

Inspiring global alignment through value creation The IIRC's Global Conference 2019

The European agenda for integrated reporting



Tomás Conde
Senior Advisor on Financial Reporting at LLYC
and Former Head of Sustainability
BBVA, Spain



Marcello Colla
Head of Administration,
Control and Sustainability
Etica Sgr and O.I.B.R. (Italian Foundation for
Business Reporting)



Saskia Slomp
CEO
European Financial Reporting
Advisory Group (EFRAG)

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The European Agenda for integrated reporting workshop

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Saskia Slomp, EFRAG CEO



DISCLAIMER

The views expressed in this presentation are those of the presenter, except where indicated otherwise

INTRODUCTION

WHO IS EFRAG



EFRAG – **European Financial Reporting Advisory Group**

Private not-for-profit established in 2001

Encouraged by the EC to serve the public interest

Its member organisations have an interest in the development of IFRS Standards and how they contribute to the efficiency of capital markets.

INTRODUCTION

EFRAG MISSION STATEMENT

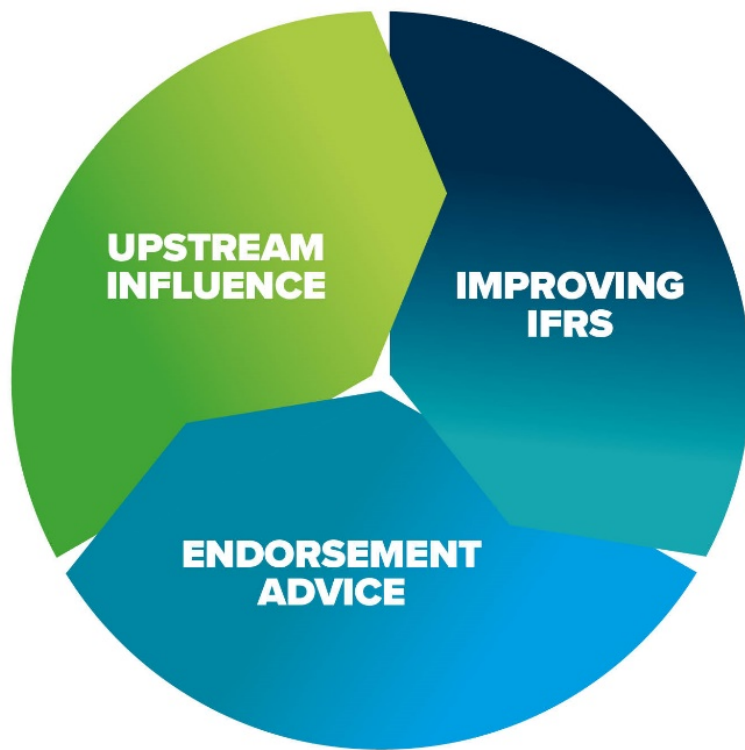
To serve the European public interest by developing and promoting European views in the field of financial reporting and ensuring these views are properly considered in the IASB standard-setting process and in related international debates.

To provide advice to the EC on whether newly issued or revised IFRS Standards meet the criteria in the IAS Regulation for endorsement for use in the EU, including whether endorsement would be conducive to the European public good.

To stimulate innovation in corporate reporting through the European Corporate Reporting Lab's work in sharing good practices.

INTRODUCTION

EFRAG's CORE ACTIVITIES



- Endorsement advice on new IFRS Standards
- Influencing development of IFRS Standards
- Accounting research



INTRODUCTION

ILLUSTRATION: EFRAG RESEARCH PROJECT ON INTANGIBLES



EUROPEAN CORPORATE REPORTING LAB at EFRAG (European Lab)



- March 2018 EC Action Plan Financing Sustainable Growth: called on EFRAG to establish a European Corporate Reporting Lab as part of EFRAG
- Objective: to stimulate innovations in the field of corporate reporting in Europe by identifying and sharing good practices
- European Lab deliverables have no authoritative or normative status
- Different from the Non-Financial Reporting Directive and related Guidelines
- Second half of 2018: governance structure in place and approved by EFRAG General Assembly

European Lab is about stimulating innovations
European Lab is not about setting standards or legislation

EUROPEAN LAB



- European Lab: multi-stakeholder Steering Group (the European Lab SG) and project task forces for specific projects (European Lab PTFs)
- **European Lab SG**
 - Decides on the agenda of the European Lab
 - Appoints the Project Task Forces
 - Provides high level scoping guidance on the projects
 - Oversees the work of the PTFs and reviews the progress
- **European Lab PTFs** are responsible for the project deliverables including the contents of the project reports
- Public consultation on the **European Lab agenda** in 2019

Evaluation of the European Lab after three years

Climate-related reporting project (CRR)



- **Broad objectives:**

- Evaluating use of climate related information;
- Evaluating entities climate-related reporting practices;
- Considering the Task force climate-related Financial disclosures (TCFD) and other useful complementary frameworks

- **Workstreams:**

- Scenario analysis and forward planning;
- Gap analysis between current reporting and TCFD, NFRD and other suitable frameworks;
- Integration of CRR information into risk reporting, financial statement information and linkage to public policy objectives.

- **Public consultation** including outreaches, surveys and other forms of stakeholder engagement are essential for the project work

Expressions of interest in outreaches and other form of consultations: Please join!



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EFRAG
Aisbl - ivzw
35 Square de Meeüs
B-1000 Brussel
Tel. +32 (0)2 297 93 00
www.efrag.org



Integrated Reporting in Italy and Europe: the role of investors

Marcello Colla – Etica Sgr and O.I.B.R.



NFSs in Italy: some data



194 NFSs
77% by listed
companies



78% stand-
alone documents
Average pages: 87



100% used **GRI**
(**G4 or Standards**)
10% also IIRC
framework



23%
performed
stakeholder
engagement



19%
Have a
sustainability
plan



21%
Acknowledged
SDGs in their NFS



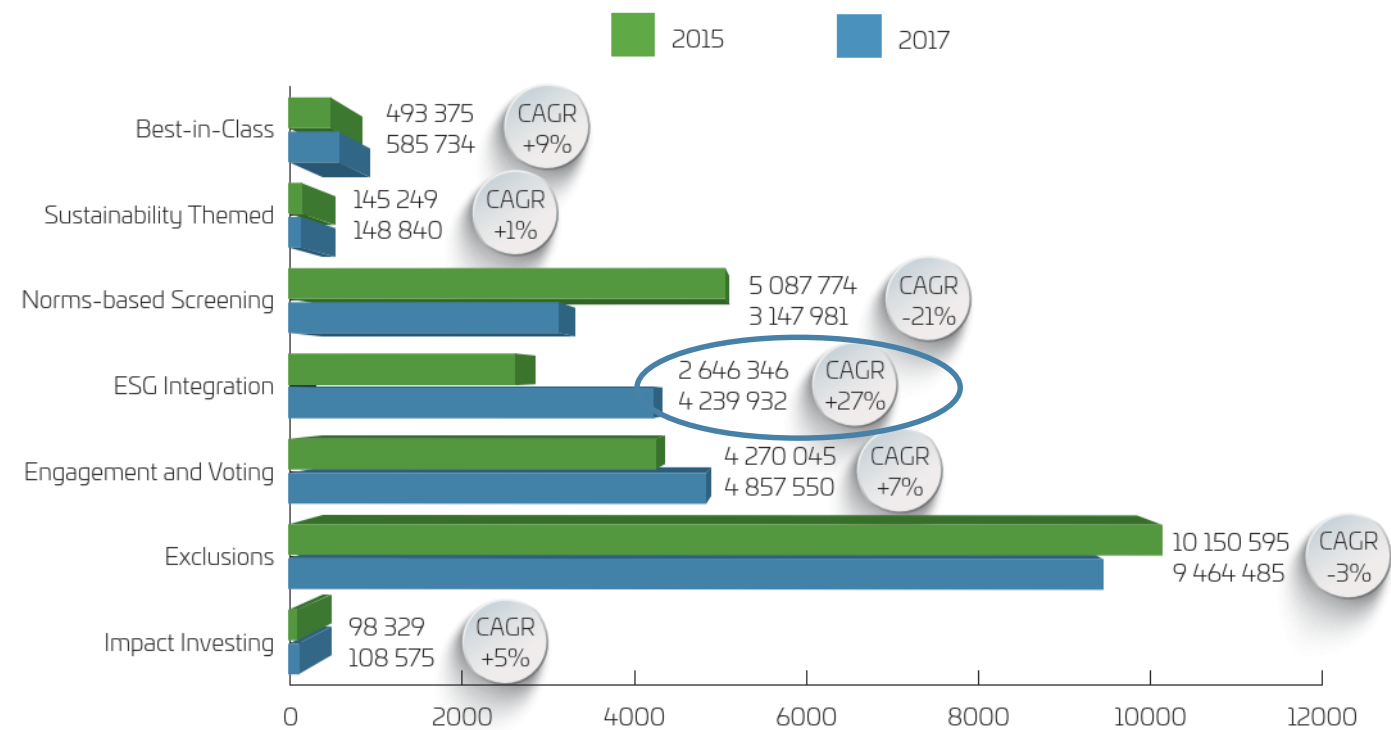
33%
Developed
improvement
plans



28%
Have a board
committee
In charge of
sustainability

SRI growth

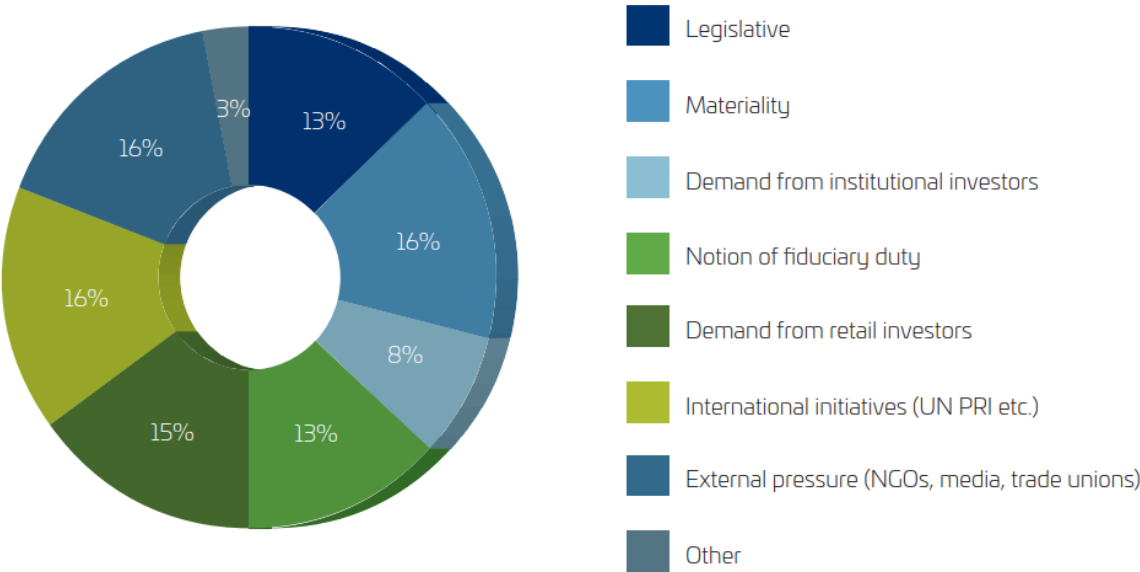
Overview of SRI strategies in Europe



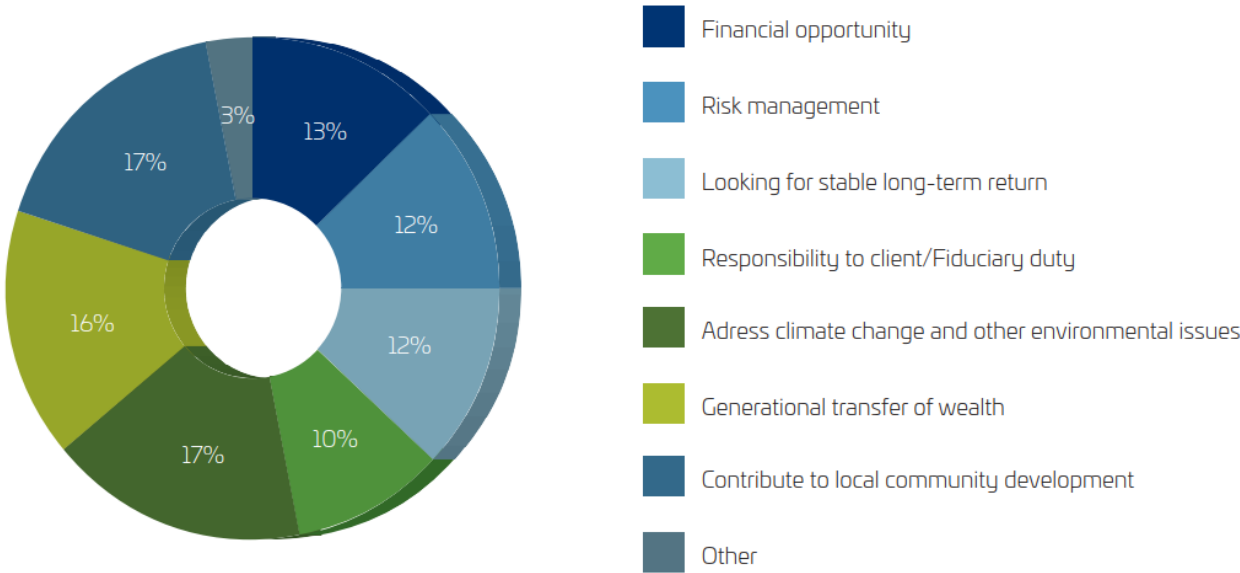
Source: Eurosif, European SRI Study 2018

SRI drivers in Europe

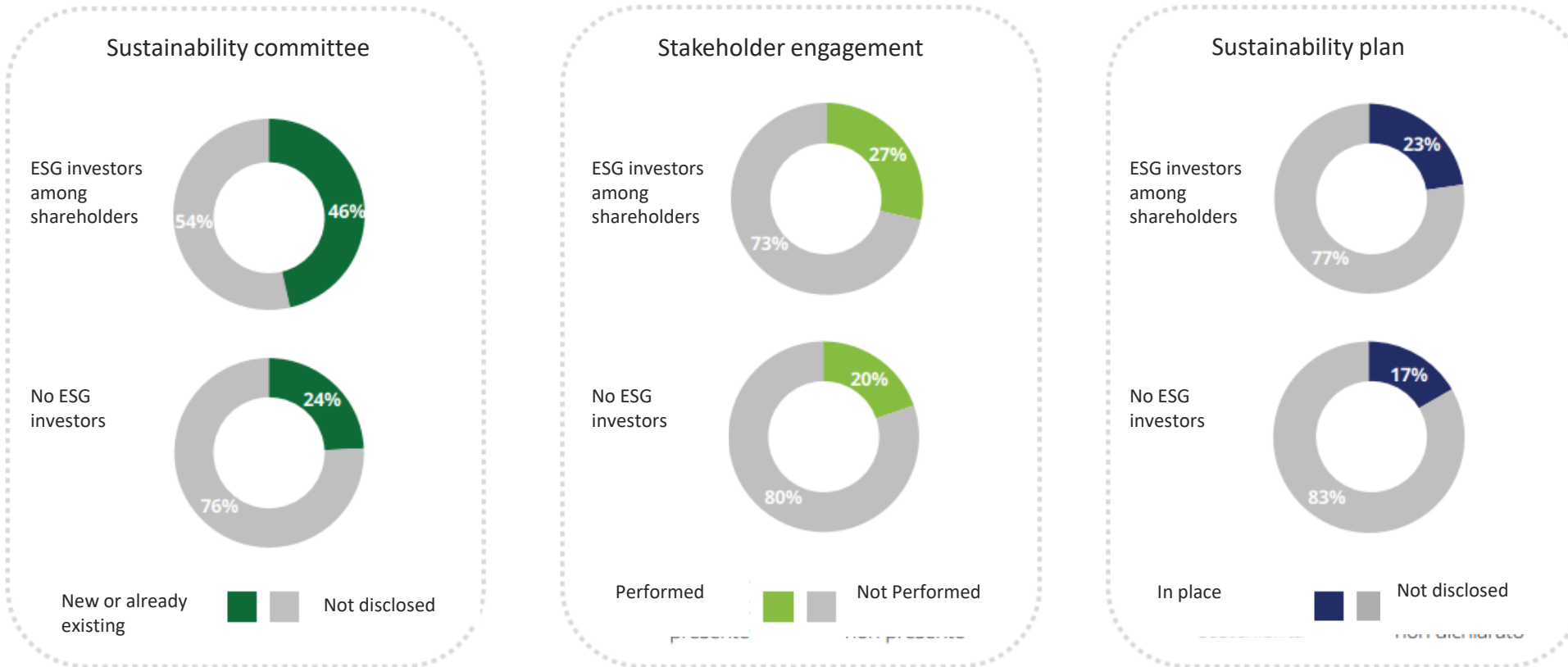
Drivers for SRI demand



Drivers for SRI strategy



SRI impacts in Italy



Something new is arising

On June 2019, a new body will be set up, comprising a wide number and variety of Italian stakeholders

- To provide Italy with a common meeting point and working platform
- To represent a significant Italian voice in the global debate
- To foster a new reporting, transparency and governance culture in Italy, also on the measurement of intangibles
- To issue guidelines and local standards
- To carry out studies
- To organize multi-stakeholder working groups
- To respond to national and international consultations



OIBR
Organismo Italiano
Business Reporting