

Policy Statement

Standing for trust and integrity

January 2009

Sustainability

Non-Financial Information

FEE (Fédération des Experts comptables Européens – Federation of European Accountants) wishes to share its strategy on sustainability in the form of a series of policy statements⁽¹⁾ on core issues in relation to sustainability and the accountancy profession. FEE acknowledges that the urgent nature of the challenge of sustainability is becoming widely recognised. At the level of the organisation, accountants, whether in business, the public sector or within the world of professional practice, must rise to the challenge of sustainability which touches on many areas of traditional competencies.

About FEE

FEE represents 43 professional institutes of accountants and auditors from 32 European countries, including all 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, business, government and education, who all contribute to a more efficient, transparent, and sustainable European economy.

There is a clear business case, as well as a wider social imperative, for organisations of all kinds and all sizes, to ensure that their information systems embrace performance indicators which reflect the urgent challenge of sustainability. This information should be embedded as a core part of strategy and decision making. Changes in corporate culture are needed and will be facilitated by giving visibility and prominence to relevant measurements.

The need for non-financial metrics to complement financial information, for example in a balanced scorecard, has long been acknowledged; and the need for them to include sustainability information is becoming urgent. The EC recognised this need already back in 2003 when it amended Article 46 of the Fourth Directive through the Modernisation Directive to require the inclusion in the annual report, to the extent necessary for an understanding of the company's development, performance or position, the analysis of the company's business, and where appropriate of non-financial key performance indicators relevant to the particular business, including social and environmental impacts. Guidance on particular measures, especially for external reporting, is evolving and is increasingly well established – amongst the best known is that issued by GRI; but leading edge practice also depends on embedding company specific indicators into decision making processes to support corporate strategy.

Accountants within organisations as well as those providing assurance services are in a key position to help organisations move, as a matter of urgency, to a connected reporting culture which encompasses non-financial as well as financial information.

FEE believes that the accountancy function has a lead role to play in ensuring the quality and credibility of all management information, financial, non-financial, internal and external, thus contributing to ensure that this information is useful to business decision-making in line with strategic objectives and good governance based on a sustainability framework. The challenge for accountants is, firstly, to acknowledge the limitations of conventional stand-alone financial information in the context of sustainability; secondly, to bring their expertise to ensure that, where appropriate, financial information is complemented and enhanced by rigorously produced and, where so wished, assured non-financial information. Relevant wider information adds value for business and for wider society.

⁽¹⁾ Other Policy Statements issued:

- The Contribution of the Accountancy Profession, January 2009
- Cost Internalisation, January 2009
- Multiple-Stakeholders: The Essence of Multidisciplinary Teams, January 2009

