



this issue

Roundtable Discussion **P.1**

CSRD **P.2**

New Partnerships **P.3**

Roundtable Discussion

Sustainability and non-financial reporting - current trends and future perspectives

Keynote speakers:

- Josef Baumüller, Mag. (FH), Vienna University of Economics and Business
- Atanas Atanasov, PhD, University of Economics - Varna
- Marina Trpeska, PhD, Faculty of Economics - Skopje, Ss Cyril and Methodius University
- Ana Lalević-Filipović, PhD, Faculty of Economics Podgorica, University of Montenegro
- Rada Stojanović, PhD, the Association of Accountants and Auditors of Serbia

More information about the event:
<http://sufin.oia.ac.rs/>

Considering that companies are integral part of the society and their competitiveness depends on the conditions and circumstances under which they operate, corporate social responsibility becomes the main strategy of companies in the contemporary changeable business environment. Within that process, information needs of different users are becoming wider and companies are expected to publish standard financial reports as well as additional reports in which, apart from financial effects of transactions, qualitative and quantitative information regarding all components of sustainable development will be disclosed. However, research evidence suggests that sustainability-related reporting standards are not globally harmonized nor equally accepted by national standard setters and regulators.

The European Commission aims to promote high-quality reporting standards as a part of the continent's green economy transition. The Corporate Sustainability Reporting Directive (CSRD) envisages the adoption of the EU sustainability reporting standards that are tailored to the EU policies while building

on and contributing to international standardization initiatives. However, there are jurisdictions that are more advanced in embracing sustainability, while most countries in transition are in the early stages of developing sustainability reporting, because they are facing with other challenges. Therefore, both, academic and practical efforts have been made to understand the determinants of sustainability reporting, as well as to increase the level of sustainability reporting.

Certain challenges still persist, so there is a need for a critical analysis of and suggestions for how both academic research and practice can contribute to effectively address these issues.

The online roundtable discussion held on June 1st, 2022, aimed to analyze current trends in non-financial reporting and the most important complementing regulations in EU and neighboring countries. The academics and experts from EU and neighboring countries in the field of accounting discussed practice on sustainability and non-financial reporting in different countries, shared experience and ideas on future perspectives.



Josef Baumüller, Mag. (FH)

currently holds a teaching and research associate position at WU Vienna. He teaches International Corporate Reporting and Non-Financial Accounting bachelor courses at the Department of Finance, Accounting and Statistics.

So far, he has worked (amongst others) at the University of Vienna's Chair of Accounting (Research and Teaching Associate), Caritas Austria (Accountant and Controller), Volkshilfe Österreich (Financial Management), Windkraft Simonsfeld AG (Controller), Mensalia Management Consulting GmbH (Head of Corporate Reporting and Consulting) and Contrast EY Management Consulting / Controller Institute (Senior Manager, Senior Advisor).

His teaching experience covers courses at Controller Institute, FH Burgenland, FH of BFI Wien, FH St. Pölten, FHWien of WKW, Technical University Graz, University of Vienna and WU Executive Academy.

From Non-Financial Reporting to Corporate Sustainability Reporting: New Responsibilities for Companies in the EU – and Beyond

In the night of the 21st of June, 2022, a new EU Directive was agreed upon in Brussels: the Corporate Sustainability Reporting Directive (CSRD). This Directive is the result of a project which already has started with the Green Deal in 2019. Its aim is to extend the reporting obligations of EU companies with regard to ESG information – i.e. information related to environmental, social, and governance matters. It is considered to be a decisive step in closing the “data gap” that still hinders to ambitions of the sustainable finance initiative in the EU. Especially investors and credit institutions being subject to the Sustainable Finance Disclosure Regulation and the Taxonomy Regulation depend on the new data that will be generated by their investees or business partners in order to fulfil their own reporting obligations. So far, however, this data is only available to an insufficient extent.

The CSRD will be published in the official journal of the EU by the end of 2022 and enter into force soon afterwards. Starting with the year 2025, the first companies will have to publish extensive sustainability reports as introduced by the new legal provisions – covering the business year 2024. The number of EU companies being subject to these reporting obligations will gradually increase up to the year 2027. Most importantly, all large corporations seated in the EU will fall under the CSRD. The EU Commissions estimates that this will increase the number of companies reporting about their sustainability performance from currently about 11,600 companies to about 49,000.

What is more, many other companies will also be directly and indirectly be impacted by the new regulation. E.g. companies falling under the CSRD will have to disclose information about their entire value chain. This implies that they will have to collect a considerable amount of data from their suppliers – which in turn also have to establish systems and processes in order to

be able to fulfil this demand. This will be challenging especially for SMEs that hold business relationships with larger companies – and could possibly threaten this relationship.

Beyond companies that are seated in the EU, also companies from outside the EU will have to adhere to the new reporting regime – if they are either listed on a regulated market in the EU or at least conduct economic activities to a considerable extent in the EU. Of course, also third country subsidiaries of EU companies will be indirectly impacted by the CSRD. This introduces a completely new, and from a political perspective potentially also very controversial, element to the European overall reporting framework.

The new Directive introduces new reporting standards – European Sustainability Reporting Standards (ESRS) which are currently still under development. Furthermore, the roles and responsibilities of management and supervisory bodies with regard to sustainability matters are further strengthened. By introducing the obligation to have the new reports audited by an external service provider, the reliability of the data which is generated should be strengthened as well; however, this further increases to pressure on companies to react to the new challenges as soon as possible.

The CSRD might imply the biggest challenge for corporate reporting in the EU (and even beyond) since many decades. Companies seem to be well advised to start with their preparations as soon as possible. However, beyond reporting, it aims as giving incentives for companies to change behaviour. The European financial sector plays a key role with regard to these incentives; it seems as if for the first time, this financial sector will be given the necessary means to take the responsibility which is bestowed upon it in the sustainable finance agenda because of the CSRD. Arguably, this will be a game changer for the European economy for years to come.



The realized activities within SUFIN module have attracted attention of experts from finance and insurance industry in the Republic of Serbia. Guest lectures, study visits, as well as conferences and discussions, promoted the Faculty of Economics in Niš to a new academic center of green finance and insurance. The knowledge and skills provided to participants in this module are recognized as significant advantage in professional career in these industries.

The Dean of the Faculty of Economics in Niš, Prof. Dr. Tadija Đukić, has signed three Memorandums of Understanding between the Faculty of Economics and industry partners, who supported the realization of SUFIN activities in the previous years.

The special interest in cooperation with the Faculty of Economics is expressed by the **CFA Society Serbia**, non-governmental and non-profit organization with an aim of promoting the investment profession in Serbia. Students of the Faculty of Economics and participants of SUFIN module in previous years successfully participated in the CFA Research Challenge. Moreover, Mr. Miloš Bajčetić, President of the CFA Society Serbia, held a guest lecture for the participants of SUFIN module.

ProCredit Bank AD Belgrade, whose representatives had held a guest lecture for the students of the Faculty of Economics and participants of SUFIN module were also interested in curriculum of the module, considering that ProCredit Bank applies high standards with respect to the impact of its business on the environment.

Finally, the significance of the module has been recognized by the **Sava Non-Life Insurance Company ADO Belgrade**, a new partner of the Faculty of Economics in the field of insurance.

The Faculty of Economics and new partners agreed that they will strive to maintain forms of cooperation established during SUFIN module realization and realize partnership relations in the following fields:

- organizing guest lectures and presentations by the delegated members,
- realization of joint workshops and cooperation with students and representatives of student organizations,
- provide support and implement joint projects, and
- other forms of cooperation that partners deem useful.

All forms of cooperation shall be realized without compensation, i.e. on a voluntary basis and free of charge.

EYE ON IT

Three Memorandums of Understanding are signed

The Faculty of Economics in Niš aims to establish cooperation with companies, organizations and institutions in order to make strong partnerships with industry. Over the previous years, more than 70 memorandums of understanding have been signed. These partnerships have brought numerous benefits to students, especially in the field of organized guest lectures and student internships.

We hope that the partnerships established during the SUFIN module implementation with CFA Society Serbia, ProCredit Bank AD Belgrade and Sava Non-Life Insurance Company ADO Belgrade will be successful and bring students of the Faculty of Niš to new positions in finance and insurance industry.

More information on cooperation between the Faculty of Economics and industry can be found here:

<http://www.eknfak.ni.ac.rs/src>



Sava Non-Life Insurance

As a part of Sava Insurance Group, Sava Non-Life Insurance is oriented towards sustainability guided by its mission and values.

Company strives to build modern, digital, socially oriented and sustainable partner recognized as socially responsible insurance and reinsurance company, socially responsible property and capital manager, responsible employer and organization that is socially responsible for the wider community.

Source: <https://www.sava-osiguranje.rs/>

Upcoming Events

- **Study Visit to Company E-reciklaža 2010**

Participants of the SUFIN module and all interested students of the University of Niš will have the opportunity to visit the company E-reciklaža 2010 d.o.o. Niš and learn about the company's business process and the contribution of recycling industry in Serbia to sustainable development.

More info: <http://sufin.ni.ac.rs>

- **“Strong Green“ program of support**

The third round of applications in 2022 within the program of support to informal groups for environmental protection and sustainable development "Strong Green" is open. The program "Strong Green" is carried out by the Young Researchers of Serbia, through the project "Green Incubator - development of a competent civil society to support the implementation of EU legal acquis on the environment".

More info: <https://www.mis.org.rs/>

- **Erasmus Days 2022**

#ErasmusDays are days of celebration of the Erasmus+ Programme in Europe and beyond. The University of Niš will this year organize the presentation of European Studies at the University of Niš developed under the framework of the Erasmus+ programme – Jean Monnet Modules. At the event, four Jean Monnet modules will be presented. The SUFIN team will present the results of the module activities. After the presentations all students, who successfully finished Jean Monnet modules in the previous year, will receive the certificates.

More info: <https://www.erasmusdays.eu/>



With the support of the
Erasmus+ Programme
of the European Union



The European Commission's support for the production of this publication does not constitute an endorsement of the contents, which reflect the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.

Erasmus+ Programme

Jean Monnet Activities

Jean Monnet Academic Modules

Project Reference:

611831-EPP-1-2019-1-RS-EPPJMO-MODULE

