



Revised Guidance on the Strategic Report

31 July 2018

The FRC has today published **revised Guidance on the Strategic Report**, which encourages companies **to consider wider stakeholders and broader matters that impact performance over the longer term.**

The 2018 Guidance has been enhanced to recognise the increasing importance of non-financial reporting while maintaining the key principles of existing guidance. The FRC believes that the integration of non-financial information into the strategic report is a key part of telling a company's story.

The revised guidance places a greater focus on the directors' duty to promote the success of the company under section 172 of the Companies Act 2006. This is complemented by new legislation that introduces **a specific reporting requirement on how directors have had regard to broader matters when performing their duty, including considering the interests of employees, suppliers, customers and other stakeholders as well as impacts on the community and environment.** The new legislation is applicable to large companies for financial years beginning on or after 1 January 2019.

Paul George, Executive Director Corporate Governance and Reporting said;

"The revised guidance underpinned by legislation will improve the effectiveness of section 172 and stimulate Board discussions on how companies are considering various factors to ensure their business is sustainable over the long-term including the impacts on the company's key stakeholders. The revisions to the Guidance on the Strategic Report complement the recent changes to the FRC's Corporate Governance Code and as a package will contribute to enhancing trust and transparency in business."

Notes to editors:

The FRC's mission is to promote transparency and integrity in business. The FRC sets the UK Corporate Governance and Stewardship Codes and UK standards for accounting and actuarial work; monitors and takes action to promote the quality of corporate reporting; and operates independent enforcement arrangements for accountants and actuaries. As the competent authority for audit in the UK the FRC sets auditing and ethical standards and monitors and enforces audit quality.

All Press enquiries should be directed to:

Peter Timberlake, Head of Communications, on telephone: 020 7492 2397/ 07768 502332, or email: p.timberlake@frc.org.uk.

Rita Carolan, Communications Manager, on telephone: 020 7492 2307/ 07428 149096 or email: r.carolan@frc.org.uk.

Alana Sinnen, Communications Manager, on telephone: 020 7492 2395/ 07949 005526 or email: a.sinnen@frc.org.uk.

If you no longer wish to receive press releases from the FRC please email unsubscribe@frc.org.uk

SHARE



Quick Links & Support

[Accountants](#)

[Actuaries](#)

[Auditors](#)

[Directors](#)

[Investors](#)

[About the FRC](#)

[FRC For You](#)

[Make a Complaint](#)

[FAQs](#)

[Regulators' Code](#)

Stay up to date

Subscribe to our newsletters and alerts

Enter your email address

Subscribe