



Federation of European Accountants
Fédération des Experts comptables Européens

INFO

Standing for trust and integrity

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FEE Survey finds that reporting on sustainability in annual reports needs improvement

Brussels – FEE (Fédération des Experts comptables Européens – Federation of European Accountants) signals that reporting on corporate social responsibility should be in the spirit of the Modernisation Directive.

Entities are increasingly including environmental and social issues within their business strategy and are therefore also embedding these issues in their management and performance. With the requirement defined in Article 46 of the Fourth Directive amended by the Modernisation Directive, transparency on sustainability is no longer just related to voluntary reporting. Such transparency is now more widely applicable and should be included, when relevant and necessary for the understanding of the business, in the annual report.

FEE has carried out a survey on the implementation of the amendments to Article 46 under the 2003 Modernisation Directive into national legislation and guidance. In addition, explanatory research was carried out on 76 companies known for their good practice in the sustainability domain.

FEE President, Jacques Potdevin, commented that “Sharing of ideas and expertise is an important element in fostering progress on CSR reporting in the annual report. We call on the EC to be more proactive with visible actions, for example by supporting research to analyse how CSR information is integrated in the annual reporting”.

Nancy Kamp-Roelands, Chair of the FEE Sustainability Working Party, emphasised that “Reporting in the annual report needs to be in the spirit of the Modernisation Directive and not be limited to what is readily available. Simply providing cross references to the separate sustainability report is not sufficient. A description of the key issues and information linking financial and non-financial KPIs (key performance indicators) relating to the sustainability domain needs to be included in the annual report itself”.

Paul Druckman, Chair of the FEE Sustainability Policy Group, stated that “Only when companies integrate CSR fully into their business strategy and decision making, can an appropriate level of communication and transparency be embraced”.

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NOTES FOR EDITORS

The Discussion Paper can be downloaded free of charge from the FEE website @ www.fee.be

About FEE

FEE (Fédération des Experts Comptables Européens – Federation of European Accountants) represents 43 professional institutes of accountants and auditors from 32 European countries, including all of the 27 EU Member States”

In representing the European accountancy profession, FEE recognises the public interest. It has a combined membership of more than 500.000 professional accountants, working in different capacities in public practice, small and big firms, government and education, who all contribute to a more efficient, transparent, and sustainable European economy.

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