



15 April 2016

Thomas Blöink,
Head of Accounting Law and Auditing Section,
Federal Ministry of Justice and Consumer Protection,
Germany

Dear Mr Thomas Blöink,

On behalf of GRI, I would like to commend the German Government on holding a public consultation during the transposition process of the EU Non-Financial Reporting Directive to collect feedback from a broad range of stakeholders. GRI, a pioneer in sustainability reporting and the provider of the most widely used Sustainability Reporting Standards in the world is built upon a unique multi-stakeholder principle, which ensures the participation and expertise of diverse stakeholders in the development of its Standards, and therefore we understand the value of such an approach.

GRI is an international independent organization that helps businesses, governments and other organizations understand and communicate the impact of business on critical sustainability issues such as climate change, human rights, corruption and many others. GRI governance bodies and network include representatives of German companies, trade unions and civil society organizations.

GRI welcomed the adoption of the EU Directive on Non-Financial Information Disclosure in December 2014 and the reference to GRI Standards among the frameworks companies can rely on to comply with the Directive. The Directive has been heavily negotiated in Brussels and many stakeholders, including German business and civil society had contributed to the process. GRI has been deeply involved in the process and is currently engaging with national governments in the transpositions of the Directive into national legislations.

It is in the interest of enterprises, society and the EU economy to promote sustainable practices that will extend the EU's competitiveness and create an environment for business to become socially and environmentally responsible. Germany is a significant economic power and is continuously building a reputation of promoting sustainable business practices. As these responsible business practices are becoming more mainstream and investors are increasingly using non-financial data to inform their investment decisions, sustainability reporting is becoming more widespread. There were at least 170 sustainability reports issued in Germany only in 2015, most of them using the GRI Standards.

When transposing this Directive into national legislation, it is important to take into account the need to reference global sustainability standards, such as GRI Standards. These standards should ensure a high degree of transparency and comparability for non-financial reporting and help companies to gain a competitive advantage in global markets. As in the financial reporting space, in a global economy there is a need for a globally accepted language and principles on non-financial reporting. Businesses, governments and capital markets have repeatedly called for global standards on non-financial reporting and for the convergence of existing sustainability frameworks.

Having global standards not only helps to bring more clarity and comparability to reports, it also helps companies to increase the credibility and trust of reports. Non-financial reporting is a process that needs to become standardized and equated with financial reporting. GRI provides the world's most widely used standards on non-financial reporting, and these standards are adopted and used in many jurisdictions around the world. Companies use GRI Standards to report, measure and manage their sustainability impacts both in their operations and their supply chains. In 2015, over 4,000 companies, government entities, non-profit organizations and others used GRI Standards to collect and disclose relevant environmental, social and corporate governance (ESG) information. The methodology within GRI Standards gives reporting organizations the option to choose from a wide range of sustainability topics to focus the report on the most significant impacts of the organizations.

The current version of GRI Standards is the GRI G4 Guidelines. In order to accommodate the different advancements on specific sustainability issues in the future and maintain the quality and relevance expected of a global standard setter, the format and structure of the GRI G4 Guidelines is being updated to GRI Sustainability Reporting Standards. Going forward, this will enable the incorporation of emerging international consensus and best practices in all relevant issue areas that pertain to the measurement and disclosure of economic, environmental and social impacts of organizations in a timely fashion. GRI has also strengthened its governance structure to meet expectations of standard setting in the public interest, creating the Global Sustainability Standards Board (GSSB) which has sole responsibility for developing and approving GRI Standards.

With this submission, GRI would like to propose a number of recommendations for consideration, which are explained in more detail in the submission paper.

My team and I remain available to support you in the transposition process and further discuss the submission.

Yours Sincerely,



Teresa Fogelberg
Deputy Chief Executive, GRI

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