



Nederlandse
Beroepsorganisatie
van Accountants



**RAAD VOOR DE
JAARVERSLAGGEVING**

Dutch Accounting Standards Board



Ministry of Economic Affairs

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WEBINAR

**CSRD & ESRS:
Reliable Data**

November 19, 2024

CO₂-emissions

SCOPE 1: Direct emissions from owned or controlled sources

SCOPE 2: Indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company

SCOPE 3: includes all other indirect emissions that occur in a company's value chain

Example: Zeeman Report

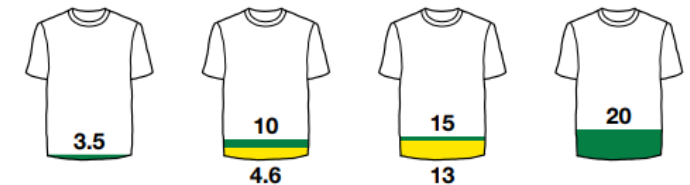
Qualitative

More sustainable cotton.

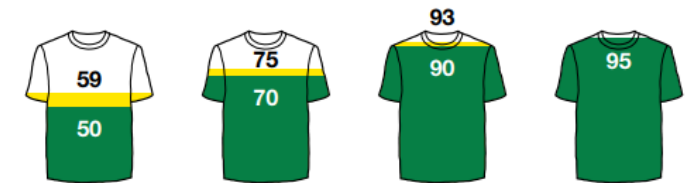
Cotton is our main raw material. 63% of our textile collection is made of cotton. In 2022, this figure was 66%. We use cotton to make underwear, socks and bodysuits. But also tea towels and bath towels. Cotton production is environmentally harmful because it requires a lot of water and uses pesticides and artificial fertiliser. Therefore, we are increasingly opting for variants that are more sustainable than conventional cotton, such as Better Cotton or organic cotton. This cotton is produced without the use of harmful chemicals or fertilisers. We also use recycled cotton. Residual materials from previous production runs are reused, thus saving on new, costly raw materials. But most of our cotton consumption is now sourced through Better Cotton. Our cotton consumption in 2023 consists of 93% more sustainable options (than conventional cotton). The target was 90%. Next year, we aim to have at least 95% of our cotton come from more sustainable sources.

Quantitative

Share of recycled materials in our total textile consumption.



Share of more sustainable cotton in our total cotton consumption.



Share of more sustainable materials in our total textile consumption.



■ Target %
■ Result %

2021

2022

2023

2024

Example: Royal FloraHolland Report

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

Transport packaging

In 2023, we launched several initiatives, including our partnership with EPT, with the aim of exploring the possibilities for introducing reusable plant trays across Europe from 2024. More companies are using the shorter reusable box for chrysanthemums, Fc523. This not only saves 30% in material (2023: approx. 20,000 kg) but also 25% in space during transport. Expanding the support-collar range with the Fc588 reusable flower bucket results in 40% less card/cardboard use per package, meaning a reduction of 85,000 kg in 2023 (2022: approx. 70,000 kg). For this Fc588, we developed a new lower reusable rack in 2023 that will save about 100,000 kg of card/cardboard per year from its introduction in 2024. Finally, in 2023, we started exploring an alternative to single-use pallets.

Resource outflows (E5-5)

Transport packaging

We recycle damaged and rejected reusable packaging. We process as much recycled plastic, card/cardboard and aluminium as possible into new packaging for Royal FloraHolland itself or as products for third parties. These volumes are listed in the table under E5-4.

Waste management

Royal FloraHolland's resource outflow mainly consists of paper/cardboard, residual waste, green waste (contaminated and clean), plastics and wood. At the physical hubs of our floriculture marketplace, a lot of waste is left behind that was not sourced by us. Together with Facilicom, we are investigating the most sustainable and practical option for processing waste and extracting value from it, meaning turning waste into a raw material.

2023 results (as a proportion of total waste generated)	2023	2022
Residual waste	16.7%	19.8%
Contaminated green waste	13.7%	21.3%
Recovered from waste	74.4%	70.2%
Quality material harvested from waste	53.2%	44.3%

Example: KPN Report (1/2)

Qualitative

Social audits KPN

We strive to audit suppliers classified as high risk periodically and these social audits are carried out by an independent third-party auditor. These audits monitor whether suppliers and subcontractors comply with the sustainable guidelines set by the Joint Alliance for CSR (JAC). This association of 27 telecom operators aims to verify, assess, and develop corporate social responsibility implementation across manufacturing sites. JAC members, including KPN, share best practices on topics such as the circular economy, climate change and human rights to help embed long-term corporate social responsibility implementation in the different layers of the supply chain.

Thanks to the JAC members, 66% of our 29 high risk suppliers were audited in 2023 and in total 86% of KPN's high risk suppliers between 2014 and 2023. The audits were carried out by international specialist companies. The suppliers included in the audit campaign were from the sectors for user devices and appliances, network appliances and IT equipment production.

Quantitative

Fixing shortcomings through corrective action plans

The table below shows the numbers of non-conformities recorded during on-site audits conducted by KPN on behalf of JAC in 2015-2023.

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Business ethics	-	2	-	2	3	4	11	7	19
Discrimination	2	-	-	-	2	-	1	-	-
Disciplinary practices	-	-	-	-	-	1	-	2	-
Environment	10	3	3	8	17	8	12	18	15
Freedom of association	-	-	-	-	1	1	1	1	2
Health & safety	15	6	4	10	39	23	27	31	45
Labor	-	-	-	-	-	4	-	2	5
Unlawful labor	-	-	-	-	-	5	1	-	8
Wages & compensation	4	1	-	-	3	4	3	6	5
Working hours	6	3	3	1	6	7	15	16	9
Other	-	-	-	-	-	-	1	-	-
Total	37	15	10	21	71	57	72	83	108

Example: KPN Report (2/2)

Qualitative

Fixing shortcomings through corrective action plans

The table below shows the numbers of non-conformities recorded during on-site audits conducted by KPN on behalf of JAC in 2015-2023.

For all the non-conformities we encountered, actions are taken to prevent or mitigate material negative impacts on value-chain workers. We do so by drawing up a specific corrective action plan (CAP) for each non-conformity that includes resolution procedures and timetables. To track and assess the effectiveness of such actions in delivering intended outcomes for value-chain workers we engage with suppliers and production plants in following up on these corrective actions. JAC members constantly monitor the implementation of these plans.

CAPs set clear deadlines to complete all corrective actions within 12 months. Although all our suppliers are committed to completing all corrective action plans, we have found that some issues are hard to resolve within one year. In 2023, we closed 98% of all non-conformities raised between 2020 and 2022.

Quantitative

Fixing shortcomings through corrective action plans

The table below shows the numbers of non-conformities recorded during on-site audits conducted by KPN on behalf of JAC in 2015-2023.

2023 Summary	Raised	Closed	Pending
Child labor & juvenile workers	21	10	11
Forced labor	31	11	20
Health & safety	391	173	218
Freedom of association	21	4	17
Discrimination	10	1	9
Disciplinary practices	8	2	6
Working hours	155	65	90
Wages & compensation	87	29	58
Environment	102	32	70
Business ethics	57	8	49
TOTAL	883	335	548

Example: ING Report – Climate Report 2023

Built on science-based, international leading approaches

In 2019, we developed our Terra approach in partnership with the 2nd Investing Initiative (2DII), using their Paris Agreement Capital Transition Assessment (PACTA) for Banks tool (itself co-developed by ING). Since then, we've continued to improve and expand Terra in collaboration with 2DII, also involving new partners like RMI's Center for Climate Aligned Finance (CCAF), which ING became an official strategic partner of in 2022. Improvements include expanding the geographies covered, bringing more sectors into scope, and adding more parts of the value chains within sectors. We plan to continue improving and expanding our Terra approach to ensure a science-based, transparent and robust transition of our portfolios to a net-zero economy. As a result of our collaboration with the CCAF, we've also helped to develop methodologies - like the Poseidon Principles for the shipping sector and the Sustainable STEEL Principles for the steel sector - which can be used by financial institutions and sector participants alike to benchmark their own alignment with net-zero goals. ING published its [first annual Terra progress report](#) in 2019, covering our financing of five carbon-intensive sectors over 2018. As of now, Terra covers ING's nine most carbon-intensive sectors, which account for the majority of emissions associated with ING's loan book.

Methodological choices for financial products scoping for all Terra sectors

The outstandings for our Terra measurement, as included in the Terra toolbox, are based on the credit outstandings as reported in our ING Annual Report (AR) 2022 (section Risk management: Credit Risk, from page 117 onwards). The Terra scope however differs from the reported credit outstandings in the AR 2022 because the financial products in scope vary per sector as a result of the Terra scope generally aligning with the applied sectoral methodology. See the per-sector details that follow for more information.

Data quality and limitations

We utilise external data vendors for the sourcing of information related to all Terra sectors (with the exception of upstream oil and gas), as well as for financed emissions.

Data process at our data vendors

The external data vendors we use have been selected through a screening process. In making our selection, we prioritise data vendors who can provide emissions data at asset-level, as this is considered more precise than, for example, data at company-level. Data at asset-level fits best with the scope and methodologies used within our Terra approach. For the Poseidon Principles and Sustainable STEEL Principles, which apply

respectively to the shipping and steel sectors, member banks jointly evaluated and decided on the most relevant and appropriate data sources to use, i.e., for shipping data at vessel-level provided directly by our clients, and for steel data provided by data vendor CRU Group or sourced directly from our clients. For the other sectors, ING has followed internal (procurement) processes to select the most relevant and appropriate data vendors. More detail on our data vendors is disclosed for each sector below.

Our external data vendors provide ING with asset-level and/or company-level emissions intensity data that applies to our (in-scope) portfolio. To create this emissions intensity data, our data vendors collect multiple emissions and physical-activity data-points from various sources, including what is reported by companies, governments and other (inter)national agencies (like the IEA), at asset-, company- and sector-level. These reported data sets form the cornerstone of the data vendor's proprietary modelling. Aggregated benchmarks are used by them to calibrate their underlying models. Besides actual data, data vendors also use proxy data and assumptions.

Our data vendors have procedures and methodologies in place to perform checks and controls on their data. When receiving the data from our providers, we also perform data quality reviews and plausibility checks, including the assessment of historical trends, which in some cases lead to the removal of outliers. We question our data vendors on specific issues that we have identified and collaborate with them to make the right data assumptions. The data processes and models of our data vendors are not audited, which means that regardless of their checks and controls, data limitations may still exist. And although we perform our own reviews and sanity checks, our procedures cannot fully mitigate the risk of applying inaccurate, incorrect and/or incomplete data.

Data process at ING

For some sectors, like residential and commercial real estate and mid- & downstream oil and gas, we also make use of proxies and modelling assumptions in our measurements where the data is not available or partly available from our data vendors. Proxies are often sector-average emissions intensities published by governmental agencies. In some cases, the proxy data used for certain countries is based on public data sources from a specific district within that country. Furthermore, these sector-average emissions intensity proxies often may not coincide with the current reporting period, which could lead to over- or understating the portfolio emissions intensity.

Interview Albert-Jan Knol (BDO)

Questions:

"How can an organisation ensure the reliability of its data?"

"How do you, as an accountant, assess the reliability of the data provided by an organisation?"

"What advice would you give to companies?"

CLICK [HERE](#) TO GO TO THE INTERVIEW *(from minute 24:45 to 28:45)*

Tips

Start and start now!

Not everything has to be done at once

Learn from others

Consult the [questions and answers document](#)



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