

aeca

Spanish Association of Accounting and Business Administration

IRM-FESG This represents the effort of the Spanish Association of Accounting and Business Administration (**AECA**) since 2006 in promoting best practices of sustainable, integrated and enhanced corporate reporting. Working hand by hand with regulators and listed firms support this initiative. In Spain, Portugal, Latin America and beyond.

IRM-FESG is aligned and periodically updated with the current European Directives that rule corporate reports, from compulsory annual financial reports in accordance to **ESMA ESEF** (European Stock Market Authority, European Single Electronic Format) framework, to the more exhaustive sustainability disclosures that fulfil requirements of the Non-Financial Reporting Directive and the corresponding non-binding guidelines in their successive versions. In particular, this model has been acknowledged by the Spanish authorities (**ICAC, CNMV, Registradores**) as a way to observe all reporting details of the national transposition of the Directive. **IRM-FESG** takes the form of detailed guidelines, and a digital reporting platform and is supported by a working group in permanent alignment and dialogue with other key initiatives like **CDP, GRI, IIRC, IFRS** and **TCFD**.



Who we are

AECA (in Spanish, Asociación Española de Contabilidad y Administración de Empresas) is a professional institute declared as of public interest.

Founded in 1979, is the only professional institute in Spain that **issues GAAPs**, with a significant impact in Spain, Portugal and Latin America.

AECA has the main role of **promoting best practices** among firms and anticipating new regulatory frameworks, in a continuous dialogue with regulators, firms, consultants and scholars.

Our timeline

80's-90's: AECA is the key actor to **modernize accounting principles in Spain** that were then harmonized to our European context; AECA plays since then as a hub of interaction between academia, practitioners, consultants, firms and regulators that translate its recommendations into law.

2000's: AECA is the main entity that **introduces XBRL in Spain** and subsequently in European regulatory frameworks in coalition to the Bank of Spain or the Spanish Market Authority (CNMV) and their equivalent European bodies. In a continuous dialogue with regulators and the main listed corporations, AECA develops a financial and non-financial reporting model which is for the first time contained in an internationally acknowledged XBRL taxonomy. A digital reporting platform is also launched: **IS-Integrated Suite**.



Today and tomorrow: AECA aligns its integrated reporting model (IRM-FESG)* to include all type of enterprises and exhaustively introduces all qualitative and quantitative reporting items that guarantee compliance with the EU Directives and reporting frameworks, at all times.

* In its spanish denomination (Cuadro Integrado de Indicadores CII-FESG) is cited in Law 11/2018 on Non Financial Information.

Our goals

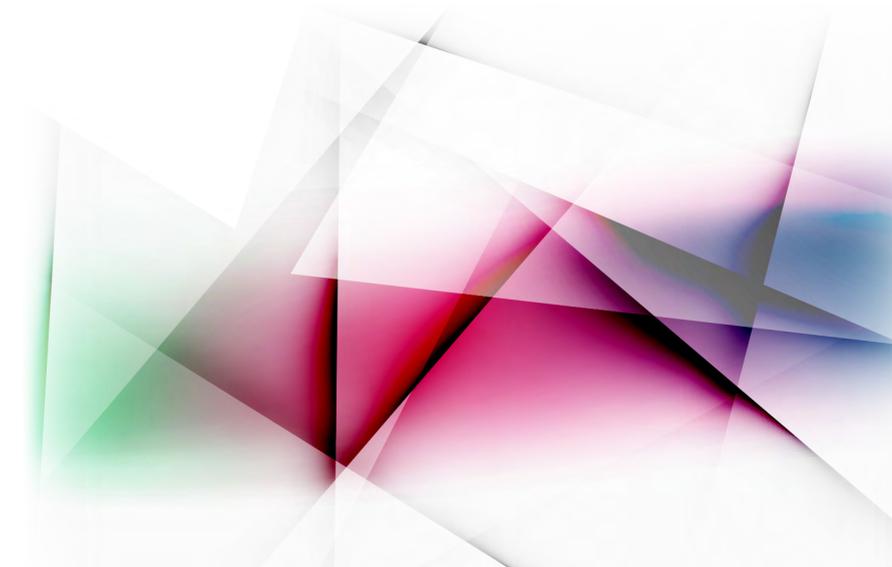
- 1 To **increase corporate transparency** at all levels from listed corporations to SMEs.
- 2 To **facilitate the fulfilment of the requirements** contained in the European Directives for both financial and non-financial reporting, working hand by hand with the Spanish regulators.
- 3 To **promote the use of concrete KPIs** and digital standards to enhance interoperability.
- 4 As a consequence, to maintain a business reporting model which is integrated and interoperable, aligned to the main legal requirements and that is at the same time at the frontline of the best voluntary practices at the international level.

What we offer

- 1 A **model** which is acknowledged by regulators and corporations, **ready to be used**, periodically updated, and that consists of detailed guidelines and a digital platform.
- 2 A learning environment.
- 3 A neutral hub of discussion with regulators, listed firms, consultants, SMEs, scholars.

Who can use this model

- ▶ **Listed companies**, Large companies, and SMEs from all sectors to disclose their ESG performances, strategies, risks and related activities. This framework is valid for the disclosure of the non-financial statement according to the European Non-Financial Reporting Directive (2014/95/EU). In Spain, it is recognized by the CNMV like one of the frameworks to facilitate this disclosure.
- ▶ **Investors**, data aggregators, auditors to facilitate a consistent analysis and decision-making based ESG performance and its impact on economic figures.



Outline of the model



Context

10 qualitative aspects
Business model



Evaluation

11 qualitative aspects
Due diligence / Risk management

Content element	
1	Description of the company
2	Description of its environment
3	Challenges and uncertainties
4	Main sectoral issues
5	Company main goals and strategies
6	Resources planning
7	Outline of the business model, input and outputs
8	Description of the main inputs of the firm
9	Details on business processes
10	Description of outputs, both products and waste

Content element	
Due diligence	
1	Diversity in the company board
2	Policies related to supply chain management
3	Environmental policies
4	Social and labor matters
5	Policy regarding respect for human rights
6	Anti-corruption and bribery matters
7	Other policies, including sustainable development, customers, local communities, taxes

Risk management	
1	Risk definition and detection
2	Risk evaluation and its methodologies
3	Mitigation policies and their effects
4	Opportunities in the short, medium and long term

See here complete model with
all definitions and references



Excel



Performance

61 quantitative KPIs

Financial performance

1	Revenue
2	Costs (Suppliers)
3	Added value
4	Workforce compensation
5	Earnings Before Interest and Taxes, Depreciation and Amortization (EBITDA)
6	Interest (net)
7	Dividends
8	Income taxes
9	Contribution to the communities (i.e. donations)
10	Taxes paid, including social security, local taxes, etc.
11	Research and development
12	Total investment
13	Profitability
14	Leverage
15	Treasury stocks
16	Company grants received
17	Environmentally sustainable investments
18	Socially responsible investments

Environmental performance

1	Energy consumption
2	Water consumption
3	Carbon emission Scope 1
4	Carbon emission Scope 2
5	Carbon emission Scope 3 Upstream activities
6	Carbon emission Scope 3 Downstream activities
7	Waste generation
8	Waste processing
9	Waste recycling

Social performance

1	Employees (total number)
2	Gender diversity in workforce
3	Senior management (total number)
4	Gender diversity in senior management
5	Workforce stability
6	Parental leave permissions granted
7	Maternal leave permissions granted
8	Disabilities (total number)
9	Labor risk
10	Absenteeism
11	Employee turnover
12	Net growth in workforce (growth rate)
13	Seniority (average)
14	Staff training
15	Workforce with contracts under trade union labor agreement
16	Conflicts with customers
17	Conflicts with suppliers
18	Due diligence on suppliers from mining zones under conflicts
19	Average payment term to suppliers
20	Respect for human rights, incidents
21	Respect for human rights, mitigations
22	Staff training against corruption
23	Corruption, incidents
24	Corruption, mitigation

Corporate Governance performance

1	Board of directors
2	Independent directors
3	Directors responsible for sustainability
4	Executive committee
5	Auditing committee
6	Appointments committee
7	Number of meetings of the board
8	Total compensation of the board
9	Gender diversity on the board
10	Corruption, incidents