

EU NON FINANCIAL DIRECTIVE IN SPAIN: HOW TO UTILISE TECHNOLOGY TO INCREASE THE IMPACT ON DECISIONS?

Maria Mora

Technical Leader at AECA –IS Working Group

aecca Spanish Accounting and
Business Administration Association



**EUROFILING XBRL WEEK
WARSAW 28-30 MAY 2018**

LAST YEAR: EU NON-FINANCIAL DIRECTIVE & TRANSPOSITION IN SPAIN



EU NON-FINANCIAL DIRECTIVE
(2014/95/EU) & TRANSPOSITION
IN SPAIN

MARIA MORA
AECA
INTEGRATED SUITE
WORKING GROUP

Frankfurt, XBRL Europe Day

Presentation can be found at: <https://goo.gl/ujJknQ>

WHO IS WORKING ON THIS PROJECT?

Mario ALONSO, Auren

José Luis BLASCO, KPMG

Ignacio BOIXO, Eurofiling

Enrique BONSON, New Technologies and Accounting Commission of AECA

M^a Luz CASTILLA, PwC

Tomás CONDE, BBVA

Jesús DE LA MORENA, Garrigues

Pedro FARIA, CDP

Dolores GALLARDO, University of Extremadura

Isabel GARCÍA, University of Salamanca

Paulino GARCÍA, Spanish National Commission of Stock Market

Javier MORA, XBRL Spain

José MELÉNDEZ, Spanish Registrars (Colegio de Registradores)

Enrique ORTEGA, Principles and Accounting Standards Commission of

Manuel ORTEGA, Data Office, Bank of Spain

M^a del Mar RAMÍREZ, Ernst & Young

Helena REDONDO, Deloitte

Pedro RIVERO, Corporate Social Responsibility Commission of AECA

Mercedes RUIZ, ETEA-University of Cordoba

Almudena RODRÍGUEZ, Accenture

Pilar SAURA, Data Office, Bank of Spain

Denise SILVA, Prefeitura da Cidade do Rio de Janeiro (Brazil)

Allyson UGARTE, Former Inter-American Development Bank and XBRL Consultant (USA)



José Luis Lizcano

Managing Director of AECA

Coordinator and founding member of the Comr Responsibility (CSR). Degree in Economics from th Madrid, has a Diploma of Advanced Studies (DEA Executive MBA from Instituto de Empresa.



Francisco Flores

Professor of Economics and Management at Iriarte School of Tourism



María Mora

Principal Engineer on AI and XBRL Expert



Manuel Rejón

Director at CREA-SSET Consulting

CPA registered at the Official Registry of Spain Administration, University of Granada. Master in Henares. He has spent most of his professional life in internal audit. He is also a professor of accounting by the Spanish Accounting Association and Business items on Spanish GAAP and IFRS. He also writes journals of Spain (AECA Magazine, Accounting in Latin America (Legis Journal of Accounting and Pronouncement on Integrated Reporting.

[in](#) See Francisco Flores profile

[in](#) See Manuel Rejon profile

UPDATE!! EU NON-FINANCIAL DIRECTIVE & TRANSPOSITION IN SPAIN



BOLETÍN OFICIAL DEL ESTADO



Núm. 287

Sábado 25 de noviembre de 2017

Sec. I. Pág. 114344

I. DISPOSICIONES GENERALES

JEFATURA DEL ESTADO

- 13643** *Real Decreto-ley 18/2017, de 24 de noviembre, por el que se modifican el Código de Comercio, el texto refundido de la Ley de Sociedades de Capital aprobado por el Real Decreto Legislativo 1/2010, de 2 de julio, y la Ley 22/2015, de 20 de julio, de Auditoría de Cuentas, en materia de información no financiera y diversidad.*

On November 24th, 2017 it was published the **Royal Decree Law 18/27** which presents how the Spanish organisations should comply with the European Directive 2014/95/EU about non-financial disclosure and information on diversity by certain large companies and group

More information here: <https://goo.gl/EJbsDp>

KEY ACHIEVEMENT: SPANISH LAW RECOMMENDS THE AECA FRAMEWORK AND ITS XBRL TAXONOMY TO COMPLY WITH THE NON-FINANCIAL DIRECTIVE



BOLETÍN OFICIAL DEL ESTADO



Núm. 287

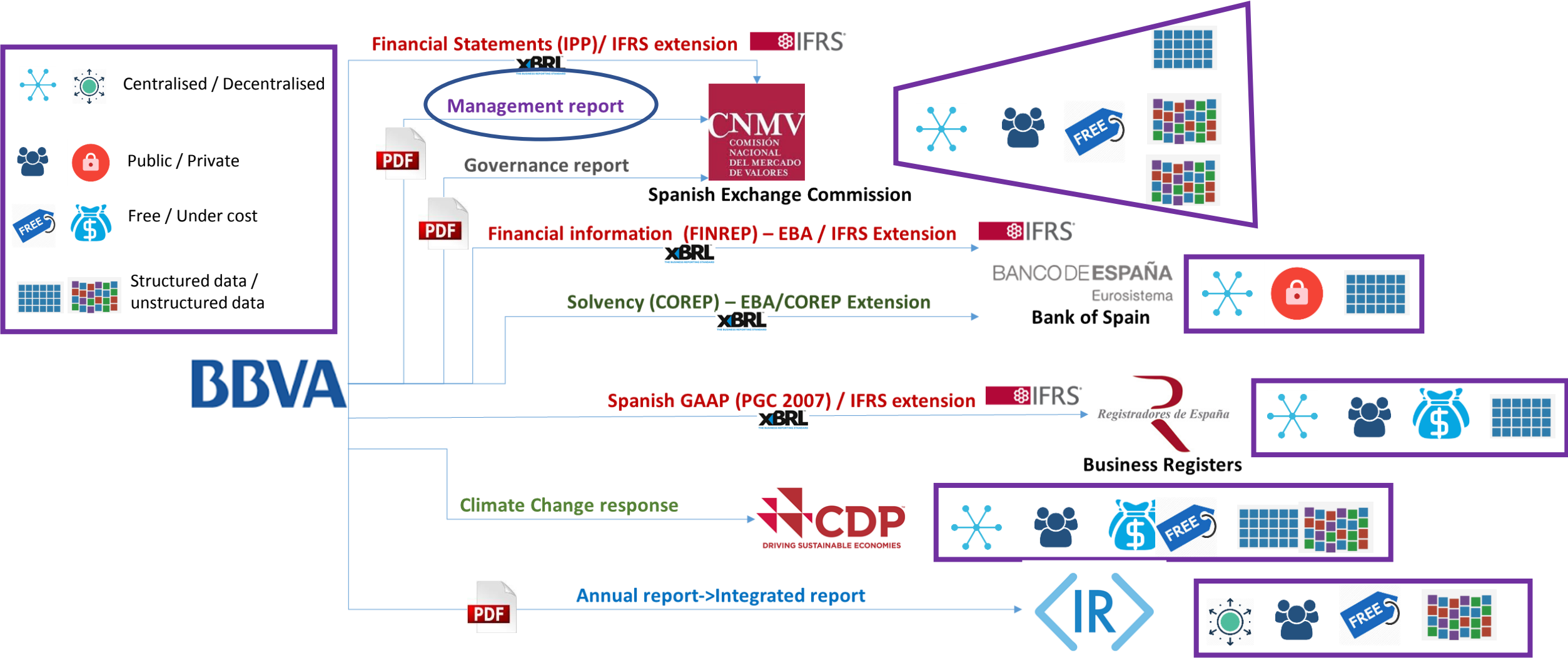
Sábado 25 de noviembre de 2017

Sec. I. Pág. 114346

Con miras a facilitar la divulgación de información no financiera por parte de las empresas, el artículo 2 de la Directiva 2014/95/UE recogía el mandato a la Comisión Europea de elaborar unas directrices no vinculantes sobre la metodología aplicable a la presentación de información no financiera, incluyendo unos indicadores clave de resultados no financieros de carácter general y sectorial, teniendo en cuenta las mejores prácticas existentes, la evolución internacional y los resultados de iniciativas conexas en la Unión Europea. En cumplimiento de dicho mandato, mediante la Comunicación de la Comisión (2017/C 215/01) se aprobaron en mayo de 2017 las Directrices sobre la presentación de informes no financieros (metodología para la presentación de informes no financieros). En este sentido, cabe mencionar que en España se han llevado a cabo iniciativas sobre indicadores fundamentales financieros y no financieros como los propuestos en la «Guía para la elaboración del informe de gestión de las entidades cotizadas» de la Comisión Nacional del Mercado de Valores (CNMV) o en el modelo sobre información integrada de la Asociación Española de Contabilidad y Administración de Empresas (AECA), recogido en el «Cuadro Integrado de Indicadores (CII-FESG) y su taxonomía XBRL», referenciado, a su vez, por la citada Guía de la CNMV.

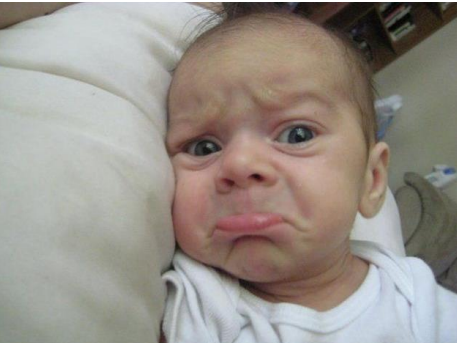


ELABORATION : PROBLEM SITUATION AND WHERE THE NON-FINANCIAL STATEMENT FITS



CONSUMPTION: EXPECTATION VS REALITY

- Lack of comparability
- Lack of trust
- Lack of consistence
- Lack of precision and accuracy



Last	Change	Open	Bid
0.83940	0.00217	0.83710	0.83940
0.90321	0.00782	0.89536	0.90321
0.98720	-0.00812	0.99538	0.98720
1.07746	0.00106	1.07654	1.07746
1.33448	-0.01128	1.34566	1.33448

THE ROOTS OF THE PROBLEM. WHO CAN SOLVE THEM?



- Preparation
- Distribution
- Consumption

The unfamiliarity of how sustainable aspects have an impact on financial outcomes and vice versa.

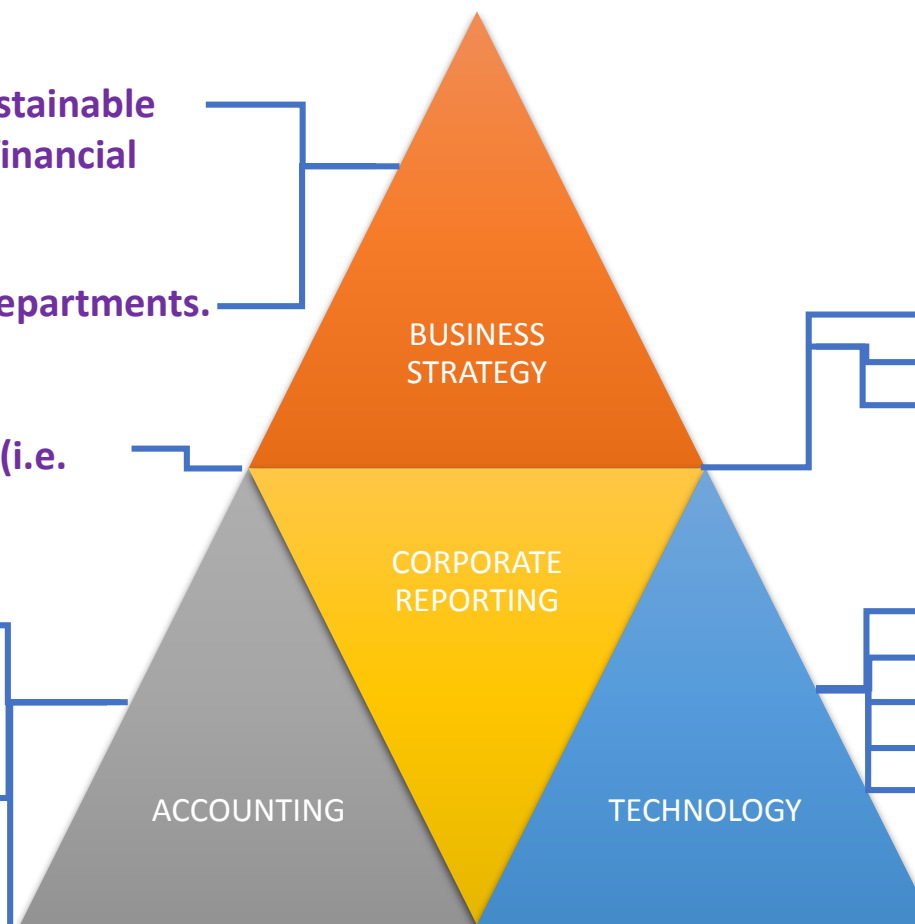
Lack of coordinated work between departments.

Lack of uniformity in basic principles (i.e. threshold of materiality)

Lack of a generally accepted framework -> different guidelines to follow

Lack of alignment /correspondence between the different reporting frameworks

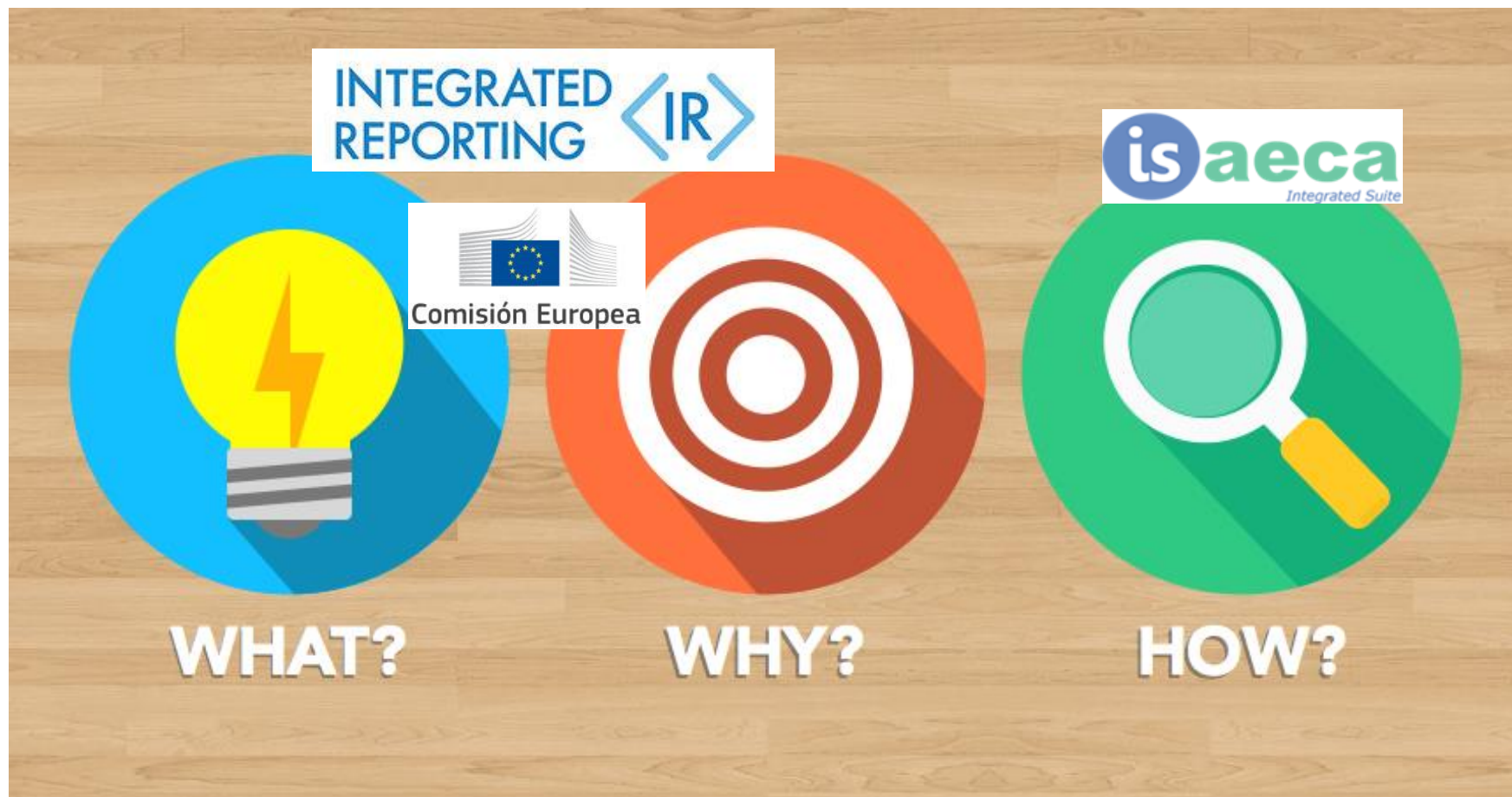
Limited level of assurance



- Decentralization and lack of data connectivity
- Lack of accessibility
- Lack of structured information

- Lack of data coverage
- Lack of comparability
- Lack of reliability
- Lack of consistency
- Lack of precision and accuracy

THE PLACE OF THE AECA INITIATIVE AS A SOLUTION FOR NON-FINANCIAL REPORTING



ACTIONS TAKEN TO FULLY COMPLY WITH THE NFD (DEC-MARCH)

NFD Content	IS-FESG Framework	IS-Suite Open data platform
Business Model	Updated ✓	New functionality ✓
Policies and due diligence	Updated ✓	New functionality ✓
Outcomes	✓	New functionality ✓
Opportunities and risks	✓	✓
Environmental	Updated ✓ + (MoU CDP)	✓ +
Social and employee	Updated ✓	✓ +
Respect for human rights	✓	✓ +
Anti-corruption and bribery	✓	✓ +
Supply chain aspects	✓	✓ +
Conflict minerals	New ✓	✓ +

ACTIONS TAKEN TO FULLY COMPLY WITH THE NFD (DEC-MARCH)

NFD Principles	CII-FESG Framework	IS-Suite Open data platform
Disclose Material information	✓	✓
Fair, balanced and understandable	✓	✓
Comprehensive but concise	✓	✓
Strategic and forward-looking	✓	✓
Stakeholder oriented	✓	Updated ✓
Consistent and coherent	✓	✓
Comparable	✓	Updated ✓

RESULTS – THE FUNNY PART STARTS!



Reporting platform for non-financial statements: is.aeca.es/suite

Interested to participate in the pilot programme: is@aeca.es

THIS IS JUST THE BEGINNING



- **What do we want?:**
 - Transform the business decisions to really consider their environmental and social impacts.
 - Identifying reporting and analytical practices and needs.
 - Keep working on how data and technology can contribute to these goals.
- **Next steps**
 - More human
 - **Pilot experience:** engagement with other stakeholders: SMEs, companies from different sectors, data aggregators, academics, software providers, governments....
 - Interested to participate?: info@aeca.es
 - More technical
 - ***Your own story*:** enable the disclosure and analysis of proprietary qualitative and quantitative non-financial information.
 - **Interoperability**
 - Export: csv, XBRL and PDF
 - API
 - **Better decision-making features**
 - Inclusion of external datasets.
 - Machine Learning and Deep Learning

CONCLUSIONS



**Take
home message*

- **The IS-FESG framework and data platform (is.aecaes/suite) are solutions to comply with the NFD in Spain**
 - By complying with the contents and principles of the Directive
 - By not adding more complexity to the reporting burden of the companies, but adding value
- The NFD and Spanish transposition establishing the Why and What. The AEC work is the How.
- Our goal goes beyond complying the regulation
 - **Learning space and added value: (stakeholders map):** companies, investors, governments, auditors, standard setters, software providers, data aggregators...
 - **Identifying *best practices*, challenges , needs and areas of improvements:** stop “ reporting for reporting” and let’s start adding value and generating impact
 - **Promote the innovation**
 - **Collaboration space**
 - **Business transformation**
- Interested on this pilot experience: is@aecea.es

THANK YOU

maria.mora.rodriguez@gmail.com



**EUROFILING XBRL WEEK
WARSAW 28-30 MAY 2018**