

Recent Trends in Corporate Environmental Management and Responsibility

Konstantinos Evangelinos



OVERVIEW



01.

**Command and Control
Regulation**

02.

Voluntary Regulation

03.

**EMAS in the European
Institutions**

04.

EMAS in Greece

05.

DIRECTIVE 2014/95/EU

06.

Act 4403/2016

07.

**Global Reporting
Initiative-GRI**

08.

GRI Global Trends

09.

GRI Trends in Greece

10.

Challenges ahead

Regulatory Compliance



Command and Control Regulation



Implementation of Command Control Regulation in Greece

- According to evidence from on-going research of inspections from governmental environmental auditors on the conformity to Environmental Impact Assessment requirements, a high percentage of organisations are found with minor or more significant aspects of non-compliance.
- It appears that environmental degradation caused by SMEs often has greater impact than that of a larger organisation.
- Non-compliance affects competitiveness at both local and national levels. According to the World Bank, the impact on GDP is between 10%–30%



Voluntary Regulation



Voluntary Regulation

- **Environmental Management Systems Standards (EMAS and ISO14001)**
- **Sustainability Reporting**
- **European Directives 2014/95/EU (CSR Initiative)**

In the case of **Greece**, Act 4403/2016 obliges businesses to comply with the relevant EU Directives.



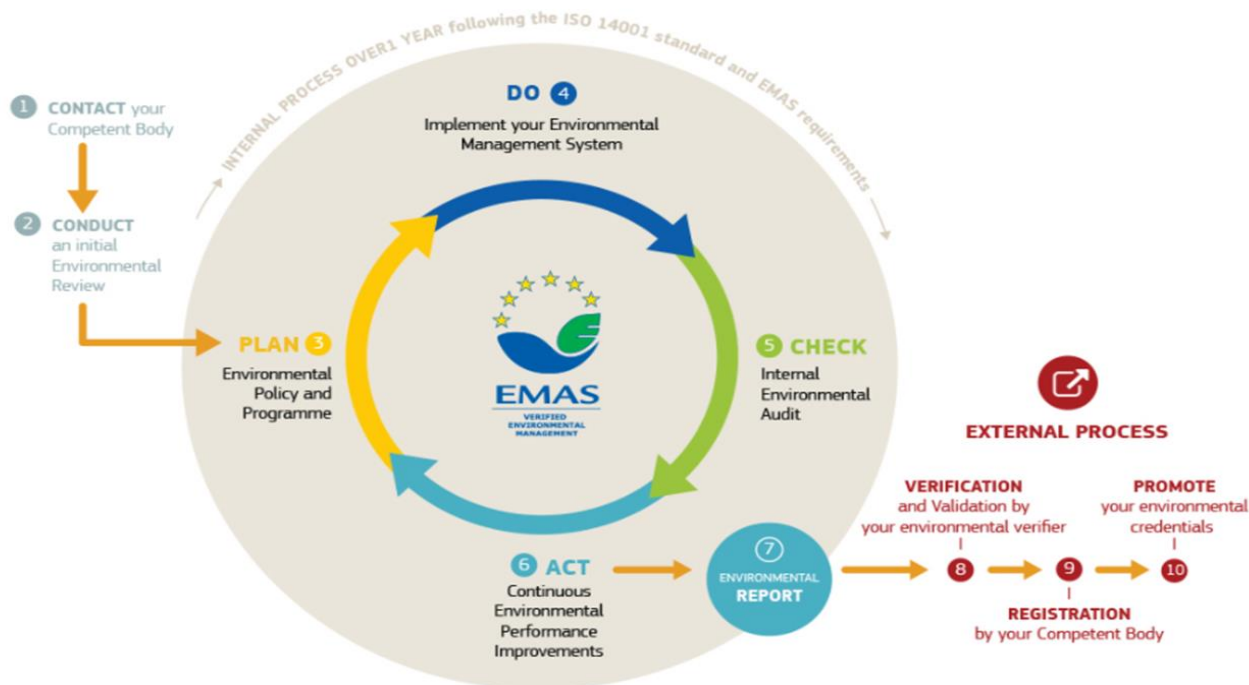


EMAS implementation in Europe

How does it work?

Becoming an environmental leader and achieving continuous improvement through EMAS is easy, thanks to ten steps and four key principles: Plan-Do-Check-Act!

Select each step:



EMAS in the European Institutions

The **European Commission** was the first EU Institution to achieve an EMAS-registration in 2005.



The **European Environment Agency** was the first EU body to introduce an environmental management system in 2004 and received its EMAS registration in spring 2005.



The **European Parliament** registered its three places of work (Strasbourg (FR) - Luxembourg and Brussels (BE)) to EMAS in December 2007.



The **European Central Bank** registered with EMAS in 2010.



EUIPO is the European Union Intellectual Property Office responsible for managing the EU trademark and the registered Community design and has been EMAS registered since September 2008.



The **Court of Justice** of the European Union registered with EMAS in 2016



EMAS in the European Institutions



The European Economic & Social Committee / the European Committee of the Regions. They have also jointly undertaken to implement an environmental management system, formalised by EMAS registration and ISO 14001 certification in 2011.



European Council and Council of the European Union. The General Secretariat of the Council (GSC) obtained ISO 14001 certification and EMAS registration in 2016.



The European Court of Auditors was EMAS-registered on 10 March 2017

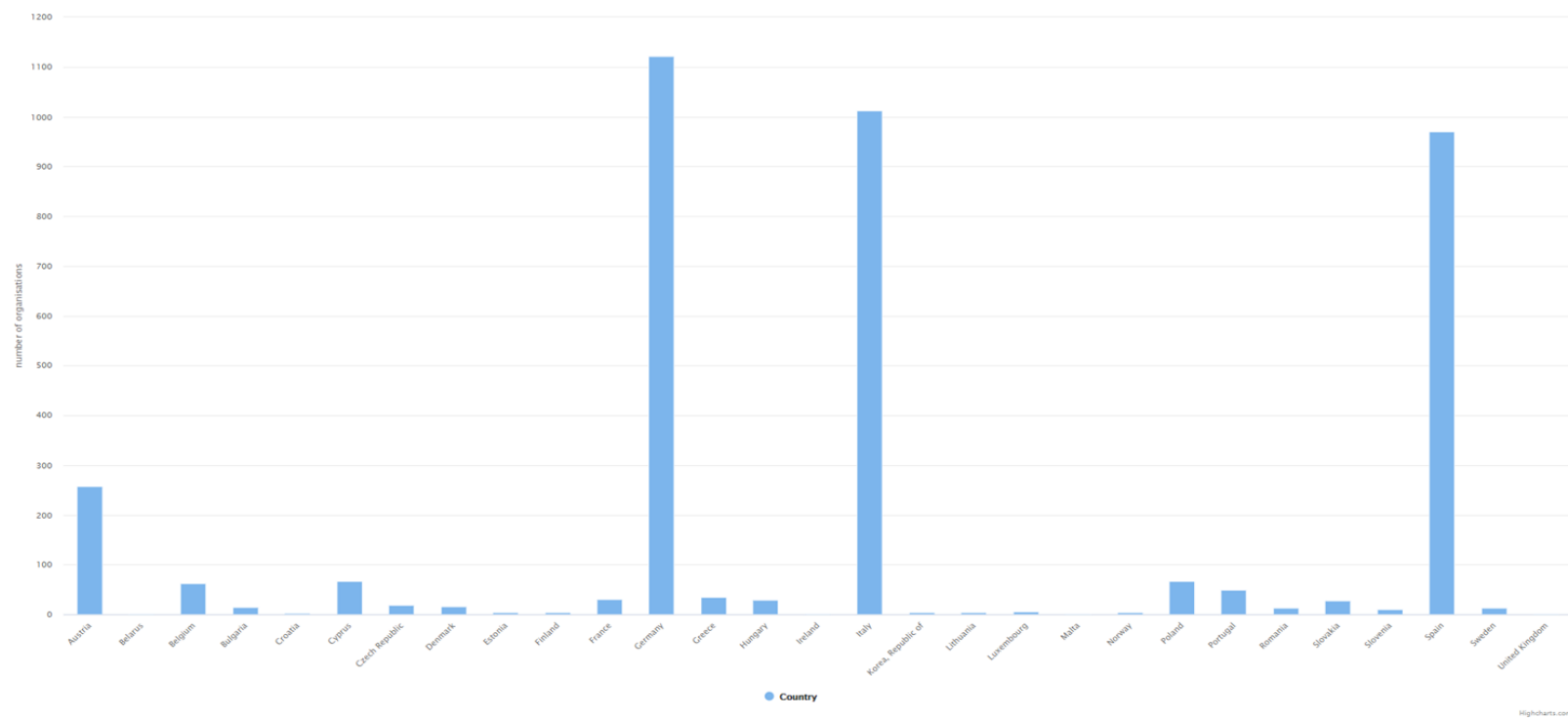


The European Food Safety Authority obtained ISO 14001:2004 certification in November 2016 and EMAS registration in February 2017.



The European Investment Bank Group obtained ISO14001 certification in December 2018 and EMAS registration in March 2019.

EMAS Uptake – EU



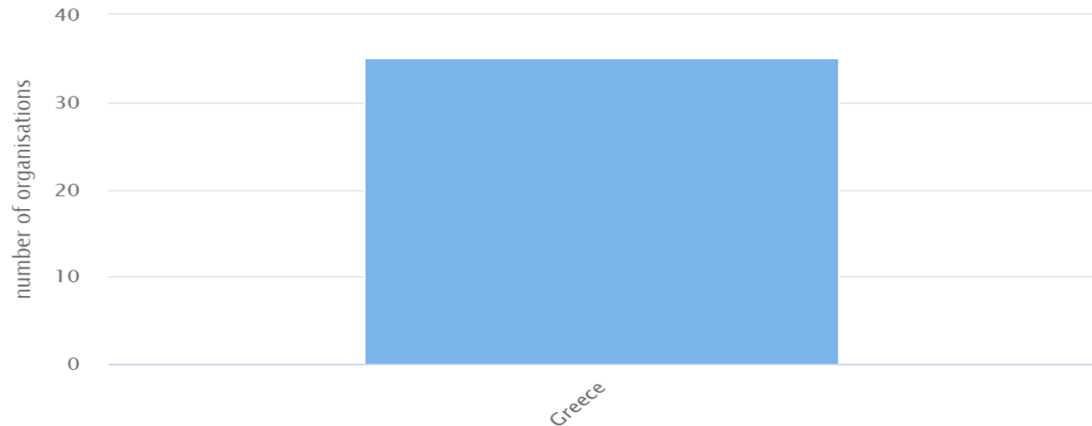
EMAS in Greece



EMAS Uptake – Greece

Organisations per country

/ Country:Greece



Country

Highcharts.com

List of Organizations received an EMAS Registration:

- HELLENIC QUALITY FOODS S.A. (2001)
- AKTOR S.A. (2005)
- FROS BETON S.A. (2005)
- PYRAMIS S.A. (2005)
- A. TOKOS-CH PARASKEVOPOULOS S.A. (2005)
- CRIS KERIDIS SONS OE (2005)
- UNIVERSITY OF MACEDONIA-Economic and Social Sciences (2005)
- PAPANAGIOTOU AVEEA-DROMEAS (2006)
- VIVECHROM S.A.
- HELLENIC ENVIRONMENTAL CENTER S.A. (2006)
- LPC S.A. (2006)
- DRUCKFARBEN HELLAS AEVE (2006)
- POLYECO S.A. (2007)
- METRON S.A. (2008)
- CHROSTIKI S.A. (2009)
- VECHRO S.A. (2009)
- ELLINIKO KENTRO ANAKYKLOSIS AVEE (2009)
- EUROBANK ERGASIAS S.A. (2009)
- ANAMET S.A. (2009)
- BASF HELLAS S.A. (2009)
- SYMETAL S.A. (2009)
- VERNILAC S.A. (2010)
- HELLENIC FRIDGE RECYCLING S.A. (2010)
- REGION DEVELOPMENT FUNDS FOR NORTH AEGEAN REGION (2010)
- PIRAEUS BANK S.A. (2011)
- BERLING S.A. (2011)
- “ER-LAG” G.D. KOURTIDIS S.A.(2012)
- BIANATT A.V.E.E. (2012)
- HELLENIC ENVIRONMENTAL RECYCLING S.A. (2013)
- KROMMYDAKIS HOTEL ENTERPRISES S.A. (2014)
- CULTURAL FOUNDATION OF PIRAEUS GROUP (2014)
- CHROMOCHARTIKI A.V.E.E. (2014)
- IGOUMENITSA PORT AUTHORITY S.A. (2017)
- SUNLIGHT RECYCLING S.A. (2018)
- VITEX-GIANNIDIS BROTHERS S.A. (2019)



DIRECTIVE 2014/95/EU

DIRECTIVE 2014/95/EU



- All large companies operating in Europe with over 500 employees will be responsible for disclosing in detail information on social, labor, and environmental issues in their annual reports.
- Companies will maintain flexibility to disclose this information in the way they consider most useful, for instance, through national and international standards like the **UN Global Compact, GRI and ISO 26000**.
- The directive aims to improve companies' transparency and performance on **social and environmental issues**, which will improve companies' performance in the long-term.



ACT 4403/2016



Law 4403/2016

Company Scope:

1. Over 500 employees
2. Public Interest Entities:
 - Listed companies
 - Credit institutions
 - Insurance undertakings
 - Banks
 - Large entities in logging of primary forests
 - Large entities in the mining sector
 - Entities owned by the Government with over 500 employees
3. Companies with over 10 employees, a net turnover of over EUR 700,000, or balance sheet total of over EUR 350,000, must report on environmental performance and employee matters



Law 4403/2016

Report Features for the following matters:

- Environmental performance
- Employee matters
- Human rights performance
- Corruption and anti-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
- Due diligence policy
- Principal risks related to non-financial matters and business activities
- Any non-financial KPIs which are used

The information shall be presented in the:

- Annual Report

Which may rely upon an:

- International, EU based or national reporting.

Additional Aspects:

- Comply and explain principle
- Safe harbour principle
- Diversity statement
- Auditor's involvement: presence of statement
- Fines: failure to comply or late to comply (9 months after closing of the accounting year) will result in to-be determined fines

Recent research evidence 2017–2018

- The focus of this research was to evaluate the integration of non-financial information in Greek annual financial reports of a sample of 50 businesses with a presence on the Greek Stock Market for the reporting period 1/1/2017-31/12/2017.
- 228 businesses are listed on the Greek Stock Market and are obliged to perform non-financial reports. 141 have financial reports which include non-financial information, 21 have financial reports that do not contain non-financial information and 66 businesses no financial report at all.
- The comprehensiveness of the non-financial information provided in the sample demonstrated that entities who are obliged to follow Act 4403/2016, do not report non-financial information on a large scale.

Global Reporting Initiative – GRI



Global Reporting Initiative–GRI

Provide the world's most widely used standards for sustainability reporting – the GRI Standards.



WHY?

Exists to help organizations be transparent and take responsibility for their impacts so that we can create a sustainable future.

HOW?

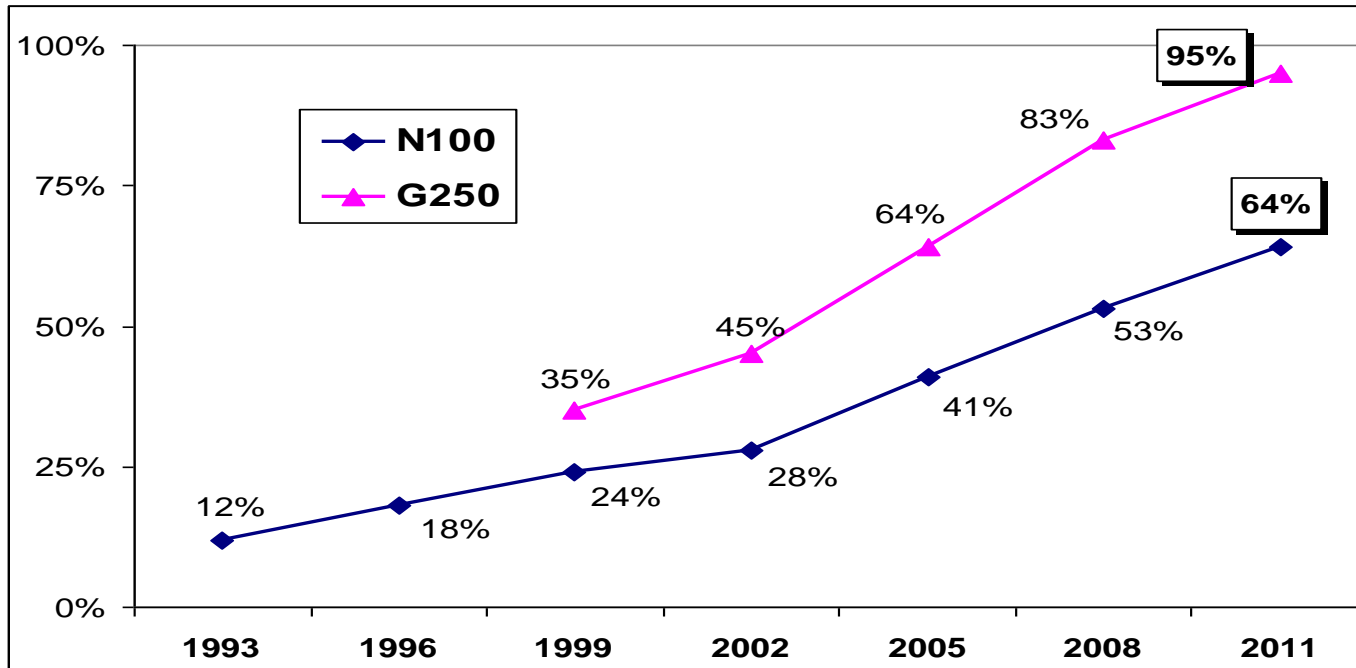
Creates a global common language for organizations to report their impacts. This enables informed dialogue and decision making around those impacts.

WHAT?

- It is the global standard setter for impact reporting.
- Follows an independent, multi-stakeholder process.
- Maintains the world's most comprehensive sustainability reporting standards
- GRI Standards are available as a free public good.

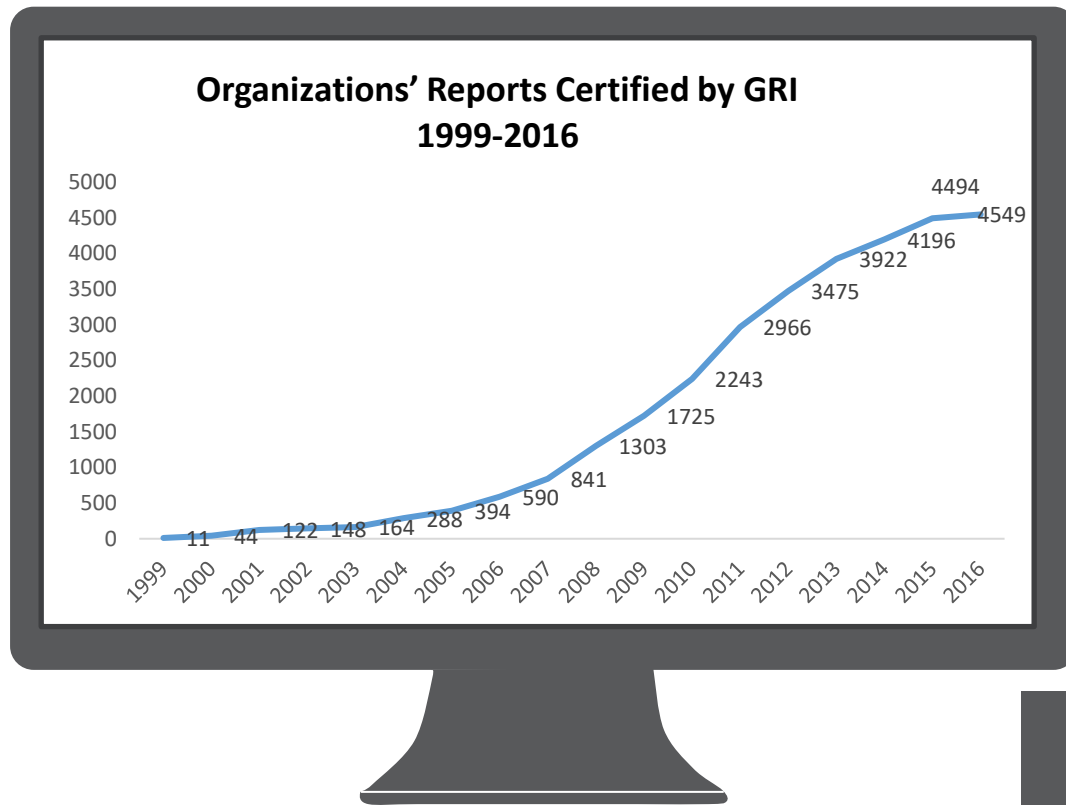


'CSR reporting has become the de facto law for business business' (KPMG)



GRI Global Trends

- Continuous increase of CSR Reports certified by GRI at an international level.
- More than 200 countries

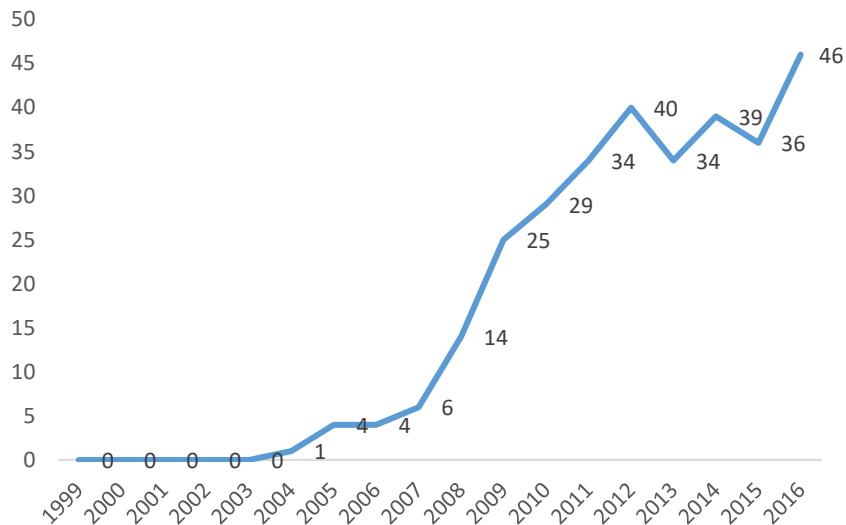


GRI Trends in Greece



GRI Trends in Greece

**Organizations' Reports Certified by GRI
1999-2016**



- Number of CSR Reports certified by GRI in Greece.

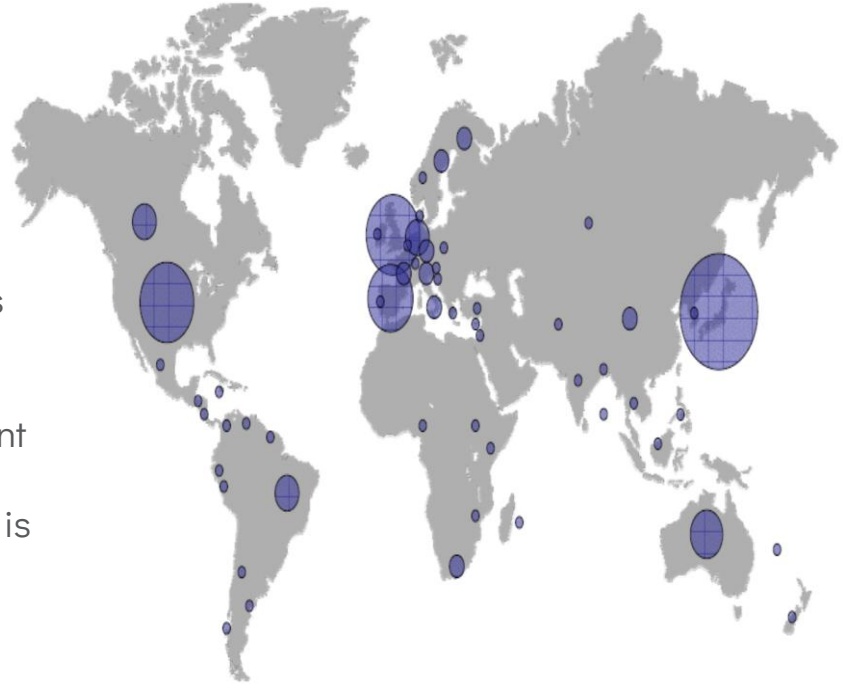


Research on CSR reporting in Greek companies

- The aim of the research was to assess the comprehensiveness of Greek companies' corporate social responsibility (CSR) reports published in 2016-2018. For this purpose, an evaluation methodology was developed in line with the accountability reporting principles suggested by the Global Reporting Initiative (GRI)-G4 guidelines for preparing and publishing sustainability reports.
- The overall findings indicate moderate levels of integration of the GRI reporting principles into corporate disclosures.
- Emerging from the latter outcome, together with the low integration of some materiality issues, are problems of transparency, credibility, balance, and completeness related to the publishing of CSR reports. It appears that operational features such as type, size, and sector influence the style and comprehensiveness of reports.

Challenges Ahead: The case of Greece

- A more robust approach is required for the implementation of command and control regulation
- Support SMEs in developing CSR strategies
- Transparency and accountability should be encouraged and supported from government
- Stakeholder consultation and engagement is crucial



THANK YOU

Do you have any questions?

