



Benchmark against CSRD reporting peers

The massive ESG reporting wave sweeping Europe: Danish companies are ahead, but full disclosure remains a challenge.

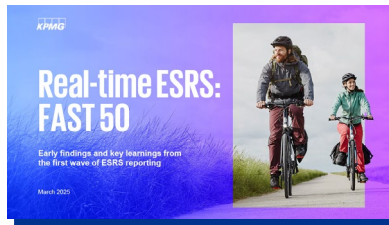
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Introduction

The introduction of the Corporate Sustainability Reporting Directive (CSRD) has triggered increased transparency and structure around sustainability reporting on Environmental, Social and Governance (ESG) across European companies.

This ambitious regulation has demanded companies to disclose comprehensive sustainability information in a new reporting framework, transforming corporate transparency expectations of sustainability reporting to a new level.



Read more [here](#).

Despite the latest Omnibus proposal to reduce regulatory requirements, for especially larger private companies, Denmark led the way with timely adoption of the CSRD regulation.

This left Danish companies with a huge challenge to overcome a complex and demanding reporting framework within a very short timeframe to prepare. On this basis, it is a huge accomplishment that the majority of the first CSRD reports published on the SRN report archive during January and February where Danish listed companies.

This clearly shows that the biggest companies in Denmark has taken their responsibility to report on sustainability reporting and set the standard for CSRD reporting across Europe.

KPMG has in collaboration with our partner Evolve performed an initial AI-based CSRD compliance benchmark analysis to assess the compliance level of the Danish C25 companies, which has published its first ever CSRD report in early 2025.

The compliance benchmark analysis compares all CSRD reports against the ESRS disclosure requirements at metric level to assess the compliance level in four buckets 1) not disclosed, 2) limited compliant, 3) fairly compliant with improvements needed and 4) high level of compliance.

The structured compliance scoring also provides us with the adequate detail to benchmark all CSRD reports at metric level.

Overall conclusion

Our findings in our compliance benchmark analysis show that while the leading companies have accomplished high level of compliance with the ESRS', many still face challenges in meeting the full scope of the directive's requirements and achieve the purpose of high level of transparency as stakeholders had expected.

The key findings in our analysis can be summarized as follows:

Climate change resilience	Transition plan	Gender pay gap	High level of compliance on quantitative metrics	Lowest compliance level	Improvement needs on IRO risks	Financial Resources
Most companies have not yet disclosed a structured assessment of their resilience to climate change. As such, companies may have operations on sites or assets, which may have significant risk of becoming stranded, resulting in revenue loss, risk of supply chain constraints and impairments.	Many companies lack a clear roadmap for their transition to a low-carbon business model including scope 3 emission targets, which is essential for driving the green transition. This means that companies have yet not disclosed how they will decarbonize their business model and value chain for a more sustainable future.	Gender pay gap disclosure does not fully meet the expected compliance level, which may indicate a wish to only reach minimum compliance.	This indicates that companies' voluntary reporting on quantitative metrics has well-prepared the companies to measure and report on the ESRS quantitative metrics.	The standard which reaches the lowest compliance level on average in the analysis is Pollution (E2), which indicates that companies are facing difficulties in quantifying and reporting their pollution-related impacts.	Our benchmark analysis further shows options for improvement around disclosures on companies identified actual negative impacts on their own workforce (S1), Consumers and end-users (S4) and potential negative impact on business conduct (G1).	Most companies have not allocated or disclosed dedicated financial resources for ESG initiatives such as transition plans. This indicates a lack of financial commitment to the sustainability strategy, potentially undermining the credibility and execution of stated commitments.

The adoption of CSRD reporting has been a challenge and an investment for the companies in the 1. Wave. However, our compliance benchmark analysis show that significant actual environmental risks exist, which has now been disclosed due to the CSRD reporting requirements.

This will provide management, investors, and other stakeholders to assess the environmental risk the company is facing, which will financially impact businesses as negative environmental impacts mature.

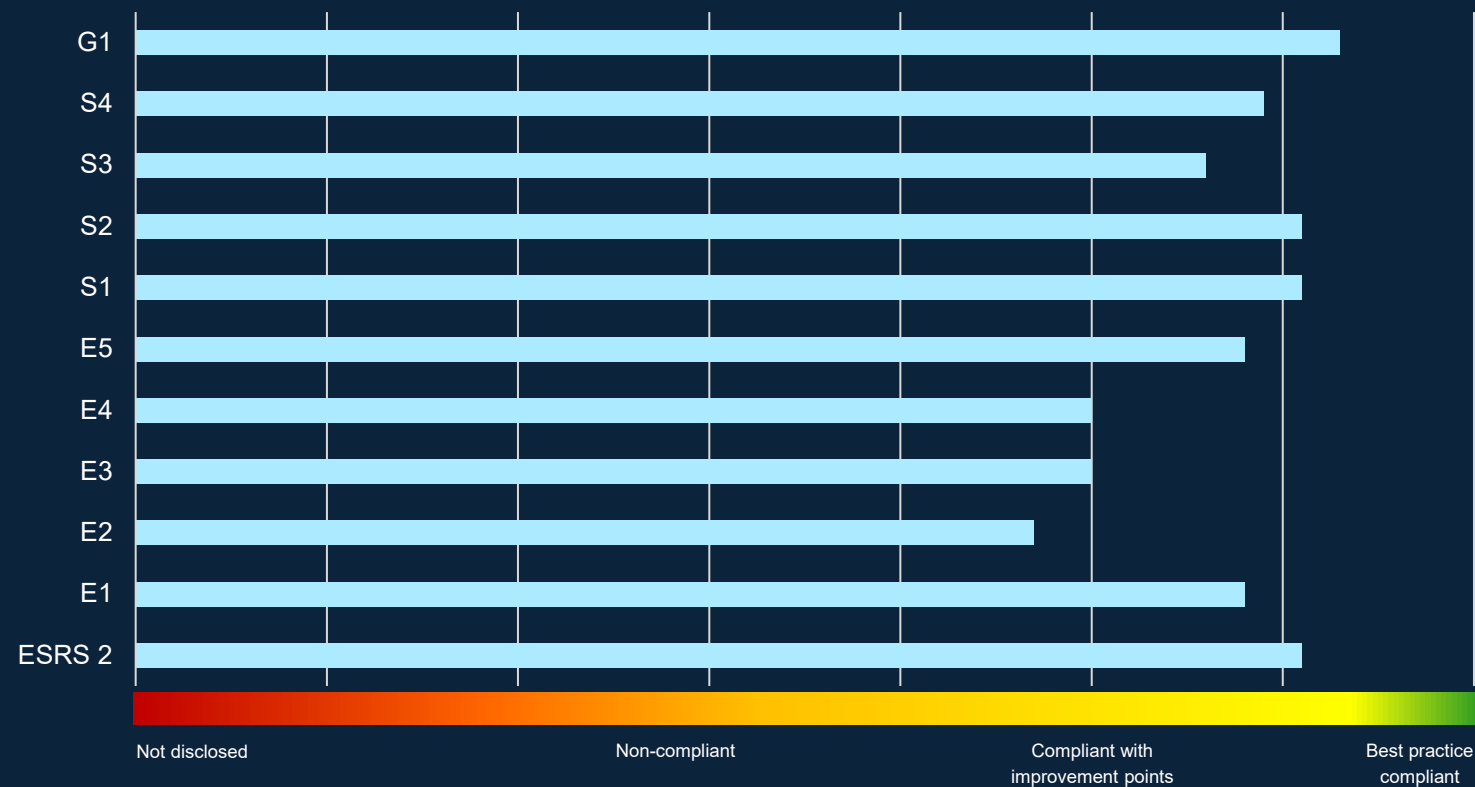


Introducing our compliance benchmark analysis

Our compliance benchmark analysis covers the following areas:

- High level reporting comparison (ESRS 2)
- Environmental standards findings
- Social standards findings
- Governance standards findings
- Detailed benchmark findings at metric level.

Overall compliance level for each standard

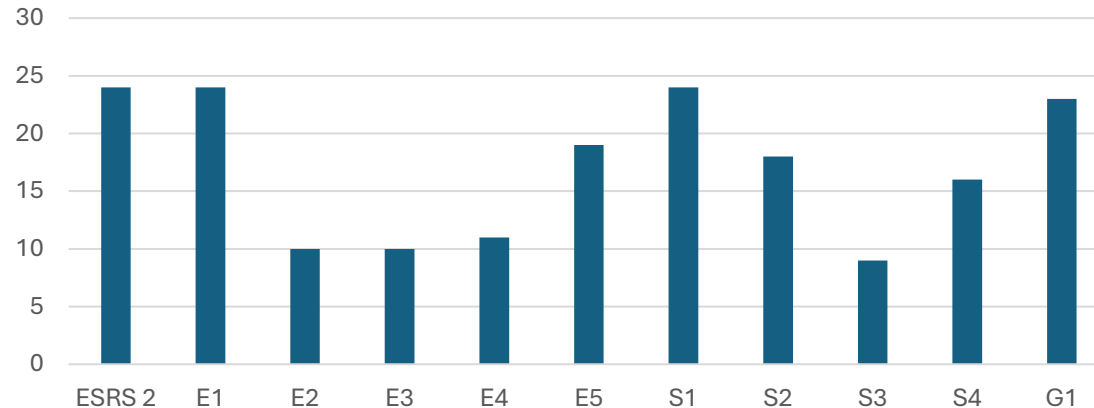


High level reporting comparison (ESRS 2)

Our compliance benchmark analysis shows, as expected, that all companies have deemed the Climate Change (E1) and Own Workforce (S1) standards material, but Pandora, as the only C25 company, has not determined the Business Conduct (G1) material.

Beyond these core ESRS standards, we note that the double materiality assessment process has resulted in a larger variation of standards in scope across the companies, which is in line with the purpose of the CSRD. Notably, only nine out of 24 companies have included Affected Communities (S3) in scope, indicating that many companies do not assess their impact on local communities as material for the company.

The frequency of the standards in scope:



We further observed in the ESRS 2 standard that several mandatory reporting metrics were not disclosed in the CSRD report, without impacting the compliance assessment by the sustainability practitioner's sustainability statement. This clearly shows that the sustainability practitioner has applied professional judgement when assessing ESRS compliance during the limited assurance process.

Environmental standards findings

Within the environmental standards, we have noted at metric level that two recurring gaps in the E1 standard occur:

Climate change resilience

Most companies have not yet disclosed a structured assessment of their resilience to climate change. As such, companies may have operations on sites or assets, which may have significant risk of becoming stranded, resulting in revenue loss, risk of supply chain constraints and impairments.

Companies may be compliant with the ESRS' by transparently reporting that they have not performed a transition plan, but the lack of a clear decarbonization roadmap indicate to investors and stakeholders that Management has no formalized plan to decarbonize the business operation. As such the total investments required and timeline needed to achieve emission reductions are unclear.

Transition plan

Many companies lack a clear roadmap for their transition to a low-carbon business model, including scope 3 emission targets, which is essential for driving the green transition. This means that companies have yet not disclosed how they will decarbonize their business model and value chain for a more sustainable future.

When companies further have not conducted a resilience analysis, it is also unclear to investors and stakeholders how the companies' assets and operation are subject to negative environmental impacts, which may significantly harm the value of assets, its operation and harm stakeholders.



Social standards findings

Our analysis show that companies reach high level of compliance on the S1 standard (own workforce), however, we have noted that the gender pay gap disclosure does not fully meet the expected compliance level, which may indicate that companies prefer to only reach minimum compliance. Many companies report on gender pay gap at a total level, but few provide an adjusted gender pay gap analysis that consider factors such as seniority and job categories, which provide more transparency.

Gender pay gap

Gender pay gap disclosure does not fully meet the expected compliance level, which may indicate a wish to only reach minimum compliance.

Governance standards findings

Our analysis show that companies consistently reach the highest compliance level on the governance (G1) standard, which likely reflect that Danish listed companies have historically had great focus on adequate business conduct and been subject to well-established corporate governance reporting frameworks for years before the implementation of CSRD.

High level of compliance on quantitative metrics

This indicates that companies' voluntary reporting on quantitative metrics has well-prepared the companies to measure and report on the ESRS quantitative metrics.

Lowest compliance level

The standard which reaches the lowest compliance level on average in the analysis is Pollution (E2), which indicates that companies are facing difficulties in quantifying and reporting their pollution-related impacts.

Improvement needs on IRO risks

Our benchmark analysis further shows options for improvement around disclosures on companies identified actual negative impacts on their own workforce (S1), Consumers and end-users (S4) and potential negative impact on business conduct (G1).

Financial Resources

Most companies have not allocated or disclosed dedicated financial resources for ESG initiatives such as transition plans. This indicates a lack of financial commitment to the sustainability strategy, potentially undermining the credibility and execution of stated commitments.

Detailed benchmark findings at metric level

KPMG has developed a compliance benchmark analysis, which can compare companies' reporting at metric-level. This provides insights on how well companies comply with the CSRD against peers at metric level across all the ESRS standards.

A key insight from our benchmark analysis is the wide variability in companies' progress. Some companies achieve high level of reporting compliance in some sections of the report and less in others compared to the benchmark. Gaps in reporting persist, and to meet stakeholder expectations, businesses are expected to work hard to improve their impacts and the reporting transparency towards next year's reporting.

High level of compliance on quantitative metrics

On a very positive note, our benchmark analysis shows that companies on average reach high level of compliance on quantitative metrics. This indicates that the previous applied voluntary reporting on quantitative measured has eased the implementation process and great progress on scope 3 emissions reporting.

The standard with the lowest compliance level

The standard, which reach the lowest level of compliance on average in the analysis, is **Pollution (E2)**, which indicates that companies are facing difficulties in quantifying and reporting their pollution-related impacts. One of the main challenges in this area is the complexity of measurement. Unlike greenhouse gas (GHG) emissions, where well-established frameworks such as the GHG Protocol provide clear methodologies, pollution reporting might be more complex and newer for the companies to track and report on, as well as the absence of standardized approaches makes it difficult for companies to ensure consistency in disclosures.

Financial resources allocated to action plans

Our benchmark analysis shows that on average, reporting on current and future operating expenses allocated to its action plan to improve decarbonization of the companies, lack maturity and is among the metrics with the lowest compliance score. Our finding indicates that many companies have yet not allocated financial funds to achieve actions that drives long-term sustainability impact, which also resonates with our finding on the lack of materialized transition plans across some of the companies.

Does your company struggle on one or all the risks in our benchmark compliance analysis?

KPMG can support you:

- Benchmark compliance of your CSRD report against peers or the market
- Resilience analysis
- Transition plan
- Gender pay gap disclosure assessment
- CSRD report support to increase compliance level and transparency
- ESG interim support
- Topic support to prepare for limited assurance.

Contact us



Christian Møllegaard Larsen

Partner, ESG Advisory Services

Phone: +45 2466 0757

E-mail: cmoellegaard@kpmg.com

Disclaimer

The KPMG compliance benchmark analysis is performed based on publicly available information published in the annual reports. The results of our AI screening tool must be treated as an initial assessment and human specialist assessment needs to be obtained to reach a final conclusion.