



## PRESS RELEASE

### **CMF publishes for consultation a regulation incorporating sustainability and corporate governance issues in Annual Reports**

- *The proposal seeks to modernize and improve the environmental, social and governance (ESG) information that must be submitted by issuers of publicly offered securities enrolled in the Securities Registry.*
- *These changes intend to provide more information to the market, so that investors and the public can evaluate and select investment alternatives that best represent their interests.*

**March 22, 2021** – The Financial Market Commission (CMF) has published for consultation a regulation that modernizes and improves the environmental, social and governance (ESG) standards that issuers of publicly offered securities enrolled in the Securities Registry must include in their Annual Reports.

The disclosure of information on ESG policies, practices, and goals adopted by securities issuers has become increasingly important at the international and local levels. Such information allows investors to distinguish entities that are better prepared to identify, quantify, and manage ESG risks and, therefore, in which their interests will be better protected.

The regulatory proposal involves restructuring the current Annual Report, integrally incorporating ESG issues in its content. These Reports must also include the corporate governance issues established in General Rule No. 385.

### **Amendments**

The new Annual Report proposal, which will be in public consultation until April 16, 2021, is based on an approach starting with the entity's governance, strategy, and risk management system. It is supplemented by the disclosure of specific indicators and goals. The new Report will allow to know how entities structure their corporate governance; define the strategies to achieve their goals; and how they determine, identify, and manage materially relevant risks.

The proposal under public consultation aims to reconcile the need for more information on ESG policies, practices and goals adopted by issuers of publicly

traded securities with the difficulties or additional costs that reporting such information could entail.

Interested parties can access the [Draft Rules and Norms section](#) of the CMF website to check the details and submit their feedback. The Commission also makes available a Frequently Asked Questions document, a Presentation, and an Informative Brochure with the regulation's core elements. During April and May, the CMF will conduct a process of administrative roundtables. Parties interested in participating can register on the form used to comment on the proposed regulation.

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