

Session 4

Governance



Corporate governance and compliance

Corporate Governance

Set of rules, principles and procedures that regulate the structure and functioning of the governing bodies of a company. Specifically, it establishes the relationships between the board of directors, the board of directors, the shareholders and the rest of the interest groups and stipulates the rules by which the decision-making process about the company is governed in order to generate value.

- Decision making that has to do with the general strategic direction of the company and its corporate policies: investments, mergers and acquisitions, appointment of executives, succession plans.
- The control mechanisms on the correct performance of the executive management and the implementation of the approved strategic plan.
- Regulatory compliance or compliance: the establishment of appropriate policies and procedures to ensure that both the company, its directors, employees and third parties comply with the applicable regulatory framework.
- Relations between the main governing bodies of the company, as well as the rights and duties of each of them: board of directors, board of directors and shareholders.



Ethical Management System

Business ethics

Ethics in companies is linked to the character and behavior that is formed in people and organizations in their daily actions. It consists of creating and transmitting values from senior management to all levels of the organization, including the board of directors, the steering committee and senior management as the main examples to follow.

Legal compliance

People: Respect, equality, diversity, employability and conciliation.

Social, economic and environmental sustainability

Integrity: Conflict of interest, information and complicity

Transparency

Excellence, professionalism

Ethical code

Compilation of the values, principles and ethical and behavioral guidelines that make up its organizational culture. It is, like ethics itself, linked to morality. For this reason, the definition of an ethical code says that this is the reflection of how management expects the entity and each of its members to behave.

Identifies the goals and roles that the company intends to develop in society.

Declare and inform about the company's philosophy.

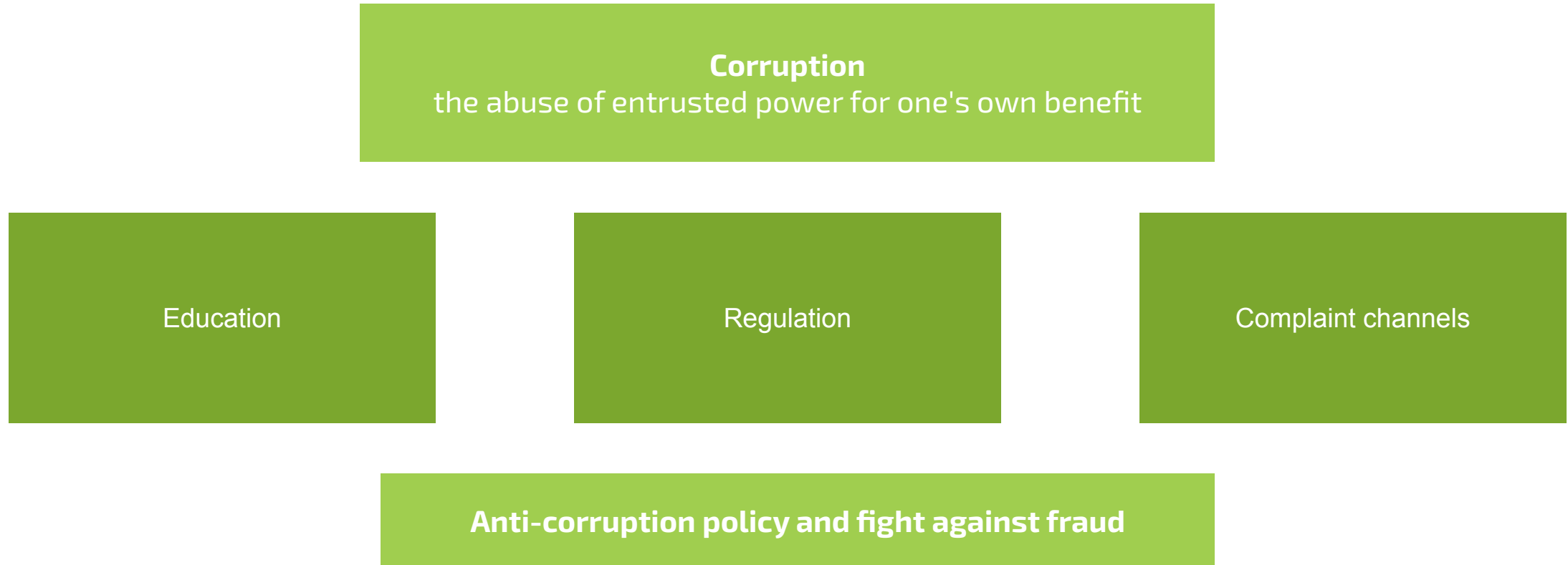
It establishes which are the optimal behaviors, the desired ones, the prohibited ones, the obligatory ones in an understandable way for all the members of the company.

It establishes the procedure to be followed for the resolution of conflicts or ethical dilemmas that may arise in its implementation.

It determines how the evaluation of the degree of monitoring of its content and the system of sanctions and rewards will be carried out based on its execution.



Anti-corruption policy and fight against fraud





Human Rights

They are the fundamental rights and freedoms that every individual possesses by virtue of their humanity, regardless of their place of birth, sex, culture, race, religion, ethnic origin, language, or any other condition.

Civil and political

Economic, social and cultural

Business and Human Rights

Most relevant areas for the company

Why are they relevant to the company?

Employment and working conditions

Private life

Access to education

Regulations and standards

Social object

Risk exposure

Intellectual and cultural

Environment

Dialogue in the workplace

Reputation

Investors



Human Rights

Guiding principles on business and human rights



Companies must

- Acquire a public commitment on respect for human rights
- Implement the necessary mechanisms to minimize risks and impacts (Due Diligence)
- Establish the appropriate complaint and remediation mechanisms

Due Diligence HHRR

Surrounding analysis

Analysis of the reality of the company

Response / Action Plan

Communication of process and results



Business transparency

Transparency

Is the possibility that the real information of a company, government or organization can be consulted by the different subjects affected by it, in such a way that they can make informed decisions without information asymmetry.



Non financial reporting

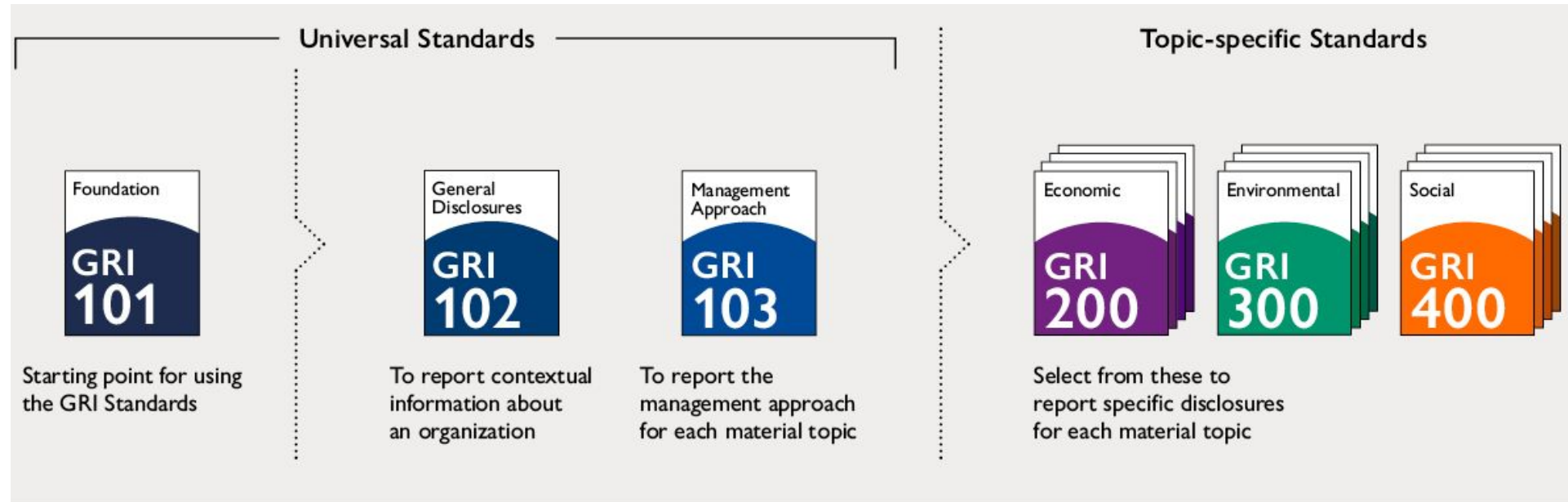
Law 11/2018 on Non-Financial Information and Diversity

Obligated entities (progressive application)

2018 500 employees +	Public Interest Entity	
	In 2 consecutive exercises it fulfills 2 characteristics	Assets > €20M
		Turnover > 40 million
		250 workers average workforce
2021 250 empleados +	Public Interest Entity	
	In 2 consecutive exercises it fulfills 2 characteristics	Assets > 20 million
		Turnover > 40 million
		250 workers average workforce
Exentas	SMEs	
	Companies dependent on a group (With conditions)	



Non financial reporting





GRI 100 - Universal

102-1	Name of the organization
102-2	Activities, brands, products, and services
102-3	Location of headquarters
102-4	Location of operations
102-5	Ownership and legal form
102-6	Markets served
102-7	Scale of the organization
102-8	Information on employees and other workers
102-9	Supply Chain
102-10	Significant changes to the organization and its supply chain
102-11	Precautionary Principle or approach
102-12	External initiatives
102-13	Membership of associations
102-14	Statement from senior decision-maker
102-15	Key impacts, risks, and opportunities
102-16	Values, principles, standards, and norms of behavior
102-17	Mechanisms for advice and concerns about ethics
102-18	Governance structure
102-19	Delegating authority
102-20	Executive-level responsibility for economic, environmental, and social topics

102-21	Consulting stakeholders on economic, environmental, and social	102-42	Identifying and selecting stakeholders
102-22	Composition of the highest governance body and its committees	102-43	Approach to stakeholder engagement
102-23	Chair of the highest governance body		
102-24	Nominating and selecting the highest governance body		
102-25	Conflicts of interest	102-44	Key topics and concerns raised
102-26	Role of highest governance body in setting purpose, values	102-45	Entities included in the consolidated financial statements
		102-46	Defining report content and topic Boundaries
		102-47	List of material topics
102-27	Collective knowledge of highest governance body	102-48	Restatements of information
102-28	Evaluating the highest governance body's performance	102-49	Changes in reporting
102-29	Identifying and managing economic, environmental, and social impacts	102-50	Reporting period
		102-51	Date of most recent report
		102-52	Reporting cycle
102-30	Effectiveness of risk management processes	102-53	Contact point for questions regarding the report
102-31	Review of economic, environmental, and social topics	102-54	Claims of reporting GRI
102-32	Highest governance body's role in sustainability reporting	102-55	GRI content index
102-33	Communicating critical concerns	102-56	External assurance
102-34	Nature and total number of critical concerns		
102-35	Remuneration policies		
102-36	Process for determining remuneration		
102-37	Stakeholders' involvement in remuneration		
102-38	Annual total compensation ratio		
102-39	Percentage increase in annual total compensation ratio		
102-40	List of stakeholder groups		
102-41	Collective bargaining agreements		



GRI 200 - Económico

GRI 201: Economic Performance	201-1	Direct economic value generated and distributed
	201-2	Financial implications and other risks and opportunities due to climate change
	201-3	Defined benefit plan obligations and other retirement plans
	201-4	Financial assistance received from government
GRI 202: Market presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage
	202-2	Proportion of senior management hired from the local community
GRI 203: Indirect economic impacts 2016	203-1:	Infrastructure investments and services supported
	203-2:	Significant indirect economic impacts
GRI 204: Procurement practices 2016	204-1	Proportion of spending on local suppliers
GRI 205 Anti-corruption 2016	205-1	Operations assessed for risks related to corruption
	205-2	Communication and training about anti-corruption policies and procedures
	205-3	Confirmed incidents of corruption and actions taken
GRI 206: Anti- competitive behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices
GRI 207: Tax 2019	207-1	Approach to tax
	207-2	Tax governance, control, and risk management
	207-3	Stakeholder engagement and management of concerns related to tax
	207-4	Country-by-country reporting



GRI 300 - Medioambiente

GRI 301: Materials	301-1	Materials used by weight or volume
	301-2	Recycled input materials used
	301-3	Reclaimed products and their packaging materials
GRI 302: Energy	302-1	Energy consumption within the organization
	302-2	Energy consumption outside of the organization
	302-3	Energy intensity
	302-4	Reduction of energy consumption
	302-5	Reductions in energy requirements of products and
GRI 303: Water and effluents	303-1	Interactions with water as a shared resource
	303-2	Management of water discharge-related impacts
	303-3	Water withdrawal
	303-4	Water discharge
	303-5	Water consumption
GRI 304: Biodiversity	304-1	Operational sites owned, leased, managed in, or
	304-2	Significant impacts of activities, products, and services
	304-3	Habitats protected or restored
	304-4	IUCN Red List species and national conservation list
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions
	305-2	Energy indirect (Scope 2) GHG emissions
	305-3	Other indirect (Scope 3) GHG emissions
	305-4	GHG emissions intensity
	305-5	Reduction of GHG emissions
	305-6	Emissions of ozone-depleting substances (ODS)
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other

GRI 306: Waste	306-1	Waste generation and significant waste-related impacts
	306-2	Management of significant waste-related impacts
	306-3	Waste generated
	306-4	Waste diverted from disposal
	306-5	Waste directed to disposal
GRI 307: Environmental compliance	307-1	Non-compliance with environmental laws and regulations
GRI 308: Supplier environmental assessment	308-1	New suppliers that were screened using environmental criteria
	308-2	Negative environmental impacts in the supply chain and actions taken



GRI 400 - Social

GRI 401: Employment 2016	401-1	New employee hires and employee turnover
	401-2	Benefits provided to full-time employees that are not provided to
	401-3	Parental leave
GRI 402: Relations	402-1	Minimum notice periods regarding operational changes
GRI 403: Occupational health and safety 2018	403-1	Occupational health and safety management system
	403-2	Hazard identification, risk assessment, and incident investigation
	403-3	Occupational health services
	403-4	Worker participation, consultation, and communication on occupational health and safety
	403-5	Worker training on occupational health and safety
	403-6	Promotion of worker health
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
	403-8	Workers covered by an occupational health and safety
	403-9	Work-related injuries
	403-10	Work-related ill health
GRI 404: Training and education	404-1	Average hours of training per year per employee
	404-2	Programs for upgrading employee skills and transition assistance
	404-3	Percentage of employees receiving regular performance and
GRI 405: Diversity	405-1	Diversity of governance bodies and employees
	405-2	Ratio of basic salary and remuneration of women to men

GRI 406: Non discrimination	406-1	Incidents of discrimination and corrective actions taken
GRI 407: Freedom of association	407-1	Operations and suppliers in which the right to freedom o
GRI 408: Child labor	408-1	Operations and suppliers at significant risk for incidents of child
GRI 409: Forced or compulsory labor	409-1	Operations and suppliers at significant risk for incidents of forced
GRI 410: Security practices	410-1	Security personnel trained in human rights policies or procedures
GRI 411: Rights of indigenous peoples	411-1	Incidents of violations involving rights of indigenous peoples
GRI 412: Human rights assessment	412-1	Operations that have been subject to human rights reviews or
	412-2	Employee training on human rights policies or procedures
	412-3	Significant investment agreements and contracts that include
GRI 413: Local communities	413-1	Operations with local community engagement, impact
	413-2	Operations with significant actual and potential negative impacts
GRI 414: Supplier social assessment	414-1	New suppliers that were screened using social criteria
	414-2	Negative social impacts in the supply chain and actions taken
GRI 415: Public policy	415-1	Political contributions
GRI 416: Customer health and safety	416-1	Assessment of the health and safety impacts of product and
	416-2	Incidents of non-compliance concerning the health and safety
GRI 417: Marketing and labeling	417-1	Requirements for product and service information and labeling
	417-2	Incidents of non-compliance concerning product and service
	417-3	Incidents of non-compliance concerning marketing
GRI 418: Customer privacy	418-1	Substantiated complaints concerning breaches of customer
GRI 419: Socio-economic compliance	419-1	Non-compliance with laws and regulations in the social and

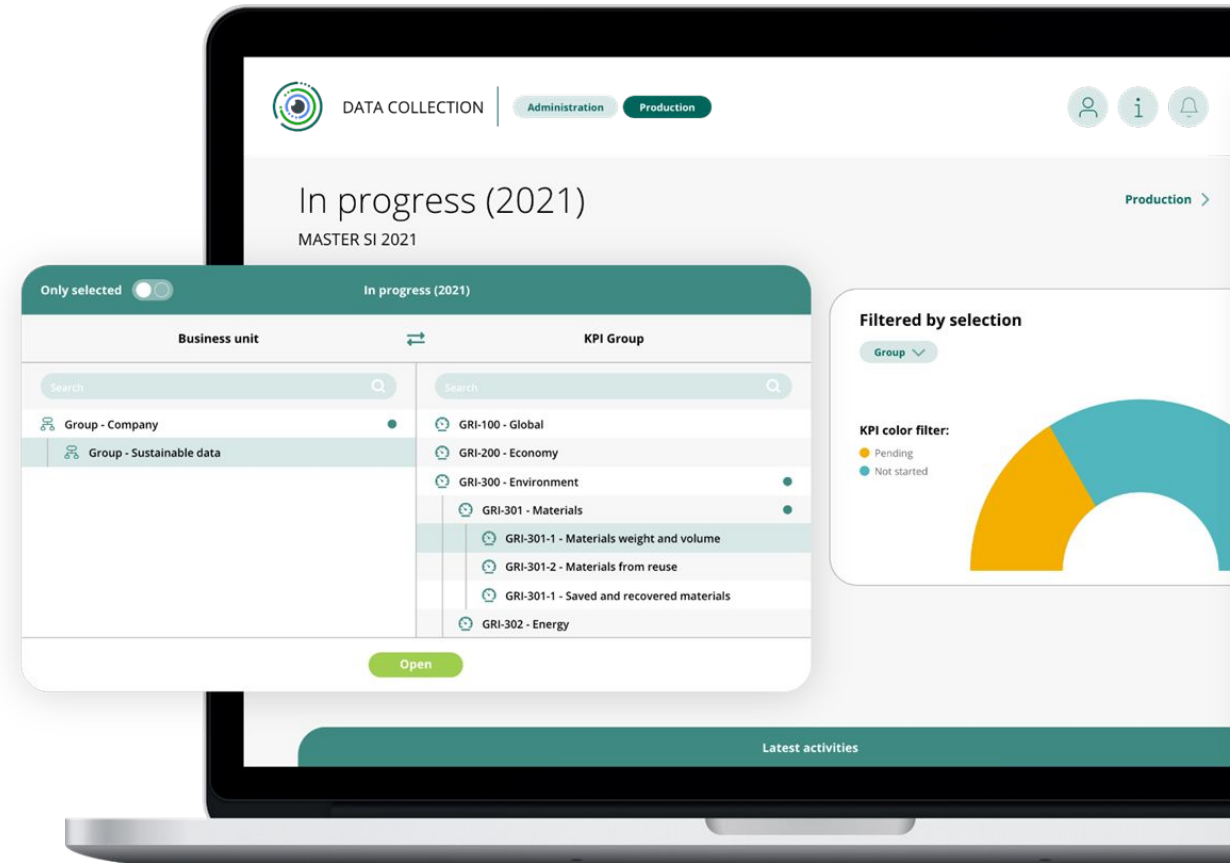


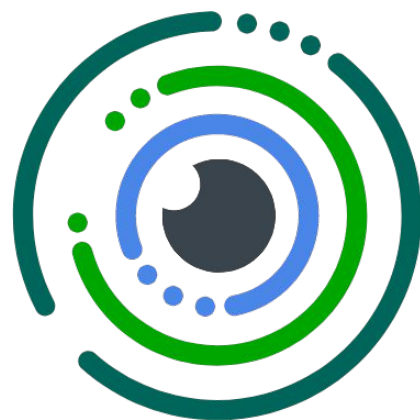
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