

**Ethibel asks the European Commission to include provisions related to CSR in prospectus obligations.**  
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*Together with fifty signatories from all over Europe, Ethibel, which is known for its European label for socially responsible investments (SRI), has submitted a formal petition to the European Commission to include provisions related to corporate social responsibility (CSR) in its new directives on prospectus obligations. These provisions would oblige issuers who must publish a prospectus, to explain in this document to what extent they take non-financial risks into account.*

The incentive for this initiative was the request of the 'Committee of European Securities Regulators' (CESR) to respond to the European proposal that will result in the so-called 'Prospective Directive' by the end of 2003. With this directive, which is aimed at imposing simpler and uniform prospectus obligations, the European Commission hopes to develop a more efficient, competitive and integrated financial market.

The fifty signatories are all organisations, businesses and professionals which are active in the field of SRI and CSR. They support the need for simplification but do not wish this to be at the expense of correct and complete information. In their view, companies should be obliged to communicate with investors and analysts about the relevant social, ecological and ethical risks and liabilities, and the way in which these are dealt with by management.

This recommendation responds to an increasing demand for greater transparency with regard to the non-financial risks of companies and the responsibility on the part of the managers. The American Sarbanes-Oxley Act (2002) considers managers to be responsible not only for financial, but also for other 'material' risks. The American stock exchange authority SEC is demanding supplementary declarations on this matter in the annual report. The British Turnbull Committee and the Association of British Insurers have also draw up an inventory of so-called 'corporate responsibility'. France is working on directives to include information on non-financial risks in the communication of companies with shareholders and investors.

According to senior consultant Herwig Peeters of Ethibel: 'If Europe wishes to adopt a competitive position on the financial markets, it is not only a matter of reducing the administrative work for enterprises, but also of giving international investors as complete a picture as possible of what their investments represent, both financially and socially.'

*You can download the [text of the amendment](#) (MS Word document) and the [list of signatories](#) (MS Excel document).*

*For more information on this initiative, please contact senior consultant Herwig Peeters, tel (02) 206 11 14, email: [herwig.peeters@ethibel.org](mailto:herwig.peeters@ethibel.org).*