

## **Electricity companies less transparent than claimed - Multiple discrepancies found in sustainability reports**

Press release - Centre for Research on Multinational Corporations (SOMO) (Amsterdam, December 20th, 2012) There are systematic, widespread and significant discrepancies between what electricity companies claim they are reporting on and the information they actually provide in their sustainability reports. These discrepancies diminish the accuracy and credibility of the Global Reporting Initiative (GRI) and lead to whitewashing of business conduct. In a report published today, the Centre for Research on Multinational Corporations (SOMO) and the European Federation of Public Service Unions (EPSU) present the findings of in-depth research into the sustainability reporting of 20 major European electricity companies. Most of the companies follow the GRI Sustainability Reporting Guidelines, which encourage companies to voluntarily disclose a large degree of information about the social and environmental impacts of their operations.

According to SOMO researcher Joseph Wilde-Ramsing: “Despite the esteemed status of the GRI Guidelines, the widespread discrepancies and inaccuracies we found in sustainability reports reveal that the system in place to monitor and verify the usage of the GRI Framework is insufficient.” To make matters worse, SOMO also found discrepancies in reports that had been externally ‘checked’ and ‘assured’ by a professional third-party auditor or the GRI itself.

The voluntary nature of the GRI has limits when companies can ‘game’ the system to get higher rankings and become more interesting for ethical investors. “The findings show disappointing behaviour of many of our employers and a complicit attitude of the accountancy industry we have seen before”, said Jan Willem Goudriaan, EPSU energy spokesperson. He added: “It shows the limits of a voluntary approach. Ultimately, disclosure of non-financial information requires a robust legal basis with sanctions for those employers that bring the industry in disrepute.”

SOMO and EPSU encourage electricity companies to use the GRI Framework, and therefore formulated a series of conclusions and recommendations for a range of stakeholders, including company management, European policy makers, investors, auditors, unions, and NGOs. Wilde-Ramsing: "Frameworks such as the GRI can be greatly improved by making the terms for reporting very clear and leaving no room for interpretation. Companies should not be able to state that they are 'fully' reporting on their sustainability policies and practices when in fact they do not provide all the requested information."

- [EPSU SOMO PR 122012](#)

Download publication: Use of the Global Reporting Initiative (GRI) in Sustainability Reporting by European Electricity Companies

- [GRI use by EU Energy companies](#)

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- See also the new report: [Non-financial reporting beyond the strict minimum: is the workforce a well-informed stakeholder?](#)

About SOMO

SOMO is an independent, non-profit research and network organisation working on social, ecological and economic issues related to sustainable development. Since 1973, the organisation investigates multinational corporations and the consequences of their activities for people and the environment around the world. [www.somo.nl->www.epsu.org] {{About EPSU}} EPSU is the European Federation of Public Service Unions. It is the largest federation of the ETUC and comprises 8 million public service workers from over 275 trade unions; EPSU organizes workers in the energy, water and waste sectors, health and social services and local and national administration, in all European countries including in the EU's Eastern

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