

Press release

The statement on extra-financial performance: a new framework for disclosing non-financial information

A new framework for the disclosure of non-financial information by large companies will enter into force in France as of August 1st, 2017, following the transposition of Directive 2014/95/EU also known as “the corporate and social responsibility (CSR) directive”.

The statement on extra-financial performance, which is intended to replace the CSR report provided for in Art. L. 225-102-1 of the French Commercial Code, is a new coherent framework reflecting the outcome of an assessment of the national non-financial information disclosure requirements, introduced in France in 2001 by Act 2001-420 on new economic regulations and the transposition into national law of the CSR Directive.

It is seen as a meaningful tool for corporate strategic management as well as a concise, accessible and targeted disclosure of material information to the stakeholders.

The scope of the companies required to produce such a statement evolves in order to focus the new requirements on large companies whose activities bear a significant impact on environmental, social and societal issues. As a result of a major simplification measure, small and medium-sized listed companies are no longer subject to disclosing non-financial information on the basis of the statement. Moreover, subsidiaries subjected as per their size are exempted from producing such a declaration provided that the information relating to them is presented by the parent company in a consolidated way, revealing a complete and relevant picture of the extra-financial impacts of the activities of the group while limiting the reporting burden on subsidiaries.

The format of the statement on extra-financial performance is also clarified. The contents of this declaration, presented to the extent necessary for an understanding of the company's activity, include a reference to its business model, a presentation of the non-financial risks it faces, a description of the policies implemented to limit these risks and the results of such policies. Additional information may be provided when considered relevant by the company. As the summary of an in-depth analysis of the extra-financial challenges facing the company, the statement on extra-financial performance is intended to become an essential document for all the relevant stakeholders.

The ambition of transparency in the publication of extra-financial information resulting from the current legislation has also been reinforced: the extra-financial performance statement will have to be published on the subjected companies' website and maintained on-line during five years.

This renewed and coherent framework will contribute positively to CSR commitments and the engagement of investors.

It was initiated by the French Treasury and elaborated in a continued dialogue with investors, non-governmental organizations and relevant professional federations in a constant effort to promote transparency and smart regulation.