

Deelnameprotocol Transparantiebenchmark 2023

February 2023

The Transparency Benchmark is an annual survey of the content and quality of external reporting on social aspects of entrepreneurship by the Ministry of Economic Affairs. The regular Transparency Benchmark is carried out bi-annually.

This participation protocol explains the composition of the Transparency Benchmark 2023 research group and the standards used to determine which external accountability information is taken into account in the benchmark.

The participation protocol is structured as follows:

1. Standards in the composition of the research group
2. Criteria for eligible accountability information
3. Criteria for other information taken into account in the benchmark

1. Standards in the composition of the research group

The Transparency Benchmark is primarily aimed at large companies in the Netherlands. The composition of the research group takes various different criteria, such as turnover figures and the number of employees into account. For this purpose, the latest information from company.info is used.

The total number of companies in the initial research group amounts to over 500 organisations.¹

The research group is structured on the basis of the following categories:

- Organisations that must comply with the Corporate Governance Code
 - o Listed organisations
- Organisations to comply with the Non-Financial Information Decision
 - o Large public interest organisations (PIE)
- Government participations
- Organisations participating voluntarily
 - o Universities and University Medical Centres
 - o Other organisations
- Organisations with Dutch business activities with substantial turnover and/or number of employees
- Organisations with an international group report

It should be noted that the research group primarily concerns listed organisations, PIEs, Government participations and voluntary participants. The list was then supplemented by the group of organisations with Dutch business activities with substantial turnover and/or number of employees.

1.1 Organisations that must comply with the Corporate Governance Code

The Dutch Corporate Governance Code focuses on the governance of listed companies. The Code contains principles and best practice provisions that regulate relations between the board, the supervisory board and the (general meeting of) shareholders.

The Code applies to all companies with registered offices in the Netherlands whose shares or certificates of shares are admitted to trading on a regulated market or a similar system and all large companies with registered offices in the Netherlands (> € 500 million balance sheet value) whose shares or certificates are admitted to trading on a multilateral trading facility or a similar system.

The list of organisations listed on NYSE Euronext, which are included in the AEX, AMX or AScX index, are included in the research group. Reference date is December 8, 2022. The total number of organisations is 73 organisations.

1.2 Organisations that must comply with the non-financial information decision

As of reporting year 2017, the legal requirements for transparency on non-financial information in the management report for large companies of public interest have been strengthened. With this directive,

¹ Organisations can be part of different categories. Therefore, the numbers mentioned in subsections 1.1 to 1.5 cannot be added up. Duplicate organisations were removed when the research group was put together"

the EU obliges Europe's largest organisations to open up about non-financial information such as environmental and social policy.

At the end of 2014, the EU Directive (2014/95/EU), on the publication of non-financial information, was published. Dutch legislation relates to reporting on financial years beginning on or after 1 January 2017.

The publication of non-financial information applies to large public interest organisations (PIEs). PIEs are stockbroking companies, banks, insurers and institutions as appointed by the State. Large PIEs are understood by organisations that have at least 500 employees. Next to that an organisation must have a balance sheet total of more than € 20 million or a net turnover of more than € 40 million.

Several PIE companies are also listed. These companies have been registered as listed and no longer have the PIE label.

Some PIE companies are a Trust Office. In this case, the underlying companies are included in the research group. If other entities of 1 entity in addition to the parent company are also classified as a PIE, the highest entity, the parent company, shall be included in the research group.

The list of PIEs was drawn up on the basis of the transparency reports of audit firms entitled to audit PIEs. If the 2022 transparency report was not available, the latest transparency report, 2021 or 2021/2022, was used. The total number of PIEs was 626. In the group of 626 PIEs, duplicates with the other groups were removed and the criterion regarding large PIEs was applied. Therefore, the number of PIEs in the final research group is much lower than the total number of PIEs in the Netherlands.

1.3 Government participations

The Minister of Finance has decided in the past that government participations should be included in the Transparency Benchmark research group. The public can expect that these companies are accountable for the company's policies and performance and results with regard to social aspects of entrepreneurship.

All companies in which the government participates in the risk capital of the company of at least 10% are included in the research group. The total number of government participations concerns 31 organisations.

1.4 Organisations participating voluntarily

At the request of the sector, universities and university medical centres are included in the research group of the Transparency Benchmark. All universities that are affiliated with the Association of Universities (VSNU), as well as University Medical Centers that are affiliated with the Dutch Federation of University Medical Centers (NFU), are included in the research group. This concerns 14 universities and 7 university medical centres.

Other organisations that wish to participate voluntarily are cordially invited. The organisations that have registered as voluntary participants in the past are also included in the current research group. If you no longer wish to participate in the Transparency Benchmark as a voluntary participant, this can be made known before June 1, 2023 by sending an e-mail to helpdesk.transparantiebenchmark@nl.ey.com

Closing time for submitting as a voluntary participant is April 25, 2023.

1.5 Organisations with Dutch business activities with substantial turnover and at least 100 employees

All companies registered in the Trade Register of the Chamber of Commerce are eligible for the research group of the Transparency Benchmark. In order to compile a workable list of the largest companies in the Netherlands, organizations are ranked from company.info based on their turnover data.

Non-profit organisations and public institutions are not eligible for inclusion in the research group (with the exception of Government participations).

As a guide to inclusion in the research group, it is maintained that the company not only has a pro forma branch in the Netherlands, but also employs at least 100 employees in the Netherlands and develops economic activities within the Netherlands. Because this is not in all cases to be seen from the company data from the Chamber of Commerce, annual reports and websites have also been consulted where appropriate. Organisations included in the 2021 research group have priority in this respect. The total number of organisations is 335 organisations.

1.6 Organisations with an international group report

Organisations in the research group that are part of a multinational company and whose accountability information is not available at the level of the individual business activities are assessed separately.

Organisations that are part of an international group are eligible for an individual assessment, the international group reports arrangement. This separate overview provides insight into the transparency with regard to the EU Non-Financial Information Directive.

If the organisation is eligible for this separate list, the group report must meet a number of minimum criteria. Unlike the previous Transparency Benchmark, organisations with an international group report will receive a score based on the criteria set out in the EU Non-Financial Information Directive. For each criterion, the organisation must indicate whether the criterion is being met and a reference should be made to the burden of proof. Download the criteria for (international) group reports [here](#).

Organizations that want to make use of this scheme must indicate this when they log in to the self-assessment tool. If it is not known in advance that a company is part of a multinational company, a question is asked for verification before companies can proceed with the self-assessment for group reports.

2. Criteria for eligible accountability information

The Transparency Benchmark is implemented on the basis of public, periodic accountability information published by the company concerned in the research group. The benchmark focuses on external reporting on social aspects of entrepreneurship and that means that not only (financial) annual reports, but also sustainability reports, social reports and social reports as an object of research are included in the benchmark.

Periodic accountability information means all externally published information in which

an enterprise is accountable for its policies, results and activities over the entire relevant accountability period.

This means that general brochures, magazines, press releases and newsletters are not eligible for the award of points on the benchmark.

Where it is not clear over which period it is reported, the information shall not be considered as accountability information. Where it is not clear that the company publishes such information periodically (annually or at a different frequency), or intends to do so, the information is also not eligible for the benchmark.

For the Transparency Benchmark 2023, all periodic accountability information published before July 1, 2023 will be included.

Only periodic accountability information that is publicly available is included in the Transparency benchmark. Among other things, the benchmark aims to stimulate dialogue between the company and its stakeholders, and for this reason only information that is freely accessible to the general public is used. This means that all reporting information is publicly available on the organization's website. Information such as (statutory) annual reports that can only be viewed at the Chamber of Commerce for a fee do not meet this criterion.

In principle, only accountability information is used in the benchmark that relates to the company as included in the research group. This means that reports of a 'higher' company within the international structure of which the Dutch company is a part are not automatically included in the benchmark.

In order to be taken into account in the Transparency Benchmark, it should be made clear in the accountability information that it relates to at least 50% of the company's activities as included in the research group (measured by turnover, the number of permanent employees and the balance sheet total).

For companies without non-financial information, an exception is made if the parent company provides information on the themes related to the EU Non-Financial Information Directive: environment, social and labour related aspects, human rights, anti-corruption and bribery and diversity. See also category 1.6.

3. Criteria for other information taken into account in the benchmark

In addition to periodic accountability information, the Transparency Benchmark may also include other information taken into account that it meets certain conditions. Companies may choose not to include certain relevant information in the accountability information but to place it elsewhere, for example on a website. This is usually the case with information that does not change from year to year (e.g. with regard to corporate governance) or with information with a high level of detail that is only interesting for specific groups of stakeholders.

Such information shall be taken into account in the points awarded only if this information is also publicly available. The accountability information should also include a specific reference that refers directly to this information, so that it is clear from the accountability information that the information in question relates to the reporting year.

This means that a general reference to a website or a report is insufficient. To be taken into account, a page number must be indicated or a specific web link with which the reader immediately navigates to the relevant information. This also implies that when an enterprise only reports via the website, the accountability information must be clearly delineated from other information.

In some cases, companies refer to accountability information from other companies, such as those of their parent company, sister companies or subsidiaries. This information shall be taken into account only if a specific reference is included in the accountability information that refers directly to this information. For the points awarded on specific criteria, the rule is that points are awarded only if the accountability information that gives rise to this relates to at least 50% of the activities of the company as included in the research group (measured by turnover, the number of permanent employees and the balance sheet total).

If the company, as included in the research group, is part of a multinational company, reference can be made to international accountability information (e.g. according to a foreign mother's annual report). Such accountability information is only included in the benchmark if it is possible, on the basis of the information in the international annual report, to distinguish the business activities related to the Dutch organisation, in terms of turnover and number of employees. It is also a condition that the international report gives a sufficiently clear picture of the extent to which the policy, management approach and published data and information (also) relate to Dutch activities. This can only be done if the group relations are clearly explained and if it is clear what the business activities entail for the Dutch organisation.

For practical reasons, the international annual report, if not published in Dutch, must be drawn up or translated into English in order to be included in the Transparency Benchmark.

An enterprise may be exempted from placing on the regular Transparency Benchmark where it is a subsidiary and is accountable to the parent undertaking that complies with the EU Non-Financial Information Directive and participates in the group reporting arrangement. A company that complies with this exception but also issues its own Dutch report can choose to voluntarily participate in the benchmark with the Dutch report (see also 1.4).