

Open letter to the European Commission

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To

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cc:

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Guidelines for Directive on disclosure of non-financial and diversity information by certain large companies and groups: use of Guarantees of Origin as reporting tool for renewable energy

Main messages:

- *The upcoming guidelines should clearly indicate existing EU-level disclosure frameworks in order to promote consistent reporting routines across the member states.*
- *The European Commission should highlight the existence of Guarantees of Origin as a key disclosure tool for renewable energy in the final guidelines*

The signatory to this letter maintain a strong belief in the power of consumers in shifting market priorities. Information and transparency about corporate behavior empowers the consumer to be a real change-maker. We therefore welcome the corporate governance directive on disclosure of non-financial information by large European companies (COD 2013/0110).

The inclusion of mandatory reporting on energy is an important step forward towards making the energy market more consumer friendly, since such reporting enables informed energy choices for both corporate and private consumers.

GOs provide information to consumers about the origin of their electricity supply, documenting the volume of supplied electricity and at which power plant it has been generated. One GO proves that one MWh was produced using renewable energy sources.

Guarantees of Origin, as mandated by the directive on promotion of the use of energy from renewable sources (2009/28/EC), are used by a wide range of European companies that seek validated disclosure tools. Reducing CO₂- emissions and minimizing carbon footprint is fast becoming increasingly important as part of companies' CSR policies. Guarantees of Origin allow companies to demonstrate their commitment in a recognized manner. Variations on the Guarantees of Origin exist in other parts of the world – for example, the Renewable Energy Certificates in the US . This tool is therefore a convenient choice for globally operating companies that seek consistent reporting frameworks across borders.

GOs are essential for creating a voluntary, consumer-driven market for renewables as they give consumers the ability to send a clear market signal while documenting their commitment to green electricity.

In the pursuit of consistent European reporting practices, we believe that the guidelines should clearly indicate existing EU-level disclosure frameworks. The guidelines should support the use of existing EU frameworks and promote consistent reporting routines across the member states. This would honor the efforts of member states that have already started implementing systems with Guarantees of Origin. It will also improve comparability between companies. This makes it easier for consumers and investors to meaningfully evaluate the management reports.

We therefore hope that the upcoming consultation process allows for input concerning disclosure on the origin of energy. Moreover, we urge the European Commission to highlight the existence of Guarantees of Origin as a key disclosure tool for renewable energy in the final guidelines.

Finally, we encourage you to address energy consumption in future CSR and reporting initiatives, as we believe the need for energy transparency will only grow over the next years.

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Regards

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