Data protection policies and governance models in European companies' corporate reports

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Abstract

This study aims to determine to what extent EU leading companies are disclosing information about the data protection policies and governance models in their annual/sustainability reports. For that purpose, we analyze the 2021 annual and sustainability reports of IBEX35, DAX30 and CAC40 companies. Additionally, we also explore the reports for the years 2016-2020 to study its evolution. The content of a total of 819 documents were automatically and manually analyzed. We try to answer the following research questions: *RQ1: Are companies disclosing information about data protection in their ARs/SRs? RQ2: Are companies disclosing their data protection policies and governance models? RQ3: Do companies use data protection indicators in their reports? RQ4: What are the factors determining data protection disclosure?* Our findings show a growing tendency to report about data and privacy protection, although there is a lack of standardization in such disclosure. The companies disclose more about their governance models than their data protection policies. The main indicators are those related to: Training (number of workers trained, number of hours of training provided), Queries - Claims related to incidents (loss of data, access rights, rectification, cancellation or opposition to the processing of one's data) and Incidents related to data protection/security breaches. Moreover, we find that companies that operate in the financial sector, those that are leaders in sustainability, and those with a female presence on the board of directors are more likely to disclose information on data and privacy protection.

Keywords: content analysis, data protection, governance models, non-financial information, privacy policies