
COMPARATIVE ANALYSIS, CONCLUSIONS AND DISCUSSIONS DRAWN FROM THE NATIONAL CASE STUDIES

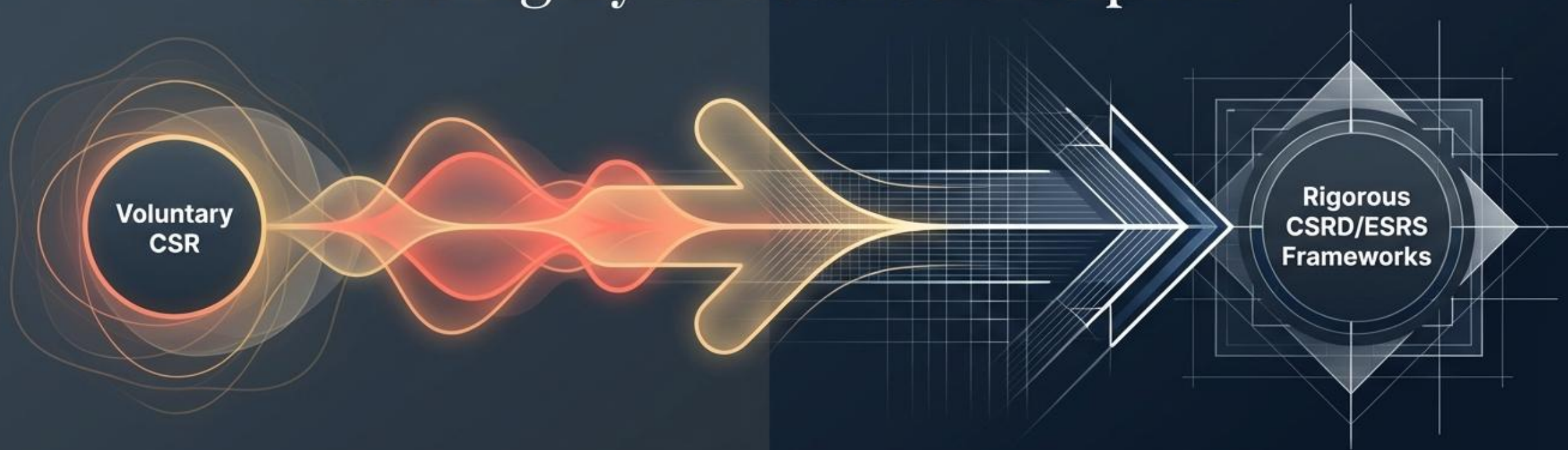
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PROJECT BACKGROUND AND RATIONALE

- Growing importance of ESG reporting in Europe.
- CSRD introduces mandatory sustainability disclosures.
- Social dimension remains weakest and most formalized.
- Need to link reporting with real employee participation and dialogue.

THE EVOLUTION OF ESG REPORTING

Sustainability reporting has matured into a highly structured discipline



Large enterprises have successfully transitioned beyond minimal legal requirements. ESG reporting is now characterized by structured double materiality analyses and complex data gathering, operating primarily as a sophisticated communication tool for the capital markets.

LEGAL FRAMEWORK – CSRD

- Corporate Sustainability Reporting Directive (CSRD)
- ESRS S1 – Own workforce.
- ESRS S2 – Workers in the value chain.
- Consultation with employee representatives expected.

RESEARCH OBJECTIVES

- Assess how ESRS S influences workplace relations.
- Evaluate the quality of social dialogue in reporting processes.
- Identify risks of social washing.
- Develop practical recommendations for social partners and firms.

THE EVOLUTION OF ESG REPORTING

Our current foundation rests on strong technical and structural pillars



SCOPE OF THE STUDY

- Comparative analysis of 6 EU countries.
- 32 enterprises across sectors.
- Industries: energy, mining, chemicals, services, e-commerce, manufacturing and others.
- Desk research, interviews, and report analysis.

Assessing the true state of social ESG across diverse European landscapes

To understand how highly formalized compliance interacts with actual employee reality, we analyzed the intersection of ESRS adoption and industrial relations across six distinct regulatory environments.



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- Lithuania – 5 cases
 - Bulgaria – 5 cases
 - Macdonia – 5 cases
 - Romania – 5 cases
 - Italy – 5 cases
 - Poland - 7 cases

FINDINGS – WORKING CONDITIONS

- Most companies meet formal ESRS requirements.
- Strong reporting on health and safety and training.
- Weaker disclosure on pay transparency and work-life balance.
- Restructuring impacts often aggregated and not fully explained.

FINDINGS – SOCIAL DIALOGUE

- Dialogue often exists operationally but not within ESG reporting.
- Trade unions rarely involved in selecting indicators.
- Consultations mostly informational, not co-decisional.
- Gap between real influence and report narratives.

FINDINGS – EQUALITY AND WORKERS' RIGHTS

- DEI policies widely declared but unevenly measured.
- Limited data on disability inclusion and vulnerable groups.
- Gender pay gap reporting inconsistent.
- Formal compliance exceeds material impact.

GOOD PRACTICES IDENTIFIED

- Joint ESG committees with trade unions.
- Early involvement in double materiality analysis.
- Qualitative case studies in reports.
- Transparent disclosure of disputes and corrective actions.

GOOD PRACTICES IDENTIFIED

- High level of professionalization of reporting - ESRS, GRI,, engage specialized ESG teams and external entities, and the reporting process is clearly assigned to management and supervisory structures.
- Comprehensive Approach to Social Aspects ("S"):: social dialogue, OSH, work-life balance, gender equality, employee well-being, training, diversity and inclusion, often linked to HR policies and collective agreements.
- In most cases, issues reported in the social area are already subject to collective bargaining, joint committees or permanent dialogue, which increases the credibility of the reports and reduces the risk of "social washing".
- Examples of surveyed companies show that an ESG report can really strengthen the role of trade unions, lead to new agreements and expand the competences of joint dialogue bodies.

RISK FRAMEWORK

- Separation of dialogue from ESG governance.
- Incomplete or selective indicators.
- Limited transparency on conflicts or restructuring.

RISK FRAMEWORK

- Marginalization of social dialogue in the reporting process In many cases, the participation of trade unions is limited to the role of one of many stakeholders or to ex post consultations, which is in contradiction with their special status as representatives of employees – part of the organization, and not as external entities.
- Technocratization of ESGR reporting Reports are increasingly complex, based on advanced metrics and analytics, resulting in a growing competency gap between companies (supported by advisors) and employee representatives.
- Risk of reducing the report to the obligation of compliance In some organizations, reporting is perceived mainly as a regulatory requirement or a process of data collection, without reflecting on its transformational potential.
- Uneven relations in international groups Consolidated reports often present a uniform picture of social dialogue, which does not always reflect the reality of countries with weaker industrial relations systems.
- Trade union time and organisational constraints. Local employee representatives have neither the time nor the resources to analyse full ESG reports on their own.

RISK OF SOCIAL WASHING?

- Presentation of positive social image without real change.
- Use of policies and surveys instead of structural dialogue.
- Omitting conflicts, strikes, or pay tensions.
- Creates reputational but not substantive compliance.

THE QUESTION OF COMPLEXITY

How might we address the growing complexity and technocratization of ESG, ensuring that local employee representatives have the resources and expertise to actively engage?

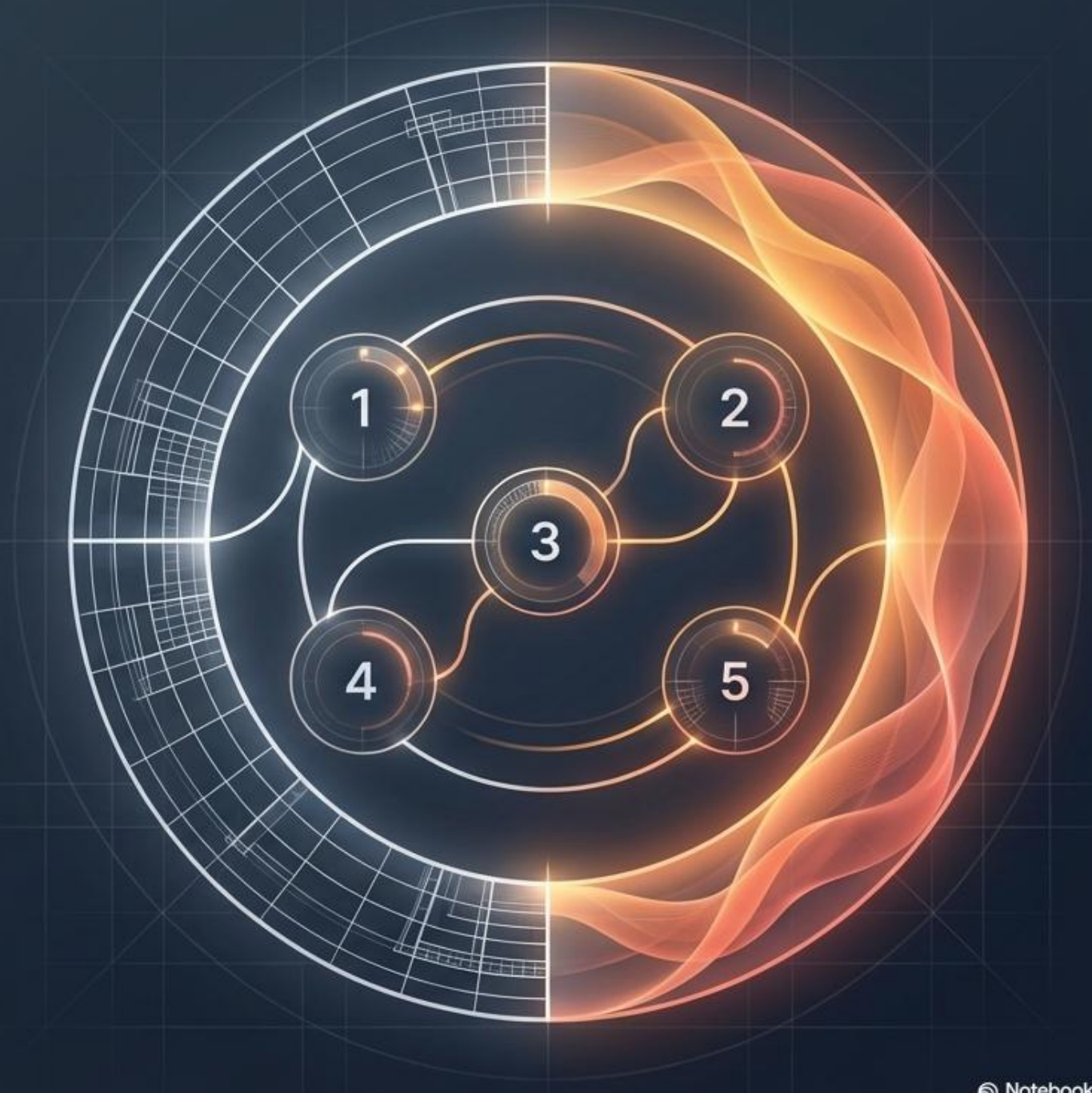
PROACTIVE ROLE OF TRADE UNIONS

- Request participation at the start of reporting cycles.
- Propose indicators and monitor data quality.
- Conduct independent assessments of working conditions.
- Use ESG results in collective bargaining.
- Unions should participate at each step, not only consultation stage

THE QUESTION OF STRATEGY

Shifting from compliance to culture requires a deliberate strategy

To bridge the gap between technical reporting and authentic human impact, organizations and trade unions must adopt a five-part ecosystem of integration.



Embed ESG metrics directly into the heartbeat of the enterprise



Transformative Use

Transition the ESG report from a historical log into a forward-looking roadmap for digital, climate, and organizational change. Link its findings directly to restructuring plans and transformation of work.

Deep Integration

Supplement baseline CSRD requirements with specific clauses in collective bargaining agreements. This tailors rigid legal minimums to the actual realities of the enterprise, significantly increasing social acceptance.

RECOMMENDATIONS – FOR COMPANIES


- Integrate social dialogue into ESG governance structures.
- Ensure transparency of pay and restructuring impacts.
- Treat surveys as complementary, not substitutes for dialogue.
- Provide early access to draft reports.

As multinational frameworks unify our data, how do we prevent the ‘averaging out’ of diverse industrial relations, ensuring our reports remain a tool for transformation rather than just a compliance checkbox?

RECOMMENDATIONS – FOR TRADE UNIONS

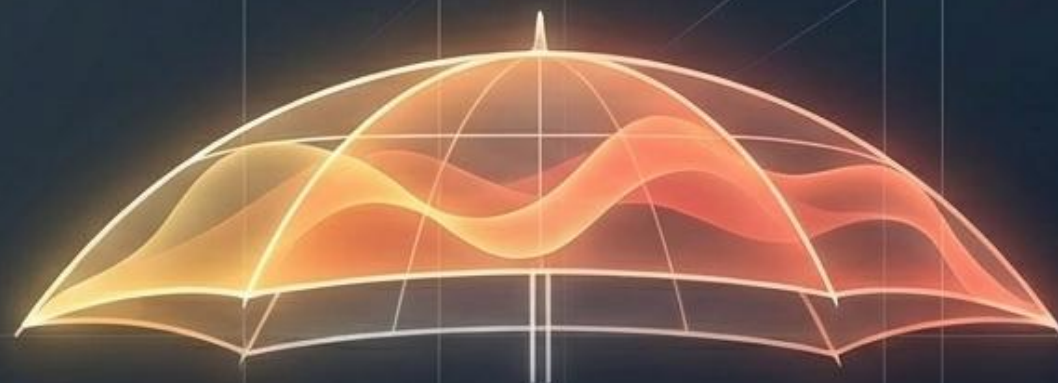
- Build ESG literacy and data skills.
- Negotiate formal participation rights in reporting processes.
- Use checklists and indicators in bargaining.
- Monitor risks of social washing.

Equip local representatives and empower European coordination



Build Expert Capacity

Create regional or sectoral ESG expert hubs for trade unions. Without specialized support, dialogue remains asymmetrical. Expertise allows unions to drive strategic discussions rather than just react to completed documents.



Empower European Works Councils (EWCs)

Actively integrate EWCs into the preparation of consolidated reports.

EWCs serve as a vital coordinating mechanism to correct the picture of industrial relations, preventing the 'averaging' of local realities across multinational groups.

CONCLUSIONS

- ESRS S can strengthen workplace democracy and transparency.
- However, many firms treat reporting as technical compliance.
- Real progress requires co-governance with employee representatives.
- Without participation, ESG risks becoming narrative only.



Genuine social dialogue is the essence of the European social model

The ESG report, when forged through authentic employee participation, ceases to be just a reflection of the past. Employees are not external stakeholders; they are internal co-creators. By moving from formal compliance to shared responsibility, we transform reporting into a catalyst for trust, resilience, and long-term industrial stability.



Thank you.

Questions & Discussion.