



ICGN

International Corporate Governance Network

European Parliament
JURI – Legal Affairs Committee

13th December 2013

By email: juri-secretariat@europarl.europa.eu.
And members of the Legal Affairs Committee

Dear Sir/Madam

RE: Upcoming Council and trilogue discussions regarding the European Commission's proposal on the disclosure of non-financial and diversity information by certain large companies and groups

We are writing on behalf of the International Corporate Governance Network (ICGN), a global membership organization of over 600 institutional and private investors, corporations and advisors from 50 countries. Our investor members are responsible for global assets of US\$18 trillion. As an investor-led organisation of governance professionals, ICGN's mission is to inspire and promote effective standards of corporate governance to advance efficient markets and economies world-wide. We achieve this through three core activities: influencing corporate governance policy; informing dialogue through guidance and education; and connecting peers at international conferences. ICGN members are based in over 50 jurisdictions and include investors responsible for assets under management in excess of US\$18 trillion. For more information on the ICGN, please visit www.icgn.org.

The ICGN was party to the Expert Advisory Group on ESG disclosure and the consultation since 2009, and we herewith would like to express our support for the Commission's proposal on the disclosure of non-financial and diversity information by large companies.

The availability of more timely, material, comparable and forward-looking information on non-financial risks and opportunities from a larger number of companies will enable investors to make better-informed investment decisions and facilitate constructive and long-term dialogues between companies and their investors. In our view this will more generally contribute to the integrity of financial markets, and strengthen the relationship between companies and all their stakeholders.

Elements of the proposed legislation that are particularly important for investors include its:

- Mandatory and robust comply or explain approach.
- Requirement for disclosure to be in companies' management reports.
- Reference to a range of international normative and reporting frameworks.

We believe that certain amendments being considered by Parliament and the Council (most notably a safe harbour clause and the possible exclusion of non-listed companies from its scope because investors equally need to understand the risks and performance of these investments) would weaken the Commission's proposal.

At this time, we ask that all Member States take into account the expectations of institutional investors and quickly clarify and publicly communicate their positions on the Commission's proposal. We urge members of Parliament and the Council to progress the proposal without delay and adopt it without weakening its provisions before the end of the 7th European Parliament in May 2014.

We are grateful for the opportunity to comment on the Council's consultation and should you wish to discuss any of the points that we have raised, please feel free to contact Kerrie Waring, ICGN's Managing Director, by email at kerrie.waring@icgn.org or by telephone on +44 (0) 207 612 7098.

Yours faithfully,



Michelle Edkins
Chairman, ICGN Board



Claudia Kruse
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