EU Directive non-financial information disclosure platform update

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• 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 Claire Peers, csr13@csreurope.org

➢ Further information can be found in the webinar log in guide
## EU Directive non-financial information disclosure platform update

### Agenda

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<th>Time</th>
<th>Session</th>
<th>Speaker(s)</th>
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<td>11:00-11:15</td>
<td>Welcome and introductory remarks</td>
<td>• Eszter Vitorino, GRI&lt;br&gt;• Rosanna Tufo, CSR Europe&lt;br&gt;• Lorena Sorrentino, CSR Europe</td>
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<td></td>
<td>EU Updates</td>
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<td>Overview transposition across Europe</td>
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<td>11:15-11:40</td>
<td>Status and practices from countries</td>
<td>• Michal Kissa, Pontis Foundation, Slovakia&lt;br&gt;• Ines Sturm, respACT, Austria&lt;br&gt;• Mirjana Matesic, BTCD, Croatia&lt;br&gt;• Elisa Petrini, Impronta Etica, Italy&lt;br&gt;• Alexandros Kostopoulos, CSR Hellas, Greece&lt;br&gt;• Tomás Sercovich, Foretica, Spain</td>
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<td>11:40-11:55</td>
<td>Discussion Round, Q&amp;A</td>
<td>• All, Moderated by GRI and CSR Europe</td>
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<td>11:55-12:00</td>
<td>Conclusion and next steps</td>
<td>• Eszter Vitorino, GRI&lt;br&gt;• Rosanna Tufo, CSR Europe</td>
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EU reinforcing business transparency

- EU Directive for the Disclosure of Non-Financial and Diversity Information
- Public Procurement Directive
- Proposal for a Regulation on conflict minerals
- Shareholder Rights Directive
- Country by Country Reporting to tax authorities and to the public
EU Directive non-financial information disclosure: the platform

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

About the platform

- 58 members
- 25 countries
- 33 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
<table>
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<tr>
<th>Country</th>
<th>Update</th>
<th>Useful links</th>
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<tbody>
<tr>
<td>Denmark</td>
<td>The EU directive has already been transposed. On 21st May 2015, the Danish Parliament (Folketinget) adopted an amendment to the Danish Financial Statements Act, including new requirements for the disclosure of non-financial information, hereby implementing EU Directive 2014/95/EU</td>
<td><a href="https://example.com">Unofficial English version</a></td>
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<tr>
<td>Finland</td>
<td>The MEE (Ministry of Employment and Economy) has transposed the EU Directive. Though there has been little action from the government to involve companies.</td>
<td></td>
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<tr>
<td>Greece</td>
<td>The transposition of the Directive 2014/95/EE into Greek law was completed on July 7, 2016 after the publication of the Law No. 4403/201 in the</td>
<td><a href="https://example.com">More information</a></td>
</tr>
<tr>
<td>Slovakia</td>
<td>The directive has been already transposed as part of an amendment to the act No. 431/2002 Coll. on Accounting. These provisions count as the transposition of the EU NFR Directive.</td>
<td><a href="https://example.com">The law is available to download</a></td>
</tr>
<tr>
<td>Estonia</td>
<td>The directive has been already transposed according to European Commission site on directive monitoring. Though not much information is available</td>
<td><a href="https://example.com">Monitoring implementation and enforcement of directives</a></td>
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## Overview transposition across Europe

*Countries working towards the transposition*

<table>
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<tr>
<th>Country</th>
<th>Main info</th>
<th>Useful links</th>
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<tbody>
<tr>
<td>Austria</td>
<td>There has been a public consultation and working group from the Ministry of Justice, which is now finalising the text of the law</td>
<td>Additional information</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>Not yet transposed (deadline 6th December 2016). Part of the Accountancy Act that was published for public consultation in the summer of 2015. Currently the Bill has been passed at first reading by the parliament (next step: second reading and voting text by text by the parliament). No serious discussion on the issue of CSR Directive implementation in the consultation process has taken place.</td>
<td>Transposition consultation page and contact details</td>
</tr>
<tr>
<td>Croatia</td>
<td>The government has held a first meeting on the directive and they are about to set up a working group</td>
<td>More information and documents available</td>
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<tr>
<td>France</td>
<td>The government has held (up to 25th July) a consultation on the transposition. There is a CSR platform where stakeholders give recommendations to the government on the transposition.</td>
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<tr>
<td>Germany</td>
<td>The Government voted on draft legislation in August. Currently, the Parliament is set to debate on the draft legislation in September/October. No more public comments expected until the end of the year.</td>
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### Overview transposition across Europe

*Countries working towards the transposition*

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<td>Italy</td>
<td>The Ministry of Finance has issued a draft scheme of legislative degree which is open to comments and feedback by stakeholders until September 7th. The draft is also based on the 35 contributions received during the public consultation that took place between May and June 2016. A second consultation has been launched and will be closed by 7th September.</td>
<td><a href="#">Information about public consultation</a></td>
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<tr>
<td>Lithuania</td>
<td>Draft legislation developed by The Ministry of Finance without consultation with stakeholders. Only minimum requirements are transposed to national legislation.</td>
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<td>Luxemburg</td>
<td>Not yet transposed but a draft law was published on 8 September 2015. Next step: draft bill’s passage through Parliament, opinion of the State Council, final vote.</td>
<td><a href="#">Additional information</a></td>
</tr>
<tr>
<td>Netherlands</td>
<td>The latest news available is that an online consultation took place, which started Nov 11th 2015 and closed Jan 18th 2016.</td>
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<td>Spain</td>
<td>The Ministry of Economy (ICAC) is leading transposition, but currently there is no draft available and the process is not open to the public.</td>
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<tr>
<td>Poland</td>
<td>Latest updates from the government were during the public consultation in March 2016.</td>
<td></td>
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<tr>
<td>UK</td>
<td>Latest news available: the government opened a consultation from February to April 2016.</td>
<td><a href="#">Information about the consultation</a></td>
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Overview transposition across Europe

Countries with less information available

Belgium, Czech Republic, Republic of Cyprus, Hungary, Ireland, Latvia, Malta, Portugal, Slovenia, Sweden.

For any additional information available, please feel free to share it during the dedicated time for comments today and send an e-mail to Rosanna Tufo (rt@csreurope.org) and Eszter Vitorino (Vitorino@globalreporting.org)
Michal Kissa

Pontis Foundation, Slovakia
Reporting in Slovakia

• *In 2015*, the National Council of the Slovak Republic passed an amendment to Act No. 431/2002 on Accounting

• Introduced a **new obligation for companies to disclose information** from the area of Corporate Social Responsibility and diversity policies **in their annual report**.
Reporting in Slovakia

- The obligation concerns those public interest companies whose average number of employees exceeds 500.
- The obligation concerns **banks, insurance companies, health insurance companies, management companies or even pension fund management companies.**
- This obligation also concerns companies which have issued shares that have been accepted for trade on the regulated market of any EU member state.
- **It will concern 30-40 companies in Slovakia**
Reporting in Slovakia

Companies that have issued shares that have been accepted for trade on the regulated market of any EU member state and which also satisfy at least two of the following requirements: the total value of their assets is more than 20 million euros, their net turnover exceeds 40 million euros or they have more than 250 employees have to report on their diversity measures as well.
Reporting in Slovakia

- The ministry is open for cooperation on “Recommendations” (see pdf) and trainings
- There are no difference to the EU Directive
- No exact guidelines are mentioned in the law
- There was no public consultation with relevant stakeholders
- Neither companies nor NGOs/consultants were contacted
- Responsibility for control is at the tax office, since it is a part of the Accounting Act
- No exact fine for not complying is mentioned in the law
Inés Sturm
respACT, Austria
Transposition process:
1. Public consultation
2. Work group organized by Ministry of Justice
3. Now: Wording of law by Ministry of Justice

respACT:
• took part in public consultation
• participated in work group organized by Ministry of Justice
• Information, events, work groups for companies
Mirjana Matešić
*Croatian Business Council for Sustainable Development*
Updates from Croatia

**Government**

- first meeting held
- It is bout to organize a working group for transposition and CSR
  - Europe's NPO included
- their estimate is that is will concern about 200 companies in Croatia
  - (all large companies are of special interest for the Government)
- the question of verification is opened

**Non-governmental activities**

- HR BCSD is the major driver of activities: seminars, articles, papers, expert discussions and conference
OVERVIEW

- Transposition in charge of the Treasury Department of the Ministry of Economics
- Two rounds of public consultation
- A draft legislative decree already developed
THE PATH TOWARDS THE TRANSPOSITION OF THE EU DIRECTIVE IN ITALY 2/3

PHASE 1 – FIRST ROUND OF CONSULTATION
4 MAY - 3 JUNE 2016

- the Treasury Department of the Ministry of Economics wanted to acquire the first guidelines and observations that stakeholders would like to point out, in order to assume those policy choices that will be the foundation of the content that will be included in the legislative text required by the Directive.
- The consultation was based upon a “consultation document” which pointed out all the main contents of the Directive asking specific questions to stakeholders regarding their point of view on each point.
- Impronta Etica organized a working group to collect inputs from member companies in order to give a contribution to the consultation. The working group was open to all member companies, 7 companies participated, most of them are within the scope of the Directive.
- The Treasury Dept published all the contributions received: http://www.dt.tesoro.it/it/consultazioni_pubbliche/recepimento_direttiva_finanziaria.html
PHASE 2 – SECOND ROUND OF CONSULTATION
9 AUGUST – 7 SEPTEMBER 2016

- the Treasury Department of the Ministry of Economics opened a second round of consultation to collect feedbacks and inputs on the draft legislative decree for the transposition of the Directive
- The results of the consultation are not published yet
Alexandros Kostopoulos
CSR Hellas, Greece
Transposition of the Directive 2014/95/EE into Greek legislative framework

SCOPE

Public Interest Entities (PIC)
(According to the Greek law)
- Listed Companies, that are Large Corporations (500 employees average, during the same reported period as financial data)
- Banks,
- Insurance,
- Others that defined as PIC from the legislation of their creation (statutes of association)

WHAT TO REPORT

a. business model
b. policies implemented in relation to the above mentioned issues, including due diligence procedures applied
c. results of these policies
d. main risks relating to those issues and the way that the company manages these risks
e. non-financial key performance indicators related to the specific sector
f. information about environmental, social, labor issues, respect for human rights, fight corruption and bribery

All businesses operating in the legal form of SA
Excluded:
- Total assets EUR 350,000
- Net turnover amount EUR 700,000
- 10 people MAX (Average number of employees during the period)

WHAT TO REPORT
Information on environmental and labor issues

DIVERSITY ISSUES (Listed)
- Total assets: 20,000,000 euros
- Net turnover amount: 40,000,000 euros
- Average number of employees during the year: 250 people

Comply or Explain approach: YES

Reporting Framework
National, based on EU or International

Auditing/Verification
- Financial & NFR for the same period
- Apply of legal requirements
- Indication of inaccuracies and their nature
Spain

- Ministry of Economy (ICAC) is the leading transposition
- No public draft available
- No open process
- Expect delay as there is no Government
- Transposition will likely be aligned with Directive criteria

Forética’s actions (1 of 2)

Research on transposition process and transparency (Spanish)
- NFR (implementation and country-by-country status)
- Taxation
- Shareholders

Intends to contribute to a better local implementation of the Directive
Forética’s actions (2 of 2)

Cluster on Transparency, Governance & Integrity

• C. 40 large companies involved
• Sign up until 30th September, free for members

Objectives

• Knowledge /Training / Trends
• Best practices
• Lobbying

Work streams:

1. NFR Directive and implementation
2. Positioning on how the Directive should be transposed
3. Other topics:
   i. Good governance code (CNMV)
   ii. Materiality on reporting
   iii. Ethics & integrity (IBE survey)
Discussion round

Kick-off questions

✓ What will be the main impact of the implementation of the directive?
✓ What are the main struggles in the transposition process?

➢ Submit your questions and comments in the chat or Q&A box
Coming next

• Next open webinar: January/February 2017 – EU Directive on non-financial reporting, **platform update**

• **Save the date:** Seminar 14th December (Free of charge for CSR Europe members)
  
  – *Morning session* - EU Directive on Non financial Information: Ready for the race?
  
  – *Afternoon session* - EU Directive on Non financial Information: will reporting change?

• GRI will be hosting in collaboration with partners roll out events for the **GRI Standards** Europe wide. An event will also be held in mid-December in Brussels. More to follow – for information, please get in touch with Eszter Vitorino (vitorino@globalreporting.org) at GRI
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 2016 Survey]
Thank you!

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