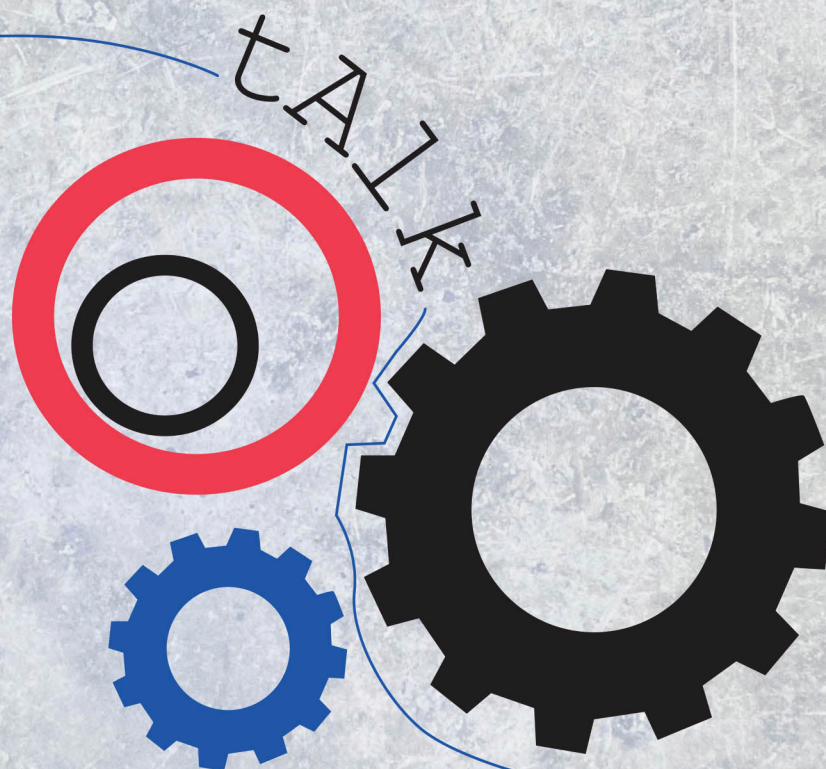




TRAINING
AND
ADVISING
ON
LABOUR
KEYS

TRAINING
AND
ADVISING
ON
LABOUR
KEYS







IMPRINT



Publisher

IAL Toscana
Via Benedetto Dei 2/A
Firenze 50127
Italy

Contact

+39 055 3215240
www.ialtoscana.it
ialtoscana@altoscana.it

Text and Editing

Gabriella PUSZTAI, IAL Toscana (IT)

Research

Adrienn BÁLINT, MGYOSZ (HU)
Antonio FERRER MARQUEZ, ISTAS (ES)
Anna KALIGA, Arbeit und Leben NRW (DE)
Alexander OBERDIECK, Arbeit und Leben NRW (DE)
Francesca RICCI, CISL Toscana (IT)
Christina THEOCHARI, EKA (GR)
Gabriella TOMCSIK, MGYOSZ (HU)

Art Direction

Enrica CORSOLINI

Printing and Production

Centro Stampa Toscana Nuova 2
via alfani 103R -FI- 0552381232 toscananuova2@gmail.com

Our partners



Co-funded by
the European Union

Agreement number: VS/2020/0065

The content of this publication reflects only the views of the authors.

The European Commission may not be held responsible for the use of the information contained herein.



CONTENT

1	Preface.....	10
2	Executive summary	12
3	European context and project background.....	13
4	Training and Advising in Labour Keys – TALK. Project outline	14
5	Mission statement.....	15
6	Analysis methodology	16
7	Analysis of stock index companies' non-financial reporting.....	17
7.1	Introduction	17
7.2	Extract of the results of the analysis of the 2019 non-financial reports of Germany's DAX 30 companies.....	18
7.3	Extract of the results of the analysis of the 2019 non-financial reports of Italy's FSE MIB 40 enterprises	21
7.4	Extract of the results of the analysis of the 2019 non-financial reports of Spain's IBEX 35 companies	26
7.5	General conclusions from stock index companies' non financial reports.....	27
8	Insights from National Educational Activities	29
8.1	Insights from the German National Educational Activity	29
8.2	Insight from the Italian National Educational Activity.....	30
8.3	Insights from the Spanish National Educational Activity	31
8.4	Insights from the Greek National Educational Activity.....	32
9	Country context cases.....	34
9.1	Germany - Country context case	34
9.2	Italy - Country context case.....	35
9.3	Spain - Country context case.....	37
9.4	Greek - Country context case	38
10	Key insights, recommendations and conclusions.....	42
11	Annexes.....	43
11.1	Technical questionnaire – report on findings	43
11.2	Report on the International workshop.....	47
11.3	Reports on National Workshops.....	51
11.3.1	Report on National Workshop in Germany	52
11.3.2	Report on National Workshop in Italy.....	57
11.3.3	Report on National Workshop in Spain	58
11.3.4	Report on National Workshop in Greece	61



1 PREFACE

If well-being is to be achieved through investment in improving the environment and in fighting against inequalities, then building a better society also involves the awareness that well-being must be obtained all together, committed to, and working on the values that we choose to prioritise.

It is an important challenge for decision makers and social partners today to find a way to “step in” to mend the fragments of a society fallen to pieces.

Companies play an essential role in shaping a fairer, more egalitarian and more sustainable society, based on a new model of relationship with the environment, with society and with their stakeholders. The information they provide on their environmental, labour and social impact should be a reliable gauge of their commitment to this objective.

Furthermore, the disclosure and the transparency of this information is essential in managing the transition towards a sustainable global economy: one that combines profitability and job creation with social justice and environmental sustainability. The *EU Directive on disclosure of non-financial and diversity information* was conceived as a concrete and realistic manifestation of the effort to give better visibility to large corporations' action in these domains. The aim of the Directive was to provide stakeholders useful and value-relevant information about companies' behaviour.

Five years have passed since the transposition of the Directive into national legislations, in which period a large number of non-financial reports have been produced. The European Commission is now proceeding to the revision of the Directive: the Corporate Sustainability Reporting Directive (CSRD) is foreseen to amend the existing reporting requirements of the NFRD and envisages the adoption of EU sustainability reporting standards.

This foretells a scenario in which more than 50,000 companies in the EU will be required to present sustainability reports (compared to the current 11,000), and this according to a suggested set of mandatory indicators common to all.

Currently, large companies are obliged to produce non-financial reports each year, but not every report has meaningful information on all important aspects.

Moreover, several studies have shown that stakeholders still do not consider NFI reports as a source of reliable information on the social aspects of their daily work.

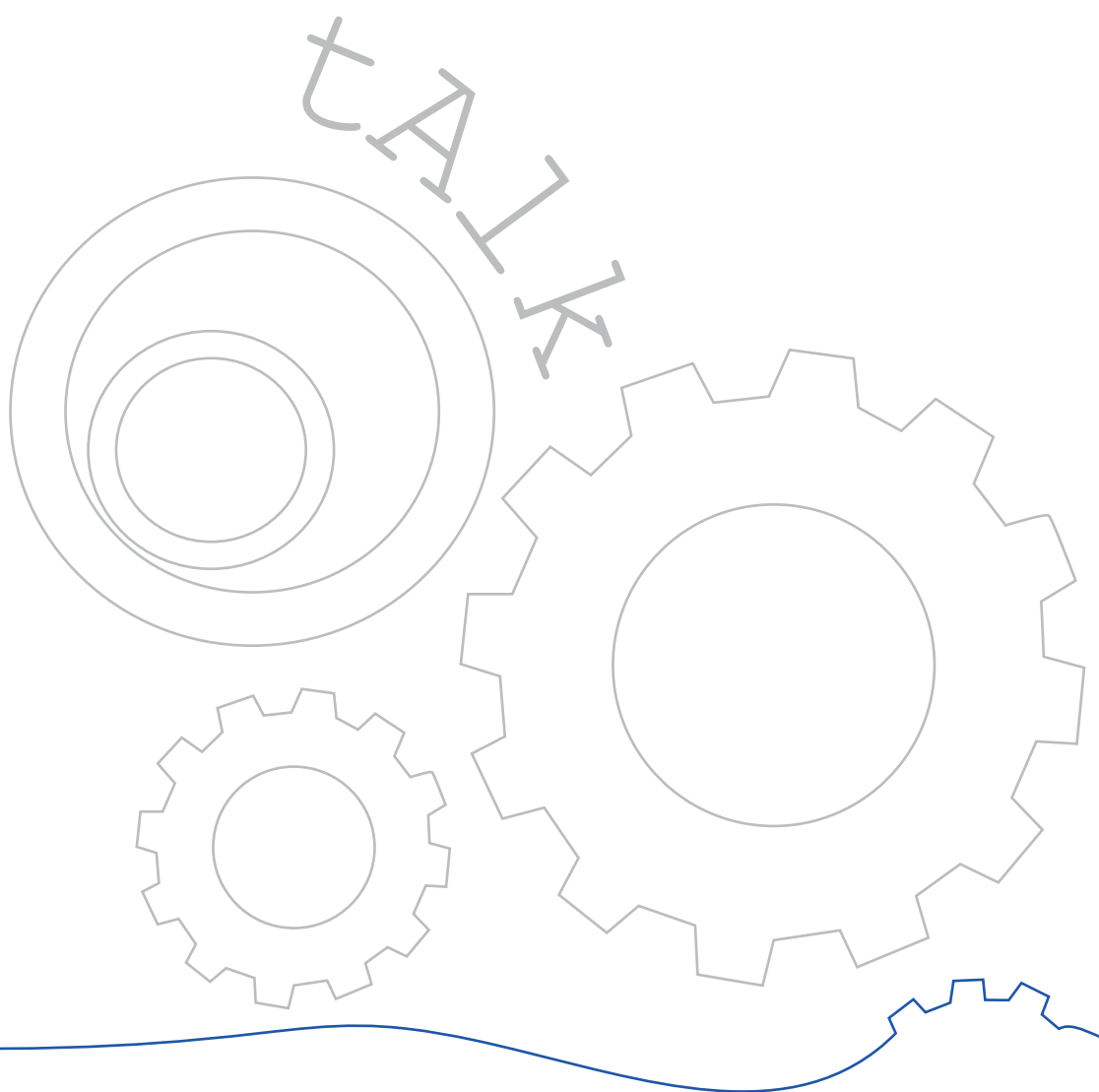
The covid-19 pandemic showed how important these social aspects indeed are, but at the same time placed NFIR lower than some other aspects in the list of priorities.

Most of the actors consider the reporting duty as an additional element of cost and burden, instead of an essentially new paradigm.

As for awareness-raising and the involvement of trade unions and workers' representatives, these are not always covered by the reports or in the processing of the information presented by companies. Against this backdrop, it needs to be emphasised that the analysis of sustainability reports should be seen as a very important tool for trade unions in the improvement of working conditions and labour relations. It should contribute to the economic, social and environmental sustainability of companies, as a guarantee of employment and decent working conditions.

So, there is room for action in order to let this instrument contribute to a cultural transformation of corporate governance models. By triggering a growing awareness of all stakeholders' needs, this transformation may influence processes at the board level, the behaviour of board members, as well as corporate culture, strategy and business models.

The future regulatory changes mentioned above, including the extension of obligations to a greater number of companies, and the foreseeable improvement in the quality of the information that they will make available to the public, will create a context for trade union work that is expected to contribute to consolidating a fairer, more egalitarian and more sustainable society. With this end in mind, the TALK Project shows us how we can reinforce our involvement in this challenge.



2 EXECUTIVE SUMMARY

The aim of the TALK project was twofold. Primarily, it aimed at encouraging the discussion at EU level between trade unions, employers' organisations and civil organizations, on the scope of corporate social responsibility and non-financial reporting.

The second objective of the project was to promote the involvement of workers and workers' representatives in this field, through their empowerment in the disclosure of corporate sustainability reports (CSR) by companies.

The first part of the TALK project focussed on examining how the NFI reports produced by stock index companies in Spain, Germany and Italy delve deeper along three dimensions: atypical work, gender equality, and climate change. The results reflected the general characteristics of NFI reports and the extent to which they offer relevant information on material topics.

The main findings of the analysis show that companies do not necessarily report in compliance with reporting standards even if they repeatedly refer to them. In fact, their analyses are often limited to those reporting standards that are addressed by binding national or international regulation. As long as this is the case, non-financial reporting will be of little value for investors and civil society stakeholders who are trying to assess the company's performance beyond merely "not breaking the law".

Trade union partners organised National Workshops in the second phase of the project, with the aim of discussing how trade union involvement and training on NFIR can be improved in the partner countries.

The situation of the partner countries varied both in terms of the way they transposed the Directive and composed the mandatory NFI reports, and as regards the design of National Educational Activities. These latter were created to scrutinize the situation in each country, and to give experts instruments to make use of the NFI reports in their daily work. By the end of this phase of the project, social partners managed to gather information and exchange views about different approaches and practices of national industrial relations schemes.

National Educational Activities also tended to focus on a strategic discussion by social partners concerning the key factors of efficient and useful training for workers' representatives, with special focus on their roles and analytical capacities. Regarding the roles, workers' representatives are to define their current roles in the analysis of NFI reports. They need to identify the roles that would be desirable from a political and/or strategic perspective, and the roles that would be realistic against the background of the future framework conditions (as foreseen). It is also essential that they find strategic links to other stakeholders in order to place their questions in the context they wish to analyse.

Through its implementation, the TALK Project managed to foster a debate between trade unions and business organizations, so that they can contribute to the improvement of social dialogue at national and European level, and affirm their interest in shaping European sustainability policies, and, specifically, their interest in the fulfilment of, and assumption of greater commitments in, the framework established by Directive 2014/95/EU on non-financial information and diversity. Based on the results obtained as a result of the implementation of the project, partners drew up the following recommendations concerning the currently ongoing revision of the NFRD:

- Workers' representatives should play a role in reporting, and each actor will have to find their specific role: from feedback rounds with management when the report is published, to the right of consultation/participation in the preparation of the risk/materiality analysis, and from the right to be consulted on social issues to the right to participate in the development of sustainability strategies.
- Awaiting the adoption of the new directive, it is essential that workers' representatives continue to build their capacities in order to be able to analyse and use the information of NFI reports, because it is becoming increasingly clear that the issue of sustainability will rapidly become a hard economic and monetary issue if lending decisions will in the future depend on green footprint.

3 EUROPEAN CONTEXT AND PROJECT BACKGROUND

As of the fiscal year 2017, European Union (EU) law requires certain large companies to disclose information on the way they operate and manage social and environmental challenges in order to help investors, civil society organisations, consumers, policy makers and other stakeholders to evaluate the non-financial performance of large companies and to encourage these companies to develop a responsible approach to business.

Directive 2014/95/EU – also called the Non-Financial Reporting Directive (NFRD) – lays down the rules on the disclosure of non-financial and diversity information by certain large companies. The Directive should help the measuring, monitoring and managing of undertakings' performance and their impact on society. The objective of the Directive is therefore to increase the relevance, consistency and comparability of the information disclosed by certain large undertakings and groups across the EU. This is sought to be achieved by establishing a certain minimum legal requirement as regards the extent of the information that should be made available to the public and authorities. The undertakings who are subject to this Directive must give a fair and comprehensive view of their policies, outcomes, and risks.

Following the first cycles of reporting, on 21 April 2021, the Commission adopted a proposal for a Corporate Sustainability Reporting Directive (CSRD), which would amend the existing reporting requirements of the NFRD. The Commission's proposal envisages, for the first time, the adoption of EU sustainability reporting standards. Such standards will be tailored to EU policies, while building on and contributing to international standardisation initiatives.

In this context, the project "TALK - Training and Advising on Labour Keys" has set out to develop practice-oriented educational activities and analytical tools to transfer non-financial reporting from an abstract level to the practical use of workers' representatives and trade unions, in order to improve the perception and use of non-financial reporting at national level, to provide a reliable information base on reporting practices in selected subject areas, and to disseminate successful examples of the use of non-financial reporting in social dialogue.

TALK is a project co-funded by the European Commission, involving five European social partner organisations, and which builds on the experience and knowledge from the previous projects DimasoLab and CENOFIA.

DimasoLab (Directive 2014/95/EU - Impact Assessment of the new Directive on Labour Relations) followed the transposition process of the NFRD in 12 European countries, identifying the impact on labour relations and developing scenarios translating the diversity of country specific aspects into future-oriented perspectives, considering certainties and uncertainties that may result in fundamental alternatives. Parallel to this, the project CENOFIA developed open analytical and educational resources as a starting point for non-financial information analysis in a European context, including analysis tools, curricula, training modules, media and teaching materials. Against this background, the TALK project represents a further thematic and methodological development in the context of the involvement of trade unions and workers' representatives in the subject area of non-financial reporting.



4 TRAINING AND ADVISING IN LABOUR KEYS – TALK. PROJECT OUTLINE

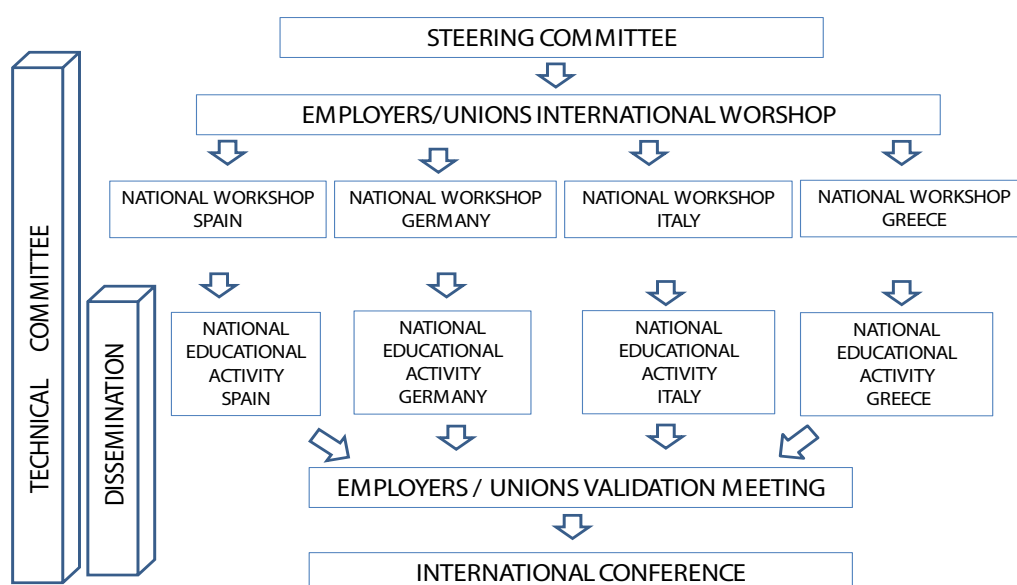
In a context where the EU regulation on non-financial information was under revision, the TALK project aimed, on one hand, **to encourage discussion at EU level between trade unions, employers' organisations and civil organizations on the scope of corporate social responsibility and non-financial reporting.**

On the other hand, another objective of the project was **to promote the involvement of workers and workers' representatives in this field, through their empowerment in the framework of corporate sustainability report (CSR) disclosure by companies.**

In order to meet these two general objectives, specific goals were set out, among which the following should be noted for their importance:

- To promote debate and exchange of information at European level between business organisations, trade unions and civil society on the scope of future regulatory changes in the field of non-financial information reporting;
- Raising awareness among, and foster the involvement of, trade unions as an essential requirement for promoting downstream workers' participation in the framework of non-financial reporting;
- To detect the awareness, training and capacity building needs of workers and their representatives in order to promote their involvement in corporate social responsibility policies and in the analysis of non-financial information disclosed by companies;
- To design a series of tools for the analysis of corporate sustainability reports by workers' representatives;
- To deploy informative and training actions aimed at workers, their representatives at company level and Unions, in order to promote their involvement and effective participation in this framework.

Project outline



5 MISSION STATEMENT

“Raise awareness and promote the training of workers’ representatives in the union and social analysis of non-financial information disclosure by companies, in order to contribute to the improvement of environmental performance and the management of corporate social responsibility of companies and organisations”.

Under this mission statement, the TALK Project adopted a holistic approach, at both a European and a national level, to drive business and trade union engagement in improving sustainability reporting. This engagement should manifest itself at the company level, through the involvement of workers’ representatives in the framework of CSR policies and corporate sustainability reporting.

The non-financial reporting regulatory framework in general, and, in particular, the diagnosis of trade union involvement in this area, the activation of social dialogue in these issues, and the possibilities for improving both aspects were examined in greater depth, at several stages of the project.

The revision process of Directive 2014/95/EU and the possible standardisation of the reporting of non-financial information were also analysed, from a business and trade union perspective, taking into account the points of view of both sides.

The awareness and involvement of trade union organisations in the framework of CSR policies is a key issue. It is essential whether the participation of workers’ representatives in companies is to be sought, given that the lines and campaigns of trade union action are often defined by trade union structures at a higher level than the trade union structure in the company. In addition, defining CSR policies as a strategic area of trade union involvement sometimes implies the need for specialising certain people inside the trade union organisations in order to be able to technically support this work.

For this reason, from the beginning of the TALK project, the involvement of union structures of the participating partners / countries was addressed, integrating both these aspects in the diagnostic tasks aiming at the detection and analysis of the training needs and in the design of the planned training actions.

Technical support for workers’ participation is another key element. Raising awareness and promoting the training of workers’ representatives should imply the design of a set of eminently practical and simple tools that could be applied in the analysis of any company’s sustainability report.

In addition, it is necessary to identify issues that can promote both dialogue with the company and the improvement of working conditions, as well as the improvement of the environmental and social impacts of business activity. Climate change, employment, equality, occupational health and safety, etc. are issues where workers’ participation can help promote improvement both in management and in results.

Finally, it was necessary to adjust the achievement of the objectives to the different realities of each participating country.

Issues such as the industrial relations framework, priorities in trade union action, previous experience, or the level of awareness, determined the form that the training actions designed had to take, as well as their respective scopes, in line with these different realities.



6 ANALYSIS METHODOLOGY

Various research methods were applied in the design and implementation of the different project phases, with a view to meeting the objectives established.

In order to obtain the necessary background information, literature review and documentation analysis were carried out. Qualitative research techniques such as focus groups, expert meetings and interviews were applied in status quo diagnosis, for the detection of needs and expectations, and to validate documentation the produced.

The project was conducted at both the European and the national level, and it resulted in the development of specific actions and tasks at both levels.

To ensure coordination, a Steering Committee was set up at the beginning of the project. This body was ultimately responsible for validating all actions to be implemented and technical documents to be developed.

A Technical Committee (TC) was also created, to provide technical support in the development of the project, as well as in the execution of scheduled actions. This body was responsible for preparing the technical documents and conclusions documents resulting from the focus groups set up in the framework of the project. Also, the TC developed analysis tools to provide practical training materials to the partners to help them develop specific training programmes in their respective countries.

At the beginning of the project, a Technical Questionnaire (TQ – see Annexes) was elaborated for the purpose of obtaining the quantitative and qualitative information necessary for the development of the project. This questionnaire was answered by the different stakeholders identified by the Technical Committee (employers' organisations, company experts, trade unions, workers' representatives, social partners, etc.).

The findings, results and conclusions obtained by the TQ were presented and validated during an International Workshop (IW), held virtually, with the participation of experts from different fields of expertise.

The findings of the TQ and the IW allowed for the preparation of a Base Document which set out the conclusions for the promotion of training initiatives and actions in each country.

The Base Document made it possible to embark upon the implementation phase at country level using a single standard methodology.

National Workshops (NW), made up of trade union officials and union experts, were held in Germany, Greece, Italy and Spain. The objective was to discuss the role of workers in the non-financial reporting framework, to identify the needs in order to improve their involvement, and to design training activities to promote their participation in this field.

Based on the findings of the NWs, National Educational Activities (NEA) were designed and developed at country level. Each partner designed the NEAs according to the findings detected in the previous phases, taking into account their own specific needs and expectations (level of awareness, previous training, trade union priorities, etc.).

Finally, the main findings and conclusions of the TALK Project were presented at a Final Conference.



7 ANALYSIS OF STOCK INDEX COMPANIES' NON-FINANCIAL REPORTING

7.1 Introduction

Non-financial information disclosure by companies is essential for their stakeholders in particular, and for society in general, to be able to measure and evaluate the company's efforts at, and commitment to, controlling their environmental, labour and social impact, as well as the way in which they manage their associated risks.

The analysis of these reports helps improve the knowledge and information made available to stakeholders and to society. This is essential in order to promote the continuous improvement of companies in the domain of environmental and social awareness.

Within this framework, the role of workers and their union representatives is relevant as significant stakeholders in promoting a new model of a socially responsible and sustainable company. Among the different means of achieving this objective, the social analysis of non-financial information disclosed by companies can play a relevant role.

As part of the project activities, partners have analysed the non-financial reporting of stock index companies in Italy (FSE MIB), Spain (IBEX) and Germany (DAX 30).

The purpose of this analysis was to provide a practical material that could be used in future actions, in particular, within the TALK project and its National Education Activities, in order to improve the training and skills of workers' representatives in the field of the analysis of non-financial information.

The partners performed the analysis of non-financial information reports along three key factors:

- Atypical work
- Gender equality
- Climate change

The analysis referred to the fiscal year 2019, the year preceding the COVID-19 pandemic.

Non-financial information reports are published by the stock index companies themselves. Reports have different formats and denominations (integrated reports, sustainability reports, statements of non-financial information, etc.) and respond to requirements and obligations established by national law.

For the analysis of the three key aspects, a set of dichotomous questions (YES/NO answer) was elaborated, aiming merely to assess whether or not the information in question is included in the report. Some of the premises established in the voluntary reporting framework for non-financial information as part of the international standard Global Reporting Initiative (GRI) were considered in relation to the issues analysed. Annex I contains the table of contents of the analyses performed.

On the other hand, the analysis of the reports of stock index companies made it possible to highlight certain good practices in the reporting of non-financial information by some companies, as opposed to the shortcomings observed in the reports of other companies.

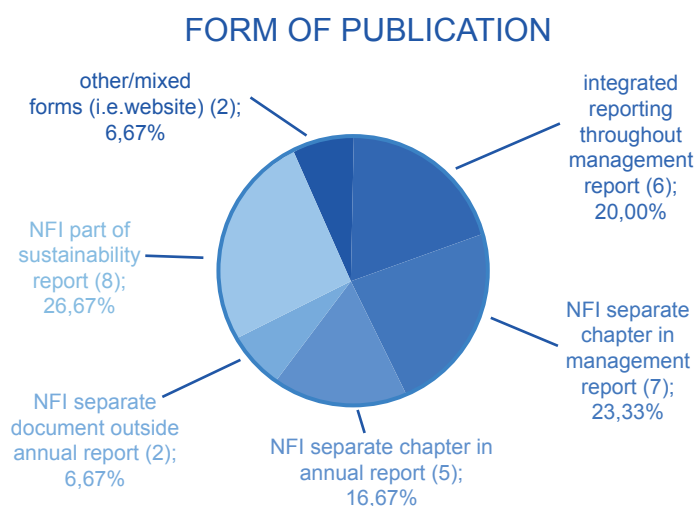
The compilation of good practices makes reference to two principal criteria:

- The implementation of initiatives or actions that partners consider relevant to obtaining a certain environmental, labour or social benefit (calculation of the gender gap in an organisation, implementation of a sustainable mobility plan, climate change adaptation policy in the workplace, etc.).
 - The quantity and quality of information provided by a company in its report.
- 

7.2 Extract of the results of the analysis of the 2019 non-financial reports of Germany's DAX 30 companies

General findings

As the current Directive does not stipulate the place and form of publication, companies are free to determine where and how to publish their non-financial information statement (NFI). In our research of 2019 DAX 30 non-financial reporting, six different forms of publication were identified:



In almost 27% of the cases, a non-financial statement, published as part of a stand-alone sustainability report, is the most common way for DAX 30 companies to comply with non-financial reporting obligations. No more than half of these companies indicate explicitly which information within the sustainability report falls under the scope of mandatory reporting obligations, and becomes thus subject to external auditing requirements, and which part is voluntary additional information.

Overall, 60% of the DAX 30 companies use their annual report as the place of publication. They do this, however, in different forms, leading to varying consequences regarding

auditing requirements. Also, both the quantity and the quality of information disclosed in the non-financial statements, either as part of annual reports or as part of management reports, or by other means, were found to be little profound, covering only the minimum legal requirements as stipulated by §§315b and 315c, in combination with §289c-e, of HGB (Commercial Code). The majority of companies, therefore, refer the reader to their sustainability reports for more detailed information. In total, 20 out of 30 companies (66- 67%) publish a separate sustainability/CSR report.

25 out of 30 companies (83,33%) indicated having drawn up their report in accordance with/in reference to the Global Reporting Initiative (GRI) standards. 12 of them referred explicitly to the GRI "core" option, while the remaining 13 leave it unclear as to what extent GRI is applied. 5 out of 30 (16,67%) companies did not apply any standardised framework.

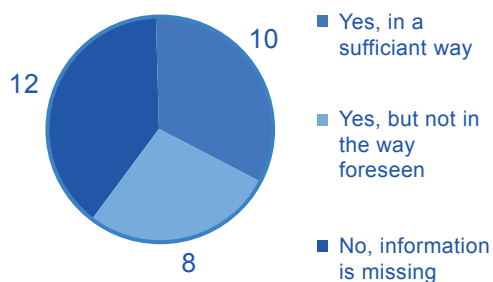
Findings regarding key indicators

Atypical work

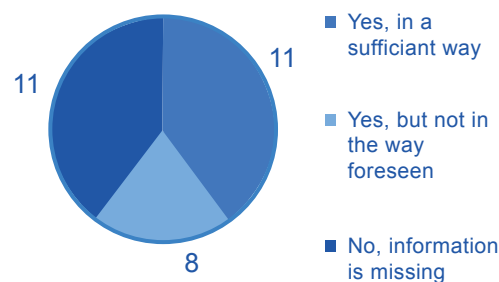
Almost none of the DAX 30 companies described any specific policies relating to the management of atypical work (temporary contracts, subcontracting, working hours, contracting through temporary employment agencies, etc.). Only three companies mentioned any details, and only very rudimentarily, in this regard.

Except for one company, despite claiming to report in accordance with GRI, all the remaining 29 provided information on the total number of employees. In addition, 27 companies split this information by gender, although in 18 out of these 27 cases the figures are provided as mere percentage values. It was rare for the companies analysed to break the numbers further down to types of employment contracts, and the information was incomplete even in these cases.

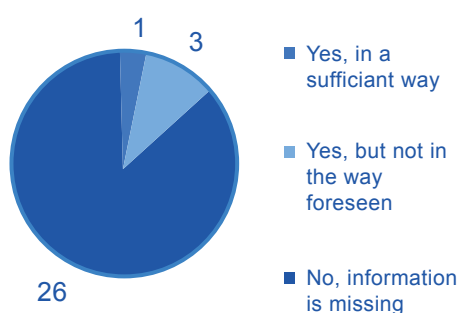
Total number by employment contract (permanent/temporary) indicated



Total number by employment type (full time/ part time) indicated



Total number of workers who are not employees indicated



Out of the 18 companies which provided information on employment contracts, only half (9 companies) broke this information down by gender.

Out of the 19 companies that provided data on employment type, 10 companies broke the information down by gender.

The one company that provided information on workers, also gave a description of the nature and scale of work performed by workers.

Furthermore, a blatant lack of information continues to be revealed concerning targets regarding atypical work, as well as the measures and responsibilities in place in order

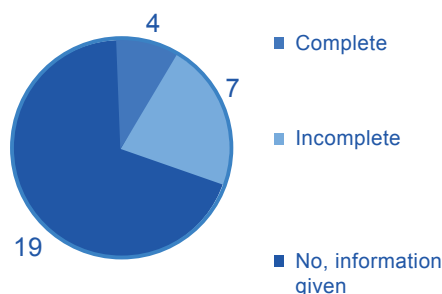
to fulfil those targets. Only three companies provided sufficient information on targets, but not on progress. Out of these three, there was only one company that also indicated measures for the fulfilment of its targets. None of the companies stated whose responsibility it was to oversee performance in this context.

Gender Equality

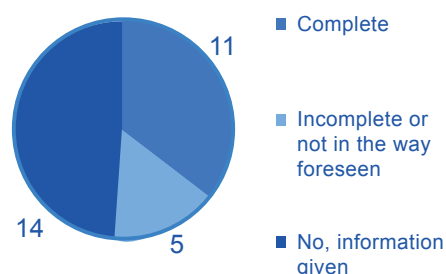
Data on the topic of “gender” was much more extensive. In 93% of the reports, the importance of gender and diversity is stressed, singled out as one of the core topics of corporate policy. 40% of the companies indicated specific policies concerning gender equality. Furthermore, there is a strong commitment to the ILO Action Plan for Gender Equality or other international or national gender equality strategies or action plans (notably the UN Global Compact) in almost 77% and 80% of DAX 30 companies, respectively. Only three companies did not mention any commitment.

When it comes to giving concrete figures, however, there are, again, substantial differences. Parental leave and training constitute an area characterised by a significant lack of data.

Information on parental leave according to GRI requirements



Information on average hours of training by gender



Almost no information can be found on the ratio of the basic salary and remuneration of women to men.

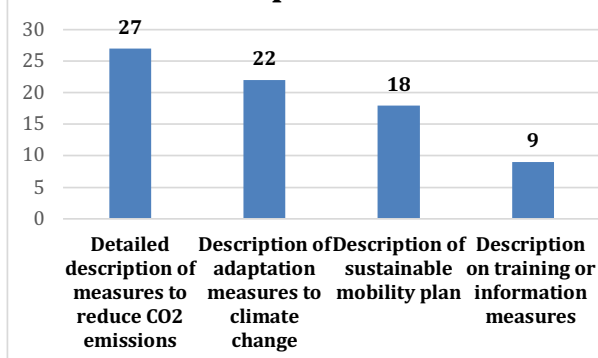
One single report contains any information on this matter.

Almost 77% of the DAX 30 companies described targets regarding gender equality and the progress on achieving these, and 67% provided a description of measures. However, in almost all cases these targets and measures related solely to the management level.

Climate Change

The most comprehensive data set relates to environmental and climate topics. Almost 93% of all reports contains a policy regarding climate change, 77% of companies committed themselves to the Paris Climate Agreement, and another 70% presented a policy for adaptation to climate change.

Description of measures



93% of the DAX 30 companies set themselves specific CO2 reduction targets and 90% provided information about the progress on meeting these. The majority also described specific measures, showing that training and information measures for the staff were undertaken by less than a third of the companies only.

Conclusions

On account of the different forms and places of publication, it is not immediately clear what information was provided to meet reporting obligations, and what was additional, i.e. what falls under the scope of auditing requirements and what does not.

Even where the report explicitly mentions that the information is presented with reference to, or in accordance with, GRI, some crucial information that the GRI Core option requires by default, is often missing or incomplete. In principle, numerical information has a qualitatively higher value than, for example, descriptions of strategies and policies.

The information regarding the key indicator "climate change" was in general the most comprehensive. This is most likely due to the long tradition of reporting on environmental issues in Germany and the external pressure on companies, related to existing or foreseen emission regulation, as well as increasing awareness in the society in general. Where gender equality was addressed as an issue, the treatment of it was in almost all cases limited to the executive management level. This strongly correlates with the existing regulation, and indicates compliance with it, rather than an intrinsically

driven policy which recognises gender equality as a value in its own right, or as a strategic component. Information on atypical work showed the greatest shortcomings, both quantitatively and qualitatively. Even more so when it comes to the combination of gender and atypical work. None of the DAX 30 companies reported on policies, targets or measures regarding atypical work.

Arguably, the findings showed that companies do not necessarily report comprehensively in compliance with reporting standards even if they actively refer to them. Rather, they tend to focus on those issues from among the reporting standards that are addressed by national or international regulation. As long as this is the case, non-financial reporting will be of little value to investors and civil society stakeholders trying to assess the company's performance beyond merely 'not breaking the law'.

7.3 Extract of the results of the analysis of the 2019 non-financial reports of Italy's FSE MIB 40 enterprises

Starting in 2018, Consob (as foreseen by paragraph 3 of Regulation of January 19, 2018 for the implementation of Legislative Decree no. lgs. 30 December 2016, n. 254), has published, on an annual basis, the list of companies which prepare a Non-Financial Information Report.

From the list of 151 reports published as of 31 December 2021, we selected 40 companies and examined their non-financial statements.

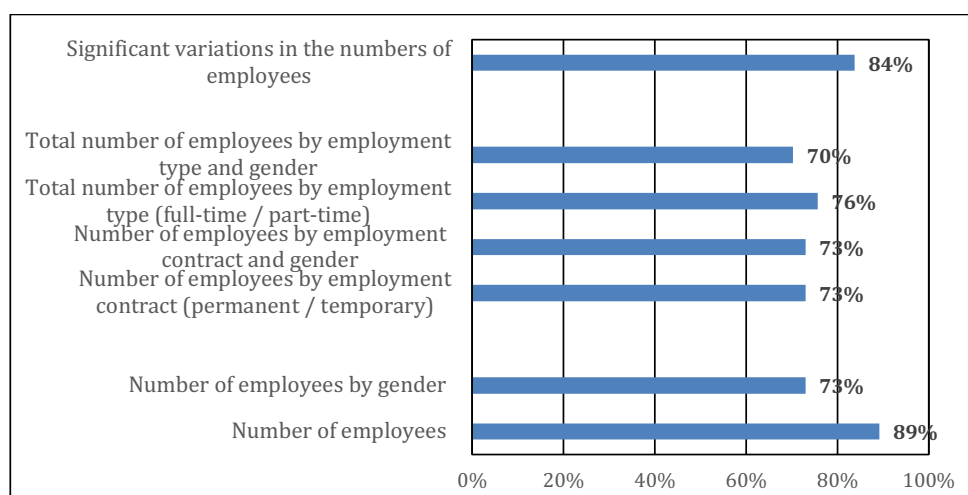
The analysis presented below is based on a very large sample, corresponding to 26% of the total, and examines the quantity and quality of information relating to *human resources* and *atypical work*, *gender equality* and *climate change*. Before going into the details of the analysis, it is interesting to note that three out of the 40 companies failed to publish the report on their websites, making these documents unavailable.

Human resources and atypical work

Regarding the dimension of *human resources* and *atypical work*, almost all the reports examined indicated the number of employees within the company (89.2%), as well as the changes in headcount in recent years (83.8%).

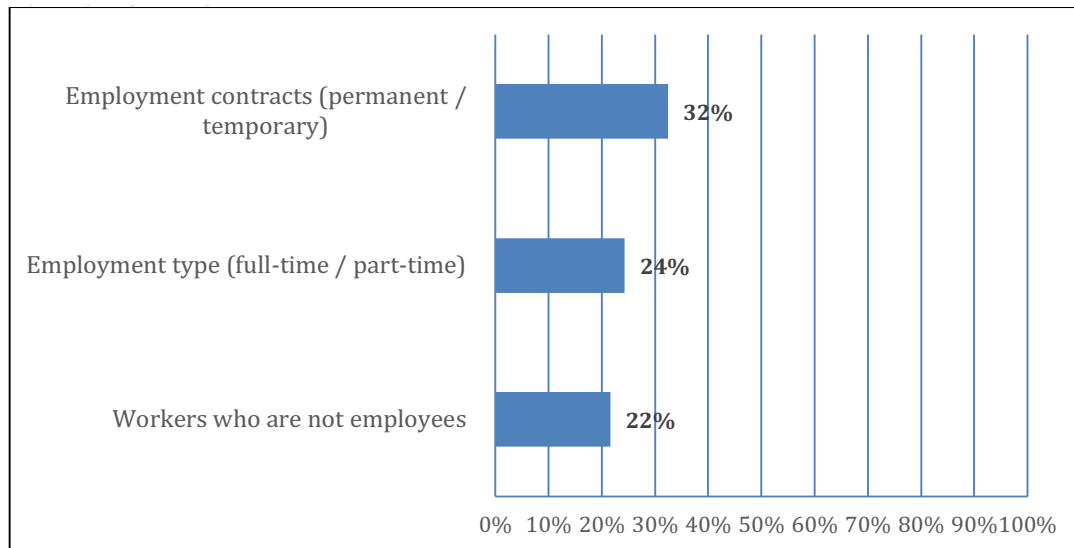
A lower figure, but still above 70%, characterised the provision of information on the distribution of employees by type of contract, by gender and by working hours.

Information about



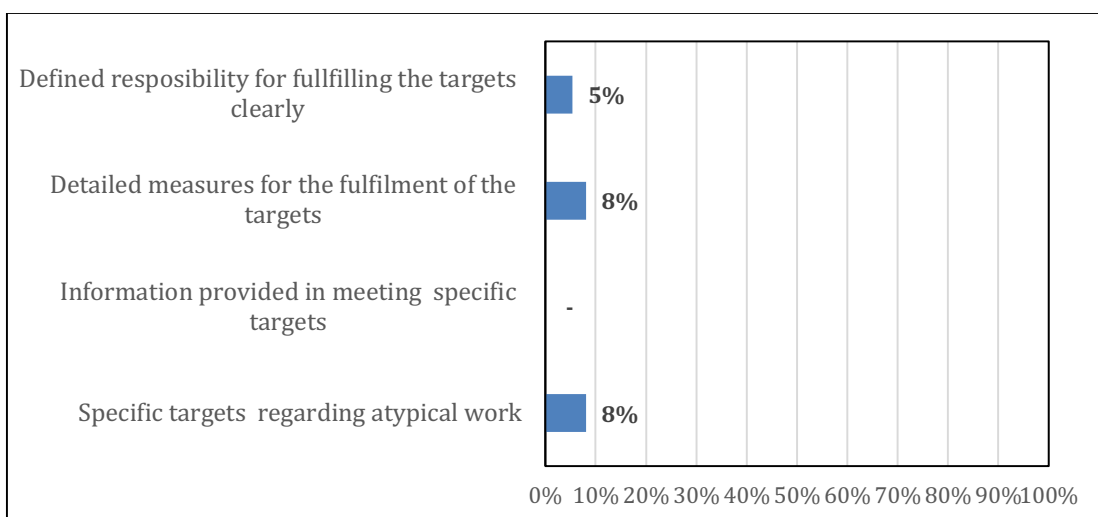
In the reports, on the other hand, there was much less detailed information on company policies relating to contract types (32.4%), working hours (24.3%), and workers who are not employees of the company (21.6%).

Specific policy regarding



Finally, as shown in the chart below, the information relating to the targets and measures necessary to achieve the objectives was very scarce.

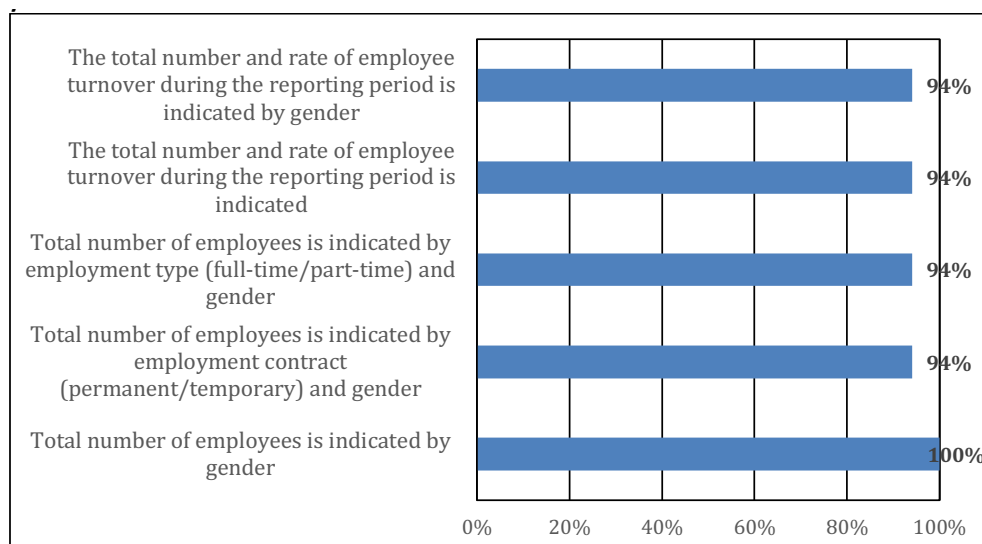
Targets and measures



Gender equality

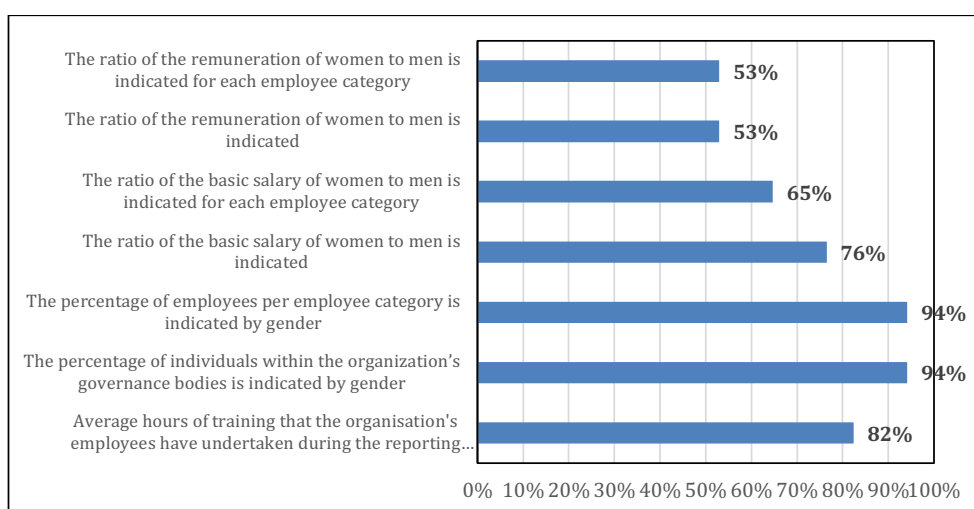
82.4% of the reports described a policy to address the issue of gender differences, even if no reference was made to plans or specific actions to tackle the problems identified. wwhours and by type of contract.

Employment numbers and turnover



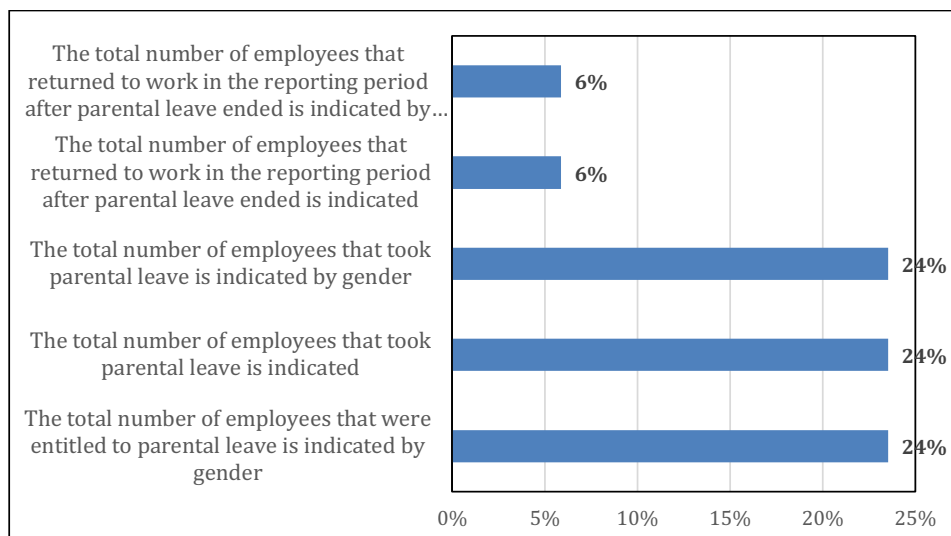
More than 90% of the reports specified the gender composition of the management bodies and of the employees, broken down to professional profiles. 82.4% specified the number of training hours provided, by gender, and 76.5% indicated the ratio between male and female workers' wages. On the other hand, further information was less frequently provided.

Salary and remuneration, training and staff structure



Detailed information on parental leave was less frequent, reported by fewer than one in four companies

Parental leave

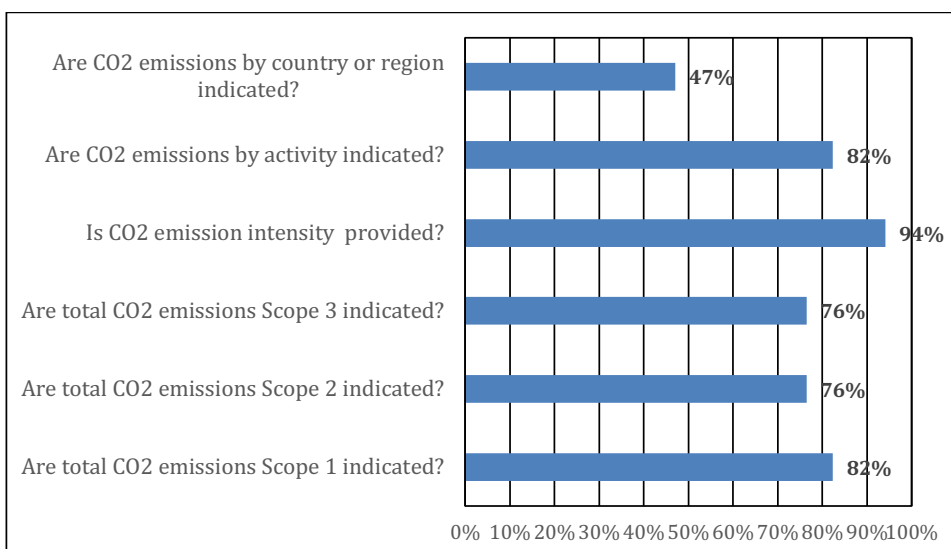


Climate change

The last aspect we analysed in the reports was climate change.

In 94% of the cases, a specific policy was described that the company had adopted to address the issue of climate change, with reference to the National Strategy (41.2%), the European Strategy (17.6%) or to the Paris agreements (11.8%). As emerges from the “Emissions” table below, the majority of the reports included information on CO2 emissions, also broken down to various activities (82.4%) and to the countries and regions in which the companies in question operate.

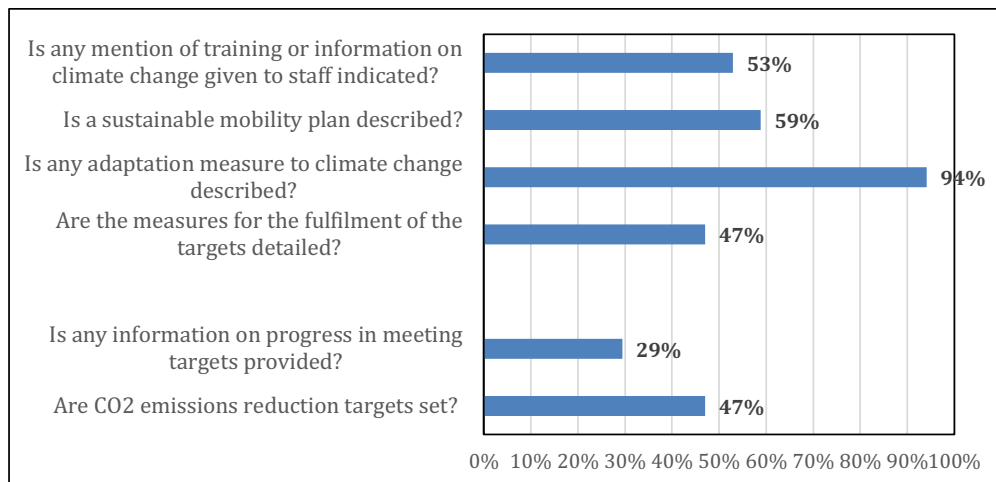
Emissions



As for the objectives and measures, as it can be seen from the table below, 94.1% of companies described their adaptation measures to climate change, but the percentages were significantly lower with reference to the achievement of those objectives (47.1 %) and to information/training for employees (52.9%).

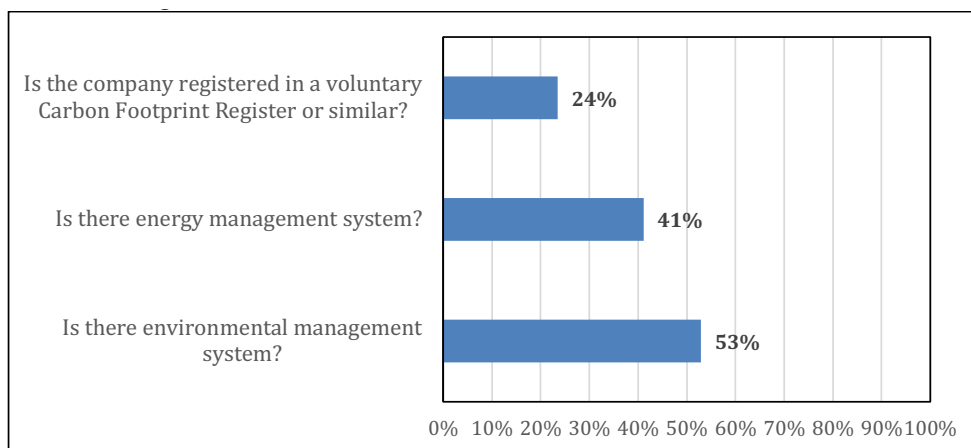
Similarly, only 29.4% of the reports contained information on the progress achieved in reaching the objectives.

Targets and measures



In 52.9% of the companies investigated, there is an environmental management system in place, and 41.2% have an energy management system.

Environmental management tools



Some remarks:

- In many reports, various aspects were named but often without exact data; often the opposite happened where enterprises reported large amounts of numerical data, without any strategy or targets described. It was rare to see an enterprise which provided both its strategies and exact data on the various questions.
- Extreme differences were present: some of the big companies prepared a 40-page general report only, while others provided a 700-page integrated report in which it was extremely difficult to find the relevant information.
- It was rare to see all the material aspects having the same weight in a report: very often an enterprise would highlight only one of the topics, and give only very limited information on other, equally important topics.

7.4 Extract of the results of the analysis of the 2019 non-financial reports of Spain's IBEX 35 companies

This document analyses the information provided by IBEX 35 companies in their sustainability reports, focusing on three key issues from a trade union perspective (atypical work, gender and climate change) as part of this set of tools.

Findings regarding the key indicators

Atypical work

Practically none of the companies described in their reports specific policies relating to the management of atypical work (temporary contracts, subcontracting, working hours, contracting through temporary employment agencies, etc.).

It should be noted that a significant number of IBEX companies have considerable percentages of permanent employees, in many cases over 90%. Several of them explicitly mentioned this fact (AENA, Naturgy, Acerinox, Grifols, among others), and some indicated the existence of employee loyalty policies (Naturgy). ACS is at the opposite extreme, with close to 35% of the workforce holding temporary work contracts.

All the companies reported data on the total number of male and female employees.

They also provided information on the types of contracts (permanent/temporary and full-time/part-time). However, a minority of companies provided percentages only or no disaggregated information at all at the country level.

In relation to the type of contract (full-time or part-time), only one company (Red Eléctrica Española) indicated not having any part-time contracts. On the other hand, almost no company cited data referring to employment by way of subcontracting, or made reference to hiring through temporary employment agencies.

Gender

Regarding the existence of gender equality policies, almost all IBEX 35 companies had an Equality Plan implemented in 2019. However, despite this being mandatory, there were still 2 companies (Acerinox and Grifols)¹ without one. A third company, Merlin Properties, did not report the existence of this plan either, but it was not obliged to do so in the year in question, on account of the number of workers on its staff (less than 250).

As for the total number of employees broken down by gender, all the companies provided this information.

Regarding the total number of employees by type of contract (permanent/temporary and full/part-time) and gender, most of the companies provided this information, although there were some cases where only the corresponding percentage value was provided (BBVA, IAG, Enagas or Inditex, for example).

Almost all companies provided some information on dismissals and on voluntary turnover, broken down by gender.

However, the information provided was not uniform. While most presented very detailed information (numbers and ratios) on both variables, others provided partial information (only numbers, only dismissals, only ratio). Many of the companies did not supply any information disaggregated by gender (INDRA, Naturgy, Siemens, Arcelor or Merlin Properties).

Regarding parental leave, 43% of IBEX companies did not provide any information on the total number of male and female workers who exercised this right in 2019, and 45% did not provide this information disaggregated by gender.

Logically, the same companies did not provide information on the total number of male and female workers who returned to work after parental leave (43% and 45%, respectively).

In relation to the average number of hours of training provided to the workforce, 85% of IBEX 35 companies did not break down this information by gender.

Overall, 91% of the companies provided information on employment broken down by gender and by category. On this topic, 75% provided percentage data by gender and category, while 10% presented the total number of jobs by gender and category.

Regarding information on salaries and remuneration, 91% of the companies provided the female/male pay ratio.

However, 37% did not calculate this figure by category.

¹ Acerinox mentioned that the plan was being prepared, and Grifols was negotiating with union representatives.

Climate change

Climate change was dealt with extensively in the sustainability reports of IBEX companies. 88% percent of the companies mentioned a specific policy in this area, and adherence to international commitments to reduce CO2 emissions is also significant. However, the scope and depth of the measures undertaken in this area varied greatly from one company to another.

Likewise, climate change adaptation policies and measures were taken by a minority of IBEX 35 companies (mentioned by only 42% of them), and again with great variability as to their descriptions, scopes and commitment levels.

Most companies indicated a commitment to climate neutrality by the year 2050 or before that date (88%). However, the concept of carbon neutrality, which many companies reported on, needs to be interpreted with caution, as it may not necessarily reflect reduction efforts (by procuring renewable electricity and investing in tree plantations anywhere in the world they can offset all their emissions and be considered as neutral).

Concerning the information provided on CO2 emissions, all companies provide figures for direct emissions (Scope 1) and indirect emissions (Scope 2), but with significant differences in the quality of data and the level of disaggregation.

As for Scope 3 emissions, there were 8 companies (Viscofan, Acerinox, Arcelor Mittal, Inditex, Masmovil, IAG Iberia, Colonial and CIE Automotive) that either did not provide this information or it was so inadequate that it could not be validated.

Regarding emissions² intensity data, 88% of the companies provided this information, and only 5 did not mention it.

However, where there is a general deficit is in the general level of disaggregation of the information: only 31% of the companies provide some information on CO2 emissions by activity and only 17% provide disaggregated information at country or regional level.

Most of the companies (88%) indicated global CO2 emission reduction targets. However, only 66% provided specific information on the measures implemented to achieve these targets.

A mere 31% of the companies (11) reported having a Sustainable Mobility Plan in place. This rate is 40% if we include those companies that reported some sort of specific measures related to this aspect.

One of the questions analysed was whether there was any specific training action aimed at the workforce in relation to climate change: in this regard, only 4 companies referred to any specific training initiative on this topic.

7.5 General conclusions from stock index companies' non financial reports

In the TALK project, a total of 105 Non-Financial Information Reports for the fiscal year 2019 were analysed in three countries:

- 30 in Germany
- 40 in Italy
- 35 in Spain

In the implementation of non-financial reporting obligations, companies have used various report types: some companies rely on their annual reports as the place of publication, and produce an integrated report, while others prefer drawing up a stand-alone sustainability report.

The quantity and quality of information included in the non-financial statement inside the annual report, whether as part of the management report or in different places, were rather varied, with often superficial information provided, only covering the minimum legal requirements.

Most of the enterprises were using GRI standards in all three countries.

² Indirect emissions resulting from activities occurring at sources that are neither owned nor controlled by the company

Atypical work

Most enterprises did not describe any specific policy regarding atypical work. In Germany, only 3 out of 30 companies proposed such a policy, in Italy 12 out of 40, while in Spain none at all.

It should be noted that a significant number of companies have a high ratio of permanent employees, so they don't perceive atypical work as a problem to deal with.

When going into the detailed data on the number of employees, more companies provided figures on staff numbers in various employment types and with different contracts. Almost all Spanish companies reported on these aspects, while in Germany and Italy, approximately a third of the companies reported these figures.

Gender

Almost all stock index companies of the three countries had a gender policy and supplied data on staffing levels and types of contracts by gender. At the same time, only a third of the companies broke down parental leave figures by gender. In Spain and in Italy, the enterprises were keen to provide data on the ratio of female/male workers, as well as their respective pay ratios, while in Germany only one company was reporting on the same matter.

Conversely, the majority of German enterprises described some targets and measures relative to gender equality, while practically none of the Italian companies did the same.

While climate change is widely addressed, atypical work and a combined gender/work type approach were rarely discussed.

Climate change

Data was found to be the most comprehensive on topics of the environment and climate.

Almost all enterprises had a specific policy regarding climate change issues, and adaptation to climate change. While in Germany and Spain nearly 80% of the companies committed themselves to some international climate agreement, in Italy only a half of the enterprises did the same.

Only a minority of the companies reported any data on any concrete measures (training, sustainable mobility).

Generally, the choice of the reported information depended on the company, as there was no single binding standard to apply. This also means that the forms and contents of the reports varied greatly, and so they were not always comparable. Numerical information often proved to be of higher value than descriptions of strategies and policies.

With the new European Directive and binding reporting standards entering into force, we are confident that the quality and comparability of the reports will improve. This will also help the work of analysts who, for various reasons, read and compare data from the reports.



8 INSIGHTS FROM NATIONAL EDUCATIONAL ACTIVITIES

8.1 Insights from the German National Educational Activity

Conception

Due to the assumption that the Covid-19 pandemic would not allow safe and unrestricted face-to-face events until the end of the project, it was decided to design the National Educational Activities in an online format. In the further conception, advice was taken from the National Workshop.

The aim of the training courses was primarily to raise awareness on sustainability reporting, to recognise where the opportunities in the subject area lay, as well as to demonstrate the potential for shaping the process. Rather than a more general day-long seminar, several shorter teaching units on different key topics were designed in order to break down the topic's complexity.

In terms of content, the indicators 'atypical work', 'gender equality' and 'environmental and climate protection' of the stock market analysis were chosen as the focal points of the respective teaching units. In this way, the results of the analysis could also be used beyond the actual analysis activity.

Against this background, three short online training courses, each lasting 120 minutes, were designed and carried out between 22 and 24 March 2022, from 10:00 a.m. to 12:00 p.m. All three seminars followed the same structure:

1. Definition of the topic at hand
2. National, European and international legal requirements in the given context
3. Definition and requirements of non-financial reporting
4. Reference and explanation of the relevant GRI indicators and where to find this information
5. Examples of company reports
6. Conclusions to draw from reporting
7. Questions to ask to the management

Advertising

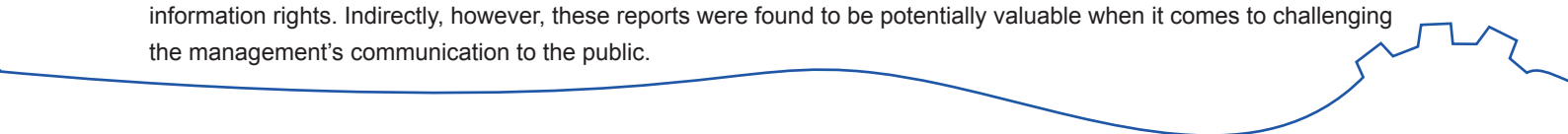
The training courses were advertised via the organisation's newsletter system, which includes slightly more than 2,000 addressees from the field of employee representation. In addition, the training courses were posted on the organisation's website with the option to register directly. The application was made in such a way that interested participants were free to register for all three sessions, or just for individual seminars.

Despite the broad advertising and the short informative format, which can easily be incorporated into working hours, interest was low. Overall, we received 12 registrations (atypical work: 5, gender equality: 5, environmental and climate protection: 2).

Conclusions from the training courses

In general, all three training courses were received very positively by the participants, as there existed little to no knowledge regarding the topic of non-financial reporting. It was confirmed by the participants that employee representatives were currently not involved in the process of preparing the non-financial report, which was, however, becoming increasingly important for the company side.

Participants also confirmed the fact that the information provided in the non-financial report did not present any direct added value for the time being, as they could obtain all this information in accordance with their workers' representatives' information rights. Indirectly, however, these reports were found to be potentially valuable when it comes to challenging the management's communication to the public.



The training courses also validated the insights gathered in the National Workshop. Training formats and contents need to be tailored to the target group. Standardised course content is not likely to be helpful. Rather, there is a need for training courses that are individually tailored to the company/body and that are based on the company's own structures and practices, including its own sustainability report. Training must be specific and geared to the needs of the target group involved. In-house training promises more success than open courses.

Furthermore, training activities should include a combination of sustainability topics, strategic approaches/considerations and financial topics, in order to approach the topic of non-financial reporting in a more holistic way.

8.2 Insight from the Italian National Educational Activity

Conception

The aim of the training course was primarily to raise awareness on sustainability reporting, to recognise where the opportunities in the subject area lay for trade union representatives, as well as to demonstrate the potential for shaping the process.

The activity was divided into two parts. The first of these was a general introduction to the legal background.

The second one included two group work sessions: a brief analysis of a NFI report and then the construction of a proposal for materials for more extended training.

The program was then:

- Definition of the topic at hand
- National, European and international legal requirements in the given context
- The revision process
- Definition and requirements of non-financial reporting
- Reference and explanation of the relevant GRI indicators and where to find this information
- Examples of company reports
- Conclusions to draw from reporting
- Topics and approaches for trade unionist training

Conclusions from the training course

In general, the training course was received very positively by the participants as there existed little to no knowledge regarding the topic of non-financial reporting. It was confirmed by the participants that employee representatives were for the time being not involved in the process of preparing the non-financial report, which was, however, becoming increasingly important for the company side.

For now, very often companies outsource the preparation of the NFI report to other consultancy firms. This means that the workers and their reps do not have any insight into the process or into the information before the report is published. They have also no possibility of controlling the accuracy of the information.

Still, with the revision process of the NFIR Directive and the forthcoming new Directive and binding standards, it is vital for workers and trade unions to be informed about, and possibly involved in, the production of the reports.



Participants also confirmed that the NFI reports can be valuable when it comes to preparing second level negotiations (at the workplace). It is also important that trade unionists have access to the reports, because they are the ones in a position to assess the validity of the information contained in them.

In conclusion, all participants agreed on the necessity of capacity building among workers' reps on this topic.

As for the forthcoming meetings, participants stated the following needs:

- General legal background at European and National level
- Give a quick overview of the report structures. Even if they are long or detailed, it is useful to know where to go to find the relevant information. To this end, the new binding standards will be useful
- Give motivation to workers' representatives on how they can use the information gained from the reports. If there is a concrete use, reps will be more likely to be keen to analyse it.
- In addition, it would be useful to check the list of Consob, the compilation of all reports produced in a year. Search the companies which are pertinent to the participants of a training, and work directly on the reports of an enterprise they know.

8.3 Insights from the Spanish National Educational Activity

In Spain, the National Educational Activity took the form of a training seminar focusing on the analysis of sustainability reports.



The main objective was to work, in a practical way, with the tools for the analysis of sustainability reports elaborated during the project.

The training day was attended by 50 people, including a selection of 30 delegates from more than 15 large companies from sectors such as energy, construction, textiles, finance and insurance, postal, shipbuilding and the chemical industry, among others. The training seminar was divided into a morning and an afternoon session.

During the morning session, trade union officials from the main CCOO sectorial organisations highlighted the importance of these issues in their trade union action policies, as well as their commitment to continue promoting and supporting the work of workers' representatives in this field.

In addition, workers' representatives with practical experience in the analysis of their companies' sustainability reports shared their knowledge and practice with the participants.



The perspective of civil society was also addressed, as presented by the Director of the Observatory of Corporate Social Responsibility, a benchmark institution in the field of CSR in Spain.

The afternoon session was devoted to practical training.

Four workshops were held, focussing on climate change, equality, sustainable mobility and employment, and occupational health and safety. Each of them specifically addressed the analysis of these issues in the framework of

business policies and the way they are reflected in sustainability reports. Participants carried out practical analysis exercises on real sustainability reports, applying the analysis tools designed during the project.

Once the workshops were over, a plenary session of conclusions was held. A spokesperson from each of the workshops presented the conclusions resulting from the work carried out.

From among the conclusions reached, the following can be highlighted:

- The positive assessment of the practical analysis tools used in the workshops.
- The need for the continuous training and specialisation of workers' representatives in these issues.
- Support from the trade union structure to promote trade union work in this framework is needed. The union should draw up instructions on these matters to be passed on to the Works Councils and workers' representatives.
- The role of Works Councils in forcing companies to engage in dialogue with the workers on these topics was also highlighted.

Now with the workers' representatives trained, the next challenge is to continue promoting and supporting trade union work at company level, to achieve consolidation.

8.4 Insights from the Greek National Educational Activity

The Greek National Education Activity took place online on 8 December 2021

It was a training course consisting of an introductory session and three thematic sessions.

This course structure was adopted because trade unions get involved in the implementation of the NFRD through information, knowledge and familiarity with European environmental policies.

The activity started by introductory messages from the institutional representatives of EKA, highlighting the importance of the TALK project, mentioning especially the need for the training of workers' representatives in order to be able to participate in the processes of NFRD and of CSR in general.

The NEA was attended by 10 persons, all trade unionists. The topics of the three sessions were:

1st Session: Twin green and digital transition and labour relations

The aim of this session was to provide an in-depth update on green development, the circular economy, climate change, just transition, green jobs and trade unions' involvement in all these. During this session, the EU Digital Strategy 2020–2025 launched in February 2020 was presented, aiming to empower people with a new generation of technologies, helping to support a 'just transition' to a climate-neutral Europe via the European Green Deal.

2nd Session: EU and national legislation on non-financial reporting, and the role of workers' representatives

Participants in this session discussed the NFRD, its content, the prerequisites for workers and their representatives, and the role of social dialogue as well as collective negotiations. Companies' actions have significant impact on life in the EU and around the world, in terms of products and services, jobs and opportunities, working conditions, human rights, health, the environment, innovation, education and training.

3rd Session: The necessary skills for monitoring enterprises' environmental and social compliance

Basic knowledge is necessary to stay up to date with developments in the implementation of the NFDR and other relevant legislation. Non-financial reporting can help workers' representatives to initiate social dialogue, or to broaden its scope, and to obtain information on key topics and management policies in preparation for information and consultation processes, negotiations or campaigns.

Main conclusions

- There is an urgent need to address environmental issues within the framework of social and environmental sustainability.
 - Environmental issues are becoming more and more important to companies.
 - Environmental issues tend to be raised in the context of large companies. It is important to involve small and medium-sized companies, too.
 - Small and medium-sized enterprises (SMEs), which have a small number of employees and are firmly rooted in the local communities, often need to make no formal communication efforts in order to disclose information about their social responsibility.
 - Strong support for digitalisation of non-financial information is needed.
 - Workers' representatives need to be trained and the knowledge gained in initial training has to be updated when necessary.
- 

9 COUNTRY CONTEXT CASES

9.1 Germany - Country context case

Significance of non-financial reporting and implications for training activities

German labour relations are characterised by highly formalised structures at company level and a coordinated social dialogue. At the company level, works councils are elected every four years and they represent workers' interests towards the management. Depending on the actual issue, works councils have rights ranging from co-determination, through consultation to information. Furthermore, in companies with more than 2000 employees, supervisory boards consist in one half of employers' representatives and in the other half of employee representatives. The chair of the supervisory board is elected from the employer side, and has two votes in decision making, thus breaking formal parity. The supervisory board advises and monitors executive management. Employee representatives³ on supervisory boards are usually elected every four years.

When seeking to understand the role of non-financial reporting in German labour relations, the different functions of these two bodies and the specific underlying conditions must be considered. In the TALK project, the focus was solely set on workers' representatives organised in works councils.

Works councils in Germany are formally independent of trade unions. Still, there is a very high degree of trade union membership amongst works council members, and trade union lists are usually used at work council elections. Thus, trade unions still exhibit strong influence on works councils, without having a direct mandate as in other countries. This means that there is no automatic 'policy compliance' with trade union politics in the context of works councils.

- Make sure that as a trainer you are in line with trade union positions, but do not hope that people have just been waiting to comply with them. Instead make sure you understand the needs of worker representatives at the company level and try to offer good solutions for real problems.

The formal rights of German works councils are based on the Works Constitution Act. In companies with more than 200 employees, besides co-determination, consultation and information on different issues, the law also provides for the possibility of establishing an economic committee. This committee discusses all economic issues, and has formal rights to receive information regarding the economic situation and reporting of the company. Besides this specific body, the works council has the right to establish additional committees dealing with specific issues. One common feature of such committees is that in addition to the responsible members of the works council, they can also include other experts in an advisory quality. The Works Constitution Act also foresees the right to involve other experts, such as lawyers or auditors, of whom employers must cover the costs. The applies to the further training provided to works councils. All in all, German workers' representatives have relatively strong formal rights, as compared to other European countries. Whilst one could assume this would lead to a strong voice in non-financial reporting, as well, in practice quite the opposite is true. Workers' representatives feel that they have enough leverage already and therefore do not perceive this 'new tool' as one that gives them any additional advantage. The topics addressed by non-financial reporting are either already being dealt with in other contexts, or not seen as an important field of work. Also, the wide range of rights leads to a high degree of formal engagement with the employer, which leaves little resources for 'extras'.

- Non-financial information as a stand-alone topic will most likely not spark much interest, as there are other means of obtaining information and enforcing rights. Still, NFR can be a benefit, if utilised in the right manner. Educational activities on non-financial information, therefore, must incorporate the topic into existing formats and working routines, and address issues which are on the agenda already.
Auditors and other external experts giving advice to works councils, are an important target group.
- As resources are scarce, it is important to offer time efficient solutions.

³ This is a simplified description serving the purpose of providing a rough idea regarding supervisory board representation of the employee side. Depending on the specific legal basis, different preconditions and variations exist

Works councils are elected at the level of operative units, and, depending on the structure of the company, central works councils and group works councils can be set up, too. These committees serve as the counterpart of management at the corresponding levels. In many cases, the economic committees mentioned above are established at those higher levels, as well. Usually, the chairs of the central and/or group* works councils are also elected members of the supervisory board.

- When designing educational activities, it needs to be clear which level is being addressed, as they all have different perspectives on issues.

The historical development of CSR in Germany started in the chemical sector in the 1960s, when this sector began addressing environmental issues. This initial, one-sided perspective has prevailed dominant in the perception of the whole topic ever since. Whilst some companies of the chemical sector genuinely strived to improve their practices for the benefit of the environment, there was a fair amount of greenwashing involved, as well. This has left many trade unionists and workers' representatives sceptical, not wanting to deal with those topics, as they perceive them as vehicles that employers use to gain interpretative authority in certain normative questions. The more recent extension of CSR to other topics, including the traditional core topics of trade unions, was rejected by many trade unionists and workers' representatives, as they saw it as an attempt to 'capture' them in the interest of employers.

- It is important to be aware of the generally rather critical stance towards the topic, in order to address these issues early on and to create a common understanding.

The perception and importance of environmental sustainability in German society has changed over the years, but it is still a matter of rational choice rather than normative premise. While there have been changes in specific fields of policy regarding environmental protection, these were mostly direct reactions to trigger events and not normative decisions. These included, for example, the ban on lead-fuel due to its negative impact on forests, or the shift away from nuclear power after the Fukushima meltdown. German society at large appears to have a rather pragmatic approach towards environmental sustainability – with the usual exceptions, of course. As a cross-section of society, this is also true of trade unions. While German trade unions have mostly assumed progressive stances towards environmental protection in general, it is never addressed as a stand-alone topic, and almost always includes 'buts and ifs' related to job security. On one hand, this is consistent, as trade unions must advocate for workers' interests, on the other hand it seems to be still more short-sighted compared to other European countries, in the majority of which the perception is that the choice in future is not between one or the other, but rather: both or neither.

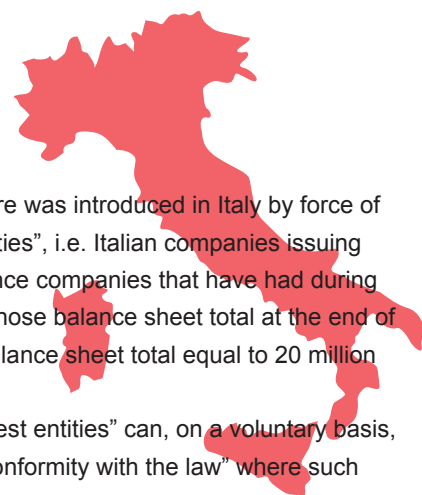
- No matter how passionate one is about the topic, an emotional speech will most likely not yield the anticipated results. Instead, one must try to argue pragmatically, and to rationally introduce the normative perspective.

9.2 Italy - Country context case

The introduction of reporting on non-financial information in Italy

The obligation to publish a report (individual or consolidated) of a non-financial nature was introduced in Italy by force of Legislative Decree no. 254/2016, and is applicable to "significant public interest entities", i.e. Italian companies issuing securities listed on a regulated Italian or European Union market, banks and insurance companies that have had during the previous financial year an average number of employees exceeding 500, and whose balance sheet total at the end of the financial year exceeded at least one of the following two dimensional limits: a balance sheet total equal to 20 million euros; total net revenues from sales and services of 40 million euros.

Article 7 of the decree also provided that subjects other than "significant public interest entities" can, on a voluntary basis, publish a declaration of a non-financial nature, indicating on the report the words "conformity with the law" where such report was drawn up in compliance with the provisions of the decree.



The role of “Consob” (Italian national commission for listed companies and the stock exchange) and the coverage of non-financial information reporting

The law established that the organization in charge of supervising the compliance of the reports with Legislative Decree 254/2016 should be Consob (Italy’s national commission for listed companies and the stock Exchange).

Starting from 2018, Consob has annually published on its website the list of the companies which have presented a non-financial information report. It is also Consob that defines the parameters and measures of control for the non-financial reports published.

There were 149 companies in this list in 2018 and 151 both in 2019 and 2020.

List of listed companies which have published a NFIR in 2018-2020

2018	149
2019	151
2020	151

Source: Consob

Five years into the implementation of the decree, the percentage of companies that publish the NFIR despite not being subject to the obligation remains residual (about 3%). In other words, although the decree gives the possibility of proceeding voluntarily, NFI reporting has remained limited to companies subject to the obligation. Most Italian companies continue to consider the preparation of non-financial reports an obligation and a cost rather than an opportunity.

In order to promote NFIR, Legislative Decree 77/2021 (Recovery and Simplification Decree) has established that having a NFIR represents an **element of reward** for companies, even for small ones (over 15 employees) that intend to participate in activities financed by the Recovery and Resilience Plan (PNRR).

Companies subject to the obligation

As we have pointed out, in Italy the obligation concerns “relevant public interest entities”. Regarding geographical location, most companies subject to the obligation are located in the regions of northern Italy, with a distribution that has remained stable over the years. Lombardy is the region with the largest number of companies, followed by Emilia, Veneto and Piedmont (8%).

The main sectors of the companies that drew up a NFIR were the banking sector (18%), the manufacturing sector (10%), the energy and financial services sector (9% and 8%, respectively) and the public services sector (7%). From this point of view, as well, the percentage distribution has remained substantially stable since the introduction of the reporting obligation.

The banking sector produces most of the NFIRs, also due to the qualification as “relevant public interest entities” (having the obligation to publish NFIR) attributed to banks by the decree. The other sectors are represented by medium-large companies (often listed) which are, as such, subject to the decree, and are obliged to publish an NFIR.

Visibility of the reports

Among the various options provided by legislation, most Italian companies have chosen to draw up the NFI report separate from the management report – this “stand-alone” approach appears to be the most widespread.

The fact that the NFIR is perceived as an independent assessment and reporting tool, demonstrates that sustainability remains little integrated within corporate strategies.

The structure of the reports

The NFIRs were around 100 pages on average.

The breakdown by sustainability dimensions (environmental, social and economic) highlights that Italian companies tend to emphasise social aspects within their reports. This represented approximately 24% of the total content of the declarations, focussing mainly on issues such as gender diversity, social inclusion, staff training, supplier evaluation on sustainability parameters, and support for the well-being of local communities.

The environmental dimension constituted on average 11% of the declarations and the economic section about 7% of the NFIRs.

Reporting standards

All companies decided to adopt the framework of the “Global Reporting Initiative Sustainability Reporting Standards” (GRI Standards).

9.3 Spain - Country context case

Background

Before the transposition of Directive 2014/95/EC in 2017, Spain had already had a long tradition of sustainability reporting in the business community, mainly in large multinational companies.

As an example, 875 sustainability reports were published in 2017 according to the GRI methodology, representing nearly 14% of the world total. Ever since 2010, this figure had always remained above 400 reports, demonstrating the significance of the voluntary sustainability reporting initiative in force at that time.

In 2015, 85% of the top 100 Spanish companies published sustainability reports. Even before that year, all companies (35) covered by the main Spanish stock market index (IBEX 35) published sustainability reports.

This context explains why for almost a decade there has been experience of trade union participation and analysis in the framework of sustainability reports in some of the largest Spanish companies, such as Repsol, Siemens-Gamesa, BBVA or Indra.

The Spanish State Council for Corporate Social Responsibility

In 2008, the Spanish State Council for CSR (CERSE) was established. It is an advisory and consultative body under the supervision of the Ministry of Labour and Social Economy, a pioneering CSR body in the EU.

The main purpose of the Council is the promotion of CSR initiatives in companies. It monitors the implementation/development of CSR policies, and issues reports on the actions taken. Trade unions are represented in CERSE.

From the beginning, the activity of CERSE has been very important, developing key documents, such as a proposal on basic reporting indicators, an initiative promoted and lead by CCOO.

After a long period of inactivity due to political decisions, CERSE is now resuming its activity with the involvement of various social partners.

Among its functions is the preparation of an annual report on compliance with the obligation for a certain category of companies to publish sustainability reports. This annual report is to be presented in the upper house of the Spanish Parliament.

In addition, any draft legislation related to corporate social responsibility must have the approval of the State Council for Corporate Social Responsibility.

Law 11/2018 on non-financial information, a step beyond the NFI DirectiveIn its first stage, the transposition of Directive 2014/95/EC in Spain was marked by the lack of public participation, the lack of ambition in contents (a literal transposition of the Directive was proposed, without any addition to its contents) and by the delay in the approval of the national regulation that was meant to transpose it (making Spain the last country to transpose the European standard).

The change of government at the end of 2018 led to a major change of direction that materialised in the approval of Law



11/2018. The new law had more ambitious contents that went beyond of the Directive previously, and made possible a parliamentary process that allowed a new scope for the regulation on disclosure of non-financial information to be discussed and defined.

An important new development is that from January 2022, companies with more than 250 employees that meet certain criteria will have to publish sustainability reports. The approximate number of companies affected would be around 4000, compared to the current 1200.

In addition, the new law is more demanding than Directive 2014/95/EC in relation to the contents subject to reporting: it requires the mandatory use of indicators for each of the reporting areas, and requires non-financial information to be verified by an independent verification service provider.

The content of sustainability reports

The financial year 2018 was the first year in which nearly 1200 Spanish companies published legally mandated so-called Non-Financial Information Statements (NFS), following the entry into force of Law 11/2018.

It can be said that a large majority of companies disclosed more information than legally required. However, in the absence of a legally established methodology for the presentation of this information, in most cases the information is limited to a generic description without providing quantitative data that would improve the quality of the information.

If we focus on the analysis of IBEX 35 companies, the information is not homogeneous, and the use of indicators and methodologies often fails to meet the criteria of comparability, materiality, relevance and reliability required by law.

Furthermore, although most companies claim to follow the GRI methodology, the information presented did not faithfully follow this standard, either. The external verification of the reports did not highlight these deficiencies, making this another area for improvement. The areas with the lowest degree of transparency were human rights, corruption and taxation⁴.

The future Regulation of Law 11/2018

A Regulation of Law 11/2018 is expected to be approved in the coming months to clarify the scope of some of the requirements established therein. They are currently too abstract, which means that they are being interpreted in a discretionary manner by companies. This leads to, among other things, inadequate information quality, as well as a lack of uniformity and of common indicators that would allow for comparability. The scope and binding content of external verification will also need to be regulated in more detail.

9.4 Greek - Country context case

The situation in Greece

Directive 2014/95/EE was transposed into Greek legislation by Law 4403/2016 on the Compulsory Publication of Non-Financial Information. This law was published in the Government Gazette on 7 July 2016 (125, A').

By force of this law, companies are called upon to gain an understanding of how sustainable development issues affect their overall performance, to enhance transparency in their communication with the investing public and their stakeholders, and to make public the way they create value in markets and in the societies in which they operate. Companies that see this as an opportunity will benefit more from it than those who consider the Law as another obligation with which they need to simply comply.

An important clarification in the corresponding interpretative circular No 62784/06-06-2017 of the Ministry of the Economy and Development, is the fact that these publication requirements apply to entities that operate in Greece and are subsidiaries of subsidiaries, where the parent company (or final parent company) is a company of public interest in the country of origin and is covered there by non-financial information legislation. The Law stipulates simplified requirements

⁴ Source: <https://observatoriorsc.org/la-ley-de-informacion-no-financiera-ha-tenido-un-efecto-positivo-en-la-calidad-de-la-informacion-de-responsabilidad-social-corporativa-pero-no-se-puede-afirmar-que-las-empresas-del-ibex-35-est-en-cump/>

for the publication of environmental and labour issues as part of the Management Report, for other categories (listed and non-listed, large, medium and small companies).

The Greek Sustainability Code

To facilitate the implementation of the law, the Greek Quality Net Foundation, in cooperation with the German Council for Sustainable Development, developed a standard called Greek Sustainability Code. This code constitutes an official framework on non-financial data according to the EU guidelines. The Greek Sustainability Code is linked to the German one. It meets Greek legislation as stipulated in the provisions of Law 4403/2016, in combination with Circular No 62784/06-06-2017 of the Ministry of the Economy and Development. The Code provides a structured system concerning the transparency and commitment of businesses. It responds to the need for measuring the economic, environmental and social performance of companies aiming to strengthen their competitiveness. It aims to enhance the export activities of Greek businesses as well as their overall openness, the acquisition of capital from the financial market and the international investor funds through a positive evaluation, and their accession into international Networks of “Responsible Suppliers”. The Greek Sustainability Code is geared to:

Listed companies (listed companies with more than 500 employees, subsidiaries in Greece of companies listed in their country of origin, as well as listed companies with less than 500 employees).

Non-listed companies (large companies with more than 250 employees on average and a turnover exceeding 40 million euros; medium-sized businesses with an average headcount of between 50-249 employees and a turnover of more than 8 but less than 40 million euros; small sized enterprises with 10-49 employees on average and a turnover from 700.000 to 7,999,999 euros).

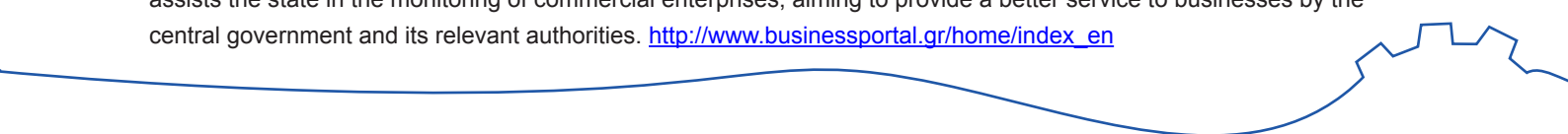
Very small companies (ones that are not obliged by the law to report non-financial data and that do not have a systematic approach towards Sustainable Development and Corporate Responsibility, but that wish to be listed as a Responsible Business).

Characteristics of the Greek Sustainability Code

- It is based upon international standards (such as the *Global Reporting Initiative*, the *United Nations Global Compact*, the *OECD Directives for multi-national companies*, *EFFAS*, *EMAS*) and the management systems already applied by these Organisations (such as *ISO 26000*, *9000*, *14000*).
- It is linked to the European Sustainability Code offering added value to the participant Organisations since it reflects their level of maturity as regards sustainable development at the national and the European level.
- It constitutes an official framework for reporting non-financial data according to both EU and national legislation.
- It provides guidelines on how to apply the principles of sustainable development in business operations.
- The Greek Sustainability Code is based on the principle of “One Code for All” with a view to being used by various stakeholders, and for this reason it includes different levels of participation and relevant criteria, so as to be inclusive and to cover all types of Companies, minimising the risk of exclusion as much as possible.
- The Greek Sustainability Code allows companies to mature gradually in terms of sustainability issues through its approach “Comply or explain” at different levels of participation.
- 28 large companies comply at present with the Greek Sustainability Code

General Commercial Registry (G.E.MI)

Non-financial reports are submitted to an authority called the General Electronic Commercial Registry (G.E.MI.) which assists the state in the monitoring of commercial enterprises, aiming to provide a better service to businesses by the central government and its relevant authorities. http://www.businessportal.gr/home/index_en



Athens Stock Exchange: ESG Reporting Guide 2019

To help companies report and investors use ESG information, the Athens Stock Exchange produced a concise, precise and easy to implement ESG Reporting Guide that seeks to improve the quantity, quality and comparability of information. The Guide provides an invaluable tool for companies to emerge as global leaders in ESG transparency and to improve their access to capital by attracting the expanding investor base that relies on ESG metrics for investment decisions. Moreover, it is aligned with leading reporting frameworks, such as the Sustainability Accounting Standards Board (SASB) that has identified issues that are financially material for each industry, and has a useful mapping of metrics with reporting frameworks such as the Global Reporting Initiative (GRI), the Carbon Disclosure Project (CDP) and the EU Non-Financial Reporting Directive.

The [Non-Financial Reporting Directive](#) employs a double perspective of materiality according to which companies can assess their development, performance, position, as well as their activities' external impacts.

Financial materiality is established to understand the extent of companies' development, performance and positioning.

Financial materiality is utilised primarily by investors, as it allows them to assess the extent to which a material issue has an impact on the company.

Environmental and social materiality are used to understand a company's external impact. The indicator of environmental and social materiality is primarily directed towards citizens, consumers, employees, communities and civil society organisations, as it showcases the impact that companies' activities have on stakeholders, society and the environment.

These two perspectives overlap to some extent, as market transformations and policy reforms can result in a company's external impact – whether positive or negative – translating into a business opportunity that can be considered financially material.

Reporting Considerations

Data Quality and Data Provision

Once a company has determined the ESG factors it should track, and report on, the relevant metrics. Specific indicators are to be selected to communicate this information effectively. Where possible, companies should provide quantitative, comparable and forward-looking performance metrics to facilitate ESG integration. It is recommended that companies use credible indicators included in internationally recognised reporting frameworks like GRI, SASB, CDP or UN Global Compact¹⁸.

Balance

Companies should disclose their methodology and provide explanations to support their quantitative indicators, establishing the link between ESG and financial performance. Companies should ensure that the data they provide is objective and includes not only the indicators on which they perform well. In their disclosures less favourable information should not be masked. Instead, reporting subjects are encouraged to provide explanations and demonstrate how they intend to improve their situation and mitigate any negative impacts in the future.

Scope

Companies are advised to report on data covering the whole spectrum of their operations. Where data is not available, companies must clearly state which segments of their operations are covered in their disclosures. Group companies are encouraged to provide data covering the entire organisation, i.e. both the parent company and its subsidiaries that are included in the group's consolidated financial statements or equivalent documents. If data is not available for all entities, they are advised to start by reporting data regarding the parent company and proceeding with any other entity for which data is available. It should be clearly stated which subsidiaries are included in the reporting scope.

Responsibility and Oversight

Effective ESG integration must start at the highest levels of management. Determining material ESG issues that are strategically relevant and setting KPIs requires the involvement of the company's management board and upper management. Companies should track ESG performance and provide communication to the board to facilitate effective oversight. We recommend that annual non-financial disclosures be approved by the board.

Assurance

It is currently not mandatory for companies to obtain external assurance for their ESG disclosures; however, it is recommended that issuers obtain assurance to ensure the credibility of their reports.

Format and Accessibility

To reach their intended audience, ESG information should be available through an array of channels, including corporate websites, annual reports, sustainability reports or other forms of reporting. Companies can choose to provide this information through: (a) a standalone sustainability report (b) disclosure of material ESG factors in their financial reports (c) an integrated report that focuses on how an organisation creates value through its strategy, governance and performance.

Timing

Companies should disclose their ESG reports on an annual basis within six months of the end of their annual financial cycle.

Source:

Athens Stock Exchange, ESG Reporting Guide 2019 <http://www.athexgroup.gr>



10 KEY INSIGHTS, RECOMMENDATIONS AND CONCLUSIONS

Precisely during the TALK project's lifetime, the European Commission was working on the revision of the NFIR Directive.

In February 2022, the European Commission adopted a proposal on the Corporate Sustainability Reporting Directive (CSRD) which revises the Non-Financial Reporting Directive of 2014 and which will ensure the robustness of companies' commitment by introducing the following new features:

- extension of the scope to all large companies and companies listed on a regulated market (except for listed micro-companies)
- certification requirement for sustainability reporting
- more detailed and standardised requirements on the information to be published by companies
- improved accessibility of information, by requiring publication in a dedicated section of company management reports

Some of the proposals by trade unions were not considered. No consultation rights were established for trade unions or works councils, despite demand, because the Commission considers sustainability reporting to be a reporting obligation rather than a subject of industrial relations; so the responsibility lies with DG Employment.

Indeed, workers' representatives should play a role in reporting, and each of the actors should find their respective role: from feedback rounds with management when a report is published, to the right of consultation/participation in the preparation of the risk/materiality analysis, from the right to be consulted on social issues to the right to participate in the development of sustainability strategies.

Regarding the roles, workers' representatives should define what their current roles are in the analysis of NIF reports, which roles would be desirable from a political and/or strategic perspective, and which roles would be realistic against the background of the foreseeable future framework conditions. They must also find strategic links to other stakeholders in order to put into context the questions they are interested to analyse.

Furthermore, they need to reflect on what structural, thematic or analytical (knowledge) resources are needed to fill the anticipated roles, and what structural, thematic or analytical (knowledge) resources are already available.

Pending the approval of the new Directive, it is essential that workers' representatives continue building capacities in order to be able to analyse and use the information of NFI reports.

-

A non-financial information report is a valuable source of information for understanding the company, its development processes and its commitments with respect to the subject of human resources, environmental issues, social issues, respect for human rights, as well as to understand the business model, policies, how the company manages risks, and, last but not least, the choice of the relevant non-financial key performance indicators. In other words, through a non-financial statement it is possible to understand the commitments that a company makes with respect to its stakeholders, an element that is strategically useful for bargaining.

Moreover, it is increasingly clear that the issue of sustainability will soon become a hardcore economic and monetary issue if lending decisions in the future are to depend on the borrower's green footprint.

11 ANNEXES

11.1 Technical questionnaire – report on findings

1. OBJECTIVE OF THE QUESTIONNAIRE

The TALK Technical Questionnaire was intended to mitigate the consequences of the postponement of the International Workshop (IW) by allowing us to anticipate the development of some project results. As the IW will possibly have to be modified in some way, the conclusions of the Technical Questionnaire will help to define a new proposal for the IW. As there are doubts whether it will be possible to prepare a face-to-face International Workshop, the results of the Questionnaire, together with additional online technical meetings, could allow to share, discuss and validate the results.

Therefore, the aim of the questionnaire is to collect the opinions of the different stakeholders identified in the project (employers' organisations, company experts, trade unions, workers' representatives, social partners etc.) on the issues that were to be reflected and discussed during the International Seminar.

In this context, the questionnaire was distributed among the partners of Project TALK, in order to be completed in each country (Hungary, Germany, Greece, Italy and Spain), addressing the profile of participants to be defined later. In the case of Germany, provisionally, only results from part 1 of the questionnaire were included in this findings report⁵.

The present report contains the overall results of the questionnaire, based on the analysis obtained from each national country report.

2. STRUCTURE OF THE QUESTIONNAIRE

The questionnaire was structured in four sections:

- Legislative framework for non-financial reporting (Section 1)
- Social dialogue and non-financial information (Section 2)
- Climate change commitments and sustainable development objectives (ODA), and non-financial information (Section 3)
- Union awareness, education and participation in CSR and non-financial information (Section 4)

Each section contained a series of questions formulated as openly as possible, so that qualitative information could be obtained where this was feasible.

3. RECIPIENTS OF THE QUESTIONNAIRE

In order to cover all the profiles that would have been represented at the International Seminar, a number of groups were selected to which to distribute the questionnaire:

- Business and technical business organisations
- Union representatives, union experts and workers' representatives at company level.
- Social experts

4. SAMPLE SIZE AND PROFILE

Altogether, 35 people completed the questionnaire.

The distribution of respondents by profile was as follows:

EMPLOYERS' ORGANIZATIONS	5
TRADE UNION OFFICIALS	7
UNION EXPERTS AND TECHNICIANS	11
WORKERS REPRESENTATIVES AT COMPANY LEVEL	4
SOCIAL EXPERTS	8
TOTAL	35

⁵ Source: <https://observatoriorsc.org/la-ley-de-informacion-no-financiera-ha-tenido-un-efecto-positivo-en-la-calidad-de-la-informacion-de-responsabilidad-social-corporativa-pero-no-se-puede-afirmar-que-las-empresas-del-ibex-35-est-en-cump/>

5. CONCLUSIONS

Section 1. Legislative framework for non-financial reporting. Revision of Directive 2014/95/EU

1. In the opinion of the respondents, Directive 2014/95/EU has indeed had an **impact on industrial relations**: greater transparency was achieved in information and new channels of communication were established with the company. Relevant information (NFIR) is usually provided to the workers' representatives and the NFIRs open a possibility for union action. However, it was also pointed out that it is still early to assess the overall impact and that the trade union's influence on the reporting process is still not very relevant in global terms. Therefore, at least potentially, the directive has a genuine impact on labour relations.

The business side stated that the greater scope of information contributed provides the legal representatives of workers with more possibilities of communication and negotiation, but it was also pointed out that NFID does not influence the quality of labour relations.

2. The **participation** of the social side in these issues is still very immature. Therefore, we need to improve the dialogue and the participation of labour representation in this process, as well.
3. From the trade union and social perspective, the lack of reliability of the information provided is a major problem, but not so for the business side. Yet, both TU/social and business sides agree that **comparability** must be improved.
4. There was unanimity on both sides that it would be necessary to **standardise** non-financial information.
5. Both union and social sides agreed that **unions should participate** in an eventual **standardisation process**.
6. The TU/social side pointed out that it is necessary to **clarify the scope of the concept of materiality**. The business side is also in favour of this clarification, in order to eliminate subjective elements.
7. The majority position is to **extend the scope of the Directive** to other companies.

In any case, it must be assured that all companies operating in sectors with exceptional high risk for breaching workers' and human rights, be included regardless of their size.

It would be useful to establish a simplified standard and/or reporting format for SMEs, which would also be an effective means of limiting the burden on SMEs arising from information requests they may receive from other companies, including financial institutions.

In this regard, no majority opinion took shape among employers' organisations, with both options (for and against) expressed by respondents.

8. Most of the respondents from TU/social side stated that the **role of workers and their representatives** in the process of preparing reports or developing and monitoring the company's sustainability strategy, should be mentioned in the text of the Directive (competence to participate).

Employers' organisations deemed this inappropriate.

Section 2. Social dialogue and non-financial information.

1. There was no unanimous response as to whether the transposition of the **Directive** at country level had improved **social dialogue**.
2. From the union and social perspective, it is necessary to establish social dialogue bodies to regulate the adaptation of Directives, to monitor their evolution at national level, and to ensure compliance. On the other hand, employer organisations did not see the need for such bodies.
3. In general, unions and employers stated that it would be useful to establish common training and even joint company/union training in this area through social dialogue, at state and/or sector level.
4. From the union and social side, it was found to be necessary to better define the **boundaries between financial and non-financial information** in the framework of social dialogue.
The business side did not see the need for this.

Section 3. Commitments related to climate change and sustainable development goals (SDG).

1. In the opinion of the trade union and social side, climate change issues are dealt with in the sustainability reports insufficiently, but the situation is improving. A general opinion is that the measurable goals for the annual evaluation of the companies in this field are missing or are not enough. It was also argued that companies are paying more attention to these issues, and are aware of the significance of them to their stakeholders (especially investors) and due to EU policies, regulations and other initiatives. Still, it was pointed out several times that companies engage in greenwashing or marketing policies, etc.

For its part, business representation stated that companies are dealing with climate change issues very exhaustively.

2. As to how the active **participation of workers** and their representatives in the company's climate action could be strengthened, it was pointed out that companies should better understand and perceive that the participation of workers and their representatives is a useful tool for environmental diagnosis, for the search for solutions and for the effective implementation of corporate policy.
3. With regard to the **information** provided in the non-financial information reports on **resources for the implementation of climate action** (financial tools, investments, R+D+I, training,...), the trade union and social side pointed out that companies must improve the quantity and quality of information on the means available to undertake climate action in the company, including the financial tools used to internalise the costs of carbon dioxide emissions, the degree of implementation of new technologies, the measures adopted in upgrading production processes and the best available techniques, and the actions and resources available for training and investment in human capital. It was also pointed out that few companies provide staff training in sustainability and in environment topics. For its part, the business side expressed the view that these issues were comprehensively reported.
4. On the topic of **climate change indicators**, union and social experts stated that it is important for companies to improve the detailed information on greenhouse gas emissions (in absolute and relative terms), the objectives that are set in this context, and their evolution over time in relation to the actions implemented and the means provided.

It was also noted that it would be desirable to introduce indicators related to just transition.

The business side pointed out that exhaustive information was being provided, following established standards such as GRI.



5. As to whether the information provided by the companies in NFIR about **Sustainable Development Goals (SDG)** is sufficient, the common position of unions was that this is not the case, and, as in other issues (environment, climate change, CSR etc.), there is a need for more transparency in this topic.
On the other hand, the business organisation expressed the opposite view.

Section 4. Union awareness, education and participation in CSR and non-financial information

Note: this section was only addressed to the trade union and social participants.

1. In general, the level of **knowledge of workers** on CSR and the non-financial information framework issues was perceived as very low. In some cases, it was pointed out that Work Councils and Trade Unions are not interested in training on NFID because they lack both information and knowledge on this topic.
2. The main **training needs of employees in the field of non-financial information** are, in order of importance, as follows:
 - a. Understanding the context of Directive 2014/95/EU and its objectives
 - b. Awareness of frameworks for the disclosure of non-financial information (GRI standard)
 - c. Tools for the analysis of non-financial information reports
 - d. Relevant indicators (KPIs) for the social analysis of non-financial information reports.
3. Works Councils were indicated as the target group for training in this field.
4. The following chief **benefits** of such **training** were most often mentioned:
 - Deeper knowledge of both the framework and of the issues themselves that are covered by NFIR.
 - Obtain reliable information for the purposes of union action and for society.
 - The possibility of extending union action to issues that are clearly of interest to workers.
 - Greater involvement in company processes.
 - Contribute and give visibility to different points of view when undertaking CSR actions.
 - Extend the catalogue of competences and contribute to a fairer and more sustainable society.
 - Understand why certain measures are carried out and the benefits they can bring to the company, but also to society and the environment.
5. Regarding **how this training could improve social dialogue and the involvement of workers' representatives** in the NFI disclosure process, the following points were noted:
 - Additional opportunity for discussion that can lead to shared results.
 - An improvement in the social dialogue in the company could be achieved by the joint configuration of content on the subjects discussed between the company and the trade union side, as well as by the participation in this training of management members responsible for CSR as well as the legal representatives of the workers.
 - It would facilitate knowledge and tools for effective participation. On many occasions participation is lacking due to a lack of knowledge on the subject.
 - Having knowledge of what the report consists of and why it is being compiled, could help the trade union side provide the company with ideas for improvement, and become the link between the workers and the management, implementing the improvements that are sought by employees with a view to sustainability.
6. In the view of most respondents, the monitoring of collective agreements and global framework agreements is a relevant issue for trade unions and workers' representatives.

11.2 Report on the International workshop

1. Objectives of the Talk International Workshop

The main objectives of the TIW were the following:

- a. To share and validate the main results of the technical questionnaires carried out at national level.
- b. To learn about and discuss the proposal for the standardisation of non-financial information at European level, within the framework of the revision of the NFI Directive.
- c. To address the assessment of climate change issues in non-financial information reports (NFIR).
- d. To define proposals for the improvement of social dialogue in the framework of the analysis of non-financial information.
- e. To discuss the training needs of workers and their representatives in the framework of the analysis of NFIRs.
- f. To agree on the contents of the National Educational Activities to be developed as part of the TALK project

2. Structure of the TALK International Workshop

The TIW was structured in three virtual sessions. Each of the sessions was dedicated to a specific topic related to the objectives indicated in the previous section:

- Non-Financial Information Directive: revision process (session 1)
- Climate change and just transition in NFI. Social dialogue, collective bargaining and NFI (session 2)
- Design of TALK national educational activities (session 3)

These virtual sessions were attended by national and international experts, both within the framework of non-financial information and on more specific issues (climate change, trade union training, social dialogue, just transition etc.).

3. Conclusions

1st session

The first session of the TIW focussed on the review process of the NFIR Directive and on proposals to improve compliance with the objectives for which it was designed. In particular, the diagnosis of trade union involvement in this area, the functioning of social dialogue on these topics and the possibilities for improving both aspects were examined in greater depth.

Likewise, the proposal for the standardisation of NFI in the EU, which is currently being studied, was examined in depth. To this end, the expert Joanne Houston of the Frank Bold organisation, was invited to participate. Frank Bold has carried out important work, in coordination with other social organisations, to present a proposal in the area of standardisation, focussing on, and building a proposal for, KPIs that will structure the standardisation process.

In this context, the first part of the virtual seminar session served to share the preliminary results of the TALK technical questionnaire in each of the participating countries. The union partners from Spain, Italy, Greece and Germany presented the most remarkable national results in this regard. Most remarkably, significant parallels were found in the initial diagnosis and needs for improvement in relation to the impact of the Directive on labour relations (important but still in an initial phase), as well as in the training needs identified in order to make trade union participation more effective (still a lack of knowledge on NFI, recognition of powers of union and workers' representatives in the disclosure process, union tools for the analysis of non-financial information reports etc.).

Joanne Houston went on to present the main conclusions concerning the application of the NFI Directive on the basis of the analysis carried out on the NFIRs submitted by the companies subject to the Directive.



Among the most important conclusions were the following:

- Deficiencies and shortcomings in the use of KPIs (for example, only 21% of the companies analysed KPIs that are provided in a summarised statement).
- There is a lack of information and of policy descriptions on many relevant issues identified by the Directive (climate change, use of natural resources, biodiversity, human rights, supply chains management, etc.).
- Specific and relevant data on employment matters are missing.

Houston also presented an ideal contents proposal for the revision of the Directive, co-ordinated with various civil society organizations and 30 sustainability leaders, and a result of a targeted consultation.

To close this session, a debate was held to put forward trade union proposals in the context of the proposal described by Joanne Houston.

Another contribution was related to the verification process: the fact that verification is linked only to “groups of experts” and verifiers, can represent a risk for the reliability and credibility of the transparency system. The existing ambiguity and the practical outcomes concerning the concepts of “stakeholders” and “materiality”, are examples of this element of uncertainty. We therefore advocate the inclusion of employee representatives in the “social audit” process of sustainability reporting.

2nd session

The first part of the session aimed at learning about the approach to climate issues in the NFIRs, from a social and Trade Union perspective.

To this end, firstly, Joanne Houston (Frank Bold) presented the results of the analysis carried out by this organisation on how companies reflect climate change issues in their NFIRs. This analysis, carried out on more than 1000 European companies, lead to the following conclusions:

- 34.5% of the companies analysed provided a detailed description of their climate change policy.
- 27% described climate change related objectives.
- 23% described the risks related to climate change in detail.
- 36% set a climate target.
- 30% set actions to achieve this target.
- 27.5% mentioned outcomes in terms of meeting the climate change target.
- 13.9% stated their alignment with the Paris Agreement/Science Based Targets.

Joanne Houston also referred in her presentation to the Task Force on Climate-related Financial Disclosure (TFCD) Recommendations. Finally, she talked about the strengthening of workforce engagement under the European Commission's proposal for Sustainable Corporate Governance.

Next, Begoña María-Tomé (ISTAS / CCOO / Renewables Foundation expert) addressed the Trade Union approach to Climate Change and Just Transition. In her presentation she explained the strategy and line of work developed by CCOO Spanish Trade Union in this area, as well as the initiatives and tools for trade union training and involvement developed by CCOO.

After this, Christina Theocari (EKA-Greece) presented an analysis in relation to the treatment of climate issues and the Sustainable Development Goals (SDGs) in the NFIRs.

Some of the most noteworthy conclusions were the following:

- Difficult to check the Climate Change performance of companies amidst all the information included in NFIR.
- Companies adopt diverging approaches when reporting on these issues.
- Companies that comply with the legislation on climate change do have a corporate strategy and climate objectives.
- Moreover, those running non-financial reporting are certified with various environmental or CSR awards, so they are diligent and consider that they are reporting comprehensively.
- Risk management and adaptation measures due to climate change are priorities for companies whose location and character make them vulnerable.

In relation to trade union involvement in the analysis of climate and environmental issues, Christina noted the following:

- Trade Unions are asking for more transparency from companies as regards information on their policies related to the environment, climate change, CSR, SDGs etc.
- Trade unions have not developed their capacity to check all information, including NFIRs.
- A solution to make things easier would be the inclusion of NFIR in the Collective Agreements framework, either at national or at sectorial level.
- However, a Collective Agreement alone is not enough because it sets the high-level rules. To come down to earth with these issues, we need, among other things, to activate the OHS Committees and to enlarge them by the addition of Green delegates.
- By making environmental issues a priority, the roles of trade unions are broadening to take in new and more pressing responsibilities, compelling them to take a “climate policy mainstreaming” approach.
- A new trade union culture (with respect to environmental issues) should be reflected in trade union strategies generally and should “cut across” all policies dealt with by trade unions (employment, investments, human rights, globalisation etc.).

Among the proposals made by Christina in this context, the following should be mentioned:

- When discussing employment, we must consider how to promote Just Transition, and thus build bridges between old and new jobs and vocational positions, also in traditional sectors (which need to be “greened”) and sectors with a higher environmental impact.
- When discussing investments, we must make sure that, right from the planning phase for new machinery and production processes, adequate attention is paid to the issue of whether or not they are fully sustainable in terms of their use of primary resources, as well as the management and recycling of packaging, waste and refuse.
- Concerning human rights and globalisation, we must not forget the universal importance of the environment, and thus commit to preventing delocalisation being exploited as an easy way to transfer more highly pollutant forms of production or working conditions which are undignified or potentially harmful to the health and safety of workers and the local environment, to weaker countries.

Finally, this session also allowed us to explore the vision of business organisations in relation to the process of revision of the Directive and the rest of the issues contemplated in the TALK technical questionnaire. To this end, Adrienn Bálint (MGYOSZ) presented the approach of employers’ organisations in Hungary.

The following conclusions must to be highlighted from her intervention:

Related to the process of reporting on NFI, for companies:

- It’s not always clear what type of information must be included and in what manner/details
- There are problems with comparability
- Strong need to clarify what is “non-financial”
- Need to extend the scope of the agreement to every large company that has a strong impact on the larger community (large companies)

Related to social dialogue and the involvement of workers’ representatives in the NFIR process:

- Trade Unions are not involved in the preparation of the non-financial report;
- Employees can provide their opinion (role of works councils and supervisory board)
- NFIRs do not influence the quality of industrial relations.

Key elements from employer organisations’ approach:

- No need for distinction between large companies – every large company should be covered by the obligation of NFR, regardless of their sector or role in the financial market, because every large company has an impact on the local communities, a role in reaching the SDGs, and so on. However, this is the opinion of those companies which ARE COVERED by the obligation of NFR. We don’t know the position of others.
 - Any initiative which would disproportionally increase administrative burden and cost for the companies should be avoided.
- 

From the point of view of Hungary's employers' organisations, the NFI Directive is coherent, effective and relevant in achieving its objectives.

However, current disclosure practices might not always meet the growing demand for data and information from investors and other stakeholders. They should be based on the justified needs of stakeholders, rather than their expectations, which sometimes go beyond this.

It is difficult, if not impossible, to report adequately to all stakeholders in one report. Ensuring comparability is very difficult, even within sectors. Flexibility is important because companies are often adding further information voluntarily, to meet investors' requirements. It is important not to develop new reporting requirements and to streamline the various existing obligations, ideally leading to simplification and clarification.

Regarding the standardisation of NFI, any type of "standardisation" in the revised directive should serve the purpose of guiding the companies, but it should not be prescriptive.

The definition of materiality does not need to change in the Directive: it is well-known and understood by the companies, sufficiently broad and flexible. The concept of materiality should be clarified through non-binding guidance by highlighting existing good practises.

Concerning the role of workers' representatives in the process of reporting, from employers' organisations (Hungary):

- The role of workers should not be covered by the European directive
- Social dialogue is important in the field of national legislation, but the lack of social partners' awareness cannot be forcefully remedied by legislation
- The training of workers is important to some extent, but it should be organised by trade unions and not by the company.

Finally, Adrienn Bálint summarised the conclusions on the review process of the NFI Directive as follows:

- Flexibility – no need to broaden the scope – simplification.
- NFRD provides a fairly clear, broad and flexible framework for companies.
- There is a demand for companies to provide non-financial information, from a multitude of stakeholders, but investors in particular. Sometimes such demand is based on unjustified expectations, and becomes excessive.
- In Business Europe's (MGYOSZ) point of view, a broad, principle-based framework is necessary, one that each company can tailor to its own situation, in cooperation with its stakeholders. It remains difficult for EU legislation to provide a reporting framework which meets the expectations of a diverse range of users.

3rd session

The last session of the TALK International workshop addressed the training of workers' representatives for better participation in the NFIR process. Specifically, this session aimed at defining the methodology for the development of the National Educational Activities (NEA) established in the TALK project and to be developed within the project.

To meet this goal, the training expert Alexander Oberdieck (Arbeit und Leben) made a presentation addressing the development of the National Educational Activities.

Alexander Oberdieck explained the different modalities to realise the NEA (conference, seminar, training, working group, etc.)

As to the target group of the NEA, following issues were raised:

- Who could profit from working with NFI?

- Who is open to work with NFI?
- Who do we have access to?
- How much time will these persons be willing to invest?

In relation to the content of NEA, Alexander raised three essential elements to be considered when defining the contents:

- Understandable
- Interesting
- Progressing

Regarding the methods to be used in the development of the NEA, Alexander addressed the following elements:

- Interaction and activation
- Practical examples -> use results from the analysis of NFRs (IBEX 35, FTSE MIB, DAX 30)
- Role sensitivity
- Organisation
- Problem solving

Finally, he dedicated the last part of his presentation to some issues related to the documentation to be elaborated in the framework of the NEAs.

Then Sigurt Vitols, an expert researcher and member of the European Trade Union Institute (ETUI), delivered a presentation on educational needs in the framework of non-financial reporting and the social dialogue.

Sigurt Vitols focussed on the potential benefits of NFIR for workers' representatives, pointing out the following:

- Receive important information on matters of concern, directly to the workforce, as relevant to the long-run prospects of the company
- Enter into dialogue with management about these issues
- Put additional issues on the table for discussion
- Improve the situation of the workforce and the long-term prospects of the company

Regarding the training needs of workers' representatives in this field, Sigurt Vitols made some observations:

- Technical aspects and multiple reporting standards related to the NFIR process.
- Materiality assessment process: trade unions/worker reps should not be excluded from the process.
- Politics of reporting: how can you start/deepen dialogue with management on these issues?
- Turning NFR into a tool for improvement: how do we move from dialogue to action?

After this, a discussion on training needs took place.

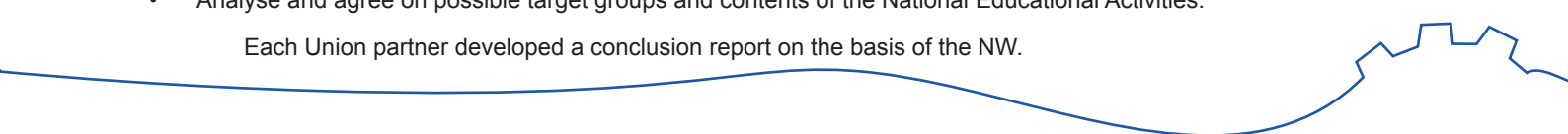
11.3. Reports on National Workshops

Based on the conclusions and results of the International Workshop, 4 **National Workshops** (NW) were held in 4 countries, with the participation of experts and union representatives, and coordinated by the local partners.

The NWs' objectives were:

- Discuss the documents delivered by the IW and translate the objectives of the project into the reality of the framework of labour relations in each country.
- Establish specific needs for awareness raising, training and involvement in non-financial information reporting and CSR, adapted to the labour relations framework in each country.
- Agree on the modalities of the National Educational Activity to be developed in each country.
- Analyse and agree on possible target groups and contents of the National Educational Activities.

Each Union partner developed a conclusion report on the basis of the NW.



11.3.1. Report on National Workshop in Germany

Documentation of the online workshop “Sustainability reporting in the practice of works councils and trade unions - status quo, perspectives and educational approaches” on 23.06.2021

Organisation and facilitation:

- Alexander Oberdieck (Arbeit und Leben NRW)
- Anna Kaliga (Arbeit und Leben NRW)

Participants:

- Carola Dittmann (Foundation for Labour and Environment of the Trade Union IG BCE)
- Dr. Oliver Emons (Institute for Co-determination and Corporate Governance of the Hans Böckler Foundation)
- Dr. Sigurt Vitols (European Trade Union Institute ETUI)
- Kerstin Marx (Member of the Supervisory Board and Chairwomen of the Group Works Council Deutsche Telekom AG)
- Marius Tritsch (Korthäuer & Partner GmbH)
- Mike Schwarz (Member of the Supervisory Board and Chairman of the European Works Council B.Braun Melsungen AG)
- Rainald Thannisch (DGB Federal Executive Committee, Department of Policy and Social Policy)

Agenda:

11.00 - 12.30 Roles and entry points of works councils and trade unions

General guiding questions for the discussion:

What are the current roles?

Which roles would be desirable from a political and/or strategic perspective?

Which roles would be realistic against the background of the foreseeable future framework conditions?

Where are the strategic links?

13.00 - 14.30 (Knowledge) resources and training content

General guiding questions for the discussion:

What structural, thematic or analytical (knowledge) resources are needed to fulfil the anticipated roles?

What structural, thematic or analytical (knowledge) resources are already available?

What trainings content can help to fulfil the anticipated roles?

Results of the discussion:

1. Current developments at the EU level and assessment by the trade union side

At the European level, the revision of the directive is being currently dealt with at two levels. The first of these establishes the content and legal framework for the new directive, and the second is entrusted with setting binding standards for reporting. At the first level, the EU Commission presented a draft on 21 April 2021, which the European Parliament and the EU Council must deliberate on. By expecting national approval by mid-2022, so that national implementation can start by 1 December 2022, the Commission has set an ambitious deadline. However, in the European Parliament, there is disagreement as to which committees will have what responsibilities, so no hearings are expected to take place before September 2021. The EU Council, on the other hand, seems to be moving faster on the issue and has already requested opinions from national governments.

In contrast to the 2014 directive, there is a new second level in the current procedure. A project task force within the European Financial Reporting Advisory Group (EFRAG) was entrusted with the task of developing the new regulations and standards for future sustainability reporting. The taskforce submitted its final report to the European Commission on 28 February 2021, proposing a roadmap for the development of a comprehensive set of EU standards for sustainability reporting. The next step in his work will be the development of the standards themselves. The first draft standards are expected to be presented in October 2022.

Valuation of the Commission's proposal from the perspective of the European Trade Union Institute (ETUI):

Great progress has been made compared to the 2014 guideline. Yet, on some key points, improvement is needed:

For:

- uniform binding standards for all companies covered by the directive
- new threshold of 250 employees means that significantly more companies are affected
- explicit orientation towards international standards, core labour standards, Charter of Fundamental Rights of the European Union, etc.
- publication exclusively in the management report of the annual report (thus stronger legal position)
- EU taxonomy on sustainability

Against:

- no reporting obligation for non-EU companies
- SMEs exempt from reporting obligation, even SMEs in high-risk sectors such as construction or chemicals
- no consultation rights e.g. for trade unions or works councils, despite demand (justification from EU side: reporting is not part of industrial relations; responsibility lies with DG Employment)
- no mention of country-by-country reporting
- no mention of OECD Guidelines for Multinational Enterprises
- unbalanced composition of the task force: out of 35 persons, only one representative each from trade unions and NGOs.

What role should or could workers' representatives play in reporting, although participation rights are currently not explicitly provided for in the draft directive?

Different ways identified, from weak to very strong rights:

- right to feedback rounds with management when report is published
- right of consultation/participation in the preparation of the risk/materiality analysis
- right to be consulted on social issues
- right to participate in the development of sustainability strategies.

Valuation of the Commission's proposal from the perspective of DGB:

A coordinated position of the member unions of DGB and the Hans Böckler Foundation was made available to the Commission, as well as to the Federal Ministry of Justice which is leading the implementation of the Directive in Germany. DGB can almost fully endorse the ETUI's assessment.

Positive aspects:

- renaming to sustainability reporting makes it clearer that non-financial indicators are also important and can have a financial impact if not followed; also clear improvement in terms of scope
 - new threshold increases the number of companies that are bound to report, as estimated, from 500 to 15,000
 - clarification of double materiality
 - publication as part of the management report, where it gets the greatest attention, forces the board to look more closely.
- 

Further demands:

- even greater extension of the scope of application to partnerships not covered by the Accounting Directive and SMEs in high-risk sectors
- clearer definition of employee issues: reporting obligation on the existence of workers' representation at company level, violations of employee rights, violation of co-determination rights and the application of laws on company co-determination
- The Commission should define itself as much as possible in the text of the Directive, especially with regard to social issues, as the EFRAG's structure and composition are viewed critically. More can be achieved in the parliamentary process, therefore the EFRAG's task should be limited to downstream formulation, ideally in a tripartite structure composed of one third of members from the trade union side
- synergies with the guidelines on sustainable corporate governance desirable
- obligation for the management to inform and consult with the corresponding workers' representative body (depending on the structure of the company, this will be the EWC, group works council, general works council or works council); ideally, the results of the consultation process should be presented to a co-determined supervisory board
- involve interest groups much earlier in the reporting process, because the supervisory board will only review or question such information in a management report as has already been audited by the auditor
- in addition to financial reporting, audit committees in the future are to deal with sustainability reporting throughout the year; how about companies without an audit committee? A formal process to which co-determination can be attached is therefore desirable.

2 Non-financial reporting in the current operational practice at the company level

Example from a DAX company:

- structure in place: supervisory board with equal representation, audit committee that meets regularly
- more information rather than too little: difficulty in filtering out what information is relevant
- experience so far shows that employers do nothing unless they have to. Therefore, binding guidelines or regulations are necessary
- meanwhile, investors have also discovered the topic of sustainability for themselves, which leads to mixing of topics and prompts the employer to act
- the result is the danger that topics originally dominated by the works council will be taken over by the company side
- workers' representation has not yet been involved in materiality analysis
- in large companies, subsidiaries at the level right below the parent company have little sustainability information due to the possibility of reporting in a consolidated form, and play, therefore, a subordinate role. Members of committees in these companies are often overburdened with these topics.

Example from a public limited company under European law (SE):

- The topic has reached the supervisory board and the sustainability report is suddenly the "flagship" of corporate reporting.
- A position was created specifically for the sustainability reporting, directly linked to the chair of the board of directors, reflecting thus the importance of the topic for the corporate side.
- It is clear that the issue of sustainability will quickly become a hard economic and monetary issue if lending decisions in the future will depend on a green footprint.
- Workers' representatives were not involved in the materiality analysis.

Valuation from the auditor's point of view:

- Company group issues are generally not so much in focus for individual sub-subsidiaries. This is to be feared to be the case in sustainability issues, as well, as they seem too far removed from the problems on the ground.
- Auditors always work on a sample basis and materiality. The sustainability report is currently audited with limited assurance. Therefore, the audit only looks at whether all topics have been taken into account and correctly assigned, not whether the contents that are depicted also correspond to the facts and are applicable (= reasonable assurance).

- It is, therefore, to be seen as positive that the sustainability report is to be an explicit part of the management report in the future, because the latter is subject to an audit with reasonable assurance.
- Issues must be addressed before the meeting that adopts the balance sheet. At the latest when drafts of the management report are presented, employee representatives on the supervisory board should, if necessary, veto the report if it is not submitted to a vote. Therefore, an upstream voting process is required. The external audit process is virtually completed at the meeting at which the financial statements are approved.

Conclusions from current operational practice

Employee representatives are currently not involved in the process of preparing the sustainability report, which in turn is becoming increasingly important for the company side. In matters that concern employees, rather the HR departments are involved in the materiality analysis, instead of employee representatives. At the same time, the much increased qualitative content compared to usual financial reporting poses new challenges for employee representatives, and can initially be perceived as excessive burden. In some cases, this can create the impression that sustainability now comes on top of all the other already existing issues.

The wait-and-see attitude of workers' representatives carries the risk that the company side will take up issues that fell previously under co-determination and pull them towards the employer side, thus taking over fundamental works council issues. Works councils must therefore be vigilant and empowered to deal with the issue. In addition, opportunities must be created and given to develop their own ideas.

Conversely, active participation in sustainability reporting can offer workers' representatives the opportunity to have their voices heard again on certain topics and issues, or to expand them further. It should therefore also be seen as an opportunity to include one's own (new) topics in social dialogue.

3. Future handling of the topic of sustainability reporting

Workers' representatives must first understand that sustainability reporting is not a topic that allows individuals to show off, but that it is an issue for the entire representative body. Therefore, it is necessary to consider sustainability and sustainability reporting not in isolation, but in a more holistic and complex way.

Example: The newly adopted law on supply chain due diligence includes an amendment to the Works Constitution Act to the effect that questions on economic and human rights are also brought to the Economic Committee. Since this law takes into account the entire value chain, i.e. also the company itself, and numerous topics in sustainability reporting are connected to economic and human rights, this offers explicit gateways and starting points for co-determination. In future, the effects of the taxonomy on capex (capital expenditure) and opex (operating costs) must be reported. Here too, entry points emerge. It is first and foremost important to bring together all the different approaches and requirements, and to see where the entry points are that allow employee representatives to get involved in the topic? Right at the outset, the already existing organisational structures within the company should be analysed, and bodies that are suitable for addressing the topic of sustainability identified. Furthermore, there is a need for ideas and mechanisms, to actually carry the topics through to the relevant bodies. We can't just state that sustainability topics are now being added, because they are not. There are numerous subjects that employee representatives already deal with in the context of co-determination, but which they would not directly assign to sustainability reporting. Instead, subjects need to be broken down and it needs to be made clearer what belongs in a sustainability report. It is important to make clear that co-determination already stands for sustainability. Studies by the Hans Böckler Foundation, among others, show that co-determined corporate governance leads to sustainable results in many ways. That is, the two go hand in hand. Conversely, this means that sustainable corporate governance is also necessarily co-determined corporate governance.

These subjects are therefore not new. What is new, however, is what is currently happening at the EU level. That is, the



reporting, and the knowledge about standards. It is important to have an overview and to answer the questions at an early stage: what will my company have to face/what will I have to deal with in the future? It is important that workers' representatives get out of the back seat, and rather take to the driver's seat and thus at the same time prevent the company side from adopting classic co-determination issues as its own. In this context, it is also of fundamental importance that stakeholder dialogue should not take place without co-determination actors.

Another novelty is that the supervisory board, due to legal requirements, has to deal with these subjects on a mandatory basis, and thus has to further educate itself in various areas within the company. Workers' representatives must therefore be able to find and use entry and connecting points. Legal foundations that provide for consultation or participation in the preparation of the sustainability report or individual aspects of it, would naturally make the processes simpler and more sustainable, especially for companies that do not have an established and functioning social dialogue at eye level. Such established framework conditions would create security and continuity that do not depend on the personal commitment of individuals.

4. What can further training programmes look like?

When looking for suitable training opportunities, the first thing to consider is the different target groups: first, office holders and staff members. Then come the group works council, the general works council, the works council, members, employees, representatives on the supervisory board, the economic committee, trade unions, etc.

Training formats and contents need to be tailored to each target group. The focus should be on which knowledge resources (i.e. which tools) could be used? Standardised course content is not likely to be helpful. Rather, there is a need for training courses that are individually tailored to the company/body and that are based on the company's own structures and practices (its own sustainability report). Training must be concrete and geared to the needs of the target group concerned. In-house trainings promise more success than generally advertised offers.

In principle, there is a moral claim, but it must be formulated quite pragmatically so that the target group realise: "I have something to gain from this, although I already have enough to do. I don't need anything on top, but I need something that makes my work easier or opens up new possibilities."

The primary aim of training courses on sustainability reporting should therefore be to raise awareness, to recognise where the opportunities lie in the subject area, and to demonstrate the potential for shaping them. Large overarching issues must be broken down and the added value for those involved must be demonstrated. This requires a lot of explanation. In order to reduce complexity, several shorter teaching units/knowledge blocks on different key topics seem to make more sense than full day general seminars.

Training activities that include a combination of environmental topics, strategic approaches/considerations and financial topics have been well received in the past, and could also be successful in the domain of sustainability reporting. However, before getting down to the content, internal structures must be analysed first. Which committees exist along the company/group structure? Who are the key people? Where are the interfaces and where do participation rights, information rights, etc. come into play? In addition to thematic training units, a kind of company mapping could be offered, as is the case of "Organising approaches".

In a further step, it would also be conceivable to develop some kind of "minimum profile" or "qualification matrix" for supervisory board members, based on the question of what knowledge and competences a person in this function should have.

11.3.2. Report on National Workshop in Italy

Date and time: 30/07/2021. 14h-18h - Virtual meeting on Zoom.

Participants:

Ambrogio Brenna (AB) – OXFAM Italia
Cora Prussi (CP) – CISL Toscana, trainer
Alessio Berti (AIB) – CISL Toscana, researcher
Francesca Ricci (FR) – CISL Toscana, secretary
Gabriella Pusztai (GP) – IAL Toscana

Agenda:

14.00 – Greetings and presentation of the participants
14.15 – Introduction to the National workshop, Gabriella Pusztai, IAL Toscana

- NFIR Directive
- The revision process of the Directive
- Presentation of TALK project

15.00 – The impact of the Directive on trade union activities, Francesca Ricci, Cisl Toscana

- The NFIR situation in Italian enterprises (main results of the technical questionnaire of the TALK project)
- NFIR as an instrument of achieving trade unions' goals

15.45 – Building training activities in order to enhance trade unions' competencies on this topic: discuss the target group, what topics to address, methodologies to use.
Guided reflexions on training design

17.00 – Conclusions

The procedure:

The meeting was divided into two parts. During the first part, we had the presentations, introductory remarks and Q&A. In the second part, a debate was held on the topic of NFIR and on training perspectives.

The workshop begun with the presentation of the European context of NFIR and the TALK project.

Then followed a general presentation of participants, including also the way they can contribute to the success of the National Workshop (personal and institutional competencies serving this purpose).

The second session was general brainstorming about the design of the training activity NEA.

Conclusions:

1) Competencies of participants for the success of NW

Ambrogio Brenna is now a representative of OXFAM, but earlier on he was a trade union representative (general secretary of metalworkers' branch), then a regional minister of the productive activities. In this latter role, he was actively helping the conception of a regional law on CSR in the early 2000s.

Cora Prussi is the CISL trade unions' representative from the metalworkers branch, responsible for the training of trade unionists.

Alessio Berti is a researcher of the Regional unit of CISL Toscana, actively working on the training of trade unionists, among other issues.

Francesca Ricci is the general secretary of CISL Toscana, a former researcher, actively taking part in the design of trade unionists' training inside the CISL trade union.

2) Situation in Italy – Francesca Ricci

Starting points:

- CISL Toscana and IAL Toscana have worked on the topic of NFIR since 2016.
 - Double approach to the present situation. On the one hand, even if this topic is not very well known in Italy, CISL is the trade union which follows most closely the policy developments in the country. When the EU directive was to be transposed, the CISL trade union gave some suggestions on the best way to undertake transposition. The point was to have a broader scope (more enterprises obliged to do the NFIR, including
- 

also subsidiaries and sub-contractor enterprises) and to use a single reporting standard. Eventually, transposition was less stringent, and at this moment there is no mandatory standard in Italy on how to compile NFI reports.

- Unfortunately, in the last 4-5 years we have witnessed a loss of know-how on this topic also in the trade unions. Very often, even delegates in big companies which submit yearly NFIR don't know that it exists and that they could influence it.
- For enterprises, mandatory NFIR often appears as a burden and a cost. Consultancy firms are often contracted to draw it up. In fact, when in the TALK project we were analysing the NFIRs of the 40 enterprises of MIB, we often saw similarities in the structure and the topics of the reports.
- In the meantime, NGOs that work with these reports have extensive know how, and they offer services to enterprises.

Two aspects are to be considered in the coming period:

- The result of the revision process – also because very probably Italy won't go beyond the mandatory line when transposing the revision of the directive into Italian law.
- The relation between the revised directive and trade union action. We are aware that the topics for the revision of the directive are also topics for TU action. Therefore, the aim is to train the TU representatives because going "bottom up" we may be able to raise more awareness than what the revised directive will do "top down".

3) Designing a training for Italian trade unionists

For those not inside the enterprises: the aim is general awareness raising.

For those inside the enterprises (particularly where they have to produce NFIR reports): it is necessary to develop training also on the technical contents of reports. The topics include work contracts, gender, health and safety, environment. Awareness needs to be raised that trade unionists have the right to follow the NFI reporting process inside the enterprise (it shouldn't merely be a marketing issue for the firm).

Training considerations:

From the analysis of the technical questionnaires in TALK, we concluded that it is necessary to extend the scope of the directive to smaller enterprises, too.

Analysing the NFIRs of MIB in TALK we found the following:

- Difficulties to find the reports – even online
- Difficulties to read the reports – documents of 120-150 pages with varying structures and topic divisions. This is a significant aspect because a delegate who is employed by an enterprise, won't have time to understand the report.

The instruments: using the outputs of the technical committee work and also of the Cenofia project, we can use a series of instruments which can be useful to help trade unionists to read and understand the reports.

11.3.3. Report on National Workshop in Spain

Background

Based on the overall results obtained from the TALK Questionnaire and the International Seminar, the main purpose of the National Working Group (NWG) was to address, at the national level, the role of workers and their representatives in the non-financial reporting framework, to identify the needs to improve their involvement and to design a training action to promote their involvement in this area, particularly in the framework of the analysis of non-financial information reports (NFIR).

The specific objectives of the NWG were:

- To share the documents developed in the Project so far, with specific regard to the results of the TALK Questionnaire and the conclusions of the International Seminar.
- To establish the needs for awareness-raising, training and involvement of trade union representatives in non-financial information and reporting.
- To agree on the modalities of the National Educational Activity (NEA), as well as the participants and the contents of NEA.

Participants

- Mariano Sanz, Confederal Secretary of Environment and Mobility of CCOO.
- Susanna Arus (Frank Bold), Communications and EU Public Affairs Manager.
- José Carlos González, member of the Spanish State Council of Corporate Social Responsibility (CERSE), representing CCOO.
- Vicente López, Manager of ISTAS-CCOO.
- Pablo Frutos, Deputy of the Confederal Secretariat of Environment and Mobility of CCOO.
- Antonio Ferrer, Technical Coordinator of the TALK Project, ISTAS-CCOO.
- Víctor Garrido, Responsible for International Trade Union Action of the Federation of Industry of CCOO.
- Ángel Muñoa, Responsible for Occupational Health and Environment of the CCOO Federation of Industry.
- Tamara Antón, Technician of Occupational Health and Environment of the CCOO Federation of Industry.
- Alberto Ruiz, Union Section of CCOO-Siemens Gamesa.
- Sonia Silva, Occupational Health and Environment Technician of the Construction and Services Federation of CCOO.

Agenda

Session 1: Non-financial information in a pluralistic perspective.

10:30 -10:40 Opening of the day. Vicente López, Director of Fundación 1º de Mayo – ISTAS.

10:40-11:00 Environmental and social reporting of European companies. Susanna Arus, Communications and EU Public Affairs Manager, Frank Bold.

11:00- 11:20 Indicators and standards for the evaluation of corporate sustainability: what do we ask for? The joint action of trade unionism and civil society. José Carlos González, Head of Sustainability and CSR of the Federation of Services of CCOO.

11:20- 11:35 Discussion and questions.

Session 2: Trade Union Working Group

11:35-11:50 Presentation and objectives of the TALK Working Group. Antonio Ferrer Márquez, Technical coordinator of the project, ISTAS-CCOO.

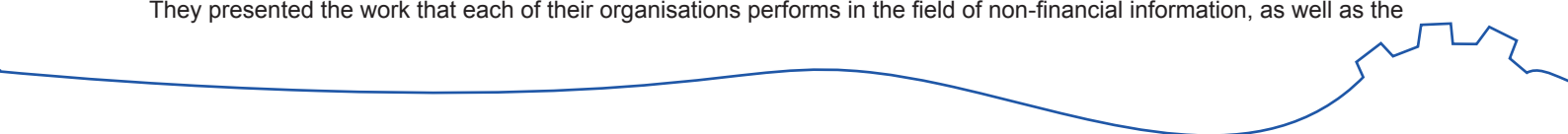
11:50-13:30 Development of the Working Group.

13:30. Closing. Mariano Sanz Lubeiro, Confederal Secretary of Environment and Mobility of CCOO.

Progress

The working group was organised in two parts. The first part (1st session) was aimed at sharing the perspective and interests of civil society and trade unions within the framework of non-financial information. Under the title “*Non-financial information in a pluralistic perspective*”, Vicente López (ISTAS-CCOO), Susanna Arus (Frank Bold) and José Carlos González (CERSE) were the speakers of this first session.

They presented the work that each of their organisations performs in the field of non-financial information, as well as the



demands and contributions that each of the parties have made to the regulatory framework under review.

This was followed by a discussion with the rest of the participants. Among other contributions, several experts offered their point of view on the confluence and impact of the resolution on the due diligence of companies in relation to human rights and the environment, as recently approved by the European Parliament, which will lead in the coming months to the European Commission presenting its proposal for a Directive on Due Diligence. Based on the text approved by the European Parliament, the European Commission will have to be more ambitious than in its initial proposals.

Furthermore, the speakers assessed the foreseeable impact of future obligations arising from the revision of the NFI Directive (in the future Sustainability Reporting Directive), and the impact of a set of European indicators currently being negotiated. The CCOO experts involved in the process gave their perspective on the scope of this measure.

Finally, a reminder was given that the obligation for companies with more than 250 workers to report non-financial information statements entered into force in Spain at the beginning of this year.

The second part of the meeting focussed on reaching a consensus on the main elements that should make up the National Educational Activity to be carried out within the framework of the project.

To this end, the issues to be discussed and agreed upon (objectives, format, participants, contents, budget and tentative dates) were presented at the beginning of the session.

Later several participants expressed their expectations from, and specific needs to be met by, the NEA. This was followed by a discussion regarding the design and key issues of the National Educational Activity. Some issues were agreed upon, which will be finally validated once a proposal of the NEA is developed by ISTAS.

The main agreements and conclusions are set out in the following section.

Agreements

1. The NEA will be aimed at basic and essential training in the analysis of non-financial information by trade union representatives.
2. The training will reinforce the idea that an autonomous and independent assessment of this information by the union representation is necessary.
3. Regarding the format of the action:
 - a. It was agreed that the NEA will last one day.
 - b. Mixed work would be carried out in *Plenary* (all participants) and in specific working groups (*Workshops*).
 - c. Furthermore, there will be some specific presentations developed by experts (*Expert Round Table*).
 - d. Each *workshop* will be tutored by an expert specialised in the specific topic, who will also facilitate the session and collect the main results for subsequent presentation in the *Plenary*.
4. ISTAS will work on a proposal for a basic analysis exercise to be carried out by the participants once the NEA has concluded. This proposal must be validated by the participants (Union officials) in the National Workshop.
5. Likewise, ISTAS will develop a proposal of topics to address in the Workshops.
6. Each organisation represented in the Working Group will study the profile of its participants, and will identify possible candidates in the following weeks. In principle, a quota allocation will not be established until each organisation's proposal is seen. Although the initial number of participants is set at 20, all parties agree to try to extend the training action to as many union representatives as possible.
7. As expressed in the Working Group by union officials, the basic profile of the participants could be characterised by several factors, such as:
 - a. Their previous experience in the field of non-financial reporting,
 - b. Their membership in trade union sections of representative companies,
 - c. Their recognition as environmental or sustainability delegates by their companies.
8. During the next few weeks, ISTAS will work on a comprehensive NEA proposal, in which, in addition to referring to

the issues mentioned above, a tentative program of speakers and tutors for the training action will be specified.

11.3.4. Report on National Workshop in Greece

“Non-financial information-Directive 2014/95/EU and its revision - Greek legislation and reality”

Online meeting on Zoom.

Agenda of the Workshop

Thursday 27 May 2021 - 11.00-14.00

1st part: Speakers

Christina Theochari, Technical Coordinator of the project (EKA)

G. Mylonas, President EKA (bank sector)

K. Koulouris, General Secretary EKA (transport sector)

Leonidas Vatikiotis, Scientific Advisor IME-GSEVEE (Small Enterprises' Institute - IME GSEVEE)

Christos Goulas, Director of the Institute of Labour of the Greek General Confederation of Labour (INE- GSEE)

Chrysoula Exarchou, President Quality Net Foundation

Nikoletta Vasilakou, Head of the Secretariat of the GSEE Youth Workers Secretariat, Member of Union Eurobank

Iro Fili, Member of the Board of Directors of SETAP (Piraeus Bank Employees' Association), Head of the Secretariat for Labour Relations of the Greek General Confederation of Labour (GSEE), Member of the Executive Secretariat of GSEE

George Melissaris, Labour Legal Adviser

Dimitris Maglaras, EKA

2nd Part: Debate

Participants



The procedure

The workshop began with the presentation of the T.A.L.K project, the Technical Questionnaire and the conclusions of the International Workshop. All relevant documents had been translated into Greek and sent to the participants in time, together with the invitation. The meeting was divided into two parts. During the first part, we had the presentations, introductory remarks and Q&A. In the second part a debate took place on the topic and possible perspectives.

The main aim was to highlight, among others, the needs for preparation such as: information, raising awareness, education/training of employees and their representatives to familiarise them with the issues of non-financial information, the institutions that could implement it and the target groups who should be involved in such a process in Greece.

The entirety of event records (presentations and the transcript of the debate) was translated from Greek to English for the purposes of drawing up the report.

1st Part

- Presentation of the TALK project by **Christina Theochari**
(The relevant Power Point presentation is attached to the present report)
- Introductory remarks by the President of EKA **Georgios Mylonas**

Dear friends,

We welcome you to today's event and thank you for your participation. The workshop, apart from being a project obligation in the framework of TALK Project in which EKA participates, offers us an opportunity to exchange views on the findings of the questionnaire implemented in the framework of the programme concerning a piece of legislation aimed at sustainable development.

We have a Directive 2014/95/EU which concerns the mandatory disclosure of non-financial information by companies and Law 4403/2016 which implements it in Greek legislation.

In essence, companies are required to understand how sustainable development issues impact their overall performance, to enhance transparency in their communication with stakeholders including employees, customers, suppliers, investors and society at large, and to disclose how they create value not only in the markets but also in the communities where they operate.

An institutional framework that is destined to confirm that sustainable development is not just an economic policy, nor is it just about protecting the environment. It is a substantial shift in the history of human thought. Because sustainable development means, above all, changing the values bequeathed on us by the industrial era. It means changing our way of life and our expectations for the future.

At this point, I would like to point out that EKA has already since the 1990s been firmly involved in the issues of the environment and sustainable development, with an emphasis on the social dimension and the active participation of workers and their representatives. For the first time in history, EKA organised self-financed seminars in 1992 to inform and train workers on environmental issues at the workplace and in its wider environment.

The present European programme gives the partners the opportunity to put forward their views and use the possibilities they have through consultation to shape the European institutional framework, and then to implement it. We have clearly moved from the initial information/awareness-raising phase to much more concrete and demanding tools. These are new requirements to which we must respond.

These new requirements concern both businesses and their employees, since their participation contributes to and strengthens the implementation of the objectives. These objectives have been set, they are binding and integrated in all policies, programmes and funding instruments such as:

- the Recovery and Resilience Fund,
- the Green Deal, destined to decarbonise the economy and achieve climate neutrality by 2050,
- the Paris Agreement and the EU's commitment to reduce greenhouse gas emissions by 2030,
- the European Pillar of Social Rights, the 20 principles of which were presented on May 7th at the Porto Summit, and

- the UN's 2030 Agenda with its 17 Sustainable Development Goals (SDGs), which, with a 2030 horizon, calls for the harmonious development of critical social, environmental and development issues.

The forthcoming revision of Directive 2014/95/EU aims to improve and better implement this key piece of legislation. The social partners are called upon to include in the **social dialogue** the conditions for its implementation on the ground, as the implementation of these policies affects the triple bottom line of production-work-society.

By making use of **legislation and collective bargaining**, we can strengthen our role in issues that have an impact on working conditions, decent work, and the quality of the working and wider environment, labour and human rights.

For our part, as trade unions, we must formulate and promote proposals, and also equip our members with the necessary skills to enable them to participate in these developments with a defining role and a strong voice. Thank you!

- **Introductory remarks by K. Koulouris, General Secretary of EKA**

Dear Friends and Colleagues,

I welcome all of you to our online meeting in the framework of the European project T.A.L.K. in which EKA is a partner. In addition to EKA, trade unions from Italy (the general coordinator), Spain, Germany, an employers' organisation from Hungary and a technical advisory body from the Czech Republic are participating in the project.

Today's meeting was originally intended to be face-to-face, but due to the particular circumstances we are experiencing as a result of the pandemic, it has been forced to take an online format with limited participation and with some key interlocutors whom we thank for their positive response.

The participation of the Athens Labour Union' Organization (EKA) in programmes with content like that of today's event, dates back a few decades and follows the developments regarding the involvement of workers and their representatives in issues related to the three dimensions of sustainable development that were defined in 1987, namely the environment, the society and the economy, and which today governs a whole range of policies, both European and global, such as those of the UN and the International Labour Organisation (ILO).

These issues are of equal concern to trade unions at various levels: International (ITUC), European (ETUC) and at the level of the European Capitals (ECTUN) where EKA has the presidency for the current period.

Today's meeting aims at an exchange of views on the implementation of the Directive in our country and the relevant pre-requisites. Directive 2014/95/EU obliges companies to disclose non-financial information and to prepare annual reports presenting their environmental and social performance.

This Directive has been transposed into the legislation of the Member States, and in the case of Greece, by force of Law 4403 of 7 July 2016.

At this time, however, the Directive is due for revision, as it seems that its implementation at EU level has not come up to expectations.

The socio-environmental performance of companies now plays a decisive role, as they, in addition to creating an attractive profile of the company and complying with the legislation, are required through Corporate Social Responsibility to meet commitments with a milestone date of 2030, where the environment, climate, poverty reduction, decent work, human rights, labour rights and many other areas are set as a front and compass for public and private investments, with the ultimate aim of contributing to addressing the challenges of the environment.

All of this also requires society to be alert through the participation of all the stakeholders who make it up, one of whom is the workers.

Our contribution through the project, apart from detecting the situation in our country in relation to the implementation of the relevant legislation, is to highlight, among other things, the needs for preparation such as, for example, information, awareness raising, education/training of employees and their representatives to familiarise them with the issues of non-financial information, the institutions that could implement it and those players who should be involved in such a process in Greece.

We as trade unions are interested in our member unions operating in businesses affected by the legislation being consul-

ted and involved in the process of developing these reports on the part that concerns them.

We are also interested in exploring the conditions for our representatives to be able to fulfil this role, as the issues require relevant preparation. We ought to make use of the legislation where it provides for employee participation, because this is how we can make our mark in areas where we are by definition active and where we are concerned. We expect to draw useful conclusions from our discussion today, which we will include in the report in the context of the programme.

Thank you!

Debate

During the debate that followed, many aspects of the overall involvement of trade unions in environmental and sustainable development issues were discussed.

A general remark was that there are possibilities for the participation of workers and their representatives, through consultations, in the formulation of the legislative framework (at EU and National level), as well as during the implementation of the legislation. For the active involvement of trade unions, some important tools are available, such as:

- a. **Legislation:** Make use of the legislation that addresses environmental or sustainable development issues and provides for employees' participation. Two examples since the 1980s are: EMAS (Environmental Management and Audit Scheme) and the European Eco-Label, and later CSR. These are voluntary tools, but they have an impact on working conditions, decent work, non-toxicity of raw materials, and the pro-environmental attitudes of companies.
- b. **Collective bargaining** is an essential tool for demands and action that should always be used to strengthen and improve participation. It is essential to introduce environmental issues in this framework.
- c. Training of workers and their representatives.
- d. Expanding the Occupational Health and Safety (OHS) Committees with a representative responsible for environmental issues at company level (Green Delegate), who will inform and advise employees on the company's sustainable development policy, monitor issues on the ground, and inform and consult employees.

Another challenging tool for the trade unions is the UN 2030 Agenda, with its 17 Sustainable Development Goals, linking the three dimensions of sustainability: environment, society and economy.

The challenges for trade unions are:

- Clarify the issues that concern them according to the level of action and the workplace,
- Inform their members, and
- Organise their actions.

Such work was recently done by the ETUC on the 20 key principles of the European Social Rights Base presented at the Porto Summit, in May 2021. The ETUC took each of these principles, adapted them to the needs of workers, and developed a demanding framework. Whether or not it is adopted by the European Commission, it provides a basis for the trade unions to claim and to act.

Conclusions from the debate

- Environmental issues are becoming more and more important in companies: internally for the protection of employees, obtaining rights of inspection and intervention, for internal company practices (recycling, choice of more environmentally friendly solutions, etc.), and externally for the impact of companies on their physical environment (neighbourhood, but also during the transport of goods, etc.), as well as for the chains of suppliers and subcontractors.
- There is an urgent need to address environmental issues within the framework of social and environmental sustainability.
- These questions essentially fall under the broader issue "how do we make employees aware of their importance?"
- Environmental issues are often directed at large companies. It is important to involve Small and Medium-sized companies.
- Many companies practice green-washing. Many want low-cost energy, for production and/or for consumption en masse.
- We need to build our responses in conjunction with the world of politics, while remaining attached to the specificities of the field, both at the level of companies (in terms of their size or sector of activity) and at the level of the states themselves (in terms of the way in which social relations are developed).

