

O. E. Lubenchenko,

DSc in Economics, Professor,

Head of National Center for Accounting and Audit,

National Academy of Statistics, Accounting and Audit,

E-mail: olga.lubenchenko@gmail.com

ORCID: <https://orcid.org/0000-0002-4209-8929>

Harmonizing Non-financial Information of Business Enterprises in the European Union and Ukraine

Apart from financial statements, business enterprises make and submit non-financial reporting regulated by several Directives of the European Union (EU), national law of EU member states and Ukraine. Recently these normative documents required amendments, because users of non-financial reporting were concerned with a broader range of supplementary information. It covers company's goals and strategies; environmental sustainability; extension of the responsibility of company management and top administrative staff for the assurance of sustainability; the concept of materiality and its analysis; the assessment of risks specific to sustainability, affecting the performance of company and having indirect adverse effects for community and environment; the disclosure of information on intangible assets (human, intellectual and social capital); research, development and innovation; social responsibility before employees, respect to human rights and fighting with corruption and bribery. Therefore, the EU Council approved the Corporate Sustainability Reporting Directive. The information disclosure in non-financial report was made the exclusive responsibility of business enterprise management, and it depends on the specific of national law and business activities of an enterprise. Bearing this in mind, the procedure for the compilation of non-financial report was developed, with clarifying the issues that required consideration: structuring of non-financial reporting; setting up the indicators of financial and non-financial reporting; collection of data and estimation of results; preparation, monitoring and presentation of the report. The proposed structuring is meant to help a business enterprise focus on urgent issues of non-financial reporting, first and foremost on highlighting its market sustainability and sustainable development perspectives. A set of indicators characterizing non-financial reports is proposed: ratio of competition intensity, ratio of market advantage, overall index of labor productivity, index of turnover of goods, works and services. Clarifications are made in the basic terminology: non-financial information, non-financial reporting, sustainable development, integrated reporting, and corporate reporting. They help make the procedure for monitoring of non-financial reporting regular and transparent for users.

Key words: *non-financial reporting, non-financial information, sustainability, business enterprises, sustainable development, reporting users.*

Introduction. Business enterprises, irrespective of the residence country, make and submit financial statements to stakeholders. Making and submission of financial statements in the EU member states is regulated by Directive 2013/34/EU of the European Parliament and of the Council on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EU of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC [1].

Financial statements are designed to disclose and present information on the financial performance of a business enterprise, its profits and losses, cash flow, change in the structure of own capital, main aspects of accounting policies and accounting estimates, involved methods of accounting. However, the public, official bodies, banks, owners (founders and/or shareholders), investors or creditors need additional disclosure of the

information not included in the financial statements, i. e. non-financial information on sustainable development, provided in form of integrated reporting. Integrated reporting is a category of reporting supposed to meet the stakeholder needs in the information making the company activities accountable, transparent and verifiable. Through the compilation of integrated reporting a business enterprise shows the commitment to social responsibility before the stakeholders. The concept of social responsibility means that a company is committed to integrate social and environmental policies in its business transactions and relations with partners and community. But these aspects of responsibility are not confined by the stakeholder users [2, p. 56, 57].

The year of 2022 became difficult and tragic for Ukraine, as on February 24 the Russian Federation broke out the unprovoked and open military aggression against Ukraine. Against this backdrop, the European Commission recommended to assign Ukraine the status of candidate for the EU membership. It was on July 23, 2022 that the European Parliament by the

majority vote approved the resolution to support the status of EU candidate for Ukraine [3].

Surveys of EU residents give evidence of their welcoming attitudes to the European course of Ukraine. According to a study conducted by the French Institute of Public Opinion (IFOP) by request of the International Annual Conference of Ukrainian and Foreign Politicians and Entrepreneurs “Yalta European Strategy” (YES) and Fondation Jean-Jaurès, 92% of the respondents welcoming Ukraine’s admission to EU were in Poland, whereas in Italy, Germany and France their shares made 71%, 68 %, and 62% [4].

However, Ukraine still has to exert much effort to reform the Constitutional Court, implement judicial reform, take measures to fight corruption and laundering of money earned by illicit ways, enforce the anti-oligarch law, and harmonize the audiovisual law. Besides that, on its way to EU Ukraine is required to harmonize the reporting procedure for local business enterprises, achieve its transparency, and provide non-financial information for the European stakeholder community.

Literature review. The procedure of making, submission and verification of non-financial reporting has been in focus of many domestic and foreign researchers and practitioners engaged in business management and accounting.

T. Davidiuk investigated the procedures for harmonization of financial and non-financial reporting, including issues of presenting data on human capital [5].

M. Dielini made an analysis of international reporting requirements related with issues of social responsibility, with scrutinizing the standards that can be used in the compilation of social reporting and proposing the phases for these standards’ implementation in Ukraine and other countries [6].

O. Ivanytska analyzed the commitment of Ukrainian companies to the principles of the Guidelines to Support Country Reporting on Sustainable Development Goals (GRI) [7].

L. Lazorenko gave a characterization of SA 8000 and ISO 26000 standards, with highlighting the principles of social responsibility as defined in the UN Global Compact on Sustainable Development Goals and analyzing the data on social responsibility provided by “Kyivstar” company in conformity with the said standards [8].

L. Sliusareva argued that non-financial reporting could be widely used as a management or marketing tool [9].

I. Stoiko and O. Dolubovska focused on the challenges of martial law in Ukraine and their impact on the responsibility of business sector [10].

H. Maillard discussed issues of disclosure of company performance indicators in financial statements, including the indicators of financial sustainability [11].

M. Bednárová and E. Ponte devoted their research to corporate reporting review, using it as the framework for performance analysis at business company or business group level. Financial and non-financial reporting can provide a comprehensive set of data that are either in the raw form or after a series of transformations, graphic presentations, estimations of ratios or other calculations can be an indispensable source for understanding of not only the real financial performance of a company, but also its social and environmental performance and future perspectives [12].

J. Baumüller and S. Grbenic made an analysis of the prospective EU law on non-financial reporting and revealed its “weak” sides that may affect its usefulness, like uncertainties in the definition of the concept “non-financial information”, lack of empirical studies devoted to its practical consequences for European companies in comparison with the current reporting practice, the brief wording of issues related with verification of disclosed non-financial information [13]. The authors observe that Directive 2014/95/EC on disclosure of non-financial and other information by some large companies and groups have established the requirements for non-financial reporting and become a basic tool designed to transform the European economy in a way to make to more stable. However, in view of the strong criticism coming from users of non-financial information, the European Commission deemed it necessary to launch the development of a new set of European standards on sustainability issues. It resulted in the publication of a proposal for a new directive to replace the existing one (transition from non-financial reporting to sustainability reporting), which has to be embedded in the domestic law of EU member states beginning with January 1, 2023.

H. Bolas Araya and L. Sierra-García analyzed procedures for verification of financial reporting by use of the International Standard AA 1000 and the International Standard on Assurance Engagements 3000 [14].

However, recent events across the globe and the increasing stakeholder requirements cause the need to continue research devoted to non-financial reporting of companies and its improvements by the adoption of financial sustainability reporting. Meanwhile, the analysis of previous studies allows for the conclusion on the necessity to clarify definitions of the notions “non-financial information”, “non-financial reporting”, “sustainable development”, “integrated reporting”, and “corporate reporting”, in parallel with developing methodological recommendations on the compilation of the sustainable development reporting that would account for the specific features of business enterprises and the updated legal requirements.

The article’s objective is to evaluate the normative framework from the perspective of the procedure

for non-financial reporting of business enterprises in EU and Ukraine considering the new requirements, and to develop practical recommendations for this category of reporting.

Research results. Users of financial information coming from business enterprises are clearly outlined both in EU and Ukraine. They include owners, potential and current investors, work teams, legislative and executive power bodies, administrative departments charged with supervision and control. Non-financial reporting is meant for a much broader range of users, as various groups of its users may have specific needs. First, internal users, like management officials or employees, expect information about opportunities of professional growth, salary increase, compensation payments, social guarantees with respect to healthcare, labor conditions or pension allowances. Second, local communities and external users seek for money inflows to local budgets from business enterprises performing on their territories. These funds constitute the budgeting source for communities and territories, and for the implementation of various development programs: economic, cultural, environmental, social.

In view of the above, non-financial information can serve as the evidence base for decision-making on socially significant objectives and tasks. Making and presentation of non-financial reporting in an unbiased and reliable manner and its disclosure by business management for subsequent analyses by users lays the basis for understanding of the social responsibility of business enterprises.

The story of how the reporting was evolving on these lines shows that the notions “social responsibility” and “corporate social responsibility” appeared in 50s of the last century after the Second World War. The corporate social responsibility (CSR) refers to “the conformity of the organization’s activities with economic, legal, ethical and discretionary expectations kept by the community with respect to business enterprises in a given period of time” [2, p. 23–24]. CSR models created by business enterprises since 50s of the last century are methodologically different due to various geographic locations, sectoral factors or requirements of the national law (see Table 1, compiled on the basis of [1; 2; 15–20]). The North American model address CSR from the perspective of creating safe labor conditions and jobs with competitive salaries and extensive social guarantees. The European model is designed to ensure the obligatory payment of taxes with their subsequent distribution by the government for socially significant projects given the efficiency of the independent financial control, including the public one.

As regards Ukraine, the local business enterprises are obliged to submit the management report that discloses non-financial dimensions of their operation. This report, meant for controlling bodies in the first place, is of minor concern for other users of non-financial reporting, including the community.

The notion “corporate social responsibility” has lived until now, but changed in a way in the European law, being defined now as “corporate responsibility for sustainable development”.

Table 1

A comparison of corporate social responsibility models in Europe, U.S. and Canada, and Ukraine

Comparative indicator	Europe	U.S. and Canada	Ukraine
Users legally specified by priority level	1) Personnel; 2) customers; 3) communities; 4) shareholders	1) Shareholders; 2) customers; 3) personnel; 4) government	1) Government; 2) owners; 3) personnel; 4) customers
Drivers for development	1) EU and member states; 2) business enterprises (corporations)	1) Government (supporting the institutional framework for the development); 2) corporations; 3) communities	1) Government; 2) business enterprises (corporations) 3) local power bodies
Role of non-commercial organizations (NCO)	They are numerous, have significant role, with different activity profiles	They are numerous, have significant role, with different activity profiles; they have large financial resources in possession	Insignificant
Tendencies in the evolution of non-financial reporting (NFR) as information sources for stakeholders	1) Changes are initiated by not only by businesses, but by the European Commission as well (Corporate Sustainability Reporting Directive); 2) current requirements for NFR are used by business enterprises (corporations); 3) NFR is designed for the majority of stakeholders	1) NFR is initiated by businesses; 2) NFR is designed for stakeholders and consumers of goods, works, and services	1) NFR is at the primary phase (management report); 2) NFR is designed for the government and stakeholders (and to a lesser extent for the community)

An analysis of the legislative framework of EU and Ukraine shows that the notion “non-financial reporting” has different contents, as demonstrated in Table 2 (compiled on the basis of [1; 15–20], with the three similar dimensions that are as follows:

- results of company activities, risk assessment, company strategy and development prospects;
- emphasis made on social aspects and staff policy;
- environmental aspects and innovations related with the sustainable development.

The Directive on Corporate Reporting for Sustainable Development is innovative in a way that it aims at implementing environmental initiatives of EU and extend the content of non-financial reporting for the sustainability of a business enterprise and dimensions of its sustainable development. This directive covers nearly all the business enterprises, especially the ones whose activities are of social concern, with exception of microenterprises. The Directive was finally approved by the EU Council

on November 28, 2022. The new requirements have to be implemented by the EU member states within eighteen months after the moment of approval. Small enterprises will report by the simplified procedure beginning with January 1, 2026. Strong emphasis is made on financial companies. The Directive requires the commitment to the principle of materiality of information: the information should be material whenever it has a significant impact on the user opinion in taking any kind of decisions. The principle of “double” materiality is involved, with the materiality assessed at the internal level of a business enterprise and at the external level, i. e. the scales of external impact, including environmental and social one. Non-financial indicators have to reflect the essence of business processes, the resource base, the resource utilization efficiency, and be measured in kind, shares and percentages, to be easily understandable for a broad range of users.

Table 2

The content of the notion “non-financial reporting” in legal acts

No	Legal act	Interpretation of the notion “non-financial reporting”
1	2	3
1	Directive 2013/34/EU	Non-financial reporting refers to the reporting containing the integrated management report and includes the following: 1) fair review of business enterprise development and performance; 2) analysis of environmental and social aspects; 3) analysis of business results and/or financial performance indicators
2	Directive 2014/95/EU	Non-financial reporting refers to the reporting that includes: 1) brief description of a business model; 2) description of a policy aimed at implementing the business model, including the principle of proportionality; results of this policy; 3) main risks and methods of risk management, business relations, goods, works and services that may cause unfavorable events; 4) key non-financial indicators of business effectiveness (social, environmental)
3	Commercial Code of Spain	Non-financial report is the management report that has to contain reliable information on business performance and position of all the consolidated companies; it includes the following information: 1) essential change after the end of the year, occurring in the activities of the consolidated companies; 2) expected development of the company group; 3) analysis and development of the activities within the thematic cluster; 4) number and nominal value, or, when impossible, balance value of all the shares or units belonging to the mother company, daughter companies or third parties acting in their own name but in the interests of the mother company
4	The Law of Spain 11/2018 on non-financial reporting	Non-financial reporting has to be compiled, verified and published on annual basis, it has to contain extensive environmental, social, staff-related information, information about respect to human rights, fighting corruption and bribery, interactions of a business enterprise with a broader community
5	Forward-looking legislation (Directive on Corporate Reporting for Sustainable Development)	Non-financial reporting is to be replaced with corporate reporting for sustainable development, aimed at the disclosure of specific information on issues related with sustainability: company goals and strategies, “environmental sustainability”, extension of the responsibility of company management for the sustainable development within production-supply chains of the company, correlation of the scheme of rewards for top management staff with the sustainability indicators, the concept of materiality and analysis of materiality (the principle of “double” materiality, assessment of the sustainability risks that have impact on the company and, via it, on the community and the environment), retrospective and prospective presentation of information, including the one on intangible assets not included in the financial information, on human, intellectual, social and raised capital, research, development and innovation, social responsibility before employees, respect of human rights, intolerance of corruption and bribery practices

Table 2. Continuation

1	2	3
6	Law of Ukraine of 16.07.1999 No 996-XIV (with amendments and supplements)	Non-financial reporting is presented by the management report including the following sections: 1) organizational structure and description of business activities; 2) results of activities; 3) liquidity and liabilities; 4) environmental aspects; 5) social aspects and staff policy; 6) risks; 7) research and innovation; 8) financial investment; 9) development prospects; 10) corporate management (compiled by the business enterprises issuing bonds, whose bonds are tradable on stock exchanges or made subject to public offer)
7	The Law of Ukraine of 23.02.2006 No 3480-IV (with amendments and supplements)	Non-financial information is presented by the corporate management report including the following: 1) description of the own code for corporate management; 2) information on the conduct of the general meeting of shareholders (participants); 3) information on the issuer's supervisory council and the executive body; 4) description of the main characteristics of the internal control schemes and management of issuer's risks; 5) nomenclature of the parties that are direct or indirect owners of the control package of issuer's shares; 6) information on any kinds of limitations upon the shareholder's (participant's) rights of participation and voting at the general meeting of the issuer; 7) procedure for appointment and dismissal of issuer's executive officers and their authorities

As regards non-financial reporting in Spain, the non-financial report of business enterprises, according to the Law of Spain 11/2018 “Non-Financial Reporting”, has to contain information about the observance of environmental requirements and guarantees of social rights and freedoms for employees, assurances of management and owners with respect to fighting corruption practices, openness to dialogue with the community. Also, the Spanish legislation requires verifications of these reporting by the independent party, i. e. the auditor. It was in January 3, 2021 that the Law of Spain “Audit” imposed the obligatory audit on the companies that are subject to public interest, have more than 250 employees, and meet one of the two requirements during two years: (i) more than 20,000,000 euros of (consolidated) assets; (ii) more than 40,000,000 euros of net (consolidated) turnover. This aspect makes the Spanish legislation fully compatible with

the Ukrainian one. The classification of economic entities according to the Law of Ukraine “Accounting and Financial Reporting in Ukraine” No 996-XIV from 16.07.1999, with amendments, made by the Law of Ukraine No 2164-VIII from 05.10.2017, is shown in Table 3 (compiled on the basis of [18]). The reporting of business enterprises with public interest and medium enterprises is subject to the obligatory audit.

New requirements that appeared in the Spanish legislation in 2023 include the so called “regulation of taxonomy”, which purpose is to set the criteria defining if the economic activities are environmentally sustainable, in order to assess the environmental sustainability of the investment.

Global practices involve three forms for the compilation of non-financial reporting: (i) random (by business management decision), (ii) complex (made and submitted together with financial statements as

Table 3

The classification of business entities in Ukraine

Category of business entity	Classification criteria (two of the three criteria must be met on the date of complication of the financial reporting for the year preceding the reporting year)		
	Balance sheet value of assets	Net income from sales of goods, works, services	Average number of employees
Microenterprises	< 350,000 euros	< 700,000 euros	< 10
Small enterprises	< 4,000,000,000 euros	< 8,000,000 euros	< 50
Medium enterprises	< 20,000,000,000 euros	< 40,000,000 euros	< 250
Large enterprises	> 20,000,000,000 euros	> 40,000,000 euros	> 250

the information disclosure), and (iii) standardized on the basis of requirements set in the Global UN Compact – an initiative of the UN General Secretary and the largest global association of responsible business, which calls companies to build activities and strategies with reference to Sustainable Development Goals, SA Standard 8000:2001 “Social responsibility”, developed by the international non-commercial organization “Social Accountability International” in 1997, and ISO Standard 26000 “Social Responsibility Guidance”, issued by the International Organization for Standardization in 2010 [21–23].

Business enterprises in Ukraine included in the category of enterprises with public interest compile the Management Report which methodological framework was approved by the decree of the Ukrainian Ministry of Finance from December 7, 2018 No 982 [24]. Medium enterprises compile the Management Report by a simplified form. In future Ukrainian

business enterprises, including small enterprises, will be obliged to provide a more detailed presentation of non-financial information to users following the regulatory requirements of EU. This is because Ukraine will need economic recovery and heavy foreign investment after the end of active warfare.

Given that the information disclosure in a non-financial report is fully dependent on the business management and the existing standards provide only a general guideline, it is necessary to define the procedure for compilation of non-financial report and clarify the issues that have to be subject for scrutiny. This should be made in an internal company resolution or regulation, or in other internal document (Table 4, compiled by the author). This document, based on normative documents summed up in Table 2, has to account for the category, activity specifics, spatial location and reporting practice of a business enterprise (see Table 3).

Table 4

An example of setting up the internal company policy on the compilation of non-financial reporting

No	Phase in the compilation of non-financial reporting	Objectives
1	Structuring of non-financial reporting	Formulate the nomenclature of issues that are subject to disclosure in view of the scalability principle (enterprises with public interest, medium enterprises, small enterprises)
2	Setting up the indicators of financial and non-financial reporting	<p><i>Financial reporting:</i></p> <ul style="list-style-type: none"> a) dynamics of the report on financial performance and the report on incomes and losses; comparison of actual and planning figures; b) liquidity and solvency; c) business activity; d) financial sustainability; e) profitability of assets, capital, and sales <p><i>Non-financial reporting:</i></p> <ul style="list-style-type: none"> a) indicators of competitiveness (market share (ratio of market advantage)), ratios of competition intensity and profitability of sales, overall index of labor productivity, index of turnover of goods, works and services, targeted investment in markets and business expansion, moving beyond traditional geographic and economic segments, reputation (ranking by independent evaluating experts); b) business activity in net kind (units, meters, kilograms, services), man-hours worked, by month (seasonality of business); c) innovative products, their shares in the total sales, profit rate of output, environmental friendliness of innovations (conformity with requirements of the current environmental law, minimization of the negative environmental effects from production, labor protection guarantees, pension and medical insurance of personnel)
3	Data collection and assessment of results	<ul style="list-style-type: none"> 1) Structuring of the report: <ul style="list-style-type: none"> a) essential information on a business enterprise and its development perspectives; b) business results, including market positioning, business risks, conformity with the principle of continuity and disclosure of data about financial sustainability and future sustainable development; c) environmental and social issues; d) staff policies and procedures; e) innovation and investment; f) methods for setting the optimal balance of interests of all the stakeholders concerned with business enterprise performance: owners (shareholders), management, buyers and customers, suppliers, lenders, government and community (corporate management). 2) Analytical procedures for comparison of financial and non-financial information
4	Preparation of the report, its monitoring and presentation to users	Determine the officials responsible for the compilation and presentation of report, for the supervision of the reporting process (internal control)

The proposed structuring can help a business enterprise focus on urgent issues of non-financial reporting, especially on ones of highlighting its market sustainability and sustainable development perspectives. The indicators specific to non-financial reports, such as the ratios of competition intensity and market advantage (market share taken by a business enterprise), the overall index of labor productivity,

the index of turnover of goods, works and services, are described in Table 5 (compiled by the author).

The proposed indicators characterize the business enterprise performance in view of its future perspective, the market sustainability and the ability to continue business activities in the foreseeable future, at least twelve calendar months after the reporting date.

Table 5

Indicators characterizing non-financial information

No	Indicators characterizing non-financial information	Meaning
1	Market share of a business enterprise: $D_i = \frac{Q_i}{Q},$ where D_i refers to the market share of i business enterprise; Q_i – the market sales of i business enterprise; Q – the total market sales	The estimate of the market share taken by a business enterprise
2	Ratio of competition intensity: $k = 1 - n \cdot \sqrt{\frac{1}{n} \cdot \sum_i (D_i - \frac{1}{n})^2},$ where n refers of the number of market participants (units)	The estimate of the competitive pressure on the market
3	Overall index of labor productivity: $I_t = \frac{\sum t_0 q_1}{\sum t_1 q_1},$ where t_0, t_1 refer to average work time expenditures for the production of goods, works or services in the reference and current period; q_1 – the sales of goods, works or services in the current period	The estimate showing the average change in the overall labor capacity of a business enterprise in the reporting period compared with the reference one
4	Index of turnover of goods, works, services: $I_{об} = \frac{Q_1}{Q_{баз}},$ where Q_1 refers to the sales of goods, works or services in the reporting period; $Q_{баз}$ – the sales of goods, works or services in the reference period	The estimate showing the dynamics of consumer demand for goods, works or services

It should be noted that the proposed set of indicators has to be adjusted for the business enterprises performing in the conditions of martial law. According to the data of the UN High Commissioner for Refugees, more than four million of Ukrainian fled the country and lost their dwellings, jobs and income sources. Due to the Russian invasion, 79% of the Ukrainian companies had to cease or cut business activities. Even after the end of warfare Ukrainians will not be able to come back home immediately due to the mined areas, ruined infrastructures and other problems that would take time to be dealt with [25]. The adjustment is important because the indicators need to be estimated dynamically in the shortest possible period (month, quarter or half year, nine months and one year), with including in them the estimate of the efficiency of funds lent by Ukrainian businesses, such as humanitarian irrecoverable

financial assistance or donations provided by foreign or domestic donors. The efficiency can be estimated by way of documentary confirmation of the targeted allocations of funds or material assets, finished works, rendered services or technical assistance. This analysis can be made by a business enterprise and an independent auditor as part of the verification procedure for non-financial reporting.

Given the diversity of legislative sources and their analysis, the need for clarifications in basic definitions should be emphasized (Table 6, compiled by the author). It should be born in mind that non-financial information becomes a component in the corporate reporting of business enterprises, and its compilation and submission is established by the Corporate Sustainability Reporting Directive. The definition of “sustainable development” (stable development) needs to be adapted for macro

(country) and micro (business enterprise) level. It contains extensive data on non-financial activities of a company, its plans and strategies depending on the user need. The definition of sustainable

development (stable development) needs to be adapted for macro (country) and micro (business enterprise) level, to allow for the coverage of extensive data on non-financial activities, plans

Table 6

Clarifications in the interpretation of basic terminology

Terminology	Clarified interpretation
Non-financial information	Information included in non-financial reporting in keeping with legal requirements pertaining to this category of reporting
Non-financial reporting	Non-financial reporting refers to the easily accessible, reliable and balanced description of the company's business results, highlighting of issues having priority significance for the stakeholders. The priority issues refer to strategies, management, financial results and other indicators showing the company's viability and interactions with users of reporting
Sustainable (stable) development	Sustainable development at macrolevel or country level refers to a way of the community organization allowing to achieve Sustainable Development Goals established by UN [26]: Goal 1. End poverty Goal 2. End hunger, promote sustainable agriculture Goal 3. Healthy lives and well-being Goal 4. Quality education Goal 5. Gender equality Goal 6. Clean water and sanitation Goal 7. Affordable and clean energy Goal 8. Decent work and economic growth Goal 9. Industry, innovation and infrastructure Goal 10. Reduced inequalities Goal 11. Sustainable development of cities and communities Goal 12. Sustainable consumption and production Ціль 13. Mitigate climate change impact Ціль 14. Conserve marine resources Ціль 15. Protect and restore terrestrial ecosystems Ціль 16. Peace, justice and strong institutions Ціль 17. Partnership for sustainable development. Sustainable development at microlevel refers to the company's activities in strategic, operational and communicational areas (cooperation with stakeholders, reporting practices), its is focused on future and based on environmental friendliness, social justice and innovation
Integrated reporting	Refers to the reporting integrating financial and non-financial information, its purposes include the disclosure of the management's vision of sustainable development issues to users
Corporate reporting	Refers to the reporting submitted by business enterprises in keeping with the requirements of the Corporate Sustainability Reporting Directive and the national law

and strategies of a company depending on the user needs.

Conclusions. The analysis of normative documents of EU, Spain and Ukraine with focus on definitions of basic components of non-financial reporting made by business enterprises allows for the conclusion that non-financial reporting is not a product of a conventional combination of financial and non-financial information, but, rather, a new integrated report generated using data integration procedures in order to meet the interests of the concerned users.

The social responsibility of business is the cornerstone of this category of reporting. Once the Corporate Sustainability Reporting Directive was issued, non-financial reporting turned into the reporting for sustainable development, outlining a wide range of issues for highlighting. These issues cannot be the same for all the business

enterprises, because their performance depends on the national law as well as business specifics and practices. The phases in the compilation of non-financial reporting were outlined, with proposing a set of indicators that characterize non-financial information, simplify the regular monitoring of business enterprise activities, and make them more transparent and straightforward. The definitions of basic terminology used in the compilation of new reporting for sustainable development were clarified, with demonstrating that this category of reporting integrates financial information and information on corporate management and management's responsibility for the assessment of risks and business perspectives. Further research will focus on analysis of the procedures involved in the audit of non-financial reporting in keeping with the International Standards of Audit and other regulations, such as AA1000 Assurance Standard.

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О. Е. Лубенченко,

доктор економічних наук, професор,
завідувач Національного центру обліку та аудиту,
Національна академія статистики, обліку та аудиту,
E-mail: olga.lubenchenko@gmail.com
ORCID: <https://orcid.org/0000-0002-4209-8929>

Гармонізація нефінансової інформації суб'єктів господарювання в Європейському Союзі та в Україні

Крім фінансової звітності, суб'єкти господарювання складають та подають нефінансову звітність, що регулюється кількома директивами Європейського Союзу (надалі – ЄС), а також національним законодавством країн-членів ЄС (для підприємств України – вітчизняним законодавством). Останнім часом нормативні документи потребували змін, оскільки користувачі нефінансової звітності зацікавлені у ширшому колі додаткової інформації про цілі та стратегії компанії, екологічну стійкість, розширення відповідальності менеджменту та найвищого управлінського персоналу за забезпечення сталості, про

концепцію суттєвості й аналіз суттєвості, оцінку ризиків щодо стійкості, які впливають на компанію і через компанію на суспільство та навколишнє середовище. Також затребуваними є розкриття інформації про нематеріальні активи (людський, інтелектуальний, соціальний капітал), наукові розробки, дослідження та інновації, соціальну відповідальність перед працівниками, повагу до прав людини, боротьбу з корупцією та хабарництвом. Для врахування цих вимог Рада Європейського Союзу остаточно затвердила Директиву про корпоративну звітність з питань стійкого розвитку. Згідно з цією директивою, розкриття інформації у нефінансовому звіті цілком покладається на менеджмент суб'єкта господарювання, залежить від особливостей національного законодавства та діяльності самого суб'єкта. Розроблено порядок формування нефінансового звіту та уточнено питання, що підлягають розгляду: визначення структури нефінансової звітності; показників фінансової і нефінансової звітності; збирання інформації і вимірювання результатів; підготовка звіту, його моніторинг та подання звіту. Запропоноване структурування допоможе суб'єкту підприємницької діяльності зосередити увагу на нагальних питаннях нефінансового звітування, в першу чергу – щодо висвітлення стійкості підприємства на ринках збуту та перспективах його сталого розвитку. Запропоновано показники, що характеризують нефінансові звіти: коефіцієнт інтенсивності конкуренції; ринкової переваги; загальний індекс продуктивності праці; індекс обороту продукції, товарів, робіт, послуг. Уточнені тлумачення термінів “нефінансова інформація”, “нефінансова звітність”, “сталий розвиток”, “інтегрована звітність”, “корпоративна звітність”. Це дозволяє зробити процес моніторингу нефінансової звітності постійним та прозорим для користувачів.

Ключові слова: нефінансова звітність, нефінансова інформація, стійкість, сталий розвиток, користувачі звітності.

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