



ESRS Reporting Structure

February 10, 2025

De in deze presentatie opgenomen informatie en ingenomen standpunten zijn voor rekening van de sprekers en geven niet noodzakelijk het standpunt van het IBR weer.

Les informations contenues dans cette présentation et les opinions exprimées au cours de cette présentation sont celles des orateurs et ne reflètent pas nécessairement l'opinion de l'IRE.



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Facilitator



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KPMG

Agenda

- 01 Key content aspects of the sustainability statement
- 02 Structure of the sustainability statement
- 03 Examples of sustainability statements
- 04 Limited assurance considerations
- 05 Q&A

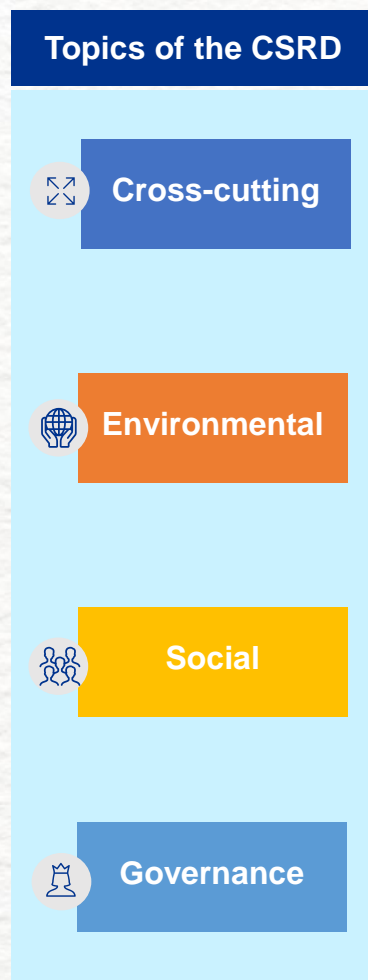


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Key content aspects of the sustainability statement

EU Sustainability Reporting Standards (ESRS) architecture



Reporting Levels			
Sector-agnostic Standard			
Cross Cutting Standards	Environment	Social	Governance
ESRS 1 – General requirements ESRS 2 – General disclosures	ESRS E1 – Climate change ESRS E2 – Pollution ESRS E3 – Water & Marine Resources ESRS E4 – Biodiversity & Ecosystems ESRS E5 – Resource Use & Circular Economy	ESRS S1 – Own workforce ESRS S2 – Workers in the Value-Chain ESRS S3 – Affected Communities ESRS S4 – Consumers & End-Users	ESRS G1 – Business Conduct
Sector-specific Standards			
Entity-specific information			

Reporting Areas
Governance Governance processes, controls and procedures put in place to monitor, manage and oversee sustainability matters <i>ESRS 2, chapter 2 Governance</i>
Strategy How the undertaking's strategy and business model interact with its material impacts, risks and opportunities, including how the undertaking addresses those impacts, risks and opportunities <i>ESRS 2, chapter 3 Strategy</i>
Impact, risk and opportunity management For each material topic, the process(es) by which impacts, risks and opportunities are identified, assessed and managed through policies, actions and resources <i>ESRS 2, chapter 4 Impact, risk and opportunity management</i>
Metrics and targets How the undertaking measures its performance, including targets set and progress towards meeting them <i>ESRS 2, chapter 5 Metrics and targets</i>

What type of content will need to be disclosed?

- Content disclosed will comprise:
 - **mandatory information** for all companies, as set out in ESRS 2 *General disclosures*; and
 - information that a company considers **material**, from a financial perspective or an impact perspective. This is known as double materiality.



Earlier versions of the ESRSs included a list of mandatory datapoints that companies were required to disclose to support financial institutions in fulfilling their reporting obligations.

In the final version, it is not mandatory to disclose all of the datapoints on this list. However, companies are required to present a table listing where all datapoints can be found in the sustainability statement or explicitly stating that they are not material.

Mandatory information

- **Basis for preparation** – e.g. how the company has prepared its sustainability statement
- **Governance** – e.g. information about the composition of management and the board, roles and responsibilities and diversity of members
- **Strategy** – e.g. the key elements of the general strategy that relate to or affect sustainability matters
- **Impact, risk and opportunity (IRO) management** – e.g. a description of the process to identify IROs and information about topics that have been omitted from the report as a result of the materiality assessment

This is supplemented by additional minimum disclosures for topics assessed as material.



Information subject to materiality

Disclosure requirements relating to impacts, risks and opportunities covering the following.

- **Policies**
- **Actions**
- **Metrics**
- **Targets**

For this information, companies will need to assess what is material at a topical standard level, or based on individual disclosure requirements and datapoints. It is possible to omit information and datapoints, if considered not material.

If a sustainability-related matter that is assessed as material is not covered by the ESRS topical standards, then the company needs to disclose **entity-specific** disclosures related to that matter.

Materiality of information

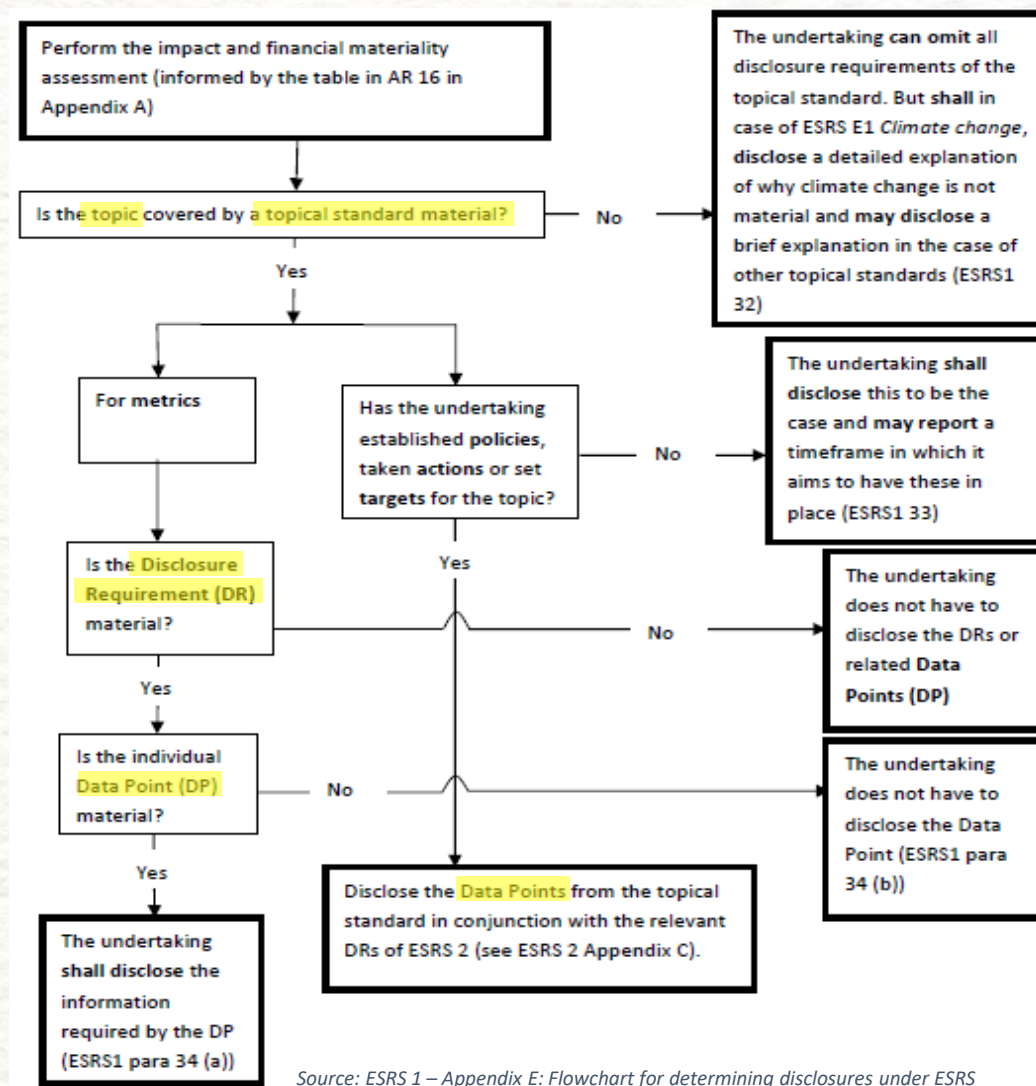
ESRS 1 Par. 30: When the undertaking concludes that a **sustainability matter** is **material** as a result of its materiality assessment, on which ESRS 2 IRO-1, IRO-2 and SBM-3 set disclosure requirements, it **shall**:

- disclose information according to the **Disclosure Requirements** (including Application Requirements) related to that specific sustainability matter in the corresponding topical and sector-specific ESRS; and
- disclose additional **entity-specific disclosures** (see paragraph 11 and AR 1 to AR 5 of this Standard) when the material sustainability matter is not covered by an ESRS or is covered with insufficient granularity.

EFFRAG IG 1 - Materiality Assessment – 2.3 Criteria to determine the materiality of information – Par. 50: Determining the **materiality of information** is a step that follows from the identification of material matters to be reported on, and it is applied at the more **granular level of DRs or datapoints**. ESRS 1 paragraphs 31 and 33 to 35 set requirements on how to assess the materiality of information

ESRS 1 Par. 31: The applicable **information** prescribed within a **Disclosure Requirement**, including its datapoints, or an entity-specific disclosure, **shall** be disclosed when the undertaking assesses, as part of its **assessment of material information**, that the information is relevant from one or more of the following perspectives:

- the **significance** of the information in relation to the matter it purports to depict or explain; or
- the capacity of such information to **meet the users' decision-making needs**, including the needs of primary users of general-purpose financial reporting described in paragraph 48 and/or the needs of users whose principal interest is in information about the undertaking's impacts.



Source: ESRS 1 – Appendix E: Flowchart for determining disclosures under ESRS

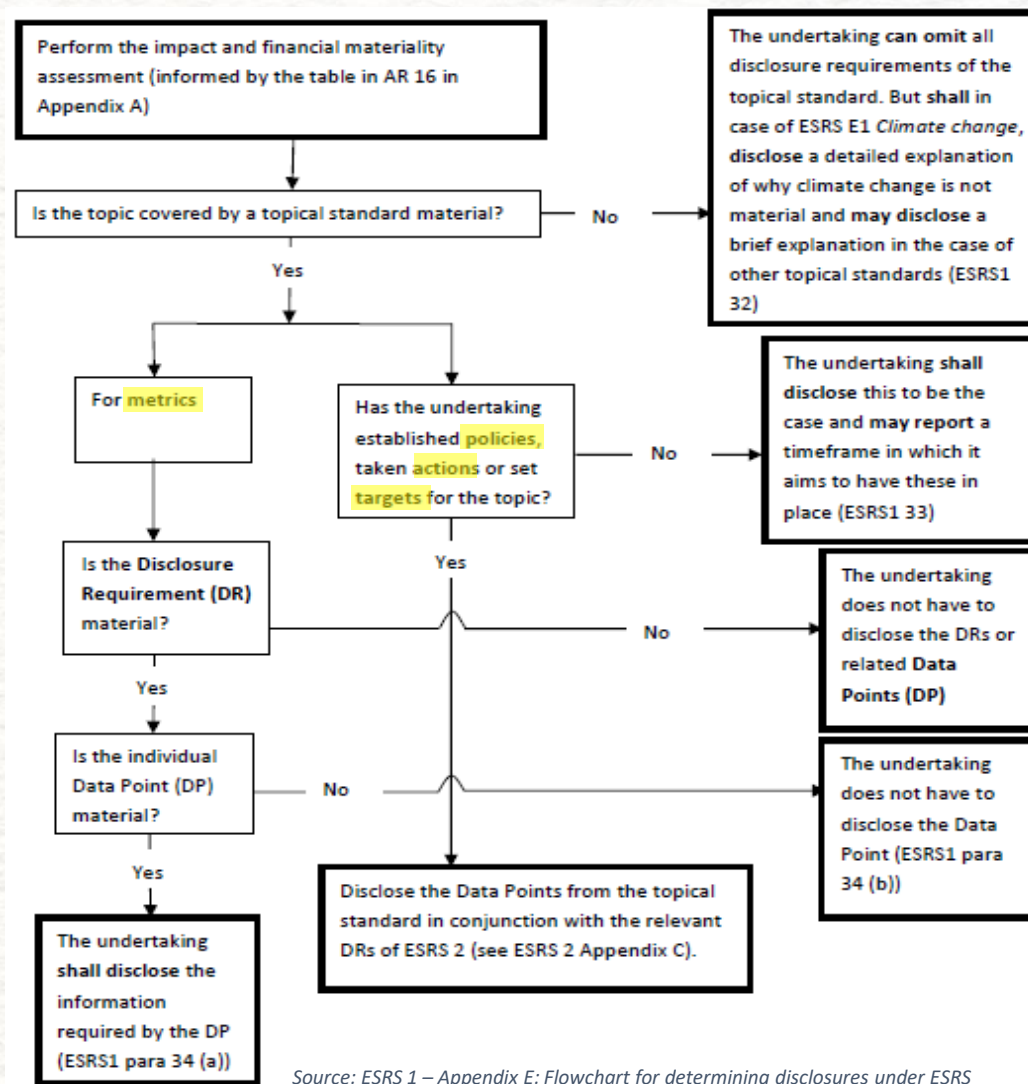
Policies, actions, targets & metrics

ESRS 1 Par. 33: When disclosing information on **policies, actions and targets** in relation to a sustainability matter that has been assessed to be material, the undertaking shall include the information prescribed by all the Disclosure Requirements and datapoints in the topical and sector-specific ESRS related to that matter and in the corresponding **Minimum Disclosure Requirement** on policies, actions, and targets required under **ESRS 2**. If the undertaking cannot disclose the information prescribed by either the Disclosure Requirements and datapoints in the topical or sector-specific ESRS, or the Minimum Disclosure Requirements in ESRS 2 on policies, actions and targets, because it has **not adopted** the respective policies, implemented the respective actions or set the respective targets, it **shall disclose this** to be the case and it **may** report a **timeframe** in which it aims to have these in place.

ESRS 1 Par. 34: When disclosing information on **metrics** for a material sustainability matter according to the Metrics and Targets section of the relevant topical ESRS, the undertaking:

- shall** include the information prescribed by a **Disclosure Requirement** if it assesses such information to be **material**; and
- may omit** the information prescribed by a **datapoint** of a Disclosure Requirement if it assesses such information to be **not material** and concludes that such information is **not needed to meet the objective** of the Disclosure Requirement.

EFrag IG 1 - Materiality Assessment – FAQ 21 – Par. 219: The determination of information to be reported for **metrics** is informed by the assessment of the **materiality of information**. Hence, if a matter is material due to its impacts and there are no material risks and opportunities arising from the same matter, information disclosed on metrics shall be limited to metrics that are relevant under the impact materiality perspective, and the datapoints related to the risks and opportunities or financial effects are to be omitted (ESRS 1 paragraphs 31 and 34).



Source: ESRS 1 – Appendix E: Flowchart for determining disclosures under ESRS



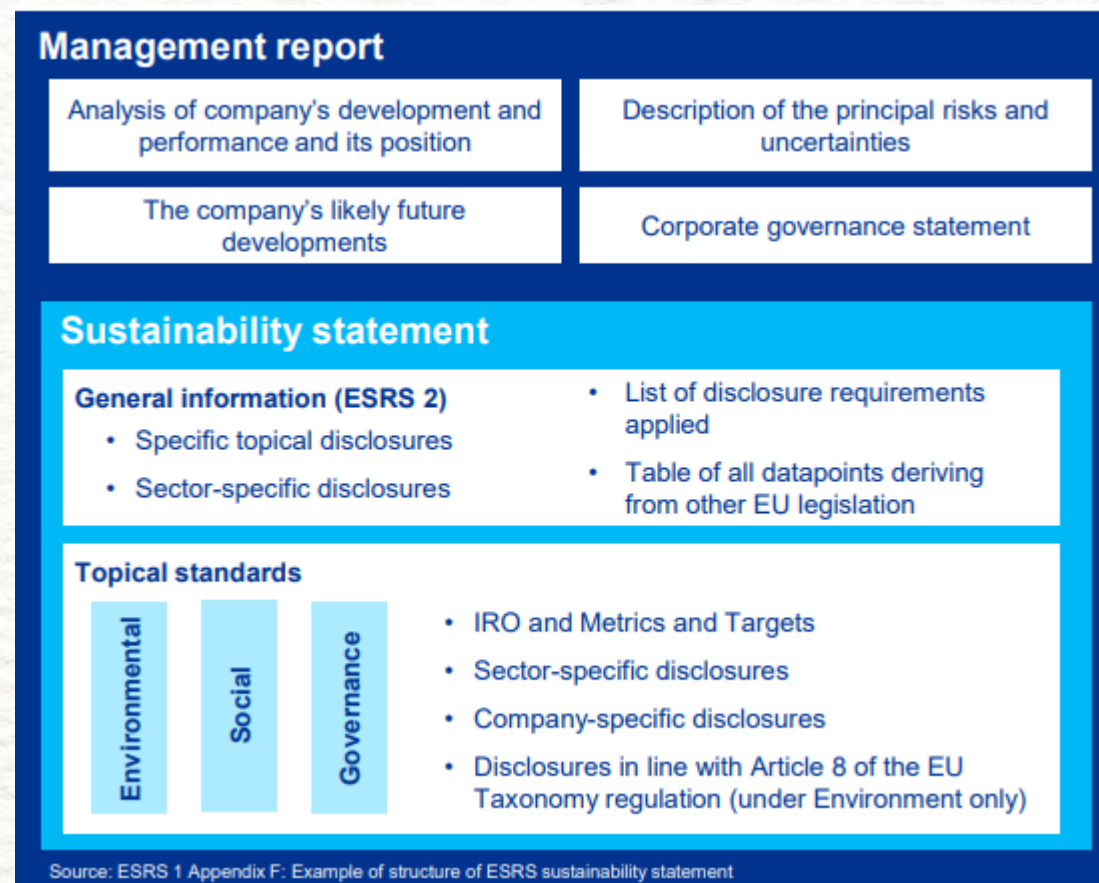
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Structure of the sustainability statement

Location of the sustainability statement

- Clearly identified, **dedicated section** of the management report
- **Distinction** between information required by ESRS and other information
- In a **format** that is both human- and machine-readable using ESEF
- Disclosure of a **list of Disclosure Requirements** complied with (incl. page numbers and/or paragraphs). May be presented as a content table
- Disclosure of table of all datapoints derived from **other EU legislation** (ESRS 2 Appendix B), indicating where they can be found in the sustainability statement and including those that the undertaking has assessed as not material





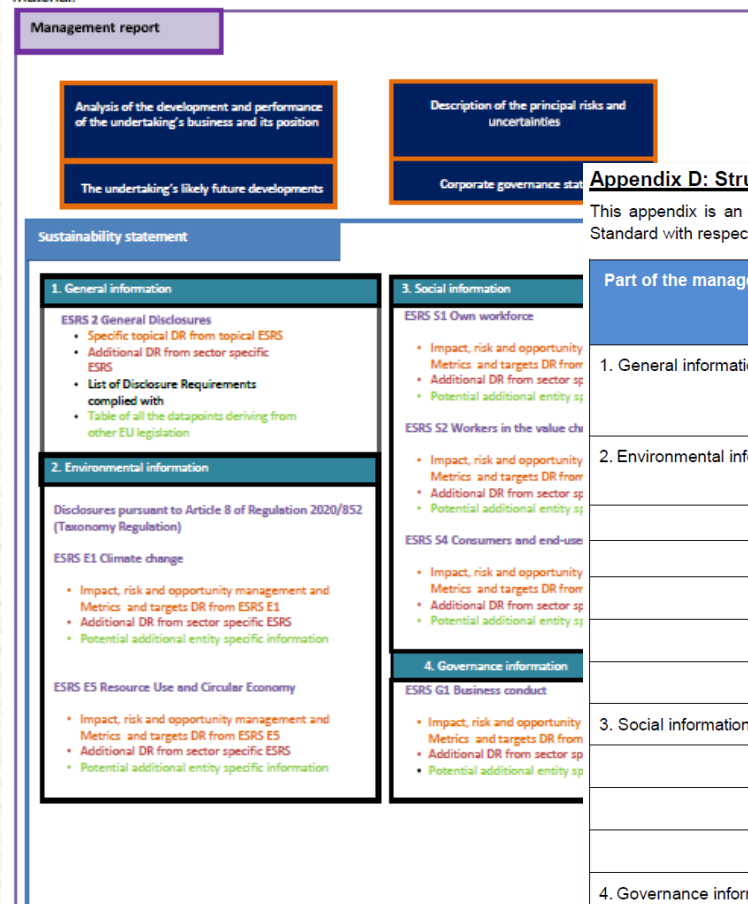
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Structure of the sustainability statement

- Presented in **4 sections**:
 - General information
 - Environmental information
 - Social information
 - Governance information
- The disclosures within the sections do **not** have to follow a **specific order**
- **Sector-specific disclosures** need to be grouped by cross-cutting reporting area and topic
- **Entity-specific disclosures** need to be reported alongside the most relevant sector-agnostic and sector-specific disclosures
- Information on **EU Taxonomy** to be presented in a separately identifiable part of the environmental section

Appendix F: Example of structure of ESRS sustainability statement

This appendix complements ESRS 1. It provides a non-binding illustration of the structure of the *sustainability statement* outlined in section 8.2 of this Standard. In this illustration, the undertaking has concluded that biodiversity and ecosystems, pollution, and affected communities, are not material.



ESRS 1 Appendix F – Example of structure of ESRS sustainability statement

Appendix D: Structure of the ESRS sustainability statement

This appendix is an integral part of ESRS 1 and has the same authority as the other parts of the Standard with respect to reporting in four parts as outlined in paragraph 115.

Part of the management report	ESRS codification	Title
1. General information	ESRS 2	General disclosures, including information provided under the Application Requirements of topical ESRS listed in ESRS 2 Appendix C.
2. Environmental information	Not applicable	Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)
	ESRS E1	Climate change
	ESRS E2	Pollution
	ESRS E3	Water and marine resources
	ESRS E4	Biodiversity and ecosystems
	ESRS E5	Resource use and circular economy
3. Social information	ESRS S1	Own workforce
	ESRS S2	Workers in the value chain
	ESRS S3	Affected communities
	ESRS S4	Consumers and end-users
4. Governance information	ESRS G1	Business conduct

ESRS 1 Appendix D – Structure of the ESRS sustainability statement

Structure of the sustainability statement

- ESRS 2 **SBM-3** disclosures to be presented alongside:
 - Information required by ESRS 2
 - The respective topic-specific disclosures (i.e. E, S or G sections)
- **Changes** in preparation or presentation of sustainability information, information is to be provided about the change
- Can include **additional information/disclosures** based on other laws, sustainability reporting frameworks (e.g. ISSB or GRI Standards) or guidance in its sustainability statement, provided the disclosures:
 - Are clearly identified with appropriate reference to the relevant laws or frameworks; and
 - Meet the requirements for qualitative characteristics of information

Linkages with other parts of corporate reporting

- A company may make **references** within the sustainability statement to avoid duplication
- Information may be **incorporated** in the sustainability statement **by reference** to any of the following:
 - Another section of the management report
 - The financial statements
 - The corporate governance statement (if not part of the management report)
 - The remuneration report (required by the Shareholder Rights Directive)
 - The universal registration document (as referred to in Article 9 of the Prospectus Regulation)
 - Pillar 3 disclosures (public disclosures under the Capital Requirements Regulation)
- **Conditions** for incorporation by reference:
 - The information can be clearly identified as addressing the relevant disclosure requirement or specific datapoint
 - The report is released at the same time or before the management report
 - The report is in the same language
 - The information is subject to at least the same level of assurance as the sustainability statement
 - The report's technical requirements for digitalization are the same as those for the sustainability statement – i.e. prepared using ESEF

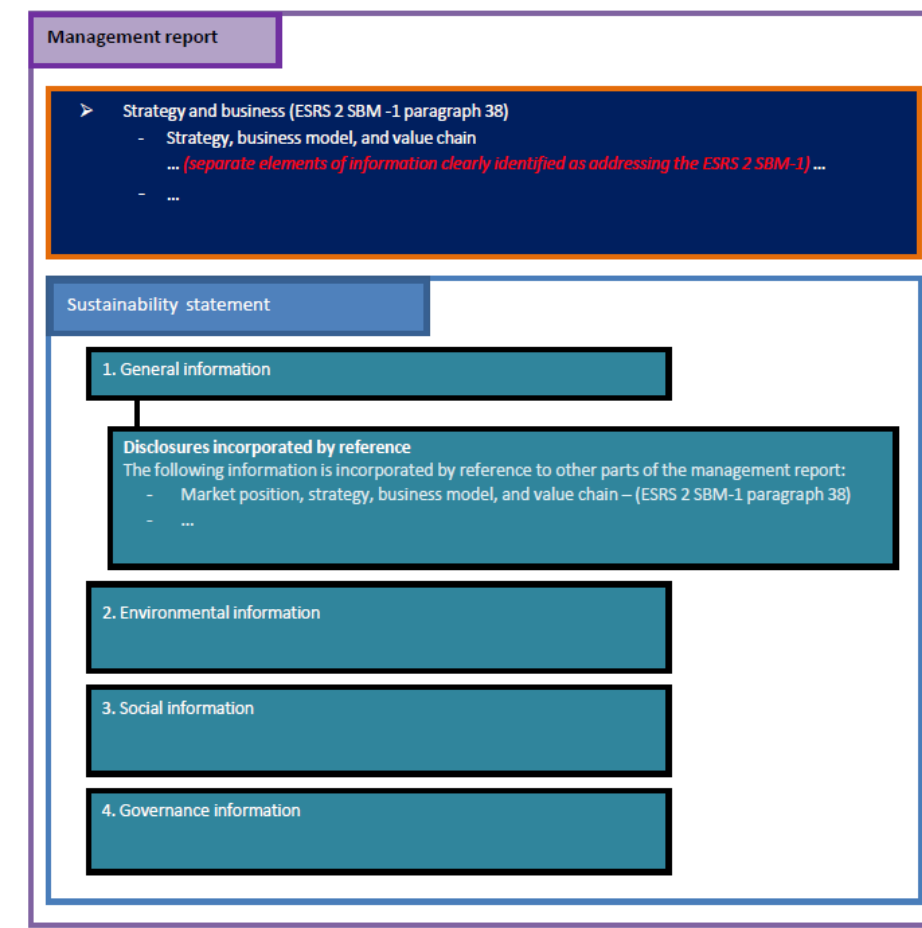
Linkages with other parts of corporate reporting

Companies are:

- Required to disclose a **list of the disclosure requirements** in ESRS which have been incorporated by reference
- Required to consider the **overall cohesiveness of the information** the company reports and to ensure that incorporating information by reference does **not impair the readability** of the sustainability statement

Appendix G: Example of incorporation by reference

This appendix complements ESRS 1. It provides non-binding illustrations of incorporation by reference of another section of the management report into the **sustainability statement** as outlined in section 9.1 of this Standard.





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Polling question 1

Which is not one of the 4 mandatory sections to be included into the company's sustainability statement:

- a) Environmental information
- b) General information
- c) Sector-specific information
- d) Governance information



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Polling question 2

Which of the following statements is correct:

- a) Companies need to disclose a list of Disclosure Requirements complied with, but this list cannot be presented as a content table
- b) One of the conditions for incorporating information in the sustainability statement by reference, is that the documents referred to have been subject to at least the same level of assurance as the sustainability statement
- c) The disclosures on EU Taxonomy can be presented under the General information section
- d) Disclosures on SBM-3 in relation to material impacts, risks and opportunities and their interaction with strategy and business model need to be presented under the General information section (ESRS 2) and cannot be embedded in the topic-specific disclosures in the environmental, social or governance section of the sustainability statement



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Examples of sustainability statements



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Example – Location and structure of the sustainability statement

Management's review *		
Annual reporting in 2023	4	
Overview		
Strategic ambitions	6	
Performance highlights	7	
Letter to our stakeholders	9	
Our footprint	14	
Outlook		
Financial and ESG outlook 2024	16	
Financial targets and policies	18	
Strategy and business		
Renewable energy market	20	
Strategic aspiration and growth platform	22	
Executing our strategy	24	
Business model	28	
A call to action to foster a fast and sustainable build-out	29	
Risks and risk management	34	
Results		
Follow-up on 2023 guidance	39	
Results	40	
Five-year summary	44	
Fourth quarter	45	
Quarterly summary, 2022-2023	50	
Corporate governance		
Governance framework	52	
Board of Directors	54	
Group Executive Team	58	
Summary of our remuneration report	61	
Shareholder information	62	
Sustainability statements *		
Preparing for the Corporate Sustainability Reporting Directive	66	
General		
Creating value through sustainability	68	
General basis for preparation	69	
Double materiality assessment	70	
Double materiality assessment outcome	71	
Double materiality assessment methodology	77	
Interests and views of our stakeholders	79	
Environment		
Taxonomy-aligned KPIs (incl. voluntary disclosures)	81	
Climate change	87	
Biodiversity and ecosystems	102	
Resource use and circular economy	107	
Social		
Own workforce	112	
Workers in the value chain	120	
Affected communities	123	
Governance		
Business conduct	127	
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ESRS 2 Disclosure requirements and incorporation by reference ..	132	
ESRS 2 Statement on sustainability due diligence	135	
ESRS 2 Data points that derive from other EU legislation	136	
Calculation factors	138	
Alignment with TCFD recommendations	139	
Alignment with TNFD recommendations	140	
Additional data points below materiality thresholds	141	

Content table & report structure - Ørsted Annual Report 2023

Content table Sustainability Statement - Ørsted Annual Report 2023



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Example – Location and structure of the sustainability statement

Executive summary	5	Corporate governance	46
Letter from the Chair and the CEO	6	Governance structure	47
Netcompany in numbers	9	Risk management	48
Netcompany presence	11	Board of Directors	53
Five-year highlights	12	Executive Management	55
		Data ethics	59
Our business	14	Sustainability statements	61
Equity story	15	General disclosures	65
Business model	17	Environment	86
Our people	18	Social	114
Market insight	21	Governance	141
Products and platforms	22	General disclosures index	151
Financial review	30	Financial statements	155
Financial performance	31	Consolidated financial statement	156
Financial guidance	33	Parent company financial statement	209
Operating entities	35	Board of Directors and Executive	
Revenue visibility	40	Management statements	226
Capital management	41	Independent auditor's reports	227
Shareholder information	42	Terminology and definitions	234
		Company information	236



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Example – List of Disclosure requirements

Cross-cutting standards		Section/ report	Page	Additional information
Disclosure requirement				
ESRS 2 - General disclosures				
BP-1	General basis for preparation of the sustainability statement	SUS	69	
BP-2	Disclosures in relation to specific circumstances	SUS	69	
	Datapoints that derive from other EU legislation	SUS	136	
GOV-1	The role of the administrative, management and supervisory bodies	MR	52-60	
GOV-2	Information provided to and su			
GOV-3	Integration of sustainability-rel			
GOV-4	Statement on sustainability du			
GOV-5	Risk management and internal			
SBM-1	Strategy, business model and v			
	Strategy, business model and v			
	Strategy, business model and v			
SBM-2	Interests and views of stakehol			
SBM-3	Material impacts, risks and opp			
	with strategy and business mo			
IRO-1	Description of the process to id			
	and opportunities			
IRO-2	Disclosure requirements in ESR			
	statement			
Environmental standards		Section/ report	Page	Additional information
Disclosure requirement				
ESRS E1 - Climate change				
ESRS 2,				
GOV-3	Integration of sustainability-related performance in incentive schemes			
E1-1	Transition plan for climate change mitigation			
ESRS 2,	Material impacts, risks and opportunities, and their interaction with strategy and business model			
SBM-3				
ESRS 2,	Description of the processes to identify and assess material climate-related impacts, risks and opportunities			
IRO-1				
E1-2	Policies related to climate change mitigation and adaptation			
E1-3	Actions and resources in relation to climate change policies			
E1-4	Targets related to climate change mitigation and adaptation			
E1-5	Energy consumption and mix			
E1-6	Gross Scopes 1, 2, 3 and total GHG emissions			
E1-7	GHG removals and GHG mitigation projects financed through carbon credits			
E1-8	Internal carbon pricing			
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities			
Social standards		Section/ report	Page	Additional information
Disclosure requirement				
ESRS S1 - Own workforce				
ESRS 2,				
SBM-2	Interests and views of stakeholders	SUS	79	
ESRS 2,	Material impacts, risks and opportunities and their interaction with strategy and business model	SUS	75;	
SBM-3		SUS	112-114	
S1-1	Policies related to own workforce	SUS	112-114	
S1-2	Processes for engaging with own workers and workers' representatives about impacts	SUS	114	Engaging with our own workforce
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	SUS	115	Remediation and channels to raise concerns
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	SUS	113-114	
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	SUS	115	
S1-6	Characteristics of the undertaking's employees	SUS	116	
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	-	-	
S1-8	Collective bargaining coverage and social dialogue	-	-	
S1-9	Diversity metrics	SUS	117-118	
S1-10	Adequate wages	-	-	
S1-11	Social protection	SUS	112	
S1-12	Persons with disabilities	-	-	
S1-13	Training and skills development metrics	-	-	
S1-14	Health and safety metrics	SUS	119	
S1-15	Work-life balance metrics	SUS	113	Only qualitative info
S1-16	Compensation metrics (pay gap and total compensation)	SUS	117-118	
S1-17	Incidents, complaints and severe human rights impacts	-	-	

Disclosure Requirement index table - Ørsted Annual Report 2023



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Example – List of Disclosure requirements

Content			E1 Climate change			S1 Own workforce			S4 Consumers and end-users		
ESRS 2 General disclosures			E1 GOV-3	Sustainability-related performance in incentive schemes	71	S1 SBM-2	Interests and views of stakeholders	76	S4 SBM-2	Interests and views of stakeholders	76
			E1-1	Transition plan for climate change mitigation	87	S1 SBM-3	Own workforce IROs	116	S4 SBM-3	Consumers and end-users IROs	133
			E1 SBM-3	Climate-related risks	88	S1-1	Policies	117	S4-1	Policies	134
			E1 IRO-1	Environmental IROs	88	S1-2	Engaging with our people	119	S4-2	Engaging with consumers and end-users	136
			E1-2	Policies	89	S1-3	Processes to remediate impacts and channels to raise concerns	120	S4-3	Processes to remediate impacts and channels to raise concerns	136
			E1-3	Actions	89	S1-4	Managing impacts on our people	121	S4-4	Managing impacts on consumers and end-users	137
			E1-4	Targets	90	S1-5	Targets	123	NPS	Client satisfaction	139
			E1-5	Energy consumption and mix	90	S1-6	Gender distribution	123	S4-5	Targets	139
			E1-6	Gross Scopes 1, 2, 3, and Total GHG emissions	91		Geographic distribution	124			
				GHG intensity based on net revenue	94		Employment characteristics	124			
BP-1	Basis for preparation	66		GHG data hierarchy	95		Employee turnover	126	G1 Business conduct		
BP-2	Disclosures in relation to specific circumstances	66	E3 Water and marine resources			S1-7	Freelancers and contractors	126	G1 GOV-1	Management responsibilities	67
GOV-1	Management responsibilities	67	E3 IRO-1	Water and marine resource IROs	96	S1-8	Collective bargaining and social dialogue	126	G1 IRO-1	Business conduct IROs	142
	Oversight of sustainability IROs	68	E3-1	Policies	97	S1-9	Gender distribution in management and top management	127	G1-1	Business conduct policies and corporate culture	143
GOV-2	Sustainability matters addressed by management	70	E3-2	Water impact	97		Age distribution	127	G1-2	Supplier relationship management	144
GOV-3	Incentive schemes	71	E3-3	Targets	97	S1-11	Social protection	128	G1-3	Anti-bribery and anti-corruption	146
GOV-4	Statement on sustainability due diligence	72	E5 Resource use and circular economy			S1-12	Persons with disabilities	128	G1-4	Corruption incidents	146
GOV-5	Sustainability reporting risk management	72	E5 IRO-1	Resource use and circular economy IROs	98	S1-13	Training and skills development	128		Whistleblower reports	146
SBM-1	Strategy, business model, and value chain	73	E5-1	Policies	99	S1-14	Health and safety	129	G1-6	Payment practices	146
SBM-2	Interests and views of stakeholders	74	E5-2	Actions	99		Sickness	130	Sustainability due diligence		
SBM-3	Double materiality assessment result	76	E5-3	Targets	100	eNPS	Employee engagement survey	130			
IRO-1	Double materiality assessment process	77	E5-4	Resource inflows	100	S1-15	Work-life balance	131			
IRO-2	Disclosure requirements covered by the sustainability statement	64	E5-5	Resource outflows	101	S1-16	Pay equity	131			
IRO-2	EU legislation data points	162					Total annual remuneration	132			
MDR-P	Policy overview	80	ISO 14001	Environmental certifications	102	S1-17	Discrimination incidents reported and complaints filed	132			
Incorporation by reference				Policies							
				Actions							
				Targets							
				Resource inflows							
(GOV-1)	Management responsibilities	54 56 57		Resource outflows	101						
(SBM-1)	Strategy, business model, and value chain	16 17 21 22									
References to specific disclosure requirements outside the sustainability statements are tagged accordingly, as shown in the table above.											
			EUTR	EU Taxonomy	104						

Disclosure Requirement index table presented as content table - Netcompany Annual Report 2024



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Example – Structure on an ESRS disclosure requirement basis



Structure of S2
Workers in the value
chain - AkzoNobel
Annual Report 2023

S2-1 **Policies** related to value chain workers

S2-2 **Processes** for engaging with value chain workers about impacts

S2-3 **Processes** to remediate negative impacts and channels for value chain workers to raise concerns

S2-4 Taking **action** on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of the action

S2-5 **Targets** related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities

Example – Structure on an ESRS disclosure requirement basis

E5-1 Policies

Our environmental policies focus on reducing e-waste by adopting sustainable practices and encouraging our suppliers and partners to adopt similar environmental practices. They address our compliance with environmental laws and continuous improvement of practices.

Procurement

Our Procurement policy addresses the inflow of IT equipment and IT services into our entities in BE, GR, and LU. We are in the process of considering a Procurement Policy that involves the whole Group.

Donations

Our initiative for the donation of IT equipment to educational institutions in BE, GR, and LU, is a commitment to social responsibility and to extending the equipment's product life-cycle.

Resource reuse
We strive to reuse IT equipment when it reaches its end-of-life stage, ensuring that it is properly disposed of or recycled.

entities in DK, NO, PL, UK, and VN. Partnerships involving our data centre hardware are in place for our operations in DK and GR.

ISO 14001

By attaining ISO 14001 certification in 2024, we have taken steps to formally ensure that our hardware disposal processes adhere to stringent environmental standards. Through our broker agreements, we collaborate with specialised partners who adhere to the same high standards, ensuring that our disposal methods not only comply with regulatory requirements but also contribute to reducing

In 2024, we have built on and initiated new procedures and partnerships focusing on circularity and sustainable resource management to mitigate the adverse effects of increased resource use.

Office hardware

In 2024, we introduced the initiative of extending the use of our employees' laptops from three years to four years. This initiative has been introduced to our entities in DK, NO, NL, PL, UK, and VN, where the ambition has been to reduce the frequency of new office hardware purchases, thereby decreasing resource use. Additionally, this measure

As part of our resource management, we have initiated work that enables better tracking of our office hardware and its lifespan within our business. This initiative is still in the implementation stage, and we aim to optimise it year by year.

We have benefitted from our partnerships with brokers for the disposal of our office hardware. They make sure that valuable components can be reused while recycling those components that were non-usable or broken. All our partners are audited to ensure they meet stringent international regulatory standards for IT waste and disposal.

ally procured our data centre hardware, with the overall aim of reducing the environmental impact while continuously updating our data centre hardware assets.

structured procedures for the hardware, which is in an end-of-life stage after its useful life. Additionally, we conduct a inventory of all phased-out equipment and subsequently sell it to specialised partners, ensuring our data is accurately updated.

E5-2 Actions

E5-3 Targets

We have not identified any material targets relevant to disclose. Our established processes are anchored within the functions that have day-to-day responsibility for ensuring adherence to our policies. Environmental topics are also addressed on a continuous basis through our ISO 14001 certifications.

E5-4 Resource inflows

Resource inflow (Kg)	2024
Laptops	2,604.1
Laptop equipment	3,244.7
Data centre hardware	1,676.6
Grand total	7,525.4
Secondary materials	0
Share of secondary materials in percentages	0

§ Accounting principles

Resource inflow

Our resource inflow is calculated based on a proof-of-purchase method. Each purchase of the relevant item type that has been posted in the fiscal period has been accounted for. To determine the weight of the hardware postings, publicly available online weight data

from manufacturers or suppliers has been used. Should a publicly available weight not be obtained, an average weight of the same item type has been used to determine the weight of the purchase. See definitions of the categories laptops, laptop equipment and data centre hardware on the following page.

E5-1 Policies related to resource use and circular economy

E5-2 Actions and resources related to resource use and circular economy

E5-3 Targets related to resource use and circular economy

E5-4 Resource inflows

Example – Structure on ESRS (sub-) topic basis

Data and Reporting	82
Sustainability statement	84
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Employee development

We invest in our employees to empower them to lead, innovate and grow.

Structure **policies** ensure all candidates that apply to UCB open positions receive equal evaluation in recruitment, while internal mobility, professional development, and referral programs encourage skills development, expertise sharing, and connections with talented candidates. We support lifelong learning through clear guidelines on how to upskill to achieve new career milestones. All UCB employees can access learning platforms and cross-functional skilling opportunities, such as the UCB RISE Learning Experience Platform, to assess and develop skills, explore internal mobility opportunities, and share content among colleagues.

In 2023, we set clear employee development **goals** aligned with UCB's overall objectives. Our 3-step (Reflect, Develop, Impact) Employee Growth Model guided professional development, including a renewed focus on leadership and management. In addition, the Employee Growth Center (launched in 2023) provides access to a wide range of available tools, platforms, learning programs, and resources. To promote the platform, several sessions were held – leading to over 15 000 views in 2023 – while an annual communication plan promotes a growth mindset among our employees.

24.3% of vacancies were filled by current employees, reflecting a decrease compared to 27% in 2022. This comes as a result of a higher overall recruitment volume in 2023. 411 vacancies were filled by internal employee in 2023, whilst this is a significant improvement on 2022 (324 vacancies filled), the 2023

percentage of 23.4% vacancies filled by internal candidates has fallen short of UCB's 30% ambition. The high volume of open vacancies means that UCB has relied on an influx of external candidates rather than internal mobility. Employee retention⁴ increased to over 92.5%. This is reflected in our 2023 employee **engagement results**, which showed employees' sense of purpose increased by 3% and work satisfaction by 2%.

Our talent market is highly competitive, given the specialized nature of our industry. To attract, develop and retain top research and development (R&D) talent, we run various **initiatives** targeted specifically at scientists and R&D professionals. In 2023, this included:

- Continuing to offer **job rotations** between different roles to all employees working in development, to expand their professional experience by collaborating across different departments. This includes the rollout of an Internal Opportunity Marketplace, offering all R&D talent the ability to explore and apply for short term assignments or projects across all areas of the business and in turn also enabling colleagues from other areas to explore opportunities in the scientific space.
- Maintaining a **sponsorship program** between UCB executives and junior employees to develop emerging talent and our Project Leader Learning Journey, which aims to equip UCB employees with the wealth of technical, scientific and leadership skills required of project leaders.
- Aiming to recruit and retain the best R&D talent by continuing to fund a series of **internal and external PhDs** at several academic institutions in the U.K. and EU.

Average training hours

	2023	2022
Average training hours	36	34
Total	36	34

Regular performance and career development reviews

	2023		
	Women	Men	Total
% performance reviews ³	96%	96%	96%
% career development reviews ⁴	93%	90%	91%

S1-1 Policies related to employee development of own workforce

S1-2 Processes for engaging with own workers

S1-4 Taking action on material impacts and approaches to managing material risks and pursuing material opportunities related to employee development of own workforce, and effectiveness of those actions and approaches

S1-5 Targets related to managing material negative impacts, advancing positive impacts as well as to risks and opportunities in relation to employee development

S1-13 Training and skills development metrics

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Scientific innovation

Scientific innovation allows UCB to fulfil its ambition to bring differentiated treatments to people living with severe diseases.

Every day, our research and development (R&D) teams conduct ground-breaking work to turn science into differentiated medicines which we hope will transform treatment paradigms through their disease-modifying and even curative potential. We reinvest consistently 25-30% of our revenues back into R&D, as we recognize that enabling scientific innovation is a long-term investment to maintain our ability to deliver impactful solutions for those we serve. In 2023, this ongoing investment in R&D delivered meaningful Phase 3 results in our clinical studies on the efficacy and safety of bimekizumab in adults with moderate to severe hidradenitis suppurativa (HS), and as a result, we are progressing on global regulatory license application submissions going into 2024. Further clinical development studies were launched to investigate potential treatment options for people living with Parkinson's disease (UCB0222) and atopic dermatitis (UCB9741), with first results expected in 2024, and all other clinical development programs are continuing as planned.

Engagement with patients and healthcare practitioners is a fundamental pillar of R&D efforts. We seek the perspectives of patients and caregivers from early development (including disease understanding, development plans, and protocol design) and consistently along the development lifecycle, through patient councils, panels, 1:1 interviews, ethnography and market research studies, depending on whether we want to build deep long-term partnerships or one-off engagements with more breadth across multiple geographies. We ensure the supervision of our Chief Medical Officer.

Diverse teams, including public-private venture and scouting teams, academic engagement teams, ensure that we scientific innovation and that our development and societal impact, and our response for our solutions, so that it more efficient, and engaging early in the process.

In 2023, UCB established formal guidelines for innovation processes, to streamline partnerships, sponsorships, research across functional teams. This aims to, scientists, enable detailed tracking, e at a portfolio level, maintain consistency, and provide transparency for all external stakeholders.

Our Sustainable Access Framework, implemented in 2023, is our overarching approach to deliver on equitable access to medicines. It aims to better understand barriers to access, health infrastructures and local funding, and guide UCB teams to shape the right business approach to deliver on our equitable access ambitions, while ensuring the financial return expected to secure a robust R&D pipeline and deliver expected returns by our shareholders.

Our value-based pricing framework combines patient insights on ability to pay with additional context on local health systems' willingness to pay, alongside other indicators on therapy areas and product-specific context, to analyze the value that each UCB treatment can bring. The resulting tiered pricing model recognizes differences in health ecosystems and patient needs, and mutually defined priorities in achieving health outcomes.

UCB's annual Access Coverage Performance and Time to Access indices monitor our performance, looking at how many UCB medicines with marketing authorization have achieved market access that enables patient use, and how much earlier positive reimbursement decisions are received compared to typical industry benchmarks in the countries where UCB operates. Both annual targets are set globally and developed at a market and product level, where progress is monitored each quarter, and re-assessed with involved stakeholders' where needed.

By 2030, we aim to reach 90% of access coverage performance, as well as performing above the industry benchmark 90% of the time when it comes to time to access, so that more people can benefit from our medicines as soon as possible.

Equitable Access to Medicine

We work closely with healthcare systems, payers and partners to improve access so that patients and society can benefit from our medicines.

Our Sustainable Access Framework, implemented in 2023, is our overarching approach to deliver on equitable access to medicines. It aims to better understand barriers to access, health infrastructures and local funding, and guide UCB teams to shape the right business approach to deliver on our equitable access ambitions, while ensuring the financial return expected to secure a robust R&D pipeline and deliver expected returns by our shareholders.

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2023 Performance

10
molecules in clinical development

12
clinical development pipeline programs

UCB's senior leadership and portfolio governance bodies actively monitor objectives and targets year-round, conducting quarterly performance reviews that combine quantitative and qualitative metrics to ensure a balance in activity focus and resource allocation. Quantitative analysis assesses pipeline size to align resources with growth ambitions, while qualitative analysis emphasizes differentiation and innovation by evaluating best-in-class

While in principle, we aspire to reach all patients who need medicines, we recognize that in reality, there will be instances where we will not be able to provide access due to the absence of alignment between all parties, and therefore set our long-term target at 90% access coverage performance in recognition of these challenges.

• Our Access Coverage Performance Index tracks coverage and reimbursement of UCB's medicines, based on the number of UCB products that have achieved a negotiated reimbursement listing or a negotiated managed access program in our operating markets. It covers 35 countries assessed, alongside all products that have received regulatory approvals in those geographies and for which the patent has not expired yet, and all indications with regulatory approval for those products. We define "Access" coverage as negotiated reimbursement access to the drug, regardless of any restrictions applied, whereas "No Access" is defined as no reimbursed access to the drug.

• The Time to Access Index tracks the observed time between marketing authorization and payers' decision to provide coverage and reimbursement for new UCB medicines – it is measured against median industry time to access (TTA) benchmarks in individual markets where UCB operates, as evaluated by IQVIA. These "TTA benchmarks" refer to the median number of days it takes a country to progress from market authorization of a medication to a negotiated reimbursement listing (national level) for that medication or negotiated managed access program.

For full details of the methodology, assumptions and deviations we use to assess our access to medicines metrics, refer to the "Access to Medicines Metrics Appendix".

Health system resilience

External shocks to health systems, such as pandemics, war, climate crisis, or economic volatility can disrupt the continuity and quality of healthcare delivery.

The ability of health systems to recover and ultimately adapt more quickly to minimize the impact of these shocks represents the resiliency of the system and requires a multidisciplinary approach to building it.

While UCB is not responsible for addressing all factors in health system resilience, developing our own agility in formulating solutions for patients, healthcare providers, and health systems creates opportunities for us to contribute to it and preserve our business. The potential solutions are multidisciplinary in nature and based on a thorough identification of needs. Our roadmap to support greater health system resilience and improve health equity is an integral part of our sustainable access framework.

Preventing and adapting to the climate crisis is a key factor to strengthen the resilience of health systems. We work with pharmaceuticals to account for up to 10% of their carbon footprint. Following the WHO-backed Health Care Without Harm initiative, UCB has robust systems to ensure patient safety. Our Pharmacovigilance System ensures that we oversee, assess, and report patient safety information to regulatory authorities, and is regularly updated in line with all local requirements.

As part of this, we monitor and audit metrics to assess compliance with internal Standard Operating Procedures and external regulations.

To ensure patient safety of pharmaceutical products, UCB monitors and collects information on adverse reactions to our products, including unexpected reactions.

- Systematically collects, analyzes and interprets data from various sources to identify potential safety concerns associated with UCB products.
- Evaluates the risks and benefits of our products and implements strategies to minimize risks and maximize benefits.
- Reports adverse events and safety information to regulatory authorities in compliance with regulations.
- Facilitates communication and information exchange about patient or product safety among healthcare professionals, regulatory agencies, and the pharmaceutical industry.

All patient safety-related actions are taken in agreement with regulatory authorities and endorsed by the UCB Benefit Risk Board (BRB). Chaired by our Chief Medical Officer and including patient representatives, the BRB monitors and advises on product benefit-risk across UCB's portfolio of development and approved products – independently of commercial plans. Internal discussions are aligned with opinions from external technical experts, delivering detailed scientific rigor and analysis informed by patient insights. The BRB regularly reviews all products and newly emerging data to ensure that all potential changes to a product's benefit risk are assessed and appropriately communicated to health authorities.

Patients can contact UCB directly to raise any concerns, including reporting adverse events, and safety reporting information is included in all relevant communications, and on the UCB website. All UCB staff and other relevant individuals are trained on safety reporting requirements, and are required to send any information on potential adverse events identified directly to our Patient Safety team for review.

If a safety signal is identified, the data is reviewed to determine any potential or clinically relevant risk. Safety risks and concerns of interest are monitored via systematic signal detection and assessment activities. Whenever changes in a product's safety profile are identified, we assess any need for further risk mitigation and implement them if required, with the appropriate reporting and agreement from the relevant regulatory authorities. This analysis, combined with the regular routine product safety oversight activities, ensures a holistic and objective product and patient safety review process.

Patient safety

2023 Performance

0
Critical findings reported by EMA inspection on pharmacovigilance

99%
Compliance rate with UCB safety reporting obligations training (target: 90%)

97%
Compliance rate in reporting adverse events to regulatory authorities

Entity-specific disclosures alongside most relevant sector-agnostic disclosures
– UCB Integrated Annual Report 2023

Example – Disclosures on SBM-3

GENERAL DISCLOSURES			
STRATEGY			
Strategy, business model and value chain			
<p>Markets served AkzoNobel produces paints and coatings, which is classified under NACE Code C20.3. This is a subset of C20 – Manufacture of chemicals and chemical products. AkzoNobel's operations are grouped into two main businesses: Paints and Coatings. For a description of our business model, strategy and key markets served, see Strategy and operations.</p> <p>For a breakdown of headcount by geographical area, as well as revenue by destination, please refer to the Regional statistics in the Financial summary.</p> <p>Interaction with strategy and goals related to product groups The key elements of our strategy that relate to sustainability are: moving to 50% of revenue from sustainable solutions by 2030, and halving carbon emissions across our value chain by 2030 (baseline 2018). Both targets relate to how we formulate, market and sell our products and will impact the way we interact with our suppliers and customers over the coming years. As the majority of our emissions take place outside of our own operations, collaborating with our suppliers and customers is key to achieving our ambitions. More details can be found in Climate change and Sustainable solutions.</p> <p>Interests and views of stakeholders In line with the Dutch Corporate Governance Code 2022, we've published a Stakeholder Engagement Policy, which is available on our website. As detailed in the policy, our key stakeholders are customers, employees, governments and policy makers, industry associations and other partners, investors, suppliers and wider society.</p>			
<p>The views of these stakeholders shape our strategic decision-making process. As part of our double materiality assessment, we also consulted with representatives from these key stakeholder groups on sustainability-related impacts, risks and opportunities.</p> <p>IMPACT, RISK AND OPPORTUNITY MANAGEMENT</p> <p>Material impacts, risks and opportunities and their interaction with strategy and business model</p> <p>We assessed the impacts, risks and opportunities on environmental, social and governance matters and how these interact with our strategy and business model. This assessment is based on internal and external stakeholder engagement for both impact and financial materiality. It results in an overview of our material impacts, risks and opportunities throughout our value chain.</p> <p>For details on the material risks, impacts and opportunities, we refer to the separate disclosures as included in the Environmental, Social and Governance chapters. Details on the process steps taken in the double materiality assessment are included in the next paragraph. A mapping from the material risks, impacts and opportunities to the associated European Sustainability Reporting Standards (ESRSs) disclosure requirements will be included in our Report 2024.</p>			
<p>Description of the process to identify and assess material impacts, risks and opportunities</p> <p>Our risk assessment process to identify and assess material impacts, risks and opportunities for ESG-related topics is structured in line with the requirements of CSRD.</p> <p>In 2023, we performed a baseline of our assessment in preparation for CSRD. The outcomes serve as a basis for an updated double materiality assessment which is to be performed in 2024. Below we provide a description of the process steps taken to prepare the assessment.</p> <p>In the first step of the double materiality assessment, we gathered and analyzed background research on potentially material topics to AkzoNobel. For this, we reviewed different sources:</p> <ul style="list-style-type: none"> ESG raters, including their view on material topics for our broader sector and our specific sector, as well as our suppliers and their respective industries Sustainability reports of peers, as well as value chain partners, such as suppliers and customers The outcomes of our salient human rights issues due diligence process Previous years' impact materiality assessments <p>This input shaped our view on the landscape of potentially material environmental, social and governance impacts, risks and opportunities for AkzoNobel.</p> <p>During the second phase, we organized several workshops with internal subject matter experts, with the aim of rating and calibrating the potential and actual impacts, risks and opportunities (IROs) for all topics included in the CSRD¹.</p> <p>In the workshops, we rated the IROs on severity (scale, scope and irremediability) and likelihood. This assessment was split per value chain area (upstream, own operations</p>			

Information on SBM-3 presented under General disclosures (ESRS 2) - AkzoNobel Annual Report 2023

CLIMATE CHANGE			
Environmentally Conscious Operations			
IMPACTS, RISKS AND OPPORTUNITIES			
<p>BW Offshore appreciates the potential climate-related risks and opportunities that may materialise both in the short-, medium- and long-term.</p> <p>OVERVIEW OF BW OFFSHORE'S MATERIAL SUSTAINABILITY MATTERS</p> <p>Environmental</p> <p>the carbon footprint of the entire value chain and to maintain assets and operations that have minimised impact on environment and climate change. GHG emissions, emissions of HFCs,</p>			
Topic	Sustainability Matters and related IROs	I/R/O	Actual/Potential
Climate change	Climate change adaptation		
	Chronic hazards	Risk	Potential
	Climate change mitigation		
	Scope 1+2 emissions	Impact	Actual
	Scope 3 emissions	Impact	Actual
	Release of HFCs and HFCs	Impact	Actual
	Emissions from steel production	Impact	Actual
	Access to capital	Risk	Potential
	New business opportunities within low emission energy production	Opportunity	Potential
	Energy		
Pollution	Clean energy production	Opportunity	Potential
	Pollution of air		
	Non-GHG emissions	Impact	Actual
	Pollution of water		
	Planned discharge of effluent streams	Impact	Actual
	Oil spills	Risk	Potential
	Resource inflows including use		
	Lack of circularity principles in asset design	Impact	Actual
	Resource outflows related to products and services		
	Recycled and reused steel material from FPSOs	Impact (positive)	Actual
Waste	Waste handling	Impact	Actual
Social			
Topic	Sustainability Matters and related IROs	I/R/O	Actual/Potential
Own workforce	Working conditions of own workers		
	Redundancy	Impact	Actual
	Mental health, well-being and work-life balance	Impact	Potential
	Health and safety of own workers		
	Work-related accidents	Impact	Potential
	Equal treatment and opportunities of own workers		
	Unconscious bias and unequal treatment	Impact	Potential
	Gender diversity	Impact	Actual
	Gender pay gaps	Impact	Actual
	Diversity of cultures and nationalities	Impact (positive)	Actual
Other worker-related rights of own workers	Inadequate housing offshore	Impact	Actual
	Cybersecurity		
	Cyber-attack leading to safety issues	Impact	Potential
	Workers in the value chain		
	Working conditions of supply chain workers		
	Job creation	Impact	Actual
	Equal treatment and opportunities of all supply chain workers		
	Harassment and assault	Impact	Potential
	Affected communities		
	Communities economic, social and cultural rights		
	Local employment and economy	Impact (positive)	Actual

Information on SBM-3 partially presented under topical disclosures (ESRS E1) & statement of IRO's in General disclosures – BW Offshore 2023 Annual Report

Example – Disclosures on EU Taxonomy

EUTR

EU Taxonomy (continued)

Proportion of revenue from products or services associated with Taxonomy-aligned economic activities 2024

	Codes	Revenue (DKK million)	Proportion of revenue 2024 (%)	Substantial contribution						DNSH						Minimum safeguards (Y/N)	Taxonomy of revenue 2023 (%)	Enabling activity E	Transitional activity T
				Climate change mitigation Y;N/N/EL;EL	Climate change adaptation Y;N/N/EL;EL	Water and marine resources Y;N/N/EL;EL	Circular economy Y;N/N/EL;EL	Pollution Y;N/N/EL;EL	Biodiversity and ecosystems Y;N/N/EL;EL	Climate change mitigation (Y/N)	Climate change adaptation (Y/N)	Water and marine resources (Y/N)	Circular economy (Y/N)	Pollution (Y/N)	Biodiversity and ecosystems (Y/N)				
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
Data processing, hosting, and related activities	CCM 8.1	199.2	3.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	3.3%		
Revenue of environmentally sustainable activities (Taxonomy-aligned) (A.1)		199.2	3.0%	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	3.3%		
Of which enabling		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	0.0%		
Of which transitional		199.2	3.0%	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	3.3%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Provision of IT/OT data-driven solutions	CE 4.1	11.0	0.2%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								1.2%		
Data processing, hosting, and related activities	CCM 8.1	204.5	3.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3.4%		
Data-driven solutions for GHG emission reductions	CCM 8.2	49.1	0.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Revenue of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		264.6	4.0%	3.9%	0.0%	0.0%	0.2%	0.0%	0.0%								4.6%		
Revenue of Taxonomy-eligible activities (A.1 + A.2)		463.8	7.1%	6.9%	0.0%	0.0%	0.2%	0.0%	0.0%								7.9%		
B. Taxonomy-non-eligible activities																			
Revenue of Taxonomy-non-eligible activities (B)		6,076.8	92.9%																
Total (A+B)		6,540.6	100.0%																

E1 Climate change			E3 Water and marine resources		
E1-1	Transition plan for climate change mitigation	87	E3 IRO-1	Water and marine resource IROs	
E1 SBM-3	Climate-related risks	88	E3-1	Policies	
E1 IRO-1	Environmental IROs	88	E3-2	Water Impact	
E1-2	Policies	89	E3-3	Targets	
E1-3	Actions	89	E5 Resource use and circular economy		
E1-4	Targets	90	E5 IRO-1	Resource use and circular economy IROs	
E1-5	Energy consumption and mix	90	E5-1	Policies	
E1-6	Gross Scopes 1, 2, 3, and Total GHG emissions	91	E5-2	Actions	
	GHG intensity based on net revenue	94	E5-3	Targets	
	GHG data hierarchy	95	E5-4	Resource inflow	
			E5-5	Resource outflow	
			ISO 14001	Environmental management system	
				Policies	
				Actions	
				Targets	
				EU Taxonomy	

Example – Reference to other parts of corporate reporting

Cross-cutting standards		Section/ report	Page	Additional information
Disclosure requirement				
ESRS 2 - General disclosures				
BP-1	General basis for preparation of the sustainability statement	SUS	69	
BP-2	Disclosures in relation to specific circumstances	SUS	69	
	Datapoints that derive from other EU legislation	SUS	136	
GOV-1	The role of the administrative, management and supervisory bodies	MR	52-60	
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	MR	57; 59	Audit & Risk Committee; Sustainability Committee
GOV-3	Integration of sustainability-related performance in incentive schemes	REM	6-7	Performance of the Executive Board
GOV-4	Statement on sustainability due diligence	SUS	135	
GOV-5	Risk management and internal controls over sustainability reporting	MR	59	Internal controls environment
SBM-1	Strategy, business model and value chain (products, markets, customers)	MR	20-28	Strategy and business
	Strategy, business model and value chain (headcount by country)	FS	197	Country-by-country key figures
	Strategy, business model and value chain (breakdown of revenue)	FS	155	Note 2.1 Segment information
SBM-2	Interests and views of stakeholders	SUS	79	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	SUS	68; 72-76	
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	SUS	77-78	
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	SUS	132-135	

SUS Sustainability statements
MR Management's review
REM Remuneration report
FS Financial statements



BAS
Belgian Awards For
Sustainability Reports

Example – List of datapoints derived from other EU legislation

ESRS 2

Datapoints that derive from other EU legislation

The table below includes all of the datapoints that derive from other EU legislation as listed in ESRS 2 appendix B, indicating where the data points can be found in our report and which data points are assessed as 'Not material'.

Disclosure requirement	Data point	Sustainability statements Appendix	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section	Page
ESRS 2 GOV-1	21 (d)	Board's gender diversity	x		x		Sustainability statements Management's review	118 52
ESRS 2 GOV-1	21 (e)	Percentage of board members who are independent			x		Sustainability statements	117
ESRS 2 GOV-4	30	Statement on due diligence	x				Sustainability statements	135
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuel activities	x	x	x		Sustainability statements	81
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production	x		x		Not relevant	
ESRS 2 SBM-1	40 (d) iii	Involvement in activities related to controversial weapons	x		x		Not relevant	
ESRS 2 SBM-1	40 (d) iv	Involvement in activities related to cultivation and production of tobacco			x		Not relevant	
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				x	Sustainability statements	87-89
ESRS E1-1	16 (g)	Undertakings excluded from Paris-aligned Benchmarks		x	x		Not relevant	
ESRS E1-4	34	GHG emission reduction targets	x	x	x		Sustainability statements	91
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	x				Not relevant	
ESRS E1-5	37	Energy consumption and mix	x				Sustainability statements	99
ESRS E1-5	40-43	Energy intensity associated with activities in high climate impact sectors	x				Not relevant	
ESRS E1-6	44	Gross Scope 1, 2, 3 and Total GHG emissions	x	x	x		Sustainability statements	100
ESRS E1-6	53-55	Gross GHG emissions intensity	x	x	x		Not stated	
ESRS E1-7	56	GHG removals and carbon credits				x	Not stated	
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			x		Sustainability statements	86
ESRS E1-9	66 (a); 66 (c)	Disaggregation of monetary amounts by acute and chronic physical risk; Location of significant assets at material physical risk		x			Not stated	
ESRS E1-9	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		x			Not stated	
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			x		Management's review	20-35
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation emitted to air, water and soil	x				Not material	
ESRS E3-1	9	Water and marine resources	x				Not material	
ESRS E3-1	13	Dedicated policy	x				Not material	
ESRS E3-1	14	Sustainable oceans and seas	x				Not material	
ESRS E3-4	28 (c)	Total water recycled and reused	x				Not material	
ESRS E3-4	29	Total water consumption in m³ per net revenue on own operations	x				Not material	
ESRS 2- SBM 3 - E4	16 (a) i		x				Sustainability statements	105
ESRS 2- SBM 3 - E4	16 (b)		x				Not stated	
ESRS 2- SBM 3 - E4	16 (c)		x				Sustainability statements	106



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Example – List of datapoints derived from other EU legislation

IRO-2 EU legislation data points

Not material: Information not material to reporting
Not relevant: Information complied with or not relevant to operations

The table below outlines the data points derived from other EU legislation as listed in ESRS 2 Appendix B. It indicates where these data points can be found in our report and identifies which data points are assessed as 'Not material'.

Disclosure requirement	Data point		SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Page/relevance
ESRS 2 GOV-1	21 (d)	Board's gender diversity	■	□	■	□	57
ESRS 2 GOV-1	21 (e)	Percentage of board members who are independent	□	□	■	□	67
ESRS 2 GOV-4	30	Statement on sustainability due diligence	■	□	□	□	72
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuel activities	■	■	■	□	Not relevant
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production	■	□	■	□	Not relevant
ESRS 2 SBM-1	40 (d) iii	Involvement in activities related to controversial weapons	■	□	■	□	Not relevant
ESRS 2 SBM-1	40 (d) iv	Involvement in activities related to cultivation and production of tobacco	□	□	■	□	Not relevant
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050	□	□	□	■	Not relevant
ESRS E1-1	16 (g)	Undertakings excluded from Paris-aligned Benchmarks	□	■	■	□	Not relevant
ESRS E1-4	34	GHG emission reduction targets	■	■	■	□	Not relevant
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources	■	□	□	□	Not relevant
ESRS E1-5	37	Energy consumption and mix	■	□	□	□	90
ESRS E1-5	40-43	Energy intensity associated with activities in high climate impact sectors	■	□	□	□	Not relevant
ESRS E1-6	44	Gross Scope 1, 2, 3 and Total GHG emissions	■	■	■	□	91
ESRS E1-6	53-55	Gross GHG emissions intensity	■	■	■	□	94
ESRS E1-7	56	GHG removals and carbon credits	□	□	□	■	Not relevant
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks	□	□	■	□	Not relevant
ESRS E1-9	66 (a)	Disaggregation of monetary amounts by acute and chronic physical risk	□	■	□	□	Not relevant
ESRS E1-9	66 (c)	Location of significant assets at material physical risk	□	■	□	□	Not relevant
ESRS E1-9	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes	□	■	□	□	Not relevant
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities	□	□	■	□	Not relevant
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation emitted to air, water and soil	■	□	□	□	Not relevant



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Example – List of omitted ESRS

Index of Omitted European Sustainability Reporting Standards (ESRS')

GENERAL – ESRS2

Reference	ESRS Name	Reason for omitting
GOV-3	Integration of sustainability-related performance in incentive schemes	Beyond safety metrics, no other sustainability matters are linked to the company's incentive schemes and remuneration policies.

ENVIRONMENTAL

Reference	ESRS Name	Reason for omitting
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	Not applicable.
E1-8	Internal carbon pricing	Not applicable.
E2-5	Substances of concern and substances of very high concern	BW Offshore has not identified any material IROs related to substances of concern and substances of very high concern, and therefore omits ESRS E2-5.
E3	Water and Marine Resources	BW Offshore has not identified any material IROs related to water and marine, and therefore omits ESRS E4-1 through E4-5.
E4	Biodiversity and Ecosystems	We are committed to protecting local habitats and native wildlife in the areas where we operate. BW Offshore's potential impact on biodiversity is included in the oilfield operator's environmental impact assessments and monitoring programmes, which are subject to local regulatory approvals. BW Offshore has not identified any material IROs related to biodiversity and ecosystems, and therefore omits ESRS E4-1 through E4-6.

SOCIAL

Reference	ESRS Name	Reason for omitting
S1-8	Collective bargaining coverage and social dialogue	The Human Rights and Decent Working Conditions policy states that BW Offshore employees have the right to free association and collective bargaining. Union engagement occurs at a frequency described in the applicable CBA (collective bargaining agreement). Out-of-cycle meetings will take place as and when required by either party. CBAs are put in place mutually between the employer and the employees.
S1-10	Adequate wages	Not material.
S1-11	Social Protection	Not material.
S1-12	Persons with disabilities	Not material.
S4	Consumer and end-users	BW Offshore has not identified any material IROs related to consumers and end-users, and therefore omits ESRS S4-1 through S4-5.

GOVERNANCE

Reference	ESRS Name	Reason for omitting
G1-5	Political influence and lobbying activities	Not material.
G1-6	Payment practices	Not material.

Example – additional disclosures based on other reporting frameworks

E1.3 Indirect (scope 3) greenhouse gas emissions

Reporting principles

Hydro's indirect emissions based on ownership equity.

Indirect (Scope 3) GHG emissions are reported for emissions related to purchased goods and services, fuel and energy related activities, upstream transportation and distribution, downstream transportation and distribution, and processing of sold products. The calculation and reporting of our Scope 3 emissions are based on the IAI Scope 3 Calculation Tool Guidance.

Hydro presented our Scope 3 emissions for the first time in 2021, with 2018 as a baseline. We do therefore not include Scope 3 emissions for 2020 and 2019.

GRI reference: GRI Standards 305-3 (2016).

Reference to other sustainability reporting framework- Hydro Integrated Annual Report 2023

GRI standards	Standard disclosure		Hydro response	UN Global Compact ref.	ICMM ref.	ASI ref.
GRI 300: Environmental						
GRI 301: Materials 2016						
Disclosure on management approach	Report a.) why the topic is material, b.) how the organization manages the topic or its impacts and c.) how the management approach is evaluated.	ESRS E5 E5-1 §12; E5-2 §17; E5-3 §21	See our response to GRI Standard 3-3 in this index. See section Resource use and circular economy and in the Sustainability chapter in the annual report.	Criteria 9-11, 15-18	Principle 6	Criterion 4.3-4.6
301-1	a. Total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period, by: i. non-renewable materials used; ii. renewable materials used.	ESRS E5 E5-4 §31 (a)	See Note E5.1 to the Sustainability Statements in the annual report.	Principles 7-8, Criterion 11, SDG 8, 12		
301-2	a. Percentage of recycled input materials used to manufacture the organization's primary products and services.	ESRS E5 E5-4 §31 (c)	See Note E5.1 to the Sustainability Statements in the annual report.	Criteria 11, SDG 8, 12		Criterion 4.3-4.6
301-3	a. Percentage of reclaimed products and their packaging materials for each product category. b. How the data for this disclosure have been collected.	'Resource outflows related to products and services' and 'Waste' are sustainability matters for E5 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.	Omission. Not applicable.			

Reference to ESRS disclosure requirements & other sustainability reporting framework- Hydro GRI Content Index 2023



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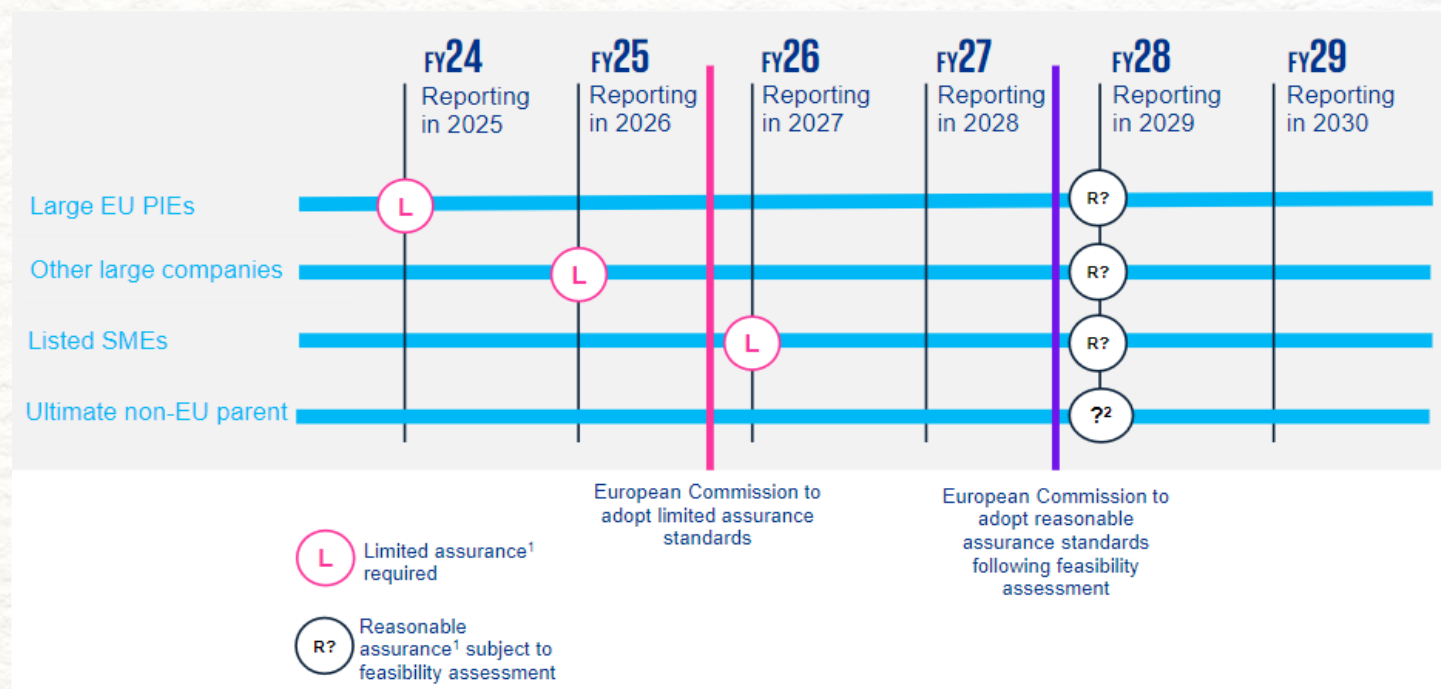
Limited assurance considerations

Mandatory CSRD assurance

- CSRD would require assurance across all topics
 - **Limited assurance** from the date of initial reporting
 - Ambition to move to **reasonable assurance** in time

1 The assurance requirements would have no bearing on a company's responsibility to report accurate information from the first reporting year – e.g. limited assurance does not mean limited reporting.

2 Assurance would be based on jurisdictional requirements of the third country parent or that of a member state. In the absence of an assurance opinion, the company would need to issue a statement indicating this.



What will be the scope of assurance engagements?

CSRD	MATERIALITY PROCESS	DIGITIZATION AND TAGGING	TAXONOMY
<ul style="list-style-type: none"> • Compliance with the CSRD reporting in Article 19a, including with the reporting standards adopted according to Article 29b or Article 29c accounting directive 	<ul style="list-style-type: none"> • Process carried out by the company to identify the information reported according to those reporting standards 	<ul style="list-style-type: none"> • Compliance with requirement to mark-up sustainability reporting in accordance with Article 29d accounting directive (digitization) 	<ul style="list-style-type: none"> • Compliance with the reporting requirements of Article 8 EU Taxonomy Regulation (Regulation (EU) 2020/852)



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Limited assurance considerations

Basis for preparing sustainability information:

The practitioner needs to verify that the entity has indicated, in the sustainability statement as a dedicated section of the management report, the **general basis for preparation** of sustainability information to provide an understanding **of how it has prepared** (basis of preparation) the statement, including the scope of consolidation or combination, the upstream and downstream value chain information and, where relevant, the disclosure exemptions used.

In relation to the **scope** adopted by the company to prepare sustainability information, the practitioner needs to verify that it complies with the provisions of the **Belgian Companies & Associations Code** and the **ESRS**.



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Limited assurance considerations

Presentation of sustainability information:

The presentation of sustainability information is essential to enable the readability and understandability of the sustainability matters.

In particular, the practitioner needs to verify that:

- the information is presented in a **dedicated section of the management report** and in a way that distinguishes it from the other information included in the management report;
- the information is structured in **four parts**, in the following order: general information, environmental information (including the information required by the taxonomy reference framework), social information and governance information;
- when information is incorporated by **reference** to different source(s), the conditions for this incorporation are met;
- where additional information required by **other legislation** regarding sustainability information or from **generally accepted sustainability reporting standards** and/or frameworks is provided, the applicable conditions are met;
- for information that is **connected with the financial statements** or financial information, a clear and precise narrative description or direct reference is made so as to enable to connect the information.



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Limited assurance considerations

Additional considerations:

- The EU digitalisation rules for sustainability statements are currently still **under development**. Going forward, when the digital taxonomy will be adopted and the ESEF requirements will be effective, the practitioner will need to verify the **electronic format** of the information and the compliance of the sustainability statements with the requirements to **mark up** the information.



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Polling question 3

Which of the following statements is not correct:

- a) The sustainability information should be included into the annual report and can be spread across the different chapters of the annual report
- b) As part of the assurance engagement, the assurance practitioner needs to verify if the structure of the sustainability statement is in compliance with the ESRS requirements
- c) As per ESRS, companies can include additional information and disclosures based on other laws, sustainability reporting frameworks into the sustainability statement
- d) Entity-specific disclosures should be reported alongside the most relevant sector-agnostic and sector-specific disclosures



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Polling question 4

To which of the following sections or published documents cannot be referred to by a company in its sustainability statement to incorporate an ESRS disclosure requirement:

- a) Another section of the management report
- b) The financial statements
- c) The corporate governance statement
- d) The remuneration report
- e) The sustainability report



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Q&A



Thank you for your participation