



Spain

Anteproyecto de Ley sobre información no financiera y diversidad (Based on draft law – Spain has not official transposed the Directive 2014/95/EU)

NEW

Company scope

1. Employees: over 500
2. Net turnover: over EUR 40 million; *or* Balance sheet total: over EUR 20 million
3. Public Interest Entities:
 - Listed companies
 - Credit institutions
 - Insurance undertakings
 - Payment and electronic money institutions
 - Pension funds which, during two consecutive years, at the closing date of each year, have at least 10,000 participants
 - Investment services and collective investment institutions, which has 5,000+ clients or 5,000+ shareholders
4. Entities who, during two consecutive years, at the closing date of each year, have a net turnover over EUR 2 billion, and over 4,000 employees

Report features

For the following matters:

- Environmental
- Social and employee matters
- Respect for human rights
- Anti-corruption and bribery matters

The report shall contain:

- A description of the undertaking's business model
- Company policies relating to non-financial matters, and the outcomes of those policies
- Principle risks related to non-financial matters and business activities

Company scope

The Law applies to all PIEs with an average number of employees over 500 and all other big non-PIE companies.

1. Employees: over 500
2. Public Interest Entities or entities that, during 2 consecutive years, at the closing date of each year meet two of three of the following criteria:

- Total assets: 20 million €
- Net turnover: 40 million €
- At least an average number of employees equal to 250

Public Interest Entities:

- Listed companies
- Credit institutions
- Insurance undertakings
- Payment and electronic money institutions
- Pension funds which, during two consecutive years, at the closing date of each year, have at least 10,000 participants
- Investment services and collective investment institutions, which has 5,000+ clients or 5,000+ shareholders
- Entities who, during two consecutive years, at the closing date of each year, have a net turnover over EUR 2 billion, and over 4,000 employees

The law is in force for periods beginning after 1 January 2018 and after 3 years it will also be applicable to all companies or groups with more than 250 employees that are PIEs (except small and medium sized PIEs) or big non-PIE companies (i.e. with assets over 20 million euro or net turnover over 40 million euro, for two consecutive years).

Report features

For the following matters:

- Environmental
- Social and employee matters
- Respect for human rights
- Anti-corruption and bribery matters
- Community: including commitment of the entity with the sustainable development; subcontracting and suppliers; consumers tax information (country by country information on profits; public grants and tax paid) and any other relevant information

The report shall contain:

Depending on the size of the company the law also obliges to expand information provided in other public reports: listed **PIE** more information on diversity; shares listed in non-regulated markets; structure of the management of the company; working methods of the GA; transactions with related parties ; risk

- Any non-financial KPIs which are use
- An explanation of the sums indicated in the financial statement which are relevant to corporate social responsibility

This information shall be presented in:

- The management report, or
- A separate report published alongside the management report, or
- A consolidated management report (provided the 'company scope' criteria are exceeded 2 years in a row)

Which may rely upon

- An international, EU-based or national reporting framework, explicitly mentioned the following: EMAS, UNGC, UNGP, OCDE, ISO 26000, ILO Declaration or GRI

Additional Aspects

- Comply and explain principle
- Safe harbour principle
- Diversity statement
- Auditor's involvement: presence of statement
- Fines: not specified

control systems and degree of fulfilment of the good governance code's recommendations.

This information shall be presented in:

No changes

Which may rely upon

- An international, EU-based or national reporting framework. They shall fulfill the requirements in the European Commission's guidelines, specifically mentioning GRI

Additional Aspects

- Applicable to the information in the Corporate governance statement of listed entities
- Diversity statement: see above
- Auditor's involvement: presence of statement; the consolidated NFI statement shall be verified by an independent assurance provider.