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**"I/A" ITEM NOTE**

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From: General Secretariat of the Council  
To: Permanent Representatives Committee/Council

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Subject: Proposal for a Directive of the European Parliament and of the Council amending Council Directives 78/660/EEC and 83/349/EEC as regards disclosure of non-financial and diversity information by certain large companies and groups **(first reading)**  
- Adoption of the legislative act **(LA + S)**  
= Statements

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**Statement by the European Commission**

The Commission notes that the co-legislators have included in the final compromise text a provision according to which the Commission would be required to produce guidelines after consultation of stakeholders, within 24 months of the entry into force of the Directive.

While recognising the usefulness of such guidance, the Commission is of the view that the adoption of non-binding guidelines by the Commission should not be subject to procedural obligations laid down in the legislative act since the Commission has its own autonomous right under the Treaty to issue such guidance. Thus, the Commission considers that the obligation to consult stakeholders laid down in Article 2 cannot affect this right.

For these reasons, the Commission notes that this wording is without prejudice to the position the Commission may take on similar matters in the future.

## Joint statement by Belgium, Denmark, France and Slovenia

The delegations of Belgium, Denmark, France and Slovenia welcome the compromise found by the Council and the European Parliament in the trilogue on the Non-Financial Reporting Directive, and we thank the Lithuanian and Greek Presidencies for their efforts in achieving this. The compromise paves the way to the final adoption of the text which will represent an important first step towards more transparency from European companies on non-financial information in the transition to a sustainable global economy.

Contrary to the initial proposal of the Commission, the text does not include in its scope large unlisted companies although their activities may have a substantial impact in the social and environmental field or in the field of human rights. A scope encompassing large listed and unlisted companies is also essential to ensure a level playing field between companies and to avoid creating wrong incentives with regards to the access to financial markets while helping promote best practices.

Furthermore, the text does not provide for a requirement imposing a country-by-country reporting for large European companies and groups, despite the clear political mandate given by the European Council in its conclusions of 22 May 2013.

We regret that it was not possible to achieve this under the current negotiations, but welcome the possibility of addressing these issues when the directive will be reviewed. We consider that the compromise should be regarded as a first step to a fully achieved text which would strengthen transparency and ensure an efficient reporting for all large European companies, which is essential for ensuring the trust of EU citizens in European corporates as well as contributing to sustainable growth and a competitive EU. Belgium, Denmark, France and Slovenia will continue to support this objective in the future.

## Statement by the Netherlands

The Netherlands votes in favour of the adoption of the Directive because it creates a desirable level playing field regarding the disclosure of non-financial information by large undertakings which are public-interest entities.

The Netherlands however is of the opinion that the part of the Directive that requires large listed undertakings to disclose their diversity policy for their administrative, management and supervisory bodies or explain why no such policy is applied, is not in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. The Netherlands is of the opinion that it should be left to the Member States to decide whether, and if so how, they want to take measures to make the board of undertakings more diverse.

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