

## Sustainability Reporting Policy Initiatives in Europe

There are an increasing number of policy initiatives in the field of sustainability reporting from governments or market regulators in the EU. Although such initiatives are growing, the fragmentation of the legislative framework on reporting is a limit. A EU-wide policy approach would enhance the conditions for a smart, sustainable and inclusive growth. Below is a brief overview of some government initiatives in the field of sustainability reporting in Europe, but this is a vibrant field where new initiatives emerge rapidly.

**Austria** – The Austrian Institute for Sustainable Development developed in 2003 a set of voluntary guidelines, which are addressed to all enterprises in Austria, and aim to standardize and facilitate reporting on sustainable management issues. The government is currently working on a CSR action plan.

**Denmark** – As of 2009, large businesses are required to disclose CSR information in their annual reports or explicitly state that they do not have any CSR policies. The 2012 Action Plan for CSR provides guidance for business and society through innovative partnerships between private sector, public sector and civil society. It also laid out the plan to strengthen accountability through the implementation of the UN Guiding Principles and transparency requirements.

**Finland** – The Finnish government adopted a 2011 Government Resolution on State Ownership Policy resolution asking non-listed state-owned companies and state majority-owned companies to report their sustainability performance and ensure that their subcontractors also operate responsibly. The resolution adopts a ‘report or explain’ approach and provides guidance based on GRI reporting guidelines.

**France** – The 2010 Grenelle II Act makes corporate sustainability reporting mandatory for all listed companies. Additionally the 2010 National Sustainable Development Strategy (SNDD) provides a framework and guidance for organizations to structure their internal policies and projects around strategic choices and indicators of sustainable development.

**Germany** – The 2011 German Sustainability Code is based on principles such as of UN Global Compact, OECD Guidelines for Multinational Enterprises, ISO 26000 and Global Reporting Initiative and EFFAS. The 2010 National Strategy for Corporate Social Responsibility aims to increase the visibility and credibility of CSR, to anchor it more firmly in enterprises and public bodies and win over more small and medium-sized enterprises (SMEs) to CSR.

**The Netherlands** – The Dutch Civil Code was amended to implement the 2005 EU Accounts Modernization Directive into domestic law. The minimal requirements for annual reports include financial and non-financial performance indicators, including in most cases environmental and employee matters. The requirement is compulsory for all listed companies and all large non-listed companies.

**Norway** – The 1998 Norwegian Accounting Act has been amended on 9 April 2013 to introduce provisions requiring large companies to provide information about what they do to integrate considerations for human rights, labor rights and social issues, the environment and anti-corruption in their business strategies, in their daily operations, and in their relations with their stakeholders.

Companies that prepare a public report according to the Global Compact principles or GRI's Framework are exempt.

**Spain** – According to the 2011 Sustainable Economy Law, state-run public entities, including government-sponsored commercial companies and state-owned business enterprises attached to the central government, are required by the law to file annual corporate governance reports and sustainability reports.

**Sweden** – The 2007 Guidelines for External Reporting by State-owned Companies are mandatory for Swedish state-owned companies and require companies to present a sustainability report in accordance with the GRI G3 Guidelines. The guidelines are based on the 'comply or explain' principle, therefore a company can decide not to provide information as long as they explain and justify why.

**United Kingdom** – The 2008 Climate Change Act mandates the UK government to exercise powers under the Companies Act to require the inclusion of Green House Gas (GHG) reporting in a company's Directors' Report. The Act sets legally binding targets, strengthened the institutional framework, enhanced the country's ability to adapt to climate change, and established accountability to the Parliament and to the devolved legislatures.

This document is part of a series of papers on topics related to Sustainability Reporting and should be read in conjunction with the Global Reporting Initiative (GRI) non-paper on the Renewed EU Strategy 2011–2014 for Corporate Social Responsibility (CSR) and the European Commission's proposal for a Directive on non-financial information disclosure available at: [www.globalreporting.org/resourcelibrary/GRI-non-paper-Report-or-Explain.pdf](http://www.globalreporting.org/resourcelibrary/GRI-non-paper-Report-or-Explain.pdf)

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The Global Reporting Initiative (GRI) promotes the use of sustainability reporting as a way for organizations to become more sustainable and contribute to a sustainable global economy.

GRI's mission is to make sustainability reporting standard practice. To enable all companies and organizations to report their economic, environmental, social and governance performance, GRI produces free Sustainability Reporting Guidelines.

GRI is an international not-for-profit organization, with a network-based structure. Its activity involves thousands of professionals and organizations from many sectors, constituencies and regions.

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