

 DRAFT

ESRS G1

BUSINESS CONDUCT

NOVEMBER 2025

Table of Contents

OBJECTIVE	3
DISCLOSURE REQUIREMENTS	3
<i>Impact, risk and opportunity management</i>	3
Disclosure Requirement G1-1 – Policies related to business conduct	3
Disclosure Requirement G1-2 – Actions related to business conduct	4
<i>Metrics and Targets</i>	5
Disclosure Requirement G1-3 – Targets related to business conduct	5
Disclosure Requirement G1-4 – Metrics related to corruption or bribery	5
Disclosure Requirement G1-5 – Metrics related to political influence, including lobbying activities	5
Disclosure Requirement G1-6 – Metrics related to payment practices	6

Objective

1. The **sustainability statement** shall include information in relation to ESRS G1 *Business Conduct* if this **topic** relates to material **impacts, risks** and **opportunities** to cover the reporting areas listed in paragraph 5 of ESRS 1 *General Requirements*. If not all the sub-topics prescribed by this standard are to be reported following the **materiality** assessment, paragraph 30 of ESRS 1 *General Requirements* applies.
2. The objective of this Standard is to set out Disclosure Requirements (DRs) providing information in relation to the reporting areas referred above that implement and complement the cross-cutting provisions of ESRS 1 *General Requirements* and ESRS 2 *General Disclosures*.
3. In this Standard, each DR is introduced by a disclosure objective, except for **policies, actions** and **targets**, for which the provisions in ESRS 2 GDR-P, GDR-A and GDR-T provide the necessary framing for the relevant disclosures.
4. This Standard sets out DRs related to business conduct, particularly with respect to the following sub-topics:
 - (a) corporate culture, including anti-**corruption** and anti-**bribery**, the protection of whistleblowers and animal welfare;
 - (b) the management of relationships with **suppliers**, including payment practices, especially late payment to small and medium-sized undertakings (SMEs); and
 - (c) political influence, including **lobbying activities**.

Disclosure Requirements

Impact, risk and opportunity management

Disclosure Requirement G1-1 – *Policies related to business conduct*

5. (7) The undertaking shall disclose its business conduct **policies** in accordance with the provisions of ESRS 2 GDR-P.
6. In addition to the information required by ESRS 2 GDR-P, the undertaking shall disclose:
 - (a) (10(b)) whether or not it has anti-**corruption** and anti-**bribery policies** consistent with the United Nations Convention against Corruption¹;
 - (b) (10(d)) whether or not it has **policies** on the protection of whistle-blowers²; and
 - (c) (10(h) amended) the functions or roles within the undertaking that are most at risk in respect of **corruption or bribery**.

APPLICATION REQUIREMENTS – ARs

AR 1 for para. 5	For purposes of this Standard, the undertaking shall apply the ESRS definition of corruption and bribery (see ESRS Glossary), which is generic, to overcome the differing definitions found in local laws or in laws applicable in the jurisdiction of the parent company and to ensure comparability across reporting undertakings.
-------------------------	--

¹ This information supports the information needs of financial market participants subject to Regulation (EU) 2019/2088 because it is derived from an additional indicator related to principal adverse impacts as set out by indicator #15 in Table III of Annex I of Commission Delegated Regulation (EU) 2022/1288 with regard to disclosures rules on sustainable investments ('Lack of anti-corruption and anti-bribery policies').

² This information supports the information needs of financial market participants subject to Regulation (EU) 2019/2088 because it is derived from an additional indicator related to principal adverse impacts as set out by indicator #6 in Table III of Annex I of Commission Delegated Regulation (EU) 2022/1288 with regard to disclosures rules on sustainable investments ('Insufficient whistleblower protection').

(corruption or bribery – definition)	
AR 2 for para. 6(b) (whistleblowers)	(11) Undertakings that are subject to legal requirements under national law transposing Directive (EU) 2019/1937, or to equivalent legal requirements with regard to the protection of whistleblowers, can comply with the disclosure specified in paragraph 6(b) by stating that they are subject to those legal requirements.
AR 3 for para. 6(c) (corruption or bribery)	(AR4) When disclosing information under paragraph 6(c), 'functions or roles most at risk' means those functions or roles deemed to be most at risk of corruption or bribery as a result of their tasks and responsibilities within the undertaking, such as those operating in high-risk countries or interacting with public authorities and governments.

Disclosure Requirement G1-2 – Actions related to business conduct

7. The undertaking shall disclose its **actions** related to *business conduct* in accordance with the provisions of ESRS 2 GDR-A.
8. In addition to the information required by ESRS 2 GDR-A, the undertaking shall disclose information about the following actions:
 - (a) (12 amended) the management of relationships with **suppliers**, including:
 - i. (15(b) amended) if the undertaking takes into account environmental, social, and governance (ESG) performance factors in the selection of its suppliers, how this is done;
 - ii. (10(g) amended) ESG training provided to the procurement team, if any; and
 - iii. (15(a) amended) engagement with suppliers for the improvement of their ESG performance; and
 - (b) (18(a)) the undertaking's procedures to prevent, detect, investigate and respond to allegations or incidents related to **corruption** or **bribery**, including:
 - i. (21 (b) and (c) amended) anti-corruption and anti-bribery training given to functions or roles most at risk within the undertaking, including members of the **administrative, management and supervisory bodies**; and
 - ii. (24(b)) any actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery³.

APPLICATION REQUIREMENTS – ARs

AR 4 for para. 8(a) (relationships with suppliers)	In presenting the information in accordance with paragraph 8(a), the undertaking may consider cross-referring to the information about the existence of a supplier code of conduct in accordance with ESRS S2 <i>Workers in the Value Chain</i> , paragraph 11.
---	--

³ This information supports the information needs of financial market participants subject to Regulation (EU) 2019/2088 because it is derived from an additional indicator related to principal adverse impacts set out in indicator #16 of Table III of Annex I of Commission Delegated Regulation (EU) 2022/1288 with regard to disclosures rules on sustainable investments ('Cases of insufficient action taken to address breaches of standards of anti-corruption and anti-bribery').

Metrics and Targets

Disclosure Requirement G1-3 – *Targets related to business conduct*

9. The undertaking shall disclose its business conduct **targets** in accordance with the provisions of ESRS 2 GDR-T.

Disclosure Requirement G1-4 – *Metrics related to corruption or bribery*

10. (23) The objective of this DR is to enable transparency on the convictions and sanctions, including fines, related to corruption or bribery during the reporting period and the related outcomes.
11. (24(a)) The undertaking shall disclose the number of convictions and sanctions, including the total amount of fines, for violation of anti-**corruption** and anti-**bribery** laws⁴ during the reporting period.

APPLICATION REQUIREMENTS – ARs

AR 5 for para. 11 (corruption or bribery – convictions and sanctions)	<p>Convictions for the violation of anti-corruption and anti-bribery laws refer to final decisions issued by a criminal court against an individual or undertaking in respect of a criminal offence related to corruption or bribery, where these court decisions are entered in the criminal record of the convicting European Union Member State or, if outside the EU, in the equivalent register or record of the jurisdiction concerned.</p> <p>Sanctions for the violation of anti-corruption and anti-bribery laws refer to final decisions issued by administrative or regulatory authorities against an individual or undertaking in respect of corruption or bribery.</p>
AR 6 for para. 11 (corruption or bribery – fines)	<p>Fines issued for the violation of anti-corruption and anti-bribery laws refer to mandatory monetary penalties resulting from violations of anti-corruption and anti-bribery laws imposed by a court, administrative or regulatory authority, which are paid to a public treasury, and which are recognised in the undertaking's financial statements during the reporting period.</p>

Disclosure Requirement G1-5 – *Metrics related to political influence, including lobbying activities*

12. (28) The objective of this DR is to enable an understanding of the undertaking's activities and commitments related to exerting its political influence through political contributions and **lobbying activities**.
13. (29(b)) The undertaking shall disclose the total monetary value of financial and in-kind political contributions made directly and indirectly by the undertaking during the reporting period, aggregated by country or geographical area where relevant, as well as the type of recipient/beneficiary.
14. (29(c)) The undertaking shall disclose the main **topics** covered by its **lobbying activities** and the main positions taken, including explanations of how its lobbying activities interact with its material **impacts, risks, and opportunities**.

⁴ This information supports the information needs of: financial market participants subject to Regulation (EU) 2019/2088 because it is derived from an additional indicator related to principal adverse impacts set out in indicator #17 of Table III of Annex I of Commission Delegated Regulation (EU) 2022/1288 with regard to disclosures rules on sustainable investments ('Number of convictions and amount of fines for violation of anti-corruption and anti-bribery laws'); and benchmark administrators to disclose ESG factors subject to Regulation (EU) 2020/1816 as set out by indicator 'Numbers of convictions and amount of fines for violations of anti-corruption and anti-bribery laws' in section 1 and 2 of Annex II.

15. (30) The undertaking shall disclose information about the appointment of any members of the **administrative, management, and supervisory bodies** during the current reporting period who held a comparable position in public administration (including regulators) in the two preceding years.

APPLICATION REQUIREMENTS – ARs

AR 7 for para. 13 (political contributions)	(AR 9) For purposes of this Standard, ‘political contribution’ means financial or in-kind support provided directly to political parties, their elected representatives or persons seeking political office. Financial contributions can include donations, loans, sponsorships, advance payments for services, or the purchase of tickets for fundraising events, and other similar practices. In-kind contributions can include advertising, use of facilities, design and printing, donation of equipment, provision of board membership, employment or consultancy work for elected politicians or candidates for office.
AR 8 for para. 13 (indirect political contribution)	(AR 10) For purposes of this Standard, ‘indirect political contribution’ refers to those political contributions made through an intermediary organisation such as a lobbyist or charity, or support given to an organisation such as a think tank or trade association linked to or supporting particular political parties or causes.
AR 9 for para. 15 (political influence)	(AR 11) When determining ‘comparable position’ in this Standard, the undertaking shall factor in the level of responsibility and scope of the activities undertaken.

Disclosure Requirement G1-6 – *Metrics related to payment practices*

16. (32) The objective of this DR is to enable an understanding of standard payment terms and of the undertaking’s performance with regard to payment, especially late payment to SMEs.
17. The undertaking shall disclose:
- (a) (33(b) amended) a description of the undertaking’s **standard payment terms** in number of days by main category of **suppliers**, specifying those that apply to SMEs, only if they are different from those generally applied;
 - (b) (33(b)) the percentage of its payments aligned with these standard terms; and
 - (c) (33(c)) the number of legal proceedings currently outstanding for late payments.

APPLICATION REQUIREMENTS – ARs

AR 10 for para. 17(b) (payment practices)	If late payment to SMEs is a material topic for the undertaking, paragraph 11 of ESRS 1 <i>General Requirements</i> applies; therefore, the undertaking shall provide an entity-specific metric, if material.
--	--



EFRAG is co-funded by the European Union through the Single Market Programme in which the EEA-EFTA countries (Norway, Iceland and Liechtenstein), as well as Kosovo participate. This document does not necessarily reflect the views of the European Union, the European Commission or of countries that participate in the Single Market Programme. Neither the European Union, the European Commission nor countries participating in the Single Market Programme can be held responsible for them.