



# Targeted consultation on the update of the non-binding guidelines on non-financial reporting

Fields marked with \* are mandatory.

## Introduction

### Disclaimer:

Nothing in this document commits the European Commission or prejudices any decision by the Commission regarding the update of the the non-binding guidelines on non-financial reporting.

The [non-financial reporting Directive \(2014/95/EU\)](#) requires large public interest entities with over 500 employees (listed companies, banks, and insurance companies) to disclose certain non-financial information. As required by the directive, the Commission has published [non-binding guidelines](#) to help companies disclose relevant non-financial information in a more consistent and more comparable manner.

In March 2018 the Commission published the [action plan on financing for sustainable growth](#), with the aim of reorienting capital towards sustainable investment, managing financial risks that arise from climate change and other environmental and social problems, and fostering transparency and long-termism in financial and economic activity.

As part of that action plan the Commission committed to updating the non-binding guidelines on non-financial reporting, specifically with regard to the reporting of climate-related information. In practice, it is expected that the update will consist of a new supplement to the existing guidelines. The Commission expects to publish the new supplement on the reporting of climate-related information in June 2019.

In June 2018, the European Commission set up a [technical expert group on sustainable finance \(TEG\)](#) to assist in four key areas of the action plan through the development of

1. a unified classification system for sustainable economic activities (taxonomy),
2. an EU green bond standard,
3. benchmarks for low-carbon investment strategies,
4. new guidelines on the reporting of climate-related information.

In January 2019 the TEG published its [report on climate-related disclosures](#). The TEG invited feedback on its report by 1 February 2019, and approximately 70 organisations and individuals submitted comments. The TEG has published a [summary of these comments](#).

The Commission has taken into account the TEG report and the feedback received from stakeholders on that report and is now consulting stakeholders on the update of the non-binding guidelines before their planned adoption in June 2019. Stakeholders are invited to provide written comments by 20 March.

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The [consultation document](#) takes account of the TEG report and of stakeholder feedback on that report. This document has been drafted by the services of the European Commission to facilitate a targeted consultation with interested stakeholders on the possible content of the new supplement to the non-binding guidelines. Comments on this document should be submitted by the end of Wednesday 20 March 2019, through this online facility created for this purpose. Comments submitted after that date, and comments not submitted through the online facility, will not necessarily be taken into consideration.

Nothing in this document commits the European Commission or prejudices any decision by the Commission regarding the update of the the non-binding guidelines on non-financial reporting.

More information:

- [consultation document on the update of the non-binding guidelines on non-financial reporting](#)
- [on this consultation](#)
- [on the protection of personal data regime for this consultation](#)

## 1. Information about you

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\* Are you replying as:

- a private individual
- an organisation or a company

a public authority or an international organisation

\* Name of your organisation:

Eumedion

Contact email address:

The information you provide here is for administrative purposes only and will not be published

rients.abma@eumedion.nl

\* Is your organisation included in the Transparency Register?

(If your organisation is not registered, [we invite you to register here](#), although it is not compulsory to be registered to reply to this consultation. [Why a transparency register?](#))

- Yes  
 No

\* If so, please indicate your Register ID number:

65641341034-11

\* Type of organisation:

- |   |   |
|---|---|
| <input type="radio"/> Academic institution                        | <input type="radio"/> Media                         |
| <input type="radio"/> Company, SME, micro-enterprise, sole trader | <input type="radio"/> Non-governmental organisation |
| <input type="radio"/> Consultancy, law firm                       | <input type="radio"/> Think tank                    |
| <input type="radio"/> Consumer organisation                       | <input type="radio"/> Trade union                   |
| <input checked="" type="radio"/> Industry association             | <input type="radio"/> Other                         |

\* Where are you based and/or where do you carry out your activity?

The Netherlands

\* Field of activity or sector (*if applicable*):

*at least 1 choice(s)*

- Accounting  
 Auditing  
 Banking  
 Credit rating agencies  
 Insurance  
 Pension provision  
 Investment management (e.g. hedge funds, private equity funds, venture capital funds, money market funds, securities)  
 Market infrastructure operation (e.g. CCPs, CSDs, Stock exchanges)  
 Social entrepreneurship  
 Other  
 Not applicable



## Important notice on the publication of responses

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\* Contributions received are intended for publication on the Commission's website. Do you agree to your contribution being published?

([see specific privacy statement](#) )

- Yes, I agree to my response being published under the name I indicate (*name of your organisation /company/public authority or your name if your reply as an individual*)
- No, I do not want my response to be published

## 2. Your opinion

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### 1. Do you have any comments on [Chapter 2 “How to use these guidelines”](#) of the report?

*3000 character(s) maximum*

Companies, as well as institutional investors, are increasingly confronted with reporting standards and guidelines on financial and non-financial information. Although Eumedion is in favour of a high level of transparency by both companies and institutional investors, we are also aware of the increasing administrative burden and costs that come with these reporting requirements. It is important that legislators and standard-setters avoid duplication of reporting frameworks that are already in place. Harmonisation of reporting standards not only reduces the administrative burden and costs for the reporting entity; it also increases the willingness by companies to disclose information since the required information is often already available. In addition, harmonisation of reporting standards increases the usability of information for institutional investors and other stakeholders.

As a result, Eumedion is not in favour of drafting a separate reporting framework on climate related risks and opportunities within the Non-Binding Guidelines on Non-Financial Reporting. The recommendations of the Task Force on Climate-related Financial Disclosure (TCFD) are currently the most advanced reporting standard for financially material climate-related information. As mentioned in the consultation document, TCFD is widely recognised as authoritative guidance, by policy makers, companies and financial institutions. Therefore, Eumedion is of the opinion that TCFD should be an integral part of the Non-Binding Guidelines on Non-Financial Reporting, instead of the current proposal to develop a new framework that also partially includes disclosure requirements from other reporting standards, such as GRI and SASB. This unnecessarily complicates the reporting procedures by reporting entities and may hamper the comparability of the information and the usefulness of the disclosed information by end users such as institutional investors and other stakeholders.

Furthermore, Eumedion would like to underscore the importance of strict distinctions between the various climate-related disclosures by companies. An example is the clear difference between climate-related risks and climate-related opportunities for companies. Another relevant distinction is whether a company's operation has a certain impact on climate change, or whether the changing climate has a certain impact on a company's operation. From a risk management perspective, clarity on that distinction is very relevant for end users of the information when making a climate risk assessment.

**2. Do you have any comments on [Chapter 3.1 “Business Model”](#) of the report?**

*3000 character(s) maximum*

We refer to our answer to question 1.

**3. Do you have any comments on [Chapter 3.2 “Policies and Due Diligence Processes”](#) of the report?**

*3000 character(s) maximum*

We refer to our answer to question 1.

**4. Do you have any comments on [Chapter 3.3 “Outcomes”](#) of the report?**

*3000 character(s) maximum*

We refer to our answer to question 1.

**5. Do you have any comments on [Chapter 3.4 “Principal Risks and Their Management”](#) of the report?**

*3000 character(s) maximum*

We refer to our answer to question 1.

**6. Do you have any comments on [Chapter 3.5 “KPIs”](#) of the report?**

*3000 character(s) maximum*

We refer to our answer to question 1.

**7. Do you have any comments on [Annex I “Proposed disclosures for Banks and Insurance companies](#) to the report?**

*3000 character(s) maximum*

We refer to our answer to question 1.

**8. Do you have any comments on [Annex II “Mapping of NFRD requirements and TCFD recommended disclosures”](#) to the report?**

*3000 character(s) maximum*

We refer to our answer to question 1.

## 9. Do you have any additional comments on the report as a whole?

*3000 character(s) maximum*

As earlier stated in the call for feedback on the report on climate-related disclosures by the Technical Expert Group on Sustainable Finance, we have a clear preference that the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD) be adopted at 'EU level 1'. Although we support the underlying objectives of the report to do that, we believe that the proposed approach to adopt the TCFD-recommendations via an update of the Non-Binding Guidelines (NBGs) is not sufficiently effective. Given the fact that the current NBGs are voluntary, no binding reporting requirements can be imposed via them. Therefore, we urge the European Commission to revise the EU Accounting Directive (2013/34/EU; in which the Non-Financial Reporting Directive is incorporated) in due time in order to incorporate the TCFD recommendations in the directive itself. Only with 'hard legislation' the European Commission can ensure that all companies "should disclose" certain climate-related information.

In addition, Eumedion would like to notice that certain disclosure requirement from the TCFD-recommendations are in fact financial disclosures. Therefore, the title of the Non-Binding Guidelines on Non-Financial Reporting-supplement to the Non-Financial Reporting Directive does not longer cover the scope of the required disclosures since it includes financial disclosures as well.

### Useful links

[More on the Transparency register \(http://ec.europa.eu/transparencyregister/public/homePage.do?locale=en\)](http://ec.europa.eu/transparencyregister/public/homePage.do?locale=en)

[More on this consultation \(https://ec.europa.eu/info/consultations/finance-2019-non-financial-reporting-guidelines\\_en\)](https://ec.europa.eu/info/consultations/finance-2019-non-financial-reporting-guidelines_en)

[Specific privacy statement \(https://ec.europa.eu/info/files/2019-non-financial-reporting-guidelines-specific-privacy-statement\\_en\)](https://ec.europa.eu/info/files/2019-non-financial-reporting-guidelines-specific-privacy-statement_en)

[Consultation document \(https://ec.europa.eu/info/files/2019-non-financial-reporting-guidelines-consultation-document\\_en\)](https://ec.europa.eu/info/files/2019-non-financial-reporting-guidelines-consultation-document_en)

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### Contact

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