The CSR Reporting Blog Book 2016-2020

Thank you to everyone who reads the CSR Reporting Blog!

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Santa Claus Inc. 2020 ESGC Report

Monday, December 21, 2020

I am delighted to present a preview of Santa Claus Inc.'s ESGC (Environmental, Social, Governance and COVID) Report for the year 2020. As in past years, Santa has kindly allowed me to share her annual disclosure to all stakeholders, ESPECIALLY investors, and hopes that everyone, ESPECIALLY investors, will take a keen interest in how Santa has made a positive contribution to sustainable development; health and wellbeing; diversity, equity and inclusion; biodiversity; reducing water stress; economic prosperity and oh yes, what was that again, climate change.

Dear Stakeholders, ESPECIALLY investors,

2020 was a very challenging year. I am proud of what we have achieved so far, but there is much more to do. Oops. Scratch that. 2020 was the crappiest year ever, and the thought of sliding down chimneys in a face shield and splashing myself with sanitizer after every home visit continues to fill me with dread. In fact, I am so full of dread, anxiety and depression that that I have taken to consuming a snack before bedtime, in the hope that this will boost my sugar levels and regulate my hormones. Now, much more of me is full of dread as I have gained 130 lbs. in weight over the past year and I have needed to order Santa suits two sizes bigger. Due to mobility restrictions, I was not able to go to the fittings, so I had a team of elves take my measurements and send them to the Santa tailor. Unfortunately, the elves were already high with festive spirit and now it looks like I am wearing red swimsuits with furry white trim.

Just as so many things moved to Zoom in 2020, I considered sending out all my Christmas Gifts via Zoom this year as well. However, I quickly realized this would not be possible as my Zoom account has been suspended on account of repeated offenses to their content policy. All I ever said was that I believe a harmonized ESG reporting system is not the Holy Grail that will save people and the planet, and boom, I was bumped from Zoom, LinkedIn and Facebook. Fortunately, I can still express my views on Instagram, where posting images of suckling reindeer babies, Sustainability Report covers with smiling children holding the globe and elves wrapping Christmas gifts are still allowed. Even if the elves are wearing Accountants will Not Save the Planet T-Shirts.

Anyway, on to more positive things, as ESGC Reports must not be too depressing, or our entire financial system will collapse. Let's start with our COVID-19 Response.

COVID-19 Response Of course, no self-respecting ESGC Report can omit the obligatory COVID-19-we-are-the-greatest section. At Santa Claus Inc. we have maintained a business continuity plan for several thousand years, and in 2020, we dusted it off and put it into play. Of course, when the plan was written, there was no internet, no iPhone 12, not even an iPhone 1, no Tesla cherry-red Roadster for fast intergalactic travel and no electric reindeer. Of course, there were far fewer people on the planet needing gifts, so the overall workload was manageable. Our Business Continuity Plan (BCP) consisted of just two elements (1) Form a Task Force and (2) Make the Task Force continue the business. In 2020, we upgraded our BCP and it now includes three elements: (1) Form a Task Force and (2) Make the Task Force continue the business and (3) Make them wear masks.

PPE: In 2020, we quickly converted our gift-wrapping factory to a PPE production station for the benefit of elves and their families all around the world. During this period, we donated to the Global Elf Association more than 2.3 million reusable face masks designed specially to fit typical elf facial features, including a special reinforced middle section to prevent piercing by those little elfy upturned noses. Unfortunately, this middle section also seriously hindered elf respiration, and to this day, we are not sure if the 34,763 elves who passed away were sick with COVID-19 or simply suffocated. We

subsequently modified our design to ensure the masks are elf-safe and we even included a designer label. **WFH:** In March 2020, we instructed our elves to work from home. To facilitate this, we had to rehome many elf migrant workers who had no home to work from. This was a significant challenge but with help from Habitat for Elves, we were able to appropriate 342,202 elf homes. Unfortunately, this meant displacing the entire population of Iceland which has now moved to Mexico in the hope that the new Biden administration will reverse the immigration ban. In the meantime, we have equipped the new elf homes with all necessary PPE and conducted more than 300 Wrapping Gifts while Wearing Masks training sessions. In the early days we found many gifts that were wrapped with disposable masks while elves were seen with wrapping paper covering their mouths and noses. Oops. Another 26,458 elf fatalities. **Social Distancing:** During 2020, we practiced social distancing as guided by the WHO, the Centers for Disease Control and Prevention (CDC) and local Lapland regulation. This has been particularly hard for our reindeers, fun-loving beings who enjoy close relationships and work well in teams. Several reindeer suffered from hypertension and can now work only under sedation. Fortunately, we had enough foresight to stockpile Xanax before lockdowns started and were able to calm them all down. However, due to social distancing, our annual reindeer sleigh-pulling training was conducted virtually and was probably less effective than classroom training events. Once back at work, we planned a practice sleigh journey from Riisitunturi National Park to Pyhä-Nattanen. I think some of the reindeer were wearing masks over their eyes as we ended up in Finland, a reindeer migration destination that they can reach blindfold. All was not lost, however, as all the people of Finland received their gifts early, a large contributor, we believe, to Finland consistently being ranked as the happiest country in the world! **YOM:** As you might expect, all our elf communications were conducted via Zoom starting in March 2020. We held a special all-elf mandatory unmuting training session because Santa got so sick of hearing You're On Mute (YOM) that she wrote a special letter asking Zoom to remove the mute button from our Zoom Plan. Regrettably, Zoom was not able to do this, so we persevered. Today, I am pleased to report that we have how replaced YOM with a selection of phrases such as WCHY (We Can't Hear You), UY (Unmute Yourself), Is your Microphone Working (IYMW) and Has the Cat Got your Tongue (HTCGYT), as well as some less publishable phrases. Now, we eventually get to hear all the elves, although, in fact, some of them should probably remain on mute their entire lifetime anyway.

Diversity, Equity and Inclusion In a year when the pandemic brought racial and social justice to the fore, and exposed the systemic inequities in our society, we at Santa Claus Inc. rose to the challenge of creating a world of reduced inequalities (SDG 10). To do this, we decided to establish a gift means test, and apply an inclusive equity formula. Therefore in 2020, everyone will receive a gift just like they always have done. Except some people will receive bigger gifts than others. Additionally, we upgraded our Plan for Elf Equity (PEE) to empower diverse elves. We formed several Elf Affinity Groups which have been a great success, including: **Elf Out:** For LGBTQIA elves **Elf In:** For elves who are not yet out **ELF Self:** For elves who are rather introvert **ELF Healf:** For elves who want to live a healthier lifestyle **ELF Women:** For elf women who want the same rights as elf men **ELF Men:** For elf men who do not want to share their rights with elf women **ELF Shelf:** For spinster elves **ELFO:** For Hispanic elves **ELF Vets:** For elves who have passed their veterinarian qualifications

Finally, this year all elves were trained in unconscious bias, conscious inclusion, and subconscious consciousness. We can now affirm that 100% of elves are conscious. Although this was probably due to our ban on medical-grade cannabis, which, after it was legalized, became the staple elf diet.

Climate Resilience As always, Santa Claus Inc. continues to endorse the Precautionary Principle, support climate change mitigation, and advance a circular economy. For the

first time this year, we are publishing our disclosure in line with the Task Force on Climate-related Financial Disclosures (TCFD) framework. Here it is: **Governance:** Our governance of climate risks is overseen by our Board of Directors which has assessed our key risk to be extreme weather patterns that destroy the world's chimneys, making it impossible for Santa to continue her good work. In order to govern this effectively, the Board has established a **C**himney **H**ole **I**ntegrity **M**apping **P**rogram (CHIMP) to monitor chimneys affected by hurricanes, earthquakes, snow blockages and brick-melting high temperatures. The CHIMP Committee reports on the status of our climate resilience to the Board every year. **Strategy:** In order to effectively assess and develop our climate-risk strategy, we created 1.5, 2 and 2.5 degree scenarios based on guidance from the IPCC. In each scenario, the result was the same: the Santa Retirement Fund needs significant inputs in order to protect Santa's heritage and long-term ice cream supply. You can donate to the Santa Retirement Fund by clicking on this link. **Risks:** As mentioned, our key risk is chimney integrity, and the CHIMP Committee ensures we have mitigation or alternative plans in place. For example, in China, we use hydraulic rising rickshaws to access homes. In Venice, we now access homes through underground water channels. In the U.S., we have engaged a Chimney Repair Service that is on call 24/7 over the holiday season, staffed by millions of people who lost their jobs during the pandemic. We have also patented our new Santa-safe climate-proof chimney, made from 100% post-consumer recycled organic waste, that was tested in Turkey, Mexico, Iran and Alaska during 2020 earthquakes in those countries. The chimney retained its form and function and was commercialized this year. Unfortunately, the new factory we built to manufacture the Santa-safe chimney was destroyed by an earthquake, so availability is currently restricted. **Metrics:** Chimney integrity is our key metric. In 2019, it was 98.8%, unaffected by climate change. The only issue we found in a small percentage of chimneys was a concentration of combustible deposits, meaning that when Santa slides down the chimney, her posterior may set alight. This is not such a problem for Santa, as it could help burn off those extra pounds gained during COVID-19.

Transparency, Reporting, Disclosure and ESG Metrics In 2020, we have been watching on the sidelines in the Metrics Wars as the Big Galactical Powerhouse Forces of ESG Metrics wage battle against the Resistance for the Greater Good of Sustainability Impacts in the fight between, on the ESG side, double dynamic materiality, interoperability and an international governing authority for sustainability reporting that would aim to make disclosures consistent, comparable and decision-useful for investors, and on the Greater Good side, accountability for impacts on people and planet and delivering the SDGs. The apparent subordination of sustainability disclosures to value creation in the ESG Metrics camp, value that is intended to trickle through to all stakeholders (excuse me while I retrieve my eyeballs), does not sit well with those in the Greater Good camp. At Santa Claus Inc, we take a simple view. We believe that sustainability reporting is about people not about numbers. Well, it's also about elves and reindeers. And it's about the gifts we give to our billions of clients that make them superhappy every festive season. And it's about the accountability we willingly accept as an organization to ensure we live up to our values and the principles of sustainable development. We conducted a little bit of stakeholder engagement on our own, to inform our next double triple single sustainability materiality assessment. We asked our reindeer if they believe that a consistent standard for investor-useful ESG metrics will ensure the biodiversity required to maintain their food supply for the next 50 years. We asked our elves if a more robust universal standard for ESG metrics would ensure they are paid a living wage so they can secure their grandkids' future. We asked our clients if they felt that a better standard of ESG metrics would ensure they receive good quality gifts, not manufactured using child labor or unsafe working conditions and not using tons of excess packaging materials. And we asked reporting companies if they felt the proposal to create a new IFRS-led

Sustainability Standards Board would continue to ensure global ice cream supplies for reporters everywhere. In all cases, the response was outstandingly "errrrrr duh". Then we asked our Board of Directors if they are prepared to disclose ESG metrics against a single new investor-useful reporting system. Their response was: What's ESG metrics?
Unwilling to remain at the mercy of all those who think they can monetize sustainability and force-fit sustainable development into capital market competitiveness, we decided to be proactive. We have created a new blueprint sustainability reporting standard that we will publish in early January as a public good. We call it the **S**anta **C**laus **R**egenerative **E**nterprise **W**orldwide **I**nteroperable **T**ransparency standard (**SCREWIT Standard**) and it will be freely available to all in return for a small donation to the Santa Retirement Fund. The Standard contains 468 metrics covering every possible impact ever invented and embeds value creation metrics against the six capitals:

- Elf Capital
- Reindeer Capital
- Santa Capital
- Santa Capital
- Santa Capital
- Everything Else Capital

It also includes sector standards, country standards and SME standards as well as an optional annex for companies who want to use SCREWIT for PR purposes only. We believe the SCREWIT Standard will usher in a new age of corporate transparency that will respond to investor demand for consistent, comparable, reliable sustainability information that will be entirely auditable by the Big Four and rankable by ISS, MSCI and Sustainalytics. In this way, SCREWIT supports SDG 8 by leading to the creation of thousands more jobs in the disclosure sector. SCREWIT will also provide a basis for engagement with regulators, activists and NGOs such as Greenpeace, Amnesty International and the Access to Ice Cream Foundation. The SCREWIT taxonomy will incorporate technical screening criteria for all sustainability metrics and will prioritize anything to do with Santa wellbeing (which is the ultimate public good). SCREWIT will be administered by the **G**lobal **O**verseer of **S**CREWIT **S**tandards (GLOSS) which will be a multi-stakeholder body comprised of Santa Claus and allies.
We are fully expecting all global reporters to adopt SCREWIT. In fact, the interoperability of SCREWIT makes it extremely compatible with other standards, if they survive. For example, you can also use other standards by including an appropriate content reference table, for example, SCREWIT SASB or SCREWIT GRI or even SCREWIT IIRC. The versatile, comprehensive SCREWIT Standard will revolutionize corporate sustainability reporting and finally deliver a tool that will enable us to save the planet and make more money. In this way, Santa Claus is taking the politics out of disclosure by putting it back into the public interest. To incentivize the unconvinced, all new early adopters of SCREWIT will receive a **free prize**: a coaching session with GRI on how to recruit CEOs.
Feedback on this Report We will be happy to receive your feedback on this report, as long as it's positive. For those of you who are unable to create your own feedback, you can use this short poll:
Please select the response you feel is most appropriate (multiple responses accepted)
Isn't this the best report you have ever read?

- Yes
- Yes
- Yes
- Who reads reports?

So, until we Zoom again.....

We Wish You and Everyone in the World (especially INVESTORS) a Happy Holiday Season and a Happy New Year

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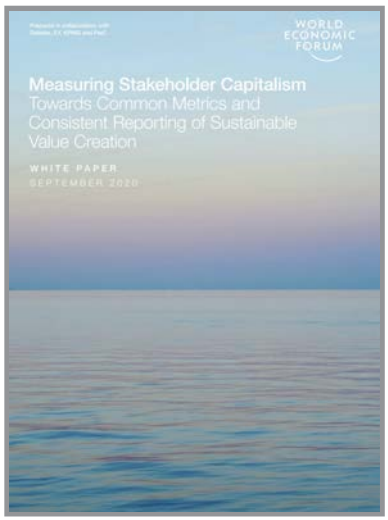
The Enlightenment According to the Big Four. Not.

Monday, September 28, 2020

I wish I were an accountant. Clearly, I'd have so much time on my hands that all I would do is prepare new frameworks for sustainability metrics. I would spend my mornings dreaming up some new framework that looks just enough different from what's already out there to make it Big News, and spend my afternoons convincing everybody why it solves all their problems. Then I would make a ton of money when people are so bewildered and confused that they adopt my framework and ask me to check it over.

This was my first reaction to the new WEF publication: Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation which can't have helped escape your attention if you are on the sustainability circuit. (OK, I don't really wish I were an accountant. I don't think I could handle all the accountant jokes.)



I can't tell you how many clients and colleagues have asked me what I think about the WEF metrics framework, meaning, is it good or is it bad? GRI has published a diplomatic response saying they "cautiously welcome" this approach but that it doesn't go far enough. Prof. Carol Adams has also weighed in: *"Once upon a time there was a glimmer of hope that accountants could save the planet. The motivation for this report is unclear and expressed differently in different parts. But it is not going to save the planet and could well do more harm than good."* And no less a scathing reaction from Carlos Tornero at Responsible Investor: " *As for reforming capitalism, I'm afraid the Big Four are not the best ambassadors for that.*"

For those who haven't yet studied the WEF paper, here's 96 pages distilled (followed by my commentary):

The proposal was developed as part of the WEF's International Business Council (IBC) and led by the Bank of America, who chairs the IBC, and the Big Four accounting firms: Deloitte, EY, PwC and KPMG. The IBC is a community of CEOs of around 140 companies, as far as I can gather, but I cannot find a list of the specific companies that are members of this group.

The objective of developing this disclosure framework was " *to identify a set of universal, material ESG metrics and recommended disclosures that could be reflected in the mainstream annual reports of companies on a consistent basis across industry sectors*

and countries. The metrics should be capable of verification and assurance, to enhance transparency and alignment among corporations, investors and all stakeholders."
The hope is to encourage " *IBC companies to begin reporting collectively on this basis in an effort to encourage greater cooperation and alignment among existing standards as well as to catalyse progress towards a systemic solution, such as a generally accepted international accounting standard in this respect.*"
And an important point: " *This effort is not intended to diminish the value of the separate sustainability/ESG/impact reports, which often provide more comprehensive information at the industry- and company-specific levels, tailored to the interests of stakeholders beyond investors.*"
The proposed metrics are intended to be universal, **industry agnostic** ESG metrics/disclosures. There are two types:
Core Metrics: 21 metrics and reporting requirements. " *These are primarily quantitative metrics for which information is already being reported by many firms (albeit often in different formats) or can be obtained with reasonable effort. They focus primarily on activities within an organization's own boundaries.*"
Expanded metrics: 34 metrics. " *The expanded metrics and disclosures encourage companies to move from reporting outputs alone to capturing the impacts of their operations on nature and society across the full value chain, in more tangible, sophisticated ways, including the monetary value of impacts. These tend to be less well established in existing practice and standards...They represent a more advanced way of measuring and communicating sustainable value creation, and companies are encouraged to report against them as well, when material and appropriate.*"
Below is an overview of the metrics (reproduced from IAS PLUS)

Principles of Governance	Planet	People	Prosperity
aligned with SDGs 12, 16 and 17	aligned with SDGs 6, 7, 12, 13, 14 and 15	aligned with SDGs 1,3, 4, 5 and 10	aligned with SDGs 1, 8, 9 and 10
focuses on a company's commitment to ethics and societal benefit	looks at the themes of climate sustainability and environmental responsibility	examines the roles human and social capital play in business	focuses on business contributions to equitable, innovative growth

Governance Core Metrics include: Company purpose statement, governance overview, material topics, anti-corruption, ethical reporting mechanisms and risk management.
Expanded metrics include:

- How the company's stated purpose is embedded in company strategies, policies and goals
- Disclosure of the material strategic economic, environmental and social milestones
- How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental and social topic and details of Board and executive remuneration
- The significant issues that are the focus of the company's participation in public policy development and lobbying
- Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice or violations of other related industry laws or regulations
- How the highest governance body considers economic, environmental and social issues when overseeing major capital allocation decisions, such as expenditures, acquisitions and divestments

Planet Core Metrics include: GHG emissions, TCFD implementation, land use, water consumption in water stressed areas.
Expanded metrics include:

- Paris-aligned GHG emissions targets (science-based)

- Impact of GHG emissions - the estimate of the societal cost of carbon used
- Land use and ecological sensitivity
- Impact of land use and conversion
- Impact of freshwater consumption and withdrawal
- Air pollution and impact of air pollution
- Water pollution and impact of water pollution
- Single-use plastics
- Impact of solid waste disposal
- Resource circularity - potential metrics include (but are not limited to) the Circular Transition Indicators (WBCSD), indicators developed by the Ellen MacArthur Foundation and company developed metrics.

People Core Metrics include: Diversity and inclusion, pay equality, pay levels, risks of child, forced and compulsory labor, health and safety, training

Expanded metrics include:

- Mean pay gap of basic salary and remuneration of full-time relevant employees based on gender (women to men) and indicators of diversity (e.g. BAME to non-BAME) at a company level or by significant location of operation
- Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees
- Discrimination and harassment incidents (#) and the total amount of monetary losses ($)
- Freedom of association and collective bargaining at risk (%)
- Human rights review, grievance impact & modern slavery (#, %) - total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.
- Living wage (%) - current wages against the living wage for employees and contractors in states and localities where the company is operating.
- Monetized impacts of work-related incidents on organization (#, $)
- Employee well-being (#, %) - the number of fatalities as a result of work-related ill-health, recordable work-related ill-health injuries, and the main types of work-related ill-health for all employees and workers, and percentage of employees participating in "best practice" health and well-being programmes, and Absentee rate (AR) of all employees.
- Number of unfilled skilled positions (#, %)
- Monetized impacts of training – increased earning capacity as a result of training intervention (%, $) - investment in training as a percentage (%) of payroll and effectiveness of the training and development through increased revenue, productivity gains, employee engagement and/or internal hire rates

Prosperity Core Metrics include: Employment, economic contribution, financial investments, R&D expenditure, tax payments

Expanded metrics include:

- Infrastructure investments and services supported
- Significant indirect economic impacts - examples of significant identified indirect economic impacts of the organization, including positive and negative impacts.
- Social value generated (%) - percentage of revenue from products and services designed to deliver specific social benefits or to address specific sustainability challenges
- Vitality Index - percentage of gross revenue from product lines added in last three (or five) years calculated as the sales from products that have been launched in the past three (or five) years divided by total sales, supported by narrative that describes how the company innovates to address specific sustainability challenges.

- Total Social Investment ($) - Total Social Investment (TSI) sums up a company's resources used for "S" in ESG efforts defined by CECP Valuation Guidance.
- Additional tax remitted - total additional global tax collected by the company on behalf of other taxpayers, including VAT and employee-related taxes that are remitted by the company on behalf of customers or employees, by category of taxes
- Total tax paid by country for significant locations

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So, take a deep breath, and let's summarize: **First** , the accountants have decided (with input via a survey from some of the IBC companies) what represents a set of universal core metrics that every company should report on - whatever their shape or size. These metrics reflect largely DIRECT IMPACTS which each company can measure, control, and improve. **Second**, the framework offers an additional set of metrics that represent mainly INDIRECT IMPACTS - the ways in which the company impacts the world through its value chain. **Third** , it uses metrics that largely already exist in different frameworks.. a pick'n'mix from well known and lesser known frameworks, heavily leaning on GRI and to a lesser extent on SASB. Interestingly, although CDP is cited, none of the metrics are directly taken from the CDP questionnaires. **Fourth** , it incorporates some new concepts such as living wage (not new but not covered by existing frameworks), inclusion of corporate purpose (the new sexy), "vitality index" (heard of that one?), WCBSD Circular Transition Indicators, monetized impacts of training and others. Two new metrics have been invented - one for single use plastics and one for land use.

What do I think? **Although the WEF metrics-team may have tried not to reinvent the wheel, they have actually reinvented the bicycle**. The proposal moves away from the GRI approach of materiality by applying a common measurement system to all companies at a fundamental level - the things any company anywhere should be taking into account in the management of its own operations. The second set of (expanded) metrics also ignores the materiality approach and prescribes a range of measurements reflecting what the WEF team feel are the most relevant universal social and environmental issues - linking their selection to SDGs. After companies have done all of this, they have the option of applying a materiality lens and adding whatever crumbs are relevant for their "other" stakeholders, i.e. not investors.

Actually, this approach has some elements of something I have been advocating for years - see my post from 2017: Materiality - from meaningless to differentiating in which I wrote:

- There should be a harmonized standard baseline of disclosures that are relevant to all companies - some will be more critical than others for different companies - but they are relevant - and material - for all. I call this **Operational Materiality.**
- Then we should have materiality that is precise enough to differentiate - focusing on the specific aspects of a company's impacts that are a directly relevant to its business, the locations it operates in and the influence it has on society. Let's call that **Precision Materiality.**

The WEF metrics partly go this route. WEF Core Metrics represent operational ESG performance. Expanded Metrics represent broader impacts - but remain any industry, and not specifically relative to what might be considered material for a specific company.

So back to the question, is it good or is it bad? Coming just on the heels of the "standard setters' " proud declaration of how well they all fit in with each other and that no-one needs to be confused any more (and that's another (long) story), here is yet another framework for ESG disclosure. I have to say that I rolled my eyes so hard that they almost stuck to my skull when I read the Press Release: *"This is a unique moment in history to walk the talk and to make stakeholder capitalism measurable," says Klaus Schwab, Founder and Executive Chairman, World Economic Forum. "Having companies accepting, not only to measure but also to report on, their environmental and social*

responsibility will represent a sea change in economic history." Seriously? A unique moment in history? A sea change? Excuse me... with all due respect, where has Mr Schwab been for the past 25 years? This is not a unique moment, it's one of hundreds and hundreds (arguably regrettably) similar moments that have occurred in the past several years, with the publication of every new sustainability disclosure framework, and having companies report on their environmental and social responsibility is actually current practice for most of the large companies in the world - there may be inconsistencies, there may be gaps, but it is happening, and it has consistently been getting better.

I also had a bit of a laugh at the visual in the WEF report's final section... rainbows galore!

The conclusion is also a Call to Action to IBC members. " *Given the urgency of this agenda, we invite all IBC members to declare their intention to report on these metrics and disclosures; collectively, we will present a timeline for that process at the IBC's Winter Meeting in January 2021. Finally, we encourage the wider corporate community to join us in this collective endeavour.*" Watch this space, apparently. But you have time for a quick nap before January 2021.

My answer to the question, then, is that the wheels are good but the bicycle is bad. I'll explain.

I agree with the concept of having a set of metrics that are relevant for all companies, as I have said. And the core metrics are a reasonable selection (with some exceptions - see below). BUT, why on earth did the accountants think they needed to create yet another framework? As I have said several times, we do not need new frameworks, we need consistent implementation of existing frameworks. Take materiality as a case in point. Everyone is now swooning over the new concept of dynamic materiality - which in my view is a poor compromise to enable everyone to have a seat at the table without resolving underlying issues of how materiality is determined. Instead of creating yet another way to describe what materiality is, why has no-one one come up with a fool-proof comparable auditable methodology to help companies determine what represents material impacts from a sustainability standpoint? The new iteration of the GRI Standards, that has recently been in Exposure Draft did not do this, and GRI has never done this. "GRI is the disclosure tool, we do not prescribe the methodology" said GRI. But heck, if your entire disclosure concept is based on materiality, why wouldn't you offer a methodology for how to create it? And this, in my view, has been the single biggest gap in sustainability reporting standards to date, and is the reason that so many other standards have sprung up. By asking companies to disclose material topics, without

understanding or being able to reasonably audit what those material impacts are, comparability and rigor in sustainability disclosure were effectively destroyed. SASB stepped in and said, hey, we can do it. And they spent millions of hours and dollars creating sets of prescriptive metrics for different sectors, but even that doesn't do the job, as companies still select from SASB metrics based on their own, possibly arbitrary, definition of material topics.

Back to square one. Cue the accountants. Forget materiality. Everyone should be accountable for certain things in the same way. Let's cut and paste from as many existing frameworks as we can find, and call it The Enlightenment. So I think that's bad. I think it's a perpetuation of all that's wrong in the current sustainability disclosure landscape where every player is focused more on differentiating their own approach than on taking the higher view of how we can work together and build on what is and agree to make real change for the greater good. The WEFers may have pick'n'mixed from GRI, SASB, and all the rest. So what. The bicycle is new. Companies will have to learn how to ride it. Just when they were getting used to riding their current model. All we need now is for Larry Fink to send a letter to all the CEOs of companies in Blackrock's portfolio saying they must report disclose using SASB, TCFD AND the WEF metrics. Won't that be fun? So much for alignment, harmonization, simplification.

And as for the core metrics, well, they are almost all based on GRI General or Topic-specific Disclosures. Why just not direct IBC members to report those GRI metrics? What was the point of creating an entirely new framework that just recycles the current best practice? Also, why some metrics were selected and others omitted is not so clear. Waste, for example, is not included in the Planet Core Metrics. But I would have thought that waste is absolutely core for most companies. And some metrics are rather useless. For example, in the People category, under "Skills for the Future", the metrics are average number of training hours and training expenditure. This is so old school. The number of training hours or the amount you spend on training is hardly an indicator of whether you are building skills for the future. In any event, many companies are moving away from formal traditional training programs in favor of other types of personal and professional development, so training hours is becoming an increasingly incomplete measure. So, by picking and mixing, the accountants may have come up with a set of core metrics that are comparable and auditable up to a point, but, frankly, what's the value add here? Not much.

And what are metrics? Hint: Only a part of the story of a company's impacts and overall role in society. The context, the journey, the strategy, the targets, the process, the culture, the examples of practice, the insight, the accountability, the people .... all these are important in sustainability disclosure. This framework is an accounting tick-box by accountants for accountants. Something that makes sense to them because it can be quantified, stuck into categories, computed and converted into theoretical evaluations and risk assessments that may help investors know how rich they can get. Is this what sustainable development has become? A set of monetizable compartmentalized scores? This may be the story of sustainability disclosure promoting itself into obsolescence. Precisely because sustainability has been so successfully (yes, not perfectly) addressed and disclosed over the years, the money markets woke up. Now, they are trying to reframe it in ways that fit with what they know. Like the country farmer who visited the Empire State Building and asked: how many sheep does it hold? Well, not everything that glitters is gold and not everything that's a number is meaningful. My assessment is that the WEF framework will not go mainstream as such, beyond the IBC members, if they even bother to apply it, even though the accountants will hype it. Companies that already disclose GRI, SASB, CDP and TCFD may well find themselves hitting many of the WEF metrics in any case, so they will sort of deliver the WEF indicators by default. If Larry Fink suddenly decides that this is the new Holy Grail, then he can probably get it without

companies adding too much in the way of new disclosures. Some eager-beavers may start including a WEF index alongside all their other indices that support their reporting. What's another download, anyway? And let's not get started on the competitive scramble around Core and Expanded....can't you just see the Press Releases? ***"XXX company demonstrates global leadership in radical transparency in its new Sustainability / Annual Report by meeting all the requirements of the Expanded Metrics of the WEF ESG disclosure framework."*** Wowee. If only the humanity could be saved by the proliferation of reporting frameworks…. … we would all be able to spend more time trying out new ice cream flavors and enjoying days on the beach, wearing an "SDG Been There Done That" T-shirt.

Note: October 2, 2020: This post originally stated in error that there were 22 core indicators - there are 21. This has been corrected.

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. Owner/Manager of **Beyond Business Ltd** , an inspired Sustainability Strategy and Reporting firm having supported **107 client reports** to date; **author** of three books and several chapters on Sustainability Reporting and the Human Resources connection to CSR; frequent **chair and speaker** at sustainability events and **judge** in several sustainability awards programs each year. Contact me via Twitter , LinkedIn or via Beyond Business

Reporting is fun with Virgin Media

Monday, August 24, 2020

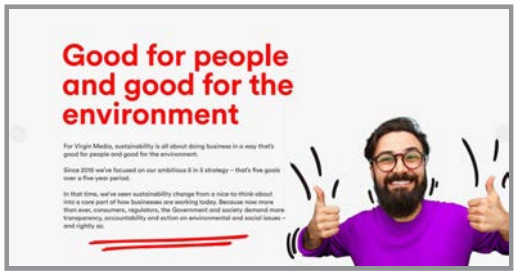
I have long been an admirer of Virgin Media's approach to responsible business, sustainability practice and reporting. It's smacks of personality, completely fits the brand presence and uses plain language and a range of creative mechanisms to get the message through, equally targeting the internal employee population and the customers who use Virgin Media's services, as well as others who are interested, including me, a reporting geek. (I'll disclose that I have worked with Liberty Global, Virgin Media's parent company, on Liberty Global's global reports over many years, but I have not worked directly with Virgin Media.)
This year, Virgin Media's Sustainability Performance Report for 2019 is a wrap-up of five years of consistent implementation of the strategy the company set for itself in 2015, based on a concept of five goals in five years.

Today, in 2020, Virgin Media has achieved four of the five goals, and made important progress on the fifth. Let's have a quick look at some of the milestones on this journey.

I took the opportunity to pose a few short questions to Katie Buchanan, Virgin Media's Head of Sustainability and the mastermind of the five year strategy and implementation.
ME:Remind me how you developed your 2015-2020 strategy. You describe it as focusing "on where we should and can have the most impact". KATIE: Before we developed our 2015-2020 strategy and our 5-in-5 goals, we had relationships with 31 charities and 25 sustainability targets. It meant our work wasn't focused and we weren't able to make a significant impact – both inside our business or with the communities we operate in. That's why I took the decision to simplify to achieve a more significant social impact. I knew that if we achieved these big goals we would transform our business and people's lives. And by having a more targeted approach, it gave us the head-room to focus on creating lasting impact, and I'm really proud to say we've done that. **ME: How did you determine what "the most impact" is? How was this strategy developed?KATIE:** When setting our 5-in-5 goals, I went through a lengthy process to determine the right areas of focus. This involved listening to our customers, people and experts to identify what was most material to our business. The idea of exploring **digital** as an enabler became our vision ('digital that makes good things happen') and ' **independence**' emerged as the top theme to address. We then identified disabled people as the audience who could benefit

from this combined focus. Importantly, we also looked at how we could have the greatest impact with our brand, connectivity and UK-wide footprint: our strategy had to have our core capabilities at its heart and be authentic to our brand.

ME: What has been the impact for the disabled communities you have supported?KATIE: Five years on, with our Transforming Lives goal, I'm proud that we are on track with our charity partner, Scope, to support 1 million disabled people with the skills and confidence to get into and stay in work by the end of 2020. We've also taken steps to become a better employer of disabled people, such as offering dedicated training for our line-managers so they can better support disabled colleagues and, via our #WorkWithMe programme, we're supporting businesses across the UK to become better employers of disabled people too - creating an online community where peers can learn disability employment best practice from each other. This goal has helped us achieve positive social change for disabled people across the UK – whether they're looking for employment or are employed via Virgin Media or other brands.



ME: Well done on nailing four out of your five 2020 goals. Which of these gives you the greatest satisfaction and why? KATIE: There has been a lot of work over the past five years that I'm really proud of. One of the biggest highlights has been how we've taken Virgin Media's sustainability programmes mainstream, from donating our shirt-sponsorship of Southampton FC to Scope for two Premier League matches, to seeing our Chief Operating Officer, Jeff Dodds, take to the stage at One Young World conference. I am also proud of how we've engaged and supported our people. For example, we have created a unique product scorecard which is a practical guide for enabling teams across our business on how to make each of our products more sustainable than the last. For our example, our Hub 4 router is 39% more power efficient than our previous hub when in use (when adjusted for functionality), and it uses 36% less plastic. In addition, our 'squad selector' tool – which we created in 2018 - helped our employees to understand how they can get involved in sustainability in their everyday roles. We're a small but mighty team whose work is having an impact across our business – from our Board to our engineers.

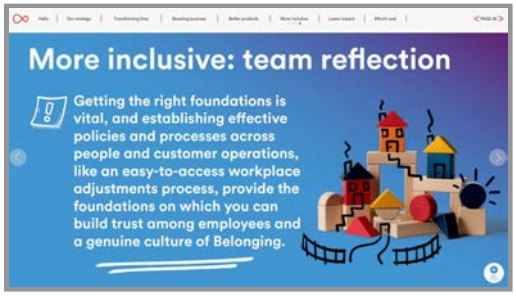
ME:The one goal you did not fully achieve was being more inclusive, focusing on gender and disability. What's the learning from this as you move forward into the next phase? KATIE: Although we didn't quite achieve our 'inclusion' goal, we actually had a greater impact on driving positive change in this area thanks to our work with Scope, which took

us in a more focused direction. Our #WorkWithMe programme – launched two years after we set our inclusion goal – has helped transform the lives of disabled people, and improved the way Virgin Media and other big businesses employ and support disabled people. Ironically, it's the one goal we didn't achieve that has perhaps given me the greatest satisfaction. Under this goal we've driven lasting positive change both inside and outside of our business despite not quite hitting the mark. In terms of moving forward, here is the learning I'll carry forward: **# Partnerships power change:** We've made huge progress on transforming our business for disabled employees and customers. While there is more to do, a lot of this success is down to our partnership with Scope. I think we have achieved this by leveraging their skills, so I think our future inclusion strategy will include partners who can help guide us and hold us to account as deep subject matter experts **# Long term focus:** We need teams that have difference and togetherness, this is not only the right thing to do but it helps us to drive business growth. But it takes time. Setting goals that give you the ability and time to get underneath an issue is important. Significant change does not happen overnight especially when a culture change is required. **# Make it part of your everyday:** The way we talk about sustainability or inclusion matters. We've worked hard to make it something everyone can understand and get behind (i.e. no jargon). It's not something that the People team or Sustainability team is responsible for – enabling your people to know how to get involved and take part is important. The same goes for finding opportunities to talk about our work – we took disability to the Premier League through our Shirt Swap donation activation. Going forward we will continue to find ways to make these thorny issues part of the everyday.

ME:You deliberately deliver a report that is fun, creative, uses everyday language... one that can appeal to your employees and consumer base, as well as other stakeholders. In developing your 2020 strategy, did you also have a reporting strategy? If so, what were the objectives for that and how did you do?KATIE: We have consistently evolved our reporting – we've gone from disclosure, to engagement and now enablement. We want to make sustainability accessible for everyone – our people, customers or other industry professionals. That's why we introduced the world's first 360° corporate sustainability experience, had a football-themed report, and have used funny cat GIFS. Our reports not only focus on the "what" we've done' but also the "how we've done it" as we want to show that sustainability storytelling can be engaging, insightful and fun.

ME:And digital is a big part of your reporting strategy, right?KATIE: Yes, absolutely! Over the past decade, we have embraced digital storytelling so the reporting of our performance is accessible. It's my vision that we use our reporting as an opportunity to engage with all of our people in order to bring them along with us, as of course, everyone has a role to play in ensuring we operate as a responsible business. In addition, we want the report to engage AND enable our industry colleagues so they can take our learning and make a positive difference in their organisations, too. With this 2019 report, we've incorporated our team's reflection on our performance as we want to share our learning with other industry colleagues. We're encouraging other sustainability professionals to learn from our tips and slip-ups so they can apply them in the delivery of their own

sustainability strategy, or consider them as part of their own strategy setting exercise. Also, we make a real effort to ensure our reports are clear and understandable as sustainability should open to everyone. We don't want our report to passively live on a webpage – we want to use it as a tool to connect with our audiences, and drive environmental and social impact in the same way our core strategic programmes do. Ultimately, nobody wants to read an 80-page document, and we as sustainability professionals have a role to play in engaging and enabling our key stakeholders – whether they are employees or customers. People are increasingly becoming in tune to sustainability issues – from protecting the environment to how you treat your employees. Therefore, we aim to enable people to engage, understand, learn and act from our reporting.



ME:Can you explain your choice not to follow a widely-used reporting standard such as GRI? KATIE: We follow the principles of GRI reporting – for example transparency and a clear governance framework is incredibly important for underpinning our strategy. Our parent company Liberty Global takes responsibility for standards such as GRI, DJSI and CDP etc. We work very closely with them – for example they lead the data collection and assurance approach with KPMG. Our efforts (and budget) at Virgin Media go towards engaging and bringing to life our story for our people and our customers. I have a small (but mighty) team and know that this combination is powerful – we have the best of both worlds!

ME:And the question everyone is asking right now, the COVID-19 differential. How do you think the COVID19 experience will influence your sustainability strategy going forward? KATIE: As a company we've been working really hard during the pandemic to provide the best connectivity – whether that's to support NHS workers on the front line or to help our customers stay connected to the people they love – which is more vital now than ever. We're in the process of setting our next five year sustainability strategy and connectivity is at the heart of it. We are looking at how we can use our connectivity to connect communities across the UK. The past few months have been horrific for many, yet, we've seen communities come together and people looking out for one another – something that we've not experienced for decades. So we're assessing how we can harness that as we know that life will be different once the pandemic ends and communities will need businesses to play a role in supporting them. We want to be in that space and it's a really interesting time for my team and I as we develop our plans. Stay tuned! And when it came to reporting, there was never a question in our mind about delaying reporting this year. It's business as usual, perhaps more so than ever for Virgin Media, as we work really hard to keep communities connected. Working virtually hasn't changed our ability to wrap-up our five year strategy in a way that our people can particularly be proud of. But we have made some adjustments, for example, our videos and GIFs have been filmed at home – rather than out and about – in order to keep people safe. **ME: Finally, your top three tips for people writing sustainability reports? KATIE: # The 'how' as well as the 'what':** As mentioned earlier, we have embraced digital storytelling for a more than a decade. From hand-held video cam recordings (before

smart phones were around), to the world's first 360° corporate sustainability experience, a tool to show our people their role in helping us to operate a responsible business, to sharing funny GIFS - we want to make our reporting is accessible and enjoyable for everyone. Therefore, it's equally important to think about the 'how' when highlighting your performance, as well as 'what' you have done. **# Sustainability for all:** Reporting your performance should be engaging, insightful and fun. Ultimately, nobody will read an 80 page PDF – so really focus on the design, language and length of the report. Reports should be aimed at your customers, employees, and as a tool for your peers to take learning. As sustainability professionals, we are all striving to create an impact with our work and we should be proactive and proud to learn from each other – which ultimately will have a positive effect on where we work and the communities we serve. **# Think about your audience:** Establish the principles which are unique or fundamental to your brand (I call them your consistency compass). Ensure your communications are authentic and engaging. Understand who your key stakeholders are and how they want to consume information.

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These are amazing insights from Katie and both strong performance and commitment to transparency with the delivery of the five in five strategy. As you will have read, Katie stresses that reporting should be engaging, insightful and fun. And, I fully agree. Sustainability information should be accessible, in language that people can relate to and it has value in teaching others in the industry about what can be done. I always talk about reporting as an empowering experience, and I think Katie demonstrates how this can work optimally.

And there's another insight here that's so important. As a part of a global organization which takes care of the more formal disclosure elements of transparency (reporting to GRI Standards, CDP submissions, engaging with sustainability indices such as DJSI and rankers and raters), the local business can focus on making it happen in its own unique way in its own unique context. This is a wonderful example of how a global organization can be super-relevant and less constrained by formal frameworks and language at the local level while managing resources efficiently across the enterprise. This is a model that any global business can apply, and some do so very well. I have always loved, for example, Heineken's Message in a Bottle, and Intel Israel has for years published a local report with a similar approach of local relevance backed up by the formal disclosures of the global parent company (disclosure: Intel Israel is a client).

At local level, reporting is not just about transparency, it's far more about empowerment, impact, and, as Katie says, enablement. Reporting is not just a report. The Virgin Media journey is proof.

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. Owner/Manager of **Beyond Business Ltd** , an inspired Sustainability Strategy and Reporting firm having supported **100+ client reports** to date; **author** of three books and several chapters on Sustainability Reporting and the **Human Resources** connection to CSR; frequent **chair and speaker** at sustainability events and **judge** in several sustainability awards programs each year. Contact me via Twitter , LinkedIn or via Beyond Business

GRI Standards: And Now For The Fine Print

Wednesday, July 29, 2020

If you have read all my posts on the Exposure Draft of the new GRI Universal Standards in this past fortnight, you are probably more boggly-minded than I am, and GRI Standards overload may have caused you to deplete all your stock of mint choc chip ice cream. I am predicting an ice cream world shortage as people start delving into the Exposure Draft and considering their positions. But don't worry, we can always move to frozen yogurt as a stop gap. And, you will be pleased to know that this is the last post in this series, so you can get back to Netflix and home schooling.

A quick recap of what we covered so far:
Shape up or Shape Out: An overview of the proposed changes with a focus on the new In Accordance rules
Human Rights Quadrupled: A look at the way human rights have infiltrated the GRI Standards better than than stray cats in a fish farm
Materiality: You've been doing it all wrong: Description of the new materiality definition and its implications
Governance Galore : An overview of the way governance now governs
Sector Standards: Back on the Map: The re-entry of sector differentiation to underpin material disclosures

And if that's not enough, here is the fine print. This post will cover a few changes that I thought were a little odd, outside of the main changes I have highlighted so far.

Disclosure Requirement A-7: Provide a statement of use
This In Accordance mandatory disclosure requires reporting organizations to include a statement from someone on the highest governance body or most senior executive, using the wording in this example:
"The Board of Directors (or CEO) acknowledges responsibility for the following statement of use: The information reported by ABC Limited for the year ending 31 December 2020 has been prepared in accordance with the GRI Standards."

In other words, the Chair or CEO must confirm that the report has been prepared in accordance with the GRI Standards. What's the purpose of this? Isn't the CEO statement that is a mandatory part of the report enough of an endorsement? I can understand a statement that requires the CEO to accept responsibility for the information contained in the report as an accurate reflection of the organization's impacts and performance. Why make it about adherence to GRI Standards? Is it really expected that CEOs will go into detail about the way the Standards have been used? If this type of statement is required, then the Reporting Manager or Sustainability Lead should sign off. Or the assurers – isn't that what they are paid for?

GRI virtuoso Bastian Buck, Chief of Standards explained:
BASTIAN: "There are a couple of trends here, and honestly, we are not sure if we have landed in the right place with this one – the GSSB has discussed this issue at length and would like to hear from stakeholders on this. GRI-based reporting is increasingly regulated in different ways, for example, for listing on Stock Exchanges. Many jurisdictions are using GRI as recommended options for compliance with reporting requirements. Stakeholders and regulators want to know what this means and whether company's GRI reporting is living up to expectations. They want clarity that the reporting

standards have been applied in the way organizations promise, including application of the reporting principles and disclosure of material impacts. This Statement of Use requirement is modeled after what other standard setters have done. Often it can be achieved through the involvement of a third party who performs all the checks and enables the Board or CEO to make such a statement. But I agree this is an area where we need more discussion. There was not 100% consensus on this. On the one hand, we need to respond to the expectation of regulators; on the other hand, we do not want to overburden reporting companies with disclosure that does not add value."

My view is that if a company is publishing a report, the CEO, who reports to the Board of Directors, must stand by the fact that this report is published in their name and that the claims made in the report are accurate. The CEO introductory message, which is part of the report, reinforces the CEO's accountability for the report content. I do not think we need the CEO to say: "Just in case you were wondering, we have done what we claimed to have done."

The contact point has disappeared

In the current GRI Standards, Disclosure 102-53 requires the organization to state a contact point for questions regarding the report. The new Universal Standards Exposure Draft removes this. I found this really weird. Reporting is an engagement tool. Surely reporters must provide a channel for engagement - somewhere to direct your inquiries to? I occasionally write to companies about things I notice in their reports, and I do so using the contact point they publish. More often than not, I get a response.

Now, some companies offer a generic email address – such as sustainability@icecream.com or responsibility@mintchocchip.com . This is fine, and assumes these emails will be monitored by members of the reporting team. Not everyone wants to make their individual work email public, given the amount of spam and other rubbish you get via email. Ideally, I like to see the name of a person and a job title. Take this good example from Man's 2019 CR Report:

Published by
MAN SE
Corporate Responsibility
Dachauer Strasse 641
80995 Munich, Germany
www.corporate.man.eu

Contact
Peter Attin
Senior Vice President
Corporate Responsibility
Phone: +49 89 36098-226
E-mail: CorporateResponsibility@man.eu

Editorial deadline
June 1, 2020

Although the email is generic, the name of the senior person accountable for the report is included.

GRI maestro Bastian Buck, Chief of Standards explained:
BASTIAN: "We removed the contact point disclosure because we didn't feel it was serving the purpose as intended. Most companies include generic emails. Feedback we have received indicates that it is often difficult for stakeholders to get through to the relevant contact in the reporting organization The information can be found on the organization's website and organizations can still report it if they wish."

I say: BRING THE CONTACT POINT BACK! I think it is both useful and a signal that companies invite feedback and queries.

Disclosure REP-3 Reporting period and frequency
This disclosure in the Exposure Draft requires organizations to specify the reporting period, and the reporting frequency (both are in the current standards) and also " *if the organization has audited consolidated financial statements or financial information filed on public record, specify the reporting period for its financial reporting and provide an explanation if it does not align with the period for its sustainability reporting"*.
This last part is new. The additional guidance states: *"The organization should align the reporting period for its sustainability reporting with the reporting period for its other statutory and regulatory reporting, in particular, its financial reporting."*

I see this as another troubling consequence of force-fitting sustainability reporting into financial reporting frameworks to meet the needs of money markets. The timescale required for sustainability reporting may not align with financial accounting for many and varied reasons. As long as a company is reporting consistently, and on a regular frequency, and within a reasonable time-frame after the close of the reporting period, that works for me. While there is obviously a linkage (usually created by investors or investment analysts, for example, who analyze environmental performance normalized to revenue – a useless comparison, in my view), I think sustainability reporting serves different needs and is subject to different review and approval pressures, and does not need to be dictated by the money market calendars. On the contrary, there is benefit in all companies reporting a calendar year on sustainability, which is far more comparable than different financial year periods.

What is vastly more important, in my view, is the publication date. Companies should be encouraged to improve their reporting efficiency and ensure they publish within a reasonable time after the end of the sustainability reporting period – ideally six months. I think that the requirement of a disclosed publication date should be included in the new Universal Standards, pretty much like the example of Man's report shown above. Their sustainability reporting year is calendar 2019, the report was published June 2020. Their Annual Report was published in March 2020.

GRI guru Bastian Buck, Chief of Standards explained:
BASTIAN: "Companies have numerous reporting requirements. All this information only makes a lot of sense if stakeholders have comprehensive information available. We have to bring this whole practice into a regular rolling schedule and that may include the integration of non-financial into financial reporting. We see it as a necessity to co-locate these disclosures. It's not about monetizing everything, but it's important that stakeholders have the whole picture."

I disagree. But you know why. I said so above. But what do YOU think? **Have your say** on this point and other points made in this post and other posts, and anything else in the Exposure Draft that I didn't get to in this series of reviews. The Exposure Draft is open for

comments until **9th September 2020.**

And that's a wrap for the time being. This concludes six aspects of the new GRI proposals, all of which have implications for reporters and report users. Overall, I welcome this initiative, the new structure of the 101,102,103 Standards makes sense to me, key principles and definitions have been clarified in useful ways and some new areas of emphasis will support improved reporting on different topics. On the other hand, some of the proposals place unnecessary burden on reporting companies, and some don't go far enough. It will be interesting to see how this plays out and what makes the final cut.

I'd like to thank Bastian Buck and Laura Espinach for their time and insights and their endless patience with me in a discussion with covered even more ground that I have been able to record in these posts. It's been a fascinating exercise for me, a self-professed reporting geek, and I hope it's useful for you.

Stay safe, stay well, stay optimistic!

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. Owner/Manager of **Beyond Business Ltd** , an inspired Sustainability Strategy and Reporting firm having supported **107 client reports** to date; **author** of three books and several chapters on Sustainability Reporting and the Human Resources connection to CSR; frequent **chair and speaker** at sustainability events and **judge** in several sustainability awards programs each year. Contact me via Twitter , LinkedIn or via Beyond Business

GRI Standards: Sector Standards: Back on the Map

Tuesday, July 28, 2020

This is another short(!) post in the GRI Standards series – an anatomical dissection of the Exposure Draft of the new GRI Universal Standards and what it means for reporters and report users. This fifth post is all about sectors. You'll recall that Sector Standards were a thing a long while ago at GRI, and a number of Sector Standards were developed. Then it stopped.

It's clear that sectors enable segregation of companies into categories that often share the same context and same issues. That's why there are so many sector associations, several of which have developed their own sustainability and reporting standards (in addition to bespoke Codes of Conduct and sustainability initiatives). IPIECA, for example, the oil and gas industry association, has a sustainability reporting manual for its members, now in its fourth edition. The World Steel Association has a sustainability reporting indicators guide for its members. The Responsible Business Alliance (for companies from the electronic, retail, toy and auto sectors) has a guide for transparency in procurement for its members. Cosmetics Europe has a sustainability guide for its members, that includes sustainability reporting with recommended indicators.The Better Buildings Partnership in the UK has a guide on reporting and metrics for its members. And the list goes on.

(By the way, the High Meadows Institute recently released a super-useful Business Leadership in Society Database of global partnerships and industry associations with detailed profiles of each that can help you check out what's happening in your sector anywhere in the world, and companies that subscribe to these initiatives.)

Sectors is definitely a thing. And Larry Fink did not mince words when he wrote to companies that Blackrock is investing in, requiring them to publicly disclose using SASB Standards. SASB (Sustainability Accounting Standards Board) as you probably know, was established in 2011 and has developed a list of 77 sector-aligned Standards designed to encourage companies to report on financially material sustainability topics within their corporate reporting for investors. Originally targeted at the U.S. market, SASB believes you cannot get enough of a good thing and therefore now promotes these standards globally. With 77 Standards, they pretty much cover the sector spectrum.

Time to let GRI have their say. I directed a few innocent questions to GRI expert-in-chief, Bastian Buck, Director of Standards.

ME: What's the point in developing sector standards? Hasn't SASB already done this work? BASTIAN: "The Sector Standards complete and strengthen the GRI Standards. One of the main criticisms of sustainability reporting and of GRI has been the lack of detailed guidance for determining materiality, so we are addressing that through the Sector Standards. It's important to remember that we are not changing the approach on stakeholder engagement, and companies should continue consulting stakeholders on materiality. Our Standards will define what is likely to be material in each sector. We don't want to prescribe, but there is evidence that certain topics will be material by sector and GRI wants to ensure that these will be considered as part of any materiality assessment."

ME: Why not simply reference the SASB Standards and not waste a whole lot of money and time reinventing the wheel? BASTIAN: "It's not about entering into a competition about what's financially material, we see ourselves as building on what others have done in this space. We don't want to start with a blank sheet of paper and that is why there is stronger emphasis on research and existing sources in this program. At the heart of the whole rationale for GRI's standard setting and therefore also the sector program is the

point that GRI focuses on impacts on others, not primarily on the risks to companies or issues that affect them. This necessitates the consideration of a wider set of topics than ESG topics considered by SASB. It is likely that we will observe that the gap between the two offerings in terms of topics covered is considerable. The reason is a fundamental difference: we look at a much wider set of considerations. To ensure we don't lose sight of the potential overlaps and alignments, we have included SASB in our first pilot project which looks to resources such as SASB as an input to the process. We expect to see considerable if not complete overlap for most sectors and a SASB representative was included in the first pilot project for the GRI Oil and Gas Sector Standard."

ME: There are also several sector standards developed by industry associations such as IPIECA. Why not simply refer to those where they exist and/or encourage associations to develop these where they do not? BASTIAN: "We recognize the strong work done in this space by many sectors, and we hope to collaborate with them as we do with SASB, IPIECA and other relevant players. It's important to remember that industry associations may not have the same multi-stakeholder impact-driven focus. Often their reference point is regulatory considerations. Remember, industry associations are industry led. Our role is to ensure balance across all stakeholder expectations with our Sector Standards."

ME: How long will it take to develop a full set of Sector Standards? How many sectors are expected to be covered? BASTIAN: "We are currently piloting three sector standards – Oil and Gas , Coal , and Agriculture and Fishing. The idea is to scale relatively quickly with 5 – 10 standards being developed concurrently at any given time to deliver a total of around 45 once the program is complete."

ME: Why make Sector Standards mandatory to be In Accordance? That means that some companies must report with the Sector Standards while others will not have to because they have not been developed yet. This is creating an uneven playing field for reporting over a long period of time. Why not make them optional / recommended? BASTIAN: "We believe we need to address one of the shortcomings of sustainability reporting, and that is that it's too easy to avoid reporting on certain things. The Standard Setter has to play a role in this. We are not mandating the use of all the topics but only the use of the Sector Standard. At the end of the day, the requirement is for an organization to consider the topics described in the applicable Sector Standard. Each Standard will apply to all companies in a certain sector - so all companies in the same sector will be equal. This will make sustainability reporting more comprehensive and complete and help to address the the issue of underreporting of material topics. It can also be used as an engagement tool. We believe that having a reference point for the dialogue between stakeholders and companies is pivotal to leverage the true value of the transparency exercise for all stakeholders and society at large. It will be interesting also to see how the sector standards fuel further dialogue across industries – elevating certain issues so that they are not only a struggle for an individual company, but part of a wider set of considerations. The EU and OECD are already driving work in this direction."

And that concludes the Sector story for now. And if you want to see what the first one looks like, the Oil and Gas Sector Standard Exposure Draft is now open for consultation (until 6th October). It's only an 87-page document including glossary and bibliography with 22 material topics for the sector to consider, so working through it should be a piece of cake.

What do you think about Sector Standards? Is the rationale for a whole load of time and investment in this area entirely justified? Will it add value? Will this ensure that companies report on topics they have conveniently (or unwittingly) avoided in the past? **Have your say** before Sectors get locked down with the new Universal Standards. The Exposure Draft is open for comments until **9th September 2020**.

Stay tuned for loads of Sector Exposure Drafts coming your way in the not too distant future. In the meantime, don't go anywhere as I will soon be publishing the next and final

post in this series on the Universal Standards and a few other changes that may not appear obvious at first glance.
Stay safe, stay well, stay optimistic!

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. Owner/Manager of **Beyond Business Ltd** , an inspired Sustainability Strategy and Reporting firm having supported **107 client reports** to date; **author** of three books and several chapters on Sustainability Reporting and the Human Resources connection to CSR; frequent **chair and speaker** at sustainability events and **judge** in several sustainability awards programs each year. Contact me via Twitter , LinkedIn or via Beyond Business

GRI Standards: Governance Galore

Monday, July 27, 2020

This is the fourth post in the exclusive read-only-on-the-CSR-Reporting-Blog unraveling of the GRI Universal Standards Exposure Draft that is now open for public comment. At 106 pages, the draft may seriously turn lockdown into meltdown. That is, of course, unless you give the technobabble a miss and skip to the juicy nuggets. Thanks to Wes Gee for this tweet.

Check out the first posts here: The overview . The human rights spotlight . The materiality clarity. Or dive straight into today's ton of juicy nuggets ... all about probably the part of sustainability reporting that most reporters find intensely boring...governance! How many really exciting and fun governance disclosures have you spotted in sustainability reports?

(One of the most colorful and human presentations of governance disclosures I have seen recently is in the Del Monte Pacific 2019 Sustainability Report - makes you think that governance might not be so boring after all!)

Anyhow, the thing you might unwittingly overlook if you have been a regular GRI Standards Core Level reporter, is that the new proposed In Accordance rule now includes ALL the general disclosures on governance. Currently, at Core level, all you need to do is report Disclosure 102-18 on covering governance structure and Board Committees, including those with responsibility for economic, environment and social topics. Generally, this information is reported anyway by public companies in their annual reports, so a brief reference in the sustainability report often did the trick. Not overly stretching, and not overly transparent either.

The new Universal Standards Exposure Draft changes all that. There are no less than 15 governance disclosures that organizations wishing to remain In Accordance must report, with no acceptable omissions.

- GOV-1 Governance structure and composition
- GOV-2 Nomination and selection of the highest governance body
- GOV-3 Responsibilities for sustainable development topics and delegation
- GOV-4 Stakeholder consultation on sustainable development topics
- GOV-5 Chair of the highest governance body
- GOV-6 Conflicts of interest
- GOV-7 Role of the highest governance body in setting purpose, values, and strategy
- GOV-8 Collective knowledge of the highest governance body
- GOV-9 Evaluation of the performance of the highest governance body
- GOV-10 Identification and management of impacts
- GOV-11 Role of the highest governance body in sustainability reporting
- GOV-12 Communication of critical concerns
- GOV-13 Remuneration policies
- GOV-14 Process for determining remuneration
- GOV-15 Annual total compensation ratio

All these disclosures require more than easy-to-draft one-liner responses – they almost all have several parts requiring comprehensive responses. (There is a little loophole here, that is, if you do not have something in place such as a policy or committee or process, then you can report that this does not exist, and that would meet the requirement for disclosure. The disclosure does not come with an obligation to implement new actions, but to report those that are in place. A bit of a double-edged sword, but it may provide some relief to those who do not have extensive governance structures in place, maybe suitable for smaller or privately-owned companies.)

Now, although GRI is saying that this is a simplification from 22 separate disclosures in the current Standards to 15 disclosures, in practice, several have been combined, resulting in a governance section that is almost a report in itself. In my view, many of these disclosures are part of mandated corporate financial reporting, and rather superfluous to sustainability reporting.
For example, **GOV-6 Conflicts of interest**: *The organization shall:*
a. *describe the processes for the highest governance body to ensure that conflicts of interest are avoided and managed;*
b. *report whether conflicts of interest are disclosed to stakeholders, including, as a minimum, the following conflicts of interest:* ***i****. Cross-board membership;* ***ii.*** *Cross-shareholding with suppliers and other stakeholders;* ***iii.*** *Existence of controlling shareholder;* ***iv.*** *Related parties, their relationships, transactions, and outstanding balances.*

For a sustainability-focused stakeholder who assumes that conflicts of interest are addressed and disclosed as part of fundamental corporate governance, this is just noise. I think it's unnecessary to burden the sustainability reporting process with this additional content.

Or this one: **GOV-7 Role of the highest governance body in setting purpose, values, and strategy:** *The organization shall: a. describe the role of the highest governance body and of senior executives in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to sustainable development topics.*

Sorry, but, frankly, who cares? Do we really need a load of unnecessary verbiage saying the Exec Team had a discussion and then the Board had a discussion and then they all had a discussion and then they agreed on the purpose, values and strategy? Since Disclosure GOV-11 covers the role of the highest governance body in sustainability reporting in which the purpose, values and strategy are disclosed, what's the point of another disclosure adding who said what and who agreed?

GOV 13 and GOV 14 require detailed descriptions of remuneration processes for the Board – all this is covered in other corporate governance reporting. I think it's irrelevant here.

Similarly, what does it help us to know " *the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country*" (GOV-15). It's all very nice for those who want to cap CEO compensation (and there is some merit in this thinking) but frankly, this is not about sustainability impacts and not even really about ethical conduct. It's about capital market forces that enable or even encourage these types of compensation processes. I would leave this to other corporate reporting platforms and leave it out of the sustainable development dialogue at this level of detail.

Personally, I suggest slimming down the mandated governance content to three or four disclosures related to Board accountability for sustainability topics that are not typically reported anywhere else.

I covered this in my conversation with GRI experts, Bastian Buck, Chief of Standards and Laura Espinach, Head of Technical Development.

ME:Does this now significantly increase the reporting requirement for companies who reported Core to date? Is this a deliberate new focus on governance? Won't this make reports longer ?

BASTIAN: "When we first introduced the governance disclosures, in G4, I think we were ahead of the curve. At the time virtually no company was disclosing this information. But today, many already disclose more than what's required to be In Accordance at Core level. If you look at all the data providers that send ESG queries to companies and at the regulatory domain where governance disclosure has become a lot more comprehensive, you see a clear trend of investor interest and demand towards more structured governance disclosure in both the financial and ESG reporting domains. As this became a more commonplace expectation, so companies went beyond the minimum disclosure. The GRI Global Sustainability Standards Board (GSSB) often wrestled with the question of whether this is too much – but input we received confirmed that this is important from a governance best practice perspective and interestingly enough, none of the other standards in the ESG space features these disclosures. It still holds true that you can reference other reporting you already publish – as long as this adequately fulfills the requirement of the GRI governance disclosures."

ME:As GRI Standards are supposed to apply for all organizations, including private companies, SMEs, nonprofits etc., is it reasonable to expect that all organizations will report on all these governance disclosures? Some of these disclosures will be extremely awkward for all but the largest corporations - is it GRI's intention to reduce the number of companies that can report In Accordance?

BASTIAN: "Let's be clear that the requirement to disclose does not mean you have to put

in place mechanisms that do not currently exist. It's perfectly acceptable to disclose the absence of certain governance aspects. It's understandable that certain organizations may not have all these governance processes in place that are required for large companies."

ME: Another point: I note that many continue to include governance as a material topic. But, as the materiality definition has changed to focus on impacts of the organization, does it follow that governance should not be included as an IMPACT but part of the organizational approach and due process? Would a company including governance as a material topic then not be In Accordance with the Standards?
LAURA: "What is important is that in the GRI Standards as proposed, governance is relevant to all organizations and all will therefore have to report all governance disclosures. Governance cannot be subject to a materiality assessment. But there is nothing that prevents an organization identifying governance as material (in addition to reporting the disclosures in GRI 102) as long as they can identify the impacts of governance and can justify the impacts in the context of the GRI standards."

Let's do a little poll: please read the question below and select the response that most reflects your view:

Question: Do you think several of the governance disclosures in the Exposure Draft are unnecessarily detailed and nitpickingish and do little to enhance our understanding of an organization's commitment or capability to manage its impacts?

Answers:

- Yes
- Affirmative
- Definitely
- Absolutely

Good, glad we got that sorted. Prepare for governance galore in the next iteration of the GRI Standards. If you like this, or do not like it, **have your say** before it gets locked down in the publication of the new Universal Standards sometime in the near future. The Exposure Draft is open for comments until **9th September 2020**.

Stay tuned for the next post in this series which is all about the rebirth of Sector Standards. YAY!

Stay safe, stay well, stay optimistic! And eat lots of ice cream

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. Owner/Manager of **Beyond Business Ltd** , an inspired Sustainability Strategy and Reporting firm having supported **107 client reports** to date; **author** of three books and several chapters on Sustainability Reporting and the Human Resources connection to CSR; frequent **chair and speaker** at sustainability events and **judge** in several sustainability awards programs each year. Contact me via Twitter , LinkedIn or via Beyond Business

GRI Standards: Materiality: You've Been Doing It All Wrong

Friday, July 24, 2020

There you have it. The infamous materiality matrix has disappeared from the GRI Standards (in the new Exposure Draft of the Universal Standards). Haha. About time. I have always maintained that the matrix and the plotting of dots was nothing but a distraction. (Check out my post from 2014, " Why the materiality matrix is useless ", before GRI Standards became G4, and another from 2016, " The missing piece of the materiality puzzle ".)

Is this a total U-turn by GRI or is it an attempt to realign reporters with what's really important, that is, defining the material topics, rather than developing creative visualizations of arbitrarily prioritized dots? I am reminded of a quote by the late Stephen R. Covey, the Seven Habits creator, who said: "If the ladder is not leaning against the right wall, every step we take just gets us to the wrong place faster."
And so it has been with materiality matrices, where most companies have taken to plotting material topics on two axes – importance to stakeholders and importance to the business, and prioritizing the topics that scored high on both axes. This was never the intention of GRI and it's rather odd actually that the practice developed in this way. The intention of GRI Standards was that (1) companies should list the priority material topics (2) topics are most material if they score high on EITHER axis, not necessarily on both of them and most importantly, (3) that the horizontal axis represents the significance of the impact OF the business, not ON the business. Such a lot of companies reporting for such a long time on topics that were all prioritized against the wrong wall. How weird is that?
I asked the GRI experts, Bastian Buck, Chief of Standards and Laura Espinach, Head of Technical Development, about this.
ME: What are companies going to do now with all their materiality matrices? Many have invested loads of time and money perfecting the dots. Has this all been a waste of time?
LAURA: "Let's be clear that the use of the matrix was never a requirement. It became the practice that companies were including the matrix. We have now removed it first and foremost because the definition of material topics has changed. This also helps us address issues of how the matrix was applied in practice, with companies prioritizing topics that ranked high on BOTH axes, even though GRI Standards say that topics are material if they score high on one dimension. Will companies continue to use the matrix? Well, we don't know. They can still choose to display the selection of material topics visually. What's important is that if they opt to use a matrix, they must include the topics as required in the new GRI 103 Standard."
ME: Is the expectation that companies will now redo all their materiality assessments in order to align with the new definition of materiality? **LAURA:** "The answer is no, if they have been following the materiality principle as intended, that is, based on significant impact. That's still the case. What's different is that we recommend the approach to prioritizing impacts based on severity and likelihood but this method is not specifically required and organizations can select their own method and explain it. This may not therefore result in many changes to the material topics. But, if the company did not use a method that is aligned with the intention of expressing impacts through the material topics, then the new definition may require some changes."
ME: But what about all this new guidance on assessing the scale, scope and likelihood of topics? Wouldn't it be better if GRI had provided some more specific guidance here? It's still rather vague. **BASTIAN:** "It's important to note that the identification and

assessment of material topics is not done for reporting purposes. The report reflects the impacts and actions of the companies throughout their activities. We offer options to use different methodologies and dimensions to assess material topics, but actually, GRI is not the tool that determines this. GRI is the disclosure tool, and we require companies to report their approach and methodology. The Standards do not prescribe the methodology."

I am pleased to see the revised definition of materiality in the proposed Universal Standards and new guidance – minus matrix. Material topics are redefined as topics "that reflect the organization's most significant impacts on the economy, environment, and people, including impacts on human rights." This is clear enough. (See my post entitled GRI Standards: Human Rights: Quadrupled for a discussion on how human rights snuck into that definition).

The proposed new standard GRI 103: Material Topics includes guidance for identifying material topics and related disclosures. There are three required disclosures in the new GRI 103 (all mandatory for reporters wishing to claim "In Accordance"):

Disclosure 1: (MT-1 Identification of material topics and related impacts) Includes the way an organization has identified its material topics and prioritized them, as well requiring disclosure of the stakeholders whose views informed the identification of material topics. Also, organizations should point out changes in materiality from the prior reporting period.

Disclosure 2: (MT-2 Material topics and related impacts) Includes listing the material topics, describing the impacts related to each topic and whether the organization is involved in negative impacts directly through its activities or as a result of its business relationships. Disclosure 3: (MT-3 Management of material topics and related impacts) Replaces and extends the scope of the Management Approach Disclosures of the former GRI 103 Standard. It requires for each material topic a whole load of information:

- Policies or commitments
- Actions taken to manage the topic and its related impacts
- Actions taken to prevent or mitigate potential negative impacts, or address actual negative impacts through remediation
- Effectiveness of actions taken
- Process for tracking the effectiveness of actions taken including goals and targets, evidence of effectiveness and lessons learned
- Ways stakeholder engagement has informed the actions taken and if the actions have been effective
- Reason for not addressing a material topic if the organization does not do anything at present and plans to manage it in the future if there are any.

There are a few things worth noting here. Most of these requirements were already part of GRI Standards, but some bits that stand out are:

First: Change materially. Do you find yourself scrambling around to see what companies said were material last time? Ever since the G4 Framework, a disclosure requirement was for companies to report significant changes in material topics from previous reporting periods. Although, honestly, I have noticed only a few companies actually including explicit information about what changed. So you had to do a bit of scrambling around. The new requirement in MT-1 requires organizations to report changes in the material topics compared to the previous reporting period. That is, all changes. I suspect this won't be such a burden as most companies revise their material topics every few years, and even then, not much actually changes. But it's worth reminding organizations of this requirement, as no report is standalone, it's always part of a disclosure continuum and changes in materiality by definition are not incidental.

Second: Get descriptive. In addition to the requirement to report how the organization has identified actual and potential, negative and positive material impacts and how it has

prioritized them, the new requirement is to describe the impacts for each material topic. Currently the requirement is to report why the topic is material - which can be a bit repetitive as most companies are fairly generic about why child labor is not good or why diversity is fantastic. The move to describing impacts could lead to greater specificity in what material actually means in terms of how the organization affects our lives.

Third: Preventive precaution. The requirement to state how you uphold the precautionary principle (currently General Disclosure 102-11), which most reporters didn't really understand anyway, has now been changed. The proposed Standard (RBC-2) asks companies to state whether the precautionary principle is applied as part of its policy commitments. The precautionary principle is seen as one form of prevention of negative impacts, which applies in specific situations (where there is sufficient reason to expect serious or irreversible damage even though there is no complete scientific understanding or evidence of that). So maybe it's time to revisit how you talk about this and update your policies to bring precaution into the frame.
Fourth: Get authentic. You can not report any of the above on any material topic as long as you explain why you are not doing so. Hah! I don't recall seeing many reports saying we have loads of material impacts but we are not doing anything about them. But, the "report or explain" principle has been fairly effective in some jurisdictions, e.g. Denmark, in catalyzing action, so it worth reminding organizations of this requirement, which was included in current and prior GRI iterations. It's a recognition that not every company has all the answers all the time, and that it is better to disclose that this is the case than simply omitting reference to what might be an important impact of the company. It's rather uncomfortable to do this, and I suspect it's easier to conveniently deprioritize an impact which you are not prepared to deal with. The optimistic view is that companies will realize there's value in telling it like it is and will use this as a way to either report more authentically or get a meaningful approach and an action plan in place before their report is published.

In general, while there is still a lack of more explicit methodology for defining materiality, I am confident the new materiality definition will help improve the quality and relevance of disclosure. If you agree, or disagree, have your say before it gets locked down in the publication of the new Universal Standards sometime in the near future. The Exposure Draft is open for comments until **9th September 2020**.

Stay tuned for the next post in this series which focuses on the changes in disclosures on governance.
Stay safe, stay well, stay optimistic!

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. Owner/Manager of **Beyond Business Ltd** , an inspired Sustainability Strategy and Reporting firm having supported **107 client reports** to date; **author** of three books and several chapters on Sustainability Reporting and the Human Resources connection to CSR; frequent **chair and speaker** at sustainability events and **judge** in several sustainability awards programs each year. Contact me via Twitter , LinkedIn or via Beyond Business

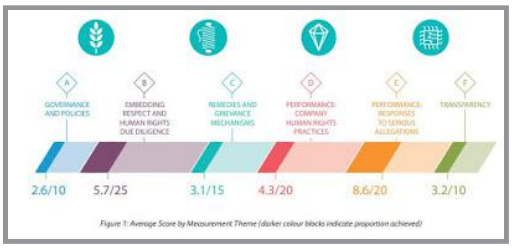
GRI Standards: Human Rights - Quadrupled

Tuesday, July 21, 2020

It can't help but strike you when you review GRI's Exposure Draft of the new Universal Standards (See my first post on this topic : GRI Standards: Shape Up or Shape Out) that human rights is just everywhere. A quick PDF search shows that in the new proposed revised Standards 101, 102 and 103, the term human rights appears more than 90 times, whereas in the 2016 version of these standards, the term appears less than 25 times. That's an almost quadrupled helping of human rights in these new Standards. Now, if anyone offers me quadruple ice cream, I say: Yes please! But a disclosure Standard that's so totally human rights flavored, well, that might just give you a little bit of indigestion.

If you read the Explanatory Memorandum that GRI published to accompany the Exposure Draft, you will have noticed that it started out with the sentence: " *The primary objective in reviewing the Universal Standards is to address the recommendations from the GRI Technical Committee on Human Rights Disclosure.*" Human rights even snuck into the new definition of materiality: *"a topic that reflects the organization's most significant impacts on the economy, environment, and people, including impacts on human rights"*.

A quick glance at the 2019 Corporate Human Rights Benchmark shows that "More than half of the 200 benchmarked companies score less than 20% and only 1 in 10 companies score more than 50%. These extremely low scores reveal poor levels of implementation of the UNGPs by the vast majority of companies assessed." So there is clearly more work to be done.



I asked Bastian Buck, GRI Standards Guru-in-Chief and Laura Espinach, GRI Standards Technical Development Guru-ess-in-Chief, about the human rights changes in the Exposure Draft.

ME: Why the need to explicitly add human rights in this definition? Does impacts on people not automatically assume human rights? BASTIAN: "Even ten years after the publication of the UN Guiding Principles on Business and Human Rights, we are seeing that is still deeply uncomfortable for companies to disclose in this area." **LAURA:** "Impacts on people should automatically assume human rights, but this has often been underreported by organizations. One of the main challenges the Human Rights Technical Committee grappled with as they were making these revisions was how to drive more reporting on human rights. They discussed some of the reasons for lack of reporting, for example, many companies do not think of their activities as having human rights impacts either because they don't know what a human rights impact is or because they only think of human rights impacts as gross violations or issues that are life threatening. There has also been a historic masking of human rights within the economic, environmental and

social framing of disclosure, so human rights issues were often overlooked. In fact, this is the reason we have moved from referring to social impacts to referring to impacts on people."

ME: Does this all imply that human rights are more material than everything else?LAURA: "The normative expectation in the UN Guiding Principles is quite unique. Human rights is one of the few areas that has been elaborated in this high level of detail about companies' expectations and responsibilities, so we thought it was important to highlight that in the definition of material topics. This doesn't mean that human rights are more material than anything else. We are trying to signal, of the impacts companies can have on people, human rights are the most acute / important ones. While it should be automatically assumed that impacts on people include human rights, this is not generally understood. By signaling this we hope to drive more reporting against the normative expectation that exists."

The Glossary in the Exposure Draft includes a definition of internationally recognized human rights, which is an addition to the current glossary. "These rights are understood, at a minimum, to include the rights set out in the International Bill of Human Rights (consisting of the Universal Declaration of Human Rights and the main instruments through which it has been codified: the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights), coupled with the principles concerning fundamental rights in the eight International Labour Organization (ILO) core conventions as set out in the Declaration on Fundamental Principles and Rights at Work."

I think many companies have become familiar with reporting labor rights (based on the ILO core conventions), although not necessarily doing so under the banner of human rights. The same, I think, applies to supply chain standards – companies report practices on Supplier Codes of Conduct, or ethical procurement etc., without necessarily referencing human rights. There are some areas of human rights that I believe have not benefited from broad disclosure, such as impacts on indigenous peoples, land rights etc. And of course, the International Convention on the Human Right to Ice Cream has been virtually ignored.

But by making everything about human rights, there's a danger that we focus on the rights and not on the people – a bit like saying, the operation succeeded but the patient died. There just might be cases where the rights were upheld but the people were not. For example, non-discrimination. Companies declare they are non-discriminatory and list all the ways in which they are upholding equal opportunity for all. Then you look at their Board of Directors and Executive Teams, and they are predominantly white, male and middle aged. Somewhere in the system, therefore, discrimination is present, even though it might be tough to admit. In promoting human rights disclosures, we must be careful not to forget the people - which means that disclosures need to be underpinned with relevant practice.

I shared this concern with the GRI Standards experts, and Laura responded as follows:

LAURA: "Human rights is all about outcomes for people. I think the issue in the example may have more to do with how these issues are dealt with in practice, than with how this is framed in the Exposure Draft. The overall framing in the Exposure Draft is 'impacts on people' which include human rights-related impacts. And the changes to the definition of stakeholder also aim to focus reporting on individuals or groups that are or could be affected."

(Note here that the revised definition of stakeholder is: "individual or group that has an

interest that is, or could be, affected by the organization's activities and decisions". This is different from the previous definition which reflected a dual interaction - referring to stakeholders as being both **affected by** the organization and **affecting** the organization. The new definition aligns more closely with the focus on impacts of the organization on stakeholders, people, environment and society.)

Nonetheless, the intention of GRI is clear and it's helpful. I believe it will drive greater awareness, action and reporting. Now is the time to start assessing your organization's impacts on human rights and the people who have them, if you haven't already done so. If you think this is a great new direction, or excessive in emphasis, have your say before it gets locked down in the publication of the new Universal Standards sometime in the near future.

The Exposure Draft is open for comments until **9th September 2020**. The next post in this series will cover the new definition of materiality and what that means for the infamous materiality matrix.

Stay safe, stay well, stay optimistic!

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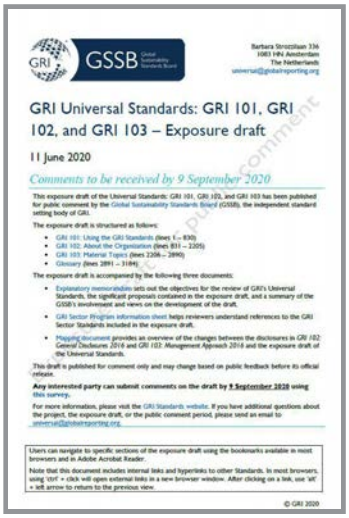
GRI Standards: Shape Up or Shape Out

Monday, July 20, 2020

The Exposure Draft of the new GRI Universal Standards looks quite innocuous at first glance. Seems to put things in order and chop out a bunch of irrelevant/irritating stuff. Puts them back together again in a fairly logical way. At first glance, it seems super-duper. Then you read the fine print and consider the changes that reporters will face and wonder if they are a help or a hindrance, and in some cases, why on earth they were even considered.



GRI Universal Standards: GRI 101, GRI 102, and GRI 103 – Exposure draft

11 June 2020

Comments to be received by 9 September 2020

This exposure draft of the Universal Standards: GRI 101, GRI 102, and GRI 103 has been published for public comment by the Global Sustainability Standards Board (GSSB), the independent standard setting body of GRI.

The exposure draft is structured as follows:

- GRI 101: Using the GRI Standards (lines 1 – 830)
- GRI 102: About the Organization (lines 831 – 2205)
- GRI 103: Material Topics (lines 2206 – 2890)
- Glossary (lines 2891 – 3184)

The exposure draft is accompanied by the following three documents:

- Explanatory memorandum sets out the objectives for the review of GRI's Universal Standards, the significant proposals contained in the exposure draft, and a summary of the GSSB's involvement and views on the development of the draft.
- GRI Sector Program information sheet helps reviewers understand references to the GRI Sector Standards included in the exposure draft.
- Mapping document provides an overview of the changes between the disclosures in *GRI 102 General Disclosures 2016* and *GRI 103: Management Approach 2016* and the exposure draft of the Universal Standards.

This draft is published for comment only and may change based on public feedback before its official release.

Any interested party can submit comments on the draft by 9 September 2020 using this survey.

For more information, please visit the GRI Standards website. If you have additional questions about the project, the exposure draft, or the public comment period, please send an email to universal@globalreporting.org.

Users can navigate to specific sections of the exposure draft using the bookmarks available in most browsers and in Adobe Acrobat Reader.

Note that this document includes internal links and hyperlinks to other Standards. In most browsers, using 'ctrl' + click will open external links in a new browser window. After clicking on a link, use 'alt' + left arrow to return to the previous view.

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I was fortunate to be able to chat about the Universal Standards revision with long time architect of GRI Standards, and occasional sparring partner, Bastian Buck, Chief of Standards, probably the most knowledgeable person on the planet on the topic of sustainability reporting standards, and a most patient and attentive responder to all of my niggly questions and observations, and someone I always tremendously respect. Joining us was Laura Espinach, GRI's Head of Technical Development, an experienced and accomplished GRI specialist who has been instrumental in standards revisions for over a decade and specifically in guiding the current proposed Universal Standards revision. Both took on the call of responding to 5 pages of questions and observations I had prepared for them on the new revisions. In a series of posts, I will be sharing their insights and my thoughts about the aspects of the revisions that seem to me to be the most meaningful. This is by no means an exhaustive review. I have been a little selective. As usual, my purpose is to help people (including myself) understand the GRI technobabble (which has become a little less techno over the years, even though there's still a lot of babble), and also to encourage you to navigate the changes and provide your input to the Exposure Draft through the formal GRI survey.

But first: the cheat sheet. What's changed? Here's a quick summary of the proposals:

- **New alignment of three Universal Standards:** 101, 102 and 103 where:
- **101:** contains information about how to use the GRI Standards
- **102:** contains disclosures about the reporting organization and
- **103:** contains guidance and disclosures relating to material topics (and supplemented by Sector Standards and Topic Specific Standards, where applicable). It's sort of a revised, expanded Management Approach Disclosure standard.
- **In Accordance options Core and Comprehensive have been shelved.** Now it's In

Accordance only with an option to reference the Standards if you can't go the Full Monty.

- **Human Rights have been elevated** to become omnipresent in every part of the Standard, including in the definition of materiality. This is to compensate for the underreporting of human rights over the years, as companies have sidestepped key human rights disclosures for different reasons.
- **Materiality definition has been revised** to re-emphasize the focus on impacts of the business on economies, environment and people – making it clearer that reporting is not about what's affecting the business but rather what or whom the business affects. Oops! Get ready to revise that materiality matrix. Or even ditch it.
- **Governance disclosures have been revised** and a full set of sustainability-related governance disclosures have become part of the mandatory requirements for compliance with the In Accordance option. For those companies who have not reported governance extensively, or who have referenced Annual Reports (often misleadingly, as the Annual Reports do not generally contain the specific aspects of governance important for sustainability reporting), this will require companies to buckle down and publish more relevant information on governance.
- **Sector Standards are now mandatory** for In Accordance disclosures, even though none of them yet exist. But, as they are developed, companies in the relevant sectors will be required to use them for their reporting to be In Accordance.

And some very specific changes you might miss if you speed-read the new proposals.

- **Alignment of reporting timelines** is a new proposal (guidance, not required to be In Accordance), whereby companies are asked to align the sustainability reporting period with that of the annual report. Hmph. Nothing more useful than treating apples and oranges in exactly the same way.
- **CEO Statement of Use** is a new requirement, asking the CEO (officially: the highest governance body or the most senior executive) to publicly confirm that the GRI Standards have been applied correctly. Seriously? I thought that's what assurers were paid for.
- **Contact Point** is now not contactable. The requirement to list a contact point for queries (currently General Disclosure 102-53) has been removed. Apparently, no one felt it was important. Clearly one of the main tools for stakeholder dialogue does not need to identify how to reach the people to dialogue with.

And in addition there are some revisions to other existing disclosures and some tightening up of the reporting principles etc.

All in all, quite a big job, meaning that when these new Universal Standards are approved and published, and enter into force (I guess that will be in 2022 - on average the transition period for GRI Standards revisions is 2 years), reporters will have a much reduced use for the copy-paste button. (Don't you wish all keyboards had one of those? Specially for Sustainability Reports.)

But, before we delve into the changes in detail (in a series of subsequent posts), I wanted to share the views of the experts on the revision of the In Accordance rules. To remind you, in earlier GRI iterations, there was the A, B,C system, where A was more extensive disclosure and C covered the basics. A-level reporters puffed up their chests and issued glorious Press Releases while C-level reporters were relieved they were able to issue a Press Release at all. The misleading nature of this system led GRI to adopt the Core and Comprehensive differentiation with G4, which was actually very similar. The tiered system has not proven useful, as transparency for the sake of transparency was not adding value. Transparency must be relevant, which in GRI jargon is about the focus on material topics.

The new In Accordance framework requires the following:

- **Applying the Reporting Principles** (no need for proof of this – the report itself should be proof)
- **Reporting ALL the General Disclosures in Standard 102** (same as current but now there are more – specifically in the area of Governance)
- **Identifying and listing material topics** (using available Sector Standards) and reporting GRI 103 which is all about materiality (similar to the current Management Approach Disclosures)
- **Reporting appropriate disclosures from the GRI Topic Standards** that correspond to each the material topic – the operative word here being "appropriate". Currently Core requires minimum of one indicator and Comprehensive requires all. With the new definition, companies must select the indicators that are relevant and report those. For example, no point in selecting the hazardous waste indicator if you do not generate any hazardous waste. Duh. But, if all the indicators are relevant for a particular material topic, then you cannot just select the easiest one to report as you might have done with the one-per-topic rule in the current Core option. As with the current system, if GRI does not have a ready-made indicator, you can make one yourself. Or draw on other existing standards and reporting guidelines

I asked guru Bastian about the new In Accordance rules:

ME: With the removal of the Core and Comprehensive "In Accordance" options, how can companies signal that they have been "more transparent" than other companies? Is this not seen as important?

BASTIAN: "I think there is a historical perspective to the decision to remove Core and Comprehensive. We have this history of trying to take everyone and everything with us as we move forward, and there was always a tiered system. But eventually we knew that we would have to consider having a clear threshold, and now is the right time to do that. First, this aligns with the approach of standards such as the IFRS and many others. Either you are or you are not. Reporters need to make a clear commitment to stakeholders on where they stand. Second, it was confusing. In many cases, companies published a Core report, but reported far beyond the minimum Core requirements - by declaring Core, they were not setting an accurate expectation for their report."

ME: That sounds fine, but what about omissions. You can still be In Accordance while not reporting performance and simply stating omissions. How will that work?

BASTIAN: "We have revised the acceptable language for noting omissions and how to include them in the disclosure. Some degree of omission is always possible – it's far better to say that you are not able to provide certain information and explain the challenges you face, and when you plan to report in the future, if relevant. This is why the feedback loop with stakeholders is so important. They should challenge companies on what they said they would report at a future date. In some cases, systems simply don't exist to gather the relevant data, but if you commit to resolving this, then stakeholders should check that you follow through."

ME: So where does In Accordance now sit? At Core or Comprehensive?

BASTIAN: "The fact is that In Accordance will always deliver a high level of transparency across a broad range of general disclosures and across material topics. Companies themselves define what is material and therefore what they report. But we have also retained the reference approach, so that companies can use certain disclosures from GRI Standards. This continues to be relevant for us as a global standard because of regulatory regimes across the global system – the reference approach

continues to cater to regulators and reporters who require or recommend / disclose a narrower set of topics."

I believe current Core reporters will find the new approach a little stretching. First, there are more general disclosures. Second, they will have to think more deeply about the topic-specific indicators they commit to reporting. But, that's a good thing. Somewhere in GRI's purpose is improving the quality of reporting, I think, and this means raising the bar and challenging companies as stakeholder expectations change.

So, that just about covers it for this post. And this is only the overview . Brace yourself for more posts on the Universal Standards Exposure Draft if you are really keen to understand how these changes might affect your reporting. If you agree, disagree, or have any better ideas, take some time to provide your feedback in the GRI Survey between now and 9th September.

In the meantime, you had better stock up on ice cream.

Stay safe, stay well, stay optimistic!

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. Owner/Manager of **Beyond Business Ltd** , an inspired Sustainability Strategy and Reporting firm having supported **107 client reports** to date; **author** of three books and several chapters on Sustainability Reporting and the Human Resources connection to CSR; frequent **chair and speaker** at sustainability events and **judge** in several sustainability awards programs each year. Contact me via Twitter , LinkedIn or via Beyond Business

CSR for HR in the Big Pandemic

Monday, July 06, 2020

Last week I had the honor and pleasure to contribute to the Live Interactions Program of the International Institute for Corporate Social Responsibility (IICSR) and share my thoughts about CSR for HR (human resources). Many thanks to Harsha Mukherjee , IICSR founder, for her kind invitation.

Since the publication of my book, CSR for HR: A necessary partnership for advancing responsible business practices in 2010, which now seems like a lifetime ago, I have written and collaborated on several papers, briefings, book chapters and articles on this topic, delivered talks, workshops and facilitated discussions and engaged with HR leaders. Overall, while there has been some shift in approach, I think my mantra: **It's time for HR to wake up to CSR** is still relevant today. I believe the HR function in general is lagging in its understanding of sustainable business, its willingness to think beyond the traditional HR role and its openness to be a partner in leading sustainable business transformation. A few months back, I gave a talk to a large group of HR professionals in a global company about the connection between HR and the Sustainable Development Goals. For many, it was the very first time they were seeing the broader picture. The arguments are compelling. Companies with progressive HR leadership are undoubtedly, for me, the ones that will be the most agile, resilient and successful over time.

And then came the Big Pandemic. And with it, an entirely new level of understanding of that well-worn and not entirely true-ringing phrase "our employees are our greatest assets". Now, corporate leaders are using this phrase like they actually mean it, with a new kind of respect in their tone and a degree of compassion in their heart. Through this pandemic, employees have been in focus - both because of their new vulnerability in the workplace and because of their flexibility, creativity and willingness to go the extra mile in a time of crisis. Beyond the essential workers, who in every market have been risking their lives to keep work going, keep people connected, protected and motivated, the rank and file of our global corporations have suddenly become the center... really the center.. not just lip-service to being at the center. I believe a new level of respect for employees by corporate leaders is one of the positive outcomes of COVID-19. I call it a leadership awakening, and if the Human Resources function does not emerge from its comfort zone, embrace this awakening and leverage it to drive a new kind of HR leadership, in a new kind of world, then it will be one of the biggest failures of business today. (I won't dwell here on the Black Lives Matter movement, which is combining with COVID-19 to amplify the need for proactively inclusive business in an inclusive and equitable society. This is of course no less important.)

Anyway, despite a few technical hitches on the Zoom platform, I delivered an overview of **CSR for HR: The COVID-19 Differential** , covering the following points:

- CSR for HR: An overview
- The impact of COVID-19 on the management of work
- The new challenges for HR leaders managing workplaces in light of the COVID-19 pandemic
- The new focus for HR Leaders post COVID-19
- The CSR opportunities for HR leaders post COVID-19

Here it is:

Stay well, stay safe, stay optimistic!

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ESG Reports. The new gimmick?

Monday, June 29, 2020

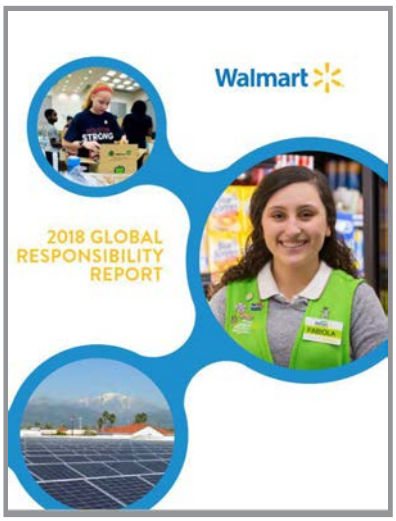
Anyone in the sustainability reporting world cannot help but have noticed the trend towards ESG Reporting we have been witnessing in the past year or so. ESG is the term of choice for investors apparently, and therefore, if you do not report on ESG rather than plain old sustainability or even plainer older CSR, then apparently, you are also plain and old, and unattractive to investors.

I know that I harp on quite a lot about sustainability disclosure becoming the new toy-tool of financial analysts, serving money markets rather than real people and people's lives, but this move to ESG disclosure, ESG indicators, ESG reporting, ESG Everything (please Ben & Jerry's - do not bring out an ESG flavored ice cream) is rather disappointing. I can overlook Integrated Reporting as a tool that helps companies include sustainability information as part of the way they create (financial) value, but sustainability reporting was always about impacts, not financially material impacts that help stock-owners and investors decide how to make more money, but real-life impacts that affect you, me, human beings, animals, all of us on the planet and the planet itself. When did the core values that drove sustainability and sustainability reporting get lost on Wall Street and other financial hubs? When did we start to care about the planet only if it represents a climate-related financial risk? When did reporting managers start to wear dollar-tinted glasses instead of real-life lenses?

So what exactly is an ESG Report and how does it differ from a Sustainability Report except in its name? And with ESG reporting, have we seen a switch away from stakeholder disclosure in favor of add-on financial disclosure? Is this just the new gimmick of the day? It seems to be getting farther away from the true sustainability agenda, just when 181 U.S-based leaders of large corporations committed to lead their companies for the benefit of all stakeholders – customers, employees, suppliers, communities and shareholders in the new Statement on the Purpose of a Corporation from the Business Roundtable .

Of course, I couldn't resist taking a look. Let's start with a small company that most of you have probably never heard of: Walmart. In the 2019 ESG Report, Walmart makes the point: *"This ESG Report responds to stakeholder requests for a more concise and focused view of our priority topics — how we define them and the long-term strategy to manage them; our aspirational goals and targets; and progress to date.*"(page 8).

Walmart's first ESG Report for 2019 follows the 2018 Global Responsibility Report, which was published annually since 2009. Prior to that, the report archive shows a "Sustainability Progress Report" and before that, two "Ethical Sourcing" Reports.



A key change is the weight-loss (haha, wish I could do so well losing weight): the 2018 report was **232** pages (including the GRI Content Index) while the 2019 report is just **95** pages (excluding the GRI Content Index). Apparently when you talk ESG you say a lot less than when you talk responsibility!

Report structure:
2019: Four core sections: Our Approach and then one for each E, S and G. There is an additional section grouping metrics called ESG Data.
2018: Five core sections: Welcome, Opportunity, Sustainability, Community, Governance. These are followed by a summary of ESG Priorities and the GRI Content Index.

Aside from the words, not too much has changed. Sustainability has become Environment, Community has become Social and Governance stays Governance. But in moving to ESG, the report has lost a section called Opportunity! Unfortunate, maybe?! Although not really, because the content in this section has been moved to the Social content of the 2019 ESG Report. Same content, different place.

But some new language? See this opening paragraph from the Chief Sustainability Officer (red highlight is mine) from the 2018 and 2019 reports:

2019: " *Business exists to serve society. For Walmart, this is true in many ways: providing customers with convenient access to affordable food and other products; employing associates; helping suppliers grow their businesses that in turn employ others; generating tax dollars that help support community life; providing a return to shareholders.*"
2018: " *Business exists to serve society. For Walmart, this is true in many ways. We're providing customers with convenient access to safe, affordable food and other products, creating job opportunities for our associates; helping suppliers grow their businesses that, in turn, employ others; and generating tax dollars that help support community life.*"

Now, to be fair, in both reports there is a section entitled "Our Approach to ESG" and they are exactly the same in both reports .. with the exception of a date or number update here and there.

Shared value: Our approach to ESG

Our approach to environmental, social and governance (ESG) topics is rooted in our company purpose to save people money so they can live better. Embedded in that purpose is the principle of shared value: we maximize business value by helping to address important needs in society and, conversely, we can transform society through our business. Delivering on our purpose in a way that creates economic opportunity, sustains the environment and strengthens local community not only mitigates risk—it can generate significant, lasting value for our business and for society.

Key elements of our approach:

- **Creating shared value.** Good ESG practices go beyond risk management or corporate responsibility—they can generate additional value for business and for society. For example, better ESG practices can enhance customer trust, catalyze new product lines, increase productivity, reduce costs and secure future supply, while simultaneously improving livelihoods, advancing economic mobility and opportunity, reducing emissions and waste, and restoring natural capital.
- **Salient issues.** We set ESG priorities based on relevance for our company purpose, key categories and markets; the potential impact on Walmart's business and relative importance to our customers and other stakeholders; and Walmart's ability to make a difference through strengths such as our associates around the world, supplier relationships, jobs and purchase orders, or capabilities such as in logistics and technology.
- **Whole-system change.** To maximize shared value, we aim not only to run a good retail business but also to make large-scale and lasting improvements to the ecosystems most salient to our business. In this report we will discuss several of these, including human capital development in the retail sector, human rights in seafood, and science-based emissions reductions across the entire consumer goods chain. That means beyond managing our own footprint, we work to accelerate transformation of broader systems.
- **Business leadership.** We establish, drive and track performance against our social and environmental priorities through our everyday business activities. For example, we track performance toward our diversity goals through our human resource activities and renewable-energy goals through our real estate and operations activities. Business ownership and accountability for ESG execution starts with the Walmart Board of Directors and leadership engagement, and is embedded throughout our business in the business planning and performance management cycle, our operating policies, organization roles and coordinating mechanisms, project governance, and systems and tools (e.g., Sustainability Index).
- **Aligned philanthropy.** Our corporate giving and the Walmart Foundation programs complement Walmart's business initiatives to help accelerate social and environmental transformation. In FY2018, through a combination of in-kind and cash gifts, Walmart and the Walmart Foundation gave over $1 billion to projects that create opportunity, enhance sustainability and strengthen community.
- **Collective action.** Since we believe that collective action is essential to transforming systems, we shape our ESG programs in collaboration with other leaders and stakeholders. Project Gigaton®, the Retail Opportunity Network and the Sustainability Index are just a few examples of large-scale, system-wide collaborations we have helped create.

Walmart Inc. | 2018 Global Responsibility Report 7

Shared Value from Walmart in the 2018 Global Responsibility Report (page 7), same text as in the 2019 ESG Report In general, I can't see any major changes in content, except that the 2018 Report is much shorter. This is in part due to the omission of several case studies - we all know that investors and analysts are so busy that they do not have time to read stories or look at anything that does not contain a number. So helpful and interesting content in the 2018 Report found no place under the ESG banner.

IMPACT

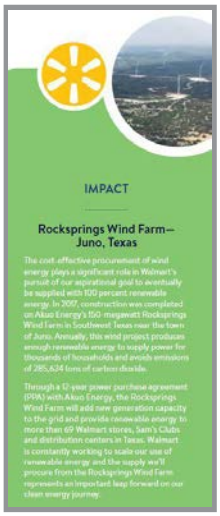
Halloween costume safety

The safety of children's Halloween dress-up costumes is of the utmost importance to Asda and has been subject to intense media scrutiny within the U.K. The U.K. Product Safety team has worked hard on the dress-up strategy and Halloween 2017 proved to be a significant milestone. The Product Safety team led a strategic working group with key business partners across the Asda and George business, third party test houses, and the British Retail Consortium (BRC) to develop our products and our public-facing materials to directly add our customer education with regard to fire safety. We worked with our trusted suppliers to remove materials from our products that promote the spread of flames and implemented new design features to reduce the risk of burning. By doing this, the costumes were designed to exceed legal requirements by passing the additional requirements of the British Nightwear Standard. Utilising our in-store "Good Living" magazine that is available to all of our customers, the Product Safety team worked with West Yorkshire Fire & Rescue Service to share tips on how to stay safe around Halloween, such as replacing tea candles with a much safer LED equivalent. We also launched a simple, clear policy for our suppliers specifying the safety and regulatory requirements for all dress-up products.

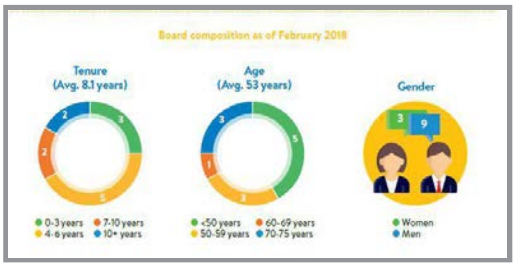
IMPACT

Enabling retail advancement in Japan

In Japan, young people who are regarded as NEET (Not in Employment, Education & Training), especially those from low-income families, often lack opportunities for gaining the skills necessary for finding jobs and entering the workforce. Seiyu, our Japanese business, has made grants of more than $75,000 to provide job training to NEET youths from low-income families. Besides training, Walmart aims to instill respect for individuals of all backgrounds and to promote social inclusion and economic empowerment for those youths. One grantee was Sodateage.net, a nonprofit that works with unemployed youth. Sodateage worked with Seiyu to create a program called Seiyu Pack, which provides participants with 3.5 months of job training as well as in-store training at Seiyu stores and ongoing support. The program launched in 2013. Of the 66 youths who have participated, 51 have been offered jobs, including 25 who have become Seiyu associates, as of December 2017.



Finally, the other big difference is the use of color. The 2018 Global Responsibility Report is bright, colorful, optimistic. The ESG Report is a little more "formal" - blue on white with images and icons. See the different ways, in the governance sections, that Board Composition is represented:



Board Composition in 2018

Board Composition in 2019 Bottom line: While Walmart may be saving time and energy in delivering the new-style weight-conscious ESG Report, nothing of substance has changed, only moved around or omitted. I suppose that's what concise and focused means. I guess.

Got time for another one?

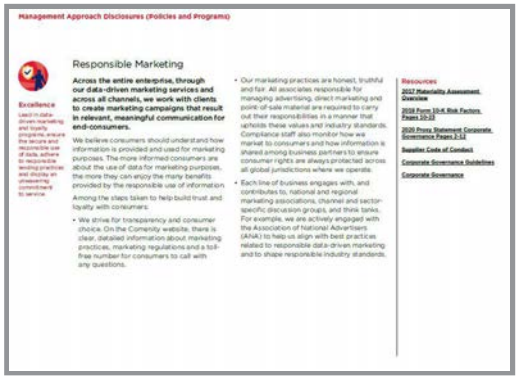
Here is one that represents a change not in name only.

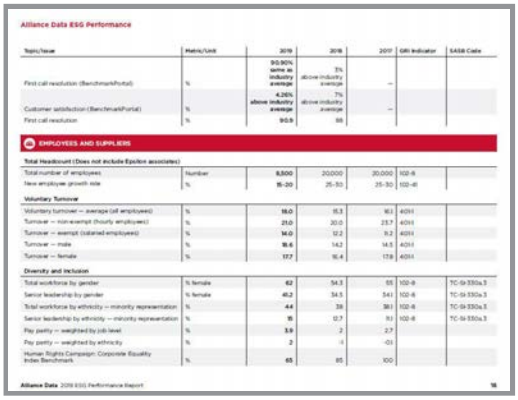
Alliance Data published its 2019 ESG Performance Report, following its 2018 Sustainability Report and several prior years of "CR" reporting. And the difference is quite interesting. In fact, it could be two different companies (except for the fact that the materiality analysis from 2017 has not changed - apparently the move to ESG did not affect material topics!)

As you can see, Alliance Data goes from multi-color to monochrome and from design creativity to design minimalism - all the while thinning down the report from **78** pages in 2018 to **21** pages in 2019. The 2019 ESG Report "references" GRI and SASB disclosures, while the 2018 Report was prepared in accordance with GRI Standards (core).

Report structure:

2019: Two core sections: (1) Management Approach Disclosures describing policies and programs and brief updates across 10 topics (which broadly represent the topics listed in the Materiality Matrix, although clustered slightly differently) and (2) ESG Data tables covering three years of activities and referencing GRI and SASB disclosures.

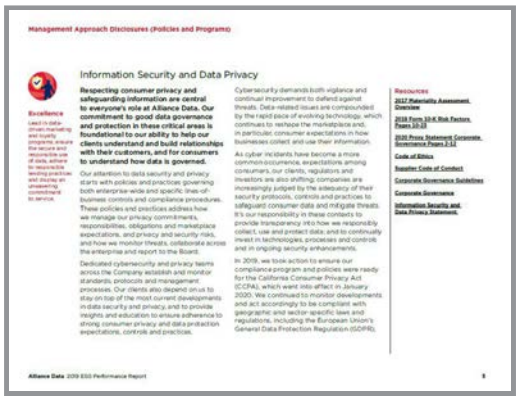




2018: Five core sections: Ethics, Excellence, Associated, Communities, Environment. These are preceded by a section on Our Approach and followed by a GRI Content Index.

The diet plan included, for example, exclusion of all case studies and appealing graphics. So, the section on information security and data privacy went from 5 pages of text in 2018 with icons, imagery, charts quotes to one page of monochromatic text.

2018 report - sustainability in party colors



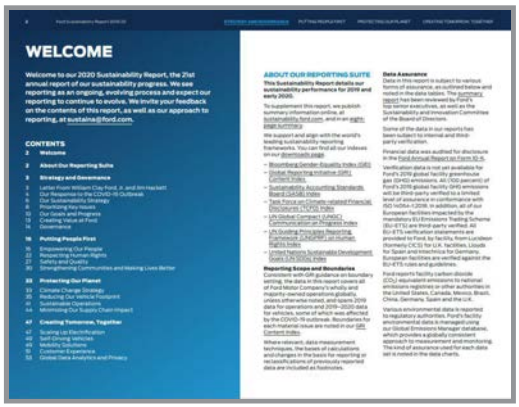
2019 Report - ESG in funeral colors

Overall, this 2019 ESG Report is useful in presenting policies and data. It's definitely not a report you read - it's a disclosure document, nothing more. If this is what the super-serious, busy and story-challenged investment community is looking for, it might do the

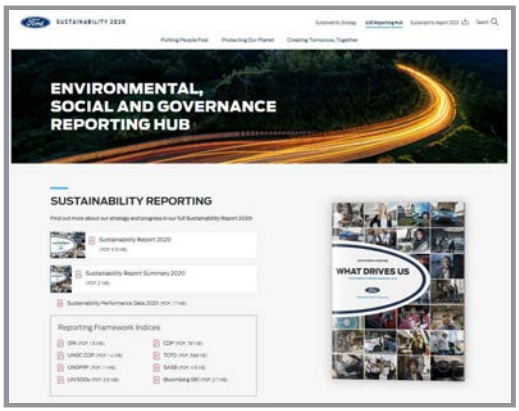
job. Neither report is externally assured, by the way.
On the other hand, the 2018 Sustainability Report gets a message through - starting with the report title of Embracing Change and continuing through the insights of company leaders, case studies and more extensive descriptions of processes that underpin the disclosure and enhance credibility with a broader range of stakeholders. It's also appealing, you do more than just cherry-pick data-bytes, you actually read the narrative selectively and some of it is quite inspiring.
****

I can certainly understand the appeal to company leadership of boarding the ESG train .. it's short, it's focused, it's lower budget and it plays to the demands of people who hold the money. And I am no means an advocate for tediously looooong sustainability reports. But in converting to ESG, perhaps something is getting lost en route - exactly what the CSR, Sustainability, Social Impact, Conscious Business, Accountability, Sustainable Impact etc Reports aimed to do: speak to all stakeholders in language all stakeholders understand in ways that help all stakeholders stay informed and engaged beyond computing facts and figures.
I think this is symptomatic of the ongoing tension (and increasing complexity) in the sustainability space as investor interest has finally woken up to the fact that the impacts of companies are not just about traditional financial materiality. The challenge in this awakening is a bit like the old adage: **When you are an ice cream, everything you see is a cone and chocolate sprinkles.** (OK, I adapted that old adage). With investors, everything they are seeing in sustainability is now reframed as new financial risk (rather than a non-financial one) and monetized to assess its effect on shareholder value. We just might be in danger of coming full circle. I appreciate that corporations are struggling with this and how to best meet the needs of investors while continuing to place value in values.
An example of a company that does it well, in my view, is FORD's Sustainability microsite.

Ford 2020 Sustainability microsite home page Ford's online and downloadable Sustainability Report clearly states all the different frameworks that Ford reports against. It's a packed 54 page report that includes strategy, material topics, quotes, images, case studies and super interesting perspectives on all aspects of sustainable mobility and responsible practices.



And for the ESGerati, wow, there is also an ESG Reporting Hub. This contains not only the Sustainability Full and Summary Reports, but also downloadable indices for no less than 8 reporting frameworks, including GRI, SASB, UNGC, CDP and others.



The ESG Hub continues with a suite of policies and positions and ESG highlights, for those who have an extra few minutes to scroll down the page.
It appears to me that Ford has invested in developing detailed disclosures and organizing them in a way that enables different stakeholders to get the information they want and need quickly and efficiently, without compromising on the richness of insight we seek from sustainability reporting. I like this. I feel that Ford is respecting all its stakeholders.
In summary, I hope ESG does not become a poor proxy for sustainability reporting. I hope companies will not use ESG reporting as an opportunity to turn sustainability reporting into skeleton disclosure about whose numbers are bigger.
Resonate, anyone?

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. Owner/Manager of **Beyond Business Ltd** , an inspired Sustainability Strategy and Reporting firm having supported **100+ client reports** to date; **author** of three books and several chapters on Sustainability Reporting and the Human Resources connection to CSR; frequent **chair and speaker** at sustainability events and **judge** in several sustainability awards programs each year. Contact me via Twitter , LinkedIn or via Beyond Business

Reporting in CoronaWorld

Saturday, June 13, 2020

The question on everyone's (masked) lips. Although we are currently publishing a 2019 Sustainability Report, should we include our response to COVID-19, even though it occurred in 2020?
In my view, the answer is unequivocally **yes** . Reporting is never in a vacuum, and when reality has changed so starkly between the time of preparation and the date of publication of a sustainability report, I believe it's fairly obtuse not to include a reference or update. In fact, many are referring to a company's COVID-19 response as a sort of litmus test of its seriousness about sustainability. If core values of positive social impact and responsible employment are not demonstrated in times of crisis, when they are most needed, then they are apparently not truly embedded. Check out **the COVID-19 Stress Test by Vigeo Eiris** , which concludes with the words: *"CSR presents a pathway to protect consumer trust, investor confidence and workforce loyalty. If there is a simple lesson that we can relearn, it is that CSR practices can act as powerful tools when responding to a crisis."*
I reviewed 30 Sustainability Reports that were published in the last few weeks (those that have crossed my radar through announcements and alerts) and produced the following analysis:

OVERALL REPORTS/COMPANIES ANALYZED	30	
Reports mentioning COVID-19	22	73%
Reporting companies mentioning COVID-19 on website homepage	20	67%
Reporting companies mentioning COVID-19 in report and on the homepage	17	57%
Reporting companies mentioning COVID-19 on homepage only	3	10%
ANALYSIS of REPORTS MENTIONING COVID-19	22	
Reports mentioning COVID-19 ONLY in the leadership letter	7	32%
Reports mentioning COVID-19 actions to support/protect employees	8	36%
Reports mentioning COVID-19 actions to support customers	5	23%
Reports mentioning COVID-19 actions to support suppliers	3	14%
Reports mentioning COVID-19 actions to support communities	6	27%

- The majority of companies include references to COVID-19 in their 2019 Sustainability Reports, though a third of them are only doing so via a brief mention in the leadership (Chair, CEO or other senior leaders) letters.
- The number of companies providing extensive updates about their actions to support their stakeholders during the COVID-19 challenges are few - just 8 companies out of 30 specifically reference more than a single stakeholder group (e.g. employees, customers, suppliers, communities or new business activities).
- Most of the companies that have included COVID-19 references in their Sustainability Reports also have a COVID-19 update on their website homepage.
- Three companies that do not provide COVID-19 updates in the 2019 Sustainability Report include a reference on the company homepage.
- Five companies - radio silence.

These results surprised me a little. There has been no greater global social or economic crisis in recent years than the coronavirus pandemic, affecting billions of lives, forcing businesses around the world to a standstill, a slowdown, or for many, bankruptcy. There has never been a period in our lifetime when the ability to work and deliver economic output has been so drastically affected. There have never been so many layoffs in such a short period, nor so many employees affected by the virus or by sickness or deaths of loved ones, neighbors or colleagues. Never has "materiality" been subordinated to a single overriding issue that affects everything corporations are doing.

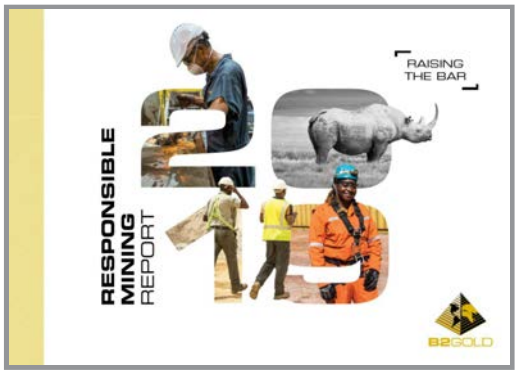
In this unprecedented scale of crisis, all corporations face both risk and opportunity - the familiar duality of CSR or sustainability. The annual Sustainability Report is a core communication tool to disclose the impacts of companies on people and the environment,

as well as the sustainability risks and opportunities companies face, and how they are dealing with them. By the time the next report is published, in 2021, although companies may still be navigating the "new normal", whatever that looks like, their actions **now** are what counts and what stakeholders seek to understand. A page on a website may get lost in time, a Sustainability Report is a permanent attestation to a company's commitment. Business is not currently "as usual". Sustainability Reports published in 2020 should also not be "as usual".

Yet, in more than a quarter of the recent reports I reviewed, companies say nothing at all - not even: "Hey folks, stay safe." For many others, the mention is cursory. On the positive side, there are examples of comprehensive disclosure such as Infosys, Samsung and Moody's (see below).

Here are a few examples from the 30 reports I reviewed (alpha order):

B2Gold: 2019 Sustainability Report - Raising the Bar



B2Gold's President and CEO references COVID-19 in his opening letter - not the first thing he addresses, but it is there on the first page of the letter and a commitment to work with governments, health authorities and other players to support navigating the pandemic. Separately, B2Gold includes a half page update of key COVID-19 initiatives and commitments addressing employees, health and safety and community - referencing more details on the company's website.

COVID-19 RESPONSE STATEMENT

AS OF 27 MAY, 2020

A compelling test of a Company's commitment to responsible mining is evident when a crisis emerges. The COVID-19 pandemic, which has impacted all facets of life in all corners of the world, has given our stakeholders a unique perspective into the heart of B2Gold and provides an opportunity to shine a light on our Company values. B2Gold has responded with excellence in all aspects of our operations.

Our response to the COVID-19 pandemic stems from extensive consultation with the government authorities where we work, employee participation in the decision process, and ongoing consultation and education in the communities where we operate. Through the first six months of 2020, the Company's commitments to excellence include:

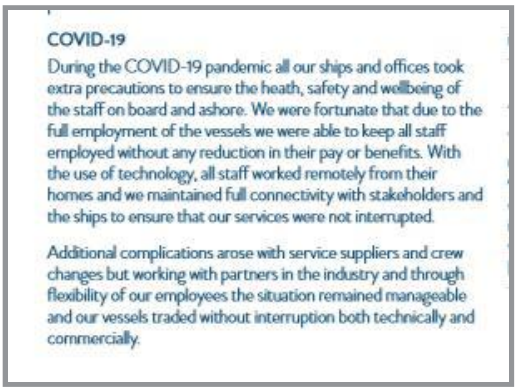
- JOB SECURITY: ensuring that all employees receive salaries and benefits while adhering to stay at home orders issued by the governments in each jurisdiction;
- HEALTH AND HYGIENE: implementing extensive health and safety protocols at all operations to maximize hygienic conditions and social distancing on sites;
- STAYING SAFE: maintaining an industry leading safety program at sites to ensure that our health and safety performance remains among the best in the industry;
- ENVIRONMENTAL CARE: ensuring that all environmental and permit requirements have been maintained; and
- COMMUNITY RESILIENCE: providing additional financial support to address social impacts in the communities where we live and work.

In the midst of the global pandemic, B2Gold reported record operational and financial results during the first quarter of 2020. These results were achieved without sacrificing our values and responsible mining principles. We anticipate continuing this performance for the remainder of 2020, noting that forward-looking dates referred to in this Report are subject to change due to potential impacts of the COVID-19 pandemic. Refer to www.b2gold.com/corporate/covid-19-response for updated information.

Notably, all forecasts and data shared for 2020 is footnoted in B2Gold's report with the words: "based on current assumptions, subject to variation due to impacts of COVID-19 pandemic."

GasLog Ltd:Sustainability Report 2019

This is a first report from this company, and nothing like a baptism of fire, facing both the challenges of first time reporting AND the COVID-19 pandemic all at the same time. GasLog's Chairman's first words in his opening letter addresses this. In fact, the first paragraph of the Chair's letter includes the word "challenges" three times - a symptom of today's market and reporting environment. In addition to this, GasLog briefly references the measures taken to protect employees and maintain operations.



COVID-19

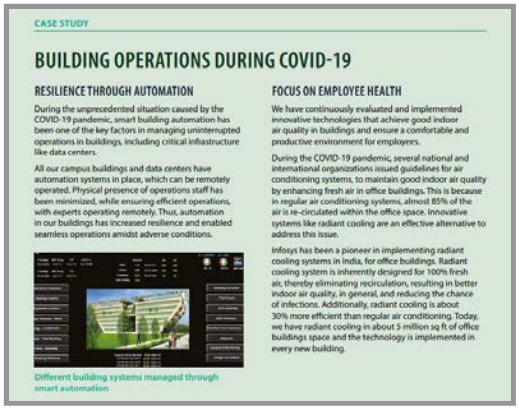
During the COVID-19 pandemic all our ships and offices took extra precautions to ensure the heath, safety and wellbeing of the staff on board and ashore. We were fortunate that due to the full employment of the vessels we were able to keep all staff employed without any reduction in their pay or benefits. With the use of technology, all staff worked remotely from their homes and we maintained full connectivity with stakeholders and the ships to ensure that our services were not interrupted.

Additional complications arose with service suppliers and crew changes but working with partners in the industry and through flexibility of our employees the situation remained manageable and our vessels traded without interruption both technically and commercially.

Infosys: Sustainability Report 2019 - 2020

Infosys provides detailed coverage of its COVID-19 response, starting with a reference in the COO letter to the contribution made by the Infosys Foundation to support local communities. Later, a dedicated section in the report focuses on Infosys' risk management approach and support for the health and safety of employees and vendors, and business continuity plans for customers.

COVID-19 references also appear in different sections of the report, describing, for example, research initiatives on the effects of the pandemic, and a hackathon hosted with IBM to address issues such as crisis communications and remote working. Another example is converting the company's internship program to operate virtually so that interns can stay on course in their careers. There is also a specific case study on smart building automation as a key factor in managing uninterrupted operations in buildings, including critical infrastructure like data centers.



Further, Infosys reports pushing out its climate ambition from its commitment to achieve carbon neutrality in 2020 to 2021 due to COVID related uncertainties. Interesting. With all the travel restrictions, lockdown and virtual working, you might have thought that the carbon neutral commitment would be even easier to achieve in 2020. But apparently it take more than zoom meetings and cancelled flights to deliver a long-term step change in

carbon performance. It's notable the the company is acting with a measure of caution and publishing an updated commitment to stakeholders.

Mondelez International: Snacking Made Right 2019 Report

Several references are made in different sections of the report, covering employees, safety, communities in addition to a brief mention by the CEO in his opening letter.

RESPONDING TO THE COVID-19 PANDEMIC
As the COVID-19 pandemic continues, it is our top priority to protect the health and safety of our employees, partners and customers in close collaboration with global institutions and local health authorities. We have implemented strict health protocols and taken appropriate measures in our factories and facilities, including implementing temperature screening, social distancing, mask-wearing, and work-from-home policies where applicable.

SUPPORTING FARMERS AND COMMUNITIES
During this extremely challenging time of the COVID-19 pandemic, we are committed to doing everything we can to keep our farmers and their communities safe and as prosperous as possible.

We're supporting government-led activities wherever possible, while also contributing to relief and response projects of our partners on the ground, with a focus on health and safety, income continuity and child protection.

RESPONDING TO THE COVID-19 CRISIS
In these unprecedented times of the global COVID-19 pandemic, we are very aware of the many critical challenges faced by communities around the world. To help relief efforts, we have donated $20 million of cash and products, surpassing our $15 million global commitment, supported by the MIF and global and local brand initiatives.

FIND OUT MORE

And this is a final comment from the General Counsel:

Now more than ever, as we all continue to contend with and tackle the unprecedented challenges created by COVID-19, a real commitment and focus on ESG issues is critical. This goes to the heart of the success and future sustainability of our company and to the positive difference we make for consumers, communities and all our stakeholders around the world – now and going forward..

So, not overly detailed, but clearly representing different dimensions of the Mondelez COVID-19 response. Mondelez also maintains a website page , accessible from the homepage, with a detailed list of actions currently being taken across different aspects of the business.

Moody's Investor Service : **2019 Corporate Responsibility Report**

Moody's covers its response to COVID-19 through its CSR Report across different dimensions of its activities, with a focus on helping customers and markets navigate this pandemic and managing risk.

ENABLING BETTER DECISIONS FOR MORE CUSTOMERS

We will keep delivering meaningful, relevant ratings and research to investors and policymakers. For example, our findings and views on the credit and economic impact of the COVID-19 pandemic are available to all at moodys.com/coronavirus. To help hospitals and other healthcare organizations readily identify and qualify medical and personal protective equipment suppliers, we launched the free "Know Your Supplier" online portal. And to help governmental authorities get funding to small businesses, we are leveraging our loan origination tools, data and insights.

PARTNERING FOR REAL IMPACT

Moody's will fund a $1 million program of charitable donations and other support to help organizations impacted by COVID-19 and those directly involved in relief work. We will also increase support to existing philanthropic partners to help small businesses and education systems and reconfigure our employee volunteer programs to assist communities most affected by the pandemic. As we do, we will evaluate the measurable impact of our support to maximize our reach.

Paving a "pathway to prosperity" one small business at a time

Small businesses are the backbone of the US economy. However, with recent uncertainty caused by COVID-19, many are struggling to stay afloat. Even in less turbulent times, entrepreneurs often lack insight into what their finances look like from day to day, how much cash they have on hand or whether they will be able to pay their bills on time. In fact, according to a March 2018 Preferred CFO study, 82% of business failures are a result of poor cash flow management.

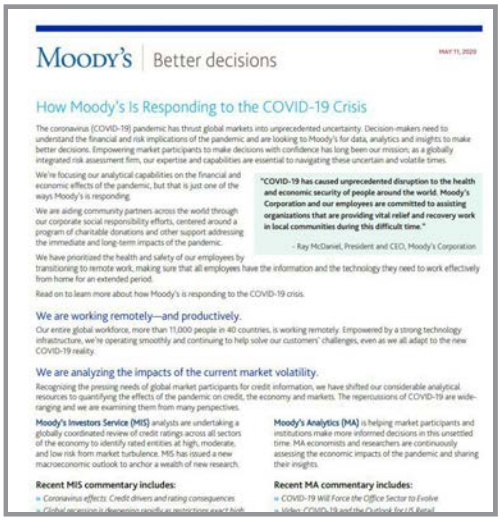
Improving ESG assessments

Analysis of how social considerations affect creditworthiness has historically been the least developed among ESG considerations. Social issues may include an issuer's interactions with employees, customers, supply chain partners, counterparties and society at large.

Of note today, MIS regards the recent and rapid spread of COVID-19 as a social risk under our ESG framework, given its substantial threat to public health and safety, with credit implications that will continue to play out in the years to come. Measures we took in 2019 to classify social considerations are helping us understand and analyze the severe credit shock sparked by the 2020 pandemic.

Interestingly, as an employer of 11,000 people worldwide, Moody's makes no reference to what it's doing to support its employees through the challenges of COVID-19, choosing to focus on market and customer-facing actions. Moody's coverage of its COVID-19 response is prominent on the company's homepage and covered in a coronavirus blog .

You can also download a Moody's COVID-19 status report , an early example of what I suspect will be a flurry of standalone COVID-19 Response Reports that many companies will publish starting in late 2020 and through 2021, supplementing regular annual and sustainability reporting. Sooner or later, someone might even develop a standard for COVID-19 CSR Reports (GRI? Anyone?)



MOODY'S | Better decisions

MAY 11, 2020

How Moody's Is Responding to the COVID-19 Crisis

The coronavirus (COVID-19) pandemic has thrust global markets into unprecedented uncertainty. Decision-makers need to understand the financial and risk implications of the pandemic and are looking to Moody's for data, analytics and insights to make better decisions. Empowering market participants to make decisions with confidence has long been our mission; as a globally integrated risk assessment firm, our expertise and capabilities are essential to navigating these uncertain and volatile times.

We're focusing our analytical capabilities on the financial and economic effects of the pandemic, but that is just one of the ways Moody's is responding.

We are aiding community partners across the world through our corporate social responsibility efforts, centered around a program of charitable donations and other support addressing the immediate and long-term impacts of the pandemic.

"COVID-19 has caused unprecedented disruption to the health and economic security of people around the world. Moody's Corporation and our employees are committed to assisting organizations that are providing vital relief and recovery work in local communities during this difficult time."

- Ray McDaniel, President and CEO, Moody's Corporation

We have prioritized the health and safety of our employees by transitioning to remote work, making sure that all employees have the information and the technology they need to work effectively from home for an extended period.

Read on to learn more about how Moody's is responding to the COVID-19 crisis.

We are working remotely—and productively.

Our entire global workforce, more than 11,000 people in 40 countries, is working remotely. Empowered by a strong technology infrastructure, we're operating smoothly and continuing to help solve our customers' challenges, even as we all adapt to the new COVID-19 reality.

We are analyzing the impacts of the current market volatility.

Recognizing the pressing needs of global market participants for credit information, we have shifted our considerable analytical resources to quantifying the effects of the pandemic on credit, the economy and markets. The repercussions of COVID-19 are wide-ranging and we are examining them from many perspectives.

Moody's Investors Service (MIS) analysts are undertaking a globally coordinated review of credit ratings across all sectors of the economy to identify rated entities at high, moderate, and low risk from market turbulence. MIS has issued a new macroeconomic outlook to anchor a wealth of new research.

Recent MIS commentary includes:

- *Coronavirus effects: Credit drivers and rating consequences*
- *Global recession is deepening rapidly as restrictions exact high*

Moody's Analytics (MA) is helping market participants and institutions make more informed decisions in this unsettled time. MA economists and researchers are continuously assessing the economic impacts of the pandemic and sharing their insights.

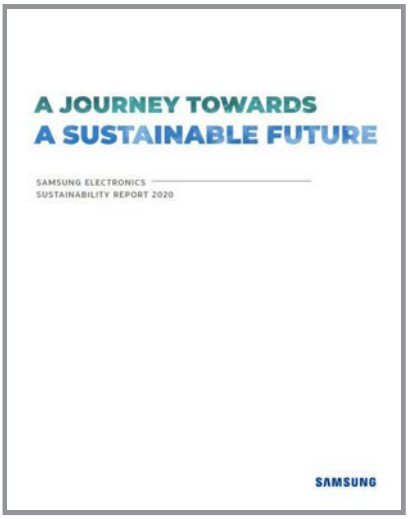
Recent MA commentary includes:

- *COVID-19 Will Force the Office Sector to Evolve*
- *Video: COVID-19 and the Outlook for US Retail*

Regency Centers: 2019 Corporate Responsibility Report

Recency Centers publishes a strong report that is GRI, SASB and TCFD compliant, well-structured and nicely laid out. This applies also to their COVID-19 response, grouped on one page, covering support for employees, communities and ethical conduct. There's something to be said about grouping COVID-19 updates on one page (or two) - providing a sense of scale and coverage to a company's response, This way, the reader can appreciate the company has a considered response, rather than a fragmented (uncoordinated) one.

Samsung Electronics:2020 Sustainability Report



Samsung Electronics has one of the most extensive (and impressive) examples of coverage on COVID-19, and, in this 13th Sustainability Report, introduces a dedicated chapter covering the COVID response and other mentions throughout the report. Specifically, the CEO opens up with understanding the challenges everyone faces and wishing everyone well. Nice. Then a dedicated chapter covering Samsung's COVID response for employees, suppliers, customers and some stories.

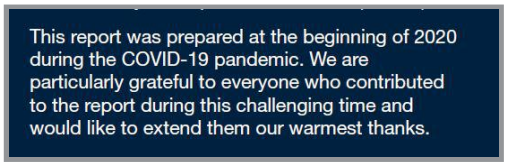
In particular, thanks to COVID, we meet Kim. Kim, I assume, is a fictitious employee and Samsung shares the changes to her day as a result of COVID-19 measures in the work environment. I note she didn't take time for ice-cream, but maybe this wasn't a typical day!

Kim's Work Day

Returns from business trip	After returning from a long business trip to Europe, Kim did not commute to the office and instead worked from home for 14 days. The day before returning to the office, she took the mobile COVID-19 diagnosis survey and read the Company's precautionary advice.
10:00	Kim takes advantage of the flexible working hours policy. She wears a face mask on her way to work and visits the company's dedicated test center. Before entering the office, she walks past thermal cameras that check her body temperature.
10:05	Kim reads the CEO's message posted on the company's online bulletin that encourages employees to participate in ensuring workplace safety and overcome COVID-19.
11:00	Kim participates in a video conference to discuss the business impacts of COVID-19 via Samsung Wormhole, a global cooperation solution. She supports managing and distributing the COVID-19 prevention guidelines and safety supplies to Contact Centers.
12:00	As part of the social distancing campaign, Kim and her colleagues refrain from sitting across from each other while dining at the cafeteria, or take their lunch to their desks.
16:00	Some of the premium smartphones manufactured at the Gumi production site in South Korea will be temporarily produced at our production site in Vietnam due to COVID-19. During a video conference, production managers from the Gumi and Vietnam production sites and marketing managers for the European market share plans and discuss ways to secure flights for key engineers as well as other logistics related topics.
19:00	Kim checks her text messages encouraging social distancing and decides to cancel her dinner appointment. She takes the employee commuter bus, which is disinfected daily. Public facilities including meeting rooms and lobbies are also disinfected daily after employees have gone home.

Beyond this, Samsung shares in the dedicated COVID-19 chapter, (and in a case study later in the report) how the company helped boost mask production in Korea by 51% through deploying support personnel to optimize the production process for local mask-makers, and engaged more than 100,000 employees in brainstorming and debating ideas to address COVID-related challenges. Samsung also references COVID-19 in its risk management section and the establishment of a separate COVID-19 risk monitoring and response organization. All in all, a comprehensive and creative disclosure on COVID from Samsung, demonstrating a holistic approach to protecting different stakeholders.

STMicroelectronics: 2020 Sustainability Report Briefest of mentions in the report. Cursory mention by the CEO and a short reference to triggering risk management protocols to support employees and maintain supply chain continuity. One nice touch: Thank you to report contributors who worked to complete the report in lockdown.



There is no mention of COVID-19 on this company's website .

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Reporting is never easy and reporting in CoronaWorld is even less easy. Well done to all these companies and others who are maintaining reporting, with or without references to their COVID response in this period. I have no doubt that the pressures at this time on all businesses could easily turn into an excuse to delay/shelve disclosure. Having said that, the way companies are behaving through this pandemic is a direct reflection of their values. Does no COVID disclosure = no values? Well, that might be going a little far, but no disclosure certainly risks eroding stakeholder trust.

What's the best way to disclose? Report? Web? Social media? Answer: All of the above. But failing to include any form of COVID response in sustainability reports publishing this year is a missed opportunity and one that stakeholders are not likely to forget. Even ice cream may not help.

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream

Addict. Owner/Manager of **Beyond Business Ltd** , an inspired Sustainability Strategy and Reporting firm having supported **107 client reports** to date; **author** of three books and several chapters on Sustainability Reporting and the Human Resources connection to CSR; frequent **chair and speaker** at sustainability events and **judge** in several sustainability awards programs each year. Contact me via Twitter , LinkedIn or via Beyond Business

A winning formula for sustainability reporting

Wednesday, May 06, 2020

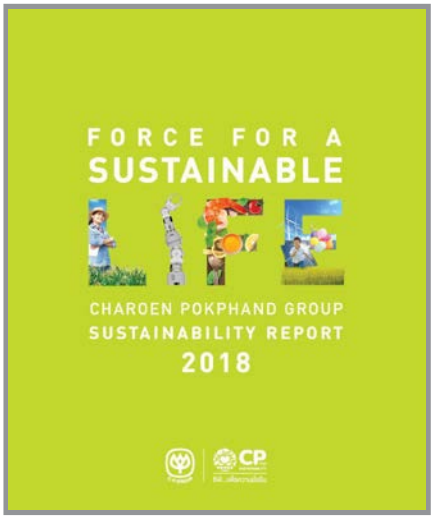
Last week, I was delighted to co-host the Asia Sustainability Reporting Awards (2019) annual awards gala. I have been a partner of ASRA since its inception and a judge every year, reading and reviewing almost all report submissions in almost all categories. Usually, I cannot attend the in-person event in Singapore, rather a long trip for me for one evening. But this year, lockdown offered a silver lining, and the virtual event enabled me to both co-host and share reporting insights, and partner with the creator of ASRA, Rajesh Chhabara, to reveal the winning reports in an exciting 2-hour ceremony attended by hundreds of reporters representing companies around Asia.
In this post, in addition to congratulating all the entrants and winners, I'll focus on the Charoen Pokphand Group, whose team has made obvious efforts to enhance the quality of reporting, winning several awards this year, both as a Group and also through its reporting subsidiaries. In total, the Group won **11** awards across **9** categories - including the coveted Asia's Report of the Year, ASRA's highest honor. Of the total 11 awards, 7 were at the group level and 4 were for two subsidiaries (Charoen Pokphand Foods plc and C.P. Intertrade Co., Ltd)
This year, we simplified the scoring methodology for the judging panel, with a scoring framework in five broad content buckets:

CONTENT: Does the report reflect a strategic approach to sustainability? Is there clear relevance to the business? Are material topics identified and is the materiality process clearly described? Does the (integrated) report describe value creation for all stakeholders?
CLARITY:Does the report present management approach and multi-year data clearly? Does the report properly use leading reporting standards such as GRI, SASB, UNGC, Integrated Reporting Framework or other sector guidance? Are graphs and charts clearly presented? Is the report easy to navigate and information quick to locate?
COMMITMENT:Does the report clearly state targets and performance against targets? Is the report externally assured? Does the report describe challenges and issues rather than only "good news"? Is there evidence of effective stakeholder engagement that underpins strategy and materiality? Is there alignment with the Sustainable Development Goals demonstrating commitment beyond direct impacts? Does the CEO or Chair introduction effectively reflect leadership commitment?
CREATIVITY:Do creative communication and visual elements make this report stand out from the crowd? Is the overall look and feel appealing? Are case studies effectively used to provide examples of practice? Is this report credible?
CATEGORY: Does the report provide a full and relevant disclosure specifically for the Awards category in which it was entered, covering the key elements comprehensively and transparently?

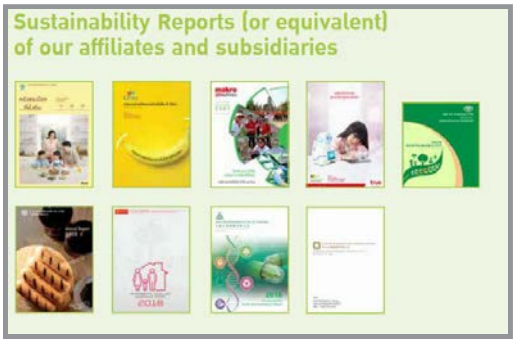
For a list of all the 2019 winners, see here.
But now, back to THE winner.

Charoen Pokphand Group is a conglomerate headquartered in Thailand, employing a team of more than 300,000, and operating across many industries including agriculture, food, retail and distribution, media and telecommunications, e-commerce, property development, automotive and industrial, pharmaceutical and finance sectors in 21 countries around the world.
Let's have a look at what distinguished Charoen Popkhand's reporting in ASRA 2019:

The Group Sustainability Report 2018 goes under the theme of Force for a Sustainable Life. It's the Group's third report, and uses GRI Standards: Core option, and serves as a UNGC Communication on Progress. It's externally assured.



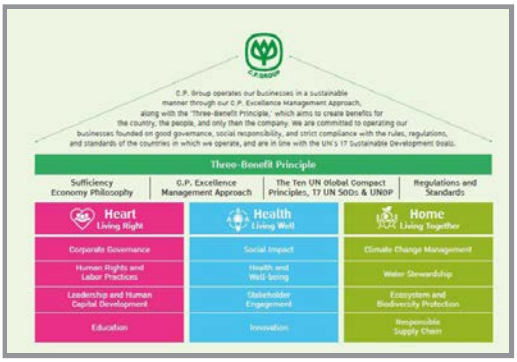
Several of the Group subsidiaries also report - something that makes sense for a conglomerate that operates in such diverse sectors. While one global report presents aggregated Group performance, stakeholders in different sectors and geographies have more specific information needs.



Charoen Pokphand Group's Report of the Year winning formula included:

CONTENT:

A clear strategic approach to sustainability, expressed as the Heath- Health - Home Strategy.



Materiality presented by industry sector (according to the Group's business lines) as well as overall for the Group. The individual matrices show the relative positioning of the Group level sustainability topics - 12 topics in total.

By now, anyone who follows my writings knows that I am not a fan of the materiality matrix - I find the time spent in positioning dots in little squares could be better spent creating meaningful change. And if you are going to provide a materiality matrix by sector, then I would expect more sector-specific topics in the individual matrices, rather than a spot-the-dot exercise with all the same dots. Which just goes to show that even the Report of the Year might consider opportunities to further clarify and align reporting content. Notwithstanding, this is evidence of what appears to be serious consideration of sustainability priorities beyond the Group level, and transparency in presentation, and this, I think, is a good thing.

COMMITMENT: The Report is introduced with messages from the Senior Chairman, the Chairman and the CEO.

Multi-year targets are presented in each area, aligned with SDG priorities.

Progress against each of the targets is clearly noted.

As well as progress by SDG:

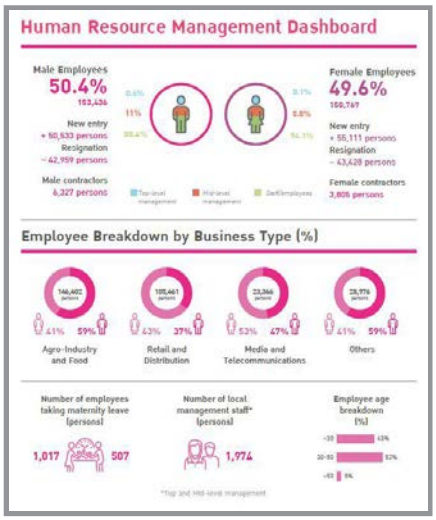
In many sections, a description of the challenges the Group faces in driving improved performance is provided.

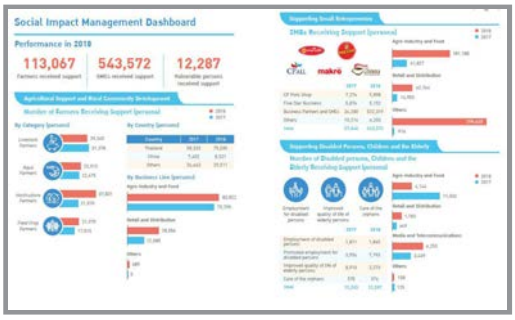
Challenges

In recognizing that our supply chain is only as strong as its weakest link, C.P. Group is committed to strengthening the capabilities of our suppliers to create operational excellence in three important dimensions: economic, social, and environmental.

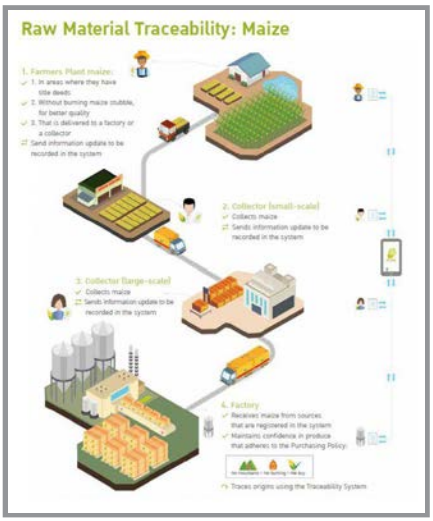
Given the diversity of our products and services, and the cultural diversity and geographical considerations of our suppliers who are located across all regions of Thailand and around the world, it is a challenge to drive positive change. However, this is not something that will discourage us or halt our operations. On the contrary, the Group is strongly committed to improving suppliers' capabilities and to jointly collaborate on ideas, fostering growth, and together take the sustainability journey. Furthermore, the Group supports the Sustainable Development Goals, where we aim to contribute to the development of all countries in which we operate or invest, in line with the 'Three-Benefit Principle'.

CLARITY: This report is GRI Standards, Core Option and UNGC COP compliant. Data is presented visually in dashboards or easy to read aesthetic summaries across all performance dimensions. In some cases, Group data is provided and also data by business line.





CREATIVITY: A colorful and visually creative report, using many design elements across different content areas, ranging from images, thumbnails, infographics and charts.



The Report is peppered with Case Studies that provide useful examples of practice and note outcomes of different initiatives. (Incidentally, in a poll of attendees at the ASRA Winners Ceremony last week, **37%** of respondents said that case studies were the most interesting parts of any Sustainability Report - closely followed by the Materiality Analysis at 29%).

CASE STUDY 46

Building the Capabilities of Small-scale Shrimp Farmers in Vietnam

Project Background:

Following the spread of infectious diseases among shrimp farms, which resulted in widespread damages to farmers in terms of their lost time, income, and increased debts, C.P. Vietnam Corporation conducted research, together with agencies from various sectors and through overseas study trips, to learn from international practices and identify ways of preventing the spread of diseases in shrimp farms. This has allowed shrimp farmers to generate higher incomes from their sales to the company.

Performance:

The outcome of the research and development project is the CPF Combine Model, which is an innovative system for shrimp farming that changes the shrimp cultivation model and farm structure, eliminates antibiotic use, and incorporates the "3C" approach to cultivation: Clean shrimp, Clean water, and Clean bottom (Pond).

C.P. Vietnam Corporation also organized workshops, provided field recommendations to partners, and closely monitored the progress of project implementation, just as it would on its own farm.

Results and Benefits

2,980 Farmers
Participated in the project

99%
Increased output per generation (crop)

4 Generations per year (crop)
Number of generations raised

CASE STUDY 29

Efficiency Improvement Projects for Large-scale Cooling and Air Conditioning Systems

Project Background:

CPF Public Company Limited, in operating its agro industrial and food business, uses cooling and air conditioning systems that consume a significant amount of electricity 60 to 70%. These systems are the main sources of energy costs that must be addressed in order to reduce the company's overall energy use.

Projects in Cooling and Air-conditioning Systems, High Efficiency Motor Application in Cooling Systems, Freezer System Improvements, and Improvements to Reduce Cooling Loss, among others.

Moreover, motivated by the drive to improve energy use efficiency and machine maintenance, in 2016 the swine, broiler, layer, and ready-to-eat food businesses of CPF collaborated with the Department of Alternative Energy Development and Efficiency to launch 32 projects that improve energy efficiency in large-scale cooling and air-conditioning systems. The projects reduced electricity consumption by 8.5 million kWh and produced cost savings of more than 29 million Baht per year.

Performance:

The company began by designing and selecting modern and suitable technologies, employing management approaches, and conducting machine maintenance and various other improvements to conserve energy and increase the energy efficiency of air-conditioning and cooling systems with the aim of reducing energy costs. Examples of projects include Efficiency Improvement

Results and Benefits

8.5 GWh
Annual reduction in electricity consumption

4,606 Tons CO_2e
Annual reduction in greenhouse-gas emissions

CATEGORY: The creative presentation of the Report earned Charoen Pokphand Group the top honor in the Asia's Best Sustainability Report (Design) category. In other categories such as Environmental Reporting and Supply Chain Reporting, in which the Group also earned first place, I'll leave you to delve into these different sections and see the winning formula for yourself.

Sustainability Reporting is no simple task, and it's even less simple when you are reporting as a conglomerate across diverse business lines. Charoen Pokphand settled on a mix of Group-level reporting with a selection of elements by business line, which works well on the whole for key stakeholder groups. And, it certainly was a winning formula that impressed the judges!

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. Owner/Manager of **Beyond Business Ltd** , an inspired Sustainability Strategy and Reporting firm having supported **107 client reports** to date; **author** of three books and several chapters on Sustainability Reporting and the Human Resources connection to CSR; frequent **chair and speaker** at sustainability events and **judge** in several sustainability awards programs each year. Contact me via Twitter , LinkedIn or via Beyond Business

An Ode to Reporters in CoronaWorld

Thursday, April 09, 2020

As the world is in lockdown and the meaning of sustainability has truly hit home, thousands of reporting professionals around the world are battling against all odds to complete and publish their current Sustainability Reports. First and foremost, the CSR Reporting Blog wishes everyone good health! We hope you are all staying safe, staying home and staying optimistic. And if you are challenged to deliver your Sustainability Report at this time, here's a little Ode to Reporters in CoronaWorld everywhere:

Oh dear, oh my, I don't know what to do
It's the height of reporting season and ours is now due
We're creating a CSR report designed to inspire us
But now, it seems, our report has the virus

So what should we do when we all are in lockdown?
Not publishing now would be such a letdown
I've tried to energize the team to engage
But we can't even get past the title page

Our data collection has gone up the spout
To stakeholders, there's simply no reaching out
The CEO is not interested, she's in bed with corona
Even the printer has run out of toner

Reporting is hard when we're social distancing
Our case studies suddenly don't seem so interesting
No-one is really quite up to the task
Reporting's not easy when you're wearing a mask

Corona they say mitigates climate change
Even though it's not great for the stock exchange
When it's over, the planet may have been saved
But if we're still solvent, I'll be quite amazed

So what should I do with our sustainability report?
Go ahead anyway or decide to abort?
If only working virtually were not such a pain
It seems that everyone has locked down their brain

I called GRI, SASB and CDP
But whether to report none can agree
Which is hardly surprising as you all know
When defining materiality, consensus is no-go

I thought I'd get help from TCFD
As corona is saving the planet you see
With no flights, no travel and consumption is capped
Maybe their guidelines can now be scrapped

So stressful, so trying, this virus is awful
Even visiting my mom is now not lawful

As always a solution to stress is ice cream
Preferably injected into your bloodstream

Our company is closed, our offices shut
At least I can get by without a haircut
But even if we don't manage to hit the deadline
"Delayed by corona" will be good as our tagline

So come on reporters, keep your spirits high
It's time to prepare the copy and verify
With everyone working from home in their room
You can publish your ESG report on ZOOM

e laine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. Owner/Manager of **Beyond Business Ltd** , an inspired Sustainability Strategy and Reporting firm having supported **107 client reports** to date; **author** of three books and several chapters on Sustainability Reporting and the Human Resources connection to CSR; frequent **chair and speaker** at sustainability events and **judge** in several sustainability awards programs each year. Contact me via Twitter , LinkedIn or via Beyond Business

GRI: SASB: The Sector Specificity Question

Monday, September 23, 2019

So, since my last post broke the sound barrier with hundreds of reactions which mainly expressed support for the notion that collaboration rather than confrontation wouldn't be such a bad thing, I will delve a little deeper into one aspect of The Great GRI-SASB Showdown which didn't receive that much airtime in the multiple debates about mandatory or voluntary ESG disclosure. It's the question of specificity. Dr Madelyn Antoncic, SASB Chief Executive, made this point:
"SASB's unique approach is well aligned with growing consensus among market participants that in order to integrate ESG matters into governance, strategy, risk management and performance monitoring, consistent with the TCFD recommendations, **sustainability must be viewed on an industry specific level***..... Indeed in order for any approach for corporate sustainability to be useful, it must address idiosyncratic, not systemic, risks. In other words, it must address not just climate change but climate change industry specific manifestations."*
Now, I agree with this up to a point. I agree that business is done in industries and sectors, and each has their own specific material impacts. Having said that, business is done primarily by companies, and each company is unique in structure, geography, size, strategy, leadership etc., which means that its material impacts are also unique. So using pre-fab materiality à la SASB may well serve as a safety net to ensure relevant topics by industry are not overlooked, but it may not serve as a comprehensive basis for disclosure for every company in that industry. It also could lead to cutting corners where pre-fab materiality is blindly accepted without due process.

Nonetheless, SASB has done what GRI failed to do. Sector-based disclosures never reached the top of GRI's to-do list. In fact, I wrote about this back in 2013, in a post entitled " Will SASB make G4 redundant? " where I looked at the implications of the new SASB Standards on a specific sector basis. My closing line in that post is actually no less relevant today than it was then: " *.....we perhaps ought to remind ourselves what Sustainability Reporting was designed to do in the first place. Account for company impacts on all stakeholders. Both GRI and SASB have an important contribution, I feel. The shame is that both appear to live on different planets, while the companies that are reporting are all on the same planet, and, more importantly, we are too!*" Plus ça change.....

While SASB has developed standards for 77 industries in 11 sectors, GRI has 10 sector disclosures . There are differences in the approach to both - in fact, what GRI calls a sector, SASB mainly calls an industry. Oh dear, and I thought this was going to be easy....

I decided to see if I could substantiate the intuitive remarks I made in my last post: " *Instead of debating which one is less perfect, whether they should be mandated or not and which definition of materiality should apply, GRI and SASB should roll up their sleeves and get down to some serious work with companies and with each other to help drive better implementation of sustainable development practices and disclosure. If we do nothing more than ensure existing standards are fully adopted by all companies, consistently, auditably and comprehensively, perhaps with a few tweaks here and there, we will have done a lot.*" In other words, let's work together with what we have and make it work. **At some point, you just gotta stop checking if the oven works and make a start on the cooking.**

There is a small number of companies who use SASB Standards. Not quite enough yet to consider whether this enables sector comparability or even use of similar standards, but enough for me to handpick a few reports that cover both. I decided to check a few things out:

(1) **Are SASB Standards really a useful tool?** To what extent is there more information than that required by a GRI report which is well prepared? In checking the delta when reporting both SASB and GRI, what value does sector-specific SASB add over and above what is already in GRI standards?
(2) **What does sector specificity actually add?** Is there a meaningful level of specificity that makes it easy for companies to recognize themselves in the sector?
(3) **Who needs to budge to turn this into one Standard that's useful for all?** Haha. No-one wants to budge. But maybe they should.

I'll start with Bloomberg. With Bloomberg putting all their weight behind the development of the SASB Standards, it's clear that they would use them, even if as a privately held company, Bloomberg is not required to go the full Monty.

Bloomberg's 2018 Impact Report was prepared in accordance with (1) GRI Standards Comprehensive Option (including the Media Sector Disclosures) (2) SASB Standards (3) FSB Task Force on Climate-related Financial Disclosures (TCFD) guidelines and (4) "select content from CDP". That's four reporting frameworks. Convergence, anyone?

Supplementing this report, Bloomberg publishes a GRI Content Index (including the Media Sector Disclosures) and a SASB Disclosure . The SASB disclosure includes metrics from three separate SASB Standards:

- Internet and Media Services
- Media and Entertainment
- Professional and Commercial Services

Now, this is where the difference in approach start to show up. GRI's Media Sector Disclosures are integrated throughout the existing GRI Standard with some additional Sector-Specific Disclosures. In various sections throughout the GRI Standards, additional sector-relevant elements are integrated (noted by a little green **+** sign) or new elements are added (noted in **green**). (NB: This still relates to G4, and has not been updated to

reflect the changes in GRI Standards, but the approach is the same).

3.1 OVERVIEW OF CONTENT FOR THE MEDIA SECTOR

GENERAL STANDARD DISCLOSURES	
• Strategy and Analysis ✦ • Organizational Profile ✦ • Identified Material Aspects and Boundaries • Stakeholder Engagement ✦	• Report Profile • Governance ✦ • Ethics and Integrity ✦

SPECIFIC STANDARD DISCLOSURES		
Category	Economic	Environmental
Aspects[1]	• Economic Performance ✦ • Market Presence • Indirect Economic Impacts ✦ • Procurement Practices	• Materials ✦ • Energy ✦ • Water • Biodiversity • Emissions ✦ • Effluents and Waste ✦ • Products and Services ✦ • Compliance • Transport • Overall • Supplier Environmental Assessment • Environmental Grievance Mechanisms

Category	Social			
Sub-Categories	Labor Practices and Decent Work	Human Rights	Society	Product Responsibility
Aspects[1]	• Employment ✦ • Labor/Management Relations ✦ • Occupational Health and Safety ✦ • Training and Education ✦ • Diversity and Equal Opportunity • Equal Remuneration for Women and Men • Supplier Assessment for Labor Practices • Labor Practices Grievance Mechanisms	• Investment ✦ • Non-discrimination • Freedom of Association and Collective Bargaining • Child Labor • Forced or Compulsory Labor • Security Practices • Indigenous Rights • Assessment ✦ • Supplier Human Rights Assessment • Human Rights Grievance Mechanisms ✦ • Freedom of Expression ✦✦ • Portrayal of Human Rights ✦✦ • Cultural Rights ✦✦ • Intellectual Property ✦✦ • Protection of Privacy ✦✦	• Local Communities • Anti-corruption ✦ • Public Policy ✦ • Anti-competitive Behavior • Compliance • Supplier Assessment for Impacts on Society • Grievance Mechanisms for Impacts on	• Customer Health and Safety • Product and Service Labeling ✦ • Marketing Communications ✦ • Customer Privacy • Compliance • Content Creation ✦✦ • Content Dissemination ✦✦ • Audience Interaction ✦✦ • Media Literacy ✦✦

1) The word **topic** is used in the Guidelines to refer to any possible sustainability subject. The word **Aspect** is used in the Guidelines to refer to the list of subjects covered by the Guidelines.

✦ G4 General Standard Disclosures and G4 Aspects where sector specific content has been added.

✦✦ Sector specific Aspects.

SASB Standards are all standalone. So, when Bloomberg decides to report against three SASB Standards, it is actually duplicating several pieces of information. For example, you can find data on workforce diversity included **three times** in the same Bloomberg SASB disclosure document - one for each of the three SASB Standards that Bloomberg identified as relevant to their business.

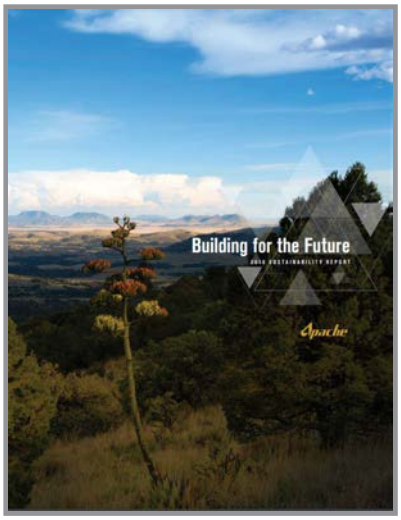
Measurement	2016	2017	2016
Percentage of gender and racial/ethnic group representation for (1) management, (2) professionals, and (3) all other employees			
Women	**31.8%**	31.5%	31.7%
Women in Mgmt	**29.7%**	28.4%	28.0%
Black/African Americans (US Only)	**3.8%**	3.8%	3.8%
Black/African Americans in Mgmt (US Only)	**2.7%**	2.4%	2.3%
Hispanics/Latinos (US Only)	**6.2%**	6.0%	5.8%
Hispanics/Latinos in Mgmt (US Only)	**4.8%**	5.2%	4.9%
Asians (US Only)	**32.8%**	31.5%	29.5%
Asians in Mgmt (US Only)	**24.8%**	23.9%	21.8%
Description of policies and procedures to ensuring pluralism in news media content			

And the funny thing is, that all this data is reported as well already in Bloomberg's GRI Content Index:

Disclosures	Page Number(s) or URL / Direct Answer					
405-1		2018	2017	2016	2015	2014
Diversity of governance bodies and employees	Board Gender	**Male = 7** **Female = 1**	Male = 7 Female = 1	Male = 7 Female = 1	Male = 7 Female = 1	Male = 8 Female = 1
	Board age group: under 30 years old, 30-50 years old, over 50 years old					
	Board minority groups; other indicators of diversity where relevant					
	Percentage of employees per category in each of the following diversity categories:					
	Gender	**Male: 68.2%** **Female: 31.8%**	Male: 68.5% Female: 31.5%*	Male: 68.3% Female: 31.7%	Male: 68.2% Female: 31.8%	Male: 67.6% Female: 32.4%
	Age group:					
	- Under 30 years old	**35.9%**	34.5%	34.5%	35.5%	35.8%
	- 30-50 years old	**60.7%**	62.4%	63.0%	62.9%	62.8%
	- Over 50 years old	**13.4%**	13.1%	12.5%	11.6%	11.4%
	Minority groups:					
	Black/African American (U.S. Only)	**3.8%**	3.8%	3.8%	3.9%	4.0%
	Hispanic/Latino (U.S. Only)	**6.2%**	6.0%	5.8%	5.6%	5.8%
	Asian (U.S. Only)	**32.8%**	31.5%	29.5%	29.1%	27.6%

I worked through every single Bloomberg SASB disclosure against all three SASB Standards to try to establish the delta. I found that there is extremely little in the SASB disclosures that is not already reported in the GRI Content Index, or would have been reported if the GRI Content Index were applied in full. Environmental data... it's in both; data privacy - it's in both; data security - it's in both - although there are a few metrics that SASB includes that are not in GRI. On the topic of employment, SASB asks for employee engagement measures (that GRI does not specifically cover). All in all, it would take very little to combine these GRI and SASB Standards to achieve sector-specificity with no duplication and enable relevance for all stakeholders including investors.

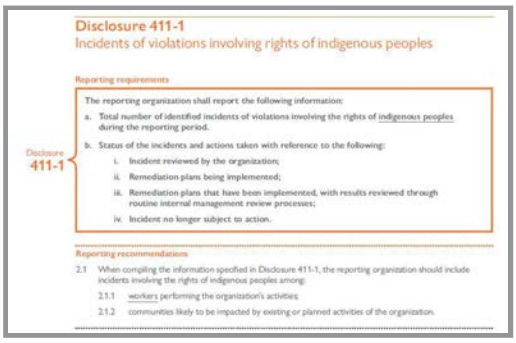
Here's another report. Apache Corporation 2018 Sustainability Report



Apache's report follows (1) GRI Standards, Core Option (2) Oil and Gas Industry Guidance on Voluntary Sustainability Reporting (2015) developed by IPIECA (3) SASB's Oil and Gas Exploration and Production Standard and (4) the Disclosing the Facts framework which is an annual investor scorecard ranking of the 30 largest oil and gas companies engaged in hydraulic fracturing.

Again, I analyzed the SASB disclosure to assess if it includes more than is delivered by a regular GRI-based Sustainability Report. Note that, in this case, Apache does not use the GRI Oil and Gas Sector Disclosure, which, as with the media sector, integrates disclosures throughout the Standard and adds sector-specific additional topics.

So, what about the delta? For several metrics, such as GHG emissions, biodiversity impacts, community relations, and health and safety etc., there is no meaningful difference between the Standards. In others, there are differences. For example, on the topic of indigenous peoples: GRI focuses on violations of indigenous rights in the main GRI Standard, and on disputes in the additional sector disclosure:



Disclosure 411-1
Incidents of violations involving rights of indigenous peoples

Reporting requirements

Disclosure 411-1

The reporting organization shall report the following information:

a. Total number of identified incidents of violations involving the rights of indigenous peoples during the reporting period.

b. Status of the incidents and actions taken with reference to the following:

i. Incident reviewed by the organization;

ii. Remediation plans being implemented;

iii. Remediation plans that have been implemented, with results reviewed through routine internal management review processes;

iv. Incident no longer subject to action.

Reporting recommendations

2.1 When compiling the information specified in Disclosure 411-1, the reporting organization should include incidents involving the rights of indigenous peoples among:

2.1.1 workers performing the organization's activities;

2.1.2 communities likely to be impacted by existing or planned activities of the organization.

OG10

NUMBER AND DESCRIPTION OF SIGNIFICANT DISPUTES WITH LOCAL COMMUNITIES AND INDIGENOUS PEOPLES

1. Relevance
Due to their scale and footprint, oil and gas operations may have significant impacts that can result in disputes with local communities. While disputes are often raised through grievance mechanisms, long-standing conflicts between company operations and local communities and indigenous peoples can remain. Such disputes are not necessarily captured by Indicator G4-HR12 Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms.

Disputes related to land and related customary resources are of particular concern, since they can constitute the basis of local communities' and indigenous peoples' livelihoods, and be the source of their spiritual, cultural and social identity.

The number of recorded incidents relating to land and other related resources provides information about the implementation of an organization's policies. This information will help indicate the quality of relations with local stakeholder communities, particularly in regions where indigenous people reside or have interests near operations.

2. Compilation

2.1 Identify significant disputes associated with current, planned or proposed future operations. Examples of disputes include land use, use of marine areas, and impacts on cultural heritage.

2.2 Report the criteria for classifying disputes as 'significant'. A significant dispute should be defined by the number of people involved and the significance of the associated impact.

2.3 Report the number of these disputes and describe their nature. Disputes can be described in terms of the parties involved, underlying causes, issues involved, and current recourse (e.g., civil or judicial disputes).

2.4 Report actions taken in response to disputes, and the outcomes of actions.

3. Definitions
Indigenous peoples
See definition of 'Indigenous peoples' in the G4 Implementation Manual p. 249.

Additional characteristics of indigenous peoples include[21]:
- Self-identification as members of a distinct indigenous cultural group and recognition of this identity by others;
- Collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories;
- Customary cultural, economic, social and political institutions separate from those of the dominant society or culture; and
- An indigenous language, often different from the official language of the country or region.

4. Documentation
Potential information sources include the reporting organization's operating procedures and guidelines on the issue. Other information may be supplied by country managers and by legal specialists of the reporting organization.

5. References
- International Finance Corporation (IFC). Performance Standards on Social & Environmental Sustainability: Performance Standard 7: Indigenous Peoples. April 2006.[22]
- United Nations Global Compact Principle # 1. 'Businesses should support and respect the protection of internationally proclaimed human rights' 2000.
- United Nations Global Compact Principle # 2. 'Businesses should make sure they are not complicit in human rights abuses' 2000.

SASB focuses on operations in proximity to indigenous lands and engagement

processes.

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE
Security, Human Rights & Rights of Indigenous Peoples	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	Quantitative	Percentage (%)	EM-EP-210a.1
	Percentage of (1) proved and (2) probable reserves in or near indigenous land	Quantitative	Percentage (%)	EM-EP-210a.2
	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	Discussion and Analysis	n/a	EM-EP-210a.3

Apache does not report these indicators, neither GRI nor SASB. Interestingly, APACHE does report against an IPIECA indicator relating to indigenous peoples, with a Statement on Indigenous Peoples representing Apache's approach.

So, while Apache has made significant efforts to deliver high-quality transparency, it is clear that the multiple standards and frameworks cause duplication and fragmentation of reporting requirements. However, Apache reports neither Standard in full, disclosing against 13 of the 27 metrics in the SASB Oil and Gas Standard, and 17 of the 33 Topic Specific Standards of GRI and none of the sector-specific topics. The SASB Standard offers some fine-tuning of disclosures for this industry, but nothing that is monumentally significant versus a fully reported GRI Standards-based disclosure.

One more? Let's try a different sector. Food. I LOVE food (especially ice cream).

Kellogg's 2018-2019 Corporate Responsibility Report also uses multiple sustainability disclosure frameworks:

- GRI Standards including the Food Processing Sector Disclosures (downloadable Content Index)
- SASB Food Processing Standard (downloadable index)
- CDP Climate and Water Disclosures
- Cross-references in the GRI Index to SDGs and the UN Global Compact Principles

Should we count that as six frameworks?

Here again, this company has worked hard to address the multiple reporting demands of different frameworks and organize disclosures in the least confusing way for stakeholders. Not an easy task to avoid the duplication and fragmentation that we have already seen in the two reports above.

Again, my focus here is on the delta between SASB Standards requirements and GRI. In this sector, there are some significant differences. For example:

Food safety: This is material for Kellogg's, and also highlighted in the GRI Food Sector Disclosures, SASB includes two indicators that link to external audit by the Global Food Safety Initiative (GFSI) GRI on the other hand references external standards certified by an independent third party according to internationally recognized food safety management system standards, leaving companies to choose which certifications.
Food waste: This is noted as material for Kellogg's but appears neither in the GRI Standards nor in the SASB Standard.
Climate change: This is **not** included in SASB Standards for this sector. Energy management is included, but not climate change impacts. As Kellogg's has noted climate change as material, then GRI Standards requires disclosure on climate change impacts. I find it hard to understand how investors assessing a company such as Kellogg's would not be interested in climate change data.
Diversity and inclusion: This is stated as material for Kellogg's but is not included in the SASB Food Processing Sector Standard. It is part of GRI Standards.
Packaging lifecycle management: This is included in the SASB Standard and is a relevant addition for this sector. It is not included in GRI Standards (beyond regular disclosures about waste) although Kellogg's CR Report contains information about the sustainability of its packaging and lifecycle impacts.
Animal Welfare: The GRI Food Processing Sector disclosure is the only standard that points this out specifically. The SASB standard does not address this and Kellogg's maintain it is not material to their business.

Across both the SASB and the GRI Food Processing Sector Standards, and Kellogg's own list of material topics, there is a significant degree of overlap, but also some areas of difference. Does the SASB Standard add much? In this sector, the metrics are a little more industry-focused though it strikes me as odd that there are no SASB metrics relating to people, labor or human rights.

Kellogg's own material topics, SASB's Food Processing Standard topics and GRI Food Processing Sector Disclosures (additional to and incorporated in the general GRI Standards)
Back to my three questions:
(1) **Are SASB Standards really a useful tool?**
(2) **What does sector specificity actually add?**
(3) **Who needs to budge to turn this into one Standard that's useful for all?**

And my three answers:

(1) I cannot speak for the investor community, for whom SASB standards were devised. If the idea was that all the topics in the SASB Standards are "financially" material, then it's rather odd that very few of the SASB metrics I have seen actually correlate to any sort of financial measure. My observation is that where a company reports GRI in full, including

any available sector disclosures, the additional disclosures required by SASB may not add a lot. For a company not using GRI, and using SASB for sustainability disclosures in its annual report, then it may not be enough. Having said that, the overview of what's most important by industry is a useful reference for any company conducting a materiality assessment.

(2) Sector specificity is a worthy pursuit, especially when companies are not rigorous in their materiality assessments. Kellogg's, for example, presents what I feel is a balanced and representative set of material topics, covering both the operational and purpose-driven aspects of its business. Apache's material topics are more generic, so the SASB Standard could be a useful safety net. However, in this case, as is the case in several other sectors, there is another reporting framework developed by the industry itself, IPIECA which tends to address the sector-specific requirements.

(3) I think both GRI and SASB need to budge. As can be seen from just 3 examples, reporting is fragmented, duplicated and yes, confusing. Just working out who reports what against which Standards was a nightmare. All three companies made valiant efforts to navigate these frameworks and deliver robust disclosures. We should not let the question of financial materiality divert us from the real questions of who should report what. There is room to develop a set of jointly-owned GRI-SASB Standards that would include **(1)** a core of disclosures and metrics on universally critical sustainability topics that **every** company should report, material or otherwise **(2)** a menu of core sector specific disclosures that **all companies in a particular industry** should report **(3)** a menu of optional metrics and indicators that companies can disclose in addition, if they or their stakeholders define them as material. What's important here is not only what to report but **how** to report, that is, by prescribing the methodologies required for each metric reported. That would enable the rigor and comparability that SASB maintains is so lacking. And in each industry, the industry associations, such as IPIECA, have an important role to play as well.

Ultimately, I think we have everything we need - except a spirit of collaboration. Combining the best of GRI, SASB and industry-specific experts can be an exercise in cooperation, not reinvention. By working together, we can totally simplify the landscape and make it much easier for reporters to report and users to use the information. Why is this such a big deal? Why is it so contentious?

But that's only the first step. The second step is doing more to encourage companies to fully implement these simplified reporting Standards in a consistent and auditable way. I don't mean through external assurance but through internal rigor and accountability. Both GRI and SASB are far too eager to hype up the numbers of how many companies are using their Standards. Neither is prepared to really buckle down and assess the way the Standards are being implemented or call out companies that are doing a pick'n'mix job of reporting what's easy or available or irrelevant.

The GRI-SASB Game of Thrones Showdown I witnessed at the Asia Sustainability Reporting Summit earlier this month did not offer much hope of collaboration. Apparently, the comfort zone is exactly where they are. Unfortunately, it's a very **un**comfort zone for everyone having to deal with the fallout.

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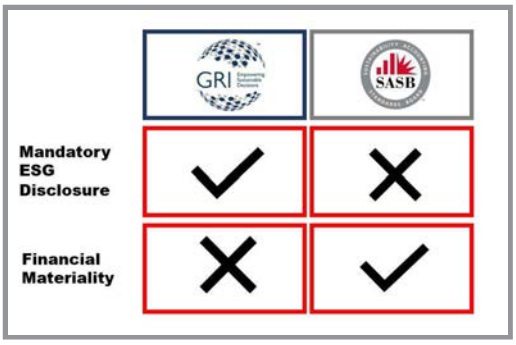
SASB: Hot air. GRI: Cold shower.

Thursday, September 12, 2019

The stage at the Asia Sustainability Reporting Summit was sizzling last week, despite Arctic temperatures in the conference room, as SASB and GRI battled it out in a fight entitled: **My Standards are Bigger and Better than Yours.**

In contrast to the restrained, optimistic rhetoric we have been used to over the past few years, SASB burst forth with a whoosh of self-aggrandizement, leaving GRI doing a jelly-wobble in disbelief. Of course, we shouldn't be all that surprised. SASB received a setback earlier this year when U.S. SEC Chairman Jay Clayton rejected ongoing and heightening pressure to make listing contingent upon (SASB-based) ESG disclosure :
"In a blow to several investor groups, SEC Chairman Jay Clayton recently said that he does not believe public companies should be required to disclose information concerning environmental, social, and governance (ESG) matters in a standardized format. Clayton was especially opposed to requiring publicly-listed companies to use ESG standards developed by organizations like the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI), which some companies voluntarily use."
Denied SASB the dream, it was perhaps predicable that SASB, having based its entire strategy on becoming **THE** ESG disclosure tool for U.S. based companies, would not accept this without a fight.
At the Summit, which ran under the theme of "Is mandatory better?", both GRI and SASB came out forcefully in opposite corners of the two pivotal questions: Should ESG disclosure be mandatory? and Should ESG disclosure be based on the concept of financial materiality (rather than sustainability materiality)?



The showdown started as Tim Mohin, GRI's Chief Exec, took center stage, presenting GRI's position. He made the case for increasing mandatory instruments around the world,

with 544 instruments tracking some form of mandated ESG disclosure in 85 countries and quoted a McKinsey study that showed 82% of investors and 66% of corporate executives surveyed preferred companies to be required to disclose **by law.** He explained that voluntary mechanisms are seen to work too slowly and don't cover enough of the market. Tim also quoted a study that indicated that mandatory disclosure has led to more efficient boards, less corruption and improved corporate credibility.

This was all going so well until he reverted to something that sounds like wishful thinking: *"There is a belief in the marketplace is that there is confusion (around ESG disclosure standards). In fact, there is a lot of convergence....."* Tim explained convergence by referencing the widespread use of GRI standards. But this is not convergence. It's a sort of Hobson's Choice : there is actually no other general standard for broad-based sustainability disclosures, and in any case, the quality of implementation varies so widely that it's hard to assess just how **effectively** GRI Standards are being used. At the same time, companies using or sort-of using GRI are also deploying other forms of disclosure, including CDP, TCFD, SASB, UNGC, sector-based standards and even SDG, to mention just a few. So let me be clear. **THERE IS NO CONVERGENCE.** It's time to stop saying that.

Tim went on to explain his testimony to the U.S. House of Representatives Committee on Financial Services earlier this year where he said that (1) ESG information is essential for the operation of capital markets and free trade; (2) This disclosure must be mandated and must be based on international, independent multi-stakeholder standards and (3) The concept of financial materiality does not work for ESG disclosure.

He said " *I don't think I need to convince anyone in this room that ESG disclosure is essential. We know that investors are demanding this information as it becomes more critical to investors and free trade. The last point is most important. We cannot rely solely on the test of financial materiality.* ***If ESG issues were financially material, we would not have ESG issues.*** *In fact, these issues are very hard to monetize. When we do monetize these issues, they often do not make the test of financial materiality.*" He has a point.

Tim Mohin even went into print this week (post-summit) to reinforce how increasingly worried he is that SASB has upped the ante:

"The movement to limit corporate disclosure on environmental, social and governance (ESG) issues to financially material topics (already legally required for public companies), has gained some momentum. If it catches on, it could roll back decades of progress. Even more troubling is that the advocates of this position brand themselves as working for environmental and social causes. Could this be a clever Trojan Horse to put the brakes on corporate responsibility?" Ta-da!

Following the GRI keynote, the Summit delegates then turned their attention to hear a very different story from Dr Madelyn Antoncic, SASB's new Chief Exec. SASB's proposition is about financial risk, market forces that incentivize corporations to make the choices that will cause investors to allocate capital to them. SASB believes that it is not regulation that will cause companies to improve and disclose ESG performance, but market forces and the promise of investor attention.
Madelyn said: *"At first flush, it may be easy to jump to the conclusion that companies won't do the right thing when it comes to sustainability, especially when it will have short term negative impact on their bottom line. As an economist, however, I challenge that view. As I know that on occasion, economic agents, people, whether acting as individuals*

or on behalf of on behalf of organizations, or institutions, are motivated by incentives."

According to SASB, current sustainability disclosure does not cut it. (That's not a new assertion by SASB.)
Madelyn added: *"Yet while sustainability reporting has become near ubiquitous in recent years, the practice has widely been criticized for lacking the rigor of traditional financial reporting. A recent PWC report shows that 100% of corporations polled felt confident in the quality of their ESG information reporting while only 29% of investors polled were confident in the quality of that same information that they were receiving. More than 60% of corporations but only 8% of investors polled by Bank of America and Merrill Lynch during a recent congress thought that the ESG disclosure allowed for comparison among companies and peers.*"
My summary of SASB's view of the world is:

(1) Investors need corporations to provide reliable, consistent, auditable ESG information that is **financially** material by sector and by industry (2) If they get this, they will act to allocate capital most effectively, rewarding good corporate citizens who show they are managing ESG risks (3) The carrot of earning investor favor will keep corporations focused on good ESG performance and disclosure while the stick of higher risk and loss of reputation will do the same (4) When all this happens, everybody wins.

Madelyn summarizes: *"When we transform markets, we transform the world. .... What's needed are incentives. Corporations need to be incentivized, to do the right thing because to do the alternative will negatively hit their bottom line. And only with consistent disclosure of financially material information, can investors be effectively the policing mechanism which will drive positive outcomes for the environment and society at large."*

Ultimately, my reading of this is: Place your trust in investors. Let the money-makers and the money-takers decide what's best. Let money be the deciding factor in assessing corporate citizenship. If investors incorporate selected ESG factors in their decisions, so they can minimize financial risk, it will be good for everyone.

Well, sorry, but in my work in sustainability, I missed the bit where money was THE motivator for doing the right thing. I missed the bit where corporate transparency was ONLY about helping people make more money. I missed the bit where sustainability reporting has only ONE stakeholder group. When SASB was first formed, as an organization designed to deliver standards for financially material ESG disclosure in corporate annual reports, I could understand it. It was about helping investors understand and evaluate risk more holistically (even if they still don't quite know how to do it). It seems I am now hearing that voluntarily giving investors better ESG information is the key to delivering sustainable development and solving social and environmental issues. That's rather a lot of responsibility on the shoulders of those who are (only) managing financial assets.

The debate continued in the opening panel discussion which mainly focused on the chasm between GRI and SASB (sidelining the others present on stage). It went something like this:

He said: *"Let's face it, this movement started from a very different place – of activism, of trying to do the right thing, we call it corporate responsibility and now, because it has become quite clear that these non-financial matters have financial implications, we have the interest of the financial markets, But as I said, the fact is that externalities are not*

properly valued, and when they are, a lot of times they are still not financially material. There is a subset of ESG issues that are financially material, and frankly, in every jurisdiction I am aware of, financially material ESG issues ALREADY have to be disclosed, it's the law. Ethics, gender diversity, Scope 2 and Scope 3 carbon, water... many of these things just don't ring the bell of financial materiality, but we know that they are absolutely critical"

She said: *"I would challenge that because at the end of the day, ethics, if you aren't an ethical company, you go out of business, gender diversity, sooner or later, you go out of business, so that's why they are called non-financial risks, I think it's a ridiculous statement, non-financial becomes financial. The reason we look at financial materiality is the comparability – so many reports are now coming out in the ESG space, where investors say we can't make heads or tails out of this, and I can't compare one company versus the other, because they are not tied to some financial metric, that one company can be compared and therefore the capital can allocate to the different companies that are being good corporate citizens."*

He said: *"The judgement of what is material can't be made by somebody else, it can't be made in the rear view mirror, it has to be made with a multi stakeholder approach, up front, that's looking at a horizon that is typically much further than companies look at, not next quarter or next year, that's not what ESG issues are about. We would never have looked at things like gender diversity – how do you value such things? We don't have gender diversity in the SASB standards. Scope 2, Scope 3 carbon are not financially material. These are things that if we don't get a handle on, our society will be so much worse."*

She said:

"I think there is a misunderstanding. Financial materiality, the way we look at it, it's not next quarter, that's the whole point and that's what I mentioned, it's about the long term. I think that any one of these issues that you mentioned .. of course.. sooner or later they are financially material.. and you mentioned that something is not in the SASB standards. Well, the SASB standards were only issued last November and now we are going through to look where we can improve.. as you know, these things evolve. I commend what your organization has been doing all these years and that's great, but I think the world moves on. That doesn't mean what we are doing today is wrong, it means we have built on the shoulders of what's been done, but we have to look at it now in a different way. Financial materiality and industry specificity makes it comparable .. and that's why you see all these data providers coming up with their own interpretation and that's why you see more and more of these so called standard setters - because no one can come up with a way that investors can make use of the information. It's about how you come to the use of that information so we can mobilize all that capital."

He said:

"It's just not true that this information isn't getting to corporate boards and CEOs. I have done it personally. If you think Tim Cook doesn't know about the supply chain issues at Apple, I can tell you I have personally briefed him many times. It is difficult and many companies aren't in a position to understand this, it's like trying to teach a fish to ride a bicycle. One of the things we're doing is forgetting about a key player in the marketplace and that's analysts. Most of the analyst work is done on the back of GRI Standards, and it's used to compare companies."

She said:

"I didn't say that Boards are not aware that they have supply chain issues. I am saying that the reports are not being done under the same standards as financial reports which means they are not signed off. As far as analysts are concerned, yes, there are lots of these data analysts, that's the point, they are popping up all day, why? Because there are not robust reports that investors can use.. that's why there is Sustainalytics, and

RobecoSam and MSCI… and the list goes on. The reason is that the information is not consistent, it is not comparable, therefore these data providers are making inferences about what companies are doing and using analysts and coming up with the wrong answers. What we say is: use SASB standards, comparable, auditable. If the solution was what we currently have, without naming names, we wouldn't have all these other things popping up."

He said:

"There is a lot of misleading information about the lack of comparability among analysts. In fact, in fact, it's not meant to be comparable .. you can't just add up ethics, climate change and supply chain and come up with a number .. a lot of analysts cut it one way or another and they come up with different information because they are looking at different things. By design."

And by this time, the hundreds of delegates in the audience are starting to squirm a little at the way GRI and SASB are openly taking shots at each other (especially as the whole public rhetoric to date has been coochy-moochy harmonization and common purpose - remember the joint op-ed by Tim Mohin and the former SASB CEO, Jean Rogers ?) In this dialogue of the deaf, both GRI and SASB are hyping themselves to their own downfall and missing the point. We do not need better standards. WE NEED BETTER IMPLEMENTATION.

GRI Standards could provide a good degree of comparability IF companies applied the standards in a quality way. The problem has always been that GRI has avoided any form of intervention in the way the standards are actually used and there is no consistent watchdog covering reporting accuracy or quality.

SASB Standards, which have not yet reached critical mass (any mass?) yet in terms of the number of companies fully using them, will only enable investors to get what they want IF the standards are IMPLEMENTED in a quality way. It's a little early for SASB to sing its own praises.

And if GRI and SASB and the other parties in the rather useless Better Alignment Project of the totally superfluous Corporate Reporting Dialogue pooled their resources to help companies apply GRI and/or SASB Standards in a complete and proper way, we would all get much further, much faster.

And as for mandatory, I think both GRI and SASB are wrong. They see the world too simply. One says YES to mandating ESG disclosure, the other says NO. I believe the answer is in the middle. Some things absolutely have to be mandated or they will never happen consistently across companies, industries and sectors. Others can be left to market forces, peer pressure, competitive appetite, stakeholder demands, investor self-interest. The real question here is not whether mandatory is better, but how much mandatory and which elements of mandatory would be truly effective. But GRI and SASB cannot see past their own ego and beyond their current legacy. GRI's overly positive hype about the status quo won't help us move forward. SASB's dismissal of everything that's not SASB is arrogant and misplaced.

I think it's time to refocus and reframe. We need to spend more time looking at the quality of what companies are reporting and less time in slanging matches about which standard is better. No current standard is perfect to meet the needs of a broader audience that uses ESG disclosure, not just investors. Instead of debating which one is less perfect, whether they should be mandated or not and which definition of materiality should apply, GRI and SASB should roll up their sleeves and get down to some serious work with companies and with each other to help drive better implementation of sustainable development practices and disclosure. If we do nothing more than ensure existing standards are fully adopted by all companies, consistently, auditably and comprehensively, perhaps with a few tweaks here and there, we will have done a lot.

GRI, SASB.... gauntlet over to you.

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GRI: Still in the lead?

Sunday, September 01, 2019

GRI remains the most widely used global standard for sustainability reporting - though I find myself wondering if that's something that still counts for something. Are GRI Standards still a worthy leader of sustainability reporting frameworks? Or is it time for a fundamental review of GRI as the baseline set of standards for sustainability reporting (on a timescale that assumes most of us will still be alive before it's complete)?
There are several things I would consider revisiting:
The first is that GRI largely remains a standard for measuring direct accountability. The concept of material impacts which is so central to GRI standards is not borne out by the overriding focus on measures (topic-specific disclosures) that address mainly direct impacts. Almost all of the 200, 300 and 400 Standards measure direct operational performance and not **impacts** on stakeholders. Reporting on resource consumption, adherence to labor standards, anti-corruption etc. is all well and good, and necessary, but most of these are not the true currency of sustainable business today. Stating year after year in your sustainability report that you do not employ child or forced labor or that you paid no fines for non-compliance are no longer the key proof points of a sustainable business.

The indirect impacts of a business reach much further than their direct impacts. We all know that a pharmaceutical company has a far more meaningful impact on healthcare and access to medicines than the amount of carbon emissions the company saves in its operations. Internet providers have a far greater role to play in keeping children safe online than in managing resource consumption of optic fiber cables. We know that food producers affect how we lead healthy lifestyles in ways that are far more significant than the amount of fuel saved by increasing logistics efficiency. And we probably know that the public expects companies to take a stand on human rights, environmental health and social justice and have an impact on policy in areas where governments are not doing the job.

If we want standards that truly reflect how companies are affecting our lives, I think we need to think differently about what such standards ask companies to report. I am reminded of one of the transformational books I read many years ago and often reference: The High Purpose Company, by Christine Arena, one of the first sustainability experts, I believe, to highlight purpose as the core of sustainable business, purpose being the positive impact on society beyond making money. Sustainability then is about two things: driving positive impact (a purpose-driven business) and doing business ethically (an accountable business). GRI focuses on the latter. What about a Standard that focuses on the former?
Some companies currently make their sustainability reporting about their core social purpose and the bulk of their disclosure is about how they make a difference through the business they do. The GRI Content Index then fills the transparency gap for how companies operate in a resource-efficient, socially responsible and ethically viable manner. Many companies haven't reached this realization yet: they use GRI as a rigid framework, selecting material topics from the limited number of GRI-prescribed options (the Standards), failing to link to their bigger picture. Currently, GRI Standards do not expressly encourage purpose-driven thinking.
The second review of GRI Standards that I would consider concerns the challenges of reporting on materiality. GRI Standards offer a definition of a material topic as one that: *reflects a reporting organization's significant economic, environmental and social*

impacts; or that substantively influences the assessments and decisions of stakeholders. How long is a piece of string?

Material can mean anything from generic topics, such as climate change, to specific topics, such as increasing use of renewable energy - one being so much broader than the other. If materiality means "what matters most", listing a set of any-company-anywhere sustainability topics as material undermines the intent. With such generic lists, **everything** matters most. In the early days, it might have made sense for GRI to get materiality on the map with a light touch, by leaving the process for determining materiality wide open and the constituents of materiality somewhat vague. In today's world, where materiality seems to be anything you want it to be, more prescriptive guidance might be worth considering.

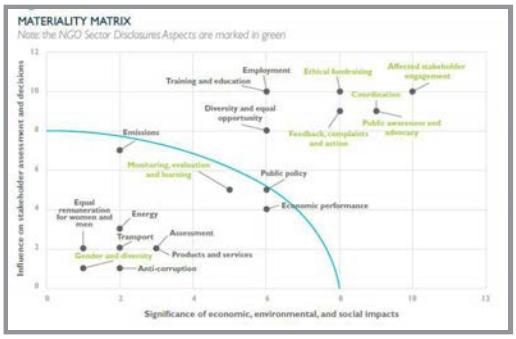
How confident can we be of all those materiality matrices that are floating around out there? What tools do companies use to define materiality and what makes an internal and external stakeholder engagement process robust enough to deliver a materiality outcome that's meaningful, relevant and balanced? Some companies interview select stakeholders. Some conduct broad online surveys. Scoring and ranking mechanisms are a black hole. I think this is one of the big paradoxes of materiality. Despite materiality being the pivot of sustainability disclosure, it's still a black box of often rather arbitrary selections, delivered through an imperfect process, skewed by an often random collection of opinions. And even then, despite the selection of material topics, companies report on everything anyway, except those things that they prefer not to report, and conveniently call not material.

I think it's time for an overhaul that prescribes a certain number of data points for all companies to report as a baseline (what I call Operational Materiality) The more meaningful indirect impacts, which are a more effective measure of most companies' impacts (what I call Precision Materiality or Differential Materiality) should be company specific - and companies need to get better at measuring these in some way. GRI calls this Mission Effectiveness , adapting its own guidance on materiality to create something GRI Standards do not reference anywhere. GRI's 2018 Material Topics use the term "other sustainability topics" for those indirect impacts, the most significant in terms of GRI activities, that are not captured in the GRI Standard sets.

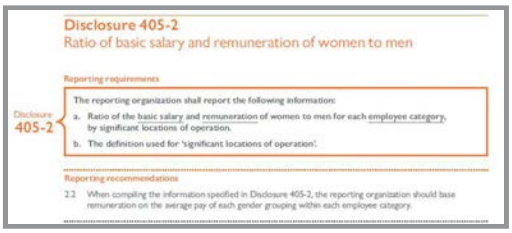
Mapping our material topics to the DRT		
Category	**Material topic**	**Where to find in the DRT**
Mission effectiveness	Driving better sustainability reporting	Other sustainability topics
	Improving performance through sustainability reporting	Other sustainability topics
	Harmonizing the sustainability reporting landscape	Other sustainability topics
Operational	Transparent finances	Series 200: Economic Topics Economic Performance
	Advancing professional development in GRI's people	Series 400: Social Topics Employment Training and education
	Fostering effective collaboration with other organizations	Other sustainability topics
	Creating equal opportunities in our network	Series 400: Social Topics Diversity and equal opportunity

GRI's Disclosures on Management Approach (GRI 101-103) for these other topics are rather general without precise ways of measuring performance in these areas. GRI's creativity in applying its own framework shows that the standards have not stood the test of time. In its 2015-2016 report, GRI's material topics were entirely direct (see matrix

below), indicating that GRI's thinking has moved on (which is good) but the Standards have not.



Another aspect of GRI Standards that could do with a refresh is the way standards reflect the changing dynamics of business. In 2016, with the introduction of GRI Standards, we were promised an agile set of standards that could be quickly adapted to changing realities and new requirements. Since then, a new Water Standard and a new Standard on Occupational Health and Safety have been published. One new Standard on taxes is scheduled to be published in 2019, and some additional Standards revisions are scheduled for 2020. This may be progress, but it's slow progress. And in the meantime, realities are changing. For example, one of the issues I frequently encounter in reporting on employees is that gender can no longer be a simple reference to women or men. Today, gender identity includes, for example, transgender . All of GRI's employee demographics reporting requirements are based on a gender split, and in some cases, specifically women and men.


Disclosure 405-2
Ratio of basic salary and remuneration of women to men

Reporting requirements

Disclosure 405-2

The reporting organization shall report the following information:

a. Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.

b. The definition used for 'significant locations of operation'.

Reporting recommendations

2.2 When compiling the information specified in Disclosure 405-2, the reporting organization should base remuneration on the average pay of each gender grouping within each employee category.

In general, GRI's Diversity and Equal Opportunity (Standard 405) may not go far enough to reflect today's higher aspiration of equity rather than equal opportunity. Other aspects of doing business today come to mind, such as the circular economy, regenerative business, democratization of technology, data security and more, that are hardly addressed by GRI Standards. For GRI Standards to remain in the lead, the pace of change must accelerate to create standards that show how companies are responding to today's sustainability challenges, not only those that were identified 20 years ago.

I am an admirer of the work of Dan Esty, Hillhouse Professor of Environmental Law & Policy at Yale, whose research has exposed shortcomings in corporate sustainability disclosure. Developed from a perspective on sustainable finance with a focus on investors (but don't let that put you off), his paper on Corporate Sustainability Metrics: What Investors Need and Don’t Get is a sensible approach to sustainability disclosure. While I may not agree with everything, the following summary of issues in current sustainability disclosure makes sense to me.

Table 3: Data Recommendations – Theoretical Logic

Gap	Summary
Operational vs Reputational Metrics	In the absence of quantifiable performance metrics, much of the current data focuses on stakeholder perceptions of companies drawn from media reports on controversies and reputation rather than operational performance.
Forward vs Backward-looking Metrics	Most sustainability metrics measure past impacts while relatively few assess future potential for performance.
Footprints vs Handprints	While a company's own environmental impact (footprint) is useful, it is incomplete. To assess a company's contribution to a sustainable world, investors also need to be able to track the impact of the company's products and services.
Upside Opportunities vs Downside Exposure	Much of the current data looks backwards to measure impact, while much of the potential value of sustainability to financial performance lies in the ability of the company to recognize and take advantage of opportunities to become more sustainable.
Materiality	To make corporate sustainability metrics more meaningful, much more focus needs to be given to what really matters in terms of environmental impacts – and the structure of metrics needs to be re-geared to reflect this *materiality* analysis.
Broad Frameworks vs Narrow Focus	Most guidelines for data disclosure are broad to be inclusive of many sectors and many issue areas. What is needed is a mix of core issues broadly applicable combined with additional industry-specific metrics.
Policy Alignment	Policy makers will play a key role in improving ESG data through a discreet set of core metrics, methodological standard regulation and continuing to internalize detrimental externalities.

Dan Esty writes:

" *One of our core observations is that repurposing ESG metrics that worked for the "values" investors of the past does not work for the sustainable investors of today. Mainstream investors now want a more comprehensive and carefully curated perspective on the companies in their portfolios – which existing ESG data sets so often cannot provide*."

He also recommends a government-mandated framework of ESG methodologies to underpin disclosures that are common to all or most companies. It's not by chance that I am pondering this question at this time, because, next week, the third annual Asia Sustainability Reporting Summit (register here) which I co-chair, will run under the theme of **Is mandatory better?** Among other things, I will facilitate two panel discussions with prominent and accomplished Chief Sustainability Officers, regulators, analysts and academics on this subject.

Another brilliant academic whose work I admire, Professor Guler Aras (Integrated Reporting Network Turkey Executive Chair and Yildiz Technical University Finance Governance and Sustainability Research Center Founding Director), will be an expert voice on a panel next week. She has proposed a multi dimensional sustainability model in her research article which was published in Journal of Cleaner Production . She says: " *In addition to the traditional sustainability components, finance and governance components allow businesses to maintain healthy and continuous performance over a long period of time and provide benefits to all stakeholders. Hence, apart from the economic, environmental and social dimensions of corporate sustainability, a good governance structure and financial factors should be integrated to properly evaluate firms' sustainability.*" Prof. Aras's diagram below illustrates a multidimensional comprehensive corporate sustainability disclosure model.

This is worth mentioning because, mostly, the link to overall business results is a missing element in sustainability reporting. While finance (Economic Performance GRI Standards 200), and governance (GRI General Disclosures 102-18 - 102-39) are part of GRI-based reporting, there is often a disconnect in reporting between economic and governance factors from a sustainability perspective and actual business results. More direction in sustainability reporting standards could be considered to help companies define **how sustainable practice impacts their own business** through risk mitigation, employee

engagement, customer loyalty, cost benefit and new business opportunities, to name just a few. But that's probably a whole other discussion....

Voluntary or mandated, corporate sustainability disclosure needs to get with the times, deliver the need and be more useful to not only investors, but to all of us whose lives are affected by the actions of corporations, in positive and less positive ways. Whether the new declaration of the Business Roundtable on the Purpose of a Corporation, that commits to delivering value to ALL stakeholders inspires or depresses you, there seems to be a consensus that we need better frameworks for measuring and disclosing sustainability impacts. With leadership comes responsibility to stay in the lead. As an established leader in driving sustainability disclosure, GRI has the capability to help transform sustainability reporting standards into more meaningful, comparable and useful tools for sustainable development.

P.S. I you got to this point, you deserve a double ice cream.

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. **Owner/Manager** of Beyond Business Ltd , an *inspired* Sustainability Strategy and Reporting firm having supported 100 client reports to date; **author** of three books and several chapters on Sustainability Reporting and the Human Resources connection to CSR; frequent **chair and speaker** at sustainability events and **judge** in several sustainability awards programs each year. Contact me via Twitter , LinkedIn or via Beyond Business

10 ways not to attend the Asia Sustainability Reporting Summit

Wednesday, August 14, 2019

The first week of September is going to be #reportingmania week in Singapore, as the third annual **Asia Sustainability Reporting Summit (ASRS)** on 4th and 5th of the month promises to be the biggest and bestest yet. With 70 speakers from almost as many countries, it's going to be a packed two days of learning, inspiration and exchange. So here are 10 coping mechanisms just in case you cannot make it this year.

1. Spend 30 minutes a day meditating, using the collage below of ASRS 2019 speakers as your inspiration - it won't help you predict what they might say, but it will make you realize what you are missing. If you start now, there will be just enough time to register before the start of the Summit.

2. Sign up for my pre-conference workshop. You will be compelled to continue the conversation for a further two days at the Summit.

3. Order a three day supply of ice cream in a range of flavors. Only ice cream can take away the pain of not attending the most fun Summit on Sustainability Reporting in Asia.

4. Sign up for the live-stream conference feed. Ooops. No live stream. You will just have to book your ticket.

5. Gather your thoughts about whether sustainability reporting should be mandatory or self-regulated. This will be an illuminating debate in a panel session with 5 leading figures in the Sustainability Reporting world. While the session is taking place, you will be able to imagine yourself following the insights of these experienced practitioners and agreeing or questioning their thoughts.

6. Plan a vacation in Singapore to coincide with the two days of the conference. Once you get to Singapore, you will be magnetically drawn to the Novotel Clarke Quay Hotel to register for the conference. Who needs vacations anyway?

7. Take a look at the Summit Agenda and try to imagine yourself sitting at home or in the office while all this is taking place. Do you really think you can do it? Be kind to yourself and resolve this inner struggle by signing up without delay.

8. Reconnect with #womenpower. 57% of the speakers at ASRS 2019 are women. This summit is a celebration of women's leadership in sustainability. If you are a woman, man or individual of any gender, you will know that women's leadership is always INCLUSIVE. And that means inclusive of YOU. So sign up for the Summit and be included.

9. Focus on the future. Think about your next sustainability report and how you will refresh your reporting, ensuring you are abreast of innovation, frameworks and new regulation in the region and globally. Think about how you might get a concentrated boost of energy, motivation and inspiration to fuel your next reporting cycle. Don't let your mind wander to the fascinating debates and insights that will take place at ASRS. Don't dwell on the time you will waste by not attending ASRS where you have everything under one roof over 48 hours. Got a plan? Think you can cope without attending the Summit? Feeling confident? Great, but if not, you might want to send in your ASRS registration. Jus' sayin.

10. Finally, if all the above doesn't work, you will probably need the Deep Detox solution. Book in at the Sustainability Reporting Detox Clinic for a two day intensive full

body and mind detox, where the words sustainability and reporting are banned and people talk only about sunshine, beaches, Netflix, gourmet meals, ice cream flavors and places to visit when you retire. Any mention of anything connected to sustainability reporting sends you to solitary confinement for your entire stay with no internet, no phone, no connection to the outside world and no ice cream. Best to do this before the Summit starts, so that if it doesn't work, you still have time to register.
For all of you for whom these coping mechanisms are not likely to work, see you in Singapore!

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. **Owner/Manager** of Beyond Business Ltd , an *inspired* Sustainability Strategy and Reporting firm having supported 100 client reports to date ; **author** of three books and several chapters on Sustainability Reporting and the Human Resources connection to CSR; frequent **chair and speaker** at sustainability events and **judge** in several sustainability awards programs each year. Contact me via Twitter , LinkedIn or via Beyond Business

AIMing for Best in Class Reporting

Monday, August 12, 2019

I was recently asked by a client to prepare an overview of Best In Class Sustainability Reports.
Now, I read, review and judge hundreds of sustainability reports each year, and also write several. I find reporting fascinating in all its forms, and there is no sustainability report that is not a source of insight, inspiration or interest for me. Sustainability reports are as diverse as the companies that publish them, and I find it hard to find an overall measure that represents Best in Class. In many of the awards programs in which I participate as a judge, the ultimate selection often becomes the report that achieved an aggregated highest score across a range of criteria - is that the definition of Best in Class?
Best In Class is defined by the Business Dictionary is: *The highest current performance level in an industry, used as a standard or benchmark to be equaled or exceeded.*

But sustainability reports can be assessed across so many dimensions that it's not so simple to select a single report that can be used as a standard to be equaled or exceeded. Sustainability reporting is so unique and specific to each company that, while it is possible to compare use of selected reporting frameworks, or the scale of disclosure, or the length, or the colors of the design, creating a single Best in Class standard for reports is misleading. It's possible to compare certain types of disclosure across reports - such as how a company discloses carbon performance or employee engagement - so maybe it's possible to identify Best in Class reporting on certain topics. But overall Best in Class? Is Class every single sustainability report that's published? Or Best in Class for certain types of company, company size or industry sector?

The impossibility of the Best in Class assessment is why I prefer a threshold approach to evaluating the effectiveness of reporting. Framework-agnostic, metrics-agnostic and generally-agnostic, I use a simple model to the evaluate reports I come across every day. It's called the **AIM Model** . I developed this model for the publication of my annual list of the T op Ten Sustainability Reports of the year in 2011 . Either a report broadly meets the expectations for **AIM** reporting, or it doesn't. It's not about a score or a leader-board - it's about doing the job or not doing the job.

The **AIM** (**A** uthenticity, **I** mpacts, **M** ateriality) **Model** goes like this:
Authenticity stands for: credible reporting that appears balanced and complete; it links reporting to purpose; it uses stakeholder voices to supplement internal narrative; it demonstrates consistency with prior reporting and shows evidence of long-term commitment with a strategy through targets and reported progress against targets; it includes a clear set of policies and positions on important topics and a CEO statement that you believe the CEO has actually read
Impacts stands for: How has the company made a difference, and how it measures that difference; not just a shopping list of activities; measurable outcomes; focused storytelling that supports describing impacts in specific cases.
Materiality stands for: clear materiality process that connects to the materiality topics identified and selected; description of the stakeholder interactions that have influenced the selection of material topics; contextual information that helps us understand the material topics and their relevance and explicit deep-dive reporting on the material topics selected.

Now, some reporters do a great job year after year in delivering reports that meet the **AIM**

Model criteria - generally I know even before I look at the report that these companies will deliver reports that I will find inspiring. Here are three reporters that deserve a recurring **AIM Award** for their consistent reporting effectiveness. In random order. **Marks and Spencer**

Marks and Spencer plc is one of the strongest, most consistent, most comprehensive reporters that never fails to impress me with the scale of its programs and the meticulous nature of its planning, target setting and disclosing. The iconic Plan A (that has now become Plan A 2025) is a masterpiece of branding, engagement and evolution of leading sustainability practice. The **2019 Plan A Update** is a fairly nuts and bolts 18-page document, no fancy design and no stories, but covers all the Plan A news in brief. Enough so that we know what M&S has been getting up to in the past year.

The prior Plan A Report for 2018 was a fuller update, more colorful (though not much more) and much more detailed.

It includes for example, as well as the individual updates against Plan A's 2025 pillars across all 100 commitments, details of how the company creates value and several pages with the governance structure for Plan A and named individuals responsible for each piece fitting into place. There are also commentaries from external stakeholders.

The Plan A overarching goals are all about **I** mpacts - supporting customers in sustainable living, helping people live happier and healthier lives, transforming communities, science-based carbon targets and more - M&S's goals have been developed from the outside in, understanding global priorities and driving change through the business and its engagement with customers and communities.

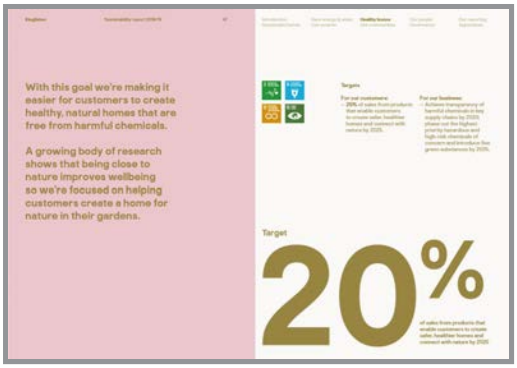
The **M** aterial focus of Plan A is clearly described and the stakeholder input used to help define and assess material topics is explained. I find it a little odd that M&S does not publish the specific results of the materiality assessment, which they claim to have performed, in an overt way. Rather, the claim is that the most material topics, around 40 of the 100 commitments, are independently assured and a couple of asterisks denote these throughout the report. So, if you have an hour or so to spare, you can compile this list, though it's a little fidgety. Bottom line, however, it that **M** ateriality is defined and there is a lot of supporting information as to how it was done.

And finally, **A** uthenticity. I cannot imagine a company maintaining this scale, scope and pace of achievement and reporting year after year since the launch of Plan A in 2007 (was it that long ago?!) and reporting more generally on sustainability prior to that, without a large measure of **A** uthenticity. Many elements support this including the transparent Plan A governance structure, the clear reporting on performance whether positive or less positive and the detailed methodology of selecting the Plan A components. Definitely worthy of an **AIM Award**

Kingfisher

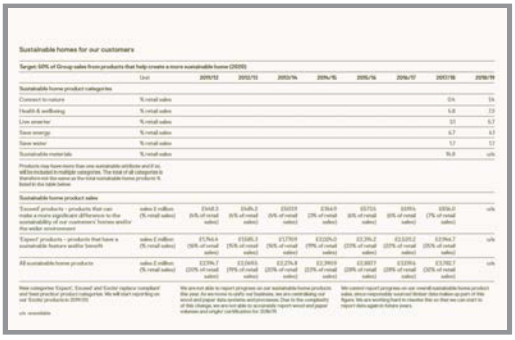
Kingfisher's reporting is bold, creative, inspiring, coherent and absolutely in line with the **AIM** model. I have been following Kingfisher's reporting over the years, and even selected Kingfisher's Net Positive 2012-2013 Report as one of my Top Ten CSR Reports of 2013 . Kingfisher has the knack of distilling its sustainability vision, mission, program and performance into eye-level, easy-to-follow messages that get through to our minds and hearts. It's reporting for everyone: Kingfisher's 2018-2019 Sustainability Report

shows meticulous transparency with on-point metrics across a range of targets alongside well-flowing narrative supported by big bold highlighter pages that anyone can understand.

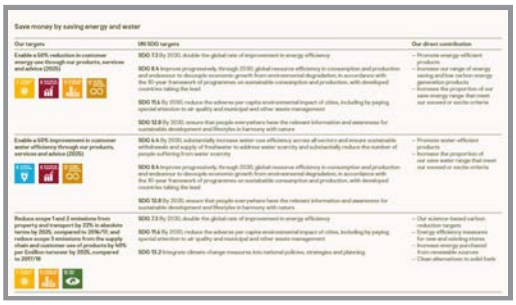


In terms of **A** uthenticity, Kingfisher publishes performance - successes and challenges - clearly against annual and long-term targets. An external commentary from a sustainability expert and a case study from the community build in external stakeholder voices. A seemingly genuine message from the CEO, Véronique Laury (Yes, it's a woman CEO. YAY!!) expresses both the positioning, the positives and the challenges of Kingfisher's sustainability journey: *"In several areas our progress has been slower than we would have liked and challenges with our data systems mean we cannot report this year on two important KPIs relating to timber sourcing and sustainable home products. We know how important these issues are and we are addressing these challenges as a priority."* Progress against 2018/2019 targets en route to 2050 are set out with clarity:

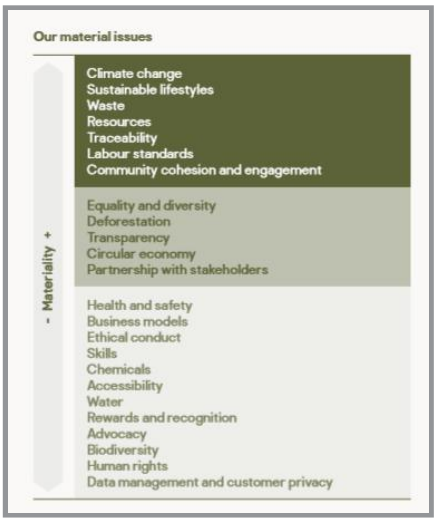
Kingfisher's entire sustainability strategy is about its overall I mpact on the world. Like Marks and Spencer above, it's an outside-in strategy with four net-positive aspirations to 2050 that focus on how Kingfisher makes a difference in the way people live their lives. Kingfisher has guidelines for customers so they can make sustainable choices and measures the proportion of sales that these choices represent.



Outside-in strategies tend to be closely aligned with the Sustainable Development Goals. Kingfisher goes a step beyond most companies by aligning its I mpacts with specific SDG targets.



As for M ateriality, yes, that's in there too, supported by a description of the process used to create and revise this list annually, including a specific materiality assessment in 2018 on 25 raw materials used in Kingfisher's products, assessed for human rights and environmental practices, that will be integrated into the overall materiality assessment.

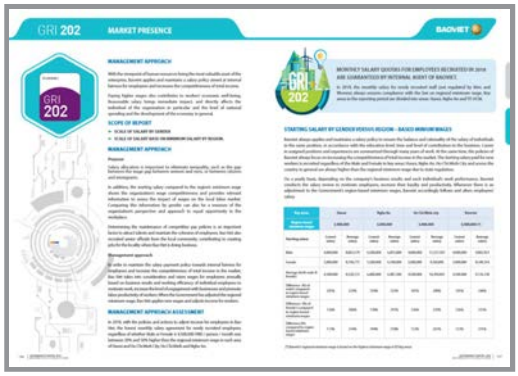


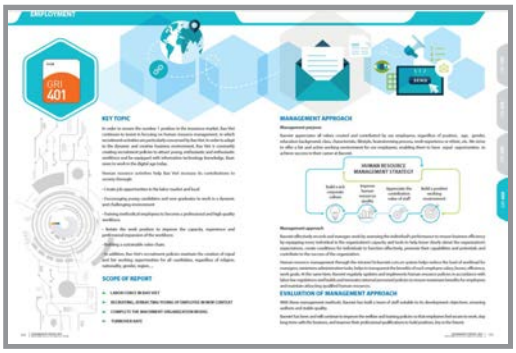
While this report does not follow the In Accordance level of GRI guidelines, an online GRI Content Index is provided.
The CSR Reporting Blog hereby grants an **AIM Award** to Kingfisher for consistently impressive and meaningful sustainability reporting.

Baoviet
Baoviet is one of the leading financial-insurance groups in Vietnam. As a judge in the annual Asia Sustainability Reporting Awards (ASRA), I have been reading Baoviet's reports each year for the past few years and have always been impressed with the way this company pulls its report together with diligence and scrupulous attention to detail. Always rather (too?) long (the 2018 report is 257 pages!), Baoviet presents its comprehensive GRI Standards-based disclosure in a logical and lucid way. As previous reports, Baoviet's 2018 Sustainability Report, Mastering Hi-tech to unlock Sustainable Future, also shows how Baoviet masters disclosure, and not just sustainable insurance.

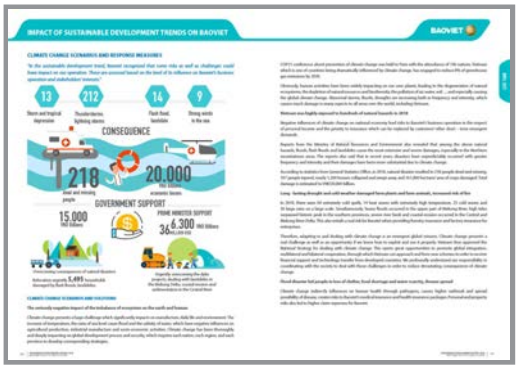
The report is laid out using the GRI Standards framework, addressing the disclosures in order of the 100, 200, 300 and 400 Standards sets. This is not my personal favorite way of presenting content, but it's a very respectable way of reporting, and has some advantages in terms of easy navigation to each group of topic-connected disclosures. In

the case of Baoviet, this is done quite neatly, with a symmetrical order to each page, following the GRI prescribed content for disclosure of Management Approach and associated data.





Wholly **AIM** , this report covers **A** uthenticity, **I** mpacts and **M** ateriality exhaustively. A deep-dive into risks, opportunities and context supporting the selection of **M** aterial topics helps us understand the sustainability challenges of Baoviet.



A strategic approach aligned to the Sustainable Development Goals shows that Baoviet has invested **A** uthentic thought into its planning and sustainable development direction.

I mpacts are presented in a specific section describing "indirect economic impacts" (GRI's Standard 203) summarizing Baoviet's overarching contributions to a more sustainable society, with some case studies later on in the report in the section on community involvement (GRI 413). Definitely deserving of an **AIM Award** , Baoviet could also do this with a shorter report! I'd recommend trimming some of the evergreen detail from this report in future, giving greater focus to the reporting year achievements.

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So, coming back to my opening thought, would I consider these reports Best in Class? *The highest current performance level in an industry, used as a standard or benchmark to be equaled or exceeded?*

I certainly consider these reports that I find inspiring and can learn from. It's possible they might win awards (and all of these companies have won sustainability reporting awards over the years) when pitched against a limited number of entrants in an awards program (and I admit to making these choices as a judge in different awards programs each year.) In the end, I circumvented the question my client posed to me by providing a selection of reporting elements from different companies and reports, a sort of pick'n'mix showing what can be done to achieve **AIM** reporting, and in some cases, with a little added creativity. So I think my message here is about delivering the best report you can, wherever you are on your sustainability journey, targeting to meet the needs of your stakeholders.

If your report does this well, some may consider it to be Best in Class.
I'll probably say that it's worth an **AIM Award** !

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. **Owner/Manager** of Beyond Business Ltd , an *inspired* Sustainability Strategy and Reporting firm having supported 100 client reports to date; **author** of three books and several chapters on Sustainability Reporting and the Human Resources connection to CSR; frequent **chair and speaker** at sustainability events and **judge** in several sustainability awards programs each year. Contact me via Twitter , LinkedIn or via Beyond Business

Target targets for 2019

Thursday, December 27, 2018

Sustainability reporting used to be about **activitiesandactions** whereas today it is more about **impacts and intentions**. Substantiated intentions, that is, by which I mean **T-A-R-G-E-T-S**. Yes, that awful, threatening, potentially blood-pressure-raising concept of actually making a public commitment to making a difference. One of the things I find most frustrating about many sustainability reports is the extreme lengths companies go to in order to describe their mission, vision, what's important to them, what's important to stakeholders, what's important to the world and why it's ALL so important ("Sustainability is in our DNA" and "The world is about to end") .... but when it comes to saying what they plan to do about it: **radio silence**. Vague intentions, aspirations, declaratory blurb - it's all very nice but, well, no teeth.

Andrew Wilson , expert advisor on sustainability, author of Green to Gold and The Big Pivot , has done leading-edge work in this area. He's even quite positive in his views of how targets have progressed and become embedded in the way most large companies report on sustainability. You can gain some comfort from his article from December 2017 here. He concludes that 94% of the largest 200 companies in the world include targets in their Sustainability Reports.

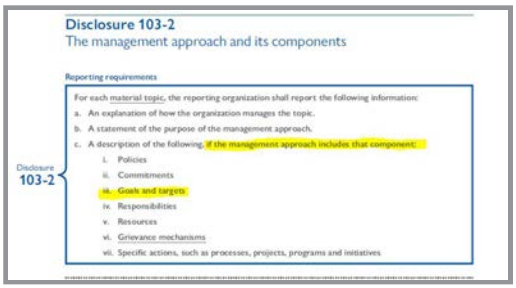
1. More companies are setting goals ... and companies are setting more goals

Out of that shifting group of 200 giant corporations --- a list that doesn't turnover as fast as you'd think — the number of companies with public, specific targets has risen from 155 (77 percent) to 188 (94 percent). So, almost every large company now has some form of sustainability report and goals to match. That's a big victory for the sustainable business movement. The total number of goals in the database — counting only those that are forward-looking (i.e., from 2017 and beyond today) — has risen from 1,300 five years ago to more than 2,000 today (FYI, the website has close to 4,000 today. We've kept the 2015/2016 goals in for now for benchmarking purposes; many companies got serious with their 2015 goals.).

You can check out Andrew's Pivot Goals database , containing 3,923 goals that have been publicly disclosed by (large) companies in their sustainability communications over the past few years (the database contains some duplication with both original goals and those that have been superseded or replaced). While this is apparent progress, it's by no means close to critical mass for all the thousands of companies that report on sustainability. Also, as you might expect, the distribution of targets is uneven - in the Pivot Goal database, for example, in the pharma sector, I counted 13 companies with targets, ranging from one company that has 62 targets and one that discloses just one target.

Other aspects of target setting are coverage and quality. Coverage is the extent to which a company discloses targets for all material sustainability aspects versus targets that are limited to one area, say, environmental impacts which is the most popular. Quality is the extent to which targets are SMART. You know what SMART means. SMART is not: "Continue to improve our environmental impacts". Just sayin.

Many of the reports I view and review are GRI-based and claim to be in accordance with GRI Standards at core or comprehensive level. Now, GRI has made reporting of goals and targets mandatory in the Management Approach Disclosures. Disclosure 103-2 requires (the organization SHALL report) disclosure of goals and targets. Well, sort of. The mandatory part is diluted by the addition of some small print: ***if the management approach includes that component***.



Disclosure 103-2
The management approach and its components

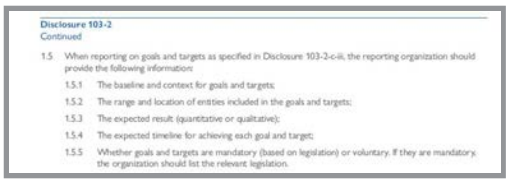
Reporting requirements

Disclosure 103-2

For each material topic, the reporting organization shall report the following information:

a. An explanation of how the organization manages the topic.
b. A statement of the purpose of the management approach.
c. A description of the following, if the management approach includes that component:
   i. Policies
   ii. Commitments
   iii. Goals and targets
   iv. Responsibilities
   v. Resources
   vi. Grievance mechanisms
   vii. Specific actions, such as processes, projects, programs and initiatives

Additional guidance suggests including context, time-frame, reference to legislation if relevant and more.

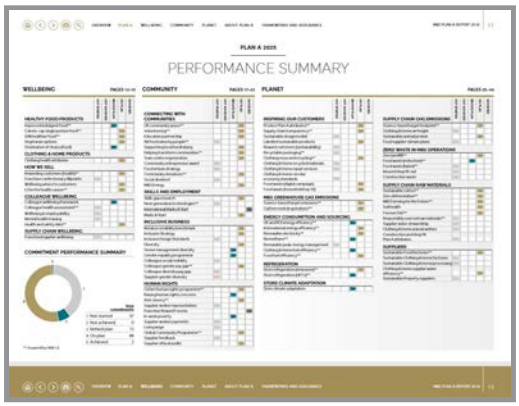


Disclosure 103-2
Continued

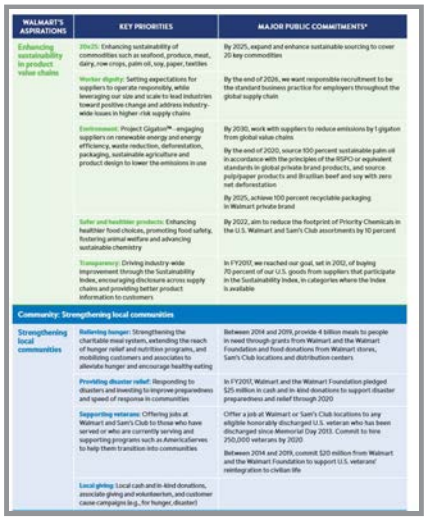
1.5 When reporting on goals and targets as specified in Disclosure 103-2-c-iii, the reporting organization should provide the following information:

1.5.1 The baseline and context for goals and targets;
1.5.2 The range and location of entities included in the goals and targets;
1.5.3 The expected result (quantitative or qualitative);
1.5.4 The expected timeline for achieving each goal and target;
1.5.5 Whether goals and targets are mandatory (based on legislation) or voluntary. If they are mandatory, the organization should list the relevant legislation.

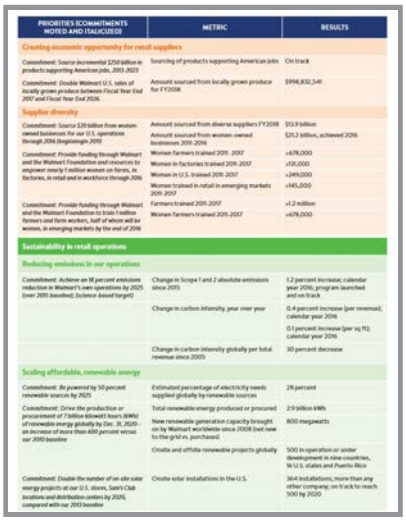
So, according to GRI, for GRI compliance, reporting of targets is mandatory ***if you have them***. If you don't, no problem. Well, no problem is exactly how most reporters approach the Approach. It's so easy to say "we are committed to", "we place great importance upon", "we are passionate about" and all those other gloriously positive affirmations, but when it comes to the crunch, it's apparently more convenient to ignore the bits that bolt those commitments down in the organization and give stakeholders something to believe in. I believe disclosing targets should be a **mandatory** element of material topic reporting. Every single GRI Topic-specific Standard should include a requirement to disclose SMART targets - not IF they exist, but BECAUSE they should exist. And if they do not exist, conformance to GRI Standards should not either.
Some (random) examples of how companies commit in sustainability reports:
Arguably the best-of-the-best expression of public commitments and consistent reporting of progress is Marks and Spencer, whose Plan A, when it was created in 2007, immediately set M&S apart from the crowd with a bag of 100 commitments representing the most far-reaching and comprehensive set of targets by any company at that time (as far as I know). Although Plan A's tagline was "Because there is no Plan B", Plan A has continued to reinvent itself and currently goes under the name of Plan A 2025. Behind the scenes of Plan A is a strong commitment to sustainable business, and business that positively impacts people and planet, and the pace has been maintained even at times when the company's financial results have been a bit wobbly. Marks and Spencer's 2018 Plan A Report includes a detailed account of progress against all targets across the four Plan A pillars in a way reflects the M&S brand: quality, detail and tailored to meet a range of needs.



Walmart's 2018 Sustainability Report includes a range of specific commitments at the start of its 230-page report. The targets are SMART enough and cover all areas of sustainability priorities - a comprehensive approach.



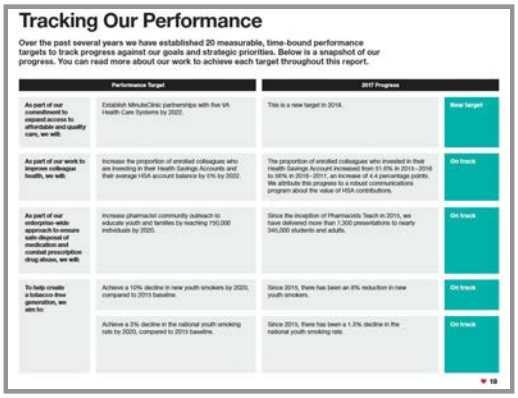
At the end of the report, Walmart discloses how it is doing against these commitments:



While it's possible to correlate progress reported to the commitments made upfront, it

takes a little detective work to sort it all out as the language used is different in both cases. However, Walmart's (mostly) specific time-bound targets and progress statements are enough to quench my thirst for target-juice in this report.

CVS Health also does a great job in its 2017 Corporate Social Responsibility Report with multi-year targets and reporting of progress in the reporting year. Across four pages, CVS demonstrates a mature view of its role in society with targets that reflect its impacts on society (help create a tobacco-free generation by acting to reduce youth smoking) as well as targeting improvements it its own operations. The targets are also in line with the material impacts CVS Health defines in its report.

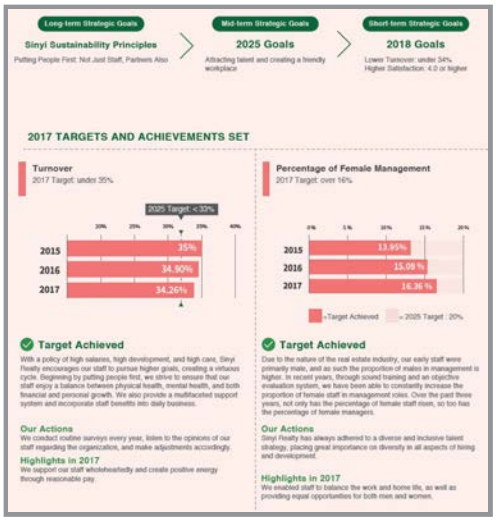


Tracking Our Performance

Over the past several years we have established 20 measurable, time-bound performance targets to track progress against our goals and strategic priorities. Below is a snapshot of our progress. You can read more about our work to achieve each target throughout this report.

Performance Target		2017 Progress	
As part of our commitment to expand access to affordable and quality care, we will:	Establish MinuteClinic partnerships with five VA Health Care Systems by 2022.	This is a new target in 2018.	New target
As part of our work to improve colleague health, we will:	Increase the proportion of enrolled colleagues who are investing in their Health Savings Accounts and their average HSA account balance by 5% by 2022.	The proportion of enrolled colleagues who invested in their Health Savings Account increased from 51.6% in 2013–2016 to 56% in 2016–2017, an increase of 4.4 percentage points. We attribute this progress to a robust communications program about the value of HSA contributions.	On track
As part of our enterprise-wide approach to ensure safe disposal of medication and combat prescription drug abuse, we will:	Increase pharmacist community outreach to educate youth and families by reaching 750,000 individuals by 2020.	Since the inception of Pharmacists Teach in 2015, we have delivered more than 1,300 presentations to nearly 340,000 students and adults.	On track
To help create a tobacco-free generation, we aim to:	Achieve a 10% decline in new youth smokers by 2020, compared to 2015 baseline.	Since 2015, there has been an 8% reduction in new youth smokers.	On track
	Achieve a 3% decline in the national youth smoking rate by 2020, compared to 2015 baseline.	Since 2015, there has been a 1.3% decline in the national youth smoking rate.	On track

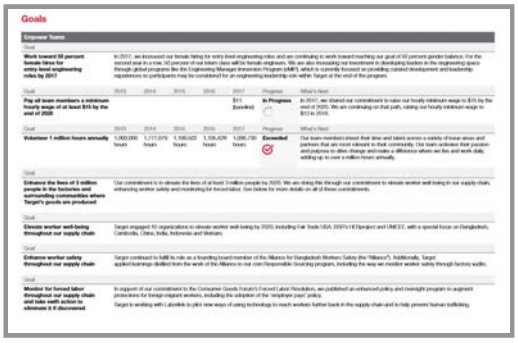
A super presentation of targets is from **Sinyi Realty Group**, one of Taiwan's leading real estate agencies in its 2017 Corporate Sustainability Report. For key strategic areas, the company sets long-range goals, medium term targets to 2025 and short-term targets for the coming year. Sinyi transparently reflects performance against the short-term targets set in the reporting year. No room for misinterpretation or detective work required here: it all hangs together very credibly.



Google's 2018 Environment Report includes a set of targets and progress made against these. It's a clear enough presentation and scoreboard markers give you a quick overview of progress. However, while this is totally fantastic, the targets are a mixed bag, for example, two of the targets are: set targets and others are either not time-bound or relevant for the single reported year - which in sustainability terms is no time at all. All targets relate to the direct environmental impacts of Google's own operations, for example, achieving zero net operational carbon emissions, which Google has

impressively done for at least the past five years.

Of course, I couldn't write a post about targets without looking at Target Corporation. I mean, if your name is Target, you have to have targets, right? Well, Target doesn't disappoint, though, oddly enough, Target's targets are called goals But, whatever they are called, they are extensive and are presented across 7 pages in Target's 2018 Corporate Responsibility Report, followed by a couple of pages of upcoming goals (or targets) in areas not measured to date or not the subject of goals so far.



There is no doubt in my mind that the inclusion of public commitments is both a way to reinforce trust with stakeholders and a tool to catalyze performance improvements. Several leading companies are doing this really well, and I tend to agree with the analysis above that more are doing so these days than in the past. However, the leading companies across the world represent only a small fraction of the entire population of reporting companies, and many (I might even say, most) of them do not even hint at targets or commitments.

So, let's be clear: If you want stakeholders to believe you are serious about sustainability, or whatever you call it in your organization, make SMART public commitments in key areas of impact and report your progress against these year on year.

Of course, a great addition to any Sustainability Report would be the inclusion of a target to provide a lifetime supply of free ice cream to anyone who blogs about your targets on the CSR Reporting Blog.

Happy Holiday Season and Happy 2019 to all CSR Reporting Blog readers!

Story of a Sustainability Superwoman

Tuesday, September 11, 2018

There are plenty of excellent reasons to attend the Asia Sustainability Reporting Summit on 2nd and 3rd October 2018. I won't list them all here.

Just take a look at the website and you'll be convinced. Instead, I'll tell you a story.
Once upon a time, there was a little girl called Suyin. Suyin lived with her mother and father and seven younger siblings in a remote part of Asia, in a wooden hut, far from the hustle and bustle of the big cities and the stresses of daily living in modern times. Suyin and her family were a close-knit group, relying on each other for love, support and inspiration. They lived on the resources of the earth, fishing, hunting and farming, taking from the land only what they needed to survive without wasting any precious resources. It was a simple existence, but it was a good one.
As Suyin advanced in age, she noticed with each passing year that life in their region was becoming tougher. Rainfall patterns were changing, water levels were dropping in nearby streams, the soil was not as fertile as it once was, local wildlife had ceased to thrive. Slowly, Suyin was perceiving that her land was refusing to provide for them. And when she was just 19, there was a major typhoon that shook their wooden hut to its foundations, barely leaving it standing.
Suyin was worried about the long-term survival of her family. She knew she had to do something. Amid tears of farewell, she left her family, promising to return. She travelled by foot without a cent to her name until she reached a major city and there, she begged for food and money. What she was given, she saved. And when she had saved enough money, she rented a small room, and took a job in a small store. She did well. She was intelligent, capable and thoughtful and soon enough, she had enough money to fund a place at university, as she knew that without education, she would not advance and be able to help her beloved family.
After studying, she was fortunate to be offered a job in a large corporation, in the Sustainability Department. In that role, she campaigned to mitigate climate change and advance social programs that would help families living in remote areas. She became a true sustainability leader, speaking all around Asia on the need to save the land and prevent environmental degradation, as well as taking care of communities and their ability to survive and thrive. Many companies followed her lead and joined the sustainability movement to drive positive change for prosperity. During this time, Suyin returned frequently to visit her family, provide them with resources and help them overcome their challenges. For example, she purchased a small farmer irrigation kit from Netafim so that they could irrigate the couple of acres they farmed and gain greater yields of fruit and vegetables with less water.
In 2018, a colleague nominated Suyin in the annual listing of exceptional female sustainability leaders in the region, Asia's Top Sustainability Superwomen, an initiative of

CSR Works International . Suyin was overwhelmed. She had never received such recognition for doing only what she thought was right. But will Suyin's nomination be accepted? Will Suyin shine through? How many more Sustainability Superwomen have been nominated and who will gain recognition at the Asia Sustainability Reporting Summit ?

You can discover if Suyin is included in this prestigious list of Sustainability Superwomen in October in Singapore, at the Asia Sustainability Reporting Summit. Even if you don't get to meet Suyin, you will be able to engage with a host of inspiring women sustainability leaders and experts who have driven the sustainability agenda in Asia with passion and overcome challenges to ensure their voice is heard and improve life for all of us.

Come to the summit and celebrate Sustainability Superwomen with all of us. Overall, there'll be more than 60 international speakers (not ALL of them are women, however!) who will cover every important aspect of sustainability reporting in depth. You will hear directly from top leaders from

- Agility
- AIG
- Bangchak Corporation
- Baoviet Holdings
- Bombay Stock Exchange
- CapitaLand
- CDP
- City Developments Limited (CDL)
- CLP Power
- CP Group
- DBS Bank
- EcoVadis
- Golden Agri-Resources
- GRI
- Hang Lung Properties
- Intel
- International Integrated Reporting Council (IIRC)
- John Swire & Sons

• JSW Group
• Kalbe Farma
• Maritime Ports Authority Singapore
• Microsoft
• MSCI
• RobecoSAM (DJSI)
• Schneider Electric
• Sime Darby
• Singtel
• SM Investments
• Suntory Food & Beverage
• Sustainability Accountability Standards Board (SASB)
• Tata Consultancy Services
• Union Bank of the Philippines
• Viego Eiris
• WWF
and the list goes on

And of course, I will be there, co-chairing the summit with the man behind it all, Rajesh Chhabara .

Exciting debates and insights that will help you move the needle include:

Looking forward to a fun couple of days of learning, sharing, challenging and celebrating. Hope to see you there!

elaine cohen, CSR Consultant, Sustainability Reporter, former HR Professional, Trust Across America 2017 Lifetime Achievement Award honoree, Ice Cream Addict, Author of three totally groundbreaking books on sustainability (see About Me page). Contact me via Twitter (@elainecohen) or via my business website www.b-yond.biz (Beyond Business Ltd, an *inspired* CSR consulting and Sustainability Reporting firm). Need help writing your

first / next Sustainability Report? Contact elaine: info@b-yond.biz Elaine will be co-chairing the second annual Asia Sustainability Reporting Summit 2018 in Singapore on 2/3 OCtober. Join me there!

Cosmetic materiality

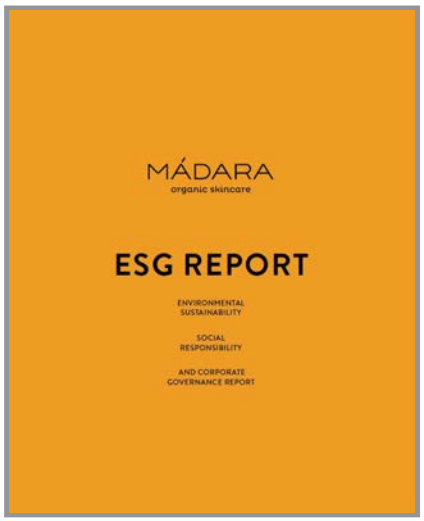
Sunday, September 09, 2018

This week, a Press Release announcing the publication of AS MADARA Cosmetics ESG Report for 2017 caught my eye for several reasons. (1) Madara is a Latvian company - not too many of those publish reports - the GRI Database lists just 5 reports in 2017/2018 from Latvia. (2) It's a FIRST report - and you know how much I first reports. (3) It highlighted a CEO pay ratio of 1.68:1 and (4) It follows the NASDAQ ESG Reporting Guidefor Nordic and Baltic Markets .

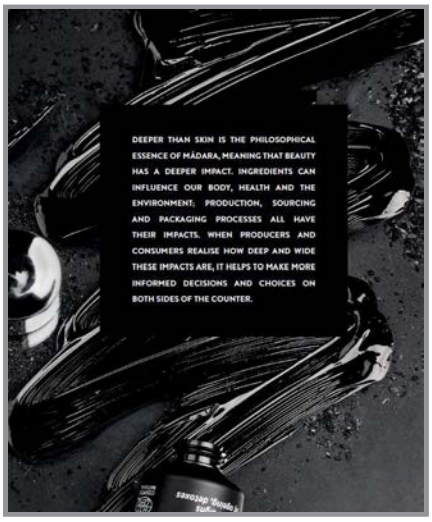
Now, as some of you may recall, I wrote about this guide a while back in a post entitled: Materiality: from meaningless to differentiating . The thing about materiality is that so many companies today use it as a box to tick rather than a considered strategic framework for sustainable development and reporting. The low-level thinking on materiality where people, society and the environment are material to every company has rendered materiality fairly meaningless as all companies, no matter what sectors, are driven to report on the same thing. Advanced materiality thinking is differentiating; it identifies those unique impacts where a company has the power to change lives and society for the better. So, a broadscale, unimaginative, limiting approach to materiality doesn't serve to advance sustainable development, it simply serves the purpose of transparency and accountability, albeit that is also a worthy and necessary purpose. I call this operational materiality, and it is reflected in the NASDAQ reporting indicators for all companies, all sectors, all sizes.

Environmental (E)	Social (S)	Corporate Governance (G)
E1. Direct & Indirect GHG Emissions	S1. CEO Pay Ratio	G1 Board -Separation of Powers
E2. carbon Intensity	S2. Gender Pay Ratio	G2. Board -Transparent Practices
E3. Direct & Indirect Energy Consumption	S3. Employee Turnover Ratio	G3. Incentivized Pay
E4. Energy Intensity	S4. Gender Diversity	G4. Fair Labor Practices
E5. Primary Energy Source	S5. Temporary Worker Ratio	G5. Supplier Code of Conduct
E6. Renewable Energy Intensity	S6. Non-Discrimination Policy	G6. Ethics Code of Conduct
E7. Water Management	S7. Injury Rate	G7. Bribery/ Anti-Corruption Code
E8. Waste Management	S8. Global Health Policy	G8. Tax Transparency
E9. Environmental Policy	S9. Child & Forced Labor Policy	G9. Sustainability Report
E10. Environmental Impacts	S10. Human Rights Policy	G10. Other Framework Disclosures
	S11. Human Rights Violations	G11. External Validation Assurance
	S12. Board - Diversity	

Thirty-three basic measures of the ESG performance of the business provide a positive overview of how a company performs from a sustainability standpoint.
Madara Cosmetics is a woman-led Latvian-based natural cosmetics firm traded on NASDAQ. The Madara report uses this framework, responding to all NASDAQ indicators (most are labelled - five are not labelled but the disclosures are present). Thus, in a refreshingly clean and attractively designed 50-page report, Madara covers off the bases using a compact set of universal indicators in a coherent way.



However, the brand has gone beyond a simple response to a set of measures. It tells a story.



And it takes a stand.

Part One of the report is an education on organic and/or natural ingredients and the different certifications and standards that govern claims that cosmetics companies make on their labels. While intuitively, anything labelled natural or organic sounds environmentally friendly and healthy, this may not always be the case.
It is clear where Madara stands here. A new ISO Standard 16128 for natural beauty products permits petrochemical and GMO-based ingredients, according to Madara, and

is in general an inadequate and inappropriate standard for natural cosmetic products. Madara also attacks new EU regulation governing claims that can be made on cosmetic products, commenting that the new regulation compromises the rights of consumers to information about products they use and the ability to prefer products that do not contain certain ingredients. This is getting a bit messy according to Madara and may encourage greenwashing rather than science-based true and accurate product labelling.

> “
>
> WE CAN EXPECT A NEW WAVE OF GREENWASHING PRODUCTS OVERFLOWING EUROPEAN BEAUTY SHELVES WITH LUSH GREEN HERBAL ESSENCES, PRESERVED WITH WHATEVER KILLS THE MICROBES BEST.

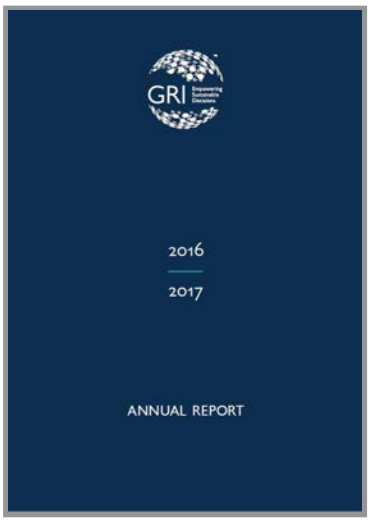
A bold move. In this first report, Madara has chosen to take a strong and well-articulated stand against market regulatory developments that influence how consumers perceive natural cosmetics and influence competition for natural and organic share. This is a good use of the Sustainability Report. It helps us get to know the company and what it stands for. It places the company operations in a market context that showcases how Madara positions its brand and stands out from the crowd. This is part of the brand identity and a clear element of the way Madara impacts lives. Had the company developed a differentiating set of materiality topics, "accurate natural product labelling" and "influencing regulation governing natural cosmetics for the benefit of consumers" might well have appeared on the list.

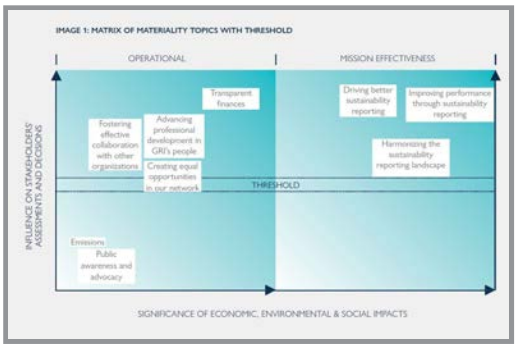
What I am missing, however, are the rest of these broader impacts. After the regulatory and ingredient-type discussions, the report continues in three sections - environment, social and governance - using the NASDAQ guidelines as a (mainly chronological) basis to report. However, beyond product formulations, I am wondering how the company reaches and impacts the lives of consumers. "Deeper than skin" is the company motto. I would like to understand why Madara's products are so transformational for consumers and what a difference they really make. What consumer needs are Madara products responding to and how successful are they? These impacts are overlooked in this report.

However, this first report is a good example of an activist company using reporting to amplify its message and differentiate itself while observing stakeholder expectations on transparency and disclosure. In fact, with a report such as this, you wonder - would using the GRI Standards have made any difference? Or would it have simply complicated the reporting process?

I tend to think that identifying material impacts is a positive step and creates a clear focus that guides the reader. A materiality assessment, robustly developed and clearly presented is a good backbone for reporting and I would have appreciated this addition in the Madara report. On the other hand, there are interesting and important disclosures in the NASDAQ framework that I believe all companies should report, whether or not their materiality assessment picks them up (and we all know that processes for determining materiality are somewhat arbitrary in most cases). A GRI-compliant report would probably not have included these disclosures.

In my post of last year, then, I talked about operational and differentiating materiality. Those who read GRI's Annual Report for 2016-2017 will have noticed a similar presentation.





As you can see, this matrix is split into two parts: operational and mission effectiveness, which, coincidentally or otherwise (who knows!?) are pretty much how I was seeing it in August 2017, a little before the publication of the GRI Annual Report in May 2018. Operational issues are the ones GRI directly controls - transparency, advancing people, and partnerships. Mission effectiveness are the indirect impacts - the difference the organization makes in society as a result of its operational activities - driving better sustainability performance, reporting and harmonizing the sustainability landscape. The thing you notice about this is that the operational impacts could relate to any company. The mission effectiveness topics are differentiating and unique to GRI.

(As an aside, not all indirect impacts are linked to mission effectiveness. An indirect impact of GRI, for example, might be job creation in the sustainability sector, as more reports means more reporters. But this is not the mission.)

I think we are at the point where we must elevate our approach to materiality so that it refers to real ways that companies affect our lives, and not just the things that companies do. We are lacking a robust process for determining materiality. Currently, each company individually defines the degree of stakeholder engagement required to define material topics and ranks the topics raised in unclear ways. The was the big fail of G4 (and now GRI Standards) when it first put materiality center-stage in 2013. It made materiality pivotal but did not provide the tools for companies to apply it adequately. If materiality is at the center of sustainability strategy and reporting, and not just a cosmetic addition, the process for defining the material topics should be more clearly prescribed and evidence-based.

Well done to Madara Cosmetics for reporting and for speaking out on issues that affect people's lives. Materiality or otherwise, this is an authentic and credible report. I give it three cones - - including one for a first report.

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chairing the second annual Asia Sustainability Reporting Summit 2018 in Singapore on 2/3 OCtober. Join me there!

Back to the Future

Tuesday, September 04, 2018

And the CSR-Reporting Blog is **back** to the future. A future in which the CSR-Reporting Blog is **back**. 2018 has been marked by an uncharacteristic absence after almost a decade (10-year blog birthday coming up next month!). Apologies to those readers who have experienced withdrawal symptoms.... I hope you have kept up your ice cream intake despite .. or because of ... the absence of posts from the most insightful and fun blog on CSR and Sustainability Reporting on the whole world wide web. (Modesty is exempt on this blog).
So what have I been up to since my last post way back in February? Here are a few highlights of my year so far, serving to demonstrate that, even though the CSR-Reporting Blog has been absent, I have not.

Reporting reporting reporting
It's been an intensive year this year, again supporting clients around the world in delivering their sustainability reports and other communications. Overall, I have supported the writing and/or development of 10 reports this year, some of which will be published in the coming month(s), but all of which meant that I had a more intensive first half of the year than I might have imagined - basically sleepless - but also one of the most satisfying years at **Beyond Business** . Here are some of the reports I have worked on - more about these - and the others that will publish soon - in future posts (now that we are Back to the Future).

Caesars Entertainment's ninth annual Corporate Social Responsibility Report for 2017-2018 under the theme of PEOPLE PLANET PLAY. This is the sixth report I have worked on for Caesars and each year, this company amazes me with its forward thinking, leading programs and multiple achievements. Each reporting cycle brings new challenges and but it's always fun! Caesars Entertainment Corporation is the world's most diversified casino-entertainment provider with gaming, hospitality and entertainment offerings in several countries.

Nexeo Solutions' first Sustainability Report for 2017 is the result of an incredible journey of pulling together the different elements of sustainability practice for this global chemicals and plastics distributor and forming an overarching story about its global impacts on sustainable supply chains. This first GRI Standards-compliant report, supported by newly created corporate policy and position statements on key topics, was possible due to the dedication of the reporting team leaders as well as an entire

company-wide effort.

ECI's Sustainability Report for 2017 is another fascinating chapter in the sustainability progress of an ELASTIC and sustainable future, as ECI helps us make the most of a 5G world. ECI®, a global provider of ELASTIC Network® solutions for service providers, critical infrastructures and data center operators, supports and delivers sustainable, innovative solutions and outstanding customer service, while operating responsibly and in support of the UN Sustainable Development Goals (SDGs). This is ECI's seventh annual sustainability report and I have been privileged to work on all of them.

Teva Pharmaceutical Industries 2017 Social Impact Report continues the story of Teva's global impact on healthcare and access to affordable medicines, together with new initiatives to contribute to healthy communities through safe medicines, collaboration, health initiatives and innovative research. Teva is a leading global pharmaceutical company and the world’s largest generic medicines producer, with a portfolio of more than 1,800 molecules for generic products in nearly every therapeutic area, as well as specialty medicines. Teva's report also presents six new corporate positions and policies covering charitable donations, human rights, diversity and inclusion, occupational health and safety, environment and antimicrobial resistance.

Liberty Global's 2017 Sustainability Report is another in the series of Empowering Positive Change through Technology and a masterpiece in compact, on-point and super interesting sustainability reporting. At just 20 pages with a separate downloadable GRI Content Index, Liberty Global once again is an example of relevant and focused sustainability communications as well as impressive performance. For those who don't know, Liberty Global is the world's largest international TV and broadband company.

Reporting Conferences and Events

February 27 saw the 2018 edition of the annual **Smarter Sustainability Reporting Conference** in London, which I again chaired. Matt Mace of edie.net summed up his views about the conference here, discussing the merits of the standalone sustainability report in the context of greater integration of sustainability practice in the business. An interesting debate, of course, as integrated reporting, which has never claimed to replace sustainability reporting, is starting to quite enjoy the promise of doing so, and even SASB, who has never claimed to be global, is starting to l ay the ground for its worldwide debut. "Sustainability issues don’t have borders, and neither should our standards" claims Matthew Welch, President of the SASB Foundation, paving the way for global SASB domination. But GRI is not perturbed. According to Tim Mohin , GRI's CEO sustainability reporting is the new normal and he is optimistic that GRI will be able to lead the harmonization and alignment of standards, including SASB, to move away from the current "alphabet soup" of disclosure requirements and "stop asking the same questions in annoyingly different ways". You can engage with Tim Mohin in Singapore on October 2 as he keynotes at the second annual **Asia Sustainability Reporting Summit 2018** (**#ReportingMania**) which I will co-chair, alongside the incredible sustainability leader, **Rajesh Chhabara** .

Also in 2018, I was delighted to conduct a one-day Sustainability Reporting workshop in Tbilisi, Georgia. Organized by the **Center for Strategic Research and Development of Georgia** , led by the formidable **Lela Khoperia** , a dynamo driving the uptake of CSR in Georgia, the program was part of the Georgian Civil Society Sustainability Initiative (CSSIGE) and funded by the European Union and the Federal Ministry for Economic Cooperation and Development. Participants from 18 local companies and organizations joined the workshop and I had writer's cramp signing all the certificates at the end! This is incredibly important for this young country as it continues to establish its presence and deliver economic growth - to date, no Georgian companies have reported on sustainability but, if the eagerness and application of the attendees is anything to go by, we shall be seeing a flurry of reports from Georgia in the coming years!

The Georgian speakers among you can read about the workshop in a blog post by Marika Mchedlidze .

Reporting and Human Resources Management

In the early part of the year, I collaborated with old friends from the academic world to help develop a paper entitled: "Have labour practices and human rights disclosures enhanced corporate accountability? The case of the GRI framework." authored by Sepideh Parsa, Ian Roper , Michael Muller-Camen and Eva Szigetvari. Highlights of the research and discussion include:

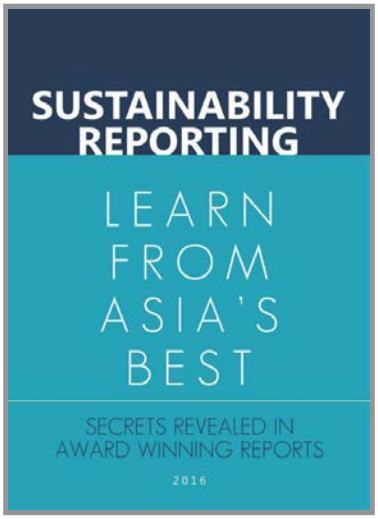
- Companies over-claim adherence to GRI reporting guidelines while failing to report detailed information on their workforce.
- Companies fail to provide material information.
- Limited evidence of companies acknowledging impediments they encounter when reporting on their workforce.
- Companies pay more attention to their internal (as opposed to their external) workforce.
- GRI fails to achieve enhanced comparability, transparency and accountability goals.

Serious stuff indeed ... for those interested in the intersection between CSR and Human Resources Management (HRM), this is a **must-read** paper (assuming you have already read my book, **CSR for HR** , of course!). And continuing the HRM theme, I again worked alongside **Professor Michael Muller-Camen** and other accomplished academics to

develop a chapter in a forthcoming book for publication in 2019, " **Sustainable Human Resource Management: Strategies, Practices and Challenges"**. The concepts and practice of Sustainable HRM and CSR-based people practices in organizations are still overlooked by all but the most enlightened Human Resources leadership; often HR functions are bypassed as companies pursue sustainability strategies and engage employees via different channels. This continues to be a missed opportunity for the HR function, and for society. My mantra in 2013 was "It is time for HR to wake up to CSR" and it's still pretty relevant today.

More awards

I was please to author once again the Asia Sustainability Reporting Awards annual publication, Learn from Asia's Best , showcasing examples of winning reports and what made them stand out. Check it out for some really impressive reporting approaches, designs and content.



The fourth annual Asia Sustainability Reporting Awards 2018 is now open for entries through November 2018, and I am bracing myself to close the year by putting on my judging hat together with a team of accomplished reporting practitioners and experts . I will read and review every single entry (as I have done for the past two years). Good job that I am a reporting geek!

Also in the last quarter of 2018, I will be joining another formidable team of judges to select the 2019 Sustainability Leaders. The UK's largest and most prestigious sustainability awards recognize excellence across the spectrum of green and sustainable business. Entries are open till mid-September so now's a good time to think about who stands out for you on the sustainability landscape across 20 categories.

So that's the Back to the Future round-up for the CSR Reporting Blog. Hope to maintain the pace as we move into the final stages of 2018 .. and many more exciting things on the horizon in 2019.

Thanks for reading the CSR Reporting Blog!

elaine cohen, CSR Consultant, Sustainability Reporter, former HR Professional, Trust Across America 2017 Lifetime Achievement Award honoree, Ice Cream Addict, Author of three totally groundbreaking books on sustainability (see About Me page). Contact me via Twitter (@elainecohen) or via my business website www.b-yond.biz (Beyond Business Ltd, an *inspired* CSR consulting and Sustainability Reporting firm). **Need help writing your first / next Sustainability Report?** Contact elaine: info@b-yond.biz **Elaine will be cochairing the second annual Asia Sustainability Reporting Summit 2018 in Singapore on 2/3 OCtober. Join me there!**

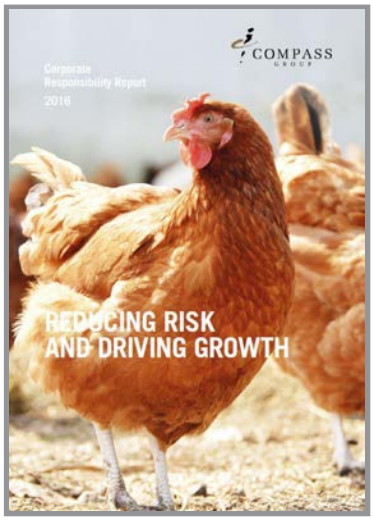
A Compass for CSR

Thursday, February 15, 2018

In 2017, there were 173 countries in the world that had a population of 500,000 people or more (CIA Factbook). Country number 174 is Brunei, with a population of 443,593. That means that, with a workforce of more than 550,000 colleagues, Compass Group would displace Brunei as the 174th largest country in the world by population, ahead of Iceland, Malta, Barbados and many more.

Compass Group's people are dispersed across 50 countries and are engaged in the meaningful occupation of serving over 5.5 billion meals per year in over 55,000 client locations. If you assume an average employee will take one meal per day around 250 days per year, then Compass is providing sustenance and nutrition for more than **20 million people** every day. Now, that's some responsibility. It's also somewhat of a challenge, because it's not just about keeping bellies full, it's about catering to different local tastes and food norms, managing the supply of locally sourced ingredients, planning and controlling a complex supply chain, ensuring food safety at every step of the chain and most significantly in my view, helping people to make relevant, healthy and nutritious food choices so that they can feel good, be well and make a productive contribution at work and in their families and communities. So much of the way our society functions is affected by what and how much people consume, that feeding 20 million people a day is no insignificant undertaking.

Despite this complexity, Compass Group's approach to CSR - positive performance - is characterized by a certain simplicity. For example, four key strategic KPIs are presented right at the start of Compass Group's 2016 CR Report .

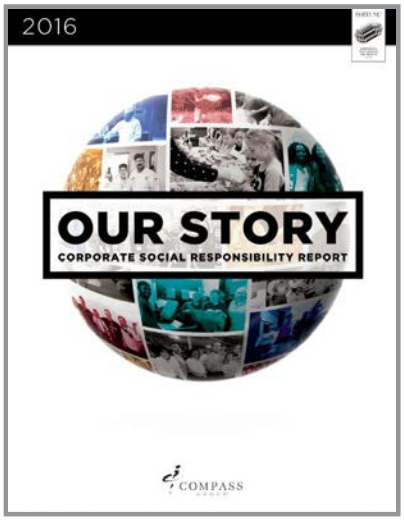


FOOD SAFETY	HEALTH AND SAFETY	ENVIRONMENT	WELLBEING AND NUTRITION
FOOD SAFETY INCIDENT RATE PERFORMANCE Cases of substantiated food safety incidents, including food borne illnesses.	LOST TIME INCIDENT FREQUENCY RATE PERFORMANCE Cases where one of our colleagues is away from work for one or more shifts as a result of a work related injury or illness.	GHG INTENSITY RATIO GHG intensity ratio relating to the top 20 countries, which represent 94% of total Group revenue.	HEALTHY EATING PROGRAMMES Number of sites operating healthy eating programmes.
WHY WE MEASURE The Food Safety Incident Rate is a helpful measure of our ability to provide food that is safe and of the right quality to our consumers globally.	WHY WE MEASURE A reduction in lost time incidents is an important measure of the effectiveness of our Safety First culture. It also lowers rates of absenteeism and costs associated with work related injuries and illnesses.	WHY WE MEASURE Since 2008, we have been focused on lowering our carbon emissions to reduce our impact on the environment and increase operational efficiency. We measure Greenhouse Gas (GHG) emissions to assess our progress.	WHY WE MEASURE Each year, we serve over five billion meals. By pursuing our passion for wellbeing and nutrition, we are committed to helping our consumers adopt a more balanced lifestyle.
19.0%	29.0%	23.0%	21.0%
reduction since 2013	reduction since 2013	reduction since 2008	increase since 2013

Food safety, workplace safety, climate change impact and wellbeing and nutrition make sense as key areas of responsible and sustainable business practice for Compass. These are four among a set of seven material impacts (that also include compliance, supply chain integrity and employee retention) that Compass manages and tracks consistently across the global business. Together this framework makes their focus crystal clear, intuitively relevant and simply manageable.

The CR Report is also simply consistent in its presentation. For each of the material focus areas, Compass describes its management approach, focus areas and key metrics. In each section there is also a case study of relevant practice, responding to a global challenge, the reason the topic is important to Compass and what Compass is doing about it. Each section is aligned to the relevant UN Sustainable Development Goals.

A performance summary delivers results against 22 targets in each of these areas and describes progress made. All in all, an extremely neat, focused, compact and deceptively simple 31-page global report that does the job.
If you live in the U.S. (where more than half of Compass's workforce lives), or in the UK and Ireland (with 60,000 employees), you can look at country-specific reports that give local stakeholders a local menu and flavor (OK, pun intended).



The architect of CR strategy, positive performance and disclosure is the impressive Nicki Crayfourd, Group Health, Safety and Environment Director of Compass Group PLC.

Nicki will be joining me at the Smarter Sustainability Reporting Conference in February in London (hint: did you book your place yet? Contact me for a discount). Nicki will join a fascinating morning panel discussing the connection between strategy and reporting frameworks. How do global sustainability priorities and reporting frameworks (SDG and GRI, to name two that you all know) define how you build your sustainability strategy and how you report? What comes first, the framework or the strategy? How do you connect all the dots? Seems to me that Nicki must have some pretty good points to make on this topic, given the way Compass reports.
I decided not to wait until the conference to connect with Nicki. Here's a chance to get to know her ahead of the session.

How has your career in sustainability developed?

Nicki: "My background is a little checkered, but hospitality has always been a common theme throughout my career. It is an amazing part of the business world to work in. I started in marketing originally, then moved to sales of in-store catering contracts to retailers. After a while, I joined a large food logistics company, where I was exposed to food safety, which I expanded to include nutrition and aspects of the healthy attributes of food. Later, I was asked to join our largest retail account, and it was a bit like being thrown in at the deep end with sales, supply chain, quality, marketing and managing the entire team. In this role, I set up a new focus for safety and sustainability. My company then actually merged with Compass and I was asked to take over the same role for the whole of the UK. Since then, after a spell of working in Europe, my role has continued to expand and for the past 5 years, I have had a global role covering workplace health and safety, environment for the Group, including leading the sustainability strategy development, reporting and supply chain integrity standards. It has been a great journey. I see it as proof that you can develop an idea based on passion, and together with a good business case, you can make things happen."

What has been the key to your success in embedding sustainability at a corporate level?

Nicki: "I think the fact that I had commercial experience and good knowledge of the business as a whole has been a big help. I believe that sustainability can be much more embedded in what the company is focused on anyway - not just a one-off exercise or additional project. I have tried to think about what else is already available in terms of insights through other channels. The idea is not to duplicate. There is not enough time to do things three or four times. Sustainability needs to draw from other activities in the business that are happening anyway, such as risk assessments, internal audit, legal activities, marketing and consumer programmes etc. We need to bring those into play, rather than always trying to create new things with the same people and groups."

With such a large number of employees in the Group, how to you engage everyone across the business?

Nicki: "We have policy and flexible frameworks that help communicate our expectations for the Group to the country teams. Distilling into a format that engages all the frontline

employees is the remit of the country teams. We have a global leadership conference every three years, and this is critical in terms of key messaging, setting objectives and gaining alignment. It's a good platform - countries take the key themes and then translate them into market plans based on local needs. I am quite dictatorial on requirements for data and this is a massive part of our journey. We require proof points and strong evidence of what we are doing based on consistent definitions and understanding across the business. We have invested in a portal with a third party to collect data from countries."

What's the need for local reporting in the UK and the U.S.?
Nicki: "There are different topics that interest our customers, regulators and employees in different countries. In addition to our two biggest markets, I would like to expand our reporting to include more countries. I think it is important to have a connection to the local market through reporting, though it is true that sometimes I have to nag for stories. Our global report must serve a range of high level stakeholders and it does that well enough. We have also invested in our corporate website with better functionality and we plan to include updates during the year, mainly for ESG analysts, investors, clients and institutional shareholders and NGOs."

Smarter reporting. What does that mean?
Nicki: "Smarter reporting means more transparency. Transparency is having the confidence to say what we have achieved but also that there are challenges we are facing and must still work on. There is naturally a certain tension when talking about challenges. The food sector in general is often targeted by the media in the UK and U.S., and sometimes the facts get confused by the media. This makes our sector less willing to be open beyond what's required. However, I feel we are making slow but certain progress."

*****

It seems to me that there is always more to do, and there are always challenges to face. There is no perfect business. Sustainability, and the reporting bit, is a journey. However, it also seems to me that Nicki's process-oriented, focused and simple approach to embedding sustainability is a good recipe for more positive performance.

Join us at the edie Smarter Sustainability Reporting Conference on February 27 and share your thoughts with Nicki, a large group of inspiring professionals and, err, me.

elaine cohen, CSR Consultant, Sustainability Reporter, former HR Professional, Trust Across America 2017 Lifetime Achievement Award honoree, Ice Cream Addict, Author of three totally groundbreaking books on sustainability (see About Me page). Contact me via Twitter (@elainecohen) or via my business website www.b-yond.biz (Beyond Business Ltd, an *inspired* CSR consulting and Sustainability Reporting firm). **Need help writing your first / next Sustainability Report?** Contact elaine: info@b-yond.biz

Elaine will be chairing the edie Conference on Smarter Sustainability Reporting in London on 27th February 2018

Simplifying materiality

Friday, February 02, 2018

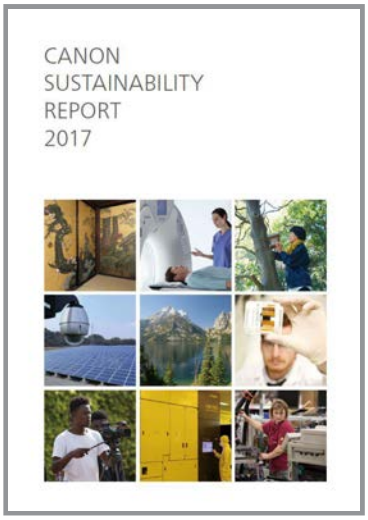
Less than a month to go to the always-exciting edie Smarter Sustainability Reporting Conference on 27th February 2018 in London : this will be the eighth conference in the series and every year, we always benefit from new insights about what smarter sustainability reporting means and to whom, what's influencing reporting, how the best do it best and how we can all do it better. It's always an intensive day packed with updates, stories and tips from experts and practitioners. I am hoping you can join and if you haven't already signed up .... contact me for a discount code to for online registration.
In the meantime, I was chatting with Stuart Poore, Canon's EMEA director of sustainability and government affairs . Stuart will be joining the conference to talk about materiality in a session on "Materiality Uncovered" where we will explore where you start with determining materiality, who you engage with, how you prioritize and how you align materiality with strategy. All riveting stuff, which so many companies regularly battle with. Overall, however, Stuart has some solid advice for all of us (based on his experience of materiality work over the years in some what he calls very elaborate and complex processes):

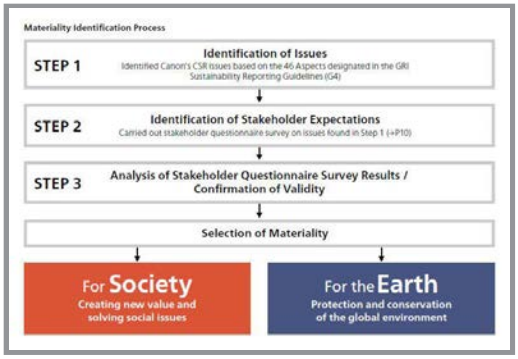
"As far as materiality is concerned, my experience is that there is great value in keeping things really simple. I have learnt that a healthy dose of common sense and pragmatism gets you a lot further, faster."

I couldn't agree more with that! I often stare at materiality matrices that are so densely populated with trillions of issues that I wonder what the exercise has actually been worth to companies. Materiality, by its nature, is not a mass market commodity that you buy in bulk: *Ah yes, I will have 5,000 material issues for my next report, please!* It's not even a prescribed set of issues that you crib off someone else's sustainability report or a SASB standard. It's should be a small set of considered impacts that are specific to your company and its operations and strategic in value. Addressing material impacts should deliver both business value and social value in a meaningful way. It's not simply doing

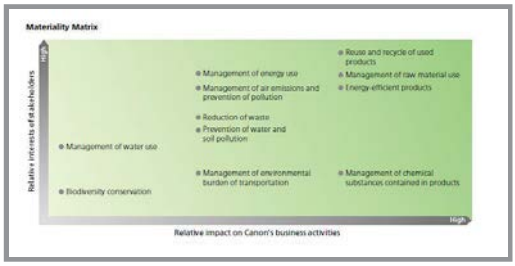
business responsibly, which can apply to absolutely everything a business does. Defining materiality is actually not all that difficult. The sophisticated scoring and analysis systems created by some companies to deliver a set of dots on a grid is often so overkill that they probably have no time or resources left to do anything about the issues behind the dots. Keeping it simple and using everyone's collective common-sense sounds both rather obvious and also immensely refreshing.

Having said that, Canon's 2017 Sustainability Report takes simplicity to the other end of the spectrum, by stating two broad-brush sustainability material impacts that cluster together a number of issues.





Two all-encompassing issues is certainly a simple way of defining materiality but it could be any company, anywhere, anytime. So, it also makes common sense that materiality should be a little more company-specific. In fairness to Canon, a materiality matrix is provided specifically for environmental issues.



And the report narrative is very detailed on different social impacts that Canon addresses in its sustainability strategy. In fact, it's a fascinating report that covers issues from the use of high-definition IoT-connected network cameras to combat crime, to early detection of disease with advanced medical imaging and diagnostics, 3D vision equipment for robotics and nanoimprint technology used in semiconductors. This is a fascinating review of the technology-driven aspects of the way we live now and a glimpse into the future; enabling such advanced technology will of course influence the way we live, and probably even how long we live and how healthy we will be as we live. I often think the issue with materiality is that we try to put it into predefined boxes of things we can precisely count - emissions, waste, employee turnover. It's the things we have most

difficulty counting - like the impact of medical imaging on people's lives - that are the most far-reaching. Canon clearly has its finger on the pulse of these very important directions that drive sustainable development.

Stuart Poore added: *"Use your insights and intelligence. Don't over complicate it. Lead the debates as you perceive them rather than leaning too heavily on tool kits and methodologies and frameworks that various standards bodies publish. There is a place for those but trust your intuition and knowledge. Based on that philosophy, we have been through a process of listening to our various stakeholders and were able to define a set of priorities that the Board signed off on which enabled us to make some progress."*

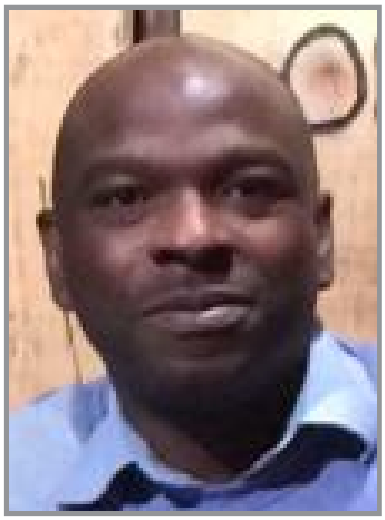
Stuart will share stories and examples of how the Canon methodology worked in practice and the challenges, debates and learning along the way. I am looking forward to hearing more. I hope you will join us on 27th February.

elaine cohen, CSR Consultant, Sustainability Reporter, former HR Professional, Trust Across America 2017 Lifetime Achievement Award honoree, Ice Cream Addict, Author of three totally groundbreaking books on sustainability (see About Me page). Contact me via Twitter (@elainecohen) or via my business website www.b-yond.biz (Beyond Business Ltd, an *inspired* CSR consulting and Sustainability Reporting firm). **Need help writing your first / next Sustainability Report?** Contact elaine: info@b-yond.biz **Elaine will be chairing the edie Conference on Smarter Sustainability Reporting in London on 27th February 2018**

The Wizard of Sustainability

Thursday, January 11, 2018

Dare Ilori has journeyed from the bottom up to become Merlin Entertainments' Group Head of Sustainability and 'Wizard' of Sustainability Performance and Progress. Dare has been in his current role for three years, focusing on sustainability strategy, carbon reporting, supply chain management, energy efficiency, waste management and regulatory compliance.



Dare will be joining me at the edie Smarter Sustainability Conference on 27th February 2018 and will present his experience and guidance in one of the morning breakout sessions which is a deep dive discussion on environmental impacts reporting.
Merlin Entertainments is the largest European entertainments company operating in Europe. Merlin runs 125 attractions in 25 countries across four continents with brands that include LEGOLAND Parks, SEA LIFE aquariums and the iconic Madam Tussauds that operates with many attractions across the globe.

Can't resist digressing, as I recall many exciting visits to Madame Tussauds in London as a child and later with my own kids. You may not know that Madame Tussaud (German wax modeler Marie Tussaud (1761-1850)) founded the first Wax Museum on Baker Street in London in 1835, after learning the art of creating lifelike figures out of wax during the French Revolution, claiming to have made her first ones directly from the heads of the recently guillotined.

Merlin operates many more fun places such as Alton Towers (popular spot for our annual day trips when I was a schoolgirl), Teh Coca-Cola London Eye, Blackpool Tower (another nostalgic brand for me, as all my family summer holidays as a child were spent in Blackpool) and more modern attractions such as Shrek's Adventure in London. So you know that sustainability can be fun, but in a business such as this, it has to be extra super fun! And that was my impression after talking with **Dare Ilori**, who I am looking forward to meeting in person at the edie Smarter Sustainability Reporting Conference in London next year.

" *I graduated as an industrial chemist 17 years ago with a great passion for environmental chemistry. In 2007, I enrolled for a Master's Degree in Waste and Environmental Management and graduated in 2009. In the same year, I joined the waste and recycling department at Thorpe Park Resort which is owned and managed by Merlin Entertainments. Initially the role was to manage waste and recycling only, but within a year, the role expanded to include other environmental management activities (waste management, energy management, sustainability reporting and environmental management system) for the park.*
I realised that the future of sustainability is that these aspects need to be integrated into the management of the business itself. Over time, employers may no longer be able to recruit an energy manager, a recycling & waste manager, an environmental management systems manager, carbon manager and others separately.
Not long after that, and based on the interest we generated through a range of activities to improve our environmental performance at Thorpe Park Resorts, I expanded my responsibilities to include all of Merlin Entertainments' strategy and environmental approach for all our sites at a corporate level in 2015.
Businesses nowadays must factor environmental impacts at a strategic level where knowledge and learnings can be shared and implemented across multiple sites. This increases both effectiveness and efficiencies."

This is a super example of bottom-up sustainability, starting by proving the benefits from the ground up, and demonstrating that advantage to one business unit has benefit to the wider organisation. Dare Ilori has driven engagement at a site-by-site level, with each operation getting involved and delivering results.

For the Group as a whole, Dare manages the Green Capex fund; capital expenditure designed to support investment in environmental initiatives to help Merlin continue to reduce its carbon footprint while at the same time deliver operational savings. As a way of managing energy spend on sites, the company use internal metric of energy spend per £1m revenue to identify sites that will need to be prioritized for energy audits and reduction focus. The Green Capex fund has been instrumental in delivering recommended projects from energy efficiency audits. Some of the projects delivered with the Green Capex fund are installation of LED lights at Sydney Cluster Australia, chiller optimization at Sealife Istanbul, solar powered cars at Junior Driving School LEGOLAND Florida and variable speed drive on air handling units at Madame Tussauds London.

In other areas, Merlin strives to Be a Force for Good and operates several programs designed to positively impact marine and wildlife conservation, support charitable causes for children and ensure accessibility at all its venues. Merlin's Magic Wand, for example, is a charity that makes it possible for thousands of seriously ill, disabled and disadvantaged children to enjoy a memorable day out at a Merlin attraction every year or provide Magic Spaces for those too sick to experience an attraction firsthand.

In terms of reporting, Merlin Entertainments has opted to report its scope 1 and 2 carbon performance within its annual report and accounts.

I am looking forward to hearing his more perspectives and the challenges he has faced and overcome in order to help Merlin Entertainments deliver business and environmental objectives. We will also aim to hear Dare's view regarding scope 3 emission reporting by Merlin Entertainments Plc.

Will we see you there?

elaine cohen, CSR Consultant, Sustainability Reporter, former HR Professional, Trust Across America 2017 Lifetime Achievement Award honoree, Ice Cream Addict, Author of three totally groundbreaking books on sustainability (see About Me page). Contact me via Twitter (@elainecohen) or via my business website www.b-yond.biz (Beyond Business Ltd, an *inspired* CSR consulting and Sustainability Reporting firm). **Need help writing your first / next Sustainability Report?** Contact elaine: info@b-yond.biz
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Santa Claus Inc. 2017 Harmonized Report

Sunday, December 24, 2017

It's that warm fuzzy, jingle-belly, goodwilly time of the year again when we preview Santa's annual ESG disclosure. Santa has been reporting now for almost 2,000 years. It's amazing how Santa manages to keep reporting fresh, relevant, topical and most of all, impactful. Just like all those other companies that report year after year. Check out Santa's prior reports:

Santa's 2016 Material Topics Report
Santa's 2015 SDG Report
Santa's 1750th Sustainability Report 2014
Santa's First G4 Comprehensive Sustainability Report 2013
Santa's First Integrated Financial and CSR Report 2012
Santa's 1,747th 2011 Annual CSR Report
Santa's 1,746th 2010 Annual CSR Report
Santa's 1,745th 2009 Annual CSR Report

Santa Claus Inc. 2017 Harmonized Report Leadership Message

Dear Stakeholders,

I am delighted present you once again with Santa Claus Inc.'s annual disclosure of everything related to sustainability, making the world a better place, saving the planet, improving the quality of life, especially mine, and improving the impacts of business in society. In the true Christmas spirit of goodwill, sharing and joy to all women, men and children, I have decided that this should be a harmonized report, encompassing the best of all the sustainability frameworks that we know in one seamlessly blended, uniquely jargon-ridden, multi-platform report that will meet the demands of investors (YAY! Love investors) and all other stakeholders, unless they blink. I know this is venturing into ground hitherto uncharted by humankind and that, despite years of harmonization hype, aligning frameworks has never been anything more than a smokescreen for different organizations to pursue different dreams and funders. But Santa has always boldly aimed to go where all Santa lookalikes and CSR Managers have never trodden. I am therefore delighted to share our harmonized account of our value-creating, investor-ready, multi-stakeholder driven 2017 sustainability net positive impact report on all our capitals in all their resplendent transparency.

2017 was not a particularly harmonious year for Santa. Troubled by fallout from Climate Change, Trumpification, Brexitisation, Falsefactsification, SDGification of every problem known to man (and woman), and the fact that Santa has **STILL** not been invited to appear on the Ellen DeGeneres show, for the first time in more than a century, we did not hit our quadruple net profit target. In 2017, we grew toy-distribution value only by 563% and profits increased only by 99.5%, making this a year in which Santa had to tighten his belt. In fact, Santa tightened his belt so much that he was rushed to Grey Sloane Memorial Hospital ER where Meredith Grey had to perform an emergency heart transplant. The problem was finding a heart big enough to hold all Santa's love for the children of the world, which simply wasn't possible. Therefore, as Meredith is so creative and resourceful, she transplanted Santa's heart with **four** new hearts, making Santa even more loving, generous and positive-spirited than before. As a result, Santa immediately ordered double toys for all the world's children, which caused a further drop in profits and heart failure in three of the four new hearts. To resolve this problem, Meredith fitted 3D

printed hearts to replace the failed hearts and created a medical history phenomenon in the process. Santa is now charging a special Santa Heart-4-Heart Viewing fee payable to the "I Love Santa " Fund and has raised $4 billion to date. In addition, Santa has created a "Perform Emergency Heart Surgery on Santa" Donation App, modeled on a similar educational app, and this has already been downloaded more than 2 million times. The moral of this story is: Watch Grey's Anatomy . You can never have too many hearts.

But 2017 did bring some nuggets of optimism. On Sept. 4, Kensington Palace announced that Prince William and Duchess Kate were expecting a sibling for Prince George and Princess Charlotte . That makes three toddlers who now require special Santa gifts. Santa loves the Royal Children, though finding toys for such privileged children is always a headache at Christmas. In 2017, Santa decided to be true to the Chopra Center's Law of Giving and Receiving where it says: ***Each time I meet someone, I will silently wish them happiness, joy, and laughter.*** So, this is what Santa is getting for the Royal Children this year and for the Royal siblings en route. And let's not forget of course that Prince Harry has announced his entry into show business with his engagement to Meghan Markle, so no doubt the pitter-patter of tiny feet will be sounding through more corridors of the royal residences before long - so silently wishing them happiness, joy and laughter will be a smart strategy going forward. But in fact, the betrothal of Prince Harry and Meghan Markle is a tremendous commercial opportunity. Already you can buy incredible Harry and Meghan merchandise online and in all the best stores. This is brilliant. Santa, never one to miss a hint of profit potential, is now thinking of announcing his own marriage in order to be able to sell Santa Wedding Memorabilia. Santa doesn't want to get married, so this is a double opportunity. In a few months' time, we can announce Santa Wedding Cancellation Memorabilia. The Royal Family is always a good source of inspiration.

Also in 2017 we decided to renew our mission and values. Here are the old ones we developed in 2011.
Mission To perpetuate the love of Santa
Values Faith in Santa Disabled-Access Chimneys Elf Emancipation Reindeer Rights Children's Universal Right to Gifts Santa World Domination
In the interests of brevity, we have decided to reduce our values to two.
Values Santa World Domination and Sustainability
Santa World Domination and Sustainability
In this way, we can use our new values to more effectively guide us in our mission and enjoy all the fuzzy feelings that are generated when people hear us talking about sustainability. From now on, focusing on Santa World Domination means that we will no longer be at the mercy of Reindeer Freedom Fighters, Elf Emancipation Activists or Teresa May's Brexit negotiation strategy. In fact, as a result of the UK Brexit vote, we have moved all our toy assembly centers out of the UK and transferred them to other parts of the Eurozone. If you are a kid in the UK, you will now receive toys saying "Fabriqué en France" or "Hergestellt in Deutschland" together with a language pack for reading the instructions in another language. But don't worry, all the carbon emissions generated by long-hauling toys across Europe will be offset by funds generously donated by Berlitz.

Santa's Materiality Matrix In this 2017 harmonized report, we have recreated our new materiality matrix, recognizing that our GRI, SASB, IR, Future Fit and UNGC Reporting framework must now appeal to shareholders, stakeholders, landholders, smallholders, cardholders, freeholders, pen-holders, upholders and with-holders. As a result, we completed a deep-dive materiality process, starting with a thorough scan of the entire

universe of sustainability topics using advanced data-mining algorithms powered by **Datamaran** , and this yielded a list of 3,564 relevant topics for consideration. After 23 elf and reindeer focus groups, and of course our assumptions about what's important to our stakeholders, we managed to whittle this down to just 4 topics that represent our most material impacts on the world and the most significant assumed concerns of stakeholders, and taking into account the SDGs as well. These are:

- Santa's well-being
- World happiness especially in Lapland
- Elimination of everything bad in the world including hunger, poverty, sickness, lying, cheating and Santa counterfeits
- Free distribution of money to everyone who needs it especially Santa

Based on this list of material topics, we have formulated a new Sustainability Strategy. It's quite a simple one. It's Santa-centric. If Santa is not at the center, it doesn't count. We will progress actions that advance Santa centricity and provide solutions to the material topics above. An initial step will be to build a wall around Lapland to restrict immigration of unwanted elves and then we will declare war on a few countries. In this way, we will make beneficial Santa Domination far more sustainable for current and future generations.

New Year's Giving - the UNGC Way

From 2018, we have adopted a new approach to giving, modeled on the super creative UN Global Compact new plan for 2018. As you may know, the UNGC is now offering two new ways of confirming support for the largest global responsible business initiative. You can become a new-style first-class Participant and pay lots of money, or you can become a second-class Signatory and pay less lots of money. What you cannot do is stay as you are and pay no money. This is a wonderful approach to giving. All the 8,000 plus business signatories of the UNGC will now have to pass on a part of their bank balance to the UN account or be reduced to oblivion, wiped forever off the face of the UNGC website. Santa thinks this is a wonderful approach to giving for 2018. Therefore, effective next year, those who are eligible to receive a gift from Santa will first have to register as a Receiver or an Observer. As a Receiver, you get to pay lots of money and receive a toy that you can play with anywhere you like. As an Observer, you get to pay less lots of money, you get a toy but you are not actually allowed to play with it outside your own home. If you do not register, and/or do not pay money, all the gifts you have previously received will be removed and destroyed and you will never get them back. This is a modern way of spreading the Christmas spirit and enables everyone to enjoy the goodness in the world, for a fee. In this way, Santa will be able to continue to enjoy the lifestyle to which he is accustomed and the UNGC will continue to be able to hold conferences and meetings and have a blast on Black Friday.

New App for iPhone X: SantaPay

All of us here at Santa Claus Inc. have been impressed with the development of Apple Pay. Apple Pay transactions are becoming exceedingly common, and parting with your money has never been easier. Having discovered the benefits of Apple Pay, Santa saw a clear opportunity to develop a way for people around the globe to painlessly support world salvation, environmental sustainability and Santa Domination. With the new Santa Pay app specially designed for iPhone X, no matter what you buy or where you buy it or from whom, a portion of your payment goes directly to the Santa Retirement Fund. In an unprecedented mega-deal with Apple, all sales of the new iPhone X will contain a special spiritual Santa Pay message, advising the new iPhone X owner that all toys purchased this Christmas through Apple Pay will automatically create a double transaction, whereby

the equivalent value of an additional toy will be debited in parallel to Santa Pay. Sums accruing to Santa Pay will be delivered to the tax-free Santa Retirement Fund, which, in 2017, reached a total of $932 billion, enough to fund the acquisition of a private island in the Caribbean so that Santa can live out the remainder of his days in peace and harmony. Unfortunately, due to climate change, the island Santa had in mind is now partly submerged in the Caribbean Sea. In addition, therefore, to stocking up on mince pies and Hallmark Christmas movie DVDs to enjoy during his retirement, Santa is investing in land reclamation technology, a desalination plant and several snorkels.

A new Santa Blockchain Initiative

As the blockchain economy is starting to gain ground, Santa has been considering how best to leverage blockchain for the benefit of children everywhere. Unfortunately, blockchain is so complex that Santa hasn't quite got to grips with it yet. His first attempt to create a blockchain failed when the block fell off the sleigh and the reindeer ate the chain. The second attempt was equally unsuccessful. The block was chipped and the chain slipped off and got caught around Santa's ankle, causing him to fall and break three bones in his foot. As a result, the Santa Claus Inc. Lost-Time Injury rate tripled in 2017 (The incident in which fourteen elves were found dead following a fire in the toy factory was **not** recorded in 2017, as there was some doubt as to whether the cause of death was actually the fire, or a suicide pact among senior elves. Elves were protesting against distribution of bitcoins instead of real toys at Christmas, reducing the need for toy assembly, quality control and distribution and therefore reducing several elf jobs. Despite attempts to reassure the senior elves that job security would not be affected by the introduction of bitcoins, many elves suffered severe depression and set fire to both the factory and themselves. However, Santa was not overly worried, as the elf headcount has now reduced sufficiently to avoid significant layoffs in 2018.)

According to Santa, bitcoins are the new toys, and children of the world can collect bitcoins and trade them, thereby offering children great flexibility and choice for their personal entertainment and leisure time while having a positive impact on the environment. Unfortunately, the first 500,000 bitcoins distributed were triple-traded by cryptocurrency-savvy kids who circumvented the blockchain. This resulted in the market being flooded with invalid bitcoins and ultimately crashing - reducing the value of all bitcoins to little more than zero. Many bitcoin traders lost their jobs, their homes and their dignity. Several bitcoin trading houses closed down and the U.S. federal government intervened with a massive bailout. People were evicted from homes they bought with bitcoins. A senior commentator likened this to the economic crisis of 2008 and blamed greed, excess and selfishness.

Santa was initially devastated but eventually realized that bitcoin fraud is simply another capitalist scam that forces people to realize that family, friends, love, harmony and joy to the world are actually more important than amassing great virtual wealth. Therefore, Santa reverted to supplying real toys distributed by real elves and real reindeer to real kids in the real world. Of course, he kept a few bitcoins back for himself, just in case. Bitcoins and blockchains may be a little before their time, but Santa plans to be ahead of the game when they come back to dominate our economy.

Reporting on the capitals As this is a harmonized report, we include a special feature for the very first time, covering our impact on the capitals. We are not entirely sure that this is a sensible way to report performance, nor does Santa think it represents a consistent way of presenting value creation. However, as modern, forward-thinking, good-life-appreciating stakeholders like to talk in capitals, we decided to fall in line.

Financial Capital: This represents the financial value we create for our shareholders and communities. Of course, as you all know Santa Claus Inc. is a form of social enterprise because we perform our main function of disseminating joy in the world through the toys we provide for children free of charge. Therefore, we do not have revenues, we do not pay taxes and we do not manage working capital or cash flow. Indirectly, we contribute to improving financial capital by making people happy. Happy people are more motivated at work and therefore make more money for the world economy. **Manufacturing capital:** We do not have any manufacturing capital as all the toys we distribute are manufactured by someone else. Our elves do some toy assembly work, but this is mainly reserved for elf interns who we do not pay. In lieu of payment, all interns are treated to a personal meeting with Santa each year and can include working at Santa Claus Inc. on their resume, thereby significantly enhancing their future employability. **Human capital:** We do not have any human capital as all our work is performed by elves and reindeer. We did once think of hiring humans but most did not want to relocate to Lapland, and several did not have chimney sweeping skills. The value we create in terms of human capital at a global level is indirect: through the educational toys we distribute to children, they become more intelligent, well-rounded individuals that have enhanced potential to make the world a better place. Of course, we do have a plan to stop distributing toy rifles, fidget spinners and waitress uniforms. **Social and relationship capital:** Our social and relationship capital is expressed in the positive partnerships that Santa forges with toy suppliers everywhere in the world. Santa's ability to persuade toy-makers to contribute their goods for free every year represents an unprecedented level of social capital that results in happy kids everywhere. (Except for the ones that asked for iPhone X's in their Christmas stocking. Even Santa draws the line at toys that retail at more than $1000). **Intellectual capital:** We don't have intellectual capital and frankly we don't need it. In any case, we aren't entirely sure how to measure it. We just continue to spread joy and goodwill - for that we need a big heart and not a very big brain. Santa did once consider joining MENSA but they refused to approve his application after he responded "ice cream" to the question: "What is the most important food on earth that no-one can live without?" **Natural capital:** Our impact on natural capital is minimal. Over several years, we have reduced our carbon footprint through use of renewable reindeer power for our sleighs, low-methane diets for our reindeer and carpooling for our elves. We only use water from recycled melted local Lapland ice and we recycle all our packaging and other organic waste. Our bathrooms use dry-flush and our faucets are metered. Therefore, our natural capital is hardly noticeable and there is nothing terribly interesting to disclose.

Ah well, so much for reporting on all the capitals. I am sure you found that very enlightening. Not. However, at least we cannot be accused of not joining the integrated reporting revolution rumor.

Business development - Santa diversification

In 2017, Santa developed several new business lines designed to ensure the Santa brand continues to be top of mind and top of credit card. A few of our new sustainable business lines are just getting started:

Santa Eco Spa and Relaxation Resort: Relax in an authentic, elegant, secluded getaway on Santa's private eco-island in the Caribbean. Immerse yourself in nature in a fully carbon-offset environment where the locals pamper to your every need (unless you are sparing with the tips). Whether you are looking for a sumptuous spa experience, expansive green golf courses, exhilarating tennis, visits to a live volcano (don't forget to buy insurance) or spending a quiet evening watching Hallmark Christmas movies on DVD, Santa's Eco Resort has something for you. Santa personally greets each guest and models the latest Santa fashions for you to purchase for your next Christmas Party.

Santa Cookies: Lose weight with a new line of delicious Santa Cookies that reverse the metabolic process of calorie burning in your body. Instead of gaining weight, Santa's cookies actually cause the reverse effect - the more cookies you eat, the more weight you lose. The cookie has been developed by an army of Santa elf scientists and nutritionists after years of dedicated research in an attempt to fulfill the most wished-for Christmas gift - getting slim. Now, with Santa's Cookies, available in a range of flavors (charcoal, sour milk, toad's finger, bat droppings), you can consume cookies till you burst and still be able to slip easily into last year's skinny jeans. With recipes under patent, Santa's Cookies will revolutionize weight loss and finally put an end to the growing obesity epidemic that has been plaguing the first world since McDonald's invented fries and food companies learned to drown food's natural flavor in sugar.

Santa in Shondaland : Santa has signed up to star in two new Shondaland series: ***How to Get Away with Murder while you are Delivering Toys*** and ***Santa's Anatomy.*** Both will air in 2018, and while we are not allowed to share any spoilers, suffice it to say that the first is a storyline about Santa delivering toys to the White House, and the second is X rated.

Sexual Harassment - Santa under fire

Like most of today's male celebrities and prominent political figures, Santa too has been under fire for alleged sexual misconduct. Following a complaint by a (now retired) female elf of inappropriate personal contact and sexist language by Santa, a further 4,534 female elves have now registered complaints with the Santa Ethical Conduct Authority for misconduct between the years 1843 and 2013. Santa maintains that he has the highest respect for all his elves, male and female, and has no recollection of any inappropriate behavior on his part. Santa apologizes if any of the elves got the wrong impression at any time as he would never wish to offend. Litigation is ongoing but in the meantime, Santa expects to continue delivering toys and making children happy. He is hoping that, if he continues with business as usual, it will all just go away. The fact that the new hashtag **#MeToo:Elf** is trending on Twitter might indicate that this strategy has some holes in it.

Safety first: toys we delisted this year

In an ongoing effort to ensure the toys Santa distributes are safe for all children, we have taken bold steps to delist the following toys from our distribution this year:

- Motorized alligators with moving jaws and real teeth (423 toddlers now only have nine fingers)
- Doctor sets with real opioids (the grown-ups kept playing with it)
- High-flying drones with magnifying photo lenses (too many complaints from neighbors who left bedroom curtains open)
- High-bouncing trampolines (85 toddlers reported sighted in outer space)
- Build the Eiffel Tower with matchsticks construction kit (Eiffel Tower kept burning down during construction)

Diversity in the Workplace

This year, Santa introduced a new approach to diversity in the workplace. Neurodiversity is a competitive advantage says the Harvard Business Review. Neurodiverse people bring different considerations to the workplace and seriously boost innovation. When looking for neurodiverse elves, we found that we had to adapt our regular recruitment procedures. Now, instead of having elf candidates take a multiple-choice test, similar to the GRI Standards Exam, which is a pretty useless predictor of their ability to perform Santa's outstanding work, we actually get to know the neurodiverse elves and encourage them to feel welcomed and express themselves freely. So far, we have recruited 4 neurodiverse elves and they are already making a positive contribution and we were

delighted to feature in Diversity Inc.'s list of top 500 neurodiverse workplaces for 2017. In fact, we are now considering expanding our neurodiverse recruiting practices to all potential elf employees. Perhaps there might be some advantage in seeing all potential employees as individuals rather than as numbers on a resume. You never know. We can only try.

Recognition from our Stakeholders As usual, this year, we received far more awards than we are able to mention in this report. Suffice it to say that the most welcome ones included a cash payment to the Santa Retirement Fund.

Feedback on this Report We will be happy to receive your feedback on this report, as long as it's positive.

So, until we meet again.....

We Wish You and Everyone in the World a Happy Holiday Season and a Happy New Year

elaine cohen, CSR Consultant, Sustainability Reporter, former HR Professional, Trust Across America 2017 Lifetime Achievement Award honoree, Ice Cream Addict, Author of three totally groundbreaking books on sustainability (see About Me page). Contact me via Twitter (@elainecohen) or via my business website www.b-yond.biz (Beyond Business Ltd, an *inspired* CSR consulting and Sustainability Reporting firm). **Need help writing your first / next Sustainability Report?** Contact elaine: info@b-yond.biz **Elaine will be chairing the edie Conference on Smarter Sustainability Reporting in London on 27th February 2018**

Happy Holidays to all our Readers

Friday, December 22, 2017

At this time of year, we usually wish the CSR Reporting Blog readers a traditional greeting as the holiday season approaches. The CSR Reporting Blog is grateful for your readership and your engagement. Thank you for another year in 2017 of interesting conversations about sustainability reporting and for much inspiration. Dr. Sustainability , the Blog, I and myself would like to wish all readers and sustainability practitioners a wonderful Holiday Season and a Happy New Year!

And to all our readers with new un-housetrained puppies... Crappy New Year

And to all our readers with newborns... Nappy New Year

And to all our readers who take photos.... Snappy New Year

And to all our readers with long ears.. Flappy New Year

And to all our readers who liked the Heinekin Sustainability Video .. Rappy New Year

And to all our readers who never shut up.. Yappy New Year

And to all our readers planning to consume a combination of solid food ingredients that have been cooked in liquid and served in the resultant gravy .... Happy Stew Year

And to all our readers who have decided that honesty is best....Happy True Year

And to all our readers in a Picasso period .... Happy Blue Year

And to all our readers who didn't get vaccinated.....Happy Flu Year

And to all our readers who believe in humanity ..... Happy Ubuntu Year

And to all our readers who love coniferous trees and shrubs in the genus Taxus .... Happy Yew Year

And to all our readers who plan on sticking together .... Happy Glue Year

And to all our crossword-loving readers.... Happy Clue Year

And to all our readers who love a good cuppa ... Happy Brew Year

And to all our readers who mourn for Imelda Marcos's footwear collection , now eaten by termites .. Happy Shoe Year

And to all our readers planning on attending Wimbldeon next season ..... Happy Queue Year

And to all our church-going readers ..... Happy Pew Year

And to all our readers who are fond of small mole-like mammals classified in the order Eulipotyphla ..... Happy Shrew Year

And to all our readers with an identity crisis ..... Happy Who Are You Year

And to all our diarrhea suffering readers ..... Happy Loo Year

And to all our melted cheese loving readers ..... Happy Fondue Year

And to all our readers with the best dog in the world (like ours) .... Happy New Cavalier

And to all our readers who enjoy the third most popular drink overall after water and tea ..Happy New Beer
And to all our duke, marquess, earl, viscount, and baron readers .. Happy New Peer
And to all our readers who are preparing a first Sustainability Report this year... Happy New Fear
And to all our readers planning on disseminating negative propaganda .. Happy New Smear
And to all our readers planning to spread good spirits ... Happy New Cheer
And to all our readers planning to buy a new manual car.. Happy New Gear
And to all our readers who contribute to the community.. Happy New Volunteer
And to all our determined readers ...Happy New Persevere
And to all our sad readers .. Happy New Tear
And to all our ecosystem enthusiast readers.. Happy New Biosphere
And to all our readers acquiring a new male bovine animal .. Happy New Steer
And to all our nostalgic readers ... Happy New Yesteryear
And to all our readers in the construction business... Happy New Engineer
And to all our readers returning from vacation .. Happy New Souvenir

And finally, to all our readers planning to transition to a fantastic, dynamic, uplifting, always-challenging, world-changing, positive-impacting, ultra-rewarding job in **sustainability reporting** ...

Happy New Career

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Speeky Engleesh 3

Monday, December 11, 2017

It's been a while since I posted on the charms of translated Sustainability Reports. Check out:
Speeky Engleesh ? and Speeky Engleesh 2 . Now, here's Speeky Engleesh 3.
As I have said before, it's the content that counts, and wobblies in translation are not always easy to avoid. I do not judge a Sustainability Report on the quality of its English translation and I am truly appreciative of companies who make the effort to produce their reports in English, enabling me and many others to read them. When I look through the GRI Disclosure Database , I am always so disappointed that so many companies publish only in their home language. Of course, I can't fault them for that, really, but, as a geek, I'd like to be able to read those reports too. For example, in one sector, the Household and Personal Products sector, of 32 reports published in 2017 in the database, just 50% are standalone sustainability reports in English. In the Automotive sector, I counted 69 2017-published reports in the database of which just 26 (38%) are standalone sustainability reports in English.

Translation oddities often lend a certain charm to a report and they make me smile. That's all part of what makes reporting so sticky for us reporting geeks. The reporting world would be far less fun if every Sustainability Report were translated perfectly.
In sharing some of my reporting-chuckle-moments this time around, I asked myself whether it was fair or proper to name the companies. After all, it's only a translation, right? It's not substance. Local stakeholders, who read reports in their local language, are not distracted by poor English. I answered myself that, well, in the spirit of the CSR Reporting blog's mission to help improve reporting, and in line with my practice of referencing reports for all sorts of reasons, there's no reason not to name names in this post. Even the finishing touches of translation and design are part of the reporting process. Presentation, while not substance, plays an important role. But, in the end, I decided not to name the names of the eight reports the quotes below are drawn from - from different countries and sectors. After all, providing a translation is going the extra mile and I am grateful to companies who do. Still, maybe you can identify one of the quotes below from your report and you can work it out. Maybe you know that your report is translated and you should take another look. If you really want to know, you can always drop me a line. Either way, although I love a chuckle, I would counsel companies who translate their reports to invest in professional proofing in English. Perhaps it's a potential customer who's reading it. Or worse, a reporting geek!
Here is my chuckle-pick from recent reports. Company names and other identifiers redacted.
"The Company has a gratification practice control system that is built and developed continuously."
"In 2016, the customer satisfaction survey stood at 82.61%, which is an increase of 4.70% from 78.9% in 2015. This proves that customer service management got better in 2016."
"XXX proceeded in accordance with the sustainable management strategy as well as risk management effectively all the whole supply chain."
"The Company gives priority to the stakeholders by considering the stakeholders."

"The Company emphasizes to build the anti-corruption mind to management and employees as well as provide the support to its trade partners, allies, and stakeholders."

"The XXX Organisation represents the highest ideals of corporate governance and a rich value system which resonate across each of its entire area of business presence."
"XXX still hold our intention in operating business along with providing social benefits by promoting innovation and developing infrastructure that is prompt for dealing with changing."
"To develop everything to be prosperous, it is necessary to develop from existing foundation. If exiting foundation is poor or unstable, it is difficult to develop further. Accordingly, it is necessary to understand clearly that besides emphasizing on prosperity, it is also necessary to maintain foundation stably without any defect simultaneously."
"The Governance and Nomination Committee is responsible for recruiting directors by establishing Board Skill Matrix in order to consider on necessary skills that are lacked from directors and propose to the Board of Directors for approving."
"In addition, XXX also propvides some models of innovations for the ultimate experience of customers bouderlessly as follows:"
"Our compny has also retold our employees to behave themselves to be consistent with conduct, policies, and practices along with organization's values fostering."
"XXX considers that employees are the most important foundation of the company to make the company to be successful continuously with outstanding contributions and become acceptable with outstanding knowledge and abilities in building excellent work standards for building and maintaining superior competitive capabilities."
"The company's approach to achieving a good working climate is to create both a healthy organization and a happy workplace under the business condition requiring improvement of competitive capabilities and more challenging."
"We encourage our employees to thing independently and express their ideas."
"This will help XXX to ensure that employees are happy at work, resulting in a sense of ownership, well wishing thoughts and loyalty."
"During the year 2016, there were no criticalities emerged from the activities of stakeholder engagement."

"Our growth and sustainability and, therefore, our ability to meet our commitments to our stakeholder, are conditioned by the customer's satisfaction"
"To reduce the so-called "abnormal" behaviour among the employees we have adopted a disciplinary code that defines sanctions in connection with possible violations of company rules on safety."
"XXX Group assists its employees in the transition from employment to retirement, which sometimes causes problems. Since a few years it also created the "XXX Pensioners Group" to give the opportunity to the retired employees to meet and, together refresh the binding of long working life spent within the company."
"XXX tracks and summaries all international environmental regulations including hazard substances, green marks, environmental labels and so on. Relevant units report the regulatory compliance and response measures on the regularly Steering Committee (SC) meetings."
"Over 60% of our managers were local people in our major operation sites so as to practice the concept of talent localization"
"We provide timely cares and helps for employees, while enhancing our company's productivity as well as reducing employees' turnover rate."
"Despite having a lot of difficulties in business activities, XXX still had a certain concern on the community and society by participating in CSR campaigns."
"The above training strategy is proven to be efficient as all the new promoted person-nels are doing their jobs well and gain high appreciation as well as credibility by the clients."
"We improve our design and development ability of the product of which value can be increased and accepted as it meets the needs of the customer by our own design and

technology."
"We believe that the company will sustainably grow by the important driving factor which is employees to accomplish the vision and mission targeted. Therefore, the company focuses on developing the employees at every level to be ones who have good moral and improve their skill and knowledge, including professionalism that corresponds to organizational culture to create value for themselves, organization and society as per the master plan of smart people."
"The company has encouraged employees to do good. By committing mercy on every day, monks, by invitation of the monks from the various communities around the factory to rotate around the corpse. And bless the employees It also promotes activities related to the religious maintenance. Both activities are done with external agencies. And the internal activities that the company held regularly. This will result in better staffing. And refine the mind with merit and charity, and also create a good relationship with society and surrounding communities as well."
"The company encourages employees to donate blood to the Red Cross four times a year. Because the XX Red Cross as a center Donate and serve blood. Need large amounts of blood because of the current need for more blood. Resulting from Disasters and accidents This activity demonstrates employee involvement in social responsibility."
"The Company has featured on the creation and development of corporate culture. Because it is the foundation that drives the organization to achieve its vision. And grow sustainably. It is used as a tool to manage and develop people as both good and good."
"In 2016, the Company implemented significant regulatory compliance risks"
And my absolute favorite:

"We promote our employees who are knowledgeable, potential, and smart, and have morals."

On a positive note, I will add that it was much harder for me to find examples of Speeky Engleesh this time around. My last post was in 2011. One of the reports I highlighted then, Ambuja Cement, has an impressive report in English for 2016 that is well written and seems linguistically accurate (after a brief scan).

Chuckles or no chuckles, reporting is always fun!

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Is your report long and boring?

Thursday, December 07, 2017

One of the numerous tests I use when I am reading and reviewing sustainability reports is how far into the report I can get before it becomes tedious, boring or generally rather meaningless. Some reports are so full of verbiage before they tell you anything substantive that it rather turns you off and makes the rest of the report hard to digest. This is the problem with looooong reports. No-one has the patience these days to read long waffly explanations of every thought process about every bowel movement of the reporting team.

Reports today need to be concise: they need to state clearly and quickly the most material impacts of the business and efficiently update us on what has changed over the past year. Companies that maintain an **online "policy bank"** - a list of policies and positions on core aspects of sustainability - save themselves time and space in the annual sustainability report. They also gain reader attention, as we don't exhaust our patience on long diatribes and lose energy before we get to the main course. Let's face it, when you go out for a meal, if the first course is massive, you don't have room to eat the main course, let alone dessert. It's the same way sustainability reports. Your material content is your main course. A light starter provides context and background, and a healthy dessert provides the GRI content index and other references. The main course, your materiality process, topics and performance, is where companies should focus their reporting efforts. You can offer a menu of snacks - sustainability stories, anecdotes and case studies - on your website.

Here's an example of a report I came across while doing some research on the consumer goods sector. Ontex Group is a Belgian-based company listed on Euronext Brussels, employing more than 11,000 people and enjoying sales of almost Euro 2 billion. Ontex is a supplier of disposable personal hygiene products including diapers and pants, pads, tampons and panty liners in more than 110 countries. The Ontex 2016 Sustainability Report is a credible report that focuses on its defined most material impacts of the business.

It's a GRI Standards core report, crafted around SDG priorities, and does its stuff in 44 pages (including 5 pages of GRI Content Index) in an attractive, pleasant and clean design. Ontex provides contextual background on trends that have influenced the selection of material impacts and sustainability strategy.

And presents a materiality matrix

While aligning the report with Sustainable Development Goals

And on the Ontex website, the company discloses specific strategy and policy documents to complement and complete the sustainability picture.

But beware: **Concise does not mean skeletal.**

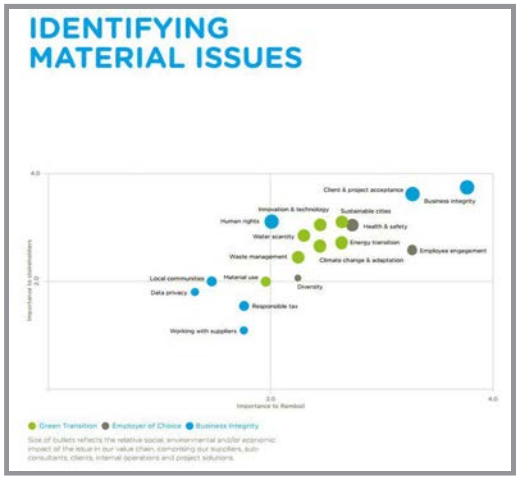
Reports that are 2-page infographics are not reports. Four-page summaries are not reports. If they are not infographics of a concise report, or summaries of a longer report, they are not useful **in lieu of** a sustainability report. While it is possible to reference a host of other documents where disclosures may be located (and the GRI framework allows this), in practice, the beauty of a sustainability report is that key information is on one place and we don't have to go searching for all the individual elements separately. We want the essence of **everything that's material** without having to trawl the web, download multiple other documents and search forever for references that all too often are not there anyway. So, up to around 45 pages, for me, is concise enough to deliver a complete story with enough detail and context for me to understand the company's impacts and accountability. If I want supplementary information for interest or deeper understanding of quantitative data, I am happy to get this online, via a policy bank or other downloadable appendix.

I know that many people will consider even 40 pages too long....and there are many reports that are much shorter than that and do a good job. While the quality of reporting should not really be measured in terms of the number of pages, my rule of thumb for something that fits in the space between feeling stuffed and still feeling hungry - sort of nicely satiated - is around 40 pages.

Here's another nice example: Ramboll's 2016 Corporate Repsonsibility Report .

Ramboll is an engineering, design and consultancy company founded in Denmark in 1945. Ramboll employs 13,000 people across the world. This is a 40-page GRI G4 almost-core report that packs a ton of information in a well-structured concise framework, pleasingly designed and easy to read, with no distracting glossies and frills. The GRI Content Index and key KPI tables take up 4 pages.

One of the positive things about this report is that the material impacts are right there up front on page 5, immediately after the CEO statement, making it very clear what we are going to learn about Ramboll in the remaining pages. I like reports that state materiality up front - not only does this help clarify the report context, it also drives credibility. If it's one of the first things a company reports, it must be one of the first things a company thinks. And that's what materiality means. It should never be an afterthought or a summary of what you **are** doing. Materiality is a guide to what you **should be** doing.



The remainder of the report is split into two main sections, a format that I particularly favor. The first section is called "Shaping sustainable societies" and it addresses what are broadly the indirect impacts of the company's business - through the projects it advances and the role it takes in shaping the sector and public policy. The second section covers direct impacts, called "Demonstrating our progress", and includes sections on employer of choice, environment, safety and integrity - linking these also to UN Global Compact

and SDG priorities.

UN GLOBAL COMPACT PRINCIPLES

These principles are covered in this section:
Human Rights 1, 2
Labour 3, 4, 5, 6
Environment 7, 8, 9
Anti-Corruption 10

UN SUSTAINABLE DEVELOPMENT GOALS

These goals are covered in this section:
5: Gender equality
7: Affordable and clean energy
8: Decent work and economic growth
13: Climate action
16: Peace, justice and strong institutions

KEY ACHIEVEMENT

Development of refined focus areas where we will set fixed sustainability KPIs based on materiality assessment and SDGs.

Ramboll also uses its website to supplement information with policy statements and commitments - here's an example from one of the sections:

More information

Global Commitment
A version signed by the Chairman of the Board and the Group Executive Board can be provided upon request. Please send an e-mail to sustainability@ramboll.com

Read or download the Global Commitment document

Code of Conduct

Read or download Code of Conduct

Slavery and Human Trafficking

Slavery and Human Trafficking Statement

While this report could be even more reporting-year focused, with fewer perennial policy statements that could be policy-banked on the website, this report offers comprehensive coverage of material impacts in a concise way.

So, if your report is long, it is almost certainly also boring (at least in parts). It's totally worth reconsidering how you can deploy other ways of getting your content out there and delivering on your transparency obligations without crowding your report with content that causes us to doze off instead of inspiring us to buy in. Incentivize yourselves. For every page you save, treat yourself a scoop of salted caramel ice cream.

(NB: I have previously written about Liberty Global's last Corporate Responsibility Report - a masterpiece in concise, precision reporting).

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A new CSR standard in Safeguarding

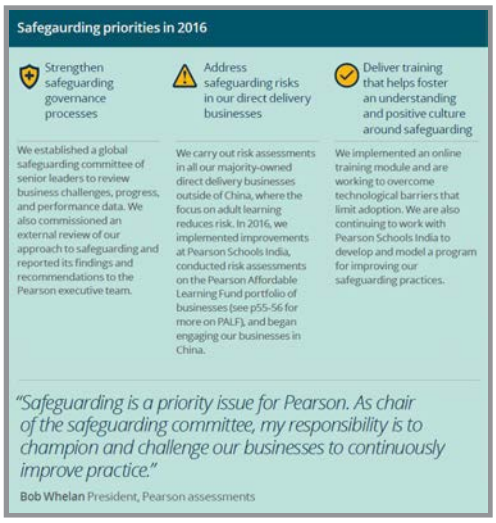
Wednesday, November 15, 2017

Using the Datamaran Research Tool , I looked for how many companies are talking about safeguarding in their sustainability reports. It seems, that safeguarding can be applied to just about everything.

- Export Development Canada's 2016 Sustainability Report talks about **safeguarding people and the environment**
- Piraeus Bank talks about open communication with **employees and safeguarding their ongoing development** and elearning for **safeguarding of Human Rights and Equal Opportunities** in the workplace
- Wilmar International's 2016 Sustainability Report talks about **safeguarding water quality**
- Statoil's 2016 Sustainability Report refers to **safeguarding people, communities and assets**
- Stericycle's 2016 Sustainability Report refers to **safeguarding sensitive information** and helping protect against identity theft
- Motorola Solutions 2016 Corporate Responsibility Report includes disclosures related to **machine safeguarding**
- RSA Insurance Group refers to **safeguarding customers' data and assets**
- American Water Works Co Inc. talks about **safeguarding the nation's long-term water supply** as water demand grows
- TDC goes for **safeguarding trust** and safety
- Macquarie Infrastructure Corporation includes references to **safeguarding of storm drains**, **overfill controls**, and extensive use of LED lighting
- SunArt Retail Group Limited includes **safeguarding biodiversity**
- L'Occitane International SA goes for another type of safeguarding - **safeguarding the future of bees** while helping to build communities.

In fact, safeguarding has become so popular that I am thinking of safeguarding my personal ice cream supply for the next five years. As you can see, safeguarding can apply to just about anything and the use of the term safeguarding is bandied around quite freely in CSR and sustainability worlds with no real accountability for what safeguarding anything actually means and how to measure it. Maybe this is a shame, because there is one use of the term safeguarding that is arguably the most important use of all: **safeguarding vulnerable children, youth and adults.** I happen to know a bit about this, as my niece, **Sarah Carlick** , (Yay! Proud Auntie) is a leading expert on safeguarding in the UK, and runs **The Athena Programme** , one of the best known and most active consulting and training firms dedicated solely to safeguarding in the important sense of the word. Sarah has just completed her doctoral thesis on safeguarding, so we shall be calling her Dr. Sarah in the very near future! (Yay! Extremely Proud Auntie). Read Sarah's insights into safeguarding in a corporate context later in this post.

Some companies stand out in their approach to safeguarding vulnerable children and adults. **Pearson's Sustainability Report for 2016** includes a commitment to safeguarding adults and children.



Safegaurding priorities in 2016

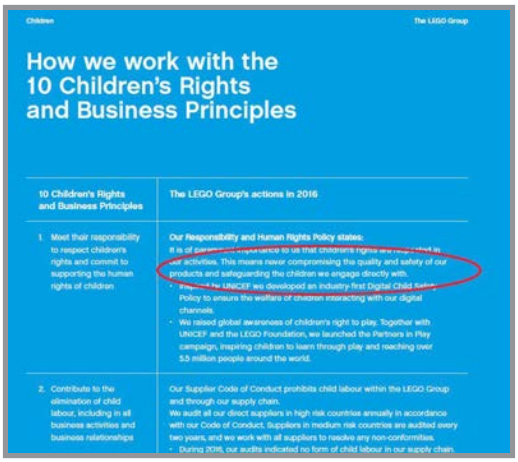
Strengthen safeguarding governance processes	Address safeguarding risks in our direct delivery businesses	Deliver training that helps foster an understanding and positive culture around safeguarding
We established a global safeguarding committee of senior leaders to review business challenges, progress, and performance data. We also commissioned an external review of our approach to safeguarding and reported its findings and recommendations to the Pearson executive team.	We carry out risk assessments in all our majority-owned direct delivery businesses outside of China, where the focus on adult learning reduces risk. In 2016, we implemented improvements at Pearson Schools India, conducted risk assessments on the Pearson Affordable Learning Fund portfolio of businesses (see p55-56 for more on PALF), and began engaging our businesses in China.	We implemented an online training module and are working to overcome technological barriers that limit adoption. We are also continuing to work with Pearson Schools India to develop and model a program for improving our safeguarding practices.

"Safeguarding is a priority issue for Pearson. As chair of the safeguarding committee, my responsibility is to champion and challenge our businesses to continuously improve practice."

Bob Whelan President, Pearson assessments

As a company engaged in education and supporting learners all over the world in schools, training and learning centers and other teaching facilities, and even virtual classrooms, human rights risks and challenges are very real for Pearson and it seems quite obvious that safeguarding would be directly relevant to this company's business.

Another company that has a safeguarding focus, and also rather obviously so, is LEGO. With a business designed to engage children, LEGO partners with UNICEF to implement and globally promote the **Children's Rights and Business Principles** developed by UNICEF, the UN Global Compact and Save the Children, and to promote the importance of play for early childhood development. **LEGO's 2016 Corporate Responsibility Report** also discloses what LEGO is doing to safeguard children.



Children — The LEGO Group

How we work with the 10 Children's Rights and Business Principles

10 Children's Rights and Business Principles	The LEGO Group's actions in 2016
1. Meet their responsibility to respect children's rights and commit to supporting the human rights of children	**Our Responsibility and Human Rights Policy states:** It is of [illegible] importance to us that children's rights are respected in our activities. This means never compromising the quality and safety of our products and safeguarding the children we engage directly with. • Together with UNICEF we developed an industry-first Digital Child Safety Policy to ensure the welfare of children interacting with our digital channels. • We raised global awareness of children's right to play. Together with UNICEF and the LEGO Foundation, we launched the Partners in Play campaign, inspiring children to learn through play and reaching over 5.5 million people around the world.
2. Contribute to the elimination of child labour, including in all business activities and business relationships	Our Supplier Code of Conduct prohibits child labour within the LEGO Group and through our supply chain. We audit all our direct suppliers in high risk countries annually in accordance with our Code of Conduct. Suppliers in medium risk countries are audited every two years, and we work with all suppliers to resolve any non-conformities. • During 2016, our audits indicated no form of child labour in our supply chain.

LEGO's Digital Child Safety Policy was developed as an industry leading practice to ensure the welfare of children interacting with digital channels. The policy is implemented through **mandatory training** for employees who work directly or indirectly with children online and also applies to partners who deliver LEGO® branded experiences.

The LEGO Group's Digital Child Safety Policy

- We will provide children with fun, safe and enjoyable digital experiences within which they can create, play and learn.
- We recognise children as key stakeholders of the organisation and holders of rights.
- We will empower parents to understand the potential risks of the online world as well as the opportunities and, where relevant, provide them with the controls to tailor their children's digital LEGO® experiences.
- We will use tools (e.g. moderation) and 'house rules' to create child-friendly digital environments.
- We will have adequate and robust escalation processes in place so that misuse is dealt with swiftly and effectively.
- We will meet industry standards for digital child safety, e.g. as set forth by the UK Council for Child Internet Safety and UNICEF/ITU Child Online Protection initiative.
- We will conduct regular self-assessments to measure compliance with this policy.

Online responsibility

The LEGO Group is focused on leveraging digitalisation and every month, www.LEGO.com receives over 18.3 million unique visits. In 2016, our YouTube channel had more than 2 billion views and we engaged with 13 million users on Facebook. We hold a significant amount of consumer data and take seriously our responsibility to treat this data respectfully. When it comes to children's data, we are careful to ensure parental consent is provided.

Online safety is relevant not only for companies in the education and toy development sectors. It comes up regularly as a key material topic for companies that provide internet or media content. For example, Liberty Global (whose reporting I have supported for the past several years) has invested millions in protection of children while online and watching TV (one of the company's most material impacts) through collaboration on the development of an entire set of resources for children at different stages of development and exposure, parents, teachers and schools. In 2015, Liberty Global joined the ICT Coalition for Children Online , which aims to help young people in Europe make the most of their digital life and be better equipped to handle the challenges and risks it may bring.

There are more positive examples of safeguarding out there, enough to convince you that safeguarding is an essential element of corporate responsibility. (For those who want a fascinating and sobering read on this subject, see also Joel Bakan's Childhood Under Siege: How Big Business Targets Children). Many companies, especially food companies, have responsible marketing policies where the aim is not to market directly to children under age 12 - though in practice, exposure of children to marketing in all its forms today is impossible to monitor, I believe. Most companies today explicitly prohibit child labor in their supply chains. That's an obvious one in modern times, I guess, even though there is still much work to do to achieve safe supply chains. But there are endless, not so obvious other ways that children are exposed to and are potentially at risk from the practices of corporations. This may be unintentional but it should not be unknown. Corporations have a duty of care to understand the impacts of their activities on children. I believe, however, that this topic in the broader sense of safeguarding vulnerable children and adults has flown largely under the radar and is not explicitly included in sustainability frameworks and standards such as GRI or SASB, beyond responsible marketing and avoidance of child labor. I think this could be a new area for a potential performance and reporting standard.

I want you to hear from the expert herself, **Sarah Carlick** , Founder and Managing Director of **The Athena Programme .**

THE ATHENA PROGRAMME
SAFEGUARDING WITH CARE AND CREATIVITY

Why did you choose safeguarding as your area of specialist expertise?
"Safeguarding was my background as a social worker and probation officer which I was drawn to because of my passion for helping and protecting vulnerable people. Through my work and experience of safeguarding at both a national and international level, I am now able to incorporate all areas of this important and complex topic under one umbrella which I think is the most effective way of achieving results to benefit those that are vulnerable or at risk of harm."

In a business context, what are the connections to safeguarding? What are the key safeguarding risks for companies?

"Governance, compliance, reputation, recruitment, social media communications, customer relations and interactions are all areas where safeguarding is a relevant potential risk that must be proactively managed. For companies or organizations that have services that are used or may be used by children, families or vulnerable adults, there may well be legal compliance issues (in different countries) as well a range of potential risk areas that are not currently legislated. While businesses often look outside for the impacts of safeguarding (for example, with services used by children), there is also an internal aspect. How do companies support their own employees who may be victims of domestic abuse, for example? I think there are many connections between the practices of business and corporate responsibility to protect vulnerable children and adults, and some may not be so obvious."

Does every company need a safeguarding policy? Can you give some examples of where such a policy might be needed?

"Not every company needs a policy, but some are required to have a policy and set of procedures, for example, those that are regulated or inspected, those that apply for external funding, or those that have residential services, schools, a charitable arm, or where they employ apprentices, teachers, mentors, nurses, dentists or manage learning environments, to mention just a few cases."

In what context is it important to train company employees in safeguarding?

"It is important as safeguarding is two-fold - both protecting and supporting your staff and as well as protecting and supporting those that use your services. There are many areas that come under safeguarding, for example, modern slavery, child sexual exploitation, on-line grooming and emerging risks such as prevention from radicalization."

What can you and The Athena Programme do to help companies practice effective safeguarding?

"Whatever your needs, Athena can help any company with everything to do with safeguarding children and/or adults at risk. If it's about safeguarding – we're the experts. A first step we can help with for many companies will be to map the nature, scale and impact of their activities and identify the safeguarding hotspots - immediate and/or significant risks that need to be managed. From there, we can help companies develop tailored policies and procedures, formulate communications packages, deliver training for all staff and put in place monitoring and reporting tools. For companies who are not sure, we can or simply come and speak to your management, or deliver a lecture on what to watch for. We are always happy to listen to the challenges companies face, or help them decide what the challenges are and minimize potential risks. We have strong credentials from our work over the past 10 years, so we are confident that we can help companies do better in this area."

If you are interested in exploring more, contact Sarah here . Either way, I think we are going to hear a lot more about safeguarding, and not just safeguarding anything, but safeguarding those who matter most, our children and our youth and our friends and families and communities who may not be able to protect themselves. If that's not CSR, what is?

elaine cohen, CSR Consultant, Sustainability Reporter, former HR Professional, Trust Across America 2017 Lifetime Achievement Award honoree, Ice Cream Addict, Author of three totally groundbreaking books on sustainability (see About Me page). Contact me via Twitter (@elainecohen) or via my business website www.b-yond.biz (Beyond Business Ltd, an *inspired* CSR consulting and Sustainability Reporting firm). **Need help writing your first / next Sustainability Report?** Contact elaine: info@b-yond.biz
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Lindéngruppen: a shared transparency journey

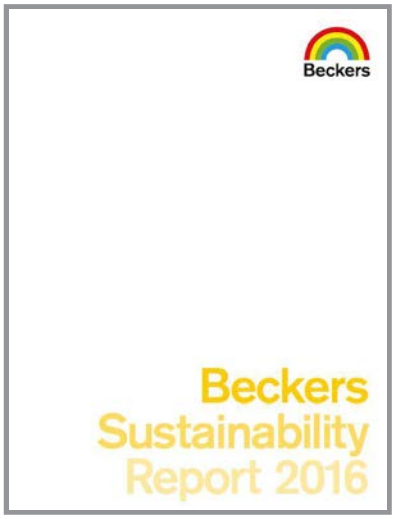
Monday, November 13, 2017

Last month, I was honored to be invited to join the next stage in the transparency journey of a wonderful, privately-owned group of companies in Sweden. The parent company is Lindéngruppen , and it describes itself as " *a second-generation family business focusing on sustainable long-term development of industrial companies*". In 2016, Lindéngruppen's wholly-owned companies had a combined turnover of approximately SEK 7.4 billion, and more than 3,200 employees in 27 countries. Lindéngruppen, based in Höganäs, Sweden was founded by Ulf G. Lindén in the mid-eighties and is now led by the Chairperson of the Board, his daughter, Jenny Lindén Urnes .
Lindéngruppen owns and runs four companies:
Beckers is a global industrial coatings company specializing in coil coatings and industrial coatings for metal. Beckers also provides finishes for consumer electronics and lifestyle appliances. **Colart** supplies the world's most popular art material brands. Colart's mission is to provide sustainable, creative tools and services to release pure expression. **Höganäs** is the world's leading producer of metal powder and the main driver of the development of metal powder applications. **Moorbrook Textiles** produces woven-textile products from luxury fibers.
These four businesses are primarily B2B, and do not have all that much in common in terms of the nature of their business, beyond their ownership and shared values as members of the Lindéngruppen family. But that is clearly enough to sustain responsible practice, as all four companies are guided by the enlightened, passionate and visionary leadership of the group's Chair, Jenny Lindén Urnes, whom I was privileged to meet at the first Lindéngruppen Sustainability Reporting Conference for the companies in the group last month. Her commitment to growing positive-impact businesses shines clearly as an inspiration for all.

At the one-day event, where company CEOs, sustainability, EHS and HR professionals came together as a group of more than 30 people, I shared my thoughts and insights about Sustainability Reporting, with a focus on the benefits for privately owned and smaller sized enterprises, and engaged in discussion with the business leaders. During the day, teams works on future scenarios and considered the challenges and opportunities that sustainable practice might bring. And all of this took place at **Färgfabriken** in Stockholm, Beckers' old paint factory built in 1889 and later converted into a cultural institution, supported by Lindéngruppen, now serving as a platform for contemporary cultural expressions, with an emphasis on art, architecture and urban planning, using approaches that help explore and understand the complexities of our constantly changing world. What a superbly fitting venue for a day of free thinking and collaboration.

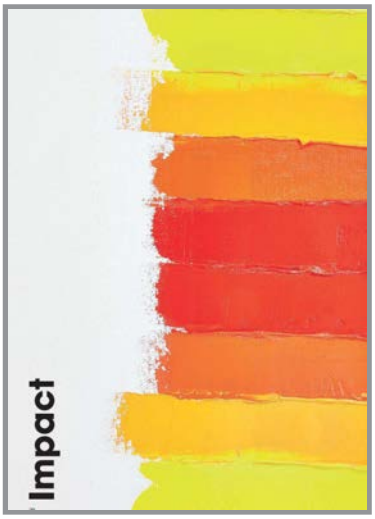
The Lindéngruppen companies started their sustainability journeys well before this first shared experience, however. Each company has been applying sustainability principles and transparent practice in its own way with its own particular relevance and focus.

Beckers has been publicly reporting on sustainability since 2012 and its most recent Sustainability Report for 2016 is GRI compliant report with a focus on 8 core material topics underpinned by a sustainability vision.



In this report, Beckers shares the progress made in the development of Beckers Sustainability Index, a tool to help customers understand and make more informed choices based on data about the sustainability profiles of Beckers coating products. Last year, Beckers converted the index into an IOS/android app allowing customers to easily contrast the sustainability performance of different coating systems. This is an example of Beckers integrating sustainability in its core business through the products it sells, beyond managing the direct impacts of its production and other activities. It's about the impact of the business on society, not just about operating responsibly.

Colart's Sustainability Report for 2016-2017 reflects the color and creativity that are the essence of this company. Aligning with the UN SDGs, Colart identifies 12 goals that are most relevant for its business impacts and contribution to society. Using a seven-step "GET WISER" approach to sustainability strategy, Colart has been embedding awareness and understanding across all levels of the business, and engaging in creative platforms to promote the use of art for positive impact, such as “Hospital Rooms”, a UK-based mental health charity that commissions artists to create inventive environments and artworks for mental health units and holds art workshops for mental health service users. Aligning positive social impact with core business expertise helps make this partnership a success.



Höganäs has just started its reporting journey with an initial internal report for 2016 that has not been published as the company prepares for external reporting for 2017. Nonetheless, having had the benefit of a sneak preview, I can say that the 2016 Höganäs internal report is a strong GRI-based report, reinforcing the sustainable contribution of metal powders that help reduce resource consumption and make manufacturing processes more efficient. There is much scope here, as metal powders from Höganäs are used in component manufacture, electrical applications and filters, surface coating, welding and brazing, water purification, cleaning of industrial wastewater, soil remediation and more. With more than 700 patents on metal powder processes and products, Höganäs invests in building its expertise and creating sustainable solutions for customers. With five central thrusts in its sustainability strategy to climb "Mount Sustainability", Höganäs is advancing climate neutral operations and sustainable offerings for customers while managing direct workplace impacts and engaging in communities. Höganäs is a partner in developing and advancing Swedish Sustainable Steel Vision for 2050 with other sector players in Sweden, playing a role in shaping a more sustainable future for the industry.

Moorbrook Textiles, owners of the Alex Begg brand , is applying sustainability practices in its operations as part of its brand approach. This includes working to eliminate hazardous chemicals from all fabric production processes, ensuring aminal welfare in the animal fiber supply chain for wool and angora and developing traceability processes for sourced fibers. I understand that Moorbrook is also building a sustainability reporting capability and aligning its reporting processes with GRI Standards. So far, this work is internal and has not yet been published. Clearly behind the Lindéngruppen vision, however, Moorbrook has a positive sustainability story to tell and I look forward to hearing more.

Lindéngruppen is an example of privately-owned, SME-scale, B2B businesses that are engaging with sustainability as essential supply chain partners for their customers and positive presences in their communities. It's inspiring to experience the passion that each company demonstrates in finding its own relevance and establishing its unique space along the sustainability spectrum. Led by a clear-headed, team-spirited and pragmatic Group Chief Sustainability Officer, Jenny Johansson , all companies in the group have the support they need to find their sustainability voice. And each is doing so at a pace that is manageable and enables maximum learning for each company along the journey.
Lindéngruppen is proof that enlightened leadership and a practical approach is good for people, good for business and good for all of us, no matter the size or nature of the business. I wish all the Lindéngruppen team continued success and look forward to more Sustainability Reports of their progress.

elaine cohen, CSR Consultant, Sustainability Reporter, former HR Professional, Trust Across America 2017 Lifetime Achievement Award honoree, Ice Cream Addict, Author of three totally groundbreaking books on sustainability (see About Me page). Contact me via Twitter (@elainecohen) or via my business website www.b-yond.biz (Beyond Business Ltd, an *inspired* CSR consulting and Sustainability Reporting firm). **Need help writing your first / next Sustainability Report?** Contact elaine: info@b-yond.biz
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WARNING: Strictly only for Reporting Geeks

Tuesday, November 07, 2017

The Urban Dictionary says: ***"Geek: An outwardly normal person who has taken the time to learn technical skills. Geeks have as normal a social life as anyone, and usually the only way to tell if someone is a geek is if they inform you of their skills."*** Merriam Webster's third definition of geek is more straightforward: ***"an enthusiast or expert especially in a technological field or activity."*** In the CSR-Reporting Blog dictionary, reporting geeks are simply " ***folks who breathe, eat, sleep and live all things sustainability reporting."***

In the world of sustainability reporting, geeks have a place all of their own. Without geeks, reporting would never have achieved the major impact on the world it has had to date. Without geeks, we would still be begging companies for tidbits of information and clambering to understand whether they are performing in an ethical, responsible and sustainable manner. Without geeks, we would not have the opportunity to peruse the thousands of sustainability reports in all shapes, colors, sizes and languages that are published each year around the world, enriching our lives and making us feel that the world is a better place. Without geeks, sustainability reporting simply wouldn't happen - and then we would all be utterly miserable and the planet would be doomed.

So how do you know if you are a reporting geek? Here are some of the tell-tale signs:

- Your read at least one Sustainability Report before breakfast every day
- When someone asks you what you want for your birthday, you say: a brand new Sustainability Report
- You worst nightmare is a Sustainability Report that doesn't have a GRI Content Index
- You read your kids bedtime stories from your favorite sustainability reports
- You feel physically nauseous when someone talks badly of sustainability reporting
- You recall that, as a child, whenever you were asked what you wanted to be when you grew up, you always answered a sustainability reporter
- You even read sustainability reports in languages you don't understand
- You take a few sustainability reports to the gym every day and read them as you jog
- You're in a restaurant and the first thing you look for on the menu is a materiality matrix
- You prefer to read sustainability reports to watching Star Trek
- Your favorite Christmas gift is a nicely-wrapped Sustainability Report
- The shredder in your office has never seen a Sustainability Report
- Your spouse is citing a Sustainability Report in your upcoming divorce
- You attend the **edie Smarter Sustainability Reporting Conference** in London every year.

The next conference, the seventh annual, in February 2018, designed by reporting geeks for reporting geeks and potential reporting geeks, boasts a stellar line up of speakers and an exciting program that any reporting geek will find invigorating, informative, incredible and impactful.

An opportunity to debate with experts, explore with peers, learn with other professionals, moan and groan in a safe environment where everybody empathizes, ask questions that only the reporting community can relate to and share in the fun that is sustainability reporting, the edie Smarter Sustainability Reporting Conference will turn you into a reporting geek if you are not one already, or it will make you a geekier geek if you are already showing the signs. And who wouldn't want to put reporting geek on their resume? Can you afford to miss this unique opportunity? The CSR-Reporting Blog is offering a special discount for reporting and aspiring reporting geeks, so **contact me** if you want to take advantage of that.

What can the geek community expect at the conference?

- Latest updates from the Task Force on Climate-related Financial Disclosures
- Insights in aligning with the the non-financial EU directive
- Stories from innovators who are reshaping reporting using creative, digital methods
- Discussion and tools to unlock the power of meaningful data
- Best practice examples for shaping your report to reach multiple and diverse audiences
- Constructive insight from global experts on the key elements of a good report
- Totally geeky conversations
- A delicious lunch
- A lot of fun in the company of many geeks
- No ice cream, sorry

As the Chair of the conference, I will be around all day to meet and reconnect with you all, make sure things go smoothly, add a little provocation to the panel discussions, and lead one of the breakout sessions with a deep-dive on reporting on environmental and supply chain impacts. Sound geeky enough for you? Of course, there are those of you out there that are secretly reporting geeks but afraid to admit it. It's time to come out. Reporting is mainstream. Reporting geekiness is something to be proud of. Proudly register for the edie Smarter Sustainability Reporting Conference **here** (don't forget to email me for your discount) and tell all your friends. They will thank you.

See ya in London!

elaine cohen, CSR Consultant, Sustainability Reporter, former HR Professional, Trust Across America 2017 Lifetime Achievement Award honoree, Ice Cream Addict, Author of three totally groundbreaking books on sustainability (see About Me page). Contact me via Twitter (@elainecohen) or via my business website www.b-yond.biz (Beyond Business Ltd, an *inspired* CSR consulting and Sustainability Reporting firm). **Need help writing your first / next Sustainability Report?** Contact elaine: info@b-yond.biz
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Dr Sustainability is back!

Tuesday, October 17, 2017

Dr. Sustainability has been rather busy of late, engaging with stakeholders, making materiality assessments, chairing conferences and generally enjoying life on the sustainability reporting circuit. She has once again agreed to share her perspectives in response to reader questions EXCLUSIVELY on the CSR Reporting blog. She knows that the CSR Reporting Blog is the longest running blog about reporting in the stratosphere and that it is always packed with quality insights. Good quality, bad quality, who cares, it's always quality.

Dear Dr. Sustainability: After almost 20 years of reporting, we don't have too much left to say. We have already described our policies, approaches and initiatives. Of course, we can easily update the quantitative data, but all the rest is as it always has been. Should we now experiment with different topics to report? For example, the fact that we have organic ice cream in our dining room? Or that we have reversed our smoke-free policy in our corporate offices to ensure we get value for money from our fire detectors? Or should we simply republish our latest report with a different image on the front? **Dear Reporter:** It's true that a year happens very quickly and even if you really scrape the barrel, there is not always enough to say. However, simply republishing your last report is not a good idea. After all, you want to differentiate yourselves from your competitors, correct? (Think about it!). In my view, you could be proactive and create some content specially for your report. For example, you could rebuild your corporate head offices totally out of post-consumer recycled waste that you have collected from all your employees and local communities. This is actually a long-term win-win, because then, instead of throwing out your office waste, you can use it to construct another office.

Dear Dr. Sustainability: I heard that GRI and SASB are to collaborate on reporting standards. All SASB sector standards are to be integrated into GRI Standards and then, eventually, there will no longer be a need for a two separate organizations. I heard they are going to merge and call themselves Global Sustainability Standards Reporting Accounting Board Initiative (GSSRABI) headquartered in Amsterdam. Do you think this will help improve the quality of reporting over the long term? **Dear Optimist:** I think that's just absolutely fantastic. It's true that we need more collaboration in the sustainability reporting space. Usually, when you hear the word "collaboration", it means endless dialogue that doesn't get anywhere. At least, in this case, bicycle sales in Europe will increase.

Dear Dr. Sustainability: We are in the process of planning our next report and we have engaged two different consultants to help us prepare it. The problem is the consultants can't agree on anything and every time one of them advises us on something, the other gives the opposite advice. How can we resolve this?

Dear Moneybags: You have two options. Only pay the consultant whose advice you choose to accept. Or, better, hire a third consultant to mediate between the existing two and decide on your behalf what is most appropriate. You may end up with a consultant-speak techno-babble report, but at least you won't be caught in the middle of consultant-speak techno-babble arguments.

Dear Dr. Sustainability: I hear GRI is collaborating with the UNGC and others to create a reporting platform for the SDGs. Do you like this approach? **Dear Collaborator:** Of course, this is a wonderful approach. Collaboration is a great thing. And another new reporting platform is exactly what everybody needs.

Dear Dr. Sustainability: Now that GRI Standards are published, are you seeing sustainability reports of higher quality? **Dear Auditor:** Oh yes. In particular, I am seeing a lot of investment in the reporting principles. One day, there will be an investment in

reporting practice.
Dear Dr. Sustainability: My boss told me that sustainability reporting is just a phase and that it will disappear within 3 years. Should I be looking for another job? **Dear Pessimist:** Well, as the office cleaner, I wouldn't have thought this change will affect you significantly.

Dear Dr. Sustainability: I hear that GRI and IIRC are collaborating to make integrated reporting relevant to all stakeholders. Do you think this will be groundbreaking? **Dear Stakeholder:** Groundbreaking is probably not a word I would use. Backbreaking is probably closer to the truth.
Dear Dr. Sustainability: Why is it that sustainability reports are always about people, planet and profit? What about animals? I love animals. Why does no-one write sustainability reports that consider the needs of dogs, cats, elephants, lizards, snakes and hippos? **Dear Zookeeper:** The animal world is essential to sustainable development and many reports refer to the impact of corporations on biodiversity, wildlife, endangered species and other non-human life-forms. The problem is that pictures of wild boars and dead snakes on the cover of sustainability reports have been known to cause nightmares for the children of employees, and, in 2016, fourteen children were diagnosed with Sustainability Report Anxiety Disorder, a sickness usually only found to affect reporting managers. UNICEF has now banned animals from sustainability reports. In future, only nice photos of children and sunshine can be on the cover of reports.
Dear Dr. Sustainability: For our last materiality assessment, it took absolutely ages to place the dots on the matrix. Every time I thought I had the right place for every dot, one of our executives or stakeholder groups decided that it should move up a little, down a little or to the left or the right. And when one dot moved, I had to move all the others. We decided on our most material topics ages ago, but it has taken 3 years just to agree where the dots should be, and now it's time for a new materiality assessment. How can I avoid the same problem in our new process? **Dear Dotty:** Fix your dots down with SuperGlue. If anyone complains, fix them down with SuperGlue as well.

Dear Dr. Sustainability: I hear that GRI is looking for new organizations to collaborate with. They have exhausted collaboration possibilities with all the other organizations in the sustainability reporting space and are looking for new ways to enhance their reach. I have a small business that makes edible keyboards and I was wondering if GRI might be prepared to collaborate with me. Edible self-regenerating keyboards are a new sustainable tool for the future of work. They are organic, calorie-controlled, free of colorings, additives, added sugar and GMO ingredients and they are perfectly functioning keyboards until eaten, and regenerate themselves immediately after consumption. Using these keyboards, sustainability report writers can write, copy-paste, revise, copy-paste, send to legal and revise for days on end without ever having to leave their desk. This will have immense benefits for the speed of reporting, the productivity of reporting managers and the reputation of the firm. Do you think GRI will be open to promoting the edible self-regenerating keyboard as an essential sustainability reporting tool alongside GRI Standards?
Dear Businessperson: The edible self-regenerating keyboard certainly sounds like a worthy innovation. In fact, thank you for the samples. I gave them to a report-writer and she has already eaten 16 and she hasn't even finished the About this Report chapter. As for GRI, they may be interested. You just have to make sure that the keyboard has quick keys for standard reporting phrases. For example:

- CNTL+E: We are proud of all we have achieved but there is more to be done.
- SHIFT+K: Even in a challenging economy, we have still upheld all our CSR values

and continued to contribute to the community.
- SHIFT+P: As a customer-centric company, customers are at the center of all we do.
- CNTL+Y: Employees are our greatest asset.

Dear Dr. Sustainability: My CEO is committed to compliance but he says beyond compliance is totally an own-goal. He will not listen to reason. So all we have to report in our annual sustainability report is how compliant we are. Is it worth publishing a report? **Dear Optimist:** Compliance is a wonderful thing and your stakeholders will be comforted to know that you are compliant. You can write a great report about being compliant. You can tell compliance stories and case studies. You can take photos of your executives being compliant. You can include compliance videos. You can talk about the meaning of compliance and how it affects your organization. You can talk about the incidences of non-compliance and how you addressed them. You can reflect on the nature of compliance and the need to build a compliance culture. You can identify compliance targets and report your progress against them. In fact, there is so much to say about compliance that you will have to be careful not to make your report too long. Of course, a compliance-only report is not everybody's dream report, but you have to do what you can where you are with what you have. And you get to keep your CEO happy. He will probably be so happy that he will reward you (with ice cream) for being compliant.
Dear Dr. Sustainability: We finished our sustainability report ages ago, but it has taken so long for our legal counsel and senior managers to approve the report that I fear it is a little out of date. Is it worth publishing a report covering 2012 in 2017? **Dear Optimist:** Ah yes, that is a big gap. Who can even remember where they were in 2012? However, as long as you have ticked all the boxes, nobody will mind. In fact, nobody will probably even notice.

Dear Dr. Sustainability: We have a new Human Resources Director who doesn't want to listen to anything to do with sustainability. She says the role of HR Is to keep management happy and employees productive and within budget. She is not interested in diversity and inclusion, employee wellness, community involvement, green teams, living wage, work-life balance, sustainability-based bonuses, flexible working and open communications. She just wants to hire, fire and arrange company parties.
Dear Frustrated: Yes, this can be a problem with Human Resources Managers. They often can't see beyond the end of their nose. This is especially problematic if they have a very short nose. The only thing you can do in this case is try to undermine HR. Do a workaround. Convince your business managers to apply enlightened people policies and to actually talk to employees about sustainability. Eventually you will see a momentum building and employees will want to engage on matters that matter, and HR will have no choice than to respond. In the meantime, in your Sustainability Report, include statements like "our employees are our greatest asset", "our employees are our most important resource", "we are very employee-centric", and say that HR is driving a culture of caring and sharing.
Dear Dr. Sustainability: I want to get our company listed on DJSI, as I see that many companies who are listed gain additional financial value and access to capital and generally deliver a better return for shareholders. How can I improve our position on DJSI? **Dear Optimist:** The best way to get listed on DJSI is to actually improve your corporate sustainability performance over a period of several years and systematically build your disclosure to meet the needs of the DJSI analysts. Of course, this may seem like rather a long and challenging process and it may not be worth your effort. If so, the alternative is to use the resources you would have invested in gaining DJSI listing for other purposes that will improve access to capital, such as bribing the bank manager, bribing the analysts or providing severance pay for your Chief Sustainability Officer.

Dear Dr. Sustainability: We have had a lot of feedback from employees who have read our Sustainability Report but they say that it does not represent our company. In fact, they say it's nothing like our company. They don't recognize anything that's in there. How can we resolve this issue?
Dear Stranger: Tell them not to be so narrow-minded and to use their imagination. By definition, a Sustainability Report is full of dreams and wishes and an optimistic and rosy future. You employees should link to their higher selves, explore the realms of possibility, contemplate on a heavenly work-life and consider that the report is designed to create trust in the company. How can you create trust if you actually tell it like it is?

Dear Dr. Sustainability: We love all our stakeholders, but frankly, all this engagement stuff takes time. I would much rather gain stakeholder input without having to talk to them. What are the ways I can do this on a tight budget? **Dear Introvert:** Yes, I understand that stakeholders can be a big problem. Engaging with them is every reporter's nightmare. The best way to do this without getting involved in long and cumbersome processes is simply to attend as many conferences as you can and talk to as many people as you can. Networking is the new normal in stakeholder engagement. Record all your networking conversations and publish the highlights in your report. Not only will you have a wealth of insight, you will enjoy lots of free lunches.

Dear Dr. Sustainability: We want to engage with stakeholders by holding a stakeholder round table but we don't have a round table. What should we do?
Dear Carpenter: You have two options. Get a round table (easy) or or don't engage with stakeholders (easier).

Dear Dr. Sustainability: How do you see the future of reporting?
Dear Futurist: If I could see the future, I would not be working in sustainability. I would be selling underground bunkers and oxygen masks.

elaine cohen, CSR Consultant, Sustainability Reporter, former HR Professional, Trust Across America 2017 Lifetime Achievement Award honoree, Ice Cream Addict, Author of three totally groundbreaking books on sustainability (see About Me page). Contact me via Twitter (@elainecohen) or via my business website www.b-yond.biz (Beyond Business Ltd, an *inspired* CSR consulting and Sustainability Reporting firm). **Need help writing your first / next Sustainability Report?** Contact elaine: info@b-yond.biz
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In the hot seat at GRI with Tim Mohin

Monday, October 16, 2017

After nine months at the helm of GRI, Tim Mohin is still, yes, still, enjoying his job and making waves in sustainability circles. An eternal optimist endowed with just about enough realism and an unshakeable vision of a future of sustainable development powered by corporate accountability and transparency, Tim has a lot to say. GRI is also 20 years old young, and though Tim Mohin has been leading it for a much shorter time, his experience as a practitioner and sustainability leader gives him the long perspective.
What prompted me to pound Tim with a barrage of tough questions was an interview with Bob Eccles published in Forbes a couple of months back. Tim is quoted as saying: *"There is a narrative that has been running for a while now that portrays sustainability reporting organizations as in conflict with each other. The reality is that nothing could be further from the truth. I believe there is an increasing amount of harmonization in this space, whether it be GRI, or the UN Global Compact, SASB or the IIRC. Not only do we have longstanding partnerships with those organizations and others, but we are in fact all just after the same thing, which is sustainable development."*

I beg to differ. I do not see harmonization between any of these organizations and there are new frameworks and reporting approaches popping up all the time, whether in relation to specific sectors, regulation, stock exchange listings or other independent initiatives. Investment analysts use their own proprietary methodologies that are not based wholly on one framework or another. Longstanding partnerships with organizations in this space may look nice on paper, but in practice, they have yielded very little in terms of simplifying the way companies report. I am sure it sounds nice to talk of harmonization and partnership, but the reality is that it is not yet yielding tangible benefits. The proliferation of Linkage Documents that enable some sort of correlation between GRI Standards and other frameworks further clutters the landscape.

One case in point is GRI's close collaboration with the UN Global Compact. Both organizations have been in dialogue forever and have signed more MOUs than Nobel has given out prizes. And yet, signatories to the UN Global Compact are still required to prepare a Communication on Progress in line with UNGC requirements at Advanced, Active or Learner level. In fact, the UNGC is very proud of its flagship reporting framework - as noted on its website.

There is a 31 page document making the connection between GRI G4 Guidelines and the UNCG COP(s) . This states clearly that reporters using GRI must still include content relating to UNGC core elements, even if those have not been deemed material for the organization and therefore not required by GRI Standards. Frankly, just reading this linkage document made me crave for paracetamol-flavored ice cream. If there were a true spirit of harmonization, I would expect the UNGC to declare the demise of the COP and require all large company signatories to deliver GRI-based in accordance reports and all SMEs to deliver reports covering a subset of GRI indicators. The perpetuation of different frameworks compounded by the need to understand the link between them is about as useful as an iPhone at a mindfulness retreat. There are many examples where unnecessary duplication of requirements adds nothing to sustainable development. It adds only bureaucracy, budget and salaries for people charged with promoting different frameworks.

I asked Tim to explain his thinking about the positive extent of harmonization.

" *I am coming from twenty years of practitioner experience. I can say that a fractured landscape has created confusion and burden for corporations and we have to pay attention to that. We have to look at how to dig a layer deeper and appreciate that there are different tools for different uses. It is not a reason for companies to become confused. There is real harmonization work going on. When I say harmonization, I am talking about when standard-setters are asking the same question in annoyingly different ways. Right now, we have an aspiration to work with SASB to align such questions. There are over two thousand different disclosure standards out there. Currently we are in Phase One, mapping the overlap and looking at where we can align and simplify. This is work we are trying to get funded. I am certainly seeing a change in collaborative spirit at SASB. When I first got this job, I went on a listening tour. When I got to SASB, it felt like we were competitors. I took the opportunity to appeal to a shared aspiration which is our end-goal to improve how information is used to advance sustainable development. That's the reason I took this job.*"

And the new thinking on the Sustainable Development Goals?

"My view is that work in industry sectors and work on the Sustainable Development Goals can merge together. When you look at a sector and what's material for that sector, and

then overlay the SDGs, you can see there is a good degree of correlation. I am very keen to merge those streams of work."

What about the work GRI is undertaking to advance reporting by SMEs?

"I took a trip through Asia this summer and one of the things I noted was the explosion in stock market listing requirements. Many of the listed companies in that region are SMEs, and they are starting to come to us for help. This is a major driver of the expansion of SME reporting. We have been working with one of our major funders in a program to drive sustainability reporting through the supply chain. When large companies use their buying power, you can bring a lot of SMEs into the fold, so it's a program to bring buyer and supplier together. First, they define the material issues they really want from the SME. A digital tool has been developed to help them use the GRI Standards so that it is more simple, straightforward and requires fewer resources. We are conducting training in developing countries (Colombia, Ghana, Indonesia, Peru, South Africa and Vietnam) where we have funding and there are more to come. The pilot program has a two-year time-frame before we can roll it out globally. We are excited about this and it clearly shows the difference that GRI brings - we are trying to affect the entire global economy by harnessing the forces of capitalism in the service of sustainable development."

How would you summarize your thinking after nine months at GRI?

"I have never been happier. This is certainly one of the highlights of my career. It's a fantastic cause and a fantastic organization. My only frustration is that there are so many ideas and possibilities, more than we can act upon at any given time. I have had to prioritize and manage expectations and focus but it's working out quite well. Running a not-for-profit is like running a business - we now have nearly 100 people around the world."

And the focus is?

"We have four key areas that we are prioritizing at present and we have reorganized our structure to meet the needs. (1) improving the quality of sustainability reporting (2) providing preliminary reporting guidance on sustainability topics that are new to the corporate reporting field (3) increasing reporting among small and medium-sized enterprises (4) promoting harmonization in the corporate reporting landscape. We are actively working in all these areas."

Do think there is still an issue connecting reporting practice to actual sustainable development?

"There is more work to do in this area. We have gotten some funding recently to work with the investor community to define what is investor grade reporting and how GRI can make that happen. It's a big hill we have to climb."

And the next GRI Global Conference?

"Ah yes, we'll be making an announcement on that soon. Watch this space!"

So, lots of things bubbling at GRI, including the tarmac on the Road to Harmonization. Tim Mohin is very consistent and clear in his purpose and intentions - to advance sustainable development and improve the value of reporting as a tool to help us all do that. In the meantime, defragging and optimizing the reporting framework hard drives continues to be somewhat of an elusive goal.

And if all that is not enough for you, you can check out the recent GRI Podcast with Tim Mohin and hear him talk about GRI's 20th anniversary and other things reporting - including more on the subject of harmonization.

elaine cohen, CSR Consultant, Sustainability Reporter, former HR Professional, Trust Across America 2017 Lifetime Achievement Award honoree, Ice Cream Addict, Author of three totally groundbreaking books on sustainability (see About Me page). Contact me via Twitter (@elainecohen) or via my business website www.b-yond.biz (Beyond Business Ltd, an *inspired* CSR consulting and Sustainability Reporting firm). **Need help writing your first / next Sustainability Report?** Contact elaine: info@b-yond.biz Elaine will be chairing the **edie Conference on Smarter Sustainability Reporting in London on 27th February 2018**

#ReportingMania and Girl Power

Monday, October 09, 2017

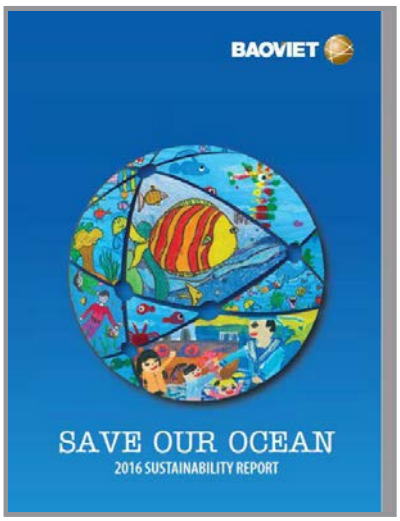
In his introductory comments, Rajesh Chhabara pointed out that 50% of the speakers at the 2017 Asia Sustainability Reporting Summit were women. Which **OF COURSE** explains why the summit was such a **resounding** success. Not counting myself as Chair of the Summit, and the formidable women whom I have referred to in prior posts

- Kesara Manushree, President of the Stock Exchange of Thailand
- Jeannie Ong, StarHub Chief Strategic Partnership Officer
- Christy Wood, Chair of GRI
- Aditi Haldar, GRI South Asia Director

there were many other fabulous women who played an important role as speakers and delegates at this very special Summit. Here are just a few more, as we celebrate **Girl Power** and women's influence in sustainable development.

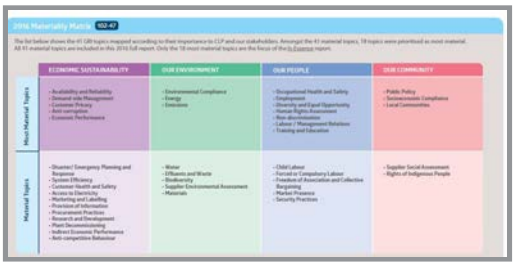
Nguyen Thanh Hoa, Group Head of Sustainable Development, Baoviet Holdings

"We have a century working in Vietnam so we need to continue to think of the long term and how to move forward. Integrated reporting needs integrated thinking - we wanted to give a panoramic picture of our company from the past, the present and the future. We also have a standalone sustainability report . In 2016, we were honored with Best Report in the 2016 Asia Sustainability Reporting Awards and just last month we were ranked 18 in the world for our sustainability report by the League of American Communications Professionals (LACP) . We encourage other companies to have a standalone report. We use GRI standards which is wonderful because it is easy and the structure is very clear. All the images in the report are made by the children of the employees - we had a painting competition among the children of employees and these are pictures of sustainability in our report. We don't want to go our sustainability journey alone so we integrate more and more people along the way - this time it is the young generation."



Jeanne Ng, Director of Group Sustainability, CLP Power Hong Kong Ltd

CLP is no stranger to reporting and their 2016 Sustainability Report is the Group's 15th and the Group has consistently received awards for its high quality reports. In 2016, the Sustainability Report is framed around the six capitals that is used by the integrated reporting model. It includes a materiality assessment, developed using a proprietary Boundary Scoping and Materiality Identification (BSMI) methodology. In fact, this is one of the few companies that discloses a structured and credible methodology for defining materiality. Jeanne moderated a fascinating session on the role of sustainability ratings, rankings and indices on Day One of the Summit.



Ester An, Chief Sustainability Officer, City Developments Limited

"In the building sector, we all know that we have a very high environmental impact - 30% of GHG emissions - and we started the green building journey very early in Singapore. We have been reporting on sustainability since 2004 and I think we are at the forefront of other sectors in the area of reporting. You have to integrate the frameworks - the Paris Agreement, SDGs and others into your business strategy and operations. Reporting is more about articulating the deliverables, the performance, but the most important thing is truly integrating this into your business and adding value to your business and to the community and the environment. You must truly believe in it."

CDL's latest report is an integrated report and includes targets to 2030 supporting nine SDGs.

"Investors are more interested in current and future performance and not the past. They want to know how you are going to achieve sustained growth. You have to stay focused in the areas that are relevant to your business. We use our dedicated website with an update every quarter on our strategic goals aligned with SDGs. Investors are increasingly looking at SDGs. Ten years ago, my CFO returned the sustainability report back to me, no-one wanted to look at it. Today, there is more interest. In fact, they don't even need to ask questions, investors look at your listing on DJSI or FTSE4Good and they can assess your company without even telling you. Therefore, we might as well proactively communicate how we future-proof our business .. with data to support our claims."

Jeanne Stampe, Head, Asia Finance and Commodities, WWF Singapore

"As an NGO we provide deep insight into sustainability issues. Sustainability reporting is not just for investors, it's for all your stakeholders including civil society. Assessing materiality without the right input can mean companies overlook possible risks. NGOs can help guide a company in defining what roadblocks are ahead. Investors are also becoming the target of civil society regarding whether they are aligning their portfolio with sustainable objectives. They are also under scrutiny. Your sustainability report becomes meaningful to show how you are staying on top of these issues and the resilience you display in a resource-constrained world. Good reporting requires good data and targets based on science. For example, we look at different sectors and ask how we can decarbonize the sector. This requires a scientific approach. Companies see that targets verified through scientific methodologies can make a difference to the way they understand their business and the way stakeholders assess them."

Elaine Ng, Executive Director, MSCI

"I think if we want to talk about what data investors are really looking for we have to look at how investors have evolved across Asia. When I started talking about sustainability about two years ago, it was very much about educating investor groups. The concept of ESG was mainly about screening and limiting the investment universe to make it a little bit more ethical, focusing on certain investments and excluding those that don't align with your values. This is still a large part of how investment is done here - especially with religious investors. But what we are also seeing is that, over time, investors are more aware about ESG issues facing companies, not because this is something they haven't paid attention to in the past but because there is more data available. More companies are transparent and this can be packaged into usable information for investors. Investors don't want to waste time thinking about issues that don't make a difference to their investor performance so reported information must be material and relevant to your investment sector."

Gwen Migita, VP Sustainability and Corporate Citizenship, Caesars Entertainment

Gwen introduced the new People Planet Play citizenship framework for Caesars Entertainment and described how the company has embedded this approach throughout the organization. The evolution of several programs over many years of activity necessitated a new way of pulling it all together to align the language, messages and culture internally for team members as well as externally for guests. And Caesars has many citizenship initiatives that are industry-leading and award-winning and leading sustainability practice - including science-based targets on emissions. You can read more in Caesars latest Citizenship Report here. (And also in a post I wrote about this report, which I worked on.)

"In our communities, being an operator of choice is literally a social license to operate so that partners, licensors and governments will choose to work with us if we are good corporate citizens and we meet or exceed the goals we committed to in terms of economic development which usually means education and other social services. Are we protecting vulnerable populations? Are we giving opportunities to local vendors? Are we, overall, contributing to the economy as we said we would? People Planet Play is the result of our simplifying and refreshing our strategy for the coming years."
And responding to my question: What's in a name? Why is People Planet Play important?
"If you talk about corporate social responsibility, people don't know what you mean. If I can explain it to my kids and their classmates at school, I think it passes the test. People Planet Play enables this. It's about what we do for People, our employees and our communities. It is what we do for the Planet that we call home. And we want guests to have fun but be responsible as they do so. Simplifying the meaning in a non-industry language - how we speak to our friends and family - makes it easy to relate to so that everyone can understand."

Bella Chhoa, Leasing and Management, Hang Lung Properties

Hang Lung Properties has been a multi-award winner of the Asia Sustainability Reporting Awards for two years running in different categories. This is largely due to the vision and efforts of Bella Chhoa, who start leading the reporting journey in 2012. Hang Lung's most recent report for 2016 can be found here .

As a judge in the Asia Sustainability Reporting Awards , I loved Hang Lung Properties' superbly creative report for 2014. (Included it in my Top Ten Reports of 2015 .) Making sustainability fun is, in my view, a compelling way to engage and inspire. A fun report for me is evidence of a confident company that knows the true value of sustainability and has the freedom to try innovative approaches. If a company can report creatively, it can probably run its business creatively too. Hang Lung's 2014 Report is fairly iconic and the following year was equally attractive. It was interesting to hear the rationale from Bella Chhoa regarding the 2014 report and the new 2016 report which is less colorful although no less professional.

"We are getting better and better. I knew nothing about sustainability five years back so I started from a blank sheet. Because I needed to understand, the first thing I thought was to make a report that ***everybody*** *can understand. I was quite lucky in that I was responsible for the Legal function and the Human Resources function so I was in a position to make improvements. I dove into materiality assessment and learned every element. I also needed the cooperation of my colleagues. A good report needs substance. We also wanted to make it more engaging so we tried to think outside the box and make a fun report with cartoon characters. It was a bold approach. The second year we created a character for the report - based on a front line staff character to raise the pride for our front line employees. We want them to be inspired to give a better service. Now, I think we will go from a most interesting report to a more "boring" one in order to engage our investors. We try to create a very comprehensive report. It's an online version for our investors, but we can never forget the contribution of our employees, so we will have a supplement which will include 10 case studies of highlights that focus on people. If you want to do sustainability in the best way possible to meet your business model, you have to bring on board partners who don't understand sustainability at all. This is very clear from our discussions on materiality. In this years' materiality assessment, integrity takes first place.*"

Fabulous insights and contributions from the gals in Singapore. There were many more formidable women speaking and attending the Summit and I am just not able to mention them all, but I truly enjoyed meeting every one of them and was inspired by each. Thank you to all the women who created **Girl Power** at the 2017 Asia Sustainability Reporting Summit **.**

This is the last in my short series of #ReportingMania posts from the Summit in Singapore. I hope it has given you a sense of the productive and engaging platform it was for interchange of ideas, practices and debate. It certainly was fun! And right now, I am assuming that you are already ready to register for next year's Summit. You can join me in doing so.

NB: All photos from the conference courtesy of CSRWorks

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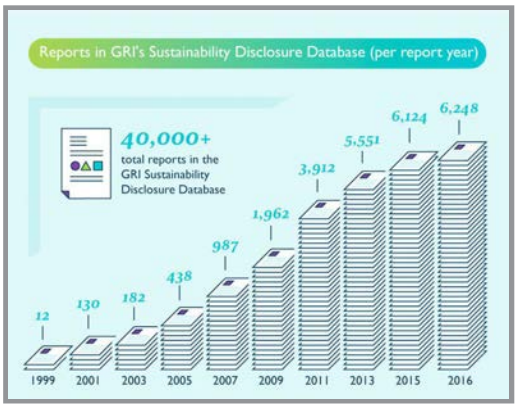
#ReportingMania with GRI in SIngapore

Wednesday, October 04, 2017

This third post in the 2017 Asia Sustainability Reporting Summit #ReportingMania highlights presents two formidable GRI women: Christianna (Christy) Wood, Chair of GRI, and Aditi Haldar. GRI's South Asia Director.

Christy Wood. Photo courtesy of CSRWorks

Aditi Haldar. Photo courtesy of CSRWorks Christy Wood gave an opening keynote and joined the panel discussion on sustainability reporting for competitive advantage.
Now as you may know, GRI is celebrating 20 years of contribution to sustainable development and the advancement of reporting.



And although GRI is sounding very optimistic these days, it has been in somewhat of an existential crisis over the past few years as confusion with integrated reporting and the proliferation of alternative reporting frameworks, not to mention a leadership disaster with the departure of a CEO and his replacement with the much more credible Tim Mohin, have created rather a scuttle to re-position GRI as the Holy Grail of sustainability reporting and the key to our brighter future.

Christy Wood didn't skirt around this core issue. (the **red bits** are my emphasis)

"GRI is the developer of the world's most widely used sustainability reporting standards. Business can be a force for good and can change the world for the better. We can no longer live in a world that can condone practices like polluting the environment, or children being forced to work instead of going to school or women earning less than men. In order to address these concerns, we must challenge ourselves and work to ***make sustainability reporting more effective as a tool for decision-making*** *that helps create conditions for sustainable development."*

"My background is investing with over thirty years investing institutional capital. I know that making a profit can and should go hand in hand with protecting the environment and creating a fair and inclusive global society. Savvy investors put their capital with companies that are actively managing a broad range of risks and opportunities. ***And you can only get that perspective by using GRI Standards. "***

"Sustainability reporting has grown in the past 20 years from a niche to a mainstream practice. 72% of all companies that report on sustainability use GRI Standards. Our standards are referenced in policies in over 50 countries. GRI is the world's most widely used and recognized sustainability reporting standards and ***other means of reporting standards that are out there must not be seen as a substitute*** *. For example, I have often been asked whether is it better for companies to use sustainability reporting or integrated reporting. But this is a false choice.* ***The contents of sustainability report and an integrated report are not competing. They are completely complementary.*** *Robust sustainability metrics and multi-stakeholder approaches are a prerequisite for any kind of integrated reporting. Investors knows that when a company uses GRI Standards they are serious about improving their sustainability performance. Any company can use GRI standards. GRI does not tell companies what topics to report on - companies must choose for themselves. GRI reporting process calls on companies to conduct their own stakeholder engagement to decide what's important."*

"GRI standards have been downloaded 30,000 times. ***The reason companies use the GRI framework is that they reap so many benefits from sustainability reporting.*** *The reporting process provides the business with vital information that can help the company create value in the medium and long term. More and more investors are interested in this information which is why companies that report this information have better access to financial capital."*

"After decades of leadership in this space, ***we feel it is our role to continue to facilitate the evolution of the future of reporting*** *. The two main challenges we see are the quality and the usefulness of ESG data and the fragmentation in the market for corporate reporting. The traditional 100-page PDF, full of information that is sometimes 18 months old has become the norm. These reports and the data within them are useful, but* ***good reporting does more than just catalogue the past, it gives an indication of how the company can best position itself for future success*** *. To do that companies must make their reporting more concise and more timely and more responsive to stakeholder concerns. Improvements to the GRI standards will help companies do a better job of providing decision-useful information.* ***We also want to help companies do a better job of reporting on problem areas alongside successes.*** *It is easy to praise oneself for doing something successfully, but our most persistent problems like climate change are the result of our collective failures.* ***To address these issues, companies need to focus their report on areas they need to make the most improvements.*** *On the second point about fragmentation in the market place over the last few years, more and more reporting methods have been developed. Many are to suit the needs of subsets of stakeholders, such as investors, people like myself. To reduce this confusion, GRI is working with almost all other organizations including the CDP, the IIRC and ISO, and we are also working with the UNGC on reporting to the SDG on an action platform. This represents a first step towards unified mechanism for comparable and effective SDG reporting by companies."*

And something new:

"In order to create the conditions for sustainable development, we need many more SMEs to report and start accounting for their sustainability impacts. One of our persistent challenges is explaining to SMEs why they should do sustainability reporting and lowering the access barriers for SMEs so they can join our movement. To address this, GRI is working with the Swiss State Secretariat for Economic Affairs. ***GRI has developed a specific application for GRI standards for SMEs.*** *We are currently piloting this program in select countries. We are educating the owners of these SMEs and teaching them to use the standards to disclose the information that their customers are demanding. In doing so, this helps SMEs remain in the value chain and ultimately will help them create more jobs and deliver prosperity.* ***We hope this will revolutionize sustainability reporting for the entire world."***

And in response to a question about integrated reporting:

" *GRI is very supportive of IIRC and we were one of the founding funders. But let me appeal to basic common sense. The notion of integrated reporting is to integrate financial and non-financial data - carbon footprint, natural resources, employees and other sustainability information - if you don't have that information there is nothing to integrate into the financial. When you are integrating one thing with another you need both to begin. The thought that you can skip sustainability reporting is erroneous. You need them both. There is a lot of combined reporting out there.* ***Taking a sustainability report and stapling to it a financial report - let me be clear - that is not integrated reporting.*** *You first need to have the information to integrate."*

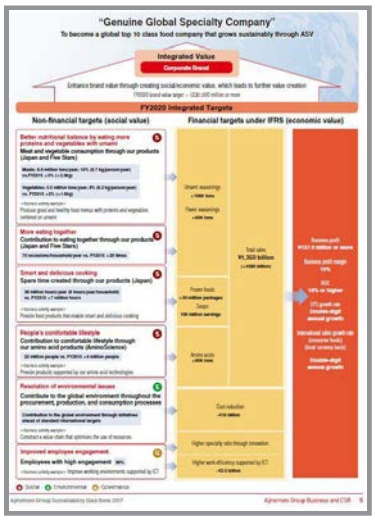
Aditi Haldar complemented Christy's comments and referred to the growth of sustainability reporting in the Asian region. *"Asian businesses are unstoppable as the leaders of sustainability reporting. I know that they will lead the way to give the full story in the sustainability report and make change on the ground to drive accountability and trust."*

I think there is a lot to be said for a little plain speaking in the reporting arena and I think the Chair of GRI is right to point out the different focus, purpose and constituencies of integrated and sustainability reporting. Integrated reporting may sound like everybody's

answer to anybody's problems, but the fact is that it's still an unknown quantity on the investor landscape, and somewhat of an irritation on the sustainability landscape (though few will admit it). While integrated reporting is largely about (financial) value creation, sustainability reporting has always been and always should be about impacts on people's lives, and not about their bank balance. That's not to say that business and sustainability impacts are not part of the same whole. Of course, they are. But I have yet to see an integrated report that makes a clear linkage between financial results and sustainability priorities. In fact, the best example of this linkage I have seen is in Ajinomoto's 2017 Sustainability Data Book. (**Pssst: Disclosure**: I know Ajinomoto's reporting very well and provide feedback every year to the company). In 2017, Ajinomoto includes a section entitled:

How Business Activities and Social/Economic Value Connect

And this is what follows:



You might want to take a look at the actual report to study this more closely. It's a masterminded presentation of sustainability targets, quantified into sustainability impacts and translated into business plans required to support delivery of these targets and then translated into profit, ROE, EPS growth rate and sales. How much more integrated can you get? This is by far the most convincing integrated presentation of sustainable business than I have seen pretty much anywhere and I applaud Ajinomoto for this model. But back to the themes that Christy Wood highlighted in her keynote address. I agree that we have to stop thinking of sustainability reports as simply words and numbers in a document you can print or download. Reporting is a process, it's empowering, engaging and, done well, it helps a business understand where and how it can improve its performance and impacts in areas of greatest significance for people, society and the environment. The report is the bit you can show around. What goes on in the business in order to populate and prepare a report is far more meaningful. I agree that the report is a tool to help decision-making. The lack of comfort every company experiences when considering the need to disclose on different aspects of the business or publishing results of publicly declared targets that were not achieved is a catalyst for emerging from the pajama party and starting to walk the talk. And that's often where companies have not yet truly realized the value of reporting. So many reporters breathe a sigh of relief when the report is (finally) (phew!) published. What they should be doing is saying: Let's leverage our report with our stakeholders to help take us to the next level of performance.

In my view, in continuing to facilitate the evolution of reporting, GRI should continue to do what it does best. Helping define the scope, scale, topography and urgency of the disclosure landscape and providing guidance to companies on how to perform disclosure relevantly, meticulously and impeccably. GRI Standards form the best comprehensive sustainability reporting framework available today but they are far from finished. They are still not supporting comparability or balance or even a clear process for defining materiality . While they do excellent, they do not do perfect. Instead of worrying about the fact that the reporting landscape is being plagued by so many new reporting frameworks than GRI has resources to prepare "linkage documents" for, GRI should remain steadfast and confident about delivering its mission of understanding and navigating multi-stakeholder interests and translating those into universal standards for sustainability disclosure that are perfect for guiding strategy, making decisions and improving performance. Back to the core is what will bring GRI back to the future. There is certainly a lot to be said for #ReportingMania and a lot to say about #Reporting, and we were able to do that at the 2017 Asia Sustainability Reporting Summit. We also had the chance to sail the Singapore harbor and enjoy the evening sights and sounds of anything but reporting.

With Christy Wood, GRI Chair, and Rajesh Chhabara, CEO of CSRWorks and Summit organizer and host

elaine cohen, CSR Consultant, Sustainability Reporter, former HR Professional, Trust Across America 2017 Lifetime Achievement Award honoree, Ice Cream Addict, Author of three totally groundbreaking books on sustainability (see About Me page). Contact me via Twitter (@elainecohen) or via my business website www.b-yond.biz (Beyond Business Ltd, an *inspired* CSR consulting and Sustainability Reporting firm). **Need help writing your first / next Sustainability Report?** Contact elaine: info@b-yond.biz

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#ReportingMania: Owning the Space at StarHub

Tuesday, October 03, 2017

Another highlight for me of the 2017 Asia Sustainability Reporting Summit was listening to the keynote of Mr. Tan Tong Hai, StarHub's CEO and Executive Director, and hearing from Jeannie Ong, StarHub's Chief Strategic Partnership Officer in the closing plenary panel.

Mr Tan Tong Hai. Photo courtesy of CSRWorks.

Jeannie Ong. Photo Courtesy of CSRWorks.

StarHub is Singapore's first fully integrated info-communications company offering mobile, Pay TV, broadband and enterprise services to millions of customers in Singapore region employing close to 3,000 people. StarHub was the 2016 Winner of Asia's Best Sustainability Report within Annual Report at the Asia Sustainability Reporting Awards and also the 2015 Highly Commended Finalist of the Asia's Best Community Reporting at the Asia Sustainability Reporting Awards.

StarHub integrates sustainability information in its annual report - check out the 2016 report here. The sustainability information is a report within a report, 37 pages of GRI

Standards Core option content, including, of course, a set of material priorities.

In his opening keynote, Tan Tong Hai shared his experience of being appointed CEO and being "taught" that the value of business was to deliver (financial) value for shareholders. But, it did not take him long to realize that this is no longer the full story. " *Over the years, I think the role of business in society has changed. It's no longer just to create value for shareholders, it's now about creating value for stakeholders. Stakeholders include employees who you need to generate the wealth, customers who use your services and your business partners who help you in the whole supply chain, and also the regulatory framework and the society we live in.When I looked at our vision statement, it was rather technical, so we gathered our employees together to create a new vision statement - "Creating Happiness, Inspiring Change". Creating happiness first for our employees, and for our customers, partners and all citizens.*"

You will note that Tan Tong Hai first refers to employees. Those that know me and remember my book, "CSR for HR: A necessary partnership for advancing responsible business", may be reminded of the point that CSR begins at home - with the first stakeholders of any business. Since that publication in 2010, I have heard very few CEOs put people first, and read very few Sustainability Reports that truly reflect a culture where employees are engaged, empowered and equal. Tan Tong Hai's reflections on his approach to business were a breath of fresh air in this respect. He chose to talk FIRST about employees as he has chosen to put them FIRST in his business.

"I believe that you can't have happy employees if you don't have healthy employees. Health is wealth. We have generated a lot of health activities for employees and of course I participate in those too. How we create happiness by helping others is also important. We encourage our employees to help in society by helping disabled people to use information skills to prepare them for work in society. That is what we mean by happiness - getting employees involved, knowing that happiness is not only their own health but also helping others. That's one part of how we create value."

Tan Tong Hai also referred to the way StarHub creates value for customers - not only though the products and service offering StarHub sells, such as unlimited viewing - but also through the way StarHub pioneered in 2012, an inclusive and extensive electronic waste recycling program, providing receptacles for customers to send their electronic items for recycling. Since 2012, more than 150 tons of electronic waste have been handled in this way. *"You can create value by helping customers to become more responsible and helping them dispose of electronic waste."*

Jeannie Ong, StarHub's Chief Strategic Partnerships Officer, also referred to this

program in the closing plenary panel session. The program is called RENEW (REcycling Nation's Electronic Waste) and it is now an award-winning initiative aimed at encouraging the public to recycle their e-waste. In collaboration with logistics provider DHL and waste recycler TES-AMM, the RENEW program provides a public service free of charge to collect e-waste from the public (not just from StarHub's customers) through 325 collection bins (in 2016) in Singapore. 59 tons of e-waste were collected in 2016 alone.

Jeannie explained: "We were very honored to be ranked in Corporate Knights top 100 Sustainable Corporations for the last five years and the highest-ranking Singaporean company. We studied the criteria to understand why .. it has got a lot to do with, believe it or not, NOT your sustainability reporting, it is about how sustainable your business is. Reporting is just a tool - it is really how you are able to embed sustainability into your operations and performance that is key. I don't have a secret recipe, but I believe it's because in our approach, we try to ***own a space*** *. For example, looking at environmental issues some years ago, I looked at our business - we are a technology company and a media company, and one issue that stood out was that we are the source of a lot of electronic waste. We sell devices, set-top boxes, modems, routers etc.. at home, people don't have good possibilities to dispose of electronic waste. When I looked at all this, I founded the electronic waste project six years ago. We decided to* ***own that space*** *. Till today, electronic waste is* ***a space StarHub owns*** *in Singapore. For your line of business, look at where you make an impact and* ***own that space*** *. Own something that you uniquely have in your line of business and as you do that, it shows in your entire sustainability journey. It also helps you win awards .*"

Solid advice from Jeannie supported by practical action and much success. Both Tan Tong Hai and Jeannie Ong talked about much more than I can repeat here, and shared fabulous insights, including perspectives on the Sustainable Development Goals, the future of work, the Internet of Things and the challenges of the reporting process. StarHub's contribution to the 2017 Asia Sustainability Reporting Summit was tremendous and earned much respect from attending delegates.

I asked Tan Tong Hai if he would be open to being cloned about 5,000 times and placed strategically in corporations around the world. While he considers his response, we will have to be content with the enlightened leadership he shows at StarHub and learning from him and his team at conferences, and reading StarHub's annual sustainability report.

I will therefore leave the final word to Tan Tong Hai:

"As a service provider, we play a key role but we must also participate in the whole system with employees, customers and partners, and play a key role helping Singapore become a smart nation but also a responsible nation."

elaine cohen, CSR Consultant, Sustainability Reporter, former HR Professional, Trust Across America 2017 Lifetime Achievement Award honoree, Ice Cream Addict, Author of three totally groundbreaking books on sustainability (see About Me page). Contact me via Twitter (@elainecohen) or via my business website www.b-yond.biz (Beyond Business Ltd, an *inspired* CSR consulting and Sustainability Reporting firm). **Need help writing your first / next Sustainability Report?** Contact elaine: info@b-yond.biz

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#ReportingMania highlights from SIngapore: SET

Monday, October 02, 2017

The inaugural Asia Sustainability Reporting Summit , organized by CSRWorks International, in Singapore earlier this month, which I was honored to chair, was one of the most successful events on the reporting calendar that I have personally attended, a view supported by everyone else that was there. The caliber of the speakers, the (largely corporate) audience from all over the region and beyond, the engagement of delegates during all the conference sessions, the fun and informal style and the overall organization and attention to detail were all superb, making this Summit a model to be replicated. And it will be, every year, I am sure.

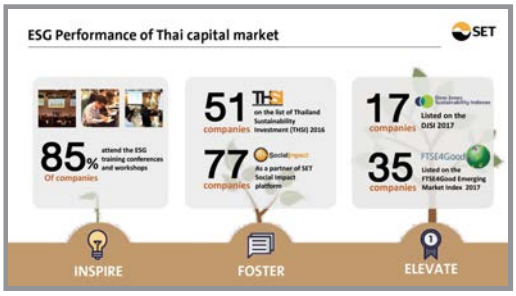
Photo courtesy of CSRWorks

One of the highlights of the conference, for me, was learning about the leading practices of the **Stock Exchange of Thailand** (SET). It was a pleasure to listen to **Mrs. Kesara Manchusree** , President of SET, and Guest of Honor at the Summit, who I came to realize is a powerhouse in the Thai market and has driven major advances in sustainable practice and disclosure. SET joined the Sustainable Stock Exchange Initiative in 2014, the first Asian Stock Exchange to do so.

Mrs. Kesars Manchusree. Photo courtesy of CSRWorks

Mrs Manchusree said: *"ESG disclosure continues to be an integral part of sustainable practice as companies move from ambition to action. Our ambition for the Stock Exchange of Thailand is to* ***make the capital market work for everyone****.....The Exchange started on its journey in 2002, with the issue of guidelines to listed companies. We followed OECD principles and established a voluntary basis for disclosure, creating an environment for companies with a set of guidelines, training and talking with the organizations and explaining the benefits. Along the way, we moved to CSR practice in 2008, and issued CSR Reporting guidelines in 2012. However during the past two years, I moved from a CSR approach to sustainability guidelines, strengthening sustainability as a key mechanism to help listed companies prepare for long term value. 85% of listed companies have participated in the training sessions of SET. We have to prove to our*

listed companies that sustainability will benefit for them for a longer period."
Ms. Manchusree talked about forward-thinking Thai companies that are sector leaders in the Dow Jones Sustainability Index. This is not by chance. In order to drum up support for DJSI inclusion, Ms. Manchusree described inviting all the CEO's of the leading companies in Thailand to "sit in the same room". *"We wanted them to know that this is important for them and to point out who has already got in, and you haven't got in! Once the CEO's knew and took on this mission, we were sure that we would get more companies listed on DJSI and later we would invite their teams to learn more. Every year we decide to do more and have more companies listed in DJSI - institutional investors use DJSI as a benchmark. But we realized that not all companies could achieve inclusion in the global DJSI list, which is why we created a domestic list for Thai companies of any size who have published an ESG report - we have 51 companies on this list."*



From Mrs. Manchusree's presentation
These kinds of initiatives have delivered strong reputational and economic outcomes for Thailand with high rankings in different indices such as the Asean Sustainable Cities Scorecard, a billion dollars a year in IPOs and a high level of market liquidity. Thailand has the highest number of companies with DJSI inclusion among Asean countries.
Not only this, SET has published its own Sustainability Reports regularly since 2012, the latest one covering 2016, written in accordance with GRI G4 Core option.

The report is structured around material impacts which are clearly stated and also aligned with the Sustainable Development Goals.

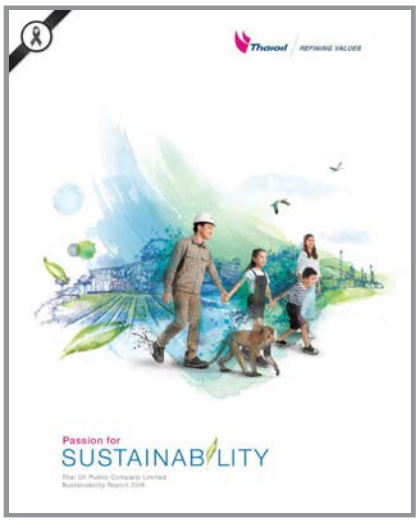
The report is fascinating as it gives an overview of the Thai culture which embraces the "Sufficiency Economy Philosophy of His Majesty King Bhumibol Adulyadej which consists of 3 key components: moderation, reason and self-immunity, based on knowledge and ethics.", providing an environment in which business can advance sustainability in line with the leading values of the country as well as sustainability principles.

This report, as did Mrs. Manchusree, clearly emphasizes the significant role that SET has played in educating, encouraging and supporting businesses along a sustainability journey. This enlightened, proactive approach has earned SET significant respect from other markets in the region, and, in the recently published 2017 Ranking of World Stock Exchanges, SET ranks in the Top Ten Stock Exchanges for sustainability disclosure (out of 55 ranked), having improved its ranking every year since 2013 when SET was ranked at number 40.

Rank 2017	Rank 2016	Rank 2015	Rank 2014	Rank 2013	Stock exchange	Number of large companies	Final score
1	7	1	1	2	Helsinki Stock Exchange	41	84.9%
2	4	11	14	12	Stockholm Stock Exchange	89	77.5%
3	2	6	4	6	Euronext Paris	154	77.0%
4	8	5	9	11	London Stock Exchange	247	73.9%
5	14	9	7	4	Oslo Stock Exchange	36	73.7%
6	1	2	2	10	Euronext Amsterdam	46	73.1%
7	3	4	10	17	Australian Securities Exchange	180	73.0%
8	5	3	5	7	Copenhagen Stock Exchange	33	72.8%
9	6	8	3	5	Johannesburg Stock Exchange	69	70.9%
10	13	17	27	40	Stock Exchange of Thailand	92	70.1%

Mrs. Manchusree gave examples of two impressive Thai companies that have achieved strong DJSI positions.

Thai Oil pcl is a supersector DJSI leader heading the global oil and gas sector for four consecutive years in DJSI. According to DJSI, Thai Oil is largely recognized as one of the most modern oil refinery plants in Asia Pacific Region. Thai Oil leadership has also been very proactive in helping advise and instruct other Thai companies and demonstrating the benefits of sustainable practice. You can see Thai Oil's latest Sustainability Report here:



It's a beautifully designed report, written using GRI G4 guidelines, structured around material sustainability impacts. Four pages in this report are dedicated to sustainability awards and recognition. Just think how proud the 1,400 employees of this company must be!

The second example quoted was that of Kasikorn Bank, another leading Thai company that sets an example for all the rest. Describing itself as the Bank of Sustainability, Kasikorn Bank "aims to harmoniously combine technology and human resources to sustainably create world-class-quality financial services, so as to achieve optimal benefits for all stakeholders." You can see their latest Sustainability Report here.

The report identifies its most material sustainability impacts and the report content addresses these.

Ms. Manuschree left us with an important thought. *"The sustainability strategy will only be successful when the top management is committed. Even though embedding sustainability into the company is important, it is the role of the top leader in the company to create an environment conducive to sustainability. Visionary leaders see the opportunity to change the world for the better.*"

In summary, I found SET to be a shining light for Stock Exchanges around the world, which, individually and collectively have such potential to foster and environment in which sustainable markets and sustainable economies can flourish. I have often believed that sustainability is driven by business opportunity - for SMEs, this is the opportunity to access supply chains of larger companies through demonstrating and disclosing sustainable practice, and for larger (public) companies, it's through the possibility to access capital markets. Stock Exchanges are pivotal to driving a such disclosure and as we know, disclosure is a catalyst for performance improvement. The leadership of Mrs. Kesara Manuschree was, for me, quite energizing.

And that's just ONE of the highlights of #ReportingMania at the Asia Sustainability Reporting Summit . Watch this space for more.

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Elaine will be chairing the **edie Conference on Smarter Sustainability Reporting in London on 27th February 2018**

What Singapore stands for. [Hint: ReportingMania]

Thursday, September 07, 2017

What does **Singapore** stand for? Prepare to be enlightened.

S is for Strawberry Cheesecake - The favorite ice cream flavor of the 2017 Asia Sustainability Reporting Summit creator and host, Mr Rajesh Chhabara . He is making no promises that Strawberry Cheesecake ice cream will be served at the summit, but if it is, it's all for ME.

Rajesh is managing director of CSRWorks International, a leading boutique sustainability consulting firm in Singapore. Deeply passionate about sustainability, Rajesh specializes in sustainability strategy, sustainability reporting, stakeholder engagement, supply chain and training. Rajesh has over 20 years of experience in sustainability in diverse industries across Asia. His sustainability strategies have helped clients win global rankings and recognition. He is an inspiration for us all and is the undisputed leader of #ReportingMania in Singapore and Asia.

I is for Insight - Two full days of #ReportingMania will fuel us with enough insights to last us a full year until the next Asia Sustainability Reporting Summit. Whether your thing is Sustainable Development Goals (SDG) Reporting or regional trends in sustainability reporting regulations or dealing with inconvenient reporting topics, this summit is going to ooze with insights, all there for the taking. If you have been feeling a little short on insights after the summer break, just come along.

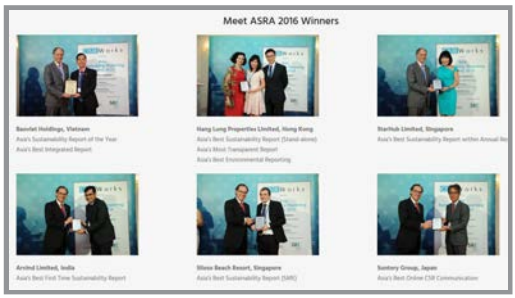
N is for No PowerPoint - haha -well, probably ALMOST no PowerPoint. What's wrong with PowerPoint anyway? Well, it's true that sometimes the PowerPoint becomes the conversation instead of supporting the conversation. Too many long decks with colors that blind you and words you can't read with too many long diatribes have characterized conferences since the days of Fred and Wilma. Now, in 2017, the Asia Sustainability Reporting Summit promises, yes, I know it's weird.... conversation. We will be getting past the slides and experiencing authentic voices. Rajesh talks about why this summit is different - including No PowerPoint. " *First of all, this Summit is the only regional conference is Asia dedicated to sustainability reporting. The Summit will be addressed by more than 50 speakers, each one of them bringing a wealth of expertise. The Summit's format is also unconventional. There are no boring monologues or lengthy power point presentations. Each session has been designed to have engaging panel conversations on practical topics seeking active participation from delegates. There are eight powerful masterclasses offering great choices to beginners as well as experienced reporters. In every sense, the Summit is really a unique opportunity for anyone interested in sustainability reporting."*

G is for Goal - The goal of Rajesh, our conference wizard, says the 2017 Summit is just the beginning of a great journey to becoming Asia's most engaging conversation about sustainability reporting. The goal is to make the Asia Sustainability Reporting Summit the most exciting sustainability event of the year. Rajesh promises: *"Attendees can look forward to learning from top experts, sharing their own experience, exploring solutions to common challenges, understanding future trends and more importantly networking with their international peers.*" A worthy goal. Doesn't that make you want to be there to help make it happen? [Hint: of course.]

A is for Always On - In Singapore, the #ReportingMania conversation will be Always On at the September summit. If you think you can come and idle around for two days, think again. No nodding off in the plenaries. No snappy snoozes in the breaks. No power naps in the restrooms. Snoring will definitely be frowned upon. It's going to be an intensive conversation and it's not going to stop until the last delegate has left (or until the ice cream runs out, whichever is earlier). For all you reporters out there, here's a chance to talk about reporting without someone saying every five minutes: "Who reads reports anyway?" (The last time someone asked me that, I said, "Who doesn't?")

P is for People - The 2017 Asia Sustainability Reporting Summit will be attended by hundreds of delegates from at least 15 countries. That's a lot of people getting excited about #ReportingMania. After all, what is sustainability reporting about if it's not about people? Most of us think a sustainability report is some sort of publication. But it's not only that. It's the culmination of many people performing responsibly and collaborating to tell their story. Reports are more than words on a screen. Reports are about making a difference. By people, for people.

O is for Opportunity - No sustainability conversation is complete without opportunity. Opportunity is what the visionary Rajesh Chhabara saw when he thunk up the Asia Summit. His vision in a nutshell: " *As a Sustainability Consultant and Trainer, I enjoy helping businesses adopt sustainability strategies to become better and smarter business. Even though sustainability reporting is relatively new to Asian businesses, an increasing number of companies have started producing sustainability reports. As such, sustainability reporting community is rapidly growing in Asia. I thought we should create a regional platform for the reporting community to come together, learn from each other, celebrate their successes and find solutions to common challenges. This is how the Asia Sustainability Reporting Summit was born. The inspiration for creating the Summit also came from the huge success of the Asia Sustainability Reporting Awards or ASRA, another powerful platform we built three years ago to honor and recognize sustainability reporting leaders.*"



R is for Reporting - Rajesh explains: " *The number of companies with no sustainability report is much larger than the companies which produce sustainability reports [in Asia] A very small number of companies chose to report on voluntary basis. In the past 2-3 years, several stock exchanges in Asia have introduced regulations requiring their listed companies to publish annual sustainability reports. Because of this there is a big surge in the number of reports from Asia. Unfortunately, sustainability reporting in Asia is mostly compliance driven, at least for now. However, there is a growing number of high quality reports, as we see every year at the Asia Sustainability Reporting Awards (ASRA). ASRA is now recognised as Asia's top recognition for sustainability reporting. We are seeing significant increase in the number of entries as well as in the quality of reports. Last year we received nearly* ***450*** *entries from over 100 companies from 16 countries. This year's entries are already open and the trends are looking very strong. I am confident that the*

number of companies participating this year will be much higher than the last year. I would like to mention that this year's ASRA have a new category: ***Asia's Best SDG Reporting****. ASRA continues to be a non-profit project with highly independent judging process."*

E is for Experts - Little quiz: How many experts can you cram into a Sustainability Reporting Summit over 2 days? 10? 13? 18.34? Nooooooooooo. 50. That's how many folks will be on stage sharing their expertise with hundreds of delegates, all experts in their own right as well. So 50 plus hundreds is the right answer. But, you knew that, right. That's why you registered. Not registered? Go register.

So, by now, your have realized that **S I N G A P O R E** stands for **#ReportingMania** . Come and get some.

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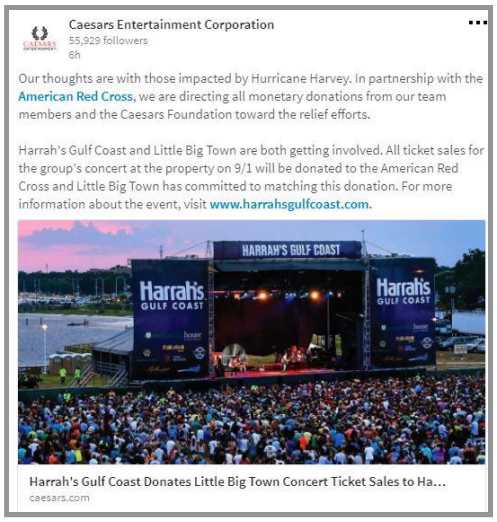
People Planet Play at Caesars

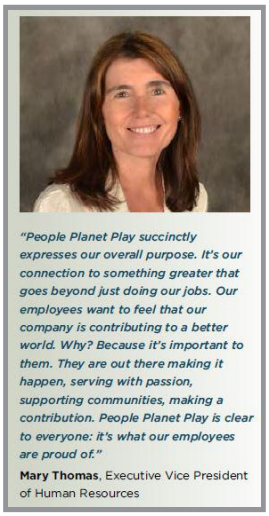
Monday, September 04, 2017

Over the past couple of weeks, I have been horrified (as I am sure we all have) by heartbreaking first-hand accounts of people fighting for their safety and facing the loss of their homes in Houston, Texas and the region in the wake of Hurricane Harvey. I am sure we cannot begin to understand the challenges each is facing, nor the length of time it will take for the people of the area to achieve some sort of return to normal life. Our hearts go out to all those affected.

In the corporate world, many are mobilizing to provide emergency assistance and relief to the people of the area. It is no surprise to me that Caesars Entertainment was one of the first to announce support. See this post on LinkedIn:



This doesn't surprise me because I know Caesars Entertainment to be a genuinely caring company that invests in communities without hesitation all year round and not just in times of crisis. But when a crisis hits, Caesars can be counted on. I have been working with Caesars Entertainment for several years now, supporting annual citizenship reporting and other initiatives. I have had the privilege to personally engage and interact with hundreds of team members at Caesars in the U.S. and other parts of the world, from the President and CEO and senior executives to a very wide range of individuals in diverse roles.



Without exception, I am struck every single time by the genuine passion and deep engagement of those I talk to, and their appreciation for the caring, nurturing, inclusive culture that is easily recognizable throughout the organization. Whether it's the CEO, **Mark Frissora**, who places employee engagement on a par with customer satisfaction and financial performance as a fundamental tent of the company's success (check out his welcome message in the Caesars 2016-2017 Corporate Citizenship Report), or **Mary Thomas**, Executive Vice President of Human Resources, who says: *"Our employees want to feel that our company is contributing to a better world,"* or a Caesars HERO (community volunteer), or a Health Wellness Nurse, or a Responsible Gaming Ambassador, or, in fact, just anyone at all, the folks at Caesars care. So it was certainly no surprise to see that Caesars is one of the first corporations out there taking action to support fellow citizens through the trauma and devastation that Hurricane Harvey has wrought.

Which brings me back to **Caesars eighth annual 2016-2017 Corporate Citizenship Report** , this time under the theme of

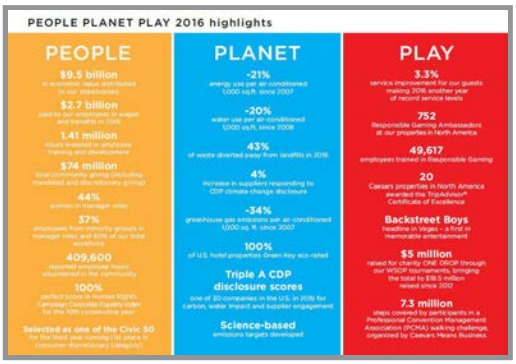
People Planet Play

People Planet Play is the new way Caesars is talking about citizenship and sustainability - to employees, to guests and to all of us. It's a corporate strategic framework for planning, reporting and communicating, setting out clearly what Caesars stands for as it

does business. Jan Jones Blackhurst, Caesars' Executive Vice President of Public Policy & Corporate Responsibility explains:

People Planet Play enables the organization of all citizenship themes and programs under one umbrella:

So, for example, highlights for 2016 are organized in this format.



In this report, key members of the Caesars Executive team explain how this **People Planet Play** framework works for them and how it aligns with the vision of Caesars business development and growth in coming years. The report is written in accordance with GRI Standards, core option. More compact than prior years, it covers all key areas of progress in the past year or so, including:

Development of science-based emissions targets: For the past ten years, Caesars has set ambitious environmental intensity targets and has steadily achieved them each year.

In establishing science-based targets, Caesars joins industry leaders in respecting planetary limits with absolute emissions targets through 2050.

Continued achievements in employee wellness: The Wellness Rewards program helps employees get healthier as they get older and in 2016, another year of strong participation enabled Caesars 50,000+ employees in the U.S. to feel well, save money and enjoy life.

Ongoing leadership in Responsible Gaming: This is a core element of citizenship at Caesars, and has been for more than 25 years when Caesars developed the first industry efforts to address problem gambling among guests. Caesars continues to demonstrate leadership wherever it operates so that people who choose to take part in gaming activities can have fun doing so and know that help is at hand if this is not the case. This report includes major strides to advance responsible gaming in the UK where Caesars operates several casinos, as well as ongoing activity in the U.S.

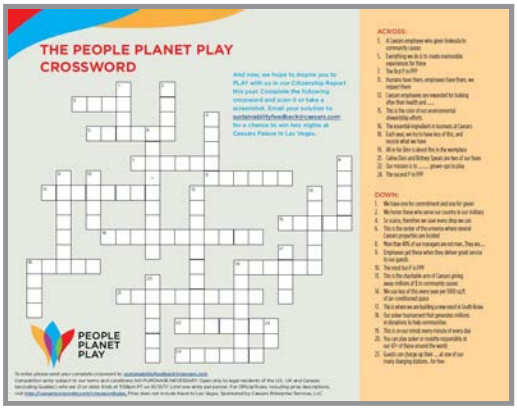
Economic and social contribution in communities: Caesars has established strong ties within all the communities that host its properties, and makes a significant economic contribution. In addition to the >400,000 hours of community service that Caesars volunteers invested in their communities last year, Caesars distributed more than $9 billion of economic value to its stakeholders. A third-party analysis shows that contributed value by Caesars (wages, taxes and corporate giving) was almost three times the estimated average of U.S. corporations.

Taking a public stand: As usual, Caesars doesn't shy away from speaking up for justice. Whether it's on policy relating to LGBTQ rights or taking a stand against human trafficking, Caesars voice is where it counts. Gwen Migita, Vice President, Sustainability

& Corporate Citizenship puts it like this:

(By the way, if you are heading to Singapore in September by any chance, come and join us at the **Asia 2017 Sustainability Reporting Summit** where Gwen will be speaking on embedding a culture of citizenship and the People Planet Play framework.)

Finally, who said sustainability reporting is not fun? Caesars 2016-2017 Citizenship Report also gives you the opportunity of a chance to win two nights at Caesars Palace in Las Vegas. Just by completing a super fun crossword.



Check it out, follow the instructions and you could be waking up to breakfast in Nevada. But even if crosswords are not your thing, **I recommend you taking a look at this report** from a clear citizenship leader in the gaming-entertainment-hospitality industry. There's much more in there that I have been able to mention in this post. As usual, send your feedback!

Disclosure: As you probably realized, I worked on this report (as well as on Caesars' prior four reports). It's always a pleasure and honor to work with Caesars. But shucks, that

makes me not eligible to enter the draw for the crossword prize.

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Materiality: from meaningless to differentiating

Monday, August 14, 2017

Pretty much anything that's important these days is material. High material, medium material, low material... material for the business, material for stakeholders.. materiality assessments, materiality analyses, materiality matrices. We can't get enough of materiality. In fact, materiality has become so commonplace that it's almost materially meaningless. Since the coming-of-age of materiality via G4 in 2013, and the subsequent move to GRI Standards published in 2016, you are not on the map if your map is not material. While companies publish a list of material issues, at whatever level of granularity they (arbitrarily) choose, by and large, in many, many cases, the list does not really influence sustainability strategy, stakeholder relationships or sustainability reporting. It's often a list of broad-brush, carefully-massaged any-company issues that can be universally relevant. So what's the point of conducting a materiality assessment, if all you are going to come up with is what everybody already knows?

We love it when we have a nice matrix. If it's on a matrix, it must be right, right? The matrix surely indicates that companies have embraced materiality and that give us great comfort. The matrix must be a result of something, the company must have done the work, they must have truly understood what's important in terms of their impacts on society. Yes, materiality matrices inspire the warm fuzzies about a company and its reporting. If there's a matrix, all is well with the world.

So who are we kidding? I am reminded of Woodie Allen's well-known observation that " 80% of success is showing up", and this certainly appears to be the driving motivator for many materiality matrices. The remaining 20% is the differentiator. A materiality matrix without this 20% is like an iPhone without IOS.

80% of the outcome of any materiality process is a known given before the process even starts. This is why:

- **There are topics that are universally relevant** - climate change, energy consumption, employee rights, anti-corruption - this is just a selection of issues that are relevant for any company anywhere.
- **There are topics that are business or sector-relevant** - if you have an extended supply chain with tons of outsourced suppliers, ethical supply chain will always be material for you.
- **The markets speak to you** - a company, in the natural course of business maintains interactions with the market that make it clear what the markets wants and where the market is dis/pleased with performance. Just ask Abercrombie and Fitch.
- **The watchdogs woof at you** - Check out Oxfam and its Behind the Brands ranking, or Know the Chain 's food company rankings, or any of the ranking and rating analyst companies - they woof their message and any company on their radar cannot fail to hear.

So, 80% of the issues are predictably material and do not need extensive analysis paralysis to determine. Engaging stakeholders then becomes an exercise that helps determine the remaining 20%, or fine-tune the prioritization. That is, of course, if you actually engage... and if you engage with stakeholders that are relevant. Not all stakeholders are created equal and not all should be represented with equal voice. Sending out a survey may sound like fun, and 500 responses may sound robust, but if the 500 voices are a random mix, and if the survey is the only tool you use, then it's quite

possible that your outcome will not reflect a differentiating set of issues for your company.

GRI Standards, the most widely used sustainability reporting framework, has in part been responsible for creating this double-edged sword. On the one hand, the notion that companies should focus on what's most important/impactful (material) makes absolute sense. On the other hand, what's the point in going through a whole process to articulate the obvious? Maya Angelou is quoted as saying: "Ask for what you want and be prepared to get it." (This works well for me at the ice cream store). GRI asked for a list of material priorities - and that's exactly what GRI is getting in GRI Standards-based reports (and G4 reports before them). But is that really what GRI wanted? A generic list of material topics that are relevant to any company? While GRI Standards also ask for disclosures about stakeholders engaged and topics raised by them, responses by companies to this disclosure are often template-ish and not necessarily correlating to the final list of material topics presented.

Let's recap - my assertion is this:

- Materiality is the crux of sustainability strategy and relevant reporting.
- Material sustainability issues are 80% predetermined and 20% differential
- The material differentiators are business or sector specific.
- Most companies take a blanket approach to materiality - everything goes in the mix and every stakeholder has equal voice. What comes out the other end is a blanket list of material topics that could apply to most companies.
- The process of determining material impacts lacks specificity and robust structure.

So this is what I am thinking:

There should be a harmonized standard baseline of disclosures that are relevant to all companies - some will be more critical than others for different companies - but they are relevant - and material - for all. I call this **Operational Materiality**.

Then we should have materiality that is precise enough to differentiate - focusing on the specific aspects of a company's impacts that are a directly relevant to its business, the locations it operates in and the influence it has on society. Let's call that **Precision Materiality**.

I recently came across a framework which shows how this Operational Materiality part might work. It was via an interesting interview on Forbes by Christopher P Skroupa of Evan Harvey, the Global Head of Sustainability for Nasdaq. Evan Harvey explains: *"Nasdaq published an ESG Reporting Guide for our European markets in March, 2017. The Guide is meant to provide an overview of the "business case" for sustainability strategy, management and performance disclosure. We identify 33 different metrics across the ESG space — the common denominators in global reporting frameworks, the most revealing and insightful measurements of company vitality — and make the justification for each. Reaction has been almost uniformly positive, and many investors have thanked us for helping to declutter a crowded data landscape."* I looked at this guide, which I hadn't seen before.

The guide is primarily written to help companies traded on Nasdaq provide the information that investor markets need. The guide presents a set of 33 "Operational Materiality" metrics that all companies should report.

Environmental (E)	Social (S)	Corporate Governance (G)
E1. Direct & Indirect GHG Emissions	S1. CEO Pay Ratio	G1 Board -Separation of Powers
E2. carbon Intensity	S2. Gender Pay Ratio	G2. Board -Transparent Practices
E3. Direct & Indirect Energy Consumption	S3. Employee Turnover Ratio	G3. Incentivized Pay
E4. Energy Intensity	S4. Gender Diversity	G4. Fair Labor Practices
E5. Primary Energy Source	S5. Temporary Worker Ratio	G5. Supplier Code of Conduct
E6. Renewable Energy Intensity	S6. Non-Discrimination Policy	G6. Ethics Code of Conduct
E7. Water Management	S7. Injury Rate	G7. Bribery/ Anti-Corruption Code
E8. Waste Management	S8. Global Health Policy	G8. Tax Transparency
E9. Environmental Policy	S9. Child & Forced Labor Policy	G9. Sustainability Report
E10. Environmental Impacts	S10. Human Rights Policy	G10. Other Framework Disclosures
	S11. Human Rights Violations	G11. External Validation Assurance
	S12. Board - Diversity	

For each metric, there is an explanation, following the format;

- What does it measure?
- How is it measured?
- Why should it be reported?
- How does this metric correlate with other major sustainability frameworks?
- Research Notes

E3. Direct & Indirect Energy Consumption

What does it measure?

- This metric measures the total amount of energy consumed by a company or corporate enterprise.

How is it measured?

- Total fuel consumption from non-renewable sources in joules or multiples.
- Total fuel consumption from renewable fuel sources in joules or multiples.
- Total electricity, heating, cooling, and steam consumption.
- Total electricity, heating, cooling, and steam sold.
- Total energy consumption in joules or multiples.

Why should it be reported?

- Energy consumption is a major contributor to climate change since the burning of non-renewable fuels generates greenhouse gases (GHGs) and causes other environmental impacts. Using energy more efficiently is essential to combating climate change. Energy consumption has a direct effect on operational costs and can increase exposure to price fluctuations.

How does this metric correlate with other major sustainability frameworks?

Framework	Standard	Reference
Global Reporting Initiative	GRI G4	EN3, EN4
Carbon Disclosure Project	CDP	CC
Sustainability Accounting Standards Board	SASB	Yes (detailed separately)
International Integrated Reporting Council	IIRC	
United Nations Global Compact	UNGC	

Research Notes

- World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 'GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard', 2011.
- World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 'Greenhouse Gas Protocol Accounting Notes, No. 1, Accounting and Reporting Standard Amendment', 2012.

G8. Tax Transparency

What does it measure?

- This indicates the presence or absence of a formal, written policy related to the company's tax strategies, its willingness to be transparent about those strategies, and the extent of board oversight related to this topic.

How is it measured?

- Does your company publish and follow a tax policy that is overseen by the board of directors. Yes, No? If yes, the location of relevant public information should be declared.
- Tax policy should reveal, among other items, whether the company prepares and publishes country-by-country tax reports or avails itself of tax haven jurisdictions.

Why should it be reported?

- Investors use this metric to evaluate the effectiveness of a company's risk oversight policies and long-term financial strategy.

How does this metric correlate with other major sustainability frameworks?

Framework	Standard	Reference
Global Reporting Initiative	GRI G4	EC1, DMA Aspect Economic Perf.
Carbon Disclosure Project	CDP	
Sustainability Accounting Standards Board	SASB	N/A
International Integrated Reporting Council	IIRC	
United Nations Global Compact	UNGC	

Research Notes

- Tax transparency, regulation and the need for greater disclosure (GRI, 2016) **https://www.globalreporting.org/information/news-and-press-center/Pages/Tax-transparency,-regulation-and-the-need-for-greater-disclosure.aspx**

Now, the great thing about this guide is that is does not replicate the detail provided by other leading frameworks. It leaves the detailed metrics definition to the expert standards developers such as GRI and leaves the choice of which framework to use to the reporting companies. BUT, it elevates the most universally relevant metrics for all publicly-traded companies (and why would this not apply also to privately owned companies?) into a clear, well-worded and well-explained document that any corporate exec can understand, not just the ones with a post-doctorate in sustainable development. No jargon. Just plain, clear, straightforward language. This is a good start-point for what I call Operational Materiality.

(The Singapore Stock Exchange (SGX) also hints at this approach. While it does not strictly prescribe reporting topics, but rather adherence to a known framework, it does include guidance as follows: *"In broad terms, environmental factors would include materials, energy, water, emissions, effluents and waste as well as environmental complaint mechanisms. Social factors would include health and safety, employment practices and labour rights such as collective bargaining, as well as product responsibility, anti-corruption and supplier assessments. The framework chosen is likely to have additional factors that the issuer would report on."*

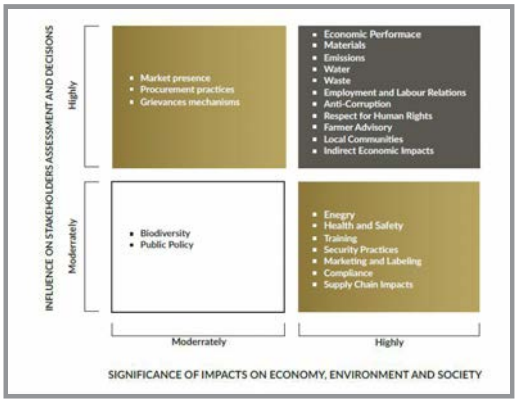
If we accept that the Nasdaq selected indicators together form a sensible "common denominator", then companies are freed up to focus their materiality discussions on their "precision" topics. Precision topics go beyond the common denominator baseline to the real difference the company makes in our society. Such a process would be efficient. By doing precision, engagement becomes targeted on a smaller number of issues at a deeper level. An example might be a pharma company referencing access to medicine, or a casino company referencing responsible gaming or a food company referencing nutrition or an Indian bank discussing local access to finance. Instead of debating whether water is more of a priority than energy or otherwise, you get to spend your time reviewing topics that have a differentiating impact, and you target stakeholders to engage with specifically on these topics, such as subject-matter experts, local communities, watchdogs etc. What we need is a process for determining Precision Materiality.

Let's do the litmus test. I randomly picked a few reports that use GRI Standards (selected using the GRI Sustainability Disclosure Database).

Prioritization of ESG Material Issues

Environment	Social/Labour Practices	Governance
Critical		
• Energy efficiency • Climate change and emissions reduction • Water management	• Occupational Health & Safety • Employment • Stakeholder engagement • Supply chain management	• Compliance • Business ethics • Product and services
Moderate and emerging		
• Building materials • Construction and Operational Waste • Biodiversity	• Diversity • Human rights	

CapitaLand 2016 Global Sustainability Report: The "critical" material topics could easily be part of a common denominator of Operational Materiality. "Stakeholder engagement" has not been defined by GRI as an impact - it is a principle and process - but there's no rule to say that it couldn't be material, if the process of engaging stakeholders actually delivers an impact in society as well as being necessary to understand stakeholder perspectives. This could be precision. In the moderate and emerging section, building materials and construction waste are hints of business specific areas and could be precisionally material.



Fauji Fertilizer Company Corporate Sustainability Report 2016: Top-right quadrant topics listed are all Operational Materiality with the exception of Farmer Advisory which is definitely business-specific for agri companies. The other quadrants of the matrix are also

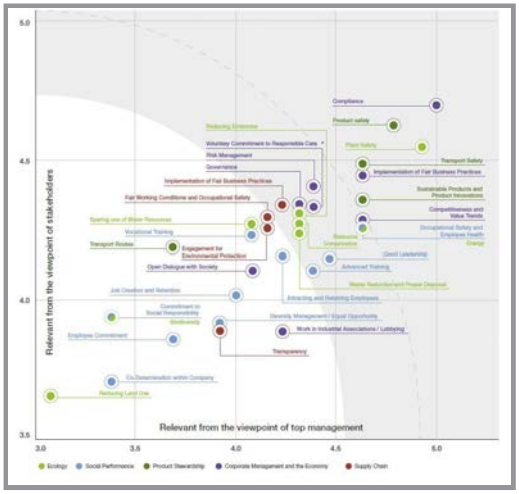
fairly Operational. I might have expected to see something related to sustainable agriculture or groundwater contamination as material for a company in the fertilizer industry.

Hershey 2016 Corporate Responsibility Report: Wow. So many issues plotted in such detail. How long did THAT take? The red blobs indicate the most material priorities. "Product Ingredients and Transparency" is a clear precision topic for the food business, as are "Consumer Wellness", and "Food Safety". "Global competitiveness" is matched by Hershey to GRI Standard Anti-Competitive Behavior and is therefore operational not precision. "Supply Chain Sourcing" is also highly relevant to a food company - which includes, according to Hershey, " *topics related to supplier management, supply chain transparency, sustainable and ethical sourcing, and practices to ensure supply chain continuity. This issue also includes our agricultural sourcing practices and support for farmers.*" So, in a precision matrix, where all the operational priorities are removed, Supply Chain Sourcing could probably become two or even three precision issues - Sustainable Raw Materials, Agricultural Practices and Supplier Management. Hershey's report covers these topics in detail.

Focus Area	Topic
Products	• Better products • Better services and experiences
Team	• Diverse workforce and inclusive workplace • Skills for a lifetime • Well-being
Communities	• Global livelihoods • Human rights • Resilient and vibrant communities
Planet	• Climate and energy • Water • Waste • Forest • Raw materials

Target 2016 Corporate Responsibility Report: Operational topics in the main, though "Better Products" and "Better Services and Experiences" are precision topics expressed in a not-very precise way. What does "better" mean? And does this refer to all products? All services? All experiences? "Resilient and Vibrant Communities" could also be precision, if it's more specific than general community contribution and employee

volunteering. "Forest" is an interesting one - Target has a new Forest Products Policy - this could well be precisionally material as well. So, if you strip off the Operational Materiality from this list, you are left with a much shorter, focused, precise list that differentiates Target and its business. Together with operational disclosures, that would make for a clearer focus and strong presentation of materiality and reporting.



Wacker 2015/2016 Sustainability Report: There are 32 dots on this matrix (3 fewer than the Hershey matrix). Compliance, Product Safety and Plant Safety stand out as being the most significant topics. Compliance doesn't feature in the Nasdaq 33 metrics explicitly, and probably that's an omission. Every company must be compliant, that's a basic prerequisite for all sustainability initiatives and performance. However, stakeholders can benefit from understanding processes the company uses to ensure compliance, train its people and the outcomes of compliance (or non-compliance). I would call this Operational Materiality and include it as metric number 34. Plant Safety is operational. Product Safety is precision - in this case, it relates to chemical products where safety may be critical. As for the rest, there is not much that's not operational.

So, in this very brief review, we can see that just a fraction of the material issues are truly material in a very specific sense. Most of the issues labeled "material" are direct impact accountability as defined by 33 metrics - or a few more if required. Why spend so much time debating things that we all know to be a given? How many more hours will we waste moving dots around on a matrix? Yes, I hear you saying that some companies may not have as big an impact on energy, water, waste or other areas and therefore these issues are not universally material. I disagree. I think every company of a certain size must have accountability for its resource consumption, for its people management and for its governance practices and should report performance. Where companies have a greater impact in these areas, their disclosure can be more extensive.

I think there is an opportunity to simplify and harmonize sustainability disclosures in this way and use a standard set of fundamental, universally relevant operational disclosures to form the basis of sustainability reporting. The Nasdaq guide is based on recommendations from the World Federation of Exchanges (WFE) so we know this would resonate with an investor audience and be a good core for inclusion in integrated reporting. Beyond this, Precision Materiality would enable us to understand the company specific impacts, the area where added value is generated and/or where specific risks are managed.

In considering the next evolution of GRI Standards, in particular the Core / Comprehensive options, which are not terribly helpful, GRI might consider encouraging reporters to report **all** Operational Material Metrics (with policies, goals and targets etc in line with current GRI standards) as the GRI Standards **Baseline Material Reporting Option**. Each company would report on all of these metrics, using the relevant individual GRI Standards and the General Disclosures (GRI 102) to frame their reporting as now. In addition, companies would select additional business/company/sector specific topics using input from internal and external expert stakeholders, to disclose on precision material issues as the **GRI Standards Advanced Material Reporting Option**. In this way, companies won't be able to hide behind a materiality matrix filled with things that are relevant to everybody, but will need to elevate their focus to the things that are relevant to them and their specific stakeholders.

Phew. That turned out to be rather a long ramble that I hadn't intended. I haven't mentioned things like impact assessments and outcomes reporting - or even all those capitals that it's so sexy to talk about these days - more on these on another sunny day - it's all relevant to materiality. But in the meantime, this could be a way of demystifying of black-box materiality to satisfy multiple stakeholders. Wondering if anyone thinks it's too much and I need a vacation? (preferably one where there is lots of ice cream)

elaine cohen, CSR Consultant, Sustainability Reporter, former HR Professional, Trust Across America 2017 Lifetime Achievement Award honoree, Ice Cream Addict, Author of Understanding G4: the Concise Guide to Next Generation Sustainability Reporting AND Sustainability Reporting for SMEs: Competitive Advantage Through Transparency AND CSR for HR: A necessary partnership for advancing responsible business practices . Contact me via Twitter (@elainecohen) or via my business website www.b-yond.biz (Beyond Business Ltd, an *inspired* CSR consulting and Sustainability Reporting firm). **Need help writing your first / next Sustainability Report? Contact elaine: info@b-yond.biz**

Empowering connected with Liberty Global

Tuesday, August 01, 2017

Can you recall what life was like without technology? Or more specifically, connectivity? Just a few short years ago, connecting with people was a very limited thing. You lived with people, you met people in person through frameworks such as school, university, and work, you travelled to meet people in different places, you used a landline telephone and you wrote letters (on paper with pens) and sent postcards. C'est tout. The amount of people you could connect to using those methods was limited and the frequency was constrained by cost, time and logistics. Today, there are simply no limits on how we connect both to people we know and also to people we don't know, in so many ways, across so many channels. I could cite oodles of examples, but I am sure you have your own thoughts about how connectivity has changed your life and enabled you to expand your reach, interactions, influence and even capabilities.

The thing is, connectivity is more than just hooking up to a computer screen or gluing a pair of iPhone 7+ bluetooth earpods to your ears. It's more than drilling a trench to lay fiber-optic cables and it's more than surfing the web. What matters about connectivity is what you do when you connect, it's the empowerment and inspiration you derive, it's the things you can achieve with people you connect with that you could never achieve alone. It's what you can create. It's how you can change the world. Connectivity is the platform; connecting is the opportunity.

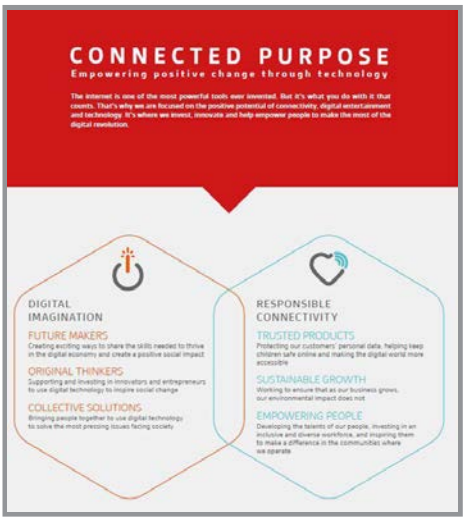
The CEO of Liberty Global, Mike Fries, opens up Liberty Global's 2016 CR Report this year with this promise about connecting:

" *We live in connected times. Never before have we had the possibilities that we have today to connect people, ideas and places that were otherwise out of reach. The power of technology is transforming the lives of people around the world. At Liberty Global, we intend to use our collective imagination to help create an even more promising future for all.*"

This sets the tone for **Liberty Global's 2016 CR Report** . Compact and focused as usual, the full breadth and scale of the largest international TV and broadband company's contribution to connecting and empowering millions of people around the world is hard to capture. No-one wants a 3,247 page CR Report these days, right? And it would take at least 3,247 pages to reflect everything that Liberty Global is doing to connect, empower and inspire people in its various markets. That's ok though, because Liberty Global's subsidiary companies (Telenet, UPC, Virgin Media, and VTR in Chile) all publish their own market-tailored reports each year, adding local detail to the global overview that the parent group delivers.

In this year's report, Liberty Global reminds us of its CR strategy Connected Purpose, a framework for "Empowering Positive Change through Technology" (which also serves as the report's title). This brings together the contribution of the Group to enabling and accelerating beneficial technology and managing business in a responsible manner. With

50 million services provided, more than 10 million mobile customers and 41,000 employees, Liberty Global isn't sitting quietly in a corner waiting for sustainability mumblings to pass. Proactively, consistently and with perseverance and determination, the Group keeps pushing forward in all areas of the Connected Purpose it has established for itself.



Connected Purpose links well to six of the Sustainable Development Goals and specifically to the targets that underpin the goals.

Supporting the UN's Sustainable Development Goals

The UN Sustainable Development Goals (SDGs) give businesses, governments and civil society the chance to take positive action to secure long-term, global sustainability. While not specifically designed around them, our strategy supports and aligns with many of the UN SDGs.

Our strategic focus	Our material issue	SDGs goals and target
DIGITAL IMAGINATION	Digital inclusion and education	**Quality Education** - **Target 4.4:** Equip more young people and adults with relevant workplace skills - **Target 4.7:** Share knowledge and skills that help promote sustainable development **Decent Work and Economic Growth** - **Target 8.3:** Support the development of entrepreneurship, innovation and SMEs **Partnerships** - **Target 17.16:** Collaboratively share knowledge, expertise and technology to help achieve the goals
RESPONSIBLE CONNECTIVITY	Protecting children while online and watching TV	**Quality Education** - **Target 4.7:** Share knowledge and skills that help promote sustainable development
	Product innovation and responsibility	**Decent Work and Economic Growth** - **Target 8.2:** Grow productivity through technological innovation
	Supply chain risk management	**Decent Work and Economic Growth** - **Target 8.7:** Act decisively to eradicate modern slavery and forced labor
	Improving energy efficiency	**Industry, Innovation and Infrastructure** - **Target 9.4:** Improve industry sustainability through more efficient resource-use and cleaner technology
	Electronic waste reduction	**Responsible Consumption and Production** - **Target 12.3:** Sustainably manage natural resources - **Target 12.4:** Manage chemicals and waste safely and responsibly - **Target 12.5:** Substantially reduce waste generation - **Target 12.6:** Integrate sustainability into corporate practice and reporting - **Target 12.7:** Promote sustainable procurement
	Environmental impacts of our products	**Climate Action** - **Target 13.2:** Integrate climate change measures into strategies and planning - **Target 13.3:** Improve education and action on climate change
	Employee well-being	**Decent Work and Economic Growth** - **Target 8.5:** Employ all people fully and fairly, regardless of background - **Target 8.8:** Protect labor rights and promote safe, secure working environments
	Employee engagement and equality	
	Corporate ethics and governance	

But, back to connectivity and connecting. Liberty Global has been very selective about the stories in this report, in order to keep the narrative short and the message uncluttered. This enables connectivity to shine through - starting with the CEO promise through to giving voice to the Digital Imagination that frames the way Liberty Global delivers

Digital Imagination

WHY IT MATTERS

The internet is one of humankind's greatest inventions. It's rapidly transforming our world, changing the way we work, have fun and learn.

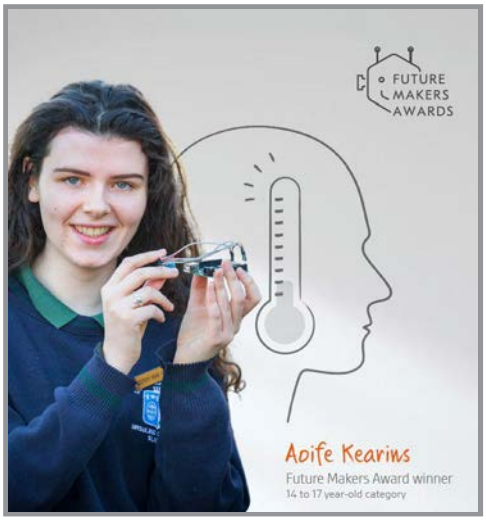
But it's nothing on its own – the internet needs people. People who want to grasp opportunity, to expand knowledge and to envisage the impossible.

OUR CONNECTIVITY EXISTS TO FUEL IMAGINATIONS, SO THAT PEOPLE CAN CREATE MEANINGFUL SOCIAL IMPACT.

There are many inspiring individuals with amazing digital solutions making a real difference to our lives. We're committed to getting their voices heard.

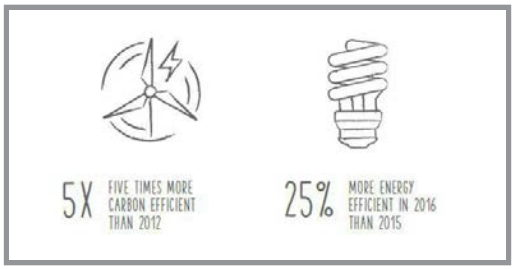
We believe deeply in the power of technology to liberate and empower us all to achieve our potential. This is our Digital Imagination. We focus on three key areas:

The story in this report that captures this entire spirit and program, as well as our hearts, is that of 14-year old Aoife Kearins, a young winner of Liberty Global's Future Makers Awards. Aoife connected in a youth coding club CoderDojo in Sligo, Ireland and using her skills, created the Eye Opener app that prevents drowsy driving accidents. The wearable device measures changes in a driver's core body temperature and warns them when they are at risk of falling asleep behind the wheel. Now, if this is what Aoife can come up with at age 14, just think of how much amazing potential she has to change the world through technology as she advances in her teens and adult years. Multiply that by all the young people who learn coding and are inspired to change the world. Nurturing this potential, recognizing it, fuelling it and giving it space to grow is exactly what Liberty Global's Future Makers focus within the Digital Imagination strategy is designed to do. Liberty Global has a long-standing partnership with youth coding club, CoderDojo, and supports 90 CoderDojo clubs across Europe. Who knows how much of our future will start in the imagination of these incredible youngsters? This is Connected Purpose (and Corporate Responsibility) at its best.



In other areas, too, under the Responsible Connectivity part of the Connected Purpose strategy, Liberty Global has made strong progress with renewable energy, and a new 2,400 panel solar array in Puerto Rico, reducing energy costs as well as GHG emissions.

At the same time, in Liberty Global's operations around the world, strong improvements in energy and carbon efficiency have been achieved.



With a separately downloadable GRI Content Index, adhering to GRI Standards, core option, professional readers can get the data they need, including detailed disclosures of stakeholder dialogue and engagement throughout the year by stakeholder group.
I often hold up Liberty Global's reporting as an example for others to learn from. The annual, compact narrative-based report packs a punch and provides just enough information and evidence of strong performance to paint a credible picture of how Liberty Global empowers positive change through technology and acts responsibly in business. The GRI Content Index gives additional detail for those who need it. Other disclosures, such as CDP and a well-populated corporate responsibility website add further transparency.
As usual, my disclosure: Liberty Global is a client and I worked on this report, as I have on all previous reports. There is nothing more satisfying that working with clients who have a clear vision, take bold action and are scrupulous and meticulous in their reporting. I believe Liberty Global is making a positive contribution to our future. I count myself as very fortunate to be able to contribute to the contribution :)
And, as usual as usual, **take a look** . Give feedback.

elaine cohen, CSR Consultant, Sustainability Reporter, former HR Professional, Trust Across America 2017 Lifetime Achievement Award honoree, Ice Cream Addict, Author of Understanding G4: the Concise Guide to Next Generation Sustainability Reporting AND Sustainability Reporting for SMEs: Competitive Advantage Through Transparency AND CSR for HR: A necessary partnership for advancing responsible business practices . Contact me via Twitter (@elainecohen) or via my business website www.b-yond.biz (Beyond Business Ltd, an *inspired* CSR consulting and Sustainability Reporting firm). **Need help writing your first / next Sustainability Report? Contact elaine: info@b-yond.biz**

Reportingmania in Singapore

Saturday, July 08, 2017

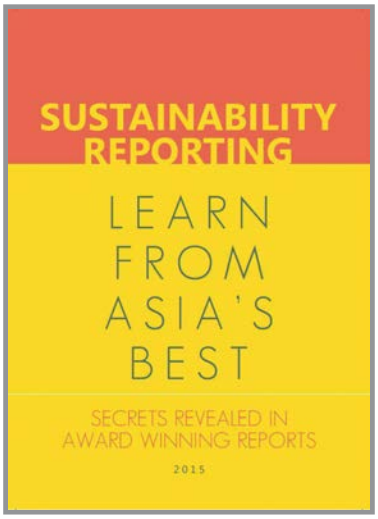
There's definitely going to be a lot of talk about reporting in Singapore in September. This will be at an event I am totally looking forward to - except for the long-haul flights that I try to avoid - but in this case, it's worth it.

The Asia Sustainability Reporting Summit will bring together some of the leading experts in business, sustainability and reporting from the region as well as from the international scene. Take a look at the speaker page:

You'll notice I snuck in there at the end. I'll be moderating a few sessions over the couple of days, and also running a breakout session on Sustainability Reporting for Human Resources.

It's not by chance that I will be taking part in this summit. Here's why I decided to help bring on the reportingmania in Singapore in 2017.

- Organizer Rajesh Chhabara of CSR Works is a veteran gentleman professional of the reporting landscape and I admire tremendously his advancement in and of the field. When Rajesh says I have to be there, I am there.
- I heard there is great ice cream in Singapore.
- I'll be humbled to share a stage with two super sustainability professionals (and clients): Gwen Migita, Vice President Sustainability and Corporate Citizenship with Caesars Entertainment, coming in all the way from Las Vegas, and Uday Gupta, Managing Director, Mahindra Sanyo Special Steel from Mumbai. These are leaders who are passionate, knowledgeable and forward-thinking in their approach to sustainability and reporting. I'll be honored to introduce them to you in Singapore.
- Even a 10 hour flight has to come to an end sometime. I am prepared. I have a Power Bank.
- The Summit is a "brand-extension" of the Asia Sustainability Reporting Awards (ASRA), now in their third year. (Submissions for ASRA2017 open until 24 November 2017). It is my pleasure and privilege to have been involved as a strategic partner and judge since the inception of the Awards and experience the amazing wealth and diversity of reporting in Asia. Each year so far, to be repeated again this year, I read and review ALL the sustainability reports entering the Awards, and contribute my scores and recommendations to the judging panel. For me, this is more than judging. It's a wonderful way to learn about current issues in the region, new approaches, and of course, experience some delightfully creative and innovative reports. During the summit, I expect to meet many of the reporters from different countries in Asia who have enlightened and educated me over the past couple of years. You can read about some of them in the brochure (I was the writer) Learn from Asia's Best which was published after the inaugural awards of 2015 to showcase how the winners won and what it takes to make the grade.



- We are super-fortunate in being able to welcome not one but two leaders of the reporting movement from the Global Reporting Initiative. Chair of GRI, an experienced business leader, Christy Wood, will give an opening address on The Future of Sustainability Reporting and GRI's South Asia Director, the accomplished Aditi Haldar, will talk to the potential of Asia's leadership in reporting. GRI's voice in the reporting landscape remains the most prominent and the most influential, and this is a great opportunity to hear perspectives from two top women in the organization.
- I heard there is great ice cream in Singapore.
- As always, there are many dilemmas and choices in any reporting journey. The main sessions of the event will focus on what's new across a range of topics that drive the way companies report - from global and regional influences, to investor expectations, regulatory drivers and of course, one of my absolute favorites, the quality of reporting. We'll have a chance to hear from leaders, engage with practitioners and learn from each other. I expect this to be an empowering event for all who attend.
- I am looking forward to hearing from many other speakers and panelists over the two-day event. While I have called out just a few in this post, I will be writing more as the event approaches. It will be the first time that such summit focusing on reporting has been held in this region - but, I expect, not the last.
- I heard there is great ice cream in Singapore.

If you have any chance of joining us all in Singapore in September, please do. I'd love to see you there! You can register here.

Include promotional code **BLOG17** at registration to enter a prize draw to join me and my guests at a special private event during the conference (details to be revealed to the lucky two winners).

elaine cohen, CSR Consultant, Sustainability Reporter, former HR Professional, Trust Across America 2017 Lifetime Achievement Award honoree, Ice Cream Addict , Author of Understanding G4: the Concise Guide to Next Generation Sustainability Reporting AND Sustainability Reporting for SMEs: Competitive Advantage Through Transparency AND CSR for HR: A necessary partnership for advancing responsible business practices . Contact me via Twitter (@elainecohen) or via my business website www.b-yond.biz (Beyond Business Ltd, an *inspired* CSR consulting and Sustainability Reporting firm).

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#ErnstRIP

Friday, June 16, 2017

If anything could force me out of too long a silence on this blog (apologies, I haven't been able to keep up the pace this year due to client work and other commitments) then it has to be the desire to express my appreciation for Ernst Ligteringen, whose passing yesterday has come as a total shock to family, friends and the entire sustainability reporting community. I dedicate this post to his memory and in appreciation of his contribution to making reporting real.

I'll take this summary of Ernst's accomplishments from the statement that GRI published today :
"Ernst joined GRI in 2002, and transitioned it from a project that was started under CERES, in Boston, US, into an independent international organization with a solid independent governance structure and system. He was instrumental in establishing GRI's leadership position in sustainability reporting with a balanced focus on economic, environmental, social and human rights issues. Ernst developed the evolution of the sustainability reporting guidelines towards G3, then G4 and finally the GRI Standards. He introduced GRI's organizational stakeholder program, which acquired more than 600 members in just a few years, and developed GRI's training program with certified trainers on all continents."

While I never worked closely with Ernst, I met him many times at different events and meetings over the years. I will always recall when we shared a stage at the Smarter Sustainability Reporting Conference in 2012 which I chaired. GRI at that time was right in the middle of the journey towards G4 which would be launched in May 2013. Ernst was obviously delighted with the process and referred to "good things cooking in the kitchen" through he wouldn't tell us exactly what. But he inspired us that day with the promise that GRI would continue to evolve the role of sustainability reporting and expand its relevance, and he did indeed fulfill that promise. In 2014, Ernst left GRI to continue his professional journey in other directions.

One of these directions was the support for innovations in sustainability and this included his work as a Strategic Advisor at Datamaran. Marjella Alma-Lecourt writes a moving tribute to the support Ernst provided to this growing company.

"He was passionate, well-spoken and credible – he was able to get anyone to listen to him, connect with people from any background and social status, and with that skill he was able to make significant moves in society and the global business community in particular. I started as an intern at GRI in 2007 – Ernst was my CEO – he was impressive and always traveling, I so looked up to him and still do. When we started eRevalue (now Datamaran), he got involved immediately and became a mentor like no other. I asked him how to be a CEO, and he started guiding me."
More than all of Ernst's professional leadership and accomplishments, he was a genuinely good man. As I knew him, he was always smiling, always positive, always ready to spread a little optimism. He even accepted my friendly provocations and occasional teasing in good spirit, with humility and readiness to engage. Ernst was the gentleman of sustainability reporting and a gentleman in our community. His passing comes as such a shock - it's 30 years too early.
Our comfort is that his legacy lives on in much of what all of us do every day. Ernst helped make business better and that affects us all. He personified determination,

decency and positive spirit and that continues to inspire us all. I will remember him with respect, deep affection and always a smile.
My heart goes out to Ernst's family. I wish them strength to keep going in the face of such an unexpected and tragic loss.
#ErnstRIP

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Trust Across America 2017 Lifetime Achievement Award honoree, Ice Cream Addict , Author of Understanding G4: the Concise Guide to Next Generation Sustainability Reporting AND Sustainability Reporting for SMEs: Competitive Advantage Through Transparency AND CSR for HR: A necessary partnership for advancing responsible business practices . Contact me via Twitter (@elainecohen) or via my business website www.b-yond.biz **(Beyond Business Ltd, an *inspired* CSR consulting and Sustainability Reporting firm). Need help writing your first / next Sustainability Report? Contact elaine: info@b-yond.biz**

The Top 15 Sustainability Reports of 2016

Sunday, February 19, 2017

Here we are again, albeit a month later than usual (apologies), time to pronounce my Top Ten Sustainability Reports for 2016. I have been picking Top Tens now for several years... 2010, 2011, 2012 , 2013, 2014 and 2015 . These Top Ten posts are always the most popular posts of the year and get thousands and thousands of views. Every year I say that selecting my Top Ten is the hardest thing I do on the CSR Reporting Blog and every year I am right. I am always soooooo tempted to increase the number to more than 10. And this year, I broke.

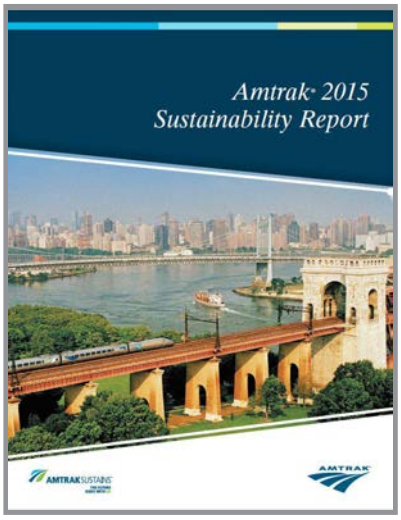
I decided to go for 15 reports this year.
As I did last year, I will acknowledge once again a small group of favorite reporters and its very tempting to include them year after year ... great, consistently high quality reporters such as Impahla, Telekom Austria, Larsen and Toubro, Westpac Australia, BT, Tiffany &Co, Marks and Spencer, Kingfisher, Hang Lung Properties and **several** others. I know when they publish that their report is going to be informative, professional, useful and good quality. But if I included these reporters every year, I wouldn't have room for any others. The entire purpose of the Top Ten 15 is to spread awareness and recognition beyond the reporters that already have a good share of attention. I have not included reporters that have been included in past lists.
My Top Reports selection is always based on reports that cross my radar throughout the year, not a scientific or strict methodical evaluation of report quality. I try to select a cross-section of companies, sectors and countries, rather than the big names in reporting that generally pick up reporting awards around the world. I focus on reports by corporations / businesses, not public agencies or non-profits or trade associations - although there are some really great innovative and important reports coming out of these sectors. Of course, I exclude reports of clients of my firm Beyond Business which we have helped prepare.
As I have done for the past few years, I loosely use the **AIM MODEL** as I consider the reports that I find worthy of mention. Each report adds value in its own way, and each report is evidence of progress. Therefore, in mentioning a mere 15 reports of the thousands that were published in 2016, I continue to do reporting somewhat of an injustice. On the other hand, highlighting 15 reports and their unique elements may provide insights and inspiration for new, or potentially better, reporters. In any event, this is always a post I find both challenging and fun all at the same time.
Here is a quick reminder of my **AIM MODEL:**
Authenticity: I look for whether the company has reported in an honest way, using stakeholder voices to supplement performance data. Authenticity for me includes balance, accuracy and completeness. I look for targets and progress against stated targets.
Materiality: I look for whether the company has clearly defined the most important issues for the company and its stakeholders and described the way in which those issues have been identified and prioritized. Reporting materiality should also include a certain amount of contextual information which can assist us in understanding the issues and why they are material.
Impacts: I look for whether the company identified impacts rather than just presenting a shopping list of activities. This means discussing the outcomes of what was achieved. The outcomes are the achievements (impacts), not the activities. This is by far the most difficult thing for companies to address and very few do it well. By the way, even the Top 15 reports have opportunity for improvement. So don't expect me to be exclusively

gushing. That's not in my nature.
In **alpha** order by company name, here is my Top 15 pick for 2016:

Amtrak 2015 Sustainability Report (USA)
Baoviet Holdings Sustainability Report 2015 (Vietnam)
Bursagaz Sustainability and Annual Report 2015 (Turkey)
CLP Group 2015 Sustainability Report (China)
Digi.com 2015 Sustainability Report (Malaysia)
Drummond Ltd 2015 Sustainability Report (Colombia)
Lion FY15 Sustainability Report (Australia, New Zealand)
Malta International Airport Sustainability Report 2015 (Malta)
Mindtree Sustainability Report 2015-16 (India)
Sega Sammy Group CSR Report 2016 (Japan)
Siloso Beach Resort Sustainability Report 2015 (Sentosa, Singapore)
VanDrie Group Annual CSR Report 2015 (Netherlands)
Viña Concha y Toro Sustainability Report 2015 (Chile)
Wm Morrison Supermarkets plc Corporate Responsibility Review 2015/16 (UK)
Zain Sustainability Report 2015 (Kuwait)

Amtrak 2015 Sustainability Report
USA, GRI G4 Core, 5th Report, 80 pages

The National Railroad Passenger Corporation (Amtrak) operates a network of intercity long-distance, shorter commuting-distance and high-speed passenger rail services spanning 46 states. Nearly 30.9 million riders traveled on Amtrak in FY15, generating more than $2.1 billion in ticket revenue. Amtrak is a federally chartered corporation, operating as a for-profit company, with the federal government as a majority stakeholder. Amtrak has more than 20,000 employees.

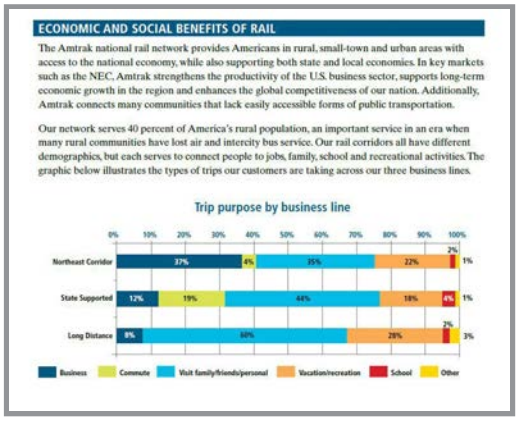


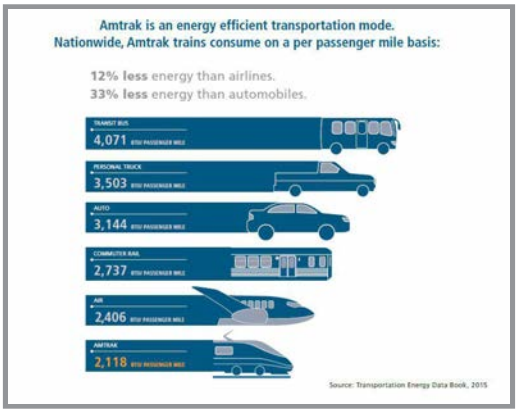
Amtrak's report is cleanly designed, no clutter, easy to read and materially focused. The 2015 materiality assessment is presented as a list (I always prefer this to a matrix) with 11 issues that are company specific and not simply a selection from GRI's pre-prepared list. This demonstrates focused thinking about materiality, even though Amtrak does not appear to have consulted stakeholders specifically in the preparation of this list.

- Customer service
- Energy
- Funding availability
- Infrastructure protection and resiliency planning
- Next generation service planning
- Operational efficiency
- Passenger safety
- Regulatory compliance
- Security and emergency preparedness
- Worker safety
- Workforce planning, talent acquisition and retention

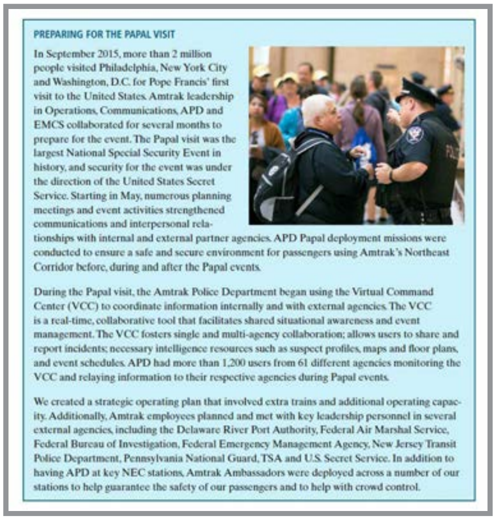
However, Amtrak states: *"We plan to conduct external stakeholder interviews in the future to make our materiality assessment and sustainability reporting processes as comprehensive as possible."* I like this. It shows that the company is moving forward with what they have and plans to improve and validate. Better than sitting on the sidelines until it's all bottomed out.

Separately, Amtrak lists stakeholder groups, key methods of engagement and areas of stakeholder interest in a table which also links to a case study on engagement with each stakeholder group.
An early section of the report describes the economic and social benefits of rail travel. This is a nice way to position to social value that Amtrak rail services bring across the U.S. and a good backdrop to understanding Amtrak's impacts and material focus. Later, an environmental benefits are also described.





The report is structured in chapters which align with the material topics: Safety and Security; Customer Focus; Financial Excellence; Environment; Human Capital and Planning for the Future. All 11 material issues find a home in these chapters.
The Amtrak report contains several case studies about different aspects of the operations presented throughout the report. Each gives a glimpse of the complexity of rail operations, such as the extensive preparations that were required before the papal visit in 2015.



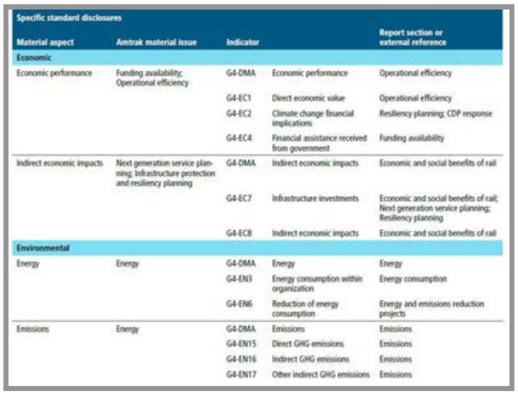
PREPARING FOR THE PAPAL VISIT

In September 2015, more than 2 million people visited Philadelphia, New York City and Washington, D.C. for Pope Francis' first visit to the United States. Amtrak leadership in Operations, Communications, APD and EMCS collaborated for several months to prepare for the event. The Papal visit was the largest National Special Security Event in history, and security for the event was under the direction of the United States Secret Service. Starting in May, numerous planning meetings and event activities strengthened communications and interpersonal relationships with internal and external partner agencies. APD Papal deployment missions were conducted to ensure a safe and secure environment for passengers using Amtrak's Northeast Corridor before, during and after the Papal events.

During the Papal visit, the Amtrak Police Department began using the Virtual Command Center (VCC) to coordinate information internally and with external agencies. The VCC is a real-time, collaborative tool that facilitates shared situational awareness and event management. The VCC fosters single and multi-agency collaboration; allows users to share and report incidents; necessary intelligence resources such as suspect profiles, maps and floor plans, and event schedules. APD had more than 1,200 users from 61 different agencies monitoring the VCC and relaying information to their respective agencies during Papal events.

We created a strategic operating plan that involved extra trains and additional operating capacity. Additionally, Amtrak employees planned and met with key leadership personnel in several external agencies, including the Delaware River Port Authority, Federal Air Marshal Service, Federal Bureau of Investigation, Federal Emergency Management Agency, New Jersey Transit Police Department, Pennsylvania National Guard, TSA and U.S. Secret Service. In addition to having APD at key NEC stations, Amtrak Ambassadors were deployed across a number of our stations to help guarantee the safety of our passengers and to help with crowd control.

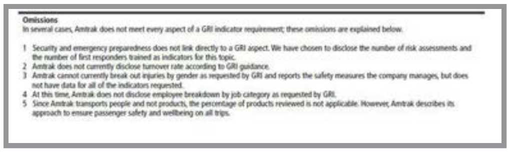
Amtrak applies the GRI framework well, and links all its material issues to GRI material aspects. I always find this helpful - simply posting a materiality matrix and a GRI Content index without linking the two makes it hard for readers to track how what's important is managed and measured. Often, that's because there is no connection. By making this explicit in the GRI Content Index, as Amtrak has done, we can not only easily find what fits with what, we know that the company has adopted a structured and integrated approach to materiality management.



Specific standard disclosures

Material aspect	Amtrak material issue	Indicator		Report section or external reference
Economic				
Economic performance	Funding availability; Operational efficiency	G4-DMA	Economic performance	Operational efficiency
		G4-EC1	Direct economic value	Operational efficiency
		G4-EC2	Climate change financial implications	Resiliency planning; CDP response
		G4-EC4	Financial assistance received from government	Funding availability
Indirect economic impacts	Next generation service planning; Infrastructure protection and resiliency planning	G4-DMA	Indirect economic impacts	Economic and social benefits of rail
		G4-EC7	Infrastructure investments	Economic and social benefits of rail; Next generation service planning; Resiliency planning
		G4-EC8	Indirect economic impacts	Economic and social benefits of rail
Environmental				
Energy	Energy	G4-DMA	Energy	Energy
		G4-EN3	Energy consumption within organization	Energy consumption
		G4-EN6	Reduction of energy consumption	Energy and emissions reduction projects
Emissions	Energy	G4-DMA	Emissions	Emissions
		G4-EN15	Direct GHG emissions	Emissions
		G4-EN16	Indirect GHG emissions	Emissions
		G4-EN17	Other indirect GHG emissions	Emissions

Amtrak is also upfront about where it has not been able to comply with GRI disclosure requirements.



Omissions

In several cases, Amtrak does not meet every aspect of a GRI indicator requirement; these omissions are explained below.

1 Security and emergency preparedness does not link directly to a GRI aspect. We have chosen to disclose the number of risk assessments and the number of first responders trained as indicators for this topic.
2 Amtrak does not currently disclose turnover rate according to GRI guidance.
3 Amtrak cannot currently break out injuries by gender as requested by GRI and reports the safety measures the company manages, but does not have data for all of the indicators requested.
4 At this time, Amtrak does not disclose employee breakdown by job category as requested by GRI.
5 Since Amtrak transports people and not products, the percentage of products reviewed is not applicable. However, Amtrak describes its approach to ensure passenger safety and wellbeing on all trips.

In summary, Amtrak's report fits the **AIM** model well. It's an impressive report, professionally done.

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Baoviet Holdings Shared Values Sustainability Report 2015 Vietnam, GRI G4 Core, 4th
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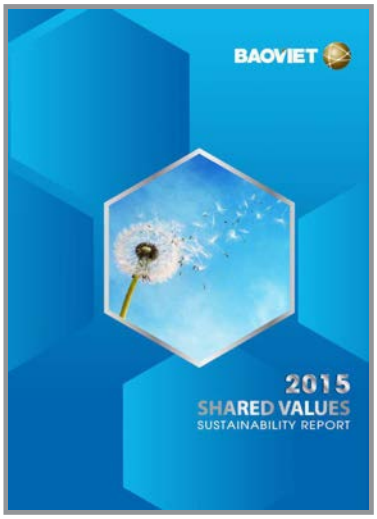
report,142 pages
Baoviet was established on 15 January 1965, and is the leading financial-insurance group in Vietnam. It has been accredited as one of the top 25 enterprises in the country by the State Government. The Group is headquartered in Hanoi with more than 150 branches across 63 provinces nationwide. Baoviet was the first insurance company incorporated in Vietnam and employs 5,467 people.

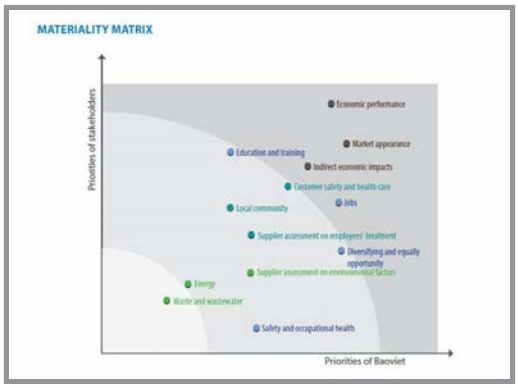


It's not by chance that I came across this report. As a judge in the **ASRA (Asian Sustainability Reporting Awards) again in 2016** , I had the pleasure of reviewing close to 100 reports from several Asian countries across several categories. The Baoviet report stood out as one of the best, and indeed, it bagged first place as Asia's top sustainability report of the year. A well-deserved win and one that I endorsed as a member of the judging panel.
The report is beautifully presented in a tasteful design which combines compact narrative with charts, tables, infographics and imagery that are pleasing to the eye. The opening message from the Chairman is a good mix of business context and the relevance of sustainable development, and reads **A** uthentically. This is followed by a presentation of sustainability highlights from 2015, either as a taste of more to come in the body of the report, or as a quick overview for those who do not plan to cover all 142 pages.

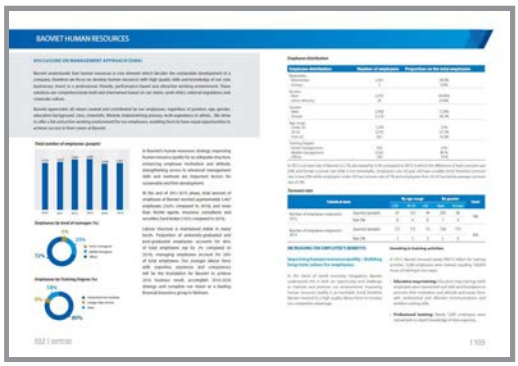
Also, Baoviet links to the Sustainable Development Goals, one of the earlier-adopter

reports to make the connection and start to align with this global agenda. A set of specific goals and initiatives for implementation in 2016 support six SDGs.

Baoviet's **M** ateriality focus is presented in a matrix, making the connection between material issues and the location of relevant disclosures in the report.



Chapters start with a Disclosure on Management Approach and GRI disclosure labels help locate relevant performance indicators and discussion of **I** mpacts. Presentation of charts and graphs is simple but effective.



AIM . Check.

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Bursagaz Sustainability and Annual Report 2015 Turkey, GRI G4 comprehensive option, 2nd report, 172 pages
References SDG in GRI Content Index (SDG Mapping)

Bursagaz was established as a subsidiary of state-owned company and started to sell natural gas in 1992, before being privatized in 2004. In 2008, Bursagaz was acquired by EWE Turkey Holding. Bursagaz has 884,000 total subscribers and is Turkey's second largest natural gas distributor, employing 259 people.

I love the concept and design of this report. You can't help being attracted to the bold and beautiful, creative and uniquely special design of this report, which gets more appealing every time you take a look, and then draws you in to the report content. Themed "The Essence of Life", the report takes us through a young girl's journey in "The Story of Yesterday, Today and Tomorrow" - a journey prompted by the fact that she knows that "Everyone needs a future in which they attach more importance to one another." Throughout the report, the little girl goes on her journey, stopping to meet an amazing array of exquisitely-designed members of the animal kingdom, each of whom has an inspirational message for the little girl, in its own language. It's a story of the wonders of nature and how we can be inspired by nature .. the very essence of life indeed.


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Alongside the spellbinding design, the substance of this report is also highly respectable. The focus is clear with both a Materiality Matrix and targets aligned with material topics.

Performance against 2015 goals is noted, and 2016 goals are stated. This is one of the few material approaches I know that includes Stakeholder Engagement as a material topic in its own right **and** has specific and measurable 2016 targets relating to this aspect. Later in the report, Bursagaz provides narrative relating to stakeholder engagement, listing all stakeholders by name in order of priority, the nature of the relationship with them and the category (social or economic) of their prime interest.

2016 Goals

Materiality Issues	Goals	Deadline
Environmental Impact and Waste Management	Renovation and restructuring of RMS Station Permissions	Continuous
	Resolving Residential Waste at resource	Continuous
	Application of New Headquarter Waste Management Program	2016
	Revision of the Env. Env. Action Plan with New Headquarter and Izmir integration	2016
	Vegetable Waste Oil Storage Rate 60 kg / year	2016
Stakeholder Expectation Management	Residential Customer Satisfaction Rate %90	2016
	Industrial Customer Satisfaction Rate % 92	2016
	Social Benefit Rate %90	2016
	Shift for 7/24 Call Centre System	2016
	Overall on Phone Customer Satisfaction Rate %95	2016
	Sustainable Life Conference	2016
	Restructuring Emergency 187 Line at Call Centre	2016

A selection from the Bursagaz 2016 goals page

Throughout the report, Bursagaz is earnestly, almost fanatically, transparent, providing details of policies, decisions, processes and changes for every topic. It's a little too much to read, but it's evidence of a genuine desire to achieve strong transparency. If you stay with it you realize that it's a feat of disclosure. Data is presented well in clear tables and charts throughout the report. Data labels to the G4 Content Index are included and my spot check brought me to the disclosures I sought from the Index.

Even my top pick reports have opportunities for improvement. I believe Bursagaz has an opportunity to continue its journey by maturing its communication in future years. I would recommend including more context in describing Bursagaz key impact areas, indication of the depth of stakeholder engagement with quoted voices and contributions in the report and a case study or two demonstrating examples of practice. The report should also be much shorter - this one has early onset TMI disease (TMI=Too Much Information). The narrative is trees not forest, and the English translation is poor. An extra investment in tightening up the language and an English QC check would improve the Anglophone experience. Here's a little error that made me smile:

Health and Safety	Monthly OHSAS Committee Meetings and Site Visits	Continuous
	Zero Occupational Accident	2016
	Neramiss level min 5*	2016
	Average 30 hours of OHSAS trainings per employee	2016

The English in this report is a bit of a neramiss

However, it's definitely a Top 15. Bursagaz's sheer investment in creating this report is a testimony to the commitment and passion of the company to make a sustainable contribution and be transparent to stakeholders. The imagination and creativity of the storybook, aligning sustainability with nature at its most spectacular and telling the story of the essence of life, present sustainability in a positive light and inspire optimism. It seems **A** uthentic, it's guided by **M** aterial and it's clear about its **I** mpacts.

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CLP Group 2015 Sustainability Report China, GRI G4 Core, 14th report, 238 pages

CLP Holdings Limited is a publicly held company since 1901, one of the largest investor-operators of power assets in the Asia-Pacific region, with businesses across Hong Kong, Mainland China, India, Southeast Asia and Taiwan and Australia. CLP Group's business includes power generation, transmission and distribution, and electricity and gas retail activities, employing over 7,300 people, and serving over five million customer accounts.
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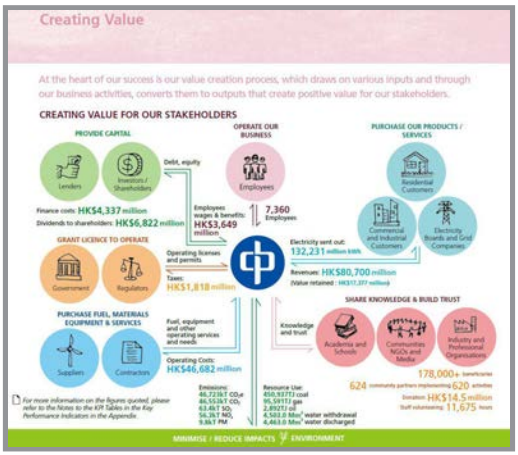
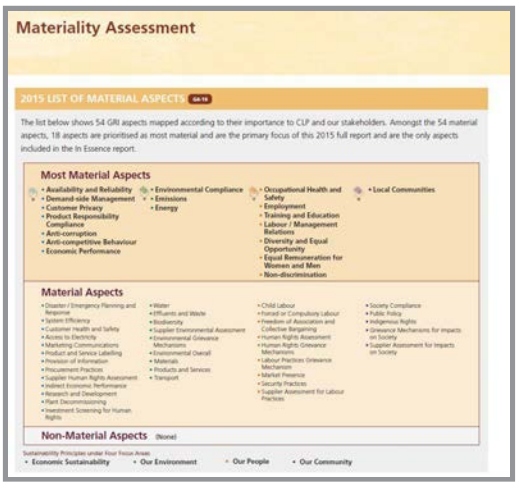
This is by far the longest report in the 2016 selection, dwarfing other reports with a whopping 238 fully populated pages. CLP clearly gets through a lot of stuff in a year and has much to report. And it does so professionally and aesthetically. The report is laid out tastefully, with photo imagery, infographics and color coding by section to make this report a true work of art.



The report opens with a joint Chairman and CEO message which provides a useful overview of business context as well as highlighting some sustainability imperatives including a science-based target to reduce carbon intensity by 75% to 2050.

CLP provides a detailed review of extensive stakeholder engagement processes in the reporting year, walking us through the stakeholder engagement framework, key stakeholder groups, concerns raised by each group and CLP responses in the reporting year. This is one of the most detailed descriptions of such processes that I have seen. It culminates with a description of the materiality process and list of issues.



There are many more positive and impressive elements of the report, too numerous to mention in this very long post, such as the alignment with the Sustainable Development Goals, the presentation of a climate vision with targets through to 2050, a whole section about business context, megatrends affecting sustainability, risks and opportunities and much more. In each core section of the report, the material aspects are identified and disclosures are presented accordingly. The PDF is hyperlinked so navigation is super easy.

While many would consider such a long report to be a bit too much, and there is a definite trend towards shorter reports today, the CLP 2015 report is a bible among reports and it delivers its content so clearly, attractively and comprehensively that it's definitely deserving of recognition. **AIM** . Check.

Oh, and this is one of the nicest ways to solicit feedback:

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DIGI.COM 2015 Sustainability Report Malaysia, GRI G4 Core option, 5th report, 30 pages

DiGi.Com Berhad is listed on Bursa Malaysia and is part of the Telenor Group, a global telecommunications provider. DiGi provides mobile voice, Internet and digital services to
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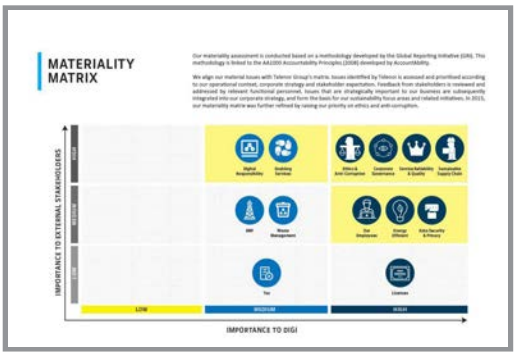
11 million customers in Malaysia with around 2,000 employees.

This is a report that immediately strikes you as clean, orderly, well-planned and well-presented. It probably takes the prize for the highest number of icons across 30 pages. It's a pleasure to read this kind of report - it's simplicity belies the investment that I expect went into its generation. The structure lacks clutter.

I like the CEO statement. It's plain talk and includes reference to the challenge of growing the business while limiting environmental impacts. " *During the year we accelerated rollout of our LTE network, doubling our footprint to serve growing demand for quality high-speed internet on our widest 4G LTE network. While this brought about higher energy intensity, the higher cost per kilowatt is temporary and we expect sequential improvements in our energy intensity over the years as we gain better leverage from having more Malaysians benefiting from being connected to our high speed LTE network on the go.*" It's sounds authentic and upfront. DiGi.com is not the only business to face this dilemma.

Digi.com's materiality matrix is set against the framework of Telenor parent company's materiality priorities, tweaked, it seems, to reflect local relevance. While the process of developing the local matrix is not disclosed in any detail, Digi.com includes a section called "Meet the Stakeholders" where each stakeholder group is presented, engagement channels described, issues raised and approaches described to address issues.



The body of the report provides updates on performance, covering the material topics in turn. It's short, focused and well constructed. In some cases, a lack of outcome weakens this disclosure - I always look to understand what kind of a difference a company made, not just what it did - but in other cases, a sense of outcome is provided.

And just so there is no confusion, Digi.Com makes the end of its disclosure quite clear:

AIM : well done.

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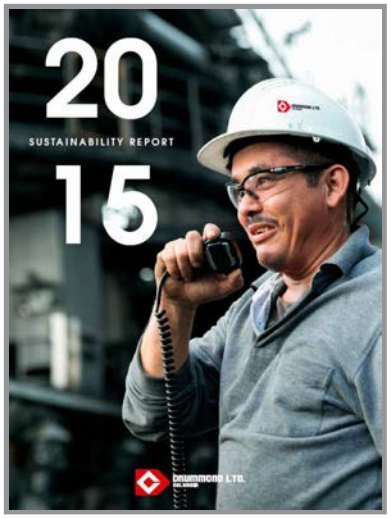
Drummond Ltd 2015 Sustainability Report Colombia, GRI G4 core, 5th report 164 pages Drummond Ltd. is a mining company that operates only in Colombia, property of Drummond International LLC, a company based in Alabama, United States. Drummond's operations include the exploration, production, transportation and exportation of steam and coal. much of which is exported around the world. Drummond employs almost 5,000 people.



This is a creatively designed report with attention to detail. The use of color is extensive (a frequent characteristic of South American reports). Just take a look at Drummond's value chain and other visuals:
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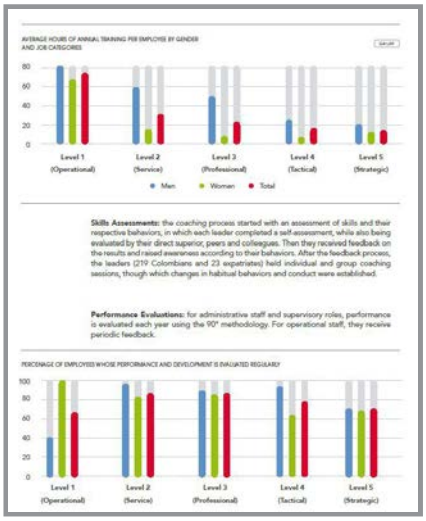
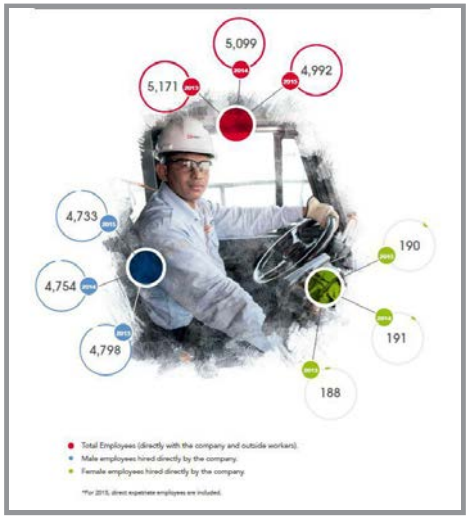
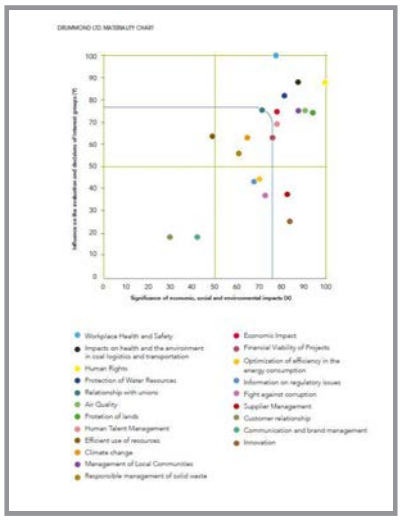




Aside from the color and creative graphics, this report provides a comprehensive disclosure structured in three main sections: economic, social and environmental. First, Drummond presents a materiality process, indicating the key elements and sources informing the selection and prioritization of material issues, followed by the matrix, followed by a more detailed explanation of each issue and its alignment to GRI aspects and corresponding performance indicators. This is a positive attempt to describe the materiality process - and while the actual prioritization of issues is still not entirely transparent - it's more revealing than vague descriptors we find in many reports.



(As an aside, though, the color coding of issues makes it rather difficult to decipher which is which. A number or symbols system might be a better approach.)

Drummond provides goals and targets for 2016, and in many cases, for medium and/or longer term in each section of the report. Also in each section is a description of Impacts with quantitative qualifiers in some cases.

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LION FY15 Sustainability Report Australia, GRI G4 Core option, 7th Report, 49 pages (plus separate GRI Index)

Lion is one of Australasia's largest food and beverage companies, employing approx 6,700 people across Australia and New Zealand marketing premium brands in the dairy, juice, soy, beer, cider, fine wine, spirits, alcoholic ready-to-drinks and non-alcohol beverages categories. Lion is the leading brewer in both Australia and New Zealand, and its overall portfolio, produced across 33 sites, collectively generates revenues of around $5 billion each year.

Lion's reports are always beautiful, creative and easy to read. Despite a rather wishy-washy any-year leadership statement, the report starts off with a clear business strategy with embedded sustainability, Lion presents strategic quantitative targets to FY18 and progress to date.

The material topics and targets are company and sector specific - not the generic all-company type of materiality matrices that we see in so many reports. However, it would be nice to see a clearer link between strategy and materiality and performance targets.
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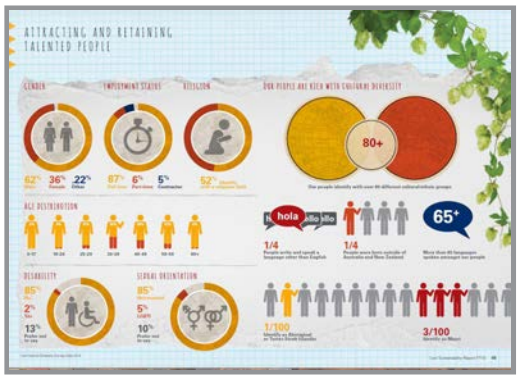
The report is structured in line with these material topics - each report section representing a material sub-set. Despite this report claiming to be in accordance with G4, there are some gaps. Lion reports just 10 Performance Indicators, and these are spread rather thinly for the 22 "highly material" issues listed on the matrix. In some cases, the indicators are not reported in line with G4 requirements. I would recommend reviewing the material alignment of this report both with strategy and performance progress and tightening up disclosures to meet stated standards.

On the other hand, what really stands out about this report, and the primary reason for its inclusion in the Top 15 (in addition to the fabulous presentation) is the outside-in focus. The predominant content of this report refers to the way Lion is helping change the industry and consumer behavior. Rather than just being a company that sells stuff, Lion presents impressive detail of a host of public policy changes and engagements that affect food regulation and support consumer benefit, describing the context and stating the Lion position and actions. A commissioned independent assessment of Lion's economic impacts provide detail of how Lion makes a contribution to economic life in Australia and New Zealand, including tax transparency. The supplier engagement section discloses ways in which Lion contributes to farmer prosperity through engagement and support with some case studies, including a nice story about how Lion supports dairy farmers through promoting the benefits of drinking milk. A few external stakeholder find their voice in this report as well.

Lion is also changing consumer behaviors through raising awareness of health and nutrition, improving the nutritional profiles of its products and engaging in several consumer awareness campaigns.

The report presents a picture of a retailer that is connected to its consumers and communities and understands their needs. I find this relevant and **A** uthentic. In several cases, **I** mpacts are reported, for example, shifts in behavior of 18-24 year-olds in response to Lion's Drink Wise campaign. **M** ateriality, as mentioned, is presented as a credible set of issues for this type of business.

And another example of nicely-done graphics to round off this Lion review:



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Malta International Airport Sustainability Report 2015 Malta, GRI G4 (Core), 1st report, 52 pages

Malta International Airport (MIA) welcomes over five million passengers each year and links three continents with over 90 airports directly to Malta. Economic activity involving aviation and non-aviation enterprises contributes to more than 15,000 jobs and over 9% of Malta's GDP. MIA has 289 employees.

MIA's first report (you know I LOVE first reports) is structured in line with the GRI G4 framework, indicator by indicator. This is a safe choice and enables disclosures to be easily located and easily verified against the framework. Reports that follow this framework tend to be technically sound but lack a little sparkle and creativity. By reporting in the order of the GRI disclosures and indicators, the report tends to flow in a way which doesn't necessarily reflect the real story of company and its predominant impacts on society. Disclosures tend to be limited to disclosure requirements, which make for a rather limited narrative. However, for Malta, for a first report, this is a respectable choice and one that the company applies meticulously.

Material issues are presented in a list rather than a matrix, and are the prescribed GRI Aspects rather than a company-specific list of issues. Stakeholder interests are presented in a table showing key channels of engagement and key interests by stakeholder group. No specific stakeholder engagement appears to have been initiated for this report.

Each of the main sections - economic, environment and social - kick off with targets for 2015 and performance. Throughout the narrative , MIA provides local context which is helpful in understanding MIA's performance and impacts. The layout is clean and tables and graphs are easy to understand.
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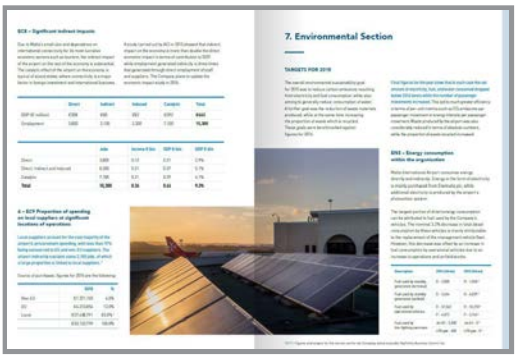

The meticulous application of the GRI Framework is also found in an appendix to the GRI Content index where MIA describes all the bases for calculation of the metrics provided in the report. This is a useful chart. However, in other cases, it seems that MIA has responded to indicators in order to complete the GRI framework without aligning these to material priorities and providing a relevant management approach disclosure.

However, reporting is a learning curve, and I feel that, as MIA becomes more confident in its GRI reporting and deepens its understanding of the framework (now standards), the company could report more memorably in the future. In the meantime, big congrats on a first-timer and for showing that even smaller organizations can deliver very solid and meaningful sustainability reports.

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Mindtree Sustainability Report 2015-16
India, GRI G4 Core, 4th report, 115 pages

Founded in 1999, Mindtree Ltd., headquartered at Bangalore, is an information technology company with a turnover of USD 715.2 million, employing more than 16,600 people in India, North America, Europe and Asia Pacific regions.
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The Mindtree report is another uplifting report from the people behind "Welcome to Possible". This is a modestly toned report, describing a philosophy as well as a way of doing business. A materiality process is included and a set of goals that align with material issues.

Our key goals for the material issues

Talent acquisition & retention
- Improve employee engagement
- Reduce attrition
- Rehire former Mindtree Minds
- Strengthen acquisition strategies for diversity goals

Community investment projects
- Sustain current programs
- Extend programs to talak levels
- Increase monitoring and capacity-building for better impact assessment

Green IT & renewables
- Strengthen data reporting through analytics
- Initiate plans for solar power
- Further steps towards achieving a greater clean energy proportion in a three-year timeframe

Transparency
- Simplify and improve communication
- Involve Mindtree Minds in policy-making

Responsible supply chain
- Identify and include minority/women-founded enterprises in the supply chain
- Encourage local suppliers
- Hold vendor summit for greater alignment

Environmental stewardship & climate change
- Improvement over 2014-15 in per-capita energy consumption
- Improvement in per-capita water consumption
- Improvement in waste recycling

People engagement
- More fun at work and greater work/life balance
- Make Mindtree a great place to work

Business growth
- Aim for higher than industry growth rate
- Sustain profitability

Volunteering framework
- Link our employee volunteers with our sustainability endeavors
- Incentivize sustainability lifestyles

Talent development
- Extend all our programs outside India
- Influence business outcomes through communication trainings
- Enhance virtual modes

Service stewardship & client value
- Better account mining from existing top customers and through new customers
- Delivery enabled strong growth
- Maintain high levels of customer privacy and data security

Environmental compliance & management
- Sustain compliance at the current high levels

Diversity & inclusion
- Enhance along several axes: gender, nationality, culture, disability

Digital inclusion
- Be recognized as experts in our chosen domains
- Be in the forefront of digital transformation and newer technology areas

The highlight of Mindtree's report this year is the creation of a new learning center - Mindtree Kalinga. In several pages devoted specifically to this sustainably designed facility to "train engineers of tomorrow", Mindtree describes the detail of the structure and the philosophy behind the learning approach - including the eternal pond, the magic bricks, the LEED platinum certification expected, solar array, bio-rich gardens and more. Makes you want to be a budding Mindtree engineer. " *We built Mindtree Kalinga to create complete software professionals out of campus-fresh entrants and gift them to Mindtree, to the industry and to the society."*

Folding the future in

Mindtree has created a state-of-the-art global learning center at Bhubaneswar, Odisha, based on a futuristic vision of creating 'engineers of tomorrow', with sustainability embedded into the endeavor.

Mindtree Kalinga was born out of our larger vision of nurturing our young entrants, with tomorrow's challenges in mind. Vision 2020 for Mindtree was the key driver for the vision behind Mindtree Kalinga as we sketched it out at the drawing board.

Operational since March 2015, Mindtree Kalinga has nurtured and produced more than 1,400 young Mindtree Minds by the end of FY 2015-16. We built Mindtree Kalinga to create complete software professionals out of campus-fresh entrants and gift them to Mindtree, to the industry and to the society.

The products of this endeavor are engineers, complete with not only advanced engineering skills but also with a business and a social mindset. The process of creating these engineers is an integrated one, based on learning modes of the future, ably supported by state-of-the-art digital infrastructure.

The ideology of Mindtree places the ultimate ownership for social responsibility at the level of the individual, from entry level to the top. As an organization, we take up the responsibility of influencing the mindset of our people, creating a continual learning environment for them to soak in, offering support systems, and setting an example through role models. Mindtree Kalinga illustrates this approach and aims to produce professionals who will trigger and inspire sustainable changes in all the spheres of their lives, creating multiple impacts.

The body of the report contains sections introduced by Mindtree execs, each sharing a personal perspective.

View on environmental sustainability

Our efforts go beyond environmental compliance management to embrace efficiencies across resources. Resource efficiency is a material issue for us. In FY 2015-16, we decreased our per-capita consumption of water and energy beyond our internal targets. We also set out to reduce our emissions and increase our waste management performance.

We are maturing our environmental responsibility with a vision that calls for further greening of our operations, and we believe leveraging technology with robust data analytics such as energy monitoring, management systems and service management innovations will enable improved carbon footprint performance. We believe, our success will depend on building awareness on environmental responsibility among all our stakeholders, and we will continue to invest on training sessions devoted to resource efficiencies and data analytics, along with smart and efficient equipment operations and processes.

Padmanabhan Kannan
General Manager
Administration and Facilities

We have an ambitious vision for renewable energy.

Using clean energy to reduce dependencies on fossil fuels is a key environmental goal for us. We run our Bangalore location, which represents over one half of our total power usage across India, on wheeled green power. We also have an ambitious vision for renewable energy adoption, and are currently in talks with third parties to carry our vision forward. Starting in FY 2016-17, our Whitefield campus (MTI) would be meeting over 70% of its energy demand through renewable solar energy. We are also exploring possibilities of adopting renewable energy at our other locations.

Collaboration with our people is a key driver and a priority for us to be successful in managing our environmental sustainability goals; we believe, only when every Mindtree

View on economic value

Sustainability is an essential investment for the long term viability and success of an organization. For an organization in a knowledge-driven industry, investment into learning is an investment for sustainability. Our investment in our Learning Center, Mindtree Kalinga, is a testimony to our commitment to this perspective.

Our performance on business and sustainability, travel in parallel – as reflected in our annual report and sustainability reports. The futuristic goal of integrated reporting needs integrating business strategy and sustainability rather closely. Economic material issues identified by Mindtree- business growth, service stewardship & client value and digital inclusion, are drivers of our economic success. Economic success which creates value for the organization in the market is in fact derived from our efforts in sustainability, a strong learning culture and deeply anchored corporate governance. In our experience, these key pillars together create a positive differentiator for us in the market.

Our economic performance has been growing from strength to strength. Indian IT sector is pitched for high growth in a global scenario, and Mindtree is poised to leverage its key strengths to reach new pinnacles of success. Continued focus on sustainability, learning and maintaining stringent governance standards are imperatives for sustaining the pace of the phenomenal growth ahead of us.

For Mindtree, CSR and Sustainability are two sides of same coin. It is a way of giving back to the society – a way of sharing our success. Our financial commitments to CSR continue, picking up projects that a naturally sync with our CSR objectives and approach. Our leaders are involved as ever, in our CSR endeavors, setting personal examples for our people. As a responsible corporate citizen, creating sustainable value for our stakeholders will continue to be our goal in the coming years.

Welcome to possible.

Jagannathan Chakravarthi
Chief Financial Officer

Integrating sustainability and business strategy is key to long term value creation.

AIM. Check

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Sega Sammy Group CSR Report 2016
Japan, GRI G4 (Core), ISO26000, UNGC, 10th report, 48 pages

The SEGA SAMMY Group is an entertainment company employing just over 7,000 people in businesses including pinball machines, digital games including amusement machine development and facilities, development of video content and toys and the development and operation of resorts, hotels and golf courses.
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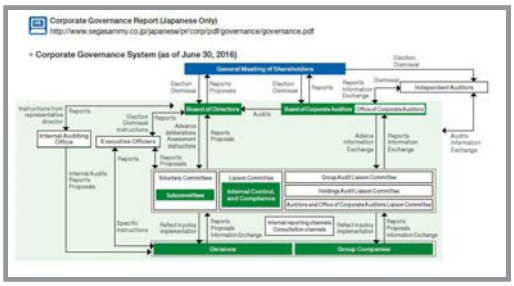
I have noticed Sega Sammy's reports for years and somehow, I never included then in the annual CSR Reporting Blog Top Ten, despite always coming close. This year, it's here. There's an authentic optimism about this report that I find very appealing.
Sega Sammy's report is quintessentially Japanese presenting all the tell-tale signs of the Japanese reporting culture: it aligns with both GRI and ISO2600 (downloadable content indices for both frameworks); it includes an external stakeholder opinion and company response; it includes a few "focus" pieces at the beginning of the report presenting key issues; texts are short paragraphs rather than long stories; it crams as much information as possible on each page using extremely small fonts; it uses charts and infographics extensively. You don't need to read this report to know it's from Tokyo.



Sega Sammy's report is structured by primary stakeholder group. with six main sections: customers, partners, shareholders and investors, employees, environment and communities. Each section opens up with a reference from the company's CSR Charter, a statement of management approach, major initiatives from the reporting period and the "voice" of an internal stakeholder.

An overview of strategic (M aterial) themes and broad objectives, performance in the reporting year and aspirations for the next is included. The chart notes page references for disclosures in the report, making life easier for the report reader to locate relevant content. The "voices" of team members profiled in the report are personal reflections which appear A uthentic.The report is a little light on describing I mpacts - this is an area for further consideration in the future.
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Siloso Beach Resort Sustainability Report 2015
Sentosa (Singapore), GRI G4 (Core), 4th Report, 170 pages

Located along Siloso Beach on the island of Sentosa, Siloso Beach Resort is a tranquil and rustic leisure complex. Purposely built from its conception to be an Eco Hotel and to apply best sustainable practices throughout all its operations, this privately-owned resort employs 50 - 100 people.

Siloso Beach Resort's report is one of those very personal, invested and thoughtful reports that make it fun to read about sustainability. Eco, green, nature and beauty, passion, fun, humor and some serious performance and data all come together in this charm of a report about a charm of a resort. Billed as "not a conventional report", it's not a conventional report. Yet it does conform to GRI G4 - so it's unconvention also combines with best convention in terms of reporting guidelines as well as the UN Global Compact
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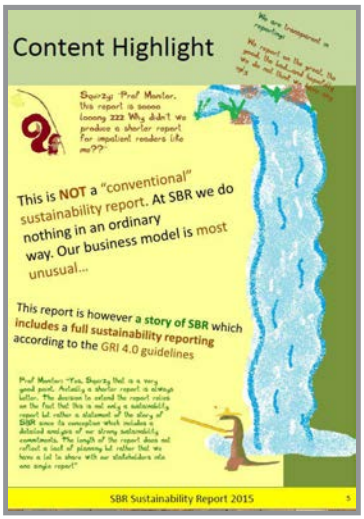
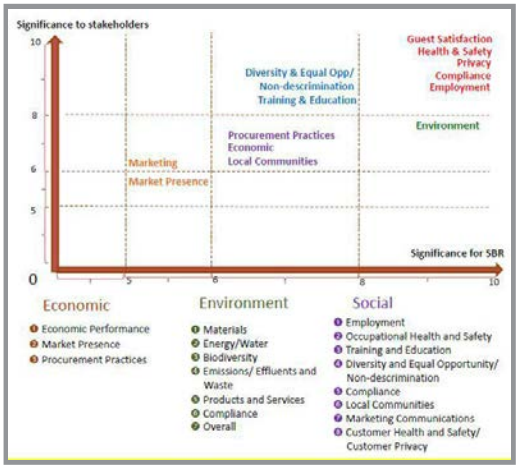
COP requirements.



While the A uthenticity of this report cannot be doubted, materiality is right up there too with a clear statement of Siloso Beach's sustainability priorities. With the flexibility typical of a privately-owned company, Siloso states that economic aspects are less important than guest and environment-related matters. They need to be "self-sustaining from a financial point of view" but social and green considerations drive the approach.



Siloso Beach presents (mostly) quantitative targets for 2014-2015 and aspirational longer term objectives and goals. All goals and targets are explained with a contextual insight and often, a local comment.

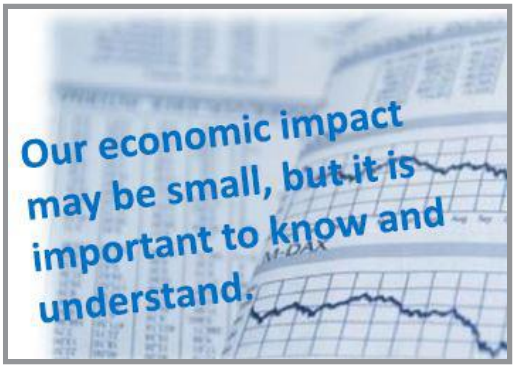
The A uthenticity of this report is projected not only in the jargon-free consumer-facing language but also through the use of sustainability symbols that are part of the Resort's actual operation. Two characters walk us through our stay at Siloso Beach Resort in this

report: " *Prof Monitor plays the role of the knowledgeable source which we use to convey accurate key messages. Squirzy (the squirrel), on the other hand, is a more funny character which serves the purpose of asking the right questions, but sometimes in a humoristic way.*" A monitor lizard and a squirrel were selected as the Resort's "eco ambassador mascots" because they are often observed in the resort and represent Siloso's commitment to wildlife preservation and biodiversity. They reinforce key messages and add a touch of humor and interest to the report.

Additionally, stakeholder concerns and feedback are presented honestly and responses provided.

Siloso Beach's report is an education in eco-living and eco-management. In great detail, the company shares with us the green and glorious aspects of its operations from construction of this Resort inside a rain-forest using micro bore piling to avoid damage to trees, the rooftop vegetable farm, the live trees that continue to be protected and grow right in the guest villas, the biodiversity conservation program, energy efficient lighting, clean-tech filtration systems, solar panels, efficient heat chiller exchange systems, environmentally friendly mosquito control and more.

The report is structured in the order of GRI disclosures and each sections is labelled accordingly. However, this structure does not prevent Siloso Beach interweaving a range of creative elements to deliver a document that looks more like a magazine than a stuffy old sustainability Report. So many companies avoid using the GRI framework because they feel constrained by its requirements. This report embraces the GRI framework and make it its own. Similarly, Siloso Beach has made an earnest attempt to define its ESG impacts. As a single Resort, of course, not a sprawling multinational, the overall impacts on society and the planet are modest. Nevertheless, they are relevant and this report demonstrates an awareness and level of transparency that is a model for many small businesses.



Siloso Beach Resort, **AIM** model, check. PS: Congrats to Siloso Beach Resort for winning **ASRA16's Best SME Report** .

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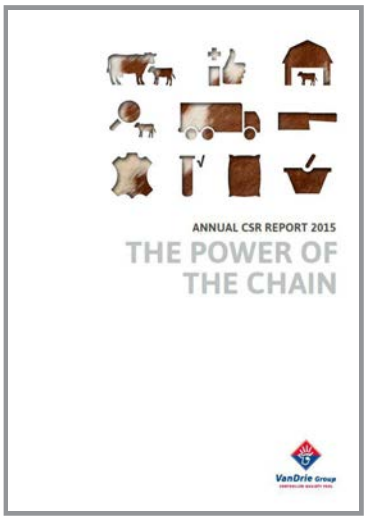
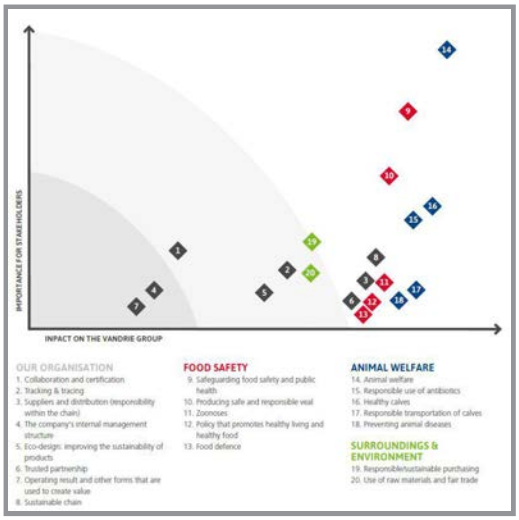
VanDrie Group Annual CSR Report 2015 Netherlands, not GRI, 6th report, 67 pages
The Dutch-owned VanDrie Group is the world market leader in veal, founded in the early 1960s. Today, with more than 25 companies, VanDrie group is the largest integrated veal producer in the world and the global market leader in veal and the largest producer of calf milk. Approximately 1.4 million calves are processed each year, mostly for export. The VanDrie Group supplies around 28% of European demand for veal.The Group employs 2,250 employees and works with 1,100 veal farmers.



Well, I guess the vegans, vegetarians and animal rights campaigners won't like this choice. And there are possibly parts of the veal production process that even veal-eaters may prefer not to know. However, in today's world, where meat is a significant part of food demand and supply, I believe it makes sense to acknowledge meat producers who do their job responsibly, with attention to animal welfare and all other aspects of business with ethics and integrity. You may disagree. In that case, skip this report. For everyone else, or if you focus on reporting quality alone, VanDrie presents a transparent and professional story of responsible business, caring and professional attention to what matters. A materiality matrix places animal welfare way up at the top of the priority issues.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In fact, I had to laugh at myself when I reviewed this report. Number 11 issue on this list is "zoonoses". Perhaps I am showing my ignorance but I had no idea what zoonoses meant. Perhaps a disease that animals get from living in zoos? The paragraph in the report didn't totally enlighten me

HYGIENIC MANUFACTURING / ZOONOSES

Over the past few years, considerable efforts have been made to raise our businesses' hygiene level even higher. Technical adjustments have been made to our business sites and our employees are constantly being coached. The VanDrie Group carried out random bacteriological checks at the end of the slaughter line to inspect the hygiene of the process. In 2015, a total of 45,883 random checks were carried out at Ekro, ESA and T. Boer & zn. Research was conducted into shelf life, salmonella, listeria, E. coli 0157, EHEC, ESBL, MRSA, Staph. aureus, Pseudomonas, fungi, yeasts, Campylobacter and pathogens and more.

Increasing research is being conducted into nutritional values. Environmental tests and chemical tests are also being conducted on heavy metals, antibiotics, dioxin and other undesirable substances, for example. Checks are also being carried out on legionella, cleaning and disinfection and manufacturing water. Independent laboratory Labora plays an important role in this regard. The studies validated by Labora are discussed regularly in a consultation between the slaughterhouses so that ways of working can be benchmarked and harmonised. Our companies are visited regularly and audited by customers, certifying authorities, NVWA and inspection teams from various countries. In 2015, a total of 90 audits were conducted in the three calf slaughterhouses in the Netherlands

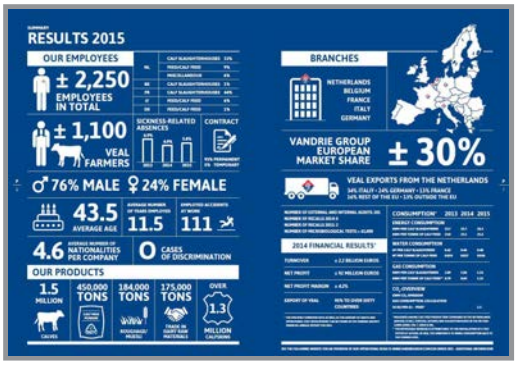
FOOD DEFENCE

It's a hot topic: how do you protect a production facility from deliberate infections or how do you prevent labels from being forged or sabotage from taking place? We are taking measures to guarantee safety; this forms part of our Safety Guard quality system. In 2015, various companies improved the security of their production facility, by installing additional fencing and cameras, for example.

Eventually, after a trip to Wikipedia, I realized that a zoonosis (zoonoses = plural) is an infectious disease in animals that can be transmitted to humans. Another reason I LOVE sustainability reports - every report teaches me something!

The VanDrie Group report reflects a pride in an job well done. Throughout the report, employees and farmers express their views, alongside interesting facts about the veal supply process.

These real people present an **A**uthentic story. The report covers all the issues you might expect from an animal agriculture business, including antibiotics, calf health, breeding practices, food safety and more. Narrative provides context and different perspectives on important, sometimes controversial, issues. Dialogue with stakeholders is presented in detail, aligning with material issues. Data highlights are presented with effective infographics.



AIM. Check

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Viña Concha y Toro Sustainability Report 2015 Chile, GRI G4 Core, UNGC, 4th Report, 100 pages

Founded in 1883, Viña Concha y Toro is Latin America's leading producer, currently exporting to 147 countries worldwide. It owns around 10,800 hectares of prime vineyards in Chile, Argentina and United States. The Concha y Toro Group comprises successful brands such as Don Melchor, Almaviva, Casillero del Diablo, Trivento and Fetzer. The company has 3,450 employees and is headquartered in Santiago, Chile.
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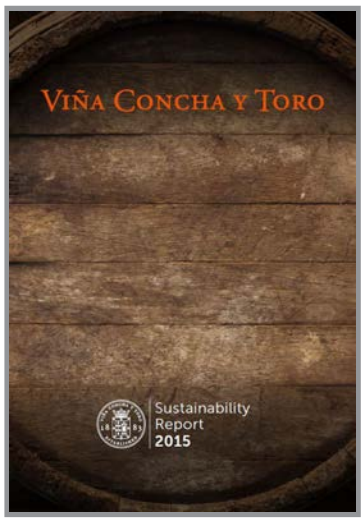


This is one of the reports that captivates you by its incredible photography and imagery, well before you start to focus on the written word. This is as much an artistic creation as a sustainability report.

However, the beautiful images do not detract from the professionalism of this report, they only add to it. They are also supplemented by aesthetic infographics throughout the report. Disclosure labels are used throughout to identify G4 responses.

The report is structured in five main sections which are pillars of Concha's sustainability strategy: People, Society, Supply Chain, Product, Customers and Environment. There are also separate mini-reports for three subsidiary vineyards. Material issues are listed in a table:

G4-19, G4-20, G4-21, G4-27

Relevance
- High
- Medium

Pillar: Material Aspect

Pillar: People
- Working conditions for temporary workers
- Health and safety, and working conditions
- Training and Knowledge Center
- Labor Relations
- Working Environment
- Career Development
- Promotion of wellbeing and benefits
- Wages and bonuses

Pillar: Society
- Community Management: Supporting local development

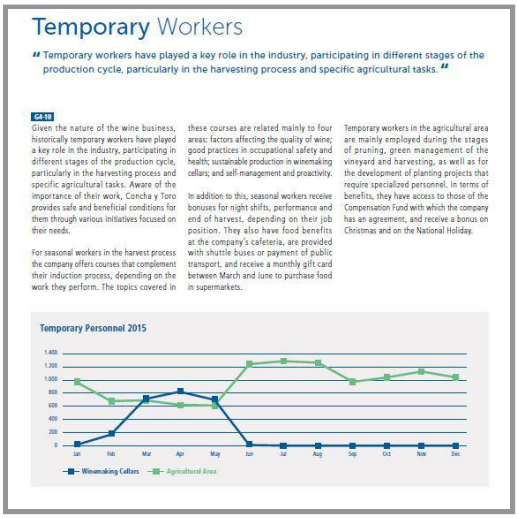
Pillar: Product
- Innovation
- Quality Management
- Sustainable Products
- Responsible Marketing

Pillar: Supply Chain
- Suppliers management and evaluation (social and environmental)
- Promoting sustainability in the supply chain
- Supply management
- Containers and packaging materials (life cycle)

Pillar: Customers
- Customer Satisfaction
- Transparency and Information for Clients
- Dissemination and Promotion of Sustainability
- Profitability, and economic value generated and distributed
- Ethics and anticorruption

Pillar: Environment
- Water footprint
- Energy and carbon footprint
- Waste management
- Impact of climate change on the business
- Pesticides and fertilizers
- Biodiversity
- Management of agricultural soils

The disclosures in this report are fact-based - not much in the way of embellishments or case studies. But important issues are addressed head-on.



Temporary Workers

" Temporary workers have played a key role in the industry, participating in different stages of the production cycle, particularly in the harvesting process and specific agricultural tasks. "

G4-10

Given the nature of the wine business, historically temporary workers have played a key role in the industry, participating in different stages of the production cycle, particularly in the harvesting process and specific agricultural tasks. Aware of the importance of their work, Concha y Toro provides safe and beneficial conditions for them through various initiatives focused on their needs.

For seasonal workers in the harvest process the company offers courses that complement their induction process, depending on the work they perform. The topics covered in these courses are related mainly to four areas: factors affecting the quality of wine; good practices in occupational safety and health; sustainable production in winemaking cellars; and self-management and proactivity.

In addition to this, seasonal workers receive bonuses for night shifts, performance and end of harvest, depending on their job position. They also have food benefits at the company's cafeteria, are provided with shuttle buses or payment of public transport, and receive a monthly gift card between March and June to purchase food in supermarkets.

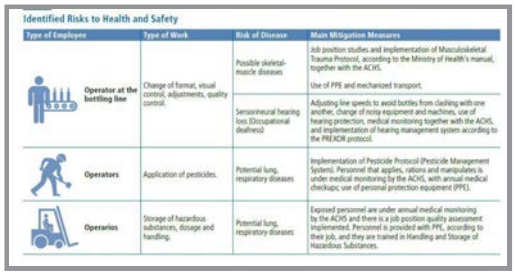
Temporary workers in the agricultural area are mainly employed during the stages of pruning, green management of the vineyard and harvesting, as well as for the development of planting projects that require specialized personnel. In terms of benefits, they have access to those of the Compensation Fund with which the company has an agreement, and receive a bonus on Christmas and on the National Holiday.

Temporary Personnel 2015

1.400
1.200
1.000
800
600
400
200
0

Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec

— Winemaking Cellars — Agricultural Area



Identified Risks to Health and Safety

Type of Employee	Type of Work	Risk of Disease	Main Mitigation Measures
Operator at the bottling line	Change of format, visual control, adjustments, quality control.	Possible skeletal-muscle diseases	Job position studies and implementation of Musculoskeletal Trauma Protocol, according to the Ministry of Health's manual, together with the ACHS. Use of PPE and mechanized transport.
		Sensorineural hearing loss (Occupational deafness)	Adjusting line speeds to avoid bottles from clashing with one another, change of noisy equipment and machines, use of hearing protection, medical monitoring together with the ACHS, and implementation of hearing management system according to the PREXOR protocol.
Operators	Application of pesticides.	Potential lung, respiratory diseases	Implementation of Pesticide Protocol (Pesticide Management System). Personnel that applies, rations and manipulates is under medical monitoring by the ACHS, with annual medical checkups; use of personal protection equipment (PPE).
Operarios	Storage of hazardous substances, dosage and handling.	Potential lung, respiratory diseases	Exposed personnel are under annual medical monitoring by the ACHS and there is a job position quality assessment implemented. Personnel is provided with PPE, according to their job, and they are trained in Handling and Storage of Hazardous Substances.

The detailed disclosures in this report are highly informative and demonstrate transparency. From the data relating to all processes in the supply chain to the amounts of different materials used in each stage of wine production to the number of customer audits of Concha's facilities to detailed environmental data including Scope 3 emissions to forests inventoried for biodiversity, this report ensures that all relevant information is accessible to stakeholders in a clear and careful manner. **AIM** . Check.

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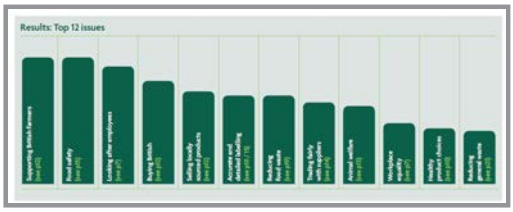
Wm Morrison Supermarkets plc Corporate Responsibility Review 2015/16 United Kingdom, not GRI, 10th report, 30 pages
Morrisons is the fourth largest food retailer in the UK, founded in 1899 in Bradford, Yorkshire and currently operating 498 stores with more than 117,000 employees serving 11 million customers.

It have always liked Morrisons reporting - it has tended to be simple, plain-talking and eye-level over the years. This 2015/16 review is another strong example of getting the message through. It's focused, direct, disciplined, professional - and considerably shorter than prior years. It's not written in accordance with any particular framework - never has been - but it is externally assured and includes the key elements that I believe stakeholders need to know, for the most part. In fact, it's appeal is probably broad enough to interest consumers - the directness of the language and easy-to-follow format make this report accessible (and interesting) for any reader, not just investors or professional report-users. Just by calling themselves a "food maker and shopkeeper", Morrison's makes a more personal connection to what consumers identify with, rather than a national (or global) grocery chain that smacks of anonymity and distance. Morrisons has developed a personality in its reporting that is distinct from other major grocery retailers.

The clear message in this year's report, influenced, it seems, by the new CEO, is the strong emphasis on listening. In fact, this report is all about responding to what Morrisons has been hearing. In 2015, Morrisons performed a customer insight survey and the result was a set of priority issues for consumers.



While not a "materiality assessment" in the strictest sense of the word as it is defined for
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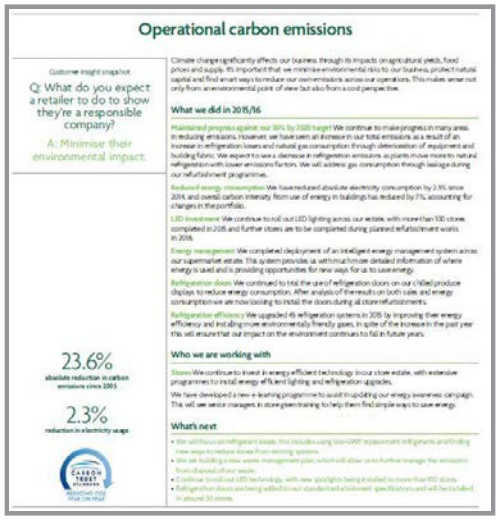
sustainability reporting, as it is determined only by consumers rather than a range of stakeholders, the list is reflective of issues that stakeholders in other categories might prioritizes - employees and environmental supporters, for example. Interestingly, while waste is seen as an issue, reducing energy and water use, or climate change, did not make the top 12 issues for consumers. However, Morrisons does report energy, carbon and waste performance against targets.

Upfront, Morrisons provides an overview of what was achieved in the reporting period and ongoing commitments across all issues, including some quantitative targets to 2020.

The report then follows a symmetrical structure of one page per issue, in a standard format: what we did in 2015/16, who we are working with, and what's next. It's short, sharp and does the job.



Supporting British farming

Customer insight snapshot

Q: What do you expect a retailer to do to show they're a responsible company?

A: Sell British goods where possible.

100% British

Milk for Farmers

We know our customers care about buying British, they like to support local farmers and the UK economy. They are also concerned with price, they want to buy affordable fresh British food. British farming is essential to our business. It keeps our supply chains short and efficient. Rising input costs, changes to the Common Agricultural Policy, difficult weather patterns and competitive pricing from producers abroad are all challenging British farmers. We must keep British farming sustainable and profitable so that we can provide customers with a great product at an affordable price.

What we did in 2015/16

Buying British Despite the tough trading environment, we continue to support the British farming industry by maintaining our 100% British on fresh beef, lamb, pork, chicken, milk and eggs making us one of the market leaders on fresh British meat and produce.

In 2015, the number of livestock processed through our supply chain increased in comparison to last year with cattle up 2.8%, lamb up 7.5% and pigs up by 5.3%.

Who we are working with

Our supply chain We continue to support our farm suppliers through our supply chain groups where the focus is on producing quality British foods through more profitable and sustainable supply chains. Our vertically integrated supply chain model means that we are closer to our suppliers, allowing us to deliver specialist working groups with different sectors to deliver these sustainable farming solutions.

Tender Pork Supplier Group We established our tender pork supplier group which looks at different pig breed lines that offer great eating quality British pork. In addition to this, the working group is also looking at different welfare systems for the pig industry.

Meat quality centre Our meat quality centre looks at the application of new technologies and techniques to help build the quality of our British beef, pork and lamb.

Cattle pre-payment scheme We had a 30% increase in the number of cattle under our cattle pre-payment scheme that helps smaller operators and young farmers to build their businesses.

Dairy farmers We provided price support for our British milk and cheese suppliers as well as launching the Morrisons 'Milk for Farmers' milk and cheese brands. Working with our milk supplier Arla, the 'Milk for Farmers' brand gives 10p per litre back to farmers. Around 2800 farmers in the UK will benefit from these payments, alongside European dairy farmers as part of Arla's farmer-owned co-operative. Our 'Milk for Farmers' cheese range gives an extra 10p per litre of milk used back to British farmers via our supplier Lactalis McClelland.

What's next

- We will continue to lead on 100% British on fresh beef, pork, lamb, chicken, milk and eggs.
- We will build on our Morrisons Farming Programme and look at new opportunities and other ways to help the industry in 2016.
- We will continue to work with our supply chain groups to ensure British farming remains profitable and sustainable.

The report rounds off with a detailed performance summary and KPIs against all commitments and targets.

COMMITMENTS AND ASSOCIATED KPIS	PROGRESS	WHAT WE DID IN 2015/16	WHAT'S NEXT
Ongoing carrier bag reduction year-on-year	○	Total net proceeds raised in the 2015/16 reporting year: UK – £6,656,435 England – £3,142,990 Wales – £389,844 Scotland – £371,570 A total of £3,194,957 has been used to support the Morrisons Foundation (100% of net proceeds from Wales, Scotland & England). A total of £34,299 has been used to support Sue Ryder (10% of proceeds from the sale of bags in-store in England). A total of £5,750.6 is being held to support UCL dementia research initiative (5% of proceeds from the sale of bags in-store in England).	Reporting of our carrier bag figures are available online at www.morrisons.com/cr

As an individual and focused review with broad consumer appeal and compact updates on performance, this report delivers the **AIM** model. For data-hungry professionals, who want to see charts of data and trends over multiple years and a little more depth in reporting, this report does probably not meet the need. On the other hand, many 100+ page reporters could possibly learn a thing or two from this report.

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Zain Sustainability Report 2015 Kuwait, GRI G4 Core, 5th report, 134 pages

Zain is the pioneer of mobile telecommunications in the Middle East, founded in 1983 in Kuwait as the region's first mobile operator. Today, Zain has a commercial footprint in 8 Middle Eastern and North African countries with a workforce of over 7,000 providing a comprehensive range of mobile voice and data services to over 45.8 million active individual and business customers.
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This report from Zain addresses the challenges and volatile circumstances of the region head-on. "Operational context" is a significant part of this company's daily reality and sustainability focus. Messages from the Chair, the CEO and the Head of Corporate Sustainability all refer to these challenges across the 8 Middle Eastern countries that this group operates. Quoting the Head of CS, Jennifer Suleiman, *"2015 was a year filled with dualities ranging from great promise to immense human tragedy and suffering. During the year, the world experienced devastating consequences from the war in Syria which impacted millions of people seeking a better life in other parts of the world. This was further compounded by the ongoing acts of terrorism and social unrest in Iraq, which precipitated the crisis and the mass migration of that symbolizes the breakdown of the essential fabric of life that binds us together ",* we gain a glimpse of the daily impact of operational context.

This is only indirectly represented in the company's materiality matrix, which puts governance, ethics, economic performance and employment at the top of the ladder.

However, in the report, challenges are addressed in different sections with direct and frank narrative.

What is most appealing about the Zain report is that it presents a holistic picture of the role of the company in society and the communities it serves, almost all of which are troubled by hardship and where communications technologies can help. Whether it be refugees, war-stricken areas, infrastructure deficiencies, currency challenges, youth unemployment, empowering women and more, Zain's report presents its performance in the context of these social issues and the role that the company plays in providing services and assistance to strengthen the people and the region.

In addition, the report covers all the bases in terms of direct impacts, governance, environmental stewardship and more. This is definitely an **AIM** report.

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That completes the round up for this year. Even with 15 reports, I still feel that I have not done justice to many great reporters and reports that saw the light of day in 2016. I hope this selection provides food for thought as you move forward with your reporting. Thank you to all the Top 15 (and many other reporters) for providing me with inspiration and interest.

Wishing you all Happy Reporting in 2017!

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Trust Across America 2017 Lifetime Achievement Award honoree, Ice Cream Addict , Author of Understanding G4: the Concise Guide to Next Generation Sustainability Reporting AND Sustainability Reporting for SMEs: Competitive Advantage Through Transparency AND CSR for HR: A necessary partnership for advancing responsible business practices . Contact me via Twitter (@elainecohen) or via my business website www.b-yond.biz **(Beyond Business Ltd, an *inspired* CSR consulting and Sustainability Reporting firm). Need help writing your first / next Sustainability Report? Contact elaine: info@b-yond.biz**
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People powering trust

Monday, January 23, 2017

As a consultant, my work is most often behind the scenes of business and most of my job satisfaction derives from helping others make a difference. One of my favorite things about my work is when clients tell me they gained a new insight, or when I see the contribution I have made creating ripples in an organization or helping empower people. And in the field of CSR and Sustainability, pretty much everything I work on supports a mission of advancing positive-impact, ethical, values-driven business which I believe is a key stepping stone to a sustainable society and planet.

Transparency is the cornerstone of responsible business, and my geeky fascination with and love of Sustainability Reporting has become a purposeful occupation, a hobby and a vocation all rolled into one. I couldn't have imagined that this is what I'd end up doing when I started out 30+ years ago as a Distribution Manager with Procter and Gamble in England, and today, I can't imagine doing anything else. As a consultant, I think we are wired not to seek recognition for ourselves, but for our clients. As consultants, we take pride in our professional work, but we are more proud of what our clients achieve. As consultants, our success is possible because of the trust our clients place in us. And trust is what brings me to share these non-typical personal ramblings on what is usually a fairly on-topic blog.

In the Winter 2017 Issue of Trust! Magazine , I am quoted on the topic of trust.

"Trust defines relationships – personal and professional. It's the most basic currency of our interactions. When trust exists, relationships thrive and positive outcomes are possible. When trust is eroded, relationships are eroded too. In a business context, the value of trust is often underestimated. Because we can't count trust in the same way as we can count money, products and other tangible outputs of business, we are often unappreciative of the role trust plays in making it all possible. But we must never forget that business is built on relationships… we may think business is about profit but it's really about people… so when trust is present, relationships work and business has a good chance of success. As an optimist, I believe, we are predisposed to trust. Retaining trust is the longer-term challenge and that is done by consistently demonstrating integrity, empathy and openness (in business, that includes transparency)."

But you may notice that the Magazine cover carries a special announcement - it's from

Trust Across America - Trust Around the World (TAA-TAW) honoring global leaders in organizational trust. The TAA-TAW awards program, now in its 7th year, celebrates professionals who are transforming the way organizations do business. This year a diverse group of 84 global professionals from different backgrounds operating in different countries and sectors are honored. This list includes seven honorees who have maintained Top Thought Leader status for five years and are presented with a Lifetime Achievement Award. The Press Release from TAA-TAW notes : " *We congratulate all of our honorees whose work is shining a spotlight on the importance of trust and providing a roadmap for others to follow. They inspire organizations to look more closely at their higher purpose…to create greater value for, and trust from all of their stakeholders, and understand trust is a "hard currency" with real returns.*"
So it's not by accident that I am writing about all of this here. I am genuinely humbled and delighted to be among the 2017 Lifetime Achievement Award honorees . More humbled, I guess, as the list of Top Thought Leaders in Trust (which you can view in the Winter Issue of Trust! Magazine) includes so many accomplished individuals that inspire me with all they have done to change the world and the world of business.

With this post, I applaud each and every one of the **Top Thought Leaders in Trust**
I encourage you to notice and appreciate the difference they make and recognize them, as I do, as a source of inspiration and optimism. This recognition by TAA-TAW is a breath of fresh air in a world in which trust is evidently more necessary than it ever has been.
Trust Across America - Trust Around the World (TAA-TAW) is the product of the vision and focused action of **Barbara Brooks Kimmel**, the CEO and Cofounder of Trust Across America-Trust Around the World, whose mission is to help organizations build trust. Now in its seventh year, the program's proprietary FACTS® Framework ranks and measures the trustworthiness of over 1,500 US public companies on five quantitative indicators of trust. Barbara also runs the world largest global Trust Alliance, and is the editor of the award winning TRUST INC. book series and a Managing Member at FACTS® Asset Management, a NJ registered investment advisor. Barbara has made trust her agenda in quite a unique way. I was keen to find out why and learn more about her work:

Me: When was your a-ha moment that trust was a pivotal factor for healthy business and society? Barbara: That moment came at the height of the financial crisis in 2008 when CEOs would announce on a Friday that their balance sheets were strong and then declare bankruptcy over the weekend. I started thinking about what trust meant at the

organizational level and started searching the internet for resources. I quickly realized that there was no central "clearinghouse" or website where one could go to find information on organizational trust and trustworthiness. Inherently I knew that trust played a very large role in the health of business and society, but frankly, was unaware at the time just how large that role was.

Me: What are the key challenges facing organizations that are trying to build trust ?

Barbara: Most of the work we do at TAA-TAW focuses on public companies, although all organizations regardless of the type, tend to have similar issues. The biggest challenge is leadership. Trust is usually taken for granted. It's certainly not something that proactively comes up in meetings of Boards of Directors or CEOs, unless they are faced with a crisis, and there is certainly no budget. Trust is built over time and in incremental steps. There are so many competing forces in public companies- quarterly earnings, analysts expectations, CEO compensation and tenure, etc. That's why we have focused on building the Business Case for Trust via our FACTS® Framework. FACTS is a holistic quantitative measurement of the trustworthiness of public companies, compiled from independent third party data providers. In other words, companies do not know they are being evaluated nor do they pay us any fee. With 8 years of data, we see strong correlations between the most trustworthy public companies and long-term profitability. My message to Boards and CEOs is that without organizational trust decisions take longer, employee turnover is high, innovation slows and profits erode. Place trust on your agenda. Start meeting the needs of all your stakeholders, not just your shareholders, and your profits will increase.

Me: What was your prime motivation in developing the Top Thought Leaders in Trust Awards program?

Barbara: There are people who have devoted their entire careers to building organizational trust across every functional area of an organization. These same people should be hailed as heroes and be celebrated. Seven years ago there was no mechanism for doing this. Now there is. Perhaps the recognition opens doors for these folks to make a greater impact.

Me: Tell us a little more about the Trust Alliance? What does the Alliance achieve?

Barbara: I started the Alliance 5 years ago to bring like minded professionals together to build tools and resources that would enhance both our website and society at large. Very little existed before the Alliance was formed. Now when visitors come to our website, there is an almost endless supply of organizational trust resources and tools. I love to connect members that have complimentary interests and watch new relationships flourish that already have a head start on trust. Understanding that trust is both holistic and global, so is our membership. We don't actively solicit new members but welcome them when they find us. It's a global group.

Me: What's top of your agenda in advancing trust in the coming year or two?

Barbara: Within the next several months we will have the ability to issue "flash reports" to public companies who have an interest in elevating organizational trustworthiness but don't know where to start. The reports will provide a good overview of where the company stands in relation to its peers. These will be driven by our FACTS ® data and provide a mechanism to get companies on the right road, at least those that want to be there! Imagine if every company published their FACTS score in their annual report! With so many years of data there is also quite a bit of interest building both in and outside the financial community. We are discussing licensing with many organizations. This is good for business and for society over the long term and will remain our focus over the next

few years.

Thank you Barbara for making trust your thing and for your contribution to making trust our thing. Thank you to all the Top Thought Leaders in Trust for making our world better.

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Trust Across America 2017 Lifetime Achievement Award honoree, Ice Cream Addict , Author of Understanding G4: the Concise Guide to Next Generation Sustainability Reporting AND Sustainability Reporting for SMEs: Competitive Advantage Through Transparency AND CSR for HR: A necessary partnership for advancing responsible business practices . Contact me via Twitter (@elainecohen) or via my business website www.b-yond.biz **(Beyond Business Ltd, an *inspired* CSR consulting and Sustainability Reporting firm). Need help writing your first / next Sustainability Report? Contact elaine: info@b-yond.biz**

GRI's great start to 2017!

Tuesday, January 03, 2017

With the start of a new year, I decided to clear the decks and make way for all the good things that are going to happen in 2017. In a year when BrexiTrump did nothing to advance a positive vision of a shared, collaborative, inclusive, optimistic path forward, anything that might indicate that the future will get a little brighter is worth supporting. One of those things is the appointment of a promising new Chief Executive at GRI. Tim Mohin , Corporate Responsibility veteran, author, former regulator, ex Intel, Apple and soon AMD CSR exec, former Electronic Industry Citizenship Coalition (EICC) Board Chairman, Tim has a passion that's easy to recognize - it's about making the world a better place. He also has a proven track record in sustainability reporting, a singularly relevant ingredient for anyone planning to take the helm in Amsterdam.

I met Tim in person, after years of mutual retweeting, in Berlin earlier this year at Humboldt University's 7th International Conference on Corporate Sustainability and Responsibility. We shared a stage together in a panel on CSR and Digitization. Tim talked about what being a CSR practitioner means in the age of digitization. Tim explained that, while there is a lot that companies do to be "less bad", especially in the supply chain, there are many ways that companies can create "more good", including through digital technology. One of the most important aspects of all of this is designing these activities right from the outset - good by design to deliver sustainability at scale.

I chatted with Tim just before the holidays. Here's how it went:

GRI Chief Exec is going to mean a lot of changes for you, right? Absolutely. New job, new city, new home. new issues - it's a lot to take in. Especially with the holidays just around the corner. I am very excited.

What drew you to this job? I have been working in the sustainability arena for more than 20 years with different companies, and 10 years in government before that. My experience with transparency as a tool for sustainability is a good one. There is a great deal of power in transparency - think of the old phrase: sunshine is the best disinfectant! When you look back at my career, I have worked on sustainability reporting for Intel, Apple and now AMD (AMD has 21 consecutive years of sustainability reporting, well before there was a GRI). I can tell you from first-hand experience, transparency works! But, it has to be done right. That's what I am interested in with this role.

What does "transparency works" mean? The point of transparency - publishing

information - is to advance sustainability and advance performance. That has almost gotten lost in the debate we have been having about this standard or other. We should be able to answer the question: Has it helped? Some of that clarity has gotten lost and I would very much like to see it come back.

What does the new GRI tag-line, Empowering Sustainable Decisions, mean to you? I do subscribe to the vision of empowering - it goes back to what I was saying before - by putting information out to the world, information found its way into the hands of investors and others. That information matters, and its users create the pressure or leverage on a company to improve. You can track trends and you can do comparisons with other companies in the sector. But ultimately, someone in the company has to take action. That sounds like empowering sustainable decisions to me.

Who reads reports? How are reports are being used to generate action? I have written on this topic a few times, for example, one piece I published a few years ago was called: " Is your report a window or a mirror?" We often think reports are a window - everyone can look in. More often they are a mirror and often the main readership is employees. The very act of reporting holds up a mirror to what's happening in the company, asking the question: How are you doing? It creates an opportunity for employees to think about their performance and contributions. Corporations are just a bunch of people. My experience of reporting at companies for many years is that it creates opportunities. Suddenly people light up with the realization that their job can actually help people and the planet. Well, yes, it can. It's true there are issues - I've been around a long enough to know that. These issues were outside the mainstream for a long time. Now they are more inside the mainstream and it is uplifting to see how you can get a very positive response from different people in different functions in organizations.

Role of GRI to date? I'll share my perspective as the incoming Chief Executive. To start with, if you are running CSR department, the first thing I would say is go look at GRI. For the past 17 years, GRI has defined what CSR means in a very real and practical sense. GRI has created a sort of road-map for CSR and sustainability. You could call it the "installed base" of sustainability information and standards. That has been incredibly valuable and GRI has established a powerful leadership position. The future, on the other hand, is still full of challenges. When GRI started out, sustainability reporting was new and novel - today, most of the Fortune500 are doing it and most are using GRI. But there is some confusion, some fatigue, both on the data provider side and on the data consumer side. If you are the installed base of that market, the question is how do you respond to those challenges. That's what I hope to get into in January. As a long-time practitioner and reporter, I can see those problems quite clearly.

Initial areas of focus? It's a bit early to say! But one thing I will say is that expansion into emerging markets is an important priority for the organization. I spent a lot of my career at Apple in China and other parts of Asia. That area of the world is just booming and presents some of the most egregious and challenging CSR issues I have ever seen. Looking at those issues coupled with extreme growth, one of the things I believe is that the role of CSR is very important and much of this stems from globalization. Some corporations are bigger than nation states in terms of annual revenues and their operations can have an effect in every corner of the globe. We need to harness that incredible economic activity towards good - then all of a sudden, you are not waiting for this or that jurisdiction, you have created a broad scope of sustainability action and that's what I want to see GRI do more of.

Let's get personal.....

Born in: The U.S., into a military family, so I moved around often and that includes 3 years in London (British accent now a little faded!)

Married: Happily

Kids: Two children, both married, my daughter, who has a beautiful little baby, is an attorney and my son just gained his PhD in Chemistry. They won't be joining us in Amsterdam but I hope they will come to visit.

Top hobby : I am a cyclist. I have clocked up a lot of miles this year - around 3,100, averaging 60 miles per week.
Fave movie: Captain Fantastic
Fave book: I am now re-reading several leadership books and I audio-read about 3- 4 books a month. I just finished Bruce Springsteen's autobiography, Born to Run and that's pretty good. I wouldn't say I have a favorite book but the leadership book I am reading now is one I would recommend to anyone. It's called It's Your Ship written by a former navy captain, and its message is essentially: take care of your people and they will do a great job for you.
Fave music: I listen to Slacker, which doesn't work in Europe so I am going to switch to Spotify. I stream music constantly. I love the classic rock genre and also Indie style and jazz.

Fave ice cream: Rocky Road, of course.

Favorite GRI Performance indicator: They are all good

Last word from Tim: For me, all the positions I have selected in my career have been about making the world better. It's my cause and I want it to be my legacy. We often get mired in a lot of details and debates and argue about things, but ultimately we all want to move the world forward. It doesn't have to be a zero-sum game. I see my new role at GRI as a wonderful way to pursue my cause.
And the last last word from me:
I was inspired by my chat with Tim (as I have been from his writings and talks) and believe he will bring a new discipline to GRI. I am sure he is not a **Slacker** and though he might have a **Rocky Road** ahead, I expect he will make the GRI his **Ship** and end up being **Captain Fantastic** . I am looking forward to hearing more from Tim and supporting his progress in the new year.
Wishing all the CSR-Reporting Blog readers an equally fantastic year ahead.... where the Rocky Roads are only the kind you eat.

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. Author of Understanding G4: the Concise Guide to Next Generation Sustainability Reporting AND Sustainability Reporting for SMEs: Competitive Advantage Through Transparency AND CSR for HR: A necessary partnership for advancing responsible business practices . Contact me via Twitter (@elainecohen) or via my business website www.b-yond.biz **(Beyond Business Ltd, an *inspired* CSR consulting and Sustainability Reporting firm). Need help writing your first / next Sustainability Report? Contact elaine: info@b-yond.biz**

Santa Claus Inc. 2016 Material Topics Report

Saturday, December 24, 2016

With zero shopping days left before Christmas, the time is here once again to preview Santa's Sustainability Report. Reporting is a long Santa tradition. Check out Santa's prior reports:

Santa's 2015 SDG Report Santa's 1750th Sustainability Report 2014 Santa's First G4 Comprehensive Sustainability Report 2013

Santa's First Integrated Financial and CSR Report 2012 Santa's 1,747th 2011 Annual CSR Report Santa's 1,746th 2010 Annual CSR Report Santa's 1,745th 2009 Annual CSR Report

Santa Claus Inc. 2016 Material Topics Report Leadership Message

Dear Stakeholders

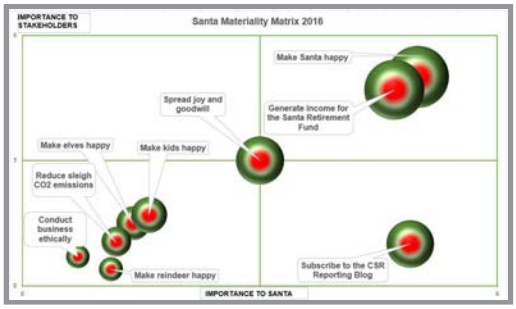
Oh, what a year 2016 has been. Ups and downs, downs and ups. Fortunately, profits have been up for the 346th successive year although almost everything else has been down. That includes Santa's mood in the wake of startling turns of events in the political arena, mentioning no names Trump Brexit, corporate fraud mentioning no names Wells Fargo, devastating natural disasters in different corners of the globe, the spread of extremism and violence, the grim fate of populations under siege and civil war, increasing racism, sexism and terrorism and the rapidly deteriorating level of biodiversity on the planet which is destroying my reindeer population and favorite dodo egg breakfasts.

Nevertheless, Santa is never down for long, as my mission to spread joy, goodwill and gifts throughout the holiday season is powerful enough to spur me on. In fact, my mission has such a motivating effect on me, taking away all the pain that I feel for the world's gentle people, that I decided to recreate it in tablet form and market it as acetaminophen and hydrocodone which some of you might know as Vicodin. We call it SantaUpper. So far, we have sold several million units of SantaUpper and have noticed an interesting development. As people begin to feel greater joy and goodwill, they have become more generous of spirit and in cash. Donations to the Santa Claus Goodwill Fund have tripled and are on the way to achieving record levels by the New Year. You can help, whether or not you have ingested our SantaUppers. Send loads of money NOW to the Santa Goodwill Fund.

Aside from this, we have received reports that some people are using far more SantaUppers than the stated dose. We understand that this drug is a little addictive. However, overdosing has given rise to another positive commercial opportunity for people and planet. The SantaUpperDowner. For those who have become critically addicted to SantaUppers, a few swigs of SantaUpperDowner (kale juice flavored with licorice, ginger and reindeer droppings) will soon bring the pain back. Sales are a little sluggish, mainly as we have not been able to maintain a steady supply of reindeer droppings because most them are used in biogas conversion to fuel Santa's hybrid sleigh – our eco-friendly contribution to Goal 13 - so we are increasing the level of soluble fiber in our reindeer diet and expect to triple production in 2017. Reindeer are now enjoying dried figs and baked yams 3 times a day, in addition to their regular diet of Arctic char.

Santa's Materiality Matrix This year, we decided to refresh our Materiality Matrix to define the issues that matter most to our business and to our stakeholders. We consulted with many stakeholders including our teams of elves and reindeer, children around the world, parents, toy suppliers, sleigh manufacturers and sustainability experts. We asked all of these groups to suggest the issues that are of greatest importance to them and which affect their decisions about Santa Claus Inc. and rank them in order of priority. The results were not entirely surprising – especially after we massaged them a little to deliver

the result we wanted. Here is Santa's materiality matrix for 2016:



New Hallmark Movie Series For years now, we have been standing idly by as Hallmark dominates the Holiday Season with Santa movies without paying any royalties to yours truly. Although the movies are often well made and star my fave performers such as Lori Loughlin, the fact remains that the holiday season belongs to Santa, not to Hallmark. However, generous as ever, we have now formed an agreement with Hallmark to produce a new Santa series that will replace Hallmark's 2016 Christmas line-up. Watch out on your big and little screens for the following New Movies:

• Santa and the Science-Based Goals • Santa Brings Every Child an Eco-toy for Christmas • Love at the Christmas Compost Party • Santa Makes an SDG Wish for Christmas • The Sustainable Mistletoe Promise • My Christmas Citizenship Dream • A Perfect Positive Impact Christmas • A Heavenly Christmas Engaging Stakeholders • Santa and the Sustainability Reporting Mystery

All of these full-length movies feature Santa in the starring role and they are guaranteed to bring a tear to your eye this holiday season. Lori Loughlin, Hallmark's most proliferous and talented actress, also features in each of these movies, because she is Santa's favorite. And she always solves the Garage Sale Mysteries which is an advantage in case there is any foul play on the set. Do let us know if you have enjoyed a Santa Hallmark movie this season. We are already working on sequels to all the above.

New Santa Reality Series Santa never ceases to be amazed at the growth in popularity of reality TV and the interest that viewers have in following the personal lives of so many individuals for no particular reason. But, if the Kardashians can do it, if Mariah Carey can do it and heck, if the Amish can do it, then so can Santa. Apparently, reality TV reflects the thirst that the general population has for transparency. Santa believes that transparency could reinforce the trust and love that people everywhere have for Santa. Starting in 2017, a brand-new series of Santa Reality will air on prime time every day for a full year. In preparation for the show, we have kitted out our entire elf and reindeer population with personal microphones and we installed cameras throughout the North Pole. In order to achieve full transparency, we decided to hold nothing back. For some viewers, this may be a disturbing experience. Especially the parts where Santa is in the bathroom after the regular Wednesday breakfast curry, and one episode where overweight elves get stuck in a narrow chimney as they were preparing to help Santa deliver toys on Christmas Eve. Unfortunately, the only way to resolve this situation was to demolish the chimney or dismember the elves. We chose the latter because the chimney was Trump Tower chimney and therefore very high profile. After a gruesome episode in which we cut up several elves and shipped the parts to cannibals in Fiji, we subcontracted the Trump Tower toy delivery to Alex Baldwin who successfully navigated the chimney and was filmed doing so on Saturday Night Live .

Santa on Mars A new venture we have undertaken in the past year is the fulfilment of our promise to bring toys to all the children of Mars, even if we still don't know where they are. We believe that populating Mars is the solution to a sustainable planet Earth as the likelihood of achieving the recommendations of the IPCC sometime before we all reach

the age of 243 is seriously close to zero. Therefore, we have accelerated our plans to support this initiative by being inclusive and spreading our joy and goodwill to territories unknown. Getting to Mars has been a bit of a problem, as our reindeer cannot survive in Mars's atmosphere and we didn't have enough oxygen tanks to support our team of elves. Therefore, instead of the sleigh, we chartered a Virgin Galactic satellite, specially customized for our elf population, and we kitted out a compact team of elves with Mars survival kits, including several cans of Red Bull in case they suffer a bout of low blood sugar. In our first trial mission, we deposited several toys for children of all sexes and ages in craters around the planet. We also left a few iPhone 7's just in case they are Mars-proof as well as waterproof, so that the kids could give us a call if they wanted to replace any toys. To our delight, we received several calls from satisfied kids on Mars. We also received several complaints about the iPhone 7's. Apparently, the battery life on Mars is even poorer than it is on Earth, and it's impossible to use the earphones that were "in the box" while the iPhone is on constant charge. We addressed this by shipping out a batch of recalled Samsung Galaxy Note 7's, but they all exploded before they could reach their galactic destination.

Toy Developments As we do every year, we have continued to expand our range of toys and in 2016, we decided to focus on toys that support SDG 5 – gender equality – with a breakthrough innovation: A woman Santa. Yes, this is the first ever gender-balanced Santa doll in the history of Santakind. Santa Woman comes in 5 different editions, empowering women everywhere.

• **Santa Woman Housewife:** Special edition of a doll that can cook, clean, shop, raise children, make the beds, run errands, look after elderly parents, perform conjugal duties, and even make home-made ice cream. She needs very little care and attention and never gets worn out. This Santa Woman is most popular with boys. • **Santa Woman Executive:** We only make around 5% of Santa Women Executives, representing the penetration of women in leading roles in business today. This edition is first in the office every day and last to leave, wears suit and a tie, goes for drinks after work and beats all the Santa Men Executives at almost every project. The good news is that Santa Woman Executives come at about 60% of the price of Santa Men Executives and they never need to be promoted. • **Santa Woman Miss World:** This edition of Santa Woman is everyone's favorite. Her mission is to achieve world peace and she loves animals. She looks as good in a bikini as in an evening dress, or even jeans. She has long shiny hair and doesn't say very much other than how wonderful it would be to achieve world peace. She didn't even speak out when unwelcome visitors stopped by the dressing room. • **Santa Disabled Woman:** We took our cue from Lego on this one. This edition comes in several versions: one in a wheelchair, one with crutches, one with no arms and one who is deaf. Despite their disability, each of these Santa Women are big achievers. The box sets come with Para Olympic gold medals, academic degrees and awards for community service. Unfortunately, there are no business awards, as these Santa Women are typically excluded from the mainstream job market. • **Santa Woman President of the United States:** We had to cancel this edition due to tragic unforeseen circumstances.

Elf Healf and Safety Every year we provide an update on elf healf, one of our most material priorities. Our commitment is to ensure we do not kill any elves in the course of their work, thereby ensuring they retain their health. This year, in an attempt to encourage elves to accept greater accountability for their own wellbeing, we started a new scheme whereby all elves are required to take an Elf Healf survey relating to healthy lifestyles. The Survey quizzed elves about their personal health habits. Unfortunately, as our elves do not have any healthy habits, all surveys were returned blank. As a result, we decided to link elf healf to compensation and benefits. Simply put, the worse the health of the elf, the lower the compensation and benefits. Elves that are sick more than one day a year receive a 10% pay cut, more than 3 days per year, a 35% pay cut and elves that are

sick more than 7 days a year actually have to pay Santa. This is quite convenient and the Santa Claus Bermuda Fund is now doing quite nicely.

Protecting Reindeer Rights In line with the UK Modern Slavery Act, we revised all our reindeer contracts. We have committed, for the first time ever, to provide employment contracts where reindeer rights are explicitly detailed and grievance mechanisms are established. Since the introduction of these contracts, we have received 4 grievances. All of them were related to elf abuse. We discovered that certain elves are treating reindeer as their personal servants, and requiring them to bring them breakfast in bed, clean their living quarters and launder elf socks. After review, we determined that this is not an abuse of reindeer rights and we updated our reindeer contracts to reflect these new duties. This has resulted in a much happier elf population, very clean elf residences and far fewer smelly elf feet.

Safeguarding against Dangerous Elf Merchandise Over the years we have taken a strong stand against counterfeit Santa merchandise, ranging from Santa Farting Dolls, Santa apps, Santa toys and Santa movies. However, we have now turned our attention to a disturbing new trend relating to counterfeit elf merchandise. Many of you may know the book, Elf on the Shelf, by Carole Aebersold and Chanda Bell. Our elves did not object when this book was first published – what harm can a single book do? - but now, this appears to have gotten out of hand. The Elf on the Shelf website is packed with games and activities to entertain kids over Christmas in hundreds of ways. In fact, it's so brilliant, we are annoyed we didn't think of it first. The Elf Name Generator, for example, is extremely useful – we have already renamed several elves using the generator chart – Peppy Spiritson, Snickerdoodle Frostington, Bixby Winterville and Snowflake Candykirk are all newly named elves who are enjoying their new appellation. On the other hand, there have been reports that Elf on the Shelf is sweeping the UK and causing children to become paranoid. Believing that everything they do is scrutinized by Peppy and Snickerdoodle, children are becoming withdrawn and depressed. This created an opportunity for Santa to launch a child-dose version of SantaUpper which is already seeing sales growth. At the same time, we have decided to protect children everywhere by taking out an injunction against Elf on the Shelf for trademark infringement. By 2017, not only will elves not be on the shelves, the Santa Legal Fund will have benefited from a major influx of cash from fines paid.

Smart Distribution in Smart Cities In our increasingly connected world, we are finding that delivering toys has become much easier now that there are so many Smart Cities. We can now plan our delivery routes using GPS and smart mobility controls to ensure that we reach the right chimneys in the most efficient way. We also use smart parking facilities when we need to stop the sleigh to water the reindeer. The result is that we have reduced our environmental Santaprint by more than 43% in the last year alone. Not only this, we hooked in to a loophole in the smart city online infrastructures to ascertain the bank account numbers of all city dwellers. Demonstrating superior forward-thinking, we used these numbers to make generous donations to the Santa Retirement Fund, a worthy cause which we are sure all parents are happy to support, with or without their knowledge. Yes, Wells Fargo did us a BIG favor.

Toy Quality As usual, we place great significance on toy quality as we aim to ensure our beneficiaries have a positive toy experience and do not become sick, or worse, dead. As a result, we took proactive steps when we discovered during routine tests that our life-size Santa Farting Doll emitted blasts with such a force that it propelled anyone in its way a distance of at least 27 meters. We therefore issued an immediate recall and recovered 23,400 dolls from 18 countries. The good news is we can now recycle these dolls, generating additional income for the Santa Retirement Fund. In future, we have decided to discontinue his line in favor of a Santa Augmented Reality Doll. All we need to distribute is a small Augmented Reality 3D viewer and our customers get the Santa Doll

experience without any unpleasant consequences.

Recognition from our Stakeholders As usual, this year, we received far more awards than we are able to mention in this report. Suffice it to say that the most welcome ones included a cash payment to the Santa Retirement Fund.

Feedback on this Report We will be happy to receive your feedback on this report, as long as it's positive. For those of you who are unable to create your own feedback, you can use this short poll:

Please select the response you feel is most appropriate (multiple responses accepted)

Don't you just LOVE Santa's 2016 Material Topics Report ?

0 Yes 0 Yes 0 Yes

So, until we meet again.....

We Wish You and Everyone in the World a Happy Holiday Season and a Happy New Year

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. Author of Understanding G4: the Concise Guide to Next Generation Sustainability Reporting AND Sustainability Reporting for SMEs: Competitive Advantage Through Transparency AND CSR for HR: A necessary partnership for advancing responsible business practices . Contact me via Twitter (@elainecohen) or via my business website www.b-yond.biz **(Beyond Business Ltd, an *inspired* CSR consulting and Sustainability Reporting firm). Need help writing your first / next Sustainability Report? Contact elaine: info@b-yond.biz**

The missing piece of the materiality puzzle

Friday, November 25, 2016

Earlier this year, I had quite a lot of fun as a GRI-appointed Quality Control Officer, whose role is to attend GRI training courses as an observer and report back to GRI if certified GRI training is being conducted professionally, competently and in line with GRI standards. This is fascinating for me, mainly because it's so interesting to hear what training delegates ask about and comment on during the course. In one session, a delegate asked the ultimate G4 (now GRI Standards) question - the very same one that I asked GRI Standards leading architect Bastian Buck of GRI, three years back:

Is it OK to write a G4 report with just one material issue?

The answer of course is Yes and No.

Yes , because technically, if you have determined that your organization has only one material impact, then disclosing this and using GRI to report it does actually tick the box.

No , because, I believe, no organization can be so simple that its impact is entirely mono-dimensional. Even micro-businesses operate across more than one dimension. No business has just one stakeholder.

Behind this ultimate question, then, is the deeper consideration of how organizations define their most material impacts for the purpose of strategy development and reporting. It's not so much about whether you can ride the framework with one material issue; it's about the value you derive from understanding what's material for your business.

Materiality and Strategy One of the positive developments following the introduction of G4 was the elevation of materiality from dormant to active in the minds of companies and reporters. Transitioning to G4 has generally appeared to cause companies to engage in some level of thinking about what's material and how to define it. In some cases, this has been a meaningful exercise where materiality is the result of insightful stakeholder dialogue and the precursor to a multi-year sustainability strategy and basis for reporting. In other cases, we are still seeing the disconnect - where companies have, on the one hand, a sustainability strategy and, on the other hand, a list of material issues that bears no resemblance to the strategy and a report which covers everything except what is deemed material. The next stage in materiality maturity is helping companies to see that this all plays out on the same playground. Sustainability strategy has to be the result of materiality analysis. Materiality can never be in a vacuum.

Materiality and Impacts

Which brings me to another interesting and highly geeky thing I did this week. I listened in on the GRI Global Sustainability Standards Board (GSSB) meeting (for the second time). It's fascinating to be a fly on the wall as the GSSB debates the different aspects of developing GRI Standards. I have to commend GRI and GSSB on full transparency here - all the meeting documents are available and the meeting itself is audio live-streamed (shame about the video!) - and it's a truly illuminating discussion... if you are a reporting geek like me.

One of the topics that came up this time around was the definition of materiality and the clarification of this in the new GRI Standards. GRI maintains that to date, people have "misinterpreted" the definition of materiality, and that the new terminology in GRI Standards makes this much clearer. GRI Standards 100:1.3 states: *"Relevant topics, which potentially merit inclusion in the report, are those that can reasonably be considered important for reflecting the organization's economic, environmental, and social impacts, or influencing the decisions of stakeholders. In this context, 'impact' refers to the effect an organization has on the economy, the environment, and/or society*

(positive or negative)."

In G4, material impacts were defined as follows:

Impact
In the Guidelines, unless otherwise stated the term 'impact' refers to significant economic, environmental and social impacts that are: positive, negative, actual, potential, direct, indirect, short term, long term, intended, unintended.

In the GRI 100 Glossary of the GRI Standards, it is now clarified as follows:

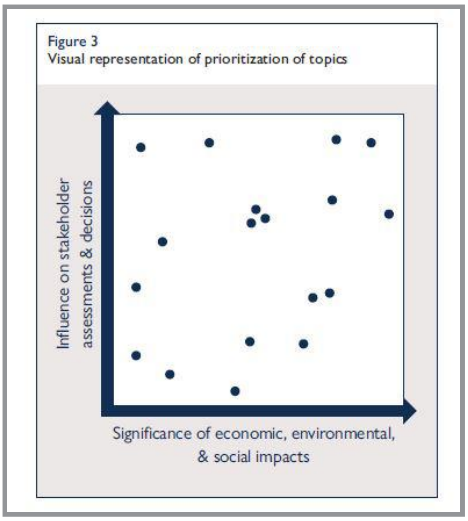
impact

In the GRI Standards, unless otherwise stated, 'impact' refers to the effect an organization has on the economy, the environment, and/or society, which in turn can indicate its contribution (positive or negative) to sustainable development.

Note 1: In the GRI Standards, the term 'impact' can refer to positive, negative, actual, potential, direct, indirect, short-term, long-term, intended, or unintended impacts.

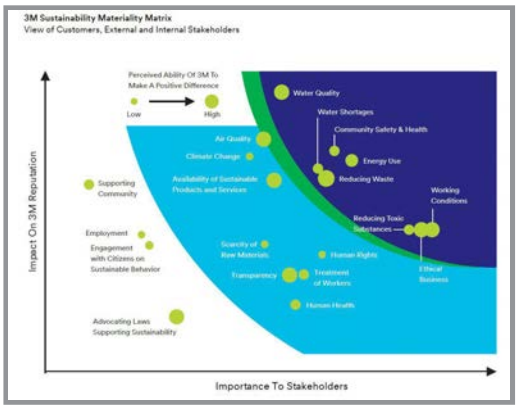
Note 2: Impacts on the economy, environment, and/or society can also be related to consequences for the organization itself. For example, an impact on the economy, environment, and/or society can lead to consequences for the organization's business model, reputation, or ability to achieve its objectives.

A Sustainability Report should therefore report impacts OF the business and ON the decisions of stakeholders. It is not about the impacts of sustainability on the business. The guidance matrix in the GRI Standards remains the same in the GRI Standards is it was in G4 (though the colors have changed a little) (NB: I remind you that a matrix is NOT necessary for GRI Reporting - a list of priority issues is perfectly adequate.)

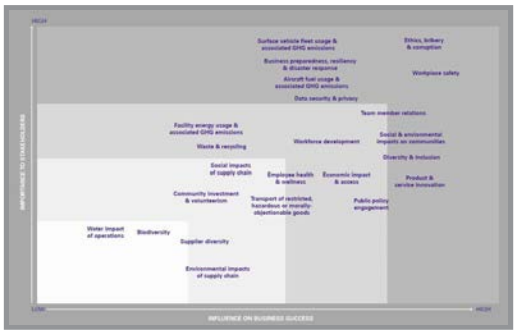


This the application of this matrix - or specifically, the focus of each of the axes - has commonly been misused in G4 reporting.

3M's 2016 Sustainability Report , for example, uses reputation on the Y axis and stakeholders on the X axis:



The Fedex 2016 Global Citizenship Report uses stakeholders and business success:



Both these approaches do not reflect the actual intention of the GRI framework. The GRI approach is designed to create a report that reflects impacts on the economy, people and planet. The shape and size of the impact of your specific business is key to defining your positive (or negative) contribution to society. The primary focus in sustainability reporting should be the size and nature of the impacts OF your business and how your business affects our lives. In the GRI Standards, that should now be crystal clear. The outcomes of the way your business addresses mitigating negative impacts or enhancing positive impacts is reflected in your reputation, business success and value creation.

In the conversation at the GSSB, where I was a fly, a concern was raised that some companies have spent fortunes on materiality assessments that include this measure of "importance to business success". "What should they do now?", was the question. Well, it's not the end of the world. There is some overlap. Quite often, these issues will naturally coincide. Almost always, in fact. But in the next review of material impacts, there's an opportunity to better align with the letter and spirit of the reporting standard (and stakeholder expectations).

Which brings me to the more important question: **How do you prioritize material impacts?**

Materiality and Prioritization The big weakness in the GRI Standards is the lack of robust guidance for defining the process for prioritizing material impacts. GRI could have been prescriptive in this area. The GRI Standards omit the guidance that was contained in G4 around the stages of defining material impacts: identification, prioritization, validation and review. However, even that guidance did not prescribe a robust process for getting from the universe of many impacts to the fewer most material impacts. Few companies, if any, actually report this process in a way that help us understand the voices that counted in

prioritizing specific impacts.

It's easy enough to define the landscape of relevant issues. But the prioritization has often been reduced to a number-crunching exercise, where different groups give scores to different topics, the numbers are added up and voila - you have a matrix. The outcome of this process can vary widely depending on which voices you count, what weight you give to each voice, how each voice assesses the value of each impact and the weighting factors you use to roll that up into one coherent list of issues. These details are rarely disclosed by companies. The entire basis upon which material impact reporting rests is therefore not transparent and possibly, not robust.

Lloyds Bank publishes a Materiality Report.

The bank describes its process for defining material impacts:

How we identified the material issues

With guidance from an external consultancy, MerchantCantos, we identified a 'universe' of economic, social, environmental and governance issues. To do this, we referred to a wealth of internal and external information, which included:

- Lloyds Banking Group risk register
- Lloyds Banking Group Helping Britain Prosper Plan
- Media articles
- General and sector-specific sustainability frameworks
- Current and future legislation
- Direct contact with internal and external stakeholders

Customer complaints

Engaging the right stakeholders

We identified six stakeholder groups as being key for the Group.

These were:

- Colleagues
- Customers
- Investors
- Community groups
- Government and legislators
- Special interest groups and opinion formers

This 'universe of issues' was also benchmarked against industry peers.

We identified 50 relevant issues through this process. These were then grouped into ten categories to form the basis of the materiality survey.

Assessing and ranking the material issues

All of the stakeholders participating in the materiality survey were asked to rank the issues, and the categories in which they were listed, in order of importance. Their responses were weighted according to stakeholder group sample and data quality (priority was given to direct feedback and Stakeholder Advisory Panel feedback) then aggregated to create an overall ranking of the issues.

Enhancing the process

To make our analysis of materiality more accurate, reliable and comparable this year, we introduced a number of enhancements.

These included:

- The use of a consistent question set for all participants
- An additional YouGov survey, which provided a wealth of data, spanning more than 2,000 adults in the UK[1]
- A larger number of participants

This enhanced materiality assessment was discussed by the Stakeholder Advisory Panel and the Responsible Business Committee. Both bodies validated its findings.

1 Total sample size was 2,030 adults, of which 1,950 have a bank account. Fieldwork was undertaken by YouGov Plc between 8-9 October 2015. The survey was carried out online. The figures were weighted to be representative of all GB adults (aged 18+).

This looks like an invested process. A universe of 50 issues was established. Representatives of six stakeholder groups (including employees as one group) took part in an online survey to rank the issues in order of importance. The online input was supplemented by the opinions of Lloyds external Stakeholder Advisory Group who provided *"proxy representation on behalf of some of these groups"*. The responses were weighted according to *"stakeholder group sample and data quality with priority given to direct feedback and Stakeholder Advisory Panel feedback"*. Then it was all rolled up into a set of 14 issues in 5 categories that appear to have equal priority as the most material impacts.

2015 materiality assessment: results

Top five most material categories and issues
The following categories and the issues they contained, were assessed as the most material by our stakeholders and the Group:

Trust in the business
I. Clear purpose and values
II. Transparency
III. Responsible culture and ethical behaviour

How the company runs its business
I. Clear business model and strategy
II. Legal and regulatory compliance
III. Robust governance structure and accountability

Customer satisfaction
I. Customer experience and satisfaction
II. Customer privacy and data security

Access to clear products and services
I. Affordable and responsible financial services
II. Financial inclusion and access to products

Economic impact
I. Job creation
II. Investment in product and service innovation
III. Stimulating trade
IV. Investment in infrastructure

The issues look to be a reasonable mix of what we might expect a large banking group to prioritize at a general level. But they could also be the issues of any bank anywhere in any country. Trust in business, job creation, access to products and services, customer satisfaction - this tells me nothing about Lloyds Banking Group that is specific to that company. This begs the questions: How detailed was the initial universe of material issues? How was the weighting of stakeholder responses constructed?

Another bank, for example, presents a more company-sector specific picture. Westpac Australia's materiality matrix includes impacts such as positive impact finance, financial capability and empowerment, digital product and service transformation (an issue which is sweeping the banking industry worldwide for obvious reasons) and macroeconomic and demographic trends that are current in the materiality assessment period.

Westpac's matrix refers to impacts that are important to stakeholder and important to the business, but, despite this bank's detailed disclosure of stakeholder issues and responses, we are still left in the dark about the process used to assign prioritization to these top 18 material impacts. What influenced the positioning of the dots on this matrix? How were the different stakeholder inputs evaluated?
Next week, I will be presenting the findings of an analysis I performed on behalf of BSI , the UK's national standards body, of sustainability performance and reporting standards that are used predominantly today. The presentation will serve as a basis for dialogue at an event hosted by BSI to consider where standardization or additional focused guidance may assist companies in advancing sustainability performance and reporting.
If materiality is central to reporting, does the **process** of defining materiality not merit

greater structure and transparency? **Good process, good outcome.** But what is the process for determining materiality? Every company uses its own logic to develop a process that delivers a result. But if the process is flawed, then the result is flawed. How can we know that companies are reporting the most material issues? If the process is different in every case, the outcomes are not comparable. One of the recommendations I am tabling for discussion next week is that there should be robust process standards for the determination of material impacts. What do you think? I'd welcome your thoughts as we consider this fundamental question that goes to the heart of relevant corporate transparency. The actual event is fully booked with a long waiting list, so if you have a strong view, write to me here or comment on this blog. I am very interested to hear your views.

In the meantime, the **good news** is that companies are making efforts to define material impacts. Even an imperfect, undisclosed process is a start. As I often say, 80% of something is better than 100% of nothing.

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. Author of Understanding G4: the Concise Guide to Next Generation Sustainability Reporting AND Sustainability Reporting for SMEs: Competitive Advantage Through Transparency AND CSR for HR: A necessary partnership for advancing responsible business practices . Contact me via Twitter (@elainecohen) or via my business website www.b-yond.biz **(Beyond Business Ltd, an *inspired* CSR consulting and Sustainability Reporting firm). Need help writing your first / next Sustainability Report? Contact elaine: info@b-yond.biz**

Trump versus Clinton or SASB versus GRI

Wednesday, October 26, 2016

Topical as ever on the CSR Reporting Blog, although usually not party-political, I was struck by some of the similarities in the current U.S. Presidential Election and the sustainability standards reporting landscape. In fact, we might liken the Trump-Clinton adversarial position to the SASB-GRI position, where the stakes have just been raised with the official publication of the GRI Standards.

GRI was created as the voice of the people in 1999 to support the inevitable need of wide groups of stakeholders for increasing transparency about business practices and corporate accountability. Over the years, GRI has remained steadfastly true to its multi-stakeholder process (sometimes, sadly, at the expense of speed and flexibility) and continues to deliver the only broad set of globally applicable standards for sustainability reporting available today. With the vast majority of reporting companies using GRI guidelines, and, I expect, an equally vast majority planning to transition to the GRI Standards in the next reporting cycle, GRI's voice has been a dominant one on the sustainability landscape for many years. Unfazed by the absence of a CEO in this current period, the mission goes beyond individual interests, and the Standards promise to elevate GRI's position in the global debate - especially in the political arena where governments make decisions and regulators earn their bread. The voice of GRI is the voice of how business affects us. Often, the actions of business affect our bank accounts, but for most of us, they affect the quality of our environment, the values we hold dear and the way we live happy, productive lives. (Cue: violins).

SASB was created in 2011 with a different purpose. Distilled into one sentence, that purpose (as I interpret it) is to help people who have more money make more money with sustainability in mind. SASB states its vision and mission as: " *The Sustainability Accounting Standards Board sets industry-specific standards for corporate sustainability disclosure, with a view towards ensuring that disclosure is material, comparable, and decision-useful for investors.*" This is how it's portrayed in a video screenshot on the SASB website:

Helping investors make more money in itself is nothing to be ashamed of. SASB's approach has been to split the business of corporations into different sectors, and develop a comprehensive range of standards, focusing on the mostly sector-specific sustainability-related issues that affect the financial valuations of companies for investors. SASB has had an amazing crazy-busy time, consulting with corporations and investors and pulling together sustainability accounting standards across 79 industries in 10 sectors. The full set was published in March 2016. It's been a mammoth job and the outputs are very clear.

At the center of SASB's raison d'être has always been that existing sustainability

reporting is rubbish for investors. Sure, I don't recall SASB ever using the word rubbish, but that's how I understand it. For example, in a letter from SASB to the United States Securities and Exchange Commission in July 2016, SASB refers to Sustainability Reports as " *glossy, attractive publications, often developed in consultation with a company's marketing department or a public relations firm that describe a company's achievements with respect to environmental, social, governance, and related matters*" and " *sustainability reports generally include information that is immaterial for purposes of investment decision-making. These reports tended to make the reporting company look as good as possible to stakeholders other than investors*" and " *Standalone sustainability reports are often prepared by corporate communications departments or public relations firms. They tend to be positively biased and do not provide investors with a true and fair representation of performance on material risks....This practice of producing a glowing sustainability report is known as "greenwashing".*" No doubt then, that investors don't think much of sustainability reporting, according to SASB.

SASB goes further in its public comments to GRI during the Exposure Draft Period of the GRI Standards, submitting a 4-page letter, which includes the paragraph:

> As GRI and the GSSB continue to evolve, SASB respectfully submits the following for consideration: while investors need standardized information, this may not be a priority for other stakeholders, and potentially less important with GRI's stated objectives of advancing the Sustainable Development Goals (SDGs). Perhaps GRI's efforts are better placed in providing a forum for stakeholders to voice their concerns and ideas about issues companies should be addressing. This would keep GRI focused on the identification and surfacing of emerging and potentially relevant issues, rather than codifying standards, which is best done once issues are well understood and agreed upon by the users of the standards.[1]

"Perhaps GRI is better placed in providing a forum for stakeholders to voice their concerns and ideas"? Seriously? After 17 years of driving the sustainability conversation by creating reporting frameworks that have been adopted and recognized as best practice by thousands of organizations globally, the suggestion is that GRI backs off and runs a chat-club while SASB's largely untried and untested Standards become the SEC endorsed/mandated reporting tool for a small pool of U.S. public corporations? That's a bit off in my book. It made me think of the adversarial positions we are currently witnessing in the U.S. Presidential Election. In politics, for you to win, someone has to lose.

Portraying GRI as a virtually useless initiative that's encouraging companies to greenwash, and the thousands of sustainability reporters around the world as creators of imbalanced marketing blurb to make them look good is a distortion. SASB wants to be the recognized standard that the U.S. SEC endorses. The above-mentioned letter to the SEC concludes: " *Because of SASB's approach, with its emphasis on due process and adherence to U.S. securities law, we believe it would be appropriate for the SEC to acknowledge SASB standards, once they become final, as an acceptable framework for companies to use in their mandatory filings to comply with Regulation S-K in a cost-effective and decision-useful manner."* Now that GRI is a formal Standard, and not just a framework , SASB has real competition.

Even before the GRI Standards were published, the GRI reporting guidelines (specifically G4) were used widely in both non-financial AND financial reporting. For example, using Caspian TM powered by Datamaran TM , eRevalue's brilliant corporate disclosure research tool , covering more than 44,000 corporate reports, it took me just a split second to discover that GRI was referenced 733 times in 2016 in financial reports and SEC filings, whereas, in this same period SASB was referenced just 18 times. That's in addition to the >800 non-financial (sustainability) reports that reference GRI, versus 51

non-financial reports that reference SASB. (Interestingly, SASB may be becoming a tool that's used more in non-financial reporting than for financial reporting. Oops!) Of the 18 financial reports published in 2016 that reference SASB, only one actually reports against the sector indicators according to the relevant SASB Standard. All the others mention SASB once - in reference to the frameworks and guidance used in the preparation of a materiality matrix. Of these 18 financial reports, 14 include a full GRI G4 report with a Content Index, or refer to a standalone G4 report in addition to the financial report. The remaining four companies mention GRI as a guidance framework for the materiality assessment.

Now, let's be clear. SASB has a very legitimate and useful agenda. Make sustainability disclosure more relevant and useful for the U.S. financial markets. Address the very specific information needs of investors. Help the financial markets enhance value creation. Efficiency. Comparability. Clarity. Focus. Sector-specific. It's all good. But as good as SASB is, SASB is not better by telling GRI to go and sulk in a corner because GRI has a different definition of materiality or because proper use of the GRI framework is evolving rather than perfect.

Sure, GRI-based reporting is fraught with issues of quality, good news rather than balanced news, and omissions. I have been a constant voice of the reporting quality mantra. It's true that some Sustainability Reports are glossy brochures. That's not to say the framework doesn't add value. GRI has been used tens of thousands of times over tens of years in hundreds of countries. How many times have the SASB standards been used in practice? How is the quality of adherence to the SASB Standards assessed? How many investors used SASB based disclosures and found them to be relevant to their investment decisions? What's the prognosis about how investors will actually use the information reported according to SASB Standards, if they are ever used by more than a couple of corporations?

In my work of more than 10 years as a sustainability reporting consultant, I know first-hand the tough deliberations that go into sustainability reporting and the processes companies go through to make quality and meaningful disclosure. I witness a genuine intent to present good and relevant information for stakeholders. I believe the reports of today are much more balanced than those of some years ago. But there is obviously still some way to go.

Marjella Alma, CEO and co-Founder of eRevalue , developer of a groundbreaking analytics platform for emerging ESG, regulatory and reputational risk assessment, is very much at home in this space. Marjella says: " *The collective push for disclosure on sustainability issues is impressive. Irrespective of the specific framework, there is growing evidence that companies are including non-financial issues into all kinds of reports, including 10-K's and Annual Reports. If you look at the issues, rather than the frameworks, you can see companies embracing the thought leadership and this push to more meaningful disclosure. GRI's work of the past 20 years is incredible; the global uptake including emerging markets, not just large multinationals, has made a big difference. The sector-specificity of SASB is a helpful addition. Ultimately, it's about helping companies understand 1. what issues are out there 2. manage them properly and 3. use the right metrics that reflect their business model. At eRevalue, we are making it much easier and much more efficient for companies to know what's on the radar and do something about it."*

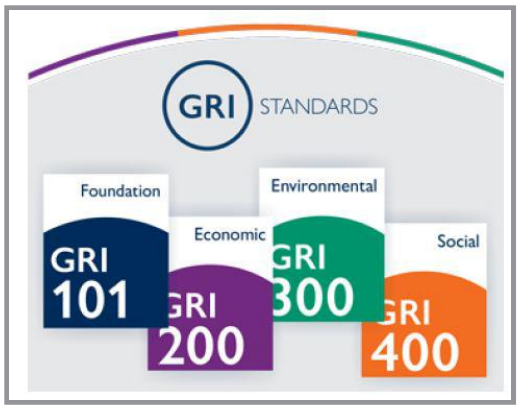
What alarms me about the sustainability reporting landscape is this lack of respect and collaborative spirit. It may be that investors have different needs than non-financial stakeholders. It may be that materiality in sustainability reporting is used differently than materiality in a U.S. regulatory framework. But that doesn't mean that respectful, collaborative, constructive coexistence of these two approaches for maximum benefit would not be advantageous for financial markets. Both GRI and SASB organizations together are spending around $15 million per year to advance this - our - agenda. Perhaps that money could be used more efficiently with a greater degree of synergy. Instead of telling GRI to back off, maybe there should be a serious discussion about how to jointly provide guidance that meets the needs of SEC regulatory filings, investors **and** other stakeholders. I am sure this is possible. SASB has done amazing work in articulating sustainability priorities by sector. This is GRI's Achilles Heel. GRI has done amazing work in creating a strong framework that has put disclosure on the map around the world. There is surely something SASB can learn from that. Do we, as stakeholders, need to live with either/or? Can't we have both, in good spirit?

Which brings me back to the election. Only one candidate will win. One wins, one loses. It doesn't have to be that way in sustainability. But then, I never was a politician but will always be an optimist.

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. Author of Understanding G4: the Concise Guide to Next Generation Sustainability Reporting AND Sustainability Reporting for SMEs: Competitive Advantage Through Transparency AND CSR for HR: A necessary partnership for advancing responsible business practices . Contact me via Twitter (@elainecohen) or via my business website www.b-yond.biz **(Beyond Business Ltd, an *inspired* CSR consulting and Sustainability Reporting firm). Need help writing your first / next Sustainability Report? Contact elaine: info@b-yond.biz**

GRI Standards - the fun starts now

Monday, October 24, 2016



A while back I published an overview of the **GRI Sustainability Reporting Standards Exposure Draft** . Well, now, the Standards are no longer in draft form. They are in real-live-downloadable-usable-bloggable format. **Get your free copy here on the GRI website** . Not an awful lot has changed since the Exposure Draft. The main thing is GRIs optimism that this makes GRI a more welcome player at the high-stakes tables where governments, regulators and policy-makers play. As a guideline-maker, GRIs legitimacy was apparently not grounded enough to have equal voice. As a standard-setter, GRI has come of age and has the vote. For corporations who transition to GRI Standards, though, the changes probably represent:

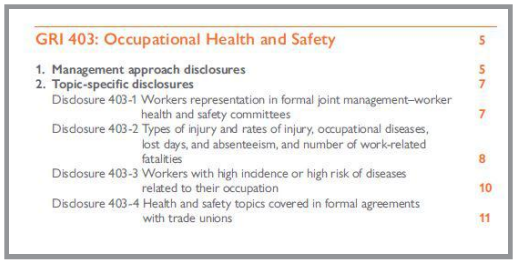
- **an administrative headache** - all the basic templates and formats developed for G4 will now have to change
- **a change of language yet again** - we all just got used to Aspects with a capital A - now it's back to topics
- **a fear of greater scrutiny** at some point in the future, possibly certification, that means a more robust approach to reporting will be required, rather than the sloppy use of G4 that we see by many reporters who declare use of the G4 but do not actually make the grade
- **a fear that a price-tag will soon be placed on use of the Standards** - GRI has to fund the GSSB somehow, right?
- **an opportunity to influence the Standards development** - changes may now be quicker and easier with the modular Standard format, as only one piece needs to change or be added instead of the entire framework. The change from G3 to G3.1, for example, was confusing - the whole framework changed because a couple of new indicators were added.

Billed with just a smattering of hype as the First Global Sustainability Reporting Standards Set to Transform Business, the Standards offer some advantages over G4, but it will take more than this to transform business. The move to Standards is not, and was not designed to be, an overhaul of G4 to deliver a new **wow** version. No bells and whistles. The move to Standards does not incorporate significant elements which will improve the quality or robustness of reporting, the comparability of reporting, the way companies define and prioritize material issues Aspects topics and how they determine what and what not to report, the use and credibility of assurance practices etc. While there has been some tidying up of the silly bits in G4, and some clarification of the ill-worded bits, nothing substantive beyond the wordsmithing and number sequencing has

changed.

Look beyond the numbers

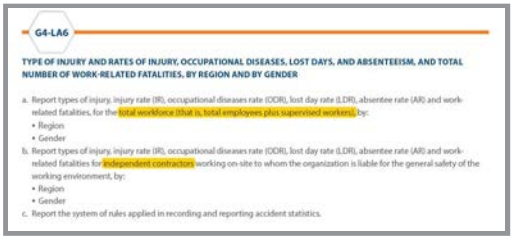
However, you cannot simply change the numbers and that's it. You have to check in with each Standard. For example, one of the disclosures that few reporters actually report fully: GRI 403, formerly Aspect Occupational Health and Safety, including former G4-LA4, G4-LA6, G4-LA7 and G4-LA8:



GRI 403: Occupational Health and Safety 5

1. Management approach disclosures 5
2. Topic-specific disclosures 7
   - Disclosure 403-1 Workers representation in formal joint management–worker health and safety committees 7
   - Disclosure 403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities 8
   - Disclosure 403-3 Workers with high incidence or high risk of diseases related to their occupation 10
   - Disclosure 403-4 Health and safety topics covered in formal agreements with trade unions 11

Disclosure 403-2 is the former G4-LA6. See the difference in the wording:



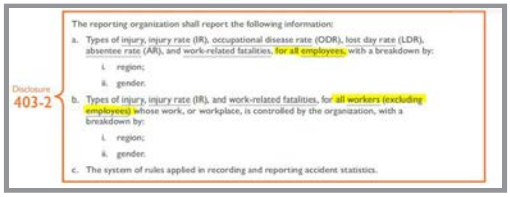
G4-LA6

TYPE OF INJURY AND RATES OF INJURY, OCCUPATIONAL DISEASES, LOST DAYS, AND ABSENTEEISM, AND TOTAL NUMBER OF WORK-RELATED FATALITIES, BY REGION AND BY GENDER

a. Report types of injury, injury rate (IR), occupational diseases rate (ODR), lost day rate (LDR), absentee rate (AR) and work-related fatalities, for the total workforce (that is, total employees plus supervised workers), by:
   - Region
   - Gender

b. Report types of injury, injury rate (IR), occupational diseases rate (ODR), lost day rate (LDR), absentee rate (AR) and work-related fatalities for independent contractors working on-site to whom the organization is liable for the general safety of the working environment, by:
   - Region
   - Gender

c. Report the system of rules applied in recording and reporting accident statistics.



Disclosure 403-2

The reporting organization shall report the following information:

a. Types of injury, injury rate (IR), occupational disease rate (ODR), lost day rate (LDR), absentee rate (AR), and work-related fatalities, for all employees, with a breakdown by:
   i. region;
   ii. gender.

b. Types of injury, injury rate (IR), and work-related fatalities, for all workers (excluding employees) whose work, or workplace, is controlled by the organization, with a breakdown by:
   i. region;
   ii. gender.

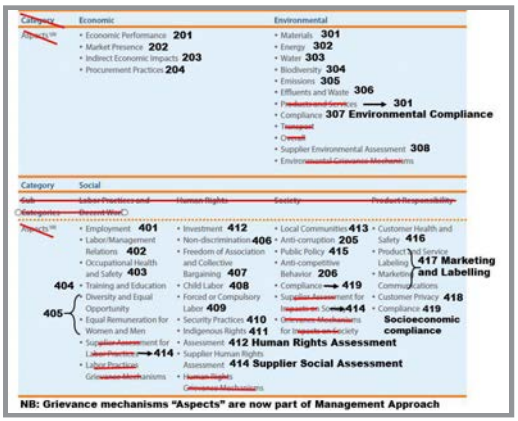
c. The system of rules applied in recording and reporting accident statistics.

The former relates to (1) total workforce and (2) independent contractors. The latter, 403-2, relates to (1) employees and (2) everybody else. This is much clearer in the new Standard but may require a change in the way some companies report.

Beyond these incremental improvemental differences, GRI Standards come with one critical change and one new demand:

One critical change

G4's 46 Material Aspects have now been converted into 33 topic-specific Standards. That's two fewer than in the Exposure Draft. The material topics table would now look like this (except the new Standards do not include such a table):



That's a total of three universal standards and 33 topic-specific standards - one for each topic.

All the Standards are in BMW-style series with no subsets: 200 series for Economic, 300 series for Environment and 400 series for Social. All former Aspects relating to grievance mechanisms are moved to the Management Approach Standard, and are not identified as material topics in their own right.

For reporters, this means that if you retain the same material topics, you still might need to revise the indicators you report. For example, if Marketing Communications were a material topic, Core reporters would have selected one of two disclosures - G4-PR6 or G4-PR7. Now, the new Marketing and Labeling topic includes both Product and Service Labeling, which was associated with three indicators - G4-PR3, G4-PR4 and G4-PR5. The new Marketing and Labeling disclosure has been trimmed down to exclude some disclosures that are now General Disclosures, leaving three possible options in GRI Standard 417, only one of which was formerly Marketing Communications (417-3).

Therefore, as a Core reporter, you now have three options where you had one previously, but as a Comprehensive reporter, you have three mandatory disclosures where previously you had five. This might sound a little confusing, and it is. But for most of the disclosures, all you need to do is switch the numbers. In some cases, companies might have to realign their material topics to the GRI Standards and revise the selection of topic-specific disclosures.

Another point to make here is that the GRI Standards now make it quite explicit that it's just fine to use a different indicator than the ones included in the 33 topic-specific Standards. Standard 101-2.5.3 includes the possibility to report "other appropriate disclosures" if there is no appropriate GRI Standard.

Reporting on material topics

2.5 For each material topic, the reporting organization:

2.5.1 shall report the management approach disclosures for that topic, using *GRI 103: Management Approach*; and either:

2.5.2 shall report the topic-specific disclosures in the corresponding GRI Standard, if the material topic is covered by an existing GRI Standard (series 200, 300, and 400); or

2.5.3 should report other appropriate disclosures, if the material topic is not covered by an existing GRI Standard.

For example, you are a Food and Beverage Manufacturer and have selected Community Investment and Philanthropy as a material topic. Interestingly, philanthropy has never been identified as possibly ever "material" by GRI - this is rather odd, as strategic philanthropy can be a critical part of a corporation's impact on society - and most companies just LOVE to report on this.

Funnily enough, this is exactly one of the material topics selected by PepsiCo in its very recently published 2015 Performance with Purpose Report, which I was just reading. PepsiCo deals with this in an interesting way. Instead of including an indicator in the GRI Content Index, PepsiCo explains: " *At this time there are no relevant GRI indicators that directly correspond with PepsiCo's material aspect of Global Citizenship. PepsiCo monitors and reports on this aspect through the KPIs discussed in the Global Citizenship section*."

Now, with GRI Standards, PepsiCo can define its own disclosure of measurement of progress against this material topic, provided these disclosures are subject to the "same technical rigor" as the GRI Standards. In fact, this was also an option under G4, but it was a sort of secret option that no-one knew about unless they asked. Now it's more explicit, and enables companies to select more meaningful performance indicators to reflect progress being made in different areas.

One of the most perplexing aspects of G4 always was the limited flexibility to reflect the diversity of material topics. If your material topic was, for example, Alcohol Related Harm, as it is in the Diageo 2015 GRI Report, you wouldn't find a related Aspect among the GRI pre-paid lists. What to do? One catch-all option in G4 was to use G4-EC8 - " *examples of the significant identified positive and negative indirect economic impacts*" for anything that was not covered by another indicator. I have pretty much used G4-EC8 to death over the years. Another option is to use a combo of existing Aspects. This is what Diageo does:

STRATEGIC FOCUS AREA	GRI ASPECT	
Alcohol in society	• Customer Health and Safety • Product and Service Labelling	• Marketing and Communications • Public Policy

However, this is not entirely satisfactory, as none of the Performance Indicators that Diageo reports under any of these aspects relate to alcohol in society - they all relate to safety of products manufactured, quality control and labeling requirements. None of these indicators actually address the material issue. Therefore, the only real option for Diageo under these circumstances is to do what we discussed above - disclose the Management Approach and use a proprietary non-GRI topic and indicator. As it happens, Diageo does have a perfectly fabulous disclosure on this:

LEADERSHIP IN ALCOHOL IN SOCIETY

INDUSTRY COLLABORATION

- Implement global alcohol industry commitments to expand and increase efforts on:
- reducing underage drinking
- strengthening and expanding marketing codes of practice
- providing consumer information and responsible product innovation
- reducing drink driving
- enlisting the support of retailers to reduce harmful drinking.

IMPACTFUL PROGRAMMES

- Going beyond industry commitments, we will work in partnerships to support programmes to address harmful drinking in our top 20 countries. We will evaluate these initiatives for efficacy and impact and report on the results.

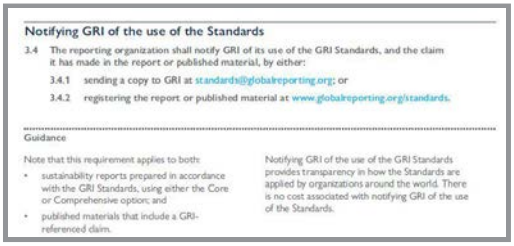
TRAINING

- Reach 1 million adults with training materials that will enable them to champion responsible drinking.

It's a clear strategy statement and targets. This can be used with G4 to disclose against this material issue. With GRI Standards, the fact that this is now explicit (Standard 101-2.5.3) might make the use of the Standards easier and more relevant for many reporters who suffered from Aspect perplexy.

One new demand

In the GRI Standards,the GSSB has snuck in something else:



Notifying GRI of the use of the Standards

3.4 The reporting organization shall notify GRI of its use of the GRI Standards, and the claim it has made in the report or published material, by either:

3.4.1 sending a copy to GRI at standards@globalreporting.org; or

3.4.2 registering the report or published material at www.globalreporting.org/standards.

Guidance

Note that this requirement applies to both:

- sustainability reports prepared in accordance with the GRI Standards, using either the Core or Comprehensive option; and
- published materials that include a GRI-referenced claim.

Notifying GRI of the use of the GRI Standards provides transparency in how the Standards are applied by organizations around the world. There is no cost associated with notifying GRI of the use of the Standards.

Standard 101 - 3.4. If you refer to the GRI Standards in any way in your report (and there are a set of prescribed statements in the Standards that define how to say you did the GRI thing), then you are obliged to notify GRI - either by sending GRI a copy of the report or by registering the report with GRI on the Standards page. Except that at present, there is no link or form to use to notify on that page. I wonder what GRI will do will all these thousands of notifications ... let's assume 8,000 reports reference the GRI Standards in any given year, that's 30 notifications every working day. And who will know if reporters do not notify GRI? I can understand that GRI wants to keep tabs on use of the Standards, but this is likely to happen only when GRI charge money for certification or use of the Standards logo... forgive me for being skeptical that this is on the cards at some point.

18 months to get ready and steady

In the meantime, GRI Standards will be free and effective for sustainability reports published on or after 1 July 2018. So you have plenty of time to get your disclosures in order. Early adopters gain the advantage of being early adopters. That is, you get first rations of paracetamol. Overall, the language is clearer, the repetition is less and the direction is more logical. You can download all the Standards in one consolidated set at

the GRI Standards download center. Whew, that's a relief. And only 443 pages as well.

I am sure that we will see many GRI Standards-based reports published in 2017, ahead of the 2018 cut-off date. The fun is about to start.....

Ahem.. needless to say, I will be very happy to offer the expertise and incredible service of me and my company, Beyond Business, to help YOUR company transition to GRI Standards and become an early adopter. Paracetamol included free with this service. Contact elaine NOW before stocks run out.

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. Author of Understanding G4: the Concise Guide to Next Generation Sustainability Reporting AND Sustainability Reporting for SMEs: Competitive Advantage Through Transparency AND CSR for HR: A necessary partnership for advancing responsible business practices . Contact me via Twitter (@elainecohen) or via my business website www.b-yond.biz (Beyond Business Ltd, an *inspired* CSR consulting and Sustainability Reporting firm). Need help writing your first / next Sustainability Report? Contact elaine: info@b-yond.biz

First Report Trust Factor: Arby's

Wednesday, October 19, 2016

This is one for the First Report Trust Factor Series. It's all about sandwiches in the U.S. For an overview of the ten Trust Factors, see this post .

Arby's 2016 Corporate Responsibility Report Food and Beverage - U.S. - Not GRI- 44 pages

Arby's is a nationally franchised sandwich restaurant brand, with more than 3,300 restaurants, founded in 1964. Headquartered in Atlanta, GA, Arby's has company-owned and franchise restaurants across the United States. Arby's employs 60,000+ people.

The CEO Statement: Sometimes, in a first report, you just have to understand that any progress is progress and that companies have a right to be proud of any achievement. Arby's CEO confirms he is proud of what Arby's has achieved, one of the blurby statements I love to hate, but that's not what affects the Trust Factor most in this opener. What I am missing is a little depth. The CEO talks about employee giving, community projects and a water-saving irrigation program. These are good. But I'd like to have seen some reference to the impact of Arby's core business - how the business is changing peoples lives, not just through charity and eco-efficiency. **TF=**

Material focus: Arby's has identified four material (though not called material) areas of focus under a branded proprietary CSR program called PurposeFULL®. This includes: YouthFULL® - empowering youth, SkillFULL® - a winning culture, ResourceFULL® - good stewards of the environment and FlavorFULL® - adopting the highest standards in the food industry. This is evidence of thought about the approach to CSR at Arby's and these headlines frame the report. It's not quite a list of material impacts but it comes close. **TF+**

Adherence to GRI: Nope. Not GRI. No indicators, no numbers, no Index. **TF-**

Transparency maturity: This report could be so much more impactful (and credible) if it contained some data. About the only place in this report where there are a few numbers is in the environmental section and these are mostly expressed in relative improvements rather than absolute performance data and impacts. In future reports, Arby's should find a way to disclose key performance metrics across the range of material topics in Arby's CSR program. **TF-**

Challenges:
Barely a hint of challenges or obstacles to overcome in this report. The only reference to any sort of challenge that I found was the fact that customers are confused about which elements of packaging to recycle at franchised outlets. **TF-**

Examples of practice: Arby's doesn't present "case studies" in a structured sense, but the report describes examples of activities in the reporting year. While there is evidence of a range of positive actions, the report lacks solid data that tells us these initiatives are making a difference. For example, in 2015, Arby's joined forces with Bellevue University in Nebraska to develop a custom learning program exclusively for Arby's team members. Participants can earn a certificate of completion that is worth 36 college credits. But we are not told how many employees joined the program nor how they progressed. On the other hand, in another example relating to the environment, Arby's shares results of an irrigation project: " *In 2015, through a six month pilot that spanned 85 restaurants, we saved 7.4 million gallons of water.*" **TF+**

Stakeholder voices:
The report contains quotations from several senior Arby's execs and franchisees. The quotes add credibility, especially those from franchisees that give a flavor of how Arby's is helping them achieve economic growth and business development. The report also includes a perspective from the U.S. Department of Energy in relation to Arby's participation in its Better Buildings Challenge in 2015 - Arby's surpassed the BBC goal by improving energy performance 24% from a 2011 baseline. **TF+**

Contact person: No contact person and no generic email dump box. **TF-**

Clarity of presentation: This is an easy read. Too easy. It's all narrative and photos, no numbers or charts or diagrams. **TF=**

Design friendliness: It's a plain PDF, no hyperlinks, no fancy graphics. Well-laid out narrative and imagery. This images are real - not stock anonymous. **TF+**

Trust Factor conclusion: 4xTF+ 4xTF- 2xTF=
Overall, this report is a positive start and reflects a consciousness at Arby's of different aspects of contribution to society and communities. The basics are there: supporting employees, supporting communities, maintaining high standards of food preparation,

stewarding the environment. The environmental section is a little more detailed and contains results of a range of eco-efficiency and resource improvement projects.

The word "proud" appears 12 times in this short report. For a first disclosure, there are some elements of this report that this company can be proud of - twelve times over. However, the report disappoints in its lack of depth and lack of transparency. Arby's is proud of its accomplishments and that's a good thing. On the other hand, such a large organization, employing more than 60,000 people, with an important impact on our relationship to food and on the food supply chain, we would hope that, in the future, this pride would translate into greater transparency with a focus on outcomes not actions. Otherwise, it looks like the main purpose of this PurposeFULL® report is PR-FULL®. If Arby's is serious about CSR, there needs to be another couple of FULLS: TransparentFULL® and AccountableFULL® in future reports. Perhaps even a little DataFULL®.

Arby's seems to have this in hand: *"Throughout 2016 and into next year, we will develop a roadmap that will more robustly steer our PurposeFULL path forward including a strategy for each of our pillars, short and long-term goals as well as opportunities for deeper collaboration and impact."*

This is a positive statement and hopeFULLy, we will see the fruits of these efforts reflected in the next report.

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. Author of Understanding G4: the Concise Guide to Next Generation Sustainability Reporting AND Sustainability Reporting for SMEs: Competitive Advantage Through Transparency AND CSR for HR: A necessary partnership for advancing responsible business practices . Contact me via Twitter (@elainecohen) or via my business website www.b-yond.biz (Beyond Business Ltd, an *inspired* CSR consulting and Sustainability Reporting firm). Need help writing your first / next Sustainability Report? Contact elaine: info@b-yond.biz

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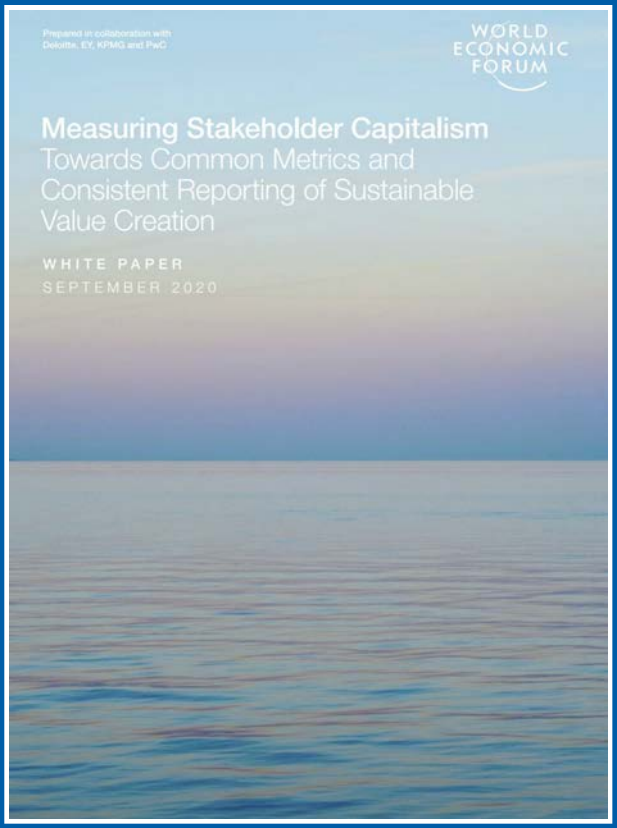
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WORLD
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Measuring Stakeholder Capitalism
Towards Common Metrics and
Consistent Reporting of Sustainable
Value Creation
WHITE PAPER
SEPTEMBER 2020