



Web release – 7 November 2012

Governments publish Charter to galvanize corporate transparency and accountability, beyond the Rio+20 Conference and invite interested Governments and stakeholders to join them at the Responsible Economy World Forum in Lille, France

Today the Group of Friends of Paragraph 47 on Corporate Sustainability Reporting released its Charter.

The Group was formed by the Governments of Brazil, Denmark, France and South Africa in June this year, following the acknowledgement of the importance of corporate sustainability reporting in Paragraph 47 of the Outcome Document of the 2012 United Nations (UN) Conference on Sustainable Development (Rio +20). The Group is supported by the United Nations Environment Programme (UNEP) and the Global Reporting Initiative (GRI), and its founding member governments, which constitute the Bureau of the Group, are all pioneers in sustainability reporting practice and policy.

Since Rio 20+, the Group has held several highly productive preparatory meetings and web-contacts, the outcomes of which form the basis of the Charter. The Charter reaffirms the Group's intention to contribute to the advancement of an international culture of corporate transparency and accountability by taking actions guided by the words of Paragraph 47.

The Charter emphasizes the key role that Governments should play in the promotion of sustainability reporting. Its key points are:

- Governments must play a primary role in moving society towards a sustainable model of development given their access to soft and hard instruments that can positively influence corporate behavior, such as regulation of information for shareholders, employees and consumers, stock exchange rules, public procurement provisions, safety and health protection laws, financial regulation, political and consultative processes for building wider consensus, social institutionalized dialogue, and civil dialogue on approaches to effective environmental regulation and going beyond the law.
- Governments should promote continuous exchange of experience and best practices on policy and the market regulation tools being used to promote sustainability reporting.
- Sustainability reporting is growing among companies, but should become common practice to encourage true corporate responsibility, allow for a transparent, wellfunctioning market economy, and enable the private sector to contribute to sustainable development.
- Existing frameworks for sustainability reporting should be built upon.
- Developing countries and Small and Medium Enterprises (SMEs) will be given particular attention in progressing sustainability reporting.
- Interested stakeholders are encouraged to engage in an open and constructive dialogue with the Group.

With the support of



Importantly, the Charter also includes an invitation to other interested Governments which share the views presented in the Charter to join the Group of Friends of Paragraph 47.

Both the release of the Charter and the invitation extended to other Governments precede the new meeting of the Group on 15 - 16 November 2012 at the Responsible Economy World Forum in Lille, France. It is hoped that Government representatives and leaders from business and civil society will convene to engage with this inspiring Group. Detailed Information on the meetings in Lille will be made available to interested Governments by the Secretariat (please contact Ms. Elisa Tonda - Elisa.Tonda@unep.org or Mr. Pietro Bertazzi - bertazzi@globalreporting.org).

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Notes to Editors:

1. Secretariat of the Group of Friends hosted by UNEP and GRI. For further information please contact:

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2. Paragraph 47 of "The Future We Want" (Outcome document of the Rio+20 Conference)

"We acknowledge the importance of corporate sustainability reporting and encourage companies, where appropriate, especially publicly listed and large companies, to consider integrating sustainability information into their reporting cycle. We encourage industry, interested governments and relevant stakeholders with the support of the United Nations system, as appropriate, to develop models for best practice and facilitate action for the integration of sustainability reporting, taking into account experiences from already existing frameworks and paying particular attention to the needs of developing countries, including for capacity building."

3. Abstracts of the policy work of the current Group members

➤ **Brazil**

BM&FBOVESPA – Recommendation of report or explain approach to sustainability reporting, 2012

As of January 2012, [BM&FBOVESPA](#) the São Paulo stock exchange, recommends that listed companies provide information on whether they publish a regular sustainability report, or explain why if they do not. In its mission to inspire best practice in transparency and management, BM&FBOVESPA believes that the implementation of the report or explain model will encourage listed companies to report on environmental, social and governance issues, which will improve sustainability actions and create greater transparency for investors. For more information see the [BM&FBOVESPA](#) website .

➤ **Denmark**

The Danish Financial Statements Act, 2001

Since 2009, large businesses in Denmark are required to account for their work on corporate social responsibility (CSR) in their annual reports. State owned companies and companies with total assets of more than EUR 19 million, revenues more than EUR 38 million and more than 250 employees must report on their CSR policies, and how policies are translated into action, *or* expressly state that the company will not be engaging in CSR. In 2012 the Danish Parliament adopted an amendment to the law which entails that Danish companies from 2013 will also specifically have to address the issues of human rights and climate change. For more information see the Danish Business Authority [Erhvervsstyrelsen](#).

➤ **France**

Grenelle II Act, 2011

The [Second Grenelle Act](#) was adopted on 12 July 2010. Article 225 of the Act makes corporate sustainability reporting mandatory for certain companies. The [Decree regarding sustainability reporting requirements](#) specifies that all listed companies and companies with an annual balance and turnover of 100 million Euros and an average of 500 permanent employees are required to either disclose certain social and environmental information and information relating to societal commitments in favor of sustainable development, or provide substantive information on why certain data is not reported. Disclosed information is checked by an accredited, independent third party.

New Economic Regulations Act (NRE), 2001

In Article 116 of the [New Economic Regulations \(NRE\) Act](#) of 15 May 2001, it is stipulated that companies whose securities can be traded on a regulated market are required to publish information on the manner in which they address the social and environmental impacts of their activities. This information is to be included in their annual reports. France is the first country in Europe to have demanded that listed companies report on how they deal with their social and environmental responsibilities. In 2002, the act was supplemented by an [Implementing Decree](#) specifying that companies are to report according to a list of 19 topics on social and environmental issues, and a [Ministerial Order](#) that defines the information relating to emissions and other pollution.

➤ **South Africa**

Johannesburg Stock Exchange Listing Requirement, 2009

Over 450 companies listed on the [Johannesburg Stock Exchange \(JSE\)](#) are required to produce an integrated report in place of their annual financial and sustainability reports. An integrated report gives users an all-round view of a company by including social, environmental and economic performance along with the company's financial performance.

The King Code of Governance (King III) recommends that organizations produce an integrated report. As King III now falls within the listing requirements of the JSE, listed companies have to produce an integrated report or explain why they have not.