Daily News 27 / 06 / 2017

Antitrust: Commission fines Google €2.42 billion for abusing dominance as search engine by giving illegal advantage to own comparison shopping service

The European Commission has fined Google €2.42 billion for breaching EU antitrust rules. Google has abused its market dominance as a search engine by giving an illegal advantage to another Google product, its comparison shopping service. The company must now end the conduct within 90 days or face penalty payments of up to 5% of the average daily worldwide turnover of Alphabet, Google's parent company. Commissioner Margrethe **Vestager**, in charge of competition policy, said: "*Google has come up with many innovative products and services that have made a difference to our lives. That's a good thing. But Google's strategy for its comparison shopping service wasn't just about attracting customers by making its product better than those of its rivals. Instead, Google abused its market dominance as a search engine by promoting its own comparison shopping service in its search results, and demoting those of competitors. What Google has done is illegal under EU antitrust rules. It denied other companies the chance to compete on the merits and to innovate. And most importantly, it denied European consumers a genuine choice of services and the full benefits of innovation.*" A full press release is available online in EN, FR and DE and all other EU languages. Please also see Factsheet in EN, FR and DE. Commissioner **Vestager** will be in the press room at 12 pm CET to present the case – follow live on EbS. *(For more information: Ricardo Cardoso – Tel.: +32 229 80100; Yizhou Ren – Tel.: +32 229 94889)*

The EU invests €95 million in the upgrade of Dubrovnik airport

€95 million from the Cohesion Fund is invested in the airport of Dubrovnik in Croatia, to build a new terminal. Currently operating close to its maximum capacity, the Dubrovnik airport is one of the main entry points for tourists in Croatia. As tourism is a major source of revenue in the country, upgrading the Dubrovnik airport will greatly benefit the real economy. Commissioner for Regional Policy Corina **Crețu** said: *"The EU invests significantly for better connectivity in Croatia, from the Dubrovnik airport to the Pelješac Bridge. I had the opportunity to see the works in the airport last year and I'm glad that EU funds support a project that will bring concrete benefits to Croatians and tourists alike, in terms of travel comfort and waiting times."* The new, energy efficient terminal will handle more travellers, from 2 million yearly today to 2.4 million in 2020 and 4 million in 2032. More information on the European Structural and Investment Funds in Croatia is available here and on the Open Data Platform. *(For more information: Johannes Bahrke – Tel.: +32 229 58615; Sophie Dupin de Saint-Cyr – Tel.: +32 229 56169)*

Croatia becomes part of the Schengen Information System (SIS)

As of today, Croatia is connected to the Schengen Information System (SIS), the most widely used information sharingsystem for security and border management in Europe. Croatia will now be able to exchange information with other Member States through SIS on persons wanted in relation to terrorism and other serious crimes, missing persons and certain objects such as stolen vehicles, firearms and identity documents. This will further enhance information exchange between Member States and will contribute to the security of all European citizens. Croatia's integration into SIS will also help reduce waiting time at land borders between Croatia and Slovenia – with both Member States having access to SIS, there will no longer be a need for checks against databases on both sides of the border. The Commission had proposedthe gradual integration of Croatia into the SIS on 18 January 2017, with the Council adopting the Commission proposal on 25 April 2017 and setting the date for the entry into operation for 27 June 2017. In December 2016, the Commission presented a legislative proposalto further strengthen the operational effectiveness of the Schengen Information System by improving the security and accessibility of the system and including new alert categories as well as the obligation for Member States to create SIS alerts in cases related to terrorist offences. *(*For more information: Tove Ernst – Tel.: +32 229 86764; Katarzyna Kolanko – Tel.: +32 299 63444)

The European Union and the OSCE Office for Democratic Institutions and Human Rights launch new project supporting democratic elections in the Western Balkans

The Commissioner for European Neighbourhood Policy and Enlargement Negotiations, Johannes **Hahn** and the Director of the Organisation for Security and Cooperation in Europe (OSCE) Office for Democratic Institutions and Human Rights (ODIHR), Michael Georg Link will later today launch a new project to support democratic elections in the Western Balkans. The new project, to be implemented over a three-year period by the ODIHR, will support Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Montenegro and Serbia, as well as Kosovo in their efforts to follow-up on election observation recommendations. A full press release will be available here after the signing ceremony has taken place, foreseen for 15:30. Photos will be available on EbS. *(For more information: Maja Kocijancic – Tel.: +32 229 86570; Adam Kaznowski – Tel.: +32 229 89359)*

ANNOUNCEMENTS

First Vice-President Timmermans holds Citizens' Dialogue with high school students in Rotterdam

This evening, at 19:30, First Vice-President Frans **Timmermans** will discuss the future of Europe with 80 high school students from the Netherlands, Germany, Poland, Hungary and Turkey at the Lebanon Lyceum in Rotterdam. This innovative dialogue is the first time the Future of Europe debate launched by the Commission's White Paper has been taken into a highschool, targeting young Europeans. The Citizens' Dialogue is part of a two-year project of students aged between 14 and 17 from schools in Rotterdam (Netherlands), Gliwice (Poland), Budapest (Hungary), Munich (Germany) and Istanbul (Turkey) about their common values and heritage. The project has been carried out via email, Skype, Facetime, Facebook and eTwinning, and this evening's Citizens' Dialogue is part of an exchange week which runs from 26 to 30 June. The debate, in English, can be followed live on the YouTube channel of the Commission's Representation in The Hague, and on the Facebook page of First Vice-President **Timmermans**. *(For more information: Natasha Bertaud – Tel.: +32 229 67456; Tim McPhie – Tel.: +32 229 58602)*

Tax Fairness Conference: Putting fairness and taxation hand-in-hand

The European Commission will host a high-level Conference on Tax Fairness in Brussels on Wednesday and Thursday this week, as part of its wider agenda for fairer and more effective taxation in the EU. The conference will bring together a wide range of EU and international policy-makers, academics, NGOs, trade unions, businesses and tax administrations. Through a series of panel discussions, the event will focus on the role that taxation can play in ensuring social fairness. Over 300 participants from the EU and beyond are expected to engage in an active discussion on the fight against tax fraud, evasion and avoidance, but also the role of taxation in reducing inequalities and supporting social mobility. The discussions will feed into and further develop the Commission's ongoing agenda to make taxation fairer and more effective. The Commission has already taken various actions taken so far to fight tax fraud, evasion and avoidance, such as the Anti-Tax Avoidance Directive, as well as proposals for the CCCTB and new transparency rules for tax intermediaries. The conference will provide insights on the multiple dimensions of tax fairness and views from a wide range of stakeholders. Pierre **Moscovici**, Commissioner for Economic and Financial Affairs, Taxation and Customs will deliver a keynote speech on the first day. While registration is now closed, the event will be web streamed live via EbS. More information on the programme is also available here. *(Pour plus d'informations: Vanessa Mock – Tel.: +32 229 56194; Patrick McCullough – Tel.: +32 229 87183)*

Security Union: EU Internet Forum senior officials to address radicalisation online

Today, EU and Member State senior officials are meeting at the EU Internet Forum to discuss the issue of radicalisation online. In particular, the participants will focus on ways to reduce the accessibility of terrorist material online as well as on how to empower civil society to increase alternative narratives online. The meeting was opened by Commissioner for Migration, Home Affairs and Citizenship Dimitris **Avramopoulos**, who said: "*Radicalisation and terrorism do not stop at national or EU borders. The challenge is global. […] Our discussions here, will continue to feed into a more global effort to remove terrorist content from the internet, and to create positive alternative narratives. I urge you all to make the most of the impact this Forum brings to bear and I encourage you to use today's* *meeting to be as open and concrete as possible on the way forward*." Launched by the European Commission in 2015, the EU Internet Forum provides a framework for efficient cooperation with the internet industry on the detection and removal of online terrorist content. Building on the work of the EU Internet Forum, the European Council Conclusions of 22-23 June called for internet platforms to step up their efforts to combat terrorism and crime online. The full speech by Commissioner **Avramopoulos** is available here. More information available in the factsheet 'A Europe that protects'. *(For more information: Natasha Bertaud – Tel.: +32 229 67456; +32 229 67456; Tove Ernst – Tel.: +32 229 86764; Kasia Kolanko – Tel.: +32 229 63444)*

Upcoming events of the European Commission (ex-Top News)

Bericht: Protektionismus auf dem Vormarsch, EU erfolgreich beim Abbau von Handelshemmnissen

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Frequently asked questions: Guidelines on disclosure of non-financial information

What will change? What information will be disclosed and how?

The European Commission has adopted today non-binding guidelines on the disclosure of non-financial information by companies. Their objective is to help companies fulfil the requirement to disclose relevant and useful information on environmental and social matters in a consistent and more comparable way. Such disclosure obligations are set out in the Directive on disclosure of non-financial and diversity information by certain large undertakings and groups (Directive 2014/95/EU),which entered into force on 6 December 2014.

The Directive stipulates some minimum requirements on the disclosure of non-financial information by certain large companies, while avoiding any undue administrative burden, in particular for the smallest companies.

Companies concerned will disclose in their annual report relevant information on:

- policies, outcomes and risks, including due diligence that they implement;
- relevant non-financial key performance indicators;
- environmental aspects, social and employee matters, respect for human rights, anti-corruption and bribery issues.

The **guidelines are not mandatory** and are intended to help companies to comply with the reporting requirements. They do not add any legal requirements and closely follow the balance found by the Directive in terms of legal requirement, scope and flexibility for companies.

Companies retain significant flexibility to disclose relevant information in the way that they consider most useful. Furthermore, they may use international, European or national guidelines according to their own characteristics or business environment, such as UN Guiding Principles on Business and Human Rights, ISO 26000, or the German Sustainability Code.

Why has the Commission issued these guidelines?

Appropriate non-financial disclosure is an essential element to enable sustainable finance. These guidelines propose that any company should disclose relevant information on the actual and potential impacts of its operations on the environment, and on how current and foreseeable environmental matters may affect the company. Greater and more relevant transparency is expected to lead towards a major reduction of greenhouse gas emissions and climate-resilient growth and jobs.

This builds on the Commission's goal to develop a comprehensive EU strategy on sustainable finance as part of the Capital Markets Union and fits into the on-going work of the High-Level Group on Sustainable Finance established by the European Commission.

Both the existing EU Directive on the disclosure of non-financial information (Art. 2) and these new guidelines reflect current best practices and most recent developments at international level, including lessons from the UN Sustainable Development Goals, the Paris Climate Agreement and the industry-led Task Force on climate-related financial disclosures set up by the Financial Stability Board.

Who will benefit from the guidelines?

Transparency leads to better performance. All companies that disclose information on social and environmental matters reap significant benefits over time. The results of the impact assessment accompanying the Directive showed in particular that such benefits included lower funding costs, fewer and less significant business disruptions, stronger consumer loyalty, and better relations with stakeholders.

Well-informed business and investment decisions have much better chances to succeed. Investors, lenders and other stakeholders will benefit from a more informed and efficient decision process. Similarly, society at large will benefit from companies managing environmental and social challenges in a more effective and accountable way.

The guidelines will support companies in this process. They are principle-based to help companies across all sectors and are designed to be practical, business-oriented and impact-driven. Companies that use these guidelines will be able to better integrate material environmental and social information in their business cycle, innovate and adapt their reporting to the particular circumstances of their business, and further rely as appropriate on other reporting frameworks.

How did you come up with the guidelines?

The Commission has undertaken extensive public consultations including a broad, web-based public consultation in 2016 which attracted 355 responses from companies, business associations, investors, public authorities, international organisations, professionals, service providers, NGOs, civil society and other stakeholders from EU and EEA Member States, as well as from third-party jurisdictions. The consultation process also included expert interviews, workshops with stakeholders and a consultation with the High

Level Expert Group on Sustainable Finance organised by the Commission.

What are the next steps?

The Commission will continue to closely monitor the evolution of relevant reporting developments in the EU and globally, and the outcome of related initiatives such as the High Level Expert Group on sustainable finance.

In practical terms, the Commission is currently reviewing the effective transposition of the Directive into national legislation by Member States. As companies start applying the requirements of the Directive in 2018 (on 2017 information), the Commission will also closely monitor this process.

In particular, Article 3 of the Directive requires the Commission to review the implementation of the Directive.

Who is subject to the reporting requirement of Directive/2014/95/EU?

The Directive applies to large public-interest entities with more than 500 employees. This includes approximately 6 000 large companies and groups across the EU, including listed companies and some unlisted companies (e.g. banks, insurance companies and other companies) that were designated by Member States because of their activities, size or number of employees. This way, the Directive strikes a fine balance between reaping the benefits of enhanced transparency while avoiding any undue administrative burden, in particular for smaller companies.

What has been the approach to disclosures related to conflict minerals? Why is this important?

Under these guidelines, companies in the scope of the Directive are expected to disclose relevant information on the performance of their policies and practices related to conflict minerals due diligence, notably by using performance indicators. Disclosures should be consistent with the OECD Due diligence Guidance for Responsible Supply Chains from Conflict-Affected and High Risk areas including its supplements.

Such disclosure will increase transparency, allowing for shareholder and public scrutiny of company practices in this field. This will bring us one step closer to breaking the link between conflict and the trade in minerals, and will contribute to the development of conflict affected areas by ensuring they truly benefit from their natural mineral resources.

To avoid creating an undue administrative burden, enterprises will be able to assess the relevance and proportionality of the expected information in their specific business context and take it into account when disclosing due diligence information. Moreover, the Commission encourages companies to disclose relevant information in a way appropriate to their own circumstances, sector and size.

Is the issue of business and human rights addressed in the guidelines?

Yes. The guidelines propose that companies disclose material information on potential and actual impacts of their business on human rights.

The guidelines further suggest companies to express their commitment to respecting human rights. Companies should consider making material disclosures on human rights due diligence, and on processes and arrangements implemented to prevent human rights abuses.

According to the guidelines, material disclosures may reflect how a company approaches, among others, the Guiding Principles on Business and Human Rights implementing the UN 'Protect, Respect and Remedy' Framework.

Are the conclusions of the UN COP21 Paris Climate Agreement reflected in the guidelines?

Yes. Both the Directive and the guidelines contribute to implementing the Paris Climate Agreement. Greater, more useful and relevant transparency is expected to lead to financial flows more consistently with a pathway towards a major reduction of greenhouse gas emissions and climate-resilient growth and jobs.

The guidelines propose that any company should disclose relevant information on the actual and potential impacts of its operations on the environment, and on how current and foreseeable environmental matters may affect the company.

How do the guidelines relate to the UN Sustainable Development Goals (SDGs)?

The General Assembly of the United Nations adopted the SDGs in September 2015, and the European Commission responded with the publication of its Communication on 'The next steps for a sustainable European future' on 22 November 2016 Building on the disclosure requirements of the Directive, the proposed guidelines make an important contribution towards the Sustainable Development Goals.

How do the non-binding guidelines relate to other reporting initiatives?

The Directive and the guidelines cover material information on environmental and social matters in a broad way. Other initiatives may focus on specific thematic issues, or may have a different approach to disclosures, for instance, be more detailed and prescriptive, rely less on materiality of information, or target specifically the interaction between financial and non-financial information. In most cases, the frameworks that a company may use are complementary. Companies decide on what broadly-recognised framework(s) they would rely on.

The Financial Stability Board (FSB) established in December 2015 an industry-led Task Force to develop recommendations for voluntary climate-related financial disclosures. The Task Force published draft recommendations on 14 December 2016 for public consultation. The final report will be presented to the G20 Summit on 7-8 July 2017. Its recommendations are voluntary and focus on climate-related financial disclosure. The work of the Task Force has been monitored closely by the Commission and taken into account, as far as possible, in the guidelines. In contrast, the Directive sets out mandatory disclosures in a non-prescriptive manner, across all material environmental and social aspects.

Integrated reporting refers to the integration by companies of financial, environmental, social and other information in a comprehensive and coherent manner. Neither the Directive nor the guidelines require companies to comply with integrated reporting.

The Commission is monitoring with great interest the evolution of relevant reporting initiatives in the EU and globally.

What is the connection with the Commission's High-Level Expert Group on sustainable finance?

The Commission established in December 2016 a High-Level Expert Group on Sustainable Finance. The group will publish its recommendations for an overarching and comprehensive EU strategy on sustainable finance by December 2017.

Transparency and non-financial disclosures are included in the mandate of the High-Level Expert Group on Sustainable Finance, which has been included in the public consultation process leading to the proposed guidelines.

For More Information

Directive on 2014/95/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups

General information on non-financial reporting

Information on Sustainable Finance and the High-Level Expert Group on Sustainable Finance

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Rapport: Montée du protectionnisme: l'UE réussit à faire tomber des barrières

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[Report: Protectionism on the Rise, EU Successful in Countering Barriers]

European exporters reported a 10% increase in the number of trade barriers they encountered in 2016 alone. 372 such barriers were in place at the end of last year in over 50 trade destinations across the world. The 36 obstacles created in 2016 could affect EU exports that are currently worth around €27 billon.

According to the Report on Trade and Investment Barriers released today by the European Commission, thanks to its effective Market Access Strategy, the Commission succeeded last year in removing as many as 20 different obstacles hindering European exports.

Commenting on the report, EU Trade Commissioner Cecilia **Malmström** said: *“We clearly see that the scourge of protectionism is on the rise. It affects European firms and their workers. It is worrying that G20 countries are maintaining the highest number of trade barriers. At the upcoming G20 summit in Hamburg, the EU will urge leaders to walk the talk and resist protectionism. Europe will not stand idly by and will not hesitate to use the tools at hand when countries don’t play by the rules.”*

The Trade and Investment Barriers Reports are published annually since the beginning of the 2008 economic crisis. This year’s edition is fully based on concrete complaints received by the Commission from European companies. They concern a wide range of products covering everything from agri-food to shipbuilding industries.

G20 members figure prominently among countries having created the highest number of import obstacles. Russia, Brazil, China and India top the list. Most of the new protectionist measures reported in 2016 appeared also in Russia and India, followed by Switzerland, China, Algeria and Egypt.

The Commission strongly defends European businesses against rising protectionist tendencies. Its efforts brought tangible results in 2016. The Commission managed to restore normal trading conditions in 20 various cases affecting EU exports worth €4.2 billion. South Korea, China, Israel and Ukraine top the list of countries where the EU succeeded in tackling barriers.

The EU food and drink, automotive and cosmetics sectors are those who benefited the most from the recent EU action. To give a few examples, following an EU intervention, China suspended labelling requirements that would otherwise affect the €680 million-worth EU cosmetics exports; Korea agreed to bring its rules for the size of car seats in line with international rules and Israel enabled companies from the whole of the EU to request market authorisation and export their pharmaceutical products.

All this was made possible thanks to the effective cooperation between the Commission, EU Member States and European business representatives through the EU Market Access Strategy and improved relations with trading partners under the recent EU's trade agreements.

The Market Access Strategy is a pivotal part of the EU's efforts to create the best possible conditions for European firms to export around the world and to ensure an effective enforcement of international trade rules.

The measures targeted in the report do not cover the trade defence measures. Anti-dumping or anti-subsidy duties, imposed in line with WTO requirements, are tools that serve to restore fair trading conditions. They are used by the EU and many of its partners to ensure a level-playing field.

For More Information

Commission report on trade and investment barriers

Market Access Strategy

2016 success stories

Trade barriers complaints register

Factsheet