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- RNFRO = *Reporting Non-Financial Risks and Opportunities*
 - EFRAG = *European Financial Reporting Advisory Group. It receives financial support of the European Union-DG Financial Stability, Financial Services and Capital markets Union.*

Objectives of the Revision (EU NFRD 2020)

- To ensure that **investors** have access to adequate non-financial information from companies to be **able to take account of sustainability-related risks, opportunities and impacts** in their investment decisions.
- To ensure that **civil society organizations, trade unions and others** have access to adequate non-financial information from companies to be able **to hold them accountable for their impacts on society and the environment**
- To reduce unnecessary burden on business related to non-financial reporting



A “EUROPEAN STANDARD SETTING” FRAMEWORK

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- Not a New Standard but a European Standard Framework to report NFR or ESG performance or Sustainability related or CSR related information or ?
 - The Proposal by EFRAG LAB for the ESS Framework
 - **Principles based** and **Inclusive** to a “range” of stakeholders not only shareholders
 - Addressing the **specific challenges** of financial institutions
 - ✓ Include SMEs in a proportionate manner
 - ✓ Sector – specific to be **Relevant to business and Comparable**
 - ✓ Acknowledging **importance of intangibles** in sustainability reporting

A “EUROPEAN STANDARD SETTING” FRAMEWORK

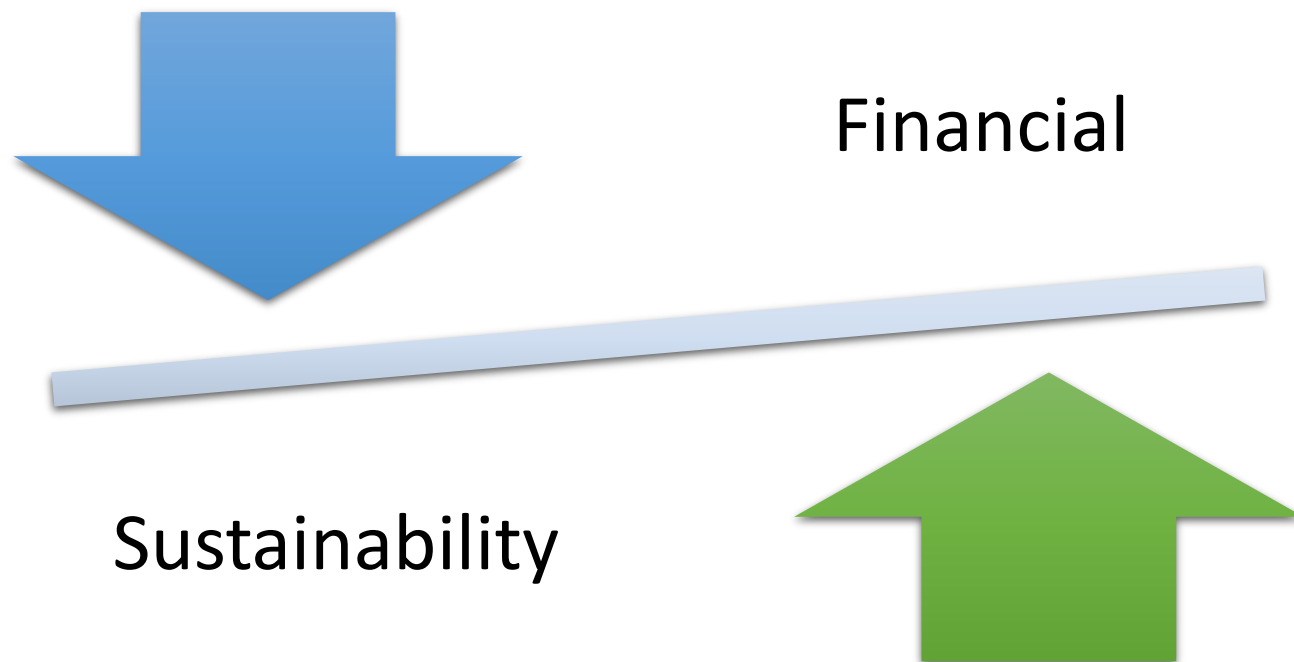
- OPERATIONAL GUIDELINES

- Alignment EU policies
- Benchmark global
- Quality information and standards
- Time horizon = Backward looking + forward looking
- Levels of reporting (operations + value chain)
- Double materiality (Sustainability + Financial)

A “EUROPEAN STANDARD SETTING” FRAMEWORK

- **DOUBLE MATERIALITY** (or *DYNAMIC* or *Dual* or ...)

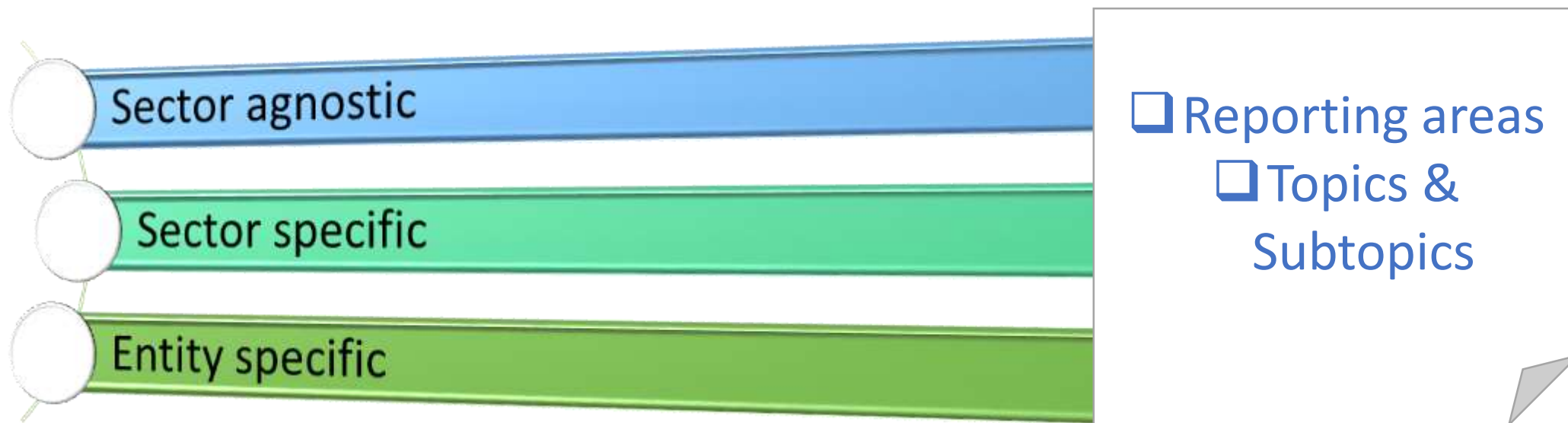
Each perspective
must be
considered in its
own right.



Materiality
assessments
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at each level of
the sustainability
reporting
architecture.

A “EUROPEAN STANDARD SETTING” FRAMEWORK

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A “EUROPEAN STANDARD SETTING” FRAMEWORK

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- Reporting areas
 - Topics & Subtopics

Strategy

Implementation

Performance measurement

A “EUROPEAN STANDARD SETTING” FRAMEWORK

SUSTAINABILITY REPORTING

FINANCIAL REPORTING

