



UNIT 4.1: GENERAL OVERVIEW OF NFIR ANALYSIS METHODS

Objective

This document provides an overview of a set of methods for the analysis of non-financial information reports.

It is important to understand that in practice, it is not possible to draw sharp boundaries between the different methods as it is done in theory, due to the overlapping content.

The choice and depth of application of each method strongly depend on the purpose of analysis, the personal expertise as well as the personal interest.

Applicable methods for NFIR analysis

Each following description of the seven methods for analysis is divided into four chapters:

1. Brief description of this method and its purpose
2. Discrimination to other methods
3. Conditions for working efficiently with this method
4. Consequences for the provision of tools



Analysis method	1. Consistency analysis
1.	<p>Brief description of this method and its purpose in the context of analysis done by trade union researchers / experts</p> <p>The underlying question with regard to this method is: How consistent is the report in itself?</p> <p>It analyzes the reported information, by applying both definitions of the word “consistent”, meaning something is</p> <ol style="list-style-type: none"> 1. uniform and unchanging or 2. logical and without contradictions. <p>Whereas the first definition relates to the quality of presentation (structure and composition of the report, presentation of charts and tables, etc.) the second definition refers to the quality of information (completeness of required information, conflicting information, etc.)</p> <p>Inconsistent reporting can lead to disorientation and ineffectiveness in the former case and cause doubts about the validity of information in the latter.</p> <p>The aim of the analysis is to provide the employees and their representatives with a compact description of the company report, which enables them to further develop their approach and demands regarding the company’s policies, to promote the social dialogue in the group or the supply chain and to take effective action against the company management.</p>
2.	<p>Discrimination to other methods</p> <p>In contrast to other methods of analysis, this method is based on the NFI report(s) from one company.</p> <p>Depending on which consistency aspect the analyst wants to analyze, either one NFI report (in order to check for logical contradiction) or several NFI reports produced over time (in order to check whether the reporting remained uniform) need to be included into the analysis. The acquisition of corresponding data for comparison is required in both cases.</p>
3.	<p>Framework Conditions for working with this method</p> <p>Conditions for effective use of this method for every analysis of NFIR: The analyst requires knowledge about corresponding documents (e.g. annual report) and basic knowledge of the applied reporting framework as well as the latest version of the GRI catalogue.</p>



4.

Consequences for the provision of tools

Questions and/or checklists for exploring a general overview with regard to the consistency of the report:

- Does the report use different reporting frameworks over time? And does it give an explanation why?
- Is the process of materiality analysis comprehensible?
- Is the process of stakeholder engagement comprehensible?
- Is the presentation of data in form of charts and tables comprehensible and does it remain unchanged over time?
- Are all aspects covered in detail that are identified as material aspects?
- Are all aspects covered for each KPI as required by GRI?



Analysis method	<h2 style="margin: 0;">2. Scope analysis</h2>
<p>1.</p>	<p>Brief description of this method and its purpose in the context of analysis done by trade union researchers / experts</p> <p>The underlying question with regard to this method is: What is covered in the report?</p> <p>It analyzes the scope of the reported information, by defining scope as the extent of the area or subject matter that something deals with or to which it is relevant.</p> <p>The purpose of this analytical method is to examine the scope of a NFI report on the basis of the following questions:</p> <ul style="list-style-type: none"> • Which companies, subsidiaries and units are included in the report? • Which country or regions are included in the disclosure of information? • Does the report contain information on the supply chain? <p>The quantity and quality of the company's report is measured and assessed on the basis of the demands of the civil society and the workers' movement for an open and realistic accountability both in the group network and in the supply chain.</p> <p>In doing so, the effects on the employees in the home country and abroad arising from Group policy are addressed and investigated. Possible contradictions in the company report are also highlighted as well as deficits in individual reporting areas, if available.</p> <p>The aim of the analysis is to provide the employees and their representatives with a compact description of the company report, which enables them to further develop their approach and demands regarding the company's policies, to promote the social dialogue in the group or the supply chain and to take effective action against the company management.</p> <p>This method of analysing social reports serves, on the one hand, to filter out the most important information from the employees' point of view, group it and process it for later comparison. Secondly, this method of analysis also attempts to evaluate the quality of the social report.</p>
<p>2.</p>	<p>Discrimination to other methods</p> <p>In contrast to other methods of analysis, this method is based exclusively on the company data for the group or the supply chain in the NFI report.</p>
<p>3.</p>	<p>Framework Conditions for working with this method</p> <p>Conditions for effective use of this method for every analysis of NFIR: The analyst requires basic information about the Group's structure and / or its delivery relationships.</p>



4.

Consequences for the provision of tools

Questions and/or checklists for exploring a general overview of the reporting scope:

- Does the report provide a group/mother company approach?
- Does the report exclude some activities?
- Does the report exclude some geographical areas?
- Does the report provide comprehensive information on daughter companies?
- Does the report provide information on suppliers?



Analysis method	<h3>3. Completeness analysis (also: Quantitative deficit analysis)</h3>
1.	<p>Brief description of this method and its purpose in the context of analysis done by trade union researchers / experts</p> <p>The underlying question with regard to this method is: How complete is the report?</p> <p>It analyzes the formal completeness of the reported information, in relation to the chosen reporting framework, applying the definition of “completeness” by the Global Reporting initiative GRI:</p> <p>“The report should include coverage of material Aspects and their Boundaries, sufficient to reflect significant economic, environmental and social impacts, and to enable stakeholders to assess the organization’s performance in the reporting period.”</p> <p>The purpose of this analytical method is to examine the completeness of a NFI report on the basis of the following questions:</p> <ul style="list-style-type: none"> • Does the report provide the information required by the GRI definition? • Does the report cover all aspects with regard to the requirement set by the chosen reporting framework? <p>The aim of the analysis is to provide the employees and their representatives with a compact description of the company report, which enables them to further develop their approach and demands regarding the company’s policies, to promote the social dialogue in the company and to take effective action against the company management.</p>
2.	<p>Discrimination to other methods</p> <p>In contrast to other methods of analysis, this method is based solely on a single NFI report, without comparison to corresponding reports from other companies, as well as without a comparison with possible preliminary reports. The acquisition of corresponding data for comparison is therefore omitted.</p> <p>The only criterion for assessing the completeness of the report is the stated reporting framework and the civil society’s standards set in GRI framework for honest accountability.</p>
3.	<p>Framework Conditions for working with this method</p> <p>Conditions for effective use of this method for every analysis of NFIR: The analyst requires basic knowledge of the applied reporting framework as well as the latest version of the GRI catalogue.</p>



Analysis method	4. Time comparison
1.	<p>Brief description of this method and its purpose in the context of analysis done by trade union researchers / experts</p> <p>The underlying question with regard to this method is: How did a report of one company develop over time?</p> <p>It analyzes the reported information, by comparing reporting fields and the reported content over time.</p> <p>The purpose of this analytical method is to examine the development of a NFI report on the basis of the following questions:</p> <ul style="list-style-type: none"> • Has the reporting improved with regard to previous quantitative and qualitative deficits (e.g. missing reporting aspects, internal consistency)? • Are reporting aspects missing compared to previous years and does the report provide an explanation why? • Does the information reflect developments of company policies? • How did KPI develop (eg. employment or training quota)? <p>The aim of the analysis is to provide the employees and their representatives with a compact description of the company report, which enables them to further develop their approach and demands regarding the company's policies, to promote the social dialogue in the company and to take effective action against the company management.</p>
2.	<p>Discrimination to other methods</p> <p>In contrast to other methods of analysis, this method is focused on the comparison of two or more NFI reports from the same company covering several reporting periods.</p> <p>The only criterion for assessing the quality of the report is therefore the existence/absence of reporting elements in the NFIR compared to the previous NFIR and the comparability of KPI.</p>
3.	<p>Framework Conditions for working with this method</p> <p>Conditions for effective use of this method for every analysis of NFIR: The analyst requires basic knowledge of the applied reporting framework as well as the latest version of the GRI catalogue.</p>



4.

Consequences for the provision of tools

Questions and/or checklists for exploring a general overview regarding the reporting over time:

- Are there changes in reporting and does the report explain which ones and why?
- Does the report refer to outcomes of measures and actions to manage its economic, environmental and social impacts?
- Does the report refer to benchmarks with regard to single KPIs?
- Does the report update its materiality analysis regularly?



Analysis method	5. Company comparison
1.	<p>Brief description of this method and its purpose in the context of analysis done by trade union researchers / experts</p> <p>The underlying question with regard to this method is: How is the performance of one company compared to other similar companies?</p> <p>It analyzes the reported information, by carrying out a sectoral analysis of data.</p> <p>Using this method of analysis, NFI reports from (minimum) two companies for the same year are analyzed regarding aspects that can be considered particularly relevant from the point of view of employees. It can be done in different ways:</p> <ul style="list-style-type: none"> a) to analyze whether the structure, preparation and quality of the report differ from one company to others in the same sector → formal evaluation b) to analyze the performance of one company to another in the same sector with regard to company policies and KPI. → peer evaluation <p>The aim of the analysis is to provide the employees and their representatives with a compact description of the company report, which enables them to further develop their approach and demands regarding the company's policies, to promote the social dialogue in the company and to take effective action against the company management.</p>
2.	<p>Discrimination to other methods</p> <p>In contrast to other methods of analysis, this method is focused on the comparison of (at least) two NFI reports from different companies operating in the same sector. The acquisition of corresponding data for comparison is therefore essential.</p>
3.	<p>Framework Conditions for working with this method</p> <p>Conditions for effective use of this method for every analysis of NFIR: The analyst requires industry-specific knowledge as well as basic knowledge of the applied reporting framework and the latest version of the GRI catalogue.</p>



4.

Consequences for the provision of tools.

Questions and/or checklists for exploring a general overview regarding the reporting in comparison to other companies:

- Do the companies identify different material aspects?
- Do the companies identify different economic, environmental and social impacts?
- How do the companies manage their impacts (different policies)?
- Do the reports refer to sectoral benchmarks with regard to single KPIs?



Analysis method	6. KPI analysis
1.	<p>Brief description of this method and its purpose in the context of analysis done by trade union researchers / experts</p> <p>The underlying question with regard to this method is: How is the company's performance in selected areas?</p> <p>It analyzes the reported information, by carrying out a qualitative examination of the content provided for specific KPIs.</p> <p>The NFI report is analyzed on the basis of the following questions:</p> <ul style="list-style-type: none"> • What definition for KPI is applied? • Are all aspects of one KPI covered with regard to the requirements of the chosen reporting framework? • Are targets mentioned for KPI? • How do KPI develop over time? <p>The aim of the analysis is to provide the employees and their representatives with a compact description of the company report, which enables them to further develop their approach and demands regarding the company's policies, to promote the social dialogue in the company and to take effective action against the company management.</p>
2.	<p>Discrimination to other methods</p> <p>In contrast to other methods of analysis, this method of analysis does not ask whether a NFIR is complete compared to the applied reporting standard but examines the completeness of the content provided for specific KPIs and the quality of their information.</p>
3.	<p>Framework Conditions for working with this method</p> <p>Conditions for effective use of this method for every analysis of NFIR: The analyst requires basic knowledge of the applied reporting framework as well as the latest version of the GRI catalogue.</p>
4.	<p>Consequences for the provision of tools</p> <p>Questions and/or checklists for exploring a general overview regarding the completeness of information provided for a specific KPI:</p> <ul style="list-style-type: none"> • Does the information provided for the analyzed KPI cover all the questions that are required to answer according to GRI? • Does the report provide KPIs for all its material aspects?



Analysis method	7. Insider's point of view
1.	<p>Brief description of this method and its purpose in the context of analysis done by trade union researchers / experts</p> <p>This method differs significantly from all other methods because it presupposes special access to information.</p> <p>Insiders can be (European) workers 'representatives or trade union members that possess information beyond what is publicly available.</p> <p>It can only be applied in addition to the aforementioned methods. Therefore, it rather constitutes as a comment than an analysis.</p> <p>The NFI report is analyzed on the basis of the following questions:</p> <ul style="list-style-type: none"> • Does the report contradict information that are available to you though other channels of social dialogue? • Does the report omit topics or aspects that you consider relevant with regard to the company's depiction of its impacts, materiality analysis, company policies or KPIs? <p>The aim of the analysis is to provide the employees and their representatives with a compact description of the company report, which enables them to further develop their approach and demands regarding the company's policies, to promote the social dialogue in the company and to take effective action against the company management.</p>
2.	<p>Discrimination to other methods</p> <p>In contrast to other methods of analysis, this method is more a comment than an analysis.</p> <p>Analyst has to check, whether the information provided is reliable, comparing it to the information he/she has gained though other channels.</p>
3.	<p>Framework Conditions for working with this method</p> <p>Conditions for effective use of this method for every analysis of NFIR: The analyst requires exclusive internal access to information that is not available to "outsiders".</p>
4.	<p>Consequences for the provision of tools</p> <p>Appropriate analysis tools should include a comment section.</p>



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