



Commission takes further steps to enhance business transparency on social and environmental matters

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The Commission has today adopted guidelines on the disclosure of environmental and social information. These guidelines will help companies to disclose relevant non-financial information in a consistent and more comparable manner. The aim is to boost corporate transparency and performance, as well as encourage companies to embrace a more sustainable approach.

The new guidelines will support companies in fulfilling their reporting obligations under current non-financial disclosure requirements and will promote smart company reporting. Transparent companies perform better over time, enjoy lower financing costs, attract and retain talented employees and are ultimately more successful. Well-informed business and investment decisions have much better chances to succeed.

Appropriate non-financial disclosure is also an essential element to enable sustainable finance. This builds on the Commission's goal to develop an overarching and comprehensive EU strategy on sustainable finance as part of the Capital Markets Union.

Valdis **Dombrovskis**, Vice-President responsible for Euro and Social Dialogue, Financial Stability, Financial Services and Capital Market Union, said: *"Europe needs to take the lead in making economies greener and more sustainable. This is why we are today proposing flexible guidelines to boost corporate transparency across all sectors. By providing relevant information on their environmental and social credentials, companies are doing themselves a favour and helping their investors, lenders and society at large."*

The adoption of today's guidelines will supplement the already existing EU rules on non-financial reporting ([Directive 2014/95/EU](#)). Companies falling within its scope have to disclose relevant information on policies, risks and results as regards environmental matters, social and employee-related aspects, as well as respect for human rights, anti-corruption and bribery issues, and diversity on the boards of directors.

The proposed guidelines reflect current best practices and most recent developments including lessons from the [UN Sustainable Development Goals](#), the [Paris Climate Agreement](#), the industry-led [Task Force on climate-related financial disclosures set up by the Financial Stability Board](#), and the on-going work of the [High-Level Group on Sustainable Finance](#) established by the European Commission in the context of the [Capital Markets Union](#) initiative. The guidelines are voluntary and do not extend the scope of current rules in any way. Nor do they add undue administrative burden.

However, all companies preparing a non-financial statement can rely on the guidelines, if they so choose.

Background

The EU Directive on disclosure of non-financial and diversity information by certain large undertakings and groups (2014/95/EU) entered into force on 6 December 2014. The companies concerned disclose the relevant will have to apply the Directive as of 2018, on information relating to the 2017 financial year. The deadline for transposition into national legislation by Member States was 6 December 2016.

Greater transparency is expected to make companies more resilient and perform better, both in financial and non-financial terms. Over time this will lead to more robust growth and employment and increased trust among stakeholders, including investors and consumers. Transparent business is also consistent with longer-term investment as reflected in the [impact assessment of the Directive 2014/95/EU](#).

The disclosure requirements for non-financial information apply to certain large companies with more than 500 employees. This approach keeps the administrative burden to a minimum. The Directive also gives companies significant flexibility to disclose relevant information in the way that they consider

most useful, including in a separate report. Costs for companies associated with the Directive are commensurate with the value and usefulness of the information, and with the size and complexity of their business.

More information:

- [Text of the Communication on the guidelines on non-financial reporting](#)
- [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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