KPMG

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ESG Survey

2022

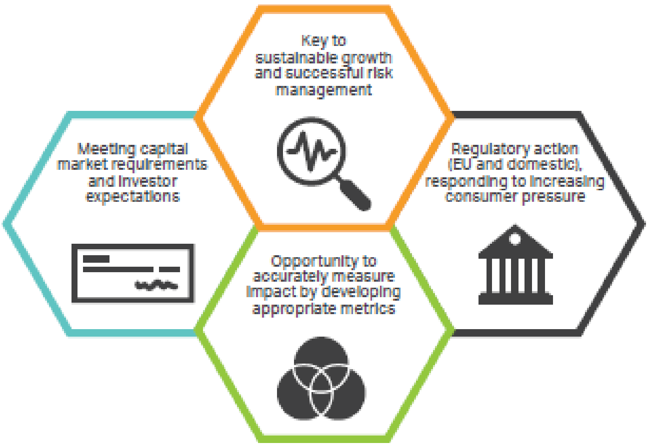
More and more companies are recognising the business benefits of ESG reporting

In response to changes in the regulatory environment and the global environmental and social challenges the world faces, investors and financial analysts are increasingly integrating environmental, social, and governance considerations into their business operations, risk management systems, and investment management.

The picture of ESG reporting by member companies is positive, yet in need of improvement, according to a comprehensive survey of member companies on ESG reporting steps, knowledge, future plans, and best practices that was conducted by BCSDH and processed by KPMG.

On average, more than half of the companies that were surveyed collect ESG data, but on average 11% fewer set ESG targets. Business benefits from ESG-based reporting will increase in the next five years, according to 97% of companies.

Business benefits indicated by respondents



At Amundi, we are working to introduce a sustainability approach to investment management. To be able to manage all the risks of an investment, it is not enough to just look at the financial metrics. It has become a risk management aspect to consider all social, environmental and corporate governance aspects that can increase a company's risk. ESG quantifies the expectation of sustainability, at Amundi we try to incorporate these elements into decision-making at the ESG level. The data show that companies with higher ESG ratings significantly outperform their peers with lower sustainability scores in the stock market.

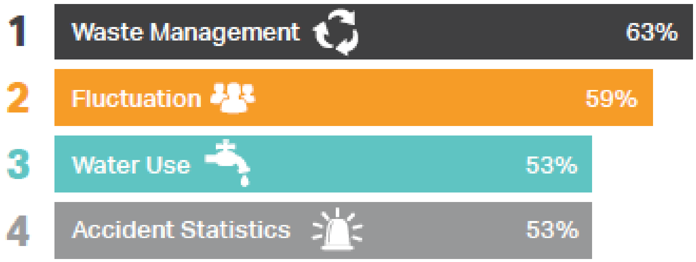
Sándor Vizkeleti, CEO,
Amundi Asset Management

Reputation management, ownership, and customer expectations are the main motivations

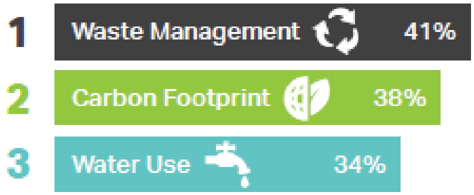
Data is collected and targets are defined concerning waste management, water use, and turnover, while carbon footprints are mainly reflected in disclosures.

The ESG indicators which companies **most commonly collect data about are**

The ESG indicators which companies **most commonly define targets for are**

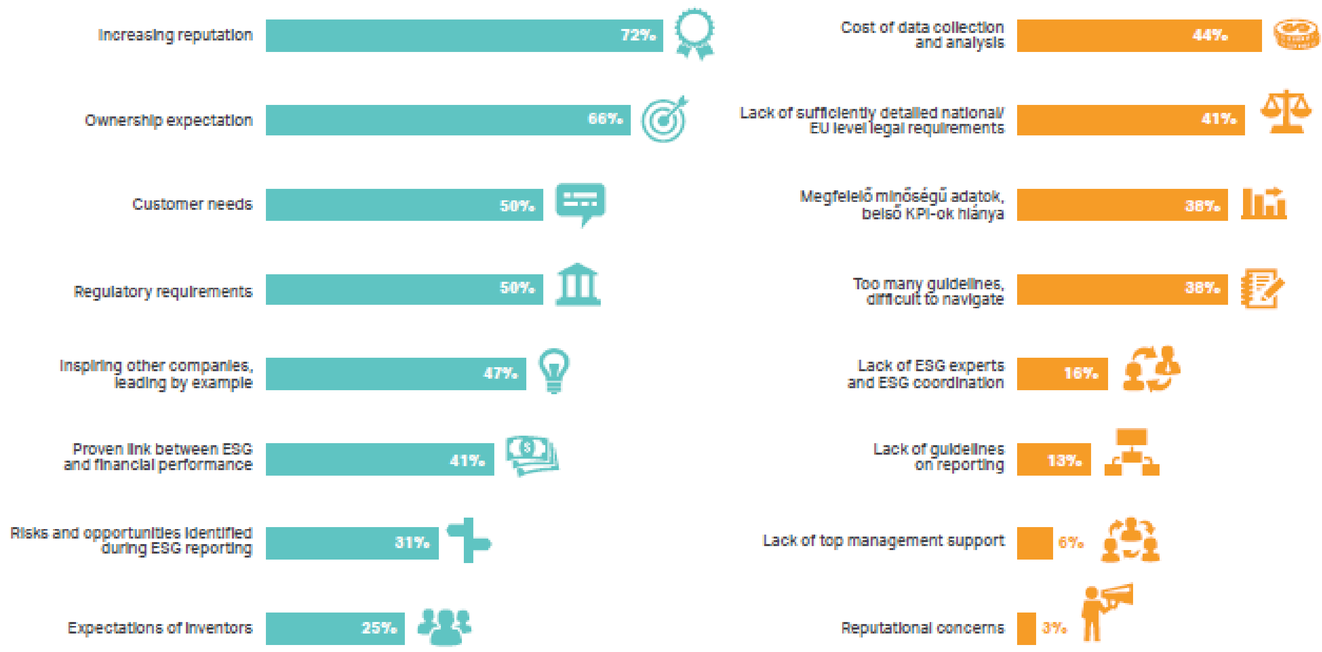


The ESG indicators for which companies most commonly make data **publicly available** about are



Factors limiting the integration of ESG considerations into decision-making include the cost of data collection, detailed legal requirements, lack of data of sufficient quality, and difficulty navigating guidelines.

Motivations for and disincentives to ESG reporting and decision-making



The main barriers are the cost of data collection and analysis, and legal requirements concerning sufficient detail and the lack of data of sufficient quality, although these can be overcome by developing a well-constructed regulatory and corporate system.

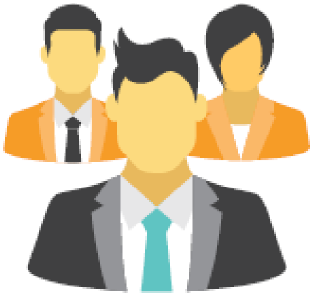
Based on our Move 2025 strategy, we place corporate social responsibility at the heart of everything we do. To ensure that our business activities have a positive impact on society, ALD Automotive actively promotes the move to low emission fleets, implements responsible business culture and reduces our internal environmental footprint through variety of local initiatives and projects. Acting on behaviour and change management, we actively support the transition to sustainable mobility in Hungary.

Olena Tymofiyiva, Managing Director, ALD Automotive Hungary

WE THANK KPMG FOR THEIR PROFESSIONAL SUPPORT IN PREPARING AND PROCESSING THE SURVEY!

Over 67% of companies have already faced a request for ESG data from a stakeholder

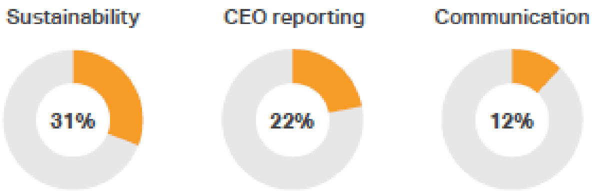
HOW IS ESG INTEGRATED INTO ORGANISATIONAL OPERATIONS?



More than **34%** of companies discuss ESG targets at least once a year.

47% of companies have an ESG and/or sustainability specialist who spends at least 50% of their time on ESG-specific topics.

Companies are most likely to assign their ESG and sustainability professionals to the following departments.



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