



**ICGN**

International Corporate Governance Network

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## **ICGN PRESS RELEASE**

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### **ICGN Welcomes New EU Directive on Corporate Reporting of Non-financial Information**

Last week, the European Parliament adopted a new law governing corporate reporting of non-financial information. Under the directive, large listed companies in the European Union will be required to report information on environmental, social and employee matters and issues relating to human rights and bribery in their annual reports. As a result, investors will be provided with a better understanding of the risk and return profile of the companies they invest in. ICGN is a long term supporter of enhanced transparency as described in the 2008 ICGN Statement on Non-financial Business Reporting

Claudia Kruse, Chair of the ICGN Integrated Business Reporting Committee, said:

*"We are very pleased to see that the EU proposals on increased corporate transparency have been adopted. ICGN has been part of the process leading to this valuable piece of legislation since the start in 2009 and was part of the EC Advisory Committee. We are delighted that this process has come to fruition and the long awaited directive is finalised".*

Under new rules to come into force in 2017, large companies (over 500 employees) in the EU will need to report on a comply-or-explain basis on their environmental and social performance. If they fail to report this information, they will need to specify the reasons for this failure.

The companies in question will be required to disclose in their annual reports relevant and material information on policies, outcomes and risks, including due diligence that they implement, and relevant non-financial key performance indicators concerning environmental aspects, social and employee-related matters, respect for human rights, anti-corruption and bribery issues, and diversity on the boards of directors.

Frank Curtiss, ICGN Board Director and Finance Committee Chair commented:

*“This is an important development to encourage the provision of non-financial business information that helps put historical performance into context, and portrays the risks, opportunities and prospects for the company in the future, thereby mitigating short-termism and helping investors understand a company’s strategic objectives and its progress towards meeting them. This is imperative for informed investment decision-making.”*

Jeroen Hooijer, the European Commission’s Head of Corporate Governance, Social Responsibility, Internal Market and Services Directorate will join ICGN’s annual meeting in Amsterdam in June to discuss the changes. Two panels are dedicated to integrated reporting focussing on what investors need and what the new disclosure landscape means for corporates. One plenary entitled “*Can better disclosure bring about long term stability and growth?*” will include representatives from Chevron, Deutsche Bank and APG, moderated by Bob Eccles from Harvard. Another panel brings together IASB, IIRC, GRI and SASB to discuss what they expect of the journey “*Towards a common disclosure framework*.”

**ENDS**

## EDITORS' NOTES

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### About ICGN

As an investor-led organisation of governance professionals, ICGN's mission is to inspire and promote effective standards of corporate governance to advance efficient markets and economies world-wide. ICGN achieves this through three core activities:

- **Influencing** policy by providing a reliable source of practical knowledge and experiences on corporate governance issues, thereby contributing to a sound regulatory framework and a mutual understanding of interests between market participants;
- **Connecting** peers and facilitating cross-border communication among a broad constituency of market participants at international conferences and events, virtual networking and through other media; and
- **Informing** dialogue around sound corporate governance practices and principles through the publication of materials, exchange of knowledge and advancement of education world-wide.

For more information on ICGN activities, please visit [www.icgn.org](http://www.icgn.org) or to sign up for a press pass to join the ICGN Annual Conference contact Sarah Curtis ([sarah.curtis@icgn.org](mailto:sarah.curtis@icgn.org))