

ALLIANCE FOR CORPORATE TRANSPARENCY

INTRODUCTION

1. What is the Alliance for Corporate Transparency project
2. Timeline
3. Methodology
4. Initial application and results (end of 2018)

ALLIANCE FOR CORPORATE TRANSPARENCY

A three-year research project bringing together leading civil society organisations and experts on corporate transparency with the aim of:

1. Identifying what concrete, material information companies should report
2. Analysing non-financial statements of the 1000 largest European companies
3. Improving EU legislation and standardising corporate disclosure

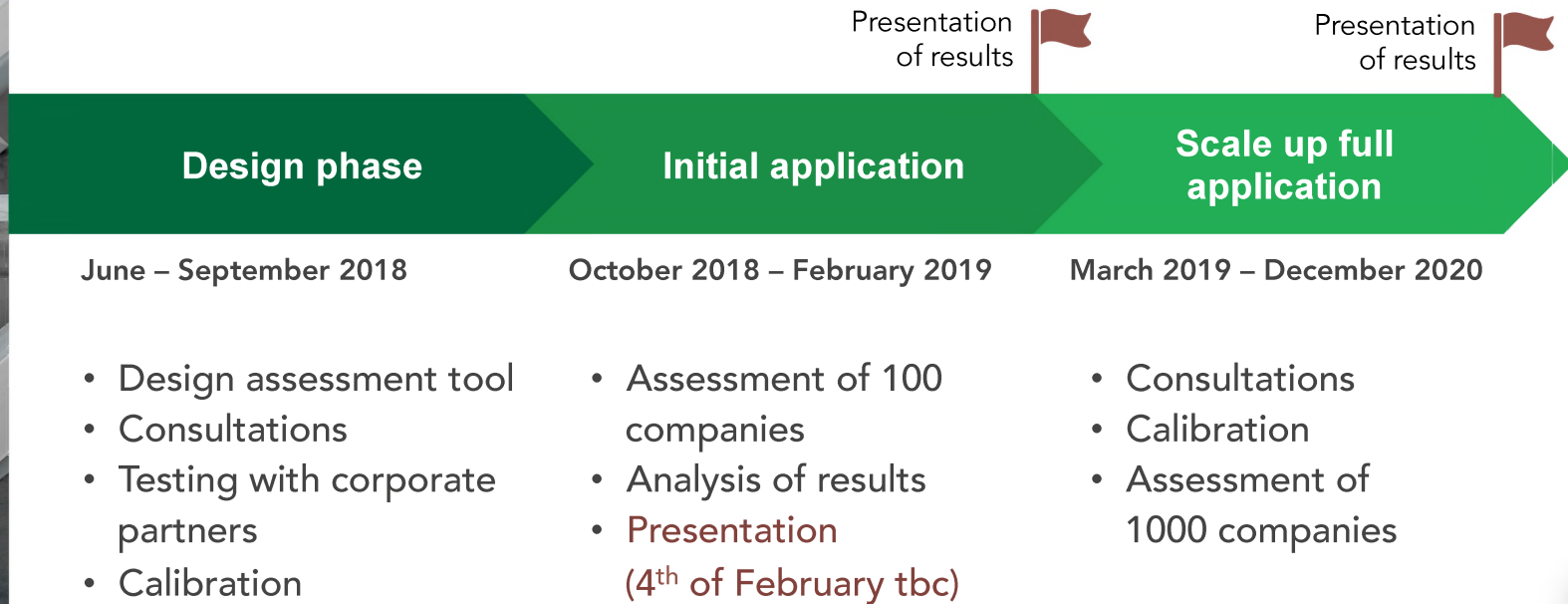


Rationale



1. There is a conceptual link between corporate reporting requirements and the sustainable finance agenda
2. Corporate ESG reporting is crucial for achieving a sustainable economic and financial system
3. The EU non-financial reporting framework outlines a new understanding of materiality, but doesn't specify what concrete information companies should disclose

TIMELINE



METHODOLOGY



Level 1: Formal compliance



- Existence of non-financial statement
- Description of business model
- For each area (environment, social, and anti-corruption)
 - Policies (or explanation)
 - Outcomes
 - Statement of risks of adverse impacts and their management
 - KPIs (where relevant)

Level 2: Salient ESG issues

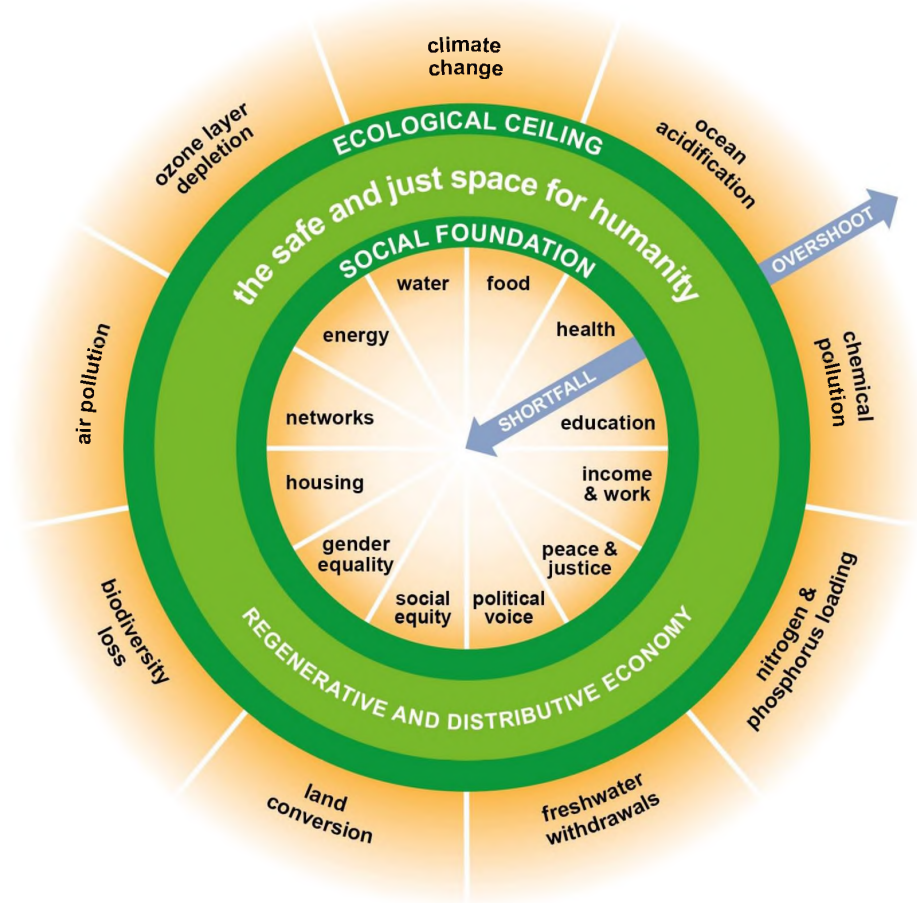


1. **Planetary boundaries & social foundations** as the starting point
2. **ESG issues & reporting criteria derived from a juxtaposition of**
 - International standards (OECD Guidelines, UNGC, UN Guiding Principles, Paris Agreement, SDGs)
 - Reporting frameworks (GRI, SASB, UNGP Reporting Framework, TCFD, CDP, CDSB, Future-fit Business Benchmark)
 - Issue-specific legislation (Conflict Minerals)
 - European Commission guidance
3. **Materiality matrix:** sustainability issues are attributed to sectors according to their relevance



Planetary Boundaries (2009)
Johan Rockström, et al
Stockholm Resilience Centre
Will Steffen
Australian National University

Doughnut Economics (2017)
Kate Raworth
<https://www.kateraworth.com/>



Level 2: Salient ESG issues



Environmental

- Climate
- Use of natural resources
- Pollution
- Waste
- Biodiversity and conservation

Social

- Workforce data
- Human rights risks
 - Supply chains
 - Indigenous people
 - Conflict resources
 - Land acquisition
 - Digital rights
 - Civil & political rights

Anti-corruption

- Anti-corruption programme
- Corporate (group) structure
- Governance
 - Board matters
 - ESG integration
 - Political engagement
 - Taxes

Level 3: Opportunities



- Business strategies, products or services focused on sustainable development
- Quantified economic data, targets, investments in R&D
- Sector specific: green buildings, ecological transport transition, renewable energy systems, access to medicine, sustainable (certified) products for consumers...



Initial application (2018)

100 companies from
the following **sectors**:

- Energy
- ICT
- Healthcare



Filip Gregor

Head of Responsible Companies Section

Frank Bold

filip.gregor@frankbold.org

+420 775 154 083

www.allianceforcorporatetransparency.org