



Federation of European Accountants
Fédération des Experts comptables Européens

INFO

Standing for trust and integrity

For immediate use

The European Commission legislative proposal on transparency of social and environmental information is a step in the right direction says FEE

Integrated Reporting is the most promising development to improve the quality of businesses' and investors' decision-making and help make our economy more sustainable and stable

Brussels, 16 April 2013 – FEE (Fédération des Experts-comptables Européens – Federation of European Accountants) welcomes the publication on the same day of a

- **Proposal for a Directive on the disclosure of non-financial information by the European Commission, and of the**
- **Consultation Draft on the International Integrated Reporting <IR> Framework of The International Integrated Reporting Council (IIRC).**

Companies falling in the scope of the European Commission (EC) Proposal will need to disclose information on their policies, risks and results as regards environmental matters, social and employee-related aspects, respect for human rights, anti-corruption and bribery issues, and diversity on the boards of directors.

The <IR> Framework creates the foundations for a new reporting model which will enable a business to provide a concise communication of how it creates value over time. The objectives of Integrated Reporting are to:

- Achieve a more cohesive and efficient approach to reporting.
- Inform capital allocation decisions.
- Enhance accountability and stewardship.
- Support integrated thinking in long, medium and short term business strategy, environmental, social and governance matters and financial performance.

Investors and stakeholders are increasingly interested in and asking for environmental, social and governance reporting (ESG) and professional accountants, in business and in public practice, play an instrumental role in making such information available, meaningful, measurable, comparable and reliable.



FEE shares the European Commission's view that companies which have policies in these fields and are transparent deliver consistently higher economic performances over time, have lower financing costs and attract and retain talented employees.

Commenting on these publications, the FEE President, André Killesse said: "it is interesting that these two initiatives are published on the same day. FEE has been pioneering work on sustainability and ESG reporting and supports these developments. Increased corporate transparency is fundamental to enhancing (or regaining) trust in business. We commend the EC for its determination and commitment to improving company disclosure of social and environmental information. The EC Proposal should contribute to bringing non financial reporting in the mainstream and ultimately enhancing quality and transparency of non-financial information."

Olivier Boutellis-Taft, FEE Chief Executive, added: "The EC Proposal goes in the right direction, it is however only a first step. We concur with the view that there is a need for "better" and not "more" reporting. It is also critical to make the bridge between financial performance and the broader picture; in today's world, historical financial information alone is insufficient to inform stakeholders on a business' capacity and prospects to create sustainable value. <IR> can be instrumental in this respect and has the potential to help changing management and investors behaviour and transform our economy toward a more sustainable and stable model. As the voice of the accountancy profession in Europe, FEE is committed to bringing its expertise and experience to inform the policy debate, contribute to the development of practicable and cost effective solutions and equip all sections of the accountancy profession to make this happen."

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NOTES FOR EDITORS

About FEE

FEE (Fédération des Experts-comptables Européens – Federation of European Accountants) is an international non-profit organisation based in Brussels that represents 45 institutes of professional accountants and auditors from 33 European countries, including all of the 27 EU Member States.

FEE has a combined membership of more than 700.000 professional accountants, working in different capacities in public practice, small and big accountancy firms, businesses of all sizes, government and education, who all contribute to a more efficient, transparent and sustainable European economy.

For more information: News@fee.be

Tel: + 32 2 285 40 85

Fax: + 32 2 231 11 12