

# AMNESTY INTERNATIONAL

## PUBLIC STATEMENT

17 December 2013

### **European Parliament committed to strengthen business' transparency and accountability (Disclosure of Non-Financial Information)**

Amnesty International welcomes today's vote by the European Parliament's (EP) Legal Affairs Committee (JURI) to enter legislative negotiations with the Council and Commission with a firm commitment to a mandatory framework requiring large European companies to disclose information on their environmental and human rights impact in their annual reporting.

Whilst not addressing all of the loopholes which could exempt certain companies from mandatory non-financial reporting, JURI's report goes beyond the original Commission proposal; it seeks to include reporting on the impact on society of business operations and relations (including at the level of the supply chain). This will strengthen companies' transparency and accountability, benefiting communities and workers, as well as consumers and investors. According to the European Commission, approximately 18.000 European companies would fall in the remit of the reporting requirements.

The legislative proposal will now be negotiated between the Commission, Council and EP. The EP is likely to face strong resistance from Council, as some member states are seeking to water down the Commission's proposal by introducing greater flexibility and exemption clauses, and limiting the number of companies obliged to report on their human rights and environmental impact.

Amnesty International urges the EP to stand firm in the face of any Council pressure in forthcoming negotiations, and ensure that all large companies report meaningfully. Non-financial reporting must move beyond simply reporting on philanthropic activities and focus on relevant risks and actual impacts.

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