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ESG FRONTRUNNERS REPORT 2025



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INTRODUCTION

In 2024, with the **support of the Flemish government**, the ESG Frontrunners Action Learning Network was **launched to bring together forward-thinking organisations committed to turning sustainability ambition into action**. Through a series of interactive sessions, participants explored some of the EU's most influential sustainability initiatives, including the EU Taxonomy, Double Materiality under the Corporate Sustainability Reporting Directive (CSRD), and the Corporate Sustainability Due Diligence Directive (CSDDD).

As we **continue into 2025**, the network deepens its focus on evolving EU policy developments, such as the Omnibus I proposal, efforts to simplify reporting obligations, and voluntary sustainability approaches for organisations outside the CSRD's scope. These sessions give Flemish organisations the opportunity to learn about European regulations on sustainability. This brochure captures key insights, tips, and practical takeaways from the network's four 2025 sessions.

The **first of four ESG Frontrunners sessions** in 2025 took place during **CIFAL Flanders' annual KICK OFF event** on 26 February and set the stage for the year by focusing on **two major regulatory developments: the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD)**. The session brought together expert speakers from Voka, Pantarein, Möbius, and PwC.

The **second ESG Frontrunners session**, held as a webinar on 24 April, centred on the implications of the newly released **Omnibus I proposal**. The session offered a more detailed and structured discussion than the previous session, when only a leaked draft had been available. The panel featured speakers from Pantarein, the Flemish Government, Broederlijk Delen, and BESIX.

The **third ESG Frontrunners session**, held as a webinar on 10 June, shifted the focus from regulatory compliance to strategic opportunity, exploring how the **Voluntary Sustainability Reporting Standard for Micro and Small Enterprises (VSME)** and the Sustainable Development Goals (SDGs) can support long-term value creation. With the Omnibus I proposal reducing the number of companies subject to mandatory CSRD reporting, the VSME is gaining traction as a practical alternative for smaller businesses to engage in sustainability reporting. The session featured speakers from Voka, Pantarein, and CIFAL Flanders. Additionally, two real-world examples were provided by Gaasch Packaging and Bopro.

The **fourth and final ESG Frontrunners session** took place on 10 December, **UN Human Rights Day**. The online session focused on **human rights in the CSRD and CSDDD** and featured speakers from Pantarein, BESIX, and UN Global Compact Netherlands.





SESSION 1: CIFAL FLANDERS KICK OFF

The first of four ESG Frontrunners sessions in 2025 took place during **CIFAL Flanders' annual KICK OFF event on 26 February**. The session centered on **recent updates to the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD)**. Keynotes included speakers from Voka, Pantarein, Möbius, and PwC.

Philippe Nys, expert economy, industry and innovation at Voka, provided an overview of how the new CSRD legislation is being implemented at the national level in Belgium, highlighting its implications for businesses of all sizes. **Jonas Kieseakoms**, head of sustainability communications at Pantarein, followed with insights on how organisations can communicate their CSRD disclosures clearly and credibly. **Boris Verbrugge**, advisor responsible business conduct at Möbius, offered a comprehensive update of the CSDDD and its relevance for corporate accountability. Finally, **Marc Daelman**, partner at PwC, shed light on the evolving role of the auditor in sustainability reporting.

This chapter is dedicated to the key learnings from the first session of the ESG Frontrunners, focusing on the practical implications of these regulatory changes.

Philippe Nys (Voka): Understanding Belgium's Implementation of the CSRD and the Omnibus I Proposal

The 2025 ESG Frontrunners series kicked off with **Philippe Nys**, expert in economy, industry, and innovation at **Voka**, who provided a concise and practical overview of **how the CSRD is being implemented in Belgium**. He also introduced the latest updates from the **Omnibus I proposal**, which affects the scope and timeline of the directive at EU level.

Belgian Transposition of the CSRD

Originally scheduled for July 2024, the **transposition of the CSRD into Belgian national law was finalised in December 2024**. Belgium's approach includes several key provisions that reflect national policy priorities and aim to ensure a balanced, proportionate application of the EU directive:

- **Safe Harbour Clause:** Companies are permitted to withhold sensitive information from public disclosure under certain conditions, offering flexibility in balancing transparency with confidentiality.
- **Protection for SMEs:** Large companies may not request additional information from SMEs beyond what is defined in the Voluntary Standards for Micro, Small, and Medium-sized Enterprises (VSME). This measure helps reduce the administrative burden on smaller supply chain actors.
- **Assurance Requirements:** During the first three years, only statutory auditors (*bedrijfsrevisoren*) will be authorised to provide assurance on sustainability disclosures. After that, assurance will be opened to other qualified providers, based on a future regulatory framework.
- **Voluntary SME Reporting:** SMEs that opt to report voluntarily are not required to use a statutory auditor for assurance. Instead, they may choose any recognised assurance provider, enabling more flexible and cost-effective compliance.

Omnibus I Proposal: Key Changes at the EU Level

Philippe Nys also introduced the **Omnibus I proposal**, a package of updates from the European Commission **intended to clarify and streamline aspects of the CSRD**. Notable changes include:





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- **Adjusted Scope:** EU companies with more than 1,000 employees and a net global turnover of at least €450 million and non-EU companies with at least €450 million in turnover generated within the EU.
- **Delayed Entry into Force:** The proposal includes a one-year postponement of application deadlines, allowing companies additional time to prepare for compliance.

Jonas Kieseckoms (Pantarein): How to communicate on sustainability and the CSRD

Following Philippe Nys's presentation, **Jonas Kieseckoms**, head of sustainability communications at **Pantarein**, took the floor to explore **how to communicate effectively on sustainability and the CSRD**. He outlined **three key communication dimensions**: crafting a compelling **narrative** based on your sustainability strategy; using that narrative to **inspire and mobilise employees internally**; and communicating it externally to **convince and build trust with stakeholders**.

Crafting a sustainability narrative

A **sustainability narrative** is a clear and compelling story that communicates a company's commitment to sustainability in a **recognizable** and **relevant** way. It is based on the companies **impacts, culture and value proposition**. This narrative serves as a guiding strategic framework for all sustainability communication, from website content and reports to employee engagement programmes. It ensures that a company's sustainability story remains consistent and trustworthy, avoiding greenwashing while building trust with customers, employees, and other stakeholders.

Jonas emphasised that **effective sustainability narratives must be both relevant and recognisable** to resonate with key audiences. He outlined **three essential ingredients for building such a narrative**:

- **Double materiality** ensures that the narrative addresses what truly matters making it **highly relevant**.
- An organisation's **history and culture** provide a familiar foundation, making the story **recognisable** and authentic.
- The **value chain** connects internal actions to broader societal and environmental impacts, making the narrative both **relevant and recognisable** to stakeholders.

The narrative in internal communications

Jonas underlined **that sustainable transformation cannot stop at the boardroom, it must reach every level of the organisation**. To truly embed sustainability, organisations need to **inspire and mobilise employees** by actively communicating their sustainability narrative through targeted internal campaigns. This involves not only sharing a clear and compelling story but also **empowering employees with the tools, knowledge, and opportunities to take meaningful action**.

The narrative in external communications

While many organisations view sustainability reporting as a regulatory requirement, Jonas made it clear: **external communication is a strategic opportunity**, not just an obligation. **To truly stand out and build trust, your narrative must be:**

- **Unique:** it should reflect your organisation's identity, sector, and challenges, not just repeat standard ESG language.
- **Credible:** claims must be backed by action and data, overpromising or greenwashing will do more harm than good.





Boris Verbrugge (Möbius): Understanding the effects of the Omnibus I proposal on the Corporate Sustainability Due Diligence Directive (CSDDD)

Boris Verbrugge, advisor responsible business conduct at **Möbius**, continued the session by providing a comprehensive update of the CSDDD. The **Omnibus I proposal introduced significant changes to the Corporate Sustainability Due Diligence Directive (CSDDD)**, particularly in relation to its scope and enforcement mechanisms. As explained by Boris, the Omnibus I proposal **limited the obligation to carry out due diligence “throughout the chain of activities” to large direct suppliers**, unless companies had plausible information indicating that indirect partners were involved in adverse impacts. This adjustment effectively narrowed the scope of the directive. Moreover, companies were no longer required to implement climate transition plans, but only to develop them. The proposal also left **the question of civil liability in cases of harm to the discretion of individual Member States**, paving the way for divergent national approaches within the EU.

Additionally, Boris Verbrugge cautioned that while the Omnibus I proposal aims to simplify the directive, such simplification could in fact introduce greater complexity and legal uncertainty, potentially leading to confusion and increased compliance costs.

Marc Daelman (PwC): CSRD Assurance in a nutshell

In his presentation, **Marc Daelman**, partner at **PwC**, outlined the **key components of CSRD assurance and what it entails in practice**. He explained that assurance under the CSRD involves **assessing the quality of sustainability reporting**, with particular attention to its **relevance, completeness, neutrality, and accuracy**. The scope of assurance includes verifying **compliance with the European Sustainability Reporting Standards (ESRS)**, evaluating the process used to determine the information disclosed, including through the double materiality assessment, and **ensuring alignment with the EU Taxonomy regulation**. It also covers the **obligation to digitally tag information in a manner similar to the European Single Electronic Format (ESEF)**. Notably, the assurance requirement is set to evolve from limited to reasonable assurance over time, marking a significant increase in the level of scrutiny expected.

Steps of the sustainability audit

Marc Daelman also proposed a structured approach to conducting a sustainability audit under the CSRD framework. The process begins with gaining a thorough **understanding of the processes behind the sustainability reporting** itself. This is followed by a **risk analysis** to identify areas of potential concern or material misstatement. Auditors then **evaluate the effectiveness of the internal controls** related to sustainability data and reporting. A **review of the sustainability reporting** is carried out to ensure alignment with applicable standards and regulations. Finally, the process culminates in the preparation of an **assurance report**, which includes the assurance conclusion based on the findings of the preceding steps.





Recommendations for companies

Challenge	Recommendations
Organisations are facing a tight and demanding timeline to become compliant with the CSRD requirements, making it difficult to ensure timely and high-quality sustainability reporting.	<ol style="list-style-type: none">1. Develop an internal roadmap that includes a detailed and realistic timeline for your CSRD compliance journey.2. Involve your auditor from the very beginning, so they can validate each step of the process, identify potential issues early, and support a smoother assurance engagement.
You're overwhelmed by the amount of data required for sustainability reporting and might be facing low data quality.	<ol style="list-style-type: none">1. Develop a sustainability-reporting manual.<ul style="list-style-type: none">o Should cover all reporting requirements (also EU Taxonomy), and additional chosen reporting frameworks.o Communicate and train => ensure that KPI definitions are known within the organisation.2. Automate data collection.3. Calculate the KPIs on a regular basis.4. Put in place internal controls.5. Make sure to keep an audit trail.6. Ask your auditor to perform pre-assurance.





SESSION 2: CLARIFICATION AND REFLECTIONS ON THE EU OMNIBUS I PROPOSAL

The second session of the ESG Frontrunners series took place in the form of a **webinar** on **24 April**, focusing on the evolving landscape of the CSRD and CSDDD. In the previous session, a draft version of the Omnibus I proposal had leaked, offering an early glimpse into possible revisions. At that time, however, no official text had been released. In contrast, **by the time of this session, a formal and clearly defined proposal was available, allowing for a more thorough and structured discussion of its implications.**

The webinar featured a distinguished panel of speakers, including **Katelijne Norga**, CEO and founder of Pantarein; **Thomas Peeters**, Legal Policy Officer for Human Rights at the Flanders Chancellery and Foreign Office; **Wies Willems**, Policy Officer at Broederlijk Delen; and **Geert Aelbrecht**, Chief People Officer at BESIX. Katelijne Norga opened the session with a comprehensive overview of the EU Omnibus I proposal. She was followed by Thomas Peeters, who provided insights from the perspective of the Flemish government. Wies Willems contributed a critical civil society viewpoint, while Geert Aelbrecht concluded the panel with a business case presentation on how the Omnibus proposal may affect BESIX.

This chapter is dedicated to the key learnings from the second session of the ESG Frontrunners, focusing on the concerns of the implications of the Omnibus I proposal.

Katelijne Norga (Pantarein): Update on the EU Omnibus

Katelijne Norga, CEO and founder of **Pantarein**, started off the session by providing us with an update on the Omnibus. The **Omnibus proposal**, initiated by the European Commission, **aims to simplify EU sustainability reporting regulations**, specifically targeting the Corporate Sustainability Reporting Directive (**CSRD**), **EU Taxonomy**, and the Corporate Sustainability Due Diligence Directive (**CSDDD**). It seeks to reduce administrative burdens and reporting requirements for businesses, particularly smaller and medium-sized entities, while maintaining the core objectives of these regulations.

Stop the clock proposal

An important aspect of the Omnibus is the Stop the clock proposal. At the time of the session, the Stop the clock proposal was already approved by the European Commission, the European Parliament, and the Council of the European Council. Publication in the EU Official Journal was planned by summer, and it was expected to be adopted into national laws by December 2025. The Directive would cause a 2-year delay for Wave 2 companies (large non-listed companies and groups exceeding specific thresholds) as it concerns to the CSRD and the EU Taxonomy. Additionally, the proposal would cause a 1-year delay of the CSDDD.

There would also be implications for the threshold and disclosure requirements. But the outcome of this specific proposal was highly uncertain.

Counter-reactions

The Omnibus I proposal has sparked **notable counter-reactions from both civil society and the business community**. A **coalition of eight NGOs lodged a formal complaint with the European Ombudsman**, criticising the process as “undemocratic, opaque and hasty.” At the same time, **several leading companies from Wave 1 and the broader Wave 2 group** (such as Nestlé, Vandemoortele, Barco, Unilever, and Signify) expressed concerns over the creation of **an uneven playing field**. These organisations argue that **early adopters** and companies that have proactively invested in meeting sustainability reporting requirements **are now being penalised**, while those less prepared stand to benefit from reduced obligations under the revised proposal.





Advice on how to handle the Omnibus proposal

Katelijne Norga warned organisations not to lose sight of the following aspects, emphasising the importance of **not losing sight of the broader context** amidst the regulatory discussions:

- **Climate neutrality by 2050 remains a central objective of the European Union.**
- **The demand for sustainability reporting from customers, banks, and investors continues to grow.**
- **Understanding climate-related risks and dependencies** across the value chain is becoming increasingly crucial, not only for regulatory compliance but also for **strategic resilience**.
- Katelijne also highlighted that **decarbonisation** is not merely an environmental imperative, it also presents clear **opportunities for cost reduction**.
- With **climate regulation advancing rapidly worldwide**, including in major economies such as China, India, and Japan, companies that develop a strong ESG strategy and narrative are positioning themselves for **competitive advantage**. In this evolving landscape, sustainability reporting remains, more than ever, a licence to operate.

To support companies in navigating the evolving sustainability landscape, Katelijne Norga outlined **four 'no-regret' steps** that organisations can take to future-proof their ESG strategy. First, she recommended **developing a clear ESG roadmap** with company-specific targets, which should include a double materiality assessment, defined ambitions across environmental, social and governance dimensions, and a compelling sustainability narrative. Second, she advised **formulating a decarbonisation plan**, starting with a comprehensive CO₂ footprint and followed by concrete actions to achieve climate neutrality by 2025. Third, she stressed the importance of **beginning to monitor progress**, focusing on a set of key performance indicators. Finally, she encouraged **reporting in alignment with the CSRD, using the VSME** (Voluntary Sustainability Reporting Standard for Micro and Small Enterprises) as a foundation, complemented by the company's own narrative and tailored responses to customer-specific information requests.

Thomas Peeters (Flanders Chancellery and Foreign Office): Impact of the Omnibus Proposal on the CSDDD

Thomas Peeters, Legal Policy Officer for Human Rights at the **Flanders Chancellery and Foreign Office**, continued the session by explaining the impact of the Omnibus proposal on the CSDDD. The Corporate Sustainability Due Diligence Directive (CSDDD) is **still under negotiation**, with **implementation now postponed to 2028**. The rapid pace of EU negotiations and voiced concerns about weakening key obligations, such as ending business relationships tied to human rights violations, **could damage the directive's credibility and effectiveness**. While simplification efforts may benefit some businesses, they risk clashing with international standards. The outcome remains politically uncertain, and practical challenges for SMEs must still be addressed.

Key learnings

- **Ongoing negotiations:** The CSDD directive is still in negotiation, and its details could evolve as discussions continue between the European Parliament and the Council.
- **Complexity for Businesses:** Companies, especially early adopters of voluntary sustainability standards, might face increased complexity due to the evolving requirements of the omnibus package.
- **Practical Challenges of reporting:** The new thresholds and reporting obligations create practical challenges.





Wies Willems (Broederlijk Delen): The risk of deregulation from a civil society perspective

Wies Willems, Policy Officer at **Broederlijk Delen**, enriched the session by providing us with a civil society perspective on the Omnibus proposal. Broederlijk Delen voiced strong **concerns regarding the Omnibus I proposal**, characterising the process as opaque, rushed, and undemocratic, with **civil society largely sidelined**. They warned that the proposed changes risk significantly **weakening the core obligations of the directive**, reducing it to a mere tick-box exercise that fails to address the most urgent human rights and environmental issues. The organisation also highlighted a major **setback for access to justice**, noting that the proposal would make it even more difficult for affected rights holders to seek redress. **Despite the clear urgency of the issues at stake, the proposal introduces further delays and contributes to a growing sense of uncertainty and legal confusion**. Broederlijk Delen stressed that there are no guarantees the Omnibus will simplify the legislative framework. In fact, it may well exacerbate existing complexity.

Key civil society demands

Stakeholders have put forward a series of key demands in response to the current direction of the regulatory debate. First and foremost, they call for the **rejection of any substantial changes to the content of the Corporate Sustainability Due Diligence Directive (CSDDD)**, in order to preserve its ambition and effectiveness. In line with the original text, they urge the development of **clear guidance and accompanying support measures** to help companies implement the directive meaningfully. Regarding the **Corporate Sustainability Reporting Directive (CSRD)**, they advocate for **maintaining its original scope**, while ensuring that medium-sized enterprises are offered a proportionate and practicable reporting standard. Finally, the current **restrictions on data requests** under the CSRD should be revisited, with a view to developing specific guidelines and standards that promote transparency and accountability without creating excessive administrative burdens.

Geert Aelbrecht (BESIX): BESIX's approach to the shifting regulatory landscape

To end the session, **Geert Aelbrecht**, Group Sustainability & ESG Officer at **BESIX**, presented practical insights on how to implement sustainability reporting in your company and how to act in times of legal uncertainty. As a company navigating the evolving regulatory landscape shaped by the CSRD and CSDDD, particularly amid the ongoing Omnibus I negotiations, BESIX offers a compelling business case for a proactive and strategic approach to sustainability.

Business perspective

Rather than treating sustainability as a compliance exercise, BESIX pursues long-term ESG goals that reflect a **genuine commitment to responsible business**, often anticipating and exceeding regulatory requirements. This forward-thinking approach not only enhances resilience but also positions the company favourably with stakeholders who increasingly demand transparency and accountability.

At the same time, BESIX recognises the **operational challenges** posed by complex global value chains. **Full traceability remains difficult in practice**, underscoring the **need for streamlined, standardised regulations that are both enforceable and workable on the ground**.

Crucially, BESIX demonstrates that **meaningful investment in sustainability is not just a cost, it is a competitive advantage**. By embedding sustainability into its core strategy, the company builds credibility, strengthens stakeholder trust, and differentiates itself in a market where responsible conduct is rapidly becoming a prerequisite for long-term success.





SESSION 3: GOING BEYOND COMPLIANCE

The **third session** of the ESG Frontrunners series explored **how companies can move beyond compliance in the wake of the Omnibus I proposal**, with a particular focus on the **Voluntary Sustainability Reporting Standard for Micro and Small Enterprises (VSME)** and the **integration of the Sustainable Development Goals (SDGs)** into ESG strategies. This session aimed to demonstrate how these frameworks can serve not only as reporting tools, but also as strategic levers for long-term value creation and impact.

Helen Jacobs, Project manager sustainability at Voka, opened the session with an introduction to the VSME, setting the stage for practical insights from **Hanne De Weer**, sustainability consultant at Pantarein, who shared best practices and lessons learned from VSME implementation. **Charlotte Heyvaert**, Trainee Project Manager at CIFAL Flanders, provided a broader perspective by illustrating how the SDGs can be meaningfully connected to ESG efforts. The session was further enriched by two business cases presented by **Sebastien Hottlet**, Managing Director at Gaasch Packaging, and **Stefaan Martel**, Managing Director at Bopro, each offering real-world examples of how frameworks are applied in practice.

This chapter is dedicated to the key learnings from the third session of the ESG Frontrunners, focusing on the VSME and the Sustainable Development Goals as strategic tools for future proof value creation.

Helen Jacobs (Voka): Introduction to the VSME

Helen Jacobs, project manager sustainability at **Voka**, opened the session by **introducing the VSME**, developed by EFRAG at the request of the European Commission. While SMEs are not legally required to report under the Corporate Sustainability Reporting Directive (CSRD), the VSME offers them a valuable opportunity to communicate their sustainability efforts in a structured and accessible way.

Basic Module and the Comprehensive Module

The VSME framework is structured in **two components**: the **Basic Module** and the **Comprehensive Module**. The Basic Module serves as **an introductory tool designed for all SMEs**, setting out the **minimum requirements in relation to environmental, social, and governance (ESG) considerations**. It is particularly suited to **enterprises with fewer than ten employees** and/or those at the early stages of measuring and reporting on sustainability.

In contrast, the **Comprehensive Module** is intended solely as **a supplement to the Basic Module**. It places greater emphasis on **strategic orientation and broader sustainability impacts**, making it an ideal instrument for **organisations that are more advanced in their sustainability journey** and/or would previously have fallen under the scope of the CSRD.

Added Value of VSME Implementation

The VSME offers a range of added values to SMEs that choose to implement it, including:

1. **Efficiency:** It provides a structured way to collect and report data on sustainability efforts.
2. **Insight:** By gathering both qualitative and quantitative data, SMEs gain a better understanding of their ESG policies and potential risk areas.
3. **Reputation:** Responding to inquiries from partners and financial institutions in a structured way builds trust and keeps SMEs ahead of the competition.
4. **Growth opportunities:** Structured data collection and reporting helps identify areas for improvement that can serve as a basis for future development.





Hanne De Weer (Pantarein): Best practices and implementation of the VSME

Following the introduction by Helen, **Hanne De Weer**, sustainability consultant at **Pantarein**, provided a practical continuation of the session by sharing **best practices** and insights into the **implementation of the VSME**. Her contribution offered participants a concrete understanding of how the framework can be applied in real-world contexts, highlighting key lessons learned and effective approaches to integrating the VSME into SME operations.

How can your company get started with the VSME?

To get started with the VSME, Hanne provided guidance for organisations looking to implement the framework through the following steps:

1. **Choose a relevant module:** If you have no experience with sustainability reporting or you are a small SME, pick the basic module. If you are a bigger organisation (250-1000 employees), pick the comprehensive module.
2. Collect relevant information and **perform a gap analysis**.
3. Close the remaining gaps and **report**.

Best practices

- **Make a clear and transparent sustainability report:** Creating a clear and transparent sustainability report is essential, as it serves as a valuable tool for responding to stakeholder enquiries and for effectively communicating an organisation's ESG performance both internally and externally. The report needs to be:
 - Clear and comprehensive,
 - Transparent and truthful, and
 - Easy to read.
- **Develop KPI factsheets:** The VSME places a strong emphasis on the use of metrics, recognising that effective data management can often present significant challenges. To address this, it is advisable to develop a clear and organised overview of all key performance indicators (KPIs) by creating individual factsheets for each one. These factsheets should comprehensively detail the data owner, data sponsor, definition and methodology, underlying assumptions, data sources, and potential actions to enhance data collection.
- **Reduce carbon footprint:** Reducing your carbon footprint will reduce costs and increase efficiency because CO₂-prices will increase, reporting emissions has become an international standard, and it is an important topic in the VSME.
- **Develop a unique ESG roadmap:** A double materiality assessment forms the foundation of a robust sustainability strategy by identifying the issues most relevant to your business. This assessment supports informed decision-making and drives focused, effective strategic action. It is essential for developing a resilient and future-proof strategy, complete with a comprehensive ESG roadmap and clearly defined targets.
- **Use the CSRD as inspiration:** The VSME has limited to no coverage of certain topics (such as workers in the value chain or corporate culture). Therefore, you could use the CSRD as inspiration to add extra depth where needed, benchmark against potential competitor disclosures, and strengthen your sustainability narrative beyond the basics.
- **Implement sustainability in the corporate culture:** Implement sustainability in the corporate culture by raising awareness of the need for change during onboarding, create opportunities with the sustainability ambassadors and embed the changes, making sustainability the new normal.





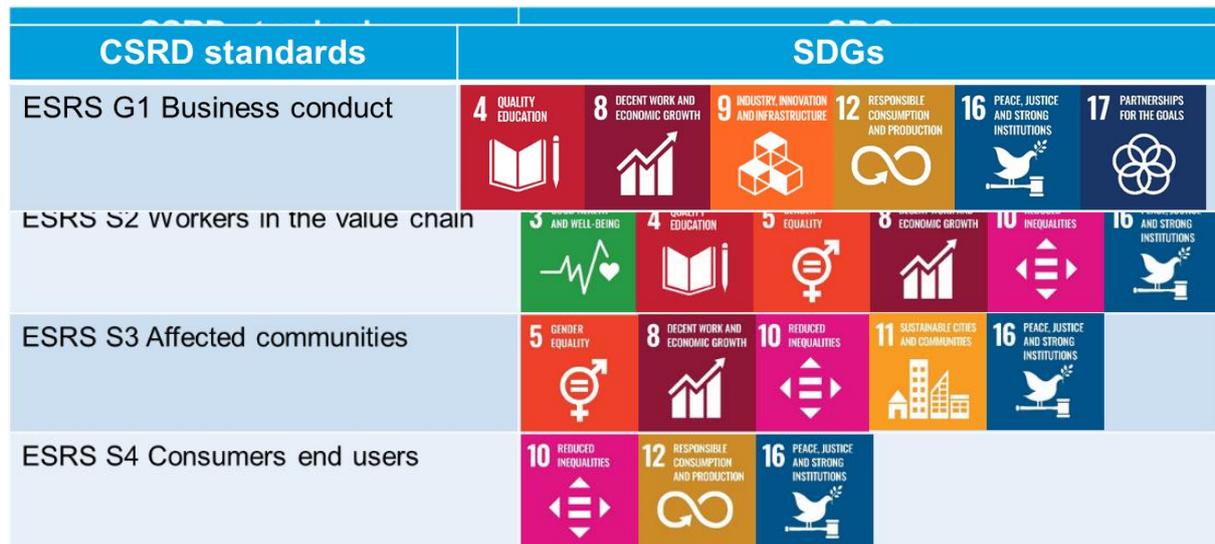
Charlotte Heyvaert (CIFAL Flanders): Connecting the Sustainable Development Goals with ESG

Charlotte Heyvaert, Trainee Project Manager at **CIFAL Flanders**, presented how to link the Sustainable Development Goals (SDGs) with Environmental, Social, and Governance (ESG) criteria. She emphasised that **ESG and the SDGs are complementary, not mutually exclusive**. In fact, all of the European Sustainability Reporting Standards (ESRS) under the Corporate Sustainability Reporting Directive (CSRD) map directly to specific SDG goals. Charlotte highlighted how integrating the SDGs into ESG reporting not only enhances alignment with regulatory frameworks but also adds narrative strength and values-based inspiration to sustainability reports.

How the SDGs fit into ESG



How to fit the SDGs into the ESRS standards





CSRD standards	SDGs
ESRS E1 Climate Change	7 AFFORDABLE AND CLEAN ENERGY, 13 CLIMATE ACTION
ESRS E2 Pollution	3 GOOD HEALTH AND WELL-BEING, 6 CLEAN WATER AND SANITATION, 11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 14 LIFE BELOW WATER
ESRS E3 Water & marine resources	6 CLEAN WATER AND SANITATION, 14 LIFE BELOW WATER
ESRS E4 Biodiversity & Ecosystems	6 CLEAN WATER AND SANITATION, 14 LIFE BELOW WATER, 15 LIFE ON LAND
ESRS E5 Resource use & Circular economy	8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Best practices

There are three best practices for effectively integrating the Sustainable Development Goals (SDGs) into your ESG approach. First, **use the SDGs in the initial double materiality analysis** to help identify which sustainability issues are most relevant to your organisation and its stakeholders. Second, **visually link the SDGs to your ESG disclosures**, making it clear how specific actions and metrics contribute to broader global goals. Third, **allow the values behind the SDGs to guide both your sustainability strategy and your narrative**, ensuring your reporting is not only compliant but also purpose-driven and engaging.

Sebastien Hottlet (Gaasch Packaging): Gaasch’s approach to the VSME

Sébastien Hottlet, Managing Director of **Gaasch Packaging**, presented the company’s business case as a strong example of proactive sustainability integration. Gaasch Packaging, a Belgian distributor of primary packaging with 40 employees and an annual turnover of €58 million, is **not formally obligated under the CSRD**. Nevertheless, the company has **chosen to proactively adopt the Voluntary SME (VSME) framework** as a strategic means of embedding sustainability at the core of its business model. This forward-thinking approach enables Gaasch not only to advise clients more effectively but also to actively **reduce Scope 3 emissions** through close engagement with both customers and suppliers. The company has developed **a detailed SDG and ESG action plan** aligned with ESRS topics, reinforcing its commitment to structured and transparent sustainability practices. Gaasch also champions the importance of baseline (zero) measurements and the consistent tracking of progress over time, demonstrating a results-driven and future-focused sustainability strategy.

Stefaan Martel (Bopro): Bopro’s approach to the VSME

Stefaan Martel, Managing Director at **Bopro**, presented the company’s business case, showcasing how sustainability can be systematically embedded across the real estate sector. Bopro is a European consultancy specialising in **sustainable real estate and project management**. As a recognised SDG Champion by CIFAL Flanders, the company integrates ESG principles at every level of its operations: corporate, project-based, and across existing buildings. **Using the Voluntary SME (VSME) framework**, Bopro supports clients in identifying and tracking relevant KPIs, positioning ESG as a core value rather than a compliance exercise. Their comprehensive approach combines a wide array of tools, including GRI, CSRD, double materiality assessments, the EU Taxonomy, and SFDR. Bopro views buildings as ecosystems, where environmental, social, and economic factors are deeply





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interconnected. Their aim is to create positive impact and prevent negative externalities across all networks, demonstrating how the VSME can serve as a pragmatic and effective ESG reporting tool when paired with meaningful performance indicators.





SESSION 4: HUMAN RIGHTS IN THE CSRD AND CSDDD

The **fourth session** of the ESG Frontrunners series took place on UN Human Rights Day, focusing on how companies can embed human rights into their operations. The session underlined the importance of human rights due diligence as part of a sustainability strategy. This topic is increasingly critical, as public perception and corporate reputation are closely tied to how organisations address human rights.

The session opened with **Katrien De Cort** from Pantarein, who provided an Omnibus update and shared the latest regulatory developments companies need to consider. **Geert Aelbrecht**, Chief People Officer at BESIX, followed with a compelling business case, illustrating how human rights due diligence is integrated into BESIX's corporate practices. The session concluded with an insightful presentation by **Eva van der Pol** from UN Global Compact in the Netherlands, showcasing best practices on implementing human rights due diligence effectively.

This chapter captures the key learnings from the fourth ESG Frontrunners session, emphasising human rights in due diligence as a cornerstone for fair and safe value chains.

Katrien de Cort (Pantarein): EU Omnibus-update

Katrien de Cort, Sustainability Consultant at **Pantarein**, opened the session with a comprehensive regulatory update on the **Omnibus**, covering key developments related to the **Corporate Sustainability Reporting Directive (CSRD)**, the **European Financial Reporting Advisory Group (EFRAG)** and its **ESRS Standards**, the **EU Taxonomy**, and the **European Union Deforestation Regulation (EUDR)**. Her presentation highlighted what companies should monitor in the coming months and the critical decisions that remain outstanding.

Update Corporate Sustainability Reporting Directive

The CSRD is currently in the **final stages of trilogue negotiations**, where the three European institutions work towards reaching a consensus. The main point of discussion has been the current **threshold criteria**: 1,000 employees and €450 million turnover. These thresholds are **not yet finalised** and will be subject to a final vote scheduled for **16 December**.

EFRAG and ESRS Standards

EFRAG released its latest updates on **4 December**, introducing changes across individual **European Sustainability Reporting Standards (ESRS)**. For detailed information, companies should consult the official **EFRAG factsheet**.

Next steps:

- Some **fundamental changes** may still occur before finalisation.
- A **cost-benefit analysis** will be conducted and published by the end of **2025**.
- Reporting obligations are expected to start in **financial year 2027**, with a possibility of earlier implementation in **2026** if approvals progress faster than anticipated.
- **Knowledge Hub**: EFRAG is developing a dedicated platform to make sustainability standards more **accessible and interactive**. While older standards remain in use for now, finalised updates will be integrated into the website.





EU Taxonomy

The EU Taxonomy is closely linked to CSRD reporting, with **aligned thresholds and timelines**. Several simplification proposals are under discussion:

- **Financial materiality threshold:** Proposed at **10%**, excluding minor CAPEX expenditures from reporting.
- **Operational expenditure (OpEx):** No longer required for non-financial organisations.

These proposals are **not yet approved**, and voting is still pending.

EUDR European Deforestation Regulation

The EUDR targets deforestation risks associated with **seven key commodities**, including cocoa, timber, and livestock. Companies will be required to conduct **due diligence checks** on deforestation and legal compliance for any product traded on the EU market. This process is **administratively heavy**, as it requires tracing the entire supply chain. Initially planned to take effect in January 2026, implementation has now been **postponed by one year**. The regulation applies exclusively to commodities being placed on the EU market for the **first time**.

Simplification **Measures** **under** **consideration:**
To reduce administrative burdens, several adjustments are being considered:

- Exemptions for **micro and small enterprises**.
 - Micro: €450.000 on balance sheet, €900.000 turnover, 10 FTE
 - Small: €5.000.000 on balance sheet, €10.000.000 turnover, 50 FTE
- Removal of printed products (books and magazines) from the scope.
- Potential elimination of fines and narrowing of risk analysis to the most probable risks.

Further simplifications are expected by April 2026 to ease compliance for smaller businesses.

Geert Aelbrecht (Besix): EU Omnibus-update

The second session was presented by **Geert Aelbrecht**, Group Sustainability & ESG Officer at **BESIX**, who shared practical insights on integrating human rights into corporate operations through a real-life business case. Human rights remain a significant challenge for the construction sector, making this a highly relevant topic. BESIX places strong emphasis on human rights not only within its external supply chain but also internally, particularly in relation to employee welfare and talent acquisition.

Four key themes for implementation

Geert outlined a **step-by-step approach to human rights due diligence**, structured around four major themes:

1. **Detection**
 - BESIX does not allow any supplier in its value chain who refuses to accept its **Code of Conduct**.
 - The company invests significantly to ensure human rights are respected on all sites.
2. **Training and Awareness**
 - BESIX trains its entire value chain, from senior management to project teams, to ensure everyone understands what human rights entail.
 - While compliance can impact performance and efficiency—since administrative tasks take time away from core activities such as building—it is essential to explain **why these measures matter**.





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3. Auditing

- BESIX uses a **multi-channel auditing approach**, combining internal checks with external assessments by trade unions, NGOs, and independent bodies. Additional monitoring includes grievance procedures, media reviews, and social media oversight.

4. Transparency

- The company adopts an **open-door policy**, allowing stakeholders and even external visitors to observe operations and verify compliance.

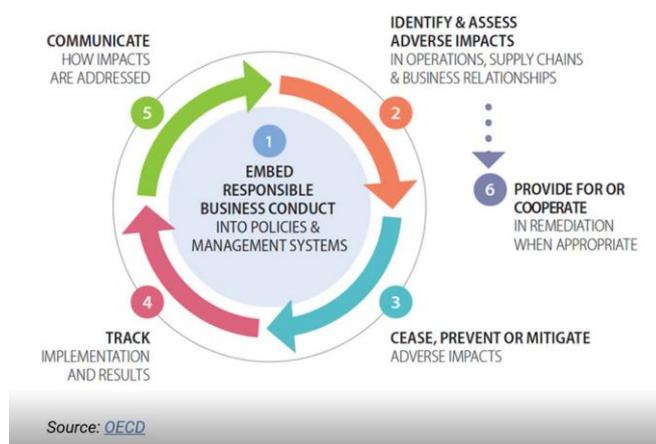
10 practical tips for human rights due diligence

1. Human rights due diligence is a **step-by-step process**, not something achieved overnight.
2. **Start small** and build gradually.
3. **Map all suppliers**, focusing on those in high-risk regions.
4. **Provide training** for managers and procurement teams, strong leadership support makes implementation easier.
5. Adopt a **Responsible Procurement Code**.
6. **Establish grievance channels** in multiple languages so all parties can report concerns.
7. Conduct **regular audits** and track progress through KPIs.
8. Ensure **transparent reporting** to build trust.
9. Form **partnerships with NGOs** for open dialogue and expert recommendations.
10. Prepare for **compliance** with the upcoming Corporate Sustainability Due Diligence Directive (CSDDD).

Eva van der Pol (UN Global Compact Netherlands): Best practices on implementing human rights due diligence

To conclude the session, **Eva van der Pol**, Programme Manager for Social Sustainability at UN Global Compact Netherlands, shared several best practices from their network of companies. She drew on the **OECD's international Human Rights Due Diligence framework**, which sets out **six steps for responsible business conduct: embedding commitments into policies, identifying and assessing risks, ceasing or mitigating adverse impacts, tracking progress, communicating transparently, and providing remediation where harm has occurred.**

International standards - HRDD





Best practices of companies implementing HRDD



PostNL: Identifying and Prioritising Human Rights Risks

The company mapped its entire value chain for parcel delivery, creating a detailed overview of every step and the associated risks. For each stage, they identified which Sustainable Development Goals (SDGs) were most at risk. After assessing where risks occur and in which categories, they broke them down further into specific topics and subtopics, such as health, freedom, and inclusion.



Fairphone: Focusing on High-Risk Areas

Fairphone concentrates on the most critical parts of its supply chain. They use a heatmap tool to identify and prioritise risks based on severity and likelihood, which is also a useful resource for stakeholder engagement. This prioritisation enables the development of targeted action plans to address the most pressing issues.



LC Packaging: Commitment to Social Sustainability

This initiative marks Step 3 of the Human Rights Due Diligence (HRDD) process: developing a concrete action plan. Using the UNGC Wage Tool, the company designed a comprehensive five-step strategy to ensure living wages are embedded across all operations. To reinforce this commitment, all key production partners have signed the company's Code of Conduct, underscoring their shared dedication to ethical and responsible business practices.





CONCLUSION

The ESG Frontrunners Action Learning Network has demonstrated the value of collective learning and collaboration in navigating Europe's fast-evolving sustainability landscape. **Over the course of 2025, Flemish organisations engaged with leading experts, explored regulatory developments, and discovered practical approaches to embedding sustainability into business strategy.**

By combining regulatory insight with real-world business cases, the network has helped participants not only to understand their obligations but also to identify opportunities for long-term value creation. **As EU policy continues to advance**, the ESG Frontrunners community **remains a vital platform for organisations** determined to transform ambition into meaningful action.

Building on the success of the network launched in 2024, we are now **looking at the possibility of continuing and expanding the ESG Frontrunners into 2026.** This network supports businesses that want to stay ahead of regulatory change, strengthen their sustainability ambitions, and learn alongside peers who are shaping the future. By joining the network, organisations can ensure they are not only prepared for tomorrow's requirements but also positioned to seize the opportunities of a sustainable economy. Together, we can transform ambition into action and make sustainability a driver of growth and resilience.

