

Webinar

Sustainability Reporting for First-Timers: Practical Examples and First Glance on the Omnibus Package

Tuesday 4 March 2025



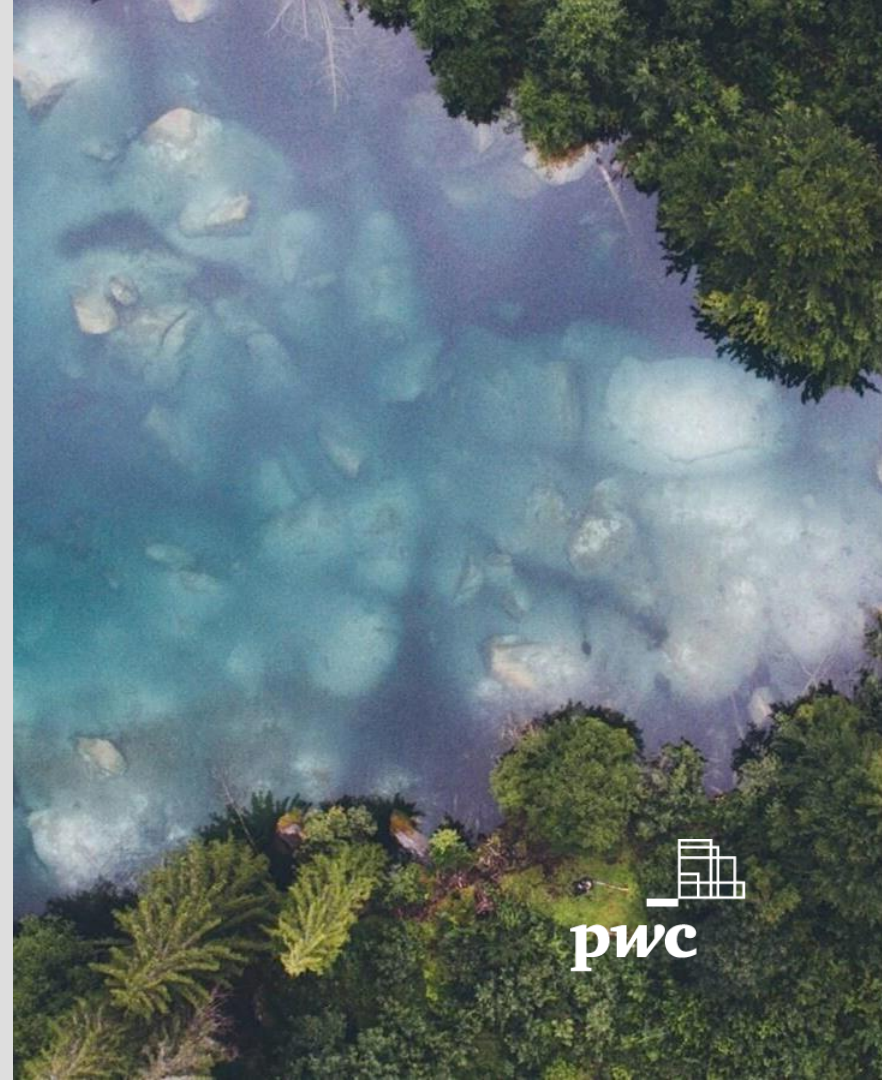
Agenda

1. Setting the scene

- *First glance on the proposed Omnibus I package*
- *Best practice - key highlights*

2. Company case: GN Group

1. Question and answers



The proposed Omnibus package

First glance

Carina Ohm and Ida Boe

Sustainability Advisory and Assurance Services

PwC

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First glance on the proposed Omnibus package

'Stop the clock' proposal



Brussels, 26.2.2025
COM(2025) 80 final
2025/0044 (COD)

Proposal for a

DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending Directives (EU) 2022/2464 and (EU) 2024/1760 as regards the dates from which Member States are to apply certain corporate sustainability reporting and due diligence requirements

(Text with EEA relevance)
{SWD(2025) 80}

Content proposal



Brussels, 26.2.2025
COM(2025) 81 final
2025/0045 (COD)

Proposal for a

DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending Directives 2006/43/EC, 2013/34/EU, (EU) 2022/2464 and (EU) 2024/1760 as regards certain corporate sustainability reporting and due diligence requirements

(Text with EEA relevance)
{SWD(2025) 80}

Omnibus focus: CSRD

Proposed changes

1 Phase-in period

- No changes **for a transitional period** for companies in **scope for the financial year 2024**.
- Companies in **scope for the financial year 2025** will be postponed to **1 January 2027**.
- Companies in **scope for the financial year 2026** will be postponed to **1 January 2028**.
- Voluntary reporting to a degree that suits the company is recommended.

2 Scope

- **More than 1000 employees on average and either a turnover exceeding EUR 50 M or a balance sheet total exceeding EUR 25 M.**
- Listed companies are only covered if they meet these criteria.

3 Value-chain

- Companies subject to the CSRD requirements **shall not obtain information from their value chain** beyond what is recommended in the voluntary sustainability standard (VSME), from **value chain partners with fewer than 1000 employees**.

Omnibus focus: CSRD

Proposed changes

4	Sector specific ESRS	<ul style="list-style-type: none">• The possibility for the Commission to adopt sector specific standards is proposed removed.
5	Assurance	<ul style="list-style-type: none">• The Commission will publish targeted guidelines for limited assurance statements in 2026.• The possibility for a transition to reasonable assurance for sustainability reporting is proposed removed.
6	Voluntary reporting standard	<ul style="list-style-type: none">• The Commission intends to issue a recommendation on voluntary sustainability reporting as soon as possible, based on the VSME standard developed by EFRAG.
7	Simplification of the underlying reporting standards (ESRS)	<ul style="list-style-type: none">• The Commission be mandated to simplify the underlying reporting standards (ESRS). Proposed that the simplification should:<ul style="list-style-type: none">○ Reduce the number of mandatory data points;○ Prioritize quantitative data (metrics) over qualitative, and;○ Provide clearer instructions on how to apply materiality principle.• Updated drafts of the ESRS would need to be issued within 6 months of approval of the 'content' proposal.

Omnibus focus: Taxonomy regulation

Proposed changes

1 Scope

- Suggested limited to **CSRD scope** (companies with more than 1000 employees on average and a turnover exceeding EUR 50 M or a balance sheet total exceeding EUR 25 M) **as well as a turnover over EUR 450 M**.
- CSRD companies with a turnover **below EUR 450 M** are subject to **eased requirements (opt-in)**.

2 Delegated acts

- Draft amendments (Taxonomy Disclosures & Climate and Environmental Delegated Acts) are currently in **public consultation** between February 26 – March 26, 2025.
- **Simplified reporting templates**, introduction of a **materiality threshold**, option to report **partially sustainable activities**, **voluntary OpEx reporting**, and **simplified DNSH** criteria.

3 Eased reporting

- Companies covered by the CSRD (see above) with a turnover **below EUR 450 M** shall report on the economic activities they **assess as aligned or partially aligned**.
- They shall **not report** on activities that fall within the scope of the Taxonomy if these are **not considered aligned**.
- Companies that assess their **activities as aligned or partially aligned** shall report on the proportion of their **turnover and CapEx**. Reporting on the proportion of **OpEx is voluntary**.

Recommendations for ‘Wave 2’ companies*

Weather you are in scope for CSRD reporting FY27 or fall out of scope

We recommend you to make an informed and strategic decision about next steps

- **Provide an overview of the work your company may already have done for CSRD readiness**
 - Have you already conducted a DMA, Taxonomy assessment etc.? Determine how you get the highest value from the work you have already done
- **Assess expectations to your future reporting**
 - Assessment based on stakeholders’ demands and expectations (from investors, customers etc.).
- **Determine your future reporting approach - strategic options for your FY25 Sustainability reporting**
 - Will your company publish voluntary sustainability reporting?
 - What is the ambition level of your company reporting?
 - Which IROs should it address?
 - Which metrics should it include?
 - Should it be based e.g. on the voluntary VSME standard or other voluntary reporting standards?
 - Should it be provided with e.g. limited assurance?

Voluntary reporting should be focused on value creation

* Companies in accounting class C large

Key best practice highlights

Carina Ohm and Ida Boe
Sustainability Advisory and Assurance Services
PwC

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Purpose of CSRD best practice sharing

Wave 1 companies

I.e. listed companies with >500 employees

- **Get inspiration for potential improvements for your 2025 Sustainability Statement**

Wave 2 companies

I.e. companies in accounting class C large

- **Get inspiration for your potential voluntary 2025 Sustainability reporting**
 - Focus on what would create value for your company



Key best practice highlights

4 cross-cutting themes

A clear Sustainability Statement structure

Understanding the business and how it translates to material IROs

The common thread: link from material IROs to policies, actions, targets and metrics

Metrics are where the magic happens



Key best practice highlights

A clear Sustainability Statement structure

A clear structure for the Sustainability Statement is the alpha and omega

Table of contents

- Table of contents with a clear overview of ESRS 2, E, S, and G.
 - Freedom to structure within each area.
 - Remember that some topical disclosures need to be disclosed together with general information disclosures.

DR overview

- Link to DR numbers in table of contents and throughout the report (even though not required) help the reader navigate your reporting.

References

- Clear use of incorporation by reference.
 - Clearly identifiable.
 - Supporting layout.



Key best practice highlights

Understanding the business and how it translates to material IROs

Help the reader understand your business context and how that translates to material IROs

The company

- Business model.
- Own operations and value chain (upstream and downstream).
 - Visualisations useful to understand context.
- Management's role as well as skills and expertise.
 - Information required additional to Management's Review.

Process

- How has the DMA been conducted and material matters identified?
 - What stakeholders have been engaged with?
 - What thresholds have been used?
 - What topics have **not** been considered material?
- How has material information (datapoints) been identified?

Strategy

- Which elements of your strategy relate to material IROs?
- How do material IROs interact with strategy and business model.
 - Information required additional to Management's Review.



Key best practice highlights

The common thread: link from material IROs to policies, actions, targets and metrics

Help the reader understand how you work with and address your material IROs

Material IROs

- Material IROs are the backbone of your whole report.
 - Use space to set the scene right.
 - Detailed list/descriptions provide better understanding.
 - Information with no link to material IROs should **not** be disclosed.

Aggregation

- IROs can be disclosed via aggregated groups.
 - When it provides more relevant information and does not **obscure** material information.
 - Consider the outcome.
 - Can the reader understand if you aggregate too much?

Link to PAT and M

- Are all IROs addressed in policies?
- Are all IROs handled via actions?
- Are all IROs connected to targets?
- Are all IROs measured via metrics?
- Remember Minimum Disclosure Requirements!



Key best practice highlights

Metrics are where the magic happens

The metrics are the crown jewels of your report - help the reader understand your numbers

Scope

- Reporting boundary and operational control.
- Clearly defined scope (Minimum Disclosure Requirements).
 - Restatements, limitations, assumptions, estimations etc.

Mandatory tables

- Use of mandatory tables make comparison easier, e.g.:
 - E: E1-6, table in AR 48.
 - S: S1-6, tables 1-3 in AR 55 (part of table 3 is voluntary).
 - S: S1-8, table in AR70.

Reflecting IROs

- The metrics need to tell the same story and reflect material IROs.
 - Can all material IROs be covered by ESRS metrics?
 - Are entity specific metrics needed?



Company case: GN Group

Maurits Hekking

Global Head of Sustainability
GN Group



CSRD: Observations from a 'first timer'

Maurits Hekking – Global Head of Sustainability
PwC Webinar 4 March 2025



AGENDA

- 1 CSRD at GN in numbers
- 2 3 lessons from a first-time reporter
- 3 If only I had known...

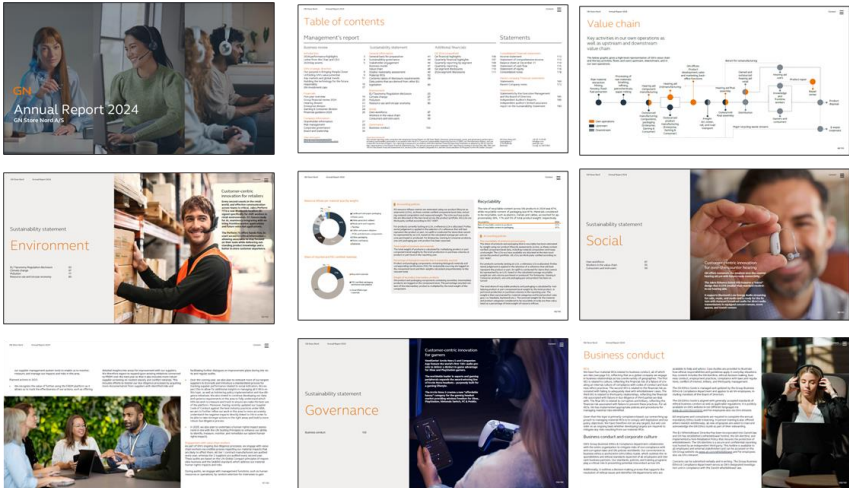




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Management's report

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Other 2024 reports

www.gn.com/remuneration2024
www.gn.com/corporategovernance2024

Sustainability statement

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Reporting framework

Our annual reporting suite comprises this Integrated Annual Report on GN Store Nord's financial, environmental, social, and governance performance – including sustainability statement in accordance with the EU's Corporate Sustainability Reporting Directive (CSRD), our Remuneration Report, and our Corporate Governance Report. Our reporting is prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act. This annual reporting suite constitutes GN's reporting according to Section 99a, 99b, 99d, and 107d in the Danish Financial Statements Act, section §139c in Danish Companies Act, and the Communication on Progress to the UN Global Compact.

Additional financials

Q4 2024 (unaudited)

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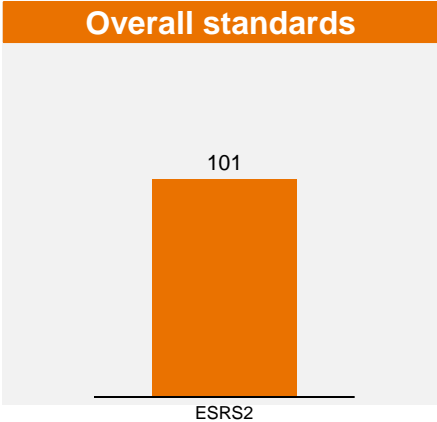
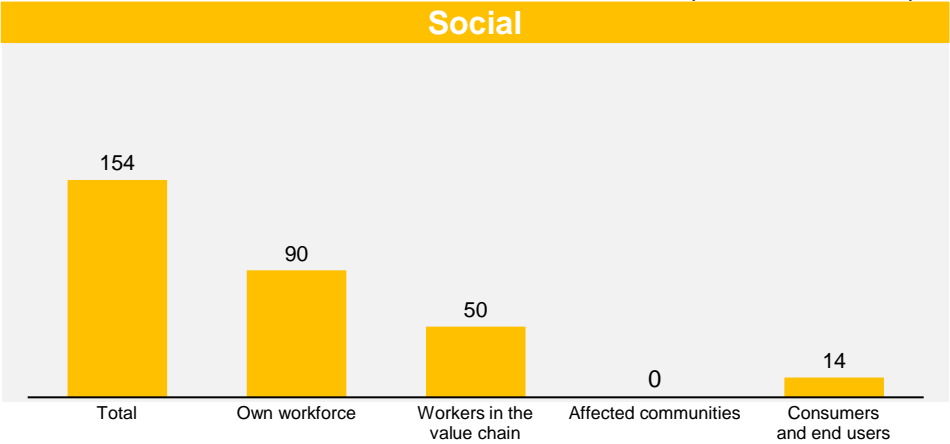
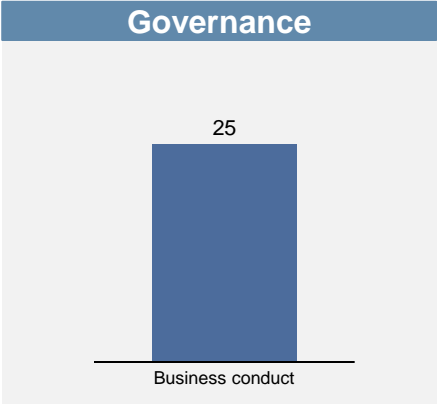
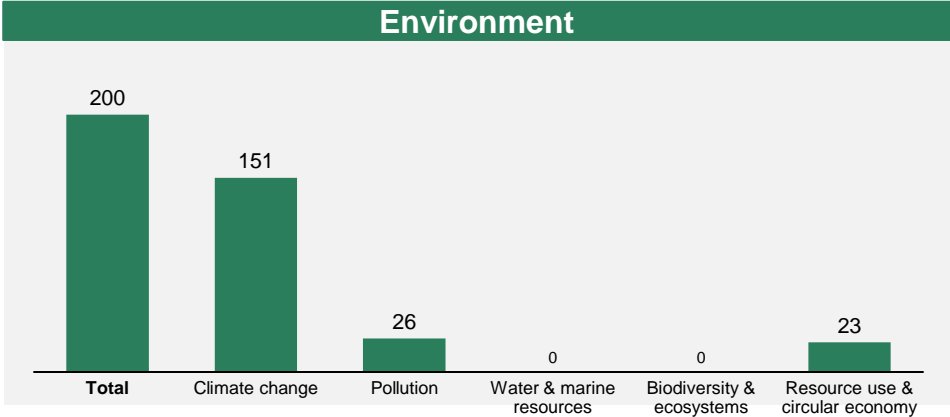
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Statements

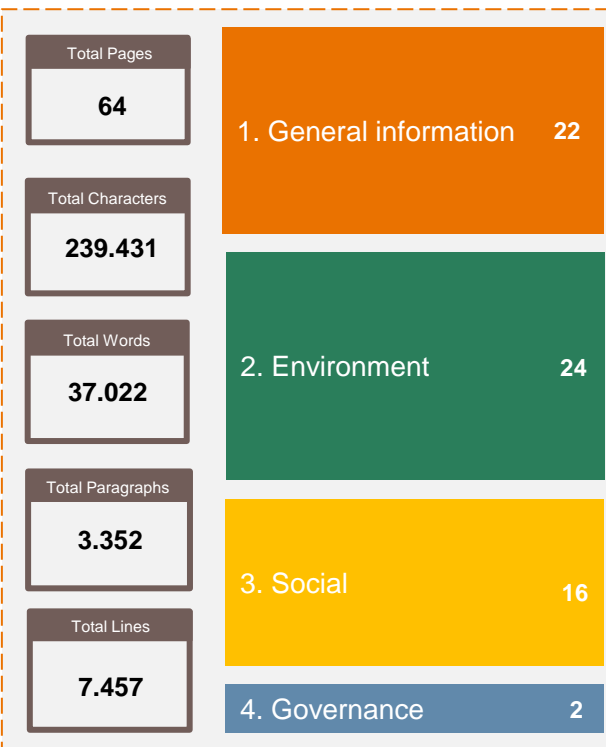
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Our Sustainability Statement covers 480 data points

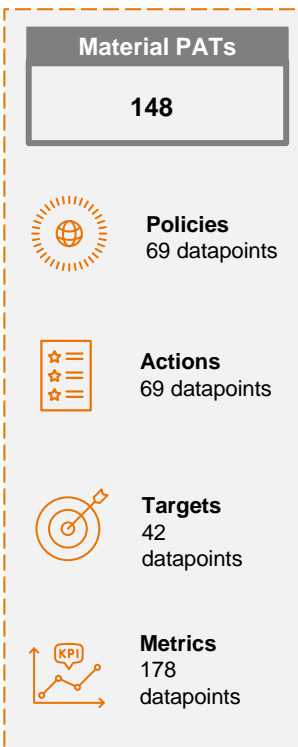


CSRD @ GN in Numbers

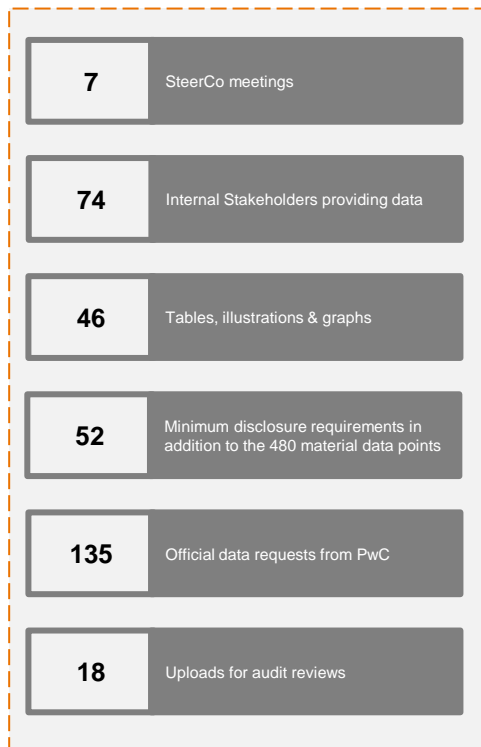
Pages & Characters



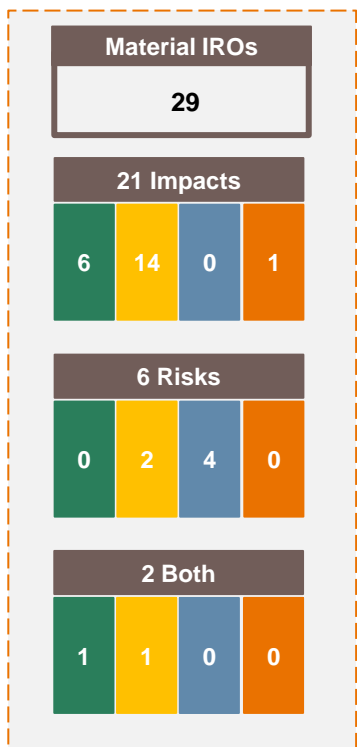
Mandatory disclosures



Effort measures



IROs



3 LESSONS

- 1 Lesson 1: IROs are your red thread
- 2 Lesson 2: Build a strong project governance
- 3 Lesson 3: Focus on what brings value



IROs are your red thread – an example

E5 - Resource inflows I N A Both Use of virgin and non-renewable resources GN products contain a wide variety of materials from virgin and non-renewable resources, impacting the need to extract ever more finite resources.

With regards to resource inflows, we have identified one material negative, actual impact in our own operations related to our use of a variety of metals, plastics, electrical components, and packaging at our manufacturing sites that are made primarily from virgin materials resulting in the need to extract finite resources.

We have identified the same material negative impacts for our upstream value chain, where our suppliers that are part of the manufacturing of components, full products, or packaging use virgin raw materials and resources to create metals, plastics, electrical components, paper, and cardboard.

To manage these IROs, we have set policies, targets, and actions to reduce our dependence on virgin material, as well as include circularity considerations in product design and the services we offer. These initiatives currently do not significantly alter our business model or strategy, rather they seek to align our current business model and strategy with a transition to a circular economy.

Policies

Our Environmental Policy, covering GN's approach to all material environmental topics across our own operations and value chain, includes a section on resource inflows, stating that our commitment to reducing resource inflows by optimizing for efficient resource use in the design of our product and avoiding unnecessary production waste. Where this is technically and operationally feasible, we are committed to introducing recycled or renewable alternatives for materials used in our products. For biological or renewable materials, such as paper and cardboard used in our packaging, we strive to source these materials sustainably to ensure this does not lead to deforestation. The provenance of the materials we use is pivotal to the impact of our value chain, which is why we source materials with credible third-party certifications, such as FSC, ISCC Plus and Global Recycling Standard.

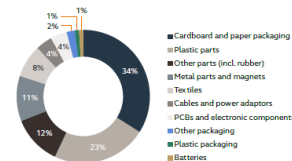
Actions

In addressing our material IROs related to resource use and circular economy, we have taken considerable steps both in terms of the sourcing of materials for our products and the end-of-life management to limit outflows and waste. The actions undertaken in 2024, including those planned over the coming reporting period(s), are aligned with the existing parameters of our financial planning and business model.

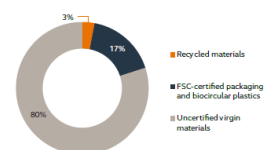
Resource inflows – materials

We aim to achieve at least 50% of materials in our products to be recycled or bio-based, measured as part of the total weight of mechanical parts, which is supported by a number of our circularity targets (see E5-3 Targets related to resource use and circular economy). In 2024, we have achieved an overall use of 19.1% across our full product portfolio, and we are continuously investigating more sustainable materials and evaluating their potential to ensure we have a catalogue of materials made from recycled or renewable resources available for product development. Our focus has been on plastics, but we have commenced investigating alternatives to metals and fabrics as well.

Resource inflows per material type (by weight)



Share of recycled and FSC-certified materials



General Disclosure (ESRS2)

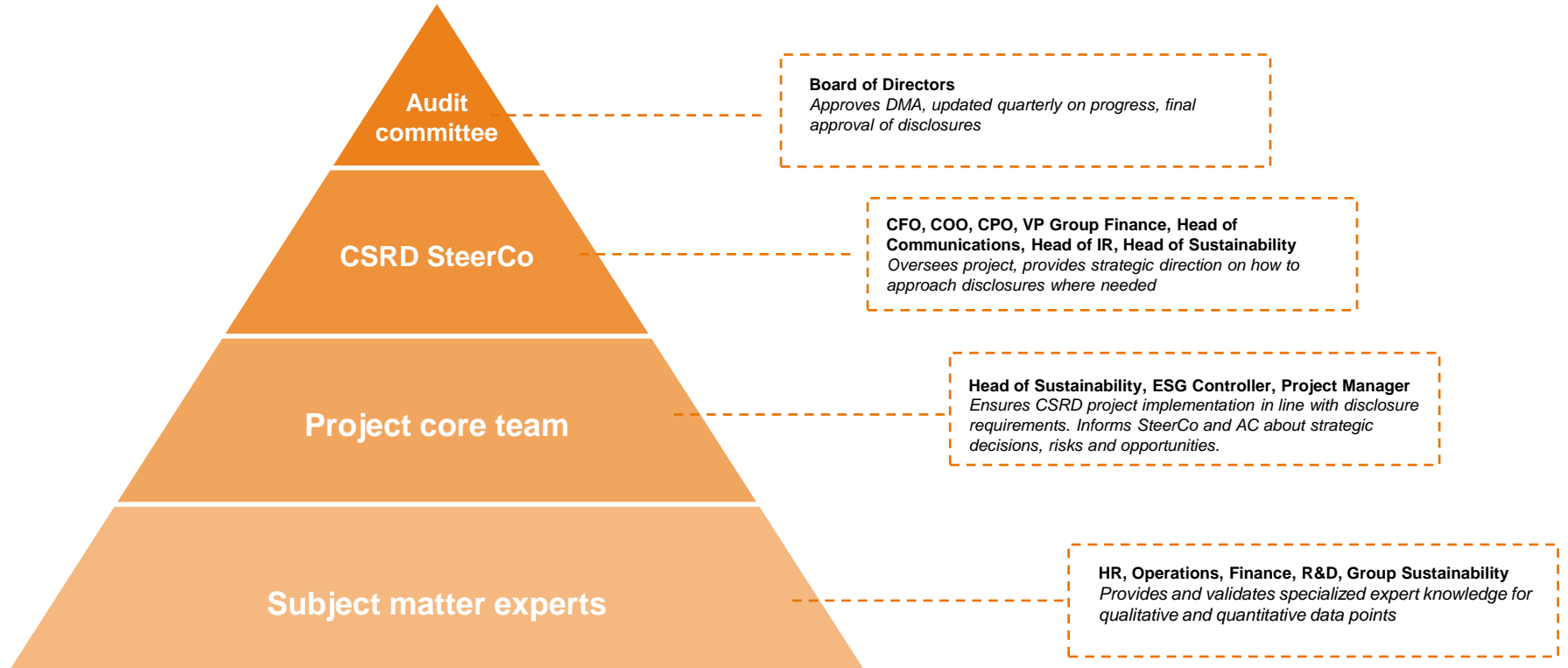
Topical Disclosure (ESRS E5)

3 LESSONS

- 1 Lesson 1: IROs are your red thread
- 2 Lesson 2: Build a strong project governance
- 3 Lesson 3: Focus on what brings value



CSRD Project governance



3 LESSONS

- 1 Lesson 1: IROs are your red thread
- 2 Lesson 2: Build a strong project governance
- 3 Lesson 3: Focus on what brings value



We scoped out around 50% of sub-topics



Environmental

E1 Climate

- 1 Climate change mitigation
- 2 Energy
- 3 Climate change adaptation

E2 Pollution

- 4 Substance of (very high) concern
- 5 Pollution of air, water, soil and food
- 6 Microplastics

E3 Water and marine resources

- 7 Water
- 8 Marine resources

E4 Biodiversity and ecosystems

- 9 Direct impact drivers of biodiversity loss
- 10 State of species
- 11 Dependencies on ecosystem services

E5 Resource use and circular economy

- 12 Resource inflows
- 13 Resource outflows
- 14 Waste

Social

S1 Own workforce

- 15 Adequate wages, working time and health & safety
- 16 Equal pay
- 17 Diversity
- 18 Other work-related rights

S2 Workers in the value chain

- 19 Secure employment, working time, social dialogue, adequate wages, freedom of association, collective bargaining, health & safety
- 20 Gender equality, violence & harassment and diversity
- 21 Child labor
- 22 Forced labor
- 23 Other work-related rights

S3 Affected communities

- 24 Economic, social, and cultural rights
- 25 Civil and political rights
- 26 Particular rights of indigenous people

S4 Consumers and end-users

- 27 Information related impacts
- 28 Personal safety
- 29 Social inclusion

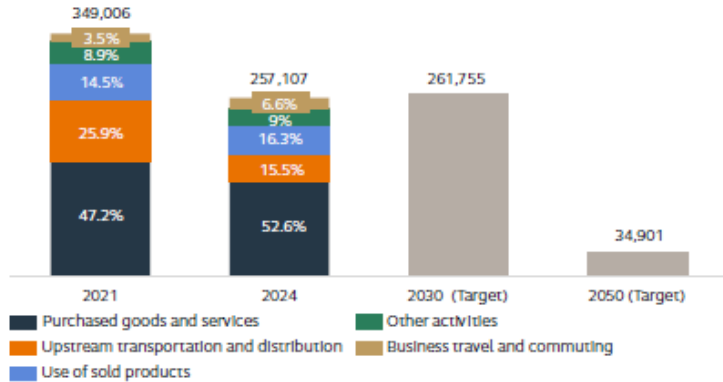
Governance

G1 Business conduct

- 30 Corporate culture
- 31 Whistleblowers
- 32 Corruption and bribery
- 33 Management of relationships with suppliers
- 34 Animal welfare
- 35 Political engagement

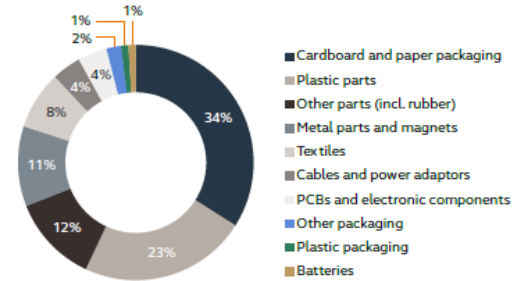
Examples of data points that add true value for our ESG strategy

Scope 3 emissions (tCO₂eq)

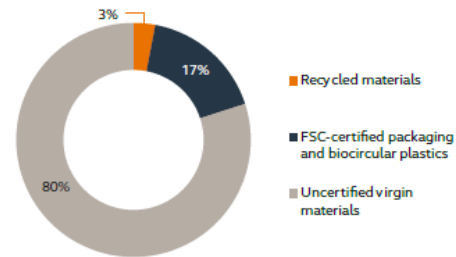


2024 emissions are below our 2030 target value, but this does not impact our decarbonization efforts, as there are many factors influencing future emissions, including expected organic growth. See page 69 for details.

Resource inflows per material type (by weight)



Share of recycled and FSC-certified materials



Examples of data points that add no value

Very small taxonomy eligibility numbers

Renovation of existing buildings	CE 3.2	6.5	0.3%
	CCM/		
Installation, maintenance and repair of energy efficiency equipment	CCA 7.3	6.2	0.3%
Installation, maintenance, and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM/		
	CCA 7.4	0.01	0.0%
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM/		
	CCA 7.5	0.3	0.02%
Acquisition and ownership of buildings	CCM/		
	CCA 7.7	156.6	7.6%
Data processing, hosting and related activities	CCM/		
	CCA 8.1	5.5	0.3%

Mandatory disclosure that you don't have targets

Targets

GN has not set any additional targets related to working time, but the ambition is to comply with the Global Working Time and Registration Policy standards and to promote a healthy work-life balance

Repetitive, overlapping data points within DRs

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

17. The undertaking shall disclose its resource use and circular economy actions and the resources allocated to their implementation.
18. The objective of this Disclosure Requirement is to enable an understanding of the key **actions** taken and planned to achieve the resource use and circular economy-related **policy** objectives and **targets**.
19. The description of the resource use and circular economy-related **actions** and resources allocated shall follow the principles defined in ESRS 2 MDR-A **Actions and resources in relation to material sustainability matters**.
20. In addition to ESRS 2 MDR-A, the undertaking may specify whether and how an action and resources cover:
 - (a) higher levels of resource efficiency in use of technical and biological materials and water, particularly in relation to critical raw materials and rare earths as listed in the Raw Materials Information System;
 - (b) higher rates of use of secondary raw materials (recyclates);
 - (c) application of circular design, leading to increased product **durability** and optimisation of use, and higher rates of: Reuse, Repair, Refurbishing, Remanufacture, Repurposing and Recycling.
 - (d) application of circular business practices such as (i) value retention **actions** (maintenance, repair, refurbishing, remanufacturing, component harvesting, upgrading and reverse logistics, closed loop systems, second-hand retailing), (ii) value maximisation actions (product-service systems, collaborative and sharing economy business models), (iii) end-of-life actions (**recycling**, upcycling, extended producer responsibility), and (iv) systems efficiency actions (industrial symbiosis);
 - (e) actions taken to prevent **waste** generation in the undertaking's upstream and downstream value chain; and
 - (f) optimisation of **waste management** in line with the **waste hierarchy**.

Looking back, I wish someone would have told me at the start...

- Always consider: “is this valuable information for the reader, or am I purely writing this to comply?” If the latter, consider leaving it out.
- Approach double materiality from a ‘less is more’ perspective, especially if reporting on the material topic will require extensive supply chain engagement
- Add data point tags in the draft text to keep track of progress

THANK YOU



<https://www.gn.com/-/media/Files/Document-Download-Center/Corporate-governance/AR2024/GN-Annual-Report-2024.pdf>

mhekking@gn.com



GN

Q&A

Register for the upcoming webinars

at pwc.dk/sustainability-2025

The Omnibus Package: What Does It Entail and What Are the Implications?

- Thursday 13 March 2025 at 09:00-10:00 AM

Unpacking the First Nature-Related Sustainability Disclosures: Insights, Analysis, and a Practical Case Study

- Tuesday 25 March 2025 at 09:00-10:00 AM

Sustainability Reporting Beyond CSRD - What and How

- Friday 25 April 2025 at 09:00-10:00 AM

Mastering the New PPWR—Unlocking Opportunities in Sustainable Packaging

- Thursday 15 May 2025 at 09:00-10:00 AM

Transition Plan for Climate Change Mitigation - How to Go About it?

- Tuesday 17 June 2025 at 09:00-10:00 AM



Thank you for your attendance



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