

# New EU-Directive on Non-Financial Reporting from 2017



## CONNEXIS – Affordable CSR Reporting

In cooperation with our German partners from RKDS

Sustainability reporting often means a high administrative burden, especially for small and medium sized enterprises (SMEs).

However, the new G4 Standard by the Global Reporting Initiative (GRI G4) enables organizations to exclusively focus on those aspects of its activities that have a *material impact* on its sustainability performance.

CONNEXIS therefore offers:

- Focus on actually material *sustainability* aspects
- Efficient internal & external communication solutions
- Concentration on relevant stakeholders
- Critical, sector-specific analysis of results

## Simplified Communication – Focus on Material Aspects

Focusing on those aspects in an organization that are actually relevant to its CSR performance allows us to substantially simplify CSR reports.

However, this does not only reduce the cost and burden for SMEs. It also increases the value of the information to its stakeholders, as their increasing demand for transparency can be serviced in a better and more targeted form.

CSR and CSR-reporting remain the No1 differentiator. Now it becomes more affordable and manageable even for SMEs.

## EU Directive 2014/95/EU from 01-01-2017

The new EU Directive (RL 2014/95/EU) on Non-Financial Reporting (NFRD) obliges all Public Interest Entities (PIEs) to report on their non-financial performance starting with the reporting year 2017. PIEs are all

- Exchange-listed companies as well as
- Banks & insurance companies with
- +500 employees and
- +EUR 40 MM revenue (or +EUR 20 MM balance sheet)

## International Standards applicable

The new EU NFRD specifically allows the application of current international reporting standards such as the UN Global Compact (UNGC) or the G4 of the Global Reporting Initiative (GRI G4).

## Suppliers will be affected significantly

Under the new EU NFRD PIEs will require large amounts of data from their suppliers. As a consequence, the new EU NFRD will not only affect PIEs, but also indirectly affect a large number of SMEs. Many of these SMEs will face a serious challenge by the burden to supply specific & relevant CSR information to their PIE buyers in 2017.

## New EU Obligation to Report on CSR from 2017

The new EU Directive (2014/95/EU) obliges all Public Interest Entities in the EU to increase the 'Transparency of the social & environmental aspects of their activities'.

As a consequence, around 6,000 companies in the EU will have to begin publishing CSR information for the reporting period 2017. These reports will have to cover specifically the following aspects

- Protection of the environment
- Social & employee-related aspects
- Respect for human rights
- Measures to fight corruption
- Risks associated with the business activities and
- Measures to mitigate these risks

## Over 5,000 Companies Affected in Germany alone

Estimates for Germany alone assume that more than 1,000 companies will be affected directly, with more than 5,000 companies (suppliers) affected indirectly by the new Directive.

## Development Process

