

## **Appendix 3.04.9 EU Non-financial reporting**

EU rules require large companies to publish regular reports on the social and environmental impacts of their activities.

### **Overview**

EU law requires large companies to disclose certain information on the way they operate and manage social and environmental challenges.

This helps investors, consumers, policy makers and other stakeholders to evaluate the non-financial performance of large companies and encourages these companies to develop a responsible approach to business.

[Directive 2014/95/EU](#) lays down the rules on disclosure of non-financial and diversity information by large companies. This directive amends the accounting directive 2013/34/EU. Companies are required to include non-financial statements in their annual reports from 2018 onwards.

### **Companies that must comply**

EU rules on non-financial reporting only apply to large public-interest companies with more than 500 employees. This covers approximately 6,000 large companies and groups across the EU, including

- listed companies
- banks
- insurance companies
- other companies designated by national authorities as public-interest entities

### **Information to be disclosed**

Under Directive 2014/95/EU, large companies have to publish reports on the policies they implement in relation to

- environmental protection
- social responsibility and treatment of employees
- respect for human rights
- anti-corruption and bribery
- diversity on company boards (in terms of age, gender, educational and professional background)

### **How to report**

Directive 2014/95/EU gives companies significant flexibility to disclose relevant information in the way they consider most useful. Companies may use international,

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European or national guidelines to produce their statements – for instance, they can rely on

- the [UN Global Compact](#)
- the [OECD guidelines for multinational enterprises](#)
- [ISO 26000](#)

In June 2017 the European Commission published its [guidelines to help companies disclose environmental and social information](#). These guidelines are not mandatory and companies may decide to use international, European or national guidelines according to their own characteristics or business environment.

## Documents

- [Commission guidelines on non-financial reporting](#)
- [Consultation on the non-binding guidelines on the methodology for reporting non-financial information \(closed on 15 April 2016\)](#)
- [Frequently asked questions on Directive 2014/95/EU](#)
- [Directive 2014/95/EU: Impact assessment accompanying the original proposal from the Commission](#)

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