

## Corporate Social Responsibility Reporting

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**CATEGORY:**  
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There is a growing trend globally towards greater transparency in corporate reporting of non-financial risks and policies. The disclosure of environmental, human rights and social risks is becoming a mandatory legal requirement across the world. We focus here on recent developments in the EU.

### **European Union**

On April 15, 2014, the European Parliament adopted Amendments to Directive 2013/34/EU ("Directive"), requiring disclosure by public companies and groups of nonfinancial and diversity information.

The Directive applies to any company, regardless of their domicile, which files in the EU and has 500 employees in Europe. Companies covered by the Directive are required to disclose information on policies, outcomes and risks relating to environmental matters, social and employee-related aspects, human rights, and anti-corruption issues.

Company disclosure standards will expand to include the supply chain and third parties.

### **Impact of the Reporting Directive Amendments**

The EU Directive is expected to affect roughly 6,000 public companies who file in Europe. According to the EU, only 10 percent of those companies currently report information required to be disclosed in the EU Directive, so the EU Directive will dramatically increase the number of EU companies reporting environmental and social information.

The EU Directive must now be adopted by the EU Member States in the Council and then be implemented into national laws by Member States within two years after the Directive enters into force.

The Directive does not displace individual member country CSR reporting requirements, leaving open for multinationals operating throughout the region complicated questions regarding whether to file one or multiple reports within Europe.

### **Summary**

The developments in the EU, show a growing trend of governmental requirements governing the mandatory reporting and disclosure of CSR information. These emerging mandates will directly impact many companies doing business in those jurisdictions and indirectly affect thousands more who supply companies operating in them. As early movers in the mandatory reporting world, their regimes will undoubtedly influence and shape the requirements to come in yet more countries around the globe.

We recommend that this is an opportunity to widen the scope of CSR beyond the rather traditional focus on environment and ensure that Safety and Occupational health is embedded into the CSR agenda. Many organisations are being bold and recognising that Safety is very closely linked to sustainability. Plus 'sustainability' seems a word more likely to draw enthusiastic levels of support than the words 'health and safety'.