



Confederation of free trade unions of Macedonia (KSS)

ESG REPORTING IN MACEDONIA

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Introduction

This presentation brings together findings from five case studies of companies operating in Macedonia, with a focus on how social aspects are reflected in corporate sustainability reporting, and more specifically, the role of social dialogue and trade unions in that process.

The analysis is placed in the context of the new European regulatory framework, the Corporate Sustainability Reporting Directive, or CSRD, and the European Sustainability Reporting Standards.

Macedonia as candidate-member state to EU is not obliged under the CSRD, it is voluntary if the companies decide to implement it.



Introduction

The objective of the research was to assess how social partners – particularly trade unions and employee representatives – are involved in the development of CSR/ESG reports for the 2024 reporting cycle, and how social dialogue functions within the emerging framework of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

The analysis is based on published CSR/ESG reports, corporate governance documents and, where possible, additional clarifications from the employees in the companies. It focuses on the social dimension of sustainability: employment, working conditions, social dialogue, collective bargaining and the institutional role of trade unions in sustainability reporting.



Case study 1

EVN Macedonia



- **EVN Group:** Energy & infrastructure company operating in Austria, Germany, Bulgaria, and North Macedonia
- **~7,400 employees** (1,949 in Macedonia: 490 women, 1,459 men)
- **2023/24 Sustainability Report:** Prepared according to CSRD/ESRS standards (double materiality approach)

EVN Macedonia



In Austria – Strong Co-determination

- Works council members sit permanently on the Supervisory Board
- They have voting power on company strategy, including sustainability
- They review the CSR report through the Audit Committee before it goes public
- This is not consultation – this is real decision-making power

At Group Level

- European Works Council meets regularly
- Includes a representative from Macedonia
- Provides a channel for information sharing across borders

In Macedonia

- Trade unions engage through ongoing dialogue with management
- Topics include working conditions, safety, and restructuring
- No board seats, but regular consultation happens
- Main connection to CSR strategy is through the European Works Council

What Training and Information Do Trade Unions Receive?

- Regular training on human rights, ethics, anti-discrimination, and compliance
- No specific training on "your role in CSR reporting"
- Information flows through board meetings and European Works Council sessions
- Unions are informed, but through existing channels, not CSR-specific ones

Is There a Risk of Social Washing?

- **The risk is low, and here is why:**
- Employee representatives have real power at the board level
- They can challenge misleading claims before publication
- Dialogue is continuous, not a one-time checkbox exercise
- **But we should note:**
- Critics focus more on greenwashing and energy prices, not employee issues
- In countries without co-determination, workers may feel more distant from the process

Did Consultation Improve Social Dialogue?

- The relationship is described as productive and ongoing
- No major communication barriers were identified
- Trade unions feel they have real influence on employee matters
- The structured system creates trust and transparency

What Are the Gaps?

- Trade union contributions are not clearly visible in the final report text
- There is an imbalance between Austrian co-determination and consultation elsewhere
- Risk that ESG reporting becomes too technical and management-driven

Final Takeaways

- The report appears credible and reflects reality – strong governance checks are in place
- Social content matches employee experience, especially in Austria
- Trade unions are involved, but through labor relations channels, not CSR-specific processes
- EVN is a good practice example, but there is room to make trade union participation more explicit
- EVN shows how institutional social dialogue can support credible CSR reporting – the next step is making trade union contribution more visible and extending it equally across all countries

Case study 2

Telekom Macedonia



- **Makedonski Telekom** is part of the Deutsche Telekom Group. Deutsche Telekom Group is a large multinational telecommunications company with a long-established and mature CSR and sustainability reporting system. The Group employs around 200,000 employees globally, operating across Europe and the United States.
- **~2000 employees** in Macedonia - one of the largest employers in the ICT sector in the country.

Telekom Macedonia



How Mature Is Their CSR Reporting?

- Deutsche Telekom has been publishing Corporate Responsibility reports for over 25 years.
- The Group follows all major international standards. They report according to GRI, they are members of the UN Global Compact, they align with the Sustainable Development Goals, they use SASB indicators, and starting from 2024, they are fully applying the European Sustainability Reporting Standards under CSRD.

How Are Trade Unions Involved?

- At the Group level, the involvement is structural and embedded in governance. Ten out of twenty Supervisory Board members are employee representatives. This means workers have seats at the table where the most important strategic decisions are made, including decisions about sustainability.
- The company has a dedicated Group Corporate Responsibility division that develops guidelines and policies.

Telekom Macedonia



About Makedonski Telekom

- Makedonski Telekom follows the Group's approach and contributes to Group-level reporting.
- The company has its own CR strategy focused on environmental protection, digital inclusion, and responsible governance. They report on CO2 neutral operations, circular economy practices, and community digital transformation projects.
- There is a collective agreement with the trade union. Social dialogue exists and is conducted regularly through established mechanisms. Employees are informed about CSR activities through internal communication channels.

Is There a Risk of Social Washing?

- The risk of social washing is relatively low because there is strong co-determination system at Group level, workers have power not just voice, they follow international standards with internal controls and external audits, employee surveys show high identification with the company's CR commitment.

Telekom Macedonia



Key challenges

- At the local level in Macedonia, there is less visibility of how trade union input shapes the CSR content. The connection exists through Group structures, but it is not always clear how local voices feed into the process.
- The reports are very detailed on processes and governance but sometimes remain high-level when describing actual consultation mechanisms.

Final Takeaways

- Deutsche Telekom Group and Makedonski Telekom demonstrate mature, standards-based, and credible CSR reporting. The strong co-determination system at Group level provides a real safeguard against social washing. Employee representatives have genuine power in governance, not just a consultative role.

Case study 3

TITAN USJE

Macedonia



- **TITANUSJE:** TITANUSJE is part of the TITAN Group, an international cement and building materials producer with over 120 years of industrial history. The Group operates in more than 25 countries and employs around 6,000 people worldwide. In Macedonia employs 247 workers.
- **2024 Sustainability Report:** The TITAN Group ESG reporting system is highly developed and mature, reflecting more than 40 years of experience in non-financial disclosure.

TITAN USJE Macedonia



How Mature Is Their CSR Reporting?

- The Group's 2024 Integrated Annual Report follows all major European and international standards. They comply with CSRD, they apply the European Sustainability Reporting Standards.
- In Macedonia, TITAN USJE has been voluntarily publishing ESG reports since 2009. That is 15 years of continuous reporting, which demonstrates a genuine long-term commitment rather than a response to regulatory pressure.

How Are Trade Unions Involved?

- At Group level, trade union involvement is formally integrated into the governance and reporting process. This is not informal dialogue. It is structured participation.
- The Group integrated workforce perspectives into its strategy and reporting through the Double Materiality Assessment (DMA). During this process, specific feedback was gathered from the Group Corporate Center Union of Employees regarding the identification and evaluation of impacts, risks, and opportunities. The final results of the DMA were then reviewed and validated by worker representatives.

TITAN USJE Macedonia



About TITAN USJE Macedonia

- In Macedonia, TITAN USJE operates under a valid collective agreement with the representative trade union.
- Since 2013, CSR responsibilities have been elevated to senior management level through a Manager for Human Resources and Corporate Social Responsibility who sits on the Management Board.
- Trade union representatives are involved in discussions on working conditions, occupational health and safety, training, and employee welfare. They are recognized as stakeholders in CSR-related activities.

Is There a Risk of Social Washing?

- The report shows that the risk of social washing is low. Double Materiality Assessment explicitly involves worker representatives, the reports are verified by independent external auditors, the surveys among employees are made.
- TITAN Group was included among the world's most sustainable companies by TIME magazine in 2024.
- Recently the company in Macedonia is accused for air pollution and it escalated into organized protests calling for the relocation of the plant away from the city. Company maintains that its operations comply with all environmental regulations and standards. They point to their investments in environmental technology and their ESG reporting as evidence of responsible operation. However, the gap between corporate disclosures and public perception remains significant.

TITAN USJE Macedonia



Key challenges

- While trade union involvement at Group level is well documented, the specific mechanisms at local level in Macedonia could be more explicitly described in the reports.
- TITAN USJE sits in a strong position from a formal perspective. At Group level, trade unions are integrated into the Double Materiality Assessment. At local level, engagement is real through collective bargaining and the CSR Board.

Final Takeaways

- TITAN Group and TITAN USJE demonstrate mature, standards-based, and credible ESG reporting from a technical perspective. The formal integration of trade unions into the Double Materiality Assessment at Group level is a notable strength.
- The recent protests about relocation highlight that technical excellence in reporting is not sufficient when community trust is lacking. The gap between corporate disclosures and public perception is a challenge that cannot be solved by better reports alone. It requires genuine dialogue with all stakeholders.

Case study 4

ALKALOID

Macedonia



- **ALKALOID:** Alkaloid is one of the oldest and most respected companies in North Macedonia, with over 85 years of continuous operation. The company produces pharmaceuticals, cosmetics, herbal products, and chemical products. It is a significant player not just locally but internationally, with 20 subsidiaries and two representative offices across Europe, the United States, and Central Asia. Alkaloid employs 2,251 people in North Macedonia and nearly 3,000 employees in total when you include international operations.
- **2024 Sustainability Report:** Structured approach to sustainability reporting. They prepare an annual ESG Report and follow the GRI Standards.

ALKALOID Macedonia



How Advanced Is Their CSR Reporting?

- In developing their ESG strategy, they also align with the UN Sustainable Development Goals. And although Alkaloid is not yet legally required to comply with EU regulations as a Macedonian company, they are proactively preparing for future alignment with the Corporate Sustainability Reporting Directive.
- The governance structure supporting ESG is also well developed. There is a dedicated ESG Board composed of representatives from various departments. In 2024, the company introduced a new role called ESG Officers, who are responsible for promoting and reporting on ESG activities across the company and its affiliated entities.

How Are Trade Unions Involved?

- The company recognizes employees as key internal stakeholders. There are several mechanisms through which workers participate in sustainability-related processes. The most significant is the Occupational Safety and Health Committee.
- The company also invests in awareness and training. In June 2024, they organized an ESG Month to raise employee awareness about ESG topics, goals, and strategy. They also held a workshop specifically focused on preparing consolidated ESG reports.

ALKALOID Macedonia



About ALKALOID Macedonia

- The ESG report covers many topics that are highly relevant to workers and would likely be priorities for any trade union like occupational health and safety, employee benefits, continuous education and training, gender equality, equal opportunities for career development, and respect for human and labor rights.
- However, because trade unions are not mentioned in the report as systematically consulted, we cannot say that these topics were included because trade unions identified them as priorities.

Is There a Risk of Social Washing?

- Based on the available information, the risk of deliberate social washing appears low. The company has a long track record of CSR engagement, has received awards for responsible business practices, and has invested in real activities that benefit employees and communities.
- However, the lack of formal trade union involvement in the ESG process may create a credibility gap.
- This does not mean the report is misleading. But it does mean that its legitimacy could be stronger with trade union inclusion.

ALKALOID Macedonia



Key challenges

- The company is already preparing for CSRD compliance. The directive emphasizes stakeholder engagement, including with worker representatives. This creates a natural opportunity to formalize trade union involvement as part of the transition to European standards.

Final Takeaways

- Alkaloid demonstrates strong technical alignment with international ESG standards and genuine commitment to employee welfare. The company has invested in awareness-raising, training, and internal communication that go beyond regular compliance.
- The company should formalize trade union consultations as part of the ESG reporting cycle, using existing social dialogue mechanisms such as the collective agreement and the OSH Committee as a starting point.

Case study 5

Komercijalna Banka



- **Komercijalna Banka:** one of the largest domestic banks **972 employees** (strong female representation – 664 women compared to 308 men. This gender balance extends to leadership positions, with 40% women in Management Board)
- **2024 Sustainability Report:** The bank has been publishing CSR reports for years and was actually the first company in the country to align its corporate governance with the Macedonian Stock Exchange Code.

Komercijalna Banka Macedonia



Комерцијална
банка

What Does Their CSR Look Like?

- The bank is genuinely active in the community with donations (health, kindergartens, firefighters...), cooperation with Red Cross,
- On the environmental side they invest in solar energy, tree planting etc.
- The bank clearly wants to be seen as a good corporate citizen, and the activities they report demonstrate genuine investment in society.

How Are Employees and Trade Unions Involved?

- There is collective agreement
- The company encourages "bottom-up approach" where ideas for CSR activities come from lower levels of the organization.
- The formal CSR process – meaning the strategy, the reporting, the selection of topics – the trade union is essentially absent.

Does the Report Reflect Reality?

- Based on the available information, the CSR report appears to reflect the bank's actual activities.
- The report is very narrative-focused. It tells stories about what the bank did, but it lacks the structured approach that international standards require – things like double materiality assessment, clear quantitative KPIs, and systematic stakeholder engagement in the reporting process.

Komercijalna Banka Macedonia



Комерцијална
банка

Key challenges

- Trade union involvement in CSR is informal. They participate in activities but not in planning or reporting.
- While the bank is not currently obligated to comply with EU directives, the report lacks the structure according to the standards.
- There is no specific trainings for the workers about their potential role in the ESG reporting.

Final Takeaway

- Komercijalna Banka demonstrates genuine commitment to social responsibility through its community investments and employee engagement culture. The philanthropic activities are real and well-documented.
- The report would carry more weight if it included evidence of formal consultation with employee representatives.

Conclusions

From the examined five companies it can be concluded that companies that are part of international groups with strong European co-determination traditions **showed significantly deeper trade union integration into ESG processes.**

At TITAN USJE, trade unions participate in the Double Materiality Assessment, which determines what gets reported.

At Makedonski Telekom, employee representatives hold half of the Supervisory Board seats.

At EVN, works councils review the sustainability statement through the Audit Committee, and a European Works Council includes Macedonian representation.

In these companies, social dialogue is not separate from sustainability governance. It is built into the structure.

Domestic companies like Alkaloid and Komercijalna Banka show genuine commitment to social responsibility. They have won awards, they invest in communities, and they treat employees well. But trade union involvement in the ESG reporting process itself remains informal. Social dialogue exists for collective bargaining and workplace issues, but it does not systematically connect to materiality assessments or report preparation.

Conclusions

The most important conclusion from this research is straightforward. When trade unions are systematically included in ESG reporting, the reports are more credible, more accurate, and more useful.

When workers' representatives participate in defining which issues are material, when they review draft disclosures, when they sit on governance bodies that oversee sustainability, the social content of reports reflects workplace realities rather than just management perspectives.

The Core Challenge

The challenge we identified is that technical compliance with standards is not enough. A company can follow all the rules, use all the right frameworks, and still produce a report that misses important social risks because trade unions were not in the room when decisions were made.

CSRD and ESRS create both pressure and opportunity. They provide trade unions with a normative basis to demand formal roles in sustainability governance. International groups are moving faster. Domestic companies are still transitioning from traditional CSR thinking to the structured approach that European regulations require.



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ESG REPORTING IN MACEDONIA

Thank you



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