

Guide to drawing up

Sustainability Reports

in professional football

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Foreword

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Foreword

As the preamble to Act 11/2018 rightly points out, the disclosure of non-financial information, related to corporate social responsibility, helps to measure, oversee and manage the performance of companies and their impact on society, which enables us to increase the trust of our stakeholders and society in general.

We have a responsibility to act as a lever for the new social transformation, for the sake of a convincing transition towards a sustainable global economy that combines long-term profitability with social justice and protecting the environment.

In this context, we consider it is our duty to guide, help and provide all members of the professional football association with instruments such as this “Guide to drawing up Sustainability Reports in professional football”. It is our wish that all our association members will see in the publication of these reports the key that will enable them to switch rationally from a compliance-based management approach to an opportunity approach.

Under the rational principles of sustainability, LaLiga considered it appropriate to team up with the Consejo General de Economistas de España. An essential point of reference that will help us to formulate the basic requirements of this regulatory change and facilitate our legislative adaptation on non-financial information matters. We see this partnership as the component in a management excellence formula that could have an exponential catalysing effect on sustainability, so better to do it with an institution as prestigious as the one accompanying us in this work.

We need to be capable of understanding a very basic business principle, which maintains there can be no business success without a sustainable environment. These two terms outline

a new dimension of responsibility in all the organisations that are called on to be our compass in adapting to change, and which will also help us to identify the opportunities and risks we should bear in mind in our strategic reflection processes.

In the short term the drive to regulate non-financial matters will probably help us to generate more trust, while in the medium term we will be able to derive distinctive capacities if we are aware of our obligation to manage the expectations and demands of certain groups of stakeholders that mitigate the future risks of companies, in order to acquire the attributes of longevity that will ensure the sector’s sustainability in the long run.

Javier Tebas Medrano
Chairman of LaLiga

Foreword

We are pleased to present this guide-handbook on drawing up sustainability reports in the world of professional football, on which the Consejo General de Economistas de España (CGE) has collaborated with LaLiga through its specialist body of Accounting Economists (EC) via the EC-CGE Chair on Scientific Publications. We would like to thank LaLiga for the confidence they have shown in our economists in working together on this new, very important and highly topical project which reaffirms the existing cooperation between both institutions.

As we were saying, the subject of the document for which we are writing the foreword today is highly topical and extremely important for various reasons, which we will divide into three: sector, environment and the subject matter itself. On the one hand, and undeniably so, for the sector being studied here and which this guide addresses, namely professional football, whose essence and importance are very well reflected and summed up in the slogan “It’s not football. It’s LaLiga”. On the other hand, for the environment. One of the essential aims of accounting is to draw up and supply information that may be of use in the decisions to be made by the various users of this information, in this case through sustainability reports, as business reporting means more than financial information, which has a long tradition in the economist’s profession. The third reason why this work represents a new milestone is the subject matter: the disclosure of non-financial information by sports clubs.

We are witnessing a new change of paradigm, where non-financial information is becoming more important and the future depends on being aware that financial and non-financial information form a whole which must satisfy the information needs of stakeholders.

This guide-handbook, which combines academic rigour with the necessary everyday praxis, describes in detail the process of drawing up what is accurately described here as a “Sustainability Report” but, above all, it offers a broad understanding of the term “sustainability” (concept, origin, purpose, benchmarks, dimensions). It also looks at the global standards for disclosing non-financial information, the methodology for compliance and possible equivalences between Act 11/2018 and the GRI Standards. All that together with an executive summary and a technical glossary, which make it an instructive and useful guide for quick and easy reading. If we take into account the capacity that the world of professional football has for reaching numerous collectives, the ripple effect of this guide is bound to result in greater awareness of sustainability and, therefore, the necessary excellence and usefulness of these new types of reporting.

In conclusion, we would like to thank those people who have collaborated in its production – the authors, LaLiga, EC-CGE Chair – by means of which we understand the aim of the institution we represent, the Consejo General de Economistas de España, which is to try to give back to society everything we have received from it, has once again been realised.

Valentín Pich

Chairman of the Consejo General de
Economistas de España (EC-CGE)

Francisco Gracia

Chairman of Accounting
Economists (EC-GCE)

Glossary of terms

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Club/SAD:

Club and/or Public Limited Sports Company

Non-Financial Information Statement (NFIS):

On 29 December 2018 the BOE published Act 11/2018, of 28 December, on Non-financial Information and Diversity, which amended the Code of Commerce, the consolidated text of the Corporations Act and Act 22/2015, of 20 July, on Auditing Accounts. To that end, it sets out the obligation of adding the disclosure of non-financial information, such as social, environmental and organisational factors, to the corporate information statement.

GRI Standards:

The GRI Standards represent the best global practices for providing public information on an organisation's economic, environmental and social impacts. Drawing up sustainability reports on the basis of these standards provides information on the positive and negative contributions organisations make to sustainable development.

IQNET SR10:

International management and improvement standard that includes the best international practices and recommendations on social responsibility.

ISO 26000:

Set of guidelines on social responsibility established by the International Organization for Standardization. They provide guidance on the underlying principles of corporate social responsibility

Corporate Social Responsibility (CSR) Report:

Also known as a Sustainability Report, this is the systematisation, in a public document, of an organisation's criteria, commitments and activities in their triple dimension: economic-financial, social and environmental.

Sustainable Development Goals (SDGs):

An initiative promoted by the United Nations to continue the development agenda after the Millennium Development Goals.

They constitute a universal call for action to put an end to poverty, protect the planet and improve the lives and prospects of people all over the world. In 2015 all the Member States of the United Nations approved 17 Goals as part of the 2030 Agenda for Sustainable Development, which sets out a plan for achieving the goals in 15 years.

Glossary of terms

ILO:

International Labour Organization.

United Nations Global Compact (UNGC):

The United Nations Global Compact is a call for companies to incorporate 10 universal principles relating to human rights, work, the environment and the fight against corruption into their strategies and operations, as well as acting in such a way that they further the implementation and social objectives of the SDGs.

SGE 21:

A standard for certifying ethical and socially responsible management in organisations.

Stakeholders:

Any individual or organisation that in some way is affected by the actions of a certain company.

Introduction

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Disclosure of non-financial information “Sustainability Report”

On 29 December 2018, the BoE published Act 11/2018 on Non-Financial Information and Diversity, thus incorporating the European Directive into Spanish Law. This expands the Royal Decree Law approved the previous year, including new demands for Spanish companies.

Its aim is to identify the risks for improving sustainability and increase the trust of investors, consumers and society in general.

More and more companies are publishing non-financial information through CSR Reports, Sustainability Reports and other kinds of reports which tend to use indicators other than those of an exclusively economic nature.

As the legislator mentions in the preamble to the Act: “The disclosure of non-financial information or information relating to corporate social responsibility contributes to measuring, monitoring and managing the performance of companies and their

impact on society. Its publication is essential for managing the transition towards a sustainable global economy that combines long-term profitability with social justice and protecting the environment”.

We are entering a new era where economic reports are not going to be enough for identifying an organisation’s economic value. New indicators of a non-financial nature and increasing legislation in this field is the future trend that will sustain the principle of sustainability. Quantitative and qualitative indicators will make up the content of analyses of organisations and their intangible aspects, comprising brand strength, corporate purpose, reputational value and trust, which will become the watchwords of many organisations.

In providing this information, companies will have to base themselves on national or international frameworks. From LaLiga we want to make it easier to produce this type of non-financial information by offering advice on the processes to follow and the methods for drafting it, so we are proposing an agile guide in which the benchmark standards will be those of the Global Reporting Initiative (GRI).

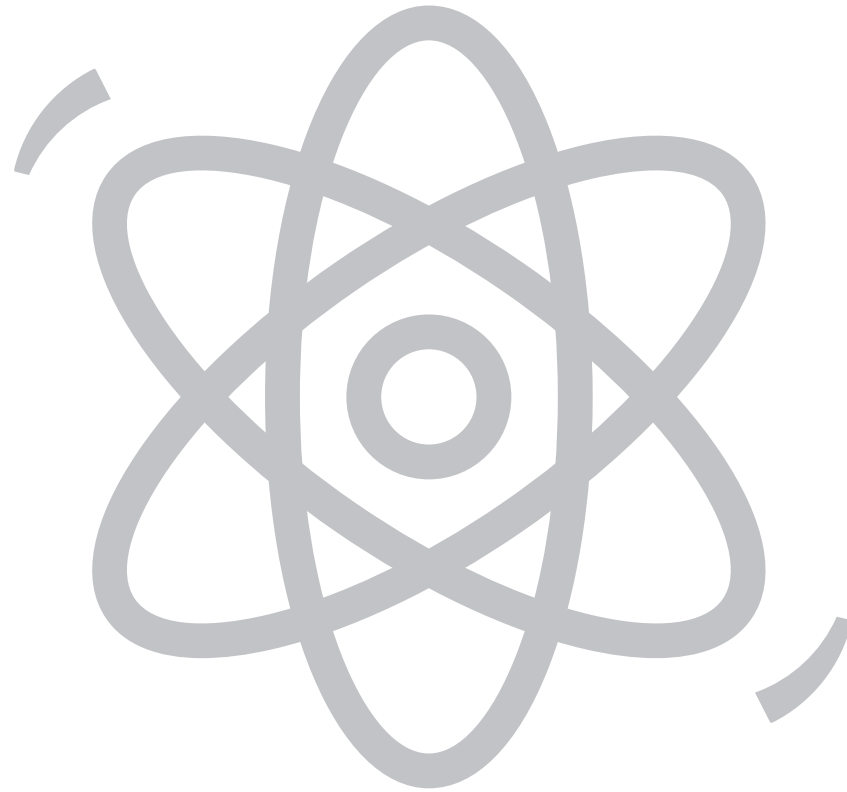
The concept and origin of “sustainability”

Corporate Social Responsibility (CSR) has frequently been confused with actions that organisations promote when trying to find an answer to the social problems in their community, which is just one more part of an overall series of CSR actions in companies.

Very often a whole series of factors have caused this confusion over the meaning of the terms CSR and sustainability, for example, the increase in social pressures requiring and demanding more involvement from organisations in the social, environmental and economic spheres; more legislative regulation; the recent exponential accentuation of environmental problems in society, and increased social activism on the part of companies.

Although both concepts converge in the same purpose, high media exposure of the environmental aspects has resulted in a unified concept where the notion of sustainability is exclusively assimilated with fair practices in the environmental sphere.

Corporate governance models are currently in a period of transformation. This model change is reflected in the move from a shareholder-centric vision, where the shareholder is the sole player, to a stakeholder-centric approach, where, even though shareholders are still the “main” players, the focus embraces a broader number of stakeholders affected by business activity. This new action model means we can say that we are closer to the concept of sustainability than CSR, which explains the development of the two terms.



The concept and origin of “sustainability”

We prefer to use the term “sustainability” as it more accurately describes the series of actions undertaken by organisations so they can grow steadily and in a more balanced and respectful way, with the main stakeholders providing overall solutions to all the problems

Origin of sustainability

The current **concept of sustainability** appeared for the first time in the **Brundtland Report**, published in 1987. This report, also called *Our Common Future* and which was drawn up by the United Nations, gave the first warning about the adverse environmental consequences of economic development and globalisation, seeking to offer solutions to the problems derived from industrialisation and population growth.

Current concept

Decades later, sustainability seeks to ensure the needs of the present without compromising future generations. How? Without renouncing any of the three essential pillars: **economic growth, social development and environmental protection.**



Economic



Social



Environmental

Background

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Purpose of a “sustainability” report

Producing a sustainability report means providing a **measure, reporting back and being accountable** to internal and external stakeholders on the organisation’s performance in relation to the goal of sustainable development.

Organisations are brand generators seeking to construct a balanced narrative between what they say and what they actually do in order to develop trust and a reputation.

“Information on economic, social and environmental impact”

It is not enough for us to have excellent management models and provide responsible solutions to the problems in our environments. We also need to say what we do if our sustainable action is to be turned into value.

Communication will result in perceptions, judgements and attitudes towards our brand which will become durable and strong over time, contributing social, ethical, environmental and economic value that will enable us to position sustainability as an element that differentiates our organisation in people’s minds.



“Sustainability” benchmarks

Management models

Initially clubs/SADs can start using one of the framework standards for integrating sustainability into their management model. This means one of the general frameworks they can adhere to such as ISO 26000, the United Nations Global Compact, or the Sustainable Development Goals (SDGs).

Information models

The GRI standards can be used for drawing up sustainability reports or non-financial information, among other reasons because they are the most internationally used standards.

Management systems

Applicable models for management systems could be **SGE 21** and **IQNET SR10**.



The list of the most popular guides, standards and regulatory instruments, both national and international, for measuring and reporting on the performance of companies and other organisations regarding social responsibility and sustainability matters can be consulted on the Ministry of Labour, Migrations and Social Security portal¹

¹<http://www.mitramiss.gob.es/es/rse/monitorizacion/index.htm>

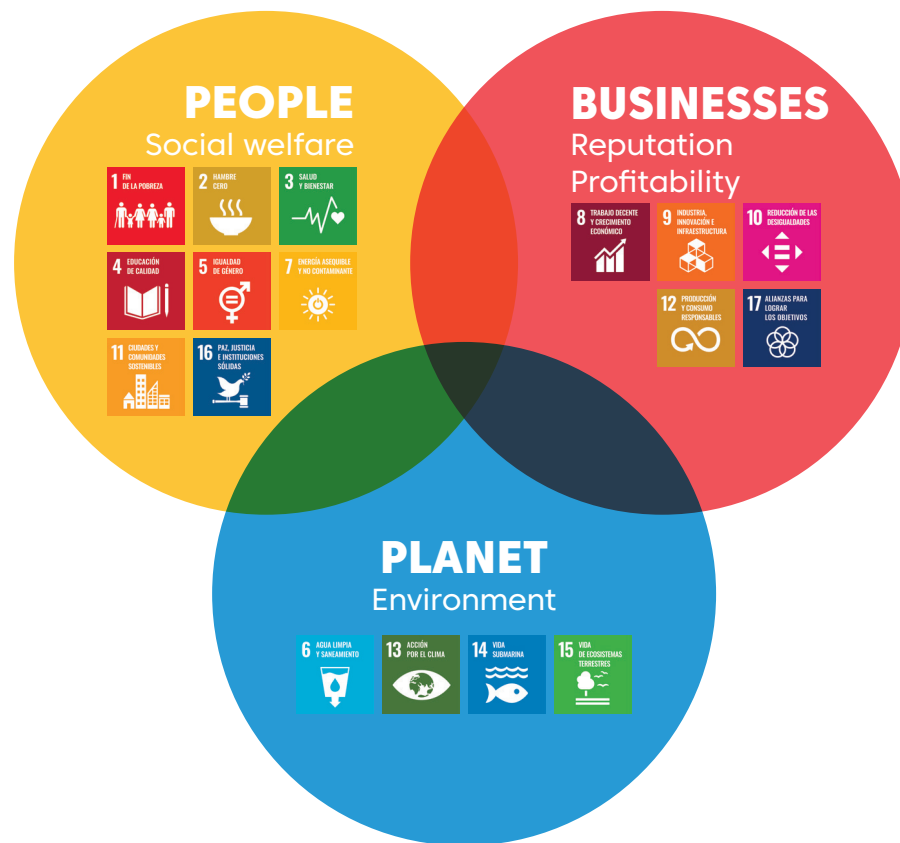
Dimensions of Sustainability ISO 26000 vs SDGs

How do ISO 26000 users contribute to the Sustainable Development Goals?

ISO 26000 was created to help organisations of all kinds to be more socially responsible. The purpose of this international standard is to advise organisations and foster sustainable development.

It is a guide to social responsibility (non-certifiable) that seeks to steer organisations on the road to sustainability embracing the environmental, social and economic spheres, combining those in seven core subjects with 40 points to be developed.

Although ISO 26000 was developed before the UN's 2030 Agenda and Sustainable Development Goals (SDGs), it offers more than 450 recommendations on the basic principles and areas of social responsibility that can help organisations to contribute to the SDGs.



Dimensions of Sustainability ISO 26000 vs Global Compact Principles

The United Nations Global Compact pursues two main objectives:

1. Making the 10 Principles part of business operations everywhere
2. Channelling actions in support of the United Nations main goals, including the **Sustainable Development Goals (SDGs)**.

“Another way of gearing management models towards sustainability is by getting companies to take on board the 10 Principles and the 17 SDGs, both cross-cutting frameworks in the subject matter and in the purpose they pursue”.



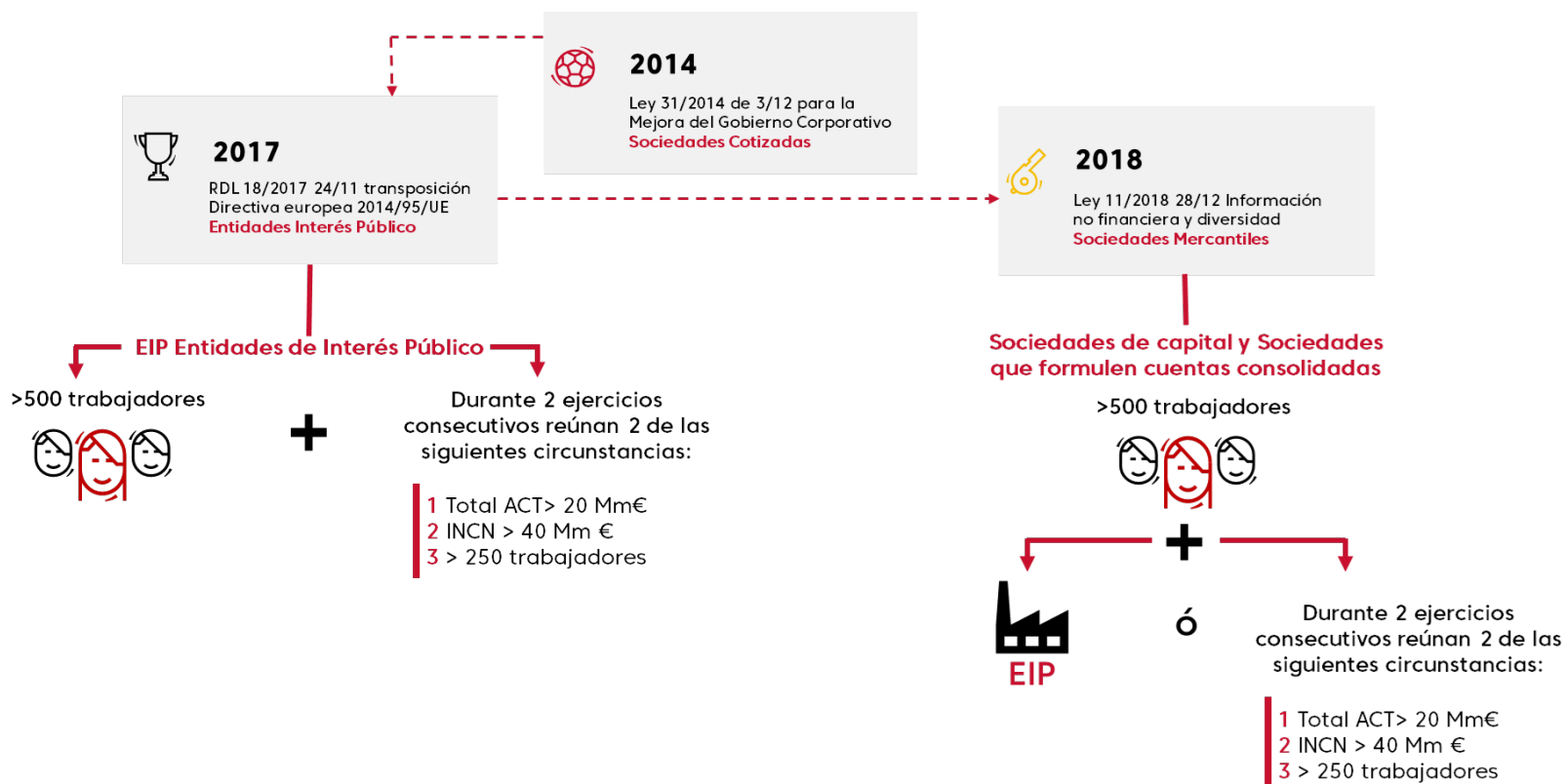
Scope of application

“Act 11/2018 on NFI and Diversity”

The entry into force of Act 11/2018, of 28 December, bringing into Spanish Law the EU Directive on the disclosure of non-financial information and diversity by certain large companies and groups, requires the administrators of those business entities to draw up a Non-Financial Information Statement (NFIS), i.e. a document that forms part of the

annual accounts which must be verified by an independent third party.

Regulators are increasingly giving more importance to this type of information, given there is almost unanimous agreement that the big risks facing business today and in the future are to do with sustainability.



Progressivity: from 2021, it will be mandatory for companies with more than **250 workers**

Forética: Keys to Act 11/2018 on disclosing non-financial information and diversity [Sp]
https://foretica.org/wp-content/uploads/2019/01/infografía_ley_de_informacion_no_financiera_03.pdf

Non-financial information to be included according to Act 11/2018



Description of the business model

The NFIS must include a description of the business environment, the organisation and its structure, the markets it operates in, its objectives and strategy, and the main factors and trends that may have a bearing on its outlook.

Aspects we have to report on



Environmental matters



Social and employee-related matters



Respect for human rights



Fight against corruption and bribery



Society

Content that must be reported

Description of the business MODEL.

Description of the POLICIES on each of the aspects.

OUTCOME of the policies implemented on each aspect.

RISKS linked to said issues of the company's activity.

Key processes for presenting the information



Governance

Define the process of drawing up the non-financial information statement in all its stages and centralise the information. Identify the people in each area involved in compiling, consolidating and internally monitoring all the information.

Materiality of the information

Analyse the material or relevant issues linked to non-financial aspects to be included in the non-financial information statement.



Requesting and compiling the information

Define files for compiling the information that enable the quantitative data for each of the areas to be put together.

Analysing the information compiled

Define the methodology, procedures, calculations, etc., for analysing if the data has been compiled correctly.



Drawing up the information statement

Draw up the various chapters of the non-financial information statement. GRI

External verification

Have the information verified by an independent verification services provider.

Approval

Have the statement signed by all the administrators responsible for formulating the accounts and management information.

Global standards for drawing up “Sustainability Reports”

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Disclosure of non-financial information based on GRI

The Global Reporting Initiative (GRI) is an independent, international, non-profit organisation. It works together with businesses, investors, public policy makers, civil society organisations, labour organisations, consultants and verification providers to develop GRI Standards and promote their use in organisations around the world.

GRI’s mission is to satisfy this need by providing a reliable and credible framework for drawing up sustainability reports that can be used by any organisations regardless of their size, sector or location.

A global, common, working framework with a uniform language and common parameters that serve to communicate sustainability issues clearly and transparently.



“GRI is a pioneer in sustainability reporting and GRI Standards are currently the leading standards worldwide for organisations drawing up their economic, environmental and social impact reports.”

In line with the best practices for impact management and presentation.

The GRI standards are in line with responsible business conduct frameworks that are widely recognised internationally. Those frameworks include the UN’s Guiding Principles on Business and Human Rights, the ILO conventions and the OECD directives for multinational companies.



Likewise, GRI standards can be used to present reports on the impacts and progress of the UN’s Sustainable Development Goals.



Also for the information required by Act 11/2018 on Non-financial Information and Diversity.

Disclosure of non-financial information based on GRI

Using GRI Standards

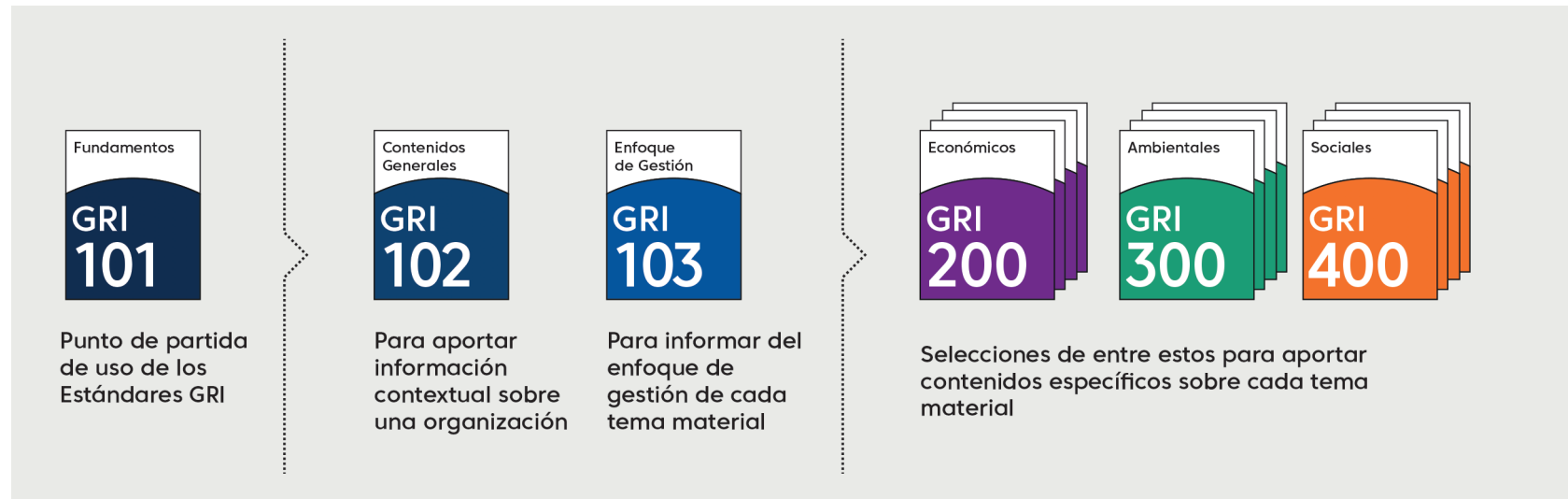
The process for presenting sustainability reports starts with identifying the relevant issues the organisation can report on.

Universal Standards

These help organisations to identify their material issues and establish the important principles for using them when preparing a report.

Topic-specific Standards

Topic-specific standards include specific indicators on the economic, environmental and social aspects of the organisation.



Methodology for compliance

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Methodological process

We want the Non-Financial Information Statement (NFIS) to be a document that reports on the activities, management approach, value creation model, business model and their economic, environmental and social impacts, and that it complies with the requirements of Act 11/2018.

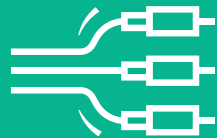
To achieve that we suggest a methodological process of work based on four action stages.



Gap analysis

Assess the relevance of the content required by the Act

Select content under the “complies or explains” principle



Structure of the NFIS

Draw up the NFIS table of contents

Select indicators based on international non-financial standards.

Possible connection with other corporate reports



Compiling the information

Prepare files for collecting information.

Quantitative information
Interviews for gathering qualitative information

Consolidation and analysis of the information.



Drawing up the NFIS

Draw up an NFIS that complies with the Act

Adaptation or international standards (GRI)

Methodological process

GAP analysis

Objective:

Under the “complies or explains” principle, to decide **which content** out of that required by Act 11/2018 and in accordance with its risk level **is really relevant to the company** and must therefore be reported on, and which can be omitted with the corresponding justification.

Task description:

1. We suggest the following activities:
 - Identify your stakeholders.
 - Draw up the materiality matrix of the Public Limited Sports Company (SAD) or the Club.
2. Carry out a brief materiality exercise to decide which of the organisation’s activities are relevant and identify the most important matters, so you can decide which content you are not going to disclose information on because it is not material.

Defining the structure

Objective:

To define the **non-financial report structure**, content, and quantitative and qualitative indicators needed to comply with the Act.

Task description:

1. Draw up a structure for the content that follows the line used by the club/SAD for previous reports and which is adapted to the Act, in the order which is consistent with the materiality exercise carried out in the previous stage.
2. Identify the quantitative and qualitative indicators that enable the organisation to report on those matters, using the Sustainability Reporting Standards (SRS) of the Global Reporting Initiative (GRI).
3. Assign the persons in each club/SAD to be in charge of each of the indicators.

The content of each chapter must follow the following structure:

- Activity/business model
- Description of the policies implemented
- Policy outcomes
- Main risks associated with each of the matters
- Key performance indicators

Methodological process

Compiling the information

Objective:

To bring together all the necessary information for drawing up the NFIS.

Task description:

Create information-gathering EXCEL files for each of the different departments that must contain both quantitative and qualitative information.

Once the information has been brought together, you need to identify the key messages and interpret the data compiled.

The ultimate aim of this procedure is to:

- Understand the real level of compliance and the club/SAD's capacity to meet the Act's requirements and agree the response to them.
- Construct a narrative regarding the sustainability strategy and the creation of social value.

Drawing up the Non-financial Report

Objective:

To draw up a Non-Financial Information Report that includes the contents of the information required by Act 11/2018.

Task description:

Draw up a report that complies with the content and structure requirements of Act 11/2018 with the club/SAD's corporate responsibility and value creation narrative.

Identifying the Stakeholders

“**Stakeholders**” are understood to be those entities or individuals that could be significantly affected by club/ SAD activities, products and/or services, and whose actions could reasonably influence the organisation’s capacity to successfully develop its strategies and achieve its goals.

Stakeholders may include individuals or entities that have an economic relationship with the organisation (employees, shareholders, suppliers) as well as those players outside the organisation (community, society in general).



“The reporting club/SAD must identify its stakeholders and describe in the report how it has responded to their reasonable interests and expectations.”

The basic principles of stakeholder engagement are based on three substantial premises. Principles that will help us on an operational level, how we have to proceed when it comes to identifying and ranking the most significant stakeholders in our activity in order of precedence. Focusing on what is important rather than what is relevant will be the crucial factor that will help us to distinguish those players in our environment (stakeholders) that participate in our club’s materiality.

INCLUSION

How stakeholders should take part in developing and achieving a responsible and strategic response to sustainability.

RELEVANCE

We must identify what the most important matters for our club are.

Identify who our stakeholders are.

RESPONSE CAPACITY

Decisions. Actions. Performance. Communication.

Implementing the principles requires commitment, integration and alignment with the club’s strategy and statutory regulations

The success of our commitment will depend on whether we are capable of understanding the reason for it (purpose), what we are collaborating in (scope) and who must be involved in this process (stakeholders).

“Identifying which stakeholders are involved in the process will prevent the commitment being driven by non-strategic considerations, such as the most active stakeholders, short-term media focus or the directors’ comfort zone”²

²AA1000 Stakeholder Engagement Standard (2011)

Stakeholders of a Club/SAD

Stakeholders' reasonable interests and expectations are a key point of reference with regard to the many decisions on preparing a report, such as scope, coverage, the application of indicators and the verification approach.

Organisations usually launch stakeholder inclusion and participation programmes as part of their regular activities, which can be very useful in drawing up the report.

Stakeholders inside a football club must respond to the club/SAD's statutory principles as well as its strategic corporate plans. If we relate to all the clubs in the same way, for guidance purposes we can draw up a standard list of who the main stakeholders are, on the basis of which each of the organisations can present its issues, concerns and expectations.



Stakeholders of a Club/SAD

The scope of the commitment must be defined by determining:

- The issues that will be addressed in the commitment.
- The parts of the organisation (for example, regions, divisions, etc.) and the associated activities, products and services that will be addressed in the commitment.
- The time period that the commitment will be maintained.

The methodological considerations that enable stakeholders to be identified are as follows:

1. Dependence
2. Responsibility
3. Tension
4. Influence
5. Diverse perspectives

SPORTS STAFF	
Subgroups	Expectations
First team	The best category
Reserves	Training
Women's team	Competitiveness
Youth teams	Health and Safety
Technical staff	Leadership
Senior players	Knowledge

SHAREHOLDERS	
Subgroups	Expectations
Shareholders	Debt control
	Ethics and transparency
	Sports results
	Profitability

SUPPLIERS	
Subgroups	Expectations
LaLiga	Ongoing relationship
Representatives	Ethics
Service providers	Contractual compliance
Manufacturers	Selection policy

FANS	
Subgroups	Expectations
Season-ticket holders	The best entertainment
Members	The best experience
Fans	360 relationship
Supporters	Adopt new models
Fan club members	

LOCAL COMMUNITY	
Subgroups	Expectations
Community	Contribution to development
Socio-Cultural Collectives	Club image = city image
Training centres	Cooperation
Local businessperson	Commitment
	Participation in local GDP

MEDIA	
Subgroups	Expectations
Television	Transparency
Press	Freedom
Radio	Collaboration
Digital media	

SPONSORS	
Subgroups	Expectations
Patrons	Image
Sponsors	Visibility
Collaborators	Profitability
	Reputation

THIRD SECTOR	
Subgroups	Expectations
NP associations	Cooperation
Other institutions	Visibility
NGOs	Social innovation
Foundations	Social contribution

ASSOCIATED COMPANIES	
Subgroups	Expectations
Associated companies	Share knowledge
	Economic results
	Business culture

REGULATORY BODIES	
Subgroups	Expectations
LaLiga	Compliance
RFEF, UEFA	Collaboration
CSD	Trust
AEAT TGSS	Transparency
Local PA	Ethics

HUMAN CAPITAL	
Subgroups	Expectations
Senior management	Equality and work-life balance
Non-sports staff	Personal and professional development
Other employees	Health and safety
	Stability

OPPONENTS	
Subgroups	Expectations
Federation	Performance
Competitors	Sports results
Professional	Institutional relations
	Fair play

Creating a Materiality Matrix

The report must highlight information about the performance on more material issues. Other important matters can be included but they will be less important in the report. The process whereby the priority of these issues has been established will have to be explained.

The aspects and **relevant indicators** are those that can be regarded as important when it comes to reflecting on the social, environmental and economic impact of the activity. Or also those that have a bearing on the decisions of stakeholders and, therefore, possibly merit being included in the report.

Internal and external factors must be combined to determine the materiality of the information. That includes factors such as the organisation's mission and competitive strategy, the concerns expressed by stakeholders, social expectations with a broader scope and the organisation's influence on all those who intervene in the production process (for example, from the supply chain to customers).

“Materiality analyses are not only the basis for disclosing non-financial information, they can also be useful for guiding the organisation's action”



Creating a Materiality Matrix

The key process for carrying out a materiality matrix analysis runs through three stages:

1. Identifying stakeholders

We have to start by specifying who we have an impact on and who has a bearing on us; who we are important to and who is important to us.

2. Identifying material issues

Most clubs/SADs have established mechanisms for knowing what is important to our stakeholders.

We use quality surveys, the trending topics of our social media profiles, working environment surveys, meeting minutes, the queries and suggestions mail box, media requests for information.

3. Prioritising and evaluating material issues

It is not enough just to ask. Once the issues have been identified, we have to narrow down what is important and feasible for the club/SAD. We have to analyse the impact it has on the results, the reputation and if we have the capacity to manage it.

Draw up a list of issues and sub-issues that can be assessed to see if they should be integrated into the materiality matrix, and classify them in the economic, social or environmental dimensions.

TABLE OF RELEVANT ISSUES

Environmental dimension	1 Energy eco-efficiency
	2 Waste management
	3 Water management
	4 Emission control
	5 Environmental awareness-raising
	6 Measures against climate change
Good governance	7 Good governance and transparency
	8 Policies on contracting and paying suppliers
	9 Code of ethics and good practices
	10 Fiscal ethics
	11 Dialogue and relationship with stakeholders
	12 Information transparency
	13 Increase in RC Deportivo capital
	14 Regulatory compliance
	15 Accountability
	16 Marketing and responsible sponsorship policies
Social dimension:	17 Labour ecosystem
	18 Health and safety of stakeholders
	19 Social and solidarity projects
	20 Promoting healthy habits
	21 Economic return in the community
	22 Brand reputation
	23 Protection and defence of children
	24 Attracting and retaining sports and professional talent
	25 Violence in football
	26 Education and positive values of sport
	27 Equal opportunities and diversity
	28 Budget allocated to social action and community development
	29 Commitment to the plans for the future of the lower categories
Economic Dimension	30 Financial sustainability
	31 Debt reduction

With the materiality analysis we can draw up the sustainability report easily, quickly and very effectively, responding to key questions such as:

- What is really interesting.
- Who does it interest and when.
- How can we manage it.

Creating a Materiality Matrix

The ultimate aim is to create an initial materiality matrix in which we must cross two variables.

On the one hand, the maturity of the issues and, on the other hand, the relevance or risk they may pose in the opinion of sustainability experts and/or influencers.

We can see how in the materiality matrix information in RCD de La Coruña SAD's non-financial report for 2015-16, there is a description of all the relevant issues extracted from the matrix analysis and classified in four action dimensions.

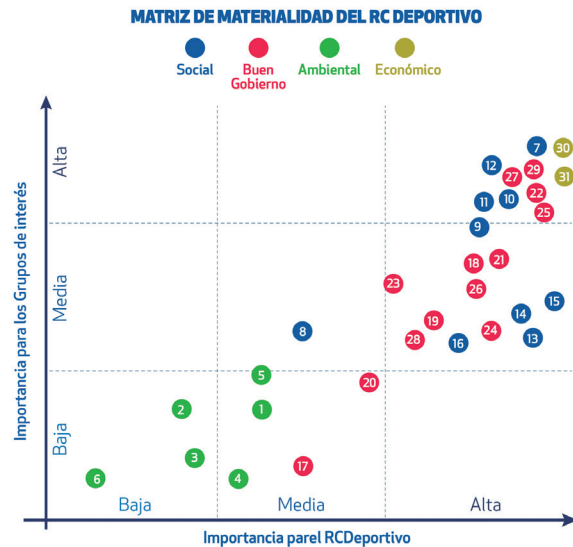
The materiality matrix does not help to display the analysis results and they must be consistent with the content of the non-financial report.

We have to represent the level of stakeholder interest (external relevance) against the level of importance for the organisation (internal relevance) in the matrix.


The example represented in the table from RCD de La Coruña SAD's non-financial report shows the issues that have finally been identified as material from all the issues evaluated.

We can use the materiality analysis to guide organisational strategy, provided that in the matrix we show which aspects have been prioritised according to their capacity for impacting on the organisation and the influence or level of control the organisation has over them.

If we take a look at this club's matrix, we can see in graph form which topics are the most relevant for the club (important issues) and over which it can exercise the most control, and, thus advance the most in its management.



MATERIAL ISSUES	
Good governance	7 Good governance and transparency
	10 Fiscal ethics
	11 Dialogue and relationship with stakeholders
Social dimension:	12 Information transparency
	22 Brand reputation
	25 Violence in football
	27 Equal opportunities and diversity
Economic Dimension	29 Commitment to the plans for the future of the lower categories
	30 Financial sustainability
	31 Debt reduction



Possible equivalences between Act 11/2018 and the GRI Standards

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Act 11/2018 is more specific on the non-financial information to be included than Royal Decree Law 18/2017, detailing important information on the following matters:

- Environmental.
- Social and employee-related.
- Respect for human rights.
- Fight against corruption and bribery.
- Society.
- Any other important information.

The Act mentions various standards that organisations can use to draw up their non-financial information, including the most widely used reporting framework for these matters, which is the one established by the Global Reporting Initiative (GRI).

So, with the aim of making it easier to draft non-financial reports, we explain some of the possible GRI equivalences with the Act which could prove useful for organisations wishing to base them on the aforementioned standard.

Description of the business model

The NFIS must include a description of the business environment, the organisation and its structure, the markets it operates in, its objectives and strategy, and the main factors and trends that may have a bearing on its outlook.

ADAPTING THE GRI STANDARDS TO THE NEW ACT 11/2018

General information:	Correspondence GRI indicators
Brief description of the group's business model (including its business environment, its organisation and structure, the markets it operates in, its objectives and strategies, and the main factors and trends that may have a bearing on its outlook).	GR 102
A description of the policies that apply to the group including the due diligence procedures pertaining to the identification, evaluation, prevention and attenuation of risks and significant impacts, as well as verification and monitoring, including the extent to which they have been adopted	GR 103
The outcome of those policies , which must include relevant non-financial key performance indicators enabling monitoring and evaluation of progress and comparability between companies and sectors, in accordance with national, European and international benchmark frameworks for each matter.	GR 103
The main risks associated with these matters linked to the group's activities (commercial relations, products and services) which can have an adverse effect on these areas, and how the group manages those risks, explaining the procedures used to detect and evaluate them in accordance with national, European and international benchmark frameworks for each matter. Information must be included on the impacts that have been detected, with a breakdown of those impacts, especially on the main risks in the short, medium and long terms.	GR 102
Key non-financial performance indicators that are relevant to the specific business activity, and which comply with comparability, materiality, relevance and feasibility criteria.	

Description of the business model

In example number 1 we include FIFA's sustainability policy for the 2022 FIFA WORLD CUP in QATAR.

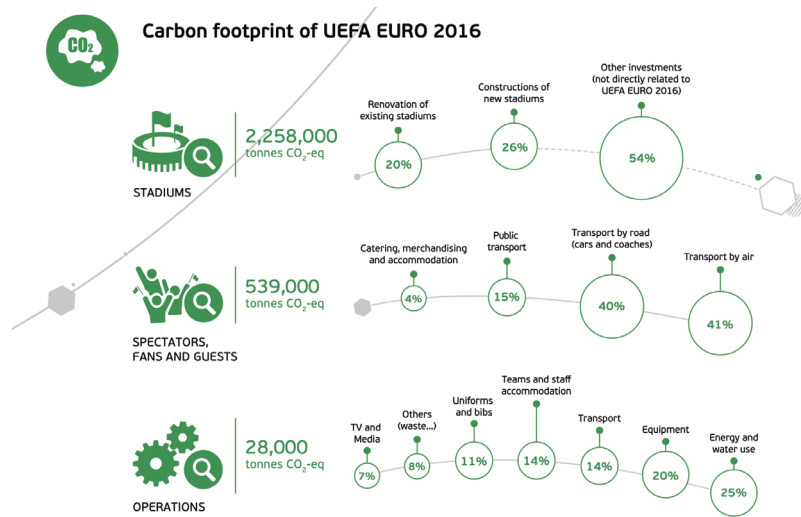


Pillar, goals and policy commitments	Material topics	Objectives	SDG Alignment
Human: Developing human capital and safeguarding workers' rights We are committed to safeguarding the rights and welfare of workers engaged on FIFA World Cup 2022™ sites and promoting their rights in projects and supply chains directly linked to the FIFA World Cup™, leaving a legacy of world-class standards and practices for workers in Qatar and internationally. We also aim to leverage the unique platform provided by the FIFA World Cup 2022™ to develop a capable and motivated workforce and empower young people across the region.	Workers' living and working conditions	H1 Ensure decent working and living conditions and fair recruitment for workers engaged in the construction of, and provision of services for, FIFA World Cup 2022™ sites H2 Enable access to effective remedy for workers engaged in the construction of, and provision of services for, FIFA World Cup 2022™ sites	
	Workers' recruitment	H3 Promote decent working and living conditions and fair recruitment, including effective access to remedy, for workers engaged through other construction projects and supply chain relationships directly linked to the FIFA World Cup 2022™	
	Workforce development	H4 Build local expertise to deliver the FIFA World Cup 2022™ and foster the development of the sports and events industries in Qatar and the region	
	Youth education and empowerment	H5 Empower young people in the region through football programmes and the FIFA World Cup 2022™ platform	
	Accessibility	S1 Ensure an accessible FIFA World Cup 2022™ for disabled people and people with limited mobility, while facilitating accessibility across physical infrastructure, public transport and services in Qatar	
Social: Providing an inclusive tournament experience We will deliver an inclusive FIFA World Cup 2022™ tournament experience that is welcoming, safe and accessible to all participants, attendees and communities in Qatar and around the world. Through this, we will leave a legacy of cultural understanding, accessible infrastructure and services, and associated expertise among the local population.	Cultural understanding	S2 Promote cultural exchange among parties engaged with the FIFA World Cup 2022™, with a focus on enhancing understanding of the culture of Qatar and the region	
	Inclusivity	S3 Enable a welcoming and respectful environment for all participants and attendees at FIFA World Cup 2022™ sites and events, and promote the attendance of low-income groups	
	Rights of media representatives and human rights advocates	S4 Respect and help protect the rights of media representatives and human rights advocates in relation to the FIFA World Cup 2022™	
	Health, safety and security for attendees, participants and communities	S5 Ensure that safety and security practices at the FIFA World Cup 2022™ are aligned with international standards of human rights protection S6 Ensure tobacco-free FIFA World Cup 2022™ sites and events	

Environmental matters

Detailed information on the actual and foreseeable effects of company activities on the environment and, if applicable, health and safety, environmental certification or evaluation procedures; the resources allocated to preventing environmental risks; application of the precaution principle, the number of provisions and guarantees for environmental risks.

In example number 2 we include the environmental information that UEFA published in the SOCIAL RESPONSIBILITY & SUSTAINABILITY Post-event report 2016 UEFA EURO 2016 France.



ADAPTING THE GRI STANDARDS TO THE NEW ACT 11/2018

General Information

Correspondence GRI indicators

Pollution

Measures for preventing, reducing or repairing carbon emissions that seriously affect the environment, taking into account any form of atmospheric pollution specific to an activity, including noise and light pollution.

GR 305-1
GR 305-2
GR 305-3
GR 305-6
GR 305-7

Circular economy and waste prevention and management:

Prevention, recycling and reuse measures, other forms of recovering and eliminating waste; actions to combat food wastage.

GR 303-2
GR 303-3

Sustainable use of resources

Water consumption and supply in accordance with local limitations.

GR 303-1
GR 303-2
GR 303-3

Consumption of raw materials and measures adopted so they are used more efficiently.

GR 302-1
GR 302-2
GR 302-3
GR 302-4
GR 302-5

Energy: Consumption, direct and indirect. Measures taken to improve energy efficiency, use of renewable energy.

GR 305-1
GR 305-2
GR 305-3
GR 305-4
GR 305-5
GR 305-6
GR 305-7

Climate change

Important elements of greenhouse gas emissions generated as part of the company's activity (including the goods and services it produces).

Measures adopted to adapt to the consequences of climate change.

Reduction targets set voluntarily.

Protecting biodiversity

Measures taken to preserve or restore biodiversity.

Impacts caused by the activities and operations of protected areas.

GR 304-1
GR 304-2
GR 304-3
GR 304-4

Social and employee-related matters

On **staff matters**, the Act requires companies to provide key information on employees: a breakdown of their workforce paying attention to diversity criteria (such as sex, age, country or professional category), salaries and pay gap, data on absenteeism, number of dismissals, etc. Companies will also have to report on the organisation of working hours, work-life balance, digital disconnection, etc.), health and safety at work (workplace accidents and their frequency and seriousness, occupational diseases broken down by sex), or staff training (policies implemented and the total number of training hours delivered).

ADAPTING THE GRI STANDARDS TO THE NEW ACT 11/2018

General information:	Correspondence GRI indicators
Employment:	
Total number and breakdown of employees by sex, age, country and professional category.	401- 2 102 - 7
Total number and breakdown of the types of contracts and annual average of permanent contracts, temporary contracts and part-time contracts by sex, age and professional category.	401- 2 102 - 7
Number of dismissals by sex, age and professional category.	401- 2 102 - 7
Average salaries and the trend broken down by sex, age and professional category.	405-2
Pay gap and pay in equal job positions or on average in the company.	405-2
Average remuneration of directors and board members (including variable remuneration, attendance fees, indemnities, payment to long-term savings schemes and any other remuneration, broken down by sex).	405-2
Implementation of work disconnection policies.	405-2
Employees with a disability.	405-2

Employees with a disability.	405-2
Work organisation:	
Organisation of working hours.	N/A
Number of hours of absence.	403-2
Measures aimed at facilitating work-life balance and promoting responsible co-parenting.	401-3
Health and Safety:	
Occupational health and safety at work.	403
Workplace accidents, in particular the frequency and seriousness. Broken down by sex.	403-2
Social relations:	
Organisation of social dialogue (including procedures to inform, consult and negotiate with the workforce).	402-1
Percentage of employees covered by collective bargaining agreements by country.	N/A
Balance of collective bargaining agreements (particularly with regard to occupational health and safety).	N/A
Training:	
Training policies implemented.	404-3
Total number of training hours by professional category.	404-1
Accessibility:	
Universal accessibility for disabled persons.	406-1
Equality:	
Measures adopted to promote equal treatment and opportunities between women and men: equality plans (Chapter III of Organic Law 3/2007, of 22 March, on Effective Equality between Women and Men), measures adopted to promote employment, sexual and sex-based harassment protocols, integration and universal accessibility for disabled persons; comprehensive anti-discrimination policy and, if applicable, diversity management policy.	406-1
Application of due diligence procedures on human rights.	406-1
Prevention of risks of human rights violations and, if applicable, measures to mitigate, manage and repair possible abuses committed.	406-1
Complaints of human rights violations.	406-1
Promotion of and compliance with provisions of the fundamental conventions of the International Labour Organization relating to respect for freedom of association and the right to collective bargaining.	406-1

Social and employee-related matters

In example number 3 we include information published by RCD de La Coruña SAD in their financial year 2015-16 on employee-related matters.



Respect for human rights

Requires reporting on the application of human rights due diligence procedures; prevention of risks of human rights violations and the measures to mitigate and manage possible abuses; complaints of human rights violations received; issues relating to respect for freedom of association and the right to collective bargaining, and so on. Companies must also provide information on the eradication of forced or compulsory labour and the effective eradication of child labour.

ADAPTING THE GRI STANDARDS TO THE NEW ACT 11/2018

General information:	Correspondence GRI indicators
Employment:	
Application of due diligence procedures on human rights.	412
Prevention of risks of human rights violations and, if applicable, measures to mitigate, manage and repair possible abuses committed.	412
Complaints of human rights violations.	412
Promotion of and compliance with provisions of the fundamental conventions of the International Labour Organization relating to respect for freedom of association and the right to collective bargaining.	412

In example number 4 we include information published by the RCCelta Group in its non-financial information report for the financial year 2018-19

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5. RESPETO A LOS DERECHOS HUMANOS

En el Grupo RCCelta, se identifica y defiende todos y cada uno de los principios recogidos en la Declaración Universal de Derechos Humanos de Naciones Unidas. La dignidad y el valor de la persona, así como la igualdad entre hombres y mujeres, son principios que rigen todas nuestras actuaciones en el desarrollo cotidiano de nuestra actividad. Asimismo, el Grupo cumple estrictamente con las disposiciones de la Organización Internacional del Trabajo relacionadas con el respeto a la libertad de asociación y el derecho a la negociación colectiva.

GRI 406-1: Casos de discriminación y acciones correctivas emprendidas

Grupo RCCelta dispone de un Canal de denuncias para la formalización de los procedimientos de irregularidades además de un Manual de Prevención de delitos, que es entregado a las nuevas incorporaciones. Durante la temporada 2018/19 no se han presentado denuncias ni reclamaciones derivadas de la vulneración de Derechos Humanos.

En cuanto a los mecanismos y procedimientos para la identificación de riesgos, prevención de vulneraciones en esta materia, se incluye en este informe un apartado de Lucha contra la Corrupción y Soborno, un mapa de riesgos y las acciones llevadas a cabo para su identificación y prevención en materia de Derechos Humanos. De forma adicional, se mencionan las distintas políticas de las que dispone el Grupo, así como el Reglamento Interno del mismo.

https://www.rccelta.es/wp-content/uploads/2020/01/EINF_GRUPO_RCCELTA_T18-19.pdf

Fight against corruption and bribery

With regard to the fight against corruption and bribery, companies must report on the anti-corruption and bribery and anti-money laundering measures they have adopted. They are also required to report their contributions to foundations and non-profit entities.

ADAPTING THE GRI STANDARDS TO THE NEW ACT 11/2018

General information:	Correspondence GRI indicators
Employment:	
Anti-corruption and bribery measures adopted.	205-1 205-2
Anti-money laundering measures.	205-1 205-3
Contributions to foundations and non-profits	

In example number 5 we include information published by the RCCelta Group in its non-financial information report for the financial year 2018-19

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TEMPORADA 2018-19

6. LUCHA CONTRA LA CORRUPCIÓN Y EL SOBORNO

6.1. MEDIDAS CONTRA LA CORRUPCIÓN, EL SOBORNO Y EL BLANQUEO DE CAPITALES

GRI 205-1: Operaciones evaluadas para riesgos relacionados con la corrupción

Alineado con los valores de honestidad, justicia, integridad y transparencia, el Grupo RCCelta mantiene una política de tolerancia cero frente a cualquier tipo de corrupción.

Este compromiso se hace palpable en el interés mostrado por el Grupo en la identificación de las potenciales conductas delictivas que pudieran darse en la organización, la evaluación de los riesgos de que dichas conductas se produjeran y el establecimiento de los controles para evitar o minimizar las posibilidades de que se produzcan.

Estos análisis y metodologías se detallan en una serie de Manuales y Políticas refrendadas al más alto nivel y comunicadas a todas las personas y grupos de interés del grupo RCCelta.

https://www.rccelta.es/wp-content/uploads/2020/01/EINF_GRUPO_RCCELTA_T18-19.pdf



Society

In social terms, the Act requires companies to adopt a commitment to sustainable development approach and to explain its impact on employment and local development, as well as on local towns and the region. They also have to report on the relations maintained with local communities and the forms of dialogue with them.

Finally, with regard to tax matters, Act 11/2018 requires companies to report their profits, country by country, the taxes paid on profits and the public subsidies received. However, the text, previously qualified by the Senate, merely calls for information on the public subsidies received.

ADAPTING THE GRI STANDARDS TO THE NEW ACT 11/2018

General information:	Correspondence GRI indicators
Company commitments to sustainable development:	
The impact of the company's activity on employment and local development	203-2
The impact of the company's activity on boosting business. Investment in local towns and the region	203-1 203-2
Relations maintained with players in local communities and the types of dialogue with them.	413-1
Association or sponsorship initiatives*.	413-1
Subcontracting and suppliers:	
Inclusion of social, gender equality and environmental issues in the procurement policy.	414 405
Consideration of social and environmental responsibility in relations with suppliers and subcontractors.	414
Audit and supervision systems and their results.	413
Consumers:	
Measures for consumer health and safety.	416
Complaints systems, complaints received and their resolution	418
Fiscal information:	
Profits obtained, country by country.	201
Taxes paid on profits	201
Public subsidies received.	201-4

Any other significant information.

Society

In example number 6 we include information published by the Rayo Vallecano de Madrid Foundation in its report on the club's socio-economic and fiscal impact published in May 2019.



Los impactos tractores suponen la principal categoría de impacto, gracias principalmente a la actividad económica generada los días de partido



Executive Summary

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Nowadays Clubs/SADs have the opportunity to promote and build a coherent and consistent social legitimacy, given their capacity for solving problems in their surrounding environment as well as for reinventing themselves from within and adapting to new expectations.

We have to understand that fulfilling our obligations goes further than what is strictly legal. Transparency and accountability allow organisations to show the reality of their commitments and the power of facts over opportunism, demonstrating the robustness of an ethical approach.

In Spain, many large companies are legally bound under Act 11/2018 (which brings Directive 2014/95 into Spanish Law) to draw up a Non-Financial Information Statement (NFIS), subject to the same terms and responsibilities of administrators, and which requires external verification.

Thus, the importance of these issues in relation to information has increased but it is no less complex, as this has a cross-cutting impact on the organisation and requires some deadlines.

The Act requires companies to provide information on those aspects where it is more likely that the main risks will arise, as well as on the main factors and trends that could affect the future development of the business. In turn, it suggests among others the European Commission directives and Global Reporting Initiative standards as a benchmark, so in our view it seems reasonable to adhere to the criteria those standards provide.

Materiality and impact are the two main principles that the content of non-financial information hinges on and the information required by the Act must be based on them.

One of the key pieces in drawing up non-financial reports is the “Materiality Analysis”. This tells an organisation what their stakeholders expectations are and provides an answer

to what guidelines might cover their needs. Clubs/SADs need to see this materiality not just in terms of disclosing non-financial information but also as an opportunity for actively listening to their stakeholders. Because this listening will only become a key factor in the resilience of professional football if it is managed strategically and is incorporated into the strategic plan, giving added value to the standard NFIS model, based on both quantitative and qualitative information regarding the impacts its activity has.

Communication and dissemination of these reports is another essential element. We have to avoid excessively long and wordy documents by preferably making them accessible and attractive. The information they contain is very valuable so it must be well edited with a suitable design and plan for its dissemination without losing any of its academic rigour. Likewise, we have to consider the channels and the recipients if we are to be able to address them. We must not forget that a sustainability report is a communication tool and without that combination of elements it will be difficult to achieve our purpose.

Highlighting the efforts made by clubs and SADs raises the level of discourse and, in turn, encourages other companies to adhere to good practices, as the 2030 Agenda and Directive 2014/95 point out.

Relevance has become a major objective for organisations and it is something that has to be earned with information that bears out their deeds, rather than their words. In short, we will only be recognised (s>d) as a sustainable organisation when we transmit our values responsibly and honestly, and by being transparent.

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It's not football. It's LaLiga.

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