

**EU Directive non-financial
information disclosure
platform update
8 February, 2017**



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EU Directive non-financial information disclosure platform update



Technical information

- During the webinar, you will be on mute to minimize audio noise.
- If you have trouble hearing or have any technical problems it often helps to refresh the link or to log in again
- During the presentation, if you have any questions/feedback, please use the “chat” function or email **Cateriana Agnoletti**, csr4@csreurope.org

➤ **Further information can be found in the webinar log in guide**

EU Directive non-financial information disclosure platform update

Agenda



Time	Session	Speakers/Moderators
15:00-15:05	Welcome and introductory remarks	Rosanna Tufo, CSR Europe
15:05-15:20	The implementation of the directive: the purpose and the practice of reporting	Rosanna Tufo, CSR Europe Eszter Vitorino, GRI
15:20-15:45	Updates from some Member States	Eszter Vitorino, GRI Ricardo Trujillo, Foretica (Spain) Marina Stefanova, UNGC BulgariaMikko Routti, FIBS (Finland) Marianne Bogle, CSR Sweden
15:45-15:55	Discussion round	Rosanna Tufo, CSR Europe
15:55-16:00	Conclusion and next steps	Eszter Vitorino, GRI

Introduction to poll questions (for Q&A later)



Rate from 1 to 4 how your companies/the companies in your network are ready to report on the 5 main areas covered by the directive:

1. Environmental matters
1 (not ready) ----- 4 (experienced reporters on the matter)
2. Social and employees matters
1 (not ready) ----- 4 (experienced reporters on the matter)
3. Human rights
1(not ready) ----- 4 (experienced reporters on the matter)
4. Anti-corruption and bribery
1(not ready) ----- 4 (experienced reporters on the matter)
5. Diversity
1(not ready) ----- 4 (experienced reporters on the matter)

Introduction to poll questions (for Q&A later)



How do you rate the level of responsibility of your board with respect to non-financial reporting?

1 (not much shared responsibility) ----- **4** (NFR performance is discussed across the board and responsibility is shared by the different divisions)

What is the level of engagement?

1 (the board is not engaged in NFR) ----- **4** (the board is engaged and has an active role in NFR)

EU Directive non-financial information disclosure: the platform

Non-Financial Reporting (NFR) Platform

In order to support enterprises to further develop and enhance their transparency strategy and practices - as a means towards stakeholders engagement, risks & opportunities' management and integrated performance-, this platform aims at supporting the efficient, effective and smart implementation of the Directive. It will collect, analyze and share information on: - how governments are transposing the directive - what activities governments and stakeholders initiate locally to support efficient and effective transposition of the Directive - what capacity-building measures governments and/or stakeholders are implementing to help companies comply with the Directive

[Invite more people](#)
60 people on this project

[Catch up](#)
on recent changes

[10 Discussions](#) [To-dos](#) [15 Files](#) [Events](#) Add the first: [Text document](#)

Latest project updates

- 8:33am You commented on [New Digest - August 2016: EU directive on non-financial information...](#)
- Aug 31 You gave antonaras.a@unic.ac.cy access to the project: Non-Financial Reporting (NFR) Platform
- Aug 31 Alexandros K. commented on [Call for country-by-country updates - 14.09.16 webinar preparation](#)

Upcoming Events

- September 14
- [Open Webinar EU Directive non-financial information disclosure platform update](#)
- [All upcoming events...](#)

About the platform

66 members
26 countries
34 NGOs
2 companies

Format

Closed dimension: information collection and sharing (under strict Chatham House rule)

Open dimension: open and public event/forum to showcase the analysis of information

Purpose

Support the efficient, effective and smart implementation of the directive by collecting, analysing and sharing information on:

- How governments are **transposing the directive**
- What **activities** governments and stakeholders initiate locally to support efficient and effective transposition of the directive
- What **capacity building** measures governments and/or stakeholders are implementing to help companies comply with the directive

Transposition EU Directive NFR

Law transposed (GREEN), 12

- Bulgaria
- Denmark
- Estonia
- Finland
- Greece
- Hungary
- Italy
- Luxemburg
- Romania
- Slovakia
- Sweden
- UK
- Iceland **

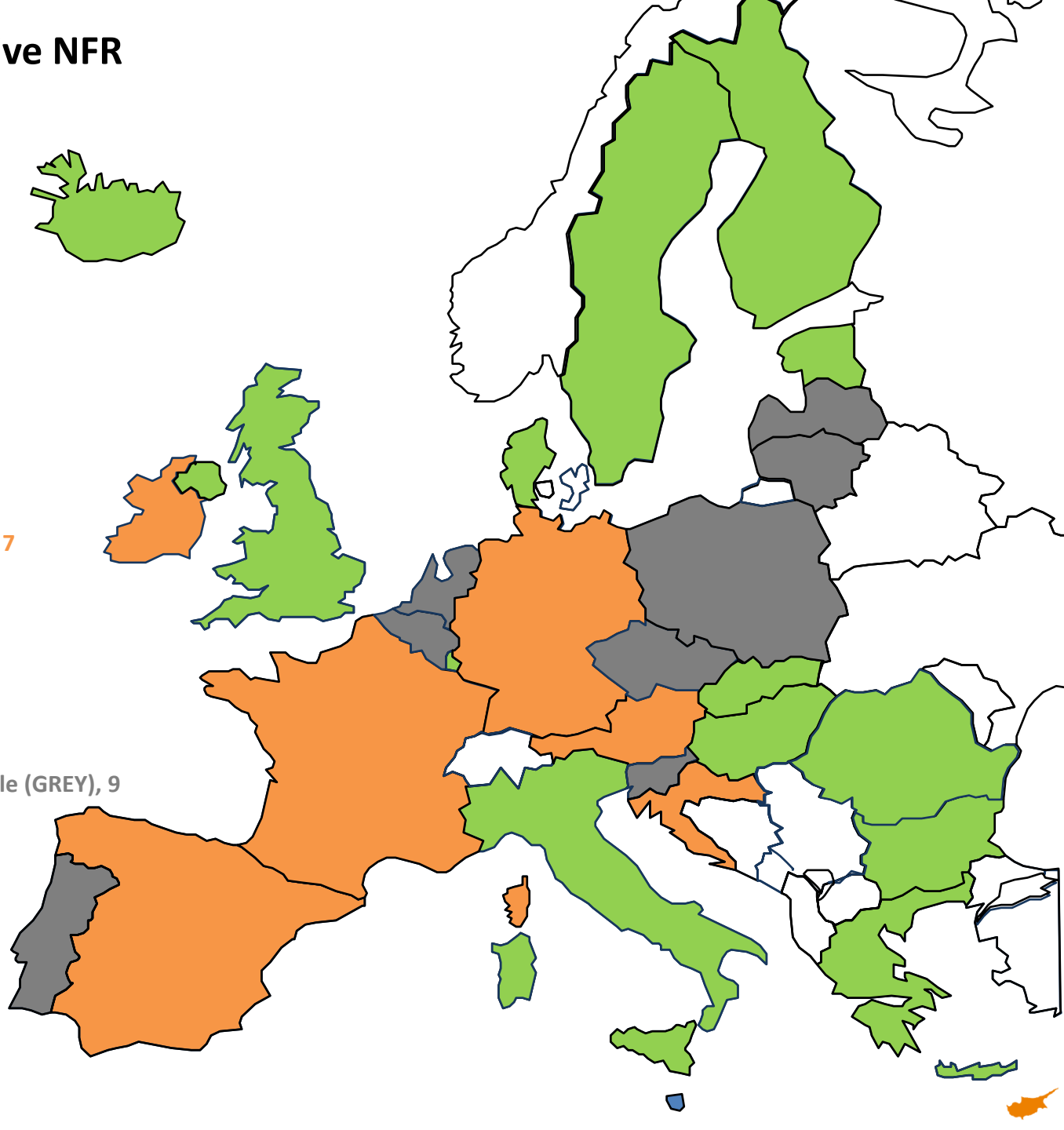
** non member state

Trasposition still in progress (ORANGE), 7

- Austria
- Croatia
- Cyprus
- France
- Germany
- Ireland
- Spain

No new (last 6 months) updates available (GREY), 9

- Belgium
- Czech Republic
- Latvia
- Lithuania
- Malta
- The Netherlands
- Poland
- Portugal
- Slovenia



EU updates on enhancing business transparency



EU Directive on non-financial information disclosure

- Non-binding guidelines to be released by the EC in Spring 2017

EU Regulation on Conflict minerals

- Mandatory due diligence for European Union importers of 3TG minerals and metals when annual import volumes exceed thresholds
- To be adopted by May 2017

High Level Expert Group on Sustainable Finance

- To set policy recommendations aimed at facilitating the flow of public and private capital towards sustainable investments, and minimising possible risks to the EU financial system due to its exposure to carbon intensive assets.
- Members have already been selected and include Eurosif, Axa, Aviva and others.

The implementation of the directive: the purpose and the practice of reporting

Rosanna Tufo, *CSR Europe*

Eszter Vitorino, *GRI*



Focus on the purpose

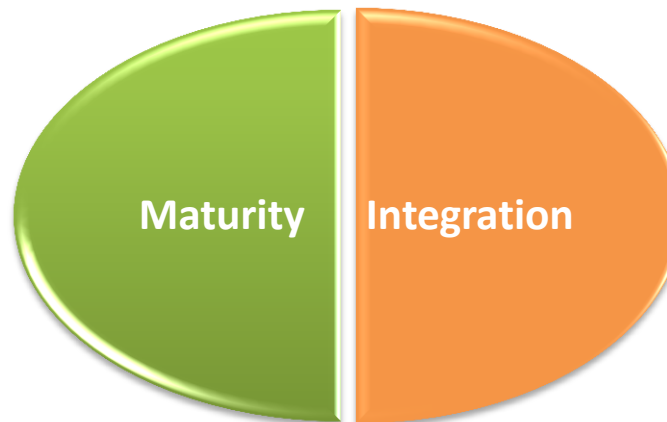
How the directive supports sustainability integration?



Corporate transparency

Materiality analysis

- Policy
- Performance Management
- Reporting



- Strategic integration of sustainability (*corporate vision, stakeholders engagement, risk assessment*)
- Sustainability governance
- Capacity building

Integration of sustainability in business

From transposition to reporting practice for companies



Comply or Explain principle

- Environmental matters
- Social and employees matters
- Respect for Human Rights
- Anti-corruption and bribery matters
- Diversity matters

- Description of policy
- Due diligence processes related to those policies
- Outcomes of policies
- Non-financial KPIs
- Main risks related to each topic

What is material?

Are main risks identified?

How do companies manage material issues?

How is performance managed?

Common themes and areas of alignment

- The significance of materiality
- Impacts in the value chain
- Exceptions and omissions
- External assurance
- Continuous improvement

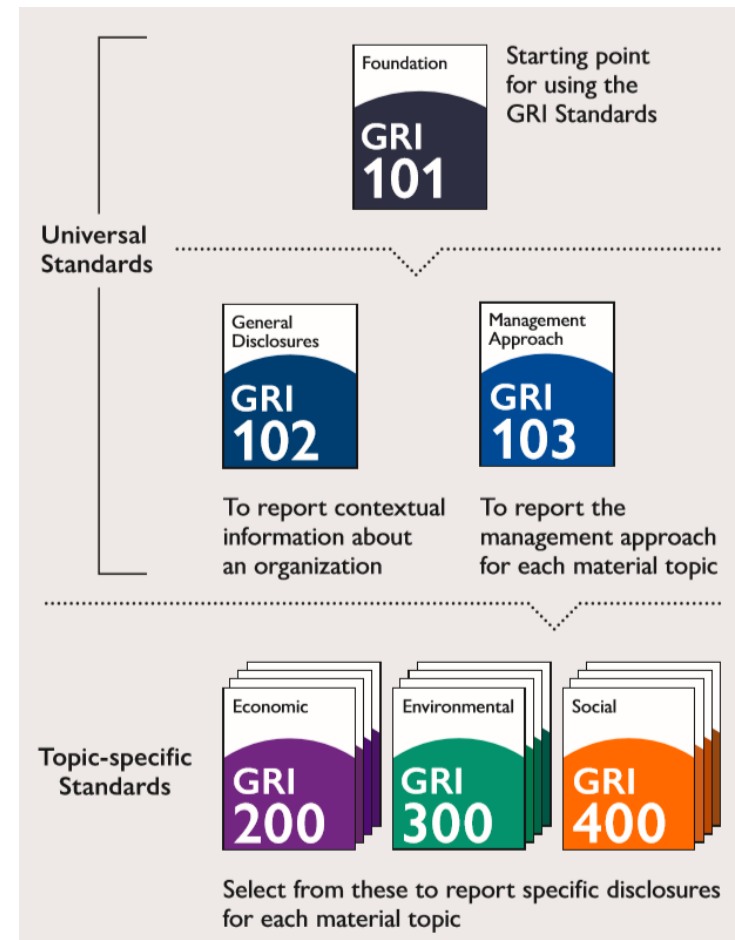


The set of GRI Standards

The set of GRI Standards includes:

- **3 universal Standards**, applicable to all organizations
- **33 topic-specific Standards**, organized into Economic, Environmental, and Social series

Organizations select and use only the relevant topic-specific Standards, based on their **material topics**.



Linkage tables GRI Standards – EU NFI Directive

EU DIRECTIVE	Relevant GRI Standards and Disclosures
GENERAL STATEMENTS	
Art. 19a (1)(a) a brief description of the undertaking's business model;	<i>GRI 102: General Disclosures</i> ; Section 1 (Organizational profile) and Section 2 (Strategy)
Art. 19a (1): Where the undertaking does not pursue policies in relation to one or more of those matters, the non-financial statement shall provide a clear and reasoned explanation for not doing so.	<i>GRI 101: Foundation</i>; Clause 3.2 (Reasons for omission) <i>GRI 103: Management Approach</i>, applied together with topic-specific GRI Standards for each material topic General requirements for reporting the management approach, Clause 1.2
Art. 19a (5) Member States shall ensure that the statutory auditor or audit firm checks whether the non-financial statement referred to in paragraph 1 or the separate report referred to in paragraph 4 has been provided; (6): Member States may require that the information in the non-financial statement referred to in paragraph 1 or in the separate report referred to in paragraph 4 be verified by an independent assurance services provider. Also Art. 20(b).	<i>GRI 102: General Disclosures</i> Disclosure 102-56 (External assurance)
Art. 20 (1)(g): a description of the diversity policy applied in relation to the undertaking's administrative, management and supervisory bodies with regard to aspects such as, for instance, age, gender, and educational and professional backgrounds, the objectives of that diversity policy, how it has been implemented and the results of its implementation in the reporting period. If no such policy is applied, the statement shall contain an explanation as to why this is the case.	<i>GRI 101: Foundation</i>; Clause 3.2 (Reasons for omission) <i>GRI 102: General Disclosures</i> - Disclosure 102-22; Composition of the highest governance body and its committees - Disclosure 102-24; Nominating and selecting the highest governance body <i>GRI 401: Employment</i> - Disclosure 401-1; New employee hires and employee turnover <i>GRI 405: Diversity and Equal Opportunity</i> - Disclosure 405-1; Diversity of governance bodies and employees <i>GRI 103: Management Approach</i>, applied together with <i>GRI 401: Employment</i> and <i>GRI 405: Diversity and Equal Opportunity</i>

Ricardo Trujillo
Foretica, Spain





Leading institutions

- ICAC
- Ministry of Economy

Timeline

- Open consultation running until 9th Feb.
- Changes in 3 different laws needed (Code of Commerce, Corporate Enterprises Act, Account Auditing law)

Contents & Procedure

- No big changes from Directive
- No auditing required (only that NFD is published)
- Specification regarding **Public Interest Enterprises** (ie: *net revenue above 2,000,000,000€ & +4.000 employees*)
- Content similar as proposed (not going further)
- Still certain technical aspects to be specified (ie: *registration*)

Cluster TGI. Our action plan.



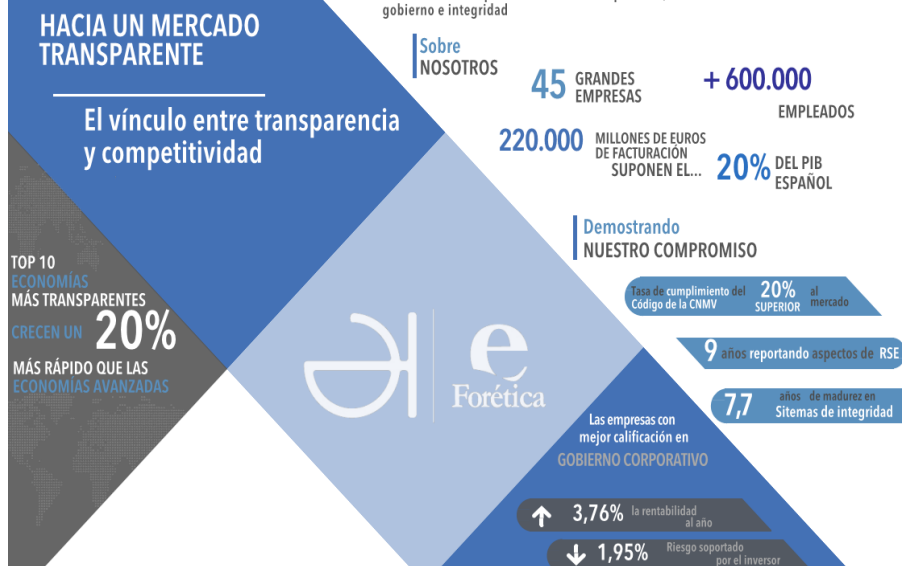
Avanzando hacia un nuevo marco regulatorio de transparencia

Estudio sobre la adaptación de la Directiva de divulgación de información no financiera y diversidad (2014/95/EU)



CLÚSTER DE TRANSPARENCIA, BUEN GOBIERNO E INTEGRIDAD

Plataforma de empresas líderes en transparencia, buen gobierno e integridad



+ INFO





Marina Stefanova
*UN Global Compact Bulgaria,
Bulgaria*





Network Bulgaria

Transposition of the European Directive on NFI: The Case of Bulgaria

Member of:



CSR Europe
8th February, 2017





Network Bulgaria

PROCESS and MILESTONES of Transposition of the EU Directive

IN CHARGE MINISTRY OF FINANCE, “Tax Policy” Directorate

DATE	ACTIVITY
29 July 2015	Council of Ministers decision on the new regulations in the Accounting Act.
10 Sept 2015	The “Budget and Finance” Parliamentary commission approved the draft amendments incl. the non-financial reporting regulation.
24 Nov 2015	Approved by the National Parliament. The new Accounting Act enters into force on 1 st Jan, 2016.
1 Jan 2017	The special articles regulating the non-financial declaration are enforced. The first reports are expected to be delivered in 2018.

Member of:





Network Bulgaria

KEY Features of the Bulgarian regulation: Content of the non-financial declaration (art. 48)

-  **Company Policies** on environment, social issues, employee information, human rights, anticorruption, diversity and gender equality in the company management – No. of men/women, age, geographical diversity, education, professional skills, religion
-  **Company business model** – company mission, development strategy, main products/services, organizational structure, core business policies
-  **Main Business Risks** – in environment, employee information, human rights, and other social issues
-  **Annual KPIs** on NFI – results and forecasts

Member of:





Network Bulgaria

KEY Features of the Bulgarian regulation: Process of reporting (art. 49-52)



Scope: Listed companies (≥ 460)
Public interested companies (≥ 70)
500+ employees



Comply or explain



Subsidiaries are exempted if they're included in the consolidated management report



Safe Harbor clause allowing not to publish information if the programs/ processes are still in process of implementation



Reporting requirements for publication of the NF declaration:
1/ as part of the company management report;
2/ as a separate report, officially published with the management report and on the official company website

Member of:





Network Bulgaria

LINKS

[The Strategic plan](#)

[UN GC Bulgaria youtube](#)

More VIDEO- [What we do?](#)

www.unglobalcompact.bg

THANK YOU

Member of:



Network Bulgaria

**Business as a Force
for Good**



Mikko Routti
FIBS, Finland





LEADING CR NETWORK IN FINLAND

CEOs

Policy makers

Influencers

Experts

All companies and organisations wanting to commit to sustainable business practices are welcome as members.

2016

292
members

75 %
Companies

13 %
NGOs and
associations

4 %
Academic

3 %
Others

+41

+8 %

58 %
Large companies

26 %
Small Companies

9 %
Medium Companies

7 %
Micro entreprizes

Current CR reporting landscape

- few general CR compulsory reporting requirements prior NF (env. risks if impact, HR data etc)
- no national guidance (as referred in Directive)
- Nasdaq plans to launch own ESG guidance 1Q 2017 based on SSEI
- **150-160 Finnish companies** already publish responsibility data either in separate report or in annual report on a voluntary basis, 58% of them according to GRI versions, roughly 25% are assured
- some of them are regarded as international leaders (DJSI, CDP etc)
- SOE's are subject to stricter ownership guidance requirements (Decision in principle May 13, 2016) on reporting and especially on tax reporting
- <http://www.fibsry.fi/fi/english/sustainability/cr-in-finland/legislation>

Reporting in Finland 2012-2016

[LIVE CHARTS](#) [STATISTICS](#) [CR WORLD MAP](#) [CR REPORT API](#)

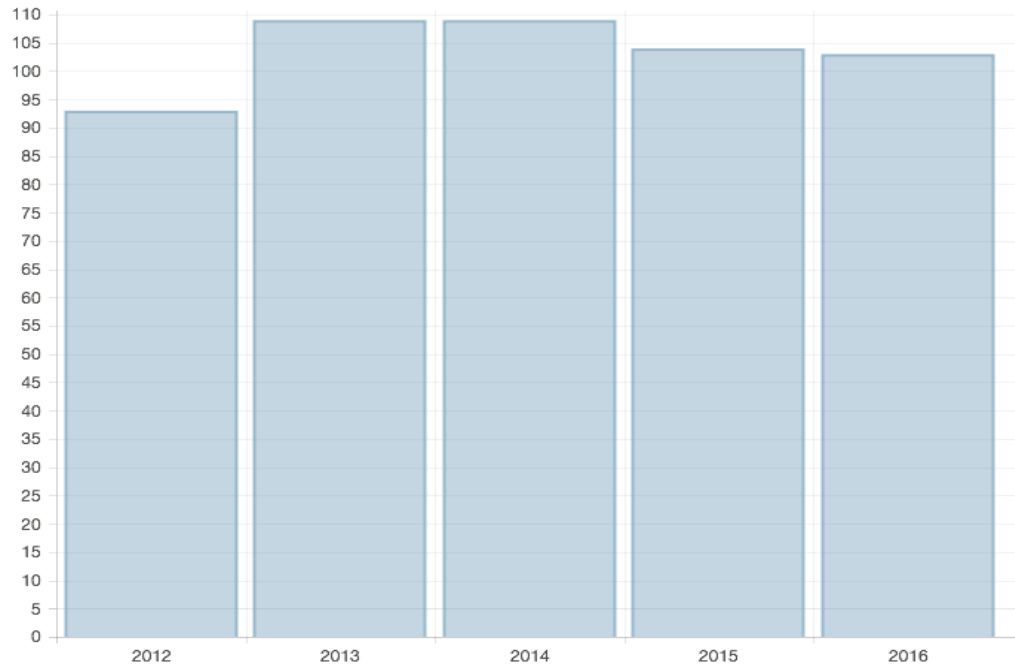
FINLAND

source: Corporate Register

Organisations: 163

Reports: 1,244

Published reports, Finland. Last five years.



- FIBS: 132 GRI reports
- PWC: 160 overall CR data reporters

ESG reporting: key Finnish themes 2016

- "Friends of Reporting" in Finland group (incl FIBS, NASDAQ, ministries, auditors etc) give Awards annually for the best ESG reports by all listed companies and some others (total 146 competitors)
- 2016 key themes and winners:

Themes	winner
1.biodiversity	UPM
2.carbon	Nokia
3.human rights	Nokia
4.tax footprint (incl policies and practices)	Fortum
5.management remuneration (ESG-based "new" KPI's)	Neste

- key ESG data user groups (investors, media, NGO's and students) chose their own favourite

NF implementation in Finland

Regulation roll-out

- The Directive on the disclosure of non-financial information has been implemented to the Finnish Accounting Act (HE 208/2016)
- The amended act requires that affected undertakings make the first report in 2018, which will cover information on the year 2017
- number of affected reporters: roughly 100 (MEE)

FIBS roles

- Finnish business voice with e.g. EK (BusinessEurope)
- commenting dir/guidance as CSR Europe member
- member of Finnish gov. CR committee (OECD NCP)
- member of Finnish SDG committee
- training for members (part of annual seminars 2014-17)
- Reporting Awards

NF implementation 2

- the obligation to report non-financial information will apply to **large public interest entities** with more than **500 employees** during the financial period.
- A company is large if at least two of the following criteria are met:
 - Turnover **40 million** euros
 - Balance sheet **20 million** euros
 - **Employees 250**
- public interest entity. A company is a public interest entity if **one** of the following criteria is met:
 - securities are publicly traded on a regulated market.
 - The entity is a credit institution.
 - The entity is an insurance company.

NF implementation 3

- Scope: environmental matters, social and employee-related matters, respect for human rights, anti-corruption and bribery matters.
- The amended law requires the report to include at least the following:
 - a brief description of the undertaking's business model;
 - a description of the policies pursued by the undertaking in relation to those matters, including due diligence processes implemented;
 - the outcome of those policies during the financial period in comparison to the goals;
 - the principal risks related to those matters linked to the undertaking's operations including, where relevant and proportionate, its business relationships, products or services which are likely to cause adverse impacts in those areas;
 - how the undertaking manages those risks; and
 - non-financial key performance indicators relevant to the particular business.
 - comply or explain principle
- information either in annual report or separately, eg in a CR report.
- safe harbour
- It is **not necessary to get external assurance** to the report but the auditor must **check that the report** has been **published** and that the information in the report is in **conformity** with the information in the financial statements.

Board Diversity

- Law: a similar reporting requirement on Board Diversity
- comply or explain
 - listed companies with
 - over 250 employees
 - turnover 40 million EUR or
 - balance sheet over 20 million EUR
- 2015: Guidance for Listed Companies (Helsinki SE self-regulation)
 - RECOMMENDATION 9 – Diversity of the Board of Directors
 - The company shall establish principles concerning the diversity of the board



Marianne Bogle
CSR Sweden, Sweden



UPDATE from CSR SWEDEN



Which companies are affected?

Companies that meet at least two of the following criteria:

- More than 250 employees in Sweden
- Revenue of at least SEK 350 million (€ 35 million)
- Total assets of at least SEK 175 million (€ 17,5 million)

Swedish ministers responsible



Mikael Damberg
Minister for Enterprise and Innovation



Morgan Johansson
Minister for Justice



Ann Linde
Minister for EU Affairs and Trade

What does Swedish company think about this?



Are Swedish companies ready?

Our experience is that the consultants are very ready to help companies but management/board is not 100% ready.

CSR Sweden's analysis working with CSR Europe's MIA tools is that corporate, board/management is weak regarding their materiality analysis, and they don't work with their stakeholders in a strategic way. (Of course there are exceptions.)

CSR Sweden's mantra in this area is:

From managing reporting to report what is managed.

It is a time for opportunities.



Thank you.

Discussion round



- **Submit your questions and comments in the chat or Q&A box**

Poll Questions



Rate from 1 to 4 how your companies/the companies in your network are ready to report on the 5 main areas covered by the directive:

1. Environmental matters
1 (not ready) ----- 4 (experienced reporters on the matter)
2. Social and employees matters
1 (not ready) ----- 4 (experienced reporters on the matter)
3. Human rights
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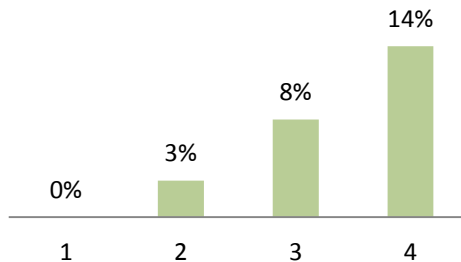
Results



Question: Rate from 1 to 4 how your companies/the companies in your network are ready to report on the 5 main areas covered by the directive
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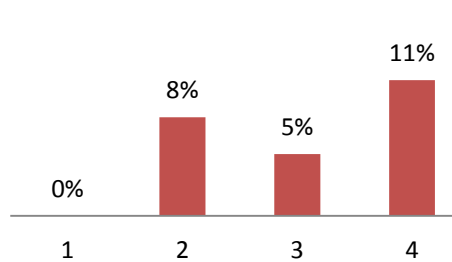
Environment

Percentage responses



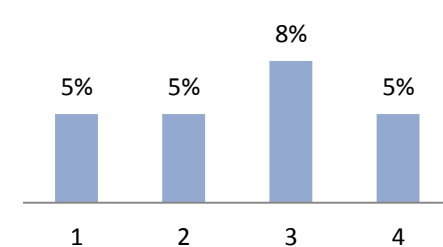
Social and employees matters

Percentage responses



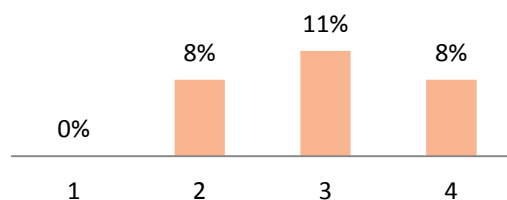
Human Rights

Percentage responses



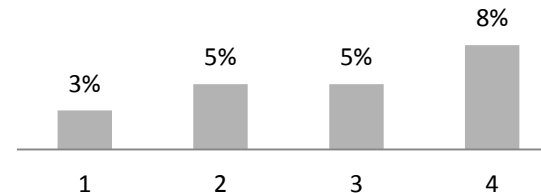
Anti-corruption and bribery

Percentage responses



Diversity

Percentage responses



Poll Questions



How do you rate the level of responsibility of your board with respect to non-financial reporting?

1 (not much shared responsibility) ----- **4** (NFR performance is discussed across the board and responsibility is shared by the different divisions)

What is the level of engagement?

1 (the board is not engaged in NFR) ----- **4** (the board is engaged and has an active role in NFR)

Results

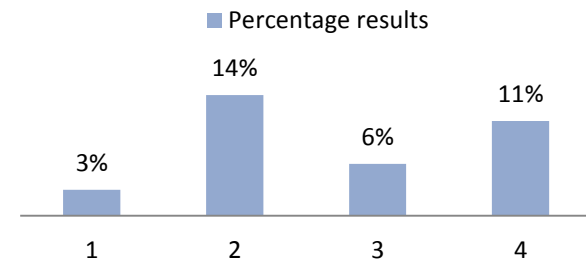


Question: How do you rate the level of responsibility of your board with respect to non-financial reporting?

1 (not much shared responsibility)

4 (NFR performance is discussed across the board and responsibility is shared by the different divisions)

Level of responsibility

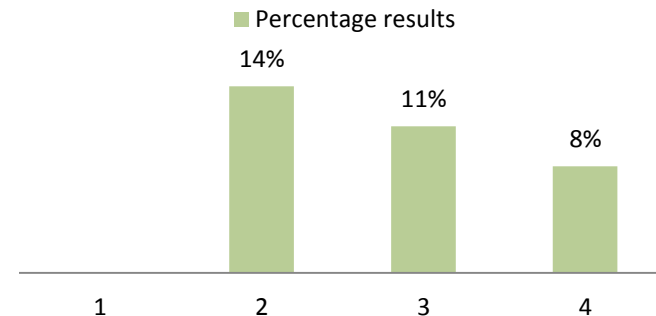


Question: What is the level of engagement?

1 (the board is not engaged in NFR) -----

-- 4 (the board is engaged and has an active role in NFR)

Board engagement



Discussion round



- **Submit your questions and comments in the chat or Q&A box**

Coming next



- Wednesday, February 22, 2017 - 10:30 to 16:00 (Brussels), *Roundtable: EU Policies 2017-2019 - how will the EU and companies mutually influence and challenge each other?*
- Wednesday, March 8, 2017 - 15:00 - 16:00, CSR Europe Webinar: *Integrated thinking and environmental disclosure - how to move forward*
- Wednesday, March 22, 2017 – 15:00-16:00, CSR Europe Webinar: *Maturity and Integration of sustainability management: an introduction of CSR Europe assessment*

For more information subscribe to CSR Europe Newsletter and/or visit our events section on the website.

Supporting tools

- CSR Europe Manual on the EU Directive for the Disclosure of Non-Financial Information. To request it and have more information, please contact Rosanna Tufo (rt@csreurope.org)
- GRI report: Linkage tables GRI Standards – EU NFI Directive



We value your feedback



Thank you for participating in this webinar!

We kindly ask you to take 3 minutes of your time to share with us how you experienced the webinar in terms of quality and relevance.

Your feedback is invaluable to us and will help us to improve our service to match your ongoing needs.

Access the evaluation survey at:

[CSR Europe Webinar Evaluation 2017 Survey](#)



Thank you!



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