European Commission public consultation on disclosure of non-financial information by companies

Submission of Friends of the Earth Europe

1. How would you consider the current regime of disclosure of non-financial information applicable in your country? (compulsory)

Very poor
X: Poor
Sufficient
Good
Very Good

Please explain:

In replying to this question, please provide information on what way current reporting provides useful information, and to what extent it is sufficiently tailored to the circumstances of the company. Please also comment on whether you find non-financial information useful for the decision-making of a company. (maximum 10000)

Friends of the Earth Europe (FoEE) represents 30 environmental non-governmental organisations from 29 European countries. We are part of Friends of the Earth International, the world’s largest grassroots environmental network uniting 73 national member organisations, with more than 2 million members.

FoEE is an active member of the European Coalition for Corporate Justice (ECCJ). Our contribution to this consultation is in line with the proposals that ECCJ has provided in its consultation. However, FoEE also works on issues related to regulation of the financial markets and Commission initiatives to reduce consumption and resource use. Therefore, we have included elements relevant for that work in our submission.

In most of the countries where FoEE member groups are active, there’s no specific legislative framework for non-financial reporting. As result, non-financial reporting seems to be used by most companies simply as a public relations tool rather than as a tool which can help management, investors and stakeholders identify and understand the social and environmental issues which are at the heart of their business. Many companies that carry out activities with serious social and environmental impacts don’t disclose any non-financial information at all, even though this information would be of value for banks, investors, rating agencies and other company stakeholders such as affected communities, consumers, NGOs.

Despite various attempts to establish common reporting standards, the voluntary reports currently produced by companies contain data on environmental and social issues that is at best difficult, at worst virtually impossible to compare and without use for banks, rating agencies and external stakeholders for assessing reputational or regarding operational risks. Information is provided selectively, with companies often choosing not to report the worst environmental, social or even human rights impacts associated with their activities, and focusing instead on less controversial topics. Although companies reporting on non-financial issues apparently invest a lot of energy and resources in producing their reports, these are often of little value to either their stakeholders or the general public and are often unnecessarily complex and difficult to understand.
In countries that have introduced regulations on non-financial reporting, such as France or Norway, experience shows that the effectiveness can be undermined due to a general lack of clear duties, enforcement mechanisms, and detailed rules on the content of the reports. For more detailed information on this issue please see answer to question 2.

In the current situation, members of the public and communities adversely affected by a company’s activities don’t have access to the information they need to assess the company’s accountability. Shareholders, investors and banks and other financial service providers do not have a clear picture of a company’s performance or of its long term sustainability and related financial risks.

This lack of information also prevents some EU policies promoting sustainable development from achieving their full impact, such as the policy on sustainable public procurement or the European Investment Bank policy on corporate social responsibility (CSR) intended to ensure that EIB-funded projects meet environmental and social standards/criteria.

Non-financial information is important for companies' decision-making and, beyond that, essential to financial service providers reputational and operational risk assessments. Without the right information about external risks to the environment and society at large as well as the internal risks to the company itself arising from any social and environmental abuses resulting from its operations (including its investments) management, shareholders, investors and lenders can easily underestimate the potential impacts. This can have serious consequences for a company’s relations with its stakeholders and the general public, its financial position and even the general shaping of company’s future development as well as on company's liability.

Strong and harmonised regulation on corporate disclosure of non-financial information would also substantially support EU efforts to improve financial stability. All basic fields of financial regulation (ensuring the safety and soundness of financial institutions; ensuring that financial institutions conduct business with their customers in a fair, transparent and honest way; ensuring financial stability and access to finance for businesses and other organizations) would be strengthened if investors, banks and other financial service providers could access comparable and substantial social and environmental risk and performance information of the companies they finance or invest in. While such sustainability risks will not necessarily have impact on banks in the short term, there are sufficient arguments that in the middle and long term they will create risks for individual financial institutions, for the financial system as a whole and for society at large. Some sustainability risks can increase costs and threaten the viability of companies financed by banks, and increase their probability of default. FoEE and BankTrack have suggested to the EC, DG Internal Market, to include requirements for social and environmental risk assessment into capital requirements, regulation of credit rating agencies and financial market supervision.

Yet the current regime disadvantages those companies that do fully analyse and disclose information about the risks they face and the steps they have taken to deal with them. These companies might incur higher short-term costs, and, more importantly, they expose themselves to a level of public scrutiny that is avoided by other companies who opt not to reveal such information. In this way companies are incentivised not to behave responsibly because the merits of responsible behaviour cannot be compared objectively with their competitors and peers. This seriously undermines the European Commission declared objective of promoting Corporate Social Responsibility (CSR) and of strengthening the financial soundness of financial institutions and improve transparency and stability of financial markets.

2. Have you evaluated the effects, and costs and benefits, of any current corporate disclosure of environmental and social information? (compulsory)

X: Yes
FoEE and its partners in the European Coalition for Corporate Justice (ECCJ) have been tracking various environmental and social problems associated with operations of particular multinational enterprises and whole business sectors. Their common experience is that lack of transparency is often a decisive factor inhibiting solving those problems and that it is an exception that involved companies voluntarily disclose crucial information. The following examples demonstrate effects of lack of transparency and value of reporting against the background of specific cases.

- Companies violating labour rights or human rights could be confronted with conflicts with workers, civil society organisations and the local population, with reputational damage, consumer boycotts, and even public prosecution and court cases. A pulp & paper company relying on illegally logged pulpwood could face a strong increase in raw material prices. Monoculture operations which disregard biodiversity could be plagued by plant diseases and other environmental problems. Oil companies that ignore environmental requirements could risk a highly expensive and embarrassing oil spill (remember the BP oil spill in the Gulf of Mexico in April 2010). All such developments are likely to increase a companies’ probability of default and thus, they eventually risk damaging the reputation and financial soundness of the bank, investor or other financial institution financing, lending to, or insuring the company or its project. Disclosing substantial and comparable corporate social and environmental information would therefore improve financial risk assessment and thus, increase stability and prudent business of investors, banks, credit rating agencies and other financial service providers. A recent scientific study by the Austrian Gesellschaft für Organisation und Entscheidung (GOE) confirmed this relationship (however, more research is needed): “results show that sustainability criteria can be used to predict the financial performance of a debtor and improve the predictive validity of the credit rating process. We conclude that the sustainability a firm demonstrates influences its creditworthiness as part of its financial performance (Weber, O. a.o., “Incorporating sustainability criteria into credit risk management”, Business Strategy and the Environment Volume 19 Issue 1, November 2008, p. 39-50).

- The Niger Delta is one of the richest sources of crude oil currently being exploited. A major problem for local communities are frequent oil spills. Oil companies claim that these are mostly caused by sabotage while local communities often argue that the spills occur due to operational errors and equipment failure. Investigations in the causes of oil spills are usually led by the oil companies and the affected communities are usually not informed about their course and results. This has major implications as communities are not entitled to compensation if the spill is caused by sabotage. It’s very difficult for them to enforce their rights if they cannot use neither contest the outcomes of investigations.

- A growing number of investors, encouraged by civil society, prioritize investments in environmentally friendly companies that reduce their impacts on climate change. In the palm oil sector, production of palm oil can have strong negative environmental and climate impacts if it goes along with deforestation and does not respect the rights of local communities. It is therefore necessary that palm oil companies do report on the impacts of their new plantations, as without that information, investors can not make a reliable decision for their investment.
During the last three years the European Coalition for Corporate Justice (‘ECCJ’) has undertaken a research with aim to identify feasible and effective legal and policy measures promoting corporate accountability and corporate social responsibility, which has been reviewed and developed by an array of high profile lawyers, academics and human rights advocates. In the framework of this research, ECCJ experts have reviewed available reports examining experience with regulation of corporate disclosure of environmental and social information at the national level. Useful data have been found regarding Australian, Danish, French and Norwegian regimes (other countries that have opted for some kind of mandatory social and/or environmental reporting include Belgium, The Netherlands, Sweden, and most recently United Kingdom).

These schemes differ in scope and detail, but available research indicates that this regulation was, in general, perceived as a positive step by businesses to improve effective environmental and human rights performance.

The Danish Environmental Protection Agency has conducted a survey of efficiency and impact of so called Green Accounts requirements on 550 Danish companies (available at: http://www.byelverton.net/sustainable_business/GreenAccounts.pdf ). According to the survey, 41% of companies believed they had achieved environmental improvements through green accounting. Among these 70% emphasised energy, 50% highlighted water and waste, 40% consumption of resources, 30% wastewater and additives, 20% reduced emissions into the air and 10% emissions into the soil. Further, ‘About half the companies preparing green accounts report gaining economic benefits from their work with the accounts. Most companies taking part in the evaluation could not give actual figures for their savings and revenues. But approximately 25% having experienced economic benefits and quantified them, had on average saved 75,000 DKK (approx. Euro 10,000), and a quarter of these saved more than 250,000 DKK (approx. Euro 35,000).”

A French study Critical Review [Critical Review of How Companies Are Applying French Legislation on Social and Environmental Reporting, Observatoire sur la Responsabilité Sociétale des Entreprises (ORSE), Oreé, Enterprises pour l'Environnement (EpE), 2003, available at: http://www.orse.org/gb/home/download/uk0406critical%20review.pdf ] has also reported rather positive or at least indifferent reaction from business, although it does not provide exact statistics.

According to Bubna-Litic, who compared results of the Australian government evaluation of ESR before and after mandating it [Bubna-Litic, Karen: Mandatory corporate environmental reporting: does it really work?, 2004, available at: http://www.allbusiness.com/government/environmental-regulations/298230-1.html ]: “There appears to be a trend towards companies developing environmental risk-management strategies. The increased reporting by the banks was an encouraging result. ... One of the most encouraging findings of this second report is the reporting by companies of the focus on environmental matters at board level, specifically through audit and compliance committees of the board.”

However, the efficiency of all of these schemes has been undermined due to a general lack of clear duties, enforcement mechanisms, and detailed rules on the content of the reports. According to the report by the Centre for Development and the Environment at the University of Oslo (Vormedal, Irja and Ruud, A 2008. "Sustainability Reporting in Norway – an Assessment of Performance in the Context of Legal Demands and Socio-Political Drivers". Business Strategy and the Environment, Wiley InterScience ), while almost all the 100 largest Norwegian companies mentioned the three areas required under the Norwegian Act (the external environment, health and safety of employees and gender equality) in their annual reports, the vast majority of the companies failed to meet the requirements under the law for disclosure. The reason was that The Norwegian Act did not specify principles neither indicators the companies should report against.
The French regulation, as highlighted by the authors of *Critical Review*, provides for relatively detailed rules on the content of the reports, at least in respect of social and employment questions, but was criticized for the lack of clarity in respect of the scope of the duty to report on a company’s subsidiaries and foreign operations and for the lack of rules on the presentation of the data and for missing enforcement mechanisms. As result, the companies’ reports were inconsistent and the aforementioned areas were often ignored.

In Australia (where, the companies’ obligation to report on environmental performance is limited to companies’ performance in relation to environmental regulation they are subject to), according to Bubna-Litic: “[i]t can be concluded that many companies, mindful of misinterpreting their obligations, are including only the most minimal of comment, which may be well short of details that could be considered useful to stakeholders. The 1999 report concluded that references to regulations and licences are too general to be useful and that what is necessary is the effect that such regulations and licences have on a company’s activities. Stakeholders also need to be satisfied of a company’s risk management, its positive environmental initiatives and, if there were breaches, how they have been assessed, by whom and how they have been rectified. .... The 2002 study has found that more companies are tending to emphasise the positive and are focusing less on the negative, which is a change in direction from the 1999 report.”

3. If you think that the current regime of disclosure of non-financial information should be improved, how do you suggest that this should be done? (10 000 characters)

The EU should introduce legal requirements for multi-national enterprises (MNEs) to report on the impacts and risk of their operations both in the EU and internationally, with the introduction of mandatory, clear, auditable, comparable and enforceable standards for large and medium-sized companies. The standards should be based on international conventions listed in Annex III of the EU Generalized System of Preferences.

The corporate disclosure of non-financial information should:

- be mandatory (regardless of the materiality of such information to the financial position of the reporting company)
- be based on clear indicators (like overall use of resources such as water or carbon use)
- form a part of the annual financial report sent to the regulatory authorities
- be requested from medium and large-sized companies (but not from small companies)
- extend to all organisations that the reporting company can control (in particular companies should describe their supply chain and identify their suppliers to ensure traceability of their products)
- include a description of violations and risk of violations of international standards for human rights and environmental protection as a result of company’s operations or the operations of its subsidiaries, suppliers or subcontractors. This description should provide objective data on facts and figures constituting relevant risks and violations.
- be relevant for credit rating as well as reputational and operational risk assessment of banks and other financial service providers.
- be subject to independent review; and in the event that the company fails to accurately report the information required, it should be liable to effective, proportionate and dissuasive sanctions
- be enforceable by members of the public; in particular those who depend on access to this information to be able to exercise their rights should be able to challenge any failure to provide that information in the courts. The courts should also have power to require the disclosure of information and to impose sanctions on any company that has failed to report.
4. In your opinion, should companies be required to disclose the following (check all relevant boxes): (optional)

Yes: Whether or not they have a CSR policy, and if they do, how they implement that policy and what the results have been

Yes: The principal business risks and opportunities arising from social and environmental issues, and how they are taken into account in company strategy.

Yes: Key information regarding issues such as employee engagement (e.g.: employee training policy, equality and diversity, etc.); customer satisfaction (e.g.: customer loyalty); public perception of the company (e.g.: stakeholder dialogue); environmental policies (e.g.: energy efficiency, waste reduction); and innovation (e.g.: R&D expenditure).

Yes (see above): Other

Please explain:

The EU reporting framework should recognise as a fundamental basis that human rights and environmental considerations are relevant to a company's commercial activities. It follows that companies should be required to report on any risk of violations of international human rights and environmental standards that may occur or that have occurred as a result of their operations or as a result of the operations of their subsidiaries or suppliers, and that companies should also report on any steps taken to mitigate against such risks and violations and to fulfil company's responsibility to respect human rights and environmental standards.

In addition, the EU may require companies is to provide an overall picture of a company's performance on CSR beyond the legal requirements, as suggested by this question, enabling stakeholders and members of the public to assess the company.

5. In your opinion, for a EU measure on reporting of non-financial information to achieve materiality and comparability it should be based upon (check all relevant boxes):

Yes: Principles

Yes: Key Performance Indicators

Yes: Other

5a) In case you consider that Key Performance Indicators (KPIs) would be useful, would you think that they should be (check all relevant boxes):

Yes: General for all economic sectors

Yes: Sector specific

5b) Please indicate which indicators you would consider to be the most relevant for all economic sectors:

The most relevant indicators for all economic sectors should reflect company performance in areas regulated by existing international legal frameworks, in particular in the areas of human rights, and corruption.

Other, please specify:

Companies should have to identify where there is a risk that international standards for human rights, environmental protection and corruption could be violated in their operations and where there was an actual violation. This may or may not be framed as a KPI, but must be understood as
requiring a full analysis of the impacts of the company’s operations and be relevant for external risk assessment and credit rating.

As indicated above, this new EU measure should include non-financial reporting based on mandatory requirements, but these should be complemented by non-legal key performance indicators for different sectors so that companies can effectively report on non-financial issues. The mandatory requirements should be based on the conventions contained in Annex III of the EU Generalized System of Preferences. The key performance indicators should be developed through consultation with stakeholders, drawing on existing instruments such as the Global Reporting Initiative (GRI).

6. In your opinion, what should be the process to identify relevant principles and/or indicators (whether general or sector-specific)?

Please explain:

In replying to this question, please comment on whether the Commission should endorse or make reference to any existing international frameworks (or a part of them), such as Global Reporting Initiative (GRI), UN Global Compact, the OECD Guidelines, ISO 26000, or other frameworks; or whether companies should be required to select relevant indicators together with their investors and other stakeholders and to disclose information according to such indicators, depending on the use that different stakeholders would make of such information.

To answer this it is necessary to distinguish between reporting on legally and internationally recognized human rights and environmental standards on the one hand and CSR issues on the other.

As stated above, the main reporting obligations under the new measure should consist of principles and indicators developed in accordance with the international conventions on human rights, environmental protection and anti-corruption issues contained in Annex III of the EU Generalized System of Preferences. They should also draw on the work of the UN Special Representative on Business and Human Rights - and should reflect gaps in governance which he has identified. In short, companies should be required to report on risks of human rights violations, breaches of international environmental standards and risks of bribery that might occur as a result of their operations or as a result of operations under their control, such as the operations of subsidiaries, suppliers or joint venture partners, and companies should report on steps taken to avoid such risks. In this, the OECD Guidelines might provide a useful reference.

In order to develop key performance indicators to further clarify the mandatory reporting requirements, the European Commission should also refer to the voluntary standards mentioned above, such as the GRI, ISO 26000 or UN Global Compact. A sector specific approach may also be advisable for CSR, taking special account of the requirements of credit rating agencies, investors and banks for sound risk assessment. The Commission should also map out all EU policies which depend on or which might in some way be affected by greater corporate transparency. These might include issues such as tackling climate change, promoting sustainable public procurement, the previously-mentioned EIB policies, and consumer protection policies. The Commission should identify the most relevant indicators and these should be made compulsory. While companies might report on additional issues, reporting on these core indicators should not be discretionary to ensure that the reporting process is meaningful.

The European Commission should also take account of the perspective and opinions of the victims
of corporate abuses, in particular those from developing countries who are so often left out. The Commission should also look at the available statistics and case studies, including examples of good practice, in order to determine what is needed and feasible.

7. In your opinion, should companies be required to disclose the steps they take to fulfill the corporate responsibility to respect human rights? (X: Yes  No  No opinion)

Please explain:
Respecting the law is the most basic requirement for doing business. Yet, the multinational enterprises active in the EU have increasingly been associated with on-going gross environmental and human rights violations both within the EU and internationally, as documented by civil society groups, academia and the EU itself. Requiring companies to disclose how they deal with their duty to respect human rights could be an effective way of ensuring respect for human rights in business operations.

As the UN Special Representative on business and human rights, John Ruggie has said: "The root cause of the business and human rights predicament today lies in the governance gaps created by globalization - between the scope and impact of economic forces and actors, and the capacity of societies to manage their adverse consequences. These governance gaps provide the permissive environment for wrongful acts by companies of all kinds without adequate sanctioning or reparation." (Protect, Respect, Remedy, 2008) These gaps in governance are created by the dysfunctional existing legal framework, particular as a result of the combined effect of the twin principles of “separate legal personality” and “limited liability” and the absence of corporate international and/or transnational liability with respect to human rights. Requiring parent companies to report on human rights issues in respect of all of their operations is an intelligent and less intrusive way of bridging these gaps.

Given that in some European countries, companies or directors arguably already have a duty of care to take steps to prevent the risk of human rights and environmental abuses, it would be useful to clarify what such steps might be. Requiring companies to report steps taken could help other companies facing similar risks to understand what steps they need to take.

Also, the ability of people affected by corporate abuses to exercise their human right often depends on access to information held exclusively by the company involved. A situation where human rights cannot be enforced because companies are not required to disclose such information and where EU companies (or businesses benefitting from the EU market) can profit from this cannot be maintained. Such a situation is damaging for the international reputation of the EU and also affects the competitiveness of responsible entrepreneurs, whether these are multinational companies or small and medium-sized companies operating and producing in the EU.

8. In your opinion, should companies be required to disclose the risks they face and the policies they have in the field of corruption and bribery? (X: Yes  No  No opinion)
The reasons for tackling corruption have been well analyzed in OECD and UN documents. In nutshell, as the preamble of the UN Convention against Corruption states: “corruption poses serious threats to the stability and security of societies, undermining the institutions and values of democracy, ethical values and justice and jeopardizing sustainable development and the rule of law”.

The OECD Antibribery Convention and UN Anticorruption Convention set an international legal framework for combating corruption and bribery which includes the concept of corporate liability and transnational liability. Some EU states have rigorously implemented this framework, the most recent example is the 2010 UK Bribery Act which requires the parent companies of businesses connected to the UK market to avoid corruption of foreign officials and to ensure that their subsidiaries or other agents refrain from it too. The UK experience, as well as the experience of other states including Germany, France, Switzerland and the US, appears to be successful in fighting the corruption.

Harmonizing the rules on corporate reporting on corruption issues would:

- help level the playing field (so that all companies in EU had to meet the same standards).
- make it easier to assert liability where the existing legal framework is violated.
- incentivise/encourage companies to establish ways of avoiding bribery.

9. In your opinion, what companies should be required to disclose non-financial information (check only one box)?

Large listed companies
Large companies (listed and non-listed)
Medium-sized & Large listed companies
X: Medium-sized & Large companies (listed and non-listed)
All listed companies (Small, Medium & Large)
All listed & non-listed companies (Small, Medium & Large)
None
Other

10. In your opinion, should institutional investors be subject to specific or additional disclosure requirements, for example to disclose whether and how they take into account environmental and social issues in their investment decisions?

X: Yes
No
No opinion

Please explain:

Such information would ensure better level-playing-fields for socially responsible investors, and it would
make it easier for banks, counterparties and members of the public to consider environmental and social factors when rating credit-worthiness of companies, making investment decisions, and scrutinising such decisions. Nevertheless, there is a need for direct enforcement and sanction mechanisms for institutional investors found not to be implementing their own policies.

11. In your opinion, should European policy promote the concept of "integrated reporting"?

Integrated reporting refers to a report that integrates the company's key financial and non-financial information to show the relationship between financial and non-financial performance (environmental, social, and governance).

X: Yes
No
No opinion

Please explain:

According to a study carried out at the Edinburgh University on the existing legal framework for human rights and the environment applicable to European Union companies operating outside the EU, commissioned by DG Enterprise and Industry, human rights and environmental issues are relevant to the financial performance of a company. Therefore, annual reports should include an analysis of the financial risks for a company of human rights and environmental abuses resulting from the company's operations. However, this should not limit the requirement to report on non-financial issues to only those that are perceived as relevant to a company's financial performance. This could produce undesired effects, potentially marginalizing important issues that do not directly affect the financial position of a company but that could have great negative impacts for communities or the environment, and would not result in a simple and straight-forward reporting framework.

It should also be noted that some company activities that involve even the most serious human rights abuses can be profitable, at least in the short term, because they occur in areas where there is weak governance and the company is not under any pressure to conform to human rights standards.

Several of the current legislative procedures to reform financial market regulation provide opportunities to increase the social and environmental performance of companies by utilising non-financial information of investments and investors as criteria in capital and market regulation:

- **Capital requirements** - as defined in the Basel Capital Accord II, the recommendations for the Basel Capital Accord III and to be inherited through the EU Capital Requirements Directive (CRD) - force banks to put aside a minimum percentage of their capital to cover for potential defaults of other loans or investments. These requirements should be modified to ensure that banks better and thoroughly integrate sustainability factors in all their lending, financing and investment decision making processes. Non-financial information as part of integrated reports can and should play an important role in determining the level of capital requirements.

- **Credit rating agencies** pay a large role in guiding financing and investment decisions of banks and other financial institutions. Credit rating agencies should integrate sustainability criteria in all their ratings and other services and should be obliged to proof their knowledge and capacity in these fields as precondition for their license to operate. Non-financial information as part of integrated reports can and should improve sound conduct of business of credit rating agencies.
• **Supervisors** should explicitly be assigned with the task of supervising how banks deal with sustainability risks. To meet this task, supervisors obviously should have sufficient knowledge and competences.

• Key elements in banking regulation are **approved person regulations**: the owners and higher management of a bank should meet certain integrity, knowledge and capability requirements before they are allowed to take on their position in the bank. Knowledge and capability in the field of sustainability risk should be among the requirements. Non-financial information as part of integrated reports would enable banks and other financial institutions to efficiently assess sustainability risks.

• Bank regulations and supervision should demand inclusion of sustainability criteria in **remuneration and bonus systems**. Progress towards integrating sustainability criteria in all lending, financing and investment decision making processes of the bank should be an essential condition in all remuneration and bonus systems. Prerequisite for incentive schemes and effective supervision would be disclosure requirements for non-financial information, standardised, comparable and integrated in financial reports.

12. **In your opinion, should disclosed non-financial information be audited by external auditors?**

   X: Yes
   
   No
   
   No opinion

   Please explain

   In replying to this question please provide any evidence you may have regarding costs of auditing non-financial information, as well as your views on other possible forms of independent reviews besides external auditing.

   If the information is not audited, there is a risk that relevant information could be omitted from a large part of reports, because there would be no incentive for companies to fulfil this obligation. It would be also more likely to happen that companies would provide incorrect or misleading information, if there is no external audit. This would be most likely to occur when companies are knowingly involved in human rights and environmental abuses. They are unlikely to voluntarily provide the right information.

   A reporting obligation should also ensure the following:

   1. The auditors should receive and review information from third parties prior to completion of the audit.

   2. Most importantly, members of the public, in particular those who depend on the information held by the company to exercise their rights, should have access to legal procedures to challenge any failure to provide that information, where the courts have the power to require such information to be disclosed and for sanctions to be imposed. This would provide an important and effective mechanism to ensure that companies fulfil their reporting obligation as required.

   Should a company fail to accurately report as required, it should be liable to effective, proportionate and dissuasive sanctions?
13. If you have relevant documents you want to share with us, please attach them here. (optional)

FoEE’s submission to the 2 consultation on CRDIV