EU Insider is an EU Policy-focused newsletter exclusively for Eurosif Member Affiliates. This edition highlights key EU policy developments in areas Eurosif is currently focusing on. We hope you will find the newsletter informative and encourage you to refer to the previous editions to find more background information on our policy work. Please feel free to circulate this internally. Feedback is always welcome and can be sent to francois@eurosif.org.

FOR ACTION
Eurosif is currently conducting an informal consultation of its Member Affiliates to inform its policy priorities. You are encouraged to contribute by following the link here.

SAVE THE DATE
Eurosif will be organizing a policy webcast on May 28th at 13.00 CET. Member Affiliates are cordially invited to participate to get an update on current policy developments and provide feedback. A separate agenda and dial-in details will be sent for the call in due time.

Key Policy Topics:
- Non Financial Reporting (NFR)
- ESG Disclosure and Investors
- Long-Term Investment and Sustainable Growth
- Corporate Governance and Shareholder Rights
- Social Investment
- Other EU Developments of Interest
- Glossary

Highlights in this Edition:
- Legislative proposal on reporting of non-financial information by European companies
- Resource Efficiency Roundtable on ‘green finance’
- MEP Richard Howitt / Mazars Event at European Parliament
- European Commission Green Paper on the long-term financing of the European economy
- CEPS Meeting on Long Term Investment and Pensions
- European Commission informal roundtable on Corporate Governance Action Plan
- IIRC consultation on proposed framework
NON FINANCIAL REPORTING (NFR)

What is at stake?

- This recently published piece of proposed EU legislation consists of an amendment to the Accounting Directives\(^1\) whereby more explicit references to non-financial reporting are made to mandate European companies to report on these aspects.
- This is an opportunity to increase the number of companies reporting on non-financial aspects as well as an opportunity to enhance the quality and relevance of reporting in order to make it more relevant to European SRI investors and analysts' needs.

Who are the key stakeholders?

- The European Commission – Directorate General Internal Market and Services, Unit Financial Reporting;
- The European Parliament – Most likely the ECON Committee (Economic Affairs);
- Civil Society: Eurosif has been partnering tactically on this dossier with a European NGO platform, European Coalition for Corporate Justice (ECCJ), which is very active in the NFR area; other organizations like Finance Watch are not really active in the field.
- Aviva has been spear-heading a global coalition on NFR in the backdrop of Rio+20 last year. The coalition is continuing its lobbying work post Rio, which includes EU policy work. Eurosif is supporting the coalition’s work, and keeping close ties with Aviva.
- A number of organizations active in the field of NFR are doing some level of policy work around the EC proposal. The GRI have been most active in that field and to a lesser extent the IIRC. Eurosif are in contact with both organizations and has made reference to their work in several of its position papers. Eurosif has, however never formally endorsed the work of either organizations but will explore the feasibility and viability of closer cooperation with them in the future. Feedback from Member Affiliates on this is welcomed.

**Legislative proposal on reporting of non-financial information by European companies:**

On April 16, DG MARKT published a legislative proposal to amend the Accounting Directives on the disclosure of non-financial information by European companies. The publication of the proposal has been delayed several times due to discussions around other aspects included in the two directives to be amended.

Eurosif has been actively advocating on this topic for many years and is pleased to see that some of its demands have been reflected in the proposal. The EC’s press release mentions: "[The proposal] is about providing useful information for companies, investors and society at large - much demanded by the investor community. Companies that already publish information on their financial and non-financial performances take a longer term perspective in their decision-making." (Eurosif emphasis)

Eurosif is broadly pleased with the recently published legislative proposal (see link below) and is preparing a response to it. However, even if the proposal goes in the right direction and provides good foundation for future improvements, in particular around integrated reporting (which is not part per se of the proposal), some aspects remain a concern. These

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1 Directives 78/660/EEC and 83/349/EEC
include KPIs not being mandatory, and that the reference to existing reporting frameworks also mentions nationally developed ones. Eurosif will continue to actively lobby the European institutions on this topic as the legislative process now shifts to the Parliament and the Council.

Eurosif latest actions:

**Letter to Commissioners regarding non-financial reporting:**
Following a meeting last Fall with Commissioner Barnier, a joint Eurosif / ECCJ\(^2\) / BEUC\(^3\) and ETUC\(^4\) letter was sent to EC Commissioners to try to obtain their support for an ambitious reform of non-financial reporting. The letter draws their attention to the fact that non-financial information is a vital component in the process of creating shared value, and is essential for investors to make valid mid- and long-term decisions. Further, it is a key element for shareholders to guide their decisions, as well as for workers and their representatives, consumers and affected communities to assert their rights and fulfil their roles, by enabling them to understand and assess the scope and impacts of companies operations on society and to monitor their progress. A copy of the template is available [here](#).

**Joint ACCA-AVIVA-EUROSIF Policy Event on Non-Financial Reporting (new date):**
This policy event will take place in the European Parliament under the patronage of MEPs Howitt and Baldassarre on June 4, 2013. It was postponed due to the delays in the publication of the legislative proposal. More details will be sent in due time. Member Affiliates will be invited to attend on a first come first served basis as the number of places are limited.

**Eurosif’s survey on NFR closes April 30th:**
Eurosif takes the opportunity to remind readers of our survey on non-financial reporting. It takes less than 5 minutes to complete and the results will be used to support Eurosif’s policy work: [https://www.surveymonkey.com/s/SJPKRDR](https://www.surveymonkey.com/s/SJPKRDR)
The survey is anonymous and per person (research, portfolio manager, analyst) not per company, and will close on April 30th.

**Select resources:**


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\(^2\) ECCJ: European Coalition for Corporate Justice

\(^3\) BEUC: The European Consumers’ Organisation

\(^4\) ETUC: European Trade Union Confederation

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Summary page for non financial reporting:
http://ec.europa.eu/internal_market/accounting/non-financial_reporting/index_en.htm

Page of the expert group of on disclosure of non-financial information by EU companies and related documents:
http://ec.europa.eu/internal_market/accounting/committees/disclosure/index_en.htm

A recent EC analysis of the publicly available policy references that large European enterprises make to certain internationally recognised CSR guidelines and principles: The analysis covers 200 randomly selected companies with over 1,000 employees, from 10 European countries (the Czech Republic, Denmark, France, Germany, Italy, the Netherlands, Poland, Spain, Sweden and the UK). The report is available here:

CSR Guide for SMEs:

Webpage for CSR and SMEs:

ESG DISCLOSURE AND INVESTORS

What is at stake?
- This is a key policy focus for Eurosif in 2013. Thanks in part to Eurosif's actions over the past years, ESG disclosure by investors and asset owners is becoming an emerging theme for European policy-makers and has been referenced in a number of recent EC papers (e.g. Long Term Investment Green Paper).
- Eurosif position is to push for more disclosure around ESG in particular to understand whether and how asset managers and asset owners incorporate ESG concerns into their investment policy.
- There are currently a few significant opportunities to push for a greater degree of ESG disclosure in both the retail and the institutional market. A greater degree of disclosure could potentially lead to a change in market practices and behaviour over time, thus fostering a greater adoption of SRI practices and a larger market for SRI. The European SRI Transparency Code, developed by Eurosif, forms part of this broad advocacy work around ESG disclosure.

Who are the key stakeholders?
- The European Commission – Directorate General Internal Market and Services, Unit Asset Management for product level disclosure.
- The European Commission – Directorate General Enterprise and Industry, Unit CSR for a link with the EC’s overall CSR policy.
- The European Commission – Directorate General Environment for a link with sustainable growth and how to fund it.
The European Parliament in particular the ECON Committee (Economic Affairs)

EFAMA: as the association representing the broad asset management community, EFAMA is taking a position on ESG disclosure by asset managers and at product level (KID proposal, see below). Eurosif had several contacts with EFAMA in order to push for recognition of its European SRI Transparency Code by them.

Pensions Europe is the representative body of the European pension fund community. Eurosif has requested a meeting with them to understand where they sit with regards to ESG disclosure. This however might not be a priority for them due to other more pressing challenges such as Solvency II or MIFID.

Civil society: the NGO community has not been very active on this front. Eurosif participated in a Steering Committee of the European Coalition for Corporate Justice (ECCJ) platform, a group of 160 European NGOs but there is little interest and recognition of the importance of that topic for this group. A meeting with Finance Watch is set up for mid April 2013 to investigate potential joint work on this subject.

Key Information Document (product-level ESG disclosure):
On July 3 2012, the European Commission issued a legislative proposal on the pre-contractual Key Information Document (KID) for all retail investment products. The proposal is linked to a wider EU initiative to create a sustainably and satisfactory regulatory environment for the sale and disclosures of retail investment products (Packaged Retail Investment Products or PRIPs). It is also consistent with the recent European Commission’s Communication on CSR from October 2011. The proposal can be found here and Eurosif position here.

Proposal is now with the European Parliament’s Economic and Monetary Affairs Committee (ECON). MEP Pervenche Berès has been appointed as the Rapporteur. The committee vote on the proposal is scheduled for May 27. Eurosif has started to contact select MEPs (Rapporteur and Shadow Rapporteurs) before the upcoming EP vote on the proposal in order to secure their support. The Parliament vote is scheduled for September 10.

ESG Disclosure by investors and Asset Owners:
Eurosif is leveraging any opportunity to talk to relevant EU policy-makers to encourage them to develop some legislation around ESG disclosure by Asset Owners. In the context of Member States seeking ways to attract private capital to fund long-term sustainability-linked projects, it is Eurosif belief that ESG disclosure can play an important role and should be encouraged.

As an example, Eurosif recently participated in a Finance Roundtable organised by DG ENV and pressed the EC to encourage a greater ESG disclosure by Asset Owners. See below for more details on this.

Eurosif latest actions:

Resource Efficiency Roundtable on ‘green finance’:
On February 15, 2013, Eurosif participated in a Finance Roundtable hosted by DG ENV and opened by Commissioner Potočnik. The roundtable gathered a number of representatives and experts from the financial sector on “green finance” (climate change, resource efficiency), e.g. UNEP-FI, EIB, EBRD, UK Green Bank. The objective of the roundtable was
to identify how to remove barriers and attract private capital to finance being resource efficiency. The workshop highlighted a number of systemic barriers that should be dealt with, such as the misalignment of incentives, policy uncertainty, lack of appropriate expertise with investors, relative lack of adequate investment vehicles, or the absence of integration of natural capital into macro-economic and valuation models.

Eurosif focused on the responsibility of investors, in particular asset owners and the need to revisit the notion of fiduciary duty to ensure that it covers looking at ESG factors. Despite the Freshfield report, it is still not a widespread practice. This point was highlighted in the press release following the roundtable (see link below). The information collected in the roundtable will be used in drawing a set of recommendations for early summer 2013.

**Informal meeting with DG MARKT - Asset Management Unit regarding Retail Investment Products Key Investor Document (KID):**

On February 22, 2013, Eurosif met informally with the Unit Asset Management in DG MARKT (Tim Shakesby, Katarina Melichercikova) for an update on the current policy pipeline, in particular the Retail Investment Products Key Investor Document (KID) and long-term investment aspects.

In terms of the KID, two key MEPs are Pervenche Beres (Rapporteur for ECON Committee, already met by Eurosif) and Pier Antonio Panzeri (Rapporteur for IMCO Committee, Consumer Protection).

Mr Panzeri (Italy, Socialist), Rapporteur for Key Information Document for Investment Products presented his draft opinion to the IMCO Committee (see link for the draft opinion below). Mr Panzeri supports the clarification on the scope of the KID for investment products and wants to stimulate a debate over the possibility of KID also to cover occupational pensions and private pension funds. Forum Finanza Sostenibile met Mr Panzeri on March 15 to introduce Eurosif and its position on the KID. Mr Panzeri seems personally in favour of more ESG disclosure, but does not yet have a feeling on his Committee's position. In any case, IMCO only has a consultative role, the leading role being with ECON.

The next phase is a vote in ECON, scheduled for May 27. It could then be followed by a Trilogue (EC-Council-EP), most likely around the end of the year. DG MARKT does not expect a radical divergence of views from the Council and the European Parliament on the overall KID proposal. However, there seem to be some divergences of views with regards to ESG disclosure in the KID proposal. The Council does not see it as a necessary component of the KID and certainly not a mandatory one. For the Council, it should be included on a voluntary basis. For the Parliament, in general, there tend to be an inclination towards making this a mandatory disclosure a position which aligns better with Eurosif’s one. ESG disclosure is likely to be seen as a secondary issue in the eyes of the Council and the EP compared to information such as risk profile or fees of the product. DG MARKT is however a strong proponent of this and believes that it is important for Eurosif to focus at this stage on the Parliament.

Estimated timing:
- ECON Vote: End of May 2013
- Trilogue: maybe end of 2013
- Detailed work on implementation (Level II): mid 2014
- Possible application: mid 2016

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Select resources:

- Draft opinion on the proposal for a regulation of the European Parliament and of the Council on key information documents for investment products by Pier Antonio Panzeri - more information is to be found here
- ECON Amendments 26 - 151 - Draft opinion - on the proposal for a regulation of the European Parliament and of the Council on key information documents for investment products - more information is to be found here

LONG-TERM INVESTMENT AND SUSTAINABLE GROWTH

What is at stake?
In the recent months, Eurosif has focused on building a stronger political case for SRI / ESG investing. Part of the work consists of establishing the link between sustainable investing, long-term investing and sustainable growth, in doing so demonstrating that SRI has the potential to be part of the solution to the current economic situation. This is an opportunity to make the benefits of SRI and ESG investing more visible to policy-makers and therefore potentially secure their support to grow the market longer term. Another work stream regards the potential creation of pooled investment products specifically designed and labeled as long term investment products. Eurosif’s position is that any such product, should such a label be created, should incorporate ESG factors in its investment policy since these have a long-term effect on portfolio risk and return and that appropriate ESG disclosure should be implemented.

Who are the key stakeholders?
- The European Commission – Cabinet of Commissioner Michel Barnier, Directorate General Internal Market and Services. The Cabinet has coordinated the production of the Green Paper on LT investment across the various DGs.
- The European Commission – Directorate General Internal Market and Services, Unit Asset Management. This Unit is responsible for UCITS Directives and is working on the concept of specific pooled investment vehicles, similar to UCITS funds (or a subset of) that would specifically be labelled as long term investment vehicles.
- The European Commission – Directorate General Environment. DG ENV is working on ways to attract private capital to fund long term, resource-efficient projects. See summary of DG ENV Finance Roundtable in the previous section of this newsletter. They are not in the leading seat for this dossier but can be influencers in many ways for future legislation.
- The European Parliament – Most likely the ECON Committee (Economic Affairs)
- Civil Society: Finance Watch has been very active in the field of long term investment, however with a specific angle (reconciling finance with the “real economy”). Discussions will take place with them in the course of April to understand their position and the potential for joint work.

Circulation restricted to Eurosif’s Member Affiliates
European Commission Green Paper on the long-term financing of the European economy:
On March 25, 2013 the European Commission (EC) launched the long-awaited Green Paper and public consultation on how to foster the supply of long-term financing and how to improve and diversify the system of financial intermediation for long-term investment in Europe. This Green Paper is accompanied by a Commission Staff Working Paper, setting out the underpinning analysis in more detail. The Commission invites interested parties (bodies or individuals) to participate in a consultation process and debate on the basis of the proposals they put forward. The deadline for responses is June 25, 2013.
The consultation covers a range of topics, but of particular interest to investors is:
- The supply, characteristics and definition of long-term investing;
- The capacity of institutional investors to provide long-term finance;
- Prudential rules for insurers and pension funds;
- The role of mandates and incentives given to asset managers;
- The notion of fiduciary duty;
- Improving integration of financial and non-financial reporting.
Eurosif welcomes the publication of the Green Paper on the long-term financing of the European economy and the consultation, and looks forward to the debate on how best to support sustainable long-term financing of the European economy. Eurosif will develop a response to the paper in consultation with national SIFs and the Lobby Advisory Group.

Eurosif recent action:

First Draft Response available to Member Affiliates
The first draft of the Eurosif response has been published on the Eurosif website in the Member Affiliate section. Deadline for Member Affiliate feedback is May 13. You can download the draft here.

CEPS Meetings on Long-Term Investment and Pensions
On January 17, the third meeting of this taskforce was held. Eurosif presented the case for ESG to the Group, including the need to push ESG disclosure with investor and asset managers.
On March 14, a fourth and final meeting was held. It covered the impact of Solvency II on asset allocations, the future EU-framework for personal pensions, and an update on the work on long-term investing by the Commission.
The final report will be written by CEPS over the next three months, with the public launch expected at the end of June. Eurosif will give comments on the draft. It is however important to keep in mind that the report is a CEPS report and that this does not mean that Eurosif (and other members of the taskforce) necessarily endorses all of its content.

Informal meeting with DG MARKT (Asset Management Unit) regarding long term investments:
As mentioned previously, on February 22, 2013, Eurosif met with the Unit Asset Management in DG MARKT.

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5 CEPS: the Centre for European Policy Studies, a policy think-tank in Brussels, providing research and activities on economic and international policy matters. Further information is provided here.
On the long term investment side, the work of the Unit feeds into the cross-sectional Green Paper on LTI by DG MARKT. The current thinking of the Unit is that a specific framework for investments in long term assets should be created. This could take several forms as highlighted in their consultation in October 2012, but the current thinking would be to create a specific framework, along the line of the UCITS brand, to facilitate this. This could mean for instance fund products with specific asset allocation rules and restricted redemption rules (less liquid products invested in less liquid assets). The EC has no intention to include any reference to ESG factors in the product design itself and believes that this comes under the disclosure regime (e.g. KID). According to the Single Market Act II, the EC has a commitment to come up with a legislative proposal by summer 2013 for this.

Select sources:


- **Manifesto for a Resource-Efficient Europe** - The European Commission launched a Manifesto for a Resource-Efficient Europe on the December 17, 2012 focusing on growing pressures on resources and the environment and stating that the EU has no choice but to go for the transition to a resource-efficient and ultimately regenerative circular economy and that our future jobs and competitiveness, as a major importer of resources, are dependent on our ability to get more added value, and achieve overall decoupling, through a systemic change in the use and recovery of resources in the economy.


- **The European Resource Efficiency Platform**, composed of EU Commissioners, MEPs and other stakeholders is calling on business, labour and civil society leaders to support resource efficiency and the transformation to a circular economy and society now because this offers a path out of the current crisis towards a reindustrialization of the European economy on the basis of resource-efficient growth that will last. In particular, a circular, resource-efficient and resilient economy should be achieved in a socially inclusive and responsible way based on encouraging innovation and investment in resource-efficient technologies, systems and skills and providing clear signals to all economic actors by adopting policy goals to achieve a resource-efficient economy and society by 2020, setting targets that give a clear direction and indicators to measure progress relating to the use of land, material, water and greenhouse gas emissions, as well as biodiversity.

More details here: http://ec.europa.eu/environment/resource_efficiency/re_platform/
CORPORATE GOVERNANCE AND SHAREHOLDER RIGHTS

What is at stake?
On December 12, 2012, the European Commission released an Action Plan outlining future initiatives in the areas of Company Law and Corporate Governance. The Action Plan covers three main areas:

- Increasing the level of transparency between companies and their shareholders in order to improve corporate governance. This includes improving corporate governance reporting; better identification of shareholders by issuers; strengthening transparency rules for institutional investors on their voting and engagement policies.

- Encouraging and facilitating long-term shareholder engagement. This includes transparency on remuneration policies and individual remuneration of directors, as well as a shareholders’ right to vote on remuneration policy and the remuneration report; creating appropriate operational rules for proxy advisors (i.e. firms providing services to shareholders, notably voting advice), especially as regards transparency and conflicts of interests; clarification of the ‘acting in concert’ concept to make shareholder cooperation on corporate governance issues easier.

- Finally, certain initiatives in the field of company law to support European businesses and encourage their growth and competitiveness are included.

In addition, the action plan foresees merging all major company law directives into a single instrument. This would make EU company law more accessible and comprehensible and reduce the risk of future inconsistencies. This plan offers multiple opportunities for the SRI community to push its agenda, in particular around engagement and transparency.

Who are the key stakeholders?

- The European Commission – Directorate General Internal Market and Services, Unit Corporate Governance
- The European Parliament – Committee on Legal Affairs (JURI)
- Civil Society: a number of organizations representing the civil society are engaged with this topic. These range from trade unions (ETUC for instance) to organizations like FairPensions (renamed ShareAction), Finance Watch and EUroFinUse and think tanks (Tomorrow’s Company).
- EFAMA: European Fund and Asset Management Association.
- Business organizations (e.g. Business Europe).

Eurosif latest actions:

MEP Richard Howitt / Mazars Event at European Parliament:
On January 23, Eurosif participated in a high-level European roundtable at the European Parliament hosted by MEP Richard Howitt and organized by Tomorrow's Company and Mazars. This event saw the launch of a new program by the organizers to reshape the role of business in society. Representatives from the European Commission, NGO’s, employee representative bodies, European and global companies and other stakeholders attended this event. Eurosif made the case for active and responsible ownership by asset owners and managers and more widespread and efficient stewardship as a way to push CSR on companies’ agendas and improve non-financial disclosure. Eurosif had the opportunity to sit...
with MEP Howitt (author of a recent report on CSR, including reference to ESG investment, see latest edition of the EU Insider) and build good contact.

**European Commission informal roundtable on Corporate Governance Action Plan:**
On February 1, 2013, Eurosif participated in an informal one-day workshop on corporate governance organized by DG MARKT. As part of the consultation of key stakeholders in the corporate governance agenda, Eurosif was invited to share its views on a number of specific topics covered in the Action Plan issued late 2012 by the European Commission on Corporate Governance. Eurosif was able to make several recommendations regarding how to increase engagement by shareholders, and foster disclosure of voting policies and adequate transparency on remuneration or the proxy advisors market. The Eurosif comments, aligned with its past positions included for instance concerns around the notion of acting in concert, the operational complexities of the cross-border voting chain, the need for asset owners to also disclose their voting policies and embrace Stewardship and the need for shareholders to be able to fully understand remuneration practices. The aggregated comments gathered through the series of workshops will be used to inform the policy impact assessment to be carried out by the Commission in the coming months and further legislative or non-legislative proposals in the pipeline as outlined in the Action Plan and the last EU Insider (December 2012 edition). The first concrete action from the Commission is expected to be a proposed update to the Shareholder Rights Directive.

**Select resources:**
- Action Plan: European company law and corporate governance – a modern legal framework for more engaged shareholders and sustainable companies
- "CRD 4" package amending the EU's rules on capital requirements for banks and investment firms, see in particular the section on banker's remuneration (page 4).

**SOCIAL INVESTMENT**

**What is at stake?**
Different EC DGs are looking into a range of instruments to foster “social investments”. These range from the so-called European Social Entrepreneurship Funds (EuSEFs) to Social Impact Bonds and other forms of financial instruments. Eurosif has also been made aware last month, through informal discussions with DG Employment, Social Affairs and Inclusion, that there is a new initiative looking into innovative financial instruments to address some of the most egregious social challenges – social impact bonds for example. These initiatives represent an opportunity to broaden the market for SRI investors and impact investors in particular.

**Who are the key stakeholders?**
- The European Commission – Directorate General Internal Market and Services, Unit Asset Management (for EuSEFs)
The European Commission – Directorate General Employment, Social Affairs and Inclusion, Unit, Unit Asset Management (for Social Bonds)

The European Parliament – Committee on Economic and Monetary Affairs (ECON)

Parliament voted on the proposal on European Social Entrepreneurship Funds
Late 2011, the EC published a proposal for EuSEFs, a pooled investment vehicle to invest in social businesses. MEP Sophie Auconi was appointed as the Rapporteur responsible for the Report on it and finally, the Parliament accepted a legislative resolution on the proposal for a regulation of the European Parliament and of the Council on European Social Entrepreneurship Funds on March 12, 2013.

Social investment: Commission urges Member States to focus on growth and social cohesion:
The European Commission has called on Member States to prioritise social investment and to modernise their welfare states. This means better performing active inclusion strategies and a more efficient and more effective use of social budgets. The call also gives guidance to Member States on how to best use EU financial support, notably from the European Social Fund, to implement the outlined objectives. By enhancing people’s capacities and supporting their participation in society and labour market will contribute to benefit individuals’ prosperity, boost the economy and help the EU emerge from the crisis stronger, more cohesive and more competitive.

Select resources:


- More information on Communication on Social Investment for Growth and Cohesion: http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=1807&furtherNews=yes


OTHER EU DEVELOPMENTS OF INTEREST

Motion for an EP proposal - Fight against Tax Fraud, Tax Evasion and Tax Havens
The European Parliament’s Economic and Monetary Affairs (ECON) Committee has published a draft report on “The fight against Tax Fraud, Tax Evasion and Tax Havens” signed by MEP Mojca Kleva Kekuš.
The document states that an estimated € 1 trillion in public money is lost due to tax fraud and tax avoidance every year in the EU. That represents an alarming loss of public revenue and threatens the proper functioning of the Single Market as well as the efficiency and fairness of
tax systems within the EU. Therefore, more focus should be put towards establishing a cohesive, concrete and common European tax strategy, embraced and implemented by all Member States.

The report urges the EC to take further steps towards a comprehensive strategy contributing to the necessary stabilization of financial markets by significantly reducing the liquidity available for financial trading that is unrelated to real economic activity. That would also increase available public revenue for fiscal consolidation measures while easing the austerity effects. Provision of the necessary resources to increase public investment leads towards the strengthening of the EU’s international competitiveness and growth potential.

The vote on the draft report in ECON is scheduled for April 24, 2013.

- See draft report on Fight against Tax Fraud, Tax Evasion and Tax Havens [here](#)

**Commission moves forward on climate and energy towards 2030:**
The European Commission has started developing the 2030 framework for EU climate change and energy policies. The related Green Paper launches a public consultation on the content of the 2030 framework, and a Consultative Communication on the future of carbon capture and storage (CCS) in Europe was also published. The EC adopted a report assessing the EU and Member States’ progress towards their 2020 renewable energy targets and on the sustainability of biofuels and bioliquids consumed in the EU. The consultation runs until July 2. On the basis of the views expressed by Member States, EU institutions and stakeholders, the Commission intends to table the EU’s 2030 framework for climate and energy policies by the end of this year.


**IIRC consultation on proposed framework**
The International Integrated Reporting Council is consulting all stakeholders on the draft of the International <IR> Framework. Eurosif invites all Member Affiliates to respond to the consultation, which is open until July 15. The consultation paper is available [here](#).

**Extractive Industries**
On April 9, 2013 the European Parliament and the Council of Ministers reached a deal on an update of the Accounting Directives. This includes legislation to impose transparency requirements on extraction industries. Under the legislation, EU companies involved in extraction industries will have to publish the payments they make to governments in all countries.

Next steps:
- The agreement paves the way for the formal adoption of the new directive by the European Parliament (vote planned for 10 July 2013) and the Council.
- Member states will have two years to incorporate the new provisions into their national legislation.

Conflict minerals
DG Trade has launched a public consultation on conflict minerals. The aim of the consultation is get interested parties’ views on a potential EU initiative for responsible sourcing of minerals coming from conflict zones and high-risk areas – for example, war zones, post-war zones, and areas vulnerable to political instability or civil unrest. The Commission wants to deepen its understanding of issues such as the sourcing and security of supply of minerals, supply chain transparency and good governance. The Commission will use the results to help it decide whether and how, in a reasonable and effective manner, to complement and to continue on-going due diligence initiatives and support for good governance in mineral mining, especially in developing countries affected by conflict. The deadline for responses is June 26.


Insurance Risk Weighting
EIOPA, the European Insurance and Occupational Pensions Authority, has launched a discussion paper on Standard Formula Design and Calibration for Certain Long-Term Investments. In the paper they are inter alia seeking evidence to support a lower risk weighting on certain products, including SRI investments. The deadline for responses is May 28.


Glossary:
BEUC – The European Consumers’ Organisation
CEPS – the Centre for European Policy Studies
CG – Corporate Governance
DG EMP – DG for Employment, Social Affairs & Inclusion
DG ENV – The Directorate-General for the Environment
DG ENTR – The Directorate General Enterprise and Industry
DG MARKT – The Internal Market and Services Directorate General
ECCJ – European Coalition for Corporate Justice
ECON – Economic Affairs Committee of the European Parliament
EC – European Commission
EFAMA – European Fund and Asset Management Association
EP – European Parliament
ESMA – European Securities Market Authority
ETUC – European Trade Union Confederation
EuSEF – European Social Entrepreneurship Fund
JURI – Legal Affairs Committee of the European Parliament
LTI – Long Term Investment
NFR – Non Financial Reporting
Rapporteur – Member of the European Parliament in charge of drafting a report about a specific legislative procedure (e.g. legislative Proposal published by the Commission).
Shadow Rapporteur – Member of the European Parliament who monitors a dossier for political groups other than that of the Rapporteur