

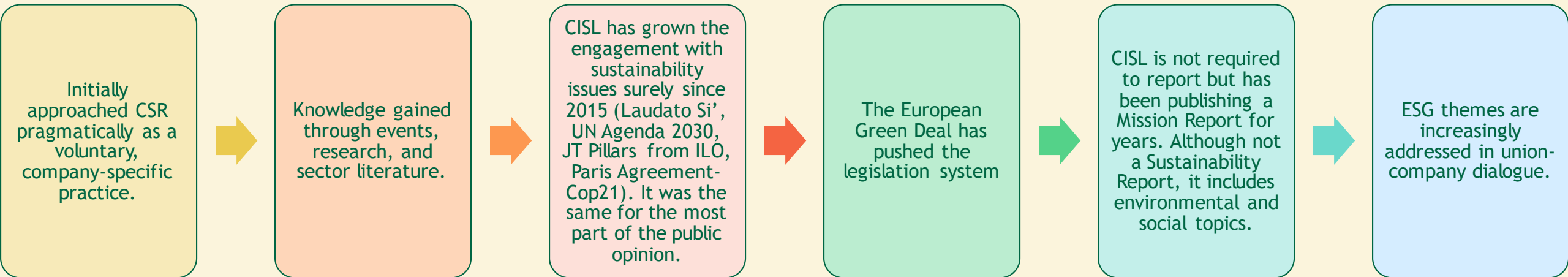
SITUATION IN ITALY

COSMO COLONNA
ILARIA CARLINO
CISL NAZIONALE

THE ESRS PROJECT
1st STEERING GROUP MEETING
Gdansk, 29 - 30 May 2025

ESRS Project no. 101197623
*European Social Reporting Standards as a new tool for
strengthening social dialogue in companies in the
implementation of the CSRD directive and ESG reporting
co-funded by the European Union*

The CISL and sustainability issues



Opportunities and Challenges for the CISL

Opportunities

- Access to relevant data for collective bargaining.
- The topics addressed in the Sustainability Reports and the parameters available for measuring them can be, and often are, subjects of negotiation, particularly at the company level.

Challenges

- The need for training union representatives, especially in SMEs.
- Sustainability reporting can strengthen workers awareness and participation.
- It seems that there is not enough attention from companies, especially small and medium-sized ones (probably due to the size).

Confartigianato observations in Institutional dialogue and policy proposals

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In national and EU fora

- recognises the growing importance of ESG criteria as fundamental tools to promote sustainable and responsible business development
- constantly underlines the need for ESG reporting to have a gradual, progressive and proportional impact on businesses
- proportionality shall be considered as a guiding principle that takes into account the actual operational and financial capacities of mSMEs

In EFRAG (European Financial Reporting Advisory Group) for the definition of the Voluntary Sustainability Reporting Standard for SMEs (VSME)

- expressed its appreciation for EFRAG's intention to create a single and simplified standard for mSMEs
- this standard, although defined as 'voluntary', will not really be so for companies (within the chain dynamics and practices already established in the banking system)
- it essential that the EFRAG standard becomes the only required reference, avoiding the proliferation of additional forms, formats or questionnaires with different contents

Opportunities and Challenges for the Confartigianato

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Opportunities

- Improving competitive positioning.
- Facilitating access to credit.
- Qualifying business relationships for mSMEs.

Challenges

- ESG reporting requirements may add extra burdens on companies that aren't structured for compliance, especially during times of regulatory and market change.

Regulatory Context

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CSRD Directive
(2022/2464) updates the
2014 NFRD.

Introduces mandatory
corporate sustainability
reporting (ESG
reporting).

The Directive was
transposed through
Legislative Decree No.
125 of 6 September
2024, published on 10
September 2024.

..... The Omnibus
package....

Involvement in National Transposition

CISL

- After consulting with the National Trade Federations, the CISL prepared and submitted its observations. On July 16, 2024, the CISL participated in a hearing before the Joint Commission of the Chamber of Deputies

The Ministry of Economic Affairs initiated a public consultation on the Draft Legislative Decree, broadly inviting input from all stakeholders

Confartigianato

- Participated in a public consultation representing the demands of mSMEs

CISL observations on the Draft Legislative Decree

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Art. 1 (Definitions) - let. k)

- Include in the reporting obligation companies in non-regulated markets (OTC) and those outside any securities market, as per the standard's parameters.

Art. 3 (Individual Sustainability Reporting) - c. 6)

- Companies must ensure the right to Information and Consultation before drafting the Report, involving management and trade unions, EWCs, and other worker representatives at the appropriate level, without affecting any more favourable provisions from collective agreements at any level.

Art. 4 (Consolidated Sustainability Reporting) - c. 8)

- As for Article 3 para. 6, above

Art. 8 (Attestation of Sustainability Reporting Compliance)

- Accept the provision that allows sustainability reporting assurance to be provided not only by the statutory auditor of the financial statements or a different statutory auditor, but also by independent assurance service providers who are accredited in accordance with EC Regulation 765/2008.

Art. 9 (Amendments to Legislative Decree No. 39 of 27 January 2010)

- The establishment of a Companies Sustainability Authority

Roles of Trade Unions

Although other CISL observations were not considered, the final text includes a reference to trade union agreements, albeit not fully satisfactory.

“The company, also in compliance with applicable legislation and **agreements on the matter**, shall make arrangements to inform employee representatives at the appropriate level and discuss with them the relevant information and means of obtaining and verifying sustainability information.

The employees’ representatives shall communicate the opinion, if adopted, to the administrative and supervisory body”.

Recognition and Role of Social Dialogue

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The Directive does not fully recognise the role of trade unions. It emphasizes information sharing but not true consultation.

At the company level, social dialogue on sustainability is emerging.

Social dialogue is essential for implementing the Directive effectively at company level:
e.g.: Italian metalworkers' platform calls for joint drafting of sustainability reports. This request is relevant because it would enable better participation and essential involvement of workers in issues that significantly affect the quality of work and organisational well-being.

Practices, Successes, Challenges

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No structured national-level meetings between social partners post-transposition

CISL and its federations

- Launched widespread training for representatives on CSRD content and EFRAG standards.
- Contract renewals provide practical opportunities for applying sustainability principles, especially at the company level.

Confartigianato

- Created tools to support its members: practical guides, webinars, technical advice and information materials to face the transition towards more sustainable business models.
- Establish ConfESG to support Italian micro and small enterprises, and craft businesses, by providing technical assistance and drafting sustainability reports.

Social Issues and Governance in ESG Reporting in CISL opinion

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The “S” (social) aspect is under-discussed in the public debate.

It relates mainly to company-level or local social bargaining.

The “G” (governance) dimension—worker participation and involvement—is vital to achieving the potential of both “E” and “S”.

The Directive 2025/794 “Stop the clock” “Omnibus Package” and CISL observations

Widespread concern
that many companies'
paths toward
sustainability may be
limited.

Eg: The Bank of Italy has warned against the risk of an excessive slowdown in the process of climate transition and sustainable finance: with the new thresholds in place, around 80% of Italian companies that are involved or should have been involved in sustainability reporting could be exempted, with marginal benefits for companies.

The CISL will closely monitor the implementation of the Directive 2025/794 to ensure it maintains transparency and quality in the regulatory framework, particularly in supporting the trade union's role in fostering collaboration among stakeholders in holding together the creation of economic value and social and environmental sustainability.

THANK YOU!

Cosmo Colonna

Sustainable Development, Energy, Industry
Confederal Department

c.colonna@cisl.it

Ilaria Carlino

European Project Management
Team

i.carlino@cisl.it

