



COMPARISON: EFRAG DRAFT ESRS AND EUROPEAN COMMISSION'S DRAFT DELEGATED ACT (DA) – ESRS G1 BUSINESS CONDUCT

16 JUNE 2023

DISCLAIMER

This paper below contains the EFRAG draft **ESRS G1 Business conduct** which has been modified in track changes to match the version the EC proposed in the DA.

This document does not represent Accountancy Europe's views or analysis of these changes. It is a comparison run automatically by IT tools (including WordCompare) available to us. It is an Accountancy Europe's working document in view of preparing our feedback to their EC draft delegated act with the first set of European Sustainability Reporting Standards (ESRS).

Accountancy Europe makes this document available to help other stakeholders understand the detailed changes of the standards and help them in their own feedbacks to the European Commission.

BUSINESS CONDUCT

Table of ~~Contents~~ contents

Objective

Interaction with other ESRS Disclosure Requirements

ESRS 2 General disclosures

Disclosure Requirement related to ESRS 2 GOV-1 – The role of the administrative, supervisory and management bodies

Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

Impact, risk and opportunity management

Disclosure Requirement G1-1– Corporate culture and business conduct policies

Disclosure Requirement G1-2 – Management of relationships with suppliers

Disclosure Requirement G1-3 – Prevention and detection of corruption or bribery

Metrics and targets

Disclosure Requirement G1-4 – Confirmed incidents of corruption or bribery

Disclosure Requirement G1-5 – Political influence and lobbying activities

Disclosure Requirement G1-6 – Payment practices

Appendix A: Application Requirements

Impact, risk and opportunity management

Disclosure Requirement G1-1 – Corporate culture and business conduct policies

Disclosure Requirement G1-2 – Management of relationships with suppliers
Disclosure Requirement G1-3 – Prevention and detection of corruption and bribery

Metrics and targets

Disclosure Requirement G1-5 – Political influence and lobbying activities
Disclosure Requirement G1-6 – Payment practices

Objective

1. The objective of this ~~[draft]~~ Standard is to specify disclosure requirements which will enable users of the undertaking's **sustainability statements** to understand the undertaking's strategy and approach, processes and procedures as well as its performance in respect of business conduct.
2. ~~In general, the actions of an undertaking cover a wide range of behaviours that support transparent and sustainable business practices to the benefit of all stakeholders. This [draft] Standard focusses on the following practices specified by the Corporate Sustainability Reporting Directive (CSRD), indicated matters, collectively referred to in this [draft] Standard as 'business conduct or business conduct matters':~~
 - ~~(a) business ethics and corporate culture;~~
 - ~~(b) management of relationships with suppliers;~~
 - ~~(c) avoiding, including anti-corruption and anti-bribery;~~
 - ~~(d) engagement by the undertaking to exert its political influence including lobbying;~~
 - ~~(e) the protection of whistle-blowers;~~
 - (a) whistleblowers, and animal welfare; and
 - (b) the management of relationships with suppliers, including payment practices, specifically especially with regard to late payment to small and medium enterprises (SMEs⁴)-sized undertakings.
 - (c) activities and commitments of the undertaking related to exerting its political influence, including its lobbying activities;

Interaction with other ESRS

3. The content of this ~~[draft]~~ Standard on general disclosures as well as impact, risk and opportunity management and **metrics** and **targets** shall be read in conjunction respectively with ~~[draft]~~ ESRS 1 *General principles* and ~~[draft]~~ ESRS 2 *General requirements*.

Disclosure Requirements

ESRS 2 General disclosures

4. The requirements of this section should be read in conjunction with and reported alongside the disclosures required by ESRS 2 on Governance (GOV), Strategy (SBM) and Management of impacts, risks and opportunities (IRO).

Governance

Disclosure Requirement related to ESRS 2 GOV-1 – The role of the administrative, management and supervisory and management bodies

- 2.1. ~~When disclosing on leadership on business conduct information about the role of the~~ administrative, management and supervisory bodies, the undertaking shall cover the following aspects:
 - (a) the role of the **administrative, management** and supervisory bodies related to business conduct; and
 - (b) the expertise of the administrative, management and supervisory bodies on business conduct matters.

Impact, risk and opportunity management

Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

~~3. When describing the process to identify material impacts, risks and opportunities in relation to business conduct matters, the undertaking shall include disclose all relevant criteria used in the assessment process, including location, activities activity, sector and transactions.~~

~~5. ¹Per article 3 the structure of the accounting directive (2013/34/EU) but, for the avoidance of doubt, including micro-enterprises as defined in the same directive transaction.~~

Impact, risk and opportunity management

Disclosure Requirement G1-1– ~~Corporate culture and business~~ Business conduct policies and corporate culture

6. ~~The undertaking shall disclose its initiatives to establish, develop and promote a corporate culture as well as its policies with respect to business conduct matters and how it fosters its corporate culture.~~

7. ~~The objective of this Disclosure Requirement is to provide enable an understanding of how the administrative extent to which the undertaking has policies that address the identification, assessment, management and supervisory bodies are involved in forming, monitoring, promoting and assessing the corporate culture. It shall also provide an understanding/or remediation of the undertaking's ability (i) to mitigate any negative its material impacts, risks and maximise positive impacts opportunities related to business conduct, and (ii) matters. It also aims to provide an understanding of the undertaking's approach to monitor and manage the related risks corporate culture.~~

8. ~~The disclosures required under paragraph 7 shall cover the strategy to foster the 7 shall include how the undertaking establishes, develops, promotes and evaluates its corporate culture of the undertaking, how this strategy is implemented and how the outcome is evaluated.~~

9. ~~The disclosures in paragraph 7 shall cover the following aspects related to the undertaking's policies on business conduct matters:~~

~~(a) a description of the mechanisms for identifying, reporting and investigating concerns about unlawful behaviour or behaviour in contradiction of its code of conduct or similar documents internal rules; and whether it accommodates reporting from internal and/or external stakeholders;~~

~~(b) where the undertaking has no policies on anti-corruption or anti-bribery consistent with the United Nations Convention against Corruption²Corruption¹⁰¹, it shall state this and whether it has plans to implement them and the timetable for implementation;~~

~~(c) how the undertaking protects whistleblowers, including:~~

~~i. details on the establishment of internal whistleblower reporting channels, including whether the undertaking provides for information and training to its own workers and information about the designation and training of staff receiving reports; and~~

~~ii. measures to protect against non-retaliation its own workers who are whistleblowers in accordance with the applicable law transposing Directive (EU)2019/1937;~~

- ~~(b)(d) where the undertaking has no policies on the protection of whistle-blowers¹⁰², it shall state this and whether it has plans to implement them and the timetable for implementation;~~
- ~~(a) beyond the undertaking's safeguards for reporting irregularities including whistleblowing protection, including:~~
 - ~~i. protection of those of its own workforce who refuse procedures to act unethically even if such refusal may result in loss of business; and~~
- ~~(c)(e) non-retaliation against own workers who have been granted whistle-blower status follow-up on reports by whistleblowers in accordance with the applicable law and own workers who report any non-ethical behaviour incidents;~~
- ~~(b) where the undertaking has no policies on the protection of whistle-blowers³, it shall state this and whether it has plans to implement them and the timetable for implementation;~~
- ~~(c) whether the undertaking is committed to investigate business conduct (including corruption or bribery) incidents promptly, independently and objectively;~~
- ~~(d) where applicable, whether the undertaking has in place policies with respect to animal welfare; and~~
- ~~(d) the undertaking's strategy for training within the organisation on business conduct, including target audience, frequency and depth of coverage as well as the identification or definition of the functions within the undertaking that are most at risk in respect of corruption/bribery.~~

~~with the applicable law transposing Directive (EU)2019/1937, whether the undertaking has procedures to investigate business conduct **incidents**, including incidents of **corruption** and **bribery**, promptly, independently and objectively;~~

- ~~(f) where applicable, whether the undertaking has in place policies with respect to animal welfare; and~~
- ~~(g) the undertaking's **policy for training** within the organisation on business conduct, including target audience, frequency and depth of coverage as well as the functions within the undertaking that are most at risk in respect of **corruption** and **bribery**.~~

~~10. 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 whistle-blowers, may comply with the disclosure specified in paragraph 10 (d) by stating that they are subject to those legal requirements.~~

¹⁰¹ This information supports the information needs of financial market participants subject to Regulation (EU) 2019/2088 as reflecting an additional indicator related to principal adverse impacts as set out by indicator #15 in Table 3 of Annex 1 of the related Delegated Regulation with regard to disclosures rules on sustainable investments (~~respectively~~ ~~“(Lack of anti-corruption and anti-bribery policies”)~~).

¹⁰² This information supports the information needs of financial market participants subject to Regulation (EU) 2019/2088 as reflecting an additional indicator related to principal adverse impacts as set out by indicator #6 in Table 3 of Annex 1 of the related Delegated Regulation with regard to disclosures rules on sustainable investments (~~respectively~~ ~~“(Insufficient whistleblower protection”)~~).

Disclosure Requirement G1-2 – Management of relationships with suppliers

40.11. The undertaking shall provide information about the management of its relationships with its suppliers and its impacts on its supply chain.

41.12. The objective of this Disclosure Requirement is to provide an understanding of the undertaking's management of its procurement process including fair behaviour with **suppliers**.

42.13. The undertaking shall provide a description of its ~~policies/practices~~ **policy** to prevent late payments ~~to SMEs,~~ specifically ~~when providing information of its relationship to SMEs.~~

43.14. The disclosure required under paragraph ~~44-12~~ shall include the following information:

- (a) the undertaking's ~~strategy with respect to~~ **approach** to its relationships with its **suppliers**, ~~in the context taking account of the risks of the undertaking related to its supply chain specifically and of impacts on sustainability generally~~ **matters**;
- (e) ~~whether and how it takes into account social and environmental criteria for the selection of its supply-side contractual partners; and~~
- (b) ~~description of the undertaking's practices implemented to support vulnerable selection of its suppliers and improve their social and environmental performance.~~

Disclosure Requirement G1-3 – ~~Prevention and detection of~~ Procedures to address corruption ~~and~~ bribery

44.15. The undertaking shall provide information about its system to prevent and detect, investigate, and respond to allegations or incidents relating to corruption and bribery including the related training.

45.16. The objective of this Disclosure Requirement is to provide transparency on the key procedures of the undertaking to prevent, detect, and address allegations about **corruption/ and bribery**. This includes the training provided to own workers and/or information provided internally or to **suppliers**.

46.17. The disclosure required under paragraph ~~45-16~~ shall include the following information ~~with respect to prevention and detection~~:

- (a) ~~an overview~~ **a description** of the procedures in place to prevent, detect, and address allegations or **incidents** of **corruption/ and bribery**;
- (f)(c) ~~whether the investigators or investigating committee are separate from the chain of management involved in the matter; and~~
- (g)(d) ~~the process to report outcomes to the administrative, management and supervisory bodies.~~

4.2. Where the undertaking has no such procedures in place, it shall disclose this fact and, where applicable, its plans to adopt them.

47.18. The disclosures required by paragraph ~~45-16~~ shall include information about how the undertaking ~~communicate~~ **communicates** its policies to those for whom they are relevant to ensure that the **policy** is accessible and that they understand its implications.

5.3. The disclosure required by paragraph ~~45-16~~ shall include information about the following with respect to training:

- (a) the nature, scope and depth of anti-**corruption/ and** anti-**bribery** training programmes offered ~~or required~~ **required** by the undertaking;
- (b) the percentage of functions-at-risk covered by training programmes; and
- (c) ~~where applicable,~~ the ~~information relating~~ **extent to which training is given** to members of the administrative, ~~supervisory and~~ management ~~bodies and supervisory bodies.~~

Metrics and targets

Disclosure Requirement G1-4 – Incidents of corruption or bribery

~~18-19.~~ **The undertaking shall provide information on confirmed incidents of corruption or bribery during the reporting period.**

~~19-20.~~ The objective of this Disclosure Requirement is to provide transparency on the confirmed incidents relating to **corruption** or **bribery** during the reporting period and the related outcomes.

~~6.~~ The disclosure required by paragraph 21 shall include information about the following:

~~21.~~ The undertaking shall disclose:

- ~~(a)~~ the number of convictions and the amount of fines for violation of anti-corruption and anti-bribery laws¹⁰³; and
- ~~(b)~~ any actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery¹⁰⁴.

~~22.~~ The undertaking may disclose:

- (a) the total number and nature of **confirmed incidents** of corruption or bribery;
- ~~(a)~~ the number of convictions and the amount of fines for violation of anti-corruption and anti-bribery laws⁴;
- ~~(b)~~ details of public legal cases regarding corruption or bribery brought against the undertaking and its own workers during the reporting period and the outcomes of such cases;
- (b) the number of **confirmed incidents** in which own workers were dismissed or disciplined for corruption or bribery-related incidents; ~~and~~
- (c) the number of **confirmed incidents** relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery; ~~and~~
- (d) ~~For purposes of details of public legal cases regarding~~ **corruption or bribery** brought against the undertaking and its own workers during the reporting period and the outcomes of public legal cases per paragraph ~~23(e), this~~ such cases. This includes cases that were initiated in previous years where the outcome was only established in the current reporting period.

~~7.~~ The undertaking shall disclose whether it has identified insufficiencies in actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery⁵.

~~20-23.~~ The disclosures required ~~should~~ **shall** include **incidents** involving ~~member(s)~~ **efactors in** its **value chain** only where the undertaking or its **employees** are directly involved.

¹⁰³ This information supports the information needs of financial market participants subject to Regulation (EU) 2019/2088 as reflecting an additional indicator related to principal adverse impacts set out in indicator #17 of Table 3 of Annex 1 of the related Delegated Regulation with regard to disclosures rules on sustainable investments (~~respectively~~ (“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 2.

¹⁰⁴ This information supports the information needs of financial market participants subject to Regulation (EU) 2019/2088 as reflecting an additional indicator related to principal adverse impacts set out in in indicator #16 of Table 3 of Annex 1 of the related Delegated Regulation with regard to disclosures rules on sustainable investments (~~respectively~~ (“Cases of insufficient action taken to address breaches of standards of anti-corruption and anti-bribery”).

~~24.24.~~ **The undertaking shall provide information on the activities and commitments related to ~~its political~~ exerting its political influence, including its lobbying activities related to its material impacts, risks and opportunities.**

~~25.~~ The objective of this Disclosure Requirement is to provide transparency on the ~~activities and commitments related to its political influence, including lobbying activities including the types, purpose and cost of these during the reporting period.~~ The disclosure required by paragraph 27 shall include:

- (a) if applicable, the representative(s) responsible in the **administrative, management and supervisory bodies** for the oversight of these activities;
- (b) for financial or in-kind political contributions:
 - i. the total monetary value of financial and in-kind political contributions made directly and indirectly by the undertaking aggregated by country or geographical area where relevant, as well as type of recipient/beneficiary; and
 - ii. where appropriate, how the monetary value of in-kind contributions is estimated, the main topics covered by its **lobbying activities** and the undertaking's main positions on these in brief. This shall include explanations on how this interacts with its material impacts, risks and opportunities identified in its **materiality** assessment per ESRS 2; and
- ~~(b)~~(c) if the undertaking is registered in the EU Transparency Register or in an equivalent transparency register in a Member State, the name of any such register and its identification number in the register.

~~22.26.~~ The disclosure shall also include information about the appointment of any members of the **administrative, management and supervisory bodies** who held a comparable position in public administration (including regulators) in the two years preceding such appointment in the current reporting period.

Disclosure Requirement G1-6 – Payment practices

~~23.27.~~ **The undertaking shall provide information on its payment practices ~~to support transparency about these practices given the importance of timely cash flows to business partners,~~ especially with respect to late payments to small and medium enterprises (SMEs).**

~~24.28.~~ The objective of this Disclosure Requirement is to provide insights on the contractual payment terms and ~~the average actual~~ on its performance with regard to payment ~~terms,~~ especially as to how these impact SMEs and specifically with respect to late payments to SMEs.

~~25.29.~~ The disclosure under paragraph ~~31-31~~ shall include:

- ~~(c)~~(d) the average time the undertaking takes to pay an invoice from the date when the contractual or statutory term of payment starts to be calculated, in number of days;
- ~~(d)~~(e) a description of the undertaking's standard payment terms in number of days by main category of **suppliers** and the percentage of its payments aligned with these standard terms;
- ~~(e)~~(f) the number of legal proceedings ~~(currently outstanding)~~ during the reporting period for late payments; and
- ~~(f)~~ complementary information necessary to provide sufficient context. If the undertaking has used representative sampling to calculate the information required under point (a), it shall state that fact and briefly describe the methodology used.

Appendix A: ~~Defined terms~~ **Application Requirements**

This appendix is an integral part of the ~~[draft] ESRS G1 and has the same authority as the other parts of the [draft] Standard.~~

Bribery	Dishonestly persuading someone to act in your favour by giving them a gift of money or another inducement.
Corporate culture	Corporate culture expresses goals through values and beliefs. It guides the undertaking's activities through shared assumptions and group norms such as values or mission statements or a code of conduct.
Confirmed incident of corruption or bribery	An incident of corruption or bribery that has been found to be substantiated. Confirmed incidents of corruption do not include incidents of corruption that are still under investigation at the end of the reporting period. The determination of potential non-compliance cases as substantiated may be made either by the undertaking's compliance officer or similar function or an authority. A determination as substantiated by a court of law is not required.
Corruption	Abuse of entrusted power for private gain, which can be instigated by individuals or organisations. It includes practices such as facilitation payments, fraud, extortion, collusion, and money laundering. It also includes an offer or receipt of any gift, loan, fee, reward, or other advantage to or from any person as an inducement to do something that is dishonest, illegal, or a breach of trust in the conduct of the undertaking's business. This can include cash or in-kind benefits, such as free goods, gifts, and holidays, or special personal services provided for the purpose of an improper advantage, or that can result in moral pressure to receive such an advantage.
Lobbying activities	Refers to activities carried out with the objective of influencing the formulation or implementation of policy or legislation, or the decision-making processes of governments, governmental institutions, regulators, European Union institutions, bodies, offices and agencies or standard setters. Such activities include (non-exhaustive list): <ul style="list-style-type: none"> • organising or participating in meetings, conferences, events; • contributing to/participating in public consultations, hearings or other similar initiatives; • organising communication campaigns, platforms, networks, grassroots initiatives; • preparing/commissioning policy and position papers, opinion polls, surveys, open letters, research work as per the activities covered by transparency register rules.

~~This appendix is an integral part of the [draft] ESRS G1 Business conduct. It supports the application of the disclosure requirements set forthout in paragraphs 1 to 33 this standard and has the same authority as the other parts of the [draft] Standard.~~

Disclosure Requirement G1-1 – Corporate culture and business conduct policies

- AR 1. The undertaking may consider the following aspects when determining its disclosure under paragraph 9:7:
- (a) the aspects of corporate culture subjects that are taken into consideration and discussed by the **administrative, management and supervisory bodies** and with which frequency;
 - (b) ~~the corporate culture subjects~~ principal themes that are promoted ~~within the business conduct culture and the communication~~ communicated as part of the corporate culture;
 - (a) ~~how the members of the business conduct culture and/or values~~;
 - (b)(c) ~~how the~~ undertaking's leadership administrative, management and supervisory bodies provide direction to promote a corporate culture; and
 - (b)(a) ~~specific incentives or tools for its own workers to foster and encourage its corporate culture.~~

Disclosure Requirement G1-2 – Management of relationships with suppliers

AR 2. For purposes of this standard, management of relationships with ~~the undertaking's~~ **suppliers** may include the following:

- (a) how ~~the undertaking's~~ practices, including activities to avoid or minimise the impacts of disruptions to ~~its supply~~ **supply chain**, support its strategy and risk management ~~as well as transparency~~;
- (b) training of ~~the undertaking's~~ procurement/supply chain workforce on engagement and dialogue with ~~its~~ **suppliers** as well as incentives of its procurement workforce including whether ~~it refers to prices such incentives~~ refer to price, quality or sustainability factors;
- (c) the screening and evaluation of social and environmental performance of suppliers;
- (d) the inclusion of locally based suppliers in its supply chain and/or suppliers with certification;
- (e) how ~~the undertaking's~~ practices deal with vulnerable suppliers;
- (f) ~~its main~~ the undertaking's targets and actions with regard to communication and relationship management targets and actions of relationships with suppliers; and
- (g) how the outcomes of these practices are evaluated, including supplier visits, audits or surveys.

AR 3. ~~‘Vulnerable suppliers’~~ includes **suppliers** that are exposed to significant economic, environmental and/or social risks.

Disclosure Requirement G1-3 – Prevention and detection of corruption and bribery

AR 4. ‘Functions-at-risk’ means those functions deemed to be at risk of **corruption** and **bribery** as a result of its tasks and responsibilities.

AR 5. — Disclosures may include ~~high-level~~ details about the risk assessments and/or mapping, as well as monitoring programmes and/or internal control procedures performed by the undertaking to detect ~~such events~~ **corruption and bribery**.

AR 6. ~~‘The undertaking’s policies on corruption and bribery may be relevant to some specific groups of people, either because they are expected to implement them (for example, the undertaking’s employees, contractors and suppliers), or because they have a direct interest in their implementation (for example, value chain workers, investors). The undertaking may disclose the communication tools and channels (e.g., flyers, newsletters, dedicated websites, social media, face to face interactions, unions and/or workers representatives) to de~~ communicate policies to such groups. This may also include ~~the identification and/or removal~~ the identification and/or removal of potential barriers to

dissemination, such as through translation into relevant languages or the use of graphic depictions.

AR 7. The undertaking may ~~analyse-disclose an analysis of~~ its training activities by, for example, region of training or ~~by~~ category of **own workforce** where its programmes differ significantly based on such factors and such information would be useful to users.

AR 8. The undertaking may present the required information about training using the following table:

Anti-corruption and bribery training illustrative example

During the 20XY financial year ABC provided training to its at-risk own workers in terms of its policy (see note x). For those at-risk functions the training is mandatory, but ABC also made available voluntary training for other own workers. Details of its training during the year is as follows:

	At-risk functions	Managers	AMSB⁶ AM SB¹⁰⁵	Other own workers
Training coverage				
Total	20,000	200	16	70,000
Total receiving training	19,500	150	8	5,000
Delivery method and duration				
Classroom training	5 hours			
Computer-based training	1 hour	2 hours	1 hour	
Voluntary computer-based training				1 hour
Frequency				
How often training is required	Annually	Annually	Bi-annually	-
Topics covered				
Definition of corruption	X	X	X	X
Policy	X	X	X	X
Procedures on suspicion/detection	X	X		
Etc.	X			

Metrics and targets

Disclosure Requirement G1-5 – Political influence and lobbying activities

AR 9. For purposes of this ~~[draft]~~ 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, retainers, or the purchase of tickets for fundraising events and other similar **actions**. 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 10. ‘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.

¹⁰⁵ Administrative, management and supervisory bodies.

AR 11. When determining ‘comparable position’ in this standard, the undertaking shall consider ~~various factors~~ various factors, including level of responsibility and scope of activities undertaken.

AR 12. The undertaking may provide the following information on its financial or in-kind contributions ~~in regard~~ in regard to its lobbying expenses:

- (a) the total monetary amount of such internal and external expenses; and
- (b) the total amount paid for membership to lobbying associations.

AR 13. If the undertaking is legally obliged to be a member of a chamber of commerce or other organisation that represents its interests, it may disclose that this is the case.

AR 14. In meeting the requirement in paragraph ~~29(e)~~ 29(c) the undertaking shall consider the alignment between its public statements on its material impacts, risks and opportunities and its **lobbying activities** ~~as stakeholders value alignment between the two.~~

~~AR 14.~~ 15. An example of what such disclosures could look like:

Political engagement (including lobbying activities) illustrative example

*During the 20XY financial year ABC was involved in activities around the proposed regulation XXX which could have significant negative impacts on its **business model** if implemented in the current format. ABC’s considers that while the proposed regulation will realise some improvements to the regulatory regime such as xxx, in its current format the costs relating to xxx will outweigh the benefits. ABC and its peers continue to work with XXX (the regulator) to improve this balance.*

ABC also supported the QRP political party in ~~Xanadu~~ Country X and EFG party in ~~Namazia~~ Country Y as both ABC is registered in its local transparency register, i.e., XYZ, and its registration number is 987234.

Amounts in € thousands.

	2023	2022 [TBC]
Political funding provided	100	
Funding to QRP	75	
Funding to EFG	25	
	100	

AR 16. In some cases, the undertaking's standard contractual payment terms may differ significantly depending on country or type of **supplier**. In such cases, information about the standard terms per main categories of suppliers or country or geographical region could be examples of additional contextual information to explain the disclosures in paragraph ~~33 (b)~~33(b).

AR ~~16~~17. An example of what the description of standard contract term disclosures in paragraph ~~33 (b)~~33(b) could look like:

ABC's standard contract payment terms are payment on receipt of invoice for wholesalers which encompass approximately 80% of its annual invoices by value. It pays for services received within 30 days after receipt of the invoice which are about 5% of its annual invoices. The remainder of its invoices are paid within 60 days of receipt except for those in country X which in accordance with the marketplace standards are paid within 90 days of receipt.

DRAFT