



GRI calls on the G20 to seize the day: government leaders must use this unique opportunity to rebuild trust and lay the foundations for greater corporate transparency and sustainability



Amsterdam and Sydney 31st March 2009

The Global Reporting Initiative (GRI) today called on government leaders due to meet at the G20 summit in London on Thursday to restore confidence in the global economic system through requiring greater transparency on environmental, social and governance (ESG) performance from our companies.

"The meeting of the G20 leaders takes place against the backdrop of both the current financial crisis and the gathering storm clouds of ecological disaster. Yet in every crisis there is opportunity. The financial crisis has increased the understanding that government must take leadership on global problems and there now appears to be the will to act," said Ernst Ligteringen, GRI Chief Executive.

"It has become clear that the current system of corporate reporting has failed us. A new model, one that better serves the needs of our economies, societies and the environment is urgently required" added Ligteringen

Earlier this month, the Board of the Global Reporting Initiative issued the Amsterdam Declaration on Transparency and Reporting in which they called on governments to introduce a comply or explain policy regarding companies' disclosure on their sustainability performance .

The declaration states that the root causes of the current economic crisis would have been moderated had company directors' properly exercised their due diligence and reviewed long term risks, including those related to companies' responsibilities regarding their environmental, social, and economic impacts. It also warns that the focus on the current financial crisis threatens to mask the century's defining sustainability crisis which itself poses and even greater risk to our economies and societies.

From Sydney: St James Ethics Centre's Executive Director, Dr Simon Longstaff, is a member of the Board of the GRI. He said that, "Investors and regulators have a common interest in ensuring that corporations are governed and managed by people who take account of the full range of risks that can undermine sustainable performance."

St James Ethics Centre has recently become the focal point for the GRI in Australasia and has added its support for the Amsterdam Declaration. The Centre believes that the Australian Government is in a good position to take a leadership role in promoting a far broader framework for risk identification and management by corporations - in Australia and abroad.

Dr Longstaff said, "One of the first signs of responsible business practice is that environmental and social performance is integrated and measured as a normal part of a business' response to a complex operating environment. At present, too many Australian businesses are unable to demonstrate that they can 'walk the talk' when it comes to responsible business. Government leadership in this area is to be welcomed - especially if it can lead to a harmonisation of approaches using internationally accepted frameworks such as the GRI.

Previous inter-governmental meetings have acknowledged the need for disclosure on corporate sustainability performance – in 2007 The G8, meeting in Heiligendamm, Germany, formally encouraged GRI reporting as a means to yield good governance and transparency and thereby achieve poverty reduction, conflict prevention, support sustainable investment decisions, and promote development in emerging economies.

GRI is now calling on our global leaders to take note of the evidence of momentous and costly environmental and social risks and act now. Our political leaders must seize this historic opportunity and set in place policies that will ensure general transparency in the markets and in our society regarding our companies' and organizations' impacts on pressing global issues including climate change, severe poverty, water usage, and energy security.

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Notes to Editors

1. Full text of *The Amsterdam Declaration on Transparency and Reporting*

We, The Board of The Global Reporting Initiative (GRI) believe that the lack of transparency in the existing system for corporate reporting has failed its stakeholders. While we recognize that certain governments have shown leadership on corporate sustainability disclosure, we call on all governments to extend and strengthen the global regime of sustainability reporting. In particular, assumptions about the adequacy of voluntary reporting must be re-examined.

We, The Board of GRI, conclude that:

- The root causes of the current economic crisis would have been moderated by a global transparency and accountability system based on the exercise of due diligence and the public reporting of environmental, social and governance (ESG) performance.
- The profound loss of trust in key institutions is best addressed by the adoption of a global reporting framework that enhances transparency and is informed by the legitimate interest of all key sectors of society.
- A revitalized and resilient economic system will only be sustained if it accounts for the full costs and value of ESG activity.

Therefore the Board of GRI calls on governments to take leadership by:

1. Introducing policy requiring companies to report on ESG factors or publicly explain why they have not done so.
2. Requiring ESG reporting by their public bodies – in particular: state owned companies, government pension funds and public investment agencies.
3. Integrating sustainability reporting within the emerging global financial regulatory framework being developed by leaders of the G20.

Beyond this we emphasize that the focus on the current financial crisis threatens to mask the century's defining sustainability crisis which itself poses an even greater risk to our economies and societies.

Signatories

Prof. Mervyn King (Chair), Ms. Jacqueline Aloisi de Lardere, Mr. Ignasi Carreras, Mr. Kishor A. Chaukar, Mr. John Elkington, Ms. Denise Esdon, Mr. John Evans, Mr. Sean Harrigan, Mr Ernst R. Ligteringen, Dr. Simon Longstaff, Mr. Herman Mulder, Mr. Kumi Naidoo, Mr. Peter Wong, Mr. Ricardo Young Silva.

2. About The Global Reporting Initiative

The Global Reporting Initiative has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. This framework sets out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

In October 2008 **St James Ethics Centre** signed an agreement with the GRI to establish an Australian GRI Focal Point. This was made possible through funding from the Federal Government (Treasury) as part of the Centre's national Responsible Business Practice Project. For further information please contact: Rosemary Sainty, St James Ethics Centre, Australia.

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