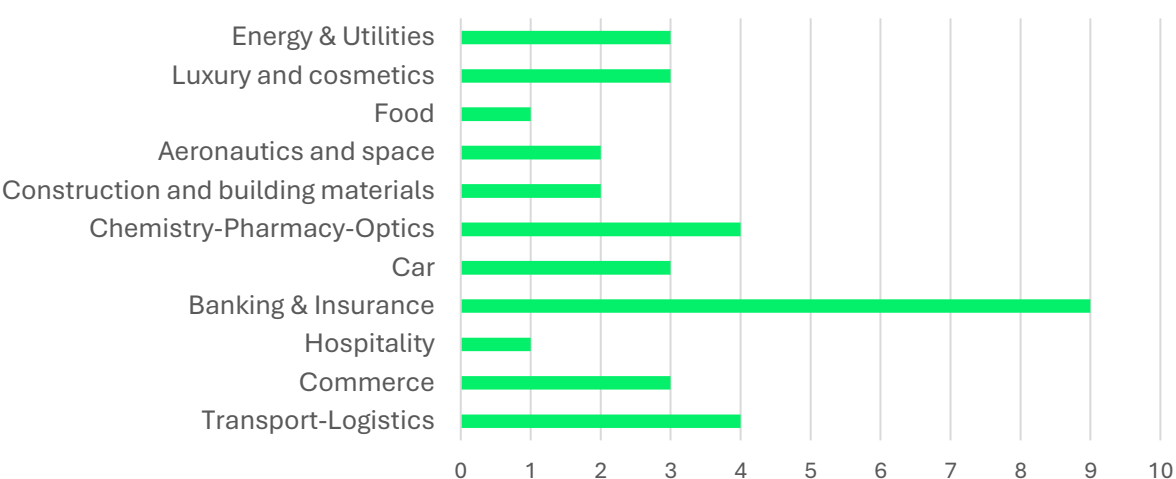
Average turnover

€41,214m

Breakdown of the panel by major sectors
(in number of companies)



Breakdown of the panel by sector of activity
(in number of companies)



The ESRS 2 transversal standard: an opportunity to question your strategy

Form and structure of reports: indicators of maturity

Although the directive does not impose a format, the presentation adopted reflects the maturity of companies on the subjects covered.

- Often "academic" monitoring of standards, sometimes freer on social aspects. A few companies have structured the report around their strategic sustainability orientations, which does not make it easy to compare.
- Clear and graphic layout promoting understanding and comparability.
- ESRS E1 (climate change) is often the most structured, quantified and detailed (carbon indicators already mastered).
- Efforts on less mature themes that will gain in rigor over time.

Business model: a vision that is still descriptive

Present in most reports, the business model often consists of a synthetic description, but static and not very related to hardware IRO:

- Key activities (BUs), resources, value creation, sometimes integrated value chains.
- Largely presented in the form of infographics (already present in the DPEF) and positioned at the beginning of the DEU, more rarely in the sustainability report.
- Highly variable maturity on the transformation of the business model with regard to sustainability:
 - No committed/visible transformation
 - Inherently sustainable model (e.g., rail)
 - Exposed model, transition undertaken (e.g. energy, automotive).

Double materiality assessment a still unbalanced base

The DMA *is at the heart of sustainable thinking and reporting, but disparities are identified:

- Number of material issues (IROs**) identified: between 30 and 80 in the majority
- Majority of negative impacts and risks, to the detriment of opportunities (cf. risk culture anchored in large companies).
- 6 ESRS almost systematically judged to be material: E1, E5, S1, S2, S4 and G1.
- Less representation of themes such as water, biodiversity, pollution and affected communities.
- Consultation of external stakeholders: not systematic (support from internal experts) or dating from before 2024 (sometimes 3 years before).
- The visual matrix of double materiality is rarely published, often considered sensitive.

**Double materiality assessment*

*** Impacts, risks, opportunities*

The **ESRS 2 exercise pushes companies to clarify their key issues. It offers an opportunity to link sustainability and strategy, which is still not fully grasped at this stage.**

Focus on certain ESRS: today's priorities and tomorrow's projects



Climate change (E1): a strong climate report

- **Mitigation** : Companies set climate targets for 2030 and Net-Zero for 2050, often validated by **SBTi**. They are making progress on the **measurement of their carbon footprint** (scope, scope 3, emission factors, etc.) and their **transition plan**, but the financing aspect often remains unclear.
- **Adaptation** : analysis of **climate risks on assets** is developing, but is rarer on the value chain; action plans remain to be built or deployed.



Circular economy (E5): maturity in progress

- Companies have a better understanding of the topic of **outflows than** inflows, with a **focus on recycling and reuse**. Reporting on **waste** and its treatment is improving.
- On **inflows**, the approaches to sobriety (e.g. weight reduction) and sustainable sourcing are highlighted.
- Eco-design is becoming strategic, combining sustainability and savings.



Workforce of the company (S1): remuneration issues

- Social issues related to the workforce are traditional and well covered by policies and actions (working conditions, health and safety, DEI, etc.), which are sometimes **more narrative than quantified**. **Human rights policies** are more recent, but are becoming more widespread. The theme of **living wages** is emerging, with associated methodologies still unclear.
- The **points of progress** concern the quantification of the workforce (including non-salaried workers), the clarification of the populations covered by the policies.



Value Chain Workers (S2): broadening the vision

- The management of **social and environmental impacts** in the value chain is being developed. The majority of companies focus their efforts on their **Tier 1 suppliers**, but **some sectors are more advanced** (agri-food, luxury, etc.) in terms of depth of analysis and control of risks related to their value chain.
- **Purchasing Departments** are on the front line, training, structuring themselves (Responsible Purchasing) and equipping themselves, in connection with the CSRD and Duty of Vigilance / CS3D regulations.

ESRS 2

The basics of sustainability reporting

- **Reporting scope:** aligned with the **financial reporting scope** for the vast majority of companies, sometimes with limits indicated on certain indicators (social in particular)
- **Specific stakeholder consultation for the DMA*:** systematic consultation of internal stakeholders, less systematic consultation for external stakeholders
- **Business model:** presented in a visual and factual way (resources and value created, activities, stakeholders) but generally not very connected to material issues and not very dynamic (invisibilization of the transformations to be made)
- **Materiality of ESRS :** marked contrasts between certain themes
 - Very often retained as materials : E1 (Climate Change), E5 (Circular Economy), S1 (Company Workforce), S4 (Consumers and End Users), S2 (Value Chain Workers) and G1 (Business Ethics)
 - Less frequently judged to be material : E2 (Pollution), E3 (Water), E4 (Biodiversity) and S3 (Communities)
- **Average distribution of IROs** by company:** clear predominance of **risks (16 risks vs. 5 opportunities) and negative impacts (20 negative impacts vs. 8 positive impacts)**
- **Specific ESRS :** created by certain companies, to better reflect their business model and challenges; in particular dedicated to **data and cybersecurity**.

*Double materiality assessment

** Impacts, risks and opportunities

Average number of hardware IROs

44

with strong dispersion between 20 and 80

Average number of hardware IROs

- **Environment: 17**
- **Social: 22**
- **Governance: 7**

Number of companies with ESG ESG compensation

30 / 35

in majority: weight 15-20%

Number of companies with ESG-indexed remuneration (Executive Committee and senior executives)

21/35

Number of enterprises with specific ESRS

7 including 5 on cybersecurity

Manually tagging information

For half of the companies (most often at DR level, sometimes at DP level)

Thematic standards

ESRS E1: Corporate mitigation maturity

KEY MESSAGES

Level of commitment :

- **Short-term targets** on Scopes 1 and 2 in general aligned with global warming at **1.5°C** and often **certified by SBTi**
- **Net-zero emissions target by 2050** widely adopted, with the exception of the banking sector
- **Less ambitious commitments on Scope 3** with partial coverage of emission items and aligned with 2°C warming

Means implemented:

- **The contribution of each decarbonization lever** is rarely correlated with the objectives
- **The financing plans** are mostly present, but still not sufficiently detailed

Carbon footprint measurement :

- **Scopes 1 and 2: good maturity**, emissions calculations are mainly made with activity data
- **Scope 3** : Often, for purchases, data is calculated via **monetary data coupled with generic EFs**. For the use of the products sold, the observation is similar, although some companies also include specific EFs, without specifying the level of coverage.

Taxonomy:

- The infrastructure and construction, transport and energy sectors often have more eligible and aligned turnover and CAPEX.
- Some players in the consumer goods sector have CAPEX that is significantly aligned (compared to aligned turnover).

Coverage of the
ESRS in the panel

35_{/35}

DIFFERENTIATING PRACTICES

Energy

Alignment of investments with the decarbonization strategy and implementation of CO2 budgets allowing a strong alignment (82%) of CAPEX with the Taxonomy

Pharma

Modelling of the contribution of decarbonisation levers by 2030, and details of the action plan by lever (actions already carried out vs. still to be done)

Industry

Plans of actions and roadmaps broken down by BU, country and for each industrial process

CHALLENGES

- **The taxonomy**: the adequacy between eligibility and alignment of turnover and CAPEX still seems a long way off, especially since few companies are planning a corrective plan
- **The transition plan** : although mandatory, remains partially structured or even absent
- **Measuring the Scope 3 footprint**: necessary to manage a decarbonization strategy, and often requiring specific tools to refine its granularity; there is a dual challenge of collecting data from internal activities and specific external emission factors (EFs)
- **Rebaselining** : not yet systematically applied by companies but is emerging as a key next step in aligning with climate trajectories

ESRS E1: Maturity of companies on adaptation

KEY MESSAGES

Risk analysis

- **The mapping of physical and transition risks** by climate scenarios **has become widespread**, but often remains superficial (e.g. lack of modelling of financial impacts). Only a few companies in sectors related to consumer goods (textiles, luxury, automotive) analyze the risks on their value chain.
- **The classification of physical risks** between acute (flooding, heat wave, drought) and chronic (water stress, temperature increase) is **well integrated by the majority of the panel**.
- A few rare companies conclude that the subject of adaptation to climate change **is financially immaterial**.

Transition plans and funding

- Few companies develop **adaptation solutions** (see blue box on the right).
- Companies in **the energy, infrastructure, industry and transport sectors** are the most mature on the subject: they more often have **adaptation plans**, and a **diversity of types of actions undertaken**.
- When the company plans to adopt adaptation solutions, it does not include them in its financing plans.

Companies planning adaptation solutions on:

- Asset protection **13/35**
- Prevention and monitoring of assets **11/35**
- Business continuity **12/35**
- Maintenance **6/35**

DIFFERENTIATING PRACTICES

Food

In-depth work on the upstream value chain (distributors and producers) in the analysis of climate change risks and specific action plan

Energy

Use of advanced models (CMIP6) by the internal climate department to anticipate the effects of climate on facilities and model the gains and costs of their investment projects

Transport

Identification of adaptation levers for both short and long-term horizons, including a number of "quick wins" already implemented

CHALLENGES

- **Partial coverage of risk analyses:** focus on own assets, little valuation of the value chain
- **Recurrent lack of financial impact modelling:** although complex, this is the key element in aligning the scale of the adaptation plan and the magnitude of the risk
- **Identification and deployment of tools** for risk analysis, modeling of financial impacts, market opportunity, gain/cost of adaptation measures
- **Action plans that are not very integrated into the company's strategy** and do not have dedicated funding. The actions of transition plans are very often **linked to mitigation and not to adaptation**.

ESRS E2: Corporate maturity on water pollution

KEY MESSAGES

- In the reports analysed, water pollution is either explicitly associated with **fresh water**, or the **formulations remain generic and imprecise**. No direct reference is made to marine environments, suggesting that they are not considered in the reporting.
- **The most exposed industries (agri-food, textiles) are the most advanced** : audits, watershed assessments, sectoral standards, etc. Conversely, the financial sector and companies with limited direct impact are struggling to develop operational action plans.
- Leaders join industry initiatives or working groups such as the **Zero Discharge of Hazardous Chemicals Association** and **The Microfibre Consortium**.

Coverage of water pollution
in the panel

18_{/35}

DIFFERENTIATING PRACTICES

Textile
industry

Participation in collective and/or sectoral initiatives (e.g. Microfibre Consortium, ZDHC) and conduct of audits and evaluations, carried out by third parties, for **all its level 1 and 2 suppliers**.

Food

Annual deployment of a **WWF Water Risk Filter (WRF) questionnaire to all its production sites** in order to map and prioritize local risks.

CHALLENGES

- **Better delineating the scope of pollution** : difficulties in treating pollution as a separate theme until now, due to its **strong interconnections with climate (E1) and biodiversity (E3)**
- **Consolidation of reporting: particularly complex** due to the **volume of data** to be reported from hundreds of sites around the world (e.g. Engie still in the process of centralization) and the heterogeneity of the local standards to which each site is subject.

ESRS E2: Maturity of companies on air and soil pollution

Coverage of air
pollution in the
panel

21 /35

KEY MESSAGES ON AIR POLLUTION

- 21 companies considered **soil pollution** to be material
- **Focus on VOCs, NO_x and SO₂** :
 - Emissions of volatile organic compounds (VOCs) are almost systematically quantified
 - Some manufacturers also report **NO_x** and **SO₂** (nitrogen oxides and sulphur dioxide) from combustion.
- In sustainability reports, **air pollution is systematically addressed from the perspective of external discharges**, without the indoor air quality being explicitly addressed.

KEY MESSAGES ON SOIL POLLUTION

- 17 companies considered soil **pollution to be** material
- The companies mention qualitative actions without figures on the extent of the contaminated soil or the decontamination undertaken.
- Some groups (EDF, SG, UCB) mention risks related to decontamination or changes in standards, **without anticipating them or articulating them with concrete strategies**.

Soil pollution
coverage in the
panel

17 /35

CHALLENGES

Air pollution and even more so, soil pollution are the subject of reporting that is still in its infancy, which must be structured:

- Difficulty in treating pollution as a separate theme, due to its **strong interconnections with climate (E1) and biodiversity (E4)**.
- The grouping of air, water and soil pollution **limits the granularity of reporting**. Air and soil pollution are often only subject to a few KPIs and are only poorly developed, unlike water pollution.
- Companies **tend to focus their narrative on compliance** (obtaining permits, complying with local standards, setting up treatment systems, developing new technologies, etc.), **but without supporting these claims with figures** or detailed action plans.
- The **strong heterogeneity of local regulations** (thresholds, obligations, discharge standards) prevents a homogeneous reading, making it difficult to consolidate within groups.

ESRS E3: Maturity of companies on water and marine resources

MESSAGES CLEFS DE L'ESRS

- About half of the companies (10) have a **dedicated water policy**. The other half usually dedicate a strategic pillar to water as part of their environmental policy.
- While the preservation of water **quantity and quality** are mentioned in the introduction, few companies develop a section dedicated to quality. The preservation of **marine resources** is not a priority for the panel studied.
- Overall, the companies' approach is focused on "**clean operations**", with a strong maturity on issues related to water consumption reduction / recycling / reuse. Some players (notably the food, fashion and beauty industries) are also integrating an "**upstream value chain**" approach, taking into account suppliers.
- All companies take a specific approach for **areas with high water stress**. They are often based on the World Resources Institute's Aqueduct tool or, to a lesser extent, on the WWF Water Risk Filter.

Coverage of the ESRS in the panel

20_{/35}

DIFFERENTIATING PRACTICES

Food	Systematic link between actions and targets (table format), operationally translating its strategic vision for water.
Energy	Description of all its water-related uses , facilitating educational reading (differences between withdrawals and consumption, use of water for cooling or for industrial processes, etc.).
Luxury	First company in the world to have a freshwater target validated by SBTN .
Car	Water consumption per vehicle built .

CHALLENGES

- **Homogenize data and set objectives:** some companies choose to analyze water taken and not consumed (and vice versa). In addition, 1/4 of the panel does not yet associate targets with its actions.
- **Better taking into account the value chain, particularly downstream**
- **Integrating stakeholders:** mentioned, but rarely described, especially in the context of local governance systems.
- **Better take into account the natural ecosystem** (watersheds, etc.). Companies that place their business in this approach have the most ambitious action plans.

ESRS E4: Maturity of companies in terms of biodiversity

KEY MESSAGES

- **13 companies out of the 35** studied have published a **biodiversity transition plan**, demonstrating a still limited but growing awareness.
- Maturity **is strongly correlated with the sector of activity** : the most advanced companies on the subject of biodiversity come from sectors with high dependence or high impact (beauty, luxury, energy, agri-food, construction). On the other hand, the banking and insurance sectors are less mature, with a **theoretical approach often based on sectoral data**.
- **Combating deforestation, mapping and managing sensitive areas** as well as **the footprint on the soil** are priorities for companies.
- The most widely used tools, methodologies and frameworks by companies are the **Global Biodiversity Score** (BIA-GBS), the **TNFD LEAP methodology**, **ENCORE**, the **WWF Biodiversity Risk Filter** and the **SBTN**.

Coverage of the ESRS in the panel

24_{/35}

DIFFERENTIATING PRACTICES

Utilities

Carrying out external biodiversity diagnoses on each industrial site and is committed to covering 100% of its sites by 2025, with detailed annual reporting on the state of biodiversity and light and solar pollution, etc.

Energy

Mapping of priority sites by **mobilizing several datasets** (including IUCN, KBA, Ramsar, MAB, Globio, water stress, etc.) and **implementation of action plans for 84% of its sites**, with a target of 100% by 2028, while planning the implementation of 10 nature-based solutions by 2025.

CHALLENGES

- **Broaden the scope covered**: most companies only focus on one segment of their value chain and **rarely on all scopes or activities** (e.g. Accor analyzes its hotel portfolio, and not its other activities and headquarters).
- **Define precise quantitative indicators** on the state of biodiversity (fauna, flora, ecosystems) or detailed numerical targets (zero net loss, net gain, etc.).
- **Build dedicated action plans** : very often, biodiversity actions are only secondary components of companies' climate policies.
- **Deepen the analyses** that are still superficial, without detailed mapping of sensitive areas, or clear prioritization of the issues.

ESRS E5: Maturity of companies on resource use and the circular economy – Focus on inflows

KEY MESSAGES

- Objectives shared by the various stakeholders: reduction in the use of raw materials and integration of **recycled or bio-based materials**.
- The companies analysed are relatively mature, with **few detailed action plans**.
- As part of a circular economy plan, **companies have established a good inventory**, in particular by identifying target materials to be reduced and/or better sourced according to their sector of activity. Example: concrete for construction, titanium or aluminium for the composition of aircraft.
- Good practices identified: include more **environmental criteria related to resources in calls for tenders**, encourage **the intensification of product use**, promote **the eco-labelling** of material purchasing portfolios.
- Uneven implementation of raw material tracking and traceability tools** by the different companies analyzed.

➡ Some sectors are more advanced (textiles, food) than others (energy sector, insurance, banking). Within certain sectors of activity, the practices presented are just as scattered (automotive).

Presence of inflow-specific actions

11 /35

DIFFERENTIATING PRACTICES

Textile industry

Presence of material-specific operating procedures and manage by product creation guidelines. Objective of reducing dependence on virgin fossil fuel-based materials by increasing the share of recycled materials, as well as using renewable materials from sustainable sources. Data available on the composition of the products in order to monitor the evolution.

Food

Tracking percentages of sustainably sourced organic materials. For palm oil, soya, paper and cocoa, traceability exercises are carried out twice a year with an external firm.

CHALLENGES

- Improve quantitative data and detail on incoming materials**
- Systematize indicators for monitoring** the composition of products and/or purchases
- Intra-industry collaboration** to share best practices

ESRS E5: Maturity of companies on resource use and the circular economy – Focus on outflows

KEY MESSAGES

- Few companies already have **precise monitoring tools for waste or the end of life of products**. However, some of them publish detailed information on the types of waste, how they are treated and sometimes the recycling rates.
- The presence of improvement plans or recovery channels remains uneven. In the BtoC sectors, approaches aimed at **offering consumers repairability or recyclability solutions are still underdeveloped**.
- Waste management programmes are, on the whole, being structured or implemented. **The level of commitment varies according to the sector** : some, such as the construction industry, have already put in place advanced methodologies, concrete action plans, and even the creation of recycling channels.
- In industry, studies are underway to measure waste volumes and identify levers for reduction, with initial data already published by some companies. Few players focus on waste directed towards energy or material recovery sectors, which are often absent from reporting.

Presence of outflow-specific actions

11 /35

DIFFERENTIATING PRACTICES

Distribution

Transparency with customers on the durability score (an effective tool to evaluate the durability of brands thanks to an aggregate between a reliability score and a repairability score based on the breakdown rates and repair rates observed by the Darty after-sales service, but also taking into account the availability time and the price of spare parts). The company promotes repairability through various programs.

Cosmetic

- Zero waste to landfill objective.
- Initiatives to reduce waste generation at the source, including eco-design of products and optimization of manufacturing processes.
- Reuse and recycling of materials, with partnerships to develop innovative recycling solutions.

CHALLENGES

- **Improve quantitative data and detail on outgoing materials:** figures, types of waste, treatment methods, destination
- **Recovering waste:** still too little progress due to the lack of precise objectives

ESRS S1: Maturity of companies on the company's workforce

KEY MESSAGES

The **most commonly found policies**, in descending order of frequency of occurrence:

- Diversity & Inclusion (31)
- Health & Safety (30)
- Training & Skills Development (23)
- Human Rights Policy (21)
- Compensation and Benefits (15)
- Social Dialogue (10)
- Well-being and working conditions (9)
- Attractiveness and retention (7)
- Work/Life Balance (7)

VULNERABLE PEOPLE

The definition of **vulnerable persons**, when realized, varies, but often includes:

- Women
 - Young people
 - LGBTQ+ people
 - people with disabilities
 - people from disadvantaged backgrounds or people who are far from employment
- Migrants are sometimes mentioned.

FOCUS ON LIVING WAGE

We can distinguish **3 groups of companies** :

- Those mentioning that their employees receive a living wage, without providing further details
- A majority refer to **the ILO definition** and guarantee a wage above the **legal minimum** ; in the absence of a threshold, they rely on the **average and median wage** or benchmarks such as the **Fair Wage Network**
- Those that are very mature on the subject, which take their entire workforce into account, anticipate the future **directive on pay transparency** and clearly communicate their commitments, reflecting a structured policy

Coverage of the ESRS in the panel

35/35

Number of companies linking to pay transparency

4/35

DIFFERENTIATING PRACTICES

Food

Dan'Care program to offer all its employees worldwide quality health coverage (hospitalization, outpatient care, maternity, etc.)

Insurance

Annual update of the calculation and commitment to pay cash remuneration equivalent to at least 110% of the living wage to all its employees by 2026.

Energy

Training of diversity ambassadors to raise awareness among teams and deployment of tools to monitor and evaluate its D&I policy, based on KPIs and feedback from internal surveys.

CHALLENGES

- **Better define the population of self-employed persons:** improve their accounting (rules differ from country to country) and clarify whether policies applied to employees are also applied to non-employees
- **Align with the Pay Transparency Directive**, which was not the priority at the moment
- **Define clear, quantifiable and well-communicated objectives** to improve the effectiveness of clean workforce policies
- **Harmonize policies at Group level** to ensure a unified framework and global coherence, while **adapting them locally** to respond to regional specificities and local realities.

ESRS S2: Maturity of companies on value chain workers

KEY MESSAGES

- Responsible (or sustainable) **purchasing policy and duty of vigilance** are the 2 key levers for responding to risks in the value chain (especially in the supply chain): integration of **ethical charters** in contracts, **risk assessment by purchasing category** (with, for example, the AFNOR tools, Verisk Maplecroft, etc.), **(self-)assessment of ESG** performances suppliers (including the EcoVadis, Sedex platforms)
- Reporting platforms that are mostly outsourced** (e.g. EQS).
- For suppliers assessed at high ESG risk, targeted **assessments and on-site audits** conducted by third parties with **increased attention to respect for human rights** (e.g. direct dialogue with employees of the audited supplier), and increased follow-up of corrective measures. It should be noted that greater efforts will be made to support suppliers in their progress plan (and not just sanction them), in the spirit of the future CS3D.
- Integration of ESG criteria** in calls for tenders and purchasing processes: their weighting in the evaluation of suppliers is often between 15 and 20%.

Coverage of the ESRS in the panel

32_{/35}

DIFFERENTIATING PRACTICES

Energy

Objective of reducing the number of suppliers in order to favor strategic and sustainable partnerships. New digital tool providing an ethical risk score covering five dimensions: country risk, risky activities, politically exposed persons, sanctions and controversies.

Food

Dedicated team in Latin America and Asia to help suppliers develop their corrective action plans: provision of expertise and resources, regular dialogue to close the audit after auditor's verification (SMETA methodology).

BTP Construction

Audits, carried out as a priority on Tier 1 suppliers, sometimes Tier 2 and above, depending on the social and environmental risks identified. Test of the audit grid carried out on a Road sector on suppliers tier 1 to 5

CHALLENGES

- Ensure vigilance beyond Tier 1 suppliers and equip ourselves to be more effective in risk management and visibility in the value chain.** The latest versions of CS3D after Omnibus ease the requirements, but the most likely or serious impacts in the value chain still fall within the scope of responsibility.
- Onboard and support suppliers** : beyond the carbon issue, integrate human rights components; beyond charters and codes of conduct, set up a structured dialogue with suppliers, train them and support them without their action plans.
- Also looking at the downstream impacts of the value chain** (logistics, transport, warehousing, installation) are still poorly documented
- Regularly ensure visibility and knowledge of whistleblowing mechanisms** by employees, value chain workers, communities, customers, consumers and end users

ESRS S3: Affected communities

KEY MESSAGES

There are **three main approaches** to defining affected communities:

- Local **communities**, directly impacted by the presence or activities of the company in a territory
- Communities **linked to the value chain**, especially in at-risk extraction or production areas
- Larger **communities**, defined by a common characteristic or a specific societal issue

The **negative impacts mentioned** mainly concern **the human and land rights** of indigenous peoples, as well as major **environmental issues** such as water, air and soil pollution, but also noise and visual pollution, and waste management.

From **certain risk or investment thresholds** for large-scale projects, a structured dialogue is initiated with local communities with real know-how in terms of dialogue/consultation with wider external stakeholders.

Coverage of the ESRS in the panel

22_{/35}

DIFFERENTIATING PRACTICES

Food

Autoevaluation launched at the end of 2024 in production sites around the world in order to assess the level of maturity of the sites' dialogue practices and to identify areas for improvement.

Industry / Construction

"Build Change" programme (since 2022) to strengthen the employability of young people from disadvantaged backgrounds by training them in the construction sector, which is facing a labour shortage in many countries.

BTP Construction

Use (since 2014) of the Local Footprint® tool to measure the socio-economic impacts and benefits of its projects, in order to concretely assess their local anchoring and their ripple effect.

Transport

Regular consultations and consultations with local residents on current and future projects (construction, renovation, etc.)

CHALLENGES

- Integrate affected communities and their representatives into the dialogue with stakeholders in **a more structured and regular way**
- **Build quantitative KPIs** to set results objectives (and not just means objectives) and steer action with affected communities
- **To make the existence and functioning of whistleblowing mechanisms known to the affected communities.** These mechanisms made available to company staff and value chain workers are often extended to affected communities.

ESRS S4: Consumers and end users

KEY MESSAGES

- **There is a semantic shift** between the norm, which speaks of **consumers and end users**, and the practice of companies, which is often solely focused **on customers**.
- In some sectors such as manufacturing, **a more precise distinction is made between B2B, B2C, B2T customers and end users** (Ex: in aeronautics, the customers are the airlines, while the end users are the passengers and crews)
- When it is made, the most common distinction is between **"customers"** — understood as people who pay for a product or service — and **"end-users"**, who ensure the actual use of it.
- **Three themes** mainly addressed by companies: **data protection** ; **product safety and quality** , especially in the automotive, food and pharmaceutical sectors ; **accessibility of products and services**, whether priced, physical or digital.

Coverage of the ESRS in the panel

34/35

DIFFERENTIATING PRACTICES

Defense	Identification of a potential negative impact related to the diversion of use, which could compromise the safety and rights of its end-users – States and populations concerned
Industry	Implementation of a customer experience management tool "the Voice of the Customer" offering the possibility for all the group's entities to regularly survey an unlimited number of customers and patients
Car	Proposal for social and inclusive financing to make vehicles accessible to as many people as possible
Distribution	Accurate and detailed description of consumers and end-users considered to be vulnerable and influenced in their consumption choices

CHALLENGES

- **Broaden the notion of accessibility** to systematically include digital and physical price accessibility in relevant business sectors.
- **Decomartmentalize the Business** Lines and work in a more transversal way, to ensure the continuous improvement loop aimed at product quality and customer satisfaction.

ESRS G1: Business conduct maturity of companies

KEY MESSAGES

- **Business conduct** and corporate culture were deemed material and addressed by all companies, as well as the detection and **incidents of corruption** and bribery.
- Other sub-themes were addressed by the majority of companies:
 - Supplier relationship management and payment practices
 - Whistleblower protection
- The sub-theme of **"lobbying and public and political influence"** was less addressed by companies, probably because of its sensitivity and reluctance to communicate it publicly
- Some companies, particularly in the pharmaceutical, agri-food and luxury sectors, are addressing **animal welfare**
- Cybersecurity is often mentioned in this ESRS when the company does not dedicate a specific ESRS to it.

Coverage of the ESRS in the panel

35/35

DIFFERENTIATING PRACTICES

Presentation of a table of the expertise of its Supervisory Board:

Expertise and Experience of Shareholder Representatives on the Supervisory Board										
	International business experience	R&D	Agri-cultural/ food	Health-care	Finance	Internal control/ risk management	HR	Governance/ compliance	Digital	Sustainability/ climate protection
Dr. Paul Achleitner	X					X	X	X		
Horst Baier	X				X	X	X	X		X
Erhard Göttsch	X		X				X	X		X
Colleen A. Grogan	X			X			X			X
Kimberly Mathisen	X	X	X	X			X		X	X
Lori Schachter	X				X	X	X	X		X
Dr. Nancy Simonian	X	X		X	X	X				X
Jeffrey Ubben	X		X		X	X				X
Alberto Weissner	X		X		X	X	X	X		X
Prof. Dr. Norbert Winkeljohann (Chairman)	X				X	X	X	X	X	X

CHALLENGES

- Obtain figures and data on payment practices for subsidiaries and in particular, internationally.

Pharma

Car

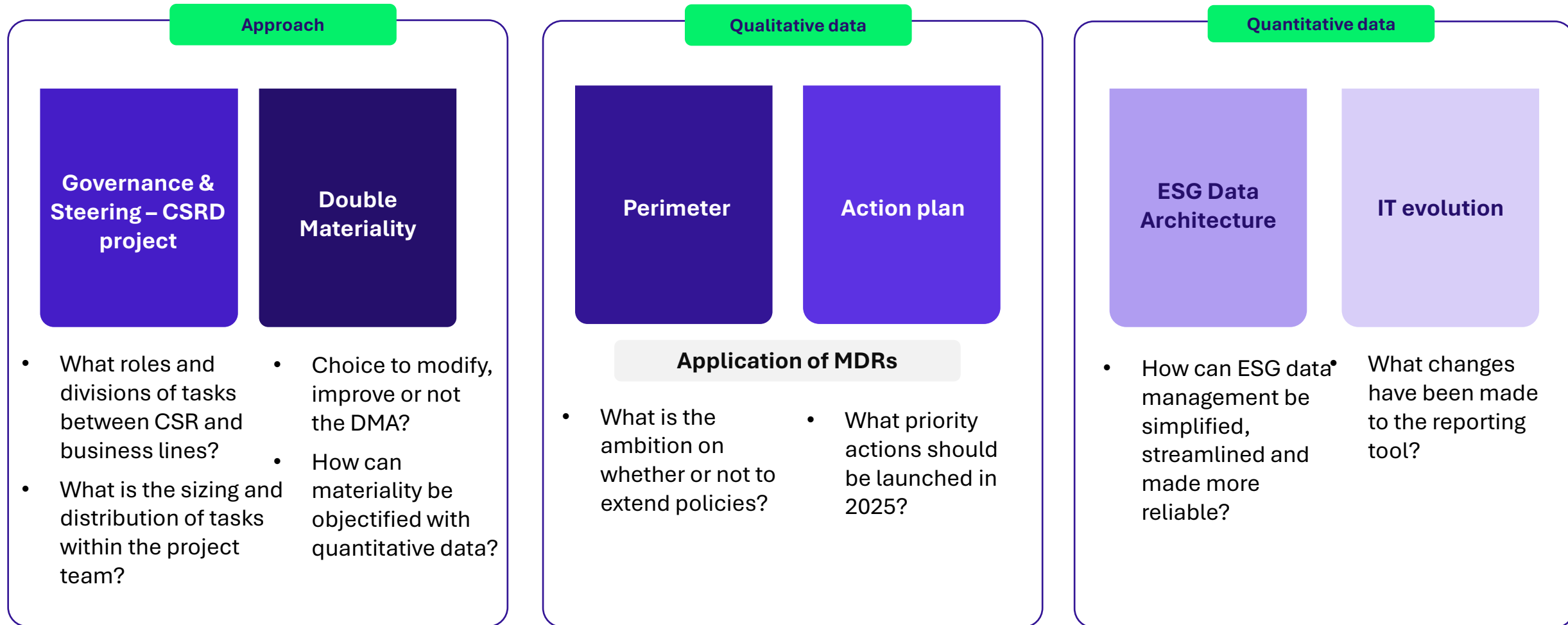
Dedicated focus on its antitrust policy

Preparing for your next CSRD program

- How **to structure** your approach?
- What impact of the **Omnibus law**?
- Which **sizing and duration**?

6 structuring steps to question in a CSRD approach

To what extent do you want to have a purely regulatory approach to the standard or create a lever for transformation?



It's essential to well consider the Omnibus arbitrations that will have an impact on the next reports

Reduced CSRD reporting requirements highlight the importance of a voluntary approach to sustainability

Deletions



Threshold

Elimination of **+80% of the number of companies concerned** by raising the thresholds: eligibility is limited to companies with more than 1,000 employees and €50 million in turnover or €25 million in net assets held

Data

Removal of the addition of industry reporting standards (ESRS)



Audit

Removal of subsequent evolution to a reasonable level of **assurance**

Breaks



Double-materiality

Maintaining the analysis of double materiality, but **reducing the justifications necessary for non-materiality**

Value Chain



Extension of the "value chain cap", companies subject to the CSRD will no longer be able to demand data from their suppliers that go beyond the **VSME standard**



Data

Reduction in the **amount of data required**, prioritization of quantitative points and a better distinction between mandatory and voluntary data

Incentives



Audit

Publication by the Commission by 2026 of **targeted guidelines** (instead of originally planned auditing standards) to address emerging issues more quickly

Proactive reporting

Possibility for non-subject companies to **postpone voluntarily** using EFRAG's VSME standard, which should be the subject of a delegated act



The heterogeneity and variation in the size and duration of CSRD programmes can be explained by four main factors

01

Coordination between the group and the entities/subsidiaries

Depending on the size of each organization, the need for resources will grow to manage and onboard subsidiaries



02

Change management and employee engagement

Depends on the ambition given on the direct and autonomous appropriation of the subject by the business lines



03

Policy review and project depth

Stems from the aspiration to carry out the reporting exercise or to use it as a lever for strategic transformation



04

Change of reporting tooling

Depends on the desire to challenge ESG quantitative data collection tools



Sizing and durations of CSRD programs

The complexity of the project, the accuracy of the standard, the auditors' expectations and the workload involved were most of the time underestimated.

In summary, we observe projects of minimum 12 months, on average 15 months, with an average workload of 6.9 FTEs (median of 5.5 FTEs).

Services
(excluding
banning
& insurance)

International group
with subsidiaries
and locations
abroad

+200,000
employees

5 FTEs
(Core Team)

15 months

Want to discover all our
feedbacks?

Contact us for a personalized return

