



The Status of CSR Reporting in Sweden

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Recent trends and developments in Sweden (1)

- * Majority of listed companies publish sustainability information in annual report or stand-alone report
 - Trend towards integration of CSR information in annual report, in some cases part of the audited Directors' Report section ¹⁾
- * Still considerable variation in quality of reporting among Swedish companies
 - Trend towards “A-team” and “B-team” reporting - some take it seriously, others continue to make only general statements
- * Application of GRI (G3) sustainability reporting guidelines is increasing steadily - recognized as “best practice”
 - Trend towards actual application (with GRI index) rather than merely using the guidelines as a source of inspiration

¹⁾ To some extent this is due to the implementation of the Accounting Modernisation Directive (2003/51/EC) into the Swedish Annual Accounts Act, requiring disclosure of non-financial information in the Directors' Report.

Recent trends and developments in Sweden (2)

- * Increasing interest in CSR reporting in the financial community
 - Adoption of UN Principles for Responsible Investment (PRI) by several major asset owners and investment managers
 - Updated recommendation on CSR reporting published by Swedish Society of Financial Analysts in October 2007
- * Increased government interest in CSR reporting
 - Requirement for all state-owned companies ²⁾ to publish independently assured GRI-based sustainability reports from 2008
- * Continued interest in CSR reporting in Swedish public sector
 - Approximately 60% of all municipalities and county councils publish some form of sustainability report (of varying type and quality)

²⁾ There are 55 wholly or partially state-owned companies with a total turnover of approximately €36 billion and 190,000 employees

Status: Best practice CSR reporting in Sweden

- * The Swedish institute for authorised public accountants (FAR SRS) identified the following best practice reporters in 2007
 - Best reports in three categories were awarded, reflecting the current status of sustainability reporting in Sweden

- * Stand-alone Sustainability Report

- **Trelleborg** (industrial group)



- **Vattenfall** (utility company)



- * Part of the Annual Report

- **SAS** (airline)



- * Included in the Directors' Report

- **Green Cargo** (rail transport)



Status: CSR information on corporate websites

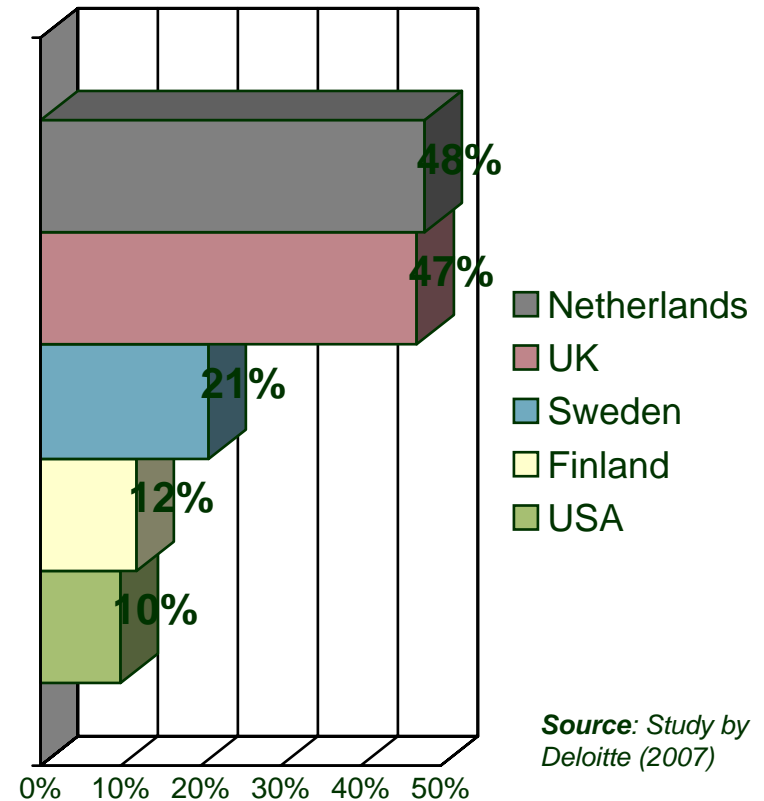
- * Study by PR consultancy Hallvarsson & Halvarsson
- * Review of 631 European corporate websites
 - Scoring criteria established via survey of analysts, investors, journalists
- * Swedish companies disclose:
 - Ethical policy (almost 100%)
 - Environmental impact (80%)
 - CSR report (60%)

#	Country	Score
1.	Finland	3.06
2.	UK	2.78
3.	Netherlands	2.65
4.	France	2.64
5.	Spain	2.60
6.	Norway	2.58
7.	Sweden	2.48
8.	Germany	2.46
9.	Switzerland	2.28
10.	Hungary	1.88

Maximum = 4.25

Status: Assurance on CSR reports in Sweden

- * First assurance standard published by FAR SRS in Sweden (2004)
 - Updated 2006, revised 2008
- * Assurance still relatively uncommon in Sweden, but clearly increasing interest
 - Pressure from: government, peers, boards, stakeholders
- * International comparison shows significant variation in assurance engagements



Summary and conclusions

- * Sustainability reporting is developing...gradually
 - The best are getting better, the rest do what is necessary
- * Recent interest from financial community and government
 - Potentially substantial pressures for improvement
- * But is sustainability reporting useful (and for whom)?
 - Stakeholder dialogues are rare, and not used to address materiality
 - Disclosures on reporting principles are inadequate
 - Information on financial implications of sustainability is limited
 - Potential for assurance to improve reporting quality is disregarded
 - Reporting remains an external PR activity, and is not seen as a tool for supporting sustainable organisational development