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First step towards more transparency for consumers on corporate sustainability

The European Financial Reporting Advisory Group¹ (in which BEUC participates) has announced the submission of the first draft standards for mandatory sustainability reporting by big companies in the EU to the European Commission.

This is important for consumers as it means that companies will be required to publish comprehensive and comparable information about their sustainability, on everything from their environmental impact to workers' rights. This will help investors and consumers to invest and purchase more sustainably and contribute to meeting the EU's sustainability objectives.

Although the standards were watered down in the drafting process due to industry lobbying, they are still a big improvement over the current situation in which companies can often get away with greenwashing their unsustainable activities.

BEUC Director General Monique Goyens commented: "These standards can put the EU on course to become a world example in corporate transparency about sustainability. This will make it easier for consumers to see who's really sustainable and who isn't, allowing them to make more sustainable purchases and investments. We now call on the EU institutions and Member States to keep up the ambition and not to delay or further reduce the comprehensiveness and stringency of the standards."

Next steps:

Now the European Commission must assess, and possibly amend the draft standards, before submitting them to public consultation in spring 2023. The Commission will also consult several EU agencies and the Member States. The standards will come into force in 2024 for large, listed companies and in subsequent years for smaller and/or unlisted companies.

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¹ EFRAG is an expert body advising the Commission on all matters related to corporate reporting