2010

The CSR Reporting Blog 2012-2013

Thank you to clients, Beyond Business team, colleagues and sustainability professionals from whom I draw inspiration for the CSR Reporting Blog.

Contents

Why Sustainability Reporting is Good for Your Health

Monday, December 30, 2013

I've never been much of a one for exercise, although, for years, before my kids were born, I would go out walking for about an hour every morning around 6am. I love that time of the morning, when the city slowly starts to come alive. I would walk regularly, every day, week and weekends. There was a period I used to go with my husband to the gym about four times a week as well. Then, the kids came along - yep, you can blame them for everything, (including the fact that I never actually shed those XXX lbs gained during pregnancy so many years ago, hahah), and taking an hour to exercise early in the morning was no longer practical, as it was always my job to get the kids to their kindergartens, then schools, then high schools etc, make the sandwiches and sort out all the last minute stuff that needs to be sorted.

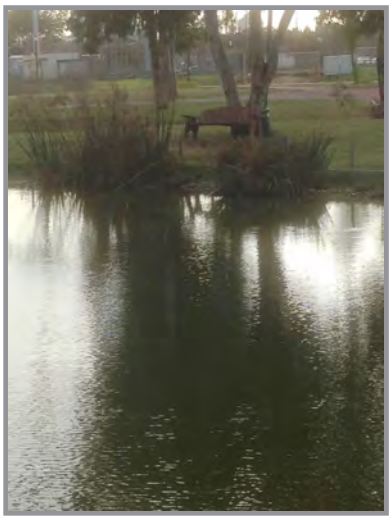
Walking for Health the Nordic Way
Nordic walking is fitness walking with specially designed poles and is generally regarded to provide greater health benefits than regular walking. Our GSK team purchased 20 Nordic Walking poles for elderly members of a day-care center in the small community of Skrunda and engaged a professional Nordic walking instructor to teach them the technique. In addition, in May, International Nordic Walkers Day, 43 local residents joined a group Nordic walk which GSK volunteers assisted in organizing. Now a local association offers Nordic walking lessons for local residents every Saturday free of charge. This opportunity is highly appreciated by diverse members of the community, especially senior citizens, and makes a contribution to their health and quality of life.

Then, in 2005, I started my own consulting business, and day and night and even weekends just blended into one another and every spare minute of my time just got consumed by my work and things associated with work. Of course, work is no longer work, it's life, and it's fun, when you are independent, doing the stuff you love doing. But a consequence of being gobbled up by work was that the hour before getting the kids out in the morning became screen-time, picking up emails from far corners of the world and ensuring I got up to date before the hecticness of the day set in. For a long while, I just didn't make time for any kind of exercise at all. And the elliptical we optimistically acquired rapidly became an interesting but useless piece of modern home decor.

At some point, I got into a routine of walking for an hour in the evening, together with my husband and son. That was fun, especially when we stopped for falafel on the way back. Haha. But then, in 2012, on one evening walk, I took a fall and broke my kneecap.

And for over a year, I was too scared to go out walking again in case I broke the other one.
And that's where Sustainability Reporting comes in.
In 2012-2013, I worked on the first Sustainability Report for GSK Latvia. As part of the community volunteering programs run by GSK in Latvia, there was a piece about helping elderly people in the community learn Nordic Walking.

I'll be honest, and confess that, while working on the report, I didn't really understand the attraction of Nordic Walking. I had never heard of it before. I did a quick web search and found a few video clips of people walking with poles, and it seemed to me rather



unremarkable. Walking is walking. So what if you walk with a couple of sticks? How much healthier can that be? Why buy special poles just to walk?
Now, you can see where I am heading. After breaking my leg, and being rather sensitive in general where knees are concerned (my other knee was operated on when I was 22 and it's never been quite right since), I suddenly remembered the Nordic Walking Poles I had written about in GSK Latvia's report. I bought myself a set, and lo and behold, I have become a Nordic Walker. And guess what. I now understand why Nordic Walking so much more invigorating than simply walking-walking. By moving with poles, you actually give your upper body a workout at the same time as your lower body, while reducing the stress on your spine and knees. I actually feel the benefit in my arms and shoulders, as well as my shins and thighs. I also feel much more stable and much more confident, even at quite a pace. I now really get it. And I have become Nordic Walking's number one fan. I still have to get myself into a routine where I can Nordic Walk every day, as work and family are still all-consuming, but I am starting to form a plan.

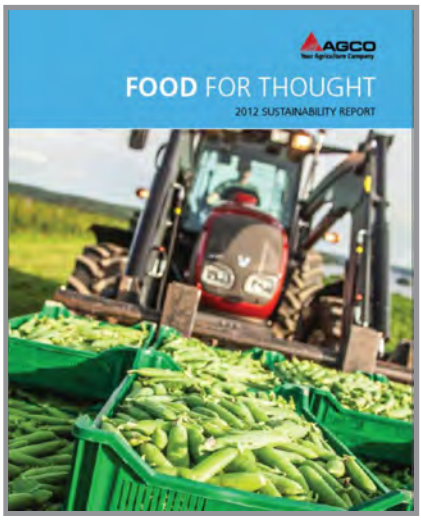
And that, my friends, is why Sustainability Reporting is good for your health!
And here is a photo taken during this morning's Nordic Walk at 8:30am in Herzliya Park.
Oh and by the way, GSK Latvia's 2012 CSR Report is shortlisted in CRRA '14 online reporting awards in the Best First Time Report category. As it is most definitely a report with a proven health benefit, I think it deserves your vote!
PS: Thanks to the great Veronica Scheubel who posted on Facebook her New Year Resolution to do more Nordic Walking, which inspired me to write this post!

Happy New Nordic Year everyone!

elaine cohen, CSR consultant, winning (CRRA'12) 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 at www.twitter.com/elainecohen **or via my business website** www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

The Top Ten CSR Reports of 2013

Sunday, December 29, 2013



It wouldn't be year-end without a flurry of year-end posts, among them my pick for the Top Ten Reports. For previous selections, see posts covering the Top Tens in 2010, 2011 and 2012. My selection is always based on reports that cross my radar throughout the year, not a scientific or strict methodical evaluation of the report quality. However, as I have done for the past couple of years, I use the **AIMMODEL** to consider the reports that I found worthy of mention. It's always tough to restrict myself to ten reports. I browse, review, read and use hundreds of reports each year, and there is always something positive that can be said about every single report. Each report adds value in its own way, and each report is evidence of progress.

Therefore, in mentioning a mere ten reports of the thousands that were published in 2013, I do reporting somewhat of an injustice. On the other hand, highlighting these ten reports and their unique elements may provide insights and inspiration for new reporters, 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 achievement, not the activities. This is by far the most difficult thing for companies to address and very few, if any, do it well.

And, in alpha order by company name, my top-ten-pick:

AGCO 2012 Sustainability Report GRI B, 43 pages

This is a well-written and nicely laid out second report from this agricultural equipment company, and it contains all the elements of an **AIM Model** report. There is a description of the company's value chain, and a nice materiality matrix, which shows not only the different issues but also the level of control that AGCO has in managing these impacts.

The report opens up with a Q&A in which the CEO gives a solid round-up of the issues that the company faces as a business, interlinked with the sustainability issues that are part of the company's approach. A clear set of multi-year sustainability goals and performance against these goals in the reporting year shows you that you are reading a report from a company that is serious about sustainability. The section on Food for Thought provides some context for the issues that are material for AGCO, and serves as a platform for the remaining elements of the report, which is structured around six core issues (food security, climate and energy, values and workplace, resource management, supply chain, community relations). Despite covering a lot of ground, this report is succinct and makes for both an informative and interesting read.

Bharti Airtel India Sustainability Report 2011 - 2012 GRI Undeclared, 66 pages, first time report

A report which boldly aspires to help create a "happy, empowered and sustainable life for everyone" in big red letters on the cover page cannot fail to catch my attention. The colorful, playful design of this report reinforces the message and draws attention to the narrative.

It's a first report, so usually we cut a little slack as first reports are always backbreaking. However, Bharti Airtel doesn't need a lot of slack as it has done a great job. The Chairman and CEO each make a good case for sustainability in the mobile communications sector in India, and the company's materiality matrix focuses the issues the company must address in its sustainability program. Airtel presents its "Blueprint for Social Inclusion" in this report, which was developed after an investment of several "happy and energetic man-hours". The blueprint includes three pillars, each of which has both a vision and an action approach. A supplier eco-system chart helps understanding of the complex interfaces and partnerships needs to maintain sustainable operations, and the employee engagement section is a refreshing look at how this company supports and empowers employees. This is a well-constructed, well-written and well-designed delight of a report. Take a look.

City of Warsaw Integrated Sustainability Report 2013
G4, 13 pages

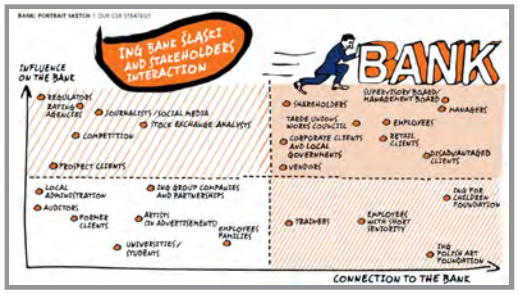
Although not a corporate report, and not even the best example of a G4 report, the City of Warsaw managed to deliver the first G4 report in the world, and that's an achievement. Despite a little clumsiness and short-changing of some of the more complex disclosures, it's a breakthrough report. Municipalities have great power in the example they can set for sustainable business, and the policy frameworks they can promote. This report delivered an earnest attempt to describe the city's journey to a more sustainable level of impact, and hopefully, is an encouragement to more cities and governments around the world to adopt both sustainability AND transparency.

Impahla Clothing: Integrated Annual Report 2013 GRI A+, 70 pages, second integrated report

Impahla has been in two of my last three Top Ten picks, and I never fail to be amazed and inspired by the quality of reporting consistently delivered by this small, privately-owned, forward-thinking award-winning sports apparel SME company, led by William Hughes, a modest Kenyan-born businessman profiled by Marc Gunther in 2010. In this 2013 report, Impahla demonstrates business expansion, improved results at all levels, and, a feature of Impahla's reporting through the years, great respect for the Impahla workforce. Directors of Impahla are hands-on shareowners, and this is one of the factors attributed to driving the company's success. Total transparency of the company's balance sheet and customer relationships shows a maturity that is rare in privately owned companies. Material issues are clearly stated and discussed in plain language, and the report is an enlightening, informative and interesting read. The play between high-level disclosures and details of operational activities, for example, incentivizing employees to turn up on time, is well done in this report, helping you understand the broad picture while remembering that the magic is in the detail. If Impahla ever chooses to add another business line, Sustainability Report creation just may be it. Read this report and be inspired.

ING Bank Slaski Poland CSR Report 2011-2012
GRI B, 109 pages

You don't expect banks to be particularly creative or appealing in their sustainability reporting, so this report from ING in Poland stands out as an especially attractive. The artwork in this report is spectacular. See the stakeholder map below:



There are also some fabulous works of modern polish art that illustrate the report.

This is the first standalone sustainability report produced by ING bank, and it's a thorough presentation of sustainability issues and performance. The report content is structured in four main sections: clients, employees, community and environment, and while there is no specific materiality matrix, strategic priorities with goals to 2015 are presented, together with progress made in 2012 in all four areas. The nicely gender-balanced management board each presents a perspective:

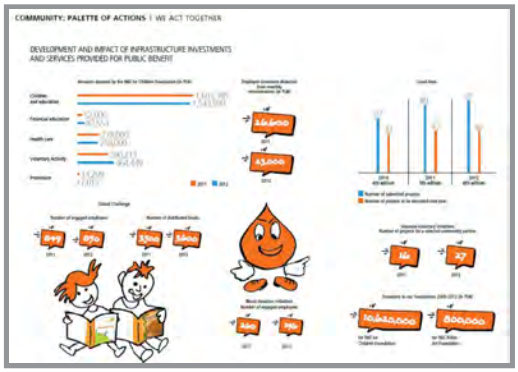
Data is creatively presented, in a way which makes you want to take an interest.

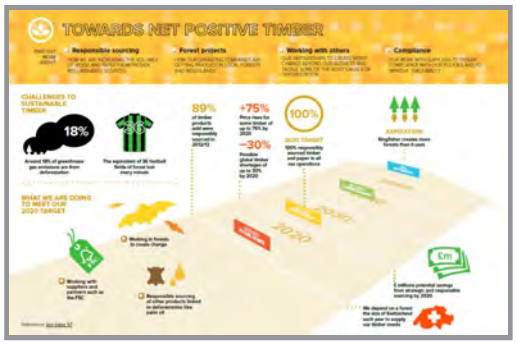
Kingfisher Net Positive Report 2012 / 2013
Not GRI, 56 pages
Kingfisher's Net Positive approach has been widely publicized this past year and has gained quite a lot of attention in sustainability circles. It is indeed an impressive approach, branded and presented impressively. The Net Positive plan has four pillars and the report discusses these in detail, providing contextual background, actions, goals and targets through to, in most cases, 2020.

Use of infographics to describe the issue, what Kingfisher has done so far, and how the company will reach each goal is attractive, and shows a well thought-through strategy.

In addition to the four Net Positive pillars, Kingfisher has set targets in three additional areas: employees, suppliers and partners and environment. Quantitative multi-year targets are established in all three areas and 2012 progress is recorded.

The report is also a celebration of employees and employee contribution to sustainable goals.





With monthly Net Positive progress reports being submitted to the Group Board, according to the report, the chances of making significant headway appear to be high. Kingfisher's approach is described by CEO Ian Cheshire: "*We don't have all the answers for how we'll reach our goals. We need to find different approaches and business models, and to collaborate both internally and externally. By asking ourselves 'How can we have a Net Positive impact?' we will find new answers and ideas that will change our business for the better.*" That's one of the interesting things about sustainability. Just asking the question makes room for a different type of answer. The Net Positive approach of Kingfisher has all the ingredients of a smart way forward: clarity, focus, branded promise, action-orientation and consistency of communication. This builds trust in the Kingfisher program and in its report. It's a great example of good strategy, well articulated.

Marks and Spencer Plan A Report 2013
GRI B, 56 pages A regular award winner and focused reporter, the M&S Plan A Report does not mince words. It cuts straight to the chase of its multi-year, multi-action, seven pillar progress report, delivering results and outcomes, with just enough supporting narrative to allow you to understand the numbers. The PDF is fairly stuffed with data, while the online report offers a wealth of additional information in areas you may with to know more about. For example, if you want to meet the farmers who grow the asparagus that you buy in M&S foodhalls, click here. The massive impact M&S has throughout its value chain - including recreating a part of the English language with shwopping (described here on Greenbiz.com) and engaging millions of Brits who shwopped 3.8 million garments - is indisputable. From sustainable food supply, to sustainable retail outlets, traceability, store refrigeration, business travel, waste management, the M&S report is an example of what a determined retailer can do to advance sustainable business on many fronts. The consistency of reporting against Plan A over the years

builds credibility and leadership in sustainability reporting. In 2013, M&S reports that Plan A generated its "biggest net benefit" to date, £135 million. If anyone thinks that being a responsible business is not worth the effort, then this is 135 million reasons to think again.

NGK Spark Plug Group 2012 CSR Report

Not GRI, 70 pages

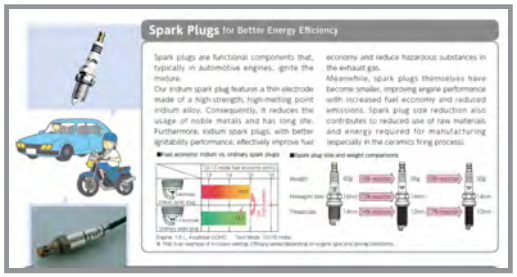
I couldn't not include this report this year, as an example of a great report from a company that produces a product that most of us wouldn't really associate with improving the quality of life and saving our planet. The spark plug. We all know what spark plugs do, sort of, and we have all probably been without the right one at the right time as some stage in our lives. However, I am not sure how many people realize just what a significant role they play! Spark plugs apparently have a right to their own Sustainability Report as do many other essential items of modern day life. The NGK Spark Plug company celebrates this modest little electronic component in a respectful and comprehensive way, presenting its 10 year plan to become a distinguished manufacturing company, highly profitable, progressive and emphasizing "personal assets". This demonstrates that CSR is relevant to any company and any product, even the ones we tend to take for granted. Any company who thinks the fact that their product is not Coca Cola, Vodafone, General Electric or any other Big Brand means that sustainability doesn't apply to them should read the NGK Spark Plug report.

The PDF includes little yellow sticky note explanations of key terms - an afterthought maybe - but at least we know what they mean. There is also a glossary at the back of the report.

An interesting feature of the report is the description of the portfolio and the relevance of spark plugs and other products in people's lives. You'd be surprised what this little things get into, as well as making car engines more efficient.

The report is dotted with "voices" - insights and perspectives from employees of the NGK Spark Plug company. It is always more credible to hear directly from company employees, rather than read long chunks of narrative. This gives spark plugs a face as well as a voice.

As is often the case in Asian reports, NGK includes a "Message from a Stakeholder".



This is usually a positive commentary, and this is true of NGK's stakeholder commentary too. Even so, inclusion of external stakeholder comments is always a positive element in any report. NGK also includes responses to a feedback questionnaire from internal and external stakeholders about the prior report and the way the company has responded. A nice additional touch would be the number of responses received.

PUMA Business and Sustainability Report 2012 GRI A+, 223 pages
PUMA had a tough year in 2012 with profit decline culminating in the departure of the CEO, Franz Koch. However, the pioneer of the Environmental Profit and Loss Account managed to deliver an upbeat report with great transparency in many areas. The absence of a statement about materiality in this report, despite the fact that the report assurance statement explicitly states that adherence to the materiality principle was assured, is rather irksome, but nonetheless, I feel that the work PUMA is doing and the clarity of its reporting is worth a Top Ten listing this year. The report is an integrated report, written for shareholders "and friends", covering the spectrum of sustainability-related themes and all financials, which is why, at 223 pages, it's still a manageable read if you do so selectively. For example, the People@Puma Section is a good discussion or organizational development and people empowerment, and the PUMA.Safe Humanity Section covering the outsourced supply chain operations is a strong review of related issues. The PUMA.Peace section is an inspiring look at the way PUMA uses its business strengths to promote a more peaceful world.

The Crown Estate Annual Report and Accounts 2013 Not GRI, Integrated Report, 122 pages
I blogged about this report recently, and it continues to stick in my mind as a report which delivers clarity, authenticity, material focus and reporting of outcomes. In fact, it's an excellent example of the **AIM Model.** The graphics are well delivered, supporting the narrative, and the theme of the report, "Imagine", is rather uplifting. The materiality disclosures are well described, including explanations of why the issues are important, what the Crown Estate is doing about them, and where performance metrics and additional narrative can be found in the report.

NB As usual, to be fair, I did not include reports that I have worked on or from other clients or affiliate or parent companies. If I were to do that, I wouldn't have room for any other reports ha-ha. But it also shows you how magnanimous we are on the CSR

Reporting Blog :)) Gotta give 'n take a little in life, right?
Happy Reporting in 2014, everyone! Here's to the next Top Ten.

elaine cohen, CSR consultant, winning (CRRA'12) 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 at www.twitter.com/elainecohen **or via my business website** www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

Getting the most out of Sustainability Report Interviews

Friday, December 27, 2013

As a Sustainability Reporting Consultant, one of the regular, most fascinating features of our role is the gathering of information within a company about advances in sustainability performance. This often requires interviewing many individuals, mainly executives and managers. Sometimes this is challenging, as many people in many organizations don't quite understand why they have been selected for a "Sustainability Report Interview" or what their role has to do with sustainability. Often they are just doing their job, and the connection between their day-to-day and sustainability is not explicit. Others are ready for the conversation, which is often an annual event, and even look forward to it. Some even do a little preparation!

As we work with several companies working with different reporting cycles, I find that that I am part of such conversations almost all the time as a regular feature of my job. I find that it's also one of the most useful parts of our job, as far as the organization is concerned, although they might not realize it.

In an ideal world, where Sustainable Business Strategy is articulated, implemented, communicated and part of the way of life in any company, you would expect that everyone would know their connection to the sustainability agenda and why it's important. The reality is that, even in companies where sustainability is just about as embedded as you can get, people still have trouble seeing linking their their roles to the organization's overall positive impacts. The Sustainability Report Interview is one tool among several that can help reinforce and refresh sustainability thinking and drive action in the organization.

There are several reasons that these conversations are always important. **The Sustainability Report Interview is an Art Form** rather than just another plain ole conversation. It takes a certain knowledge and skill to perform a Sustainability Report Interview well and get the most out of a short conversation.

The Sustainability Report Interview has several objectives, and becomes a powerful (and fascinating) part of the reporting process. It can make a big contribution to advancing sustainability awareness, understanding and practice in any company, including smaller companies. We always try to interview as wide as possible a range of individuals in any company, in order to gather and cross-validate information and ensure we have a rounded understanding of performance, activities and issues. This is the nuts and bolts of sustainability reporting. It is often overlooked as a value-adding element in the sustainability reporting process.

The key things we try to do in Sustainability Report Interviews are:

Gather Insights and Information: This is the clear, stated objective of any Sustainability Report Interview. We aim to gather insights and information about sustainability performance in the course of the reporting year, within the scope of the interviewee's role and responsibilities. The idea is to distill the precise contribution to improving social and environmental impacts, or even activity which impacted less positively, from a range of information about the interviewee's role and performance. At this point we do not restrict

ourselves to specific information that we think may be relevant to the sustainability Report, but aim to gain deep understanding of what was done and why and an appreciation of the context in which such activities were progressed. We look for performance, stories, case studies and future plans and targets.

Identify Sustainability Practice: The very process of the interview causes the interviewee to think about her or his role through a sustainability lens. If you ask most managers in most organizations outright what have they done to advance sustainability, they don't come up with very much. At best, they may start talking about some volunteer activity or other. By asking them about their business activities, a skilled sustainability report interviewer can identify those areas which are relevant from a sustainability standpoint. For example, a Logistics Manager might say that she restructured routing processes to improve delivery efficiency. She is happy to have saved costs while maintaining customer service. When we ask about the environmental impact, she may know the fuel savings which were needed to calculate the cost benefit, but she has probably not thought of the greenhouse gas emissions impact of logistics efficiency improvement. The minute we ask about this, and try to identify environmental metrics for this approach, advising that a saving of, say, 1,000 gallons of fuel is equivalent in GHG emission terms to planting and growing over 220 seedlings for ten years, a light-bulb (LED, of course) suddenly illuminates the imagination of the Logistics Manager. The next logistics efficiency project she undertakes will measure both cost and environmental benefit. Suddenly the Logistics Manager has become a Sustainability Manager as well.

Identify More Information Sources: Sometimes, it takes a while to get to the right person who can provide detailed information. Often, you start with more senior people and have them identify highlights or areas for further investigation. They will generate a list of people to talk to within the organization. In other cases, there may be clues about possible external stakeholders that may be able to make an important contribution to the report. A manager might say: "We led a great project last year. We hired an external consultant to help us." Or possibly: "We partnered with a trade association or non-profit organization to complete this." As the credibility of reporting is often enhanced with the inclusion of external stakeholder voices, the interview is a good source of potential additional experts who can provide content to enrich the report.

Increase Sustainability Awareness: A more subtle role of the Sustainability Report Interview is to help increase awareness of sustainability and its business value. In some cases, organizations may not have a declared sustainability strategy, and may not have communicated sustainability widely within the organization. Many managers may be performing sustainably without even realizing it and often, do not associate their positive activities with a higher purpose of sustainability. They may even think there is something wrong with claiming to be sustainable when all they really wanted to be was efficient. Often, people might say, apologetically: "We saved energy for cost reasons, not for sustainability reasons." This is a great opportunity for the interviewer to explain the link between operational efficiency and sustainable business, and reinforce to the interviewee that, whatever it's called, positive social and environmental impact may be the (additional) result of their actions. This connects interviewees to a higher purpose.

Empower the Sustainability Leader: In many organizations the CSO or Sustainability Leader or CSR Reporting Manager, or whatever she's called, participates in the interviews. This is a great opportunity for the interviewer to help the Sustainability Leader build understanding, awareness and relationships. Often, the Sustainability Report Interview might be the first time the Sustainability Leader has actually had a conversation

with certain managers in the organization. Often, the Sustainability Leader comes away from such conversations having learned something new. This empowers the Sustainability Leader with new information and new contacts which help her drive the sustainability agenda. It also ensures that skills are developed within the organization and not condemned to oblivion in a file of an external consultant.

Reward Commitment and Action: A Sustainability Report Interview is an unofficial way to recognize those who are doing good work in sustainability. Although it is not the role of the external consultant to do this, in practice, reinforcement that a manager's work is meaningful and even report-worthy is a helpful bonus that the consultant can bring. The fact that we show an interest, want to know more, ask about challenges, successes and outcomes, as well as the possibility that the manager's story might get published, is a massive motivating factor. In some cases, people want to tell their story so that it can help others. We give them a stage to do so. This is invaluable in helping create and embed a culture of sustainability.

Support Internal Communications: You'd be surprised, or maybe you wouldn't, especially in large organizations, how some managers don't know what the organization is doing or even what their colleagues are doing. Many managers don't read the company sustainability report (evidence of a shortfall in internal communications programs?) and many are surprised to hear for the first time that the company they work for actually does a whole lot more to advance social and environmental benefits than adding zeros to a profit statement. Knowing this engenders pride in the company and pride in themselves. The process of engaging in conversation with a wide range of managers in an organization makes sure they are getting the message. In the course of an interview, you don't just listen, you share, you update, you tell people why sustainability is important. After a good Sustainability Report Interview, both interviewer and interviewee know more about the organization and its sustainable practices. The process is an effective way to open up communication channels and get more people on the same page.

Having established herewith that Sustainability Report Interviews are a fabulous tool, not just for reporting, but to advance sustainability, organization development, communications,, engagement and motivation, not all of them are a piece of cake. In conducting interviews, the interviewer needs to be skilled in handling a wide range of reactions to the interview summons.

Let's discern TEN types:

The Let's-Get-This-Over-With Type:
Characterized by: Politically-correct manager, maybe senior, not particularly interested in sharing, has a big team of people who can tell us what we want to know, has a hard stop in 15 minutes.
Making the most of it: Thank the manager, state up front it will only take 15 minutes. Cut to the chase, extract the headlines, and note the additional people s/he recommends talking to first. Then ask the manager where s/he feels the biggest business contribution was from her or his department in the last year. That will earn you at least another ten minutes and provide clues for sustainability activities.

The What-Am-I-Doing-Here Type:Characterized by: Totally disinterested manager, really doesn't understand how her or his role is connected to sustainability, doesn't understand what all the fuss is about, but was urged to cooperate by The Boss. **Making the most of it:** Thank the manager, say it won't take too much of her/his time. Ask first about business

achievements in the past year. Look for sustainability themes in the business achievements, and probe further in those areas. If there's nothing, let it go and move on.

The Talk-To-Someone-Else Type:Characterized by: Manager understands and supports the sustainability agenda, but is simply not the right person to talk to. Sustainability projects are more related to the work of other colleagues. **Making the most of it:** Thank the manager and ask, anyway, what the manager has achieved in the past year and what benefits this has brought to the company. Then continue as for the What-Am-I-doing-Here-Type above.

The New-Kid -On-The-Block Type:

Characterized by: New manager, recently joined, never participated in a Sustainability Report Interview before. Happy to provide data and information but is not familiar with sustainability and doesn't know if s/he will be able to help. **Making the most of it:** Thank the manager and wish her or him good luck in his/her new role. Explain about the Sustainability Reporting process, why it's important and offer some highlights from the last report. Explain why the new manager's role is important for sustainability.

The We-Donated-$500-To-Charity Type:Characterized by: Manager who still believes CSR is about charity, and is very very proud of the $500 donation s/he made last month with her or his department. **Making the most of it:** Thank the manager and confirm that a $500 is a fabulous donation. Then ask the manager to tell you what her/his biggest achievements at work have been during the past year.

The Glad-You're-Interested Type:Characterized by: Interested manager, but not quite sure how her/his role fits with sustainability, s/he is just doing what s/he knows best in the interests of the business. Very glad that someone is taking an interest. **Making the most of it:** Thank the manager. Take an interest in specific projects mentioned. Explain how they are relevant to sustainability. Create the connection between sustainability and the manager's role.

The Ready-and-Waiting Type:

Characterized by: Manager happy to engage, hasn't prepared anything in particular, but knows the drill and is quite willing to have the conversation and be helpful. **Making the most of it:** Thank the manager, ask about key objectives, goals, targets and achievements in the past year. Ask about what didn't work so well. Confirm the relevance of this manager's activities to the sustainability agenda.

The I've-Done-My-Homework Type:Characterized by: Prepared manager, been there, done that, knows the drill, knows what you will ask, has done homework and prepared a list of activities and events in anticipation of the call. **Making the most of it:** Thank the manager. Lap it up.

The Help-Me-Focus TypeCharacterized by: Manager who is excited to share but simply can't focus on what you are asking. Shares great detail about helping a local sports club build a new clubhouse but fails to address sustainability issues in the core business. **Making the most of it:** Thank the manager. Listen to the story. Compliment the manager. Then ask about her or his work activities. See the Ready and Waiting Interview.

The Enjoyed-Our-Talk Type:Characterized by: Interested manager, does best to explain everything about progress made in sustainability projects and enjoys doing so. Confirms that s/he enjoyed the conversation. **Making the most of it:** Thank the manager. Lap it up.

If your reporting process does not include Sustainability Report Interviews, something's amiss. If you are not getting the MOST out of these interviews, you should reevaluate

how you they are conducted. If at the end of the interview process, you have not enriched the organization while gaining relevant information (both good news and less good news), you need to think it through. It's a large investment in time and money, it should work.

Some of the most rewarding outcomes of Sustainability Report Interviews for me are when people say:

- I am glad you are interested in what I do
- I really enjoyed the conversation
- I learned something new
- That's given me an idea, I am going to follow up.

When there are a lot of these reactions, I know we are going to be able to help deliver a great Sustainability Report!

So, here's to 2014, the Year of the Sustainability Report Interview!
Happy 2014!

PS: Maybe I should post next about what NOT to ask in a Sustainability Report Interview. I could probably write TWO posts about that. HAHA.

elaine cohen, CSR consultant, winning (CRRA'12) 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 at www.twitter.com/elainecohen **or via my business website** www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

Santa's 2013 G4 Sustainability Report

Monday, December 23, 2013

This year, Santa has published a G4-based Sustainability Report, in accordance with G4 comprehensive level. This follows a long tradition of sustainability reporting by Santa. Check out Santa's prior reports:

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

As usual, Santa always sends me an early copy of her annual sustainability disclosure, as she knows that the #CSR Reporting Blog is the most widely read blog anywhere that focuses on sustainability reporting. Knowing that featuring on the #CSR Reporting Blog is a privilege reserved for few reports, Santa always makes it worth our while by collecting all the toys that were not distributed to the world's children and sending them along to us on Boxing Day as a gift. This coming Boxing day, the #CSR Reporting Blog has decided not to accept these toys, but to donate them to bloggers everywhere, in return for a small postage fee. If you are a blogger, and would like to receive your **free** toy on Boxing Day, please make a bank transfer **NOW** to the #CSR Reporting Blog in the amount of $4,995. As soon as we confirm this amount has reached our account, we will dispatch your **free** toy.

This year, Santa remains at the forefront of Sustainability Reporting. Last year, Santa's forefront was an Integrated Report, the first one to come out of Lapland, and the only Laplandish Integrated Report to include an Environmental Profit and Loss Balance Sheet whose bottom line was positive, meaning that the environment actually owes Santa a whole lot of money. This positive balance was due to the fact that elves multiplied carbon emission reductions achieved in Lapland by 196, the number of countries in the world, because Santa mentions all these countries in the Integrated Report as target destinations for toys delivered to kids. This exponentially increased Santa's carbon emission reductions and is perfectly credible, using methodology similar to the way the number of sustainability disclosures in Angola is calculated. In the meantime, Santa is trying to figure out how to actually get this money back from the environment, and, if all else fails, may have to ask PUMA to cough up the cash as they owe the environment

around EURO 145 million based on their 2010 results. Santa's first Integrated Report for 2012 was helpful to the wider business community as it proved that the phrase "integrated reporting" is actually an oxymoron. This should go down in history as a massive benefit for humanity. It sort of equates integrated reporting to discovering that there is life on Mars.

As Santa likes to demonstrate leadership, advanced-thinking, clear focus, sharp analytical skills, strategic visionary orientation, exceptional interpretive powers and amazing persistence, tenacity and staying power, she decided that this year's report should be written in accordance with G4. The only problem was working out what to call it. Santa consulted SOAP's CSR Report Name Generator and came up with some relevant options:

However, Santa felt that these report titles have been over-used, and decided to generate her own report title. So here it is:

Santa's 2012 G4 Sustainability Report

Chairwoman, President, CEO, CFO, and General Counsel Opening Message

As 2013 draws to a close, our work begins. With a core mission of making kids happier, while increasing the long-term sustainability and short-term profits of toy manufacturers around the world, Santa Claus Inc. is getting ready to make this Christmas the most memorable ever. With the digital divide creating gaps between those who have and those who want to have, we are giving priority to those who are disempowered by the digital divide. All they need to do is drop Santa an email, or use Santa's new IOS7 App, and tell us how the digital divide is limiting their ability to connect with the world at large and VOD at home. We will email back with the Santa Guide to Bridging the Digital Divide. This is a short 300 page manual, in two parts, which is very easy to understand, providing good advice on how to hack hot spots and divert satellite dishes.

Business-wise in 2013, Santa Claus Inc. delivered record profit levels, mainly because we achieved a higher degree of vertical disintegration, outsourcing not only our toy manufacture but also our testing procedures. In previous years, toy testing has been a major drain on our resources and over 18,000 elves were engaged in playing with all the toys we distribute to the world's children, to ensure they are safe and function in the way intended. To do this, the elves had to play with the toys in prolonged intensive sessions in which they had great fun but which usually ended up with the toys breaking or parts dropping off, or in some cases, elves choking to death. This meant that our pass-rate for acceptable toys was extremely low. In order to reduce our expenses and increase our toy pass-rate, we have transferred responsibility for toy-testing to our outsourced toy manufacturers, who are obliged to confirm toy integrity before shipping. We believe this has been an extremely positive change as our toy pass rate is now more than 100%.

Material Issues

In line with G4 guidelines, this year, for the first time ever, we conducted a materiality

analysis. We followed a process of stakeholder engagement with internal and external stakeholders, including consultation with the global sustainability guru, John Elfington, an expert in sustainable elf matters, and Jo Elfino, editor of a sustainable business newspaper for elves in the UK.

We identified our key stakeholders as:

1. Me, Santa Claus
2. Children
3. Parents
4. Employees (elves and reindeer)
5. The Government of Lapland
6. Our Bank Manager
7. Environmental Activists
8. Elf Trade Unions
9. Toy Manufacturers
10. Toy Testers
11. Sleigh Manufacturers
12. Reindeer Feed Suppliers
13. Wrapping Paper Suppliers
14. Chimney Sweeps
15. Santa Defense Fund Management
16. Santa Retirement Fund Management
17. Santa Benefits Committee
18. Santa Protection Agency
19. Santa Well-being Organization
20. Santa Earn-More-Money Campaign.

Given such a long list of stakeholders we were not able to complete our stakeholder engagement program in time for our Sustainability Report and have therefore assumed we know what most people think. This assumption resulted in a comprehensive and balanced set of most material issues, which we prioritized to deliver a list of 6 main issues that our report focuses on. These are our most material issues:

1. Improving (Urgently) Santa Compensation and Well-being
2. Advancing Santa Recognition around the World
3. Busting the Santa Disbelievers Movement
4. Ensuring the Ongoing Viability of the Chimney Sweep Profession
5. Increasing the Longevity of Elves and Reindeer
6. Ensuring Children do not Express Dissatisfaction with Toys Received

Our new Santa Sustainability Strategy for 2050 will address these material issues and ensure we maintain our license to operate and deliver a positive net contribution for humanity including generations to come and tremendous shareholder return.

We submitted our report to GRI for the Materiality Matters Application Level Check, but were told that the GRI team is so completely underwhelmed with the number of companies submitting their reports for the check that they are considering revising the check to a "Materiality Matters As Well" Check, reverting to confirming that reporters have simply ticked the right boxes. As we await their conclusions, we take comfort in the fact that we can now declare our report as meeting the "in accordance" requirements and no-one will tell us anything to the contrary.

New Shared Value Services

This year, in addition to distributing toys for children around the world, we decided that Santa should become more inclusive and we therefore started marketing a Santa Adult Toy range. This includes adult toys not typically suitable for anyone under the age of 37, and no, I won't go into details. Suffice it to say that the elves toy testing team was very

sorry when adult toy testing was outsourced. However, this has posed a bit of a problem. Some of the adults have the same names as their children, and in a few cases, shipments were delivered to the wrong recipient. We are currently facing litigation for damages relating to a 5 year old boy who went into shock after an inflatable life-size doll exploded in his face, and a 6 year old girl who locked herself in a pair of handcuffs and was prevented from joining Christmas dinner festivities with her family.

In 2013, in order to get closer to our stakeholders, we opened up our Santa Claus Visitor Center here in Lapland. We are now offering round-trip packages from wherever you are in the world, accompanied by travel emission offsets so that you can take your trip with a clear environmental conscience. We intended that income from offsets would support the development of renewable electricity from combustion of reindeer antlers. Unfortunately, de-antlering all our reindeer proved problematic, and we already ruined 43 chain-saws in the process. Therefore we moved to plan B, which involves cloning Rudolph the Red-Nosed Reindeer, so that we can use all those reindeer red noses to provide lighting for all our operations. As reindeer have not yet been cloned, we feel this is a fabulous example of pioneering shared value sustainability progress, and we look forward to welcoming you to our Santa Claus Visitor Lit-by-Reindeer-Noses Center sometime in 2014. Aside from knowing your visit is carbon-neutral, you will also be able to chart the history of Santa Claus using our new android app, examine reindeer droppings through the ages, see elf fashion through the centuries, taste nutritional low-salt home-made probiotic reindeer-flavor yogurt, and read all Santa's previous Sustainability Reports. While the Visitor Center targets a population with a mental age of below 15, we also welcome politicians, CEOs and government officials.

Reindeer Rights

Last year we had three complaints from the Global Reindeer Rights Protection Association (GRRPA) claiming that we are not paying our reindeer a living wage. We responded that we pay them a wage and they are living, and therefore didn't understand the problem. In order to deflect further complaints, we entered into a collaborative relationship with the GRRPA as they address the issue of reindeer trafficking. Trafficking affects some thousands of young reindeer, who are enticed from their families at an early age with the promise of well-paying jobs delivering toys in Hollywood and Bollywood. Once in the clutches of the reindeer traffickers, they are starved, drugged, abused, stripped of all reindeer dignity and forced to give reindeer rides for toddlers in shopping malls located anywhere but Hollywood and Bollywood, after which they end up as reindeer soup in high-end restaurants. By comparison, our 23-hour work day during the 12 days of Christmas is an attractive proposition. Our collaboration with the GRRPA includes a full employee communications kit and a compilation of visually disturbing videos of dignitaries eating reindeer parts at ceremonious dinners. These communication kits are designed to help all reindeer in Santa's employ realize that they actually have an easy life and that additional requests for protection of their rights will be met with disdain. In 2013, this worked and zero complaints were submitted to the GPPRA.

Elf Empowerment

As part of our ongoing investment in elf personal and professional growth, we created a special **E**lf **L**eadership **A**nd **T**alent **E**xceptional **D**evelopment (ELATED) program which includes a 360 degree assessment of elf talent, capabilities, competencies and professional and personal relationships. Over 14,000 elves have already taken the ELATED program, participating in 5 residential workshops, meetings, online support and personal coaching from a senior elf mentor. Of the 14,000 elves who took the program, 3 were found to have some leadership and talent, and as soon as they realized this, they left the company to find better-paying jobs. We have therefore decided to replace this

program with a new one, called the **D**eveloping **E**xceptional **F**orward-thinking **L**eadership **A**nd **T**alented **E**lves (DEFLATE) which focuses on helping elves continue to do the things elves do badly. This will increase our elf retention rate and save costs, while ensuring that all kids around the world receive at least one gift at Christmas time, even if it is the wrong one and arrives in more pieces than intended.

Ethical Supply Chain

I was very distraught this year by the fire in the Rana Plaza operation in Bangladesh. It was a major tragedy to see so many people lose their lives due to unsafe working conditions. As a result, I personally visited all our toy manufacturing facilities in Bangladesh and asked them to ensure that all workers wear safety goggles and white overalls. Safety procedures may not have improved but at least the workers look good. Further, we considered joining major apparel manufacturers in signing the new Accord on Fire and Building Safety on Bangladesh until we realized this entailed a payment of $500,000 per year. At this point, we decided that outsourced facility safety is not a material issue for Santa Claus Inc. and deleted it from our list.

Bad News

Survey results published by CorporateRegister.com in 2013 demonstrated that report readers find reports more credible if they contain bad news. I have been wracking my brain to try to come up with some bad news for this report. Santa Claus Inc. makes such a positive impact on the world and we do everything so perfectly, that bad news is just not in our lexicon, and even if it were, why on earth would I risk tarnishing our reputation so that the four people who read our report each year will find it more credible? These four people are my parents and my two daughters, and they believe anything they read anyway.

However, as we are leaders in our field, and leaders must be responsive to stakeholder needs, here is some bad news. In 2012, we had a minor injury in our logistics operations when a fork lift truck driver elf backed into a wall. The elf sprained his right wrist on impact. He did not lose working hours and carried on driving the truck without his right wrist. The wall did not collapse and the fork-lift truck continued to operate. Nevertheless, we treated this safety incident very seriously and ran a series of elf discussions to highlight the necessity of not placing walls on fork-lift truck routes. We mapped the location of all our walls, and decided to relocate 27 walls to other positions outside the building. The bad news is that after we removed the walls, the roof collapsed, killing 32 elves and injuring another 346.

Vote for Santa Even though our last report was not shortlisted in the online CRRA '14 global reporting awards, I take great interest in these online awards which advance reporting and help us learn from reporting best practice around the world. It is important to ensure that reporting remains a value adding exercise and continues to support an entire industry of specialists, as well as providing material for the CSR Reporting Blog, which so generously gives exposure to Santa's annual Sustainability Report. However, I am fairly certain that the fact that the Santa Claus Inc. 2012 report was not shortlisted is an oversight. Therefore, I suggest you vote for Santa Claus Inc.'s report anyway. Just delete the name of one of the other reports and manually add in the Santa report. We have made it our objective to achieve number one place in all reporting categories, and you can help. Please make this reporting year an even more memorable one for Santa. Double gifts for your kids in 2014 if you vote. Voting is open through January.

Thank you for taking an interest in the Santa Claus 2012 G4 Sustainability Report. To read the entire 734 page report, please make sure you have a 100mbs broadband connection, about fourteen hours to spare and a supply of sedatives, and download it from our website. We will be happy to receive your feedback, as long as it's positive.
In the meantime....

We Wish You and Everyone in the World a Happy Holiday Season and a Happy New Year.
elaine cohen, CSR consultant, winning (CRRA'12) 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 at www.twitter.com/elainecohen or via my business website www.b-yond.biz (Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)

Comments

- africazanella December 25, 2013

Hope Santas travelling was also taken into account as he does a lot of mileage .,,!,
Will he be running on solar this year ?
Merry Xmas Erin , Santa and all other stakeholders in this wonderful Xmas tale ,
Africa Z

Happy Holidays Ho Ho Ho!

Friday, December 20, 2013

As usual, around this time of year, the #CSR Reporting Blog wishes all its followers Happy Holidays. I think I said it best **last year**:

This is a time to reflect on the joys of life and the joys of publishing Sustainability Reports. A time to be merry and indicator-driven. This is a time to eat well and edit well, engage with friends and dialogue with all stakeholders, think about what's important to you and call it material, recommit to your higher purpose and approve your reporting budget.
Usually the #CSR Reporting Blog finds an innovative and humorous way to spread holiday cheer. But there is a limit to the number of alternative ways we can find to say Merry Christmas, Seasons Greetings, Have A Cool Yule and such other appropriate expressions. **So imagine my delight to discover, via an online dictionary, that one can simply wish people Ho Ho Ho!**
So, to all the #CSR Reporting Blog readers and everyone working in the #CSR and #Sustainability field to help make our world a better place, I wish you a:

HAPPY HO HO HO!
And to all my horse-loving readers: Happy Ho Ho Whoa!
And to all my candle-loving readers: Happy Ho Ho Glow!
And to all my fair-minded readers: Happy Ho Ho Quid Pro Quo!
And to all my entertainment loving readers: Happy Ho Ho Show!
And to all my javelin fan readers: Happy Ho Ho Throw!
And to all my readers vacationing in France: Happy Ho Ho Bordeaux!
And to all my Marilyn lookalike readers: Happy Ho Ho Monroe!
And to all my readers with bunions, Happy Ho Ho Toe!
And to all my readers using drip irrigation from Netafim, Happy Ho Ho Flow!
And to all my depressed readers, Happy Ho Ho Low!
And to all my baker readers, Happy Ho Ho Dough!
And to all my art-loving readers, Happy Ho Ho Vincent Van Gogh!
And to all my nostalgic readers, Happy Ho Ho Ago!
And to all my martial arts loving readers, Happy Ho Ho Taekwondo!
And to all my positive thinking readers, Happy Ho Ho Pro!
And to all my readers called Joe, Happy Ho Ho Joe!
And to all my readers who love anise flavored alcohol, Happy Ho Ho Pernod!
And to all my archery loving readers, Happy Ho Ho Bow!
And to all those who dream of a White Christmas, Happy Ho Ho Snow!
And to all my American Indian tribal readers, Happy Ho Ho Navaho!
And to my doubtful readers, Happy Ho Ho Although!
And to my readers who like to hear things twice, Happy Ho Ho Echo!
And to all my anonymous readers, Happy Ho Ho John Doe!
And to my readers who are Oprah Winfrey fans, Happy Ho Ho Talk Show!
And to all my readers who already heard the news, Happy Ho Ho Know!
And to my son, who loves building things, Happy Ho Ho Lego!
And to my spiritualist readers, Happy Ho Ho Tarot!
And to all my male readers who think they are the world's gift, Happy Ho Ho Macho!
And to my bird-loving readers, Happy Ho Ho Crow!
And to all my readers who have reached their peak, Happy Ho Ho Plateau!
And to my readers with enemies, Happy Ho Ho Foe!
And to all my Mexican readers, Happy Ho Ho Nacho!

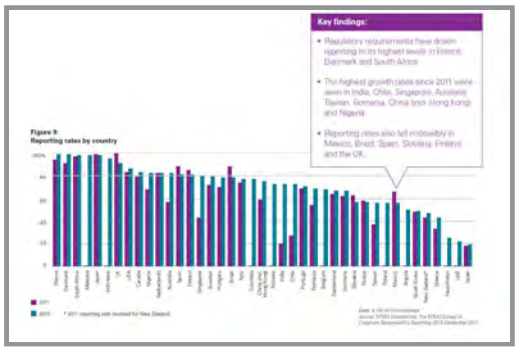
And to all my readers who love cold soup, Happy Ho Ho Gazpacho!
And to all my readers who like to travel in a boat, Happy Ho Ho Row!
And to all my readers with a common blood type, Happy Ho Ho O!
And to all my Spanish speaking readers, Happy Ho Ho Uno!
And to all my readers who will be in the Holy Land this Christmas, Happy Ho Ho Jericho!
And to all my Alfred Hitchcock loving readers, Happy Ho Ho Psycho!
And to all my sustainability minded readers, Happy Ho Ho Eco!
And to all my Jewish readers, Happy Ho Ho Oy Vey!

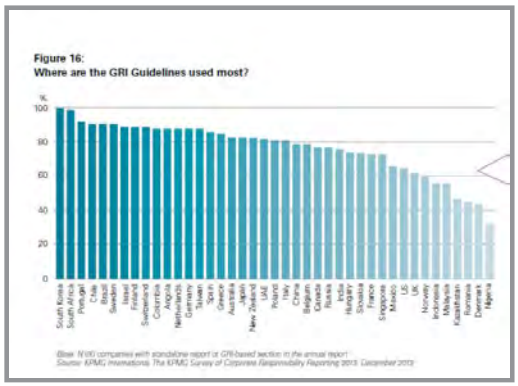
And finally, to all my readers publishing a #G4 Sustainability Report in 2014:
Happy Ho Ho Woe!

elaine cohen, CSR consultant, winning (CRRA'12) 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 at www.twitter.com/elainecohen **or via my business website** www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

The Mystery of the 50 Angolan Sustainability Reports

Wednesday, December 18, 2013





KPMG published its 2013 Survey of Corporate Responsibility Reporting recently. For a reporting geek like me, that's like getting five helpings of ice-cream all at once. A positive feast of information all about reports. I love it.

I am still working through the entire thing (gotta do a little work once in a while) but there is something that struck me as rather mentionworthy.

Angola.

How many Sustainability Reports get published in Angola? In the GRI reports database, there is not a single report from Angola since the start of the database. I looked in the CorporateRegister.com database, and there are 10 reports from 3 companies in Angola published between 2007 and 2011. Nothing in 2012 or 2013. Even the UN Global Compact has no participants from Angola.

So how is it that, in the KPMG survey, 50% of the top 100 companies in Angola are noted as reporting on CSR?

That's a higher rate than 6 other countries: South Korea, New Zealand, Greece, UAE, Kazakhstan and Israel. Not only that, in the KPMG survey, Angola is way up there with the GRI-based reporting leader companies, with over 80% of these mystery Angolan reports being GRI-based.

In the CorporateRegister.com database, I can find 16 reports from Kazakhstan, and as many as 585 reports from South Korea, with the other countries in between. So, how come Angola has achieved a 50% reporting rate? There is no stock exchange in Angola, as this is scheduled for 2016.

The KPMG methodology looks at the top 100 national companies in each country. A 50% reporting rate means that 50 of the top 100 companies in Angola have publicly disclosed their corporate responsibility performance in some form of corporate responsibility or sustainability report.

So where are all these reports? This is a mystery. I love mysteries. Just call me Agatha.

I realized that I know very little about Angola, so I am going to make this post a little Angola discovery journey.

Angola has a population of just over 18 million people living in an area of 1.2 million sq. km. Portuguese is the official language and Luanda is the capital. Angola's main claim to fame is its oil, with an OPEC quota of 1.65 million barrels per day. GDP per capita is $6,500 which ranks 144 in the world league table. There are only 9.4 million mobile telephones in use, so that's an opportunity for the telco sector, and only 0.6 million internet users, an even bigger opportunity. Human trafficking, drugs and forced labor in agriculture are mentioned as some of the transnational issues that Angola must address. The country has some spectacular sights and Kalandula Falls seems like it should be on everybody's visit-here-some-day list.

Doing business in Angola according to the World Bank Group is not a piece of cake, and Angola ranks low on the easy-peasy scale. In fact, Forbes recently gave Angola the big thumbs down as one of the worst 5 countries in the world to do business in. This is a great opportunity, therefore, for CSR and sustainability.

However, when checking out the ice-cream scene in Angola, all I came up with was a list of ice-cream parlors in Angola, IN, which last time I checked, was in the U.S. Maybe that's the Angola that's in the KPMG survey?

But I am still wondering, where are those 50 reports? Now, now, Agatha, don't give up just yet.

I tried to find a reliable list of the largest 100 companies in Angola. Wikipedia lists a few notable companies in Angola. 36 companies to be exact. Are these the companies in the KPMG N100 list? Where are the remaining 64?

I shot off an email to the folks at KPMG to see if they could shed any light on the Angola mystery, and I am awaiting a response. In the meantime, I confess to being stumped. OK. You can stop calling me Agatha now.

UPDATE (Dec 18): I just heard back from the folks at KPMG (thanks, KPMG) who say as follows: "*Angolese companies included in the research in many cases are subsidiaries of large global companies that issue CR reporting in other countries (for example, Total, who publishes a group report in France). As all subsidiaries are included in such group reports, they count at the local (Angola) level as well, including the reference to the GRI.*" Mystery solved. Sort of. Apparently Angola's reporting rate of 50% is entirely made up of global companies operating a subsidiary in that country. Ditto for other countries. No wonder the N100 global reporting rate is 71%. I wonder what it would be if KPMG took out the reports that were not written by companies headquartered in the countries surveyed. Any guesses?

elaine cohen, CSR consultant, winning (CRRA'12) 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 at www.twitter.com/elainecohen **or via my business website** www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

Comments

- Josephine December 18, 2013

Hi Elaine - this is an excellent post! Informative with a great scoop of humour! Really enjoyed it. Thanks!

G4. It's a Hat Trick

Monday, December 16, 2013

I am proud to announce the publication of the third G4 CORE level report that my firm, Beyond Business Ltd, has supported this year, completing a Hat Trick of three G4 report publications in this reporting-history-landmark-month-of-December 2013. First there was GSK Romania. Then Caesars Entertainment. Now, ECI Telecom brings it home with the company's second Sustainability Report covering year 2012. Founded in 1961, ECI Telecom Ltd, headquartered in Israel, is a privately-owned provider of transport and access solutions for communications networks. ECI designs, develops, manufactures, markets and supports telecommunications solutions for voice, data, video and multimedia services. ECI serves over 250 customers - wireline and wireless service providers and utilities and government organizations - in over 70 countries. At the end of 2012, ECI employed over 2,000 people in over 25 countries.

ECI's main sustainability contribution, that has a positive impact on society, is providing the capabilities for telecoms companies to connect their customers to the worldwide web. Most users (like me) are completely oblivious to the technology and infrastructure that is required to help us watch Fast and Furious 6 on demand from the comfort of our own iPad, whatsapp our Jerusalem-in-the-snow photo collection to our friends enjoying the sunshine in Buenos Aires, singalong to Alex and Sierra's latest X Factor USA offering which we downloaded from iTunes, check out the Golden Girls bloopers on YouTube without stopping to reload every second, or send important business files over a high-speed broadband connection without them turning up at the other end missing page 33. High-speed broadband is changing the way we live our lives in so many ways, and ECI's technology is helping the people of many countries, from Togo to Philippines, from Russia to Germany, and from anywhere to everywhere, get a piece of the action.

ECI's sustainability communications journey started in 2009 with the publication of a first standalone Communication on Progress (COP) to the United Nations Global Compact, which was followed by another standalone COP in 2010. In 2011, ECI Telecom decided to further consolidate its reporting efforts by progressing to the more widely recognized and respected reporting framework of the GRI and delivered an Application Level B Sustainability Report. This time around, for the 2012 Sustainability Report, ECI took the step of reviewing its sustainability journey and performance, and the issues that matter, and engaged in a materiality process to support adoption of the most advanced sustainability reporting framework available, GRI's G4.

This makes ECI Telecom **the first telecoms company in the world** (as far as I can tell) to report in accordance with the G4 framework, demonstrating agility, adaptability and responsiveness to stakeholder expectations which are characteristics, not only of the company's reporting approach, but also of its approach to serving its customers around

the world. My personal experience of working with ECI Telecom for the past four years confirms this. I have come to know well many people in the company, including most of the executives whom I have met personally, and a wide range of other management team members. Despite the competitive challenges of the telecoms infrastructure market, and the ongoing need to review the company's structure in response to market pressures, ECI's commitment to sustainable practices has never wavered. In the Israeli context, where very few companies publish sustainability reports (Israel came in with the lowest ranking out of 41 countries for rate of reporting among the 100 largest companies in each country, in the recently published KPMG Survey of Corporate Responsibility Reporting for 2013), ECI Telecom stands out as a company that values accountability and transparency.

There is a certain satisfaction I gain from supporting the evolution of a company's reporting progress. UNGC Communication on Progress reports are a mixed bunch, and not always terribly revealing. Ranging from a collection of one-pagers, which barely even respond to the description of Communication, let alone Progress, to the more sophisticated 100+ page GRI A+ full-blown sustainability reports which include a brief mention of UNGC participation, seeking out a COP is never a very safe bet. It is because ECI took a different approach, and treated the COP as an important and relevant way of communicating progress to all stakeholders, and not just filling in the UNGC online COP submission form, that the transition to a Sustainability Report was a natural next step. It is because the approach to Sustainability Reporting was not just about reporting, but more about what matters, that the transition to G4 was within early reach.

After an internal process, ECI Telecom prioritized four categories of sustainability impacts that support the company's ongoing sustainability approach.

ACCESSIBILITY - EFFICIENCY - NETWORKS - INTEGRITY

Nine most material issues were selected for detailed reporting and inclusion in the G4 CORE report.

Performance highlights from the report include:

- Major progress in auditing main suppliers in the supply chain – ten audits on key suppliers performed in 2012.
- Increase in customer loyalty scores from 90.8 to 91.6
- Second time award of the Diamond Mark by the Israeli Standards Institute for compliance to seven quality standards.
- 9,600 hours volunteered in the community by ECI employees.
- 31.7% absolute energy consumption reduction between 2008 – 2012, and 31.5% reduction in corresponding carbon emissions.
- Waste reduction from 500 tons in 2008 to just 70 tons in 2012.
- New Human Rights policy published.
- Highest possible ranking, Platinum Plus, in local responsible business ranking in Israel.
- Further improvement in E-Tasc scores to 97.2.

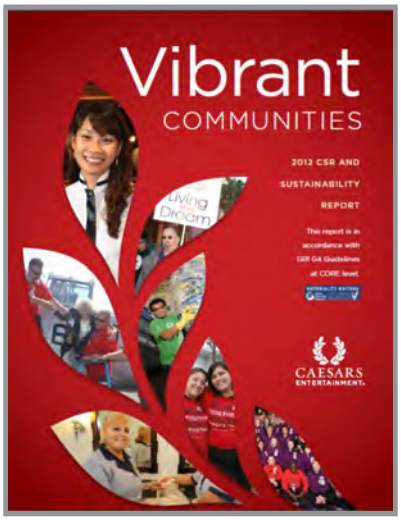
And by now, you absolutely know what I am going to say next:
Read the report. Give feedback.

elaine cohen, CSR consultant, winning (CRRA'12) 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 at www.twitter.com/elainecohen or via my business website www.b-yond.biz (Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)

Materiality Matters. Checked.

Friday, December 13, 2013



Caesars Entertainment Corporation publishes today its fourth CSR and Sustainability Report for 2012. This is a **groundbreaking** report. (Disclosure: I assisted with the development and writing of this report. But don't let that fool you. It is still **groundbreaking**.)
Why is it **groundbreaking**? Because it's first in many ways:

- It's the first Sustainability Report from a U.S. based gaming-entertainment corporation which is in accordance with GRI G4 CORE level guidelines.
- It's one of the first G4 CORE reports published anywhere in the world (there are less than 20 at the time of writing).
- It's the first G4 report from **any** U.S. corporation which is published in line with G4 CORE level guidelines (two other U.S. companies published G4 "referenced" reports, one non-profit published a G4 CORE report and a public agency published a G4-referenced Sustainability Review, making Caesars the first corporation to go public with CORE).
- It's the first Sustainability Report to be published after having passed the spanking new G4 Materiality Matters check. The G4 Materiality Matters check opened for business on December 2nd, and Caesars was one of the first organizations to apply. Actually, I believe this is a **FIRST IN THE WORLD G4 CORE Materiality-Matters-checked-by-GRI publication!** Correct me, please, if I am wrong, but I have not seen any other report published that can make this claim.

I am convinced. **Groundbreaking** it is. It has been a great pleasure and privilege for me to assist such a fabulous organization committed to not only reporting, but to living its sustainability journey with passion and purpose.
I'll be honest and say that I was a little (a lot) (ok, a ton) skeptical when GRI announced the Materiality Matters check. In this check, GRI promises to analyze responses to 11 materiality disclosures, and ensure that the responses meet the reporting requirements, are correctly located in the report and, equally as important, are easy to locate. I thought this check was probably not worth bothering with. How hard can it be to get a few disclosures in the right place? I felt that the check should include confirmation of the location of all the

Disclosures on Management Approach and the Performance Indicators that are required reporting once a company has declared its material Aspects. In fact, I still feel that this would be an important addition to help ensure the integrity of a report.

However, my skepticism faded when I realized that there is room for error. GRI required us to make some modifications to the draft report in order to pass the Materiality Matters check. An incorrect page number in the index. An incomplete link to an external assurance statement. Addition of "disclosure labels" in the body of the report to help the reader locate specific disclosures. Little things, but important ones for report users. And important for reporting companies, because in these little things lies a certain attention to detail that can make a report navigable, coherent and, most importantly, credible. In the end, I was pleased that the folks at Caesars Entertainment took the brave step of submitting their report to GRI scrutiny, and was entirely relieved when GRI delivered the Materiality Matters icon.
Over several months, I have come to know many of the Caesars people, and engaged with over 50 executives and staff in thousands of minutes of VOIP, landline, cyberspace and broadband. No, I didn't actually get to Caesars Palace in person this time around, but I did feel that I was there in spirit as I enjoyed many spare minutes playing Slotomania.

One of the fascinating parts of this reporting process was the review of Caesars material issues - this was done in several meetings with managers within the company, and external experts from World Resources Institute and others. It was a great process, and resulted, I believe in a more rounded and balanced core of most material issues which formed the heart of the report content.

Another thing that guided the structure and content of this report was the Caesars Code of Commitment. This Code was developed in 2000, and you don't have to have a very long conversation with anyone at all at Caesars to realize that it's the way they live their work. The four key pillars of the Code: commitment to employees, guests, communities and environmental stewardship helped create a perfect framework for Caesars' material issues and the story of Caesars' CSR and sustainability performance in the last year. Helping create Vibrant Communities is at the heart of this story, and the report demonstrates how Caesars makes a positive difference.

I am sure you will want to go take a look at the report yourself, so I won't spoil your fun. A few highlights, however, to whet your appetite, from Caesars' accomplishments in 2012:

- Completion of 37 corporate efficiency projects with an investment of $3.5 million delivering nearly 24 million kWh energy savings per year.
- 24% waste diversion from landfill, measured for the first time.
- 41% of women in management roles.
- More than 3.6 million hours invested in employee training.
- Increase in customer satisfaction scores 2.56 percent, reaching the highest satisfaction levels in Caesars' history.
- In 2012, 85 percent of Caesars gaming revenues were related to customers’ specific preferences, enabling Caesars to align special rewards with what customers wanted most. The hotel industry average was 56 percent.
- Caesars Entertainment takes a public stand on important issues to support vibrant communities and social justice, including supporting comprehensive immigration reform that both advances border security as well as streamlines the immigration process for those who are willing to work hard and complete the legal process.

- In 2012, in the U.S. alone, Caesars employees donated more than 130,000 hours to support local communities.
- Significant investment in Responsible Gaming with over 35,000 employees trained in Responsible Gaming tools in 2012 alone.

By the way, Caesars also publishes key data which reports the company's contribution to helping develop Vibrant Communities in different states across the U.S. So if you live in Arizona, Nevada, Mississippi or Pennsylvania, for example, you can download data that is specifically relevant to your community.

And by now, you probably know what I am going to say next. Read the report. Give feedback.

elaine cohen, CSR consultant, winning (CRRA'12) 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 at www.twitter.com/elainecohen **or via my business website** www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

Comments

- Anonymous — December 16, 2013

Hi Elaine,
Nice to read about your thoughts and experience with the new service. Congratulation! it is the first one to be checked.
Nelmara Arbex

- elaine — December 16, 2013

Thanks Nelmara. We like to be FIRST with things :)

- Anonymous — December 16, 2013

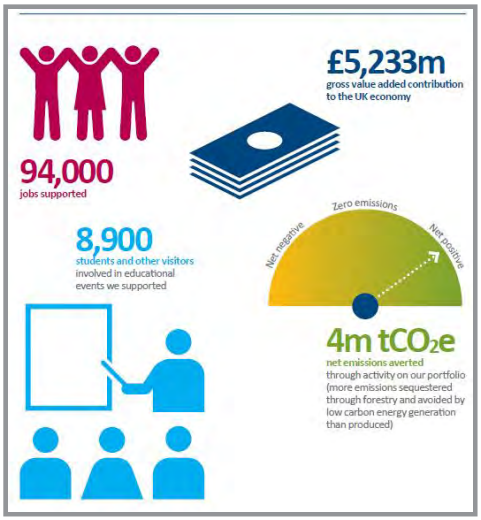
As a fellow consultant helping clients get to grip with G4, it is interesting to hear your experiences. I was particularly keen to see how you approached the Local Communities indicator G4-SO1. However, having been identified as a material issue on p11, it then doesn't appear in the GRI content index...? Or am I missing something?

A Crown among Reports

Monday, December 09, 2013

I am already getting excited about the third annual **Smarter Sustainability Reporting Conference, which will take place in London on 25th February 2014.** This year, we have a fabulous line-up of speakers and a great agenda addressing the critical issues influencing the Sustainability Reporting landscape, ranging from the emerging regulatory frameworks to the global versus local reporting, to reflecting material issues and more. There's going to be a BIG RUSH for places, so better book early :) (Contact me for a registration discount code.)

Each year, I try to engage with some of the key speakers prior to the conference, and also check out what they have been doing in the sustainability space. First up this year is Mark Gough.
Mark is the Head of Sustainability at The Crown Estate, and is responsible for developing, delivering and driving innovative ways of embedding sustainability into the business. He is on the Natural Capital Committee (Landowners Group) and is a Sustainability Champion of the Scottish Public Sector Climate Leaders Forum (PSCLF). Previously he was the Global Environmental Manager at Reed Elsevier and has sat on a number of national and international sustainability committees, including the steering committee of the United Nations CEO Water Mandate, the Board of the Alliance for Water Stewardship and has chaired the publishing sector's Environmental Action Group.



The Crown Estate is a fascinating organization - not a typical publicly traded type of corporation. It is a diverse property business with a capital value of £8.6 billion, and a total property value of £8.1 billion. The property managed by the Crown Estate is owned by the Crown but is not the private property of the monarch. The Crown Estate is governed by an Act of Parliament and works supportively with government in Westminster, Scotland, Wales, Northern Ireland and at a local level. In 2012/13, a net surplus (profit) of £252.6 million went to the Treasury for the benefit of the nation.

The Crown Estate employs approximately 460 staff, at ten different locations throughout the United Kingdom. The Crown Estate is formally accredited as an Investor in People (IiP) - a national quality standard which sets the level of good practice for improving an organisation's performance through its people. IiP recognises an increased focus on

training, employee involvement in the business and communications throughout the organisation.

In 2013, The Crown Estate published its first Integrated Report. Prior to that, the Crown Estate had already integrated much of its thinking about sustainable business in alignment with the concept of **Total Contribution.** The Crown Estate published a first Total Contribution Report for 2011/2012 together with a detailed methodology description. This seems to me to be a great kind of SROI type of approach which looks at impacts and outcomes, rather than just activities. I recommend you all take a look! Here are some of the key findings:

	Attraction, nurturing and retention of best talent
Why is it important?	Operating essential / Differentiator / Enabler
What is it about?	Ensuring that we attract and retain the best available talent to drive strong business performance and our ability to reward at market levels
What are we doing about it?	Designing a clear vision and people strategy for the business
How do we measure performance?	• Employee turnover • Training hours per employee • Employee salary ratios by gender • Employee surveys *Finance director's review* *See page 62*

The 2013 Integrated Report of the Crown Estate is one of the most interesting I have come across. Everyone knows I have not been a fan of Integrated Reporting, mainly because I have felt it focuses too much on the financial stakeholders and leaves all the rest behind. This report by the Crown Estate is a little more accessible to the non-financial genius, and creates many links between sustainability aspects of performance and financial outcomes both for the company and for society.

The report contains a description of how The Crown Estate creates value and a list of 14 material issues described in some detail. For example, the material issue of Attracting Talent is described as follows, and the narrative and data supporting the defined issue is located later in the report.

The material issues include elements relating to business performance, organisation and people, environmental impacts and customer relationships and more.

By the way, the 2013 Integrated Report of The Crown Estate is shortlisted in this years online CRRA '14 awards, in the Integrated Reporting category, so it you take a look, and think it's great, please vote!

Here is my interview with Mark Gough, a key member of the team behind the report.

Tell us about your professional background and how you came to be Head of Sustainability at The Crown Estate.

I started out in sustainability, as many people do, by noticing something was not working and trying to fix it. I was doing some part time work for a publisher while looking for a change in career. At the end of the working day, there was a big pile of paper and no recycle bin, so I took it home. The next week I noticed that every desk had a big pile of paper on it, so I put them into a white sack and carried them home. The next week I came in and the police were waiting for me. Some computers had been stolen and when they had checked the CTV they saw me leaving the office with this big white sack. They did

not arrest me as I explained I was recycling. But I was told 'you are a temp, we are not interested, and stop doing it'!

After that, with some other like-minded colleagues, we set up a Green Team and found recycling solutions that the company could implement and started helping to develop a sustainability strategy. I started going to night-school to learn more about it. I continued to work for the publishing company, moving up to advise the head office and then the global head office where I became Global Environmental Manager. I stayed there for 13 years, working on several other projects including with the UN on the CEO Water Mandate and chairing the publishing industry Environmental Action Group.

What specific experience prepared you for this role?

In terms of the property industry, specifically, we had a very big global estate in my previous role, so I had spent 13 years working on improving assets. The magazine I was working on at the beginning was a leading property magazine, so I was familiar with the key issues relating to sustainability in property. But, I don't think it's about the product that a company deals in that makes you a good or bad Head of Sustainability. It is about helping develop a strategic direction, being able to identify trends, risks and opportunities and helping the company to become successful long into the future.

You were appointed in early 2012. What have been your priorities in the first 18 months in the job? And looking toward the next few years?

The first thing we did was to rip up our previous sustainability strategy. We have since been working to develop one single business strategy that has sustainability at its heart. Sustainability should not be a bolt-on but at the centre of decision making and we are clear that by doing this we will be more successful.

So what is our approach? To have only one strategy with sustainability at its heart, to develop the tools to embed sustainability into decision making and to pass responsibility for delivery to employees rather than committee and experts like me. We are very clear that our ambition should be to fully integrate sustainability by the time our ten year vision concludes.

How does the unique position of the Crown Estate lend itself to the sustainability agenda? And where are the conflicts?

The Crown Estate is unique. We are an independent property company set up under an Act of Parliament. We hold some great assets. We also have a very clear commercial mandate, so like many companies we have to make commercial returns. The way we do this though can be different. We take a long term approach, recognising that making a positive impact in all material areas of our business is fully aligned with our commercial ambitions. We are keen to ensure that we create greater opportunities, not less, for a shared future with our partner, customers and our broader stakeholders. We have been looking at how we can measure the broader value we create through a process we call Total Contribution and this is helping us to redefine our approach. We are not allowed to borrow money so this raises some interesting challenges and has meant that we have had to work collaboratively on joint ventures with partners who share our values. Also, helping people to understand that we have this commercial remit to return all of our net revenue to the Treasury each year is something we are continually trying to get across. Proving then that sustainability increases this revenue is really important.

This year you delivered an integrated report. In what ways did the development of the integrated reporting movement influenced your thinking? What have been the benefits for you in this approach?

It has been great to be able to share ideas and thoughts with other brave companies who are attempting to grapple with integrated reporting. Being part of the pilot programme, testing out some of the ideas and helping to contributing to the framework has been an essential to our success. We also have worked with an excellent design company (Radley Yeldar) and a critical friend (EY) to make the principles of IR relevant to us.

What are the most significant challenges for you in the reporting process? How do you ensure all sustainability issues are reflected in a balanced way?
In the past we focused on reflecting all sustainability issues in a balanced way, but this created a homogenized approach where everything has the same value, which is just not true. One of the most important steps we took through working on an integrated thinking approach was to focus on what is material. For example already 98% of our waste is diverted from landfill, a great sustainability result from lots of hard work, but this is not material to our business, so you will not find this in our annual integrated report. You can though go online and find out more about it. It is after all integrated reporting and not just an integrated report so it should run through all of the communications.
Who do you expect to be the main audience for your integrated report? How do you ensure that your report gets noticed?
Integrated Reporting was set up with investors as the main audience. We don't have investors in the same way as other publicly traded companies, but it is important for us to explain our license to operate to all of our stakeholders. Integrated reporting is a much better way of doing this. Let's face it, very few people actually read our sustainability reports. The best compliment we have had is "I really enjoyed reading your integrated report".

Thanks, Mark!
So, don't delay, sign up **RIGHT NOW** for the Smarter Sustainability Reporting conference and come and hear more from the Crown Estate and many more fascinating companies.

elaine cohen, CSR consultant, winning (CRRA'12) 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 at www.twitter.com/elainecohen **or via my business website** www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

10 First-time Reports in CRRA '14

Friday, December 06, 2013

Yipeeeeeeeeeeeeeeeeee! It's that time of the year again. (I say that every year when the CRRA online sustainability reporting awards open for voting). It's sooooooooooooooooooo exciting. We all get to **VOTE for the BEST CR / CSR / SUSTAINABILITY report of the last year or so.** That is so much fun. I love CRRA time, now in its seventh year, with 52 reports shortlisted in 9 categories. As usual, I'll be selecting some of the future winners (and non-winners) in a number of posts as we all place our votes until the deadline of 31st January 2014. As usual, if you vote you can win prizes :) But don't forget, you can't vote for your own company or your vote is invalidated.

(Note: All report links go to report profile pages on corporateregister.com. You have to be a registered user to view these pages.)

As usual, I am going to start with the first-timers, my absolute favorite category, and I promise, it's not only because one of my clients, **GSK Latvia**, is shortlisted. If you like the report, **please vote for GSK Latvia!**

There are ten first timer reports, amounting to 548 fascinating pages, from eight countries (including three from U.S. based companies). Six of the ten reports are GRI-based, one is assured and the rest are not. I decided to select three things I like about each of these ten reports.

I will admit to having trouble identifying three "likes" for each report. There are some reports which I didn't like at all, and had to wonder why on earth they were shortlisted. I always remind myself that each report is an achievement, especially a first report, and someone, somewhere has worked very hard to deliver it. That deserves positive acknowledgement. Some reports are clearly a reflection of the very early stage of a sustainability approach and this has to be considered when viewing first-time reports. However, some reports are more of a tick-the-box exercise or a PR publication. In this first-timer batch, there are some which are highly credible and I regretted limiting myself to only three "likes". In the interests of fairness, however, and without wishing to compromise the voting, I selected exactly three "likes" for each report, no more, no less. I avoided the "dislikes" - in some cases that would have been a much longer list!

Ascendas Pte Ltd, Singapore, Real Estate

Annual Report FY 12/13. From Spaces to Places GRI undeclared level. 107 pages. This is an annual report with a sustainability section starting on page 88.

LIKE ONE: The report title. This report is about transforming spaces into places. Great concept - a clever expression of this real estate company's higher purpose and contribution to a better life.
LIKE TWO: Ms Chong Siak Ching. The only female director of Ascendas out of 14 total directors.
LIKE THREE: Fabulous photos.

Chocolats Halba, Switzerland, Food Sector Sustainability Report 2012. Added value through sustainability
GRI C level. 34 pages.

LIKE ONE: Contextual explanation of challenges facing the cocoa sector.
LIKE TWO: Three years of performance metrics, clearly laid out and easy to read.
LIKE THREE: Detailed sustainability strategy for 2013 - 2015 with clearly defined targets, which seem quite stretching.

Colas Limited. UK, Construction Sector Sustainability Report 2012
30 pages. Not GRI.
LIKE ONE: Straightforward, no-frills structure with five main sections: Environment, Community, People, Safety, Customers. **LIKE TWO:** "Aims and Aspirations" section. A mix of qualitative and quantitative targets. **LIKE THREE:** Honesty: "We are disappointed that our CO2e emissions appear to be growing..."

Ernst and Young Americas Patterns of Progress 2012. How our people are shaping our sustainability journey
56 pages, GRI C Level

LIKE ONE: Nice description of the way E & Y developed its materiality matrix. **LIKE TWO:** Clear reporting on gender composition of the business at different levels. **LIKE THREE:** Photos, names and email addresses of sustainability contacts for providing feedback.
GSK LATVIA Corporate Responsibility Report 2012. Committed to our Community
35 pages. Not GRI

LIKE ONE: The first part. **LIKE TWO:** The second part. **LIKE THREE:** All the parts. Ok, you can't expect me to be objective here. Sorry. Or not. But please take a look at GSK Latvia's report and if you like it, VOOOOOOTE :)

IHS Inc. USA. Information Services Sustainability Report 2012
28 pages. Not GRI

LIKE ONE: Well-presented strategy in three parts: LIVE WELL – Strengthening People & Communities; LIVE WISE – Governing for Long-term Profitable Growth; LIVE GREEN – Caring for the Planet **LIKE TWO:** Good spread of metrics throughout the report and provided as a summary in an appendix at the end of the report. **LIKE THREE:** Clear description of scope and boundaries of data collection methodologies listed in an appendix.

JSR Micro Inc. USA, Chemicals. 2012 Corporate Social Responsibility Report
46 pages. GRI C Level

LIKE ONE: Letter from the President. It's simple, credible, modest and gives a good overview of the key aspects of JSR Micro's CSR approach and performance. **LIKE TWO:** Presentation of multi-year goals and current performance status. **LIKE THREE:** Clear and well-written environmental section with performance metrics and explanations of different environmental initiatives.

Kuwait Petroleum International Corporate Sustainability Report 2012
40 pages. GRI C Level

LIKE ONE: The report was prepared completely in-house without the help of consultants, or external advisors. **LIKE TWO:** Honesty: "Being an international oil Company working in five continents it took our CSR team a lot of effort to cover multinational stakeholder's needs." **LIKE THREE:** Nice section on reducing paper consumption.

LG U Plus Republic of Korea. Telecoms. Corporation Sustainability Report 2012
80 pages. GRI A+ Level

LIKE ONE: Impressive treatment of materiality, and top ten material issues listed with references to related narrative in the report itself. **LIKE TWO:** Great graphics, supporting

the narrative well, demonstrating a systematic and process-oriented approach to almost everything that LG U+ does. **LIKE THREE:** Very interesting section on employees, with loads of detail, including a non-smoking incentive program with cash rewards, where employees take a nicotine test in order to qualify.
Maynilad Water Services Inc Philippines. Water. Sustainability Report 2011. Securing our Resources
92 pages. GRI B Level

LIKE ONE: Clear sustainability management framework. LIKE TWO: Nice section on engaging employees in energy conservation. **LIKE THREE:** Interesting list of problems created by drought.

And now:
Did you read these reports?
Here is a test:

QUESTIONS
ONE: Which company has offered staff a free weekly relaxation workshop since 2012 in addition to cut-price massages?
TWO: Which company has helped petroleum geoscience students as part of its community activity?
THREE: Which company supports the entrepreneurial dreams and economic future of the next generation?
FOUR: Which company had 14% of new hires in 2012 under the age of 25?
FIVE: Which company is a family- friendly company?
SIX: Which company has a small team which is big in terms of expertise, dedication and engagement?
SEVEN: Which company "believes the best is yet to come"?
EIGHT: Which company operates a Maeari and Jeong-Do Management Cyber Accusation Website?
NINE: Which company "capitalizes on all available communication channels to engage our employees actively"?
TEN: Which company has a managed in-door plant contract that has seen plants being placed on every floor and in each office for a healthier & greener environment?

SCROLL DOWN FOR ANSWERS:

down

down

Here are the answers:
ONE: Chocolats Halba
TWO: IHS Inc.
THREE: Ernst and Young
FOUR: Colas Construction
FIVE: GSK Latvia
SIX: JSR Micro
SEVEN: Maynilad Water Services
EIGHT: LG U+
NINE: Ascendas Pte
TEN: Kuwait Petroleum International

elaine cohen, CSR consultant, winning (CRRA'12) 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 at www.twitter.com/elainecohen **or via my business website** www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

Comments

- JordiMorrsRibera December 08, 2013

Tkank you for your interesting post.

Elaine, I reminded of you when I had just read today's Dilbert cartoon. Instead of cake in your case ice cream. Take a little of fun:

http://dilbert.com/strips/comic/2013-12-08/

A new G4 Report all about TRUST

Thursday, December 05, 2013

I was just reading a post from the indefatigable Barbara Kimmel Brooks who is the key mover and shaker behind Trust in America TM, an organization that is leading some truly inspiring work in the area of building and educating about trust in business. The post is called The Hard Costs of Low Trust. It provides some startling statistics about the ways in which lack of trust can be so very costly to a business, as well as the opportunity for profitable growth that high trust can bring. The reason the post by Barbara Kimmel Brooks resonated so specifically with me is that, today, GSK Romania launches its second corporate responsibility report covering its business in 2012, and the title is "Valuing your Trust".

This is the same title as the first report of GSK Romania, published last year. GSK Romania is my client and I supported the writing of the first report and of this current one. In preparation for the 2012 report, I asked the GM of GSK Romania, Pascal Prigent, if we should change the title and use another theme more relevant to the current GSK activities and recent sustainability performance in Romania. "No", he said. "Trust is something that last longer than a year or the life of one report. It's just as important a message this year as it was last year. People change, our market circumstances change, our business objectives may change, but valuing the trust of our stakeholders here in Romania is part of the way we do business. In fact, it's absolutely critical for doing business. I think retaining the title this year continues to reinforce the relevance of trust". So, Valuing your Trust won the day.
In fact, as I have come to know GSK in Romania, I can appreciate both the ways in which the company works in order to engender trust, as well as the necessity of doing so in the healthcare climate in Romania. Romania has some of the most critical healthcare challenges in all of Europe including the highest infant mortality rate and some of the highest rates of chronic disease in Europe. Even a simple thing such as oral health, improved by daily brushing of your teeth, is not widespread in some parts of Romania, due to lack of education and awareness.

A company such as GSK may have important global priorities addressing some of the world's most serious healthcare challenges (GSK is the best performing company in the Access to Medicine Index 2012), but the local challenges faced by the Romanian subsidiary are no less important, and yes, even in Europe, there is much to be done. The challenge is not about selling more drugs. The challenge is to help support the healthcare infrastructure, so that the people get healthier, live better, and build a strong economy in which healthcare has a respected place. Enhancing access to the medicines that people need in an equitable, service-oriented healthcare system strengthens the economy as well as the people. GSK's local engagement in Romania is about continuing to build trust in a positive way with all local stakeholders in order to be able to continue contributing to

this shared objective. If that happens, GSK Romania will gain a positive outcome: better business. The focus is on patients. Invest in them and everyone benefits. Everyone I have spoken to in GSK Romania – that's all the senior management and tens of managers in their teams – have a passion for this higher purpose. They both value trust and understand the value of trust.
GSK Romania employs around 1,000 people in Romania, in pharma and consumer health businesses, supported by a GSK distribution company, Europharm Distribution, and a manufacturing plant in Brasov. GSK Romania launched this second report with the objective of transparently disclosing its material sustainability performance in 2012. It's a G4 CORE level report, one of the first in the world –I count less than 15 published G4 CORE level reports to date.

The report was written to align with GSK's global reporting (see GSK plc's global report for 2012 here) and is structured accordingly into four main narrative sections: Health for all, Our behavior, Our People, Our Planet, and supplemented by sections on the state of healthcare in Romania, governance and stakeholder engagement.

As part of the materiality process, we held, in Bucharest, for the first time, I believe, in Romania, a stakeholder engagement round table dialogue, to which several healthcare experts representing government, NGOs, community partners, media and more were invited for open discussions about what's important to them and their expectations of GSK Romania. Although my Romanian is not what it could be (I haven't even learned the Romania for "ice-cream" yet!), I was able to participate a little and also observe passionate discussions and hear summaries in English. Both participants and the GSK participating managers (who agreed to this process not without some trepidation) agree that this had been a truly valuable exchange, and important insights were gained which are helpful for GSK's strategy going forward.
GSK selected 17 material issues as the focus of this G4 report.

Some stories from GSK Romania's report this year:

- GSK products reached 20 million consumers and patients in Romania.
- Every day, almost 3,000 doses of GSK vaccines were delivered to Romanians to protect their health.
- 62% of the workforce were women and 62% of managers were women.
- GSK moved to a direct distribution system to pharmacies, in order to increase availability of medicines, with results after one year showing that instances of out-of-stock reduced from 75% to 38%, and an increase of 23% in pharmacies that did not experience a single out-of-stock during a 12 month period.
- GSK partnered with the Ministry of Health and the Foreign Investors council and led a campaign to address one of the most serious challenges for healthcare in Romania: the migration of healthcare professionals out of Romania. Over 14,000 doctors have left Romania to work abroad since 2007. GSK led the development and launch of the campaign "My profession: Doctor in Romania" to focus public attention on the issues and help retain doctors in Romania.
- GSK Romania partnered with the Romanian Paediatric Society to launch a program to support child healthcare focused nutrition, safety and vaccination.
- GSK published its entire set of ethical policies online in a new Ethical Platform section on the GSK Romania website. Absolute transparency in the way GSK works is now available for all.
- In 2012, GSK Romania advanced two creative and highly effective patient advocacy

campaigns to support patients with HIV and lupus.

- Following the announcement to close GSK's manufacturing plant in Brasov by 2015, GSK has put plans in place to support all of the factory's 243 employees and help them through this transition and take up other options.
- As a healthcare company, GSK Romania invests in the health of its own employees and launched a new Partnership for Prevention health program so that employees can feel better, do more and live longer.
- GSK Romania reduced energy consumption relative to business growth and achieved a 5% absolute reduction in water consumption. 100% of waste is recycled or incinerated – none is sent to landfill.

Take a look at Valuing your Trust. Please give feedback.

In the meantime, catch Pascal Prigent, GM GSK Romania, talking about the report:

PS: Come meet the folks from GSK plc **and** GSK Romania speaking at the Smarter Sustainability Reporting Conference on 25th February 2014 in London. Contact me for a registration discount!

elaine cohen, CSR consultant, winning (CRRA'12) 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 at www.twitter.com/elainecohen **or via my business website** www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

Is innovation a material issue ?

Tuesday, December 03, 2013

TABLE 1: CATEGORIES AND ASPECTS IN THE GUIDELINES

Category	Economic	Environmental
Aspects[VII]	• 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[VII]	• 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	• Local Communities • Anti-corruption • Public Policy • Anti-competitive Behavior • Compliance • Supplier Assessment for Impacts on Society • Grievance Mechanisms for Impacts on Society	• Customer Health and Safety • Product and Service Labeling • Marketing Communications • Customer Privacy • Compliance

[VII] 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.

What are sustainability material issues? GRI says "*Material Aspects are those that reflect the organization's significant economic, environmental and social impacts; or that substantively influence the assessments and decisions of stakeholders*." Author's note: For those who haven't yet got it, Aspects (capital A) is the GRI word for material issues, as distinct from topics, which are non GRI-listed material issues, as distinct from aspects (lower-case a) which are looks, appearances or positions.

Where does innovation fit into all of this? Can innovation be described as a sustainability material issue?

According to GRI, in the GRI G4 Implementation Manual, innovation is not listed as a material Aspect. In fact, in 266 pages of Implementation Manual, the word "innovation" appears only once. Isn't that surprising? Most companies would say that innovation is their life-blood, and that it's impossible to deliver sustainable growth without innovation. Many innovations today have far-reaching consequences for society and the environment. Some are totally transformative. Think of digital revolution, hi-tech, bio-tech and everything-tech, low carbon society, advances in medicine and more. Forbes lists the most innovative companies in the world and Fast Company does exactly the same thing (same idea, different companies). Many of the most innovative companies are also the most sustainable, according other ratings and rankings.

There are 10 types of innovation, as I learned from a neat presentation I found on Slideshare. This presentation even provides an example of innovation for sustainability from FedEx, demonstrating the close connection between both:

In the great report produced by Fronesys a while back, innovation ranked 14 out of 140 separate material issues analyzed from the materiality matrices of 31 reporting companies. There is even an Institute for Sustainability and Innovation in Melbourne Australia.

So how come innovation is not a material issue Aspect in the GRI G4 framework?
I guess that this comes back to one of the core challenges we find in using the G4 framework.

At one level, G4 is refreshingly non-prescriptive, enabling companies to make a free choice of which issues to report, provided the company demonstrates some degree of process in selecting those issues.
At another level, any attempt to force-fit issues into a limited set of 6 Categories and 46 Aspects (and then select appropriate performance indicators) requires some mental acrobatics in order to adapt the G4 framework to the specific materiality messages of each company. Practically, having worked on several G4 reports so far (watch this space for publications this month :)) and having completed several G4-Ready analyses, I can say that this is one of the most difficult implementation steps of G4. And yet it is a critical step which governs the content of most of the G4 report.

Tapping into Employees' Ideas
Giving employees opportunities to collaborate and innovate in situations outside their usual work settings is a key part of our strategy to develop better products and solutions. Employees are able to influence Cisco's product development, services, and strategies through our interactive forums and innovation events. In FY13, 85 percent of employees participating in our employee survey said they feel encouraged to come up with new and better ways of doing things.

In G4's view of the world, everything appears to be framed in terms of impact. What is innovation if not a way to make an impact? Innovation, then, is a product, or a service or a new organizational process. It's the product or service or process that makes the impact, not the innovation itself or the innovation process. Therefore, in GRI terms, the material Aspect is about the product or service. Products and services fit neatly into the material Aspects framework. As it stands, innovation does not.
This means that the G4 framework doesn't quite take into account the fact that innovation itself is a process and often seen as an issue in its own right. Innovation has a significant internal impact on the way people work, on organizational culture and on the sort of people you can hire and whether they stay. The G4 approach doesn't quite take into account that innovation is sometimes a multi-year process which may continue beyond the lifespan of a single sustainability report before it results in something that actually makes an external impact on society or the environment. In this case, investment in innovation and the innovation process may be equally as important as the product of innovation, as without this process, a company may not have a sustainable future.
Disregarding innovation as a material issue Aspect may also not take into account the fact that a company's customers, and possibly shareholders, expect innovation. For them, the fact that a company innovates is possibly one of the most critical sustainability issues on their agenda. Innovation may "*substantively influence*" the decisions of stakeholders. The consequences of innovation, especially in branded products, may not always be net positive. Consider obsolescence. Consider consumerism. Consider brawls on Black Friday. Consider workers in China committing suicide. Consider effects on employment demographics through changes in technology. Innovation is a critical element of any company's sustainability impacts, both internal and external, both positive and negative, and therefore might merit a more prominent place in a company's material reporting.
At present, if you define innovation as material for your business and/or your

stakeholders, the only option you have in G4 is to force-fit innovation into an existing Category / Aspect.

GRI Implementation Manual Table of Aspects Maybe innovation is part of the Economic Performance material aspect? The G4 performance indicators that support this Aspect include economic value generated, climate change risks, benefit plan obligations and financial assistance received from governments. None of these are indicators of innovation process or products.

Maybe innovation is part of the Indirect Economic Impacts material Aspect? Here the performance indicators relate to infrastructure investments, and in G4-EC8, "*significant identified positive and negative indirect economic impacts the organization has*". This includes a range of possible examples from changing the productivity of organizations or society, to enhancing skills and knowledge, to the economic impact of the use of products and services. The output of innovation may bring some of these indirect economic impacts... but if the ability of a company to innovate is material, rather than the outcome of innovation, then this indicator would also be less relevant.

There does not appear to be another material Aspect in G4 which is a good home for innovation. Maybe innovation is in every process and should be part of the Disclosure on Management Approach for every single aspect reported. Innovation in the approach to Energy, Emissions, Supplier Assessment for Labor Practices etc? That might result in a rather disjointed report about innovation, with half sentences here and there throughout the report, and no strategic treatment of innovation as a way of doing business which is integral and critical for sustainable success.

The option in G4, therefore, one of the non-prescriptive features, is to create your own material Aspect topic.

Author's note: A material topic is a material issue which is not one of the pre-defined material Aspects in G4. If you do-it-yourself, you call it a topic, not an Aspect.

Let's say a company, known as a leader in innovation, 3M, were to create a material topic in its next G4 report and call it Innovation. In doing so, 3M would have to create performance indicators relevant to this topic. The 3M 2013 Sustainability Report gives us an example of how this might look. 3M has a New Product Vitality Index (NPVI) which measures the percentage of net sales of products introduced within the last five years as compared to total net sales.

Starbucks, one of Forbes' most innovative companies, looks at innovation in another way. the external impact of encouraging an innovative approach in the community.

Cisco's 2013 CSR Report has a performance indicator for the number of employees engaged in innovation. Innovation is part of the Cisco culture and it is measured, among other things, by the number of employees who confirm they are encouraged to find new ways of doing things.

The outcome of the above different examples of innovation practice may be both internal and external in terms of their impacts on the company and impacts on society. For each, a company would need to define this Aspect or topic Boundary in order to be in accordance with G4.

Therefore, in reporting with the G4 framework, you can see that there is enough flexibility to create a report around what is most material for your company, whether you apply the ready-made materiality content or create your own. I guess that means applying innovation to the use of the G4 framework. HaHa. See, it's working already. The key thing

is to decide what's really critical for the sustainability of your business and your stakeholders, and apply the relevant approaches and measures consistently, and report them transparently.

A similar force-fit problem/opportunity applies to several other company sustainability issues. I have a list :). I'll come back to this now and again here on the CSR Reporting Blog, your global resource for CSR and Sustainability reporting info, insights, fun, headaches and references to ice-cream.

elaine cohen, CSR consultant, winning (CRRA'12) 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 www.twitter.com/elainecohen **or via my business website** www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

Comments

- eatehort December 07, 2013

I really like what you say about reporting with the G4 gives flexibility to create a report around what is most material for your company. Truly that´s what Im doing with my clients.

Regards and thanks for give us your opinion on this very importan topic of GRI G4.

343 ways to report on Thanksgiving

Thursday, November 28, 2013

At Thanksgiving, in November 2011, employees helped to generate holiday cheer by donating a record 11,000 pounds (5,580 kilograms) of food to the Abriendo Puertas food bank. The donated food filled 240 boxes, requiring eight pallets and a large truck to transport it to the Abriendo Puertas canteen.

This year, we continued our efforts to support the artistic heritage of Turin; we teamed up with Bat Conservation International for the UN Year of the Bat campaign, raising awareness of the environmental and economic benefits of bats; and, at Thanksgiving, employees in Miami donated a record 5,580 kilograms of food to the Abriendo Puertas food bank.

5,580kg
of food were donated by Bacardi U.S.A. employees to the Abriendo Puertas food bank at Thanksgiving in 2011.

In Minnesota

- Each year, ATK Plymouth employees help provide a Happy Thanksgiving to those in need through donations to the North-suburban Emergency Assistance Response (NEAR) to help stock their food shelf. This year, ATK employees donated more than 1,300 pounds of turkey and another 1,000 pounds of grocery items.
- Members of ATK's Sparking Group zero their time to the Feed My Starving Children program, helping to prepare nutritious food packets that are shipped to starving in need. Every year, the organization sends food to 70 countries worldwide.

ATK Armament Systems employees donated more than 1,000 pounds of groceries and another 1,100 pounds of turkey during a food drive to help NEAR at Thanksgiving.

Brazil	In-house news publication.
USA	Promotion and distribution of information material on preventing breast cancer.
USA	Thanksgiving Day lunch on gathering.
USA	Pizzas were delivered to employees on Pizza Day.

You may not be surprised to know that Thanksgiving is a very popular theme for CSR Reports. There is possibly no better holiday than Thanksgiving to demonstrate your corporate citizenship efforts and hold various celebrations and events for the community. I found 343 references to Thanksgiving (using CorporateRegister.com's PDF search tool) in CSR Reports over the years.

Bacardi likes to celebrate Thanksgiving in style and in the 2012 Bacardi Report we can find references to an apparently very important Thanksgiving event in which 5,580kg of food were donated by Bacardi U.S.A. employees to the Abriendo Puertas food bank onThanksgiving in 2011. This was so important that it was mentioned four times in the same report. I wonder if that means they donated 22,320 kg?

Alliant Techsystems Inc (ATK) also donated food - turkeys and other groceries - at Thanksgiving. Turkey is the traditional food eaten on Thanksgiving, unless you live in Alaskan villages, where whale meat is sometimes served up instead. I wonder if ATK included whale meat in their donation?

Abengoa reported on their social programs in 2012, and lo and behold, there was lunch on Thanksgiving, just in between preventing breast cancer and pizza day events. The thing is, there's a misprint in the text and instead of saying Thanksgiving Day Luncheon, it says Thanksgiving Day lunch on. Maybe they ate the turkey and the letter "e" as well.

In China, things got a little more creative. China Telecom shared coffee and love on Thanksgiving Day and ended up donating rice to a local Food Bank.

Integrys Energy tells a humanitarian story of many employees who selflessly helped to support devastated communities in the aftermath of Hurricane Sandy.

But it's not all about turkeys and food banks. Grupo Ferrovial notes that traffic is heavy on Thanksgiving. Apparently, if you are not eating on Thanksgiving, you are going somewhere to eat.

Another spectacular event is Macy's Thanksgiving Parade.

However, watch out for the weather.

In 2012, China Telecom demonstrated its commitment to corporate social responsibility, and held a free coffee campaign "Enjoy Coffee & Share Love" on Thanksgiving Day. Under this campaign, 2,000 cups of coffee were offered for free in Hong Kong, and China Telecom promised that for every cup of coffee redeemed through the campaign would be matched by the donation of a pack of rice weighing 2 kilograms to a charitable "Food Bank",

Just before Thanksgiving, 27 Peoples Gas employees put aside holiday plans with their own families to help. Those employees shared Thanksgiving in a local restaurant out East, joined by families who may have lost their homes and possessions but were still thankful.

The SH-130 toll road was opened to traffic on 24 October and users started to be charged on 11 November. Various factors had a major effect on traffic in the first few weeks of operation of the asset, such as the Formula 1 Grand Prix, which prompted a 40% increase in traffic over the weekend of the race, or the inclusion of the toll road in the Google Maps route logarithm, which led to a 14% rise in traffic with respect to the preceding weeks. The toll road sees most traffic on days leading up to public holidays and, therefore, the maximum usage level to date was registered on the eve of Thanksgiving, which fell on a Wednesday.

For example, Macy's, Inc.'s presence is hard to miss in New York's Puerto Rican Day Parade, the city's second largest parade after the Macy's Thanksgiving Day Parade. In 2012, Macy's hosted a music drum float and two large Macy's balloons. A corps of Macy's and Bloomingdale's associates walked from 47th Street to the Upper East Side of Manhattan.

"Snoopy, SpongeBob Squarepants and other giant helium balloons in the Macy's Thanksgiving Day Parade in New York could be grounded by high winds predicted for the holiday by weather forecasters"
But all is not lost. if you can't get to the parade on Thanksgiving, at least you have about another 330 CSR Reports to read in order to learn more about how corporate citizenship kicks into action on this special day and how it is reflected in sustainability reporting.
The #CSR Reporting Blog wishes everyone a Happy Thanksgiving!

(PS: If you find any turkey-flavored ice-cream, please let me know)

elaine cohen, CSR consultant, winning (CRRA'12) 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 www.twitter.com/elainecohen or via my business website www.b-yond.biz (Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm info@b-yond.biz

Dr Sustainability and The M Factor

Monday, November 25, 2013

It's been a long while since Dr. Sustainability came to visit. She has been soooooooooo busy. All these conversations about G4 have completely caught her up in a whirlwind of activity. In fact, Dr Sustainability told me that she is considering calling herself Dr. G4, but that doesn't quite roll off the tongue in the same way that Dr. Sustainability does. And of course, when G5 comes out, she would have to change her name again. However, Dr. Sustainability is definitely thinking that G4 has the M Factor.

Dear Dr. Sustainability: I have heard you talk about the M Factor. What does M stand for? Magnificent? Mammoth? Mega? Misguided? Myopic? Monstrous? Minimalist? **Dear Curious:** You have certainly come up with some options I hadn't thought of. But in the context of G4 reporting, The M Factor is of course Materiality. Delivering a sustainability report without The M Factor is going to get harder and harder. In fact, it's The M Factor that makes it a sustainability report.

Dear Dr. Sustainability: I have written a G4 report. How do I know if it has the M Factor? **Dear Stupid:** Check out the Content Index. If there is no "omission" next to the disclosure that asks for the list of Material Aspects (G4-19), that's a good start. The next thing is to check whether you have described your process for defining Material Aspects. After that, you should check if stakeholders have provided input and if the frequency of engagement has been noted. Then you can look to see if your Specific Standard Disclosures and Disclosures on Management Approach are in line with the Material Aspects. Of course, don't forget to check whether your Aspect Boundaries are internal or external to the organization. Then, you can make a quick scan of the Principles for Defining Report Content and the Principles for Defining Report Quality. Then check if you have responded to all the General Standard Disclosures. You can also take a quick look at the CEO statement to see if it includes a description of strategic priorities for the short and medium term, including respect for internationally recognized standards and a reference to macroeconomical and political trends. After that, if you don't know whether your report has The M Factor, it probably won't matter. You will be in an institution. **Dear Dr Sustainability:** Thanks for your reply. Next time, please reply in English.

Dear Dr. Sustainability: Did you call it The M Factor just to cash in on a little free publicity? Is it a way to associate sustainability reporting with the incredibly popular mega-rating fabulously universal TV show The X Factor? Perhaps you think that The X Factor may lend a little spotlight to sustainability reporting and help it go viral? **Dear Simon Cowell:** The X Factor seeks out talented people by selecting a small number from the hundreds that start out claiming they have The X Factor. Almost all of them fall by the wayside. It's the same with sustainability reporting. Thousands of reports claim they have The M Factor, but eventually you come to realize that The M Factor is rather elusive and only a few reports are privileged to make this claim genuinely. By the way, isn't it time The X Factor produced a Sustainability Report? You could call it The XM Factor.

Dear Dr. Sustainability: Are there any other TV shows that you think are similar to Sustainability Reporting?**Dear TV Addict:** Actually, I don't watch much TV, but since you ask, **Grey's Anatomy** could be an interesting analogy. The skills required of the docs that run the ER are very similar to those required of today's Sustainability Officers. You have to be quick-thinking, know how to lead a team, make intuitive connections and improvise if you have to, think on your feet, act decisively and be prepared to amputate if you need to. That's just like publishing a Sustainability Report. Especially the amputate bit. In some cases, you might need to amputate the entire report. In other cases, just the CEO.

Dear Dr. Sustainability: Is The M Factor an absolute thing? I mean can a report have The M Factor partially? Or does it have to be completely in full comprehensive M Factor?

Dear Nitpicker: There is only one M. Either you have it or you don't. Watch out for fakes. And watch out for companies who claim they have The M Factor when in reality they have one of any number of other factors:

- **The D Factor:** D stands for Drivel. No explanation needed.
- **The Y Factor:** Y stands for Why on earth did this company publish a sustainability report when they have nothing to report?
- **The OMG Factor:** OMG stands for WOW, the CEO actually read this report he signed off on.
- **The PR Factor:** PR stands for Press Release. This is a report that looks great in a Press Release but not in a report.
- **The COTW Factor:** This stands for Completely Off The Wall. Reports which are so out of sync with the issues that matter that they were probably written by PR firms. Or politicians.
- **The JK Factor:** JK stands for Just Kidding. You must have seen reports like this. As you read them, all you can say to yourself is: Are you kidding me? Sometimes this is called the S Factor. S stands for: Seriously?
- **The A Factor:** A stands for Awesome. Not many reports have this factor. It's when the report is fabulously designed, incredibly creative, pyrotechnically sophisticated and sleekly presented online, but the content is anything but material.

Dear Dr. Sustainability: I hear that GRI is starting out with a new **G4 Application Level Check**, to see if G4 reports have The M Factor. What do you think of that? **Dear Checker:** It's a brilliant move on the part of GRI. According to the initial information GRI has provided, they are charging the same price as the G3 Application Level check while promising to check the presence of just 11 disclosures out of a possible 58 general disclosures, with no reference to all the DMAs and performance indicators that support material disclosures. In other words, half the check, half the report, same money. I definitely think that GRI has The M factor. M for Mastermind.

Dear Dr. Sustainability: Did you manage to work out what the material Aspect Boundary in G4 is all about? GRI G4 says it's about where the impact occurs. But all of my impacts seem to occur in lots of places. How can I define my material Aspect Boundaries? **Dear Boundary-challenged:** Look, it's very simple. Think of it this way. You like ice-cream. You want to eat an ice-cream, but first you have to buy it. When you buy an ice-cream, the impact is external because you have contributed to creating economic value, enabling the ice-cream seller to earn a livelihood, pay back her small-business loan and send her kids to university. Buying an ice-cream has a fabulous impact on the world and therefore the Aspect Boundary is external. On the other hand, now that you have bought the ice-cream, you eat it. Here is impact is internal. Tomorrow morning, when you step on the scales for your daily weigh-in, you will find that the needle has moved a little more to the right, and when you get dressed you will notice a certain tightness around your waist. This is because the ice-cream is now stored in your body as superfluous calories, may contribute to your becoming seriously obese, preventing you from being a productive human being. This impact is most definitely internal, but it also has an external consequence as your obesity presents a worrisome drag on the healthcare system and society at large and your lack of productivity means that you are a burden on the state and ultimately people will have to pay more taxes. Therefore, buying and eating an ice-cream has predominantly external material Aspect Boundaries, and if anyone tries to tell me otherwise, I will show them the G4 Implementation Manual. That should definitely clear things up.

Dear Dr Sustainability: You mentioned Aspects. I really don't understand this in G4. What if my material issues don't fit into the Aspects? Can I just create my own Aspects? And if so, what's stopping me from using only my own Aspects? Why do I need to force-fit my

Aspects into the G4 template? **Dear Rebel:** Look, son, sometimes you just have to conform. GRI has spent hundreds of thousands of Euros developing G4 and creating a universal table of material Aspects. What sort of business are you in that makes it so different that none of the Aspects fit at all? **Dear Dr Sustainability:** My company makes Smoked Haddock Scented Air Fresheners **Dear Smelly Rebel:** Enough said.
Dear Dr Sustainability: What other parts of G4 are hard to understand? **Dear Easylife:** The hardest part of G4 to understand is why everyone thinks G4 is so hard. It's not. It's just extremely difficult. Unless you have a great consultant.
Dear Dr. Sustainability: There are some that say G4 is just a stepping stone to Integrated Reporting, and that when Integrated Reporting takes over, G4 will die. What do you think? **Dear Pessimist:** When Integrated Reporting takes over, I will die. Haha. Joke. Integrated Reporting has some merits when it is done well. The new Westpac Report, for example, can teach companies a thing or two about Integrated Reporting. However, we are far from the day when Integrated Reporting will become an effective reality for most companies. G4 can be a useful stepping stone to a more integrated approach. Before Integrated Reporting can take over, G4 must take over.
Dear Dr. Sustainability: What's the best G4 report you have seen so far? **Dear Optimistic:** The one that hasn't been published yet.
Dear Dr. Sustainability: What advice would you give a company wanting to publish its first Sustainability Report? **Dear Beginner:** Stock up on ice-cream.

elaine cohen, CSR consultant, winning (CRRA'12) 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 www.twitter.com/elainecohen **or via my business website** www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm**

Comments

- eatehort November 29, 2013

Hi Elaine,

Very nice piece. You should make a future post about this question: ¿What if my material issues don't fit into the Aspects?

Right now Im helping develop five GRI G4 reports and the connection between companies material issues and GRI aspects its not very clear.

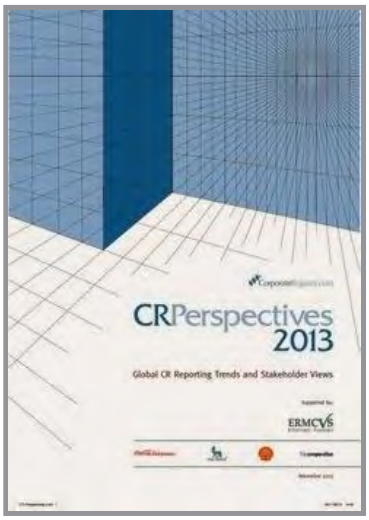
Regards.

- elaine November 30, 2013

Hi thanks for commenting. Yes, I agree, the issues to aspects conversion is one of the most challenging parts of G4 reporting. I had planned to cover more about that in future on the blog. Would be happy to hear your experience too. Nice to hear 5 more reports are in development :) Best, elaine

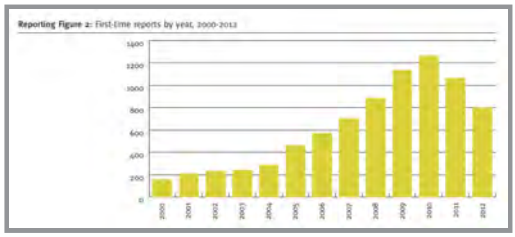
CSR: Time for some perspective

Tuesday, November 19, 2013

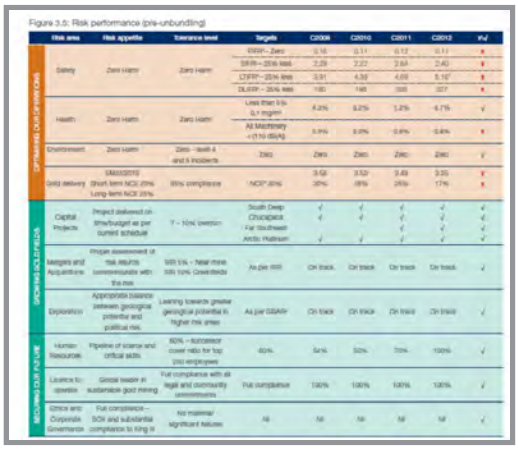


We all have perspectives. Sustainability Reporting is something that tends to give rise to many different perspectives - my last post being a case in point. Some perspectives are more important than others. And some perspectives lack perspective. A new report from CorporateRegister.com now reveals many perspectives. My perspective on that is positive.

CorporateRegister.com, who hosts and manages the global online directory of corporate responsibility (CR) reports, today launched the CR Perspectives report, combining data, insight and opinion to reveal how global CSR reporting has developed to date and where it might be headed. Available as a free download from www.corporateregister.com (login required), the report **CR Perspectives 2013 - Global CR Reporting Trends and StakeholderViews** looks at global CR reporting based on statistics deriving from the world's largest CR reporting database (52,000 reports) and stakeholder views based on the CR Perspectives online survey.

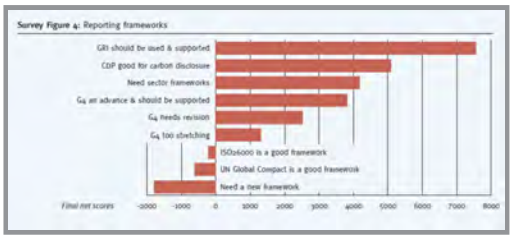


The report is structured into four sections looking at the **Context, Content, Communications** and **Credibility** of CR reporting. The online survey conducted in early 2013 received 300 responses from corporate CSR professionals (40%), CSR consultants (18%), academics and students (16%), and even investors (3%), as well as other stakeholder groups. 71% of respondents were from Europe and the U.S., with the remainder from pretty much everywhere else.



The Context of CR reporting

While sustainability reporting continues to expand, it is doing so at a slower rate, according to CorporateRegister.com. Part of the reason for the slowing of this growth is the fact that, for the past 2 years, 2011 and 2012, there have been fewer first time reports than previously, breaking a pattern of year-on-year increase of first time reports every year since the year 2000. This is a big disappointment. I LOVE first time reports. Still, in 2012, 800 first-timers made their first foray into the transparency jungle, so that's about as many reports as I can reasonably read in a couple of months, so I



guess things are not too bad.

Source: CR Perspectives Global CR Reporting Trends and Stakeholder Views 2013 p5
Survey respondents largely feel that CSR reports are an effective tool for building trust, and that reporting quality has improved over the past ten years. Surprisingly, perhaps, very few think that CSR reports are just PR. I could point them in the direction of a few choice reports to help prove otherwise, but gladly, I concur that today, while PR is always an element of almost every report, we are seeing more substance and more serious attention to important issues in sustainability reporting today.

Another perspective is that almost all survey respondents think that all publicly traded companies ought to be required to report on sustainability matters. A few think that even SMEs should be required to report. If you work from the premise that sustainability reporting is a highly useful internal management tool, then this makes sense. Perhaps CSR reporting finally moving out from under the shroud of illegitimacy?

The Content of CR reporting

According to CorporateRegister.com statistics, integrated reports are increasing, but are not yet as widespread as generally assumed. They are still less than 10% of the total reports published, around 600 integrateds in 2012. However, integrated reports are not all born equal. Many of them are just an expanded financial report with a section on issues related to sustainability and no linkage between the sustainability-type information and the business-type information. The IIRC is piloting use of the new IIRC framework, with a wide range of respected and experienced reporting companies. In fact, the IIRC includes several examples of integrated reports in the Emerging Integrated Reporting Database which hosts integrated pioneer flagship reports. I took a look at one of them - the Gold Fields 2012 Integrated Report, which came top in Ernst and Young's Excellence in Integrated Reporting Awards for 2013. At 212 pages, it's an easy read :). There is a very extensive section on assurance which is as comprehensive as I have seen in any sustainability report. The report is not GRI based. There is no materiality matrix of list of material issues presented, although assurance statements indicate that the report complies with the principle of materiality - probably because of the inclusion of a risk matrix which includes both business and sustainability-type issues.

What I wondered, though, is how this report expresses the linkage between business sustainability (and risk) and sustainability performance. For example, the report contains a very detailed disclosure on human resources - as part of the "employer of choice" strategy. This covers everything from the "war for talent" and approaches to win the war, skills and leadership development, investment in operational training, increasing HDSAs (Historically disadvantaged South Africans) in the workforce, health and wellbeing, labor relations and illegal strikes, and safety and security. A very detailed disclosure by all accounts.

But as this is an integrated report, I would have expected to see some correlation of the degree of investment in employee development to the business outcomes - both in terms of the incremental costs of extensive human resources activity and the expected benefits. Employee turnover has reduced significantly over a five year period; is this the result of these efforts? How does this benefit the bottom line? What about absenteeism which I can't find mention of? Recruitment costs and effectiveness? And many other aspects of business performance affected by the company's approach to human resources.

In other words, in an integrated report, I would expect to find sustainability issues

addressed from a more holistic standpoint - both in terms of impacts on people and society and/or the environment, and in terms of business growth, profitability and/or achievement of critical business objectives. If I understand this correctly, this is the principle of connectivity which the IIRC framework describes as follows: "*An integrated report should show, as a comprehensive value creation story, the combination, inter-relatedness and dependencies between the components that are material to the organization's ability to create value over time.*" Perhaps there is room for Gold Fields and other integrated reporters to make these connections more explicitly, as a demonstration of their "integrated thinking". It seems to me that, at present, integrated reporting is still very relative: relatively integrated, relatively more integrated, relatively not integrated, relatively kind of integrated. What appears to be generally the case, is that relatively integrated almost always means relatively very-long.

Another interesting result from this survey relates to use of reporting frameworks. GRI and CDP come out on top with sector frameworks remaining in high focus. Thumbs down for UN Global Compact, however, despite its attempt in recent years to make reporting more prescriptive and comprehensive. Relatively.

The Communication of CR Reporting

The CR Perspectives survey results suggest that stakeholders who are not as close to the direct operations of the organization are less important to the reporting organization. Employees are seen as the single most important report audience, and the general public comes bottom of a long list. A majority of respondents believe that large global companies should report at different levels which could be country level or even site level.

The Credibility of CR Reporting

Aha, the best bit comes at the end. After all has been said and done, can you really believe what's in sustainability reports? And it may not surprise any of you to know that almost all respondents listed BAD NEWS as the main thing that adds to the credibility of a sustainability report. A few failure stories, missed targets, operational spills or discussion of a major screw-up is going to make your report stand out from the crowd in terms of credibility. Everyone wants bad news. If you don't have any, you may find yourself in a real sustainability reporting hole. But what company has no bad news?) Be careful, though, you don't want to add too much bad news..... don't give your stakeholders ***too*** much of a good thing :)

Other things that support credibility are provision of data and specific targets and using a known reporting framework. An external assurance statement is the fourth element which contributes to delivering credibility. Interesting that this is in fourth place, as improving credibility is the prime purpose of assurance. Perhaps, in general, the poor quality of assurance statements we have been seeing to date, not a small number of which, in my experience, have a de-assurance effect, is the reason they are not seen to be delivering their purpose.

There are many more perspectives in the CR Perspectives survey, and perspectively-speaking, it's useful to understand the perspectives at play in our sustainability landscape. My perspective on all of this is that you should take a look at CR Perspectives. Maybe you also have a perspective you would like to offer a perspective on?

elaine cohen, CSR consultant, winning (CRRA'12) 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 www.twitter.com/elainecohen or via my business website www.b-yond.biz (Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm

Comments

- JordiMorrsRibera November 21, 2013

Thank you for the highlighting approach to the report.

Five reasons you will be using GRI's new G4 guidelines any time soon

Saturday, November 16, 2013

Anyone who knows me knows that I just have to respond to a post entitled "Five reasons you won't be using GRI's new G4 guidelines any time soon" by Bob Beer of Nowack-Beer Consulting which appeared on Toby Webb's Smarter Business Blog. In fact, I was even nudged to respond by a client :-), so how can I not? In his post, Bob Beer makes the point: "*While well-intentioned, GRI's new G4 reporting requirements are a serious impediment to the widespread and rapid adoption of this protocol."* The key examples of aforesaid impediments cited by Bob are: the need to revamp processes to assess materiality, more time, effort and cost, "thorny" content issues such as transparency, materiality and stakeholder engagement, lack of report quality assurance and "*Lack of a Mandate: Use of the GRI protocol is voluntary and there are no formal requirements or pressure to use GRI. (CDP, by contrast, has 700+ signatory institutional investors who apply formal pressure for disclosure.)*".

Well, Bob, got news for you. Not gonna happen. G4 reporting is a train that's bolted. Oops, shouldn't that be a horse? Well, whatever it is, it's still bolting. And it ain't gonna stop. I already have three G4 reports in the (very) final stages of preparation for global clients, and all my reporting clients who are starting their 2013 reporting cycle around now have confirmed their will move to G4. In the G4 Master Class I delivered in London last month, which was attended by representatives of some of the largest and most respected reporting companies from a range of sectors including fashion, retail, energy, media, chemicals and more, the interest in G4 was tangible. In the G4 training (Le Master Class) I presented at last week in Paris, organized by Institut RSE, the leading mover and shaker in French sustainability circles, an amazing selection of prominent French reporting companies were avidly attentive to the new G4 ins-and-outs, and were visibly computing their own transition as they developed their knowledge of how G4 can challenge them and help them move forward as sustainable and transparent companies. Our G4-Ready Expert Analysis, a 20+ page review of your current G3 report and assessment of the requirements for transition to G4 with recommendations, has become a popular service and has my analysts at Beyond Business going rather cross-eyed comparing disclosures and indicators. Wherever I engage, I am seeing interest in G4 and intent to use the new guidelines in the next reporting cycle.

And by the way, Bob Beer says: "*Developing a G4 report will require more time and effort than a G3.1 report and, as a result, will cost more to prepare*." I find there is absolutely no basis for this claim. We are not charging our clients any more for producing a G4 report, and I have not noticed a significant additional time factor in the G4 report preparation in the work we have been doing with clients to date. Yes, there needs to be some addition of effort around process and engagement, but this is offset by reduced attention to many irrelevant reporting requirements in G3.

Already, within six months of the G4 launch, I can count 12 G4 CORE or G4-referenced reports that have been published.

The City of Warsaw
Thomas Properties Group 2012
Singapore Exchange Annual Report 2012 2013

Environment Park s.p.a 2012
Lavola Sustainability Report 2012
Grupo Sancor Seguros 2012-2013
GAP Inc. 2011-2012
Wesst 2012 Integrated Report
Ingecal Sustainability Report 2012
Architectural Services Department Hong Kong 2013
World Bank Sustainability Review 2013
Mireco Mine Reclamation Company Korea 2012 Report

There may be more that I am not yet aware of. I know there are several more on the way. Here's one: Matthew Swibel Director of Corporate Sustainability at Lockheed Martin noted in response to aforementioned post: "*At Lockheed Martin, we intend to apply the G4 framework in our next report. Our analysis anticipates doing so will make the process more efficient and the disclosure more relevant to our core issues*."

Of course, G4 is not perfect, and those who have already started to use it, as I have, find that there are real challenges in using the framework as it is intended. I will talk more about these challenges in future posts, now that I am just catching my breath after a VERY intensive reporting season and have gained much first-hand experience in writing G4 reports. However, there is no doubt in my mind that G4 is a major improvement on G3, and it does require a different reporting mindset. But I find the points raised in the post by Bob Beer to be poorly considered, poorly presented and poorly concluded.

The five reasons you **WILL** be considering reporting G4 for your next report are as follows:

You want to show leadership, responsiveness and agility in your reporting: Change is not easy for many and often impossible for some. It's easy to continue to do what you have always done. Early adoption of the G4 guidelines shows that your company is leading the way as a stakeholder-responsive, agile and forward-thinking player in sustainability. The G4 guidelines didn't spring up from thin air. They were the result of a multi-year, multi-stakeholder, multi-format engagement process and, despite the complexities of reaching consensus among such a wide range of diverse interests, GRI managed to deliver a product which is the result of what a representative selection of most stakeholders believe to be most important in sustainability reporting. Early adoption makes an important statement about your company's capacity to listen to stakeholders, navigate the winds of change and demonstrate adaptability and agility.

You welcome the opportunity to focus your reporting on the most important things: The G3 framework actually forced companies who wanted to demonstrate transparency to report on a whole bunch of stuff which was irrelevant to their companies and fill their A level reports with a string of inconsequential statements, such as how biodiversity is not material to our organization. G4 cuts through the verbiage and goes right to what's most important in terms of the impacts your organization has on society and the environment. In my experience, this creates a different sort of dialogue within the company, and provides a new legitimacy for sustainability managers to demand greater process and reflection in the development of the Sustainability Report. Internal and external stakeholder engagement is now a necessity in G4 reporting while it was lip-service in G3 reporting. My experience is that companies actually welcome this as a refreshing and invigorating approach to reporting, and see opportunity in the materiality focus, both in terms of guiding and managing their own internal sustainability strategy and practice and

also in terms of external communication. To say, as Bob Beer does, that "*more detailed analysis and reporting on material issues could alarm investors and stakeholders, causing negative impacts on a business*" is, in my view, a complete reversal of the truth. It's precisely that companies have NOT done this in the past that investors have been alarmed and stakeholders have been mistrustful.

Your competitors are doing it or are about to do it: You will soon realize that G3 is a thing of the past. My prediction is that over 50% of the GRI based reports published in 2014 will be G4 CORE or G4 referenced, well before the official expiry date of G3 at end 2015. As you look around at what your peers are doing, you really won't want to be left behind using an anachronistic reporting framework that everyone has forgotten.

You appreciate the flexibility of the G4 guidelines: The G4 guidelines offer companies the opportunity to mold the G4 framework around what you really want your stakeholders to know while meeting the information needs that they have requested on the issues which matter most to them. At CORE level, the degree of disclosure is manageable, given that companies can decide where to draw the line in terms of MOST material issues. You can decide that your report will cover in detail the top 5 issues, the top 10 or the top 25, and then you can align your disclosures with that. No-one says you have to report on every single sustainability topic or activity that you have ever done. Gone are the days of "we donated $5000 to a local NGO last week, let's put that in the report" and "we changed the light bulbs in the CEO's office to T5, let's put that in the report". Now it's about: "these are our most material impacts and let's talk about those in depth in the report - the rest is just chit-chat". A G4 report can tell a story just as well as any other type of report. You can use the G4 Content Index to disclose specific data which you may prefer not to disrupt your narrative. Aside from the General Disclosures which are required for all G4 in accordance reports, some of which are a little challenging (and not so relevant), even at CORE level, the G4 guidelines are all about do-it-yourself relevant transparency enabling flexibility and adaptability to each organization's needs. Why continue to be constrained by the old rules when you can break free with the new ones?

You want more people to use your report: A G4 report done well should be far more appealing and useful to your stakeholders than a G3 report, no matter how well the G3 report is written and constructed. The worst thing that can happen to a Sustainability Report is that none uses it. A G4 report is far more usable because it is more focused and more relevant to the most important sustainability issues.

Finally, I will round off with a quote from my colleague, the sustainability strategy expert, Joss Tantram, who also responded to the blog post by Bob Beer by saying, among other things: "*A materiality centred approach is a step towards translating sustainability into the language and dimensions that have resonance for economics and capitalism."*

elaine cohen, CSR consultant, winning (CRRA'12) 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 www.twitter.com/elainecohen **or via my business website** www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm**

Comments

- Bushra November 16, 2013

Even though I have a massive learning curve ahead of me regrading G4..I'm strangely excited about doing my first G4 report. I have a sneaking suspicion, you and your posts have a lot to do with this excitement :)

- elaine November 17, 2013

Thanks Bushra. Glad you are excited :) Many people think Sustainability Reporting is boring....they just haven't got to the fun parts yet... - haha

5 reports from the Automotive Sector

Thursday, November 14, 2013

Here we are with the second in the series of sector analyses of sustainability reports using the new CR Sector Reviews from CorporateRegister.com as our inspiration. As I mentioned in my last post on the Forestry and Paper Sector, the CR Sector Overview series covers 11 sectors so far, (take a look at CorporateRegister.com Publications page to see if your sector is covered) and over the coming weeks, I will be blogging about each one. The CR Sector Overviews are free to subscribing members of CorporateRegister.com but I have kindly been provided with a full set, so that I can share some of my own insights about each one with the CSR Reporting Blog readers. Some context about the automotive industry from the CorporateRegister.com CR Automotive Sector Review: The automotive sector includes companies which design, develop, manufacture, market, and sell motor vehicles – including cars, vans, trucks, motorbikes and caravans. The sector also includes firms that make and sell components used by manufacturers to produce their vehicles. The majority of the main vehicle makers own and manage large manufacturing plants with mass production assembly lines, often highly mechanized. They may also have significant non-manufacturing facilities where new vehicles and technologies are designed, developed, and tested. Most vehicles are sold through networks of dealers that have varying degrees of independence.

Top 20 listed automotive companies by sales*

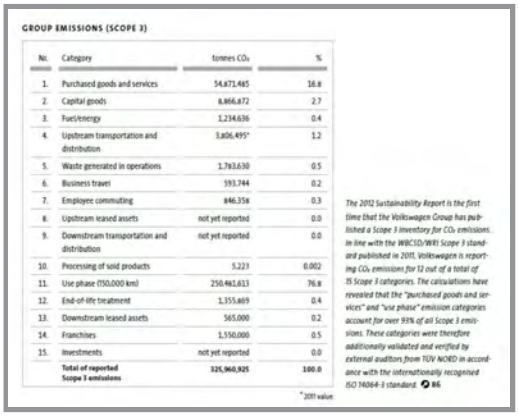
Listed by ranking/company/country/annual sales in US$bn

1	Volkswagen	Germany	254
2	Toyota	Japan	225
3	General Motors	US	152
4	Daimler	Germany	151
5	Ford	US	134

The ten largest companies in the automotive sector generate a combined turnover of more than $2 trillion, and over 84 million vehicles were manufactured in the world in 2012. The sector supports over 50 million jobs, of which around 20% are direct employees and the rest are those that benefit from the ripple effect.
Ten material sustainability issues for the automotive sector are listed in the CR Sector Review, plus an additional 5 general issues which have relevance for the sector and three additional "upcoming" issues which should be on the radar of any company in this sector. Can you guess which is the first (and most significant) material issue listed for this sector? I'll give you a clue. It starts with carbon and it ends with emissions. Any offers?

The CR Sector Overview lists the top 20

companies worldwide in this sector. Here are the top five:

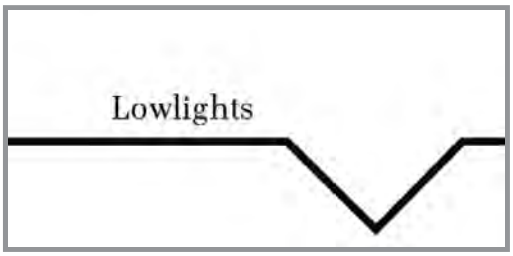


GROUP EMISSIONS (SCOPE 3)

No.	Category	tonnes CO_2	%
1.	Purchased goods and services	54,871,485	16.8
2.	Capital goods	8,866,872	2.7
3.	Fuel/energy	1,234,636	0.4
4.	Upstream transportation and distribution	3,806,495*	1.2
5.	Waste generated in operations	1,783,630	0.5
6.	Business travel	593,744	0.2
7.	Employee commuting	846,358	0.3
8.	Upstream leased assets	not yet reported	0.0
9.	Downstream transportation and distribution	not yet reported	0.0
10.	Processing of sold products	5,223	0.002
11.	Use phase (150,000 km)	250,461,613	76.8
12.	End-of-life treatment	1,355,869	0.4
13.	Downstream leased assets	565,000	0.2
14.	Franchises	1,550,000	0.5
15.	Investments	not yet reported	0.0
	Total of reported Scope 3 emissions	**325,960,925**	**100.0**

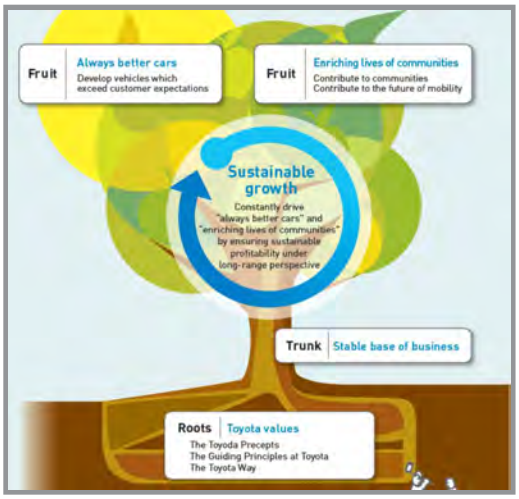
*2011 value

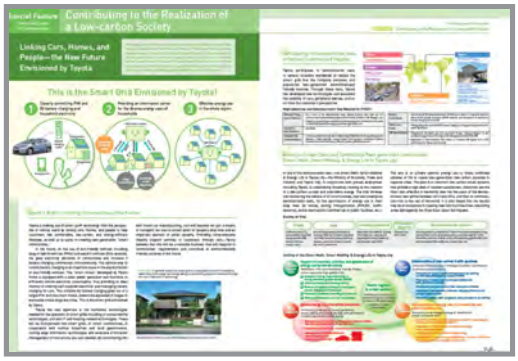
The 2012 Sustainability Report is the first time that the Volkswagen Group has published a Scope 3 inventory for CO_2 emissions. In line with the WBCSD/WRI Scope 3 standard published in 2011, Volkswagen is reporting CO_2 emissions for 12 out of a total of 15 Scope 3 categories. The calculations have revealed that the "purchased goods and services" and "use phase" emission categories account for over 93% of all Scope 3 emissions. These categories were therefore additionally validated and verified by external auditors from TÜV NORD in accordance with the internationally recognised ISO 14064-3 standard. 86



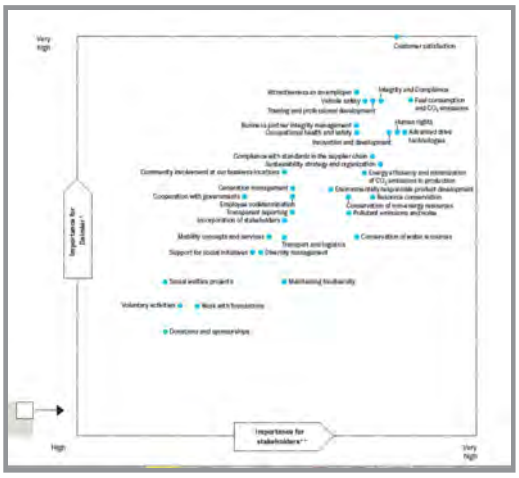
Now it's time to take a look at how they report. All have delivered 2012 standalone sustainability reports, with over 1,000 pages of content. That includes Ford's full sustainability website download, which alone is 558 pages. All the top five companies have been reporting since the mid-late 1990's, with the exception of Daimler whose first report appears to have been in 2000. This means that we are looking at a bunch of very experienced reporters in this sector, so we can be justified in having high expectations. Is there a correlation between reporting experience and quality of reports? I haven't worked that one out yet conclusively, though I tend to think that companies get better at reporting over the years. But I can't prove it. Maybe that's worth a special analysis someday. The top five automotive reporters include three GRI G3 Level A reporters, one GRI Undeclared level reporter and one non-GRI reporter. Guess the non-GRI? Toyota. But you didn't need to think too long and hard about that, right? GRI reporting in Japanese companies is a rare occurrence. Although CorporateRegister.com stats show Japan as the country with the third highest number of reports published, GRI-based reports represent less than 14%. Wonder if G4 will have any impact on these stats? Ask me in another 5 years' time.

The interesting finding when looking at the sustainability material issues determined by the top reporters in this sector is that first, they list **loads** of issues, and second, just as I found with the forestry and paper sector, the most material issues do not appear to be closely linked to the sectors in which the companies operate. In the top ten material issues listed by four out of the five companies, we can find one or two sector-related issues at best, and even then, they don't appear at the top of their lists. I find this very surprising. I would expect that the most material issues of most companies would be found in the area in which they make their unique contributions. If urban mobility and traffic congestion, alternative transportation, air quality, vehicle safety, eco-vehicles, alternative fuels and electric vehicles etc are not top of the sustainability league table of issues for these companies, I begin to wonder how they are actually developing their lists of material issues. When employment, integrity and compliance, supplier relationships and customer satisfaction top the material issues list, I feel that these





companies are missing the point. These issues are of course no less important for the automotive sector than in any other sector, and who could argue with having satisfied customers? But surely, the greatest sustainability impacts are defined by the sector a company operates in? Maybe that's just my peculiar view, but it really surprises me to see such a variety of material issues which could apply to any sector at all. And now for some highlights from the top five automotive players, in order of bigness (by revenue): **Volkswagen 2012 Sustainability Report** (GRI G3 A+, 168 pages) This is a very serious report. At 168 pages, it covers a lot of ground. It's written with systematic precision in staccato sentences, as narrative, with no quotes or commentaries and just a few very short case studies. It's a plain black and white design, with just an occasional splash of color here and there. Although Volkswagen's report may be just a little dry and even a little boring at times, it's an easy read and the content is impressive. An example of the boredom factor might be the section on "Vocational education and training". We are told that vocational training is "critical to developing a top team at Volkswagen" and that 16,174 employees were engaged in vocational training at the end of 2012. We are then treated to an additional two pages about the detail of different vocational training programs in place in different locations in Germany, U.S., Spain, different awards and competitions in the area of vocational training, a range of collaborations involving apprenticeships and suggestions from the Works Council as to how to increase the scope of certain vocational programs. While this may be very transparent, it's far too detailed and frankly, loses the reader after the first paragraph. More importantly, no link is made between vocational training and creation of the "top team" at Volkswagen. Instead of this long (boring) activity summary, I would have been more interested to read about whether this vocational training is effective. What percentage of trainees achieve vocational certification and/or go on to do meaningful



work within the Volkswagen group, what percentage of trainees have stayed with the group after they have received all this training, and how many have been promoted? Volkswagen could disclose how many of the Volkswagen top team has actually come up through the vocational trainee route - since this is the stated desired outcome of all this investment. There are many more examples of the boredom factor in this report - but if we get past that, there is an earnest tone and a credibility about Volkswagen's reporting that is quite positive. The report is structured in four main content sections: Strategy, Economy, Society and Environment with additional sections providing context before and after. There is a clear link between material issues and reported content, although the Volkswagen actually reports much more extensively than is required to cover only the material issues. An opportunity to go to a more compact version with G4 here. Once you get past the photo of the completely homogenous Managing Board of Volkswagen, you can actually appreciate some truly serious sustainability ambition backed up with performance. It does puzzle me, though, that with 524,849 permanent employees all over the world, only middle-aged white men in gray suites and blue or red ties can make it to the top management positions in this company. (Overall, Volkswagen reports 15.2% of employees are women.)

Volkswagen's Management Board - a picture of diversity (not) So, now that we got past the gender imbalance thing, Volkswagen's report gives confidence that the company is making strides in sustainability areas noted as most material, and in many more. Strong performance against stated quantified targets through to 2018 is recorded, with improved environmental impacts on energy, emissions, waste and water per vehicle. Volkswagen gives a full Scope 3 inventory for the first time which is very best practice, as well as discussing a range of environmentally-related issues that are on the sustainability agenda, such as sustainable mobility, traffic noise, fuel efficient vehicles and more. A nice touch to the Volkswagen report is the section on highlights and lowlights. The highlights

include a page of interesting achievements and awards, while the lowlights contains cases of awards not received, including Greenpeace protests on vehicle CO2 emissions, and lack of recognition for achievements in the eco-compatible cars category rankings. While these lowlights are fairly innocuous, the fact that Volkswagen includes them at all is a plus point for credibility. We all know how bad news sells sustainability reports. **Toyota Sustainability Report 2012** (63 pages) Another very Japanese report from Toyota. No material issues, no GRI Index, but more diagrams and charts than anyone can reasonably expect to fit on 64 pages, an index against the ISO26000 framework and a fairly encouraging third party opinion. The nice thing about Japanese reports is the way the culture shines through - not only in the design but also in the words. I now know what monozukiri is, and kokuru haboku, and senzbaru, and by now, we all know what kaizen means. Toyota's reporting is very forward looking. It all starts with the principle of visionary management, symbolized by the Toyota tree. This is supported by visually engaging approaches about how Toyota plans to deliver, as in the Fifth Environment Action plan, for example. Toyota places emphasis on the future of the automotive industry and contributing to new mobility societies, new smart-grids for low-carbon environments and transport infrastructure. It's a very interesting look into the way our lives will change and the role of the automotive sector that Toyota envisages. If you can get past the crowded pages, and actually enlarge the text enough to make it legible, you will find some gems in this report.

One of the gems I found was way Toyota is developing "*partner robots that are useful to people by combining cutting-edge technologies from various disciplines including the robotic, automotive, and IT fields*", providing support for the aging population of the future and mobility options for people who are disabled. Similarly, Intelligent Transport Systems Technology is being applied to make the vehicles of the future safer using sophisticated communications systems and helping cars talk to one another. I am sure there must be a Japanese name for that as well. Toyota's reporting demonstrates strong ongoing sustainability performance in current operations, including environmental impacts, an important community spirit with continued investment in Japanese society still rebuilding after the Great East Japan Earthquake, and investment in research and education into sustainable living and programs for safe driving. The tough thing about Toyota's reporting is that it

really is difficult to separate the important from the interesting. Much of the content is about vision, approach and policy, and it's not always easy to link this to performance and outcomes. It's a disjointed read, you jump around from text box to more short text boxes, and if your eyes don't hurt, your head starts to. **General Motors 2012 Sustainability Report** (GRI Undeclared,58 pages)

GM's report is refreshingly fun and appealing. You can't miss the Sell the Plug story in the first sections. It's all about electric vehicles, ecosystems for electric vehicles, market presence of electric vehicles, partnerships for advancing electric vehicles and, of course, GM's electric vehicles. If you haven't heard of electric vehicles by now, GM's report bumps you up to 6th grade in a short read. GM's introductory pages set the context, as mentioned, of a plug-based future, and the second half of the report covers ten global issues which are the result of a focused materiality process which started out identifying 38 issues and then settled at ten, with internal consultation and external validation. "*This set of global issues forms the foundation of our annual sustainability reporting and reflects the most material global topics facing General Motors with respect to its economic, environmental and social impacts."* Three of these ten issues are specifically relevant to the automotive sector, and the rest are more generic sustainability issues relevant to any company, any sector.

GM provides a narrative about each issue in turn, describing the context and relevance of the issue, and what GM is doing about it, including performance against targets where relevant, and this includes some impressive 2020 targets in the environmental area. The report ends up with a set of KPIs and then a couple of pages each about GM's regional performance in four regions.
This is a nice report which combines a serious message in more of a fun package that we are seeing from the other players in this sector. It's an easy read - and a good story.

Daimler Sustainability Report 2012 (GRI G3 A+, 111 pages)

Daimler's report is another fascinating look at the automotive industry and its impacts on our lives. In a report which is quite outwardly focused, Daimler takes us through its 2010 - 2020 sustainability strategy, covering its own performance as well as the sustainability issues of the sector with thought and perspective. Including external experts in fairly detailed interviews, Daimler is able to provide context and opinions relating to the role of mobility in our society, the imperatives of sustainable business, and the challenges and benefits of innovation. In a detailed materiality matrix, Daimler places most emphasis on customer satisfaction, with just a couple of the most material issues relating specifically to the automotive sector. Interestingly, all social projects and community investment initiatives are bunched in the lower left quadrant.... not so material. Relatively speaking.

Daimler does the report reader a favor by pulling out the key highlights for 2012 into a list

to help us gain a quick appreciation of progress made in 2012. I like it when companies do this. Saves me hunting around the report and trying to work out what appear to be the most significant performance developments. Progress in the creation of a new Stakeholder Advisory Board, remuneration management, renewable energy, social projects and more are listed here. The entire management team at Daimler has something to say about sustainability. While none of these insights are terribly mind-blowing, I like to see the leaders of an organization coming out in print about their commitments. This sends a clear signal that sustainability is not just the whim of the CEO but a total management responsibility and acceptance of accountability by all.
Half way through the Daimler report, the switch is made from narrative to "facts and figures", which is a round-up of all the sustainability performance areas, supported by data and relevant context and explanations. It's pretty comprehensive and covers all the bases including the material issues in the matrix. **Ford Motor Company Sustainability Report 2012 / 2013**
(GRI G3 A, 558 pages) And finally, the baby of the top 5 group with only $134 billion turnover, Ford has always been a mammoth reporter, delivering incredible levels of detail. I often quote Ford's materiality matrix which is an exercise in precision - whittling 550 issues in 15 groups down into one single list, of which 14 are most material. Of these 14 issues, I can discern three which are sector specific.

The materiality analysis is online, and accessible but not user-friendly. Navigating the fourteen most material issues alone, without all the rest, is rather a nightmare, making it rather difficult to see at a glance where Ford is placing its sustainability priorities. Each material issue is shown versus its matrix position in the past, showing whether it is trending more material or less material, or whether it is a new issue. It would be interesting to see all the most material issues (14) listed on one chart with the headline trend information so that we can quickly see how materiality at Ford is changing overall, rather than the bite by bite way it is presented. I also have my reservations about the need to start from such a broad base (550 issues?) and it would be interesting to know if Ford have derived any tangible benefit from such an extensive analysis. This year, Ford expanded its analysis even further to include a broader look at the value chain to help Ford get ready for future G4 reporting. The chart is interactive and each issue is supported by a description of the key impacts in that part of the value chain and the key stakeholders affected, plus some data. If you can take the time to delve into the Ford report, you will find a wealth of detailed information about a range of topics. . This paragraph caught my eye:

"In the long term, we hope consumers will begin to see a radically different transportation system, particularly in urban centers. Cars will be connected to each other, as well as to the infrastructure around them. Vehicles will take in a significant amount of information that will allow them to have automated capability, such as parking themselves or driving in connected groups on the freeway. There will also be seamless connections between different modes of transportation, from personal cars to public transit systems to parking facilities at businesses." The day that my car parks itself will be a happy day! I say, bring it on!
Fortunately, for those with a little less time, in addition to the 558 web-site page download (it's much easier to use the online report), Ford produces an 8 page Sustainability Report Summary, which gives a taste of Ford's performance and key impacts. **And there we have it...**

A quick round up of the 5 largest automotive reporters in the world...funnily enough, as I write, the Greenbiz newsletter popped into my inbox, with the headline that IKEA will

have installed electric car charge points for customers by the end of the year, teaming up with Nissan and green energy provider Ecotricity to install fast charge points in the car parks of all 18 of its UK stores. Nissan just missed being included in this post, being the sixth largest automotive company in the world, but clearly, the Plug agenda is very much on the Nissan radar as well.

As you can see, there are some common areas of focus and reporting among the large automotive players, and each has a distinct style and focus in their sustainability reporting approach. If I have to award a cone for the report I found most appealing, and readable, you've probably guessed that my pick would be General Motors.

The major investment in transparency and detailed disclosures provided by the remaining reporters in the automotive big five is impressive. In looking at whether these reports are G4-Ready, although we have not performed a complete G4-Ready analysis, I suspect some of these reports are G4 TOO-COMPREHENSIVE, providing far more information than the average stakeholder can reasonably digest or that the professional stakeholder reasonably needs. Once again, as with the forestry sector, we can see that materiality is not showing up within a sector frame of reference, but as individual company selections based on individual company approaches and individual stakeholder engagement processes.

Clearly, the degree to which stakeholders from different backgrounds are included and their input evaluated as part of the materiality process can play a major role in determining what's material for any company, irrespective of the sector. If you get Greenpeace and Rainforest Alliance around your stakeholder table, then your materiality matrix will look somewhat different than one produced by a table populated with Oxfam and Feeding America. Question is: who invites who? In the meantime, the CorporateRegister.com CR Sector Reviews can help you work through the materiality maze.

elaine cohen, CSR consultant, winning (CRRA'12) 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 www.twitter.com/elainecohen **or via my business website** www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm**

6 Reports from the Paper and Forestry sector

Friday, October 11, 2013

Just as materiality has become the buzzword of all things sustainability, and sectors have become the primary lens through which we view corporate sustainability performance, CorporateRegister.com has published a set of resources which provide a fabulous primer in material issues by sector. The CR Sector Overview series covers 11 sectors so far, (take a look at CorporateRegister.com Publications page to see if your sector is covered) and over the coming weeks, I will be blogging about each one. The CR Sector Overviews are free to subscribing members of CorporateRegister.com but I have kindly been provided with a full set, so that I can share some of my own insights about each one with the CSR Reporting Blog readers. So thanks to CorporateRegister.com for sharing these valuable resources! For those who are not members and wish to purchase a copy, you can do so via the CorporateRegister.com website.

(**Disclosure:** I do not earn commission or receive any compensation on memberships or sales of these publications. I believe CorporateRegister.com is a fantastic resource, which I use almost daily (I am a member). My interest in sharing is simply to alert, CSR and Sustainability professionals to resources which I find interesting and useful, and hopefully be of some help.)

Each CR Sector Overview follows the same format:

- An overview of the sector and what it does, including a list of the largest global publicly traded companies in the sector;
- A list of the Material Sustainability Issues with explanations and examples, supported by guidance on what to disclose in a CSR or Sustainability Report;
- An overview of sustainability reporting guidelines relevant for the sector; and
- A set of useful resources for more information.

The forestry and paper sector is a one of the top reporting sectors globally and has delivered over 1,200 reports since the start of the reporting revolution. Employing apparently, over 14 million people around the world, with sales of over US$365 billion (for the top 100 companies in the sector, according to a report from PwC), this sector has far-reaching impacts on global sustainability. The sector can be broadly split into two types of companies: those that manage forests and then sell logs to other companies; and those that manage forests and use the wood to manufacture other things, such as pulp and paper.

This is how the CorporateRegister.com CR Sector Overview introduces material sustainability issues for the forestry and paper sector:

Top 20 publicly traded companies in the forestry sector*

Listed by ranking; company; country; and 2010 turnover in $bn

1	International Paper	US	25.1
2	Kimberly-Clark	US	19.7
3	Svenska Cellulosa (SCA)	Sweden	15.2
4	Stora Enso	Finland	13.7
5	Oji Paper	Japan	13.1

"*For many years forestry was seen as a relatively benign industry. But from the early 1990s onwards, when world attention gradually began focusing on the alarming rate at which the Amazon rainforest was being cleared, that perception began to change. Although much of the slash and burn deforestation in the Amazon region was for*

STAKEHOLDER GROUP	AREAS OF INTEREST	EXAMPLES OF ENGAGEMENT
Consumers	• Improved health and hygiene • Affordability • Good customer service	• Cause marketing campaigns • Consumer education campaigns • Consumer satisfaction surveys • One-on-one interviews
Wholesale Customers	• Sustainability attributes of products • Environmental impacts of manufacturing, e.g., water use • Post-consumer waste • Product quality and safety • Consumer education • Pricing	• Customer meetings • One-on-one interviews

crop cultivation and cattle grazing, plenty of it was also for logging – and campaigners quickly latched on to large corporates as a focus for their worldwide anti-logging campaigns. The forestry and paper sector has therefore attracted significant criticism over the past decade, generally connected with the cutting down of trees in old growth forest, either by the companies themselves or by suppliers from which they source their wood and pulp. Chief concerns about deforestation surround the negative implications of forest loss for climate change and biodiversity."

Nine material sustainability issues are listed, plus an additional 4 issues which largely apply to the sector and, interestingly as well, three additional "upcoming" issues which should be on the radar of any company in this sector. Of course, I cannot tell you what all these are, but they probably won't surprise anyone who knows the sector well. For those who don't, it's a highly useful summary.

The CR Sector Overview lists the top 20 companies worldwide in this sector. Here are the top five:

And here is my quick review of the top five reports:

The first thing to say about these reports is that they are all truly informative and make for extremely interesting reading. Anything you want to know about forestry is captured, and usually in very nice designs and infographics from the lifecycle of a working forest, to the process of paper recycling to the use of materials in the sector. Overall the quality of reporting is high, demonstrating commitment, continuity and a large degree of credibility. Materiality, as you might expect, is treated somewhat differently in each report, even though these companies are broadly operating in the same ballpark.

Stora Enso and Svenska Cellulosa (SCA) have full blown materiality matrixes, the former showing the top material issue to be: **Involvement and value sharing in local communities** while the latter has identified: **Human rights issues, including child labor and forced labor.** International Paper lists a number of issues, without prioritizing them, and they are: **Business ethics, Employee safety, Energy, Fiber sourcing, use and disposal, Financial performance and Natural resources.** Kimberly Clark does not list material issues but says:"*In 2013, we will be giving considerable attention to a materiality analysis, with the expectation that we will apply these findings in our sustainability reporting.*"And Oji Japan does not refer to material issues.

Surprisingly, the most material issues selected by those who selected material issues are not particularly sector-dominated. For example, SCA's report lists 30 material issues, and forestry management is only number 17 on the list - all the first 16 being rather generic issues that could apply to any company. Stora Enso lists 25 material issues and

sustainable forestry is only number 12.

This tends to reinforce my view that there needs to be a minimum requirement of sustainable practices across the board for all companies, irrespective of sector. I think this is where the new G4 framework could be improved. While materiality focus is absolutely correct and most meaningful in terms of disclosure and reporting priority, it's inconceivable that any company would not be able to confirm minimum standards of corporate accountability against a set of core issues, including resource consumption, human rights, occupational health and safety, anti-corruption and a few others, as these paper and forestry sector companies have tended to do. It will be interesting to note what happens to these lists of material issues if and when the reporting companies in this sector decide to transition to G4. I'll bet the lists of 25 - 30 material issues suddenly get rather shorter!

Some highlights and interesting things I picked up from these reports:

International Paper - the largest paper company
The best thing about this report is the clarity of reporting against multi-year sustainability goals to 2020 - 10 environmental goals, one people goal (safety) and one community goal. In each area, International Paper both states the goal and progress made in 2012, as well as challenges to meeting the goal.

International Paper says that in the U.S., more than 90% of their fiber supply comes from private forests that are often small and family owned. A challenge here is persuading these smallholders to obtain forest management certification, due to the costs involved. International Paper has supported a program to enable collective certification, thereby reducing the cost burden on individual foresters. Apparently, only 10 percent of the world's forests are certified, so International Paper's insistence on expanding the presence of certification is a positive thing, especially since the company purchases over 68 million tons of wood fiber each year.

Overall, environmental impacts dominate this report, taking up over half the content, with just a few pages dedicated to charitable work and philanthropy and occupational safety and other aspects of employment practices relating to the company's more than 69,000 employees. Occupational safety gets priority attention, as this sector is known for high-safety risk, and indeed, in International Paper, a total of 40 employees and 11 contractors suffered life-changing injuries, including three who were killed. Treatment of safety by International Paper is well done, in my view. The issues are clearly stated, and actions to address the issues are described including a new LIFE initiative (Life-changing Injury and Fatality Elimination) which maintains focus on different areas of employee safety. The company also introduced a ban on cell-phone use while driving a motor vehicle. Wonder how effective that is? But it's certainly a good move. I think I might even try it myself :)

Kimberly Clark - touching customers This is one of the two companies out of the top 5 in this sector which is fully consumer facing, with a range of well-known brands. This report, while not declaring a GRI Application Level, notes the GRI Indicators against disclosures throughout the report. Actually, K-C does report against the majority of GRI Indicators, and this is a fairly extensive disclosure.

The report is mainly internally focused - on K-C's direct impacts within its operation on its people and on its direct impacts on the environment including elements of the supply chain. However, it is perhaps a little surprising, especially given that this report is entitled

" Leading the world in essentials for a better life", that little attention is given in this report to how K-C's products are used and the impacts of K-C products downstream in the marketplace. The bulk of the report relates to K-C's 58,300 employees and environmental impacts, with just a short mention of the life-cycle impact of products, dealing with post-consumer waste, product quality, safety and recalls.

In the stakeholder engagement section, K-C lists consumers and wholesale customers (not retailers) as having expressed certain interests and the nature of K-C's engagement with them.

K-C includes just two pages on (mainly charitable) brand initiatives relating to consumer outreach - all of which are fabulous , for example:

- An alliance with USAID in Columbia for outreach to new mothers through the Huggies brand, providing a booklet about “Healthy Practices for Mother and Infant Care”
- Support for Global Handwashing Day UNICEF initiative
- Huggies’ Every Little Bottom program continued its support of the National Diaper Network with a donation of 26 million diapers to distribute to U.S. families in need.

	Topic
1	Human rights issues, including child labor and forced labor
2	Emissions to air and water
3	Product quality and safety
4	Use of hazardous chemicals in manufacturing
5	Occupational health and safety
6	Innovation
7	Energy and raw material consumption
8	Diversity and non-discrimination
9	Waste management (production waste)
10	Customer service

However, with hygiene products including feminine products, diapers, bathroom and facial tissues, products most of us use on a daily basis, I feel the potential for K-C to see sustainability as an opportunity to change how people behave as a priority at least equal to reducing the weight of corrugated carton used in various products, and other efficiency initiatives, is significant. Perhaps the new review of material issues promised by K-C in the next report may address this.

Kimberly Clark also has a set of multi-year goals to 2015, ten in number, 3 for People, 4 for Planet and 3 for Products, and reports progress against these. I wondered about a goal in the "Product" area which is to achieve "250 million new consumer touches", where 49 million was achieved in 2011 and 110 million in 2012. I wonder what that means? I couldn't find any narrative about that in the report, or explanation of what K-C did to get 62 million more touches. Maybe I will drop them a line and ask.

Svenska Cellulosa - deserves a cone

You may not recognize the name of Svenska Cellulosa (SCA) if you are not Swedish, but most of us will recognize their consumer-facing brands. SCA employs 36,000 people so it's quite a large business. What you might not know is that SCA is Europe’s largest private forest owner with 2.6 million hectares of forest land.

The report has a good structure, starting with a nice section which talks about the drivers for sustainability and then moving into a materiality review, with a zoom-in on the top five

issues, none of which are particularly sector-oriented, but all relevant to this sector and to all sectors.

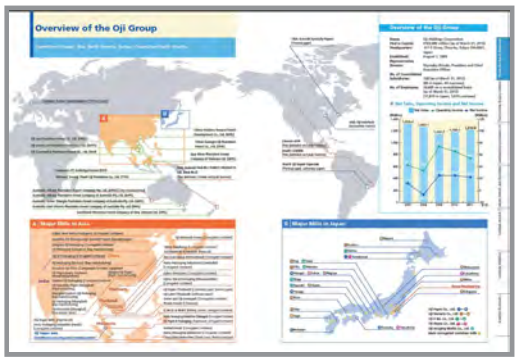
Targets and performance are clearly stated in the SCA report, and there is a nice section on SCA's value chain which provides clear explanations of the key impacts at each stage. And let's not forget value creation. This is how SCA tells it:

There's not much else to say about this report because it is simply good. It's clean, well structured, well written, data is presented clearly and at 83 pages, it's packed with just enough context and an impressive array of data. The design is pleasing and interesting but not intrusive. The narrative is plain but not boring. External and internal stakeholder voices are included and the big page spread photos of SCA employees are really well done. Here's one:

The is a cone award report in my view.

Stora Enso - rethinking paper

This is how Stora Enso describes itself: S*tora Enso is the global rethinker of the paper, biomaterials, packaging and wood products industry. We always rethink the old and expand to the new to offer our customers innovative solutions based on renewable materials. Stora Enso employs some 28 000 people worldwide, and our sales in 2012 amounted to EUR 10.8 billion.*



Global rethinker? Ok.... not sure what that means. However, I was immediately impressed, as one who seeks slightly-bad-news contra in a good news reports, when I read that Stora Enso has been criticized in China for forcing local villagers off their lands using violence and by misleadingly inducing them to sign disadvantageous land contracts. There were also claims that eucalyptus plantations have caused environmental problems in Guangxi, including the drying up of local springs. A documentary film was released by Stora Enso's critics. Stora Enso said :"*The film caused plenty of concern among our stakeholders. Stora Enso has responded to stakeholders' questions using the social media, and also published a special stakeholder bulletin*". I like the fact that this is not hidden anywhere and clearly reported.

I also like the open invitation Stora Enso gives to stakeholders to participate in stakeholder feedback sessions which the company runs online. Stora gives a website link which takes you to a specific questionnaire about Stora Enso's sustainability approach.

This is a nice way of soliciting focused feedback and it's available all the time, and much more inviting than a "please write to sustainability@mycompany" type of approach (I call this the black hole - so may emails end up there and never get answered by company representatives.) I also learned a new word: agroforestry. "*In Stora Enso's trial plantations in Laos we have continued developing a plantation concept that combines trees with food production. In this agroforestry model farmers cultivate crops between rows of trees. This area was heavily bombed during the Vietnam War, so before establishing plantations Stora Enso must ensure that any unexploded ordinance is cleared from large areas of land. This also helps local villagers by creating safe farming land. During 2012 a total of 186 families participated in the agroforestry scheme, planting rice between tree rows. Peanuts, pineapples, cassava and bananas have also been cultivated.* " Nice, indeed.
This is another high quality GRI A+ report from the forestry sector and, like SCA's report, contains a great deal of data which is well and clearly presented.

Oji Paper - typically Japanese

I don't even need to read a report coming out of Japan to know that it's a report coming out of Japan. Japanese reporters are incredibly space efficient. They pack more information and infographics into one report than about five other companies added together. Oji Paper is true to form. 71 intensive pages of everything they want to say and you may or may not want to know about the company's sustainability performance in 2012. Even the company overview is about 6 pages packed into two.
Similarly, for some reason, ISO26000 has gone big in Asia and this report follows this non-accreditation standard's format with 5 core sections: environment, fair operating practices, customer relations, employee relations, and community relations. This report is not GRI based, and there is no content index, so finding specific information is like searching for a needle in a haystack.
One of the nice things about this report is the link between the company's products and the way they are used by consumers. Did you know that environmentally friendly packaging includes pentagonal cushioning, lighter weight bumpers, water-resistant fiber drums, and even an innovative water-straining paper garbage bag which can be used to collect kitchen food waste.
The Oji report is comprehensive and transparent. Again, like many Asian reports, the content is delivered in short sound-bytes, boxes and tables, not detailed stories or narrative. No case studies or stakeholder voices. It makes for a very efficient scan of content, but a challenging read. After you have reviewed the content, you still don't easily know what's most material for Oji and what are the highlights of performance achievements in the reporting year. If this company ever decides to transition to G4, and I would recommend that it does, it will face a massive challenge to identify and report on the the most material issues while holding itself back from reporting on everything else it ever did and plans to do.
And there we have it.... ..... a quick (well, not so quick) overview of reporting in the paper and forestry sector, inspired by the CorporateRegister.com's new set of CR Review publications. (Ask myself) Have I been able to pick out a consistent set of material issues for this sector by reading and reviewing all these reports? (Answer myself) Not really.

There are clearly some common elements that are included in the paper and forestry sector reporting, such as deforestation, forest management and certification, paper recycling, waste management, and a little about land rights of indigenous people and human rights in the supply chain. However, many of the issues reported by the top companies in this sector are not sector issues at all, but simply sustainable business issues. That's good, but it's not good enough. That's why the CR Sector Overviews from CorporateRegister.com can be helpful.

I will perhaps take the opportunity to mention another company which does not appear in the top twenty publicly traded companies in the sector globally, and that is Fibria Celulose S.A from Brazil. I have provided some consulting services to Fibria (and my "external expert" commentary was published in their last PDF report) so I know Fibria's reporting well. The Fibria report is centered on the top ten material issues, prioritized from a list of 35 issues.

Of the top ten issues that Fibria reports, I would say that five are specifically sector-specific and five are more general sustainable business issues. This seems like a good balance. In fact, Fibria's reporting is quite impressive. I am not impartial but I recommend you to take a look anyway :))

and now... after this mammoth post.... you can guess how I am going to reward myself, right ? (Hint: It's icy and creamy)

elaine cohen, CSR consultant, winning (CRRA'12) 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 www.twitter.com/elainecohen **or via my business website** www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm**

Three G4 Reports under the microscope

Thursday, September 26, 2013

Australia, Perth - Central Park	27%	$427m
Japan, Osaka - Galleria Otemae Building[4]	27%	$43m
Japan, Tokyo - Azabu Acjo Building[4]	27%	$21m
Japan, Tokyo - Ebara Techno-Serve Headquarters Building[4]	27%	$30m

Certified in FY 2011

- Care Phone for the Aged/Disabled	Silver Phone Fureai S II, Silver Phone Hibiki S III
- VoIP Adapter	Netcommunity OG400Xa, Netcommunity OG400Xi
	Netcommunity OG800Xa, Netcommunity OG800Xi

THE GLOBAL REPORTING INITIATIVE: INDEX

This report was created in accordance with the Global Reporting Initiative (GRI) G4.
Below are the corresponding GRI Content Index based on the previous indicators and letterhead reporting scenarios.

Note on Reports that are not Prepared 'In Accordance' with the Guidelines

If an organization reports Standard Disclosures from the Guidelines but has not fulfilled all the requirements of either 'in accordance' option, the report should contain the following statement:

"This report contains Standard Disclosures from the GRI Sustainability Reporting Guidelines". A list of the Standard Disclosures and their location in the organization's report should be provided together with this statement.

Three more G4 reports under the #CSR Reporting blog microscope today. Thanks to Paul Scott of CorporateRegister.com for alerting me to these new releases! By the way, CorporateRegister.com now hosts 51,225 CSR reports across 10,428 companies and remains the largest hosting site for CSR and Sustainability reports anywhere. It's absolutely my go-to place for getting information on reports and reporters, and the PDF search-inside reports feature (members only!) is really useful, though sometimes it's delivers rather odd results. For example, I just did a search for "G4" and came up with this: See the upper case 4 after the word building :))) This is from the Fraser and Neave 2012 Annual Report. Similarly, G4 also brought up this: Apparently there are some VoIP Adapters which incorporate G4 in their names :) Very next generation. This is from NTT West Corporation's 2012 Environment Report. Needless to say, these weren't quite the G4's I was looking for. However, aside from a few funnies, the PDF search tool is excellent and saves me much time in research. However, as the saying goes, I digress... back to the G4 and the complexities of actually delivering a real G4 report. As you will see, life in the G4 era is not so straightforward.

Thomas Properties Group Inc. Sustainability Report 2012

Thomas Properties Group (TPG) is an American real estate company based out of the City National Plaza in Los Angeles, California. TPG has 129 employees, owns interests in and asset-manages 17 properties with 10.3 million rentable square feet and provides services for additional properties. This is TPG's third sustainability report. Chapeau! The report is 34 pages long/short and is split into three main sections: Responsible Investment, Sustainable Operations, and Stakeholder Engagement.

What made us think that this is a G4 report is that TPG says so, in the Content Index. TPG says the report was created "in accordance" with G4. But that's not strictly true. For those who don't yet know the G4 Implementation Manual off-by-heart, I can enlighten you that Page 50 includes instruction on what to write if you have declared your love for G4 but not married it. TPG really means, I think, that this report contains G4 disclosures and

THE GLOBAL REPORTING INITIATIVE: INDEX

This report was created in accordance with the Global Reporting Initiative (GRI) G4
Below are the corresponding GRI Content Index based on the previous indicators and letterhead reporting scenarios.

	Page	Global Reporting Initiative (GRI) Indicators
Letter from our CEO	2	1.1, 1.2, 2.1, 2.9, 2.10, 4.1
Long Term Vision and Strategy	4	2.1, 2.2, 2.3, 2.4, 2.5, 3.5, 4.8, 4.9
A. RESPONSIBLE INVESTMENT	5	
About this Report	6	2.3, 3.5, 4.1, 4.16,
2012 Company Profile	6	3.6, 3.7, 3.8, 3.10, 3.11, 4.1-4.2,
Governance Structure	6	4.4, 4.14, 4.15
Our Portfolio of Properties	7	2.5
Portfolio Level Goals	8	
Financial Performance	9	4.17
Sustainability Timeline	11	2.9, 2.10, 3.1, 3.2, 4.13
B. SUSTAINABLE OPERATIONS	13	
Key Performance Indicators	14	EN16, EN17
Risk Management	15	4.6
Green Policies	15	4.9
Awards and Certifications	16	2.10
Benchmarking and Reporting	17	2.10
Sustainability Measures	20	PR1
Sustainability Measures in Energy Efficiency	22	EN16
Carbon Footprint and Renewable Energy	23	EC2, EN6
Tenant Engagement Programs	24	EC8, EN6
C. STAKEHOLDER ENGAGEMENT	25	
Partnerships and Programs	26	4.13
Stakeholder Engagement	28	4.16, EC18
Nationwide E-Waste Drives and Earth Day		
Tenant Events	29	EC2, EN6, LA8
Green Office Program	30	EC8, EN6, PR5
Community Engagement	31	4.12, LA11
LEED Certification	33	
The Global Reporting Initiative Index	34	3-12
Back Cover	35	3-4

not is "in accordance". Even so, the content index doesn't pass muster, not for a G4 report and not even for a G3 report. It's a one pager and looks like this: I tried to contact Thomas Properties but failed to reach them. Left to my own devices, I am going to put this down to a typing error. TPG means G3, not G4. This does not detract from the fact that the company has published three reports to date, and that demonstrates a commitment to stakeholders and to transparency, so well done anyway to TPG!

Singapore Exchange Annual Report 2012-2013

The Singapore Exchange (SGX) has published a 165 page annual report which includes 11 pages which are defined as the "Sustainability Report". These 11 pages include sections on materiality, governance, and social and environmental impacts. Needless to say, it's a very compact Sustainability Report! However, it does include a description of the stakeholder engagement process and a matrix of material issues, of which there are 11, the most significant one being "economic performance". In the introduction to the "Sustainability Report" section of the Annual Report, SGX believes their report is in accordance with G4 at CORE level. Hmm. I believe differently.

First, the report contains no GRI G4 Content Index. Second, the G4 indicators selected do not correspond with the material Aspects listed in the materiality matrix.

Regarding economic performance, for example, the top material Aspect, none of the EC indicators are reported. Therefore this report qualifies as a G4-Referenced report, and not a G4 In Accordance report. But, it's en route, and that's good!

I will add that there is something that impressed me at least as much as SGX's reporting efforts, and that's their responsiveness. I wrote to ask about the missing G4 Content Index, and got a very rapid response, with a copy of the Content Index sent to me by email, and advice that SGX intends to publish this on the company website by end September. I was really appreciative of their response, as I write to many companies and it's like shooting paintballs into Niagara Falls. You get the feeling that your emails just dissipate somewhere in cyberspace. With SGX, the response was fast, clear and gracious. A personal one-scoop CSR Reporting cone is in order for Darrell Lim Chee Lek at SGX.

Drumroll for a G4 Report By now, you might be doubting the possibility that any company ever might deliver a real G4 report. However, there is

light at the end of the tunnel, and next up is a report which has secured my admiration and even a three-scoop supercone - the height of CSR Reporting Blog praise!

Environment Park s.p.a Presentazione Bilancio di Sostenibilità 2012

Environment Park s.p.a was founded in 1996 by the Piedmont Region, the Province of Turin, the City of Turin and the European Union and is an original type of science and technology park in Europe, combining technological innovation and eco-efficiency. Environment Park is divided into two business units, one dedicated to the management of the real estate and the other, to "research and innovation". The park boasts green architecture and many environmentally friendly features and is run by a compact team of 45 employees. This is the fourth annual sustainability report and claims to be in accordance with the G4 guidelines at CORE level. Oh, and I almost forgot to mention, this report is in Italian, but with a little gelati and Google Translate, I won't let that bother me. Ice cream is the same in any language.

Aspetto	Valutazione della RILEVANZA			Valutazione della SIGNIFICATIVITÀ		
	Rilevanza	Perimetro di rilevanza degli impatti		Impatto sull'organizzazione	Sensibilità degli stakeholder	Livello di significatività dell'aspetto
		INTERNA	ESTERNA			
CATEGORIA: ECONOMIA						
Performance economica	SI	●	●			
Presenza sul mercato del lavoro locale	NO					
Impatti economici indiretti	SI		●			
Politiche di acquisto	SI	●	●			
CATEGORIA: PERFORMANCE AMBIENTALE						
Materiali	SI		●			
Energia	SI		●			
Acqua	SI		●			
Biodiversità	NO					
Emissioni	SI		●			
Scarichi e rifiuti	SI		●			
Prodotti e servizi	SI		●			
Livello di conformità	SI	●	●			

Environment Park has delivered a very nice G4 Content Index. It's prepared in accordance with the guidelines, and appears to me to be technically correct. Environment Park has selected 14 material Aspects from the G4 material Aspect table in 5 categories and has reported on a total of 24 Specific Standard Disclosures, almost half of which are environmental disclosures. At 76 pages, the report is manageable and only a tad longer than the previous GRI G3 Application Level B report of 2011 at 64 pages. As for material issues, these are prominently placed on page 5 of the report, set out in a chart which identifies each issue, whether the impact is internal or external to the organization, and how it was prioritized relative to other topics that were identified using the G4 recommended dual measure of size of impact and stakeholder relevance. This is about as technically accurate as it gets. Using the Content Index, it is a pleasure to navigate to the disclosures relating to each of these material Aspects.

I have not read the report in detail (Google Translate is not ***that*** brilliant) so I cannot comment on the quality of disclosure, and I also won't comment on the relevance, from my perspective, of the material issues selected. My microscopic focus in this post is the way the G4 framework has been applied, and it seems to me that this is the first corporate G4 report I have come across that makes the grade. Supercones all round at the Environment Park.

There is also something subtly intelligent about the way Environment Park has transitioned into G4. The 2011 report covered exactly 20 indicators required for Application Level B, which makes the 2012 G4 report not significantly more challenging with 24 Specific Standard Disclosures (performance indicators), plus 2 more if you add in the ones that are part of the General (profile and management) Standard Disclosures.

Let's call this 26. Of these 26, exactly 13 indicators reported in 2012 correspond with those reported in 2011, demonstrating a good deal of continuity. The additional indicators added are mainly in the environment category, such as intensity measures for energy and emissions, which were not reported in 2011.

Now, having said this, I have an additional quick observation about the Environment Park report. The fact that it is technically correct, in my opinion, as far as the G4 framework is concerned, is fantastic. However, G4 reporting is not just about observing the reporting framework in a mechanical way. There's more to it than just the technicalities. The G4 report of Environment Park has exactly the same structure as the G3 report - same sections and same headings (with the exception of the addition of the materiality matrix). The report is not written around the impacts, it's written around the framework. That makes it G4, but less compelling for report users/readers. The big issues that Environment Park addresses are there, but they could be used to structure the report in a way which makes this organization's transformative role in business and society come to life in a more meaningful way for report readers. There are no internal or external commentaries, and as far as I can tell, no stories or case studies which illustrate in a more exciting way the true role and impact of Environment Park. Reporting at its best, in my view, is a story within a framework. Environment Park excels at the framework. It would be nice to have a little more story. (Disclaimer: I don't speak Italian. My comments are based on a general impression. I hope this is not misrepresentative. Supercones still relevant.).

Summing up

G4 reporting is now evolving and I hope I will be able to keep pace with the anticipated flurry of new G4 reports. So far, of all the G4 claims that are flying around, not many are actually making the grade. The Global Reporting Initiative has not yet pronounced on its intention to develop a G4 Check, similar to the G3 Application Level Check. This decision was promised for September, so maybe we will hear some time soon. It seems to me that this is really critical. What's the point of having a wonderful framework if companies are misusing it by default or by design? I realize reporting is a journey, but saying we are going to Manchester and ending up in Honolulu doesn't help anyone, even if Honolulu is quite a nice place (Is it? I have never been.) Companies need help in applying the G4 framework accurately, that's my takeout. **Understanding G4,** my book, provides concise guidance. GRI may also be offering customized assistance to individual companies as they start to use the framework. But this is no substitute for a quality check on whether the output is as declared. I feel we have to start finding a better balance between quantity and quality of reports, and, in my view, GRI should play a pivotal role. Oh, and by the way (how subtle), there is still time to **register here** (send me an email or DM me on Twitter for a discount code) for the first **UnderstandingG4 Master Class in London on 22 October.** On the agenda:

Face Materiality with Confidence: Understand the value of materiality and the way it drives G4 reports, grapple with the complexity of selecting material issues and learn how to shape your report around material content.

Disclose with Relevance: Prepare meaningful management approach disclosures and select relevant performance disclosures for (CORE) G4 reports.

Get the Basics Right: Understand the less obvious challenges in G4 Standard Disclosures and how to deal with them.

Make a Plan: Understand how to prepare your first report as a G4 report or make the transition from G3 to G4; select CORE and COMPREHENSIVE options; get the balance of content right for your organization and align content with creativity.

Ice Cream: G4 tastes better with ice-cream!

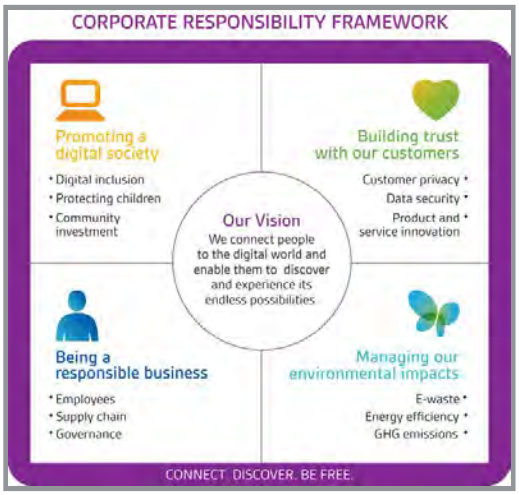
elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofUnderstanding G4: the Concise guide to Next Generation Sustainability Reporting AND Sustainability Reporting for SMEs: Competitive Advantage Through TransparencyANDCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen or via my business websitewww.b-yond.biz (Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)

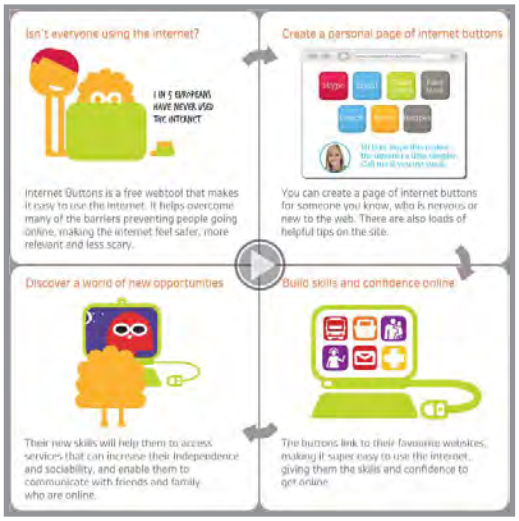
Liberty Global: Discovering New Possibilities

Monday, September 23, 2013

It's always a pleasure to tell CSR Reporting blog readers about reports that I have been involved with. Last year, I posted about Liberty Global's inaugural Corporate Responsibility Report and now, I am delighted to bring you an update in the form of the second global report, called **Discovering New Possibilities**, which was published last week.

This report represents a step up in transparency for Liberty Global with a GRI G3.1 report at Application Level B, more extensive than the first C Level report, and covers operations in including UPC (Netherlands, Poland, Romania, Slovakia, Austria, Czech Republic and Hungary), Unitymedia Kabel BW (Germany), Telenet (Belgium), VTR (Chile) and Liberty Cablevision Puerto Rico. A lot can change in a single year, which is reflected in this new report from Liberty Global. The company is now the largest international cable company in the world, following the acquisition of Virgin Media in June 2013, and expansion of presence in different markets, generating a whole lot of economic and social value with revenues of over $17 billion and employing over 36,000 employees. With 24 million customers and over 48 million subscribers to video, internet and voice services, Liberty Global maintains an operation which is transforming access to the digital world - a transformation which is relevant to the quality of life of millions of people in the markets in which the company operates. Liberty Global's approach to delivering this transformation is routed in a compelling vision of the role that Liberty Global can play in society. It's much more than selling modems or set-top-boxes. It's about changing the way people live their lives. It's not enough to connect. It's about knowing what to do with that connection. In the language of Liberty Global, this means **Discovering New Possibilities.Possibilities for New Digital Skills** The Digital Agenda for Europe (DAE) recognizes that access to next-generation broadband with speeds exceeding 100 Mbps (megabytes per second) by 2020 is vital for long-term economic development and





competitiveness. The goals of the DAE range from fast broadband for all to increased online commerce to 60% of disadvantaged people using the internet regularly. This is because digital technologies have "enormous potential" to benefit our everyday lives and support the economic wellbeing of Europe, as well as contribute to environmental resource efficiency. Liberty Global, as a seriously large player, recognizes that continually improving technology is not going to do the job. The technology needs to go where it's needed and people need to understand how to use it for their own benefit and for that of others. For example, in Belgium, Liberty Global's company, Telenet, installed 450 multimedia monitors in patient rooms at a hospital, providing video conference capabilities for patients and secure access to patients' medical information for use by hospital staff, helping to increase the efficiency of staff while providing patients with opportunities to engage with their families and friends. Also in Belgium, Telenet Foundation developed an award-winning program called Recup PC, which helps people to get online, understand how to use the technology and develop digital literacy. **Possibilities of Buttons** Another great example of helping people not only to be aware of new technology but also to increase their capabilities is Liberty Global's innovative web tool called Internet Buttons. This enables people who have some experience in using the internet to create easy-to-use customized starter page for family members and friends who are new to the internet or find it confusing. Large, brightly colored 'buttons' act as shortcuts to websites such as email, search engines, Skype, eHealth or other services tailored to the user. These can be saved to a personal homepage, easily accessible at the click of a button and a whole lot less confusing than a bunch of unrecognizable icons and symbols that only experienced users can navigate around. New digital skills – button-wise – is a way to bring the internet to those who otherwise would probably never be able to figure it out on their own. Like most things, it's easy when you know how. But if no-one helps you, you never know how. **Possibilities of Engaging Children in Innovation** In Romania, Liberty Global company UPC has developed a platform to get kids interested in technology involved by submitting ideas with the possibility of winning a trip to attend a NASA educational summer camp. Over 230,000 visits to the Tech School website and 570 ideas later, the winning ideas included a super bionic hand, a mobile-phone-charging-T-shirt and a mobile astronomy observatory, showing that, when you provide the tools, kids get engaged and discover new possibilities. The overall winner of Tech School 2012 developed a prototype of a bionic hand with enhanced control and strength, which has wide-ranging implications for surgery, telemedicine and other remote interventions. A UPC Tech School grant will help develop an advanced version of this prototype. **Possibilities of KeepingKids Safe Online** Another area in which this report demonstrates the impact and potential positive impact of a company as large and influential as Liberty Global is the ways in which it advances technology, awareness and education to protect kids online. As a mom who has had personal experience of my own child getting into a potentially very dangerous online situation, which I managed to catch in the nick of time, and with kids who are mesmerized by the big, medium and small screens, I am only too aware of the need to protect our children. Liberty Global's report discusses this in detail and provides examples of how the company is supporting media literacy for parents in the Netherlands, campaigning to keep passwords safe in Chile and working in partnership in Europe to create safe internet experiences. The focus of protecting children is on education and empowerment. **Corporate Responsibility Performance** The nice thing about Liberty Global's report is that stories such as these

show how positive impact is created through Liberty Global's core business. This is not a report about switching off lights at the end of the day and retrofitting offices with low-flow toilets (although there is some of that too). The main content of Liberty Global's report is about the role that the Company plays in society, which includes significant discussion about public policy and the complexities of creating internationally aligned protocols for data privacy and more. Liberty Global is active in helping define and shape the future of our digital world, which makes this report quite relevant for almost everyone. Liberty Global's report also covers areas of responsible performance in environmental impacts, people management, supply chain monitoring and management and other relevant issues which affect the sector such as conflict minerals and an important discussion about e-waste, one of the sector's most significant impact areas. Liberty Global achieves a 36% retrieval and recycling rate of set-top boxes and modems, which adds up to over 5,000 tons of e-waste which avoids landfill. That's equivalent in weight to offering 10,000 people an annual supply of ice cream every year for over 25 years. Unless you are me, in which case an annual supply would last about two days. **Take a Look – Give Feedback – Think Future G4** The transition from first reporter to experienced reporter is not easy. Liberty Global has delivered an equally relevant and more transparent report this year, which places the Company on the right road for a G4 report next time around. With this in mind, I encourage you to take a look, and give feedback!

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofUnderstanding G4: the Concise guide to Next Generation Sustainability Reporting AND Sustainability Reporting for SMEs: Competitive Advantage Through TransparencyANDCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen **or via my business website**www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

31 Tips for writing a G4 Report

Tuesday, September 17, 2013

Those of you who have been following my Twitter account may have noticed my G4 Tip of the Day - all using the Twitter hashtag: #UG4 - published over the last month or so. Here, in a convenient, one post format, is a recap of all the 31 tips in this "G4 on Twitter" month. (I had to shorten a few to get them tweetable, below are the full versions). But, before you go to the tips, here's something else I wanted to mention:

Understanding G4 can help you navigate G4 with relative ease. I'd be happy to spend a day with you talking about it and sharing my insights, working approaches and recommendations. In fact, that day is **October 22, in London**, **when I will be conducting the first Understanding G4 Master Class**, an intensive G4 day, in which I walk a small group through the paces of G4. If you can make it, please register soon as numbers are limited to 25 to enable enough time for good discussion and learning, with current examples of reporting practice. If you would like to join me and other potential G4 fans, **please register here** (Send me an email or DM me on Twitter for a discount code). And yes, ice cream is on the menu. Now, here's a recap of this month's G4 tips.
G4 Tip 1: You can't write a G4 report with a G3 mindset. Make the shift to G4. It's a different paradigm.
G4 Tip 2: G4 recommends including at least 3 years of data when responding to indicators (Implementation Manual, page 71).
G4 Tip 3: "Accountability strengthens trust between the organization and its stakeholders. Trust, in turn, fortifies report credibility." (Implementation Manual, page 10)
G4 Tip 4: Specific Standard Disclosure G4-EN2 includes a methodology to calculate the percentage of recycled input materials.
G4 Tip 5: Total energy consumption in G4 should be reported in joules or multiples.

G4 Tip 6: G4-33 requires reporting of whether senior executives are involved in seeking assurance for the organization's sustainability report.

G4 Tip 7: G4-52 is a new disclosure required at "In Accordance" Comprehensive Level and requires a description of the process for determining remuneration.

G4 Tip 8: Remember that each word is important in a G4 Sustainability Report. Somewhere, there is a stakeholder who might read it.

G4 Tip 9: G4 reports may be shorter than G3 reports. Or longer. Or the same length. Your materiality process will decide.

G4 Tip 10: Did your Board read your Sustainability Report? Ever? G4-48 asks you to spill the beans (In Accordance, Comprehensive Level).

G4 Tip 11: Only go for In Accordance G4 Reporting at Comprehensive Level if you have very robust governance disclosures.

G4 Tip 12: G4 reporting is not a race and not a competition. Going slow, and doing it with integrity, is more important.

G4 Tip 13: Sustainability reports published after 31 December 2015 should be prepared in accordance with the G4 Guidelines.

G4 Tip 14: G4-1 disclosure - CEO statement - includes reference to "key events, achievements, and failures during the reporting period".

G4 Tip 15: It is possible, but not recommended, to produce a G4 Sustainability Report with one material issue.

G4 Tip 16: Readers of G4 Sustainability Reports must know what to expect. More forest. Less trees.

G4 Tip 17: In a G4 Sustainability Report, material issues should smack you in the face. If they don't, it's not G4.

G4 Tip 18: G4 does not require companies to list the awards they have received. But, go for it anyway.

G4 Tip 19: G4-12 is a simple disclosure: Describe the organization's supply chain. Piece of cake? Maybe not.

G4 Tip 20: G4-EN18 requires GHG emissions intensity ratio. Pick your normalization factor carefully and be consistent.

G4 Tip 21: Read my book, Understanding G4, before you even start thinking about writing a G4 Sustainability Report.

G4 Tip 22: Engage your Top Team in the selection of material issues for your G4 Report. The CEO must sign off.

G4 Tip 23: G4 Reporting is about ownership and accountability, not about how many boxes you can tick.

G4 Tip 24: Probably best not to select more than 200 Material Aspects for your G4 report. Otherwise it will take you more than a year to write it. Less is more.

G4 Tip 25: Transition from G3 to G4 with consistency. But remember the objective is G4, not G3 plus new bits.

G4 Tip 26: Go for CORE unless you have a really good reason to go COMPREHENSIVE with your first G4 Sustainability Report.

G4 Tip 27: Embedding good reporting process is the key to G4. Bluffing doesn't work all that well.

G4 Tip 28: Don't try to be In Accordance with G4 if you can't be. Better to "refer" to G4 and transition when the time is right.

G4 Tip 29: Don't expect your stakeholders to praise you for your G4 report. Acknowledgement is also good.

G4 Tip 30: A G4 report is hard work. Don't be deceived by it's slick looks. You have to invest.

G4 Tip 31: This is the last G4 Tip for this month. It's a short tip. Read all the G4 Tips again and then, just do it!

Good luck with your G4 Reporting. With so many useful free tips, you have absolutely nothing to fear :-)

See you in London in October?

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofUnderstanding G4: the Concise guide to Next Generation Sustainability Reporting AND Sustainability Reporting for SMEs: Competitive Advantage Through TransparencyANDCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen or via my business websitewww.b-yond.biz (Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)

Comments

- TheLawFirmofLabeedAbdal September 30, 2013

Is it possible to do a GRI G4 training without undergoing the G3 training?

- elaine October 02, 2013

HI, I am not familiar with the formal GRI training programs. As far as I know a "bridging module" has been added which covers the new material in G4.... but I am not sure to what degree this is standalone. For this information, you would need to ask the GRI.In principle, however, it certainly is ok to do G4 training without prior knowledge of G3, and in probably, it is even preferable! Best, elaine

Just in Time: Chocolate for Yom Kippur

Friday, September 13, 2013

It's never too late to keep a promise. One of the things that sweetened the experience of the GRI Global Reporting Conference in Amsterdam in May 2013 was the free chocolate dispensed with a smile by **Tony's Chocolonely** at a stand in the exhibition area and throughout the conference. In return for an even bigger gift of free chocolate, I promised to write about Tony's Chocolonely on the CSR Reporting Blog.

Chunky Chocolate with a Fair Trade taste

Yes, it has taken me only 4 months, but it's now quite opportune as it's the Eve of Yom Kippur, and atonement and reparations are the order of the day. So, I atone for not fulfilling my promise so far, and attempt to repair my tarnished integrity by doing so, possibly earning myself a better chance of being inscribed in the Book of Life for yet another year. I hope so. The year ahead promises to be an exciting one - and a whole lot sweeter now that I have discovered Tony's Chocolonely.

Arjen Boekhold dispensing chocolate with a smile Of course, chocolate comes second to ice-cream on my indulgence league-table, but in this case, it's very special chocolate. "***The Tony's Chocolonely slogan – "on the way to 100% slavery-free chocolate" – means Tony's is 100 percent committed to ending chocolate slavery and to giving customers a slavery-free chocolate choice."***

Slavery in chocolate is still prevalent enough to put us off our daily (hourly?) treat. The "good life" is still a distant dream for many cocoa farmers and the problems of child and forced labor are still very much in evidence. Based on estimates for the year 2013, at least 460,000 people (children and adults) in West Africa work as cocoa "slaves", of which about 15,000 to 30,000 children are trafficked into slavery (human trafficking).

This is what Tony's Chocolonely says about slavery in the chocolate industry in West Africa:

"There's a nasty ingredient hidden in that sweet chocolate bar: Slavery. That's right, lurking in the shadows of the monolithic chocolate industry, modern-day slavery is common practice in many cocoa-producing countries. West Africa, accounting for 60 percent of the world's cocoa supply, is a notorious haven for chocolate slavery, most often taking the form of child labor abuse. In the Ivory Coast and Ghana, children, hoping

for a better life, are lured onto cocoa plantations and tricked into slavery. Most are under the age of 16, working excessively long days, for little or no pay, under physical and mental duress, with no option to leave."

Tony's Choc has a different approach, based on the development of direct relationships with farmer cooperatives, working together to develop programs with specific goals and targets for production, in order to support the development of farmer organizations. This means that Tony's Chocolonely has its own Bean-to-Bar segregated supply chain, through which the cocoa beans of the farmer cooperatives are shipped directly to the production facility. This way, the folks at Tony's Choc know exactly where the beans in their chocolate come from.

In 2012, Tony's Chocolonely signed long-term contracts with two cocoa farmer cooperatives: ABOCFA (Ghana) and Ecookim (Ivory Coast), committing to a five-year purchasing agreement in which the farmers can be certain there is a buyer for their cacao, and at a good price. With the certainty of a buyer, the farmers invest in improving their farms, professionalize and grow. In buying directly from the farmer, intermediary trade is effectively eliminated and the farmer gets more compensation. Within this long-term arrangement, Tony's Chocolonely facilitates training for farmers, enabling increased cacao productivity per hectare and also drives awareness of the need to eliminate child and forced labor and help strengthen the position of women.

ABOCFA is a farming cooperative of around 400 farmers in 13 communities in Ghana. In 2008, the ABOCFA farmers gained organic and Fairtrade certifications, becoming the first such operation in Ghana to do so, based on interest expressed by Cadbury's for the Green and Black label. However, after the subsequent acquisition of Cadbury's by Kraft (now Mondelez), interest in ABOCFA farmers' Fairtrade organic cacao ceased, leaving hundreds of farmers wondering how they would recoup their investment. Enter Tony's Chocolonely, who in 2012 became the first purchaser of the Ghanan ABOCFA cacao, turning it into that fabulous-tasting chunky chocolate that 1,600 delegates at the GRI Conference in Amsterdam could enjoy. Me included. Part of Tony's Choc's approach is to help drive interest in the ABOCFA cooperative, to attract more buyers and help ensure the sustainability of the operation. In the Ivory Coast, Tony's Chocolonely purchases from a single village of 128 farmers, working under the auspices of the bigger cooperative union. Again, these farmers have achieved Fairtrade certification and revenue from sales is reinvested to drive increased efficiencies and professional long-term supply.

Arjen Boekhold recently visited both Ivory Coast and Ghana, taking with him a generous supply of 'Bean-to-Bar' chocolate with him, so the farmers could taste the chocolate which was made from their own cocoa beans. This made them very proud. **For many of them, it was the first time they tasted chocolate at all.Can you believe that?** Arjen reviewed the cooperative activities and the ways in which funds to support human rights in the chocolate supply chain have been used. For example, Tony's Chocolonely initiated and supported funding for an awareness campaign on (child) slavery and women's rights, and also provided funds for a cocoa warehouse. The collaboration is as sweet as the chocolate itself.

Photo with permission from Tony's Chocolonely
Check out Tony's Chocolonely also on Facebook.
More importantly, go buy some!
Even more importantly, go eat it!
But maybe not on Yom Kippur :)

(Oh and by the way, for all those of you observe Yom Kippur, the CSR Reporting Blog,

and me, wish you Well over the Fast and that you should be inscribed in the Book of Life for a healthy, safe, prosperous and happy year ahead!) (Even if you don't observe Yom Kippur, we wish you that anyway, except for the Fast bit).

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofUnderstanding G4: The Concise Guide to Next Generation Sustainability ReportingAND Sustainability Reporting for SMEs: Competitive Advantage Through TransparencyANDCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen or via my business websitewww.b-yond.biz (Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)

Comments

- Anonymous

September 13, 2013

Ellen, my name is Molly Zeff, and I work at Equal Exchange, a Fair Trade company that imports chocolate, coffee, tea, and other products.

Thank you for highlighting such an important issue that few people know about! Equal Exchange, like Tony's Chocolonely, also offers Fair Trade, organic chocolate all over the U.S. and educates consumers about the issue of child labor and child slavery in the mainstream cacao industry. We partner with several different faith-based NGOs, including American Jewish World Service. Every time a synagogue or other Jewish organization orders chocolate or any of a number of other products - coffee, tea, cocoa, etc. - AJWS receives back 15 cents per pound towards their own work. If folks are interested in receiving Fair Trade chocolate at a wholesale price, they can learn more about the products here: http://shop.equalexchange.coop/chocolate.html (they can log in for the cheaper prices) or call us at 774-776-7366.

I just thought you might want to let others know about a source of ethical chocolate that’s right here in the States. In fact, 10,000 congregations are already using our chocolate and coffee for serving, re-sale or fundraising.

- elaine

September 17, 2013

Hi Molly, thanks for writing. Sounds like Equal Exchange is doing fabulous work. I am sure readers from the U.S. will find this of interest. Best regards, Elaine

Gap Inc., G4 and the Pink Panther

Thursday, September 12, 2013

And here it is. The new Sustainability Report 2011-2012 from Gap Inc. This report has been written with reference to the spanking new G4 guidelines, and contains a G4 Index, although no "In Accordance" Level has been declared. The In Accordance level is not so important in the final analysis. What is most important is the way the spirit of G4 is reflected in the structure of the report. As I have may have mentioned somewhere, material issues in a G4 report should jump out at you from the page or the touch-screen. In G4, material issues should be:

accessible clear conspicuous discernible distinct evident glaring indisputable noticeable overt palpable pronounced recognizable self-evident straightforward undeniable unmistakable visible barefaced bright clear as a bell conclusive distinguishable explicit exposed in evidence lucid manifest observable open patent perceivable perceptible plain precise prominent public self-explanatory standing out transparent unconcealed undisguised unsubtle
Yes, material issues in G4 should be all of the above.
Ok, so what if I had a little help from thesaurus.com.

The new Gap Inc. report merits our attention for two reasons:

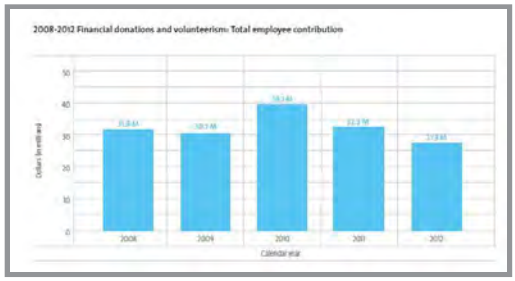
First, it's Gap Inc. - I have admired both Gap Inc.'s performance and its reporting over the years.

Second, it includes a G4 Content Index. To me, that means it's aspiring to get into the next generation sustainability reporting arena. I think this may also be the first report published by a company anywhere that includes a G4 Content Index.

One of the nice things about Gap's reporting is the sense of authenticity it conveys. The report tells you what's going on, no frills, no politically correct, no hiding behind the label. From the CEO letter which describes the report as "*a candid, open assessment of our progress as a company and as a collaborative partner to address the complex issues of operating a global business in a responsible, ethical way*" to the complexities of the human rights operating context of outsourced production to the difficulties of achieving environmental efficiencies in 3,000 stores around the world, Gap Inc. tells it like it is.
Gap's report takes us through 5 core sections:

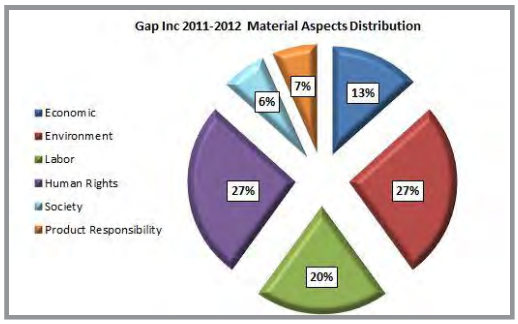
- Company
- Human Rights
- Environment
- Employees
- Community

In each section, Gap Inc. works systematically through the key issues, providing a good deal of context and background to help us understand the issues, how they affect Gap Inc.'s business, and what Gap is doing about them. Want to know about fire safety in Bangladesh? Gap covers it. Want to know how many kids around the world are forced to work against their free will? Go look at the Gap Inc. 2012 report. Need a data-point on what percent of garment workers are women, globally? Gap



Inc. provides. Interested in strikes in the Cambodian garment industry? Get the low-down from the Gap Inc. report. Seek a definition of human trafficking? It's there. In short, a lot of Gap's report is context, which is good and useful. Sometimes it's even more context than report, which is less useful.

Gap Inc.'s performance in key areas has been strong: employee volunteering and corporate community contributions have increased each year since 2008. Total carbon emissions have decreased each year for the past three years. So has U.S. energy consumption. The percentage of red-rated factories, that is, those which must put in place corrective action after Gap Inc.'s audits, has reduced each year for the past four years. Gap completed 1,148 audits in 2012. Gap has been driving environmental efficiencies through the supply chain through provision of Green Manufacturing Workshops for key vendors. Overall, Gap Inc.'s report attests to ongoing commitment and good performance. The name of Gap Inc. has become synonymous with championing of human rights in the supply chain and this report continues to testify to Gap Inc.'s leadership in this area.



G4 Metric	Aspect	Topic
G4-EC1	Economic Performance	Economic value
G4-EC7	Indirect Economic Impacts	Infrastructure investments
G4-EC8	Indirect Economic Impacts	Indirect economic impacts
G4-EN3	Energy	Energy consumption (Scope 1+2)
G4-EN15	Emissions	GHG emissions (Scope 1)
G4-EN16	Emissions	GHG emissions (Scope 2)
G4-EN17	Emissions	GHG emissions (Scope 3)
G4-EN19	Emissions	Reduction of GHG emissions
G4-EN27	Products and Services	Mitigation of environmental impacts of products and services
G4-EN33	Supplier Environmental Assessment	Supply chain environmental impacts
G4-LA1	Employment	New employee hires and employee turnover by age group, gender, and region
G4-LA2	Employment	Benefits provided to full-time employees
G4-LA9	Training and Education	Hours of training per year per employee
G4-LA10	Training and Education	Programs for skills management and lifelong learning
G4-LA12	Diversity and Equal Opportunity	Composition of governance bodies
G4-HR5	Child Labor	Significant risk ofincidents of child labor in operations and suppliers
G4-HR6	Forced or Compulsory Labor	Significant risk of incidents of forced labor at operations and suppliers
G4-HR9	Human Rights Assessment	Operations that have been subject to human rights assessments
G4-HR12	Human Rights Grievance Mechanisms	Grievances about human rights impacts
G4-SO2	Local Communities	Negative impacts on local communities
G4-PR1	Customer Health and Safety	Health and safety impacts product assessments

As a report, and as a report which was apparently written in the spirit, if not the letter, of the G4 framework, however, Gap Inc.'s delivery is disappointing this time around. This is a two year report and while one might expect that much has changed, there is inconsistency between reports. For example, two years ago, there was an ECO focus on three core issue areas:

In the 2012 report, water conservation gets a page of narrative, but no data and water conservation is not listed as a material issue. In 2010, seven environmental goals were reported with targets for 2012-2015. In 2012, two of these are reported as completed, one has changed and four have slipped off the map. Instead, one updated and three new goals for 2015-2020 have been developed. Tracking Gap's performance against stated goals in the environmental area needs Rubik-cube like skills.

Similarly, I find a disconnect between goals and narrative and data. In the community goals, for example, Gap Inc. reported on progress of a previously stated goal: "*Strive to*

increase the annual value of employee-driven contributions of time, money and talent to the community", noting this has been achieved. However, a chart shows that total contributions and volunteerism have decreased in the past two years. So, the striving was done and the target was ticked? Who cares about striving?

This apparent disconnect in Gap's presentation of its strategy and performance over time erodes credibility. It would be more interesting to see the overall strategy, with clear multi-year goals, all in one place, for tracking and reporting in a consistent way each year. Even if the Sustainability Report is biennial, this should not be an excuse for things dropping off the edge in the interim year.

This dissonance continues through to the way in which Gap Inc. describes its materiality process. Transparently, Gap Inc describes the way it selected material issues and the criteria for doing so. Generously, Gap Inc. shows us an empty materiality matrix. For our general education and edification.

This would be fantastic if the issues that Gap Inc. had identified as material were shown in this three-band matrix. The issues are not separately listed, so the reader needs to do some detective work in order to understand what's material and what's not. Frankly, G4 or otherwise, I do wonder about the sense of including all the detail about materiality process and then not actually stating the issues and where they fit. I agree that prioritizing issues within the high, medium and low materiality bands is redundant, but if the work has been done to place issues in one of the three boxes, and deliberately not disclosed, we the readers become more interested in why not, than in what the issues actually are. It diverts our attention from the substantive to the technical aspects of reporting.

However, as I usually take a detective-type approach when reviewing reports (just call me Pink Panther) I understand that the Gap Inc. report content list serves as the material issues list, and the issues for which material Aspects are included in the G4 Content Index are the ones that fall into the high and/or medium materiality box. Well, that's how I understand it anyway. Crystal clear, right? Working on this premise, I see that Gap Inc. has identified 15 material Aspects (out of a possible 46) and reported on 21 indicators out of a possible 91 indicators.

The Material Aspects are:

Water conservation, as mentioned above, earns a place in the report content list and some narrative, but not identification as a highly material Aspect. Given the amount of water used in cotton-production, and what Gap Inc. refers to as freshwater risk in the report narrative, I find it surprising that water did not merit inclusion as one of the top material issues.

The G4 Content Index itself is online, and is nicely hyperlinked to different parts of the online report. However, the Index is not quite what it is supposed to be. For example, several disclosures refer to Gap Inc.'s annual reports for 2011 and 2012, or other documents, providing a general link to the webpages of these documents. This is not the GRI way.

G4 guidelines state quite specifically (Principles Manual, page 13) (my highlights):

"Information related to Standard Disclosures required by the 'in accordance' options may already be included in other reports prepared by the organization, such as its annual report to shareholders or other regulatory or voluntary reports. In these circumstances, the organization may elect to not repeat those disclosures in its sustainability report and instead add a reference to where the relevant information can be found. This presentation is acceptable as long as the reference is specific (for example, a general reference to the annual report to shareholders would not be acceptable, unless it includes the name of the section, table, etc.) and the information is publicly available and readily accessible. This is likely the case when the sustainability report is presented in electronic or web based format and links are provided to other electronic or web based reports."

There are some other examples of where the Content Index doesn't quite provide a route to an actual relevant disclosure as required by the corresponding reporting indicator.

Any report that proclaims any level of G4 adherence is bound to come under the microscope in the coming year. The G4 promise is focus, clarity, and materiality. It's next generation. It's leadership and reporting best practice. Clearly, the early adopters are going to be scrutinized. For better or for worse, Gap Inc. has put itself in that space and while this report does not claim to be "G4 In Accordance", it does include a G4 Content Index. It's the Index that hooked me. I believe that this report doesn't do full justice to the fabulous work Gap Inc. has done and continues to do in the garment industry. If you asked me who are the best apparel players for sustainability in this sector, Gap Inc. would certainly be one of the top companies I would cite. I think this representative of the reporting challenges we all face. How do we present our sustainability risks and opportunities, and more importantly, impacts, in a clear, complete and balanced way, telling our story so that it reflects our organization's achievements, and remains within the constraints presented by the GRI Reporting framework?

Clearly, it's not that simple. Daniel Fibiger is Senior Manager of Strategy and Performance in Gap Inc.'s Social and Environmental Responsibility Department, and he expresses the challenge well in a post he wrote to introduce Gap Inc.'s 2011-2012 report: *"... as the author of the report, the task of trying to summarize or highlight certain aspects of it is an unenviable one. Part of this might have to do with my background. I've been with the company for just over two years, and previously worked for several human rights NGOs, where I partnered with major apparel companies to address human rights issues in their supply chains. So when I try to think about what's important, my answer is: all of it.....I also believe this is a work in progress. My hope is that our next report has more focused goals, provides more comprehensive data-driven insights, and more effectively conveys the impact we are having. If we do those things well, we'll also be able to make it shorter, which will hopefully lead more people to read it. The work starts now on delivering that*."

Gap Inc.'s report may not fit the G4 structure perfectly just yet, but the great progress and authenticity, right up to admission of the challenges of reporting, is evident in Gap's culture, and maybe that counts for even more than an impeccable G4 Content Index. **elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofUnderstanding G4: The Concise Guide to Next Generation Sustainability ReportingAND Sustainability Reporting for SMEs: Competitive Advantage Through TransparencyANDCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen or via my business websitewww.b-yond.biz (Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

Will SASB make G4 redundant?

Thursday, September 05, 2013

The Global Reporting Initiative has never met the challenge of developing great and focused sector guidance. With just a small number of sectors for which specific guidance is available, we might be inclined to say that GRI has missed the boat. Even with the seemingly hastily put-together publication on Sustainability Topics, which could use a good edit, and a little formatting, the GRI is still nowhere near catching up with the times when sectors, not companies, rule the world. Cue SASB. Or as we fondly refer to it: The Sustainability Accounting Standards Board. Almost before we could blink, SASB set itself up, inspired us with a vision ("*SASB envisions a world where all forms of capital are accounted for and managed*"), played on our aversion to information overload and irrelevant content in Sustainability Reports, created a strong governance structure and network, made bold, measurable and time-bound declarations about what it would accomplish, remained focused on a singular goal of "*creation and dissemination of sustainability accounting standards for use by publicly-listed corporations in disclosing material sustainability issues for the benefit of investors and the public*", achieved accreditation by the American National Standards Institute (ANSI), published a first set of healthcare standards, and even started to generate a revenue stream by selling off its industry briefs that were used in the development of the new standards. SASB has done for sustainability materiality in a short couple of years what GRI has not done in 15 and the IIRC is fumbling about trying to do in what may still turn out to be the most invested flop of corporate reporting. Despite the first real output of SASB, the new healthcare standards, being pipped at the materiality post by the earlier publication of the G4 guidelines, it's probably true to say that the SASB hype has done no less to focus the debate around materiality.

The new SASB Healthcare Standards were published last month and include six specific Standards:

- Biotechnology
- Pharmaceuticals
- Medical Equipment and Supplies
- Health Care Delivery
- Health Care Distributors
- Managed Care

- Access to Medicines
- Drug Safety and Side Effects
- Safety of Clinical Trial Participants
- Affordability and Fair Pricing
- Ethical Marketing
- Employee Recruitment, Development and Retention
- Employee Health and Safety
- Counterfeit Drugs
- Energy, Water, and Waste Efficiency
- Corruption and Bribery
- Manufacturing and Supply Chain Quality Management

TOPIC	CODE	G4 Aspect	G4 Indicators
Access to Medicines	HC0102-01	EC: Indirect economic impacts	G4-EC8
	HC0102-02	EC: Indirect economic impacts	G4-EC8
Drug Safety and Side Effects	HC0102-06	PR: Products and Services	G4-EN28
Safety of Clinical Trial Participants	HC0102-09	PR: Compliance	G4-PR9
EthicalMarketing	HC0102-12	PR: Marketing Communications	G4-PR7
Employee Recruitment, Development,and Retention	HC0102-14	LA: Training and education	G4-LA10
	HC0102-15	LA: Training and education	G4-LA9
	HC0102-16	LA: Employment	G4-LA1
Employee Health and Safety	HC0102-17	LA: Employment	G4-LA1
	HC0102-18	LA: Employment	G4-LA2
	HC0102-19	LA: Employment	G4-LA3
Energy, Water,and Waste Efficiency	HC0102-23	EN: Energy	G4-EN3
	HC0102-24	EN: Water	G4-EN8- EN9
	HC0102-26	EN: Effluents and Waste	G4-EN23
Corruption and Bribery	HC0102-27	SO: Anti-corruption	G4-SO8
	HC0102-28	General Standard Disclosure	G4-G15

A neat matrix of sustainability issues on the healthcare sector radar is freely available on the SASB website (as are all the standards). A cursory glance will tell you that there is nothing rocket-science-ish about this. The same fairly generic issues that GRI has incorporated for years and years feature in the SASB matrix: energy, water and waste efficiency, product safety, corruption and bribery, manufacturing and supply chain management, employee recruitment, development and retention, ethical marketing and more, alongside sector-specific issues such as patient safety in clinical trials, counterfeit drugs,

(Excludes Forms 10K and 20F requirements - sustainabilty elements only)	Number of General Discslosures	Number of Specific Disclosures	Total Disclosures
SASB only	Zero	30	30
SASB plus G4 CORE	34	30	64
SASB plus G4 COMPREHENSIVE	58	42	100

climate change impacts on human health and patient privacy and electronic health records. Clearly, and not surprisingly, although SASB is focused on the SEC disclosures of U.S. publicly listed corporations, there is some not miniscule overlap with existing sustainability reporting frameworks.

I took a deeper look at the SASB Standard for Pharmaceuticals, a sector I know quite well. The first thing that strikes you is that the document is only 34 pages short. Wow. Only 34 pages. That's one tenth of the totality of the G4 guideline materials. Guess they had a good editor. The second thing is that the pharmaceutical industry, according to SASB, has 11 material topics.

Interestingly, climate change is not considered material for the pharma industry so no data on carbon emissions is required to be disclosed by the SASB Pharma Industry Standard.

The SASB Standard says about these issues: "*Sustainability disclosures are governed by the same laws and regulations that govern disclosures by securities issuers generally. According to the U.S. Supreme Court, a fact is material if, in the event such fact is omitted from a particular disclosure, there is "a substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the 'total mix' of the information made available". SASB has attempted to identify those sustainability topics (above) that it believes may be material for all companies within the Pharmaceuticals Industry. SASB recognizes, however, that each company is ultimately responsible for determining what is material to it."*

In other words, there is an expectation that every pharma company will disclose on these issues, as they all appear to be relevant for pharma companies. Beware, if you do not disclose, the U.S. Supreme Court may make your life very difficult.

Drilling down into the nuts and bolts of the SASB Pharma Standard, you fairly soon start to feel that familiar disclosure-related headache coming on. The 11 issues beget 30 metrics, and metrics they are. Try HC0102-03 (Drug Safety and Side Effects): *List of products listed in the FDA's MedWatch Safety Alerts for Human Medical Products (Drugs and Therapeutic Biological Products) database, including those products with Potential Signals of Serious Risks or that have New Safety Information identified by the FDA Adverse Event Reporting System (FAERS)* or HC0102-08*: Number of FDA Clinical Investigator Inspections of investigators used for clinical trials during the past year that resulted in: (1) Voluntary Action Indicated (VAI) and (2) Official Action Indicated (OAI).* This is seriously sector sector. But is it sustainability? Or is SASB getting so granular that we will all need a PhD in PII (Pharmaceutical Industry Impacts) to understand it?

A comparison with G4's General Standard Disclosures and Specific Standard Disclosures yields the observation that roughly 14 of the thirty SASB HC metrics are exclusively sector specific, while the remainder are broadly comparable to GRI metrics in contained in G4. In some cases, the wording is a little different and one or two of the details

required for disclosure are not directly comparable, but, broadly speaking, less than half of the SASB Pharma Standard metric are exclusively sector specific. The ones that are include Drug Safety and Side Effects, Clinical Trials and Counterfeit Drugs, as well as certain specific aspects of Manufacturing and Supply Chain. The 16 SASB indicators for which I see a certain correlation with G4 are shown in the table below.

The implications of this for G4 Pharma reporters that are publicly listed in the U.S. and wish to comply with both SASB standards for reporting to the SEC in their Forms 10-K or 20-F, and wish to deliver a G4 "In Accordance" G4 Sustainability Report, is that they will need to take into account the material issues identified for their own company through due process as well as the thirty SASB sector indicators. If a pharma reporter accepts the material issues identified by SASB, and wishes to report at G4 CORE or COMPREHENSIVE level, then the following matrix applies: This seems to indicate, then, that the G4 CORE option seems to be the most sensible for U.S. pharma reporting companies that wish to meet both the relevant, non-overload desires of the regulatory and investor community, while meeting the needs of the sustainability reporting community with no additional massive effort. Why prepare 100 disclosures when 64 will do? Of course, it's not as simple as that. Life never is. G4 process requires more of an effort to identify material issues than copying a "this is one we prepared earlier" version directly out of the SASB Standard. In G4, Material Aspects should be the result of a discussion with stakeholders, not materiality-by-proxy, using the list that SASB developed. Of course, the SASB standards represent fabulous guidance for the pharma industry, not just publicly traded U.S. companies, but for all pharma companies around the world. Once SASB becomes more established, and there are more standards out there, we will definitely see a leakage to sustainability reporting, with SASB-defined material issues lists being a key input to, if not a key output of company materiality matrices. Is it appropriate to use this materiality-by-proxy approach in G4? If companies choose to do this, then we will possibly see G4 CORE reports referring to G4 disclosures reported under the SASB banner in 10Ks and 20Fs (as companies currently refer to Annual Reports), leaving the G4 sustainability report to include only the General Disclosures and Disclosures on Management Approach for the relevant issues. This could have the effect of continued fragmentation of sustainability information and perhaps, relegation of the sustainability report direct content to general approaches, policies and plans, with no teeth, leaving all the quantitative information to the regulatory disclosures. Might this make Sustainability Reporting redundant? For 10K and 20F companies, that's a possibility. However, we must remember that the SASB definition of materiality is different from the G4 definition. SASB focuses on material events which "*will have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations*" while GRI focuses on material issues which are defined as "*those that reflect the organization's significant economic, environmental and social impacts; or that substantively influence the assessments and decisions of stakeholders.*" In a G4 report, we might see, for example, a pharma company not identifying corruption and bribery as currently material to their business. In this case, SASB would require disclosure but G4 would not. On the other hand, climate change might be seen as material by a pharma company, so G4 disclosure would be required where SASB would not. To get a sense of what happens now, I took a look at Merck's 2012 Sustainability Report, a self-declared Application Level A G3.1 report, which also reports against the Access to Medicine Index, Millennium Development Goals and UN Global Compact Principles, as well as the Carbon Disclosure Project carbon and water disclosures. While there is no materiality matrix, Merck identifies four focus areas: In addition to reporting against 6 frameworks mentioned above, Merck lists 36 KPIs, some of which are relevant in the SASB line-up, some in GRI, and some in none, such as two indicators on

employee volunteerism. And yet, when I tried to find a response to a specific G4 Energy disclosure, total energy consumption by source, I had to download the company's CDP submission which records energy consumption by source in MWH whereas Merck's Sustainability Report refers to total consumption in trillion BTUs (G3-EN3). In other words, more may not be more. More may be confusing. Abbott Laboratories 2011-2011 report defines their four priorities slightly differently. The Abbott report is GRI referenced (does not disclose an Application Level), reports on fewer indicators than the Merck report, and, in addition to the GRI Index, provides a list of 27 key metrics in financial, social and environmental performance. The presentation is user-easy with interactive graphs so that I could quickly find, for example, total energy consumption in gigajoules, the preferred reporting unit for GRI, although some of the Abbott metrics appear in no other published framework, for example, global vehicle accident rate, and U.S. employee giving campaign results. Are these company-specific material issues? Will Abbott and Merck gain by using the materiality-by-proxy reporting method in the future? Merck was represented on the SASB Healthcare Standards Working Group but Abbott was not. Maybe that's a hint. There is no doubt that the SASB approach could serve to reign in and align the disclosures of pharma companies around what are probably most of the core sustainability issues that affect the industry. In that sense, SASB does corporate sustainability reporting a good service, and perhaps may help achieve some sort of comparability which G4 does not. On the other hand, sustainability issues by sector are not necessarily sustainability issues by company, and the SASB route applied to sustainability reporting may leave some gaps. If innovation is material to Abbott, whereas employees are material to Merck, we may see very different materiality priorities, and probably, very different G4 reports but similar SASB disclosures. By now, I guess you are expecting me to answer the question, will SASB make G4 redundant? Well, like any good blogger, I am going to hedge my bets. With both SASB Standards and the G4 guidelines seeing the light of day earlier this year, and with only one non-corporate G4 report having been published to date, the jury is out as regards the level to which both frameworks will be taken up by corporates. Will SASB be widely adopted? Will G4 be widely adopted at CORE level once G3 is killed at the end of 2015? If so, will companies align the two? Will companies use due process to determine material aspects and aspect boundaries, or will they use the materiality-by-proxy approach? Or will GRI and SASB finally get around a table and issue a new set of guidelines, called G5-SASB, which converts G4 into a suite of linked sector specific guidelines which incorporate both G4 and SASB disclosures by sector, for use as a basis for both G4 Sustainability Reports and 10K-20F corporate reporting? Either way, 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!

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofUnderstanding G4: The Concise Guide to Next Generation Sustainability ReportingAND Sustainability Reporting for SMEs: Competitive Advantage Through TransparencyANDCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen or via my business websitewww.b-yond.biz (Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)

Comments

- Anonymous September 16, 2013

Thank you Elaine for raising these important questions about the comparability of GRI and SASB.

GRI welcomes the emergence of other initiatives, such as SASB, which share our goal of making materiality-focused sustainability disclosure standard practice among companies.

The challenge for all standard setters in this field is to ensure that the reporting landscape does not become fragmented, to the detriment of this shared goal.

Everyone who works to advance sustainability reporting, nationally and internationally, must work together, and seek alignment wherever possible. GRI is therefore as a matter of principle interested to talk to all parties that help build a global sustainability reporting architecture.

GRI also recognizes the importance of sector-specific guidance. GRI's technical team is currently revising the GRI Sector Supplements for use with the G4 Guidelines, and aims to make 10 G4 supplements available in the coming months.

Steve Rylance,
GRI

- elaine September 17, 2013

Thanks, Steve. Appreciate you taking the time to comment. Ten sector supplements (including NGO and Events Organizers) is just a start, I guess. It would be nice to hear if/how GRI plans to take this further. Best, Elaine

When is materiality not materiality?

Monday, August 19, 2013

Here's an issue that probably flies under everyone's materiality radar. The issue of "boredom rooms" in Japanese companies is disturbing. The story was reported in an **article penned by Hiroko Tabuchi and published on 16th August in the New York Times.**

Here's a short extract:

"*Shusaku Tani is employed at the Sony plant here, but he doesn't really work. For more than two years, he has come to a small room, taken a seat and then passed the time reading newspapers, browsing the Web and poring over engineering textbooks from his college days. He files a report on his activities at the end of each day. Sony, Mr. Tani's employer of 32 years, consigned him to this room because they can't get rid of him. Sony had eliminated his position at the Sony Sendai Technology Center, which in better times produced magnetic tapes for videos and cassettes. But Mr. Tani, 51, refused to take an early retirement offer from Sony in late 2010 — his prerogative under Japanese labor law. So there he sits in what is called the "chasing-out room." He spends his days there, with about 40 other holdouts..... Sony said it was not doing anything wrong in placing employees in what it calls Career Design Rooms. Employees are given counseling to find new jobs in the Sony group, or at another company, it said. Sony also said that it offered workers early retirement packages that are generous by American standards: in 2010, it promised severance payments equivalent to as much as 54 months of pay. But the real point of the rooms is to make employees feel forgotten and worthless — and eventually so bored and shamed that they just quit, critics say.*" Boredom rooms appear to be an issue which steps over the line of respecting human rights practices in the workplace. Sony's 2012 CSR Report, entitled "For the Next Generation" is a 416 page giant of a report (website download), covering every possible policy and sustainability or CSR related practice. Well, almost. The report, which is GRI G3.1-indexed but not declared at any GRI reporting level, does not contain a Materiality Matrix, so we don't know if human rights in the workplace is considered material for Sony or not. However, Sony does report on its approach to human rights (my highlights) "*Sony is committed to maintaining a dynamic workplace where human rights are respected and equal employment opportunities allow individuals to make the most of their capabilities. In light of the increasing diversity of human rights issues facing corporations, Sony believes a common awareness among employees is crucial to ensuring such issues are addressed appropriately. The Sony Group Code of Conduct, enacted in May 2003, contains articles related to respect for human rights and maps out policies that guide human rights-related rules and activities throughout the Sony Group. ..... These provisions are based on existing international standards, including the United Nations Universal Declaration of Human Rights.*" Boredom rooms is an issue which only local stakeholders will be aware of. It's impossible to know about this practice at the Sony workplace unless you are an intuitive and talented investigative reporter, a local human rights employment-oriented NGO, a Trades Union employee association (about 24% of Sony employees are members of a labor union), or a Sony employee or relative of a Sony employee. It's only through genuine stakeholder engagement that this issue would surface. The questions is whether it would be prioritized by Sony as one of the most important material aspects as are required to be identified by a GRI G4 report, or whether it would be just one of a list of topics that doesn't make the materiality threshold. Either way, it sounds like it should be on the radar. This is one of the complexities of the materiality focus in G4 reporting. By selecting only the most material issues, a lot of stuff gets relegated to oblivion. An

important topic raised through stakeholder feedback may not make it to the Sustainability Report, because of the materiality prioritization process. It's not too difficult to manipulate this process and carefully deselect topics which might be critically material to some but not material to all. Is this what is needed to appease stakeholders, or is it shooting yourself in the foot? The fact that an issue doesn't make a G4 Sustainability Report doesn't mean it's not an issue. We inevitably come back to the purpose and objective of the Sustainability Report. G4 talks about relevant transparency serving two purposes: it enables stakeholders to make decisions about their relationship with the company, and it helps the business focus on potential sustainability risks and take appropriate safeguards. G4 is intended to be about good process which helps drive better sustainability impacts by addressing both these aspects. By casting a wide net in understanding sustainability topics, a company has a more robust tool to manage risk and increase stakeholder trust. The issue of restructuring in a labor environment which makes releasing employees almost impossible, so that "creative" solutions such as boredom rooms need to be devised, may not have been deemed material by Sony, if it ever made the list of relevant topics in the first place. But if this subject gains greater exposure, it might end up closer to the materiality threshold than Sony leadership might have envisaged. This issue also highlights the challenge posed by clarifying the Material Aspect Boundary required by G4. In Disclosure G4-20, the requirement is to define the entities of the organization for which an issue is material. As the article states, in Western countries, it is easier to release employees when jobs are no longer available. In Japan, apparently, the labor environment make this more difficult. Therefore, the materiality of this topic relates to the Japanese market, where Sony employs 37.5% of its workforce, but not to Western markets. A good G4 report would need to reflect this, if the issue is material. But, if the issue relates to only part of the workforce, maybe it will be seen as less important than other issues which relate to the entire workforce. Here we come back to the fact that materiality is defined in a relative way and this influences what a company chooses to disclose. It's not simple. Materiality, as the basis for a G4 Report, may be the only sensible choice. Relevant transparency is what most of us want. But relevant is relative. Important is relative. Materiality is relative. Creating the right balance between what's relatively relevant and what's relatively irrelevant is no easy choice, and needs an analytical brain, an open and inclusive mindset and a rather large helping of integrity. Incidentally, for a fabulous analysis of the differences between materiality definitions and points of focus in three different reporting frameworks - IIRC, SASB and GRI - see a paper from BSR from Dunstan Hope and Guy Morgan >> **Navigating the Materiality Muddle.** In many ways, one of the materiality tests we could apply is the three-part self-inquiry we often teach in ethics training:

- If my kids (boss, husband, wife, Board of Directors, Greenpeace, anyone important) found out, would this be a problem?
- If this story ran on CNN (or in the New York times), would this be a problem?
- Can I sleep at night?

Would boredom rooms pass this test?

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofUnderstanding G4: A concise guide to next generation sustainability reportingANDSustainability Reporting for SMEs: Competitive Advantage Through TransparencyANDCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen or via my business websitewww.b-yond.biz (Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)

Would you work for free?

Friday, August 16, 2013

At some level, it's extremely flattering to be asked to speak at many events, conferences, congresses and provide expert input to large corporations for their stakeholder engagement efforts. It's really great to be considered an expert that people want to hear. Developing detailed expertise in specialist fields such as Sustainability Reporting, CSR for HR, the new G4 GRI Guidelines, Sustainability Strategy, SME Reporting, Stakeholder Engagement and CSR and Social Media, things which I am generally known for, takes time, money and consistent effort. But feeling flattered does not pay the bills. People don't become experts by chance. They work at it. Fortunately for me, the things I work at becoming expert in are the things I am most passionate about in my life, but nonetheless, I spend hours upon hours building my own knowledge in many different ways, including those which cost money such as attending expensive conferences or training programs. I am sure other consultants do the same. Building expertise is a major investment. It's great when people recognize that you are an expert. I am often approached (several times a week) by many different companies, organizations, groups or individuals to use my expertise to help them. Some want my input to their stakeholder engagement process, some want me to go lecture at a meeting or conference, some want me to review their sustainability reports, or blog about them, some want me to provide advice for a paper or thesis they are writing, some want me to run a training session .. etc... the number and range of requests are endless. When it's students of CSR or Sustainability, I always try to help as much as I can. If it's an academic institution or an NGO, I do my best to help. It's when for-profit companies or corporations ask me to use my time and expertise to help them, expecting I will do so for free, because it gives me exposure or provides me with a way to contribute to the greater good, I draw the line. A recent post by Toby Webb, of Ethical Corporation, resonated with me. He was coming from a different angle. In a post entitled "How not to engage stakeholders by email" , he makes the point that the new way of engaging stakeholders by sending bulk emails to a range of people and asking for input is not effective. He calls it the tick-box way of stakeholder engagement. While there is some place for online surveys in any company's arsenal of communications tools and channels, there is something that rings true about this. However, my point here is not so much about the effectiveness of this approach, but about the expectation that individuals will be prepared to invest time, effort and expertise with no compensation. A couple of cases in point (out of several) from this last week.

First: Large global company conducting a stakeholder engagement exercise. I didn't respond to the first request (time, time, time) and I got second request by email which went like this:

Early last week you have received below email from xxxxxx, Head of Corporate Responsibility (CR) at xxxxxx, inviting you to take part in the company's CR materiality analysis. As you are a critical stakeholder, xxxxxxx would like to seek your opinion through an online survey (see link below) followed by a short phone discussion (approx. 1 hour, to be scheduled once survey is filled in).

The request is to complete the survey (I did, it took about 10 minutes) AND then spend one hour on the phone.

Second: Commercial training company running a summit which costs over $2000 per delegate for three days. I was invited to be a guest speaker on one of the panels. I asked for travel reimbursement and of course a fee for speaking. This was the response.

"We wont be able to cover any of the associated expenses, since you do represent the service providers sector. We have identified you very relevant to the topic, and are happy to offer you participation on a complimentary basis, hoping the event would offer you the value in return."

Would you work for free? I raised this question in a Facebook Group for CSR people in Israel, and the unequivocal advice was NO... as a professional expert, you should ask a fee for your professional input and services, even if the overall purpose is to help save the planet. One member of the group, **Rei Dishon**, pointed me to a fabulous decision tree flowchart which says it quite well (you have to click to enlarge and read it).

Basically, I have learned the hard way that participation free at events with the promise of "exposure" and "value" almost never brings either. I also learned that if big corporations want the expertise I work so hard to develop, they should pay for it. I give a lot of expertise away free... via my blogs, and to NGOs and academic institutions and to many many students who ask me for advice and help. Corporations should expect to pay. It's the ethical way.

In this new age of stakeholder engagement, and possibly with greater focus on process in the development of materiality analysis with the new G4 guidelines, and the ease of pushing out online surveys and accessibility of us all through email, we can possibly expect that more and more corporations will be turning to us all, "critical" stakeholders, to provide input. This is progress, Toby's effectiveness argument notwithstanding. However, such input has value. And in seeking it, companies should understand the value that stakeholders want in return. It's not enough to promise to be a better or more sustainable company. Different stakeholders will want different things. Some may not want financial remuneration. Some may. But stakeholder engagement has a price and may start to be one of the new currencies of our complex evolving world of sustainability. Companies will need to start factoring in the costs of more extensive interaction. They will also need to know that their online requests for input competes with several other similar requests, and at some point, becomes a turn-off for the very stakeholders they address as "critical". Differentiation, targeted selection of which stakeholders to approach, and how, and consideration of stakeholder needs, in this area too, will become skills companies will need to develop.

Here's another example from this week.

xxxx is working to better communicate about our corporate citizenship programs. We value your feedback so we can best describe xxxxx's commitment to responsible operations as well as investments and involvement in our communities. Thank you for sharing your perspective by clicking on this link and answering the survey's seven questions (which we estimate will take only 2-3 minutes of your time). Many thanks and kind regards

I found this approach reasonable. Short survey. Nicely worded request. But it's a global company whose products I do not use (to my knowledge) and with whom I have never had any interaction. How did I get on their list? Nonetheless, I'm inclined to do it. For nothing in return. I hope they use the input. But, if I get ten of these in the same week, I won't respond to all of them. Anyone who offers to compensate me with ice cream, of

course, has a great chance of getting a positive response :)

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofUnderstanding G4: A concise guide to next generation sustainability reportingANDSustainability Reporting for SMEs: Competitive Advantage Through TransparencyANDCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen or via my business websitewww.b-yond.biz (Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)

Comments

- JossTantram September 02, 2013

Dear Elaine,

It is going beyond working for free - how about being asked to "pay to play"?!

I recently turned down a request to pay a fee to speak at a conference.

My recent incident occurred after a topic and slot had been discussed and agreed when it transpired that I was expected to pay a fee (through paying registration) – I felt this was underhand.

The issue appears to be on the rise in our sector.

As your piece notes, it is one thing to be asked to put in time, inspiration and expenses towards someone else's event if you feel it is on balance worthwhile.
Pay-to-play is quite another. It seems iniquitous to be asked to pay to speak if the event is made worthwhile because of the range of expertise and insight it gives access to.
It seems it is becoming less valuable to have original, insight and experience and more worthy to be a curator of input. In this scenario it is the conference organisers rather than the content experts who are the true value creators...

An example of the medium dominating the message if ever I saw one!

Best regards,
Joss

- elaine September 02, 2013

Hi Joss, absolutely. Expertise is value, and it should be valued. I wouldn't pay to speak at a conference, just as I wouldnt pay an entrance fee to a supermarket.... elaine

- JossTantram September 02, 2013

Dear Elaine,

Definitely - like being asked to pay to act in a play...

I thought you might like the following -

A (WARNING) at times rude though fantastically creative response to being asked to do someone's else's business a favour: http://www.27bslash6.com/p2p2.html

Best regards,

Joss

- elaine September 05, 2013

So funny.... made me laugh! (Though it does remind me when I was once asked to prepare an entire business strategy for a successful company for free, because of the "exposure" if would get saying that I had prepared a strategy for that successful company!)

The first G4 Sustainability Report in the World

Wednesday, August 14, 2013

CITY OF WARSAW

INTEGRATED SUSTAINABILITY REPORT 2013

1st report in the world published using the G4 guidelines of the Global Reporting Initiative

A systematic disclosure of environmental, societal, economic, and financial performance, as well as governance details, of the 9th largest city in Europe and Capital of Poland.

Highlights

Environmental

- 25% of Warsaw is green space
- Goal: include 20% emissions reductions by 2020
- Cogenerated heat distribution system from electricity plants is 3rd largest (1,700km) in the world
- Recently modernized water treatment plant was the largest environmental protection investment in Europe (totaling € 769 million)
- Ranked 16th out of 80 in the European Green City Index
- Adjacent UNESCO World Biosphere Reservation is home to 16,500 animal species (including 216 under protection & 200 bird varieties) & 1,500 plant species

Economic/Financial

- About 4.5-6 billion annually from a variety of sources is spent on city operations and investments
- Alpha- level city according to the Globalization and World Cities (GaWC) Research Network
- Home to over 50 corporate operations hubs and 31% of office stock in Central Europe, and the largest percentage of LEED and BREEAM-certified new building construction in the Central and Eastern European region, including such notable examples such as the green roof on the University of Warsaw Library
- 94% employment rate among the highest in the European Union

Societal

- 11,400 concerts, plays, and other performances in 2012
- Free outdoor concerts every week in the Royal Lazienki Park during warm months and elsewhere
- Natural shores of the Vistula River part of a network of parks and recreational areas
- UNESCO World Heritage sites (including the largest restored historic Old Town in the world)
- Museums include the Copernicus Science Center, the Warsaw Uprising Museum, and the new Museum of the History of Polish Jews funded by the City and the Ministry of Culture and National Heritage of the Republic of Poland, hoping document a millennium of multicultural history
- Public safety has greatly improved, as indicated by a 47% drop in crime & 56% decline in road accidents (2000-11)
- The new citywide automated bicycle rental system, Veturilo, is enjoyed an average of over 10,000 times per day

Photo descriptions and credits on page 11

What appears to be **the first G4 Sustainability Report in the whole wide world has been published by the City of Warsaw.** Wow! Hat's off to Warsaw! That's good news. But then, that's no less that we would expect with a women at the helm! Mayor Hanna Gronkiewicz-Waltz, the Mayor of the City of Warsaw, and a former Chairwoman of the National Bank of Poland, is showing leadership and foresight in publicly declaring a commitment to sustainability. It's a 14-page self-declared CORE level "integrated sustainability report" covering the City of Warsaw's activities in calendar year 2012. Highlights include retrofitting of Warsaw's public buildings at an investment of Euro 230 million, investments in renewable energy worth Euro 151 million, boosting biomass energy production, an EU co-funded water treatment facility modernization at a total investment of Euro 769 million and funding of many social, educational, health, sport and cultural activities. Significant progress has been made in fighting crime and improving road safety. Warsaw also boasts the largest percentage of LEED and BREEAM-certified new building construction in the Central and Eastern European region and a new city-wide automated bicycle rental system which is used an average of over 10,000 times per day. I'll use this example of a public agency report to reflect on the value of G4 reporting in the public sector. We have every right to hold governments and municipal leadership to the same high standards we expect of corporations when it comes to transparency, accountability and management of sustainability impacts. We might argue that it is even more imperative for governments and municipalities to do this, both because they should practice what they preach (if they are encouraging businesses to be more transparent, through legislation or purchasing practices, for example) but also, because governments and cities frame the business environment in which companies operate, and therefore have a primary role in determining the level of sustainability practice that is applied in their geography. So far, very few municipalities around the world have taken up this approach and very few national governments have demanded it from their local municipalities. We even tend to bypass public agencies when thinking about sustainability - we don't see them as having a primary aim of lining the pockets of shareholders and consequently plagued by an inherent conflict between profit and public good, as private corporations tend to be regarded. Yet, legislators at national and local levels have a massive opportunity to drive increased sustainability awareness and practice at so many different levels. Why would we not expect them to lead the way? That's the context in which we should consider the Warsaw report. It delivers many important messages both with what's written and with what's not written.

First, it advances trust. This report earns my trust. It appears to be authentic in reflecting the city leadership's desire to make sustainable progress and improve quality of life. It's written in plain, simple language, as though you were speaking to one of the city officials. It's to the point, nothing more than the minimum, but it covers some important aspects of sustainable municipal operations. No report is easy to write, and I suspect there have been many hours of discussion and deliberation in the production of this one. **Second, it's transparent**, up to a point, and as a first report, it's a major breakthrough. If every city

produced a report just like this, I believe our world would be an entirely more positive place. **Third, it demonstrates leadership.** The City of Warsaw is one of the few cities to deliver this kind of report. Even the choice to adopt G4 is the demonstration of a desire to lead an approach which is considered to be best practice and an example and inspiration for all. **Fourth, it's there.** I always say that 80% of something is better than 100% of nothing. Whether this report is 80% or any %, it's out there. And for that, I give Mayor Hanna and the City of Warsaw a massive triple CSR-Reporting Blog ice-cream cone award.

The City of Warsaw's timing is fortuitous. It's due to host the UN climate Change Conference (COP 19) in November 2013. No doubt, the City's first G4 Integrated Sustainability Report will soon be appearing on the COP19 website! The less good news is that the report doesn't quite match up to the great hopes we all have for Next Generation Sustainability Reporting. It's easy to work through this report and say what's wrong about it. We could assert that the report takes a tick-box G3 approach, responding to all indicators in turn, often inadequately, indicating some lack of understanding of the scope and breadth required by G4 reporting, making reference to some of disclosures which are incomplete and sometimes unclear. We could refer to the lack of process demonstrated in determining materiality or to parts of the content which appear to be more about marketing the City's services than about reporting specific sustainability impacts. We could create quite a list of suggestions for improvement.

For example, I would like to see the City of Warsaw continuing to deliver an annual Sustainability Report and doing so with increased evidence of process and depth. I would like to see more substance to the selection of material issues and a report structure which give these issues more presence in the way that G4 intends, with Disclosures on Management Approach which are more balanced and comprehensive. I would like to see data presented with greater clarity and consistency. Ultimately, I would like to see a report that is self-declared by the City to be G4 CORE to actually be G4 CORE. This one is not, on several levels, and that's rather a shame.

Any organization that delivers a report that claims to be In Accordance with G4 carries a great responsibility to deliver on that promise. In general, misrepresentation of the GRI Reporting guidelines does a disservice to all of us in the reporting world. We saw many abuses of the GRI G3 Reporting Framework and many claims of G3 reports that, when you took the time to look, were not actually G3 reports at all. G4 is an opportunity to use the framework well and represent it with accuracy and integrity. The appeal of being the "first G4 report in the world" or even "any G4 report in the world" should not be at the expense of delivering an accurate, balanced G4 report that matches up to its own product label claim.

I hope this report from Warsaw will be viewed and used by a wide range of stakeholders and perhaps most importantly, the ones who are most directly affected - the city's population. The efforts of the Warsaw municipality to be transparent are an invitation to the people of Warsaw to provide their feedback and input. Additionally, with the European Commission now driving legislation that will require corporations in Europe to report on sustainability, many other cities in the European Union will be well advised to follow Warsaw's lead and set an example to businesses in their areas that will be obliged to produce some form of transparent reporting in the future.

Warsaw is on the right track. Now they need to maintain the pace, drive up their game

and leverage the opportunities that sustainability, accountability and transparency will inevitably bring to the ninth largest city in Europe and the capital of Poland.

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofUnderstanding G4: The Concise Guide to Next Generation Sustainability ReportingAND Sustainability Reporting for SMEs: Competitive Advantage Through TransparencyANDCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen or via my business websitewww.b-yond.biz (Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)

Comments

- MercedesOcchi

August 14, 2013

100% full agree with your comments….this is only a very good intentioned checklist rather than a sustainability process report.

- adamsulkowskicom

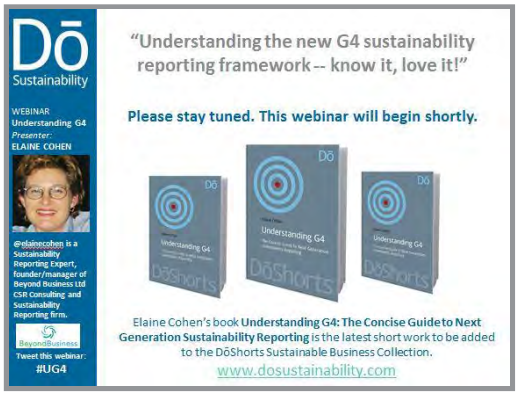
October 22, 2013

On behalf of all those involved, thank you for taking the time to read and comment - we very much appreciate the input and encouragement!

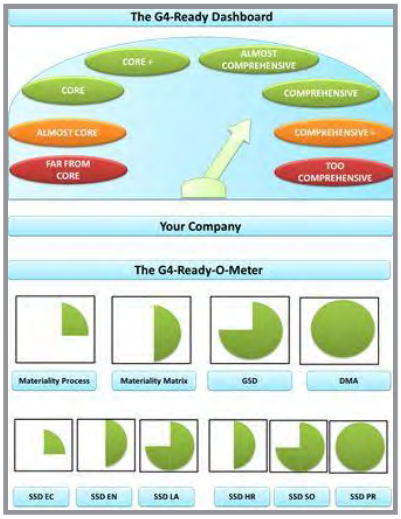
We agree there is tremendous value in public sector entities adopting sustainability reporting. As far as our decision to keep this report (both the Polish and English language versions) as concise as possible, it was motivated by our ultimate goal of making environmental, societal, economic, governance, and financial indicators easily accessible to the average busy citizen or visitor. Further details and discussion of processes are provided in the documents and websites linked to the report. Since reporting is an iterative and consultative process with stakeholders, we fully anticipate that subsequent reports will evolve. Thank you again very much for your feedback and for being supportive of what will hopefully become a more common practice in public sector governance.

The UG4 Webinar: 14 questions about G4

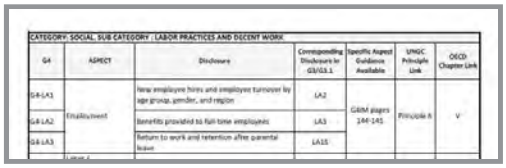
Saturday, August 03, 2013



This week we ran our first Understanding G4 Webinar. By we, I mean DōSustainability and the DōShorts Sustainable Business Collection who were kind enough to publish Understanding G4: The Concise Guide to Next Generation Sustainability Reporting. We had close to 180 registrants from almost as many countries... well, a lot of countries anyway, and from a range of sectors and also from a range of stakeholders including CSR and Sustainability Managers, consultants, academics, NGOs and media.



I'd like to emphasize that I do not speak on behalf of the Global Reporting Initiative (GRI) not do I have any official connection to the GRI in relation to G4, other than the fact that my company, **Beyond Business Ltd** has been a GRI Organizational stakeholder for several years and we act as a data partner in Israel for advising the GRI of locally published reports. I have developed my understanding of G4 through attending the G4 launch in Amsterdam in May 2013, and thereafter spending many **pleasant** hours of study of the 300 pages of the guidelines, plus a couple of conversations for clarification with Bastian Buck, Reporting Framework Manager of the GRI, and also, through conversations with colleagues and clients around the world. In particular, Dr. Glenn Frommer, Head of Sustainable Development at the MTR Corporation was extremely helpful in sharing insights and working through my **Understanding G4** manuscript with an eye for detail and balance. Also, as we are currently working on G4 report preparation for clients, and preparing detailed G4-Ready Analyses, for which we have developed some proprietary tools, for example, our G4-Ready Dashboard, I find myself reciting Specific Standard Disclosures in my sleep. Therefore, I feel my knowledge of G4 is, modestly, pretty good :). Even when I am sleeping. If you want to see the webinar recording, you can do so **here**:



As usual when I am in webinar mode, I talked too much and didn't get to answer all of the questions that were tabled by participants. So, what better place than to do this than on the CSR Reporting Blog? Here are the questions as I received them from webinar moderator Gudrun Freese, DōSustainability's co-founder and Communications Director. And my answers. (Big thanks to all those who participated and submitted these questions)

Question:G4: First mover or fast follower?What the right time to move from 3.1 to G4?My answer: The time to move to G4 is now. Sure, there is always a reputational point or two

to be gained from demonstrating agility, openness, flexibility and adaptability to new guidelines and requirements, so "first mover" may well give you an edge for a short time. However, this is of far less value than getting your first G4 report right. That doesn't mean perfect. It means right. The quality of your G4 report will be defined by the robustness of your materiality process the way you engage to determine what's most material for your business and for your stakeholders. Once you have this clear enough (not clear perfect, but clear enough), you can work towards your G4 report. No need to wait. It's not a race or a competition to see who gets through the G4 goalposts first, but there is no real reason to delay transitioning to a better framework. CORE and COMPREHENSIVE G4 options are equally relevant and equally commendable options. **Question:Elaine, Do you think that we have to add linkage tables to the sustainability reports due to the high number of existing frameworks. What has to be done?My answer:** GRI has not prepared nice neat linkages content indexes such as existed for G3. The Book of Reporting principles does includes three tables which show the correlation between (1) UNGC ten principles (2) OECD Guidelines for Multinational enterprises and (3) UN Guiding Principles on Business and Human Rights. In the G4 Manual, these tables show the key principles or chapters from these three frameworks and then a reference to a G4 Category and/or Aspect, which I personally don't find terribly helpful. In **Understanding G4**, I developed tables which show this the other way around, using the G4 as the start point and showing which Specific Standard Disclosures align with the UNGC and OECD principles and chapters respectively.

For use in a G4 report, companies will have to create the tables themselves, unless GRI actually publishes a tool that can be used. There are no linkages to other frameworks, such as, for example, UNGC Advanced COP criteria, or LEAD criteria, CDP, or the UN CEO Water Mandate, or ISO 26000, or other sector frameworks such as they exist.

Question: Is it necessary to answer/include sector supplement questions to be in accordance to CORE?

My answer: It is advisable to consider sector supplements, although these exist for only a small number of sectors at present. When selecting material issues, a company should also consider sector supplements (now called "Sector Disclosures") and if a sector-specific issue is material, then the relevant performance indicators should be used. **Question: How rigorously GRI does cross check / verify the reports?My answer:** For G4, so far, zero rigorously. At this point, GRI has not committed to performing an "Application Level Check" (ALC), which we know from our ABC days of G3, on new reports which are "In Accordance" with G4. Time will tell if GRI will do this. If so, the In Accordance check will have to be somewhat different and unequivocally more rigorous than the current ALC, in my view. All the issues around false claims in GRI reports which prompted a weak response from GRI earlier this year would only undermine G4 if they resurface. Either GRI will elect to stay on the sidelines and let stakeholders do the work, or they will opt for a full and reliable check which adds value to companies and stakeholders.

Question: Where can we find the downloadable Book of Principles, please?My answer: All the G4 materials can be downloaded from the GRI website - click here for direct teleportation. Phew. Glad that was an EASY question. **Question: Is the G4 aligned to the UN Global Compact?My answer:** Sort of. There are general linkages to the ten principles of the UNGC in the Reporting Principles book of G4, and throughout the Implementation Manual by indicator where relevant. However, with a G4 report, where it is possible to, say, completely omit at COMPREHENSIVE level any discussion of Human Rights or Anti-Corruption, if they are not material, or even environmental disclosures, a G4 CORE or COMPREHENSIVE report may not meet the requirements for an Active Level or Advanced Level COP, where a G3 A level report almost certainly would have done and a B level report probably would have done. Given the seemingly close relationship between GRI and the UNGC, it is indeed rather curious that greater alignment was not designed

into both organizations' disclosure requirements.
Question: Would there still be the C, B and A levels in reporting?My answer: Only by mistake. Or by anachronism. I have already forgotten them. **Question: Are the KPIs in G4 different from the ones on G3.1?My answer:** Yes. And No. G4 has 91 KPIs (Specific Standard Disclosures) where G3.1 had 84 and G3 had 79. (Inflation happens, even to the GRI). About 12 of these disclosures are completely new, but many more have been modified. In many cases, the formal reporting requirement of a certain part of an indicator has been moved to "guidance" which means, essentially, take it or leave it. **Question: Can you specify the information "One performance Indicator per Aspect"? Is there a minimum number like 10 indicators as it was in G3?My answer:** No, there is no minimum. The number of performance indicators is determined by the number of Material Aspects you select. If you have 346 Material Aspects, then for a CORE report, you would have to spill the beans on 346 Performance Indicators. If you have 1 Material Aspect, then in theory, your CORE report could be very short indeed. In practice, though, there is an expectation that due process will prevail and that companies will deliver a result which includes an appropriate and relevant set of Material Issues by adhering to the reporting principles for content and quality.
Question: How G4 is accepted internationally and how is the comparison with ISO standards?My answer: G4 has received significant appreciation from a wide range of those connected to Sustainability Reporting in different ways, as it is seen to provide a more relevant and targeted approach to sustainability reporting. There are some who feel that G4 doesn't go far enough is some areas, but on the whole, G4 is welcomed by the global CSR and Sustainability community, at least, that's the way it seems to me. G4 does not directly compare with ISO standards, as it is a reporting framework and not a quality standard. G4 blissfully ignores ISO26000, despite the fact that many companies are using ISO26000 to structure sustainability reports. G4 does make references to ISO standards on occasions, such as ISO14604 and the GHG Protocol for carbon emissions reporting.
Question: How about other emissions like Mercury, POPs, other pollutants considered hazardous in Basel, Stockholm, Rotterdam, PIC conventions?My answer: G4 contains a performance indicator relating to "other" emissions including Nox, Sox, POPs, HAPs, VOCs and PMs. (Ha-ha. Don't you just love the language of sustainability?). Check out Specific Standard Disclosure G4-EN 21, Emissions Aspect, Environment Category. As to other pollutants, companies are free to add specific references if these are material to their business and their stakeholders. G4 is less prescriptive here.
Question: How is supply chain environmental degradation considered by G4 in developing nations. Like conflict material issues. Can a company intentionally limit or reduce the boundary of supply chain issues dealing with Env, Child Labor, against ILO basic criteria, and still be acceptable by GRI authorities, e.g. metals extracted from African countries - being used by multinational mobile manufacturers?My answer: Great question and a very serious issue which goes right to the core of how a company should use G4 for reporting on important issues. Of course, the G4 framework is only as good as the companies who use it. As with any set of guidelines, companies may abuse them. It is indeed possible to "doctor" your set of material issues and leave out the ones that are uncomfortable for a company to report on. It is indeed possible to deliver an "In Accordance" G4 report at COMPREHENSIVE level and leave out half of the information that would have been required at G3 Application Level A. It is indeed possible to lack integrity in the preparation and publication of G4 reports. At this point, GRI has not announced plans to check and monitor how the G4 framework is being used. However, this speaks to the guiding approach in the development of G4. That of encouraging companies to take ownership for their reporting and demonstrate accountability in a mature way. This means that companies should follow due process (see the G4

Reporting Principles on Content and Quality Book) in the development of a materiality matrix, consult with internal and external stakeholders as relevant and define the list of issues that make sense for the business and its stakeholders. The report should be constructed around these issues. G4 starts from the point that companies will and should want to do this because it's right for their business. Of course, we all know better, and that many companies will not be quite as far-sighted. We will all need to be very alert when we see the first G4 reports entering the reporting landscape and first, before counting how many performance indicators a company has responded to, scrutinize the way in which material issues were defined and whether those issues make sense in a broader context of a company's role in society and impacts on people, society and the environment. Specifically, as regards conflict minerals, child labor issues etc., these should be reported if they are considered material by the reporting company. G4 does not prescribe disclosures on these issues.

Question: How global usage of G4 is acceptable - specially in Middle East UAE?My answer: Globally, the GRI Reporting Framework is very widely used. What the uptake of G4 will be remains to be seen. In UAE, there are very few reporters at this time and my impression is that uptake of the GRI Framework is about half and half. Some use GRI - including Masdar, who delivered a first Sustainability Report for 2012 at GRI Application Level A+, and some don't. What will happen with G4 is anybody's guess. Anyone for a little wager?

Question: Should it be necessary to refer to G3 before using this new version? Or just apply G4 without looking back the previous version?My answer: Fabulous question to finish up with. I think the best way to approach G4 is to start with G4. It really doesn't matter what was in G3. Of course, if you have published G3 reports, you might wish to make some comparisons of different disclosures and this might help with decision making in certain areas as you make the transition. But in my view, G4 needs a G4 mindset, not a "G3-plus-changes" mindset. G3 has tended to start with a set of reporting requirements and you work down the list deciding what you can or cannot report on. G4 starts with a process to define a set of issues that are important and a decision about how to report on them. It's a different game. G4 is a standalone framework. We don't need G3 any more. In fact, I predict that very soon, G3 reports will be no more than nostalgia. Thanks again to all who attended the webinar and for all your questions. Don't forget to check out the G4 Guru on Facebook :) Looking forward to seeing loads of G4 reports in the coming months :)

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author of Understanding G4: The Concise Guide to Next Generation Sustainability Reporting ANDSustainability Reporting for SMEs: Competitive Advantage Through TransparencyANDCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen **or via my business website**www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

Comments

- userkR August 20, 2013

Hi Elaine.

One question which popped up now (not during your webinar though :/) is how companies should migrate from G3 to G4 - as in, how would comparability of sustainability performance be addressed during the migration (this would only be a short

term effect though)

- elaine August 20, 2013

Hi Kiran, thanks for your question. Yes, this is an interesting one. G4 doesn't really address this. A company who has reported at A level disclosing all sorts of data which now selects G4 CORE may actually cease reporting on many previously reported indicators. This is a complex issue and requires a response far longer than I can write quickly on this blog. I will address this in a separate post in the coming days. Best, elaine

G4: that Materiality thing again

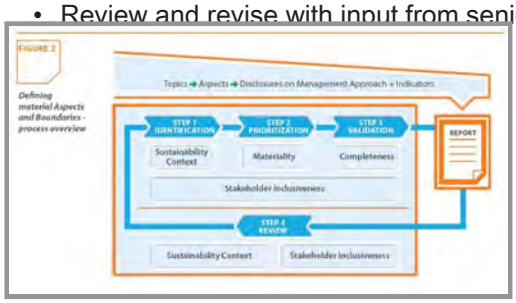
Friday, July 26, 2013

This week, I came across an interesting and very detailed account of a materiality process. It's the **Mountain Equipment Co-Op's (MEC) 2013 Materiality Matrix.** MEC is a Canadian outdoor gear cooperative with 16 retail stores across Canada, over 1,700 employees and $300 million in sales, of which 1% is donated back into the community. MEC produces an annual Accountability Report, and the 2012 report is a self-declared GRI Application Level B. The report is all online, and several supporting materials are provided as PDF downloads, including:

- a summary report, which is a one-pager with topline quantitative data
- a DMA overview, which is a short summary of the management policies in the six categories of the GRI guidelines : EC, EN, LA, SO, HR, PR
- a stakeholder panel report, which is a summary of the specific feedback received from a Stakeholder Panel, together with MEC's responses

For the first time, MEC also publicly shares the detailed approach and process of developing a Materiality Matrix. The MEC process follows four steps:

- Identifying and mapping stakeholders
- Developing a list of possible sustainability topics
- Rank and prioritize the issues
- Review and revise with input from senior management



This is a standard approach, and not too dissimilar from the process recommended in GRI's G4 Implementation Manual: G4 Implementation Manual page 32 However, the challenge, as always, is in the doing, rather than in the definition of the process. MEC is one of the few organizations that have done it. MEC identifies 45 material issues grouped into 12 material topics:

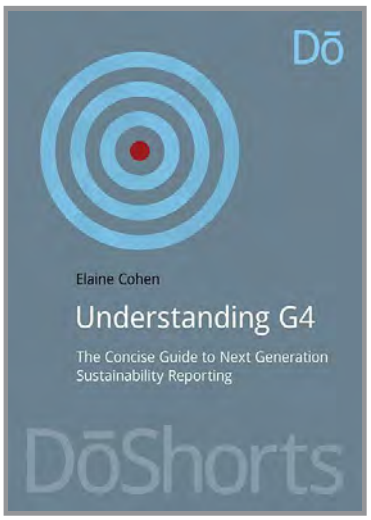
MEC 2012 Material Topics

MEC 2012 Material Issues In an interactive presentation, each material issue is defined, and each topic is shown with the material issues that are relevant to that topic. The online Accountability Report links these material issues to the report narrative and data. Each issue is reported in full, with goals, progress and performance indicators. I find this to be a thorough and transparent approach to materiality which provides stakeholders with a clear picture of what's important in the MEC world of sustainability and its impact on them. In fact, this is probably the sort of stuff that G4 reports are made of. And as we mentioned G4, if you haven't managed to wade through 300 pages of technical guidance yet, you might be interested to know that ***Understanding G4*** is now available for purchase and use.

Designed to meet the needs of Chief Sustainability Officers, SME Owners/Managers, CEOs, Sustainability Consultants, Sustainability Report Writers, Sustainability Report Assurers, Academics and Students, Investors, Shareholders, Suppliers, and all Stakeholders who are interested to know how to use G4, and what they should look for in a G4 report, this book is an indispensable support tool. As I am already involved in the preparation of at two G4 reports for our clients at Beyond Business Ltd, I

am already using ***Understanding G4*** myself :). If you would like to hear more about the book content, join me in a FREEBIE webinar on Tue, Jul 30, 2013 5:00 PM - 6:00 PM BST - register here. I'll be talking about what's in the book and why G4 is a transformational tool for sustainability reporting.

Understanding G4 contains some valuable tables which are immensely useful for finding your way around G4:



- G4 required reporting elements
- Comparison of G3 and G4 General Disclosures
- Material Aspects covered by G4
- Changes in the number of performance indicators
- Specific Standard Disclosure Tables
- The G4 SWOT
- The G4 Decision Matrix
- Principles for Defining Report Content
- Principles for Defining Report Quality

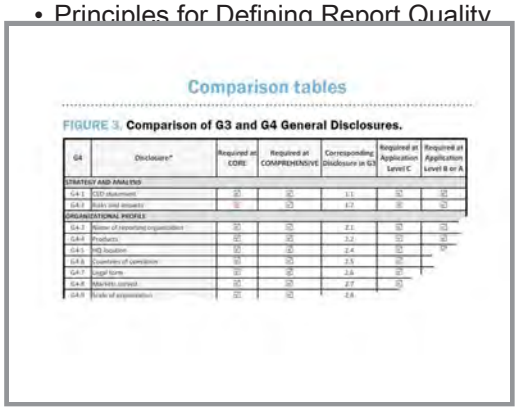

Comparison tables

FIGURE 3. Comparison of G3 and G4 General Disclosures.

G4	Disclosure*	Required at CORE	Required at COMPREHENSIVE	Corresponding Disclosure in G3	Required at Application Level C	Required at Application Level B or A
STRATEGY AND ANALYSIS						
G4-1	CEO statement	☑	☑	1.1	☑	☑
G4-2	Risks and impacts	☑	☑	1.2	☑	☑
ORGANIZATIONAL PROFILE						
G4-3	Name of reporting organization	☑	☑	2.1	☑	☑
G4-4	Products	☑	☑	2.2	☑	☑
G4-5	HQ location	☑	☑	2.4	☑	☑
G4-6	Countries of operation	☑	☑	2.5	☑	
G4-7	Legal form	☑	☑	2.6	☑	
G4-8	Markets served	☑	☑	2.7	☑	
G4-9	Scale of organization	☑	☑	2.8		

Here's a screenshot from the table comparing G3 and G4 disclosures at different levels, an important step in the G4 transition planning:

You can also see more, and download a freebie chapter on our G4 Guru Facebook page, which is another place to raise questions, comments, experiences, feelings, frustrations, queries, requests etc all about G4, and the G4 Guru will respond as best she can. In the meantime, without having completed a full G4-Ready Analysis on the MEC Accountability Report, it seems to me that one of the core building blocks is already in place.

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofSustainability Reporting for SMEs: Competitive Advantage Through TransparencyANDCSR for HR: A necessary partnership for advancing responsible business practicesand now :Understanding G4: AThe Concise Guide to Next Generation Sustainability Reporting. Contact me viawww.twitter.com/elainecohen or via my business websitewww.b-yond.biz (Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)

Sustainability with Passion

Thursday, July 11, 2013

The Novus International 2012 Sustainability Report, the fifth annual report of this billion $ privately-owned company was published recently online. Novus International, Inc. is a provider of health and nutrition solutions for livestock, poultry, pets and people, headquartered in St. Charles, Missouri, U.S.A., employing more than 800 people in over 50 countries and serving more than 3,000 customers worldwide in over 100 countries. Novus operates facilities including corporate offices, research and development laboratories and manufacturing operations, as well as smaller offices with field staff in most local markets. Working from a strong base of scientific understanding and technological innovation, Novus has brought more than 100 new products to market over the past decade, contributing consistently to sustainable animal agriculture production and global food security while growing revenues and global presence. The Novus pledge is a Triple S Bottom Line – Solutions, Service and Sustainability. I am particularly happy to blog about Novus, because (here it comes... disclosure >>>) Novus has been my client for some years now and I have been involved in developing and writing the 2012 report, as well as prior reports for 2011 and 2010. In preparation for the report, I interviewed around 50 Novus executives (including the CEO who is directly involved and passionate about Novus's sustainability journey) and many staff all over the world, and some external stakeholders, and collected data from over 10 manufacturing, offices and research sites. The thing that always impresses me each year about working with Novus is the absolute clarity that all the people in the organization have about their company's mission and purpose, and the passion with which they talk about their role in advancing the mission. When I asked Thad Simons, the President and CEO of Novus, about his major achievements as CEO over the past few years, without hesitation, he talked about creating an organizational culture that supports the sustainability mission - "building Novus with a sense of purpose and passion and a service culture". A CEO who leads a sustainable culture is a CEO who creates a sustainable business. Novus has grown year on year and makes a significant contribution to advancing sustainable food and improving food security in many ways. This approach is paying off! The highlights of the Novus 2012 Sustainability report are to be found in the approach to reporting as well as in the data and information presented. For the first time, Novus includes a description of the organization's value chain, which shows where and how Novus generates triple bottom line impacts. Also for the first time, each section of this report is presented personally by the managers and staff who lead the organization. In each section, a Novus person tells her or his story, in her or his own words. For example, the Human Resources VP and Director talk about how they are advancing this prized organizational culture, and different managers talk about their experience in nurturing partnerships to advance sustainable solutions, while EHS Managers talk about sustainable design of offices and working spaces (Novus has a LEED Platinum certified HQ which has won several awards). The insights shared by Novus people - the narrative is what they **actually** said, not professionally copy-written texts - are what makes up the Novus story: information and data combined with the personal contribution, leadership and drive of all the individuals. Supplementing the written narrative are several short videos, prepared specially for the report, which give you, report-users and stakeholders, a chance to see the faces behind the names and experience the passion beyond the

written word. At GRI B level, GRI-checked Sustainability Report, Novus is not short on transparency either, and this report includes evidence of good performance. For example, energy consumption in production operations reduced by 5.7% in 2012, and safety performance continues to be well above industry averages with an injury rate of 0.48 per 100 employees (compared to a rate of 3.8 in all sectors in the U.S.).

One of the highlights in helping prepare the report for me is the Novus employee wellness program - see insights from Judith Thelwell who manages the program. For years, Novus has been demonstrating leading practice with one of the most comprehensive and highly engaging employee wellness programs around, that offers practical benefits for employees, and financial benefits for both employees and the company. This is a vibrant program which enables employees to engage in health and fitness related activities and earn benefits for doing so, beyond the personal benefit to their own health. In my discussions, I chatted with Andy Critchell, who works in IT Systems at Novus, (read his insights, too, in the same section), and his story was very moving. Diagnosed with diabetes, Andy had to make some serious life changes. The accessibility of Novus wellness benefits helped Andy take control and actually terminate medication for his condition. Without me even having to ask, he confirmed that this actually makes him a more productive employee. This conversation brought home to me, once again, the massive impact companies have on the lives of individuals, and the force for good that companies can become.

Another inspiring part of this report is the section on Valuing Partnerships. Novus works in partnership in almost every area the company is involved in. In fact, partnership development is a core competency of Novus, whether this means global partnerships to effect major transformation - such as the collaboration with the International Egg Commission (IEC) to advance the consumption of eggs as a low-cost, highly accessible source of nutrition (read Joanne Ivy's insights - she's President of the IEC), or specific local partnerships, such as a multi-stakeholder public-private partnership in Chad, to help build a $50 million industrial poultry production facility which will provide around 30 percent of the country's poultry needs and contribute substantially to food security in that country. This partnership includes the Chad government as well as a Novus customer, Globoaves, and a financing partner, working together to provide affordable, wholesome food for the Chad population and improve the quality of their lives. Read insights from Luis Azevedo about how all this came about. Partnerships are at the heart of sustainability. Companies who know how to collaborate in the true spirit of partnership are the ones that will be around for many years to come.

Please take a look at the Novus report and as always, give feedback.

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofSustainability Reporting for SMEs: Competitive Advantage Through TransparencyANDCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen or via my business websitewww.b-yond.biz (Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)

Alcatel-Lucent: G4-Ready >> Three Scoops

Monday, July 01, 2013

As our new G4-Future is apparently here to stay, I am busy doing G4-Readiness analyses for clients around the world. Frankly, it's not as simple as it looks and it takes quite some time to bottom out all the fine details of what needs to be reported using G4 versus what has been reported using G3. It's not as simple as comparing disclosures, because in G4 there are new disclosures that were not in G3, and some G4 disclosures have changed. It's also not as straightforward as counting up indicators, because in G4, Material Aspects determine the indicators, and not the generic framework. Similarly, G4 is about process, not just about materiality, so the entire start-point is somewhat different.

G4 General Standard Discosures required at CORE level									
G4-1	G4-3	G4-4	G4-5	G4-6	G4-7	G4-8	G4-9	G4-10	
G4-11	G4-12	G4-13	G4-14	G4-15	G4-16	G4-17	G4-18	G4-19	G4-20
G4-21	G4-22	G4-23	G4-24	G4-25	G4-26	G4-27	G4-28	G4-29	G4-30
G4-31	G4-32	G4-33	G4-34	G4-56					

Additional G4 General Standard Disclosures Required at COMPREHENSIVE level									
G4-2	G4-35	G4-36	G4-37	G4-38	G4-39	G4-40			
G4-41	G4-42	G4-43	G4-44	G4-45	G4-46	G4-47	G4-48	G4-49	G4-50
G4-51	G4-52	G4-53	G4-54	G4-55	G4-57	G4-58			

Alcatel-Lucent 2012 Sustainability Report - G4 ready analysis of Material Aspects				
Material Issue Identified	G4 Category	G4 Aspect	Indicators	Reporting Status
Energy efficient products	Environment	Products and Services	G4-EN27, EN28	Both reported
Product safety to customers	Product Responsibility	Customer Health and Safety	G4-PR1, PR2	G4-PR2 reported
Product Stewardship through lifecycle	Environment	Products and Services	G4-EN27, EN28	Both reported
Managing customer satisfaction	Product Responsibility	Product and Service Labeling	G4-PR5,4,5	G4-PR3 and G4-PR5 are reported
Carbon footprint	Environment	Emissions	G4-EN15-21	All but G4-EN21 reported
Anti-corruption and code of conduct	Society	Anti-corruption	G4-SO3,4,5	All reported
Talent development	Labor Practices and Decent Work	Training and Education	G4-LA9,10	None reported
Employee safety and well-being	Labor Practices and Decent Work	Occupational Health and Safety	G4-LA5-LA8	Only LA7 reported
Diversity	Labor Practices and Decent Work	Diversity and Equal Opportunity	G4-LA12	Reported
Affordable and sustainable access for digital inclusion	Economic	Indirect Economic impacts	G4-EC7, EC8	G4-EC7 reported
Soocial economic and environmental impacts of operations	Economic	Indirect Economic impacts	G4-EC7, EC8	G4-EC7 reported
Supplier Corporate Responsibility Practices	Environment, Labor Practices and Decent Work, Human Rights , Society	Supplier Environmental Assessment, Supplier Assessment for Labor Practices, Supplier Human Rights Assessment, Supplier Assessment for impacts on Society	G4-EN32,33, G4-LA14,15, G4-HR10,11, G4-SO9,10	Generally well reported on all these indicators
Product traceability	Not G4	Not G4	Not G4	Qualitatively reported
Management of electromagnetic environment	Not G4	Not G4	Not G4	Qualitatively reported
Codevelopment- PR&D partnerships	Not G4	Not G4	Not G4	Qualitatively reported
Employee engagement	Not G4	Not G4	Not G4	Qualitative and quantitative reporting
Protection of intellectual property	Not G4	Not G4	Not G4	Qualitatively reported

WARNING: This is a rather technical post, written for those who are really interested in the detailed workings of G4, so if you find it boring, just skip to the ice cream. I thought I would share with you a sample G4 Readiness analysis. My guinea-pig is the first report on the Featured Reports page on the GRI website, which just happens to be a GRI G3 A+ level report, which we would expect to be quite comprehensive in terms of transparency. It's Alcatel-Lucent's 2012 Sustainability Report.

Alcatel Lucent 2012 Sustainability Report GRIA+ GRI checked 242 pages **My bottom line:** This is a great report from a technical standpoint which covers the full range of sustainability disclosures. It's almost at G4 CORE level and reports well on issues identified as material. With the addition of general disclosures on governance and remuneration, and a few additional performance metrics, it could achieve G4 COMPREHENSIVE level. So, in terms of G4 readiness.... Alcatel-Lucent deserves a three scoop cone. BUT With 17 material issues, and a lot of non-material information, at 241 pages, this report is very loooong. The trees obscure the forest, and it's quite hard to get to the core of Alcatel-Lucent's significant impacts. The report is technically robust, but is low on inspiration and readability. To make this report more user-friendly, Alcatel-Lucent should cut some of the extremely hi-res but irrelevant detail and focus on making the really important aspects of its sustainability program and impacts stand out, while ensuring accountable and transparent reporting on a range of materially relevant metrics. Now, to the analysis. Non-techy people switch off now. As you may already know, G4 splits into two (unequal) parts:

General Standard Disclosures (GSDs) and Specific Standard Disclosures (SSD's). At CORE level, 34 GSDs are required and at COMPREHENSIVE level 58 GDSs are required.

Alcatel-Lucent reports on most of the GSDs required at CORE level:
This shows Alcatel-Lucent's alignment with CORE disclosures - green means disclosed, yellow means partially disclosed, and red means not disclosed. G4-1 is the CEO statement. In Alcatel's report, this statement is short, generic and not strategic. It does not include the key elements prescribed in G4.

G4-10 and G4-11 are former labor indicators in G3, LA1 and LA4. G4-10 requires specific statistics about workforce composition in more detail than was required in the G3 version, and G4-11 requires the number of employees covered by collective bargaining agreements. In order to respond fully to G4-10, Alcatel-Lucent would need to include data relating to supervised workers, a breakdown of employees by employment contract (permanent or temporary) and information about seasonality.

For G4-11, Alcatel would need to provide a response other than "this information is proprietary", which was how the company responded against this indicator in the 2012 report, which I found puzzling. What's proprietary about the number of employees covered by collective bargaining agreements? Usually a proprietary response would relate to something which could be legally problematic to disclose or which might seriously damage business competitiveness. Alcatel Lucent has several collective bargaining agreements in force covering employees in different countries, and obviously a large number of employees are covered by collective bargaining agreements. A non-response to this disclosure will prevent Alcatel Lucent from being "In Accordance" with G4 even at the lower CORE level.

G4-12 is "describe the organization's supply chain". Alcatel-Lucent does this partially, mainly in reference to suppliers.

G4-19 is "list the material aspects". Alcatel Lucent has included a list of material issues, but these are not aligned to the Material Aspects prescribed in G4. Is this a little picky?

G4-26 is the former G3 4.16 and requires more detail of the way the company engages stakeholders and the frequency of this engagement. This is not exactly described in the report. Another slightly picky observation on my part, I guess.

G4-27 requires "key topics and concerns that have been raised through stakeholder engagement" - I was not able to identify a specific response to this disclosure in the G3 report, although several channels of stakeholder engagement are reported as well as a list of material issues in a materiality matrix. If Alcatel-Lucent wishes to produce a G4 "In Accordance" report at CORE level, the company can probably elaborate here, and in general, meet the disclosure requirements with little additional effort.

At COMPREHENSIVE level, the picture is a little different:

This shows Alcatel-Lucent's alignment with additional disclosures required at COMPREHENSIVE level -
green means disclosed, yellow means partially disclosed, and red means not disclosed
Most of the non-disclosures are new G4 requirements at COMPREHENSIVE level, relating to governance and remuneration. Some of this may already be covered in

Alcatel-Lucent's financial filings but I suspect, others would require substantial additional work. Alcatel-Lucent may not be ready for COMPREHENSIVE reporting at this stage.

I didn't look in too much detail at whether Material Aspects were aligned to their Boundaries inside or external to the organization (G4-20-G4-21). I assumed this was more or less clear but a rigorous analysis should examine this more deeply.

Moving on now to Material Aspects and Performance Indicators. As you may have understood by now, G4 requires first a selection of Material Issues and then selection of one performance indicator per issue at CORE level and all performance indicators related to the specific issue (Aspect) at COMPREHENSIVE level. Material issues come in categories and each individual issue is called a Material Aspect. "Energy", for example, is a Material Aspect within the Environment category. G4 identifies 46 Material Aspects which are ones which are most widely relevant across all industries, and each Aspect has its own set of Performance Indicators. G4 reporters should fit their Material Issues into this framework, so that it is clear what performance indicators are required for reporting, by material issue. If the reporting company has material issues which are not covered by the Material Aspects in G4, then the company can use its own material issues.

In the 2012 G3 report, Alcatel-Lucent selected 17 material issues out of a possible 42 topics identified as relevant to the Alcatel business, and then reported on each of the 17 issues, as being the most important out of the total 42. These 17 issues were not specifically aligned to the new G4 list of Material Aspects, so I did a little work and joined the dots. In the table below, the first column (left) is how Alcatel described the material issue. I used my judgment to allocate each issue to a G4 category and Aspect, showing which indicators are required in each one. The column called Reporting Status shows how Alcatel reported in 2012 against these, now G4, indicators. The Material Aspect shaded red is the only one in which Alcatel-Lucent's 2012 report would not meet the G4 "In Accordance" requirement, not having provided the data required for any of the Performance Indicators relating to that Aspect. (Sorry for quality of image)

This table therefore shows that, for the Material Issues selected by Alcatel-Lucent, most can be aligned with G4 Material Aspects, and Alcatel-Lucent has provided performance data for at least one of the performance indicators per Aspect, with one exception. This means that, with the exception of Talent Development, where Alcatel-Lucent did not disclose any data, all other Material Aspects are reported. Therefore, in this section of the report, G4 CORE level "In Accordance" is within reach. In several cases, Alcatel-Lucent responded to all indicators in the Aspect, making this section of the report fairly close to G4 COMPREHENSIVE. In addition, Alcatel-Lucent defined some specific additional material topics, and reported on these in one way or another.

There is one part I didn't check in detail and that's the Disclosures on Management Approach (DMAs). In Alcatel's G3 report, DMAs were included for all the GRI aspects except for biodiversity. The DMA required for each Material Aspect in G4 is more prescriptive than its former counterpart in G3. I only made a sample check of one DMA and this seemed to me to be more or less in line with the new G4-style DMA. If there are a few gaps here, I would expect it's not a major issue to complete the disclosures as required by G4.

In summary, Alcatel Lucent's G3 report is very close to being "In Accordance" with G4 in terms of General Standard Disclosures, DMA and Specific Standard Disclosures. It is not

a million miles away from being "In Accordance" at COMPREHENSIVE level, though some stretch could be required.

One thing that Alcatel apparently has in its favor is some good work the company has already done on materiality. The materiality process is key to G4 and Alcatel reports that the Materiality Matrix was developed in a process involving over 50 executives and external customers. There may be room for a more robust materiality process, involving external voices from other stakeholder groups, but in general, I believe Alcatel-Lucent's 2012 approach demonstrates the right spirit required for G4.

I think this analysis proves two points:

(1) GRI G3 A+ reporters may be well on their way to G4 reports, either at CORE or at COMPREHENSIVE levels.

(2) Even for A+ reporters, G4 still requires some change and additional effort.

Would Alcatel-Lucent's G4 Report be any shorter? Yes, I believe it certainly would be much shorter at G4 CORE level, and somewhat shorter at G4 COMPREHENSIVE level, unless the company intentionally includes additional elements that meet other reporting framework requirements (such as the UN Global Compact, for example, where Human Rights is a core principle, but not stated as material for Alcatel Lucent). This is the delicate balance that companies must address when considering how to report with G4.

I hope this was helpful as an insight into how to analyze G3 reports in a G4 way. In a future post, I'll take a look at a lighter-weight report. Will our conclusions be any different? Stay tuned.

Oh, and watch out for my upcoming G4 book, "**Understanding G4**"... hitting the online bookstands in the next few weeks :)

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofSustainability Reporting for SMEs: Competitive Advantage Through TransparencyANDCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen **or via my business website**www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

G4: First the conference. Then the movie. Now the book. Coming soon.

Monday, June 24, 2013

The G4 Book, entitled "***Understanding G4***", is on target to be published in July by DōSustainability, the sustainability publishing company that has developed the most fabulous range of short sharp sustainability shots for people who need to know but have no time to do all the research. My book, Sustainability Reporting for SMEs - Competitive Advantage through Transparency was published earlier this year as one of the DōSustainability DōShorts series."***Understanding G4"*** is my newest offering, bringing you a simple, easy-to-read, eye-level guide to navigating G4 in an accessible manner, relevant for reporters and report-users.

First there was the conference. Then there was the movie. Now .. here's the book. Coming soon!

Just to give you a taste of what's to come..... here is my introduction "***Understanding G4***", which explains why it's relevant and why it will help.

***** Why pay for a book on G4, the new Sustainability Reporting Framework launched by the Global Reporting (GRI) in initiative in May 2013, when all the materials are freely downloadable from the GRI website? Check it out. Take a minute to navigate to www.globalreporting.org and look for the G4 symbol on the homepage, click once, and you have immediate access to the two books which form the new G4 guidelines: the book of Reporting Principles and Standard Disclosures (94 pages) and the Implementation Manual (266 pages). Both books are downloadable, for free, as many times as you want. No password needed. In addition, there are many writers on the internet, including myself, who have published summaries of the G4 changes and what they mean for reporters. I collected at least 15 different, mostly helpful, articles and summaries, in the two weeks following the G4 launch. This is a wealth of free advice and helpful in understanding what G4 means. So why pay? Why do you need this book and how will it help you? What value does ***Understanding G4*** add? Here's the thing. Even if you decide to invest a day in wading through the report-techno-babble-speak of 360 pages of GRI guideline manuals, you still may be left a little perplexed as to how G4 will actually help you advance along your reporting journey. Maybe you already tried. You may be able to appreciate the primary technical changes, such as the fact that materiality is now center-stage and determines much of the report content, and that governance and remuneration disclosures have become impossibly detailed, but the overall value of G4 may still escape you. I'll be even a little bolder. It will escape you. The G4 manuals, detailed and orderly though they may be, do not help you answer the question: **Should my organization start using the G4 guidelines, and if so, when and how?** This book aims to help you answer that question. But that's not all. Reporting companies or aspiring reporters are not the only ones affected by the G4 guidelines. There are stakeholders. Readers of reports. Assurers of reports. Users and students of reports. What does G4 mean for all these groups? How will customers, consumers, employees, investors and financial analysts understand the G4 report? I maintain, as you will see, that G4 is quite some departure from the box-ticking, shopping-list, PR-oriented, mechanical approach most companies have taken with regard to Sustainability Reporting. Readers of G4 reports need to approach Sustainability Reporting with a different paradigm. G4 reports, done well, will be very different from G3 reports, and offer a different kind of value to

stakeholders who use them. More value in many ways, less value in others. In any case, G4 report users must substantively reset their expectations. This book will help G4 report users do this, and know what they should be able to expect from a G4 report, and what they should not expect. I will not hide that my prime motivation in writing this book is to advance the rapid uptake of the G4 Sustainability Reporting Framework, by offering a simple and straightforward guide to help companies adopt or adapt, in a straightforward, no frills and no techno-babble way, while ensuring stakeholders get what they are trying to do. While there are some omissions, inadequacies and even oddities in G4, I view the new framework as a major leap forward for Sustainability Reporting. I believe it elevates Sustainability Reporting to a very serious platform which is right at the heart of the way business gets done, and holds tangible advantages for reporters and report-users, as long as all are on the same page in terms of what to expect and how apply the G4 Framework with diligence, intelligence, integrity and a genuine desire to advance sustainable business in a sustainable society on a sustainable planet. There's more. G4 is the future. It will have a life of at least 7 years, maybe more. Now that G4 is out there, G3 is history. Who wants to report on sustainability using an anachronous framework? Doing so projects low-capacity for change, low adaptability, agility and responsiveness and this will negatively impact the G3-clingers-on during the two year transition period. G4 is here. Companies that take the early-adopter approach will be admired, and the laggers will be punished. This book is a way for me to help early adoption and show companies that, while a shift is needed, and beneficial, it is by no means an impossible leap into the darkness. G4 has been largely positively received by the global crowd of analytical professionals who have taken time to review and pronounce on the key changes. Most recognize it as helping support our advance toward sustainable business. There has been a range of commentaries ranging from the frenetically (and in some cases, unjustly) critical to the warmly embracing, with the optimistically cautious in between. The majority of writers have addressed the technical changes of G4 versus its predecessor framework, but few have gone beyond the detail to provide a true assessment of the meaning of the changes and the outcomes they are designed to deliver for reporting organizations and report users. This book is no less about the technicalities of G4 as it is about the meaning and impact of G4. Of course, we'll cover some detail, but my main objective is to help drive the paradigm change and not the indicator-by-indicator change. This book should help drive home the why and how of G4 and not only the what. As I write, I am already working on two G4 reports for clients, in my capacity as a sustainability consultant and reporter. I like it. It's clearer. It seems more meaningful. It seems like a new and refreshing challenge. I have realized that G4 helps me as a consultant add value in the reporting process - beyond just helping companies to articulate their sustainability messages and tick the right GRI boxes, I now feel that I have a more relevant and influential role in helping companies reflect the right things as well as reflect them in the right way. I feel G4 gives me a more compelling justification to urge my clients into a process-oriented approach to sustainability management and reporting, rather than being a near passive recipient of a range of materials that need to be copywritten into a coherent message, even if there is little substance behind the stories, helping companies to smooth over the cracks and gaps. For consultants, G4 is a much more favorable platform for influence and support and improves the value we offer to our clients. Distilling this down into my specific objectives in writing this book, which I hope will add value, there are five key points: ***Understanding G4*** is designed to:

- Make G4 more accessible and practical for report writers and users
- Align expectations of G4 reports for writers and users
- Promote a rapid, quality uptake of G4 in the context of a new reporting paradigm
- Help reporting consultants deliver greater value to reporting companies
- Give readers value (for money) in a form not currently available elsewhere.

This book will not avoid your needing to open and use the GRI G4 Manuals, but it is my hope that it distils down all the main points into a short, easy-to-understand guide which will help both experienced and novice reporters get on the G4 road. ****

We had the conference. Then the movie. Now **The G4 book**. Coming soon to an online bookstore near you!

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofSustainability Reporting for SMEs: Competitive Advantage Through TransparencyANDCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen or via my business websitewww.b-yond.biz (Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)

Comments

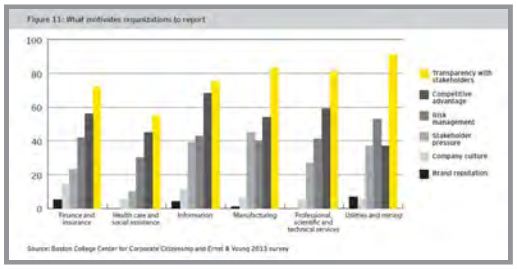
- Bushra July 04, 2013

How Exciting Elaine!!
With your sharp wit and writing flair, I am hoping G4 would be much more palatable :)

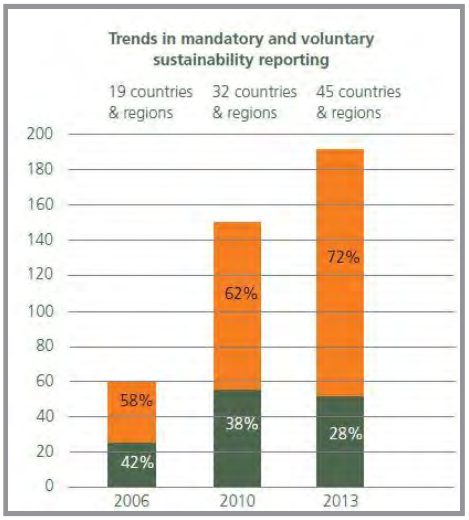
23 FSRs (Fabulous Sustainabilty Resources)

Saturday, June 15, 2013

Because analysts, investors and other stakeholders are paying attention to sustainability reporting, many firms have come to understand that the credibility offered by assurance is important.



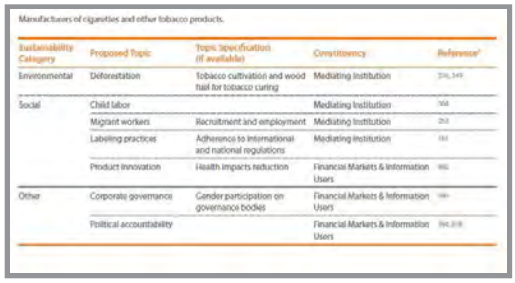
	Name of the tool
1	Base of the Pyramid Impact Assessment Framework
2	GEMI Metrics Navigator
3	Impact Measurement Framework
4	Impact Reporting and Investment Standards
5	MDG Scan
6	Measuring Impact Framework
7	Poverty Footprint
8	Progress out of Poverty Index
9	Socio-Economic Assessment Toolbox
10	Input-Output Modeling



As sustainability reporters, we are always in learning mode. The fast-paced evolution of the sustainability field and the dynamic changes that happen all around us make it a challenge just to keep up with the latest thinking, recent research, new findings, leading insights etc. Stuff spins on and off our computer screens before we have time to know it's there and then, whoops, it's gone, and despite a mental note to take a look at it later, we never do. Familiar? Sure. The only thing you really have time to read is, of course, the CSR Reporting Blog. And as a big thank you, here is our new offering. FREE summaries and commentaries on 10 recent fabulous publications (some more fabulous than others) which will make you even better sustainability professionals, and provide you with interesting facts to tell at dinner parties. This is a one-time thing, so don't get your expectations up that we will be doing this on a regular basis. We are too busy trying to keep up with what's really going on out there.

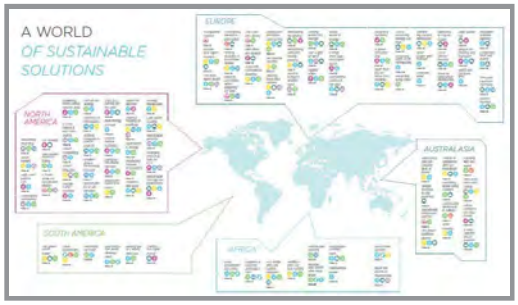
Value of Sustainability Reporting A study by Ernst & Young LLP and the Boston College Center for Corporate Citizenship This is the report of a survey of 579 respondents from U.S. based companies of which more than half also have operations outside the U.S. 391 of the respondents work for organizations which publish a Sustainability Report, the rest don't. It's not clear whether respondents were executive, management or non-management level. The report provides a rather glossy picture of the state of reporting, and all of its wonderful benefits. It's a little short on new insight, and a little OTT on the total wonderfulness of reporting, but it's an interesting and up-beat round-up of the reasons to report, just in case your Board or CEO is not yet convinced. The emphasis on the value of assurance can't be missed - in several places - in my opinion. See this: Mainstream analysts and investors are paying attention to sustainability reporting? Really? Perhaps I missed the few that do when I blinked.

An interesting table in this survey is what motivates organizations to report.



Manufacturers of cigarettes and other tobacco products.

Sustainability Category	Proposed Topic	Topic Specification (if available)	Constituency	Reference*
Environmental	Deforestation	Tobacco cultivation and wood fuel for tobacco curing	Mediating Institution	[illegible]
Social	Child labor		Mediating Institution	[illegible]
	Migrant workers	Recruitment and employment	Mediating Institution	[illegible]
	Labeling practices	Adherence to international and national regulations	Mediating Institution	[illegible]
	Product innovation	Health impacts reduction	Financial Markets & Information Users	[illegible]
Other	Corporate governance	Gender participation on governance bodies	Financial Markets & Information Users	[illegible]
	Political accountability		Financial Markets & Information Users	[illegible]



Ahead of any other reason, the noble objective of being transparent with stakeholders is cited as the key motivation to report in all the sectors represented in the survey. Brand reputation is hardly cited as a motivator (but then, the sectors involved are largely not consumer-facing brand organizations) and even stakeholder pressure scores very low. I wonder what this means? Apparently, CEO's just want to be transparent. Tell that to yours. **Measuring socio-economic impact – A WBCSD guide for business**

This is a fabulous document from the World Business council for Sustainability Development (WBCSD) which explains the ins and outs of measuring social impact. Know the difference between impacts, outcomes and outputs? This guide will see you straight. Know what the key tools that are available today to help you calculate socio-economic impact? This guide will both define them and tell you what they are good for. The details include ten key tools:

This guide is of specific importance, now that G4 is moving in the direction of value chain impacts. In assessing material impacts, G4 requires you to consider whether these happen internally or externally. In addition, G4 asks for performance measures relating to these impacts. In general, this is one of the hardest things to measure and most companies manage to measure inputs (infrastructure investments, cash donated, volunteer hours, pro-bono services etc.) but few manage to measure outputs, outcomes or impacts. Which is quite a paradox. Billions of $$$ and time (which is $$$) invested into communities without anyone ever asking whether they made a difference and what that difference was, or whether the funds have been used where they can do the most good. Everyone wants a big return on their $, even if this return is calculated in currencies other than monetary, such as in social benefit of different kinds. This guide may not make you an expert but it certainly gives you resources you need in order to work your way up the sustainability professionals capability chain. (Did you notice how everything is a chain these days - value chain, supply chain, food chain, ball and chain....?) **2013 six growing trends in corporate sustainability** An Ernst & Young survey in cooperation with GreenBiz Group

The report analyzes the results from 282 respondents who represented 17 sectors and are employed by companies with annual revenue greater than US$1 billion.

Approximately 85% of these respondents are based in the United States. And the six trends are: 1: The “tone from the top” is key to heightened awareness and preparedness for sustainability risks. 2: Governments and multilateral institutions aren’t playing a key role in corporate sustainability agendas. 3: Sustainability concerns now include increased risk and proximity of natural resource shortages. 4: Corporate risk response is not well paired to the scale of sustainability challenges. 5: Integrated reporting is slow to take hold. 6: Inquiries from investors and shareholders are on the rise.

Any surprises? Nah.

The Future of Corporate Giving

The Charities Trust and Corporate Citizenship

This is the first in a series of publications based on ongoing research into the way corporate philanthropy is changing. Research, comprised of a literature search, interviews with opinion leaders and an online survey of professionals, indicates that four key trends are changing the face of corporate giving:

Commercialization:

"*The relationship between a company’s community involvement and its commercial activities has been growing for a number of years. In the future, this trend will accelerate. The boundary will blur further as companies seek more measurable coherence and long-term profits from their corporate giving. Softer benefits such as staff loyalty and enhanced reputation will no longer be enough to ‘claim’ – community initiatives will need to measurably contribute to driving company profitability. Social value and commercial value cannot be neatly separated. But all the interviewees we spoke to and 85% of survey respondents felt that there would be a greater focus on delivery of the business strategy through corporate community involvement in the future. Of all the trends we tested, practitioners rated this as the most significant."*

This is a very important insight. Does it signal the end of philanthropy and mark the beginning of community investment as a business driver and not a values-based activity? The report says that finding the synergy between company and community will be the key skills for corporate community managers and community players and not-for-profit partners. 56% of respondents in the survey conducted said that corporate giving would no longer exist as a separate activity, but would be "driven as part of core business strategy". Emerging innovations in this area cited by the report include: Vodafone's M-PESA, Nestlé's Creating Shared Value Model, Hindustan Lever's Shakti model of women's entrepreneurship - none of which are particularly new, but the fact that we always come back to these when talking about new corporate philanthropy may mean that other examples are few and far between, so far.

The other three trends identified, which are currently being researched and which will, presumably, result in further publications are : Innovation Unleashed, Collaborative Coalitions and Cause-related Movements. All sound familiar. The implications of these trends for business are discussed:

"One thing that all four trends have in common is a blurring of boundaries. Distinctions are dissolving between motivations (commercial or societal?), responsibilities (government, not-for-profit or business?), and drivers (companies, suppliers, corporate customers or consumers?). Managers of the future will need to navigate this uncertainty, build coalitions, manage multiple partners and articulate the change they have created convincingly."

Interestingly, this report does not highlight impact measurement as a trend, or as an important factor in advancing community investment. Perhaps when charity becomes business strategy, adapted business models of return on investment may start to apply. And here are four new reports from the Global Reporting Initiative, timed to coincide with the May 2013 Amsterdam GRI Conference:

Carrots and Sticks 2013

Global Reporting Initiative

This is the third publication in the Carrots and Sticks series of the GRI, and three other partners, and was launched ceremoniously at the Amsterdam conference by dynamo Teresa Fogelberg and a group of others. Carrots and Sticks is a look at the public policies and regulatory frameworks that are rapidly changing around the world. It's a self-proclaimed "global inventory of sustainability reporting policies and guidance" and includes: 1. Governmental or market regulatory requirements and voluntary initiatives for the public disclosure of sustainability information. 2. CSR initiatives requiring or providing guidance for sustainability reporting or other forms of public disclosure. 3. Requirements or recommendations covering a single topic (e.g., greenhouse gas emissions) or sector (e.g., mining), provided the disclosure has to be public. 4. Standards on sustainability assurance.

You will probably not be surprised to know that the trend is growing. See the table below for the number of initiatives over the past 6 years. More initiatives are becoming embedded in the laws of national governments.

Green represents initiatives for voluntary reporting

Orange are initiatives for mandatory reporting The report notes that mandatory and voluntary approaches create "mutual traction" - one tends to advance the other. Mandatory disclosure is also increasing affecting state-owned enterprises. Carrots and Sticks provides a detailed update of the status of public policy and regulation on reporting in several countries and regions: Australia, Brazil, China, Colombia, Denmark, EU, France, India, Norway, South Africa and the USA. Which probably means that there is not too much to say about all the rest. Yet. Watch out for Carrots and Sticks 2020. I am sure that will present an entirely different picture. In the meantime, if you want a detailed look at sustainability reporting's regulatory status around the world, this is the best review out there.

Sustainability Topics for Sectors

Global Reporting Initiative

This 156 page report is the outcome of research among sustainability reporters and stakeholders, who submitted suggestions for sustainability topics by sector that could serve as a useful reference for identifying and prioritizing material issues in the sustainability management and reporting processes. "*In total, 194 organizations related to the different stakeholder groups either contributed directly or were researched as part of this effort. This research generated 2,812 topics which were related to 52 business activity groups. Over 600 documents support the 1,612 unique topics that have been identified through this process."* The 1,612 topics are described in some detail and offer

contextual information, aligned with GRI Material Aspects, so that in preparing your spanking new G4 report, you won't have to start from a blank page. The topics presented by 52 industry sectors. The sectors with the highest number of topics are: Oil and Gas - 96 topics Mining - 91 topics Food and Beverage Processing - 78 topics Electric Utilities - 71 topics Construction and Home Building - 68 topics Textile and Apparel - 59 topics The tobacco sector has only 7 topics (!) - none of which relates to the degree to which their products kill people. Sustainability Topics for the Tobacco Sector, page 64 In each sector, the high-level topic list is supported by detailed supplements which can be downloaded separately from the GRI's resource library. This is the link to the tobacco sector document, for example. Some sectors are more extensively covered than others. This report is a very interesting collection of issues and certainly helpful. It is not exhaustive and in some cases, the list of issues is rather random. However, as input to any process which thinks about material issues, it's worth using. It would be good to see GRI continue this work. In fact, it's somewhat of a shame that more has not been done already. As G4 kicks in, this kind of thinking become more critical.

The Sustainability Content of Integrated Reports - a survey of pioneers

Global Reporting Initiative

The GRI sure was busy in the run-up to the Amsterdam conference, and this was one of the May 2013 suite of publications. This one, as the title suggests, is all about integrated. It looks at the integrated reports in the GRI database, aiming "*to review the different ways in which self-declared 'integrated reports' are taking shape around the world*", based on the feedback of 18 companies and contributions from a range of experts in this area. An interesting and not surprising conclusion: "*The majority of companies find GRI reporting processes useful to their development of an integrated report, either because GRI helps them defining content at the start of their process, or informs their review of the report at the end of its development*." In other words, sustainability first, integrated second.

Having said that, the report frankly states the issues with the concept of integrated reporting, and the fact that "*at the time of writing, no globally accepted standards or practices exist with regard to what an integrated report should cover and how it should be constructed to meet the needs of its users. Neither is there clarity on who exactly integrated reports' users are, or how such reports should ultimately be appraised for quality and substance*." Spot on. Integrated reporting, despite the recent IIRC Exposure Draft, remains an enigma to most. But it sounds sexy, so I guess we'll see more of it. The survey of pioneers report (what are they pioneering exactly?) covers research (from the GRI database) on integrated reports broken down by type of companies, sectors, countries and what these reports are called (annual reports, integrated reports, annual and sustainability reports etc.). Also the length. The average length of an integrated report is ....well, that number isn't provided.. but they are getting longer.

In 2010, 22% of reports were 200+ pages in length, while in 2012, 24% were that looooooooooooooooooooong. 40% of integrated reports in 2012 were more than 150 pages. Did anyone check the length of standalone sustainability reports? The report zooms in on South Africa and Australia in terms of integrated reporting practices, and most interesting is the perspectives of the practitioners themselves with interviews from people in reporting companies. This is an intriguing report and if integrated is on your radar, it's worth a look.

The External Assurance of Sustainability Reporting

Global Reporting Initiative

Another in the flurry of publications timed to coincide with the GRI Conference, this is a

short look at the state of assurance from a GRI (and G4) perspective and based on a review of data in the GRI database. The report says: "*In 2012, over 46% of reports listed on GRI's Sustainability Disclosure Database indicated some form of external assurance. While notable differences exist between countries and sectors, the global trend is toward increased assurance of sustainability reports*." Personally, I think this is misleading. Many of the assurance statements I read do far from assure sustainability reports, at best they sort-of assure some of the (typically carbon emission and energy consumption) data. At worst, they raise more questions than they resolve. I think assurance is a big mess (ooops, maybe that's not very PC) and needs hoisting out of the current paradigm. Yes, I have some ideas, and will post on this as soon as I can. In the meantime, this report summarizes current assurance frameworks and includes a checklist of what to look for when you are engaging an assurance provider. It's a good reference document, although, why the GRI should publish such a document when the GRI's approach to assurance has been lukewarm lip service at best is rather a puzzle.

Sustainia 100
Sustainia, Denmark

"*Sustainia is an innovation platform where companies, NGOs, foundations and thought leaders come together to support and work with a tangible approach to sustainability. Sustainia100 is an annual guide to 100 innovative solutions from around the world that presents readily available projects, initiatives and technologies at the forefront of sustainable transformation*." The Sustainia 100 guide is an interesting overview of different creative approaches to different issues, ranging from harnessing solar power in innovative ways connected to women's empowerment in Africa to community computing for the benefit of humanitarian research to smart irrigation and aerodynamic trucking. If you are lacking inspiration in your business, or simply want to see how the age of sustainabilitinnovation (there's a word that confounds blogger's spellcheck function) is still alive and kicking, take a look at this report. There are surely some ideas that are applicable to your business. **Growing into your Sustainability Commitments: A Roadmap for Impact and Value Creation** Accountability and United Nations Global Compact (Thanks to CSRInternational's Research Digest for alerting me to this one)

The report presents the Sustainability Commitment Growth Curve (SCGC) which forms a roadmap for turning commitments into measurable value creation.

From adoption to implementation to advancement, this roadmap gives sound guidance on how to turn good intentions into good practice. Many of the concepts and approaches are familiar, but they are ordered here in a coherent and accessible way, with a host of interesting examples of practice from companies around the world. The roadmap is aligned with the UNGC principles, and shows how different companies have used the UNGC framework to align resources, structures and programs to deliver value-creating outcomes. This is a good source of inspiration and ideas for companies wanting do deepen their strategic approach to sustainable business.
But that's not all:

And as I was compiling this list above, I came across this other list:
13 HOT RESEARCH REPORTS by Sustainable Brands, compiled by Dimitar Vlahov. This contains some more fabulous stuff, really interesting reports, and there is absolutely no overlap with my list, so, just by adding this link, the CSR Reporting Blog offers you a **double-scoop** of resources for absolutely no additional charge. Come on, admit it, how many other sustainability reporting blogs are this good to their readers?

Show your appreciation by tweeting, retweeting, mtweeting, facebooking, googleplussing and signing up for the CSR Reporting Blog directly to your email. Oh, and a scoop or two of Chunky Monkey next time we meet wouldn't go a miss either.

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofSustainability Reporting for SMEs: Competitive Advantage Through TransparencyANDCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen or via my business websitewww.b-yond.biz(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)

Comments

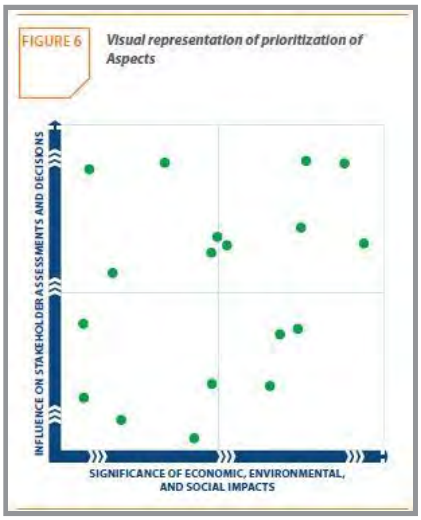
- Varun July 10, 2013

Hi, thanks for sharing. Some of the reports seem very interesting - WBCSD Guide to Measuring Impact and Sustainia 100. More after I have gone through them.

Varun
www.csrangle.com

G4: It's NOT about materiality

Friday, May 31, 2013



If you attended the global GRI conference in Amsterdam, 22-24 May 2013, you probably couldn't move more than a couple of meters without hearing the word materiality. In fact, almost every single post and article that I have read that covers take-outs from the conference (at least 10 different articles from different commentators / practitioners / bloggers) has started off explaining the new G4 by describing the technical changes to G4 reporting requirements, disappearance of A,B,C, new disclosures, changes to indicators, new Boundaries, different boxes to tick, all the while making clear that materiality is at the center. And then why. Reports should be more focused, more relevant, more aligned with the most important impacts of the company. All true. Materiality will be the centerpiece of the thousands of G4 reports we will see raining down on all us stakeholders starting, probably, this year. Materiality will be so present, that pretty soon, no-one will ever remember having written a report without it. G3 will be so antiquated that companies will cringe at the thought of the primitive materiality-challenged approach to reporting which they have been doing for years. G4 and its materiality focus, will become our new map of the world, and one which will help us all understand who actually is doing what to whom, and where. When you open an In Accordance report, you will naturally gravitate to material issues. You won't have to look for them. They will hit you smack in the face. All this is good. Very good. It's real progress. A positive transformation. It might even be a revolution. BUT There's just one little thing that everyone has forgotten in this euphoric rush to put the materiality-driven center of G4 on a pedestal. That little thing is called PROCESS. In G4, what is even more important than materiality, is the PROCESS by which materiality was determined. G4 sets out a very clear process for determining material issues. It's the Identification, Prioritization, Validation and Review Process (See the Implementation Manual, pages 31-42.) You start with a long list of relevant topics that have any sort of impact on stakeholders or the organization. This is Identification. Fit these topics into the list of pre-prepared Aspects where possible. Aspects are those issues found through the multi-stakeholder process which are most likely to be relevant to the widest range of organizations. In other words, most organizations should be able to identify at least some of these Aspects as being important to their organization. If there isn't a pre-defined Aspect, that's ok, you can create your own. But remember, Aspects and issues can occur WITHIN the organization our OUTSIDE the organization. Then, you rearrange this potentially long list in order of importance, based on an assessment of the extent to which they reflect the organization's significant economic, environmental and social impacts or substantively influence the assessments and decisions of stakeholders. This is PRIORITIZATION.

Armed with your prioritized list, you then decide the reporting threshold. That is, how many of the Aspects and Topics are material. Not every issue will be material. You have to draw a "threshold", above which the Aspects become Material Aspects and the Topics become Material Topics. These Material ones are those you should include in your spanking new G4 report. The prioritized issues, on a matrix, might look something like

this graphic from the G4 Implementation Manual. (You can use your own color scheme) :)

Mandatory disclosure G4-19 requires you to list these material issues.

Then, with your Material Issues above the threshold clearly defined, you have to VALIDATE them, that is, make sure they represent a balanced mix, that stakeholder voices have been appropriately reflected and that the range of issues is reasonably complete. Oh, and the Material Issues should be approved by the Big Bosses in your organization. Now you are ready to write your Disclosure of Management Approach for each Material Aspect or Topic, and provide performance data against the relevant indicators (one for Core, all for Comprehensive, for each material issue).

(The final phase in this process is the REVIEW phase, but this takes place after the report has been published, as a learning exercise for the next report).

Actually, this process is not entirely new. It existed in G3, but an organization was not asked to disclose the entire list of material issues identified. Standard Disclosure 4.17 did ask companies to list *"key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting."* but this is not quite the same as the new G4-19, in which the prioritized list of material Aspects and Topics should be reported. Relatively few companies included a materiality matrix in their G3 reports, and often, if they did, the report content was not aligned with those same material issues listed in the matrix.

So. PROCESS is important in G4. Very important. And PROCESS drives OWNERSHIP.

This is both the risk and the opportunity of G4. In its purest state, G4 demands a maturity of reporting that takes the sustainable business model seriously, both for the benefit of business and for the benefit of stakeholders. G4 demands that companies work harder in the upstream stages of reporting... engaging with stakeholders, doing deep analysis, really working on what's most important and facing up to the demands of reporting all this transparently... instead of what has tended to be the de facto approach to date, with emphasis on the downstream part of reporting, working from the indicator list backwards, and seeing how many metrics you can fill in. G4, in addition to the materiality process, offers many other choices to companies about how they report what they report, with some General Standard Disclosures allowing broad berth for a range of different reporting styles.. more on this in future posts .... while setting a minimum expectation for disclosure in some form. This, I believe, is the transformational aspect of G4, not the materiality focus per se. Subtly, G4 places a much greater burden of choice, responsibility and ownership on reporting companies. In its purest form, a G4 report cannot be written without involvement and commitment.

The risk is that companies will look to see how they can get away with the minimum, through sticking to the letter, and not the spirit, of G4. The risk is that companies will write G4 using a G3 mindset. These companies will lose the transformation that G4 can bring. They will also risk showing up as less credible as stakeholders reset expectations.

That's why I believe that ownership is the true center of G4, not materiality. Ownership will drive better business, and better reporting. Ownership is at the heart of the business transformation - and by consequence - the reporting transformation - we all seek. Companies need to own their reporting, not respond on auto-pilot to a rigid set of

framework requirements. I like to call this materiality maturity. I think G4 offers great possibilities to help us all achieve materiality maturity - both report writers and report readers. As readers, we must look for process, alignment, dialog and the way companies make choices, not just the choices they make. We must look behind the boxes ticked, not just bemoan the absence of ticks, or be satisfied when there are lots of them. As readers of reports, we also need to become more mature.

Right now, perhaps as the exhilaration of the G4 launch in Amsterdam is still fresh, I am optimistic that we will all rise to the challenge. Let's change our mindset about reporting. Let's own G4. I think it's worth a try.

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofSustainability Reporting for SMEs: Competitive Advantage Through TransparencyANDCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen **or via my business website**www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

G4: The Voice of Dissent

Wednesday, May 29, 2013

Who speaks for the workers? At the GRI Conference in Amsterdam 22-24 May 2013, there was one voice which was loud and clear. It was that of the ITUC - The International Trade Union Confederation - representing 175 million workers in 156 countries and territories through 315 national affiliates - in the form of Sharan Burrow, the ITUC General Secretary, and colleague also speaking at the conference, Dwight Justice. Of course, the timing couldn't have been more fortuitous. The Rana Plaza death toll of over 1,100 in Bangladesh, not the first but certainly the most publicized safety tragedy in outsourced garment factories in Asia in recent years, was the burning platform, both literally and figuratively, that added an almost haunting ring of truth to Sharan Burrow's plea for integration of labor rights and social standards into the norms of business behavior. Sharan Burrow, ITUC, demands worker rights at the GRI Conference Here's a taste of Sharan's speech to the conference:

"Notwithstanding the legitimacy of the GRI and the improvements made in the new "G4" to deliver more strategic sustainability reports that are focused on those impacts that matter most to people and the planet, the reality is that the short-term quest to maximise profit pits corporations against rights and sustainability. Despite the risk of climate catastrophe, the corporate opposition to a price on carbon or industry policy-based subsidies for start-ups in new energy – let alone the major fossil fuel giants fight against a comprehensive climate agreement – is without moral or sustainability virtue.

Yet many of the same major companies file their sustainability reports without conscience. And their approach to the workers whose labour fuels their profits is criminal. Ask any CEO if they would like their sons or daughters to work in the textile factories in Pakistan, the mines in the Congo, manufacturing plants in Central America, or as beer women in Cambodia, and they shudder. But at the same time they allow the willful perpetuation of these horrors in the supply chains of their corporations.

The model is neither humane nor sustainable. Yet many corporations promote their practice as responsible. Just check the sustainability reports of the retailers that sourced from Rana Plaza in Bangladesh. There can be no more excuses, no more deaths from fire, occupational injuries or disease, no more work-related poverty and no more denial of human and labour rights. It is time to move beyond volunteerism to compliance. If corporations don't integrate labour rights and environmental standards into their core business model, then the rule of law must be effective enough to ensure compliance.

Globalisation in the manufacturing and service industries began to accelerate sharply in the 1980s as advances in communications and transport technology enabled companies to begin exploiting the vast global workforce on a scale which was previously impossible. Firms adopted business models based on locating production in countries where labour laws are weak, virtually non-existent or poorly enforced, and thus workers are effectively blocked from organising unions and engaging in collective bargaining with employers.

The global supply chain has become the means by which international brands maximise their revenues by continuously seeking an edge on their competitors by driving production costs ever lower. While the globalised business model continues to provide vast profits for companies, it comes at a tremendous cost to working people and to the economies of many of the poorest nations. The backwash of low-wage competitiveness can now be seen in the attacks on rights and collective bargaining in Europe, and along with the anti-union orthodoxy in the US, is not just morally wrong but counterproductive to sustainability." Many of Sharan's remarks, and her subsequent contribution in the panel discussion, were met with nods of acquiescence, and occasional applause, from the very large crowd in the audience. We all agree that corporations should be more accountable for their impacts in the supply chain, which are where the most significant human rights abuses take place. The real question is whether **G4** will go further in driving that accountability, moreso than its predecessor, G3. Of course, we cannot expect a single, voluntary reporting framework to change the world and be solely responsible for the enlightened transformation of business accountability. Sustainability is a movement which requires all stakeholders, including governments, to play a role. Nonetheless, reporting is a catalyst for performance improvement, and **G4** does take reporting to a new level. With a focus on the impacts that matter, in the places they matter, **G4** aims to make reporting more relevant, more process-oriented, less tick-boxy and more accessible to our global community of businesses of all sizes in all sectors. **G4** has strengthened the coverage of reporting in the area of labor, human rights and supply chain management with new performance indicators. New G4-12 General Standard Disclosure, required at both Core and Comprehensive reporting levels (see previous post for the difference between Core and Comprehensive), asks companies to describe their supply chains, indicating the number and location of suppliers active in supporting the delivery of an organization's products. Outsourced factories in Bangladesh, and elsewhere, should be disclosed as part of the supply chain. Former performance indicators LA1 and LA4, now G4-10 and G4-11, covering details about the total workforce, including employees, supervised workers and percentage of employees covered by collective agreements, are now mandatory in the G4 guidelines, as General Standard Disclosures for all companies, rather than optional performance indicators as in G3/G3.1. New Specific Standard Disclosures in the area of labor include G4-LA14, G4-LA15 and G4-LA16, relating to the percentage of suppliers screened using labor practices criteria, significant actual and potential impacts for labor practices in the supply chain and actions taken, and disclosure about grievances filed against the company. New Specific Standard Disclosures in the area of human rights G4 HR-10, G4-HR11 and G4-HR12, include the same set of performance indicators that refer specifically to human rights, separately from labor practices. However, Specific Standard Disclosures are relevant in a **G4** report only if they have been identified as material. Companies which have not prioritized material issues which relate to labor practices have no formal **G4** requirement to disclose such practices in their supply chains. This creates a potential risk that companies will be rather selective about the issues they identify as material and the extent to which they will be transparent about the detail of their supply chains. The big change in **G4** is the need for a structured, inclusive, documented and transparent process for identifying material issues. It's inconceivable that a company whose product lines depend on thousands of outsourced factories throughout Asia and elsewhere will not declare labor and human rights as material issues after due process. **G4** requires a leap of faith that companies will apply this new reporting framework responsibly and ensure content is developed in a considered and balanced way, reflecting significant social and environmental impacts both internal to and external to the organization. **G4** comes, then, with a greater emphasis on the responsibility of stakeholders to be alert to the ways in which companies

use the **G4** guidelines, what they prioritize and how they report. **G4** is the era of, not only greater responsibility to report (companies), but greater responsibility to respond (stakeholders). I would like to hear more from the voice of dissent, the ITUC, and from others, **responding to corporate disclosure**, as it happens, and not just with bold statements at GRI conference time. As **G4** takes root, it is critical that we all step up our vigilance and active involvement in the reporting process. We are all stakeholders. We are all accountable. We are all the voice of dissent. In the meantime, 1,600 people, nodding, in the RAI Conference Center in Amsterdam on a rainy morning in May, is a good start.

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofSustainability Reporting for SMEs: Competitive Advantage Through TransparencyANDCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen or via my business websitewww.b-yond.biz (Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)

G4- the rubber hits the road

Thursday, May 23, 2013

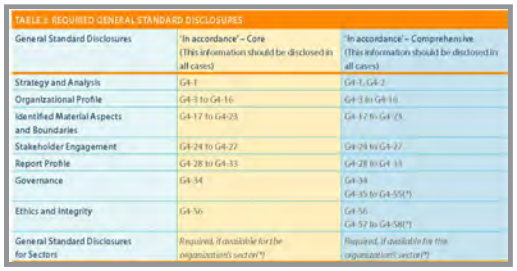


TABLE 3: REQUIRED GENERAL STANDARD DISCLOSURES		
General Standard Disclosures	'In accordance' – Core (This information should be disclosed in all cases)	'In accordance' – Comprehensive (This information should be disclosed in all cases)
Strategy and Analysis	G4-1	G4-1, G4-2
Organizational Profile	G4-3 to G4-16	G4-3 to G4-16
Identified Material Aspects and Boundaries	G4-17 to G4-23	G4-17 to G4-23
Stakeholder Engagement	G4-24 to G4-27	G4-24 to G4-27
Report Profile	G4-28 to G4-33	G4-28 to G4-33
Governance	G4-34	G4-34 G4-35 to G4-55(*)
Ethics and Integrity	G4-56	G4-56 G4-57 to G4-58(*)
General Standard Disclosures for Sectors	*Required, if available for the organization's sector(*)*	*Required, if available for the organization's sector(*)*

Today saw the launch of the newest version of the GRI Reporting Framework: G4. For those of you who are interested in reading all 360 pages of the two-part framework (Part One = Principles and Part Two = Implementation Guide), you can download the lot here. I will be delving into more detail in coming posts, to help the CSR Reporting Blog readers (many of whom I was delighted to meet here in Amsterdam) navigate the detail, but for now, in the meantime, a very short update: **Core and Comprehensive** No longer will reporters be able to claim the highest GRI "accolade" of reporting at Application Level A+. Yes, Application Levels have been tossed into a canal somewhere in downtown Amsterdam. Instead, there are two new options for being "In Accordance" with G4. These are Core and Comprehensive. A quick translation, in the language we have become used to, is that Core is sort of C minus. Comprehensive is sort of A triple plus. You have to consider Core and Comprehensive in the context of the reinforced emphasis on materiality. G4 says: first complete due process and define your material issues (GRI calls these Aspects). Then, disclose your general standard (profile) disclosures, and specific standard disclosures (management approach and performance indicators) only for those Material Aspects you have identified. This means, that a new G4 In Accordance Sustainability Report will consist of: General Standard Disclosures Specific Standard Disclosures for Material Aspects Now, having understood that, this is where Core and Comprehensive comes in: For General Standard Disclosures, there is no major difference in disclosure requirements at Core level: As can be seen, at Core and Comprehensive are almost identical with three exceptions:

- Core doesn't need to report G4-2 (key risks and opportunities, like the G3 1.2),
- Core doesn't need to report G4-35 to G4-55 (governance disclosures, including most of the governance disclosures in G3)
- Core doesn't need to report G57-G58 (mechanisms for reporting ethical breaches)

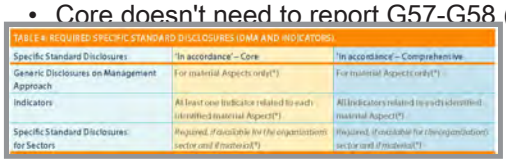
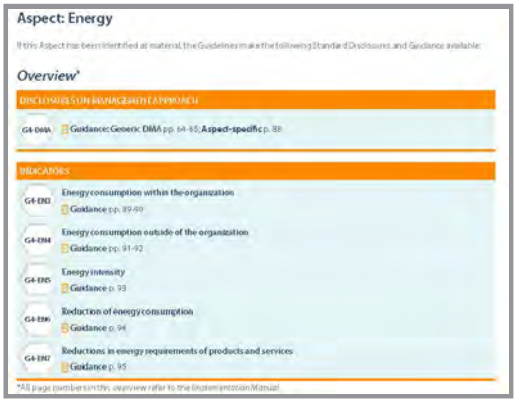


TABLE 4: REQUIRED SPECIFIC STANDARD DISCLOSURES (DMA AND INDICATORS)		
Specific Standard Disclosures	'In accordance' – Core	'In accordance' – Comprehensive
Generic Disclosures on Management Approach	For material Aspects only(*)	For material Aspects only(*)
Indicators	At least one indicator related to each identified material Aspect(*)	All indicators related to each identified material Aspect(*)
Specific Standard Disclosures for Sectors	*Required, if available for the organization's sector and if material(*)*	*Required, if available for the organization's sector and if material(*)*

For Specific Standard Disclosures, there is a major difference: Spot it? For Core, at least one indicator per material aspect must be reported. At least ONE. That's it. If you have three material issues, you can take your pick of the indicators related to those material issues and report performance with one indicator each. If you have one material issue, you can report on just one performance indicator. For Comprehensive, you must report on the lot - all the performance indicators for the material aspects you selected. Want an example? The Material Aspect covering Energy in G4 has 5 performance indicators.



Aspect: Energy

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview

DISCLOSURES ON MANAGEMENT APPROACH	
G4-DMA	Guidance: Generic DMA pp. 64-65; **Aspect-specific** p. 88

INDICATORS	
G4-EN3	Energy consumption within the organization Guidance pp. 89-90
G4-EN4	Energy consumption outside of the organization Guidance pp. 91-92
G4-EN5	Energy intensity Guidance p. 93
G4-EN6	Reduction of energy consumption Guidance p. 94
G4-EN7	Reductions in energy requirements of products and services Guidance p. 95

*All page numbers in this overview refer to the Implementation Manual

As a Comprehensive reporter, you must disclose against all five indicators, if you

have selected Energy as a Material Aspect. As a Core reporter, you can take your pick. In this case, therefore, as I understand it, as a Core reporter, it is quite possible that you have declared Energy as a Material Aspect, and have selected to disclose against G4-EN7 - reductions in energy requirements of products and services - and not against G4-EN3 - energy consumed within the organization. Interesting? Sure! Fabulous? Not sure. Tomorrow (Thursday) at the G4 track of the GRI conference, there will be opportunities to hear more and debate the implications of Core and Comprehensive and the best of the rest of the changes in G4. I'll pick this up again in future posts. During the conference today, I heard from most people I spoke to that the focus on materiality is welcome - the idea that a sustainability report should be about **key** impacts and not about **all** impacts is a good one, and most people like this. At another level, the requirement to disclose the process of selecting material issues is likely to be seen as challenging, because many companies today do not really have a structured process for this. At one level, some are welcoming the Core option as a sort of easy-way-in to G4 for new reporters, SME reporters or lazy reporters. Others are lamenting the lack of special acknowledgement for going the extra mile to become a Comprehensive reporter, which doesn't sound quite as sexy as being able to say "We got an A+". The plus, by the way, awarded for external assurance, will also disappear in G4. Instead, reporters are required to indicate in the GRI G4 Content Index whether specific disclosures have been externally assured or not. You can still be In Accordance if you disclose all your stuff without external assurance. No extra marks to be gained, just a warm fuzzy feeling that you went beyond minimum expectations. After a very brief initial look, the new G4 documentation seems clear and well put together. A big improvement versus current G3 guidelines and much better than could have been anticipated from the Exposure Draft. G4 is clearly the result of masses of effort by the GRI team and governance bodies and many many others. Being at the GRI 2013 conference gives you a sense of the major scale of this development and the hopes that it brings. It's certainly an achievement, and for that alone, I believe GRI deserves our congratulations! Watch this space for more updates and analysis of G4 over the next days, weeks, months and years. And for a lot more about related issues such as the relationship between sustainability reporting and integrated reporting, supply chain disclosures, value chain mapping, and other interesting insights that come up at the GRI 2013 conference, which by the way, numbers 1,600 delegates, making it a truly memorable event. It was such a busy day that I didn't even get a chance to go for ice-cream. :(

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofSustainability Reporting for SMEs: Competitive Advantage Through TransparencyANDCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen **or via my business website**www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

Comments

- MingChunHsu May 30, 2013

That is fantastic analysis. One question though, under this framework one can identify a material Aspect, but yet report the least material indicator underneath that Aspect (assuming 'Core' reporter). E.g. you can identify GHG Emissions as a material Aspect yet just report on say Emissions of ozone-depleting substances (ODS), even if scope 1, 2 and 3 are more material within that Aspect? That doesn't seem ideal to me. It would make more sense if you have to report on the most material indicator within the material

Aspect as well.

- elaine May 31, 2013

Hi Ming Chun Hsu, thanks for reading and commenting. Yes, this is correct. You can select any one indicator for Core requirement but this should be determined by your materiality analysis. If ODS is for some reason very very significant - there might be a good reason to report data on that indicator and not others in that section. The assumption is that companies will be mature enough to report on what has actually been defined as material through due process. G4 is not prescriptive to a high level of detail at the Core level. It's all about applying the framework in an honest and representative way. Best, elaine

Dr Sustainability en route to the GRI Conference

Monday, May 20, 2013

Dr. Sustainability is back in Europe, and this time, heading to the top sustainability event of the year, the GRI Conference. It's been a while since Dr. Sustainability was here. As we all anticipate the news, the G4 revelation, the learning, discussion, debate, networking, inspiration, innovation, information and integration, and of course, the ice cream, Dr. Sustainability shares some thoughts about what she will be looking for from the GRI conference, in response to #CSR Reporting Blog reader questions.

Dear Dr. Sustainability: What are your thoughts as you head to the GRI conference this year?
Dear Nosey: As I head to the GRI Conference, I will be thinking about whether this event will go down in history as the conference that makes or breaks sustainability reporting. A lot is at stake. Will G4 be applauded or will it be stoned? Will anyone throw shoes at the speakers during the G4 launch, or will they throw flowers? I have packed a spare pair of recycled ecofriendly sneakers and an inflatable tulip just in case. **Dear Dr. Sustainability:** What do you think will be the highlights of this year's conference? **Dear Spotlight:** I think the plenary room has the tallest ceilings so those lights will definitely be the high ones.
Dear Dr. Sustainability: Do you think it is justified to have a full conference with people travelling from all over the world generating loads of carbon emissions and consuming endless resources? Wouldn't it be better to have a virtual conference?**Dear Greenie:** Yes, I tend to agree that the environmental impact of such a conference is enormous. But the problem with virtual conferences is that the experiences and outcomes are also virtual. Have you ever tried virtually eating an ice-cream? Believe me, it's not great.
Dear Dr. Sustainability: Which of the speakers are you most looking forward to hearing? **Dear Listener:** Actually, I am most looking forward to hearing Elaine Cohen, who is an ultra-interesting speaker and always has something provocative to say. But... err...ooops... ahem... Elaine is not on the list. Maybe provocative is not so good. Perhaps I will ask for my money back. **Dear Dr. Sustainability:** Will you be tweeting **#GRI2013** during the conference ? **Dear Tweep:** Oh, of course. I have preprogrammed my smartphone with a set of useful acronyms to help tweeting go faster during the conference. I asked the GRI to add them to the **GRI Conference App**, but they haven't gotten around to that yet. In case you want to do the same, here they are:

- **IAHAWT:** I am having a wonderful time
- **TISB:** This is so boring
- **NIT4ABOPN**: Now it's time for a bit of power networking.
- **G44E:** G4 Forever
- **G4NW:** G4 No Way
- **G4WGDIH:** G4 will go down in history. (Think about it :)
- **WIGRISNTARQ:** Why is GRI still not talking about reporting quality?
- **WTFISN:** Who the f*** is speaking now?
- **WMUWTIO:** Wake me up when this is over.
- **HMMTCYSMI1C:** How many more times can you say materiality in one conference?
- **ITSAOIAC:** Is this speaker asleep or in a coma?
- **TISAIASGIC:** This is so amazing. I am so glad I came.
- **IIHIA1MTITIWGC:** If I hear In Accordance one more time I think I will go crazy.
- **YIHGC:** Yes, I have gone crazy.
- **DIHTR:** Did I hear that right?
- **WTBOATS:** Will this be over any time soon?
- **TITP2MATGRIC:** This is the place to meet all the GRI celebs.

- **IJMAGRIC:** I just met a GRI celeb.
- **AGASB:** Anyone got a spare bicycle?
- **IIDAMNIWNAN:** If I do any more networking, I will need another net.
- **CAMMATTU:** Come and meet me at the **Tweet-UP**. (Wednesday May 22nd at 12:00 in the Internet corner.)
- **IWNFTC:** I will never forget this conference.
- **IWWTWHTNGRIC:** I wonder where they will hold the next GRI conference? :)
- **WTIC:** Where's the ice-cream?

Dear Dr. Sustainability: Do you think that the GRI Conference will go a long way to advance integrated reporting?
Dear Integrator: Well, there will be a lot of talk about integrated reporting, I am sure. But I am not quite sure why. After all, integrated reporting is sustainability reporting without the sustainability, as in the following formula: IIRC + GRI = SR - S. Or to put it another way, integrated reporting is to sustainability reporting what a Magimix is to fruit salad. You get a smooth, uniform, totally interlinked and easy-flowing output but try to pick out a piece of banana and you don't stand a chance. I have bought myself a pair of earphones which filter out all the sentences in the plenary speeches which contain the word integrated. This probably means I will hear about four lines in the first four hours.
Dear Dr. Sustainability: How many of the 1,500 conference delegates to you expect to meet personally? **Dear Networker:** That's the wrong question. You should ask how many of the 1,500 conference delegates expect to meet me. Of course, if you are referring to readers of the #CSR Reporting Blog, then the answer is all of them :)

Dear Dr. Sustainability: What is your reason for attending the GRI Conference this year?
Dear Curious: Because there wasn't one last year.
Dear Dr. Sustainability: Do you plan to ask any tough questions at the plenary sessions?
Dear Ernst: There are no tough questions. There are only tough answers. I expect all my questions will be easy. For example: Now that G4 is done and dusted, when will G5 be developed?
Dear Dr. Sustainability: I have heard that the GRI is restricting lunches to one sandwich each, in order to make the conference more sustainable. Do you have a view on that?
Dear Foodie: I have no problem with that. As long as they make it a Rubik's Cubewich.

Dear Dr. Sustainability: Will you be offsetting your carbon emissions for your travel to the conference?
Dear Carbonperson: No. I won't be buying offsets. I will be selling them. I plan to walk to the conference with a solar panel hat on my head which will feed into the electricity grid that serves central Amsterdam. I will supply 0.5 surplus KWH each day of the conference and more if I go walking in the breaks. In this way, I will probably be the most carbon positive delegate at the conference. Additionally, I have a plan to capture all the hot air that is likely to be generated in hundreds of speeches and conversations during three days of the conference program and funnel it into a compressor that will provide power for an entire city in Indonesia.
Dear Dr. Sustainability: What message would you like to give to the conference organizers? **Dear Messenger:** This is my message: Have a great conference!

Dear Dr. Sustainability: What message would you like to give to the conference delegates? **Dear Messenger 2:** This is my message: Have a great conference!

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofSustainability Reporting for SMEs: Competitive

Advantage Through TransparencyANDCSR for HR: A necessary partnership for advancing responsible business practicesContact me via www.twitter.com/elainecohen or via my business website www.b-yond.biz (Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)

We love Sustainability Reports!

Friday, May 17, 2013

This week, in Bucharest, I had the opportunity to deliver a Sustainability Reporting training workshop attended by Corporate Responsibility leaders in several large and leading companies in the Romanian market. The training workshop was organized by ResponsabilitateSociala.ro, who is running the exceedingly popular European CSR Lessons, taking place as I write (16-17 May 2013, and which I regrettably was not able to stay on to attend) and was hosted by GSK Romania, the first GRI-based sustainability reporter in the Romanian pharma sector, and 2nd runner up in the CRRA'13 online reporting awards in the First Time Reports category.

My training covered a review of global trends, a taste of what might be to come on the Sustainability Reporting horizon (including some explanation and speculation about the upcoming G4), guidance in the process of developing a report and the essential indicators worth reporting on for any business, small or large. With a range of participants from different companies and sectors (energy, telecoms, food, technology, communications, pharma and beverages), we had a lively discussion and debated fascinating reporting dilemmas and questions. With the European Directive for Reporting doing the rounds with decision-makers in Brussels, Romania has a long way to go in order to develop a sustainability reporting culture, with relatively few reporters on the current landscape in that country. A few companies show leadership: Siveco: An IT software and solution provider which as been reporting since 2008 and has now published four sustainability reports, the last one for the year 2011. Siveco also participates in the UN Global Compact and has published three COP's, the last one covering 2012. This privately owned IT company, employing 1,200 people, demonstrates and authentic and serious approach to sustainability and the development of digital Romania. Petrom: Petrom, an integrated oil and gas company employing around 30,000 people, has come a long way in reporting. Starting with a Health Safety and Environment Report (HSE) for 1999-2000, in 2007-2008 Petrom switched to publishing online sustainability reports, with the most recent for 2011 being available as a PDF download. The report is clearly written and contains progress against prior year targets and new targets for the coming year. Cosmote: Cosmote's last report covers 2011 and is a GRI-checked Application Level B report, the company's second, though Cosmote Group, based in Greece, Cosmote Romania's parent company, has been reporting annually on sustainability performance for several years. Cosmote Romania is a large mobile telecommunications operator with a network covering 90% of Romania. Cosmote Romania's report is a serious affair, with detailed reporting against GRI indicators and specific updates on progress and new targets. Heineken Romania:

This second and most recent report covering 2011 is called "Brewing a Better Future" and covers similar themes to the global Heineken, though it takes less water to brew a pint of beer in Romania than it does elsewhere in the Heineken world. That's definitely worth reporting. There are a few more companies who have reported in the past, but whichever way you look at it, both the extent and maturity of reporting in Romania is still in its early stages. With most of the participants in the workshop having a desire to start reporting, or take their existing reporting to the next level, I am looking forward to seeing many more reports coming out of Romania in the future. However, that wasn't the point I wanted to make in this post. I don't do a lot of training, so when I do, it's quite special. Training always help you see things through the eyes of others, through the questions they ask and the comments they make. Their takeaways from the training session help you understand how you are making an impact. One of the most significant messages, for instance, that some of the group confirmed coming out of this session, was a new understanding of the way materiality fits into sustainability reporting. So many companies report without considering the real issue of their role in society and the material issues that arise from that role, and yet, that's the compelling core of reporting. We all know that materiality is going to become even more of a focus with new GRI G4 framework and organizations such as SASB that are creating a new standard for identifying and reporting on material issues. Reporting is not just about transparency. It's about ***relevant*** transparency.

The overwhelming feeling that I always come away with from such events is that, all around the world, whether it's in Romania, or Slovenia where I ran a similar event in the early part of the week, or in any of the countries I have visited to spread the Sustainability Reporting message, it all comes down to people with passion who are doing the best job they can with the tools they have available and the knowledge they have acquired. We think of reports as words on paper or on a screen. But they are people. They are a reflection of an increasingly complex business environment with ever-more challenging demands in a reporting landscape which is getting more difficult to decipher. Hopes for harmonization in reporting seem still to be a distant aspiration. The act of training groups of passionate people just brings home to me that all reports are good, all reports are an attempt to do better, all reports are worth the words they contain because each word is one that a person somewhere, doing the best job they can with the best of intentions, has put herself, or himself, on the line to deliver. That may sound shmaltzy, and it's sometimes difficult to get that when you read clumsily written reports, or ones that don't quite match up to expectations. But it is worth keeping in mind.

Sustainability reporting is a reflection of people, not of companies.
If you love people, then you must love sustainability reports!
In Bucharest, we all agreed on that! **Elaine Cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofSustainability Reporting for SMEs: Competitive Advantage Through TransparencyANDCSR for HR: A necessary partnership for advancing responsible business practicesContact me via**www.twitter.com/elainecohen **or via my business website**www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

Comments

- DragosDehelean May 29, 2013

Thank you for the great training, Elaine! Romania will have one of the most advanced

corporate transparency legislation, I can promise you that. No matter what :)

- elaine May 31, 2013

Thanks Dragos! Looking forward to being back in Bucharest! Best, elaine

Is reporting bad news?

Tuesday, May 07, 2013

As mentioned in my previous post, the annual CR Reporting Awards CRRA '13 Winners were announced during a special, one-day, by-invitation-only **CR Perspectives** conference hosted by CorporateRegister.com in late April. The conference shared the results of the **CR Perspectives** survey, which was completed by hundreds of people around the world and yielded some very interesting results. A full analysis of the results will be published and made freely available by the end of May on CorporateRegister.com. I chaired the **CR Perspectives** conference, which gave me the opportunity to hear and share **CR Perspectives** with a full-house of fascinating people from all over the world, including China.

Paul Scott, MD of CorporateRegister.com, a fully-fledged Sustainability Reporting authority and celebrity, told me: "*As CR reporting continues to evolve, CorporateRegister was very pleased to offer a forum where recent developments and the direction of reporting could be debated by an informed audience of practitioners. CR reporting developed organically, and as it matures we find various organisations attempting to steer it one way or the other. What our CR Perspectives survey has shown is that people involved in reporting make up their own minds, and we could be in for some surprises*."

CR Perspectives opened up with Richard Howitt, MEP and European Parliament's spokesperson on Corporate Social Responsibility who spoke about the recent non-financial reporting directive which has been proposed by the European Commission, which, if adopted, will require companies of 500 employees and more to disclose information on "policies, risks and results as regards environmental matters, social and employee-related aspects, respect for human rights, anti-corruption and bribery issues, and diversity on the Boards of Directors." Richard is optimistic that this will go through all the necessary approvals to become law within the next six months or so - resulting in another 18,000 companies delivering sustainability reports - integrated or standalone- a big increase from the 2,500 that Richard says make some form of disclosure today. Richard talked about ethics and trust in business as being part of the economic crisis we find ourselves in today, and that these are not only part of the crisis, but the route out of the crisis. He believes the European Directive will help Europe to catch up with progress made in other countries such as South Africa, Denmark, Brazil and more, where non-financial reporting has already been advanced in some form. Interestingly, Richard said that non-financial reporting should not be a big financial burden on companies. He quoted a figure of GBP 4,200 additional cost for each company to produce this information, less for smaller businesses. I am not quite sure how this was calculated but I wouldn't bet my last ice-cream on that one. However, Richard Howitt's perspectives were a great starter for what turned out to be a fascinating, packed day of discussion and ... well.. perspectives. Paul Scott shared the results of the **CR Perspectives** survey and I can't resist providing a glimpse of a few of the initial results, pending the full and final version later this month. For example:

- Over 95% of respondents agreed that CR Reporting builds trust. Great news!
- Mandatory reporting or disclosure was the thing that the highest number of people agreed would lead to better uptake of reporting (I proposed that reporters receive free ice-cream, but I don't think that gained too much ground).
- Over half of the survey respondents agreed that improved standardization would lead to better quality reporting.
- 92% of respondents believe that an annual form of reporting is the way to go, with much less support for continuous updates throughout the year
- A whopping 63% of reporters supported country-specific reporting, as opposed to

regional or global. This is validation for multinationals who commendably invest so much effort in producing local reports.

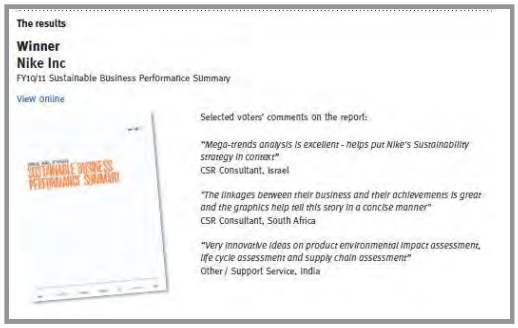
- Almost all respondents believe that all stakeholders are important audiences for CR reporting, which continues to make the reporting task a complex one, trying to meet the demands of multiple stakeholder groups.
- When asked what would make reporting more credible, the highest number of respondents said: **bad news!** Quantified data, assurance and use of a known reporting standard also came in with quite some support.

During the day, we heard from a range of CR practitioners and experts, including Jo Franses of Coca Cola Enterprises, Rupert Thomas of Royal Dutch Shell, Verity Lawson of BAT, Shannon Shoul of Nike, Core Olsen from Novo Nordisk, Sophie Guillou of La Poste, Joss Tantram of Terrafiniti and Lois Guthrie, of the Climate Standards Disclosure Board, who is always an interesting contributor. We debated with passion some of the big issues of the day, from the level of understanding that companies have of the value of reporting in a "survival"" context, to the use of reporting to drive corporate value. Of course, the concept of box-ticking came up, as it always does when people talk about reporting, and while a certain amount of that is always required, especially if we move to more standardized formats, the focus on materiality may well drive companies to think more deeply about what really matters rather than what boxes are available to tick. On credibility, given that the most significant credibility builder is apparently **bad news**, the one thing that companies don't want to report, I asked the panel what **bad news** they include in their reports and what they consider **bad news** to actually mean. The consensus seemed to be that **bad news** includes: failure to meet targets, failure to address material issues due to significant challenges, and worsening of performance such as in the area of safety or GHG emissions. For bad news to be noticed, it also should not be hidden way and minimized to the point that it's unrecognizable as **bad news**. This also gave me the opportunity to tell the story of the work I did with GSK Romania in helping to prepare their first, local, CR Report, called Valuing your Trust. In my first meeting with the General Manager, Pascal Prigent, I asked: "*What can we not report? What do you not want to include in this CR Report?"* Pascal looked me, puzzled, as if this was a rather odd question. His response: *"Nothing. You can include in the report anything that is relevant to telling our full, honest and authentic CR performance in all the necessary areas."* I didn't actually find too much **bad news** to disclose at GSK Romania, after interviewing all the management team and tens of others, and reviewing mounds of data and information, but the open approach of leadership and willingness to be fully transparent in the interests of building trust and credibility is something that more reporters would do well to emulate. Now that we have established that **bad news** works, perhaps we can expect to be reading lots more **bad news** in future reports. This may be totally depressing but at least we will trust everybody:). Watch this space for more **bad news!**

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofSustainability Reporting for SMEs: Competitive Advantage Through TransparencyANDCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen **or via my business website**www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

Drumroll for the CRRA'13 winners!

Saturday, May 04, 2013



Once again, amidst great fanfare, the annual iconic **CRRA '13 Awards Winners** were announced during a special, one-day, by-invitation-only CR Perspectives conference hosted by CorporateRegister.com and free to participants in the CR Perspectives survey and CRRA '13 winners and other guests. More about this in another post. CorporateRegister.com is home to the world's most comprehensive directory of corporate non-financial reports with close to 48,000 reports from 9,900 companies across almost all the countries you can think of.

Reports from six countries took the nine first place awards, with the U.S. and Canada picking up five of the top nine places, and the UK, Denmark, Australia and South Korea picking up one each. Ten countries made the top 27 places (first place and two runners up in each category) in this order: U.S. (9 top places), Canada (4 top places), UK and Korea (3 top places), and Switzerland, Romania, Denmark, Korea and Japan picking up one of the top 27 places each. Interestingly, the top eight reports (across nine categories, Nike won twice) all represent different sectors, showing that it doesn't matter what you do, if you report well, you get noticed! Nike was the **star** of the awards, with two outright first place wins, including Best Overall Report. This coveted award has been won only by three other companies in the history of CRRA - HP, Vodafone plc (three times) and Coca Cola Enterprises, Inc. Nike has not competed in CRRA in previous years, so this win is especially rewarding for the Nike team, I imagine.
Overall, CRRA '13 drew 5,739 valid votes, a slight decrease versus last year, but still a very respectable stakeholder turnout. European votes led the pack, as did votes from corporate CR Professionals, showing that reporters are interested in reports. Who'da thunk it? However, many other stakeholder types are represented in the voting, ranging from academics to media to investors through to NGOs government agencies and, of course, consultants :). So, without further ado.... drumroll..... here are the winners. (NB. Links are the report profiles on the CorporateRegister.com website, so you need to be registered to view them).

Best Report Winner: **Nike Inc** - FY10/11 Sustainable Business Performance Summary (U.S.) 1st Runner-up: Intel Corporation - 2011 Corporate Responsibility Report (UK)
2nd Runner-up: Coca-Cola Enterprises Inc - CR & Sustainability Report (U.S.)

The Nike report won by a fair margin. It is a GRI-based self-declared B level report, and is meant for online reading. It's a report designed with the reader in mind, and one which is connected to the big issues of the day. If you are going to read any report in the next few months, this is a good pick. I believe I myself gave this report top marks, and was quoted in the CRRA '13 Winners Summary.

Comments on Nike's winning report- the CSR Consultant in Israel is me
(These comments came with Nike's win in the Innovation category -
there are more comments in the Best Report category)

Best First Time Report
Winner: **Samsung Engineering Co Ltd** - 2011 Sustainability Report (South Korea) 1st Runner-up: RockTenn - 2012 Sustainability Report (U.S.)
2nd Runner-up: GSK Romania - Corporate Responsibility Report 2011 (Romania) Samsung picked up the Asian vote for this 80 page GRI B+ Level report, which, in typical Asian report style, is packed with charts and diagrams and a wealth of information. Congrats too to RockTenn, but my personal preference has to be with the report of a company who I have come to greatly admire - GSK Romania - in second runner up place. I worked on this report with GSK Romania so I know how genuine and transparent an effort this represents.

Best Integrated Report
Winner: **Novo Nordisk A/S** - Annual Report 2011 (Denmark) 1st Runner-up: Vancouver City Savings Credit Union - 2011 Annual Report (Canada)
2nd Runner-up: Takeda Pharmaceutical Co Limited - Annual Report 2012 (Japan) No-one was surprised with the Novo win in this Integrated Report category. Novo have long since made integrated reporting their mark of distinction and this is another in a string of powerful reports. Integrated Reports still remain a small percentage in the sustainability reporting landscape, but on that playing field, Novo plays to win. Novo has taken the Best Integrated Report in every year this competition has been held, with the exception of CRRA '11, when entries prohibited previous winners in order to give a fair chance to other reporters.

Best Carbon Disclosure
Winner: **Hydro Québec**:Sustainability Report 2011 (Canada) 1st Runner-up: Xstrata plc - Sustainability Report 2011 (Switzerland)
2nd Runner-up: Royal Dutch Shell plc - Sustainability Report 2011 (Netherlands) Hydro Quebec scored highly in my analysis of the Best Carbon reporters, so I believe this is a fair win. I was disappointed not to see Alcatel Lucent up there in the top three (they came in at 8th place), as I thought their carbon reporting stood out well above the rest. **Creativity in Communications**
Winner: **Dell Inc** - 2012 Corporate Responsibility Report (U.S.) 1st Runner-up:Coca-Cola Enterprises Inc - CR & Sustainability Report 2011/2012 (U.S.)
2nd Runner-up: International Flavors & Fragrances Inc - Sustainability Report 2011 (U.S.) A hat-trick for the U.S. reporters in the creativity category. Interesting, no? Is creativity a core American competency? Dell's GRI A+ Report is certainly an impressive 100 pages, and a new approach to reporting apparently paid off. Dell said about their own report: "*This year we utilized a fact sheet-based report model. We moved to this new format in order to improve the readability of our report both in report content and report structure for our audience. Through bulleted points our report offers clear, concise examples of what Dell did in FY12 to progress Dell corporate responsibility and what we will do next."* Dell has competed most years since the start of the CRRA awards, but this is the first time they have won first place in any category. **Innovation in Reporting** Winner: **Nike Inc** - FY10/11 Sustainable Business Performance Summary (U.S.) 1st Runner-up: Lockheed Martin Corporation - 2011 Corporate Sustainability Report (U.S.)
2nd Runner-up: Korea Railroad Corporation - 2011 Sustainability Report (South Korea) A new category to the CRRA line up this year (replacing the Best SME category, which took a nose-dive, due to the low number of SME entries (time to take a look at my new book, Sustainability Reporting for SMEs?)) and Nike hits the spot with their worthy report, a fitting re-entry of Nike back into CRRA after an absence of several years (Nike was runner-up in CRRA '07, the first CRRA, in the Best Openness and Honesty category). **Relevance & Materiality**

Winner: **Co-operative Group Limited** - Sustainability Report 2011 (UK) 1st Runner-up: SK Telecom Co Ltd - 2011 Sustainability Report (South Korea)
2nd Runner-up: Marks and Spencer plc - How We Do Business Report 2012 (UK) Poor Marks and Spencer. They were glowing (deservedly) at last year's award ceremony, having taken two first place awards (Best Openness and Honesty and Best Materiality) in CRRA '12. However, the Co-Operative Group, which also won the Ethical Corporation X Factor ranking, produced a really interesting report and deserves this win.

Openness & Honesty

Winner: **Pacific Hydro Pty Limited** - Annual Review & Sustainability Report 2012 (Australia) 1st Runner-up: Marks and Spencer plc - How We Do Business Report 2012 (UK)
2nd Runner-up: Export Development Canada - CSR Report 2011 (Canada) Pacific Hydro, one of two Australian reports that came out in the top 23 reports (which achieved the 27 top positions, three in each category) is a worthy winner, and is no stranger to CRRA, having won the Best SME report in CRRA '11. This year, Pacific Hydro produced a clean, well-written, direct report which clearly attracted voters, who gave this report a significant win, with a big margin, well ahead of the rest of the pack.

Credibility through Assurance

Winner: **Vancouver City Savings Credit Union** - 2011 Annual Report 1st Runner-up: La Trobe University - Sustainability Report 2011
2nd Runner-up: Banco Bradesco SA - Sustainability Report 2011 This is Vancity's first win in all the CRRA years that they entered and they succeeded with the help of Ernst & Young Canada who delivered their Assurance Statement which carries out both reasonable assurance on reporting principles and carbon emissions, and limited assurance on performance information and targets. The statement is comprehensive and detailed and includes a recommendation for improvement. A good statement (one of the few we come across) which completes a good report. The full winners report is now freely available on the CorporateRegister.com website here (login required). If you are looking for inspiration as you move into your 2013 report development and aspire to make the CRRA '14 leader board, this is a good place to start. Good luck! Congrats to all the winners! **elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofSustainability Reporting for SMEs: Competitive Advantage Through TransparencyANDCSR for HR: A necessary partnership for advancing responsible business practicesContact me via**www.twitter.com/elainecohen **or via my business website**www.b-yond.biz**(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

How to say Sustainability in a Poster

Saturday, April 06, 2013

Having spent a lot of time on this blog talking about the new generation of the GRI Guidelines and the G4 Exposure Draft, and speculating about what it will look like when it is actually launched, it is now time for the talking to stop and the action to begin, as we enter the countdown phase for the G4 launch. It's time for everyone to start placing bets as the exact format for the G4 launch is being kept well under wraps. If you are not in Amsterdam on May 22-24, to hear the first exposure of the G4 draft, and engage with 1,500 or more sustainability professionals, consultants, commentators, academics, regulators, activists and optimists at the **Innovation, Information, Integration GRI Conference,** you will be missing out on **THE** sustainability event of the 2013 calendar. **Download the conference agenda here.** Plus, if you attend, you'll **get to meet all our online friends at the TWEET-UP, which will be at 12:00 noon on Wednesday 22nd May,** a unique opportunity to put all those Twitter handles to Twitter faces.

One of the star attractions of the conference will, of course, be the first exposure of the G4 guidelines and the proposals for adopting them as the reporting journey moves forward. The G4 track runs through the conference, starting with the launch at the end of Day 1, running through Day 2 and finishing up on Day 3. If you attend all these sessions, you will become a **true G4 expert** and be able to advise your company on its reporting journey going forward.

Day One Wednesday 22nd May 17:30 **G4 Launch** "*This plenary will showcase the G4 development process and present the views of different stakeholders on how G4 will help advance organizational reporting and transparency*." Speakers are: Denise Esdon, Ernst & Young; Karin Ireton, Standard Bank Group; Mervyn King, IIRC; Roel Nieuwenkamp, Director Trade Policy at Dutch Ministry of Economic Affairs; Herman Mulder, Chairman GRI **Day Two Thursday 23rd May** 09:00: **G4 Content Briefing**: Jo Confino of the Guardian and Nelmara Arbex of the GRI will introduce the G4 guidelines 10:00: **Defining Report Content: Material Aspects and Boundaries** discussion will be moderated by Simon Longstaff, St. James Ethics Centre Disclosure 11:30: **Disclosure on Management Approach (DMA)** discussion will be moderated by Judy Kuszewski, SustainAbility 14:30: **Governance and Remuneration** discussion will be moderated by Christianna Wood, Chairman of the Board of Governors of the International Corporate Governance Network 16:00: **Supply Chain** discussion, moderated by Simon Longstaff, St. James Ethics Centre **Day Three Friday 24th May** 09:00: **Greenhouse Gas Emissions** reporting discussion, moderated by Simon Longstaff... again.

In addition to the G4 track, there are "Trends in Reporting" sessions, Regional Overviews by Delegations from around the world, Policy and Regulation sessions and Learning Sessions, such as "First Time Reporting Made Easy" with Crystal Crawford, Corporate Responsibility Specialist of Liberty Global, whose report I featured on the CSR Reporting blog a while ago. (10:00 Thursday 23rd, Day Two)

In other words, plenty of interesting perspectives, updates, networking, discussion, insight, information, innovation and integration. I am looking forward to seeing absolutely loads of old, new, offline, online and bothline friends, colleagues and sustainability movers-and-shakers at the conference.

In the meantime, before you get to Amsterdam, there is something else you can be doing. As you may know, the voting period for **GRI's Next Generation Competition** began on Wednesday 20th March, on GRI's Facebook page. More than 60,000 Facebook users have been reached, and more than 3,000 votes (or "likes") for the different posters presented have already been received. The competition was designed to encourage young professionals up to age 30 to engage with the sustainability agenda and compete for the opportunity to be part of a landmark conference and turning point in Sustainability Reporting history. The challenge was to design a poster that promotes an inspiring concept or message to encourage people and/or companies to accelerate the transition towards a sustainable global economy, while relating to one or all of the key words that make-up the theme of the GRI Global Conference: **Information, Integration, Innovation**. The Facebook album of the 25 posters submitted can be viewed on Facebook via this link: http://on.fb.me/16006K9, and you are invited to "like" the posters you believe best reflect and inspire sustainability. **Public voting closes on 10th April**, which means your chance to vote for the top 10 is quickly approaching!

See the full selection of posters, and vote for your faves, on Facebook! Once determined by public voting, the top 10 posters will be submitted to an international jury (which includes me, myself and I, as well as other sustainability pros) for a shortlist selection of the top three posters. The authors of these top three posters will be invited to join GRI (and us) at the Global Conference in May and conference delegates will select the overall winner. This 1st Prize winner will be invited to give a speech at the closing plenary session of the conference, to explain her or his entry and inspire the international audience! Who knows, one of these poster-masters may well be a global corporate sustainability leader of the future...wouldn't you like to be able to say you had a hand in her or his professional development? Sure you would... so **take a look**, **vote** and see you at the GRI conference!

PS: I will be on the lookout for the best ice-cream in Amsterdam, so all suggestions welcome!

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofSustainability Reporting for SMEs: Competitive Advantage Through TransparencyANDCSR for HR: A necessary partnership for advancing responsible business practicesContact me via www.twitter.com/elainecohen **or via my business website** www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

Is G4 reporting suicide?

Wednesday, April 03, 2013

Following my two recent posts, in which I partially analyzed two reports for their alignment with the new G4 Exposure Draft, I wanted to add some concluding thoughts. In developing these two (limited) analyses of **Clorox** and **Henkel** reporting, I realize that in practice, G4 is much much tougher than G3, moreso than I anticipated. Value chain, supply chain, material aspects, core and add indicators, profile disclosures, management disclosures... it's all makes the reporting task a much more serious affair. In essence, this is what we should want: a more connected sort of reporting, one which addresses real impacts and outcomes and not just a list of let's-play-nice activities. G4 requires much more in the way of planning and preparation. Mapping your value chain, consulting your stakeholders, identifying your material sustainability issues in that chain, prioritizing them and selecting how to report requires great rigor. And all of this is before you have started to send out excel files to your internal content providers for data collection and filled in your case study templates. In essence, it's the right way to go. In theory, it's the right way to report on sustainability. It bridges the gaping gap between the shopping-list sustainability report and the material role-in-society sustainability report.

However, the G4 framework as presented in the Exposure Draft does not bring out this reality in the most effective way. The new G4 guidelines are not sharp enough to prevent confusion about what is required to report and what is recommended (guidance), and the presentation is difficult, taking some time to understand and then, even only after several readings. Because of the way G4 is structured, aligning management approach categories and aspects to material issues and performance indicators is no easy exercise, and makes defining the reporting structure a job which is more stretching than writing the report itself.

At this point, I would go as far as to say that launching G4 (as presented in the Exposure Draft) for the GRI would be akin to **reporting suicide**.
I tend to agree with Ben Tuxworth of SalterBaxter in his article on the Guardian Sustainable Business site, in which he states: "*Though nobody doubts the good intention behind the changes, the overall sense I have from a seminar we held with a dozen leading reporting businesses in December is that G4 could make GRI simply too complex and burdensome. As one reporter we spoke to put it: "if the expectations of G4 cannot be simplified, existing reporters may begin to step away from GRI, and new reporters may not be in a position to report against the guidelines at all".*

Marjolein Baghuis of the GRI responded to this article with the following comments about what might be expected to launch in May:

1) **A new "in accordance" system with two tiers**
2) **Material focus:** reporters will be required only to provide disclosures and indicators that are relevant to the business. It will be for the organization itself, in dialogue with its stakeholders, to determine what these are.
3) **Separation between "What to report on" from "How to report"** – greater clarity on what is requirement and what is explanation

So "In Accordance" may now become Application Level A and Application Level B? A two tier approach is not the solution. GRI needs to find a way to allow and reflect gradual and evolutionary implementation of the guidelines in a more comprehensive way without a

qualitative beginners/advanced, high/low, better/worse black/white, A/B, impressive/not-impressive dichotomy. The approach needs to be fundamentally different. GRI has to be more creative here, and not simply reapply a bad system in a different way. Creating two tiers simply adds to the complexity and creates another margin for error, or even false claims.

Without the competitive benefit of being able to claim "In Accordance", at whatever tier, many companies will use G4 to "inform" but not to "frame" their reporting, which would lead to a stark dilution of the application of the GRI framework in practice, possibly even less rigorous than today. While G4 has some good ideas and intent - value chain, materiality, some more detail on supply chain etc - the sum of the component parts is horrendously burdensome and, frankly, unnecessary. I disagree with Ralph Thurm who claims that many of the objections to G4 are about the (increased) number of indicators that should be reported. I don't think that's it. I think the problem with G4 is the **relevance** of the indicators required and not the quantity. We may want transparency, but we must curb our appetite for information overload for the sake of information overload. We want to see the wood and the trees. But if we have too many trees, all we will see is a big blurry landscape with undefinable constituent parts. The 2494-page document published by the GRI including all the responses to the G4 Exposure Draft Public Comment Period makes for interesting reading (if you have a few months to spare) and largely supports the need to simplify, clarify and focus the new guidelines on what's truly important. Who will monitor G4 compliance? Will GRI perform "In Accordance" checks on every report that wishes to claim this achievement? If not, who will? Stakeholders will not perform detailed checks on adherence to GRI, no matter how many times the GRI says that it is their responsibility to do so.

We all want businesses to perform better on sustainability, and be more transparent, and we recognize that there are many gaps in the current reporting landscape. G4, as is, may only serve to make those gaps wider and impossible to reconcile. Companies who are already experienced in reporting at the highest (GRI Application Level A) level, may be tempted to push the envelope, but, frankly, why should they strive to be "In Accordance"? Would it not be simpler for companies to publish a more general non-GRI based report, while responding to specific requests for information such as the Carbon Disclosure Project and the DJSI or other rating and ranking and analyst companies? Despite the objective of harmonisation, it is not clear how the GRI aligns with these frameworks (except for realignment of emission scopes reporting with the CDP), and when it comes to the crunch, companies may believe that they could gain more value from focused responses to information requests rather than publication of an overly complex Sustainability Report. In fact, this is a core inconsistency in the GRI approach. On the one hand, reporting is for stakeholders who should check whether companies are indeed transparently accountable. On the other hand, most stakeholders are not willing/able to do the detailed work to identify whether companies are actually living up to their promise in terms of report quality, accuracy and adherence to a reporting framework. This is what GRI says "GRI is not in a position to police or control the quality of reports based on its Guidelines – this is outside of the remits of what GRI does. However, using GRI's Framework means organizations should engage their stakeholders when developing their reports. GRI also encourages stakeholders to challenge reporting organizations on their sustainability goals and what they report."

The fact that almost nobody notices when companies mis-report, or mis-apply the GRI framework, may suggest that stakeholders are passive and perhaps, gullible. Or it may suggest that they are looking for the big picture, the material impacts, the difference a company's activities makes in their lives and in their communities, rather than the detail of

how many suppliers of which type a company employs in Latin America and how many tons of ingredients it buys from each. It may suggest that stakeholders want enough data, but not too much, to assure themselves that executive remuneration is equitable, aligned with company performance and competently managed, rather than the entire disclosure of the "*ratio of the annual total compensation percentage increase for the organization's highest-paid individual in each country of significant operations to the median annual total compensation percentage increase for all employees in the same country (excluding the highest-paid individual).*" Stakeholders want to know about supply chain risks, but may not need the full report of "*the percentage of existing suppliers and other business partners identified as having actual and potential adverse impacts on society assessed on society-related performance, and actions taken*".

In this sense, G4's focus on materiality is good. But this focus is buried in a mass of profile disclosures and a long list of performance indicators which go into unnecessary depth and which most stakeholders will not know how to use. Even the most skilled of financial analysts will be challenged to understand the financial impacts of such granular disclosures. Maybe G4 will have the effect of encouraging companies to leave detailed reporting of performance to those who specifically ask for it (and presumably know what to do with it) while publishing a more general review of their sustainability impacts for the bigger picture stakeholders. I think it would be a shame if this happened and could lead to disjointed reporting and potential for inconsistencies. In the run-up to the May conference, I believe the GRI needs to do some soul searching, rethink several elements in G4 and turn it into something it was originally intended to be: a simpler, clearer, more relevant and more accessible framework that will deliver information that stakeholders need and know how to use. That doesn't mean just cutting out the extra bits. I think a real back-to-the-drawing-board approach is called for to get to what matters most in the most effective way. I hope we will see a somewhat different G4 in Amsterdam in May. I suspect it's probably pretty much wrapped up by now, bar the waiting, so these comments may have missed the train. But it's not too late to make a change in the way G4 is launched.....

..... I would recommend a **soft launch for G4**: an invitation to up to 100 reporters to produce their 2013/2014 report using G4, log their experience, make recommendations, and help define whether G4 is really a workable, beneficial, new framework or something that looks great on the drawing board but overly challenging in the harsh reality of corporate practice.

PS: In the meantime, **have your say about the reporting landscape now and in the future in the CR Perspectives survey from CorporateRegister.com**.

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofSustainability Reporting for SMEs: Competitive Advantage Through TransparencyANDCSR for HR: A necessary partnership for advancing responsible business practicesContact me via www.twitter.com/elainecohen **or via my business website** www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

Comments

- MarjoleinBaghuis April 03, 2013

Dear Elaine,

Thanks for your detailed blog on G4. I am so happy that you will be at the upcoming Global Conference on Sustainability and Reporting (May 22-24, in Amsterdam). I hope the launch of G4 at the conference will overcome many concerns and answer many questions.

Looking forward to see you there!

Marjolein Baghuis
Global Reporting Initiative

- RalphThurm April 05, 2013

Hi Elaine, great post and a lot to agree on. And of course happy to respond to your criticism about my Guardian blog, which in my view isn't one: If you read through the more than 1.500 pages of feedback received (I admit I just skimmed through it, that took a weekend ;-)), you will be amazed how often the # of indicators is used to object to G4. I am saying - and by that fully in line with you - that this argument is ridiculous, as GRI always has and will continue to safeguard that only material information and aligned indicators should be reported.Most important for me is that all new versions of GRI Guidelines invite reporters and stakeholders to take a journey, start with what is possible, and enlarge the approach over time and learn together. Using reported material information AND omissions lead the way over time, nobody expects perfection right from the start. So again, I can't see that we're in disagreement. I also agree with you that the exposure draft was a killer document, but I trust in the capabilities of the team at GRI to make G4 rigor, challenging, while digestable.

HENKEL: G4: good-to-go?

Tuesday, April 02, 2013

Henkel is an early 2013 reporter, and with a GRI B (self-declared report), is now my next guinea pig in the G4 good-to-go test. As you will have seen from my first post in this series, covering the Clorox report, getting to G4 is more of a marathon than a short stroll (if G4, when launched, is fairly close to the current exposure draft).
In this analysis, I focus on just a few significant changes in G4, and these are just four Profile Disclosures and their corresponding Management Disclosures and Performance Indicators.
These are the new disclosures: (for more background see my Clorox post) **DI 12:** Describe the organization's supply chain (number, type, location of suppliers, value of materials purchased etc) **DI 17:** List the identified material Aspects (and other material topics). **DI 18:** Describe the organization's value chain. **DI 19:** Place material Aspects (or other material topics) in the value chain.
Quick Overview of the Report Henkel is headquartered in Dusseldorf, Germany, and employs 47,000 people and generates revenues of 16.5 billion Euros, manufacturing household care and personal care products.

Henkel 2012 Sustainability Report GRI Application Level B - self-declared, 52 pages
The printed report is linked to the web-based report using reference codes, enabling you to find additional content by inputting a code - a nice touch. Henkel states a clear strategy for 2030 - a long-term goal to triple the value created by the company's footprint (i.e. become three times more efficient), supported by quantified five-year targets to 2015 in six focal areas - for example, reducing waste, water consumption and energy by 15% per production unit by 2015. Much of Henkel's report is focused on resource efficiency in product manufacturing and development. The company has developed a "Sustainability#Master" matrix approach which identifies the "hot spot" areas for improvement in value development and environmental efficiency for its products, and applies this system for evaluating and implementing improvements.
Sustainability#Master Matrix for adhesive product Loctite Max 2

Profile Disclosures Henkel's supply chain disclosure includes a section related to suppliers, and there is reference to the supplier base in 125 countries and the fact that more than 70% of purchased volume comes from OECD countries. Supplier selection criteria include sustainability performance and adherence to responsible business practice principles, and Henkel has a risk assessment process which requires suppliers to complete a self-assessment on sustainability issues and participate in audits of their operations.

However, Henkel does not disclose the number of suppliers it works with, nor the number of results of audits conducted. Henkel does not make any reference to the types of

suppliers as required by disclosure D12, for example, whether the supplier base includes ingredient suppliers or contract manufacturers (though later in the report we can read that around 10% of Henkel's volume of over 7 million tons of output is produced by contract manufacturers).

DI 12 also requires disclosure of the "*total monetary value and/or volume of materials purchased from suppliers broken down by types of materials, types of suppliers and location of suppliers*" (although I fail to see why this disclosure is an essential basic profile disclosure) and Henkel does not really provide information which meets this request. **DI 12Henkel G4 good-to-go? No.**
I couldn't find a Value Chain description in Henkel's report, though there is evidence of value chain thinking in the Hot Spot analyses, as in the example provided above, as these take into account the upstream and downstream effects of product development, manufacture and use. However, these descriptors are individual for selected products, and are limited to the impacts of products and not the entire organization and the entities it impacts. Additionally, the detailed impacts in these analyses are not fully disclosed - only the areas in which product improvements are identified and the progress of these improvements are noted. Therefore, mapping the Value Chain disclosure - **DI 18Henkel G4 good-to-go? NO.**
Henkel has a long list of material issues, which could expand this 56 page report into something much longer in G4. I believe this complies with the requirement for listing the material issues and aspects as required by G4. **DI 17 Henkel G4 good-to-go? YES**
These material issues translate into 19 material Aspects in the new G4 line-up, according to my calculations. I can't examine ALL of these, but let's take a couple.
Occupational Health and Safety is a material Aspect in the Social sub-category of labor practices and decent work. There are four performance indicators here: LA 6, 7, 8 and 9, of which 8 and 9 are core. LA7 refers to "*rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender*" and LA8 refers to education and programs to assist with serious diseases. These are unchanged in G4 and Henkel includes these indicators as fully reported. However, Henkel's reporting against LA7 in this self-declared GRI B level report does not meet the indicator requirements. Rates of injury and total fatalities are disclosed but not lost days, absenteeism and this is not split by region and gender.

LA8 relates to serious diseases. The Indicator Protocols define this as "*Occupational or non-occupational related impairment of health with serious consequences for employees, their families, and communities, such as HIV/AIDS, diabetes, RSI, and stress*." I could find no disclosure relating to such diseases in Henkel's reporting, although some of the health and safety training activities listed also include, for example, "*back strengthening exercises and tips on nutrition*". Therefore, in this material Aspect, not only does Henkel not meet the requirements for G4, it does not meet the requirements for G3. **G4 good-to-go? NORenewable raw materials** is one of Henkel's stated material issues. This fits into the Materials Aspect in the Environment category. There are two core indicators here: EN1 (materials used by weight or volume, split by renewable and non-renewable) and EN2 (percentage of recycled input materials). Henkel indicates full reporting against both indicators. Regarding materials used, Henkel reports in general on the different types of raw materials in key product categories, and notes the approximate percentage of renewables. However, no data is provided on the weight or volume of key raw materials, including sustainable palm oil, which Henkel notes as a separate issue in its own right. Henkel confirms commitment to participation in the Roundtable on Sustainable Palm Oil and to purchasing of RSPO certified palm oil, but does not disclose how much palm oil the company actually uses. Henkel also mentions various initiatives to improve the

sustainability of packaging, but apart from providing the total weight of packaging, does not identify how much is from recycled materials. Therefore, in these two indicators, Henkel does show a good approach and several positive initiatives, but does not meet G4 requirements and not even G3. **G4 good-to-go? NO** At this point, we know that Henkel's current reporting does not meet the G4 Exposure draft standards, based on, once again, a very limited analysis of just a small sample of G4 disclosure requirements. This is not surprising, as this report was not written with G4 in mind. It does however demonstrate the step change required to meet G4, as we saw with the previous Clorox example. In other words, Henkel has some significant changes to make before it can claim "In Accordance" with G4, if the company decides to become G4 compliant. In my next post, I will share some further thoughts about the applicability, relevance, complexity, benefits and uptake likelihood of G4. Watch this space. **PS:** In the meantime, **have your say in the CR Perspectives survey from CorporateRegister.com.**

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofSustainability Reporting for SMEs: Competitive Advantage Through TransparencyANDCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen **or via my business website**www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

CLOROX: G4: good to go?

Monday, April 01, 2013

In the run-up to G4 (to be launched in May at the GRI conference), I decided to examine some recent reports (at random, but GRI-based and broadly same sector) to see if they would be good-to-go if the Exposure Draft is approved as published (albeit the likelihood of this appears low - the grapevine is indicating that significant stakeholder pushback is likely to dilute G4, though quite to what extent is not clear).
Below is a reminder of what reports must include in order to qualify as "In Accordance" with the potential G4 Framework as we know it today from the Exposure Draft:
1. **All of the Profile Disclosure Items.** (There are 73 (!) Profile Disclosures) 2. **Disclosures on Management Approach and Core Indicators** related to all of the material Aspects identified by applying the Technical Protocol: Defining Report Content and Boundaries. 3. All disclosures identified in any applicable **GRI Sector Supplement**(s). 4. A **GRI Content Index** as specified in the GRI Guidelines. 5. **A statement, signed by the highest governance body or Chief Executive Officer (CEO),** that the report has been prepared in accordance with the GRI Guidelines and that it is a balanced and reasonable presentation of the organization's economic, environmental and social impacts. Regarding Profile disclosures, there are four substantive disclosures in G4 which make a difference to the entire reporting content. These are: **DI 12: Describe the organization's supply chain** (number, type, location of suppliers, value of materials purchased etc) **DI 17: List the identified material Aspects (and other material topics).DI 18: Describe the organization's value chain.DI 19: Place material Aspects (or other material topics) in the value chain.** Not reporting on these Profile Disclosures invalidates the "In Accordance" adherence. I will focus on these in my review of reports.
I ignore the 38 (!) Profile Disclosure items relating to governance and remuneration (up from 10 disclosure Items in G3), as, in my view, many of them are irrelevant, unnecessary and a waste of hours that the Working Group invested in devising every data point that they could possibly imagine. I expect this justified the cost of bringing the group to Amsterdam, but, in my view, it makes sustainability reporting look like Amazon.com's inventory of items shipped in the last five years. I suspect that in almost every case, these 38 disclosures alone will disqualify all existing reports from claiming "In Accordance". However, let's not get bogged down in the negatives before we even started.... Regarding Disclosures on Management Approach, there are now three specific disclosures (replacing rather general guidance in G3) which require the company to report for each material issue (aspect), what the issue is and its key impacts, why it is material and what it's doing about it.
First guinea pig:
The Clorox CompanyEnduring Value 2012 Annual Report (integrated report) GRI B+ GRI-checked online report with download (78 pages) Household Cleaning Products
Quick Overview of the Report Clorox is a $5.5billion household products business with markets in over 100 countries and a workforce of 8,400 people. At Clorox, sustainability is paying off. Clorox people write in their annual report: "*Sustainability investments in our Burt's Bees®, Glad®, Brita® and Green Works® brands have accounted for about 40 percent of our sales growth in the last five years. Additionally, we've saved about $15 million annually by making sustainability improvements to our operations*." A nice touch in this report is a description of some megatrends that are influencing Clorox's thinking. Clorox's Ingredients Inside is an interesting initiative, which lists all raw materials used in Clorox's cleaning products, with their chemical names and function. Of course, you would have to have a PhD in chemistry to make sense of all of that, but it's a good step for transparency.

The report receives a "+" from the GRI for being assured, although only GHG emissions from electricity consumption in U.S. facilities were verified. Frankly, you couldn't find a smaller sample of disclosure to assure, even if you tried really really **really** hard. This report, to me, does not stand the test of assurance. I fail to see how the GRI can reasonably award a certificate for assurance here.

The well-respected Leon Kaye's concludes in his review of this report that "*Clorox stands out as a corporate citizen that more companies within and outside of its space would be wise to emulate*". Certainly the company demonstrates strong performance in waste reduction, GHG emissions, and water consumption. I note some positive employee practices including a new health and wellness program and also good community support. However, I feel the Clorox report lacks some reporting depth and breadth, and is focused on activities rather than the change that Clorox is effecting in society as a result of its sustainable business focus. For example, 21% of products (since 2010) have been reformulated to reduce materials and waste, but Clorox does not disclose the extent of these improvements and the reduction in impact. There is a commitment to "responsible sourcing" but zero detail on what this actually means, beyond the existence of a Supplier Code of Conduct. More importantly, there is little about how Clorox is changing consumer behaviors with the exception of one or two small examples. With key business growth coming from "green"-ish products, I would have appreciated Clorox telling this story more fully. **Profile Disclosures:** Clorox lists four issues of material focus, based on insights gained from stakeholder engagement processes:

- **Sustainable Product Innovation** to include solutions for public health and more natural or plant-based products.
- **Product responsibility** to improve human and environmental safety and ingredient transparency.
- **Environmental sustainability** for reducing Clorox's eco footprint.
- **Public health** in the area of disinfecting products.

Looking at G4's matrix of Categories and Aspects, these appear to be just two aspects: Environment (emissions, effluent and waste aspect) and Product Responsibility (customer health and safety aspect). This is quite convenient for Clorox, as the performance indicator content of G4 is required only for Material Aspects. An opportunity to move from 78 pages to 20 :)

Clorox does not describe its Supply Chain, nor its Value Chain and does not place material aspects in the Value Chain. These are required G4 disclosures. **G4 good-to-go?NO**

As an aside, another interesting Clorox issue which invited the wrath of leading commentator Marc Gunther and several others was their Greenworks campaign, which was too late for this report but may (or may not) be mentioned in the next report. Perhaps it's something for the Material Aspect: Marketing Communications!

Disclosures on Management Approach This is easy for Clorox as there are only two Aspects to report. I think this report meets the requirements for this section.**G4 good-to-go?YES**

Performance Indicators There are 10 indicators which are in the Emissions, effluent and waste Aspect (EN16 - EN25), of which seven are core. Clorox currently reports on three of these seven core indicators in full, providing no data relating to, for example, water discharge (EN21) or significant spills (EN23), and avoiding non-core indicators such as hazardous waste (EN24) and biodiversity affected by water runoff (EN25). **G4 good-to-go?NO**

There are just two Performance Indicators in the Customer Health and Safety Aspect (PR1, PR2) and Clorox currently reports on one of them, providing a good description of safety assessments and procedures (PR1). Clorox does not report on incidents of non-

compliance with regulations concerning the health and safety impacts of products during their life cycle (PR2), but this is non-core, so not required for "In Accordance". **G4 good-to-go?YES**

Despite producing a lengthy and generally comprehensive report using G3, and recording some good sustainability achievements, it looks like Clorox has quite some work to do in order to prepare future reports "In Accordance" with the G4 Exposure Draft. And this is based on an analysis which barely grazes the surface of the total new scope of G4. I believe this shows that G4 as proposed is not a small evolution for reporting, but a major overhaul, and will require significant reconsideration of what and how to report. The upside is that Clorox G4 will not be required to report on anything not defined as material. But is that really an upside? Are there not some disclosures which should be reported by all companies whether or not they are company-specifically-material? I suspect there are several.

At least Clorox will not be alone in having to make significant change if the company decides to adopt G4... watch this space for an example from Henkel's report in my next post.

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofSustainability Reporting for SMEs: Competitive Advantage Through TransparencyANDCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen**or via my business website**www.b-yond.biz**(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

What's your perspective on reporting?

Monday, March 25, 2013

What's your perspective on:

- The current state of sustainability reporting?
- The number of material issues that a company should report on?
- The quality of assurance processes?
- The credibility of sustainability reporting?
- The way reporting has evolved over the past few years?
- Voluntary versus mandatory reporting?
- Global versus local reporting?
- Whether the GRI is a good reporting framework?
- Whether G4 will make things better or worse?
- Integrated reporting?
- The target audience for sustainability reports?
- The frequency of reporting and ESG disclosure?
- Who should provide sustainability report assurance services?
- And more...

Have you got **perspectives** on all of the above? Because, if you haven't, the new global CR Perspectives survey brought to you by CorporateRegister.com will help you develop some. And not only that, after presentation of the survey at a big-splash event on 29th April in London, at which time the results of CRRA '13 will be announced, you will be able to get a free copy of the entire survey results. And by that time, if you haven't developed some perspectives of your own, you can borrow someone else's! CR Perspectives is a global survey about my favorite subject: sustainability reporting. And it's happening just at the right time, as sustainability reporting is in a state of flux and promises to be even more flux-ish during 2013. The survey is structured around three recurring themes of the CorporateRegister.com approach: Content, Communications, Credibility.

The planned launch of the new generation GRI Framework "G4" in May has raised some heated debate, based on the exposure draft which was published last summer. There are those who say it's going to frighten off reporters. "*Unfortunately, in our estimation, if the G4 Guidelines were implemented as currently drafted, undue complexity and reporting burden would be the order of the day*." That's a quote from Aleksandra Dobkowski-Joy, a voice which counts in the world of sustainability. On the other hand, Dwayne Baraka, of the influential BITC in the UK, says, "*I think that on balance the changes are a step in the right direction*." And summary discussions from G4 workshops in Australia gave the following perspective: "*The overall impression was that the proposed changes to the reporting framework were ambitious, optimistic and a leadership challenge for organisations. It was also perceived that the changes represented considerable barriers for smaller organisations ...."* With just two months to go until all is revealed, **what's your perspective**?

Integrated Reporting is also chugging along and is a concept which splits the reporting world. You can provide your input to the IIRC Consultation Draft until mid July this year and take a look at some examples of how companies are approaching Integrated Reporting. There are some who say it's all a big puff of hot air and it will make very little difference to the way we evaluate and respond to corporations. See this comment from Lorraine Smith of SustainAbility: "*If the desired effect of reporting is to enable change, then, it would seem the jury is still out as to whether integrated reporting will accelerate change or merely rephrase the degree to which change has (or hasn't) taken place*."On

the other hand, there are those who say integrated is the only way to go. Read this, from the Global Accounting Alliance. *"When authentically implemented, integrated reporting offers measurable bottom line returns and 'future-proofs' companies."* Ahemmm. Please wait till I pick myself up from the floor. **What's your perspective**?

I believe the jury is still out on whether assurance has helped assure stakeholders of reporting credibility. First, the uptake of assurance is still low, and the quality of assurance varies. Many of the false claims in sustainability reports are actually found in reports that have been assured by an independent third party. Is it time to abandon assurance in favor of a new system? At UPS, they love assurance. But that's mainly for its internal benefits. Joss Tantram goes even further, saying: "*I have tended to believe that a report without an independent assurance statement is not worth the paper that it is printed on*." Ahemmmm. Picking myself up from the floor once again. Does assurance assure? I am not so convinced. **What's your perspective?**

Then there is the whole debate about single one-document reports (either printed or downloadable as a PDF) versus web-based reports which get updated more frequently than once a year. Should companies move to quarterly reporting a la Timberland? Or is more frequent reporting "*inherently unsustainable"* .. a *"hamster wheel which never stops spinning*"... at the prominent CSR commentator Mallen Baker argues. Well, I have a perspective on that. Hint. If sustainability is a long term thing, why would I get all excited about quarterly reporting? **What's your perspective?**

What is the best framework for Sustainability Reporting? ISO26000, although not a reporting framework, and not a certification standard, is now being adapted to provide structure for sustainability reports. BT indexes its Better Future Reporting against the ISO26000 framework. The UN Global Compact has been ramping up its Communication on Progress frameworks over the past few years, providing differentiation and proprietary criteria for reporting against the UNGC Leadership Blueprint. While there are attempts at alignment, there are substantial differences in approach. What framework really offers best value for stakeholders? Or do we need to go back to the drawing board and, with the benefit of hindsight, start all over again? **What's your perspective?**

Anyway, that's just a taster. I am very interested to see **everyone's perspectives**, so I welcome this survey, which I have already completed, adding **my perspective**, and I hope there will be a massive response so that we get a **collective perspective** which may help influence how reporting continues to evolve.

Help create a **balanced perspective**. Add **YOUR perspective**! Complete the survey here.

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofSustainability Reporting for SMEs: Competitive Advantage Through TransparencyANDCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen **or via my business website**www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

Comments

- JossTantram May 03, 2013

Dear Elaine,

Just a quick note on your fantastic fly-past on issues of external assurance and its worthiness.

My apologies for flooring you with the following assertion:
"I have tended to believe that a report without an independent assurance statement is not worth the paper that it is printed on."

The statement did though have some rather significant qualification in my original piece through the following sentence:

"However, it is also possible to have an independent statement which tells the reader so little that it is almost equally worthless!"

I entirely agree that many assurance statements can have very little utility in practice, either for reporting companies or for readers/ stakeholders.
Nevertheless, companies which understand the developmental value in in-depth assurance, especially those using AA1000AS could be party to the production of statements which do have manifest value.

In addition, and beyond the “Assurance Statement” industry, we are starting to see some company reports without a formal statement but have started to take us towards a “comply or explain” approach – for instance the recent CRRA13 overall report winner, Nike.

Assurance is in danger of becoming all about (minimal) process and not about utility or outcomes – for companies or readers – creativity and innovation is undoubtedly required but it will be essential to maintain a focus upon the ultimate purpose of assurance – it is a mechanism for trust and truth. If it becomes a mechanism for box ticking than we will have lost something vital!

Best regards,

Joss

A fabulous first SME report

Saturday, March 23, 2013

This week, **Ingenious Britain**, the UK campaign for small businesses, published my "**Five top tips for growing a more profitable business through sustainability reporting**". The headlines are:

1. Dedicate time to addressing the challenge
2. Define what stakeholders expect from you
3. Measure your impacts
4. Develop an action plan
5. Publish and communicate your sustainability report

If you want to see the detail behind the headlines, **read the full article here**. If you want even more detail (but not too much!), then you might consider investing in my book, **Sustainability Reporting for SMEs: Competitive Advantage Through Transparency.**

Of course, it all sounds nice on paper, but the practice requires discipline and just a little thought and effort (but not too much!). Here's an example of a great SME reporter which unfortunately I couldn't profile in my book, due to space constraints.

MHPM(MHPM PROJECT MANAGERS INC) is a Canadian SME, formed in 1989 as its founder, Franklin Holtforster led the construction industry by recognizing the need for independent representation of the owners interest during the design and construction of buildings. Today, MHPM is a business with 312 employees distributed in 22 offices across Canada, from Pacific to Atlantic coasts, with annual revenues of around $40-50M Canadian dollars. MHPM provides a range of services including Project Management for all aspects of building and infrastructure projects, Advisory Services to help maximize the investment value, efficiency and quality of real property assets, Sustainability Services to help ensure portfolios, buildings and infrastructure are worth more, cost less to operate and are better to work in, and Construction Services for project design, budget development, tendering and procurement of trade contractors, site supervision and project implementation.
At the end of 2012, MHPM published a first Sustainability Report.Congrats!

The report itself is two pages which are information-packed. The first page (pictured above) is an infographic with key sustainability performance for two years, 2010 and 2011, and the second page provides explanations and future targets. There is also an introduction by the CEO, Franklin Holtforster. It's simple, it tells a story of a small business which takes sustainability seriously, and it shows improving performance. It does not have the pyrotechnic-multimedia-bells-and-whistles of big company reporting (though infographic representation is considered state-of -the-art these days!) but it gets the message across. A fantastic example for SMEs everywhere.
Ralf Nielsen, B.Sc., M.E.Des., PMP, LEED Green Associate, the Director of Sustainability Services at MHPM shared their Sustainability Reporting journey with me. **Why did you decide to publish a Sustainability Report?** "It was part of a corporate commitment made

to our employees and stakeholders in 2009. We are committed to creating a sustainable built environment through advocating for sustainable design with our clients. Creating and publishing a sustainability report allows us to establish a baseline on sustainability performance for the company and communicate this to our clients and employees. It was a natural progression beyond getting our technical staff to gain their LEED AP accreditation and the establishment of Sustainability Services alongside our core business of Project Management. We see communications as a dynamic, on-going element of the relationships we have with our clients and employees. We are using our first report as a vehicle for stakeholder engagement. We are getting input into what they believe is material to MHPM and our industry. This will then shape our efforts on sustainability as well as what we report upon in the future. Unfortunately many believe reporting is an annual thing, when in reality, it should be integrated into the on-going dialogue with our stakeholders and within various levels of our organization but particularly those who have responsibility for employee and client relationships." **What have been the key (tangible) benefits/outcomes of reporting for your company? and for you personally?** "It is still early days – our first report was published in the fall of 2012. Reporting in and of itself has limited benefits. Yes, getting the message out is important, but how we actually deliver our work and services, as an advisory and project management company in building design and construction is key. That being said, we have gained insights from employees that will prove valuable to both our internal operations and service delivery. We believe the report has been able to "tell our company" story around sustainability for the first time to all employees in a concise, easy to understand and meaningful manner. We believe this will benefit the company through enhanced employee engagement, recruitment and retention and strengthen our relationship with leading clients." **How has reporting empowered the people in your organization?** "Again, it is early days, but we believe that employees are proud to point their key contacts, be it clients, colleagues, personal networks, etc. to the report and say that "I'm a part of a company that is committed." More individuals across the company are signing up to our internal Green Team initiative that will focus on business operations and employee engagement." **What have the key challenges been, especially as a small business?** "Finding the time! It took quite a bit of time to select the right indicators (from GRI) that are relevant to the company and then to begin to collect the data, determine if we can disclose the information (because we are privately held) and then putting it into succinct form for our readers. We struggled to find a balance between writing a lengthy report using volunteer hours vs. a report that was succinct, to the point, but was lean on narrative and qualitative information. We chose the latter, primarily because, as an SME, all hands are focused on sales and delivering to our clients and we can build depth and content in the years to come." **What resources did you expend on reporting?** "We allocated a part time student for 1 day a week for four months for our initial data collection. During this phase we had an internal team of 2-3 people work on structuring the report, selecting a graphic designer, writing, conducting analysis, etc. We engaged internal business functions across the company only on an as needed basis. Final sign-off was by the corporate management team and Vice Presidents. All in, it took over a year and a half to compile and publish our first report, using volunteer time from various levels of MHPM. We estimate approximately 400 hours of time across the whole team was required from start to publication launch. We anticipate significant efficiency will be gained in our second report because the reporting tools, networks and framework have been established. We can also point to this first effort to be an investment that can pay off if one of our professional staff is retained for an additional year, or if an additional client is gained by the company, or if an employee spots business process efficiencies, or if it enables one of our staff to convince a client that a high performance sustainable facility is a sound investment." **Your top tip for SME Reporters?** "Determine your materiality early

and then select your indicators. This will help guide everything else. But don't deliberate too long as you can get caught in reflecting internally with little progress. Drawing a line in the sand and get on with the report – that is key. The first report won't be perfect, but you can build upon it, use it in dialogue, communications, conversation and use the feedback to shape the journey and your efforts. Finally, I would say that sustainability reporting is only a means to tell stories. What are meaningful stories to stakeholders, particularly for clients and employees, comes down to the aspects that are material to them. For service oriented businesses such as ourselves, we need to demonstrate how we contribute and advocate for a more sustainable built environment. We are learning what this really means to our business practices, services and processes. It will be a journey and one that will be informed as much by what is material as by the markets and industry we work in."

******* Fabulous insights and good advice from Ralf and a testimony to both the challenges and immense value that reporting brings, yes, even for SMEs. I would like to thank Ralf, and MHPM, for sharing their inspiring story and wish them good luck on the ongoing journey. I am sure reporting will get easier with successive reports and will demonstrate its value in many ways. Do let me know if you have a good SME reporting story - SME's don't often get good exposure - and the CSR Reporting Blog will be very happy to help spread the message. Also, if there are SMEs out there who need some assistance with getting their reporting off the ground - thinking, planning, information gathering, deciding on indicators to measure, writing or any kind of support - from one SME to another, Beyond Business Ltd will be happy to offer our services ... at prices SMEs can afford!

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author of Sustainability Reporting forSMEs: Competitive Advantage Through TransparencyANDCSR for HR: A necessary partnership for advancing responsible business practicesContact me via www.twitter.com/elainecohen or via my business website www.b-yond.biz (Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)

Behind the Report Behind the Brands

Tuesday, February 26, 2013

The new Oxfam Report Behind the Brands is a must-read. It's only just been released and respected commentators such as Marc Gunther and Jo Confino of the Guardian have already published their insights with spectacular headlines such as "big food is failing the poor" and "multinational companies are failing on CSR goals". Well, we sort of knew that before the Oxfam report, but Behind the Brands pulls everything together quite spectacularly, highlighting the issues and challenges that large food companies face and/or create, brand by brand, punch by punch. The report is Oxfam's move to get the world's ten largest Food and Beverage companies to sit up and shape up, and work harder to create a more equitable food system and a more sustainable future.

The Oxfam narrative reads a little like a sustainable business horror story. There's not much that's new, but it's combined in a very effective round-up of the issues that have been on the sustainability agenda in the F&B sector for some time now. "*For more than 100 years, the world's most powerful food and beverage companies have relied on cheap land and labor to produce inexpensive products and huge profits. But these profits have often come at the cost of the environment and local communities around the world, and have contributed to a food system in crisis.*" With lack of supply chain transparency, (almost) unrestricted greenhouse gas emissions, water scarcity, food waste, exploitation of small-scale farmers, the impact of agriculture on climate change, obesity, diabetes and other effects of sugary, processed food forming a long list of negative impacts of this sector, we would all be forgiven for going the route of Neil Boorman in the "Bonfire of the Brands".

Oxfam has little good to say about the food and bev giants, which makes me wonder if this report would not be just a little more persuasive if it were just a little more balanced. Sure, we all know the nasty, negative, effects of big business. That's why the sustainability movement has become what it is. But if we go down the track of painting all business with a big black brush, we may be at risk of overlooking the many positive benefits of economic development and quality of life which these companies have also been responsible for creating. Transparency, accountability, responsibility should not be trade-offs, I agree, but in acknowledging what's not been done, perhaps there should be room for acknowledging what has been done.

By now, you will all have seen that Unilever, Nestle and Coca Cola make it to the top of the list, with highest-scoring Nestle attaining a 54% result, while General Mills, Kellogg's and Associated British Foods trail the pack with scores below 25%. Kudos to Oxfam for making their methodology transparent - you can download the base data of the research to see exactly how points were assigned and scores developed. This is very interesting.

But here's the thing. The Oxfam Behind the Brand ranking is an assessment of policy statements. It's not an assessment of practice:

"Oxfam's Behind the Brands scorecard assesses, scores and ranks food and beverage companies on ***their corporate policies and commitments*** *aimed at taking responsibility for the social and environmental injustices that lie within their agricultural operations. Only publicly disclosed policies are considered for the scorecard. ..... Oxfam acknowledges that policies are just a first step toward promoting socially and environmentally acceptable practices, and many companies do not actually enforce such policies within*

their supply chains."
In the question, for example, of *'Does the company explicitly recognize forced labor as an issue?',* every company gets full marks. In the question *'Has the company declared to seek to improve the role of rural women in their supply chain?',* only Nestle, Coca Cola and Mondelez get full marks, because they have a policy declaration (and not because they have actually done anything).

I checked out the reference supplied in the Behind the Brand data file as Nestle's response to this question about rural women, and the link goes to a page on the Nestle website on rural development, in which there is one mention of women in one paragraph: *'Long term, we seek to increase the training and support we provide to farmers. In general, such input – focused mainly on the efficient use and conservation of water, land conservation, access to clean water for farming communities, improving the status of women in rural communities and improving education – leads to greater yields of higher-quality and more varied crops for Nestlé, and increased income and higher standards of living for our suppliers'.* Better than nothing, I suppose, but women seem somewhat buried in a range of other priorities.
I guess my point is that I have learned to value action over declaration. In many ways, making a declaration is easy. Backing up that declaration with a set of strategies, policies, plans, goals, targets, metrics, and transparent reporting is not so easy. Standing by your policy declarations in times of conflicting priorities is even more not so easy. We are still in an age where companies are not held to account for the way they have implemented all their policy declarations. Even if all companies have the same policy, where does that leave our sustainable future? In the same place as it is now. Even if they all get 100% scores according to the Behind the Brands methodology, our global sustainability score may not be any different. This is how Oxfam puts it: *"According to the scorecard rankings, Nestlé and Unilever are currently performing better than the other companies, having developed and published more policies aimed at tackling social and environmental risks within their supply chains."* Performing better ... having published more policies? Excuse me. Are we on the same planet?
The question is to what extent we can expect this focus on policy development to be a real precursor to practice development? I'm a reasonable person (mostly, when I have had my daily dose of ice-cream). I tend to agree. So I applaud Oxfam for their massive investment in this research and for highlighting how companies are speaking about sustainable development. Certainly, now, if we want to, we can go and check if the big F&Bs are walking the talk or just publishing it on their websites and in their Sustainability Reports.

But, in reading the Behind the Brands report, let's be clear about what it actually is. An assessment of policy. Not of practice. Not of impacts. Not of sustainability. Not something which would cause me to change my choice of brand or join Neil in putting my Pepsi Max on a bonfire. Perhaps Oxfam might consider a next report that ranks the actual practices of F&B companies against their stated policies and assesses the impacts they create. They could call it "Because of the Brands".

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author of CSR for HR: A necessary partnership for advancing responsible business practices and Sustainability Reporting for SMEs: Competitive Advantage through Transparency. Contact me via www.twitter.com/elainecohen **on Twitter or via my business website** www.b-yond.biz

(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)

Comments

- TimWoodall February 27, 2013

Great points as always, Elaine.

One of the reasons many in the CSR community condemned the Newsweek rankings in the beginning (in particular, though they're still disparaged today for good reason) was their myopic focus on corporate policies being the end-all-be-all.

I completely agree that companies should be judged on what they're actually performing, not what their supplier handbook says they SHOULD be doing.

Four sustainability reporting trends

Monday, February 04, 2013

The Carbon Disclosure Project (CDP) has become much more than a carbon disclosure project, now combining climate, water and forest footprints into one holistic natural capital platform, the world's largest and most comprehensive natural capital disclosure system. The 2012 Forest Footprint Annual Review was recently published, the product of the 2012 merger between the FFD (Forest Footprint Disclosure Project) and the CDP. Nigel Topping is the Chief Innovation Officer of the CSP and he will be speaking at the Smarter Sustainability Conference on Tuesday 5th February in London on the "**Impact of natural capital accounting on sustainability reporting - experiences learnt from climate change reporting**". Nigel architected CDP's ambitious innovation program, including extending into Supply Chain, Water and Cities and is responsible for CDP's technical roadmap, IT systems, major partnerships with Accenture, SAP, Microsoft and Bloomberg, is a board member/advisor to CDSB, SASB, CBSB and sits on the external sustainability panels of SAP and P&G. What does the Chief Innovation Officer of the CDP actually do? According to Nigel, "*Innovation is the hard work of implementing ideas...not the cool work of coming up with ideas. We don't have a problem with ideas - we always have far more ideas that we have the capacity to implement at any given time. What's no less important is the ability to implement successfully those ideas we want to progress*." Nigel has had an interesting background. He started off in Manchester, UK, in manufacturing and was running his first factory in his early 20s. He then spent time in Greenland and Patagonia on expeditions, seeing at first hand the evidence of climate change. Joining the CDP around six years ago, he was driven by a real passion to use the power and creativity of business to address huge global challenges. He has put this passion to good use at the CDP, driving several important programs over the past few years. One of the things that will make Sustainability Reporting smarter, according to Nigel, is "*not having 75 different standards*". Convergence is definitely the name of the game, and "*we are seeing three forces at play: the extension of the scope of climate change to become a more holistic approach to sustainability - more things are becoming more material; a deepening of understanding that is sector specific - you can't easily compare a utility company with a general retailer; and the emergence of technologies which help classify and process data in a way which will enable it to be used by investors and others (xbrltaxonomy)."* Nigel has encouraged partnerships with the CDP to get everyone on board, and the CDP has been engaged in extensive training to help companies work towards clear standards, increase their capability to collect data and promote assurance of data. I asked Nigel about the issue of data quality and whether this is of concern, especially given recent issues raised about false claims in Sustainability Reports. Can the CDP be such a great holistic platform without being confident that the data that is disclosed is accurate? Nigel said: "*Quality of data is a global issue. There is a reciprocal journey between the provision of data and the use of data. The more people use the data, the more issues are found and get fixed. We have been of the view that it important to get everybody on the train, which is why we have invested significantly in training and educating. We have tried to push assurance, and last year, the assurance level among the global 500 increased by some 40%. We have encouraged this through the CDP by offering higher points for assurance. There are many debates and issues about assurance, not everyone applies assurance to the same standard etc. But the experience is that getting on the train and starting to disclose inevitably supports improvements in the data quality over time*." Nigel

summarizes with four key influences which will contribute to the evolution of sustainability reporting.

- Convergence - of standards and approaches.
- Holistic reporting - it's all interconnected.
- Sector specificity - ensuring that disclosures are aligned with sector expectations and impacts
- Reporting formats - which need to be tailored to different audiences including investors.

Disagree? Agree? Want to know more? Come and hear Nigel and have the opportunity to engage with him in London on 5th February at the second annual Smarter Sustainability Reporting Conference. **elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practicesContact me via**www.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

See you in London for two exciting thngs ?

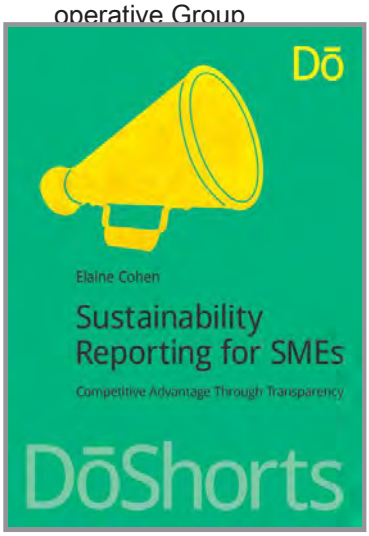
Saturday, February 02, 2013

I will be in London this coming Tuesday, 5th February at 76 Portland Place doing two very exciting things.

The first is chairing the Smarter Sustainability Reporting Conference, which I blogged about here (reasons not to come :)), and here (with Alexandra Palt of L'Oreal) and here (with Carolyn Panzer of Diageo).

Loads of people (a lot more than last year, probably due to the rave reviews:)) have confirmed their participation to hear and engage with the latest line-up of worthy speakers including:

- Michael Beutler, Sustainability Operations Director at PPR
- Carolyn Panzer, Sustainability and Responsibility Director, Diageo
- Alberto Andreu Pinillos, Global Managing Director of Public Affairs, Telefónica
- Alexandra Palt, Director, Corporate Social Responsibility and Sustainability, L'Oréal
- Dr Steve Waygood, Chief Responsible Investment Officer, Aviva Investors
- Nigel Topping, Chief Innovation Officer, Carbon Disclosure Project
- James Farrar, Vice President Sustainability, SAP
- Katie Buchanan, Head of Sustainability & Reporting, Virgin Media
- Barry Clavin, Ethical Policies and Sustainability Reporting Manager, The Co-operative Group



If you haven't booked your place..... you have a few more minutes left (email me for discount). I would love to see you there. It's gonna be fun.. and provocative ... and interesting ... and informative... and really really worthwhile. My promise.

The second thing is launching my new book. Yeah! It's called **Sustainability Reporting for SMEs: Competitive Advantage through Transparency**and I believe it's the first book specifically targeted at reporting for SMEs.

This is what we are saying about it:

"Develop the transparency habit and enhance the bottom line… Elaine Cohen points you to the actions and tools that will make the biggest difference to the sustainability impacts of your company, and a process for reporting that adds value which is much greater than the printed or online report itself. This book will help SMEs develop 'the transparency habit' so that they both make more money and contribute more proactively to the sustainability of our society and economy. It is vital reading for SME owners and managers, entrepreneurs, business and sustainability students and teachers, and consultants. Sustainability managers in larger organisations will find this book helpful in assisting their organisations manage their supply chains which undoubtedly include several SMEs." As you can see, this is part of the DoShorts series of books which is a fascinating collection

of short sharp shots on focused sustainability subjects, meant to be read in 90 minutes - concise ebooks for busy professionals. When the DoShort team approached me to write this book, I was delighted to be prodded in the direction of doing something I had been thinking of for quite a while. More about reporting, and SMEs and books later... in the meantime, you can see this book for the very first time in print at the Smarter Sustainability Reporting Conference next week. As I said, two exciting things!

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

Just how hard is it to disclose Carbon Emissions? Ten Examples.

Saturday, January 26, 2013

As we go into the home straights with the CRRA '13 voting period nearly over (did you vote? if note, you can do so here!), it's time to take a look at the shortlist in the Best Carbon Disclosure category.

As with the other categories, there are 10 shortlisted reports.

Reports in the Best Carbon Disclosure Category

Alcatel-Lucent: Corporate Responsibility Report 2011
Banco Bradesco SA: Sustainability Report 2011
British Sky Broadcasting Group plc: Bigger Picture Report 2012
Coca-Cola Enterprises Inc : Corporate Responsibility & Sustainability Report 2011/2012
Gas Natural SDG SA: Carbon Footprint Report 2011
Hess Corporation: 2011 Corporate Sustainability Report
Hydro Québec: Sustainability Report 2011
Hyundai Engineering & Construction Co: Sustainability Report 2012. We Build Tomorrow
Royal Dutch Shell plc: Sustainability Report 2011
Xstrata plc: Sustainability Report 2011. Creating shared value

The category description for Best Carbon Disclosure is simple: "Which report gives the best disclosure of the organisation's carbon emissions, the implications for climate change, and the mitigation measures taken? Check for policy, quantified data, targets."

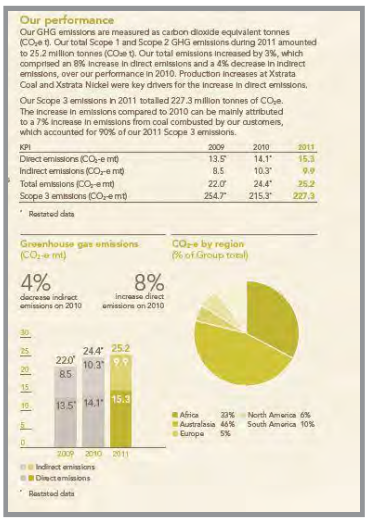
Carbon emissions disclosure is a rather broad topic. As you all know, the GHG Protocol divides Carbon Emissions into three Scopes: 1 (emissions we generate), 2 (emissions we buy that someone else has generated), and 3 (emissions generated by someone else while working on our behalf). My acid-test is **how easy it was** for me to find the answer to three simple questions:
What are the absolute Scope 1, Scope 2 and Scope 3 emissions for this company in 2011?
Has this company generated more or fewer absolute carbon emissions during the past 5 years?
Does this company have a target to reduce carbon emissions during the next 2-5 years?

Interested? Let's see what we found:

XSTRATA: ease of getting to the data: **5**

- Reports all three Scopes and overall total.
- Generated more emissions over three years in all three scopes. Scope 3 is due to customers combusting more coal. Scope 1 and 2 increases are not explained.
- I could not find a specific emissions related target 2012 and beyond.

ROYAL DUTCH SHELL: ease of getting to the data: **6**



Our performance

Our GHG emissions are measured as carbon dioxide equivalent tonnes (CO_2e t). Our total Scope 1 and Scope 2 GHG emissions during 2011 amounted to 25.2 million tonnes (CO_2e t). Our total emissions increased by 3%, which comprised an 8% increase in direct emissions and a 4% decrease in indirect emissions, over our performance in 2010. Production increases at Xstrata Coal and Xstrata Nickel were key drivers for the increase in direct emissions.

Our Scope 3 emissions in 2011 totalled 227.3 million tonnes of CO_2e. The increase in emissions compared to 2010 can be mainly attributed to a 7% increase in emissions from coal combusted by our customers, which accounted for 90% of our 2011 Scope 3 emissions.

KPI	2009	2010	2011
Direct emissions (CO_2-e mt)	13.5*	14.1*	15.3
Indirect emissions (CO_2-e mt)	8.5	10.3*	9.9
Total emissions (CO_2-e mt)	22.0*	24.4*	25.2
Scope 3 emissions (CO_2-e mt)	254.7*	215.3*	227.3

* Restated data

Greenhouse gas emissions (CO_2-e mt)

4% decrease indirect emissions on 2010

8% increase direct emissions on 2010

CO_2-e by region (% of Group total)

* Restated data

- Reports on Scope 1 and Scope 2 and makes a comment about Scope 3 "*we estimate that the CO2 emissions from the use of our products were around 570 million tonnes in 2011*." (For perspective, Shells Scope 1 and 2 emissions were 75 million tonnes)
- Generated fewer Scope 1 emissions versus 2010 but more than 2009; Scope 2 emissions remained the same as 2010 but more than 2009.
- I was not able to locate a specific target for improving carbon emissions performance.

HYUNDAI ENGINEERING: ease of getting to the data: **8**

- Reports on Scope 1, 2 and 3 with three year data.
- Total carbon emissions reduced in 2011 versus 2010 and 2009
- Hyundai Engineering has quantified targets through to 2020 and a Green Management roadmap which shows how to get there.

Carbon Management Strategies by Hyundai E&C

Vision: 2020 Global Green One Pioneer

Goal:
- 2019 GHG (Green House Gas) emissions 30% reduction compared to BAU
- 2020 obtainment of total energy Zero-House technology (2025 LCCO2* Zero-House technology obtainment)

Green System Establishment of the Undertaking System for Green Management	Green Project Management Realization of Green Sites/Operations	Green R & BD** Induction of Power for Green New Growth
1. Green management infrastructure	4. Systematic reduction of greenhouse gases	7. Developing green technologies
2. Enhancing green reputation	5. Expanding green outsourcing	8. Developing green businesses
3. Green Management Committee	6. Green project operation	

* LCCO2 (Life Cycle CO2) ** Research & Business Development

HYDRO QUEBEC: ease of getting to the data: **7**

- Reports on Scope 1 and 2 with four year data.
- Total emissions increased versus prior year.
- I was not able to locate a specific target for improving carbon emissions performance.

HESS CORPORATION: ease of getting to the data: **4**

- Reports on Scope 1 and Scope 2 emissions with three year data and a one year estimate for 2011 for Scope 3 product use emissions. "*We estimate our 2011 Scope 3 emissions from product sales at 35.7 million tonnes of CO2e in 2011, of which approximately 45 percent was related to product use in mobile sources and 55 percent to product use in stationary sources*."(For reference, Hess's total emissions in 2011 were 5.1 million tonnes CO2e). In addition, Hess mentions a further 230,000 tonnes of emissions due to third party trucking and logistics and a further 22,700 tonnes for employee travel. It wasn't that easy to understand all of this without really really concentrating....

- Absolute GHG 2011 emissions were higher than in 2010 or 2009.
- Hess has a GHG intensity (not absolute) target reduction of 20% by 2013 using 2008 as a baseline.

PRODUCT USE EMISSIONS

Product	Sales Volumes	GHG Factor*	2011 CO_2 (MM Tonnes)
Gasoline (bbls)	29,981,100	0.37	11.1
Diesel (bbls)	16,611,150	0.43	7.1
Residual Oil (bbls)	8,778,250	0.47	4.1
Natural Gas (MMBtu)	233,534,665	0.0573	13.4

*GHG factors in CO_2 Tonnes/bbl. for liquids and Tonnes/MMBtu for gas based on EPA rule for mandatory GHG reporting, except JDA gas factor which is adjusted for CO_2 content in gas sales.

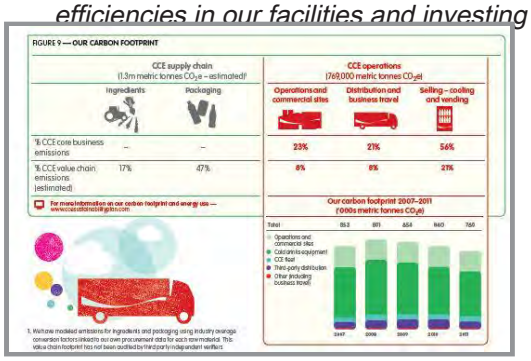
GAS NATURAL: ease of getting to the data: **4**

This is actually a standalone carbon footprint report so you might expect it would be pretty focused, although the volume of data actually did not make it easier to locate specific numbers.

- Reports Scope 1, 2 and 3 for three years, absolute emissions
- 2011 absolute emissions were higher than 2010
- There is a Scope 1 and 2 target for 2014 carbon emissions reduction

COCA COLA ENTERPRISES: ease of getting to the data **6**

- Reports Scope 1,2 and 3 for 5 years
- Absolute emissions reduced each year.
- Coca cola has a target covering 13 years: "*Our new target is to halve the carbon emissions involved in making a liter of product between 2007 and 2020 by driving efficiencies in our facilities and investing in renewable energy.*"



BRITISH SKY BROADCASTING GROUP: ease of getting to the data **6**

I had to use the GRI Index on the British Sky website to get to the Carbon Emissions data, as the direct navigation route wasn't all that clear. Once there, I found nicely presented data. Here is the page link to the online report section - this data is not included in the PDF summary report.

- Reports Scope 1, 2 and 3 for four years
- Absolute gross emissions reduced each year versus prior two years
- Target: 25% reduction in gross CO2e emissions (tonnes/£m turnover) by 2020 versus a 2008/09 baseline

BANCO BRADESCO: ease of getting to the data **0**

No data was included in the printed download report, and I had to use the GRI Index which directed me to the Banco Bradesco Banco de Planeta website for this. On the English website version, there is an interactive data chart that displays data in graphs. After trying to play around with this for a while, to actually get a view as to whether the carbon performance is improving or otherwise. Also the data charts only include 2010, when the reporting period is noted as calendar year 2011. Therefore, not only was this a major effort to get to the data, I found there is actually no data. I didn't bother then looking for targets.

ALCATEL LUCENT: ease of getting to the data: **9**

Scope 3 gross emissions

	2008/09 (Baseline)	2009/10	2010/11	2011/12
SCOPE 3				
Electricity consumed in BT Openreach Exchanges (Local-loop unbundling)	26,752	27,121	36,515	44,997
Emissions from waste sent to landfill	828	712	363	377
Business air travel	3,824	4,176	4,942	5,053
Sky News Helicopter (not Sky owned)	169	169	183	144
Cars not company owned	2,898	3,137	3,593	4,308
Outsourced service and installation engineers	8,408	7,654	13,576	11,479
Outside Broadcast Operations	2,630	2,111	3,603	3,115
Outsourced customer contact centres	5,708	9,193	5,594	7,838
Total	51,217	54,273	68,369	77,310

- Reports detailed Scope 1, 2 and 3 data for one year, with a visual overview since 2008 of total emissions
- Absolute emissions have reduced versus prior year.
- Sets a detailed emissions reduction target and pathway to achieve it

2020 TARGET

1

Alcatel-Lucent has committed to reducing its absolute carbon footprint from its operations[1] by 50% by 2020 (from 2008 levels).

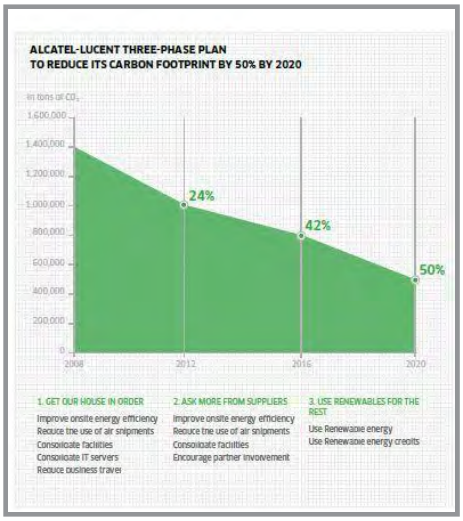
(1) We have clarified the wording of our commitment, "reduce our absolute carbon footprint (CO_2 equivalent) by 50% of 2008 baseline by 2020", by adding the term "from our operations", meaning Scopes 1 and 2 only. The reason for this is that we are adding new Scope 3 indicators year over year and need to keep a stable baseline from which to track our progress on reducing our carbon footprint. Additionally, we constantly work with our key suppliers to reduce our Scope 3 emissions, even though they are not part of our 50% reduction goal (see our environmental indicators on page 16).

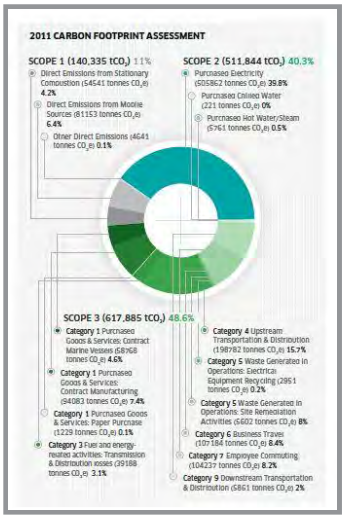
Note: One thing I didn't check was whether the above companies reported date for 100% of global operations, or only partial operations. Obviously, I also did not make an assessment of the carbon management performance of the reporting companies, just the way they reported.

What can we learn from all of this ?

Carbon emission data is mostly not easy to find:

My non-scientific ease-of-getting-to-the-data measure (scale 0-10, where 10 is best) shows that the range is between 0 and 9, with most companies coming out somewhere in the middle. Even though companies use the GRI Framework, and nine of the ten reports above do so (including six at A+ level), it is still not easy to go directly to the data and understand how the company performance is actually trending in a consistent and easy way. While the GRI Index is useful as a fallback, I don't want to have to work through a Sustainability Report indicator by indicator. I want to find the right section in the content index and navigate directly to the page. In this sense, the Alcatel-Lucent hyperlinked PDF report was the easiest and most gratifying in terms of looking for carbon emission data and finding everything I wanted quickly and efficiently. Companies need to get better at presenting data in reports in a way which makes them easy to





navigate. Readers do not have patience. This is the age of instant. If I don't find the data in an instant, I am off. Banco Bradesco take note.

Scope 3 is catching on:

In these ten examples, most companies addressed Scope 3 emissions in some form, even if they have only been able to estimate data at this stage. This is a good development, as we know that for most companies, this is the significantly bigger area of opportunity and impact. The new G4 guidelines, if launched as proposed, require Scope 3 reporting. Anyone who's not considered that yet would be advised to start doing so. **Target setting is patchy:** Only four of these ten companies actually specified an absolute emissions reduction target. A few more companies specified intensity targets. However, I always say that the planet doesn't care about intensity. Companies should commit themselves to a specific absolute emissions reduction target. Making a public commitment is key to managing performance accordingly. Finally, voting for CRRA'13 ends soon (officially at end January) so please vote and give the companies that do it best a little encouragement! Vote here!

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen on Twitter or via my business websitewww.b-yond.biz (Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)

Humor in Crisis: Tesco on the Grill

Tuesday, January 22, 2013

While researching this article for CSRwire's Talkback blog, on the story about 29% of horse DNA found in frozen "100% beef" burgers sold by Tesco (and some other retailers), I was looking through the Tesco Facebook page, which has now turned into probably the biggest respository on the internet of horse jokes. Despite the sad failure of Tesco to deliver on it's promise of quality, safety and integrity, this page is (sadly) very amusing. As a therapeutic respite from the daily grind, I thought you might be interested to see some of the jokes that are flying around (unedited, except for punctuation here and there, plus my links to references that not all may be familiar with). The creativity and humor in adversity is quite something to see. And I only managed to scan about 1,500 of the thousands of recent comments on the page. Apologies in advance if this offends horse-lovers. I couldn't help smiling even though I love horses and really, it's not funny at all.....

Patrick Sharkey: Tesco is giving away treble points for petrol and burgers in a promotion called "only fuels and horses"

Emily Stewart Can I have a horse to go, please?

Michael Ryan: An awful dose of the trots

Luka Cusick Knight Your horse burgers are bad... You should try quarter pandas

Serge Warner: Have Tesco considered stocking Red Rum and Raisin ice cream?

Rach Best: Tesco, your burgers gave us the gallops

Simon Tucker : I was in the Tesco cafe ordering my food and the waitress asked if I wanted anything on my burger, So I had a fiver each way.

David Turmon Griffiths: Gotta say beefburgers dont make very good horses d'oevers

Michael Sharp: Is this a case of Tesco failing to "meat" their obligations?

Tim Stone: A horse! A horse! my kingdom for a horse! Sorry King Richard, the best we can do is saddle you up to a Tesco burger

Jordan Duguid I just feel sorry for the guy that ate a burger and is now in hospital! Don't worry doctors say he's in a STABLE condition

John Fitzsimmons: *(Scottish accent)* It's neighhh big deal

Tim Stone: I just loaded up my car with Tesco burgers. It has more horsepower now!

Hoffmeister Bear: I heard there may be a problem with Cadburys products - I've heard about something called a Horse Wispa.....

Jodie Young what will I do with this 200 burgers I've been saddled with

Adam Glover: stop Horseing around

Brian Jermaine Mbofana: So does this validate the saying 'am so hungry I can eat a horse' lol

Clare Frances Tesco i thank you this is better than tv for now

Trevor J Coonan the horse has already (been) bolted

Craig-Emily Coldwell White After having one of your burgers earlier my throat is starting to feel a bit hoarse lol

Andrew Ross Don't mean to brag but I'm hung like a Tesco Burger!

Julie Dickson When your labels read "May Contain Nuts" were you talking about pony nuts?

Aiden Pants I've tried Sainsbury's and Tesco burgers and I have to say Tesco wins by a nose.

Tim Stone tesco horseburgers... may contain traces of jockey

Tim Stone i wonder whats in their hot dogs

Maria HD Went to the freezer to check my burgers... and they're off!

Kevan Toner New offer: If you lead a horse to tesco you get a free drink..

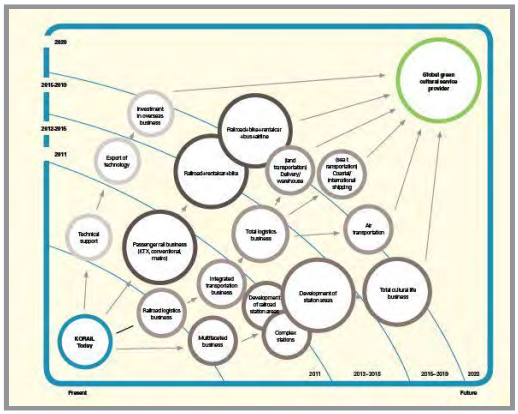
Kevan Toner A mate just gave me a present, I unwrapped it and it was a pack of Tesco burgers. Well, you should never look a gift horse in the mouth so I'm not complaining...
Stevie Bee They're just flogging a dead horse here
Ashley Cleaver This apology is not neighly enough, the whole story has made me very saddle.
James Carrigan hay hay, whats all this then,
Nick Spinks Those burgers are a stable diet
Al McKenzie What's in the horseradish sauce then?
Joe Donnellan never mind, the sales are still stable...
Paul Rawson This is nothing compared to donkey meat in the sausages and this is straight from the horse's mouth...
Richard Philip Belcher If you just repackaged them in my little pony brand burger boxes no one would complain... or would they?
Tim Stone removing the burgers from the shelf is like locking the stable door after the horse has bolted Joshua William Smyth What's the beef Karen Patten Maybe they were meant for the galloping gourmet Pia Long What did a Tesco butcher say when it found My Little Pony in the line for slaughter? Every little helps! Iin Skitt I do their new Black Beauty range of Burgers I've read the book I've seen the film now eat the cast.
Anak Rantau You are what you eat. You're all horses now! Haha
Lee Hobbs Tesco Burgers are low in salt but high in Shergar. Jamie Hynam Traces of zebras found in Tesco barcodes James Zutaten Tesco value burgers are a clear outsider but they win by a nose
Mike Acton That explains why I always felt like going out for a gallop round the block , after eating burgers for tea....
Gerard Grimalt Has anyone tested the veggie burgers for Uniquorn yet?
Kayleigh Nuray To eat or not eat a Tesco burger? That is equestrian
Rob Carver Tesco own brand = show winning quality
Tim Stone hmmm sea horse in the fish fingers?
Ian Hatfield shame on you tesco, i've just seen a three legged horse
Rob Carver You need to jump some hurdles to get over this embarrassment
Gillian Cookson Nedelcu This '"Ascot" to stop! Tim Stone ok ok ok no more burger jokes... time to 'rein' it in
Rusty Oxide Modern Nursery Rymes #1. Horsey horsey dont you stop Or you'll end up in a Tesco shop Your tail goes swish, the wheels go round Giddy up horsey your a quarter pound...
Tim Stone now i know what the acronym tesco means... tesco's equestrian select choice offal, every little helps Brian Smith Good thing about the horse jokes its stopped all that sick stuff about jimmy saddle. Its gone on furlong enough David Debbie Pass Neigh lad , it's got me eating carrots now Steven Ratcliffe They're still on sale in my NEIGHbourhood... Nicky Nobbs Going to take you a while to get over this hurdle... Andy Churchill I wonder if the addition of horse meat will help me run quicker?
Even Tesco was involved in the horse-jokes fiasco when their pre-scheduled Twitter account tweeted "It's sleepy time so we're off to hit the hay! Talk about from the frying pan into the fire..... sounds like not only Tesco's horseburgers but also Tesco people have been well and truly barbecued... guess this will add a little (equine) flavor to their next Sustainability Report.....

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

Ten Innovative Sustainability Reports

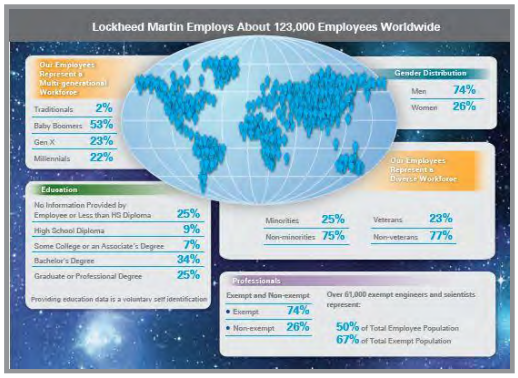
Saturday, January 19, 2013

What does Innovation in Sustainability Reporting mean? According to CorporateRegister.com, who added this new category in the reporting awards line-up this year, it is all about evolution: "*CR reporting evolves continuously. Some reports consist of mini-sites which incorporate new features of web technology. Others demonstrate new ways of approaching a reporting issue, of interacting with stakeholders, of presenting an overall picture. Which report demonstrates an innovation which may be adopted by other organisations, and which may help reporting evolve?"* The ten companies shortlisted in this category obviously think they have something to add to our sustainability reporting evolution. Of these companies, five are from the U.S., three from Asia (Korea, China and Malaysia) and two from Europe (France and the Netherlands). There are 966 pages of content (although the one report is a website download and is 302 pages!, so forgive me if I didn't read each one with total meticulousness). All but one of these reports are written in accordance with the GRI Framework, with five at Level A or A+. Before I go on, I will subtly remind you to **VOTE**. The voting closes in a less than a couple of weeks. I do think it's important to recognize great reporting. Remember, if you vote in each category, you could **win a cash prize** every week until the voting closes! I had a look at the ten reports shortlisted in this category, on a mission to find what is evolutionary (and innovative) about their reporting. Here, in alpha order, are my conclusions: **ALCATEL LUCENT Corporate Responsibility Report 2011** GRI A+, 179 pages, Technology Hardware Sector, France One thing that is nicely innovative about the presentation of this report is the hyperlinked PDF. I just love PDF's which enable fast navigation, so that you can reach each section and subsection in the document efficiently. Alcatel Lucent call this the "Smart PDF". Absolutely! I recommend Smart PDF's to all reporters. Hyperlink your PDF. It makes reports so much easier to read.

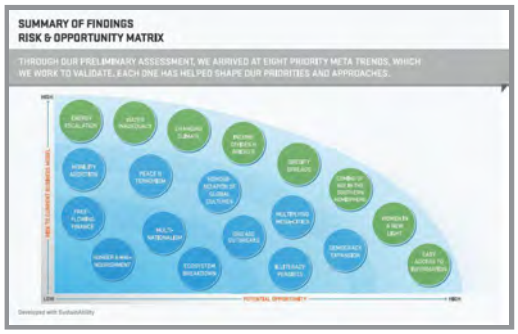


But that's not all....

Alcatel Lucent have incorporated an Augmented Reality experience into their report. By downloading an App for iPhone/iPad or Android smartphone or tablet, and, using the App



RECORDABLE INJURIES BY CAUSAL FACTORS 2011	
Slips/Trips	23%
Motor Vehicle	15%
Struck Against/By	14%
Carrying/Lifting/Pushing/Pulling/Bending	17%
Repetitive Motion	8%
Chemical/Biological Exposure	6%
Reaching/Twisting/Turning	6%
Physical Exposure	4%
Caught On/In/Between	5%
Other	2%



to connect to an image in the report, the App automatically opens up a video of the person in the static image. Alcatel Lucent says: "Augmented Reality could dramatically change the way we use mobile phones! This technology uses recognition of images in reports, magazines, advertisements and websites to provide immediate access to additional information on your smartphone." What better way to demonstrate this company's technological prowess and innovative approach than by offering an example of how this works. I tried it, and it does what it promises!

AMD Inc, 2011 Corporate Responsibility Report GRI A, 114 pages, Technology Hardware Sector, U.S.

Here is another reporter using the wonders of modern technology to present their report. Not only is the report online and downloadable in both full and summary PDFs, it is also available as an ipad App and an Android App. The tablet version contains additional content in the form of videos, interactive graphics and links to AMD's web pages. The App culture is definitely here to stay and the reports of the future will all be in this format, no doubt. Kudos to AMD for getting ahead of the game (AMD is not the first company to publish a Sustainability Report and/or Annual report as an App, but it's still new enough to be considered evolutionary and innovative). AMD also uses a QR code for interactive use of the Summary PDF.

This report is actually AMD's 17th report. There aren't all that many companies who have delivered that many reports. There's something to be said for reinventing your reporting year after year.

China Southern Power Grid Co Ltd 2011 CSR Report GRI Undeclared Level, 87 pages, Electricity Sector, China The evolutionary and innovative thing about this report is the inclusion of an external rating by experts from the China CSR Report Rating Panel selected by the CSR Research Center of the Chinese Academy of Social Sciences, Economics Department. The rating provided to China Southern Power Grid is reported with commentaries from four of the panel experts. While these

commentaries are exclusively positive, the evolutionary thing here is the presentation of the detailed comments in full. This is not a first, of course, but it is by no means widely accepted practice either. Sharing the feedback of report readers and evaluators is a feature of reporting that we will see more of in the future.

Another interesting piece of content in this report is the attention to ethnic minorities. In China Southern Power's service area, there are 34 ethnic minorities, and the CSR Report details these.

Coca Cola Enterprises Inc, CR&S Report 2011/2012 GRI B+, 42 pages, Beverage Sector, U.S.

This report opens with a question: *"How can a drink build a more sustainable tomorrow?".* While many reports use the question technique to raise issues and address them in their reporting, this is still not so widely used as a reporting practice. It's good, because reading a question immediately starts your brain ticking over to develop an answer. It engages you straight away. Another nice thing is the Deliver/Inspire (Deliver for Today, Inspire for Tomorrow) Spotlights inserted throughout this report. Using people to tell the story about what they have delivered and what's inspiring them is a leading-edge way to make the report come alive. It's always best if real people tell your company CSR story. Again, not a first, but definitely something we should see more of in reports. Similarly, external stakeholder voices are included in this report, also in the form of questions. Each main section starts with a question from an external stakeholder which is responded to by a CCE exec. It's a nice touch, and an innovative practice. **Korail Sustainability Report 2011** Korea Railroad Association, GRI A+, 101 pages, Transportation Sector, Republic of Korea The thing that stuck me about this report is this: "*Media Analysis :We analyzed 3,246 media reports regarding KORAIL between 2010 and 2011, in order to identify our sustainability issues and use them in selecting issues to be reported. These issues primarily concerned consumer issues, community involvement & development and response to climate change."* This was supplemented by other forms of direct stakeholder engagement in order to distill all issues into a nice-looking materiality matrix, containing 10 core issues, grouped into Emerging, Medium and High categories. The use of Media Analysis to support the materiality process is a good approach, and while other companies may do this as part of a regular business intelligence process, it is rarely mentioned in Sustainability Reports. Another nice touch is the way Korail sets out its future growth and development strategy, with the aspiration of becoming a Global Green Cultural Service Provider. Moving from the narrower paradigm of rail network services to a much broader role in society, Korail maps out the route to 2020 in a visual way. This forward looking approach in reporting provides context for future confidence that the company growth plans are aligned with sustainability commitments and opportunities.

Lockheed Martin Corporate Sustainability Report 2011 Not GRI, 46 pages, Aerospace and Defense Sector, U.S.

Lockheed Martin's 2011 Corporate Sustainability Report was designed as an interactive, electronic "book." For those who like digital presentation in this format, it works well and enables quick navigation through active links.

What I liked about Lockheed's report is the visual presentation of diversity in its workforce demographics - including the number of Baby Boomers and Gen Xers, minorities, veterans, gender and education level.

Merck and Co Inc, Corporate Responsibility Report 2011 GRI A, 301 pages (web-download), Pharma and Biotech Sector, U.S.

Merck has a dedicated report microsite, and also a PDF download. The PDF is over 300 pages long, and, as you can imagine, goes into quite some detail. Almost every topic has

its own page, some have several. One piece of detail that I liked and which you don't often find in Sustainability Reports is the breakdown of workplace injury types. I often think that workplace safety does not get enough exposure in Sustainability Reporting, despite it being one of the most essential prerequisites of a sustainable business. Merck sets out the detail of what injuries occur and how in their 2011 report.

Nike Inc., FY10/11 Sustainable Business Performance Summary GRI B, 81 pages, Household Goods and Textiles, U.S.

Nike shines as a leader in sustainability thinking and practice, and this is reflected in the many aspects of Nike's report that are innovative, evolutionary and very engaging. (You should check out the Nike CR website which also hosts the corporate responsibility report, if you haven't already seen it.) In the FY10/11 report, Nike presents the conclusions of an analysis of meta-trends (prepared with SustainAbility) - trends which have shaped Nike's sustainability strategy and approach and offer opportunities for innovation. These are presented in a form of materiality-type matrix which shows the trends that represent a risk to the current business model and those which provide business opportunity.

Nike's own Sustainability "Considered Indexes" for Footwear and Apparel also seem to me to be leading edge in both practice and reporting. These Indexes measure to what extent sustainability thinking has been used in the design process of Nike products (as choices at the design phase significantly influence life-cycle impacts). In fact, Nike has developed several proprietary Indexes which measure different aspects of Nike's value chain sustainability performance and impacts. The Manufacturing Index Metrics Roadmap presented in this Sustainability Report, for example, is a transparent representation of how Nike measures and recognizes process in its supply chain. Reporting on progress in this way can certainly be considered innovative.

Royal Dutch Shell, Corporate Sustainability Report 2011 GRI A+, 38 pages, Oil and Gas Sector, The Netherlands

Shell is another reporter which has incorporated QR coding, and this summary report of 38 pages is the tip of the iceberg of much greater content on the Shell website (the summary report contains links to additional content). What I like about Shell's reporting is its storytelling style - every section is written in a narrative which provides informative and immensely readable context and background, which is accessible and eye-level for all readers. Is that innovative and evolutionary? Possibly. Not too many companies have mastered this art.

Also, environmental and social performance data is presented for ten years (2002-2011) which is some achievement.

Shinhan Financial Group Co Ltd CSR Report 2011 GRI A+, 90 pages, Investment Companies Sector, Republic of Korea

The first thing that strikes you about this report is its cover page which presents a concept which is probably not all that familiar to most of us :) Shinhan explains this in this way: "*The essence of 'compassionate finance' lies in making the world a better place through the main businesses of finance*." Yes, that's definitely innovative. The narrative spells out in great detail what Shinhan means by compassionate finance and what actions are in place to drive compassionate behaviors at this financial group. What is nice about the presentation of this report is that it's filled with smiling faces of Shinhan people. While I suspect that every hour at work might not be Happy Hour at Shinhan, the report does present a sense of optimism and positive spirit. That's something that more companies could learn from - without going overboard :)

Shinhan also details the social responsibility profiles of each of the companies in the Shinhan Group - this helps stakeholders understand the different impacts of the individual components of the group, and offers those interested in specific companies a reasonable

level of content. This is not frequently done by holding companies or large conglomerations in corporate-level sustainability reports. Both the group-level view as well as the detailed view by company make this report somewhat evolutionary.

Ten reports, ten examples of innovative reporting practice. Which one gets your vote? Or are you spoilt for choice?

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

Comments

- SafdarAli December 18, 2013

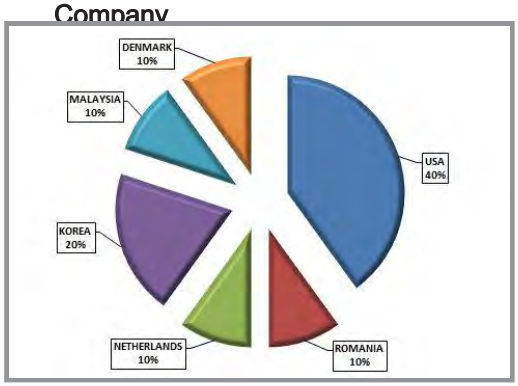
Nice post with great details. I really appreciate you for sharing this great info with us through this post. IICIE is a global center of innovations and entrepreneurs offering training, certifications (CBIM) and membership in the fields of Technology, Biotech, Green Energy, Gaming and New Media.

Insights from Ten First Time Reporters

Friday, January 11, 2013

It's time to take a look at the **CRRA'13 First Reports category**. Most of you know by now that I can't resist first reports. There are ten reports in the line-up this time around.
(**Note:** All report links go to the CorporateRegister.com website where the reports in CRRA'13 are hosted, so you need to be registered to view them). (**Disclosure:** My client, GSK Romania, has a report shortlisted in this category. Of course, I think it's a fabulous first report! Of course, I think everyone should **vote GSK Romania in first place**!) (**Opportunity:** This time around, you can win **CASH PRIZES** during the voting period. If you vote in all nine categories, you are entered for a weekly Voters' Draw with prizes of GBP250 every week till the voting closes at end January. Also, winners are entered into the final Voters' Draw after the voting closes and are eligible to win one of the additional GBP250 cash prizes. The weekly draw takes place every Monday morning).
The ten first reports in the line-up this year in alpha order are:

- **Agco Corporation 2011 Report. Investing in sustainability**
- **Golder Associates Corporation Golder Sustainable Development Report 2011**
- **GSK Romania Corporate Responsibility Report 2011**
- **New World Resources Plc Sustainability Report 2011**
- **POSCO Engineering & Construction Co Ltd Sustainability Report 2011. Think Forward RockTenn 2012 Sustainability Report**
- **Samsung Engineering & Construction Company 2011 Sustainability Report**
- **Sime Darby Berhad Sime Darby Group Sustainability Report 2011. Developing Sustainable Futures United Rentals Inc United Rentals Corporate Sustainability Report 2010-2011**
- **The VELUX Group Corporate Responsibility Report 2011. Building a Model Company**



This adds up to 678 printed pages of reporting, average 68 pages per company. (The Golders Associates Report is the only full web-based report, with a 20 page printed summary download).

The reports are from companies in 6 countries:
None of the first time reports is an integrated report. 90% of the first reporters used the GRI Framework, one did not declare a level and of the remaining eight, six are at B level, one at A and one at C. Given the interesting and important dialogue that is taking place currently about the quality of reports and the role of the GRI and its Application Level Check, I looked at how many of the GRI reporters used the Application Level Check service and three of the eight GRI declared-level reports did so.
Here is a summary of the First Reports line-up:

COMPANY	PAGES	GRI	GRI checked	Sector	country
Agco Corporation	47	C		engineering and machinery	USA
Golder Associates Corporation	20	B		support services	USA
GSK Romania	76	B	yes	pharma	ROMANIA
New World Resources Plc	116	A	yes	mining	NETHERLANDS
POSCO Engineering & Construction Co Ltd	86	Undeclared level		engineering and machinery	KOREA
RockTenn	59	B		packaging	USA
Samsung Engineering & Construction Company	80	B+	yes	engineering and machinery	KOREA
Sime Darby Berhad	116	B+		food processors	MALAYSIA
United Rentals Inc	29	B		support services	USA
VELUX AS	49	Not		construction and building materials	DENMARK

Now, one of the interesting things about the CRRA'13 awards, that you may not have noticed, is that each entry provides supplemental information about the report highlights and the category strengths for the reporting category it is entered in. These are located on the Report Profile Pages for each report.
Rather than provide you with my analysis of these first time reports, I thought I would share some of these insights provided by the reporters themselves.

AGCO Corp says:
"*We used photography and icons as effective ways of supporting our narrative and to help readers gain access to detailed text. In addition to the narrative, we tried to incorporate several examples throughout the report from AGCO personnel. By using this method, we offer helpful insight and create a more personal feel to the document."*
Golder Associates have been extremely creative - it's worth reading what they say about their own report. Here's a taste: "*Within each category you can read as many of our short stories as you'd like – we wanted you to have the freedom to explore in their own way, rather than making the story too "linear". **Your kids will think it's cool.** We wanted to appeal to a younger generation in the graphics and the style of story writing we did. It is definitely not boring, even though we are a company of engineers and scientists."*
GSK ROMANIA says:
"*We are on a mission to reinforce trust in our industry, in an authentic and transparent way. This is the first report of GSK Romania, and one of only a couple of local reports for any GSK country operation worldwide. We believe that trust is built with local stakeholders, and it was important to us, given our prominent position in the healthcare system in Romania, to maintain and develop our dialogue with stakeholders with the help of a full and transparent Corporate Responsibility Report."*
New World Resources Plc "*We are showing that 'telling the truth' is in no way a disadvantage for the company and that, on the contrary, the company is highly regarded for its openness and willingness to provide all the relevant information in the right context. In this respect we are pioneers in the Czech environment*." (Note: New World Resources is registered in the Netherlands but its main activities are in the Czech Republic and Poland)
POSCO Engineering & Construction "*In June 2011, POSCO Family declared the Corporate Charter, demonstrating its strong commitment to becoming a firm endeared by its stakeholders through contribution to sustainable social development and the welfare of humankind. In doing so, POSCO Family defined its stakeholders to include the society at large, business partners, investors, customers, employees, and the environment*."
RockTenn "*The Sustainability Report describes our sustainability focus in three arenas – people, performance and the environment. It also publicly identifies six sustainability goals to be reached by 2020, based on a 2009 baseline. ..... Within the report, readers will also find.....twenty-three featured "Evidence of Excellence" case studies that demonstrate our successes with initiatives implemented within the reporting period*."
Samsung Engineering & Construction "*The report performs as a guideline for the company to become a more responsible and sustainable organization. We believe that it has impacted the organization as a whole through this report as employees consider sustainability when conducting business activities and management considers the impact of their decisions with the mission and values of the company. It has initiated an enterprise-wide movement aimed to fulfil the three directions: transparent and responsible growth, respect for human and the environment and accompanying with partners*."
Sime Darby Berhad "*In this inaugural report, we have also included selected noteworthy historical events. Year-on-year sustainability performance metrics are provided, where*

available, and selected case studies are used to provide a more in-depth description of efforts on the ground. A special focus on key social issues in Liberia and Indonesia has also been provided."

United Rentals "*This Corporate Responsibility Report will give you an idea of where we stand and where we're headed. Over the next several years, our company will continue to make significant investments in our equipment fleet. Our fleet team will be looking at the most advanced technologies available, not only for the purposes of safety and reliability, but also because we want to reduce the fleet's carbon footprint, noise levels and air quality impacts*." (Actually, United Rentals didn't write a special supplementary commentary, so I took this paragraph from the report's CEO statement) **The VELUX Group** "*VELUX Group believes that the quality of our lives and the quality of our environment are closely interlinked. Under the credo Sustainable Living we want to inspire buildings that give more than they take, i.e. buildings with high energy efficiency, optimum indoor climate and renewable energy sources. By numerous full-scale experiments, VELUX Group contributes to the development of carbon-free buildings with a pleasant indoor climate offering plenty of daylight and fresh air..."* Some of the commentaries that the reporting companies provide about their own reports are actually very insightful. I hope some or all of the above will entice you into taking a look and making the effort to vote in CRRA '13. The more awareness for reporting we create, and the wider the readership, the better our chances are of creating a mainstream high-quality reporting culture in which companies realize that transparency with integrity is valued. Why? Because ultimately,we all benefit. Congrats to all these first time reporters. Good luck to all in **CRRA '13!**

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

The Top Ten CSR Reports of 2012

Saturday, January 05, 2013

Previous posts on the CSR Reporting Blog with my pick of the Top Ten Reports of 2010 and the Top Ten Reports of 2011 have actually been among some of the most popular posts of all time on the CSR Reporting Blog. Who am I to mess with a winning formula?

What do I look for in a winning report? Authenticity, Materiality and Impacts. The AIM model. This is how it works (reproduced from last years' post) **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 achievement, not the activities. This is by far the most difficult thing for companies to address and very few, if any, do it well.

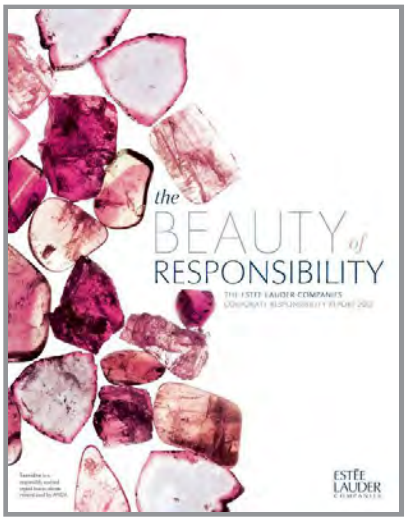
My Top Ten are reports that have caught my eye and stand out for me in some way. It's not an objective or methodological selection. But, I do use, browse, read and review many many many reports throughout the year, so you might say that the ones that stand out are hitting the mark in one way or another. By the way, you can also read Leon Kaye's Top Ten Sustainability Reports of 2012 on Triple Pundit. His picks are all western global companies: Cisco, Coca Cola, Intel, Marks and Spencer, Microsoft, Nike, Philips, SAP, Unilever and UPS. All great works, and worthy of any top report list. My selection includes reports which are probably lesser known and reflect a more diverse group of companies from different parts of the world.

Here... drumroll..... in alpha order are my Top Ten Picks of Sustainability Reports published in 2012.

(Becker Underwood, BT, CEMEX, China Mobile, Estee Lauder, Impahla Clothing, Larsen & Toubro, Maersk Line, Symantec and Tieto Corporation)

Becker Underwood Sustainability Report 2011

First report, GRI Application Level C, 81 pages



Becker Underwood is a privately-held multinational company, founded in 1982 in Ames, Iowa, that develops and produces a wide range of agricultural and horticultural solutions, including seed colorants and polymers, inoculants, beneficial nematodes, and mulch and turf colorants. Becker Underwood operates on five continents and employs over 430 people and generates $200 million in net sales. (Just in case you are wondering, as I was, what beneficial nematodes are, here's a definition: "Beneficial nematodes seek out and kill over 200 species of pest insect in the soil and will have no detrimental effect on species such as ladybugs, earth worms and other helpful beneficial insects.") What I like about this report, in addition to the fact that it's a first, is its simplicity in reflecting a single overarching aim of this company: to have a NET positive impact from all direct and indirect business practices. That's easier said than done, but Becker Underwood, as a global but small-ish company, has taken the long view and developed a clear strategy to progress focused actions against seven strategic objectives. Actions include purchasing Renewable Energy Credits to offset 100% of electricity use, installing 84 solar panels at the company's Missouri site, energy efficiency improvements at several facilities and Becker Underwood has been working with Trucost to develop an environmental profit and loss account for the company's supply chain. If anything, this report adheres too rigidly to the GRI framework which has constrained its writing. Rather than help us understand the true impacts of the company's activities, the report follows the GRI profile disclosure elements in order, and bypasses the stories and case studies that would make this report come alive. Nonetheless, as a first report, it's a credible testimony to the company's approach and actions, and is carefully crafted, modeling what can be done by businesses below $1billion revenues and 1,000 employees size.

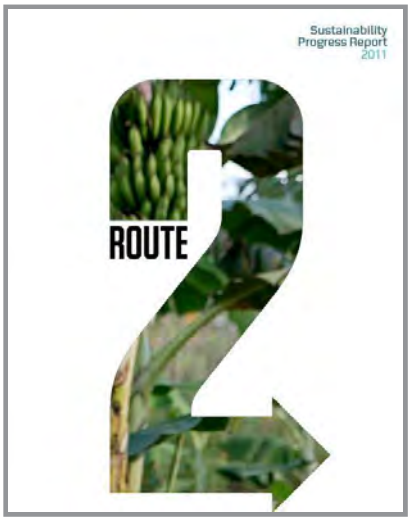
BT Better Future Report 2012

GRI Application Level A, web-based report with 8 page downloadable summary

BT is one of the world's leading communications services companies, operating in the UK and in more than 170 countries worldwide. Main activities are the provision of fixed-line

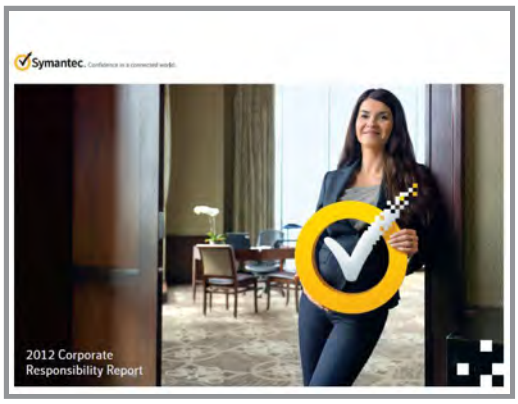
services, broadband, mobile and TV products and services as well as networked IT services. BT employees over 90,000 people and has a total revenue of over GBP 19 billion.

BT has been reporting since the 90's and they always tend to do a good job. One of the best features of BT's reporting for some years now is the linkage of non-financial indicators and financial indicators. You can see this clearly on page 7 of the summary report. For example, one financial measure of the value of sustainability to BT's business is the value of customer contracts that BT competes for that have a sustainability element as part of the bid, which reached GBP 2.7 billion in 2012. This is linked to the underlying sustainability action of maintaining or improving BT's ethical index score.



Aside from this, BT's reporting is centered around their mission to "provide reliable and secure networks that help people and businesses to thrive". The web-based report contains a selection of interesting case studies which illustrate the ways in which BT lives this mission. For example, a story about how BT's emergency services 999-number wait time was reduced significantly shows how technology and new social media tools can be used in innovative ways.

BT's material issues are clearly laid out and a commentary from an external Leadership Panel adds extra perspective.



CEMEX 2011 Sustainable Development Report
GRI Application Level A+, 61 pages

Founded in Mexico in 1906, CEMEX, S.A.B. de C.V. is the world's leading supplier of ready-mix concrete, and a leading cement and aggregates producer, with net sales of over $15 billion, selling to over 50 countries with 44,104 employees worldwide and an annual production capacity of 95.6 million tons of cement. CEMEX operates 59 cement plants, 1,921 ready-mix concrete facilities, 377 aggregate quarries, 226 land-distribution centers, and 70 marine terminals. That's a heck of a lot of cement.

CEMEX began publishing annual environmental, health, and safety reports in 1996, and then in 2003 published its first Sustainable Development Report. Entitled "Building a Better Future", the 2011 Sustainable Development Report is CEMEX's ninth report that

covers the range of environmental, social, and governance issues and performance.

What's great about CEMEX's reporting is a very clear approach to sustainability with three key drivers and seven priorities, and a materiality matrix which highlights the priority issues, which are reported in detail. Health and Safety, for example, the highest material issue, takes five pages in this 61 page report, and, while demonstrating improved safety performance, doesn't omit to mention that a whopping 44 individuals died in connection with CEMEX's activities. I am sure that's a painful disclosure. Not surprisingly, really, that all these 44 fatalities were contractor and third party employees. This reinforces the big differential between safety performance for own employees and safety performance for third parties. I see this pattern with many companies (Note to self: This deserves a post of its own. Sometime soon). Companies using contractor or third party employees must pay far more attention to safety training and supervision. In the same section, CEMEX reports a reduction in lost-time accidents among its own employees versus prior year.

CEMEX is involved in activities to "proactively contribute to the transformation of the construction sector" through a range of collaborations and research programs on the value of concrete as a sustainable building material. CEMEX has even become somewhat of a consultant to customers in construction of sustainable buildings. A life-cycle approach to concrete features in the report. The impacts of concrete in so many different aspects of our lives - construction, urban infrastructure, even road congestion, makes this report a fascinating read, very informative and even educational, as CEMEX provides relevant background information. Each section opens up with "performance highlights" and continues with a description of the company's management approach and a selection of challenges ahead. Clearly a report which has been carefully planned, it is well structured, and presents issues in a credible way. The report is bolstered by the commentary of an Advisory Panel.

The thing I wonder is why the materiality matrix is hidden away on page 45, instead of being right up front as an essential backdrop to the company's strategy and reporting approach.

China Mobile Ltd 2011 Sustainability Report

GRI undeclared level, 58 pages China Mobile has over 176,000 employees, nearly 650 million customers and a 66.5% market share of mainland China telecoms services. The company was incorporated in 1997, and has mushroomed to be one of the largest mobile networks in the world. Just a list of the China Mobile wholly owned subsidiaries takes up a full page in this report. China Mobile was the first company in mainland China to publish a Sustainability Report in 2007 and this is their sixth. It is indexed to the GRI, the UNGC

and ISO26000.
China Mobile's vision is "Mobile Changes Life" and this report links the activities of the company with outcomes for a better society and environment. The company covers a broad range of issues relating to mobile technologies and consumer behavior and impacts, providing contextual information and background to this company's extensive reach. One small example: empty nesters. This is what China Mobile says:
"*Mainland China is continuing to become an elderly society and the number of "empty nest" families has increased significantly. According to the statistics, currently "empty nest" families have surpassed 50% in both cities and rural areas, with the number increasing to 70% in some large and medium-sized cities. The question of how to care for the elderly becomes more pressing. We have fully considered the need of the elderly in their daily life and innovated on information services for them through customised terminals."* The Sustainability Performance key indicators are collected towards the end of the report and provide a great overview of China Mobile's performance. I like the fact that some of the performance areas are expressed in terms of impacts, and not just inputs (although there is room for even broader thinking in this area).

Estee Lauder Corporate Responsibility Report 2012
GRI undeclared level, 80 pages
The Estée Lauder Companies Inc. is one of the world's leading manufacturers and marketers of quality skin care, makeup, fragrance and hair care products, with sales of products are sold in over 150 countries and territories under the following brand names: Estée Lauder, Aramis, Clinique, Prescriptives, Lab Series, Origins, Tommy Hilfiger, and many more. The company has net sales of almost $10 billion, and employs approximately 38,500 people. The company was founded in 1946 by Estee Lauder.

The report is entitled "The Beauty of Responsibility" and this report is indeed a beauty. It projects a certain grace and refinement through its pleasing design, and well-placed imagery. Goals, progress in the reporting period and new goals are clearly set out up front, and issues such as diversity and inclusion, people development, advancing women, corporate philanthropy and environmental stewardship are well addressed. A large section is devoted to women's health and especially breast cancer, which has been the flagship cause of Estee Lauder for 20 years. Evelyn Lauder, who is credited with creating the pink ribbon, sadly passed away after battling with ovarian cancer in 2012 and a touching memorial page is devoted to her in this report.

While lacking some of the heavyweight aspects of Sustainability Reporting (stakeholder engagement processes, materiality analysis, value chain impacts, specific challenges etc), this report does present a credible picture of a company doing much to operate in a sustainable way as part of a core business philosophy. It certainly is the beauty of responsibility.
Impahla Clothing Integrated Annual Report 2012
Integrated Financial and Sustainability Report, GRI Application Level A, 64 pages.

Spring Romance Properties 34 (Pty) Limited, trading as Impahla Clothing (Impahla), is a company based in Cape Town, South Africa and manufactures clothing under a sole source agreement for PUMA, a world-class sport and lifestyle company. Impahla is a privately owned business that has grown organically over the last eight years from 60 employees in 2004 to 234 in February 2012. In 2012, Impahla supplied in the order of 445,000 garments for a total turnover of R38 million, 31% up from 2011. The most significant recent development in the Impahla business has been the move to manufacture exclusively for PUMA. Impahla started reporting in 2007 and this is their fifth

report, and eachone has been a gem. If anyone wants a role model for SME reporting, this is it. The open and inclusive style, the genuine and frank discussion of core issues, the well-written and carefully crafted messages, the conformance to the GRI framework without the appearance of a tick-box approach and the focus around material issues all make this company and its reporting one of the best, not just of 2012, but of several years. Design is always great too, with original photos of the operations and employees at all levels. Nothing Stock about this report. This discipline and degree of transparency does not come easy for a privately owned SME and is by no means an obvious approach. It requires absolute consistency and integrity by the company's leader-owners. We need more of this in business today. (Watch out for my DoShort book to be published in January about Sustainability Reporting for SME's in which I use Impahla as a case study, having interviewed the Managing Director, William Hughes).

Larsen and Toubro Sustainability Report 2011

GRI Application Level A+, 112 pages

I covered Larsen and Toubro's reporting on the CSR Reporting Blog earlier this year with a Triple Cone Award for consistently compelling and creative reporting.

Larsen & Toubro Limited (L&T) is a technology, engineering, construction and manufacturing company. It is one of the largest companies in India, founded in Bombay (Mumbai) in 1938 by two Danish engineers, Henning Holck-Larsen and Soren Kristian Toubro. Both of them were strongly committed to developing India's engineering capabilities to meet the demands of industry. L&T is traded on the Indian Stock Exchange and employs over 50,000 full-time employees and over 300,000 contract workers, boasting a turnover of around $13 billion. For more detail, read my post earlier this year. Suffice it to say here that this company has become one of the few that delivers a report which I look forward to reading each year.

Maersk Line's Sustainability Progress Report 2011

Not GRI, 127 pages.

Maersk Line, headquartered in Denmark, is the largest shipping company in the world with a global market share of 15%. Maersk Line employs 25,000 people with 325 offices in 125 countries around the world and operates a fleet of more than 600 ships which sail every major trade lane on the globe, and make about 35,000 port calls every year.

This is Maersk Line's second report and what I like about it is the vision and long-term thinking it projects. Entitled "Route 2", the name of Maersk Line's sustainability strategy, the report's introduction kicks off with "Towards 2050" and an overview of the challenges facing the shipping industry in the light of global issues and mega-trends. The report is structured around five core issues that are at the heart of Maersk Line's strategy, and includes fascinating insights. For example, the report includes a description of the Indian banana trade based on a socio-economic impact study conducted by Maersk Line, and examines the risks to this sector in light of the different findings. Maersk Line's cold-chain shipping is an important part of the global perishable food distribution network. Maersk Line also presents good environmental data, including the impacts on its customers' supply chains. For example, Maersk reports that 169 key customers saved over 748,000 tons of carbon emissions by shipping with Maersk versus the industry average. In fact, overall, this report is one of the most fascinating reports I have read this year. It's immensely readable, with each section providing context, case studies and highly informative content. Maersk covers issues ranging from energy efficiency to illegal trade, from biodiversity to the floorboards in containers and from waste handling to exhaust gases from ships. While I miss the structure of the GRI framework (an index, for example, and certain key indicators), and a materiality matrix, and this report is a little light on

process for engaging with stakeholders, overall this is a great example of high-quality narrative and visionary sustainability performance.

Symantec Corporation 2011 Corporate Responsibility Report
GRI Application Level B+, 43 pages
I reviewed this report for the December edition of Ethical Corporation Magazine, and gave it a thumbs-up. These are the first two paragraphs of my review:
"*Symantec's latest report reflects a step-change in the company's thinking and presentation of its corporate responsibility approach and performance. For the first time – the company has been reporting since 2008 – the report is organized around Symantec's three strategic responsibility priorities: people (employees), world (environment, human rights, sourcing and community) and information (online security). These three focus areas form the basis of the structure of this report, which, at 43 pages, covers a healthy breadth of information in a crisp, coherent and intelligent way, while retaining focus. As reports go, this has all the positive elements: materiality matrix, input from internal and external stakeholders, clearly laid-out performance data over three financial years, and even a few failures frankly discussed. In fact, this is one of the few reports that lend themselves to reading cover to cover without inducing sleep*." Enough said. Read it!

Tieto Corporation Corporate Responsibility Report 2011
GRI Application Level A+, 45 pages.
Tieto is an IT and product engineering services company headquartered in Finland and operating mainly in Nordic markets, Russia and Poland, with net sales of close to EURO 2 billion and employing 18,000 people. This is Tieto's third CR Report, and it covers the spectrum of CR issues well. There is a detailed (and colorful) materiality matrix covering 25 issues, of which 10 are more material than others. Tieto clearly links its role as a business to the context of Green IT, about which there has been much research and clear conclusions drawn about the environmental benefits of online living. Providing good context, Tieto describes the ways in which it supports the online transition and offers customers lower-carbon lifestyles, calculating that in 2011, Tieto helped customers reduce carbon emissions by over 160,000 tons. Tieto has a vision to achieve carbon neutrality in its own operations, and provides detail on carbon performance including specific multi-year targets.

Tieto reports authentically, for example, detailing non-conformities found in quality audits and corrective actions taken. Similarly, customer satisfaction, a key material issue, is reported both in terms of the positive aspects mentioned in customer feedback, and also in terms of points for improvement.

While the Tieto report could be livened up with a little more in the way of case studies and stakeholder voices, and a greater shift from inputs to outcomes, it is a good example of clear, straightforward, well-structured GRI-based reporting.

Special Mention:
All the above reports are published by corporations. I wanted to make a special mention of another excellent report published in 2012: CEFIC's Towards Sustainability 2011/2012 Report.
The world of business is moving into a future of sectors, not just individual corporations. More and more, we need to consider value chain impacts by sector because there is a minimum threshold of sustainability performance is required by all companies in a sector to enable meaningful systemic collective progress. The more advanced companies understand this and the more advanced sectors are already organizing themselves

around sustainability themes. CEFIC (The European Chemical Industry Council "the forum and the voice of the chemical industry in Europe") is not the first sector association to publish a Sustainability Report - there are many, some geography specific as well as sector specific. However, I highlight the CEFIC Report because it is a good, serious example of a strong considered approach to sustainability by an industry sector, and as a first report published in 2012, represents another breakthrough on our collective sustainability journey.

Note: To be fair, as in previous years, I did not include published reports of clients which my company, Beyond Business, served this year. These include:
GSK Romania Sustainability Report
Netafim Ltd Sustainability Report
Novus International Sustainability Report
Liberty Global Corporate Responsibility Report

Wishing everybody Happy Reporting in 2013!

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

75 Ways to Get your CSR Report noticed

Saturday, December 29, 2012

There is something about a captive audience. They have limited choice. Where they are is what they experience. Take for example, travel. During that last few months, I have taken several flights and stayed in several hotels. Although many airlines and hotel chains publish CSR Reports, I have rarely found one in the pocket of an airline seat or on the table in my hotel room. And yet, what better a place to put a CSR Report? I almost never take a flight without skimming through the airline booklet in the seat pocket. I almost never stay in a hotel without taking a look at the magazines they leave on the table or desk in the room. It is not necessary to print a full report. Often, there is room to add a short reference to your sustainability approach and link to your report on or in materials which are already printed, or where there is empty space (the inside cover of your Hotel Services booklet, for example). Alternatively, a postcard or small flyer highlighting some sustainability achievements and a link to the report could be enough to catch the attention of some of the captive audiences that are just sitting ducks, ready to absorb your sustainability message. This is about taking your report to where your stakeholders are and not expecting them to come and seek it out. Therefore, for the benefit of all those companies that could enjoy millions of additional stakeholder touchpoint opportunities every day and new outreach possibilities to engage stakeholders to advance awareness of their sustainability approach, and improve their reputation, here are **75 places to strategically place a CSR Report and get it noticed:**

In the local hair salon (hair products manufacturers)
In the doctor's waiting room (pharma and healthcare companies)
In the dentist's waiting room (pharma and healthcare companies)
On the passenger seat of newly purchased cars
In the box that encases your new laptop

In your new game of Scrabble (toy manufacturers)
Inside the box of the new watch you just bought
On the inside cover of all printed books (publishers)
Inside each wagon on the train
In every box of chocolates

Inside new picture frames (instead of that stock smiling woman photo)
Inside every box of home-assembly furniture from home furnishing retailers
Inside every boot from outdoor sports companies
Printed on the outer packaging of a six-pack of beer
At the ticket office of a football stadium

On your website (you'd be surprised)
In the Board Room (you'd be even more surprised)
As the default alignment printing page for all new printers
On cinema seats
In different parts of university campuses

In airport restrooms
On the tables in cafes and restaurants
On company dining room napkins
On the back seats of taxis
On plasmas in furniture showrooms

On the inside of cereal boxes
Inside new computer travel bags
On the seats at the opera
On the inside of wrappers of chocolate bars and snacks
On the underside of yogurt tops

On the back of company envelopes
On the back of printed payslips
On the packaging of 25kg dog food bags
As a newspaper insert
As a standard email signature for all employees

On the inside of doors of public toilets
On the labels of garments
On the saddles of horses
In the spa reading room
On the reading tables at the local library

In the students careers room on campus
On the back of a CD-rom or music disc
In swimming pool changing rooms
In hotel restrooms
At any visitors' center

At the unemployment office
On the notice-board at local community centers
On the back of bus, train and flight tickets
On pews at the local church or seats at the synagogue
On the tops of cans of soup or other preserves

On the back of bank statements
On the back of healthcare prescriptions
On the back of printed supermarket checkout bills
In mobile phone service centers
On the packaging of automotive components

On tables at the local barn dance
On bottles or cartons of milk
Preloaded onto every portable flash drive or disc-on-key
On every Duty Free buy-four-get-one-free printed flyer
In electronic appliances' printed user guides

On the carousel at the local fairground
In the ski-lift cable car
On the underside of surfboards
Printed on re-usable shopping bags
On the back of museum entry tickets

On the inside of T-Shirts
On toilet paper and napkins
On the inside lids of cosmetic creams

On the walls of prison cells
On the inside of energy bar wrappers

On the back of conference name tags
On the inside doors of personal lockers at sports centers
Inside safety-deposit boxes
Inside new suitcases or briefcases
On the back of lottery tickets

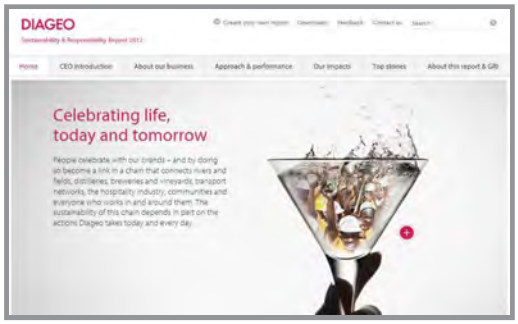
Some of this might sound a little far-fetched... and some of my suggestions are of course a little tongue-in-cheek .. but most of them are actually places or locations which are dead space and where a small reference to a CSR or Sustainability Report could easily be printed and may catch attention. Just think, if every time you bought a new electronic appliance, the packaging and user manual included a few highlights from your Sustainability Report and a link to the online report or download. Maybe a few of you might take the trouble to have a look at your next session on the computer or tablet? More importantly, when you are sitting for minutes or hours in a doctor's, dentist's or hospital waiting room somewhere, instead of picking up the latest copy of Vogue or today's newspaper, you might just be drawn to read about a pharma or healthcare company's impacts on society. When you are on a plane, train or a long bus ride, might you not pick up a small booklet describing the transport provider's CSR efforts? Publishing your Sustainability Report is not enough. Getting it to your stakeholders, wherever they are, is the key. Even then, they may choose not to take an interest. But at least that's a choice. If they don't know, they can't choose. Here's to a Happy 2013 - the Year of the Ubiquitous Sustainability Report!

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

In Good Spirit: Smarter Reporting at Diageo

Friday, December 28, 2012

This second post in my series leading up to the Smarter Sustainability Reporting Conference in London on 5th February 2013 (read about Smarter Reporting at L'Oreal here) is all about **Diageo, Smarter Reporting and Responsible Drinking**. This is perhaps particularly relevant during the current season which usually sees a significant hike in drinking-related road accidents and fatalities. Recently, I took the opportunity to chat with Carolyn Panzer, Director of Corporate Social Responsibility for Diageo plc. Carolyn is responsible developing and overseeing the strategy for community investment, external reporting, and alcohol in society - including, responsible drinking initiatives, responsible marketing and innovation, and alcohol policy. Carolyn is also the Chairperson of the Distilled Spirits Council's Code Review Board and has nearly 30 years of experience in the beverage alcohol industry, working across industry sectors in both the US and UK.



Carolyn will be talking about: "**Participating in indices and rankings - how does this contribute to reporting best practice?"** at the February conference. *"The reporting process helps me enormously. It makes us think about our data more and understand our impacts. Smarter Reporting for me is embedding the reporting process in the business - making everybody accountable. Actually, our people really appreciate hearing our story and participating.""For me, one of the most challenging things about my role is that Diageo is a big company and keeping on top of everything that is going on in the business, keeping up-to-date with internal and external developments and having the headspace to keep on track, is a major exercise in time-management. This can occasionally make me feel vulnerable, I feel I should know everything about everything, but obviously that's not possible. My secret for keeping on top is to encourage others to know more detail. Not only does this help me, it empowers the organization to own sustainability. I don't make it easy for the business. I help them take accountability and own their role in advancing our sustainability and responsible drinking programs. This is now paying huge dividends."*

Diageo is the world's leading premium drinks business with beverage alcohol brands across spirits, beer and wine including Johnnie Walker and Bushmills whiskies, Smirnoff Vodka, Baileys, Captain Morgan, Guinness and more. Headquartered in the UK, Diageo trades in 180 countries and employs around 24,000 people with net sales of almost GBP10 billion. Diageo manufactures and supplies its brands its brands in 43 distilleries, 16 breweries, 13 wineries, 19 packaging and blending operations, 9 warehouses and 8 other sites. Diageo 2012 Report

Diageo has a long history of CSR Reporting and the company's latest report was published earlier this year: Diageo Sustainability and Responsibility Report 2012, Celebrating life, today and tomorrow. This is a GRI Application Level B+ Report, with a

UN Global cross-reference. This year saw a shift in Diageo's reporting. Carolyn explains: *"This year's report has a lot more engagement - we pushed people to align more closely with GRI indicators.We also we did better on the materiality piece. We conducted a market pilot study and now we plan to take that forward and expand it. We ran three workshops on materiality. Also, we tried to use more everyday language and less "corporate-speak", and, in the presentation of the report, we tried to make it layered. We recognize that not one size fits all and that different stakeholders look for different things, so we opted for a five-minute-read approach as a short summary option for people who don't want to get into all the details. You can you go in and read different sections at a general level or dig deeper for more detail."*

This can be seen from the Diageo business case for sustainability rationale, which is readable and comprehensible for all lay readers.

The Diageo report this year demonstrated good performance achievements against a range of key metrics against several multi-year quantitative targets within the context of a well-laid out strategy. For example, water efficiency improved by 7.2% in 2012, on track to meet a 30% objective by 2015 against a 2007 baseline. Average packaging weight has reduced by 1.6%, on track to meet a 10% target over the same period, bringing the cumulative total to 4.8% reduction. Lost-time accident frequency rate reduced by 43% in 2012, overachieving a 40% target for 2010-2012 by 17%, showing good progress in embedding a safe working culture. However, by far the most material issue for Diageo relates to the role of alcohol in society and Diageo's responsibilities to address alcohol misuse. Diageo's report states: "In all [stakeholder] workshops, addressing alcohol abuse and promoting responsible drinking was consistently the most important issue for stakeholders as well to us as a company." A couple of months ago, Carolyn Panzer addressed a groundbreaking meeting of the International Center for Alcohol Policies in which the CEOs of 13 of the world's leading beer, wine, and spirits producers announced a collective commitment to 10 targeted actions in five areas over the next five years, in order to reduce harmful use of alcohol. I asked Carolyn Panzer about how Diageo assesses the impact of its multiple activities in this area:

"Alcohol problems are not new and there have been many initiatives to address these. You can count thousands of initiatives by the alcohol industry, but the real question is what is effective? Where do you focus your resources to achieve the biggest impact? We want to tackle the issue of problem drinkers. Raising taxes on alcohol, for example, is not necessarily effective for problem users as there will always be a way around this."

A case in point is the situation in Keyna where it was estimated that about 50% of alcohol consumed was in the illicit sector. This was problematic, as such products were often made with harmful ingredients which caused illness or even death. Diageo redesigned its entire supply chain to create a new product made from locally sourced ingredients using innovative technology representing a first in the industry and significantly reducing costs for local supply of a safe, quality beer beverage called Senator Keg, costing one fifth the price of Diageo's mainstream beer. Since its launch, the brand has gained 40% of the Kenyan beer market. It's well worth reading this case study in Business Today about the Senator Keg story. This is a fabulous example of how Diageo can support changes in consumer behavior around alcohol. This is the true value of how an alcohol company can work with consumers and local organizations to understand specific issues and behavior patterns and help create breakthrough change which adds value to society and, of course, to the business.

In the area of problem drinking, Carolyn continues: *"There are some things that we know*

work. First, ***screening and brief intervention*** *demonstrates proven efficacy with problem drinkers. Screening individuals through a set of ten questions and engaging them in a conversation about risks helps people reduce problem drinking. We have provided grants to support this kind of activity. Second,* ***high visibility enforcement of the law on drink-driving*** *is effective. Not every country, for example, has a maximum drink-driving limit. We work to support introduction of legislation in this area in countries where this is not present. However, even where there is a legal limit, highly visible enforcement is key. For example, in Mexico City, we ran a campaign in support of the local law enforcement authorities, in which we contributed 50,000 breathalyzer kits. Drink-driving reduced by 30%. There is an important continuum that you need to follow to achieve change. We need to ensure the right regulations as well as build general awareness. In the U.S., we spend 20% of our broadcasting spending on responsible drinking messages. We always try to work in partnership with other organizations and groups to ensure we have the best understanding of the issues and the best expertise on board to move forward."*

Finally, all Diageo employees have a role to play in advancing responsible drinking behavior. Carolyn says: "*We are always trying to connect our people with our CSR story, and we ensure they are involved and informed of our initiatives in this area. For example, over the Holiday Season, we campaign our employees with the need for extra vigilance and their role as responsible drinking ambassadors*."

As it is still the Holiday Season, this is great advice for all the CSR Reporting Blog Readers. I am not much of a drinker myself, actually. Personally, I am more concerned with ice-cream rather than alcohol. If ever there are laws which limit ice-cream consumption prior to driving, I may have a bit of a problem.

Happy New Year, everyone!

Looking forward to seeing you at the Smarter Sustainability Reporting Conference in February 2013. Don't forget to drop me a line for your registration discount code!

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

Santa's Annual Financial and CSR Integrated Report

Monday, December 24, 2012

Santa's done it again. At the cutting-edge of knowledge, global advancement, pioneering communications and sustainability commitment, Santa has published an Integrated Report, in the spirit of the 2012 zeitgeist and general reporting hype. This Annual Integrated Report describes Santa Claus Inc. (SCI)'s financial and sustainability performance for the first time ever in one report, demonstrating integrated thinking, integrated actions and integrated communications. In fact, the only thing that is not integrated is Santa's stakeholders, all of whom want different things at different times via different channels. However, this is no more than a minor distraction for Santa, who, as you will recall, is an incredible woman. This first-ever Integrated Report contains Santa's CSR disclosures, which, as you will also recall, have been featured on the CSR Reporting blog for the past few years. You can remind yourself of Santa's prior reporting by reading Santa's 1,747th 2011 Annual CSR Report here, Santa's 1,746th 2010 Annual CSR Report here, and Santa's 1,745th 2009 Annual CSR Report here. This year, Santa has attempted to integrate the new G4 Exposure Draft Guidelines into the development of this report, which caused the General Elves and Pixies Trades Union to demand serious overtime payments, as the report ended up being 4,323 pages long. Santa declined their requests on the grounds that the elves and pixies should consider working on G4 as a valuable learning opportunity, which could turn them into reporting celebs after the May launch of the guidelines, because very few other companies will be able to adopt this new reporting framework without hiring G4 experts. In lieu of overtime payment, Santa agreed to provide each of the elves and pixies with a Santa Academy Certificate stating that they are G4 competent. This, fortunately, averted a general strike, which would have had to be reported in the Integrated Report, adding another three pages. Additionally, the 2012 report was written in accordance with the recently published IIRC Integrated Reporting Framework Prototype. Actually, Santa didn't really understand quite what this meant for SCI's operating practices, but she felt that it was the right thing to do, given that the financial services community is supporting this, even if nobody really knows what it means. As Santa would like to expand SCI operations to new geographies in 2013 (Mars, Venus, Jupiter), requiring significant additional funding, Santa decided to demonstrate responsiveness to stakeholder views in a balanced, complete, linked, connected and material way.
As I usually do, with permission, I will share with you the Santa Claus Annual Integrated Report 2012 CEO Statement:

Dear Stakeholders (especially all of you with money to invest),

Ho! Ho! Ho! It is time for me to wish all of you a wonderful holiday season filled with bright lights, good food, and iPhone5's. As usual, at this time of year, we reflect on the past twelve months and what kind of a footprint we have left. I am pleased to report that my footprint has significantly reduced this year, as, after going on a strict diet, my feet got much thinner and I went down by two shoe sizes.
As far as Santa Claus Inc. is concerned, we had a very challenging but positive year, in which we increased our revenues by 70%, mainly deriving from royalties for use of my name and photo, hiring of red Santa suits, the explosion of Santa Apps and a range of new services and products which generate Shared Value (see below). We distributed more toys than ever during the last festive season, and did so with high energy efficiency

and reduced carbon emissions by 0.3% per kg of toys. Our toy-recycling program worked well and we are now considering a Recycle your Recycled Toys campaign for 2013, and we might even extend this to a Recycle Someone Else's Toys Facebook Campaign for maximum impact. Our workforce was stable in 2012, and we maintained a positive safety record (with the exception of two pixie fatalities, who were outsourced to the Samsung plant in South Korea, which has now been confirmed as a death-trap). Finally, we tightened up our corporate governance by putting a lock on the Boardroom door so that Directors cannot escape when it's time to discuss the Annual CSR Report.

Shared Value through new Santa Services

In 2012, we significantly broadened our offering to create shared economic and social value through a range of new products and services. We felt it was time for Santa to take advantage of current technology and ensure accessibility to disadvantaged populations around the world, which, incidentally, is very profitable. We love Shared Value, as long as we get the Bigger Share. We love Bottom of the Pyramid, as long as Profit is at the Top. For example, in 2012, we encouraged the development of Santa Apps, and you can now find a range of innovative and creative offerings on iTunes. A popular choice is Talking Santa, which "enables you to create and share joyous 3D video animation greetings and Christmas cards that will warm the hearts of everyone on your wish-list!" There is also a Silent Santa App, in case you are fed up of listening to Talking Santa. You should also check out the free Santa Dancebooth App, in which I show off my best moves, though if you want me to dress up in a snowman or a gingerbread costume, there is a small charge. If you want me to dress up in a Bunny Girl outfit, you will have to pay considerably more. Additional Santa Apps include a Santa Jigsaw App, Santa Wallpaper App, Santa Games Apps and Santa Quiz Apps. You can create new Japanese meals with the Santa Sushi App, new Mediterranean Tastes with the Santa Hummus and Falafel App, and new desserts with the Santa Ice Cream Flavors App (recommended - ever tried reindeer-flavored ice-cream?). We also developed a few adult-only Apps such as Santa Strip Poker App, Santa's Night on the Town App and Santa Gets Naked with Prince Harry App. These Apps are strictly not available to minors, unless they lie about their age. We are in favor of responsible App-ing. We have also launched a new range of Santa products. For example, in 2013, we will launch the first Santa fragrance, the first Santa sportswear line and the first Santa Thermal Underwear line. While I don't use much perfume, and have no time for sports, I can personally vouch for the thermal underwear. Starting in the first quarter, we will offer reindeer and sleigh hire by the day or by the hour, with optional pixies. Finally, our most ambitious project yet, in partnership with the Lapland Association for Sustainable Travel, is Santa-Eco-Vacations to Lapland. For the first time, tourists will visit our natural elf and pixie habitats, eat local organic foods and shower in cold water. We undertake to offset carbon emissions generated during your stay, provided you pay extra.

Renewable Energy

During 2012, we installed a 400 panel solar array in Santa's Village in Lapland, intended to provide our operations with 100% renewable energy. Unfortunately, as we only had 3 days of sunshine this year, we spent over eleven months in darkness, cold and relative isolation. We have now relocated our solar panels to our Holiday Home for Retired Elves in Hawaii, and reverted our Santa HQ to grid-based fossil-fuel electricity. While we have not improved our environmental impact, you cannot fault us for good intentions.

Climate Change

Given that the globe is getting warmer, were are fearful that melting of snow in Lapland will create flooding, disruption to Lapland's natural biodiversity, and represent a threat to our local ecosphere. We have therefore established the Santa Snow Preservation Fund. All donations should be made to the CSR Reporting Blog. Fast.

Disaster Relief

This year, we have witnessed several effects of climate change in the form of extensive natural disasters and Santa and her team were always ready to help out. After Hurricane Sandy, for example, we donated 43 tons of recycled toys to over 5,000 children in the affected areas. This kept the kids occupied while parents were arguing with the insurance companies about levels of compensation for their homes damaged by rains and floods. We also provided 10,000 brand new walkie-talkie units for families who could not gain access to the Internet. Using these walkie-talkies, families were able to communicate 140 character messages to a neighbor and have him tweet their current position and ask for assistance. During this period, over 42,000 walkie-talkie based tweets were tweeted. We have approached Twitter to discuss a Joint Venture called Walkie-Talkie-Tweetie, designed specifically for disaster relief and emergency communications.

Animal Welfare

For the first time ever, in 2012, we were attacked by an animal rights organization for not providing our reindeer with decent working conditions and paying them a fair wage. This was the result of our two negatively-disposed whistleblower reindeer who went public with a story about forced, unpaid overtime during the holiday season. It is true that our main holiday season in December and January does require reindeer to work additional hours, often in inclement weather, but we do have a Reindeer Relief Package which provides protective clothing, anti-stress tablets and ergonomically-designed reins. Furthermore, we do pay all overtime due to reindeer, but in the interests of the Christmas Spirit, we require them to donate it back to provide more toys for the world's children, so that we can spread more cheer and goodwill. After long negotiations, we conceded and improved terms and conditions for all reindeer. However, next season, the whistleblowers will be looking for new jobs.

Ethical Supply Chain

As you know, Santa has one of the most complex supply chains in the whole world, as we source our toys from over 14,000 toy makers and factories from every corner of the globe. This year, we developed an Ethical Supply Charter which all suppliers must agree to adhere to. This charter binds them to maintaining ethical practices, upholding human rights and using environmentally-friendly materials in the toys we source. 100% of suppliers signed the Charter, therefore we can confirm that our supply chain is 100% ethical. We decided not to do supplier audits as we have seen that every other global manufacturer which conducts supplier audits has not found this to be an effective way to prevent violations of ethical standards. Look what happened in the recent fire at the Tazreen factory in Bangladesh. One day, global manufacturers will realize that audits, training programs and prescribed checklists are not enough to transform an entire culture of low-cost, fast-paced, high-volume on-demand consumerist supply chains which perpetuate corner-cutting, safety-hazards and human rights abuses. For the time being, everyone who receives a Santa toy during this holiday season can be comforted by the knowledge that our supply chain is no less ethical that anyone else's.

A New Call-Center

In the interests of being more responsive to our stakeholders, we have established a new call-center, offshored in Cancun, to respond to the growing enquiries we receive about our services. The main problems seem to be Santa-denialists, who claim that Santa Claus does not exist. Generally, our response is to send them a plastic, head-bobbing Santa and that does the trick. Other inquiries are about toys arriving late. Generally we explain that it is not the toys which arrive late, but Christmas which arrives early. This usually keeps them satisfied. The most significant enquiry relates to our Santa Claus Executive Pay Policy and the gap between the highest level of pay in the organization and the average elf wage. As you know, there is only one Executive at SCI and that's me, the CEO. My pay is determined by the Board of Directors, which I chair. We tried to compare CEO pay levels at similar companies but, unsurprisingly, we are quite unique in

our global marketplace. Therefore, I feel justified in saying that comparing my Executive Pay to the average elf wage is not material for our business, and does not reflect the complexities of a challenging, goodwill-generating, global operation from which all benefit. Look at the broader picture. If I am happy, the elves are happy.
This short introduction to the Santa Claus Inc.'s first Integrated Report does not do justice to the intensive processes we have driven to improve our sustainability this year. However, since the the Santa heritage dates back to the seventeenth century, I think our record of being a sustainable operation cannot be questioned.

Wishing you and everyone else in the world a wonderful Holiday Season and a Happy New Year!

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

Happy Holidays!

Saturday, December 22, 2012

Inspired by this Happy Holidays post by Yvonne DeVita on the Lipsticking blog, about the commercialization of the season's festive time, and in the tradition of the CSR Reporting Blog Happy Christmas Post (2009), and the Seasons Greetings Post (2011), I would like to wish all the CSR Reporting Blog readers:
Happy Holidays!
This is a time to reflect on the joys of life and the joys of publishing Sustainability Reports. A time to be merry and indicator-driven. This is a time to eat well and edit well, engage with friends and dialogue with all stakeholders, think about what's important to you and call it material, recommit to your higher purpose and approve your reporting budget.

However, for those of you who will not be having holidays this month, in the interests of diversity and inclusion, this is also for you.

To readers travelling to an exotic climate this holiday period: Happy Getaways!
To readers who like to pick up gadgets at conferences: Happy Giveaways!
To readers driving around this holiday period: Happy Right of Ways!
To readers interested in energetic radiation: Happy Alpha Rays!
To readers interested in protecting endangered fish species: Happy Manta Rays!
To my punctual readers: Happy No Delays!
To my shipwrecked readers: Happy Castaways!
To readers who like to eat Chinese food at home: Happy Takeaways!
To my health-conscious readers: Happy Vitamin K's!
To readers who enjoy a little drama: Happy Passion Plays!
To readers who want to get what they deserve: Happy Merit Pays!
To readers who like it hot: Happy Gamma Rays!
To readers interested in genetics: Happy DNAs!
To readers getting married this holiday season: Happy Fiances!
To my vegetarian readers: Happy Cheese Souffles!
To readers buying a new car this holiday: Happy Chevrolets!
To my secretive readers: Happy CIAs!
To my cordon bleu readers: Happy Fish Fillets!
To readers with new hairstyles: Happy Hairsprays!
To readers who will be helping Santa this year: Happy Electric Sleighs!
To my technology readers: Happy Computer Displays!
To my wig-wearing readers: Happy Toupees!
To my North American readers: Happy USAs!
To my readers in politics: Happy Power Plays!
To my wine connoisseur readers: Happy Cabernets!
To my polyglot readers: Happy Francais!
To my lazy readers: Happy Cliches!
To my still smoking readers: Happy Ashtrays!
To my medical readers: Happy X-rays!
To my ate-too-many-candies-when-you-were-a-kid readers: Happy Tooth Decays!
To readers who like a good musical show: Happy Cabarets!
To my renewable energy user readers: Happy Solar Arrays!
To readers who like to engage with stakeholders: Happy Surveys!
To readers with something to say: Happy Communiques!
To readers interested in the science of proteins: Happy Urokinase!

To readers with kids: Happy Spaghetti Bolognese!
To readers who use public transport: Happy Railways!

And for all the Chief Sustainability Officers who read this blog...**Happy Hideaways!**

And finally, for anyone who doesn't celebrate anything in the Holiday Season:

Happy Holidays Anyways!

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

The Best CSR Report of 2012?

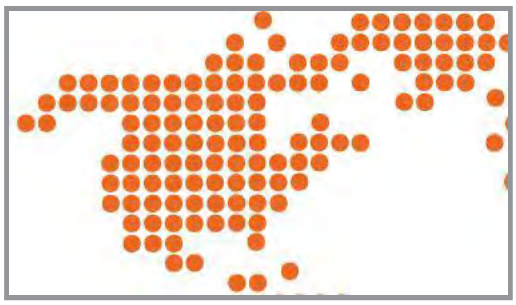
Saturday, December 22, 2012

The voting is now open at **CRRA '13**, the only annual global online awards for Sustainability Reports. The voting is open until end January, so you still have some time, but why wait? The holiday season is upon us and you will have lots of time to relax and enjoy reading the shortlisted selection of the best of the best of Sustainability Reports that were published in the last year.

As I usually do, over the next few weeks, I will be publishing more posts about the reports that are in the competition this year, but in this first post, we cut straight to the chase. Which will be The Best Report of 2012? That question will be decided by your votes and announced in Spring 2013. In the meantime, why not take a look at the Best Report category and place your vote? Register to vote or log-in **HERE** This category contains **10** reports and **934** pages. Just about right for a relaxing holiday afternoon. The line up includes: **10** reports that are GRI based, of which **5** are at Level A, **4** at Level B, and **1** undeclared. **4** reports from the USA, **3** from the UK and **1** each from the Netherlands, Spain and Australia. All these reports are from different sectors. The candidates are: **NH Hoteles SA; Coca-Cola Enterprises Inc; Intel Corporation; Nike Inc; International Flavors & Fragrances Inc; ING Groep NV; British American Tobacco plc; Co-operative Group Limited; La Trobe University; and Marks and Spencer plc** Only **3** companies have won the Best Report category since the inception of CRRA - Vodafone Group plc - who hat-tricked in three consecutive years, HP won in CRRA '11 and Coca Cola Enterprises Inc won in CRRA '12 after having been runner-up twice before. Of the ten contenders, one company, IFF, is competing for the very first time ever in CRRA and is trying its luck in three categories in total (also Best Creativity and Best Materiality).

As you have a little time on your hands during the holiday break, here's a little CSR Reporting Blog challenge: See if you can match these report shots to the 10 contenders listed above.

Shot 1



Shot 2
Shot 3
Shot 4
Shot 5
Shot 6
Shot 7
Shot 8
Shot 9
Shot 10
Easy, right?

Here are the answers: (hope you didn't peek!)
Shot 1: British American Tobacco plc (page 52, the science of developing reduced-risk products)
Shot 2: Coca-Cola Enterprises Inc (page 20, CCE volunteers cleaning up a river in Britain)
Shot 3: Co-operative Group Limited (page 68, carbon offsets to help reduce deforestation in Kenya)
Shot 4: International Flavors & Fragrances Inc (cover page)
Shot 5: ING Groep NV (cover page)
Shot 6: Intel Corporation (page 26, governance, ethics and public policy)
Shot 7: La Trobe University (page 32, professor and students in the library)
Shot 8: Marks and Spencer plc (page 27, the fabulous Joanna Lumley going shwopping for Oxfam)
Shot 9: NH Hoteles SA (page 49, Donnafugata Golf Resort in Italy)
Shot 10: Nike Inc (page 14, optimizing to deliver positive impact)

Happy Holidays ... and watch this space for more to come on the CRRA'13 entries .....

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me viawww.twitter.com/elainecohen on Twitter or via my business websitewww.b-yond.biz (Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)

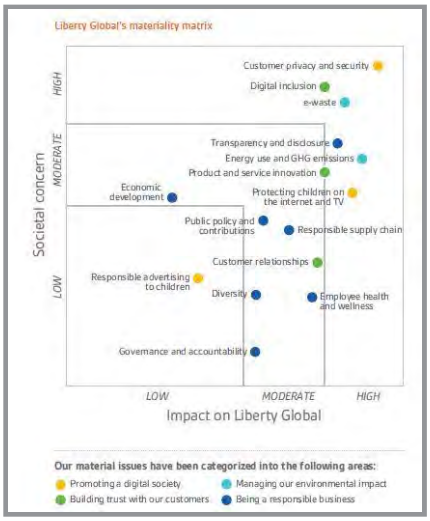

SHWOP
DROP


ENERGY
LABOR
CHEMISTRY
WATER
WASTE

Liberty Global: A Taste of Freedom

Wednesday, December 05, 2012

At the risk of repeating myself, I **love** first reports, and the 2011 Corporate Responsibility Report from Liberty Global is a fabulous example. Liberty Global is an almost $10billion international cable company, headquartered in Denver, U.S., London, UK and Amsterdam, Netherlands, employing 22,000 people with operations in 13 countries. Liberty Global's television, broadband internet and telephony services connect 19.5 million customers who subscribe to over 32 million services provided under brand names such as UPC, Unitymedia, Kabel BW, Telenet, and VTR. **Connect. Discover. Be Free.** Liberty Global has a simple, clear vision: **Connect. Discover. Be Free**. The company sees its role in society as three-fold: promoting a digital society as a way to improve quality of life, expanding access to the digital world through the services it provides and helping people gain the skills they need to understand, use and enjoy the digital options available today. Liberty Global believes that digital inclusion opens up infinite possibilities for new and better ways of living. **Click on it Grandma!** An interesting contextual perspective is provided by Liberty Global in this first report. We tend to think of access to internet (where access means not only turning on the computer, but also knowing how to navigate and make best use of the virtual world) as something which is under-developed in emerging economies, but even in the European Union, 120 million people are missing out on this digital connection. There are still large sections of the population which are not connected to the internet. Rates of non-use differ in different countries, but I'll cite a few examples: a whopping **54%** of Romanians, **28%** of Hungarians, **45%** of Greeks, **20%** of Slovaks, **33%** of Poles, **16%** of Germans and **14%** of Belgians do not use the internet. Through widening access and enhancing skills, Liberty Global makes it possible for non-users to become connected and click on to the benefits of life on the web. An example is Liberty Global's free computer courses to groups who may lack digital literacy skills. In Hungary, Liberty Global's UPC partners with the Budapest Cultural Center to offer free internet courses for senior people under the banner Click on it Grandma. Over 2,000 seniors participated in a 25-hour practical e-learning curriculum in 2011, bringing the total to 7,000 since 2006. That's a lot of clicking grandmas! **Let the Stakeholders speak** The great thing about this first report is that it cuts straight to the chase: it presents Liberty Global's role in society and the most important issues that Liberty Global plans to address through Corporate Responsibility in a clear and effective way. Digital inclusion the Liberty Global way is a clear and unique social business proposition, explained well. In addition, Liberty Global addresses aspects of responsible operations and accountability for impacts, disclosing energy consumption and power saving initiatives, green technologies and green buildings and other workplace



and community impacts. Material issues enjoy a prominent position in the report, informing its content. Here's the matrix. Liberty Global details three-stage the process that led to the development and prioritization of these material issues. We will be hearing a **LOT MORE** about materiality with **G4**, and it's good discipline to get this in place with a very first CR Report. **Linking CR to Business Results** The report conforms to the GRI Framework and although it's positioned at the lower-end transparency Application Level C, it projects an authentic picture of a large organization which is moving forward on the transparency journey, and bold enough to report even though all the details and data are not available at this time. There is even some linkage which shows compatibility between Corporate Responsibility and sustainable profitability. For example, in 2011, UPC Hungary began an energy efficiency program in 18 of its datacenters across the country to reduce energy consumption using new technology in air conditioning units. UPC Hungary estimates this could save over 200 MWh of electricity consumption annually and pay back its investment within two years. Another example tells how Liberty Global turned "risk into opportunity" through a refurbishment program for customer modems and other equipment. In 2011, Liberty Global retrieved and refurbished 3 million set-top boxes and modems, re-purposing 5,000 tonnes of materials that would have otherwise have gone to waste, while making significant financial savings. **Credibility and Trust** The illustrious Leon Kaye has called Liberty Global's first report "The Template for a First Sustainability Report", and I also highlighted this report as exemplary when I presented to the annual Polish Sustainability Reporting Awards event this week in Warsaw. As with any Corporate Responsibility Report, the ultimate objective is to achieve greater trust through delivering a credible report. I like this report for its clear structure, its no-frills simplicity and its genuine representation of the current state of the Liberty Global Corporate Responsibility journey. I believe stakeholders will appreciate this, while demanding greater transparency in future reports. The journey is ongoing, but the direction is on course.

Disclosure: I provided feedback to Liberty Global prior to the publication of this report via the Beyond Business Pre-Publication Report Review Service.

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author of CSR for HR: A necessary partnership for advancing responsible business practices Contact me via www.twitter.com/elainecohen **on Twitter or via my business website** www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

Smarter Reporting at L'Oréal

Monday, December 03, 2012

In the run up to what promises to be a totally fabulous Smarter Sustainability Reporting Conference on February 5th, 2013, in London, which you have every reason not to attend, but hopefully you will anyway, I will be chatting with some of the movers and shakers who will contribute to the fabulosity of the day. First off is Alexandra Palt, who joined L'Oreal in February 2012 to lead CSR and Sustainability for the Group.

Alexandra Palt,
Director, Corporate Social Responsibility and Sustainability, L'Oréal

Coming from a legal background, in 2002, Alexandra Palt joined "IMS-Entreprendre pour la Cité", a membership association engaged in Corporate Social Responsibility. Then, from 2006 to 2008, as Director, Promotion of Equality, at the HALDE, she elaborated policies to promote equality in various fields such as education, employment, housing. In 2008, she founded and directed Fabric of Society, a consultancy agency helping companies to take into account the new social and community challenges of society. Although the move to L'Oréal in 2012 is Alexandra's first role in a major corporate, is is not very different from what she had imagined.

"*It is very exciting getting involved in all business decisions and in all essential roles. It's fascinating. The most challenging thing for me in this role is the fact that sometimes, stakeholder expectations are very different from the issues which we consider to be the most pressing for us.*

For us, sustainability is not box-ticking. We conduct stakeholder forums and extensive discussions with NGOs and other stakeholders. Sometimes, what they consider important is already history for us, for example, the importance of one ingredient that we have already taken out of our products.

They talk to us about palm oil - there is a lot of emphasis on palm oil today - and for us, this is important too, but we are already sourcing 100% sustainable palm oil and in any event, we are a very small consumer of palm oil. Animal testing is another, very emotional, issue. We have been working since 1989 to get out of animal testing, we have no finished products tested on animals and 99 percent of ingredients are not tested on animals. Just one percent of ingredients are tested on animals for unavoidable health and safety reasons.

What would help us to go even further is to be also challenged on issues like sustainable brands and things that will help transformation, such as inclusive business and helping to change lives."

L'Oréal is the number one cosmetics group worldwide with 20.3 billion euros of sales in 2011 and 68 900 employees. L'Oréal has been reporting for the past ten years or so, and

the company's most recent report went live in April 2012 in the form of a sustainable development website and a printed summary. There is also a "Section for Experts" which is a very useful 102 page download of detailed responses to the GRI Index.

L'Oreal's Sustainability Report website

The report includes a fascinating look at innovative "Predictive Evaluation Methods" which enable replacement of animal testing for 99% of product ingredients. Environmentally, L'Oréal aims to win over 1 billion customers while keeping its environmental footprint in check and reducing emissions, water consumption and waste generation by 50% per product unit between 2005 and 2015. And, of course, as a company for women, women do well at L'Oréal. Women account for 63% of all staff, and 58% of managers. 41% of Management Committee members are women and 21.4% of the Executive Committee. 43% of L'Oréal brands are managed by women.

The 2012 report will be Alexandra's first for L'Oréal, so it seemed appropriate to ask her what she considers to be Smarter Sustainability Reporting, which is at the heart of the forthcoming conference theme. Alexandra said: "*To me, it means responding to the preoccupations of stakeholders while insisting on a long term vision of what is really relevant to the business or to the planet. We must proactively envision tomorrow. A report has to have this visionary element - in the right measure. We have made a lot of progress and our report this year is based on a good materiality analysis which is relevant for our business, although it is still work in progress.* "

L'Oréal's central theme and role in society is deeply connected to the role of beauty. L'Oréal might even have coined the expression "Responsible Beauty". The company has supported masses of research into the effects of beauty, which has shown that beauty is an essential need of humanity. Research demonstrates there is a positive impact on cancer patients, young girls with eating disorders, or people in difficult social situations and others, who benefit greatly from being able to show their best face to the world. I challenged Alexandra: But, surely, beauty is rather superficial and even judgmental? Is being beautiful a worthy goal of sustainable development? Alexandra asserted: "*Taking care of yourself and achieving an inner feeling of beauty helps people to reconstruct themselves. If somebody thinks that beauty is superficial, then they haven't thought a lot about it. We feel good if we consider ourselves to be as beautiful as we can be. This is the reality*."

Alexandra also talked about the culture at L'Oréal, saying: "*It's about individuals and the talent they have. At L'Oréal, we are provided with a job in which you can express your talent. We are passionate about human beings and allow people to express and integrate issues such as work-life balance and more. L'Oréal never lets people down - if you are not good at one thing, we find you another - every person has talent and the idea is to connect that talent to the needs of the business*."

At the Smarter Sustainability Reporting Conference, Alexandra will talk about Relevance and Materiality, topics which in themselves are both relevant and material! I am looking forward to hearing more of what Alexandra has to say and hope you will be joining me! (Don't forget to write to me if you would like a discount on registration).

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz **(Beyond Business Ltd, an inspired**

CSR consulting and Sustainability Reporting firm)

Comments

- JordiMorrsRibera December 03, 2012

At 2006 L'Oréal took over "The Body Shop" in a 652 million (US$ 1.14 billion) deal.

It could be this post like talking about a trojan horse that contamine the big fish that made the take over?

I don't know but here you could find some information about the story.

http://www.oikos-international.org/fileadmin/oikos-international/international/Case_competition/Inspection_copy_ICFAI2007.pdf

The 10 Best Austrian Sustainability Reports

Thursday, November 29, 2012

Earlier this month I was honored to give the keynote speech at the Austrian Sustainability Reporting Awards (ASRA). I spoke about the importance of reporting, the challenges of reporting and the dynamic world of reporting and current trends. I likened publishing a Sustainability Report to winning the World Cup.

Here's a section from my speech:

"We often think of reporting as such a tough process, fraught with so many complex issues – organizational issues, emotional issues, collaborative issues, time pressures, different opinions, checking, taking out, adding back in, debating, encouraging, proofing, begging, crying, laughing.... publishing your report is like winning the World Cup. In other words, it's an almost impossible task.

Photo:Worldcupbuzz.com It's a long process which represents much more than the written, or online, report you have as a result, or the cup which the team holds when they win. It's an individual effort but it's also a team effort. It requires lots of preparation, and you never quite know that you are ready until you get out there on the field and start to run. Once your report is published, once the referee announces the winning team, you breathe a big sigh of relief and look forward to getting some sleep. Deep down, you know, however, that the end of one report is the beginning of the next. Winning one World Cup is the trigger for winning the next.

With reporting, though, we always seem to dwell on the difficult aspects. We rarely think about reporting in positive terms. Working towards winning the World Cup has many benefits along the way. Everyone – the team and the individuals in it enhance their performance, learn new things, and achieve higher levels of dialogue, teamwork and effectiveness. Even if they don't win the World Cup, each team has gained through participation in the process. One of my favorite experiences when I am writing sustainability reports for clients is when, during the reporting process, people say to me: "We didn't know that about our company!". Sustainability reporting is a journey of discovery and empowerment, not just a dreaded task that we must complete. With the World Cup, no-one ever asks – Why are we doing this? No-one says: Why on earth should we compete?

And yet, with sustainability reporting, there is always someone who asks the inevitable

question:

Who reads Sustainability Reports?

My answer, which you know by now, is: **reports aren't meant to be read, they are meant to be used.**

They achieve at least 50% of their value before they are ever published, because of the internal engagement that is required to develop the content for such a report. You cannot deliver a sustainability report without having conversations, or without asking questions. These interchanges are what make your reporting valuable. The more you dialogue, the better your sustainability performance and internal accountability will become, and the more compelling your report will be. Despite the fact that everyone bemoans the fact that no-one reads reports, more and more companies are reporting. In Austria, there are around 100 companies which have produced Sustainability Reports over the years, but less than 15 which have been reporting consistently every year for the past three years. As Austria is one of the richest countries in the world, this means that a lot of wealth is being created through business, and Austrian stakeholders should have an interest in how it's being created and where it's all going. This is a good time to ask those questions, with probably EU legislation on the horizon, as well as several other fascinating developments in the world of reporting.

All of this is why the hard work of the Chamber of Public Accountants in Vienna, in collaboration with several other organizations, including respACT, the Austrian Business Council for Sustainable Development, an organization doing fabulous work to promote CSR in Austria, is so important. Through the annual ASRA awards, greater awareness for transparency in business and voluntary reporting is advanced. ASRA is an important tool in driving this market forward. Kudos to the winners, who were:

Large Enterprises:

Palfinger : GRI-checked A+ Report, 105 pages. Palfinger is a large group, with 47 companies in 23 countries and 5,600 employees. They make industrial cranes and forklifts (lifting, loading and handling solutions). This report is their fifth. Four-year comparative data is presented and Palfinger has more than halved CO2 emissions per ton of product in the past two years.

Verbund : GRI A+ Report, 96 pages. Verbund is Austria’s leading utility and one of the largest producers of hydroelectricity in Europe, operating 123 hydropower plants in Austria and Germany and employing over 3,000 people. Verbund generates around 40% of Austria's total electricity output. Verbund has been producing reports since 1997. This is an interesting report with much local color and context.

OeKB : GRI A+ Report, 85 pages. Oesterreichische Kontrollbank Aktiengesellschaft is Austria's main provider of financial and information services to the export industry and the capital market, employing 400 people. This report contains a specific response by OeKB to the first 27 Articles of the Universal Declaration of Human Rights.

SME's

Austria Glass Recycling (AGR) : GRI A+ Report, 55 pages. AGR has 9 employees and organizes the collecting and recycling of used glass packaging throughout Austria. AGR is a non-profit company. In 2010, AGR collected 227,000 tons of glass waste of which 85% was routed for recycling. This is an informative report with much information about the state of glass recycling in Austria.

Voeslauer: GRI B+ Report, 40 pages. Founded in 1935 with 170 employees, Voeslauer has sales of around EUR88 million and produces natural mineral water. This is the first time the Voeslauer report follows the GRI guidelines.

Kaerntnermilch : GRI A Report, 50 pages. Kaertner, founded in 1928, employs 169 people, supplying milk and white and yellow cheeses, working with over 1,600 supply farmers in the Austrian region. This is the company's second report.

Integrated Reports

VBV Vorsorgekasse AG : GRI-checked A+ Report, 76 pages. This is the sixth integrated report from the Vorseogekasse, founded in 2002, which employs 32 employees, administering provident funds. The report contains a detailed stakeholder dialogue reported in the form of an interview with a stakeholder panel.

oekostrom AG: GRI A Report, 63 pages. oekostrom has 28 employees and is involved in the supply of energy production and trade as an Austrian investment company owned by approximately 2,000 shareholders. The company was founded in 1999 with the aim of building a sustainable energy future, to supply customers across Austria with "green" energy and the expansion of renewable energy sources in Austria. The report contains some great shots of oekostrom employees who are obviously having fun being green!

EVN AG : GRI A+ Report, 185 pages. EVN has 8,250 employees, of which 2,500 are in Austria. EVN is an energy and environmental services company, offering electricity, gas, heat, water, waste incineration and related services to more than one million customers in Austria and with additional operations in Bulgaria, Macedonia, Albania, Germany and Croatia, serving more than 3.7 million customers in total. The report is entirely online with chapter downloads.

(In addition to these nine corporate reports, the Vienna University of Agricultural Sciences won the public agency reporting category with an impressive report which you can see here. At GRI level A+ and 164 pages, this is a highly detailed report which even contains sections for kids!)

Interestingly, all winning reports are GRI based, all but one at Application Level A. As with many markets, the line-up includes a predominance of energy companies (30%) and financial services (20%), with other sectors in ecological services, food and beverage and industrial equipment. These are the companies that are leading the way in the Austrian reporting scene. I hope the fabulous attendance at the ASRA awards ceremony is indicative of an intention by more Austrian companies to take the plunge and report in 2013. I would like to thank **respACT, the Austrian Business Council for Sustainable Development** for inviting me to speak at ASRA (and also run a workshop about the implications of G4 reporting for members of the Austrian network on the previous day). It was a pleasure for me to take part in such positive events, meet some fabulous people and, as always, learn something new.
See the summary report of the ASRA Awards Ceremony in German here.

I can't round off this post without mentioning the **best chocolate in Austria**, which my hosts presented me with at the end of my visit.

Zotter chocolate is not only totally delicious, it is also organic, fair trade and green. Such a shame they don't make ice-cream as well :)

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen on Twitter or via my business websitewww.b-yond.biz (Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)

A Conference Too Good to Pass Up!

Sunday, November 25, 2012

Some conferences sound just too good to pass up. This one, the **Sustainability Leaders Forum 2012** is one of those. Taking place on **5th December in London at the CBI Conference Centre**, the one-day agenda is crammed with what promises to be a host of interesting and innovative insights and aproaches to old and new challenges, from which I hope to learn and have the opportunity to discuss. "**The Sustainability Leaders Forum** has been developed as a platform for forward-thinking professionals who want to collaborate, challenge the status quo and drive progressive change across their organisation and supply chain." Sounds good to me!

Among others, the following six companies, which have been widely recognized for their sustainability achievments, offer the possibility for us to: Hear first-hand how **Procter & Gamble** links vision to purpose to ensure security of supply, sustainable sourcing and product innovation. Speaker: Dr Peter White, Director of Global Sustainability, Procter & Gamble

Find out how **M&S** is thinking differently about the business 5 years after the launch of Plan A. Speaker: Mike Barry, Head of Sustainable Business, M&S

Learn how **Asda** is driving sustainability across suppliers' businesses projected to save over £100m a year. Speaker: Julian Walker-Palin, Head of Corporate Sustainability, Asda

Find out what engagement and behaviour change approaches **Vodafone** used to break down cultural barriers to drive sustainable development in an emerging market. Speaker: Luisa Gentile, Sustainability Leader, Vodafone

Gain insight into how **Kingfisher** is moving beyond sustainability foundation to become net positive. Speaker: Nick Folland, Group Corporate Affairs Director: Net Positive, Kingfisher

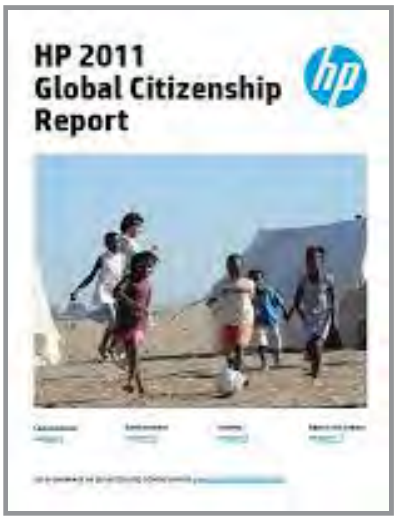
Learn how **Novo Nordisk**, voted the most sustainable company in the word, promotes innovation through strategic global stakeholder engagement. Speaker: Charlotte Ersbøll, Corporate Vice President, Global Stakeholder Engagement, Novo Nordisk

If you are haven't booked your place, now's the time! Readers of the CSR Reporting Blog can write to me for a 15% discount code!

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

The Reporting X Factor

Friday, November 23, 2012



I popped over to London this week on my way back from another engagement to catch the second day of the action-packed Ethical Corporation Annual Reporting Summit. I arrived just in time to catch Anne-Marie Flannagan, Director of Corporate Social Responsibility at Fazer, hand out a whole pile of her company's products and pass them around the room. That was quite fortuitous. You might be wondering, as I was, who on earth is Fazer? Well, it's a chocolate company, founded in 1891 and privately owned to this day. After you tasted their products (and I did, all of them), you don't forget the name. Fazer is pronounced Fat-Sir, by the way, which is probably fairly appropriate :) Anne-Marie shared with us the processes of stakeholder engagement this company has undertaken to get into line with expectations from NGOs and consumers to address fair cocoa sourcing and traceability, which, as Hershey found to their discomfort, never goes away. Then, a little later, the showstopper of this Reporting Summit was underway. Three reports, with three company representatives presenting their report highlights. Two judges who brought their own soapboxes, evaluating which, if any, of these reports have The X Factor. And Toby Webb, the smart guy that leads Ethical Corporation, was moderating and casting the deciding vote. We knew this would be an interesting session when Ellen Jackowski, Head of Reporting at HP described the HP 2011 Global Citizenship Report (which is 186 printed pages and even more on the web) as "a kind of a beast". Being the largest technology company in the world demands a certain level of transparency and HP aimed to make that level maxmum. The report includes data dashboards which tell number-hungry stakeholders about the performance and trends in all areas of HP sustainability. Ellen noted that the next report will be just a touch "more concise." Ruth Woodall gave a sharp presentation about the Cooperative Group's 2011 Sustainability Report, which is their fifteenth, not forgetting to mention that in a poll by Ispsos Mori, 60% of people had read the Cooperative Report (I guess they must have polled the Management's immediate family members), which she concluded to mean that people are finding the information the Coop presents to be useful. She said that reporting both drives performance and becomes the bedrock of all other sustainability communications.

Dr. Márcia Balisciano, Director of Corporate Responsibility at Reed Elsevier started out with a song... yes, she actually did sing... I think she took the X Factor title of this session a little too literally. Simon Cowell would have probably turned whiter than he did when Susan Boyle first rendered "I Dreamed a Dream", listening to Marcia put sustainability reporting into song, but heck, maybe this is a new direction for The X Factor. They could call it the Reporting ZZZZZZZZZZZZZ Factor. Anyway, Márcia presented the shortest report of the three at 57 pages, advising that Reed Elsevier's 2011 Corporate Responsibility Report tries to focus on their "unique contributions" in the area of access to information, promoting the rule of law and more. She admitted that one of the biggest challenges is how to tell the bad news as well as the good news.

So, presentations made, the judges had a field day, using this opportunity to regurgitate anything negative that has ever been said about sustainability reporting.

Mallen Baker, a long-time respected voice in the sustainability and CSR communications arena, said he didn't enjoy reading any of these three reports and that "generically all three reports live within the paradigm of the current state-of-the-art, which is not satisfactory". He didn't quite explain what is not satisfactory about that, but he did go on to say that all the reports show a body of good work and that it's a sign of leadership that the three companies are on the Reporting X Factor stage at all, prepared to put themselves in the hot seat. And it got hotter.

Mallen criticized one report for presenting meaningless statistics and inadequate, unchallenging non-credible targets, noting that he had "lost the will to live by the time he had reached page 100." He said that the question in his mind was at which point you admit to being less than perfect. Mallen has the view that you only make progress by failing. He spoke about one of the longer reports using dense, corporate speak, without which the report could have been about two thirds shorter in length. About the Coop, Mallen said he expected more, because "they have done more for ethical business than any other retailer", but he also mentioned that there was too much verbiage. He also looked for the warts, something which I blogged about a while back, and he did find a few small ones. Mallen was not impressed with the target setting and lack of narrative explaining poor data in one of the reports, but he did find one report with clarity of communication and the clearest structure.

Mike Tyrell, a former Sustainable Investment analyst and founder of SRI-CONNECT, a web based tool for SRI engagement, announced that his role is to "connect your talent to the money", making no bones about the fact that he views reports from an investor standpoint. His expectation: "I want the investor to come and get me - I want detail about contacts, the timetable for reporting, an investor summary, an SRI page, and clear presentation of numbers." He took the opportunity to replace Triple bottom Line thinking with a Quadruple Bottom Line (even though that doesn't roll off the tongue quite as easily). This is Environmental, Social, Economic and Financial, where economic is the contribution the company makes to the health of the economy and Financial is the return of financial value to shareholders. Paradoxically, of course, sustainability reporting has

traditionally left out the financial element, as this is the job of the Annual Report, so it's not clear if Mike is advocating for Integrated Reporting or he forgot that he was in a Sustainability Reporting X Factor debate. He also called himself a data-hater - he doesn't want all the data, he wants materially relevant data which connects sustainability performance to financial impacts.

Mike said that one of the reports was a tease, because it referenced revenue opportunities arising from sustainability practices but did not provide enough information. Mike was most disappointed, personally insulted even, when one report states at the outset that is is not targeted at investors but at other stakeholders. Nonetheless, he valiantly continued to read on and found that and ultimately the report gives good coverage of diverse activities in a credible way and engenders trust. On reading another report, Mike confessed to being in "agony" because the report omits to address sustainability issues which is are at the heart of the business model.

The panel, including Toby Webb, selected The Cooperative Group's report as the best of the three, and this was confirmed by the audience popular vote, which was a show of hands. There was no time for texting.

A perspective of my own:

I always maintain that reports are not meant to be read, they are meant to be used. So, sitting down to read over 300 pages of Sustainabilty Reports in one session is an excercise which would turn anybody's mind into jello. This is clearly what happened with the judges, who made their pronouncements, in part, on the basis of sensationalism rather than balanced opinion.

Too long, said the judges. The fact that, by their very nature, Sustainability Reports are designed to reach a wide and diverse audience, and are not intended to be a replica of an Annual Report, means that much of the criticisms leveled at the three reporters were, in my view, a little uncalled-for. A 186-page report is not meant to be read end-to-end, and suggesting that all the most material information could be crammed into 60 pages may leave certain stakeholder groups unable to find what they need. I am not advocating for long reports, but I don't believe reports should be judged on length. What they should have is a clear structure where information can be easily navigated and the most important information well highlighted.

Too many case studies, said the judges. Often, case studies are what make reports come alive and these tend to be the most sought-out parts of reports. Clearly, the case studies must be connected to performance and offer substance, but reports without case studies is like trifle without sherry.

Wishy-washy targets, said the judges, referring to targets which define process rather than outcomes. I have some sympathy for this, but too often in reporting, we see companies declare targets which are just long-range numbers which are very challenging versus current performance. Process-based targets, which show what a company is intending to do to achieve these targets, are useful milestones and support credibility.

Not enough bad news, said the judges. This is an unrealistic expectation. No company goes the Full Monty. Ever. Just get that. Sustainability Reports will never be a list of failures. It is reasonable to expect companies to present challenges and issues they are attempting to address, as well as explain actual dips in performance, but if we are

expecting Sustainability Reports to read like John Steinbeck's "The Grapes of Wrath", described as one of the 10 most depressing novels ever, then maybe that is what we should read. Sustainability Reports must be optimistic, sustainability at its root is an optimistic exercise, otherwise none of us would do it. Reporting must be authentic, it must present a balanced picture, but looking for the Bad News is always going to be a fruitless endeavor.

What I didn't hear consistently from the judges, is whether these reports ultimately created greater trust. Trust is what reporting is about. Whatever stakeholder group you belong to, and whatever specific information you seek, when you use a Sustainabilty Report, you want to come away feeling that you trust that company just a little more. Mike Tyrell made this point about the Cooperative Report. He felt that report did promote trust. Perhaps, at the end of the day, that's what swung the overall vote in their favor.

The Reporting X Factor was one of the best Reporting Conference sessions I have attended in a while, and both the judges and the reporters engaged in an entertaining and thought-provoking way. The perspectives were interesting and all companies, I am sure, received valuable feedback, while the judges got an opportunity to go public with everything they think is wrong about Sustainability Reporting using three willing sitting ducks. It was a fun-serious session and I am already looking forward to the next one. Maybe then, Ethical Corporation can invite Simon Cowell, who, in his inimitable way, will say something like:

"There was one great part to your report - it was the end!

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

Comments

- MallenBaker November 23, 2012

Hi Elaine

Glad you enjoyed the session.

A couple of comments on your take on my inputs.

You missed the fact that at the start of my comments, I asked each of the three reporters who were the intended audiences for their reports. All three of them agreed that they were aimed at all stakeholders, including customers, employees etc.

So a number of my comments, re. length, dense use of corporate language, etc. was aimed at this particular aspiration.

"meaningless statistics and inadequate, unchallenging non-credible targets" - you're putting words into my mouth that make what I said, which was aimed to be challenging, come over as more straightforwardly insulting.

I talked about how the device of pulling out a few headline figures had evolved in many

reports into a presentation of 'random stats', where the information was kind of interesting, but not necessarily selected as being the most important data. That's not the same point as dismissing something as "meaningless statistics".

"Mallen has the view that you only make progress by failing." That is putting words into my mouth again. But if you have a 186 page report and in no place is there anything other than self-praise for how well you do on all the issues, it is fair to say that will be viewed with some scepticism by a number of audiences.

"This is clearly what happened with the judges, who made their pronouncements, in part, on the basis of sensationalism rather than balanced opinion." Is this the same as saying you don't agree with us?

"A 186-page report is not meant to be read end-to-end, and suggesting that all the most material information could be crammed into 60 pages may leave certain stakeholder groups unable to find what they need." My point was that a lot of the content was narrative that didn't say a great deal, and that you could halve the length of the report and keep every piece of actual information intact. There is no stakeholder whose needs are better served by burying information under lots of waffle.

"Too many case studies, said the judges." I didn't say anything of the sort. I like case studies. I did say that many case studies are a lot less interesting than they could be because of how they are told. Maybe Mike said there were too many case studies. Personally I would have liked more / better.

"Wishy-washy targets, said the judges". Yes, at last. I own that remark with pride. Targets that say you're going to "increase focus on" something are pretty meaningless. How do you know when they've been achieved? How bad would it have to be before you could at least claim it had been achieved? Make public targets for your performance improvements. You can then set internal targets to achieve the things you believe you need to do to achieve those improvements.

I don't hear Andy Murray or Roger Federer talking about how their aim for next year is to improve a technical issue with their forehand or to have 10% more training sessions. They focus on how many matches they're going to win. It's down to them to worry about how they're going to achieve that.

"Not enough bad news, said the judges." No we didn't. It was pointing out that in two of the reports there was NO bad news. Since you go on to say "Reporting must be authentic, it must present a balanced picture" I'm not sure what the point of disagreement is here. Suggesting anybody was saying that they wanted reports that read like "the Grapes of Wrath" is just theatrical. "Sensationalism" even.

Anyway, I'm glad that you felt that "both the judges and the reporters engaged in an entertaining and thought-provoking way." Goodness only knows what you would have said if you'd felt we hadn't!

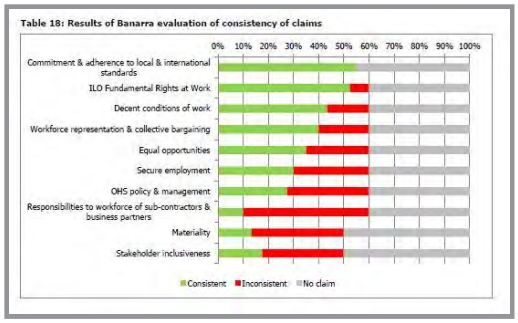
- elaine November 23, 2012

Hi Mallen, thanks for your detailed comments....yep, the good thing about coming to conferences with an ipad is that i am now able to type so fast that I get most things down almost verbatim, but perhaps, in the interests of avoiding too long a post (!), I did cut to the chase, perhaps at the expense of some context.I tried to generalize many of my comments so as not to specifically identify the reporting companies who were good sports in taking part. I did note, for example, that you asked them who the target audience is for the report, but the point about getting further by failing is actually what

you said. (Is there a recording?). But I agree that you did not refer to the Grapes of Wrath and my inclusion of that was indeed sensationalism :).Yes, even bloggers do it. It was a good couple of hours, end everyone enjoyed the lively debate. It was, all in all, a session where everyone learnt something. See you at the next one! Best, elaine

False Claims in Sustainability Reports

Saturday, November 17, 2012



During my visit last week to Vienna and my discussions with the fabulous leadership of the Vienna University of Economics and Business Institute for Human Resources Management, we spent some time reviewing some (as yet unpublished) research that has been conducted by the Vienna team (in collaboration with Middlesex University London, with a team led by Dr. Sepideh Parsa and Dr. Ian Roper) on the differences between claims made in GRI Sustainability Reporting and what actually gets reported.

The team had selected the 131 companies of the Forbes 250 list, which had published a Sustainability Report. Focusing on nine Labor Indicators (LA1, LA2, LA4, LA5, LA7, LA8, LA10, LA13,LA14) and six Human Rights Indicators (HR1, HR2, HR4, HR5, HR6, HR7), the Vienna team led by Professor Michael Muller-Camen, analyzed which indicators were fully reported in all elements in line with the GRI Indicators and protocols, versus the claims made by companies in their GRI Index. The results are quite astounding. Of **86.2%** of companies that declared disclosure against the indicator LA1 (Total workforce by employment type, employment contract, and region broken down by gender), only **10.7%** of companies were found to have a full and complete disclosure. The same story, give or take a few percentage points either way, applies to every single one of the LA Indicators, with an average of over **70%** declared reported and an average of **12%** actually reported in practice. The starkest difference was found in reporting against LA13 (Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.) where **90.8%** of companies declared they reported against this indicator and only **1.5%** were found to have fully reported. The LA indicator which was found to be fully reported most frequently is LA4 (Percentage of employees covered by collective bargaining agreements) with a full disclosure rate of **38.2%** by companies.

In the area of Human Rights, generally, the level of declared disclosure was lower - between **50%** and **69%**, averaging **62%,** and the average rate of full disclosure was also higher, averaging close to **20%.** The indicator that was most frequently fully disclosed is HR6 (Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.) with **31.3%** of companies assessed as fully reported.

Let me just repeat that so it's clear: **Labor Indicators: 86% of companies claim they report and only 11% actually do.Human Rights Indicators: 62% of companies claim they report and only 20% actually do.**

Doesn't something sound a bit wrong here?

I was chatting this week to one of the distinguished thought leaders in the sustainability arena, Richard Boele, founder and principal of Australian-based Sustainability Consulting firm, Banarra. He mentioned some similar research that his company had conducted in 2010 on behalf of the CFMEU Energy and Mining Division, which is the leading union that represents workers in the mining, oil, gas, port and power industries. The CFMEU's interest in this research was shaped by a sense that unions and workers are vital stakeholders in the sustainability reporting process, but are generally not engaged in this process in the Australian context. The feeling was that reporting was not meeting the

expectations of local stakeholders.
The results of this research using ten Australian Sustainability Reports matched almost exactly the findings developed by my colleagues in Vienna. There was a vast inconsistency in the claims made about what was disclosed and the actual disclosures. See the summary table below from Banarra's report. Even reports which are GRI-checked and/or externally assured contain these inconsistencies. **Why tell lies in reports?**
Why are companies making inaccurate and perhaps even deceptive claims in their Sustainability Reports? What interest do companies have in producing false reports? We can speculate:

- The reports are prepared in an unprofessional and sloppy way, without due attention to the detailed GRI protocols.
- Company reporters, or their outsourced consultants, never read the protocols and simply don't know what's expected of them in reporting against each indicator.
- Companies are competing for the GRI A Level "accolade" and don't mind if they cut a few corners along the way.
- Companies are being deliberately deceitful in order to achieve a reputation boost, without due consideration of the consequences of being found to be making false claims.
- Companies don't think anyone will notice - no-one reads reports.
- Companies don't care if anyone notices - the main thing is that they published a report.
- Companies don't think it matters - what's a little inaccurate detail here or there? Hey. We are reporting. Isn't that good enough?

Did I miss anything? Whatever the reason, to claim you have reported, and then not report, is defeating the purpose of sustainability reporting, which is all about building trust. If companies cannot get this right, what trust can we have in them and their reports? Not more than 20% trust, apparently. **Is it enough to have a good framework?**
Microsoft says that the browser is only as good as the OS it runs on. Hmm, they might have a vested interest there, I suspect. In reporting, the report is only as good as the accuracy and relevance of its content. The GRI Framework was developed as a set of voluntary disclosure requirements that are generally found to be universally relevant to a representative range of stakeholders in the context of the sustainability impacts of global business activities. If it's in there, it must be relevant and someone wants to know. But then, what's the point of having a leading global framework if companies are abusing it? How can the GRI Framework be credible if the reports that companies produce are not? Can the GRI have absolutely no ownership for creating a situation in which companies are abusing the reporting framework, unknowingly, deliberately or for whatever reason? If you knew that every report you read is only 20% accurate, would you ever take the time to open another report again? Surely this cannot be the outcome that the GRI wishes to see.

Reporting Accountability
In the most recent GRI's own GRI 2011-2012 Annual Report, CEO Ernst Ligteringen, opens with: "*Sustainability reporting is a rapidly growing practice, and GRI provides guidance and support to all organizations worldwide that want to report their sustainability performance. We see a vital shift in sustainability reporting, moving from an experimental practice of pioneering companies to a rapidly widening adoption in the mainstream.*" More importantly, he goes on to say that the range of users of sustainability is widening. More reports, more interest. There is no mention of the quality and integrity of the reports that are published and this doesn't appear as a material issue in the GRI's own materiality analysis. While I have heard the GRI in the past say that it is not their mandate to "police" reports, I continue to believe that complete avoidance of the issue of report quality is not

sustainable. This is like tobacco companies saying they are have no responsibility for the people who get sick or die after using their products. Perhaps the GRI should aspire to be the Unilever of Sustainability Reporting - changing consumer behavior so that the way their products are used can make a more positive contribution to sustainable society.

In the run-up to G4, the proposed "In Accordance" threshold creates demand for even broader disclosure and more disclosures and indicators to report on. What chance does G4 have of changing the world if the reality is that G3 is not being used reliably?

The Stakeholder Police Force

The GRI might say that it's the stakeholders who should be picking this up. Stakeholders who perform research on reports may do this, as the two examples I mentioned above. The stakeholders should be the police. But are they? Can they be? If every stakeholder has to double-guess every report, and spend hours checking whether the indicators are correctly reported, then we are going backwards not forwards. In this case, voluntary reporting could be deemed a Big Flop.

The solution?

The solution should be that companies take responsibility and ensure their reports are accurate. Utopia. You do not need a Ph.D. to understand the GRI Framework protocols and apply them correctly, though it is possible to make mistakes or overlook some detail or other. In this case, companies have the option of seeking external support. This could come in the form of external verification or part of an assurance process. Similarly, my consulting company, Beyond Business, offers a Sustainability Report pre-publication review service in which we analyze every aspect of a report prior to publication including detailed compliance with the GRI (or other) frameworks. Invariably, this exercise identifies inconsistencies which can be corrected before publication. Companies which do this are demonstrating accountability - they want their report to be accurate.

The other current option for reporters is the GRI Application Level check. This is an easy option because it covers only a sample of disclosures and indicators reported. It is not a complete check, but the GRI Statement which is issued to companies which "pass" the check says: "*GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines."* Ahem, it seems that in many cases, this statement is not correct either.

Maybe it is time for the GRI to bite the bullet and offer reporting checks which confirm that <u>every</u> disclosure and indicator has been reported in the correct and complete way, as defined in the GRI Framework, when claimed to have been reported by the reporting company. Anything less is misleading and serves to perpetuate this report-bad-feel-good euphoria that Sustainability Reporting seems to have succumbed to.

The Big Picture

I hear some of you object: Surely this is cosmetic? Reporting is not about ticking boxes. The Framework is an enabler, not a shackle. The contents of reports often include far more information than the GRI Framework requires. Shouldn't stakeholders focus on the Big Picture, rather than nitpicking about GRI accuracy? That's one way of looking at it. Another way would be to say that sloppy or careless or misleading reporting is not good enough. Even if the report contains the fanciest materiality matrix in the world, this does

not compensate for inaccuracies in the application of the GRI framework. False reporting breaks trust. Period.

Trust

One of the most difficult dilemmas of Sustainability Reporting has always been the degree to which we can place our trust in the voluntary disclosures of companies. If companies are not telling the truth about what they have **not** reported, how can we be sure they are telling the truth about what they **have** reported? Using the GRI Framework is not mandatory. The choice to use the GRI framework implies a responsibility to do so correctly. Companies who want to have their ice-cream and eat it are damaging both their own reputation and that of Sustainability Reporting in general. As a frequent report reviewer for CorporateRegister.com and for Ethical Corporation, one of the first things I check is whether the company has accurately used the GRI framework. If I find an inconsistency, my trust in that company plummets.

The Future

There is a lot of hype about Integrated Reporting as the universal solution to the inadequacies of today's sustainability reporting. Perhaps, instead of Integrated Reporting, we should be aiming for **Integrity Reporting**.

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

Comments

- GlobalReportingInitiativ November 28, 2012

GRI's response on this article

GRI would like to thank the Sustainable Business Forum for sharing its research results in the article 'False claims in sustainability reporting' (http://bit.ly/V8ZMXg), and also for expressing its concerns, particularly on the publishing of incomplete information.

GRI started developing Sustainability Reporting Guidelines to guide organizations on what to disclose, as well as how to disclose and manage the underlying process. It is critical for organizations and their stakeholders to have relevant and correct information in a sustainability report. Externally, incomplete or incorrect information leads to a decline in trust; and as internal management information, flawed information does not help to make the right decisions either.

While uptake of sustainability reporting has grown around the world and there are excellent reports from all continents, there are many that are not. However, GRI cannot police or control quality of all reports. We strongly encourage organizations to engage stakeholders in the development of their report; and we also encourage stakeholders to stay engaged and challenge reporting organizations on their sustainability goals and their reported performance.

The Application Level Check is a support service to confirm the level at which the Guidelines are used. Launched with the G3 Guidelines in 2006, GRI introduced Application Levels to assist organizations in communicating their degree of transparency against the GRI Guidelines. The interest in this service has increased significantly in the

past years and GRI continues to work on improving the service. In 2011, for example, an electronic Content Index and Checklists were developed for reporting organizations to fill in before submitting their reports for checking. Through Application Level Checks, GRI often identifies incomplete information and prompts organizations to improve their report, but this does not take the end-responsibility for the information away from the reporting organization.

GRI is aware of misunderstanding and “abuse” of the application level system and checks. When GRI becomes aware of incorrect use of the Application Levels and the Application Level Check, we reach out to the respective reporting organization. Furthermore, we are currently reviewing the process, statements and communications about the service to increase clarity on what an Application Level Check is, and what it is not.

Currently, GRI is developing the next generation of the GRI Guidelines – G4. From June through September 2012, the public provided record level feedback on the exposure draft of G4 which also proposed changes in the Application Levels. The feedback is now being analyzed to progress the Guidelines. G4 will be launched at the 2013 Global Conference on Sustainability and Reporting in May 2013 (www.griconference.org).

- elaine November 28, 2012

Thank you GRI/Marjolein for your reply. As you know, I am a fan and staunch supporter/stakeholder of the GRI and promote use of the framework at every opportunity. I find it painful, however, that this framework allows itself to be abused in such a way. I do not agree that the GRI cannot "control or police the quality of all reports" insofar as this refers to Application Levels - especially if you narrow this down to those reports which were sumitted to and "passed" the GRI Application Level Check, and where, despite this, information is absent when it is claimed to be reported. The GRI ALC is a stamp of quality. The GRI owns that stamp. If the ALC is to be meaningful, it must cover all the indicators in the entire report. I believe the same problem will exist in with G4, if the GRI introduces the "In Accordance" threshold. Any "In Accordance" check must be a full and not a partial check. This is in everyone's interest - if the check becomes more of a serious quality standard and less of a hit-and-miss, I believe it will be far more attractive to reporting companies.

Best

Elaine

- LiadOrtar January 11, 2013

Let me start with recalling of some memories from 2006… we were several hundreds of people, sitting in a medium size hall in Amsterdam, all excited about the coming launch of the G3 Guidelines (there were dancers coming down) and waiting to hear Al Gore, then the global Guru and Mega- preacher against Global Warming. It was an amazing event and the expectations were sky rocketing. Something new was in the air and a true sense of an investable change for the better of humanity and planet earth.

Look what happened from then… The financial crisis, the revolutions in the Arab world, Occupy wall street, Europe is fighting to survive austerity, the developing countries (BRIC) are turning to be the most influential financial super powers and the world has given up on the effort to build a global scheme to combat climate change. We buried the Kyoto protocol with nothing to replace it. And… let us not forget the daily tragedy and massacre that is happening in front of our eyes in Syria. We, the citizens of the world are

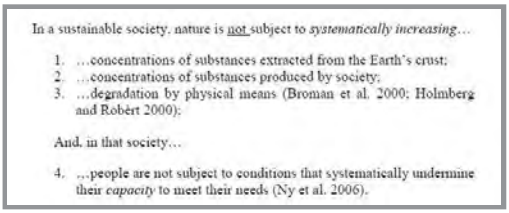
looking with deep frustration on those who were empowered by our nations to morally lead us. They all failed and we all pay the price. The bottom up approach of global governance has went bankrupt with no clear alternative being presented. We can see the first sprouts of a new bottom up global movement supported by The Internet of Things , mobile apps, social networks etc. something is happening and it will spread out.

From my humble point of view, the GRI basically embraced a global governance approach as represented by the UN institutions and offered a one single global reporting hub. I am fully aware of the translation efforts (and even was one of the firsts with translating it to Hebrew) and the setting up of local offices. Maybe it was fine when there were several hundreds of reports being published with low level of public scrutiny, but now… it is simply not good enough.

The GRI did start few years ago a very important initiative to develop country annexes to the G3… but sadly it was stopped. I thought that it was a great idea and even lead a multi stakeholders process here in Israel and wrote a draft for our own county annex. The same should have been done with the verification process to create a publicly accepted validation process . For it to truly become a global tool, I recommend that the GRI consider a more decentralized approach, harnessing governments to the issue and together with them and other stakeholders, referring efforts on setting up local verification centers. It's time to wake up to almost forgotten term of Glocalization in the setting up a Global Governance System for Sustainability Reporting.

Mind the Gap! in Sustainability Reporting

Friday, November 16, 2012


In a sustainable society, nature is not subject to *systematically increasing*…

1. …concentrations of substances extracted from the Earth's crust;
2. …concentrations of substances produced by society;
3. …degradation by physical means (Broman et al. 2000; Holmberg and Robèrt 2000);

And, in that society…

4. …people are not subject to conditions that systematically undermine their *capacity* to meet their needs (Ny et al. 2006).

As a Sustainability Consultant and Reporter who is quite accessible here on the net, I am often approached by students from all corners of the world, sometimes corners which I didn't know existed, to help them with their research and studies on many different aspects of CSR and Sustainability and Reporting. I do my best to respond to all - apologies if anyone has written to me and I didn't. Such interactions both give me the opportunity to make a modest contribution to advancing sustainability thinking and also, invariably, help me learn new things. Occasionally, some of those who have asked for my advice or help, come back to update me about how their work has gone, which is always a delight. Today, I got the fabulous news that a group of Masters students with whom I spent some engaging time in discussion on their research, have won the **top award** for their thesis in the area of Sustainability Reporting. Edwin Janssen, Selene Kfoury and Rutger Verkouw submitted their thesis for the completion of Master of Strategic Leadership towards Sustainability, Blekinge Institute of Technology, Karlskrona, Sweden, and will receive a prestigious award from the Sparbankensstiftelsen Kronan later this month. Wonderful recognition for their hard work, and also the quality of their thesis, which is highly topical these days, as we debate whether G4 will be the Next Big Thing, or whether Integrated Reporting will serve anyone other than investors, and whether Sustainability Reporting is actually helping us to change the world.

The thesis is entitled: "**Mind the Gap! Strategically Driving GRI Reporting Towards Sustainability",** and can be downloaded here. The writers make a case for an **integrated process** to support Sustainability Reporting.

Here is the abstract: "Sustainability reporting is a vital tool to communicate an organisation's sustainability performance to stakeholders. Sustainability reporting also allows an organisation to communicate its vision, goals and strategic plans. In order to be strategic towards sustainability, an organisation should have a vision of where it wants to go, and assess where it is today, so as to take the right initiatives towards its vision. This thesis focuses on how GRI sustainability reporting and strategic planning towards sustainability can be combined in an integrated process to help organisations move towards sustainability. The Integrated Process allows an organisation to gain a better understanding of its sustainability context; design resilient strategies in light of that context using a backcasting from Sustainability Principles approach; and report its sustainability performance and progress in bridging the gap towards sustainability, transparently to internal and external stakeholders."

Doesn't that sound compelling? There is a difference between Integrated Reporting and Sustainability Reporting using an integrated process. The former may be an outflow of the latter, but not necessarily. On the contrary, I can very easily buy into the integrated process concept, but I have a harder time buying into the Integrated Reporting concept.

The writers come down very strongly on there being a strong interrelationship between sustainability context, sustainability strategy and sustainability reporting and that sustainability reporting is most effective when driven by a strategic approach to sustainability. Sustainability strategy should be determined against a backdrop of four

core principles articulated here:
In order to support the route to more strategic sustainability reporting, the authors offer a Framework which has four steps and uses the process of backcasting (identifying the vision and working back to determine what needs to be done to align with the vision) to help create strategic sustainability reports. The authors examine the GRI framework and how it makes a contribution, as well as creating some limitations.

As usual, it was a pleasure to engage with our new generation of committed future business leaders, and I am sure we will be hearing much more from Edwin, Selene and Rutger in the future!

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

Comments

- HenkHadders November 18, 2012

Nice post Elaine, also touching on the context of Context. I'm reading their thesis right now. I respect your "open-mindedness". Did I notice some movement on your part? Perhaps we will even be discussing a context-based GRI-G4 guideline in Amsterdam next year, with this new generation ;-)

Best wishes, be well and take care in these troublesome times

Henk

- elaine November 18, 2012

Hi Henk, thanks for reading and commenting. I think I always acknowledged that the theory of context-based sustainability holds some appeal and is theoretically a valid option, and I respect your views on this (as well as those of Bill Baue who never misses an opportunity to remind me of this also!). My issue is with the practicability of applying that concept to businesses, and the validity of the calulations which may not take other mitigating factors into account. It's a resolution that most businesses will not be able to achieve satisfactorily, not in my lifetime anyway,and my view is that it may serve to move us away from the bigger issue which is improving performance not benchmarking it. So, I acknoweldge the student team's need for context in their thesis, and agree with it, but I choose to interpret it in a less rigorous way, which is closer to the current GRI approach today. At present, the G4 exposure draft does not move in this direction.... do you know something that I don't know? :) Thanks for good wishes, doing our best to stay safe here, managed ok so far:) Look forward to meeting up in Amsterdam in May. elaine

- BillBaue November 20, 2012

Hey Elaine & Henk,

Great to see a blog about this exciting research. And thanks to Elaine for invoking me, which I'll take as an invitation to comment.

Let me start with where we agree: yes, we do indeed need to improve performance toward sustainability.

However, we have a longstanding disagreement on how we improve sustainability performance. My starting point is to define sustainability in a disciplined way, by positing a line between sustainability and unsustainability (which can be adapted to respond to better information as it becomes available.) Without such a line, how do companies know when they've improved performance sufficiently? And more importantly, how do they prioritize the allocation of scarce (human and financial) resources toward the sustainability impacts most in need of improvement? Without measuring progress toward sustainability, companies might throw all sorts of resources at the sustainability of their water management when they are actually performing sustainably there, but are not paying sufficient attention to the sustainability of their mitigation of solid waste, which may in fact be much more unsustainable. This is obviously an illustrative hypothetical example, but I trust you get what I mean.

As well, at a fundamental level, GRI tells organizations that they need to report their performance according to the sustainability context principle. No ambiguity there. So the idea that we can postpone addressing sustainability context until after our lifetime simply doesn't square with GRI's guidelines. Logically speaking, GRI would need to delete its sustainability context principle, or else it makes sense to expect organizations to measure, manage, and report on their social, environmental, and economic impacts "in the context of the limits and demands placed on environmental or social resources at the sectoral, local, regional, or global level" (to quote GRI). It makes no sense to have a Principle that you expect those using your guidelines to ignore.

Have you seen the G4 Public Comment Letter Submitted by 66 members of the Sustainability Context Group advocating for more guidance on susty context (and providing a functional specification, as well as general and specific examples)? http://www.sustainableorganizations.org/SCG-GRI-G4-Comment-Submitted-9-24-12.pdf

Or the Public Comment letter from the SustyContextGroup on the GHG Emissions Thematic Revision? http://www.sustainableorganizations.org/SCG-GRI-G4-GHG-Submitted-11-12-12.pdf

I spoke with GRI directly, and they said that this input is factoring into several Working Group discussions, a fact confirmed independently by Working Group members.

As for the mistaken belief that a context-based approach to sustainability is too complex to implement, have you seen the work on this front by BT, Autodesk, EMC, Mars, Ford, Cabot, and Ben & Jerry's? See the links in the GHG Emissions letter for more on this work.

As well, did you hear about the partnership between WBCSD and the Stockholm Resilience Centre for integrating SRC's 9 Planetary Boundaries work into WBCSD's Vision 2050 work. http://www.guardian.co.uk/sustainable-business/business-solutions-based-scientific-analysis

Elaine, I trust that this is sufficient documentation to make a solid case for the necessity and viability of implementing sustainability context. I look forward to hearing back from you on this case.

Best,

Bill

- Jernej November 27, 2012

Hi all,

a collection of links to articles / websites about "sustainability context" is here:
http://www.nfrcsr.org/international/reporting_guidelines/index.htm#_Toc287203324

Best,
Jernej

- MartinThomas December 05, 2012

Hi Elaine, Long time since we spoke. Nice to see friends in this boat. I have been working with Bill and Mark for the last year on context-based sustainability. It seems to me to be the only route that offers a framework that indicates sufficiency of effort in a meaningful context.The masters dissertation seems absolutely right to my eyes (but then what would you expect from Prof Robert's students?!). I do not believe CBS needs to be so tough to comply with. Its implementation needs to be sensitive to the context of the host organisation. However, I do acknowledge that the whole learning journey will last well beyond our working lives. What makes you think it could be shorter? Regards, Martin

Dr. Sustainability examines G4

Friday, November 09, 2012

What a surprise to have another visit from Dr. Sustainability this week, which was unexpected and unforeseen and completely out of the blue. The last time Dr. Sustainability visited, she made quite an impact, especially when she confirmed that Rio+ was likely to change mankind for the better. This visit, Dr. Sustainability is mulling over the new GRI G4 Exposure Draft, having read all 325 pages, and she thought that the CSR Reporting Blog readers might benefit from her insights about the implications of G4. Ever gracious and generous, Dr. Sustainability agreed to respond exclusively to CSR Reporting Blog reader questions. Here are Dr. Sustainability's G4-isms.

Dear Dr. Sustainability: We have been preparing a GRI Application Level A+ Report for some years now. We have managed to get this system to work for us. Now that G4 is imminent, we will have to make changes - include our value chain, select material issues, disclose more about our supply chain. Frankly, I am not sure we will be able to do all this. Do you think the GRI really understands how difficult G4 will be even for experienced reporters? **Dear Worried:** Yes, of course the GRI understands. It's like this. There are not enough high quality reports in the world. Instead of lowering the bar, or even encouraging better performance against the current bar, the GRI has created a higher bar. This is so that, when everyone fails to reach the higher bar, everyone will love the lower bar and G3 will be reinstated and everyone will breathe a sigh of relief. As an experienced reporter, this is absolutely in your interests. Just make a mess of G4 and whoosh, G3 will be back like lightning.

Dear Dr. Sustainability: Does the new definition of boundaries in G4 mean that my next report will have to be twice as long as my prior report? I understand that the boundary has been extended. **Dear Extended:** Yes, indeed. Now you have so much more reporting scope. The boundaries in your value chain are boundariless. You can now tell stories about your supplier's supplier's supplier and your customers' customers' customers. Your value chain is a hidden trove of goodies for your next report. Just make sure you add six more people to your reporting team.

Dear Dr. Sustainability: I found it very hard to read the G4 Exposure Draft because there are so many lines crossing out the text out all the way through the document. Trying to read behind the lines has given me acute conjunctivitis. Can I claim on my insurance for this condition? **Dear EyeSore:** Yes, I know what you mean. After reading the G4 Exposure draft, I had a series of anxiety attacks which caused me to be very anxious. Even Bach's Rescue didn't help. I think your insurance might cover it this under the "occupational disease" section. This is good because it gives you another piece of data to disclose in the Health and Safety section of your report. And don't worry, what's **behind** the lines is irrelevant. It's what's **between** the lines that counts.

Dear Dr. Sustainability: I am an investment analyst and I have been told that, when G4 is launched, my life will change. Can you say how? **Dear Moneygrabber:** When G4 is launched, and companies start reporting against the new framework, you will have so much information, of such high quality, covering all material issues and providing reams of data about supply chains, that you will have no choice but to factor this information into your investment recommendations, and say how you have done this. This will create so much additional work for you that you will probably suffer from stress. To relieve the stress you will have to have more sex, as sex is an effective stress-reliever. Having more sex will probably distract you from your work and cause you to become less productive, which will ultimately mean that you will get laid off from your job. This will send you into a deep financial crisis and your home will be repossessed. Ultimately, you will end up sleeping on park benches. So yes, G4 will change your life. It will bring you closer to

nature.
Dear Dr. Sustainability: The new G4 Value Chain assessment talks about upstream and downstream impacts. Will I have to take a course in marine navigation in order to use the new G4 Framework? **Hello Sailor:** No, you will not have to sail the high seas in order to use G4. But maybe you will want to go on a long voyage after you realize what you will have to do to be "In Accordance" with G4.
Dear Dr. Sustainability: I hear that G4 is abandoning Application Levels and moving to a one-size-fits-all "In Accordance" approach. Will this mean I will not be able to gain significant marketing advantage by ticking all the A boxes and adding a comment that "this is not material for our company"? **Dear Box-Ticker:** Don't worry about this. In the run-up to G4, there will be lots of pressure from companies who want a way to differentiate themselves and gain marketing advantage. At the launch, there will be several versions: "In Accordance A", "In Accordance B", "In Accordance C", "In Accordance SMEs", "In Accordance The Absolute Best" and "In Accordance.. Seriously?".
Dear Dr. Sustainability: When will G4 become obsolete? **Dear Optimist:** Probably before it is launched.
Dear Dr. Sustainability: I hear the GRI received 3,095 formal feedback submissions by sustainability experts, organizations and professionals on the G4 Exposure Draft. Will this feedback make a difference? **Dear Statistics:** Yes, of course. Over 3,000 people made the effort to log onto the online feedback platform and type in all their answers. This has already made a difference. The online feedback technology company has made a profit and the ICT sector carbon footprint has doubled in three months.
Dear Dr. Sustainability: One of the objectives for G4 was to align the G4 Framework with the new Integrated Reporting proposals. However, I see that this has not been done. What do you think about that? **Dear NitPicker:** I don't think about that.
Dear Dr. Sustainability: We are an SME and we would like to start Sustainability Reporting. We have developed a first draft which we hope is "In Accordance" with the new G4 proposals. We have identified 83 material issues across our value chain and have disclosed on each of them in full. The problem is that our report is now 3,473 pages long and every time we try to load the PDF to our website, our entire system crashes. I was wondering, is there something we should do differently? **Dear SME:** Absolutely. Get a new IT person who can fix your website.
Dear Dr. Sustainability: Do you think more people will read G4 reports than read G3 reports? **Dear Reader:** Yes. At least four people will read G4 reports. That's a 100% increase.
Dear Dr. Sustainability: I have studied the G4 proposed framework and believe it offers a great improvement on previous guidelines. Everything is now clearer. Materiality is emphasized, value chain is central, supply chains gain more ground, there is a degree of choice about what to report. All these are good things. My question is: will this make the planet more sustainable? **Dear Skeptic:** That's a great question. After all, reports reflect sustainability performance and the positive impacts of companies. Reporting is a catalyst for improving performance. Better reports = better performance = better reports. It's that simple. Err. Isn't it?
Dear Dr. Sustainability: I am an employee of a large multinational company. Our company reports on sustainability year after year, but in reality, what happens in our company is nothing like what we read in the reports. Our workplace is awful, full of stress, low pay, internal politics, poor safety practices, no concern for employees. How will G4 change all of this? **Dear Critic:** G4 won't change all of this. It will just make your reports inaccurate in a more complete way.
Dear Dr. Sustainability: How do you manage to distill the key points of G4 ? How do you manage to keep abreast of all the trends in reporting ? How do you manage to keep your

knowledge so up to date ? **Dear Knowledge-Seeker:** That's easy. I read the CSR Reporting Blog.

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

Comments

- JordiMorrsRibera November 10, 2012

Thanks for your fun vision of the new G4.

- userWatts4U November 15, 2012

As always, a spectacular analysis!

- AmandaPaytonHamaker November 18, 2012

Thank you for making my day!

- elaine November 18, 2012

Thanks all for reading and commenting. Dr. Sustainability is always a big hit on the CSR Reporting Blog :)I will have to get her back more often!

CRRA'13 - here we go!

Tuesday, October 23, 2012

It's that time of the year again. CRRA time. The call for entries for CRRA '13 is now open. For the uninitiated, CRRA stands for Corporate Responsibility Reporting Awards (or CorporateRegister Reporting Awards!) and it's the brainchild of CorporateRegister.com, the largest online directory site for Corporate Responsibility and Sustainability reports, numbering over 44,000 reports from over 9,000 companies to date. CorporateRegister.com is the go-to place for reports and reporting information and is one of my absolutely favorite, and mostly used, sites. CRRA '13 will be the sixth annual global online reporting awards and it is truly unique in its reach and scope. You can see the winning line-up for CRRA '12 on their website here, and read about it in my posts here (the winners) and here (the winning SME report from Beyond Business!). This year, the contest is for reports published between 1st October 2011 and 26th October 2012 and profiled on CorporateRegister.com. There are also two important new changes for this year's format: **First: Change to the categories.** The **SME category has slipped off the edge** - which is a big shame - one of my fave categories and a sector badly in need of encouragement for Sustainability Reporting. I guess there are still too few SME's who are taking the plunge. But SME's can still enter the other categories. There is a new category for **Innovation in Reporting**, designed to reflect new and creative practices "which may be adopted by other companies and help reporting evolve". Innovation can come in many forms - whether it be in structure or design, involvement of stakeholders, application of different guidelines and formats, infographics, new ways of presenting data and more. We are all seeking ways to make reporting more appealing, more accessible, more readable, more widely used and more impactful. Perhaps this category will help us get some new ideas for the reports of the future.

There is another new category - **Best Non-Business Report** - which is a very welcome addition and will enable not-for-profit organizations, government bodies or cities, universities or other academic institutions or trade associations - just about any organization that is not a business - to gain exposure. This is a great step forward, as non-business sectors have been slowly but steadily increasing their reporting output and there are some impressive reports around. Some of them are large organizations which, in addition to their often socially-oriented mission, must demonstrate accountability for the away they operate and the impacts they generate. Non-business reporters can also enter the other categories, but can now also compete in their own level playing field in this new category as well. You can see the full category overview here. **Second: Changes to the selection and voting procedures.** After checking that reports are relevant for the categories they have applied to compete in, all valid entries will be assessed for overall quality by a panel of academics, using the CorporateRegister.com proprietary '3C' framework (Content, Communications, Credibility). Each report will be rated against this framework, irrespective of the categories the reports are competing in. The ten highest rated reports for each category will be short-listed. These reports will then be presented to voters using the online voting platform that we are familiar with from previous year CRRAs. The winners and runners-up in each specific category will be determined by this open online voting process. This is very different from previous CRRAs in which all reports entered were directly open to the public for voting, generating 20 or 30 reports in each category, or more, clearly making it impossible to review all reports and provide a

balanced vote. This way, voters can decide amongst the very 'best' reports, after an independent, objective and balanced short-listing process, using neutral assessors working within a structured framework. Voters will see only ten reports per category, which offers a manageable possibility of reviewing each report prior to making a selection. I like this change, and while it will be disappointing for those not short-listed, it will probably offer a much more balanced competition.

As usual, CRRA will be maintaining a strict voting integrity mechanism which prevents people for voting for their own company and other multiple voting attempts which skew results. This is a strength of the CRRA platform and gives confidence that the final results are fair and representative.
Timeline Entries are due for submission by 26th October. (Hurry if you are entering your report!) Voting will take place between November and January. The results will be announced at a Gala Evening in Spring 2013. **Published a report last year ?** If so, this is the time to seek some recognition. Reporting is not only a responsibility, it's an art. It's not just about reporting, it's about compelling communication. It's not about the winning, it's about the doing. But if you get to win, well, that's pretty inspiring. We can all learn from great reports.

Watch this space for a review of the short-listed reports as soon as they are public.

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

10 reasons NOT to attend a Conference on Sustainability Reporting

Sunday, October 21, 2012

Last year I gave you 45 reasons for attending the Smarter Sustainability Reporting conference which was held in London in May. As it turned out, the conference was a massive success, as you can see in my post-conference post. So much so, in fact, that organizers Sustainable Business and edie.net have invited me back to chair the conference a second time. A great honor and lots of fun! Now, I can give you 45 more reasons to attend the SECOND Smarter Sustainability Reporting Conference which will be held in London in February 2013 (5th February).

But I won't. I don't want to be accused of plagiarism. (Can you plagiarize yourself?)

Instead, I will give you **10 reasons NOT to attend.**

10: You don't want to hear from the top movers and shakers in the sustainability reporting world as you don't believe they can enlighten you with the most up-to-date information on the trends and issues that are shaping the reporting landscape as we move into another year and another reporting cycle. The world is not dynamic. Who needs to stay updated?

9: You don't want to hear about how environmental, social and corporate governance data is analyzed and how to avoid common reporting mistakes from Gregory Elders at the Bloomberg Environmental, Social and Governance Group. You don't make any mistakes at all, correct?

8: You have absolutely no interest in hearing Dr Steve Waygood, Chief Responsible Investment Officer, Aviva Investors talk about the impact of sustainability reports on investor decision making and gaining a first-hand insight into what investors are looking for in your sustainability report. If they want it, your investors will tell you themselves, correct?

7: You don't read reports. You don't believe anyone reads reports. You can't imagine that there is enough to say about reporting for a whole day. You don't believe that over 6,000 reports are being published each year with numbers increasing every single year. You don't think that sustainability reporting needs to be smarter. You think it needs to be dead. Even if your company is producing a Sustainability Report every year, you don't see much mileage in understanding more about how to get greater value from reporting. You are happy lagging behind the crowd. Sometimes not knowing is much easier. 6: You can do without hearing from James Farrar, Vice President Sustainability, SAP on how to streamline information being requested from numerous stakeholders with varying needs. You are doing OK, producing numerous different reports in different formats at different times of the year and who cares if you have added another four people to your department to meet all this information overload? **5:** You don't see the point in engaging in a discussion with experts and peers about the implications of determining material topics. Materiality is such an easy thing. You just decide what you want to report about and call it material. The fact that the GRI is putting materiality at the top of the ladder in terms of determining content for GRI G4 reports, and this means materiality **across the value chain** and not just within the boundaries of your business, and the new Sustainability Accounting Standards Board (SASB) is creating materiality standards which they claim will revolutionize the way reporting happens and the way investors use reports, is not a sign that the entire reporting language and frames of reference are about to change. You don't see the need to invest in understanding materiality. You're happy

faking it. **4:** Why on earth would you give up a whole day to go to a conference where they don't serve ice cream? Come on. Can this be a serious event ? **3:** You have no interest in learning about linking the on-line and off-line stakeholder engagement experiences from master-reporting-leader, Alberto Andreu Pinillos, Global Managing Director of Public Affairs, Telefónica. What's stakeholder engagement anyway? And on-line is more than it's cracked up to be. The fact that more companies are engaging with stakeholders in a range of online formats than ever before shouldn't be of concern to you. What you don't Tweet can't hurt you, right ?

2: You have no plans to be in London in February 2013, and your schedule is totally inflexible. Making room for one of the most interesting events on the sustainability reporting calendar in the UK in 2013 is absolutely impossible. You are overworked, overloaded, overtravelled, overconferenced and underbudgeted. Why change your plans for this one? The fact that you will gain cutting-edge insights, learn from best-in-class leaders, have an opportunity to reframe your thinking about sustainability reporting and related processes, and generally have a totally fun and productive day is not relevant. Just keep going into the office and doing what you're doing. That's ok. Ostriches manage to survive somehow (though some ostrich species are listed as endangered).

1: And finally, the number one reason not to attend the Smarter Sustainability Reporting Conference is that the 5th of February is your birthday and you make it a rule not to attend conferences on your birthday. Of course, if it is your birthday, I am sure that we can arrange a modest celebration (please let me know how many candles). But if it's a matter of principle, or you actually have something better to do on your birthday, then of course, you should not attend. Although all rules have exceptions.

If you found yourself identifying with any of the above reasons not to attend this conference, then I expect you won't be saying hi in February. Thankfully, the CSR Reporting Blog readership is quite an enlightened, open and curious crowd, so I am sure that at least 9 of the above ten reasons won't apply to you (number 4 is the weak link). **I am optimistic that a bunch of you will want to attend, so I can offer you a discounted rate which you canDM me on twitteroremail meto receive.**

In the run-up to the conference, I will be chatting with some of the key speakers and introducing some of the themes of the conference in a series of blog posts to whet your appetite. Looking forward to seeing you in London in February! Please don't not attend!

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

Application Levels: For and Against

Friday, October 19, 2012

Building on the obvious interest in G4, based on the fact that my post, The G4 Exposure Draft Explained, has become the most popular post ***ever!*** of the CSR Reporting Blog, with over 3,400 page views to date, I have decided to offer a more detailed review of the question of Application Levels, which if the G4 is approved as is, will fade away into reporting historical oblivion, never to be seen again. The elimination of the A,B,C reporting levels system is controversial. One the one hand, there are obvious abuses of this aspect of the GRI Framework and it can be quite misleading. On the other hand, the competitive nature of what is perceived as a corporate sustainability ranking system may have galvanized organizations into higher levels of transparency and provided a roadmap for strategic sustainability performance development and reporting. Much has already been blogged about Application Levels: Rebecca Gunn, on the ACCSR blog, csrconnect.ed writes: "Most of us who have experience with the Guidelines agree that the existing Application Levels denoted as, “A, B, C” create a level of misrepresentation about the quality of the report or the level of performance of the organisation."
Robert Axelrod on the Fleishman-Hillard Sustainability Blog writes: “You don’t know what you’ve got till it’s gone.”, explaining that it's the Application Level A,B,C terminology that has created confusion and led to a tick-box mentality, and that a grading system of sorts would still be relevant. He adds: "Keep the Application Levels, but tweak them to reflect some of the great concepts found in G4." A letter to the GRI from the German Institut der Wirtschaftspruefer addresses Application Levels saying that "Although we generally support this goal, we believe that the “in accordance” approach might prevent SMEs and other small and medium sized organisations from preparing a sustainability report according with GRI guidelines."
Even before the G4 Exposure draft was published, Alexis Lindsay of the Briefing Note published a for-and-against for Application Levels, asking "who'd miss them if they were gone" and answering "no-one"!

I also posted on the hype of Application Levels and the way the coveted A or even A+ is abused for the purpose of making companies look good and reports look better than they are.

Feedback in the first GRI G4 Public Comment Period which asked for general input to the development of the G4 Exposure Draft contained some reference to Application Levels. Of the 691 individuals who responded to the question of how the Application Levels system could be improved:

- 89 respondents suggested that the naming of the Application Levels should be changed to remove the grade connotation that is generally linked to the letters A, B and C.
- 76 respondents were of the opinion that the current system works well and does not require any changes.
- 28 respondents said that fundamental changes were needed to the Application Level system and another 28 were of the opinion that GRI should get rid of it altogether.
- 25 respondents suggested that the number of levels should be increased and 16 suggested that a specific SME level should be added.
- 24 respondents were of the opinion that the Application Levels should be sector based.

This is a surprisingly small number of reactions to the Application Level system, and

hardly a broad-based mandate for abandoning any form of differential application of the GRI Framework. Only 28 individuals suggested eliminating application levels and 76 said don't change anything. The GRI has now gathered in the feedback on the G4 Exposure Draft, and I suspect the Application Levels question will be one of the harder nuts to crack in the debate as to where the G4 final version will come out.

How many ladders? How many walls?

This debate is further complicated by the fact that G4 proposals promote reporting being tailored to material issues. Instead of being a one-size-fits-all framework as now, the new G4 option to select the most material issues and report only on those (what I am calling "material transparency") means that simply reporting on more stuff is no longer the target. Reporting on the right stuff is the new target. How can a differentiation system work when not everyone has their ladder up against the same wall? How do you assess the transparency and quality of a report when every company picks and chooses their own reference points? G4 does not prescribe a minimum, nor a maximum, number of material issues to report on. A company could select two material issues or thirty, making for a very different kind of report in either case. The GRI Sector Supplements, of which there are very few, having got lost in the general hubbub of GRI priorities, offers a partial response to materiality focus by sector. The new Sustainability Accounting Standards Board is taking the task of pre-defining material issues for a range of sectors into their own hands. But even so, material issues may be framed by sector-specific or geography-specific factors, but they can only ever be company-specific and time-bound to current issues that business strategy and stakeholder input determine. Back to square one. Sustainability Reporting of the future, according to G4, is a pick'n'mix job: "In Accordance" with general disclosures and "self-service" for material disclosures. The assumption may be that no-one wants to know more than the most important issues. But that's a big assumption.

There are three broad questions here:

- Is there a need for some form of differentiation to indicate different levels of application of the GRI Framework or should it be a simple yes or no (as proposed in the G4 "In Accordance" approach) ?
- If there is a need for differentiation, should A,B,C be replaced and if so, with what?
- How does the question of materiality fit with the need for differentiation? Should Sustainability Reporting be limited to "need-to-know" transparency?

The Need for Differentiation

Let's face it, we live in a competitive world. We make comparisons. We love rankings. We strive to be the best, the leader, the role model, the top of the list. Sustainability Reporting is no different. It's another arena where competition between companies plays out and another channel for companies to demonstrate their prowess. Unless our entire economic system changes, this is not going to change. Companies will look for every opportunity to stand out from the crowd and to show they are better than the rest, or at least, no worse than the worst. Sustainability Reporting cannot ignore this. Arguably, one of the drivers for the spread of sustainability reporting has been this very thirst for competitive leadership and recognition. Without the A, B, C Application Levels, the rise of Sustainability Reporting may have been unremarkable and perhaps even a little boring. The challenge arises in the area of differentiation when you try to separate sustainability performance from sustainability reporting. While there is some correlation, you can perform on sustainability and report badly. Or vice versa. The GRI Reporting Framework is about the integrity and quality of reporting, and the level of transparency demonstrated, not about inherent sustainability performance, and this is where the A,B,C has often been abused to create the impression that the company performance is top grade rather than its reporting of it. **It's not the system, it's the practice, that's problematic** What purpose,

beyond beating your peers, does this differentiation serve? It does have a purpose. It's shorthand for a degree of transparency which corresponds to the sustainability issues that are generally accepted to be the ones that stakeholders universally find to be important. It's a snapshot of what you can expect to find in the report. It's a promise that the report will contain certain levels of disclosure. It's almost like a brand. **A** means full transparency, no holes barred. **B** means getting there. **C** means boarding the train. If applied correctly, and all reports actually did deliver the promise, and communications about the different levels were clear and honest, then this may actually be a good system. Those companies which raise the bar create a new standard for other companies to aspire to. This could continue to create momentum for reporting. The problem is in the practice. The minute you define the groundrules, companies start to cut the corners to get more marketing traction and recognition for less work. Rather than using the Application Levels system as a driver for improved performance and reporting, it has been used primarily as a marketing tool with convenient workarounds for less convenient disclosures. The G4 proposal has responded to the problems of Application Levels by deleting them. That's hardly a creative approach. Instead, the GRI G4 proposes the "In Accordance" threshold which requires all companies to do G4 or not, enabling only one aspect of differentiation. To be or not to be G4. I think this fails to respond to a market-driven need for broader differentiation, which I believe is a legitimate need for companies in competitive markets. **What to differentiate?** Should differentiation be around the level of transparency of the report? Or should differentiation adopt some other quality parameters? The "+" which has been used to indicate differentiation through assurance is not addressed in G4. There is no "In Accordance **+** " and assurance is not part of the minimum G4 threshold. There doesn't really seem to be any other basis for differentiation without getting into complications of how to compare report content. Differentiation on the basis, then, of transparency seems to be the only way to go. Transparency is a catalyst for performance improvement. Companies which report on material issues **and** disclose on other issues can gain some advantage, as certain stakeholders are interested in issues other than only those deemed most material, and companies can create value and opportunity from addressing issues which may not have hit the top of the materiality radar screen. Sometimes, public disclosure is what drives internal commitment and progress. Materiality, therefore, in G4, could be a minimum, not a maximum. **An option for not throwing the baby out with the bathwater** Accepting a greater need for differentiation might lead us to consider another option, which would first require lowering the "In Accordance" threshold to enable wider participation in G4 by all kinds of companies, including the smaller businesses. After all, GRI's mission is to increase the number and quality of reports published. Too high an "In Accordance" threshold will undoubtedly discourage small, new and possibly existing reporters. A lower "In Accordance" threshold should include a core set of disclosures and performance indicators that are truly universal and top priority. Something close to the current C level report of today, with about 25 predefined performance indicators. Beyond this, differentiation can happen. But how? One option might be to use a percentage system. If the G4 has 73 Profile Disclosures, 44 Material Disclosure Aspects and 95 Performance Indicators, there could be a Percent Reported approach, which would include all the disclosures mandated by the lower "In Accordance" threshold. This could look something like this:

- Company A: 132 of a total of 212 disclosures reported = 62% reported
- Company B: 198 of a total of 212 disclosures reported = 93% reported
- Company C: 107 of a total of 212 disclosures reported = 51% reported

Which company is the most transparent? Company B. Could this be confused with the quality of the company or its performance? Unlikely. It's a factual, not judgmental, grade. The problem here is that all disclosures carry equal percentage weight - though some are unquestionably more important than others. This could be addressed by the lower "In

Accordance" threshold and its requirement for the minimum Percent Reported to include some of each of the different types of disclosure. **Minimum Materiality** This still does not address the issue of materiality. Reporting more stuff is not what G4 claims to be about. If transparency were the only common denominator, this system could work well. How do you factor in the materiality aspect into the differentiation system, when there is no prescriptive guidance for how many material issues to disclose? My response is this: G4 should prescribe that each company select a minimum of five most material issues to be reported on, and this should be part of the "In Accordance" minimum threshold. There is no company that has less than 5 material issues. Companies that wish to go for "Maximum Materiality" can still do so and gain points in the transparency league table. **Wrapping it Up** Thinking about Application Levels, Materiality, Transparency and Differentiation, I am led to conclude that G4 should offer a lower but different "In Accordance" threshold which is relevant for every company everywhere, in order to maintain the Sustainability Reporting momentum for all companies. I conclude that differentiation is a good thing and a differentiation mechanism should be available for companies who can and wish to disclose more than minimum, for various internally or externally driven reasons, leveraging it for competitive advantage while establishing new standards that other companies may follow. The Go-No-Go G4 proposal is unimaginative in this respect and could become a blocker for more and better reporting in the future. The option proposed here is just one suggestion. I am sure there are other possibilities, probably better ones. **Place your Bets** As the GRI Governing Bodies battle this out between now and the May 2013 launch of G4, we can try a little poll of our own. Click to vote. Your browser doesn't support iFrames :(Vote for this poll here.

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

Comments

- DragosDehelean October 26, 2012

I'm so sorry I haven't taken the time to complete my GRI G4 feed-back questionnaire.

Because I simply don't understand the issue of "tick-box mentality".

1. The current GRI G3.1 has enough quality and strategy disclosures, not only quantitative "checkboxes". The REAL problem is that the majority of A reporters don't respect them and there is no checklist to demonstrate they are doing a poor job.

2. "Tick-box mentality" is not bad at all, as the majority of big companies still don't report. Those companies need first checkboxes, in order to develop their management systems. And they need to respond to a standard set of questions, not only the ones they choose. On the other hand, we all need them to complete the checkboxes, because otherwise we cannot have real benchmarks, we cannot know where we stand and what sould really be done.

It makes no sense to me to look at the problem of some handful of A reporters that don't have quality and are only completing checkboxes, and don't look at the huge problem of non-reporters that need to be encouraged to get into some clear line.

For these non-reporters, I belive, the "self-determined materiality" focus will have 2 possible effects: 1) give them an excuse to do their own PR brochures and call them reports or 2) convincing them that reporting is a real rocket science which not worth being "alligned" with their main business activity.

- DragosDehelean October 26, 2012

Anyways, very good argumentation, Elaine. I'm afraid that once the current version of G4 will be approved, it will be hard to praise GRI reporting in some places (for example Romania).

So does G4's ideals really serve the scope of having a greater number of transparent companies? Or is something else?...

Embed CR Better. 20 insights.

Thursday, October 18, 2012

Ethical Corporation, one of the leading players in CR business intelligence, news and commentary, not to mention conferences, has recently published a new report entitled: **"How to embed Sustainability and Corporate Responsibility in Management Processes."** And it's temptingly subtitled: "**Save money, minimise risk and generate new business**." Actually, this report came as no surprise to me: the lead writer, **Judy Kuszewski,** had been in touch with me a while back to interview me for my thoughts for Chapter16: Embedding CR in Human Resources. I know a thing or two about that! This Report is a sequel to the very successful first 2009 Embedding Report, which I blogged about in 2009. With Judy at the helm, I knew this would be another great publication. Judy is an independent sustainable business expert with over two decades of working with companies on sustainable development, corporate responsibility and strategic communication challenges. She was previously Director of Client Services at SustainAbility, founding director for the Global Reporting Initiative, and Corporate Programmes Director at the Ceres coalition.

Embedding is as much of a challenge today as it was back in 2009. The report notes: *"Embedding CR in business demands a thoughtful process to ensure CR awareness, tools and thinking are present and active in normal company operations, and not a bolt-on or afterthought."* I think it goes even beyond "active and present". CR has to be completely and fully integrated into every action by every employee both on and off-duty, in order for all stakeholders to gain optimal benefit. It is the lens which colors every decision, the basis for every interaction and the inspiration for every business solution. That might sound a little poetic and Utopian, which may be somewhat of a break from my usual informative and factual style (yes, I am ambidextrous), but the more I work with organizations, the more I realize that, just as CR is all-encompassing, so Embedding must be all-encompassing also. Employees need to connect with CR thinking and approaches at many different levels. I was recently discussing the benefits of engagement with investors with a large, global client, who is well advanced on the CR road and has a very credible record. The company's investor relations communications, however, make no mention of CR. The company is embedding CR internally but failing to leverage it externally. I can count numerous examples of similar situations where CR is working in one part of a business but not in another. This is all about Embedding. This is about ensuring that CR is the baseline, everywhere, in every function, in every interaction. That's why this 2012 Embedding Report by Ethical Corporation is timely, relevant and serves to offer insights for companies on how to Embed better.

The Report is structured in three parts: **Part One:** Embedding Activities: this includes aspects such as identifying the issues, engaging with stakeholders, making the business case, setting goals and targets, developing a roadmap and communicating CR. **Part Two:** Case Studies: this includes fabulous insights from GE, IBM, M&S, Petrobras and Unilever. **Part Three:** Embedding CR in Corporate Functions: This includes a deep-dive into different functions such as governance, R&D, Value Chain Management, Human Resources and looks at internal processes and community involvement and ends up with a set of conclusions and recommendations.

I have picked 20 insights that I found to be refreshing, reinforcing and valuable from this

report, in no particular order and in no particular hierarchy of importance. Just things I found worthwhile repeating. The following TWENTY insights are all quotes from the Embedding Report.

ONE: In an Ethical Corporation survey, 93% of companies recognize the value of embedding CR into business processes yet only 49% of companies confirm that CR is a clear component of overall company strategy, and 49% or companies do not believe that they understand what is necessary to do to embed CR into their business. **TWO:** Embedding requires a simultaneous top-down and bottom-up approach – to ensure consistency and shared values at the same time as local ownership of issues and impacts. **THREE:** Healthy stakeholder relationships can provide a rich source of ideas and enthusiasm that can help tap your company's innovation potential. They can help you gauge changes in company direction or product offerings. And if relationships are authentic and responsive, stakeholders can help protect your company's reputation and licence to operate during difficult times. **FOUR:** Companies that successfully embed CR in their business practices know that the toughest critics are often internal. **FIVE:** Corporate responsibility requires communication throughout the process – with different audiences, for different purposes, using different tools. CR communications can help to bridge the divide for colleagues and management, helping them to understand and feel part of the CR agenda. **SIX:** While much effort has been spent on corporate-level sustainability communications, there are many different things stakeholders – internal and external – want and need to understand about sustainability performance. One recent example is the rise in product-related sustainability information. General Motors' Chevrolet company has instituted a product eco-label, debuting in North America throughout 2012 on the company's vehicles. Dubbed Ecologic, the label is intended to put clear and substantiated product sustainability information in the hands of consumers where they need it most – the showroom floor. **SEVEN:** Join-up communications. Ensure high-level internal and external communications are clearly linked to the company's CR goals, objectives and strategy, to ensure alignment throughout the company's activities. **EIGHT:** Don't neglect commercialisation considerations; sustainable R&D needs to be married up with marketing, so make sure you anticipate challenges in introducing more sustainable products into your mainstream product offering, and capitalise on the knowledge and experience of marketing professionals to guide your efforts. **NINE:** A company's sustainability risks and impacts – and its CR potential – may be closely tied to its activities up and down the value chain. Working with raw materials sourcing, contract manufacturing, logistics, distributors and customers can greatly increase your control over your CR objectives. For an increasing number of industries, such value-chain activity is essential to meeting consumer needs, reducing risk and expanding opportunity. **TEN:** According to Elaine Cohen, author of the book CSR for HR – a guide to embedding sustainability through the HR function – "The two aspects of human resources management in sustainability are: how does HR contribute to a business becoming sustainable, with the help of tools and processes that the HR function owns; and how does the HR function itself manage itself sustainably?" In other words, HR is both an agent for implementing a traditional sustainability programme within a company, and as a corporate function is itself subject to corporate responsibility issues, via their role in identifying, hiring and integrating people into the corporate structure. **ELEVEN:** Often, the most important first step in incorporating a CR perspective into your operations is to understand your baseline performance against key criteria, though complex global operations and disparate supply chains can still render this analysis exceptionally difficult. **TWELVE:** Immediate neighbours or "fenceline communities" are often what companies think of first when they think of CR in the community. Local people in the towns, cities and settlements where companies are active and have a presence are among the most immediately affected by company operations. ... Especially in areas of lower economic

and social development, a company's presence can have an enormous impact on local people and society. **THIRTEEN:** Companies should be aware of the role of social media in giving voice to stakeholders, including local communities. Social media allows groups – even small community groups – to extend and magnify their messages, reaching much more influential audiences than they might have otherwise. **FOURTEEN:** Consider how NGO partnerships can help you meet community needs and aspirations while making use of your core strengths and position as a business. **FIFTEEN:** Corporate responsibility can get pretty complex at the best of times – what with complex scientific aspects such as biodiversity, cultural and managerial practices such as human rights, and issues that span the technical and political such as water use, it's inevitable that there will need to be some specialisation. ... Colleagues in nearly all parts of the business need to have some basic shared understanding and commitment to ensure that all the disparate parts come together in the end. CR cannot be seen as the responsibility of the CR function. **SIXTEEN:** The way to do it, as the adage says, is "a bite at a time". Some sustainability challenges can seem so immense and overwhelming that people – and companies – can find themselves tuning out in despair, or minimising the scale of the problems as a means of rationalising their failure to solve them. **SEVENTEEN:** Setting and delivering on targets requires a fuller implementation plan – a road map – to bring together a clarification of the company's objectives with the physical, financial, human and intellectual resources required to get there. **EIGHTEEN:** Green lens: Looking at the business through a different "green lens" means people spot new opportunities to reduce impacts and costs by less obvious means. (M&S Case Study) **NINETEEN:** There are clear and growing examples of board and executive failures to meet stakeholders' expectations on CR issues, which may sometimes come as a surprise to the companies involved. From allegations of nurturing a culture of risk-taking to the excessive executive pay packages that were the target of the "shareholder spring" of 2012 annual meetings, many boards appear caught out by stakeholder expectations. **TWENTY:** Achieve a few early CR successes, and you might be excused for wanting to rest on your laurels. But CR isn't something that can be "done" and left on a shelf – it's a continual part of risk management and market creation. Great gems of wisdom and advice, and nuggets of thought which lead to action to Embed better. Ironically, the report closes out with the statement: *"Perhaps the larger goal is to stop doing "corporate responsibility" in favour of just doing business."* Here we have the **Catch 22**: One the one hand, we need to retain focus on CR in order to ensure that "just doing business" doesn't mean business which is inequitable, lacks accountability for social and environmental impacts and makes short-term profit the main goal, while on the other hand, we need to embed CR to such an extent that it is so well integrated in everything a business does that it's barely noticeable. That's the challenge. Embedding without the join showing. Not many companies have achieved this yet.... but there are a few en route, such as those identified in the case studies in the Ethical Corporation Report "How to embed Sustainability and Corporate Responsibility in Management Processes." If you are struggling to embed without the join showing, this report offers many more insights that the twenty I have shared.

While you are thinking about that, my next mission is to embed some ice cream. The challenge is to do that without the join (calories) showing. Perhaps CR is an easier option after all.

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz **(Beyond Business Ltd, an inspired**

CSR consulting and Sustainability Reporting firm)

Comments

- ANTONIOVIVES October 19, 2012

Congrats.

Agree with your comment to the closing remark. I think she used the wrong tense in the sentence. What I frequestly say is "My hope is that eventually CSR will not be needed as it will already be part of the day to day operation and strategy".

GSK Romania: Valuing your Trust

Thursday, October 04, 2012

"**Valuing your Trust**" is the title of the first local CSR report of GSK Romania, a report which conforms to Application Level B of the GRI framework, and which was launched this week at a well-attended press conference in Bucharest. At a time when trust in business is often thought of as an oxymoron, GSK Romania has gone public with a very clear statement on what it means to be a business which is worthy of trust. Pascal Prigent, General Manager of GSK Pharma in Romania, explained in his opening remarks to the press: " In order to survive, businesses today need to work in collaboration and partnership, and strive to create shared value, so that they can deliver economic and social benefits simultaneously. Trust is an essential ingredient of survival."

If transparency is a demonstration of trust, then GSK shows leadership as the first local pharma company to publish a CSR Report and also the first Romanian company to become an organizational stakeholder of the GRI. This is highly significant in a market in which very few companies have ventured to report on Sustainability: the GRI Sustainability Disclosure Database shows only 6 companies that have reported using the GRI Framework (5 at Level C and one at Level B), while CorporateRegister.com shows thirty reports published in Romania by just seven companies between 2006 and today. In this first report (Disclosure: I was GSK Romania's reporting consultant and assisted in writing the report) which is available for download in English and Romanian here, GSK Romania explains the ways in which this significant local pharma player is building and sustaining trust with local stakeholders, including regulators, customers, patient advocacy groups, community associations and of course, employees.

GSK in Romania is comprised of four different entities a Pharma company, a Consumer Healthcare Company, a Distribution business (Europharm) and a Manufacturing Operation which exports to over 80 countries. In Pharma, GSK Romania delivers innovative medicines and vaccines in 13 therapeutical areas, with over 2,000 vaccines per day being administered, and distribution of products to over 6,000 Points of Sale throughout the country. The entire GSK operation in Romania employs just over 1,000 people and is the most diversified pharmaceutical business in the country, and the only pharma company to manufacture innovative drugs locally. GSK Romania aligns with GSK's global mission to **improve the quality of human life by enabling people to do more, feel better and live longer,** while making this specifically relevant to Romanian stakeholders by adding the objective to contribute to increasing the life expectancy of the Romanian people which is currently the lowest in Europe, and to support the transformation of the healthcare sector in Romania which suffers from a weak political leadership, under-budgeting and many problems which restrict access to medicine. GSK Romania is a major contributor to the state budget, with EURO 75 million paid in taxes during the last 2 years.

Some highlights of the GSK Romania CSR performance over 2011:

- EURO 719,940 invested in the community in Romania.
- EURO 29,000 provided to support 11 Patient Associations.
- Over 3,000 hours in employee training.
- Developing Romanian professional talent: six GSK Romanians are working in management GSK roles abroad.
- 40% reduction in carbon emissions per ton of product delivered.
- 23% reduction in manufacturing waste.
- Absolute energy consumption reduction of 7.5% in manufacturing, despite 9% increase in output during the same period.
- Zero lost-time injuries recorded.
- Gender balance with 61% female employees, 62% women in management and 50% women in executive leadership positions.
- 68% of employees engaged in volunteering in the community with over 6,000 volunteer hours.
- Main community partners: Save the Children Romania, United Way, Save the Delta and Danube Association, Habitat for Humanity, and Hospice Casa Sperantei. One example of an inspiring community partnership is with Save the Children in a five year plan to reduce child mortality in Romania with a new programme called "Every Child Matters". Over 600 children and 400 pregnant women were supported by this programme in 2011, in 16 rural areas of Romania.

It is always a pleasure to work with an organization that oozes passion and commitment to a more sustainable future, and my experience with GSK in Romania is of a company built of individuals who live the value of trust and are working hard to improve perceptions about the pharma industry by putting patients first and creating new standards of ethical behavior in the sector in Romania.

Take a look at GSK's report, and as always, please give feedback :)

For interest, a small selection of links to press coverage (in Romanian):

- **Finantistii:** GSK a lansat primul raport de sustenabilitate al unei companii farmaceutice din Romania
- **Cariere**: În 2011, GSK România a investit 719.940 de euro în comunitate
- **Media Academica:** GSK România a prezentat primul raport de responsabilitate socială din industria farma
- **CommunicateMedicale:** Primul Raport de Responsabilitate Corporativa al unei companii farmaceutice in Romania
- **Green Report:** GSK, primul raport de CSR din industria farma autohtona
- **SfatulMedicului:** GSK publica primul raport de sustenabilitate al unei companii farmaceutice din Romania
- **CSRMedia:** GlaxoSmithKline a realizat primul sau Raport de Responsabilitate Corporativa
- **Manager.ro:** GSK publica primul raport de sustenabilitate al unei companii farmaceutice din Romania

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen on Twitter or via my business websitewww.b-yond.biz (Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)

Comments

- DragosDehelean October 09, 2012

Thank you Elaine for the excelent article and congratulations for your work. It brings a lot of inspiration for our market.

We also made an initial coverage, but we are planing for two more interviews and a second, more in depth article, trying to get some feed-back also.

(PS: I'm very, very sorry I have missed you in Bucharest, as one of our client asked me with an urgency, but hope we'll have a new chance soon. Thumbs up :))

- user October 09, 2012

Elaine, congrats. do not know why, but can;t download a report. could you send me this? thanks in advance,
maryna

A Sweet Year of Apples and Honey

Saturday, September 15, 2012

Photo: jewishpub.org This Sunday evening (16th September), Jewish New Year celebrations will be held around the world and in the best of tradition, everyone will consume quite a lot of apples and honey, the symbolic expression of a wish for a Sweet Year ahead. As global consumption of apples and honey will probably triple during the two days of the New Year festivities, I thought I would take a look at the sustainability of these two special foods.

Apples

Carl Sagan said: "If you want to make an apple pie from scratch, you must first create the universe." which is a very sustainability-ish type of comment. Of course, don't confuse apples with Apple, whose sustainability commitment is not so clear, as Fabian Pattberg, our sustainability conscience, explains, following the flamboyant iPhone5 launch. But in this post I want to refer to real apples - the kind that grow on supermarket shelves that you eat after scrubbing them with disinfectant to remove all the pesticides.

Sustainable apples may be TRU EARTH certified, such as those at the family-owned Ecker's Apple Farm, and others are the product of scientific agri-innovation such as that practiced by Bayer Crop Science. Actually, the science of apple growing is called pomology. There are 7,500 varieties of apple grown through the world, which makes for a lot of pomologists. Apples are fat, sodium and cholesterol free, which makes them ideal for a healthy (but not so much fun) diet, in fact, they say that an apple a day keeps the doctor away, which is a good thing, unless the doctor happens to be your wife, husband or best friend. You can find loads of amazing facts about apples here. I even found on the web what looks like a very interesting Spiced Apple Ice Cream recipe, which seems to be the perfect way to start the Jewish New Year.

Apples, of course, being a popular food, are often stars of Sustainability Reports. Using the PDF search facility at CorporateRegister.com, I can find almost 2,000 Sustainability Reports that refer to apples (although some of them are the Apple kind of apple, some are components of pineapples, and one or two show up because they are mentioned in the word grapple (you'd be surprised how many times the word "grapple" comes up in Sustainability Reports. Wonder why that is?). However, this leaves the vast majority of reports with real apples, and while I won't mention the bad ones (bad apples, get it?), I will highlight just a few ways in which apples flavor Sustainability Reporting.

The Yummy Fruit Company in New Zealand supports the AppleQuest program by donating free apples to remote schools such as those in the Chatham and Pitt Islands - noted in the Giumarra Companies 2012 CSR Report.

The 2011 Annual Report of Club Mediteranee mentions a sustainable development partnership in Morocco which supports the professional development of fruit growers and the Village at Marrakech and made seasonal purchases of different varieties of apples and quinces. Worcester College at Oxford University incorporated wildlife habitat into its garden design. They have an allotment and apple orchard (the apples are used to make apple juice that is sold at Waterperry Garden Centre in Oxfordshire). This is in the University of Oxford Environmental Sustainability Report for 2010/2011. So if you are

ever incredibly thirsty and passing through Waterperry Gardens....
We even have a little blip about apples. Arla Foods 2011 Social Responsibility Report mentions that Rynkeby Foods added new details to the labelling on a blackcurrant fruit drink so that it states that the drink also contains apples. This change was made after a Danish newspaper drew public attention to the labelling error. The Power of the Press strikes again. And General Mills Global Responsibility 2012 report recalls a little disappointment relating to apples: "In 2006, we launched Nature Valley Fruit Crisps. But the dried and baked slices of apple, with just 50 calories per pouch, didn't meet consumers' demanding taste requirements and were discontinued." Too bad. But maybe consumer taste has changed since 2006.
Enough about apples. Let's turn to honey.
Honey Honey is a sweet food made by bees using nectar from flowers. Aha, but did you know that honey bees transform nectar into honey by a process of **regurgitation**, and store it as a primary food source in wax honeycombs inside the beehive. But don't let that put you off. The value of honey was recognized in ancient times when honey was known as a wonder-drug for curing almost everything and even embalming corpses. But don't let that put you off. Honey tastes great and there are several hundred unique honey varieties from all over the world. The good thing about honey is that, in the honeybee world, females do all the work. That way, you know it's gotta be good. Honey-bee raising can be a great activity to encourage Green Employees and help them become aware of their natural surroundings. This is the case with Novus International (disclosure: my client), who started a Honey Bee Project which remains very popular, as reported in their last Sustainability Report. Another Sustainability Report (2011), this time from Greif Inc., talks about Greif's Pollinator Habitat Improvement project. *"Timberland offers the potential to provide clean forage for the bees that are vital to agricultural productivity and economic viability, while bees offer improved landscape health on timber holdings. Greif is working with Pollinator Partnership to learn how pollinators impact wildlife food availability on timber landscapes. We are also studying the added values of hosting honey bees and beekeepers on the landscape and the best management practice for ecosystem serviceson forest landscapes."* Burt's Bees, however, published a Sustainability Update in 2009 in which someone stole the bees, or at least that how it seemed, as they reported about everything but bees. Bees are one of the species affected by changing patterns of human behavior and consumption and climate change, linked to early pollination. Colony Collapse Disorder has become responsible for massive bee attrition, brought on by use of pesticides and other factors. The UK website HelpSaveBees makes an impassioned plea to do more to save the gradual extinction of our natural honeymakers. But the real reason we should all save bees is ... yes, you guessed it .... more icecream !!!!!!!! See what Haagen Dasz are doing to save bees. That Buy a Carton-Save a Bee campaign is totally compelling. Wonder how many bees I can manage to save in one day ? Enough said. All that remains is for me to wish all the CSR Reporting Blog followers, all Twitter, Facebook and other Social Media friends, all current and future (!) clients of Beyond Business, and just about everyone that is celebrating the Jewish New Year (number 5773) : **A HEALTHY, HAPPY, PROSPEROUS, *SUSTAINABLE* and SWEET YEAR !elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practicesContact me via**www.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

Don't Miss the CSR Twitter Explosion

Friday, September 07, 2012

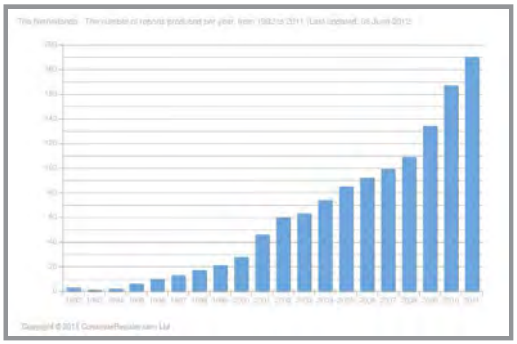
Do you think Twitter could explode ? Could a rush of millions of tweets by hundreds of tweeps all over the world cause Twitter to shatter into millions of pieces all over cyberspace and create the world's first Twitter Big Bang? Can Twitter survive the shock? **Next Thursday 13th September 2012 at 3pm ET,** you will have the chance to find out and be part of an amazing experience. Even if Twitter survives, you will never get over the Buzz. Even if Twitter remains intact, you will never be the same again. Can you afford to miss out on one of the most energizing Twitter happenings of 2013? Could you ever forgive yourself for not experiencing the Twitter CSR explosion? Of course not. You have to be there. It's the **#CSRChat**, this time on the subject of **"The ABCs of #CSR Reporting in the world of Social Media".** With me as the Special Guest. Wow. What an honor! #CSRChat has been going strong now since early 2011 and has become the finger on the pulse of what's going on in CSR. #CSRChat is The Hashtag of The #CSR #Twitterscape. The leading light, initiator and brainwaver behind the #CSRChat movement is Susan McPherson, SVP, Senior Vice President and Director of Global Marketing at Fenton Communications, a serial connector, passionate cause marketer, writer, corporate responsibility expert and social media champion, and the most talented, genuine, generous and effervescent personality in the CSR space today. It's her great leadership of #CSRChat that has turned it into the not-to-miss tweet event on anyone's CSR calendar. The last #CSRChat caused an explosion of fascinating tweets and was well worth an hour of fast-paced insights and generous sharing of experiences and insights from Sue Stephenson, the VP of Community footprints at Ritz Carlton, who talked about, among other things, the hotel's Give Back Getaways (#GiveBack), the first global #voluntourism program followed by #VolunTeaming for group guests. A fabulous core-business sustainability opportunity involving employees, customers and suppliers and turning Ritz Carlton into a true sustainability pioneer.

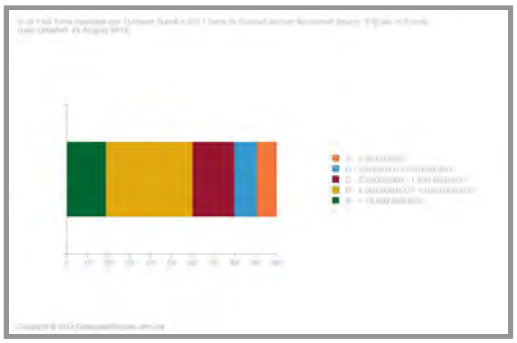
Previous #CSRChats have included special guests John Elkington, the all-time guru, or should I say Zeronaut, of sustainability, Christina Bennett who manages global PR strategy and social media at Elizabeth Arden, Sarah Altshuller, a senior associate with the CSR practice at Foley Hoag, with a focuses on human rights, Margaret Coady, Director of Committee to Encourage Corporate Philanthropy (CECP), Dov Seidman, who has made a splash with How Metrics, Dave Stangis of Campbell's Soups and Susan Fallender of Intel on creating and running a CSR department, and nine members of Microsoft's Citizenship Team who discussed Microsoft's commitment to sustainability. Other #CSRChats have covered the role of video in corporate responsibility, CSR's role in disaster recovery, climate change and CSR, human rights and more. The very first #CSRChat was on the subject of Employee Engagement. If you have any questions about CSR Reporting and Social Media that you want covered in the #CSRChat, you can tweet them using the #CSRChat hashtag, or post them as a comment on this blog and we will make sure we cover them. Please do mark your calendars for **Thursday 13th September 3pm ET** and get your tweet muscles in shape, log in and join in the discussion. I have even resigned myself to not eating ice-cream for a full hour as I don't want to get my keyboard covered in Chunky Monkey while I tweet fast and furiously. See you there!

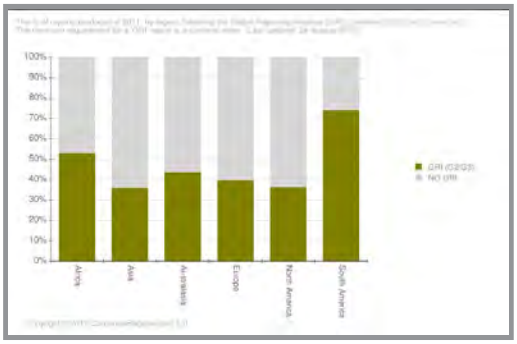
elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting** firm)

Condoms, Ice-Cream and Creating Shared Value

Tuesday, September 04, 2012







As a Person with a Passion for Reports, as you might have gathered, I have recently joined CorporateRegister.com as a member of the newly launched service reserved for Sustainability Reporting companies only: the CorporateRegister.com Full Membership Program! Many of you will already be familiar with CorporateRegister.com, the largest site for hosting all forms of CSR and Sustainability Reports dating back to the early 1990s. In fact, the oldest report I could find on the site is a digital recreation of Shell Canada's first "Progress Toward Sustainable Development" report, issued in 1991, a time during those dark days when most companies hadn't even heard of sustainable development, let alone thought about reporting on it. This was a time when there was no Global Reporting Initiative, no United Nations Global compact, no AccountAbility Assurance Standards and no ISO 26000 and almost hardly any relevant global points of reference for Sustainability Reporting. Surprisingly, or perhaps not, this 1991 report is not vastly different from many of the reports we read today in terms of the topics covered and the language used. The difference, however, is that today, CorporateRegister.com hosts **42,548** reports across **9,267** companies and **168** countries, many of which are impossible to find without laborious hours searching the Internet, and even then, 100% is not guaranteed. In addition to helping you locate and view almost any (English Language) report that has been published since 1992 in the speed of light, the CorporateRegister.com Full Membership brings a fabulous array of tools for anyone whose profession has something to do with Sustainability Reporting, or for anyone who just likes to be in the know. Here are some of my fave features: **Statistics:** CorporateRegister.com has the largest, most comprehensive, most fascinating set of statistics available anywhere on Sustainability Reporting. Want to know how many reports were published in 2011? That's easy. 6,311. Want to know how many of these were published in the Netherlands? Also easy: 195 reports, 3% of the global total, following increases every single year in report output in this country.

Want to know how many of 2011's first time reporters (my favorites) were 10 billion Euro

companies? At the click of a click, you can find that close to 20% of all the first time reports published in 2011 were some of the largest companies around, while the major increase is in the 1 – 10 Billion Euro companies, indicating, perhaps that Sustainability Reporting is starting to reach the suppliers of the largest companies, and a range of other companies who have realized they are no longer immune to sustainability scrutiny.

Want to know if reporters in your region use the GRI Reporting Framework?

If you are in South America, you will tend to be the odd-one-out if you don't use GRI, but if you are in North America, you have the opportunity to make your mark. CorporateRegister.com's data includes detailed breakdowns of reports on a global basis by region, by country, by sector, and more as well as on a specific country basis by company size (revenue), by GRI adherence and by verification. You can even check how many Stock Exchange listed companies publish Sustainability Reports according to nine leading sustainability indices.

Want to know how many companies have published integrated reports? Or reporting companies participating in the UN Global Compact? A doddle. A couple of clicks and the data is at your fingertips. As a Full Member, you also have access to very detailed sector statistics for your sector and a list of all the recent reports published. Why is all this important? Sustainability Reporting is a dynamic field, constantly evolving, with new trends being established as we blog. Benchmarking the external reporting landscape is often an important factor in "selling in" reporting to senior management, or promoting your leadership in the reporting field externally. For example, if you are about to publish a Sustainability Report in Moldova, according to the CorporateRegister.com database, you will be only the third company ever to have produced a Sustainability Report, and if you are in Liberia, Antigua or Cuba, you will be the first reporter! More than the trends in numbers and types of reports and countries and companies, the CorporateRegister.com Membership offers another fabulous feature which I just love. **PDF Search** This is the facility to search the contents of any Sustainability Report for any keyword over any period and any sector and any country. Suppose I am writing a Sustainability Report for a client in the electronics sector and I am interested to see who has reported on conflict minerals and how. Here we go with a PDF search for "conflict minerals" in reports published in the "technology hardware and equipment" sector during 2010 and 2011. Within seconds, I have a list of 57 reports which includes Lenovo's 2010-2011 Sustainability Report, Arm Holdings plc's 2011 Corporate Responsibility Report, Sun Microsystems Corporate Citizenship Report for 2010 (now Oracle) and a whole load more. A click on any of these report profiles immediately gives me some basic information about the report such as publication date, number of pages, adherence to GRI, AA standards and another click enables me to download the report PDF. You can have a bit of fun with the PDF search too. I did a search for "condom" and got 1,147 results. What does that tell you? Well, two things. First, that in some companies, distribution of condoms to employees and their families is part of their Corporate Responsibility program, as reported for example by Rangold Resources in their 2010 Annual Report. When I download that report, the internal PDF search takes me right to that condom reference.
The second thing I discovered when I searched for condoms was that many of the 1,147

returned results are not only condoms, but condominiums! Haha. But that's an interesting subject as well!

Of course, I couldn't not search for my most favourite words in the world – ice cream. Of all the reports published between 2000 and 2011, only 354 refer to ice cream. But wait, another 76 reports refer to ice-cream, the hyphenated version. And a further 23 reports refer to icecream, the one-word version. This doesn't affect the taste, however, so I am quite comforted that ice cream and ice-cream and icecream are so well represented in the world's Sustainability Reporting landscape. Here's a little quiz – out of a selection of five classic Sustainability Report keywords, which appears in the most reports published in since 2000? Environment - Employees - Community - Ethics - Carbon

And here are the answers: • Environment: 26,057 reports • Employees: 24,861 reports • Community: 23,482 reports • Carbon: 19,050 reports • Ethics: 12,591 reports

Here's another interesting thing. **Creating Shared Value.** The new Sustainability Buzzword appeared in **46** reports in 2011 but only in **13** reports in 2010 and just **2** reports in 2007 (one of which was a Nestle report), following publication of the famous Michael Porter and Mark Kramer article in HBR exposing this concept.

Anyway, before I get carried away, the point is that this PDF search tool is an invaluable resource to know what's going on quickly in the reporting landscape and find out who's reporting what and how things are changing.

But if you are not a Full Member of CorporateRegister.com, don't despair. You can still get free access to many of the reports by signing up for a personal account which enables you to view a range of reports (up to a certain limit), access Expert Report Reviews of a range of Sustainability Reports using the CorporateRegister.com "3C" framework of Content, Communication and Credibility, offering sharp insights from reporting experts and commentators (including myself) and also view entrants and vote in CRRA, the largest global annual online report awards.

This post might sound like an advertisement for CorporateRegister.com, and perhaps it is. It's unsolicited, however, though I did request permission to share the proprietary data and charts used in this post. The way I figure it, some things are worth sharing. My request also prompted a discount for The CSR Reporting Blog readers. If you send in your Application Form quoting the code **CSRBLOGbefore end September 2012** you will receive a **5%** off published early-bird prices, and if you apply **between 1st October and 30th November 2012**, quoting the same code, you will receive a **10%** discount off published prices, from CorporateRegister.com (No, I don't get a commission, just trying to be nice to my faithful blog followers). You can apply for Full Membership here.

Off I go now to read the 453 reports which contain ice-cream, icecream and ice cream.

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

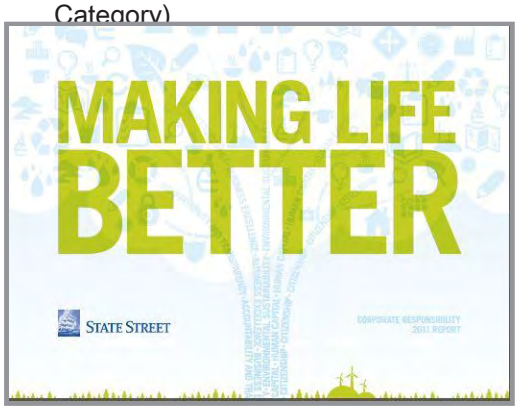
The G4 Anti-Corruption proposals - explained

Sunday, September 02, 2012

Ready for more Thematics ? As promised in my last post on the Thematic Draft of the GHG Reporting Guidelines for the new G4 Framework, I will now discuss the Anti Corruption Thematic Draft. And don't worry, its only 24 pages. Surely there won't be too much to say about *that!* Think again.

(For clarity (and brevity!) (OK, forget brevity, that's not me), I will focus in this post only on the specific disclosures related to Anti-Corruption - not to changes made to the Ethics profile disclosures or the indicators relating to Public Policy and Political Contributions) The proposed revisions include:

- Disclosure on Management Approach: New disclosures and guidance (Anti-Corruption Aspect, Society Category)
- Indicators
- Specific edits to Indicators SO2, SO3, and SO4 (Anti-corruption Aspect, Society Category)

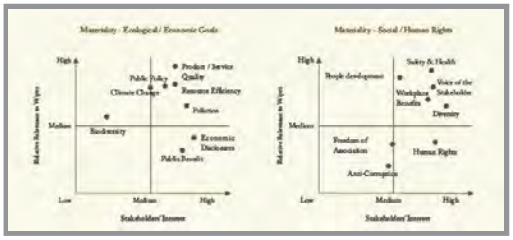


You can provide your feedback until 12 November 2012, using the G4 Consultation Platform.

Currently, G3 has three disclosures on anti-corruption (excluding public policy and lobbying):
CORE SO2: Percentage and total number of business units analyzed for risks related to corruption. CORE SO3: Percentage of employees trained in organization's anti-corruption policies and procedures. CORE SO4: Actions taken in response to incidents of corruption. The new proposed Thematic has the same three, with slightly different wording and a lot more guidance on what to report against each one. The new indicators are:
CORE SO2: Percentage and total number of operations assessed for risks related to corruption
CORE SO3: Information and training on anti-corruption policy and procedures CORE SO5: Confirmed incidents of corruption and actions taken

Anti-Corruption may hide below the Radar

Remember, that in the new G4 draft, companies will not be required to report on anti-corruption if they have not selected this as a material issue. See my post on the G4 Exposure Draft for an explanation of this. So, unlike today, where every A-level reporter must respond to the Anti-Corruption indicators, in future, any company who does not consider this to be material will happily leave it out. In the Mother of Materiality Matrices Analysis by Fronesys, Bribery and Corruption was found to be only number 33 out of a total of 50 top issues identified as material by 31 leading companies. Given that the average number of material issues listed per company is 27, Anti-Corruption may just



conveniently drop off the radar! (This, I believe, is the single biggest weakness of the G4 proposal - there must be a threshold of basic indicators which all companies should report - and this should include at least some reference to anti-corruption practices.) **Don't Forget the Juicy Bits**
The Thematic Draft includes detailed explanations and specific details which should be reported against each disclosure, ensuring that reporting companies are not tempted to leave out the juicy bits. In fact, the level of detail required is quite daunting - for example, the disclosure on Management Approach for Anti-Corruption contains no less than 11 separate data elements, ranging from whether the organization has a publicly stated commitment to zero tolerance of corruption (that's an easy one, right? If the company doesn't have one, it sure will by the time it publishes its report!), to processes to prevent, detect, investigate, respond to and remediate forms of corruption to whether and how the effectiveness of the anti-corruption training for governance body members, employees, and business partners is evaluated (errrr... we evaluate our anti-corruption program as effective if no-one has got caught). There is also another interesting disclosure which I haven't seen many companies refer to: *"Report policy and procedures in place to ensure that charitable donations and sponsorships(financial and in-kind) that are made to other organizations are not used as a disguised form of bribery. "*

Anyway, back to the juicy bits, let's face it, anti-corruption reporting is not the most fun part of any Sustainability Report. Along with reporting on Governance, the Anti-Corruption disclosures are pretty boring and unimaginative. It's not all that easy to make anti-corruption sound sexy and exciting. In G4, it's going to be much more not sexy and not exciting.

The State of Disclosure on Anti-Corruption in G3
This is a random selection of current disclosures on anti-corruption:
State Street Bank, 2011 Corporate Responsibility Report State Street's reporting wouldn't measure up to G4. In fact the company reports partially against the current SO2 and SO4 indicators in this GRI Application Level B+ report.

State Street reports on the existence of an Ethics Office and a Standard of Conduct together with a specific email address for employees to send questions. State Street reports that the Ethics Office is currently updating ethics-related policies, especially Anti-Corruption and that risk requirements were implemented in the UK to respond to the new

Bribery Act.

The report contains a description of a Controls Testing Program in place to analyz risk, and the process for filing of a Suspicious Activity Report in the case of suspected incidents of unlawful activities. All employees must provide annual certification of their compliance with the Standard of Conduct, with 99.9% of employees did in 2011.

All in all, a light-weight disclosure on anti-corruption. State Street is going to have to work hard to be In Accordance with G4, if Anti-Corruption is selected as a material issue. It's could be a lot not more fun at State Street. Except that, Anti-Corruption is not listed as a key material issue for State Street, so it's possible they will not choose to go with the full disclosure anyway. That's a relief for their Sustainability Reporting team, I am sure.

AMD's Corporate Responsibility Report 2011

This GRI Application Level A report, the company's 17th CSR Report, is 116 pages long. AMD confirms to reporting fully against the current SO indicators on Anti-Corruption

SO2:*"AMD's Internal Audit Department performs comprehensive risk analyses (including regarding corruption) of all AMD sites/departments*." It is not clear if this is every year, and the description of internal audit procedures does not really address this. In G4, a much fuller response to this indicator will be required, including the criteria used for risk assessment for corruption, whether risks related to external stakeholders, and the operations identified as having high risk and what the risks are.

SO3: AMD's response is: *"All employees worldwide receive copies of and training on AMD's Worldwide Standards of Business Conduct, which includes strict anti-corruption provisions. Training typically takes about one hour per employee and must be completed during the employee's first 90 days of service."* In G4, this wouldn't cut it. The disclosure would have to include all forms of training and information on anti-corruption, including the number of business partners informed and the percentage of business or purchasing volume that these partners account for as well as the Board and Management members which are identified as high risk and the type of training they received, for example, web-based, in person or general or specialized training. I think the GRI Working Group forgot to add that the company should report whether lunch was served during the training and what brand of coffee was provided.

SO4: AMD has got this covered in G3: *"The response is AMD is not aware of any incidents during or related to 2011."* G4 contains several more points in this indicator, but of course, if there were no incidents, there's nothing more to say. It's probably worth avoiding corruption in your business just to avoid the endless details you would have to include in the Sustainability Report to be In Accordance with G4 on Anti-Corruption.

AMD reports only four material issues, and none of them are Anti-Corruption. Looks like this Thematic Revision may not be too useful, in that case.

The Ford Motor Company's 2011/2012 Sustainability Report This is Ford's 13th Annual Sustainability Report at Application Level A of the GRI Framework. The report is online with a downloadable summary, and Ford claims to respond to the SO Anti-Corruption indicators in full. The Disclosure on Management Approach is also noted as being reported in the Sustainability Governance section, though a search on this page reveals no mention of the word Anti-Corruption, as well as on the page on Ethical Business Practices, which is noted as containing responses to SO2,3 and 4. This page also contains no specific reference to Anti-Corruption.

Reference is made to the Ford Code of Conduct Handbook, which is available in 14 languages and all employees must certify they conform every year. Ford assesses

compliance with the Code of Conduct through internal audits. This level of disclosure barely meets the requirements for the current G3 framework, let alone G4. In fact, this report, which is self-declared at Application Level A, in the area of Anti-Corruption at least, would not make the grade. Ford will have more work to do on its 2014 report to be In Accordance with the new G4 guidelines on Anti-Corruption.

Ford's Materiality Analysis, which always has one of the longest list of material issues you can find in any Sustainability Report, also does not specifically include Anti-Corruption as a material issue. Sorry, Thematic Revision.

When is Anti-Corruption Material? Actually, I found it hard to find a good example of where Anti-Corruption is stated as a top material issue.That's probably not so surprising. Identifying this as a top material issue could be interpreted as the company being plagued with corruption. Not the kind of impression most companies want to leave with their stakeholders. It's much easier to go with climate change and diversity.

Symantec's 2011 Sustainability Report includes Anti-Corruption so far down the bottom of the long list of material issues that it almost falls off the edge of the matrix and actually does fall off the edge of the report. Wipro India's 2010 Sustainability Report, on the other hand, has two Materiality Matrices and one of them contains Anti-Corruption.

Wipro has a Code of Business Conduct and Ethics (COBCE) which is "*is socialized at multiple points of an employee's lifecycle – it is first covered as part of the induction program of new hires and subsequently every employee has to take an online test annually to assert his familiarity with the tenets of the COBCE*". Wipro states "*We have a zero-tolerance policy for noncompliance with the COBCE,especially on non-negotiable factors – e.g., child labor, anti-corruption,etc."* Wipro also discloses a case of financial embezzlement that was committed by a junior level employee during the period from November 2006 to December 2009. After investigation, it was decided that the amounts embezzled were not material, but changes such as enhancing segregation of duties and implementing stronger password controls to access financial systems were implemented. This particular case has an unfortunate consequence: *"The employee directly involved died after the embezzlement was discovered."*

Wipro also reports the number of complaints received through their Ombudsman process, and in 2010, 451 complaints were received of which 3% related to fraud or financial impropriety.

Would Wipro's reporting stand up to the rigor of G4? I could not locate a response to indicator SO2 - number of operations assessed for risk of corruption, and the disclosures on training would not pass the SO3 sub-clauses. SO4 is covered with the case of embezzlement, but the new cases arising in 2010 are not explained in detail. In other words, Wipro's reporting of this material issue is not significantly more extensive than companies who do not state Anti-Corruption to be material, and disclosures do not meet the requirements of the current G3, let alone G4.

One more point: the Difference between Ethics and Anti-Corruption Generally speaking, if companies have a Code of Ethics, and this includes prohibition of corruption, and companies make sure that employees sign off on the Code of Ethics (after some training, perhaps), is this an adequate response to the question of corruption? Is ethics training enough to cover off anti-corruption? The answer is probably generally not. **The revised G4 Definition of Corruption is as follows:**

"Corruption is ‘the abuse of entrusted power for private gain’ and can be instigated by individuals or organizations. In GRI’s Framework, corruption includes practices such as bribery, facilitation payments, fraud, extortion, collusion, and money laundering. It also includes an offer or receipt of any gift, loan, fee, reward, or other advantage to or from any person as an inducement to do something that is dishonest, illegal, or a breach of trust in the conduct of the enterprise’s business. This may include cash or in-kind

benefits, such as free goods, gifts, and holidays, or special personal services provided for the purpose of an improper advantage or that may result in moral pressure to receive such an advantage." There is a very good paper written on Corruption, published by FSG Social Impact Advisors - it's well worth reading. Some highlights from this paper:

- Corruption is estimated to cost $2.6 trillion annually, an amount equal to more than 5 percent of global GDP. Each year, over $1 trillion is paid in bribes; not only do these payments undermine fair competition and affect the profitability of businesses operating globally, but they also divert crucial public resources away from their legitimate uses, denying citizens essential public services such as education, clean water, and health care.
- Emerging markets have higher corruption.
- Almost two-thirds of executives have experienced some form of corruption.
- Corporations today largely treat corruption as a legal and risk-management problem requiring a compliance-driven approach. Ethics and compliance officers typically do not view external anti-corruption efforts as part of their jobs, nor do CSR executives often seek to address this social problem.
- Global or industry-wide anti-corruption initiatives are frequently toothless, inadequate in size, or nonexistent. Compared with other social issues that affect business, corruption has not received a proportionate level of attention.

In other words, a Code of Ethics has a very broad brief and contains many clauses ranging from privacy of information to equal opportunity to protection of company assets and more. Ethics training may not cover anti-corruption comprehensively enough. Ethics training is often broadscale and minimum (completion of an online module), and may not specifically go deep enough for those who are at highest risk of corruption. An example of training in the area of money-laundering, one of the defined forms of corruption, can be found in the 2011 Sustainability Report of the Landesbank Baden Wurttemburg:

" *...all of our employees who conduct transactions or whose jobs involve initiating and establishing business relationships (such as opening bank accounts and securities accounts, assigning safety deposit boxes) are trained through an educational program at their workplace. In addition, compliance officers are assigned to the various divisions and sales departments to personally support our staff in their money laundering prevention activities directly on site."*

A Thematic Conclusion

The GRI G4 proposed disclosures on Anti-Corruption are comprehensive and rigorous in detail - perhaps overly so. The Disclosure on Management Approach clauses and the detailed responses to SO2, SO3 and SO4 are probably more than most of us want to know and it's questionable whether they add to

our assessment of an organization's true capabilities in managing corruption risk. If perfect is the enemy of good, then these Anti-Corruption disclosures might just be in enemy territory.

The best way for most companies to handle this will be to establish a separate multi-year Anti-Corruption Policy, covering all the Management Approach Disclosures and part of SO2 on the way risk assessments are conducted, downloadable from the corporate website This leaves the actual annual Sustainability Report to refer to this policy and report only those specific instances, percentages and numbers occuring in the reporting period. Assuming, of course, that Anti-Corruption is material for the organization. Who determines materiality? Well, that's another story. I have talked a little about this in my previous G4 post, but I will surely come back to it as a core determinant of effective sustainability reporting.

In the meantime, go and treat yourself to you an ice-cream. (I am glad the GRI doesn't issue guidelines about ice-cream consumption. My report would be 937 pages long!)

Yes, it was as delicious as it looks!

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

The proposed GRI G4 GHG Emissions draft - explained

Friday, August 31, 2012

The plot thickens. After presenting the G4 Exposure Draft available for comment between 25th June and 25th September, the GRI has now published what it's calling Thematic Revisions, for public comment between 14th August and 12th November. I think that's what they call eating the elephant in two easy slices. Of course, the CSR Reporting Blog is here and ready with our analysis of one of the two new Thematics - **Greenhouse Gas Emissions** - to make your life a little easier. The other one (Anti Corruption) will be the subject of my next post.
First, download the draft GHG Thematic document here. It's 55 pages. Get them all. You're gonna have your work cut out as you go through this document.

According to the draft, the proposed revisions align with the GHG Protocol, jointly released by the World Resources Institute and the World Business Council for Sustainable Development, and the ISO 14064 Standard. The proposed GHG Emissions Indicators are fully aligned with the GHG Protocol's grouping of emissions into three subsets (Scopes 1, 2, and 3), as well as the ISO 14064 grouping. Energy Indicators have been modified to align with the GHG Emissions Indicators and intensity Indicators were added for both energy and GHG emissions. More about intensity later....
Specifically the draft contains:

- New disclosures and guidance for the Energy and Emissions Aspect (Environmental Category)
- Edits to Indicator EC2 (Economic Performance Aspect, Economic Category)
- Edits to Indicators EN3 – EN7 and Indicators EN16 – EN20 (Energy and Emissions Aspects, Environmental Category)
- New indicators under the Energy and Emissions Aspects, Environmental Category

Before discussing the changes in detail, it might be worth listing the new EC2, EN3-7 and EN16 -20 and new indicators proposed in this section. First point to note is that 11 indicators now becomes 13 indicators, and this includes two intensity measures, energy intensity and GHG emissions intensity. As promised, more about that later.

- CORE EC2: Financial implications and other risks and opportunities for the organization's activities due to climate change
- CORE EN3 Direct energy consumption
- ADD EN4 Indirect energy consumption
- CORE G415 Energy intensity
- ADD EN5 Reduction of energy consumption
- ADD EN6 Reductions in energy requirements of products and services
- CORE EN16 Direct greenhouse gas (GHG) emissions
- CORE G416 Energy indirect greenhouse gas (GHG) emissions
- CORE EN17 Other indirect greenhouse gas (GHG) emissions
- CORE G417 Greenhouse gas (GHG) emissions intensity
- ADD EN18 Reduction of greenhouse gas (GHG) emissions
- CORE EN19 Emissions of ozone-depleting substances (ODS)
- CORE EN20 NOx, SOx, and other significant air emissions

So what's different? Intensity, as we've seen. But more about that later.

GHG Protocol framework

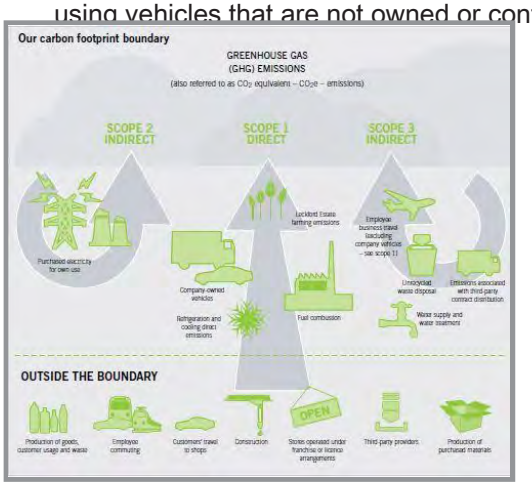
A key difference is the clarification in definitions for energy and emissions reporting. The

GRI has aligned itself with the leading carbon reporting standard - the GHG Protocol in which direct and indirect energy are classified into three scopes of emissions.

- Direct Energy > Scope 1 emissions
- Indirect Energy > Scope 2 emissions
- Other Energy > Scope 3 emissions

You probably already know this, but for those of us who are not environmental experts, it does take some getting your mind around. Scope is a classification of the organizational boundaries where GHG emissions occur.

- **Direct (Scope 1)** refers to emissions are created by sources owned or controlled by the organization. For instance, a coal-powered power plant which makes electricity.
- **Indirect Energy (Scope 2)** refers to emissions resulting from the generation of the electricity, heating, cooling, and steam that is purchased by the organization. Scope 2 emissions occur at facilities which are owned or operated by other organizations. For example, using electricity purchased from the coal-fired power plant (probably via a national grid) is classified as Scope 2, because the emissions were generated in producing the electricity and not in your organization.
- **Other Indirect Energy (Scope 3)** refers to emissions resulting from the organization's activities, but are not created by the organization. This includes emissions from outsourced activities, such as the transportation of goods by haulage companies using vehicles that are not owned or controlled by the organization.



In other words, most companies report fuel and coal as direct energy sources and purchased electricity as an indirect energy source. In environmental reporting, the energy source and what you do with it is less important than where you do it. If the emissions occur in your factory, cue Scope 1. If they occur in someone else's factory, cue Scope 2 and if they happen on the bus to work or on a truck to China, cue Scope 3 (provided you don't own the bus or the truck).

The John Lewis Partnership CSR Report for 2011 contains a good graphic that makes this all crystal clear:

Fuel consumption by primary source

		2011
From non-renewable sources	(TJ)	1,601,158
Coal	(TJ)	777,447
Lignite	(TJ)	60,960
Oil	(TJ)	96,338
Natural gas	(TJ)	608,928
Gas oil	(TJ)	57,485
Other (Orimulsion, coke oven gas, coke, etc.)	(TJ)	0
From renewable sources	(TJ)	155,823
Biomass and waste	(TJ)	9,923
Biogas	(TJ)	63
Hydrogen	(TJ)	11
Geothermal fluid	(TJ)	145,826
Total direct consumption	(TJ)	1,756,981

Which emissions to account for: Control or Equity

The key to defining what to count is the precise scope of where emissions occur. On the face of things, it sounds straightforward, but in practice, there are two definitions are available: the equity or control method.

The control method calls for a company to account for the total GHG emissions from operations over which it has control, whether this be financial or operational control. It does not account for GHG emissions from operations in which it owns an interest but has no control. In other words, if you lease a factory, and you run it, and all

Electricity consumption by destination

		2011
Fuel storage and handling	(TJ)	29
Electricity distribution	(TJ)	2,161
Real estate	(TJ)	768
Mining	(TJ)	49
Total indirect consumption	(TJ)	3,007

Direct emissions of greenhouse gases (Scope 1)(*)

		2011
Emissions of CO_2 from electricity and heat production	(m. t)	123.2
Direct emissions due to other activities	(m. t eq.)	0.310
Total direct emissions (Scope 1)	(m. t eq.)	123.5

(*) Scope 1: direct emissions from sources owned or controlled directly by the Company. (Source: World Business Council for Sustainable Development).

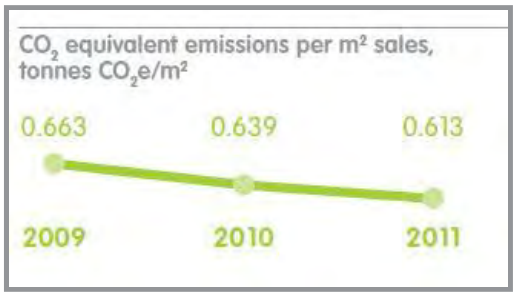
Indirect emissions of greenhouse gases (Scope 2)(*)

		2011
Fuel storage and handling	(m. t eq.)	0.003
Electricity distribution	(m. t eq.)	0.238
Real estate	(m. t eq.)	0.085
Mining	(m. t eq.)	0.005
Total indirect emissions (Scope 2)	(m. t eq.)	0.332

(*) Scope 2: indirect emissions from the generation of electricity purchased and consumed b

Other indirect emissions of greenhouse gases (Scope 3)(*)

		2011
Coal mining	(m. t eq.)	5.933
Transport of coal by sea	(m. t eq.)	0.647
Transport of coal by train	(m. t eq.)	0.580
Transport of fuels (gas oil, biomass, WDF)	(m. t eq.)	0.0038
Transport of raw materials and waste	(m. t eq.)	0.0231
Total indirect emissions (Scope 3)	(m. t eq.)	7.187



the people working there are your employees, and all the materials used in the factory are sourced by you, and the final output is your products, then you have control.

The equity method calls for a company to account for GHG emissions from operations according to its share of equity in the operation. For example, if you have a 51% financial share in an operation, or even a lower financial share but full management control, you would report your emissions proportionately, according to the percentage share, and not full control.

This is an important distinction and must be applied consistently throughout the entire reporting spectrum. It could significantly change the level of emissions reported, so watch for the fine print when you are reading reports.

Alignment is Good

Closer alignment with the GHG Protocol (which is also used as the basis for CDP reporting) clearly makes sense, and hopefully will encourage greater comparability in energy and emissions reporting. At present, there are still wide variations but some do it well. ENEL, the energy company, for example, reports for 2011 in classic textbook G4 style:

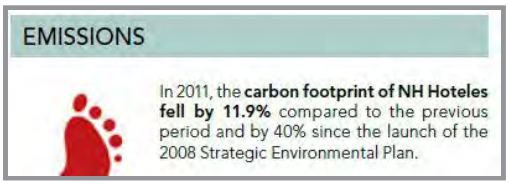
ENEL 2011 reporting EN3
ENEL 2011 reporting EN4
ENEL 2011 reporting EN16 Scope 1 Emissions
ENEL 2011 reporting EN16 Scope 2 emissions
ENEL 2011 reporting Scope 3 other emissions

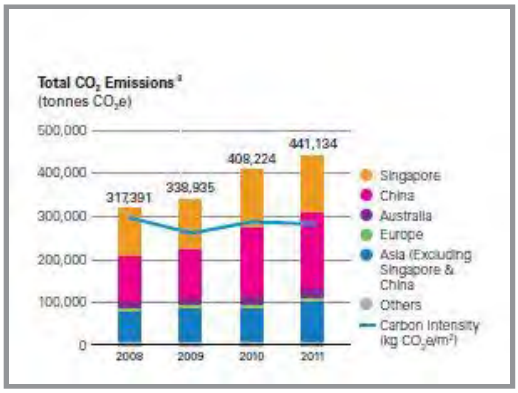
Oh, did we mention intensity ?

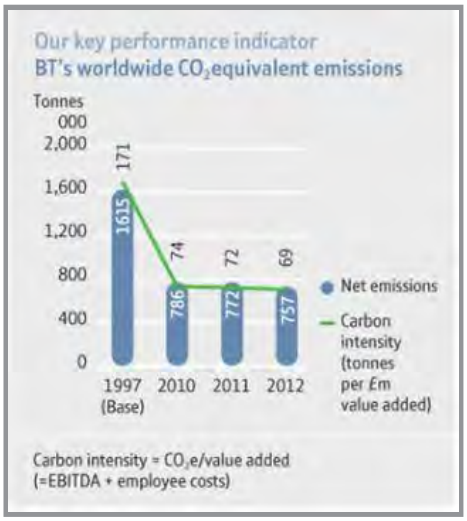
G4 includes two new indicators relating to Energy Intensity (G415) and GHG Emissions Intensity (G417). This is a way of normalizing consumption and impacts to a common denominator which may be financial ($ of revenue), human (per person), physical (per square meter of factory or office space, or per vehicle) or per product (units sold, units produced) or, in fact, any other factor that you can imagine which is relevant to your business (or which makes your

CO_2 EMISSIONS	2010	2011	Dif vs 10	2010	2011	Dif vs 10
	t-eq	t-eq		kWh/guest night	kWh/guest night	
NH WORLD	**154,615**	**142,807**	**-8.82**	**9.9**	**8.7**	**-11.9**
BU Benelux, UK, AF, F	41,134	37,451	-8.95	13.1	12.0	-8.4
BU Italy	30,326	30,992	4.13	14.9	13.7	-8.0
BU Spain, Portugal & Andorra	27,555	20,400	-25.24	4.9	3.5	-28.3
BU Central Europe	38,896	36,791	-5.41	10.2	9.2	-9.9
BU America	16,704	16,974	1.62	15.0	14.4	-3.9
BU Resorts	8,206	6,599	-19.58	6.2	4.4	-29.7

N.B.: Resorts are regarded as a separate category on account of their unique nature and their data is processed independently.







numbers look better than the absolute numbers). In most cases, my experience tells me, the intensity figures will always look better than the absolute figures - companies use more and more energy and generate more and more emissions, but on a per something basis, they proudly show a major reduction. Take these examples:

Air China reports in the 2010 Corporate Responsibility Report on fuel consumption and carbon emissions by PTK (per ton/kilometer), stating that they have achieved "remarkable results" as they have reduced fuel consumption PTK by 6.6% in 2010 versus 2009. We do not know what the total fuel consumption was during this period.

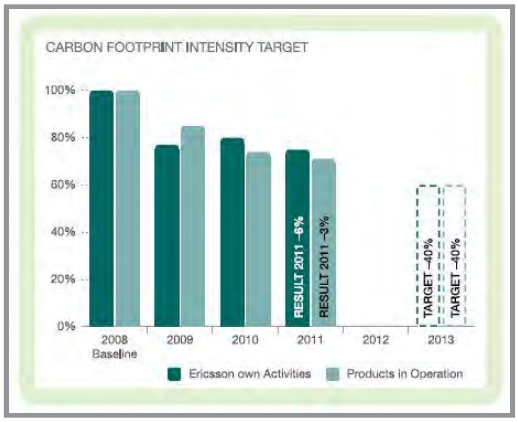
Delhaize, the Belgian supermarket chain, shows fabulous energy intensity results per m2 sales in the company's 2011 CR Report. A 7.5% percent reduction over three years. (It is not clear whether this is all three Scopes, but I assume just Scope 1 and 2)

Delhaize 2011 reporting on emissions intensity
Delhaize does not disclose the total number of carbon emissions. Delhaize also reports to the Carbon Disclosure Project and you can access their report (after several clicks and registration on the CDP website) but you will find that the 2011 report covers 2010 data, and is therefore not comparable to the CSR Report 2011 period. After a quick calculation, I note that Delhaize absolute Scope 1 and 2 emissions **increased** by 3%, using 2008 as a baseline. Turning an increase into a decrease is the power of the intensity measure. This might have been achieved by increasing some prices, changing the sales mix or recording some currency adjustments and wow, suddenly the carbon emissions performance looks actually quite positive.

NH Hoteles 6th's CSR Report includes both absolute emissions and intensity rates per guest per night. Absolute emissions fell by 8.82% while intensity emissions fell by 11.9%.

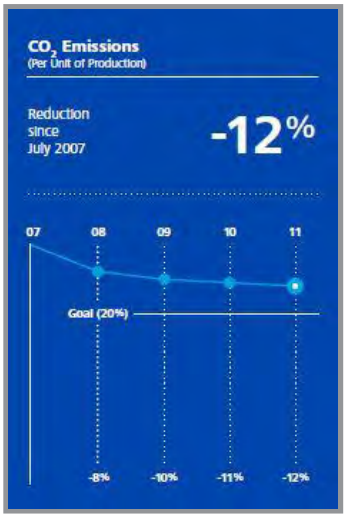
What did NH Hoteles choose to highlight in its reporting narrative ? Intensity, of course.

CapitaLand's Sustainability Report for 2011 also shows a similar picture, in one handy graph.
Again, you can see that on an absolute basis, there is an increase of emissions by 39%



since 2008 but intensity on a square meters basis reduces by 11.1% since 2008. CapitaLand's emissions target is an intensity target reduction of 20% by 2020, but there is no absolute target.

BT uses yet another model for calculation of emissions intensity and that is emissions per GBP million value added - which is EBITDA plus employee costs. This formula is what BT has called its Climate Stabilization Intensity Target - a measure of carbon emissions in relation to its (financial) value added as a company and the contribution it makes to a country's GDP. Hmm. Make more profit, improve your carbon emission performance. BT's absolute emissions reduced 53% versus their 1997 baseline, and intensity improved by 61%.



What would be interesting to know is what specific factors contributed to this intensity improvement. BT report that they have improved energy efficiency, invested in renewable energy generation and purchased low-carbon energy. Wonder how much of what went into that 61%? And how much was a change in profit and employee costs?

Ericcson, on the other hand, report a different type of intensity. According to Ericcson's 2011 CSR Report, the carbon dioxide emissions associated with the lifetime operation of delivered products totaled approximately 24 Mtonnes in 2010. This is the measure used for carbon intensity. Don't worry about the fact that while carbon intensity was reducing every year, absolute emissions were increasing by 8% between 2008 and 2011.

Procter and Gamble have a lofty goal, stated in the P&G 2011 Sustainability Report: of powering their plants with 100% renewable energy. In the past few years, however, total carbon emissions (Scope 1 & 2, Scope 3 is off the radar) have increased by 5% in 2 years. This doesn't prevent P&G from proudly displaying the intensity figures:

As you can see, P&G refers to intensity per unit of production. Hmm. Now would that be a 5kg pack of washing powder, or a tube of Crest toothpaste, or a pack of Eukaneuba for dogs Denta Defense®, a type of micro-cleaning crystals that help reduce tartar by up to 55%?

Enough of intensity. By now you get the picture. Carbon emissions can be normalized to practically anything at all, depending on what a company wants to manage or what it wants to show to the world. In almost every single case you can find, intensity measures will always beat absolute measures. If only the planet would respond to intensity and become more sustainable. If every company were emitting carbon emissions relative to the number of expense claim-forms submitted, or the value of bottle-caps sold or the number of emails sent per hour, we might find carbon reporting much more interesting but it would hardly be saving the planet. If only we could become more sustainable by

becoming less intense.

Why would the GRI choose to add two intensity measures to the G4 reporting framework? The GRI says this: "In combination with an organization's absolute GHG emissions, disclosed with Indicators EN16, G416, and EN17, GHG emissions intensity helps to contextualize the organization's efficiency, including in relation to other organizations."

Normalizing energy consumption or carbon to financial values - turnover, sales or profit - or to other operational values - may be a way of comparing the performance of companies of different size in a similar sector. The carbon footprint of a cellphone is comparable whereas the manufacturers of cellphones may be very different in size and scope of operation. This might help investors (the ones who understand) to make decisions. Similarly, whatever the normalization factor, if a company consistently uses this to benchmark its own performance, it can be a management assessment and decision making tool. However, the trick is in the selected normalization factor. If such a factor has no direct relationship to whatever causes or influences the level of emissions, it may simply be a way to present good-news numbers. If my operations are the same size and my turnover increases because of a price-hike, or a change in currency exchange rates, I may still be generating equal or more carbon emissions but all of a sudden, my intensity plummets. We will have to be vigilant of the way that intensity measures are used in reporting, and ensure they are never a replacement for absolute measures.

Some Less Intense General Points

The environmental disclosures as with, I think, all other disclosures in the proposed G4 framework are not time-specific. This means that the reporting company could report data only for the declared reporting period. I believe it would make sense to require organizations to present 5 years data on these critical data points. Of course, those who do not have 5 years data cannot do this. But of the many companies who have been producing sustainability reports over the years do have the data available (and several already include this). As we look at sustainability with a long-term lens, it is often frustrating when companies report only current and prior year data. We should require a little more perspective in G4.

Similarly, I believe that the G4 could be tightened up by requiring explanations of how performance has been achieved. For example, it would make sense, if energy consumption has decreased by 20%, to know what the organization has done to reduce this. The G4 proposals in the updated EN5 (Reductions in energy consumption) and EN6 (Reduction of energy requirements in products and services) require listings of the reductions achieved but not a full explanation for HOW they were achieved. Adding such information would be helpful both for internal review and for external stakeholders. Companies who have made serious efforts to reduce carbon emissions should be able to say what actions caused the reduction. Unless it was all a lucky strike!

The Last Word (it's not intensity)

Overall the new GHG Reporting Thematic Revision tightens up environmental reporting and makes several aspects both clearer and less overlapping. G4 also ups the stakes a little (a lot). The G4 framework requires reporting on all three scopes of carbon emissions as core indicators (EN16, EN17, EN18). This is also the case in G3 (EN16 and EN17), but in G3, companies had the option to report at Application Level B or C, reporting Scope 1 and 2 emissions under EN16 and avoid Scope 3 emissions in EN17. With G4,

every company which includes climate change as a material issue will be required to report all three Scopes in order to be In Accordance with the G4 framework. Sounds like there's gonna be a lotta scrambling around for data going on, and suppliers of goods and services to In Accordance reporters are going to feel the heat.

Whew! Glad that's covered. I hope Anti-corruption is not so complicated. Watch this space.

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

Nine Magic Tricks in Sustainability Reporting

Friday, August 17, 2012

In many cases, the publication of a Sustainability Report can be likened to a magic performance. I was taking a look at the website of Max Maven, an internationally renowned magician. He is currently featuring on a TV show in which amateur magicians present their tricks in an attempt to fool the Master Magician, Max Maven. Max then has to pronounce his verdict: either the trick fooled him or it did not, because he recognized the magic technique behind the trick. Imagine what Max Maven would say about Sustainability Reporting. Would he be fooled, or would he be able to see right through the tricks used in Sustainability Reports? Or would he take Sustainability Reports at face value, believing them to be accurate representations of corporate performance and impact?

Techniques used in magic are varied and incredibly creative. The Wikipedia Magic page lists several types of magic. All the magic types and descriptions below are reproduced from that page.

Production: The magician produces something from nothing—a rabbit from an empty hat, a fan of cards from thin air, a shower of coins from an empty bucket, a dove from a pan, or the magician him or herself, appearing in a puff of smoke on an empty stage—all of these effects are productions.

In Sustainability Reporting terms, the production is the report itself. Some companies produce reports as though they are the subject of a magic trick, appearing in a puff of PR in an email alert somewhere. In other words, companies which have not pursued a sustainability program, and have no sustainability performance results of note to disclose, or simply want to get on the reporting train without actually wanting to be transparent, suddenly produce a Sustainability Report, as if by magic. We all know by now that Sustainability Reporting is part of a process, and not the first part by any means. In order to produce a Sustainability Report, you first have to produce results. A Magic Sustainability Report would not fool Max Maven. And it doesn't fool us, either. In the case of McKesson, it also didn't fool William D'Alessandro, who reviewed the McKesson Fiscal Year 2011 Corporate Citizenship Report for CorporateRegister.com. In this review, William says: "*Taken together, the information McKesson metes out is too weak to alleviate any but the mildest stakeholder concerns about the corporation's social and environmental affairs*." Sounds like the McKesson report contained a little magic dust.

Vanish: The magician makes something disappear—a coin, a cage of doves, milk from a newspaper, an assistant from a cabinet, or even the Statue of Liberty. A vanish, being the reverse of a production, may use a similar technique, in reverse.

In Sustainability Reporting terms, the vanish is the information that the reporting company doesn't want you to know. It is the very careful omissions that the sustainability reporters stealthily slide under the reporting radar. In Kathee Rebernak's Ethical Corporation review of Shell Coorporation's 2011 Sustainability Report, she refers to several items that have vanished, for example, the lack of discussion of oil's contribution to climate change, the impacts of hydraulic fracturing (fracking) and the relative pace of biofuel production in comparison to global fuel demand. It all just vanished, as if by magic!

Transformation: The magician transforms something from one state into another—a silk handkerchief changes color, a lady turns into a tiger, an indifferent card changes to the spectator's chosen card.

In Sustainability Reporting terms, the transformation is the way sustainability reports create good performance out of bad performance, or present an exaggeratedly positive version of the truth about their sustainability results. Peter Mason, in his Ethical Corporation critique of the 2011 Sky Bigger Picture Review , writes: "*More evidence of*

Sky giving itself an easy ride emerges in the environment section, where the review describes the company's 10 green targets as "very challenging". Figures in the data section suggest otherwise. Sky has set itself a target of a 20% increase in energy efficiency by 2020 on a 2008-9 baseline, yet it has already comfortably exceeded that figure – with eight years to go. It wants to cut CO2 equivalent emissions by 25% by 2020, yet had already made reductions of 19% by mid-2011." Similarly, in my review for Ethical Corporation of the Boeing 2012 Environment Report, I made the following point: *"The report says: "Boeing has reduced its environmental footprint at a time of significant business growth." The company makes reference to "unprecedented increases in airplane production". With mainly negative revenue growth and largely flat average aircraft delivery levels noted in this report, Boeing's environmental goals don't seem to be breaking the sound barrier."*

Another example of transformation can be found in Raz Godelnik's mince-no-words Triple Pundit review of Chevron's 2011 CSR Report. Raz writes: *"The problem starts with the general tone of the report which is positive to an almost ridiculous degree.....Chevron didn't manage to create a balance, providing almost only good news. .....in too many parts of the report, the positive information is either presented in a biased way or is missing some important parts*."

It certainly needs some sort of magic wand to make poor performance sound like great performance. Magic wands should not be standard-issue for sustainability reports. Sooner or later, when the magic trick is over, we end up seeing the company as it truly is.

Restoration: The magician destroys an object, then restores it back to its original state—a rope is cut, a newspaper is torn, a woman is sawn in half, a borrowed watch is smashed to pieces—then they are all restored to their original state.

In Sustainability Reporting terms, the restoration is the presentation of a comeback after a disaster, or the upside of a downside. For example, my review, published in the Sustainable Business Forum, of Chrysler's first Sustainability Report for 2010, offers a frank review of how Chrysler has emerged from the past couple of years a different company, with new management, a new strategy and a strongly Italian flavor. The report expresses Chrysler's change of heart (and almost everything else), getting the message over loud and clear that, for Chrysler, it is definitely not business as usual. By 2011, the restoration magic had not completely worked and instead of reverting to its original state, Chrysler's second report for 2011 is now called Fiat.

Teleportation: The magician causes something to move from one place to another—a borrowed ring is found inside a ball of wool, a canary inside a light bulb, an assistant from a cabinet to the back of the theatre, a coin from one hand to the other.

In Sustainability Reporting terms, teleportation is the use of fabulous case studies which transport us from the drab world of recording energy consumption and carbon emissions, to the life and soul of community involvement through the use of glorious case studies, amazing imagery and personal stories of inspired or inspiring people. Some sustainability reports are actually works of art in themselves. For example, the Kuoni Corporate Responsibility Report for 2010 takes us on a journey through the Lost Islands in the Maldives, Tuvalu, Kiribati and other exotic places.

When the magic wears off, however, the raw facts and candid discussion about sustainability impacts are still what makes the Sustainability Report a document of value.

Escape: The magician (an assistant may participate, but the magician himself is by far the most common) is placed in a restraining device (i.e. handcuffs or a straitjacket) or a death trap, and escapes to safety. Examples include being put in a straitjacket and into an overflowing tank of water, and being tied up and placed in a car being sent through a car crusher.

In Sustainability Reporting terms, the escape is the assurance process. You invite an independent third party into your organization and, if they do their job well, they might just

make you feel like you are being put through the car crusher. The escape is their Assurance Statement, because the minute they write that nothing has come to their attention that might not indicate the fact that there might not be anything that doesn't comply with the principles of materiality completeness and balance, you can breathe easy. Of course, not every assurance process is that rigorous, and not every Assurance Statement will feel like an escape, Sometimes it will just be another tick on the to-do list. But when it's done well, it adds value to the reporting company. See a good review of the Assurance Process by Joss Tantram of Terrafiniti and also, an admission from the UPS Sustainability Communications Manager, Lynnette McIntire, writing for Triple Pundit, who confesses to enjoy the assurance process, describing it in this way: "*a bunch of accountants come into your world for a rigorous review of your numbers. They require (gasp) documentation to prove your "facts." They find those discrepancies between last year and this year. They challenge your subject matter experts on the methodology of their charts and graphs. And to be honest, they take a lot of glee in your mistakes*."

Another form of escape is when the sustainability report gets a good review or wins an award. Regular reviews of sustainability reports can be found on CorporateRegister.com or in the Ethical Corporation Magazine, and occasionally on other sites such as Triple Pundit or those of different sustainability bloggers. Producing a sustainability report is always a risk. Transparency always makes you vulnerable, no matter how strong your performance is. Getting a good report review is like coming out of the car crusher unscathed. My review, for the Sustainable Business Forum, of De Beers Family of Companies Report to Society for 2010 notes: "*The De Beers report is a delight to read, it is intelligently structured, well-cut, polished and completely aligned with the report's title "Living up to Diamonds*". Getting an award for reporting is like escaping out of the handcuffs to safety. See the winners of the annual online reporting awards, CRRA, in 2012: "*The star ... was* ***Coca Cola Enterprises Inc., U.S.*** *who took two awards with overall Best Report and Best Carbon Disclosure categories, and a runner up in the Best Relevance Category*."

Levitation: The magician defies gravity, either by making something float in the air, or with the aid of another object (suspension)—a silver ball floats around a cloth, an assistant floats in mid-air, another is suspended from a broom, a scarf dances in a sealed bottle, the magician hovers a few inches off the floor.

In Sustainability Reporting terms, the levitation is when the report contains no context whatsoever. It just remains suspended, in air, with no anchoring points of reference. I am referring to general context, such as prior year data, regional or sector benchmarks or relevant background information about the company's role in society or sustainability objectives. Emily Hayne's Ethical Corporation Review of the John Lewis Partnership Report for 2011 makes this point: *"...the report as a whole fails to tell a compelling story. Rather than setting out performance in the wider context of the issues and challenges identified, it simply lists issues, indicators and activities. Individually many of these seem impressive, but the report fails to pull them together into a meaningful long-term strategy*."

Penetration: The magician makes a solid object pass through another—a set of steel rings link and unlink, a candle penetrates an arm, swords pass through an assistant in a basket, a saltshaker penetrates the table-top, a man walks through a mirror.

In Sustainability Reporting terms, the penetration can be likened to the report within the report. For example, in HP's Corporate Citizenship Report for 2010, and entire sixteen photo account of A Day in the Life of an HP Auditor enabled us to penetrate the detailed workings of the supply chain monitoring process.

Penetration might also be linkened to the mutliple types of Sustainability Reports produced by one company. Reports which link and unlink. Separate, yet part of a whole. This might include local reporting, for example, ArcelorMittal , where global and local reporting live side by side, linked by core strategy and messages, but very different in

local flavor.

Prediction: The magician predicts the choice of a spectator, or the outcome of an event under seemingly impossible circumstances—a newspaper headline is predicted, the total amount of loose change in the spectator's pocket, a picture drawn on a slate.

In Sustainability Reporting terms, the prediction is, of course, the targets, future outlook and/or what we will do next section. Many reports do not contain predictions. Many of the predictions that some reports contain are also not predictions, because the targets are so vague as to be rather meaningless or, they always remain goals and never results. David Schatsky of GreenResearch did some analysis of sustainability goals and benchmarking and found, for example, that just five of the 11 largest global oil and gas companies have announced public environmental sustainability goals. There is no magic in setting good sustainability goals. But there is magic in delivering on specific targets. The Unilever Sustainable Living Plan includes some goals which, if they are achieved, will be truly magical. In the area of Greenhouse Gases for example, one Unilever target is *"By 2015 we aim to reach 200 million consumers with products and tools that will help them to reduce their greenhouse gas emissions while washing and showering. Our plan is to reach 400 million people by 2020*" but, Unilever say, "*We are finding this target challenging and our progress is modest*." If Unilever does eventually manage to crack this, it will be nothing short of magic and Max Maven will be duly impressed, I am sure.

This concludes my round-up of Sustainability Reporting Magic. I am sure there are many companies with a few tricks up their sleeve that I haven't covered, and many more which think that the Sustainability Report will magically transform their reputation and protect them from all evils.

The truth is that there is no magic in Sustainability Reporting. Just as Max Maven knows, behind every magic trick is an accumulation of strategy, innovation, creativity, hard work, performance development, perfecting the script and flawless delivery. Behind every magic trick is methodology. Behind every Sustainability Report should be proven practice. Nonetheless, when you do come across that Sustainability Report which appears to do the best job possible, you can't help feeling that there's a little magic in the air.

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me via www.twitter.com/elainecohen **on Twitter or via my business website** www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

Part Two: Sustainability: What the Numbers Tell You

Friday, August 10, 2012

Since my recent Sustainability: What the Numbers Tell You post was so resoundingly successful, I have decided to maintain the momentum and take a look at some more numbers. This time I am going to look at environmental metrics that were covered in the Sustainability Practices 2012 Edition, which I fairly glossed over in my previous (resoundingly successful) post. The Report covers a range of environmental metrics including those relating to: emissions, energy, water, waste, recycling, packaging, purchasing and spills and fines. Let's start with this number:

39% of companies in the Bloomberg ESG 3000 Index report having a Climate Change Strategy. This compares with only 26% of the S&P 500 and 16% of the Russell 1000. (Just to remind you, the Bloomberg ESG 3000 covers a range of global companies while the S&P and Russell indices cover large-cap U.S. companies. So when the Bloomberg is higher than the S&P/Russell, it means that the world is doing better than the U.S.) In this case, U.S. companies have not yet caught up on climate change as something they need to be making decisions about.

Many people probably don't know the difference between a climate change strategy and reducing energy consumption. In the Sustainability Practices Report, a climate change strategy is defined as: "a set of risk management procedures designed to mitigate the impact on business operations of climate change". Typically, as defined in the report, such a strategy will include: an assessment of the energy efficiency of the business, a commitment to capital investment in environmentally preferable technologies and a search for new sources of capital through commodity trading of GHG emissions or government subsidies for GHG emission reductions. 71% of big companies (over $100 billion revenues) have apparently given this some thought as they do have a climate change strategy. Only 22% of companies under $1 billion have done the leg-work in this area. The rest of them either they have a policy and are not disclosing (unlikely) or they don't have a policy and they are ostriching (likely). That's a shame, because "if you think mitigated climate change is expensive, try unmitigated climate change", (a quote from Dr Richard Gammon) .

And now for a little quiz: How many of the Bloomberg ESG 3000 actually report their total carbon emissions?

A: 83%
B: 72%
C: 65%
D: 48%
E 34%
F: 21%

Yes, great, you were either wrong or right. The correct answer is:

34%

That's it. Just over a third of the world's leading companies disclose their total carbon emissions. But this is not really the world's companies - it's Japan. In the Bloomberg 3000, there are 644 companies from Japan of which 80% disclose CO2 emissions, which is required by law. In the U.S., for example, only 8% of the 70 U.S. companies in the 3000 Index disclose CO2 emissions, which is the lowest rate of disclosure across a range of countries. The Netherlands and Sweden do better at 70% and 62% respectively, but

France and the UK are lagging with 39% and 30%. This might be changing fairly soon in the UK with new legislation which will require large listed UK companies to disclose GHG emissions. But disclosure is one thing and sustainable performance is another. Think about this next number:

16,536,533

which is the average total CO2 emissions in tons from the 36 disclosing companies in the S&P 500 Index. This is a whopping 5 times higher than the total emissions from the 1,033 disclosing companies in the Bloomberg ESG 3000. Utilities and energy companies reported the highest level of emissions, as you might expect. It takes energy to produce energy, apparently. Double whammy. When normalized per employee, we find that the utilities sector produces 1,473 tons of CO2 emissions per employee (median, not average). This is equivalent to emissions **per employee** resulting from powering **167** homes with electricity for a full year, or running **262** passenger cars for a full year. Wonder if all those employees think about that on their morning commute: "Hah, wonder how many cars on the road the carbon emissions resulting from my working today will equate to?" Perhaps this could be the next stage in **sustainability-drivenEmployer Branding**. It might work for the Financial Services Industry, where CO2 emissions are a mere 3 tons per year per employee (median). "Do you feel you have a personal responsibility for protecting our planet? Come and work for us. Your work will generate only 3 tons of carbon emissions per year, which is less than the equivalent of keeping one car on the road. You can manipulate interest rates with hardly any impact on the environment".

But, enough of CO2, let's go deeper and look at energy efficiency. Consider these numbers:

1,933 - 249 - 321

These are the actual numbers of companies in our three reference indices of 3,000, 500 and 1,000 companies which declare that they have an energy efficiency policy. 64%, 50% and 33%. I find that incredible. Forget sustainability, just think about energy costs. Heck, we even have an energy efficiency policy in our ***home***! (Well, I admit, it's not a written policy, but if the kids leave the lights on in their bedrooms, they know there will be unpleasant consequences). Why wouldn't businesses have an energy efficiency policy? Ah, you might say, "companies which are primarily office based have more significant sustainability impacts to think about and more important cost considerations". Ah, I might say back to you, "and pigs can fly". Even the financial sector, primarily office based as it may be, has a higher rate of energy-efficiency policy disclosure at 52% of companies than the energy sector itself at 46%. Energy efficiency is the **second most material issue for companies everywhere**, based on a study that was done last year on materiality issues. So how come so few have a policy? Possible they are just doing it because it's in their DNA. (A friendly reference to Oliver Balch, who tweeted "Please, one piece of advice to all companies: ban the phrase 'In our DNA' from your corporate lexicon"). Consider this number:

5%

which is the percentage of companies in the Bloomberg ESG 3000 which report using renewable energy. That's just 164 companies. For all the others, renewables are apparently not yet in their DNA.

Moving on to water consumption, consider this:

3.72

is the ratio of average water consumption in the U.S. based S&P 500 to the average in the Bloomberg ESG 3000. The average water consumption per S&P company in the U.S. sample (104 companies disclosing) is 3.72 times higher than the global sample (1,111 companies disclosing). Clearly, size does matter, as the bigger companies have higher water consumption. Yet still only 74% of the companies in the $100 million revenue

category disclose total water consumption, despite the fact that the median water consumption for this group is over 35 million cubic meters in comparison to a $1-10 million revenue company which uses 1.4 million cubic meters per year. With water scarcity becoming the number one resource issue globally, it seems incredible that disclosure for such large corporate users should not be mandatory, leaving 26% of the largest companies in the world to decide for themselves whether to manage water consumption transparently or not. But it gets worse. Consider this:

2%

is the number of companies which report that they use recycled water. 74 companies in a sample of 3000. But it gets worser. Waste is also one of the big drags on our economies and quality of life, not to mention sustainability. Here's another number:

31,739,944

is the average waste in tons generated by companies in the materials sector (which is made up of companies that manufacture chemicals, construction materials, containers and packaging, paper and forest products, extractives etc) which is more than the total average waste of all the other sectors added together, yet only 36% of companies in this sector report on the total levels of waste generated. Waste is cost. More often than not, it's unnecessary cost. How are investors using this information? Companies which are generating so much waste are also wasting investors' money. Which brings us to the next number:

$997,299

which is the average amount that companies in the Bloomberg ESG 3000 spend on environmental fines each year. In the S&P 500 index, this becomes a whopping $2,224,831.

I could go on, but I won't. The Sustainability Practices 2012 Edition Report is an encyclopedia of data and comparative numbers. I have given you a jump start. You'll have to do the rest of the leg-work yourself :)

By now, I think you get the picture. It's one of desperately poor levels of disclosure. Despite the growing momentum of voluntary disclosure and Sustainability Reporting, frameworks, measures, surveys, CEO commitments, investor pressures and all the hype that this brings with it, the picture on transparency is still bleak. Most of the largest companies in the world are barely disclosing most of the most important sustainability metrics. And this low level of disclosure gets proportionally lower and lower as company size decreases. In the U.S., performance is generally lower in comparison to the rest of the world. So it's fabulous that the U.S. is now leading the Medals League Table at London 2012 (39 Gold Medals as I write), but sooner or later, even that performance will not be sustainable without stronger and more transparent behavior by American corporations.

There is something about numbers. They clarify our reality. In this review of environmental sustainability and transparency-by-numbers, that reality is rather depressing, because there is a stark realization that, for all the talk, the results are pretty shameful and perhaps, voluntary disclosure is not all it's cracked up to be. Self-regulation is more self than regulation. When the authors of this Sustainability Practices benchmark report maintain that "there is significant room for improvement", I think we can safely agree that this is more than a mild understatement. With Paragraph **47** not promising to be massively instrumental in driving change in transparent disclosure, we have to wonder just what will propel corporations around the world into a different paradigm, before something else propels them out of ostrichland.

An eternal optimist, I believe change will happen. As a realist, I see it's painfully slow. As a pragmatist, I accept that we have to move on and, as the amazing Pema Chodron says, Start Where we Are. As an icecreamist, I know there is always comfort just around the corner.

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me viawww.twitter.com/elainecohen on Twitter or via my business websitewww.b-yond.biz (Beyond Business Ltd, an inspired CSR consulting and Sustainability Reportingfirm)

Comments

- user108CSR August 13, 2012

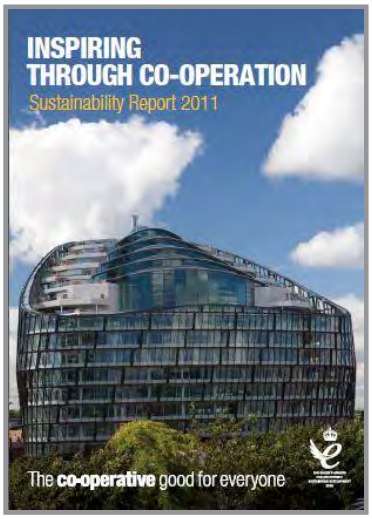
hey thx for sharing information about CSR...

Keep posting :)

The Co-operative Group: Warts and All?

Saturday, August 04, 2012

One company I have found particularly inspiring in the CSR landscape today is the UK's Co-operative Group, and not only because they are headquartered in my home town of Manchester. (They are currently in New Century House, a venue which remains embedded in my memory as New Century Hall because of a teen-idol Bay City Rollers concert I attended there at a very young age, amidst a massive crowd of swooning girls). Another reason to check out the Coop is that 2012 is the United Nations International Year of Cooperatives! Betcha didn't know that, right? There is even a Year of Cooperatives Blog. This initiative is "*intended to raise public awareness of the invaluable contributions of cooperative enterprises to poverty reduction, employment generation and social integration. The Year will also highlight the strengths of the cooperative business model as an alternative means of doing business and furthering socioeconomic development*." Who knew there was a Year devoted to a business model? I wonder if there will be an International Year of CSR Bloggers one day? Or even better, an International Year of Ice Cream! Anyhow, in the Year of the Co-op, it's fitting that we review the Co-op's report.



The Co-op recently released its latest in 15 years of Sustainability Reports, the 2011 Report, entitled "Inspiring Through Co-operation". Having admired the Co-op over the years for its thorough and award-winning sustainability practices, and robust, transparent and award-winning reporting , I thought it's about time to examine the latest report, and see how many **cones** the Co-op deserves.

The Co-op describes its report as "**warts and all**". The origin of this phrase is said to derive from Oliver Cromwell's instructions to the painter Sir Peter Lely, when commissioning a portrait - "Paint me as I am", he nobly demanded of the artist. The Co-op's reporting - warts and all - is therefore an invitation to scrutinize just how many warts the report actually contains. Oliver Cromwell did have quite a few warts - check out that whopper under his lower lip.

Oliver Cromwell by Sir Peter Ely, from spartacus.schoolnet.co.uk The Co-operative Report, as a GRI A+ 116 page report, offers plenty of wart-scope.

The interests of this corporation, once known mainly for its corner-shop-style good value supermarkets, have sprawled into a diversified set of activities, making it the UK's fifth biggest food retailer, the leading convenience store operator and a major financial services provider, operating The Co-operative Bank, Britannia and The Co-operative

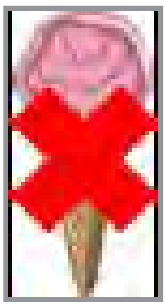
Insurance, with other specialist businesses including funeral services and Britain's largest farming operation. This is interesting diversification for a business which operates only in one country.

The Group operates 4,800 retail trading outlets, employs more than 106,000 people and has an annual turnover of more than £13bn. The fascinating thing about the Co-op, of course, is its business model and governance structure: it is owned by its members - over 7 million individuals and 80 or so Independent Co-operative Societies. It's a sort of business democracy, founded on values of equality and community solidarity which align well with the themes of socially responsible business. Transparency, as a way of doing business, is also something which this type of business model demands, so perhaps it is not surprising that the Co-operative should be getting pretty good at that. The report has a three-part structure: Social Responsibility, Ecological Sustainability and Delivering Value. But first, I started with the end.

79% Achievement against Targets Page 113 of the report contains a 2011 Target Overview of the 104 long-term targets set in the Cooperative Group 2012-2014 Ethical Plan. Of these 104 targets, 62 have been achieved and 20 are on track. That's a 79% success rate. The rest are either close to target, behind target, not achieved or dropped. 79% is certainly an achievement and generally, 70%+ scores in most education systems are pretty good, and in some cases, represent the highest ranking available. So the Co-op should get a **cone** for achieving 79% against a very ambitious program. Clearly much is being done.

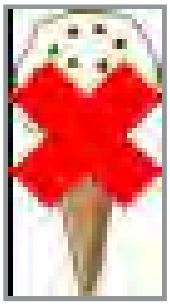
The CEO Statement Some CEO statements are boring, some are insightful. Some contain meaningful previews of report content, some are just full of cliches. Some use the same old language to say the same old things. Often reporters approach the CEO statement as one of those irritable but necessary pieces of content which the GRI mandates that every report worth its salt should contain. They string together a list of waffly air-bubbles in last year's language and hope it flies. Others take the CEO message as a more serious affair altogether, using it to introduce the real **news** in the report, highlight areas of both achievement and sensitivity and, perhaps, warts, and create a more convincing representation of the highest level commitment in the company to sustainability. In the Co-op report, CEO Peter Marks's message is one of the better kinds. It's relevant, upbeat, proud without being smug, and picks out just enough highlights to give you the impression that the CEO really does know what sustainability and reporting is all about. Peter Marks says: "This Report charts how we have managed to achieve ... growth with a sustainability performance that I would contest is second to none." Sounds like a guy who doesn't mince words. I give Mr Marks a **cone** for his opening message. It's inspiring and makes you want to read the report.

The Executive Summary The Co-op report contains a two-page summary of the rest of the 114 pages. If you have 5 minutes and this is all you have time to read, you end up with a good summary of the report highlights - without any warts, though. It's mainly about inputs rather than impacts, but I don't want to nitpick. I'll give the Co-op a **cone** for this summary. It's a useful inclusion for busy people (who isn't?) and makes the key messages more accessible.



Performance Benchmarks

Throughout the report, the Co-op provides benchmarks which help to put their performance data into perspective. For example, "*In 2011, the Group's absence*



rates remained stable at 4% for both the Trading Group and Banking Group (2010: 4%). The 2011 average UK absence rate was 3% and the industry average absence rate in the finance, insurance and real estate sector was 4%." Another example is : "*At The Co-operative Bank and Insurance, 91% and 95% of customer complaints respectively were resolved within eight weeks, compared to an average of 86% across the financialservices industry*." These benchmarks are rather selective, reflecting, I expect, only those benchmarks which create a positive score for the Co-op, but nonetheless, providing benchmarks and context is a cone-worthy reporting practice. **The War on Waste**

A particularly interesting section of the Co-op report relates to waste, where incredible progress has been made. Food retailers are major players in the food value chain and have considerable influence over upstream and downstream waste in the system. Considering that in the UK alone, it is estimated that 15 million tonnes of food gets thrown away every year, this is something the Co-op, and other retailers, have to take seriously. The Co-op reports continuing reductions in waste generated and waste disposed as well as reductions in primary packaging and increase in recycling. This includes making consumers aware of best food storage methods as well as maintaining the drive against single-use carrier bags. They are making tangible progress.

I couldn't help laughing when I read that the Co-op's own brand toilet tissue is made from waste paper from the Co-op head office. Just think how many people are wiping their bums with what were once important memos from the CEO or financial documents with profit calculations and forecasts. I have to give a cone for the Co-op own-brand recycled-office-docs toilet tissue. I just hope they remember to bleach it in the recycling process, so that the numbers don't stick to our private parts :)

Where Are the Warts? As mentioned above, the Co-operative Group Report includes intensive detail about everything the Co-op is doing within the vast scope of their diverse business units in the vast range of their business. But, try as hard as I could, I really couldn't find all that many warts. There were seven missed targets out of a total of 104, which, arguably, is not so disastrous, but you have to work hard to find these in this report. There is no detailed summary (only a topline overview) of all the targets and their status, which would make it easier to assess the actual status of performance at a glance. Instead, the target summaries are located in the various sections throughout the report. This is a de-cone.

What's more, detailed explanations for missing targets are not always provided, and future plans to revive performance do not include what actions the Co-op will take to drive a change. For example, one target relates to finalizing a new strategy for Public Policy Engagement: This target was not progressed in 2011. Why not? Don't know. The Co-op says: "*Our Political Strategy Working Group met in November 2010 to consider the purpose and define goals, transparency of process and ownership of a strategic political engagement policy. No further progress was made in 2011*." Failure to achieve a Trading Group Return on Capital Employed (ROCE) of 12.6% (10.5% achieved) is explained by "*difficult economic conditions*". Err. What's new? Similarly, a target to Achieve FSC certification for The Co-operative Food’s greaseproof paper by 2011 was not achieved, "*despite work with suppliers*", and this is rolled into 2012. I think a de-cone is in order for lack of accountable explanations for missed and behind-plan targets. Coming back to the warts, here's one: Pesticides. While the Co-op has been named as one of the two UK Retailers doing the most to address pesticide use and contamination of food, the fact is that the Co-op allowed the use of prohibited pesticides in 173 cases, more than in 2010. This is explained in the report and action is underway to continue to resolve issues but

this sounds like a really important wart to me. I'll give a cone for this. While there is clear and honest reporting about the status of performance against plan, I couldn't find any other significant warts. This, I suppose, is a good thing. The Co-op is doing everything right. Right ? Or is it a bad thing because they just forgot to add the warts? Overall, the performance of this democratic collective is impressive and their report is certainly a model of transparent performance reporting for many. But it's generally about positive performance and performance in a positive light. No whopper-wart like Oliver Cromwell's. Perhaps the Co-op should play down the warts thing in the next report. If ya ain't go no warts, why brag about them?

Outcomes are Worth More than Warts

More important than warts, are outcomes. The Co-operative Report is an action summary. It's about what the Group has done, is doing and plans to do. What's wrong with that ? It's not enough. Sustainability is not only about doing things. It's about achieving outcomes. Sustainability is the outcome, not the action. All the Co-op targets are expressed in terms of inputs. Intuitively, we know that many of these inputs lead to desired outcomes, but the Co-op neither articulates desired outcomes nor describes actual outcomes. For example, community investment reporting shows achievement of targets with 10,000 community initiatives supported, profits deployed to address UK poverty and over GBP 7 million raised for charities Mencap and ENABLE Scotland Partnership. Over 13,000 employees volunteered in the community to a value of over 27,000 days. In total, the Co-op invested GBP 18.9 million in the community. What difference did it make? To whom? What changes in society did this massive investment (benchmarked as almost 7 times higher than other large businesses) achieve or is on track to achieve? I am not suggesting that the Co-op adopt a sophisticated Community SROI measure - these are unsatisfactory in most cases - but some examples of the outcomes of programs which, for example, "help school children improve their numeracy, financial literacy and employability skills" would be worthwhile noting. At some point, the Co-op members should be demanding to know whether the millions invested in the community are effective and not just available. I won't take away a cone for this, as very few companies understand this concept. Investing in the community, for a business, may not be evaluated using the same tools as a financial investment (where ROCE is clearly monitored and reported), but the Co-op and its stakeholders should have some indication of whether this money is being used effectively and how.

Materializing Materiality

This is another aspect of the Co-op's reporting which would be worthwhile to reconsider in the future. The Co-op report does not contain a materiality analysis or matrix. The Ethical Plan does not explain the process for defining the impressive set of targets that the Co-op is currently advancing. While the Assurance Statement confirms that "*nothing came to our attention to suggest that the Report does not properly describe The Co-operative's adherence to the Principles or its performance*" (which include Materiality), material issues that reflect stakeholder concerns are not defined and the report does not differentiate between the more important issues and the less important issues. Instead, each chapter is headed by a section called "Materiality and Strategy" which gives some general background context, but does not define specific Co-op relevant material issues. If the GRI G4 kicks in in 2013 as it is proposed in the current Exposure Draft, the Co-op is going to have to make a comprehensive reassessment of the way it reports, if it wants to remain GRI compliant, by engaging in greater process for defining and reporting on material issues.

No Stories

I might also mention that the Co-op's reporting contains no stories, no case studies and no people. No stakeholder voices, as I call them. Except for a complimentary "expert

commentary" from Jonathon Porritt, who, obviously, doesn't focus on warts, only on what the Co-op is doing well. I do believe reporting comes alive with stories and people. It would be nice to see the more personal side of the Co-operative organization and the way people are empowered and energized by this sustainable model as well as some more balanced stakeholder input. This could lend a little more credibility to this informative (but not entertaining) report.

Overall, then, The Co-operative gets 6 cones and 2 de-cones, leaving a balance of 4 net cones. That's pretty good in the emerging Cone Award League Table. Next time I go shopping in a Co-op, I will be sure to buy their own brand toilet-tissue. Maybe I will get the batch that was made from all the discarded drafts of the 2011 Sustainability Report :)

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reportingfirm)**

Comments

- JordiMorrsRibera August 06, 2012

Thanks for your meaningful and useful analysis of the report.

Is Integrated Reporting truly Integrated?

Monday, July 30, 2012

Right on the heels of the GRI G4 Exposure Draft, which rightly avoided getting into any discussion of Integrated Reporting, despite an original intent to create a seamless harmony between these two streams, it looks as though the GRI and the IIRC are having a bit of a language problem. That is, neither is speaking the same one. GRI is talking material impacts. IIRC is talking value creation.
The IIRC recently published a Draft Framework Outline which is written, I think, in English. This follows the IIRC Discussion Paper which was published in September 2011 and elicited over 200 responses. A summary of the responses can be downloaded here, or you can do as I did, and take a look at all the individual responses submitted by people and organizations here (including mine here). It's worth taking a peek at these. They are very interesting. And sometimes rather amusing!

The purpose of the Integrated Reporting Draft Framework is to keep stakeholders informed. The Draft for Public Consultation will not be issued until 2013, with a Version 1.0 for implementation by end 2013.

The Integrated Reporting Draft Framework describes the elements that the Framework is expected to contain when it is actually a Framework and not a Draft. It has two parts: the concepts that are likely to be included in the Integrated Reporting approach, and the expected elements contained in the route to preparing one.
The Draft framework refers to a "principles-based approach rather than focusing on specific KPIs or rules for measurement or disclosure of individual matters". While the IIRC threatens to issue KPI's or rules for disclosure (in GRI language: Performance Indicators and Profile Disclosures) at some future date, the emphasis is clearly on companies using their own judgment to sort out what's important and what to measure. In this way, the Draft Framework does have some similarity to the elective elements contained in the new G4 Exposure Draft which proposes a more rigorous process to define material issues and disclosures relating to those issues only.

Creating and Preserving Value is a key theme in Integrated Reporting. While one might argue that value is determined by considering all stakeholders, the focus on value rather than impacts moves Integrated Reporting further away from the accountability focus that has been, in my view, a pivotal factor in the development of sustainability reporting. I think this positioning - value creation versus accountability - is one of the basic differences in perception between financial reporting and sustainability reporting. The Draft Framework expects to include a definition of value, just to make it clear for everyone - and the implication is that by using the capitals system (see below), the definition of value will be broadened to include value for all stakeholders rather than purely financial value for shareholders. But what I am not sure about is whether there is a loophole that assumes you can create value without being accountable? If Integrated Reporting focuses on value creation, who focuses on accountability? The IIRC calls resources and relationships "**capitals**" of which there are six: financial, manufactured, human, intellectual, natural and social. I don't really identify with this. Why call them capitals when they are actually resources? Almost any definition of capital you look at makes the connection between capital and creating money. If all that the new approach to Integrated Reporting is doing is changing the words we use to refer to creating money, I am not sure we haven't lost the plot.
The Framework is likely to include a set of guiding principles which should be used to

prepare the report.

- Strategic focus
- Connectivity of information
- Future orientation
- Responsiveness and stakeholder inclusiveness
- Conciseness, reliability and materiality.

These principles make sense, as I have said before. The aspects of connectivity and future orientation are often very lacking in our current forms of sustainability reports.
The Framework is likely to prescribe six content elements relating to business model, operating context, strategic objectives, governance, performance, and future outlook. So far, so good. These are the elements that were introduced in the Discussion Paper that was published last year and seem to be the right sort of questions that a company should address.
To what extent this Draft Outline Framework actually moves us further down the track of Integrated Reporting. What exactly is integrated here?
Claudia Kruse writes on the IIRC Blog: "*There is still much confusion about the distinction between sustainability reporting and integrated reporting. From an investors' perspective it is absolutely critical that integrated reporting is positioned firmly within the realm of value creation and in a manner that speaks to the boards and financial (reporting) departments of companies*". How integrated is that? I understand the need for investors to seek ESG information. I understand that the financial community is looking for another way to safeguard their cash. So what is this distinction that Claudia Kruse refers to? If all we are doing is moving from Financial Reporting to Value Reporting by adding in a few more ESG context-related content areas, then there is no new distinction. There will be Integrated Reporting and Sustainability Reporting. Just like now. Annual Reporting and Sustainability Reporting.

The state-owned energy Company from South Africa, Eskom, has delivered an Integrated Report which, for the first time, claims to align with the principles of the IIRC Discussion paper, stating, "*Eskom has combined sustainability and financial reporting for a number of years, but this is the first integrated report that aligns with the principles contained in discussion papers published by the International Integrated Report Council and the Integrated Reporting Committee of South Africa. Integrated reporting is a new international initiative that has emerged in response to the shortcomings of traditional reporting, which emphasises financial results without taking account of the broader context in which companies operate, and fails to weave together different reporting strands. Integrated reporting allows for reporting on financial results, governance, sustainability and other material factors in an interdependent manner. It addresses the challenges that companies face, the advantages they enjoy, the external factors that influence them and the way they in turn influence the external environment*."
The report appears to present both financial and sustainability information in a comprehensive way. There is a degree of integration in the narrative of social and environmental context. Eskom lists a set of material issues throughout the value chain. These are typically the sort of issues we might see in a Materiality Matrix of the type that many companies include in Sustainability Reports today. It is certainly a good thing to see this in an Integrated Report and Eskom has made a great pioneering attempt to present a full view of the organization in this 166 page report (of which around 60 pages are pure financials).
Using Eskom as my test-case, I was interested to see how the principles of connectivity of information and future orientation are reflected in this report. I looked at the material issue Becoming a High Performance Organization which relates to **safety** as a key issue. **25 people were killed in the course of duty in Eskom in 2011.** The same number as 2010.

Eight more people than in 2009. Despite declarations of the unacceptability of this safety record, and several programs in place to improve safety awareness, the fact remains that for three years, the situation has not improved, it has worsened. According to the new report, Sustainability Practices 2012 Edition, the average total annual fatalities in the Bloomberg 3000 for companies in the energy sector globally is **3.** Eskom is about 8 times worse.

While Eskom expresses regret, and names the employees who died individually and sympathizes with the families, which shows respect and concern, as an investor, I would be interested to know a few more things:

- What impact does this level of fatalities have on business continuity?
- What is the cost of this safety record (insurance premiums, employee morale, litigation, recruitment potential, work delays etc)?
- What level of investment is required to improve employee practices?
- What are the implications for creating and preserving value?

In the context of future orientation, I would be interested to know more precisely what Eskom will be doing differently to prevent 25 more people being killed in 2012. Eskom describes activities and general frameworks relating to safety management, but a very detailed action plan to prevent fatalities is not included.

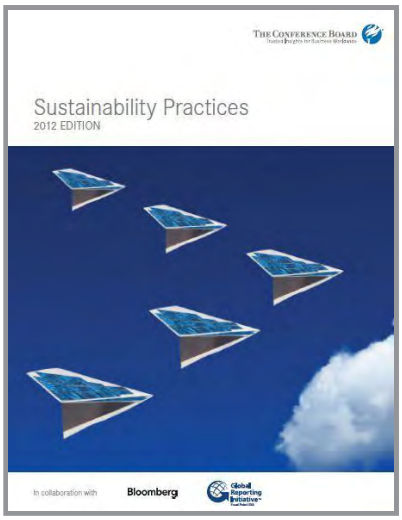
In a typical Financial Report, I would not necessarily expect to see these analyses. In a Sustainability Report, I would expect to see what Eskom has included in this current report - details of the issue, an expression of sympathy and an intent (with a plan) to improve. In an Integrated Report, I would expect to see an analysis of the financial (as well as social) impact of this material issue and its connectivity to business performance, continuity and value, together with a detailed future plan (not just a target).

I think the Integrated Reporting discussion still has a long way to go. If it is to be something just more than a Financial Report which contains ESG information, the entire quality of thinking needs to change. If it is to be a tool for investors, then companies need to get better about understanding, measuring and reporting on the impacts of sustainability performance in financial terms. Otherwise, how will investment analysts be able to use this additional information to inform their decisions and calculate long-term risk? If the Integrated Report is to satisfy non-financial stakeholders, it needs to ensure that social and environmental impacts, not just value creation, are transparently disclosed, demonstrating accountability. Finally, if the Integrated Report is to become a document which is of any use to anyone, it needs to be more .. well.. integrated.

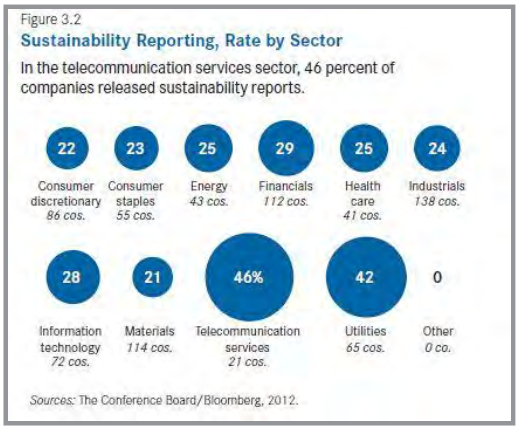
elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

Sustainability: What the Numbers Tell You

Friday, July 27, 2012



Sustainability is not only about numbers. When all is said and done, sustainability is about people, community, society, collective responsibility and action, stories and interventions. But, sometimes, the numbers form a picture, and pictures can help us develop new insights and change our paradigms. And this can lead to new action. So, when the The Conference Board, a non-profit organization which creates and disseminates knowledge about management and the marketplace to help executives make the right strategic decisions, published a deep-dive study - perhaps the most comprehensive study available - of Sustainability Practices of thousands of companies around the world, containing more numbers about Sustainability Practices than I suspect you have ever seen in one place, you have to sit up and take notice. Ready?



The study is called Sustainability Practices 2012 Edition and is a 176 page epic, containing more data than anyone can absorb in one sitting and a wealth of relevant information for anyone interested in sustainability numbers, trends, areas of focus by sector and by subject, and opportunities to make a difference. The report was prepared in collaboration with Bloomberg, who runs one of the most extensive real-time financial and non-financial information networks to hundreds of thousands of subscribers, and with the GRI - no introduction necessary.

Sustainability Practices 2012 Edition is based on a global sample of 3000 business organizations tracked by Bloomberg's Environmental, Social, and Governance (ESG) database and covers 72 environmental and social practices including: atmospheric emissions, water consumption, biodiversity policies, labor standards, human rights practices, and charitable and political contributions. For benchmarking purposes, Bloomberg ESG data is compared with the S&P 500 (large capitalization U.S. companies) and the Russell 1000 (market cap-weighted index of U.S. companies), and further analyzed across 11 business sectors, using the CIGS code, and four revenue groups (under $1 billion, $10 billion, $100 billion and over $100 billion). The findings of the report are split into three broad areas: Disclosure Practices, Environment Practices and Social Practices.

Now for the numbers. Sitting up and taking notice?

19% This is the overall social and environmental disclosure rate for companies in the global Bloomberg ESG 3000 Index, which is made up of largely non-U.S. companies. Does that surprise you? Only 574 companies out of a total 3,000 disclose on the full spectrum of 72 sustainability practices analyzed. This compares with 15% in the S&P 500 and 10% in the Russell 1000, showing that U.S. companies are lagging when it comes to overall sustainability disclosure. Match this with the next number:

25% This is the number of companies in the Bloomberg ESG 3000 Index which released Sustainability Reports - 747 companies. More companies are reporting than disclosing. What does that tell us? That Sustainability Reporting is not delivering full transparency. In other words, just because it's called a Sustainability Report doesn't mean that it's transparent. By comparison, in the U.S., 45% of the S&P 500 and 24% of the Russell 1000 publish reports. However, these indices are smaller and include large-cap, often global, companies, headquartered in the U.S., versus the Bloomberg Index which includes only 510 U.S. companies, 17% of the total 3000 sample. Overall the Bloomberg 3000 is weighted towards Japanese companies who have 27% of the sample, and with strong representation from India, China and the UK, and a host of other countries. So Sustainability Reporting is more widespread globally than it is in the U.S. But that's not news. Match this with this next number:

80% This is the rate of Sustainability Reporting for companies with more than $100 billion in annual revenues. Not surprising, perhaps, that this is a high figure. The larger the company, the greater its impacts, the more extensive its resources, the greater its risk exposure, the higher the expectations from stakeholders. However, 20% of these mega-corps are still resisting the reporting opportunity. The rate of Sustainability Reporting drops to 63% for companies over $10 billion, 25% for companies below $10 billion and only 4% for companies below $1 billion. $1 billion is still a heck of a company size and has potential for some serious impact. Who is chasing the other 96%? Match this with this next number:

46% This is the rate of companies in the telecommunications services sector which publish Sustainability Reports. This is the highest reporting sector in the Bloomberg 3000. Contrary to the long-held view (and data) that financial services companies and energy companies have been leading the fray in sustainability reporting, only 20% and 25% respectively in these two sectors are publishing reports at a global level.

Great work by telcos. What's driving this industry's reporting prowess? Match that with this number:

48% This is the rate of telcos which use the GRI guidelines to report. Again, this is the highest rate of all sectors, with an overall average being 30%, generally lower than the hype would suggest. Consumer Discretionary and Information Technology companies have the lowest uptake rate of the GRI guidelines, at 27%. Again, we find that the highest revenue companies are more likely to use GRI guidelines (66% - 23 companies) versus the lowest revenue companies (10% - 109 companies). The picture in the telecommunications sector is both of high disclosure and high use of the GRI guidelines. Telcos also have the highest rate of report verification and assurance at 26% (versus an overall average of 13%). Match that with this number:

24% telcos. No wonder it's so expensive to connect. But take a look at these numbers:

54% - 43% The numbers of women employed in the workforce and the numbers of women in management in the telco sector. Hah! One of my favorite indicators. Not so rosy in the IT sector, where women make up 13% of the workforce and only 9% of management. Across all sectors, the lowest revenue group of companies has the highest proportion of women in management - 24%. Telcos stand out for positive diversity in other respects too - with 26% disabled employees, and 7% of minorities in management. Apparently, if you are a disabled woman from a minority group, you stand the best chances of advancing your career in a telco. If you are a man, the materials sector is for you. A median 86% of managers are male, and 85% of the total workforce. Match that with this number:

7% This is the proportion of companies reporting employee fatalities in the Bloomberg 3000. Only 197 companies out of 3000 disclose this figure (even less in the U.S. large company Russell 1000, where only 36 companies disclose). The average rate of fatalities across all those companies reporting is 2, but the Information Technology Sector inflates

this average with a total of 6 fatalities. Conclusion: don't go into IT if you value your life. Match that with this number:

59% This is the proportion of companies that disclose their Health and Safety Policy. This includes 58% of Information Technology companies where six people died. Just think how things might improve if 100% of companies had a Health and Safety Policy. Would things get worse, or better? Match that with this number:

1,367 This is the average number of workforce accidents reported by the 12% (364) companies who disclose this information. I calculate this to be a total of almost half a million accidents in this small sample. Only 5% of companies report how many lost workhours result from these accidents, reporting an average 56,111 lost hours across only 137 companies, but this is much higher than the average in large U.S. companies, which report an average of 36,121 hours (13 companies) in the Russell 1000. This might indicate that it is safer to work in the U.S. Or that you have your accident, and get back to work pronto. Even so, the Russell 1000 indicates the lost-time equivalent of 18 employees per year per company that do not come to work as a result of an accident. Rather shocking, don't you think? The impact on families and communities of such safety issues can be quite significant. Match that with this number:

36% This is the proportion of companies which disclose their charitable giving. I would have expected this number to be higher. Companies like to tell their good news. Match that with this number:

$161,522,597 This is the average community spending reported in the energy sector in the Bloomberg 3000. This is by far the highest rate of charitable giving, comparing with an average across all companies which disclosed of almost $28 million. The healthcare sector is the second largest giver with an average of $98 million reported by 47 companies. Industrial sector companies have not been bitten by the bug to this extent, apparently, with the giving average at a mere $10 million reported by 232 companies. Match that with this number:

$66,800,000 This is the median total corporate giving reported for 21 companies with in the highest revenue group - over $100 billion. If ya got it, share it. Seems to work for them. Companies with under $1 billion revenues give a median of $88,552. Yes, that's thousands, not millions. Match that with this number:

$1,000,353 This is the average utilities sector spend on political lobbying, more than double that of any other sector in this study. Overall, in the Bloomberg 3000, the average amount spent on lobbying is $226,065 per company (though only 14% of companies disclose this information). Interestingly, in the U.S. alone, the amount spent is three times that much. The politicization of business in the U.S. is quite some investment, it seems, if you are a utilities company. Wonder if it's worth it?

I am going to stop here for now, while I continue to study this report. You can read a great review of key findings and broader conclusions of this report in the Conference Board's Press Release. Or you can wait for my next post, as I will definitely have more to say about this in the coming week, after getting to the rest of the numbers that I have not looked at yet in detail.

In the meantime, you might now like a little light relief, by watching the ***Sustainability Practices 2012 Edition*** authors, Matteo Tonello, Director of Corporate Leadership at the Conference Board and Thomas Singer, Conference Board Research Associate, talk about the importance and relevance of this study and what this means. It's short and to the point and contains no numbers.

Thomas Singer rounds off with this perspective: "To a large extent, sustainability is about long-term risk management. It's about making sure that, if you are a company that is dependent on finite resources, you make sure that those resources are available, that

they are clean and that you have access to them in the long haul. However there is a very important second part to sustainability which is ensuring innovation and new products, new markets. It is those companies that actually go beyond seeing sustainability as a risk strategy and more of an innovation strategy, those are the companies that really become sustainability leaders in the long term"
Final Tip: ice cream is a great remedy, if your eyes are getting a little fatigued from figures and percentages. Any flavor will do.

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen on Twitter or via my business websitewww.b-yond.biz (Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)

The GRI G4 Exposure Draft explained

Friday, July 06, 2012

So, you download the GRI G4 Exposure Draft, billed as the most significant upgrade of the GRI Reporting Framework since the last upgrade :) which aspires to solve all, or many, or most, or even a lot of the issues that reporting companies and other stakeholders have expressed regarding the current GRI Framework.

You may find, as I did, that new GRI G4 Exposure Draft is evidence of a major piece of thinking about Sustainability Reporting and contains many insightful changes which will, if approved and implemented by reporting companies, change the landscape of reporting in a meaningful way.

It takes some time to navigate the Exposure Draft, especially for those not intimately familiar with the existing G3 Framework. My initial reaction after having spent some time studying the draft is: Kudos! There has been some serious thinking going on. It's not simply G3+. It's quite a step-change for reporting. People had better sit up and notice.

Let's remind ourselves of the GRI G4 promise:

- To offer guidance in a **user-friendly** way, so that new reporters can easily understand and use the Guidelines.
- To improve the **technical quality** of the Guidelines' content in order to eliminate ambiguities and differing interpretations – for the benefit of reporters and information users alike.
- To **harmonize** as much as possible with other internationally accepted standards.
- To improve guidance on identifying '**material' issues** – from different stakeholders' perspective – to be included in the sustainability reports
- To offer guidance on how to link the sustainability reporting process to the preparation of an **Integrated Report** aligned with the guidance to be developed by the International Integrated Reporting Council (IIRC)
- To provide support for **data searching (XBRL**) to provide a taxonomy which captures all the guidelines in XBRL form

"More Reports - Better Reports -we want to see more organizations joining in." said Bastian Buck, in the GRI webinar on 4th July. "Better reports for us means improving technical quality and aligning more with other technical frameworks, but also offering guidance which helps reporters focus on material issues - strengthening the materiality concept is one of the key ideas of G4." Adrian Henriques, an insightful CSR commentator, has already pronounced on G4, saying it represents a step change in reporting and it would be childish to oppose it. Dwayne Baraka, another great CSR protagonist, has given G4 "big ticks"!.

Exposure to G4 - A Range of Options for Review

The first thing you notice about the full Exposure Draft is that it is 325 pages. Oh, but it includes the entire current GRI Framework including all the bits that have not changed. So don't worry, you don't need to read it all. In fact, you can download a just-the-changes-only document which, at only 131 pages, is a real doddle. But if you find that also to be a little daunting then the four page overview is for you. If that, too, is overload, read on! This post is far from an elevator pitch, but I have tried to bring out the main points.

Giving Feedback Before we go any further, the way to give feedback on the G4 Exposure Draft is by way of the GRI Consultation Platform. It takes a second to register and answer as few or as many of the questions as you wish, or provide open comments. I think this is

important. Please do it.

The feedback will be reviewed by the GRI bespoke G4 Working Groups and the Technical Advisory Council, and then the new full draft will be approved by GRI Governance Bodies. The public comment period on this Exposure Draft is open until 25th September. The launch is planned in May 2013, at the GRI Conference in Amsterdam - an event not to be missed! Two additional G4 working groups will meet in July and develop revised content on anti-corruption and GHG emissions - with output for comment around mid August 2012.

The Key Changes These are the keep-your-finger-on-the-pulse aspects of the change to G4:

- **Application Levels:** Applications Levels are proposed to be abandoned due to concerns "that the Application Levels are wrongly understood by some report users to be an opinion on the quality of the report, or even a reflection of the sustainability performance of the organization." Yes, no more A, B, C! Instead, every reporter must meet a minimum threshold to qualify as a GRI Report, with a two-report grace period for first time reporters to get used to the new stuff.
- **Boundary:** G4 gives clearer guidance on how to select what to report, shifting the goal posts from the where a company works to how a company impacts through its total Value Chain.
- **Disclosure on Management Approach:** Reporting on management approach should now be driven by identified material aspects. G4 includes new screening, assessment and remediation reporting indicators.
- **Governance and Remuneration:** More disclosures to strengthen the link between governance and sustainability performance and the way remuneration is determined.
- **Supply Chain:** More thorough definitions and much more detailed reporting requirements.
- **Structure and Format:** Changes in the way the content is presented to make it easier for people to understand.

Now to the Deep Dive: (brace yourself)

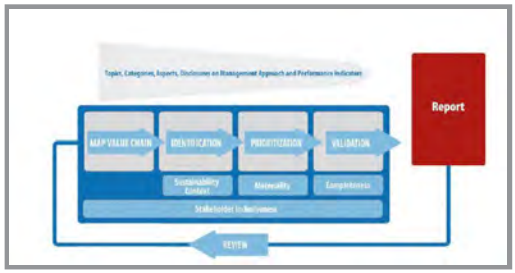
Exit Application Levels. Enter Materiality.

The new go-no-go, pass-fail, either-or proposal in G4 means that, to claim "in accordance with GRI Guidelines", all reporters will be required to include the following:

- All of the Profile Disclosure Items.
- Disclosures on Management Approach and Core Indicators related to all of the Material Aspects identified by applying the Technical Protocol: Defining Report Content and Boundaries.
- All disclosures identified in any applicable GRI Sector Supplement(s).
- A GRI Content Index as specified in the GRI Guidelines.
- A statement, signed by the highest governance body or Chief Executive Officer (CEO), that the report has been prepared in accordance with the GRI Guidelines and that it is a balanced and reasonable presentation of the organization’s economic, environmental and social impacts.

What does this mean?

In G3, as most of you probably know, there is a modular approach to transparency which the Application Levels are designed to reflect. "A" for total transparency (report on everything), "B" for middle transparency and "C" for lower level transparency, requiring disclosure on certain Profile Disclosures, no Management Disclosures and a selection of 10 Performance Indicators (Core or Non-Core). At Application Level A, Sector Supplements, where available, must also be included.



Category	Economic			Environmental
Aspects	• Economic performance • Market presence • Indirect economic impacts • Procurement practices			• Materials • Energy • Water • Biodiversity • Emissions, effluents, and waste • Products and services • Compliance • Transport • Overall • Screening and assessment • Remediation
Category	Social			
Sub categories	Labor Practices and Decent Work	Human Rights	Society	Product Responsibility
Aspects	• Employment • Labor/management relations • Occupational health and safety • Training and education • Diversity and equal opportunity • Equal remuneration for women and men • Screening and assessment • Remediation	• Investment • Non-discrimination • Freedom of association and collective bargaining • Child labor • Forced and compulsory labor • Security practices • Indigenous rights • Screening and assessment • Remediation	• Local communities • Corruption • Public policy • Anti-competitive behavior • Compliance • Screening and assessment • Remediation	• Customer health and safety • Product and service labeling • Marketing communications • Customer privacy • Compliance

So far, of the 587 reports published in 2012 and logged in the GRI Database, 21% report at Application Level A, 24% at Level B, 16% at Level C and 9% at an undeclared level. 27% use Sector Supplements.

The **big change** here, then, is that, in order to be in accordance with the GRI, a reporting organization must first decide on the topics which are material to its business (after due input from stakeholders of course) and then report as a minimum on those material topics – both in terms of Management Disclosures and Core Indicators. It's a sort of self-service GRI. Take a look at the menu, decide what you want and report on it.

If a company decides that six Management Approach Aspects are material to its business, G4 requires disclosure only on those aspects. If environmental impacts are not material, then, in theory, a company can produce an in-accordance Sustainability Report without disclosing any aspect of its environmental impacts. In response to this, the GRI says that materiality is determined by stakeholders, and if stakeholders do not think this is important, then this is ok. In practice, it is unlikely that any large company will not have environmental aspects as part of its materiality radar.

But materiality is a relative thing. How many material aspects are most important in any business ? As we have seen in the vast range of materiality matrixes that are published in current reports. A company typically has anything between 8 and 65 most material issues, with 27 issues being the rough average.

The G4 Framework proposes that each organization should decide for itself, after due stakeholder consultation, what is material and therefore which Indicators it should report on. Clearly, this presuposes that organizations are able to engage in meaningful consultation with stakeholders and reflect their input into the selection of Material Aspects, something which I believe does not happen widely today. For the more seasoned reporters, however, where materiality analysis has been part of their reporting process and disclosure, selecting the Material Aspects may not be such a stretch (although the Boundary is wider - see below.).

The new G4 offers a broader choice of disclosures. There are **73** Profile Disclosures, 6 Management Disclosure Categories with 44 Aspects, and 95 Indicators, of which **66** are Core Indicators. This is far more extensive in terms of Profile Disclosures (only 42 in G3) and Core Indicators (49 in G3). The Profile Disclosures are now non-negotiable (Application Level C reporters have some discounts in this area in the current system) but in terms of Core Performance Indicators, there is more comprehensive coverage which

reporters can select from.

What's good about this? This focuses Sustainability Reporting squarely in the materiality camp. It's no longer a shopping list of anything and everything an organization does, it's about material issues. Of course, companies can disclose as much as they want beyond the minimum requirements and even if, say, Procurement Practices are not deemed most material, a company may choose to report on these. But the minumum requirement is now not about transparency. It's about **material transparency**. This is good because it cuts through the chaff, ensures companies are focusing both in their thinking and in their disclosure on the areas in which they make the most impacts in their Value Chain.
The other good thing about this is that it gives companies some control over what they disclose on. GRI becomes less of an imposition, no longer requiring companies to make excuses for not reporting on biodiversity, when they have absolutely no impact on biodiversity, or to grapple with details of indicators which are not relevant to their business. Instead, companies can invest their energy in reporting on what is most relevant for them and their stakeholders, and doing a better job.
SME reporters may have an easier time as their matierial impacts may be less complex and therefore the reporting requirement could be more modest.

Overall, this is a bold proposition. It says go-no-go transparency. G4 proposes that you cannot be half-transparent any more. Now you have to be fully transparent, in a material sense. Companies which want the reputational value of being a GRI Reporter will need to pull up their socks and do their material stuff. The G4 Message: "Don't mess with Materiality". That's good.
What could be problematic about this ?
The range of Profile Disclosures is very extensive, much more than in G3. This includes new disclosures about Supply Chain and all the detail referred to above relating to materiality. Typically, materiality has been the issue that many small, first-time or inexperienced reporters have chosen to omit. The Profile Disclosures also contain very detailed governance and remuneration disclosures (see below) which may be tougher for some companies, especially private companies, to disclose in full. The high Profile Disclosure requirement may deter many reporters.

As it is currently phrased, first-time reporters are allowed a "grace period" of two reports to build up to full disclosure. Level C and Level B reporters are not entitled to the "Grace Period" of two reports. This means that every company which has ever reported at Application Level A or B must now ship up or shape out in terms of all the Profile Disclosures. This may be too big a stretch for some companies and may cause them to stop using the GRI guidelines after the transition period has phased out. It may completely frighten off first time reporters who may not be able to state with certainty that they will be able to report in full within two reporting cycles, if ever. Any company contemplating writing a first report now, may choose to wait until G4 kicks in so that they can gain the "grace period" advantage.

The choice of reporting only on material indicators also leaves a lot of scope for avoidance. By selecting only 5 Material Aspects, for example, and not the average 27 that companies currently select, companies can elect to report at a much lower level of transparency than the current B or A level Report requries today. Unless there is a strict process of assurance, no-one checks to what extent a company has consulted its stakeholders about material issues. If a company selects 5 material issues, who will say they are wrong? We could find that many companies do not report on things we would like to know, thereby reducing the overall level of comparability between reports and

companies.
The inclusion of Sector Supplements as a minimum reporting requirement in material aspects discriminates against those sectors which have a supplement available (7 sectors at present, excluding NGO's, out of a possible forty or more sectors, depending on which way your cut up the market). This disadvantages those sectors who now have to report in more detail to achieve the "in accordance" label.
My first thoughts On the whole, I like this approach. I like the Profile Disclosure requirement. I believe that companies should be able to make this stretch. I think the new additional disclosures are broadly well placed. Where I have a different view is about the question of reporting on only Material Aspect Performance Indicators. I believe there is a base set of around 25 or 30 indicators that every single company should report on. While I agree that materiality is important, I think it is inconceivable that a company may report and omit to disclose energy consumption, carbon emissions, safety data, key employee demographics such as gender diversity etc. In all probablility, many companies will report these items even if they are not identified as material, but this should not be left to chance.

A possible solution would be to revise the two categories of performance indicators. Core Indicators should be mandatory and required by all companies as part of the "in-accordance" deal. I would suggest this is probably 20 - 25 indicators. The rest should be Material Aspect Indicators, which relate to the selected material aspects, as proposed in G4. I don't find much relevance in the split between Core and Additional indicators today. If the focus is changing to materiality, and a company has selected a material issue, then reporting on all the indicators in that category should be manageable.

I think the GRI should also step up the number of Sector Supplements available, to cover off a fuller set of sectors, and level the playing field a little.

Exit Legal Structure Boundary. Enter Value Chain
This is described by the GRI as the most significant content contribution which has conceptually changed the definition of and approach to defining boundaries for the Sustainability Report. The new definition is:

‘Boundary’ refers to the range of value chain elements or areas covered in the report for each material topic. In setting the boundaries for material topics, an organization should consider impacts throughout its entire value chain, regardless of whether it exercises control or influence over the elements in its value chain. Boundaries vary based on the topic being reported.

Get that? **Value Chain** is the operative phrase here. Companies are now asked to report not only on what they are doing, but the impacts of what they are doing throughout the entire Value Chain of which they, their products and services, are a part. A G4 report is no longer about legal ownership or direct control of a manufacturing plant, a fleet of vehicles or a nice new LEED-certified building. It's about how a company affects its social and environmental stakeholders. G4 provides guidance through the updated Technical Protocol, showing how Mapping the Value Chain is now the first step in determining the Boundary of your spanking new Sustainability Report.

Mapped your Value Chain? No? Oops. Don't report! This means that the Boundary of the G4 Sustainability Report is drawn around the (material) elements in the Value Chain and where they occur, and not where a company's operations are conducted. But beware! G4 says: "Inevitably, the process for defining report content scope and boundaries requires

subjective judgments. The reporting organization should be transparent about its judgments. This will enable internal and external stakeholders to understand the process for defining report scope and boundaries."

What's a Value Chain ?
All upstream and downstream elements linked to your organization's activity.

What's good about this?

This is a major step forward in reporting relevance. Far too many reports are focused on "what we do" with almost no regard for the "impacts of what we do". And why do we read reports? Because we want to know about how it all affects us and our great-great-grandchildren in our daily lives. By mapping the Value Chain, companies will be required to think well beyond their breakfast. Indeed, this could become a central process in companies which will add necessary meaning to the way in which reports are developed and how materiality is determined. We will see a new type of 3D materiality matrix: what's important to our business, what's important to our stakeholders, and where does this fit in our Value Chain. Two new Profile Disclosures *(DI18: Describe the organization's value chain and DI19: Place Material Aspects (or other material topics)in the Value Chain*) specifically require companies to address this in their report. Bravo to G4 for this proposal!

What's problematic about this?

The real question here is the scope of the Value Chain mapping itself. Taken to its ultimate conclusion, a large organization's Value Chain can contain hundreds of impacts, multiplied by the countries and sectors in which the organization operates. Some companies may have several individual Value Chains, for example, those which operate across sectors in different markets - consumer, institutional and more. Including all these Value Chains in the report could make for a rather confusing and lengthy document. Leaving some out could make the report misleading.

The other issue is the methodology used for mapping the Value Chain. Does it count if the CSO jots down the Value Chain connections on the back of an envelope? Does the Value Chain need to be approved at Board Level? Should the Value Chain be determined with the input of external stakeholders? A list of high level generic Value Chain impacts - as we see with some Materiality Assessments today - may be inadequate. Mapping the Value Chain requires process and G4 includes a Disclosure (DI24) which requires companies to report how the Value Chain was determined. The real question is to what extent companies will be able to rise to this challenge.

My first thoughts Give it a go. It's a good discipline. It broadens the corporate radar on sustainability.

Exit Aspects. Enter Material Aspects.

Disclosures on Management Approach (DMA) provide narrative information on how an organization analyzes and responds to its actual and potential material economic, environmental, and social impacts. DMA also provide context for the performance reported by an organization, including Indicators if applicable and required an organization to make explicit: **1.** What the material topic is **2.** Why the topic is material **3.** How the topic is managed and **4.** How the management approach is monitored, evaluated, and adjusted.

One of the most frustrating things about G3 has been the requirement to report on Management Approach Disclosure Aspects, even though the organization has no

relevant connection to a specific aspect. Biodiversity has always been a good example. If you are an office-based business, with no operations situated in areas of biodiversity risk, then it doesn't make sense to have a detailed Management Policy about Biodiversity. In G3, reporters at B and A level are required to disclose their approach on all Management Disclosure Aspects.

In G4, reporters are encouraged to disclose the Management Approach for Material Aspects only. The list of DMA Categories and Aspects now looks like this:

There are now 44 Aspects in G4 (34 in G3). The changes are the inclusion of Procurement Practices in the EC Category, the inclusion of Equal Remuneration for Women and Men in the LA Category, and the inclusion of two Aspects : Screening and Assessment, and Remediation, in four Categories (EN, LA, HR and SO).

Screening refers to a formal or documented process that applies a set of performance criteria as one of the factors in determining whether to proceed with a relationship with a supplier or other business partner.
Assessments refer to evaluation of agreed performance expectations which were set and communicated prior to the assessment and may include include audits, contractual reviews, two-way engagement, and grievance and complaint mechanisms.
Remediation refers to the extent to which actual adverse impacts are compensated or rectified and may include grievance and complaint mechanisms, apologies, restitution, rehabilitation, compensation, or guarantees of non-repetition.

In G4, the requirements for disclosure on these DMA Aspects are very prescriptive. For example, new Supply Chain indicators G4 12, G4 13 and G4 14 include specific requirements to report on the percentage of new suppliers and other business partners screened for society-related performance, and actions taken, the percentage of existing suppliers and other business partners identified as having actual and potential adverse impacts on society assessed on society-related performance, and actions taken, and the number of grievances about society-related impacts filed, addressed, and resolved through formal grievance mechanisms.

The new DMA reporting requirements are a response to consistent feedback that GRI had received about the lack of guidance in reporting Management Approach Disclosures. G4 goes into great detail with a clear set of items to report in each of the DMA Categories.

What's good about this ? G4 offers greater clarity and expectations about reporting in the DMA area. This might lead to fewer generic "employees are our greatest asset" or "we make significant efforts to improve our impacts on the environment" statements, and encourage meaningful responses which actually link Management Approach to Management Action. Also, the focus on material issues will mean that companies are not forced to regurgitate generic platitudes if there really have no connection to the Material Aspect.

What's problematic about this ? The level of detail required may be off-putting for companies. Given that DMA is now a minimum requirement for reporting in-accordance with the GRI, this may represent a blocker for some companies, particularly smaller companies. Additionally, reporting only on Material Aspects may leave great gaps in our knoweldge about a company's basic operational approach. G4 enables non-disclosure of anything that's not material. A responsible workplace may not be identified as a most

material issue - but still, we would probably want to see in the Sustainability Report some declaration and disclosure of the way an organization creates a responsible workplace.

My first thoughts

Green light. Companies should make to effort to define their Management Approach because Approach precedes and guides Action. The advantages here outweight the negatives.

Exit Blind Eye. Enter Board Accountability.

The G4 Governance Disclosures have undergone a complete overhaul and have been entirely replaced and augmented. The requirement increases from 17 Disclosures to 41 Disclosures - yes a whopping 41 Disclosures on Governance, split into seven new subsections. These are:

1. Highest governance body's role in setting purpose, values, and strategy (DI 32 - 34)
2. Governance structure and composition (DI 35-43)
3. Highest governance body's competencies and performance evaluation (DI 44-47)
4. Highest governance body's role in risk management (DI 48 - 51)
5. Highest governance body's role in sustainability reporting (DI 52-53)
6. Highest governance body's role in evaluating economic, environmental, and social performance (DI 54-57)
7. Remuneration and incentives (DI 58 to 68)

The idea is not to duplicate information on governance and remuneration which is typically provided in an annual report, but to ensure the addition of information that relates to the way governance of sustainability and remuneration and sustainability are interlinked. New disclosures are far-reaching.

For example, two new Disclosures (DI 52 and DI 53) require an organization to report whether the highest governance body (the Board of Directors, usually) formally reviews and approves the organization's Sustainability Report and ensures that all Material Aspects are covered, and the highest governance body's role in commissioning assurance of the Sustainability Report. This places the publication of the Sustainability Report on the desk of the Board Members, or, for those who are less disciplined about attending Board meetings, in their inbox or on their iPad App. In most companies, I suspect that most Board Members barely know of the existence of their company's Sustainability Report and that many don't read it, let alone approve it and discuss its assurance.

The other big, big change in disclosure relates to Remuneration. Ten very detailed disclosure requirements are included ranging from provision of details about remuneration policies for Board Members and Executives, to reporting details of all retirement benefits provided by the organization, to a requirement to report on the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to total, average and median compensation for all employees in the same country.

Clearly, stakeholder focus on executive compensation that we have seen in the last couple of years has made an impact. Similarly, the general tendency to blame lack of rigorous governance for the failures of the economic system and the Great Financial Crisis are now reflected in much more detailed governance disclosures in G4.

What's good about this? Board Members will have to wake up and become accountable. G4 may lead to a mass awakening of a largely dormant but important group that provides the sustainability checks, controls and balances in any organization. No more zzzzzzsustainabilityzzzzzzzzzz in the Board Room. No more acceptance of Sustainability Reporting as a low-key sideline. Sustainability, and the way it is reported, is now a Board

Agenda Item in G4. This is good. In addition, the requirement to analyse and report may lead to deep review of compensation policies and ratios in many companies. This may result in a more "reasonable" approach to remuneration, though the definition of "reasonable" remains to be agreed.

What's problematic about this? The reporting requirement increases significantly, and goes into a level of detail which many companies may find hard to address. Most companies are simply not at this level of sophistication in terms of relating governance and remuneration to sustainability and getting there may take time. G4 penalises these organizations. Given that all these are mandatory Profile Disclosures, there is no picking and choosing - all companies must report on all 41 Disclosures in order to be in-accordance with the G4 guidelines. I expect this will add a very significant level of reporting activity for many companies, especially the larger and more complex organizations.

My first thoughts I like some aspects of this new section and agree that a strong, involved and competent Board of Directors is a necessity for sustainable companies. I wonder if the remuneration reporting requirements are a little too invasive - do we really need to know the detailed remuneration packages of managers in every significant country of operation? Is this really what sustainability is all about. I think we could ease up a little here. Disclosure could probably be restricted to the Executive Committee packages.

Exit the Black Hole. Enter the Supply Chain

G4 makes the Supply Chain one of the new stars of the show. There is a new definition of Supply Chain and a new definition of Suppliers.

Supply Chain: The part of the value chain which consists of the sequence of suppliers and activities that provides materials, products or services to an organization.

Supplier: An organization or person that provides materials, products or services directly or indirectly to another organization. This includes brokers, contractors, consultants, distributors, home workers, independent contractors, primary producers, wholesalers and sub-contractors - each of which has it's own sub-definition.

Disclosure D1 12 requires a detailed description of the supply chain including numbers of suppliers and their locations by country and region, materials sourced, and the new Aspect of Procurement Practices requires reporting on the number of suppliers with long-term agreements, suppliers who have been engaged for the first time during the reporting period, the time taken to pay suppliers and a whole lot more. This is new territory for Sustainability Reporting.

What's good about this? Clearly, the Supply Chain is an important part of the total Value Chain and many companies export their problems to the Supply Chain and forget about them, let alone report on them. Many companies have abusive, non-inclusive or even discriminatory Supply Chain practices which generate negative overall impacts in the Value Chain. Calling companies to account on how they manage their Supply Chains is a good thing, and may lead to improved practices overall.

What's problematic about this? As with the changes on governance and remuneration, this is a massive new reporting requirement in an area in which most companies have not yet assigned in-depth focus. The detail of disclosure required means lots more work for reporters, and many may decide it's just not worth the effort. The link to the overall sustainability of an organization and some of the new Performance Indicator disclosures is tenuous.

My first thoughts It's a great plan - it covers off the aspects of Supply Chain which companies ought to be accountable for. In practice, however, the number of reporting companies which will be able and willing to disclose at this level may not be aligned with

the G4 aspiration to encourage more companies to report. A little trimming of this section might be more helpful. They can always be added back in with G5.

Exit Fuzzy. Enter Clarity. G4 has reorganized its content to provide greater clarity on what to report, why it's important and provide guidance on how to report. The draft seems clear enough to me, though, I admit, it's no piece of cake. I won't linger on issues of format and friendliness here. You judge for yourself.

What's NOT in G4? The main omission, which was part of the GRI promise, is the guidance for Integrated Reporting. GRI says: "The G4 exposure draft does not include such guidance at this time, as it was not possible to do so due to the differing timelines between the development process of G4 and that of the IIRC's Integrated Reporting Framework. However, GRI remains committed to provide such guidance in due course." I guess that should not come as any surprise. I am not even sure it's the right objective. More about that in the future. Sometime.

Another omission is a revision of the G4 guidance and reporting requirements relating to Assurance. This has not been touched. This means that all these new super-duper-in-accordance with the GRI G4 Reports may not have been assured at all or may have been only partially assured or verified. I believe G4 should have come down more clearly on the need for more thorough and rigorous assurance practices.

Differentiation between organizations might have been addressed. GRI says it will issue more guidance for SME's. At this point, G4 looks a little beyond the reach of SME's and may simply preclude them from GRI Reporting in future. Unless there is a future GRI G4 SME "light" version, SME's may opt out. The same may apply to non-business organizations who have bravely started to report - NGO's, Academic Institutions, Government Organizations.

I am not clear how G4 responds to the objective of harmonization with other reporting standards and requirements. No references are made to other frameworks and the new materiality focus may actually de-harmonize and distance the GRI from other more comprehensive reporting requirements. But again, this should come as no surprise. Attempting to turn G4 into a catch-all reporting panacea was probably a little over-ambitious anyway.

Next Steps GRI expects to approve the G4 and launch it in May 2013. However, I think there might be merit in a test run for some reporters - global, larger and smaller. I would welcome some assessment of what additional resource and effort will be required of both seasoned and new reporters to meet the new and highly challenging level of minimum disclosure. It would be nice to see what kind of report G4 might produce before it gets rubber stamped. Between now and the May launch, there may be time for a few guinea pigs to test G4 out. I think the challenge is as much in the way of thinking about reporting as it is in gathering and presenting information and data. Right now, a report is everything that we do that is good. In future, it should be everything that we do that has a Material Impact in our Value Chain. That's a paradigm shift in most companies' approach to Sustainability Reporting. It would be nice to prove it can be done.

To date, GRI has been synonymous with Sustainability Reporting. I hope that G4 will be seen as a positive challenge and opportunity for companies and not an impossible burden.

My First Thoughts This post is my first thoughts, no more. I wrote this post to help me distil my understanding of the changes proposed by G4 and to help my blog readers get a quick appreciation of the Exposure Draft, in plain language. I will probably review the

Exposure Draft several times more before I submit my feedback to the GRI. I may change my mind, or realize that I missed, or mis-assessed something. I hope this is helpful to readers - it was certainly helpful for me - but please accept my ponderings as an interim commentary on everything mentioned above. I encourage you to review it for yourself and form your own conclusions. I look forward to hearing what other people have to say as well.
In the meantime, **congrats** to the GRI for a mammoth undertaking. I am sure there will be many debates as we go forward. Better stock up on Cherry Garcia.

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reportingfirm)**

Comments

- user-S August 20, 2012

Love the post! Thank you thank you!

- JordiMorrsRibera August 23, 2012

Guau Elaine!, you are wonderful and this is a very complete and rigorous revision of the G4 draft.

Today (August, 23) I am registered in a Webinar about the draft and your post is a very insightful approach on the state of the question.

- MMachado August 31, 2012

Thank you very much for sharing this this wonderfull and patient work with us. This was a great thing and I am very thankfull for that.
Kindest regards,

Marcelo Machado

- elaine September 02, 2012

Thanks all, for taking the time to comment, glad you found this post useful! Good luck in your G4 preparations :)

- SimonGargonne October 08, 2012

Thanks, Helen, for sharing your in-depth analysis and insight on the G4 draft. I agree with you that the massive reporting requirements will for sure have a deterring effects for existing of future reporting companies.

Also indeed there should be a critical mass of core indicators regardless of the material topics chosen. However, regarding the "pick & choose approach" (e.g. when a company states only 5 Aspects are of concerns) I think the guideline through it continuous focus on materiality proposes a "Report or Explain approach", i.e. company will have to argument that an Aspect was not covered. But again, I think mandatory reporting on a

fixed amount of Aspects for all companies would be commendable.

Go online - save lives

Saturday, June 30, 2012

When you use online tools to manage your daily tasks, you may be saving someone's life. Sound a bit far-fetched? A bit surreal? A little like bluewash? Read on.

This week, I had the pleasure of facilitating a webinar on the subject of how everyday business and household activities can contribute to a low-carbon economy. The study that prompted the webinar was conducted by the Global eSustainability Initiative (GeSI), performed by John "Skip" Laitner of the American Council for an Energy Efficient Economy (ACEEE) and sponsored by some major telco's, including Verizon. The webinar was organized by CSRwire.com and presented the findings of this study, the bottom line being that, **if we fully utilize the potential of broadband to engage in a certain set of online activities(teleworking, downloading music and books, taking educational courses, reading news, receiving online bank statements and billing and using email), in just 6 countries (U.S., France, Germany, UK, Italy, Spain), we can save 2% of carbon emissions in these countries, enough to take 55 million cars off the road.** 55 million cars. That's some collective impact.

In this post, I wanted to reflect a little on the ways in which our online behavior is changing. For many, the main motivation of going broadband may not be to save the planet, but this study shows that doing more online in order to save our own time, money and endless pressure to get things done, also conserves the planet's resources.

I would consider myself an early adopter of online technology - way back in the mid 1990's, before anyone had conceived of Facebook and Twitter and many of today's online tools, I used to play bridge online at Yahoo with people from all over the world. That was just for fun. Today, I use online tools for a million other tasks, business, personal and pleasure: conference calling via VOIP; downloading books to Kindle; managing my personal and business bank accounts; reading Sustainability Reports; delivering lectures to MBA students and companies; downloading software; connecting with friends via Facebook; blogging; tweeting; learning through webinars and courses and generally staying up to date with what's going in on in the world. I work from home more and more, instead of driving to the office, and my latest recruit to Beyond Business is a teleworker. Broadband has certainly changed my life and enabled me to build my consulting practice as a global business, serving international clients, in a way which would never have been possible in the "old" pre-broadband world. I have a broadband lifestyle because it works for me. My motivation was not green. I suspect most of us have drifted into broadbandland for the same reasons. However, for those of us who also like to be green, this new study shows that we are making a powerful contribution to a low-carbon economy. And it's not just about our own actions. There is a broader, more global effect.

By utilizing broadband, we are funding the future growth of broadband technology. The increase in uptake of broadband enables the ongoing development of technology which will provide greater opportunity, greater choice and greater positive green effects in the future. How is this saving lives? Consider this (from Verizon's online Sustainability Report):

"Each year more than 200,000 people in the U.S. die of chronic diseases that are both treatable and preventable. Among the causes of these deaths is lack of ready access to medical care, because of such barriers as distance, geography, or simply the availability of doctors and nurses. Verizon is currently deploying and developing wireless services that will overcome these roadblocks, using the Verizon 4G LTE network, smartphones, tablets and advanced video technology to enable virtual visits between patients and health care providers."

This telehealth technology is transforming access to healthcare data and services, reliability of data and the speed at which life-saving information can be transmitted to the right healthcare professionals. As we do more on line, we are helping to make these solutions possible, going beyond green and addressing real social needs. This is just one example of the new potential of broadband technology. No wonder, then, that Verizon, in the Company's recent published online Corporate Responsibility Report, Verizon first and foremost emphasizes the "Shared Success" of building a "truer connection between business and real social needs".

Another social cause that Verizon has put its broadband weight behind is the issue of domestic violence. One in four women is affected by domestic violence, and Verizon's Hopeline which collects no-longer-used wireless phones, batteries and accessories in any condition from any service provider to donate to victims and survivors of domestic violence - so far, Verizon has collected more than 8.9 million mobile phones. This is in addition to raising awareness and supporting education to end domestic violence, including the "Telling Amy's Story" documentary, about a young woman killed by her abusive husband, funded by the Verizon Foundation. Take a look at the vid - none of us are unaffected by tragedies such as these.

But the power of ICT to save lives and advance social causes is not the only aspect of corporate responsibility that we should expect from telco's. Behind all of this social and environmental impact, there is a large, complex business, employing, in Verizon's case, nearly 200,000 employees, which must control and manage its own direct operations in a responsible, accountable and transparent way.

Verizon's online report shows a commitment to environmental sustainability, and a clear set of performance progress updates and new goals in the format that Verizon has adopted in its reporting for the past few years: "What we said we'd do, what we did, what we'll do next". For example, Verizon's carbon-intensity goal reduction by 2020 is 50% versus a 2009 baseline, and this includes exceeding 2011 target with a 17.45% reduction from 2010. Other goals including increasing alternative-fueled vehicles as part of the Verizon fleet to 15% by 2015, achieving 250 Smart Buildings by 2015 and expanding the Verizon Green Team membership to 10,000 employees by end 2012 (6,000 members in 2011). Verizon's key performance indicators and metrics in all areas of Corporate Responsibility performance demonstrate clear targets and achievements in all areas.

Clearly, telco's also have other serious responsibility issues to address, such as conflict minerals, digital safety, pricing and much more. They are not perfect, and positive impacts don't cancel out negative impacts. The negative impacts must still be addressed. However, facilitating this webinar on energy savings through greater use of broadband, and researching Verizon's programs and transparent sustainability performance, as well as chatting to Verizon's Director of Public Policy and Corporate Responsibility, Chris Lloyd, prompted me to think about my own lifestyle, and the broader impact of online activities.
It seems that, the more we do online, the more we contribute to a more equitable, safer, healthier, connected, transparent society, in an energy efficient way. We even have the potential to save lives. The chances are that if you are reading this post (online), then I am preaching to the converted, so thanks for bearing with me in my online ramblings.

I think it's time for me to go and place my online order for today's ice cream. I just hope they don't deliver it via broadband.

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me viawww.twitter.com/elainecohen on Twitter or via my business websitewww.b-yond.biz (Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)

45 hashtags for sustainability reports

Thursday, June 28, 2012

I read an interesting article on Twitter. About the use of hashtags and how they are subversively infiltrating our language. Very soon, we will greet people face to face with "Hashtag Good Morning" or wish our family and friends a "Hashtag Happy Birthday" or respond when someone asks how we are with "Hashtag Fine". Yes, this is our new language of Twitterish. It is not confined to Twitter. It's changing the way we speak and write. Naturally, for me, as I have a very narrow view of the world - everything is related either to ice cream or to sustainability reporting - I pondered a little on the use of hashtags in sustainability reports. I don't think I have seen any reports written in Twitterish, yet. 140 character sentences and twitpic images. I might consider that for Beyond Business's next report, but in the meantime, if you are considering Twitterifying your Sustainability Report, here is the **Official Sustainability Report Hashtag Lexicon**, and remember, you saw it here first!

The following hashtags are grouped into three categories:

- **Simple** (needs no explanation, every report has them)
- **Simple Plus** (hashtags with full or partial external assurance, which raise the credibility level of your report)
- **Complex** (unusual, innovative or sector-specific hashtags which impress the socks off your stakeholders)

Simple Hashtags

#csr
#sustainability
#report
#sustainabilityreport
#stakeholder
#stakeholderengagement
#welovestakeholders
#ourpeopleareourgreatestasset
#customerservice
#materiality
#materialissues
#notapplicable
#notmaterial
#notreported
#GRI
#GRIreferenced
#informedbytheGRI
#almostGRI
#maybeGRI
#nextyearGRI
#transparent
#verytransparent
#incrediblytransparent
#carbonneutral
#environmentalstewardship
#wecareaboutouremployees

SimplePlus Hashtags

#accurate
#balanced
#fair
#honest
#reliable
#authentic

Complex Hashtags
#weopposeconflictminerals
#webuysustainablepalmoil
#creatingsharedvalueisinourDNA
#makingmoreprofitisnottheonlythingwecareabout
#empoweringcommunitiessothattheybuymoreproducts
#givingpeoplejobsisacontributiontosociety
#employabilityisavalue
#humanrightsareeverybody'srights
#wetotallyvalueyourfeedback
#pleasesendyourfeedbacktothisdisconnectednumber
#weareproudofwhatwehaveachievedsofareventhoughwemissedourtargets
#wehaveinvestedsignificanteffortsindevelopingthisreport
#nowwesitbackandonothinguntilnextyear

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen on Twitter or via my business websitewww.b-yond.biz (Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)

Sustainability Reporting for Renewable Energy Companies

Wednesday, June 27, 2012

This is a rare CSR Reporting Blog guest post. I am usually a bit picky about guest posts. Very picky, in fact. But in this case, I have made an exception, because my guest is not really a guest. He's more like family, in a business sense, that is. Joshua Basofin is the newest member of Beyond Business, the little sustainability consulting firm that makes a **BIG** impact.

Joshua Basofin has worked in the environmental field for over ten years as an attorney, sustainability expert and writer. Most recently he was the California Representative for Defenders of Wildlife. In that capacity, he partnered with businesses and government agencies to reduce impacts on wildlife and natural resources. He was also the Freshwater Program Manager for Environment Now. Joshua holds a Bachelor's Degree in English and Environmental Studies from the University of Wisconsin-Madison. He received his law degree, with honors, from Chicago-Kent College of Law. While in law school, he earned a certificate from the Program in Environmental and Energy Law and served as President of the Environmental Law Society.

Joshua will be expanding our portfolio of environmental sustainability services to corporations around the world, including our current clients, with an offering which includes environmental strategy development; creation of policies, performance and procedures; environmental mapping and auditing; environmental risk assessment; carbon reduction strategies and carbon footprinting; environmental training; Green Office and Green Team support; environmental data-collection for Sustainability Reporting and research and benchmarking in different environmental disciplines and for Sustainability Reporting. Joshua has particular expertise in the renewable energy sector and will be serving clients in this fast-growing industry.
Here is Joshua's inaugural post:

Green from the Ground Up: Sustainability Reporting for Renewable Energy Companies

Should companies whose services make the environment cleaner publish Sustainability Reports?

The answer is a resounding YES! In addition to assisting users of energy to manage their carbon footprint through the supply of clean energy products and infrastructures, renewable energy companies, in order to assure their own sustainability, must manage their own impacts, reduce their own footprint and demonstrate social and environmental accountability. A few renewable energy companies have risen to that challenge.
Carbon emissions are at unprecedented levels and the scientific community has long reached consensus that climate change will affect our planet in drastic ways. Renewable energy companies have responded by developing solar and wind facilities. These clean energy sources help meet increasing demand and will soon replace coal, oil and natural gas generators.
Solar companies in particular are increasingly ramping up production on photovoltaic and concentrated solar power systems. Governments eager to assist this development have

provided subsidies and expanded renewable energy transmission grids. With a little innovation and strategic planning, more communities around the world will receive their energy from renewable sources. But the industry faces sustainability challenges just like any other. And Sustainability Reporting is vital to its success.

For example, solar companies have submitted over 200 applications to build facilities in California's Mojave Desert. On the one hand, the Mojave is a vast sun-drenched area, stretching across 29 million acres. It has the potential to accommodate much of this solar traffic. On the other hand, it is an intact and fragile ecosystem, providing habitat for rare plants and animals. The Mojave's water reserves are located in scarce underground aquifers. And it is riddled with Native American and other cultural artifacts. The solar companies that carved out sites (some stretching more than 6,000 acres) in the Mojave must address these resource issues.

Additionally, solar companies face challenges in greening their supply chains. Tremendous amounts of energy, water and raw materials are used in manufacturing and building solar infrastructure. During operation, maintenance crews must frequently wash panels or mirrors to ensure maximum effectiveness. That means a lot of water. And workers use large machinery that disturbs air quality and erodes soil.

One solar company that has embraced the task of creating a sustainability strategy is SunPower Corporation. Its California Valley Solar Ranch is currently being constructed on nearly 2,000 acres of land in California's Carrizo Plain. SunPower is an industry leader and commands much of the U.S. market share. Thus, it is no surprise that SunPower was the first of its peers to publish a first Sustainability Report for the fiscal year 2010/2011. The report, entitled "Sustainability by Design", is comprehensive. It lays out concrete goals in the areas of products, operations, people and communities. Under the products category, SunPower puts forward an innovative LEED-certified "poly to panel" concept to improve transparency in the supply chain and ensure that all suppliers of raw materials adhere to the same sustainability principles. This will be encompassed in an industry-wide Code of Conduct under development in collaboration with the Solar Energy Industries Association, covering the following categories:

- Health and safety
- Labor
- Ethics
- Environment
- Management systems

Additionally, SunPower's "Return, Reuse, Recycle" program guarantees that solar panels will not go to a landfill after their life cycle (25 years or more) has ended. This is a great development in curbing the company's waste stream.

SunPower tackles resource issues head on. The report affirms a commitment to minimizing the company's footprint, including ecological impacts like those in the Mojave Desert mentioned earlier. The company halved water use at five key facilities between 2007 and 2010 and targets to reduce this even further. SunPower also commits to responsibly treating discharges resulting from chemical use.

Suntech, another solar energy leader and the world's largest producer of solar panels, with 20,000 employees, also published a first Sustainability Report recently. It deserves an honorary mention. Of particular interest is Suntech's whopping 87% reduction in water

use from 2002 to 2010 as well as a 90% electricity consumption reduction per MW of cell production in SunTech's largest facility in China between 2002 and 2010.
Future clean energy - photo reproduced from Suntech's Sustainability Report

Both SunPower and Suntech used the Global Reporting Initiative (GRI) Framework as a baseline for information disclosure - SunPower references the GRI, while Suntech includes a partial GRI Index without declaring an Application Level (10 indicators are reported on).

As renewable energy markets grow (according to SunPower, worldwide solar capacity reached 23 GW in 2009, the equivalent capacity of more than 40 coal-fired power plants), regulators and the public will scrutinize renewable energy generators more and more. The industry provides a great service by replacing oil and coal dinosaurs and offsetting carbon emissions. But that is not a “get out of jail free card” on other important areas of sustainability. When a solar company’s “cradle to grave” operation has minimal impacts, it will truly be green.
Kudos to SunPower and Suntech for starting what hopefully will be more than an single ray of sunshine in the rapidly expanding solar market.
***
Of course, Joshua might have made a cone award to Sunpower and Suntech, but he's not (yet) been converted to ice cream (which is not (yet) a condition of hiring at Beyond Business).

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

Comments

- SolarInstallationMonmout July 02, 2012

I agree, Renewable energy is not getting enough credit as it deserves in this world. We need it to be public, like you said, displays at fairs, communities should try to work together to finance and figure out a way to supply for their town. With solar installations, of course.

-Sharone Tal

Paragraph 47 - translated

Saturday, June 23, 2012

I didn't go to Rio+20 and by the sound of things, I didn't miss much, except for the networking (and maybe the ice cream). I have been following the superbly written and topical Earth Summit Diaries of Jo Confino in the Guardian Sustainable Business - his coverage was timely, comprehensive, frank, and cutting-edge.

Anyway, it's now all over until Rio+30 (unless someone decides it's not worth the effort), and this is the Future we Want. The debates about Sustainability Reporting, which were boosted by a proposal from the GRI and the Corporate Sustainability Coalition convened by the Aviva Investor Group, to drive greater mandatory disclosure by business, resulted in the following paragraph in the final document produced by the UN Heads of State and Governments, known as Paragraph 47. This is it:
"We acknowledge the importance of corporate sustainability reporting and encourage companies, where appropriate, especially publicly listed and large companies, to consider integrating sustainability information into their reporting cycle. We encourage industry, interested governments as well as relevant stakeholders with the support of the UN system, as appropriate, to develop models for best practice and facilitate action for the integration of sustainability reporting, taking into account the experiences of already existing frameworks, and paying particular attention to the needs of developing countries, including for capacity building."
This is a rough translation (for optimists)

"We, the Heads of State and Government and high-level representatives, having met at Rio de Janeiro, Brazil, from 20 to 22 June 2012, with the full participation of civil society, agree to make a general statement which supports the fact that Sustainability Reporting is worthy of consideration. We know, basically, that sustainability disclosure is the way to go, but frankly, at this time, there are other things that are a little more serious, and also, there are too many pressures from business opposing mandatory Sustainability Reporting for us to be able to make an outright commitment by our various governments to go further than offering a statement of support. But don't be fooled. The fact that we included a whole paragraph about Sustainability Reporting in the "Future we Want" is significant. It paves the way for voluntary actions by governments. Hey, look at Brazil, Denmark, France and South Africa, the Friends of Paragraph 47, who have committed to making Sustainability Reporting a reality. This proves that Paragraph 47 is already having an impact and we are absolutely delighted. If they can do it, every single nation can. Paragraph 47 gives governments legitimacy to mandate Sustainability Reporting and make this our new reality. Long Live Paragraph 47!"
This is a rough translation (for pessimists)

"We, the Heads of State and Government and high-level representatives, having met at Rio de Janeiro, Brazil, from 20 to 22 June 2012, with the full participation of civil society, have decided not to decide about Sustainability Reporting because it's just not our most significant priority right now. In order to appease some of the organizations and coalitions who have been, rather irritatingly, pushing for Sustainability Reporting to be the most significant outcome of Rio+20, we agreed to retain Paragraph 47 but heck, what did you expect? That we would suddenly start to require all businesses around the world to start inflating their Annual Reports with sustainability data? Businesses wouldn't be able to cope and governments wouldn't be able to police it. What would we do with all that data, anyway? And let's face it, we want to save the planet, not produce more reports. The

frenzy about Sustainability Reporting is misplaced. Reporting will not change the world. Changing the world will change the world. However, we do recognize that there is some value in disclosure and that generally, it is regarded as a positive thing. So, we recommend that governments keep it on their radar, don't reinvent the wheel and keep the focus on China, India and other emerging economies. The fact that four governments have declared unswerving loyalty to Para 47 just shows that we don't need to make any sort of commitment and those who want, will, and those who don't, won't."

This is a rough translation (for activists)

"We, the Heads of State and Government and high-level representatives, having met at Rio de Janeiro, Brazil, from 20 to 22 June 2012, with the full participation of civil society, have agreed to make a flimsy statement of support for Sustainability Reporting. This is a good thing, It leaves tremendous scope for all reporting advocates around the world to engage in even more focused activism in order to advance transparency in business. Frankly, NGO's and business coalitions are better than us at driving this type of change. So, it's time for us to up the ante, gather all our resources and launch an all-out effort to make sure that corporations which are not prepared to be open should be prepared to be closed. Soon."

This is a rough translation (for fatalists)

"We, the Heads of State and Government and high-level representatives, having met at Rio de Janeiro, Brazil, from 20 to 22 June 2012, with the full participation of civil society, believe in leaving things to decide themselves. What will be, will be. What will not be, will not be. What might be, might be. What should be, should be. What can we, as mere mortals, mere agents of government, mere job-holders, mere insignificant blots on the global landscape with tentative mandates to serve a global order, possibly hope to do to change the script of our shared future? If Sustainability Reporting is right, it will happen. We cannot take ownership for things outside of our control. We are powerless to change our destiny. Sustainability Reporting will, if it is meant to be, create its own destiny"

This is a rough translation (for capitalists)

"We, the Heads of State and Government and high-level representatives, having met at Rio de Janeiro, Brazil, from 20 to 22 June 2012, with the full participation of civil society, confirm that the corporate machine is stronger than we are and that we would be foolish to coerce corporations into sustainability disclosure which could result in opening them up to scrutiny and criticism and possibly causing them to make less profit. We all know that, even though it is sexy to talk about the power of business to save the planet, in the end, it's how much profit you make that counts. If you can tick the box of Sustainability Reporting without harming your basic commercial interest, it's worth making the effort as there are are some reputational points to be gained by Sustainability Reporting (and we all know that reputation = money). But if you can't, then please know that the governments of the United Nations are not going to force you. The markets will decide. Voluntary Sustainability Reporting can be a wonderful tool to serve the capitalist movement. Why cause problems and make legislation out of it?"

This is a rough translation (for realists)

"We, the Heads of State and Government and high-level representatives, having met at Rio de Janeiro, Brazil, from 20 to 22 June 2012, with the full participation of civil society, see the world as it is. We understand the pressures, risks and opportunities. We know we are heading to a disaster for humanity unless we change our ways. We know that the greed of corporations has the potential to destroy our global well-being. We understand the inequalities in society and the vast abuses of human rights that plague our world in the name of profit and shared value. We see all this for what it is. The natural evolution of

human society. As humans, we are subject to imperfections. We are as we are. Sustainability Reporting is what it is. Paragraph 47 is not perfect. What is?"

This is Elaine's translation

"Rio+20 came and went. Now, let's get back to doing what we need to do to ensure business is sustainable and transparent."

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

Comments

- HenkHadders June 23, 2012

Nice post, Elaine on Paragraph 47 and mandatory sustainability reporting. Here's my translation: "While it is good news that it got in there, it doesn't mean that such mandatory reporting system equate to sustainability reporting. Why not? Because in order to be sustainability reporting the protocols and metrics would have to be context-based. None of the mandatory system discussed, fit that description".

@TeresaFogelberg (GRI) has just tweeted: "This week #gri achieved in #RioPlus20 significant change in corporate #sustainability #reporting" . Well now, I find that really troublesome and my pessimistic translation is that GRI's new G4 guidelines will not shift far enough to qualify as sustainability reporting in the literal sense of the term. Which is what we need. Without "context", there's no guarantee of actual sustainability measurement, management, reporting….

Henk Hadders

- CSRADialogue July 13, 2012

Good post. Have a look at our website tracking the whole discussion around paragraph 47 in the negotiation rounds. Will give you a sense of what was at stake and who was in favour/against:
http://www.csradialogue2012.org/index.php?option=com_content&view=article&id=112&Itemid=112

Consistent creative reporting - a cone-worthy example

Friday, June 22, 2012

Every so often, you come across a company whose Sustainability Reporting is inspiring because of the creativity with which they get the message through, and the consistent delivery of high quality information. It's not so often you see an engineering and construction company deliver cutting-edge reports, but in this case, I have to award **Cone Trio** to **Larsen and Toubro.**

Larsen & Toubro Limited (L&T) is a technology, engineering, construction and manufacturing company. It is one of the largest companies in India, founded in Bombay (Mumbai) in 1938 by two Danish engineers, Henning Holck-Larsen and Soren Kristian Toubro. Both of them were strongly committed to developing India's engineering capabilities to meet the demands of industry. L&T is traded on the Indian Stock Exchange and employs over 50,000 full-time employees and over 300,000 contract workers, boasting a turnover of around $13 billion.

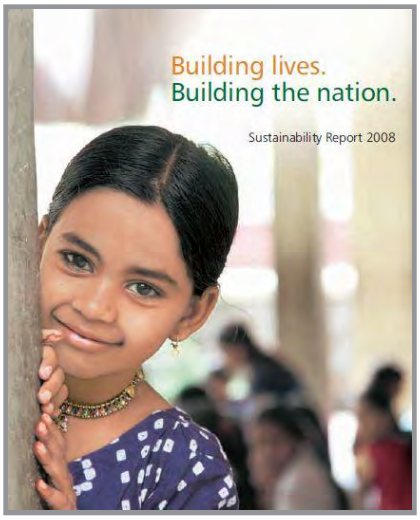
This was the first report in 2008

Leading with the theme of L&T's role in building Indian society, this GRI A+ Application Level Report is one of the best first reports you can find. Peppered with charmingly written short case studies, this Report shows the human face of engineering and construction.

This was the second report in 2009

The idea here, is, you guessed it, there are some conditions to our inhabitation of the planet and use of its resources. This is how they put it at L&T:

"This planet we call home is like no other in the galaxy. No other body in orbit has the cocoon of atmosphere that sustains life; nowhere else do waters flow from summit to sea, nourishing civilisations along the way. This unique, beautiful and bountiful world of ours has helped mankind flourish across time. It can certainly provide for us far into the future, but… conditions apply."

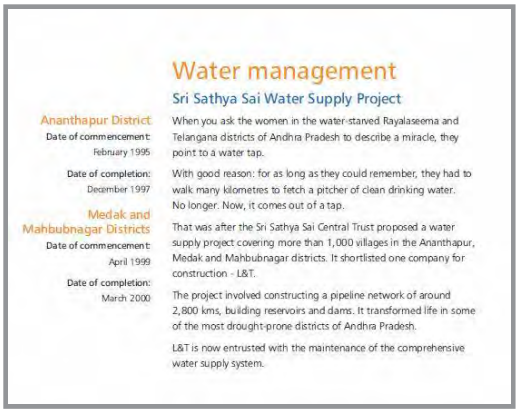


Each one of the company directors has their own space to make their own sustainability commitment and add perspective (this was also a feature of the first report). This is very good practice - it shows that all the leadership is committed, not just the CEO, and it makes their commitment public for both their employees and external stakeholders to see.

This report introduces a set of sustainability targets for a three year 2009-2012 period. Some are quantitative, others are more general, but the path is clear.

This was the third report in 2010

A more creative report, bolder in its messaging,



Water management

Sri Sathya Sai Water Supply Project

Ananthapur District
Date of commencement: February 1995
Date of completion: December 1997

Medak and Mahbubnagar Districts
Date of commencement: April 1999
Date of completion: March 2000

When you ask the women in the water-starved Rayalaseema and Telangana districts of Andhra Pradesh to describe a miracle, they point to a water tap.

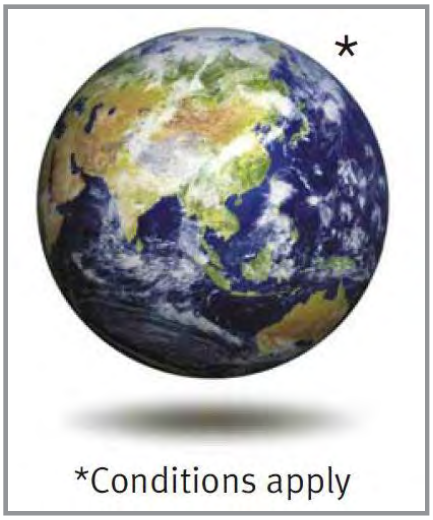
With good reason: for as long as they could remember, they had to walk many kilometres to fetch a pitcher of clean drinking water. No longer. Now, it comes out of a tap.

That was after the Sri Sathya Sai Central Trust proposed a water supply project covering more than 1,000 villages in the Ananthapur, Medak and Mahbubnagar districts. It shortlisted one company for construction - L&T.

The project involved constructing a pipeline network of around 2,800 kms, building reservoirs and dams. It transformed life in some of the most drought-prone districts of Andhra Pradesh.

L&T is now entrusted with the maintenance of the comprehensive water supply system.

bringing out the core elements of L&T's approach in the context of global changes and local challenges. Directors' messages, sustainability targets and clear, comprehensive disclosures continue to characterize L&T's reporting, showing consistency in approach and in presentation of metrics.
This is the latest report covering 2011.



This report blends continuity with another creative twist in the messaging, while remaining true to the core aspects of L&T's role in society and performance on improving impacts. Also, there is a certain maturity developing with this report, with use of case studies and visuals which are less stock and more about presenting company people and initiatives, all of which include a statement of outcome (though many of the outcomes presented are generally results - e.g. "Outcome: 200 women were provided with vocational training." This is not an outcome, this is an output, or result. The outcome is what happened to these women as a result of their having been vocationally trained.) What's interesting is that L&T manages to achieve this performance with only 13% of female employees in 2011 - a rate which has more than doubled from the 6% in 2008, which shows progress albeit continuing underrepresentation of women. None of the executive team members are women. Think of what this company could do if it were to develop greater gender diversity :)
There are thoughts I would share with L&T for future reporting:

- It would be helpful to have a **clearer picture of the "delta"** - what has changed from one year to the next, new initiatives, key areas of progress. It would be nice to see this quickly, upfront, without having to read the whole report, section by section.
- I would suggest **tightening up the Sustainability Targets** matrix. The targets have remained the same for the 2009 - 2012 plan, but the actual progress since 2009 in each area is not clear, as in each year, only partial responses are given. For example, progress against several targets is simply "ongoing". Some of the targets themselves could be tightened up for the next 3 year period - for example, "conduct carbon footprint mapping" could be converted to a target which expresses an intent to improve footprint, not just count it. "Promote employee volunteering" could be more specific.
- **Supply chain impacts** are under-reported by L&T. As a massive business with probably thousands of suppliers, many in the company's home country, it would be nice to see how L&T is expanding its influence right through the supply chain and encouraging its supply base to engage in sustainability initiatives and find their own form of accountability.
- I would suggest some **inclusion of external and internal stakeholder commentaries**. I think this always livens up reporting and adds credibility.
- I would love to know more about what L&T are doing to **encourage the advancement of women** in their business. Construction and engineering may not be the most obvious choice for most women, and there are ***only*** 940 females for every 1,000 males in India, but with almost 600 million women to choose from, I am sure there must be some executive potential there somewhere which would be good for L&T's business and society in general. L&T glosses over this in their reporting, while declaring a commitment to diversity. If there's no commitment, why say there is ?
- **Convert outputs to outcomes and report both.** This is not as easy as it sounds, but it is a better measure of community investment effectiveness. Outputs tell you that the ladder is in place, outcomes tell you that it's standing against the right wall.

It is important for large companies to show leadership in sustainability performance and transparency. I think L&T do a good job... with some opportunity to sharpen up the impact of their reporting in future publications :)

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen **on**

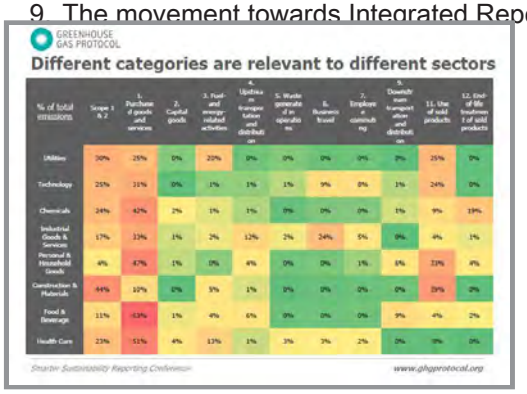
Twitter or via my business website www.b-yond.biz (Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)

32 quotes about Smarter Sustainability Reporting

Wednesday, June 20, 2012

Now that Rio+20 is well underway ... history, almost .... and after the failure of Sustainability Reporting to be presented as a clear, firm, unequivocal commitment for mandatory Report or Explain approach by all governments in the draft declaration, making the starting point for high-level negotiation rather wishy-washy, despite a few Stock Exchanges beefing up their demands via the Sustainable Stock Exchange Initiative , a Forbes article by CERES number one, Mindy Lubber, which refers to a Tipping Point for Sustainability Disclosure in Rio, GRI Chief, Ernst Ligteringen, who proclaims that Sustainability Reporting will be "everywhere" within five years", and an announcement that the UK government will support mandatory carbon reporting , first reported, as far as I can tell, in Jo Confino's Rio+20 Earth Summit Diaries (the absolute best coverage anywhere on what went on at Rio), it seems fitting to write my very long overdue post about the Smarter Sustainability Reporting Conference which I chaired in London way back on May 15th. **In my opening remarks**, I made reference to many interesting developments in reporting at this time.

1. The move to "Shared Value" as a new reporting buzzword
2. The localization and segmentation of Sustainability Reporting
3. The increasing regulation around sustainability disclosure in different countries and in different ways
4. The increasing place of sector reports about whole industries, and reports about major events and conferences
5. The development of old and new frameworks that guide report content such as the forthcoming GRI **G4** guidelines and the increasing uptake of ISO26000 as a report structure
6. The uptake, or otherwise, of report assurance
7. The expansion of software applications to assist in collating report information
8. The explosion of "Life on the Internet" of Sustainability Reporting and of course
9. The movement towards Integrated Reporting.



I asked the question: **What is *SMARTER* Sustainability Reporting?** I speculated that SMARTER reporting might just be about generating trust, a commodity which appears to be lacking in business these days.

Sabine Mosner, Deputy Director, Green Economy & Resource Efficiency,Defra (the Department for Environment, Food and Rural Affairs) gave the opening keynote about the role of sustainability reporting in building a green economy.

"You all know that Sustainability Reporting is good for business otherwise you wouldn't be here" Sabine referred to the newly issued governmental guidance on Transition to a Green Economy (though apart from encouraging businesses to help consumers make informed choices through provision of information, I didn't notice any specific reference to transparency and reporting). Sabine called the current UK government the "greenest government ever" with emissions cuts of 14% and GBP 13 million saved in energy bills. She confirmed that the Government believes that Sustainability Reporting has an important role and that Ministers are currently considering regulations for carbon reporting in Annual Reports (now confirmed at Rio+20). Sabine urged that there is no

room for complacency. **"We are all looking for sustainable economic growth. Good sustainability reporting by business keeps us on that track."** Next up was **Andrew Raingold, Executive Director,Aldersgate Group,** an alliance of leaders from business, politics and society that drives action for a sustainable economy. **"Reporting is traditionally a geeky subject".** Andrew talked about the state of play of reporting and made a pitch towards mandatory reporting, which he calls a "litmus test" for much wider issues. **"The voluntary approach has run its course".** Andrew said that everybody "gets' carbon reporting - the public want it, politicians understand the need for it, business welcomes guidance on carbon reporting - so why are we waiting, he asked? Great question, no good answer. **Lois Guthrie,Technical Director,International Integrated Reporting Council (IIRC)** then gave an overview of what's happening in the world of Integrated Reporting. **"Reports are too long, too backward looking, too complex, to general purpose""We are mis-measuring our lives".** Lois made the point loud and clear that reporting has to change - it needs to be more about a process of integrated thinking, taking into account all kinds of capitals. She made it clear that Integrated Reporting is different from Sustainability Reporting - contrary, I think to popular opinion, which sees Integrated Reports as being a move to eliminate standalone Sustainability Reports. **"Integrated reporting is not Sustainability Reporting - it should not duplicate or supersede Sustainability Reporting"Pankaj Bhatia, Director, GHG Protocol, World Resources Institute** then explained the process of developing the SCOPE 3 Emissions Standard which is a tool to improve risk mitigation and regulatory awareness. Scope 3 is often the largest source of emissions in any supply or value chain, and they often vary by sector. See this chart from Pankaj's presentation which shows that Scope 1 and 2 emissions are just a small percentage of total and different sectors have vastly different Scope 3 opportunities. **"Scope 3 emissions are a treasure map of opportunities across the value chain".** Kraft Foods, for example, found that 90% of their total emissions were in Scope 3. By helping cocoa farmers in Ghana increase crop yields and minimize use of carbon-intensive fertilizer, they can make a massive difference. Pankaj also offered some great advice for insomniacs. **"If you have trouble falling asleep, read the Scope 3 Standard before you go to bed".**

Ernst Ligteringen, Chief Executive Officer, Global Reporting Initiative then talked about GRI **"GRI is a connecting framework""We are nearing a tipping point"."The future is not a printed report - in the future, you will have a range of information from printed, to digital, to XBRL.""There is still far too much greenwash, too many collections of nice stories, too little of commitments to the future"."Materiality cannot be determined only in the eyes of the reporting company".** Ernst also talked about the technical quality of reporting and that it needs to be "assurable". Oy, don't get me started on **assurance**. This concludes the morning plenary and it was truly packed with fascinating perspectives. Every presenter made insightful and relevant points and sparked interesting discussion. The afternoon sessions were more about practitioner focus, with case studies from veteran and novice reporters such as Novo Nordisk, Wyndham International, Royal Bank of Scotland, Marks and Spencer, ArcelorMittal and the BBC. All offered unique takes on their way of reporting. **Susanne Stormer, Vice President, Corporate Sustainability, Novo Nordisk**, hailed in 2012 as the most sustainable company on Earth, said **"The awards is not why we do it".** Novo's aspiration is to set a standard for what corporate reporting looks like in the new economy. Susanne made reference to the fact that there is still no accepted standard for integrated reporting and that Novo Nordisk is doing what they think is the best way to inform and engage stakeholders, while using the reporting process as a decision making tool in their business.

"Our reporting gives a 360 degree perspective of our business - including the financials."

Susanne also made a revealing confession: **"I am a reporting nerd."** Guess that makes two of us. It's a good thing that **Faith Taylor, Senior Vice President Sustainability and**

Innovation, Wyndham Worldwide Wyndham Green Program, wasn't unemployed in 2002. **"My job did not exist ten years ago."**
The drive for sustainability in the hospitality industry is significant, and new travelers are a big part of that. **"Over one million travelers come to us today from BRIC markets".** Not only this, but travelers are becoming more eco-conscious. **"50 percent of travelers would pay more to stay in a green hotel"** (based on a survey by Tripadvisor). But more than just a communication to external stakeholders, the first report by Wyndham served to create a shared approach and a common language within the organization, though not without its challenges. **"Last year, our first sustainability report was eye-opening - it was a new concept for the financial team. They looked at me as though I were crazy."**
But there were some good outcomes:
"Sustainability is a huge recruitment and retention tool".
Frank Curtiss, Member, International Integrated Reporting Council and Head of Corporate Governance, RPMI Railpen Investments, described corporate reporting as a boilerplate. What's that?
"Some or all of the following:

- **A Victorian robot**
- **Copy made with the intention of making other copies from it**
- **Syndicated or ready-to-print copy, often used by weekly newspapers**
- **Trite, hackneyed writing**
- **The detailed standard wording of a contract or warranty**
- **Not original**
- **And often unhelpful – even harmful"**

Not surprisingly, then, he concluded:
"Regulator and investors are not overly impressed with the current state of reporting"
Duncan Young, Head of Reporting & Engagement, Group Sustainability, Royal Bank of Scotland opened up by admitting that **"RBS is not the first name that springs to mind when we talk about sustainability".** Nothing like a bit of realism from conference speakers. He described RBS as **"one of the most reputationally challenged companies in the UK over the past few years".** However, he went on to describe the steps that RBS was taking to address these reputational challenges, including some new ways of Sustainability Reporting, especially after **Climate Camp 2010** brought home the importance of engaging with stakeholders.
"More is not More."
This is the advice from **Meera Pau Mehta, Corporate Responsibility, ArcelorMittal**, who says you can't put everything in one report. ArcelorMittal has one of the most impressive suites of global and local reports, and issued 11 local reports in 2010.
"There is a lot of hunger for creating local reports and lack of capacity and resource."
The global HQ provides a guidance manual, templates, training, and an optional structure for a 20 page report. Some local subsidiaries use the template, some do their own thing. All, however, produce good quality local reports. **Rowland Hill, Sustainability Manager, Marks and Spencer** described the M&S reporting journey and shared learnings. One of these was that "**no matter how good a generic list of material issues is, it won't be fit for purpose. Expectations and material are specific to sectors."**
Yogesh Chauhan, Chief Advisor Corporate Responsibility, BBC started off with some numbers:

- 4 .....months to produce a report
- 64 .....average pages in a report
- 000's .....the cost of producing a report (GPD tens of 000's)
- 23 .....percent of people who opened the report email announcement.

Very enlightening. I think the point was that it's a lot of work for little tangible return.

Perhaps this was what prompted the BBC to experiment with a segmented approach to reporting - annual reporting on performance, mid term supplement on a focus issues and monthly newsletters. And by way of warning, Yogesh advised: **"We are notoriously bad at setting targets - we are creatively driven".Robert Clarke, Chief Executive Officer, ecodesk** gave us a live demo of the capabilities of ecodesk, which bills itself as "the world's largest user-managed digital platform for carbon, energy, waste and water data (and a lot more besides)", and talked of the challenges of gathering sustainability data in a coherent way. **"When you ask suppliers to complete a questionnaire with an excel spreadsheet, most organizations do not respond."** In the closing panel, which included **JohnElkington, Co-Founder and Executive Chairman, Volans,** who is changing the language of sustainability once again with his new book, **Zeronauts**, **Paul Scott, Managing Director, CorporateRegister.com** , **Yogesh Chauhan** and myself, I was too busy being on the panel to make notes, so no quotes! All in all, this was one of the best conferences on Sustainability Reporting that I have attended. But, the answer to the question: What is *SMARTER* Sustainability Reporting? remains elusive. Ultimately, in my view, a smart report serves to build or rebuild trust, but the recipe for that is still not open knowledge. Go where the stakeholders are, engage them and target your messages appropriately are themes which gained some support, while material focus, appropriate context and forward looking, rather than historical anecdotes, seems to be the way to go. And the final quote, from me: **"So where did you hide all the ice cream ?"elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me via**www.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

Comments

- Justin June 26, 2012

Hi Elaine, Justin here in Adelaide South Australia. Great wisdom in these quotes, thanks for sharing. Do you have the paper or a link for the great GHG Protocol graphic in Pankaj Bhatia's paper? I can't seem to find it on the GHG Protocol website.
Thanks

Dr Sustainability is at Rio+20!

Friday, June 15, 2012

Dr Sustainability is enjoying the sunshine in Rio, where the Big Event of the sustainability calendar is taking place - the **2012 United Nations Conference on Sustainable Development.** She just gave me a call, offering to answer readers' questions about what's going on at this important event. Here are the questions that Dr. Sustainability received and, of course, her frank and unflappable answers:

Dear Dr. Sustainability: Do I need a visa to attend the Rio+ conference? **Dear Traveler:** Not unless you plan on spending a lot of money. (think about it)

Dear Dr. Sustainability: Do you expect Rio+20 to result in concrete outcomes ? **Dear Construction Worker:** The concrete outcomes have already been achieved. Four new hotels were built to house the Heads of State, Heads of Companies and Head Waiters at the Rio+20 event. That's a heckuvalotta concrete.

Dear Dr. Sustainability: Will the world become more sustainable after Rio+20? **Dear Naive**: Yes. Of course. Why else would they go to all this trouble?

Dear Dr Sustainability: I hear that the sustainability reporting agenda is a key negotiating point at Rio+20. Will there be a commitment by governments to mandatory reporting by all companies everywhere, as Teresa Fogelberg hopes to see? **Dear Reporter:** Yes, there will. It will probably be worded something like this: "We, the governments of the enlightened world, believe that sustainability reporting has value and we would like to require incentivize recommend promote encourage suggest beg plead with companies around the globe to include think about including sustainability disclosures in their annual corporate reporting to all stakeholders."

Dear Dr Sustainability: There are some that say it would be much easier if we gave up on cooperation and watched the planet burn. I read that in a post on Treehugger. What's your view on that? Have you heard anyone suggesting we should give up on Rio+20? **Dear Firecracker:** Well, everyone that I have met here believes this is a very important conference and that the momentum is building to have a coherent discussion on the future of our planet. Of course, we have been having coherent discussions for quite some time now. Momentum is a great thing, but sooner or later, it has to result in something. Otherwise, instead of sustainability, we just get momentum.

Dear Dr. Sustainability: I understand the theme of Rio+20 is called "The Future we Want". Is it all about the future? What about the present? **Dear Nitpicker:** Yes, Rio+20 is focused on commitments to future action. The future starts in the present. The problem is, the future was yesterday and there are some who are getting impatient. By the time it's tomorrow, the future will already be the past and then it will be too late for collaboration. In the meantime, which I think is the present, it is probably fair to say that the future is at least as important as the past and Rio+20 needs to deliver a decisive commitment so that the past of our future will be more sustainable than the future of our past, which is now. It makes a lot of sense when you stop to think about it. Now. In the present. Before the future.

Dear Dr. Sustainability: How many people are there at Rio+20? Are they all tweeting? **Dear Tweet:** There are about 50,000 people here. About 25 are tweeting at #Rio20. A few more are live-blogging. About 49,800 are networking. The rest are **walking out of the negotiations.**

Dear Dr. Sustainability: I have heard that the developing nations want the developed nations to pay them to be sustainable. Do you think that will work? **Dear Money-Grabber:** This is technically not correct. The Developing Economies want the Developed Economies to invest money to help them do their part in creating the Future the Developed Economies Want. The Developed Economies want a future in which the

Developing Economies will not interfere. In other words, they want the Developing Economies to stay Developing. But it's more complex than that. The Developing Economies want to become Developed. They want to add to the mess that the Developed Economies got us all into. They want the Developed Economies to invest in them not making a bigger mess. The Developed Economies say: He who createth the bigger mess must footeth the bigger bill. In classical literature, this is called a lose-lose situation. In business, it's called unsustainable development.

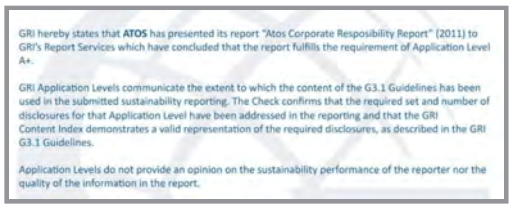
Dear Dr. Sustainability: I read that a recent poll by Globescan showed that nearly eight in ten (78%) sustainability experts believe the current economic system must be substantially overhauled and a similar percentage (77%) say that major catastrophes will need to occur before governments will act on sustainability. Are you one of the 78% of sustainability experts? **Dear Wiseguy:** I did not participate in the poll. It must have gone into my spam. However, I concur with the fact that the current economic system must be overhauled. Where I am undecided is exactly what it must be hauled over. Over the heads of Prime Ministers and Presidents, I suppose. I agree about major catastrophes. A good catastrophe is always a catalyst for action. Hurray for catastrophes. What would we do without them? Apart from save on Xanax expenses.

Dear Dr. Sustainability: After Rio+20, will I be able to sleep any easier at night ? **Dear Insomniac:** Oh sure. If you destroy your neighbors' kids BoomBox. But more importantly, your great-great grandchildren will be able to sleep a lot too. In fact, the planet will be so sustainable, they'll be bored out of their minds.

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz **(Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)**

The A+ Myth of Sustainability Reporting: Stop the Hype

Wednesday, June 13, 2012


GRI hereby states that **ATOS** has presented its report "Atos Corporate Resposibility Report" (2011) to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

I have just noticed the sparkling new Corporate Responsibility Report for 2011 published by ATOS, an international IT Services company, their third report. The first thing that struck me, even before I started to scan the report, was the **delight** and **pride** at Atos's achievement, for the second time, of the A+ Application Level of the GRI Framework. The Press Release is entitled: Atos Received Highest GRI Rating for its Corporate Responsibility Report. The Chairman's remarks start with: *I **am pleased to report that Atos has been awarded an A+ rating in accordance with the GRI standards for the second time in a row*** and the first in a list of 2011 key highlights is "Global Reporting Standards Recognition", which refers to the prior report's A+ rating and notes that this is: ***"recognizing Atos' leadership position in the field of sustainability."*** Further on, in the Business Profile Section, Atos mentions its number of employees (74,000), its annual revenues ($8.5 billion) and yes, you guessed it : ***"Awarded an A+ by the GRI for its sustainability reporting."*** The "rated A+ by the GRA" statement appears again on yet another page mentioning 2011 Achievements.

The GRI Framework, as you know, offers three levels of reporting transparency - C (some disclosures and 10 performance indicators), B (all disclosures and 20 performance indicators) and A (all disclosures and all core indicators). The "+" refers to an external assurance statement. The decision at which level of transparency to report is a voluntary company decision. The GRI offers an Application Level Check which assesses whether the declared transparency level of the report actually conforms to the GRI Framework, and if so, issues a certificate to the reporting company to this effect. The wording of the GRI Statement is very clear:

Part of the GRI Statement from the ATOS report The GRI Application Level Check is a quality assurance process, confirming whether a company has applied the guidelines in the intended and prescribed way. It is actually a very useful process. I have submitted two reports just this last month or so for a GRI for Application Level Checks on behalf of clients, and, I find that this is very helpful in ensuring rigor in preparing the report (you know from the outset that the disclosures and indicator responses will be scrutinized in detail) and in picking up issues which may have been overlooked, such as an incorrect page number in the Index, or a missing piece of data against one of the indicators. For new or inexperienced reporters, I am sure the GRI Application Level check also picks up some very significant omissions. I have spoken often about the quality of reporting - which is critical if reporting really is to become mainstream - and adhering to a selected Framework in the correct way is one part of delivering a quality report. The issue with the GRI Application Level Check is of course that it is only evaluates a small number of indicators and disclosures and is therefore not a comprehensive quality check. However, it is a worthwhile process.

Back to ATOS and the deliriously happy way in which they present the achievement of the A+ level as "recognition for sustainability leadership". **Is the achievement of an A+ reporting level "sustainability leadership"?**

In the GRI Reports Database for 2011, there are currently 2,802 reports, of which 68% declare an Application Level and 17% of the total number of reports declare an A+ Application Level (472 reports). Of these 472 reports, 248 (52%) are checked by the GRI

and have received the GRI Application Level Statement. Does this mean that 248 companies in 2011 are "Sustainability Leaders"? **Is conformance to the GRI Framework a reasonable measure of this leadership?**

I am reminded of a whitepaper published earlier this year by BrownFlynn and CSRHub , entitled: "GRI Application Levels: Why Strive for an A". The PR about the study says: "*The study demonstrates why companies with a higher Application Level are better able to manage their sustainability impacts, and provides evidence of a correlation between a company's GRI Application Level and its reputation for sustainability performance. The study also clarifies the confusion around differences between Application Levels*." Excuse me (or not) for being critical, but this contention requires a massive leap of faith, and this whitepaper, in my personal view, may encourage the type of thinking that puts more emphasis on the reporting level than on the report substance.

This is the conclusion of the whitepaper: ".. *we conclude that a GRI Application Level can serve as a proxy for sustainability performance management and that a company looking to improve its sustainability performance should strive to achieve an Application Level B or higher*." While I fully agree that transparency is a catalyst for performance improvement, I am not convinced by the correlation put forward by this whitepaper. The conclusion is based on two main assertions:

First: that the GRI Framework has "implicit quality controls" : This is what the whitepaper says: "***GRI subtly influences report quality through the specificity of the required disclosures. Although the Application Level is not downgraded when a company gives less information than the protocol requires, GRI is certainly not silent on the issue of report quality. GRI writes specific questions, encourages the use of third-party assurance, and then leaves it to the stakeholders to review the quality of the company's disclosure.***"

Well, errrrrrrrr, the GRI ***IS*** silent on the issue of report quality. There are no "implicit quality controls". The GRI provides guidance on how to respond to the performance indicators. That's it. A large cross-section of reports, I regret to say, do not apply these guidelines correctly at the declared levels, and even those checked by the GRI are only partially checked. The GRI offers a bonus "+" for third party assurance, which, in many cases, is hopelessly inadequate and does little to contribute to the quality of disclosure.

Second: that disclosure at Level A or B is evidence of "stronger sustainability performance". The whitepaper states: ***"A-Level and B-Level reporters disclose their policies, procedures, management approach, training strategy, goals and internal controls, whereas C-Level reporters do not. The conceptual differences .... predict that a company with well-defined sustainability training, goals, policies and controls in place is likely to have higher-quality data and risk management structures and, thus, demonstrate stronger performance. The CSRHub scores support this claim***." I find this unconvincing. The GRI Framework is about consistent transparency of sustainability practices and results, not specifically about the quality of performance. The fact that a company discloses that is has a system in place for managing sustainability does not ***necessarily*** mean that it is performing any better than another company that does not disclose this information. The correlation of reporting levels to CSRHub scores is also a bit of a black hole for me. The whitepaper says that the CSRHub score, which is an aggregate of several external rankings, is higher for A Level reporters than for, say, C level Reporters, the difference being 57.4 versus 54.9 on the CSRHub scale. I have no idea what this means. How many A, B or C level reports were analysed is not disclosed and what a difference of 2.5 points actually means in terms of the quality of sustainability performance is opaque.

Clearly, there has to be a correlation between transparency and sustainability maturity and performance quality. Clearly, a company performing well in sustainability has more extensive material that is relevant for inclusion in a Sustainability Report. Clearly, such a company may choose to report at the higher level of transparency. Even, and yes, I

agree, companies use the GRI Framework as a form of benchmark to help them determine the sort of sustainability program they want to put in place. In this sense, the more extensively they adopt the Framework, the more their sustainability performance will mature and their ability to be transparent on a wider range of issues will be more significant. In our Global Transparency Index methodology, which measures the Website Transparency of the largest 25 companies in different countries, more weight is given to A Level Reporting than B or C level Reporting. Transparency is a reflection of performance at some level.

However, this is a far cry from maintaining that disclosure at Level A or B is proof of "stronger sustainability performance". You can be transparent and have rubbish carbon emission levels. You can be transparent and have 1% of women in management. You can declare GRI A Level and report on hardly any of the meaningful, material indicators by selectively navigating the GRI Framework. You can get a GRI A Level certification through good fortune that the inadequate indicators have not been picked up in the GRI Check. You can perform fabulously in terms of sustainability and choose not to report in line with the GRI Framework, or declare an Application Level.

Let's keep a sense of proportion, folks. The GRI Framework is a critically useful tool and has undoubtedly helped many companies develop their performance and their transparency in a consistent way. I am a GRI supporter and recommend its use in all reports I write for my clients around the world. But let's be clear: an Application Level is not an "award", it is not "recognition" and it is not evidence of "sustainability performance leadership". Let's not advance this kind of thinking.

Instead, what will be more helpful, with the upcoming introduction of the GRI G4 guidelines, will be the abandonment of a transparency "rating" for sustainability reports and the adoption of a more objective descriptor of report transparency. For example: if there are core indicators, sector indicators and optional indicators, a report could be classified in terms of the percentage of disclosures and indicators it responds to in full. In the case of the ATOS report, with whom we started out in this post, this is the situation:

- The report is written in accordance with the G3 framework (not 3.1)
- All Profile Disclosures are disclosed in full with one exception.
- Management Approach Disclosures are all partial, except for Product Responsibility.
- The report does not disclose in full against **59** of the 79 performance indicators (75%).
- The report does not disclose in full against **36** of the 52 CORE indicators (70%).
- There are zero full disclosures in the Social (SO) category of indicators.
- One indicator (PR9) is not disclosed because it is "proprietary information.
- **27** indicators are not disclosed because the information is "not available".
- **18** indicators are not disclosed because they are "not material".
- EN29 and EN30 are not even included in the GRI Index - which is a clear error.
- ATOS adds 13 indicators under the heading AO. This is not explained - and I assume it is Atos own-generated indicators ? - it doesn't match the GRI Airport Operators Sector Supplement which has AO prefixed indicators.
- The GRI Index in the report does not contain page numbers, only section headings, making it difficult to locate responses to indicators.

As you can see, it is possible to get this highest A+ "accolade" without actually disclosing much of the information required in the GRI Framework, and without ***necessarily*** making a stretching step-change in performance.

So let's stop this "strive for an A" hype and concentrate on advancing sustainable business and a fair, balanced, material and transparent reflection of performance. Apologies to ATOS for picking on this report to make my point, as, in other respects, the report appears to have been prepared with a high level of rigor and evidence of good

process. Also, this post should not be construed as a criticism of the CSRHub data aggregation - just that in this specific case, I was not convinced of the conclusions drawn in relation to Reporting Levels as a predictor of sustainability performance or leadership.

elaine cohen, CSR consultant, winning (CRRA'12) Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me viawww.twitter.com/elainecohen on Twitter or via my business websitewww.b-yond.biz (Beyond Business Ltd, an inspired CSR consulting and Sustainability Reporting firm)

Comments

- JudyKuszewski June 14, 2012

I couldn't agree more: sloppy, self-serving PR, and what's more, it threatens GRI's reputation. The application levels need a major overhaul in the G4 revisions ongoing now, but in the meantime, reporters should know better than to mislead and misuse the guidelines in this way.

- AuroraPimentelIgea June 14, 2012

From Spain ... I highly agree with your post. Something is happening when so many companies "get" the A+.... In Spain it is incredible how many companies who made their FIRST CSR report... "got" an A ... and they exaclty announced that A as something as a price or reward for their behaviour...

- elaine June 14, 2012

Hi Judy, thanks so much for your comments. I see we are in agreement :)
Best, elaine

- elaine June 14, 2012

Hello Aurora, thank you for reading and for your comment. Yes, there are many first reports which get an A. Thats ok - after all, it's the GRI system, whether we like it or not. The issue is that we all need to be clear that A does not always mean leading sustainability performance or as you say, a "reward" ...
best, elaine

- MarjoleinBaghuis June 15, 2012

Hi Elaine (and all readers),

Thanks for your passionate blog about this. Yes, the application levels get abused, by newcomers in the field, and by companies that should really know better!

On June 20, the exposure draft for G4 - the next generation of the GRI guidelines - will be out for public consultation. G4 does propose changes regarding the applications levels - so please provide feedback through the online mechanism. Links will be available as of June 20, 2012 on the GRI website.

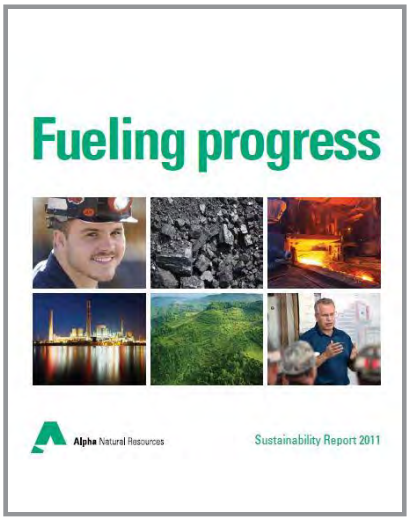
Marjolein Baghuis
Global Reporting Initiative

- elaine June 15, 2012

Hi there Marjolein... thanks for joining the conversation and for the heads up about the exposure draft for G4. This is great news! Very much looking forward to seeing that. I will plan in some blogging time :) Thanks, elaine

First time reports : 8 examples from 2012

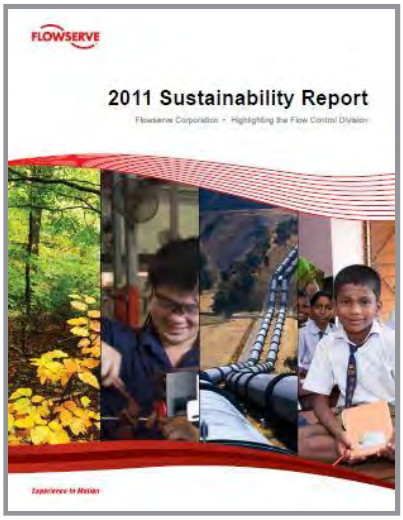
Sunday, June 10, 2012



Don't you just love first reports? I do. Ha ha. That's not just because I am a reporting geek. It's because a first CSR Report signifies a major step out of the darkness and into the light of transparency. No matter how minimal or even clumsy a first report may be, it represents the fact that one more company has realized that responsibility without transparency is like ice cream without cream, and that sustainability without sustainability reporting is like, well, ice cream without cream.

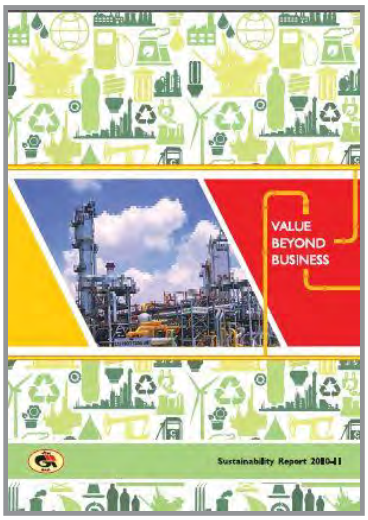
Apart from the fact that they are first publications, there are no unique defining traits of first reports. They are as varied and multifarious (thanks to Thesaurus.com for multifarious) as second, third and even tenth reports. There are no specific commonalities or characteristics - or even special formulas - which define a first report. There is no template that works for all first reports. What's special about the first report is the breakthrough it represents. Even if it's marketing motivated and greenwash packed, it's a breakthrough. Though don't be fooled - some first reports are highly polished and project a mature approach to reporting.

Once a company has published a first report, they open themselves up to scrutiny and criticism, (though they might prefer praise and recognition). The fact is, though, that people increase their trust in companies after reading their CSR Reports. And this is even more significant for first timers.



First time reporting inevitably raises new questions for management and sparks healthy internal discussion. This can support decision making and business development, and generally offer another prism through which execs can see their business and its role in society. It's a worthwhile process and every single client I have ever worked with has experienced this.

Having said that, though, there are some first reports which do stretch the term "Sustainability Report" or "CSR Report" to the upper limits of what might reasonably be expected. There are some which are blatantly inadequate to the point of being almost amusing or totally depressing.



If I had a few tips for first time reporters, they would be these:

Get really clear on materiality and your company's sustainability story - don't just list all the good stuff you are doing - make the good stuff count by linking it to both material issues and outcomes.

Keep it short but relevant- some shorter reports can knock the socks off many of the longer ones.

Take it seriously - the best demonstration of a serious approach is to set targets and publicly commit to them. While some reporters use the current reporting year as a baseline, it is still possible to set quantitative targets for future performance. External assurance also lends an additional dimension to a serious approach to reporting - more for its internal value of adding rigor to the process than because of the additional credibility it affords in the eyes of stakeholders. Use your first report to cut your transparency teeth - have the discussions in the business, and with external stakeholders, hear what they are telling you and shape your program accordingly. Remember that, even though your report might not be a bestseller, someone somewhere will read it. Make sure your report stands up to scrutiny by each stakeholder who happens to take an interest.

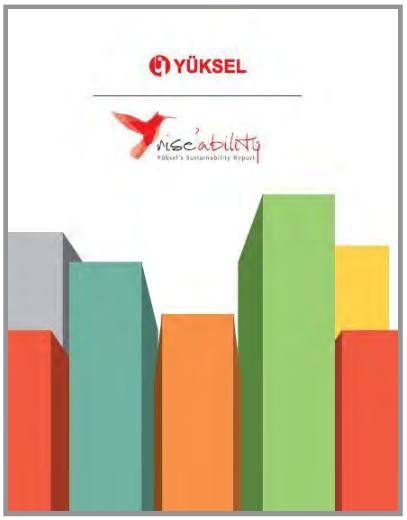
Explain the challenges - no one expects you to be perfect because no one is. Expressing some of the more challenging aspects of your performance adds to your report's credibility.

Always - always - always include personal perspectives - from a range of employees or from external stakeholders. No matter how dry the narrative, real people in your report liven things up and make it much more palatable and credible.

This post is in honor of some of the first timer reports I have come across in 2012, in no particular order. Congrats to all! I have only included a few and there are tens more published this year that I wanted to highlight as well, but well, even us bloggers have our limits. Maybe I will do another post on the first timers - they are a great bunch.

This is a list of the reports covered in this looooooooooooooooooong post:

Alpha Natural Resources 2011 Sustainability Report (U.S.)
Cogeco Cable,Inc. Canada,2011 Corporate Responsibility Report
Flowserve Corporation U.S. 2011 Sustainability Report
GAIL (India) Ltd, FY 2010-2011 Sustainability Report
Omnicane, Mauritius, 2011 Sustainability Report
Taj Pharmaceuticals Ltd, India, 2011 Sustainability Report
The North Face, U.S. 2010 Sustainability Report
Yüksel İnşaat A.Ş, Turkey, 2011 Sustainability Report



Alpha Natural Resources 2011 Sustainability Report
U.S.Format: PDF 30 pages and flipper book online **GRI:** No **Assurance**: No **Materiality Matrix:** No **Future Performance Targets:** No.
External Stakeholder Commentary: No **Internal Stakeholder Commentary:** No **Picture of a Child or a Tree or a Globe on the Cover:** No, but there is a green landscape view. **Mentions Ice Cream:** No - no ice cream at the coal face.

About the Company Alpha Natural Resources, headquartered in Virginia, U.S., is the world's third largest metallurgical coal supplier with production capacity of nearly 126 million tons of steam and metallurgical coal. (Steam coal is primarily purchased by large utilities and industrial customers as fuel for electricity generation and manufacturing, and metallurgical coal is used primarily to make coke, a key component in the steel making process.) Alpha employs 14,000 people, extracting coal from 145 active mines, shipping over 100 million tons of coal worldwide in 2011 and turning over around $7 billion.

About the Report

This report is a very nice first publication. It shows evidence of a company taking a serious approach to managing its own direct impacts. Very early on, Alpha establishes its unique sustainability language - **Running Right, Leading Right and Living Right** and this leitmotif, which is at the root of Alpha culture, is the basis of the story that Alpha tells. The report has three core sections - our people, our environment and our communities.

Stakeholder Engagement

A nice touch for this first report is a process of stakeholder engagement - Alpha consulted with a list of external organizations representing different stakeholder groups - in order to seek input on material issues. Alpha confirms having learned a lot in the process, and having used this input to crystallize and report on material issues. Unfortunately, beyond disclosing that this process had taken place, Alpha does not share the issues raised, nor does the report present a materiality matrix, leaving us to guess what most important issues came up in consultation. While most of the value, I will admit, is in the stakeholder conversation, I fail to understand why Alpha would not share at least a partial outcome with all stakeholders.

Is Coal Sustainable?

Alpha sidesteps the issue of the overall sustainability of the coal industry and concentrates squarely on the way it does its business. In fairness, the CEO hints at an

underlying blip: *"At Alpha, we believe there's a higher purpose to what we do: we're fueling progress around the world. Coal is an affordable, abundant energy source that plays a key role in producing electricity and steel. We know people's lives improve – their education levels, quality of life and overall health – when they have access to electricity. And 1.5 billion people currently lack that access. Yet the perception of the coal industry is not particularly good, and our social license to operate is threatened. I think the image of the industry and reality are different – but I also know that perception matters."*
In other words, Alpha makes no apologies for being in the coal business -people need coal, and heck, it's legal - and the expression of their Corporate Responsibility is to do it in the right way. This is probably a sensible path for a first report. However, some discussion of the impacts of that perception on Alpha's business might be welcome in future reports - not just about (un)sustainable supply of their core raw material, but also the ways the business will need to navigate an increasingly hostile perception about the role of coal in our society, the way this will impact the cost of doing business and upcoming regulatory issues. How will Alpha deal with this threat to its social license to operate?

Formats

One final point about accessibility: Alpha's ebook report is hosted on issuu.com in a flipper book format - which I find rather illegible. To download it as a PDF you have to register. Normally, I don't bother to go through this hassle but for the purposes of this post, I made the effort. I wish companies would not make it so hard for us to access their reports.

Cogeco Cable,Inc. Canada,2011 Corporate Responsibility Report

Format: PDF 30 pages **GRI:** GRI Application Level B **Assurance**: No **Materiality Matrix:** No **Future Performance Targets:** Yes - some environmental targets.
External Stakeholder Commentary: No **Internal Stakeholder Commentary:** No **Picture of a Child or a Tree or a Globe on the Cover:** No - no picture at all. **Mentions Ice Cream:** No - no VOIP ice cream.

About the Company

Cogeco Cable is a telecommunications corporation, the second largest hybrid fibre coaxial cable operator in Ontario, Québec and Portugal. The company has revenues of CA$1.9 billion in Canada and employs 2,511 people in Canada.

About the Report The report covered Cogeco Cable's operations in Canada only, and the company promises to expand the scope with future reporting. The report is structured about four main sections: economic performance, customers, social performance and communities. The narrative is well and clearly written, follows the GRI structure quite closely, and is easy to read. There are some short case studies throughout the report which add nice perspective. It's concise and factual, no literary creativity here, but it works well enough. A good, solid, first report, testifying to some decent CSR initiatives.

As a first report, meaningful transparency is on the low side, and Cogeco Cable reports on 22 indicators, just two above the level required for GRI Application Level B, and not all are strictly compliant with the GRI requirements.

An interesting point that Cogeco takes care to note, when confirming their self-declared Application Level B is *"This grade is not an actual rating of our performance or the implementationof our corporate social responsibility initiatives."* - just in case anyone mistakenly thinks that the GRI A, B and C levels are a performance quality grading system :)

Flowserve Corporation U.S. 2011 Sustainability Report
Format: PDF 30 pages
GRI: Yes, contains an Index and Performance Indicators are noted throughout the report.
Assurance : No.
Materiality Matrix: No.
Future Performance Targets: No.
External Stakeholder Commentaries: No.
Internal Stakeholder Commentaries: No.
Picture of a Child or a Tree or a Globe on the Front Cover: Yes, both plants and kids.No Globe though!
Mentions Ice Cream: No ice cream flows in the Flowserve report.

About the Company
Flowserve supplies pumps, valves, seals, automation, and services to the power, oil, gas, chemical, and other industries. The company has more than 16,000 employees in more than 50 countries.

About the Report
This is short report, demonstrating limited progress, signaling the company's intentions as it builds its sustainability approach. Grouped around the traditional quadrant model - marketplace, workplace, environment and community- this report picks off the bits that Flowserve is already addressing in the business - this is primarily employee safety, energy consumption, brief references to water and waste, and community involvement. The report covers 16 indicators, not all fully. Data is provided at different levels - some covers 26 sites, some covers 21 sites.
As far as it goes, this report is clear, although it is somewhat repetitive and emotionless. In a short report of 30 pages, there is an overview of 9 pages, some of which is repeated in the report sections, and later in the report, there is a one-page summary of data which has already been presented. Aside from the CEO and COO introductions, there are no people in the report, and no stories. As a factual status of Flowserve's status, it's ok. For future reports, a little more passion would be nice.

GAIL (India) Ltd, FY 2010-2011 Sustainability Report

Format: PDF 84 pages
GRI: Yes, B+
Assurance : Yes, very clear Assurance statement.
Materiality Matrix: Yes, list of top six issues and detailed explanations.
Future Performance Targets: No specific, quantitative targets but a strong statement of intent.
External Stakeholder Commentaries: No.
Internal Stakeholder Commentaries: No.
Picture of a Child or a Tree or a Globe on the Front Cover: No - it's a gas processing unit.
Mentions Ice Cream: No. Apparently ice cream is not material for gas production.

About the Company GAIL is a CPSE (Central Public Sector Enterprise) and is the largest state-owned natural gas processing and distribution company in India, headquartered in New Delhi. Revenue is about $7 billion and GAIL has about 3,800 employees.
About the Report
This report is entitled "Value Beyond Business". As my consulting firm is called Beyond

Business, I naturally formed an immediate bond with this report :). In his opening remarks, the Chairman and Managing Director says: *"Being India's premier natural gas company for over 25 years, we recognize that our maiden Sustainability Report was indeed overdue but our commitment to the concept of sustainability has always been embedded in our systems, processes and activities."* That's a nice admission, and sets a credible and frank tone for the rest of the report. A further nice touch is that all the executive directors of the business offer their own perspectives in a short piece which sets out the key focus and challenges from their respective disciplines. (Just a shame that they are all male - a little gender diversity would be a good thing).

(Hardly Any?) Women at GAIL A propos the all-male Executive Team, I suspect this is a sensitive point at GAIL - in response to indicator LA2 which requires breakdown of workforce by age and by gender - GAIL, despite claiming to respond fully, does not show the gender split of the workforce. In fact, this report refers only very briefly to gender diversity. *"A special Women's Cell at GAIL is focused on reaching out to the women workforce, initiate discussions and adequately address their concerns including sexual harassment at the workplace. Additionally, we have set up Ladies' Clubs at our operational sites and have instituted GAIL women's awards to promote their involvement and enhance satisfaction"* A women's ***cell***? A ***Ladies*** Club? Sounds like GAIL needs to rethink the concept of gender equality. Any guesses on the percentage of women at GAIL?

Thorough reporting In other respects, GAIL does a very comprehensive job with this first report, and has not spared words and data. Every section is well detailed. The report includes five pages of the history of natural gas development in India, linked to the development of GAIL. India is one of the top five consumers of energy in the world, with gas representing 11% of this consumption and more than half of this is traded by GAIL. The company grew 30% in revenues last year.

Materiality is assessed through an internal process which includes a review of challenges to the global gas and oil industry - but not explicit stakeholder consultation. For a first report, this is a good baseline, and the 32 issues identified were whittled down to the top six which includes sustainable gas sourcing, continuing to grow the business in the face of competition, availability of skilled employees and more. Environmental reporting is detailed and safety figures are clearly stated including reportable, minor and near miss incidents for both payroll employees and contractors. The report even includes a glossary and cross references to the Global Compact Principles and other local reporting frameworks in addition to the GRI Index.

If anything, the overall message of GAIL's contribution to sustainable development and quality of life in India gets a little lost in the fine detail of this long-ish first report. I would recommend a little more focus on the story, and less on the activities, for future publications.

Omnicane, Mauritius, 2011 Sustainability Report
Format: PDF 46 pages
GRI: Yes, Application Level C.
Assurance : No
Materiality Matrix: No
Future Performance Targets: No
External Stakeholder Commentaries: No
Internal Stakeholder Commentaries: No
Picture of a Child or a Tree or a Globe on the Cover: No. But there's a nice blue sky.
Mentions Ice Cream: No. But then, there's no sugar in ice cream. Is there?

About the Company

Omnicane is a Mauritius-based sugar producer, created in 2009 following the rebranding of Mon Trésor Mon Désert Limited (MTMD), a long-established sugarcane group in Mauritius whose origins can be traced back to the 1850s. MTMD was amongst the first companies to be listed on the Stock Exchange of Mauritius and, Omnicane has successfully transformed itself from a basic-commodity supplier into a multi-product, vertically integrated agro-industrial cluster. The company's main operations are: sugarcane cultivation, sugar milling and refining and energy production. Omnicane has 1,132 employees and makes around $3.5 billion. **Kudos** to one of the very few operations in Mauritius to report on sustainability.

About the Report

The report is a well-prepared, professional, clear document - formal in style and following the GRI C Level framework very closely, addressing the GRI disclosure headlines more or less in the order they appear in the Framework. Performance is disclosed at minimum level, reporting fully on 11 performance indicators (ten required at Level C) , and in addition, provides a high level of detail by month on chemicals consumed and by week on water discharge quality etc, which is probably unnecessary at this level of detail. The report focuses on environmental sustainability and provides very detailed disclosures about the sugar processing and energy generation aspects of the business.

Bagasse

Did you know what bagasse is? Hmmm, showing my ignorance again. Bagasse is the fibrous matter that remains after sugarcane or sorghum stalks are crushed to extract their juice. (Thanks, Wikipedia). Omnicane assumes that we all know what bagasse is. It would have liked to see this explanation in the report. Omnicane does explain other terms such as fly ash, coal ash, bottom ash, boiler slag, molasses and vinasse - an ethanol manufacturing by-product. Omnicane produces over 2 million Gj per year of bagasse renewable energy which is used in consumption and sold to the National Grid.

CSER

Omincane use the acronym CSER for what we know as CSR or CR. Corporate Social and Environmental Responsibility. Add that to your lexicon.

Closing a Factory

One nice piece in this report is the very detailed disclosure of provisions provided for 152 employees affected by a site closure. CSR is not only about the employees you hire, it's also about the employees you fire. Omnicane deals with this openly and responsibly.

No Sugar

Despite the "sweetness" of Omnicane's business, there is no sugar in this report. It's formal, dry and even a little boring. There are no case studies, no testimonials and while it's just about readable for the lay person, it's rather technical and unexciting. As a first report, it does a good job in getting Omnicane's performance message through, but the story gets lost. I think this group plays a much bigger role than this report reflects. In future reporting, I would recommend adhering to the GRI Framework but being less constrained by its structure, and focus on the true story of Omnicane's impacts and contribution to sustainable society. Nonetheless, this is great progress.

Taj Pharmaceuticals Ltd, India, 2011 Sustainability Report

Format: PDF 30 pages
GRI: No
Assurance : No

Materiality Matrix: No
Future Performance Targets: No
External Stakeholder Commentaries: No
Internal Stakeholder Commentaries: No
Picture of a Child or a Tree or a Globe on the Cover: Yes, classic. Hands cupping a sapling.
Mentions Ice Cream: No - no ice cream medicines.

About the Company Taj Pharmaceuticals Limited is a pharmaceutical company founded and based in India. The company manufactures pharmaceutical formulations and API for India and other countries of world, owning about 450 brands and 600 generic licenses. The company was established in 1995 as an enterprise and in 2004 became a public limited company with about $1Bn in sales.
About the Report This is the kind of report that makes you smile. Or grimace. It's not really a report, but it's a cute attempt to represent a certain social philosophy that is present in the business in an authentic way, with half an eye on the potential reputational benefits of adding Sustainability Report to your corporate resume. It's mainly a copy of the relevant website pages which have some vague connection to CSR, plus a whole set of pages containing legalese disclaimers and website terms of use. The actual Sustainability Report content of this not-really-a-report can be accommodated in a few short pages. There is no data on any aspect of Sustainability Performance.
How do I know that it's half a marketing document? Read this: *"We will welcome any Export / Import business partnership with Canada, Mauritius, U.S.A., Moscow, London, Brazil, foreign manufacturers and Indian manufacturers and large or small-scale regional distributors, medical and prophylactic establishments and drugstores. Cooperate with us and we shall together develop the pharmaceuticalmarket for the welfare of the World people, so that we could say together "curing life…". "*
The Gems
There are some more "gems" in this report: *"At Taj Pharmaceuticals, we keep to the definition spelt out in the 2004 Brundtland Report ...."* (ahem... just a few years too late, but who's counting?) *"We still believe that good corporate citizenship should be a matter of course and is not something to be shouted from the rooftops."* (but ... this report is on the rooftop anyway...) *"Taj Pharmaceutical is your gateway to doing business with people who can make procurement decisions in the rounding antibody Company of World Wide."* (and I thought this report was written in English)
Next Report
So, come on Taj Pharma, if you want to produce a second Sustainability Report, it's time to make a more serious effort. It looks as though the company has some good intentions, but in practice, this "report" is not worthy of its title.

The North Face, U.S. 2010 Sustainability Report

Format: Online only, no download.
GRI: Yes, Application Level C.
Assurance : No
Materiality Matrix: No - but focus areas are defined and key outcomes of a Stakeholder Feedback session are disclosed.
Future Performance Targets: Yes, 2013-2015 goals.
External Stakeholder Commentaries: Yes, several.
Internal Stakeholder Commentaries: Yes - many videos and personal commentaries.
Picture of a Child or a Tree or a Globe on the Cover: No - rock climbing is cooler.
Mentions Ice Cream: Lots of ice, but no ice cream - surely ice cream would help at the

North Face?

About the Company (Brand)
The North Face designs and delivers an extensive line of high performance outdoor apparel, equipment and footwear, founded in 1966 and owned by VF Corporation, the guys that bought Timberland. (The North Face is the coldest, most unforgiving side of a mountain). The North Face employs 2080 people across the world and has $1.5 billion revenues in 70 countries.
About the Report The North Face is actually a brand, operating as a division of the $7 billion apparel corporation VF. As such, this represents a great initiative - I have often believed that Sustainability Reporting should be by brand, and not just by company. This is a great example. It reads well and oozes credibility.
Presenting the Challenges The North Face Report is a modest and authentically written account of the brand at the start of a sustainability journey, supported by its parent company infrastructures (though VF Corporation does not report on sustainability), and declaring the report as presenting the challenges of the road (mountain?) ahead, and not just the successes. It has very much a work-in-progress feel, though core elements of the baseline are nicely presented: stakeholder consultation with external experts, key performance indicators (Fabric Sourcing, Fabric Content, GHG Emissions reductions and Offsets, Office and Packaging Waste, Community Outdoor Participation and volunteerism) and defined program focus areas. Although this is a first report, data is presented since 2009 against KPI's, evidencing the fact that this report is the result of efforts to date, and not simply a declaration of intent.
Online Reporting This is probably one of the best online examples of a Sustainability Report presentation, and very fitting for this outdoor brand with appeal to the under-35's including many college students, as well as other consumers, who stay connected using the internet and rely on the web as a main source of information. The online report is on its own mini-site, packed with videos, infographics, plain language "equivalencies" (56 million gallons of water saved = 85 Olympic sized swimming pools) and other helpful design elements. The only personal problem I have with this report is that nothing is downloadable. For those who have an interest in the report content, not the interactive experience, it would be helpful to have the narrative in the form of a document which can be saved and read offline - even a summary document. The online report has no download options at all, not even by section. However, I can, grudgingly, understand the exclusively online presentation, and, in this case, it works.
Looking Ahead The North Face has done a great job with this report. In the future, I would like to see a deeper look at employee practices - environmental stewardship is what drives the sustainability passion at The North Face, but with over 2,000 employees, the brand is still a big employer and I would like to see more of a reference to how the brand maintains a fair, diverse, nurturing workplace, beyond the involvement of employees in outdoor inspiration trips and community programs.

Yüksel İnşaat A.Ş, Turkey, 2011 Sustainability ReportFormat: PDF 56 pages
GRI: Yes, Application Level C.
Assurance : No
Materiality Matrix: No
Future Performance Targets: Yes
External Stakeholder Commentaries: No
Internal Stakeholder Commentaries: Yes, many personal quotations from employees.
Picture of a Child or a Tree or a Globe on the Cover: No. But there is a bird, hovering....
Mentions Ice Cream: No mention of ice cream. Maybe in the next report ?

About the Company

Yüksel İnşaat A.Ş. was established in 1963 and is an engineering and construction group specializing in transportation, highways, dams, marine structures and other building projects. The company has several subsidiary companies which are included in the scope of the report. The Group employs 11,360 people, including 3,708 contractor employees and has a turnover of around $1 Billion.

About the Report

This report covers Employees, Environment and Community, and is focused on the direct sustainability impacts of the Yüksel group. The group has been a participant in the UN Global compact since 2006 - proudly, the first company in the construction sector to take on this commitment - and has produced COP's on an annual basis, but this is the first Sustainability Report.

Overall, the report seems authentic and shows evidence of genuine progress and good intention - a local company doing its best to be a responsible citizen in its country, displaying national pride and a keen sense of community responsibility. One of the best pages in the report is a matrix of targets for the subsidiary companies, each of which has three targets, one each in the area of economic, environmental and social. I like this. It shows that this complex group of 18 subsidiary companies is trying to get eveyrone on the same page (no pun intended) and embed a common approach throughout the group. The targets are not quantitative in the main, but aspirational type directions, but it's a fine list all the same. There are a couple of amusing targets: one has as a social target *"to train employees in sales and diction in order to increase quality"* :), and another has *"the creation of a Perfection Center"* as their economic target. I love reports that make me smile!

Women in the Construction Industry Yes, you guessed it. Not too many, and Yüksel is not exception. In Turkey, there are 285 women out of a total 4,343 employees (6.56%). Yüksel doesn't make any reference to this. Ironically, though, there are many positive personal quotations from Yüksel employees dotted throughout the report - and most of them are women! Perhaps this is Yüksel's way of attracting more women. Data on women in management is not presented.

Happy Employees Employees are, apparently, deliriously happy at Yüksel. Here is just one quotation from Elif (female) which is pretty representative of most of the others: *"It is wonderful to work with Yüksel. Working with Yüksel means working with a young and enthusiastic team, while at the same time benefiting from the experiences of competent masters of their work, developing you being a member of a large and happy family, who can turn work into fun with their smiling faces and working in the shadow of a half a century old sycamore with hundred percent security"* Maybe something is lost (or gained?) here in translation, but this is a little too mushy for my liking. Including employee testimonials is a very useful and valid tool in reporting, but there is a fine line between inspiring and mushy. Still, it's nice to see happy employees.

Assurance, Audit or both or none? The Yüksel report is declared at GRI C+ level, where the "+", as we all know by now, represents an assurance statement. In fact, the statement included in the report, by the CSR Association of Turkey, does not provide any evidence of there having been an assurance process. The brief statement says that the report was sent to the CSR Association for audit. But whether an actual audit took place is not clear. In any event, the "assurance" statement is well short of what I would regards as acceptable practice.

Report Style This report is obviously translated from Turkish, so it is hard for me to assess if the language, which is a little child-like at times, is representative of the original. It projects a certain authenticity, even though there are errors and awkward phraseology in English. I would always recommend those publishing in English to have the report fully proofed by a native speaker. For just a little extra effort, the report could project a much

higher quality.
Well, got this far? Maybe you also find first reports fascinating! Now you definitiely deserve a rest. And ice cream.

PS: Thanks to CorporateRegister.com , where I found many of the first reports mentioned above.

elaine cohen, CSR consultant, Sustainabilty Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me viawww.twitter.com/elainecohen on Twitter or via my business websitewww.b-yond.biz (Beyond Business, an inspired CSR consulting and Sustainability Reporting firm)

Elevating CSR: A Cone Award for KONE

Tuesday, May 29, 2012

I couldn't resist this. Today I came across the Kone Company, a Finland-based global corporation which makes elevators and escalators, which is "Dedicated to People Flow". Making elevators sounds like a fun profession. I immediately thought of "20 fun things to do in an elevator", and a whole section of the fashion industry which has built up just around elevators.

One of a wide selection of elevator T-Shirts from the cafepress.com shop

It even crossed my mind whether the people at Kone were the original inventors of the elevator pitch which has been so crucial in improving our business communications over the years. You know what an elevator pitch is: a short, succinct message you can deliver between floors of an elevator ride to impress someone important. If Kone were writing their CSR Report in Elevator Pitch style, it might go something like this:

What goes up must come down, and we help that happen.Our elevators make a contribution to global sustainability by helping people flow.Imagine urganization without its ups and downs. Think how many people would get respiratory failure when visiting the 93rd floor of the International Finance Center in Shanghaiwithout an elevator. Imagine a life without Sim Tower. Imagine an elevator pitch without an elevator.Our CSR Report describes how we support the people flow experience, for a better world and a a sustainable planet. Go with the flow and read our CSR Report.

But no, I found none of this in Kone's 2011 Corporate Responsibility Report. I didn't even find a cone, which as you may have gathered, is a much tastier version of Kone. Having, therefore, been reminded of my craving for a cone by Kone, I couldn't stop myself checking out if Kone is worth a Cone Award.

Here are the results, the fourth in my **Cone Award series**:

About the Company: Global elevator and escalator maker headquartered in Finland Annual net sales of EURO 5.2 Billion 35,000 employees 8 global production units and 1,000 offices around the world NASDAQ OMX Helsinki listed "People Flow" means people moving smoothly, safely, comfortably, and without waiting in and between buildings.

About the Report: GRI Application Level B+ self-declared and third party checked PDF 50 pages Fourth annual corporate responsibility report Online GRI Index Externally assured CO2 emissions Covers 2011 calendar year.

Ice Cream Cones Awarded: This report gets the message across. Kone is not just an elevator-maker. Their mission is about People Flow. Helping people to move around. Enabling human development through urbanization. Providing essential services for indispensable buildings such as hospitals, airports, educational institutions, offices and other important places without which our lives would be so much more restricted. Contributing to

environmental efficiency by reducing the environmental burden of buildings (which consume 40% of the world's energy, of which up to 10% can come from elevators and escalators). Making buildings safer to navigate (doesn't everyone fear getting stuck in an elevator?). Helping old people stay mobile. The report gets this across well. Kone's contribution and role is society is more than just shipping machinery off a production line.

Kone provides context for the positioning of the elevator industry and their role in its growth. "Urbanization is the single most important megatrend within the global elevator and escalator industry. It is expected to drive demand for years to come." In addition to environmental focus and safety levels of elevators, Kone also highlights the changing global demographic structure. "The growing number of older people raises the importance of accessibility in buildings and urban infrastructure. There is an ever-growing need for convenience and accessibility. An elevator can help elderly residents live in their homes longer, facilitate the lives of all residents in the building, as well as add value to an existing property."

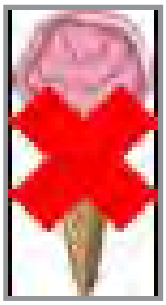
This cone is for People Flow Day. This is a day when Kone employee teams "act as researchers, talking to customers, interviewing the public, making on-site observations, and completing questionnaires." This enables Kone to get to know how people flow. The 2011 day took place in over 30 countries. (Hmmm, I obviously wasn't on an elevator somewhere that day!) Particular attention was paid to the "accessibility challenges faced by different user groups, such as wheelchair users, those with visual impairments, senior citizens, people in a hurry, and families with young children." "People in a hurry" must be quite challenging. Who is not in a hurry in an urban environment?

Kone has made big strides in energy efficiency of elevators. Today, Kone's "European volume elevators consume 60 percent less energy, Asian volume elevators 50 percent less, and US volume elevators 40 percent less energy than in 2008". Wonder what went wrong in the US? An explanation of the differences here might have been a good idea. But, overall, this is great eco-progress in just a few years.

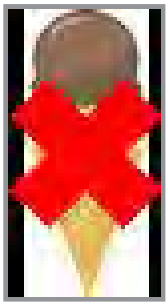
Another cone for Kone's lifecycle analysis. Between 56% and 85% of an elevator's life cycle (on the two models examined) are in the use of the elevator. More environmentally friendly materials in making or modernizing elevators can substantially affect the energy consumption during use. A cone for Kone for performing LCAs - not enough companies are doing this today.

A sixth cone for Kone's data presentation. Throughout this report, data is presented clearly and in a well-ordered way, and in a good level of detail. Environmental data, Human Resources data, Safety data etc. In most cases, the data also shows performance improvement. Certainly worthy of a cone.

Finally, a rare seventh cone for the Kohn design. It's neat, easy on the eye, bright, good font, and the graphics are clever but not overfacing. A few hyperlinks within the PDF wouldn't have gone amiss, but in general, it's a pleasant report to peruse. **Ice Cream Cones Dewarded:** Kone's report is a little too much like ice cream. It's all good news. There are no challenges that Kone is facing, other than the continued aspiration to grow the business.



There are no performance failures whatsoever. For example, one of the key material issues for Kone is safety and reliable performance (flow) of the equipment. Kohn services 850,000 elevators around the world and I am not sure how many new installations the company completes each year. They have 12,000 service technicians. I might have expected, in this report, to read something about the safety and reliability record of Kohn products. Reading this report, everything seems truly... well... flowing. I suspect the reality may not be quite so rosy, and maybe I am wrong, but Kohn doesn't actually give us any data on how many problems occurred with their equipment that caused a safety risk or what the reliability of Kohn products has been. I think this report would be more credible if it included just one or two of the things Kone might prefer not to report, if any exist.



This Cone Deward is for the Plus. Kone's External Assurance Statement covers limited assurance on CO2 emissions only, Scope 1 and 2. As you all know by now, the GRI system enables reporting companies to claim a "+" with the Application Level if the report is externally assured. Well, counting and checking CO2 emissions is not report assurance, in my view. It's a good thing, of course, but not enough to earn Kone a "+". For that, I take a cone back.

The Kone report is a little repetitive. The company labors the point a little about how much effort they put in to understanding people flow and finding the right, efficient, modern, high-performance solutions. I am sure this is the root of success, but even so, we don't need to read it quite so often.

Overall Net Ice Cream Cone Status: And it's a Net Four Cones for Kohn bringing Kohn to the top of the Cone League Table. Is it really that good? Or am I getting overgenerous with my cones these days? Judge for yourself. And dont forget to send feedback :)

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz**(Beyond Business, an inspired CSR consulting and Sustainability Reporting firm)**

16 Great Corporate CSR Blogs

Saturday, May 26, 2012

These past few years have witnessed a multitude of corporate CSR and/or Sustainability blogs. These are immensely valuable for companies as a way to update all those who might be interested in the way the focus on CSR is maintained throughout the year and not just at Sustainability Report time. Blogs are also a way for companies to tell their stories through the faces and voices of employees (and most seem to be genuine, rather than ghosted), thereby gaining both internal momentum as well as an external presence. Also, corporate CSR blogs are an opportunity to elicit feedback. We should not be concerned that very few people actually engage on blogs. As I know from experience with my own blogs, posts spark the discussion but very often, the conversation takes place off-blog. Companies who share via their blogs demonstrate that they are open to these conversations. A case in point is the great example of my interaction with Microsoft a few weeks back.
Here, in alfa order, are ten of the companies whose corporate CSR Blogs are on my radar.

adidas Group Blog
This is a nice blog from members of the adidas team, headed up by the adidas Chief Communications Officer, covering, as you might imagine, all things related to sport, adidas brands, and often, things related to CSR and community involvement. While the blog has a broad scope, clicking the Sustainability Aspects category via the Category Search function brings up some interesting material including the latest post about German TV's visit inside adidas factories in China and a frank look at working conditions. The Community Involvement Category showcases adidas's volunteering and other projects for society.
Applied Materials Blog
The "About this Blog" page explains that the Applied Materials Blog is "*dedicated to a global discussion about the ideas, actions and products changing the world as we know it. Here we will provide insight into the innovations being created by our employees, technologists and global workforce as well as continue to drive the conversation about the role clean technology can play in saving our planet, while also creating jobs and other economic benefits by helping promote energy independence. We will also discuss the importance of being a leading global citizen and operating in an environmentally and socially responsible manner*." Bloggers include members of the Applied team, including the CEO, though he has obviously been rather busy of late as his last post was in 2010. For those interested in renewable energy, this is quite an interesting blog.

BT Better Future Blog This blog is subtitled "Join the Debate, We Want your Views". However, there are not yet any comments on any of the posts so far, dating back, as far as I can tell, to February 2012. The BT blog is a hybrid, containing posts from BT people and also external stakeholders, such as this post about "Embracing all in the digital revolution" by John Fisher, Chief Executive of Citizens Online, or this one, from a Year 10 pupil at a school in Northern England, who participated in BT's Big Voice competition gives young people the chance to make short films on inclusion and diversity issues. It's a nice touch to have external stakeholders on the blog. I always say that there is a great credibility advantage in letting others help tell your story. The BT blog is not so active - only 10 posts in around four months - but it's a presence and the material is interesting and informative. Suggestion for improvement: Add an "About this Blog" page, tell us what you are trying to do with the blog and provide the bios of the key regular contributors.

Who is writing the blog is as important as what they are writing :). (N.B. Kevin Moss, BT Americas CSR head also maintains a private-business BT blog at CSR Perspective, which is always a worthwhile read.)

Centrica's Blog
Centrica, with its vision to be the most trusted energy company, has been running a blog now since 2008, managing to maintain around three to four posts per month. It is populated with a range of CSR related stories, news about Centrica's Sustainability Reporting, and market developments which affect energy consumption and practices. Authors have a short profile on the blog, on their landing page. The blog forms a part of Centrica's overall communications strategy to get more online more frequently, with a plan for weekly updates throughout 2012. A good example of how blogging can be used to change or correct perceptions is this post on the value of windpower in cutting CO2 emissions. Following a public report that the economic and emissions benefits of windpower are just hot air (ha-ha, couldn't resist), Centrica provides their own perspective on why windpower is an important alternative renewable energy source.

Citi Blog from Citi group This blog covers information about Citi's citizenship and community activities, and other topics relevant to Citi's role in society. Some of the posts are rather finance-geek oriented, through many of more general interest for CSR fans. Despite the topical relevance of this post, entitled "Executive compensation at Citi", no comments were left by readers. On the other hand, this post, entitled "You Spoke. We Listened" generated 385 comments, many of which were complaints and requests for better service. To Citi's credit (no pun intended :), a post responding to the 385 was published soon thereafter. This is the power of the blog and one instance in which I see a blog truly engaging customers and responding to them in a considerate way. Citi celebrated its 200th anniversary with a series of posts from the Bank's history, including this latest one about what is probably one of the earliest graduate training programs on record, the hiring of 20 graduates in 1915 to train for careers overseas, to boost the Bank's international presence.
Delhaize Group Blog - Feed Tomorrow This is a lively and informative blog which covers a wide range of topics related to CSR, offering information about food, eating and nutrition habits, food preparation, environmental tips and more, as well as updates about what's going on in the world of Delhaize CSR activities. Archives go back to June 2011 and the blog has maintained a good stream of content since then, using pictures and videos to liven things up, and even the occasional smiley. There is an About Us page, which describes the blog's purpose, but no details of who is doing all the writing. In fact, all the posts are anonymously authored. Suggestion for improvement: Let us know who is behind the Delhaize posts! Even if the blog is authored by a professional communications company, it's still pretty good!
FedEx CSR Blog This is part of the FedEx corporate blog and the CSR bit represents the posts that are tagged with CSR. However, the overall blog tag cloud has CSR, sustainability, environment, disaster relief etc as the most prominent keywords, so the CSR elements of the FedEx blog dominates. Posts are written by FedEx people and clicking on each author's name takes you to a bio page so that you can see who you are reading. The FedEx blog is followed by FedEx people as is evidenced by frequent comments, many of which express pride at being part of the FedEx company. What a great way to showcase this organization's culture.

GlaxoSmithKline (U.S) More than Medicine This is a very interesting blog, rooted in GSK's U.S. operations, which covers the role of Big Pharma in healthcare, appropriate for the company which heads up the Access to Medicine Index. The purpose of the blog,

which has been running consistently for a few years now, is stated as *"Our goal is to encourage an open, productive discussion about a range of topics related to the US healthcare system and how it can be improved. And we're going to try and do our best to provide a GSK perspective that doesn't sound like it's written in "legalese."* But the blog doesn't cover only healthcare issues. It includes a wide range of posts on different aspects of GSK's CSR programs and employee volunteering events. The blog also has an "About this Blog" page so you know the rules and who is doing the editing and posting.

Intel CSR Blog

No summary of CSR Blogs would be complete without the Intel CSR Blog. I don't know if it's the longest running, but it started in 2007, when very few corporates had even heard of the Internet, let alone think of blogging on it. The Intel blog has maintained a consistently high quality of posts at the rate of about 8 posts per month since then, and is still going strong, also being used as a platform for sharing "bite-sized" pieces of the annual CR Report. Contributors to the Intel CSR blog are a range of Intel execs from all over the world, and from a range of business functions. You can get to meet them on the "Meet the Bloggers" page, where each has a short bio and there is also an About this Blog page. What's nice about this Intel Blog is that it covers a broad spectrum of topics under the CSR umbrella and often includes special posts, such as this one, from Intel volunteers with the Intel Education Service Corps, who tell first hand of their experiences in different countries around the world. Quite an inspiring program.

Johnson and Johnson BTW Blog

The "About BTW" page on the J&J BTW blog starts with the line: "Everyone else is talking about our company, so why can't we?" How true! This is also one of the veteran blogs, which joined the blogosphere in June 2007, and its blog tag cloud clearly makes **citizenship** the number one topic. We are introduced to the bloggers on a separate page. From disease to diversity to greening the healthcare system, the J&J blog covers a lot of ground and is well written, mainly by the J&J team, presenting personal views and perspectives on CSR and healthcare related issues, using plenty of videos and infographics to make the reader experience a little more fun. It's a serious, intelligent blog which offers good information and an occasional external post from a relevant expert.

McDonald's Open for Conversation Blog

The blog is Open for Conversation and conversation it gets. Most posts yield several comments, including this one, about McDonald's bold decision to stop gestation stalls for sows. The blog is sponsored by McDonald's VP for Sustainability, Bob Langert, and is edited by McDonald's Community Manager and appears to have been running since July 2011, which is the first archived post, in which Bob Langert outlines the three big shifts in business that underpin sustainability. It's an interesting blog and one which, you will be surprised to find, hardly mentions hamburgers, though the juicy double cheeseburger and chips on the blog graphics reminds you where you are. A good blog and worth a look in for important insights and yes, discussion.

Microsoft's Corporate Citizenship Blog Dating back to February 2008, the Microsoft blog is a combination of technical tips and updates and other aspects of Microsoft's CSR performance. Posts are coordinated by the Microsoft Citizenship team but names are not named and bios are not bio'd. This blog is of less interest to the general CSR reader, though anyone wanting to keep up to date with the latest software for non-profits will enjoy it. Suggestion for improvement: Expose the Microsoft Citizenship Team!

Microsoft also maintains an excellent environmental blog called **Software Enabled Earth** which is the official blog of Microsoft's environmental sustainability team. It's a great round-up of everything environmental and includes a weekly post of what's topical.

Netafim Blog- Pioneering Irrigation
This is a great blog from a great company with a great story to tell. The impact of drip-irrigation on sustainable agriculture is powerful. The blog is written by Netafim's CSO, Naty Barak, and contains a range of perspectives and updates on Netafim's activities to advance agricultural productivity around the world. The blog started in 2010 with a short but sweet post on how Netafim broadened its outlook from a small desert Kibbutz to global sustainability, and has maintained a flow of one to two posts per month since then.

Telefonica Public Policy Blog
"With this blog, Telefónica wishes to share its views on global policy issues concerning Digital communication, Internet, Broadband and Sustainability, but also receive your feedback and ideas." This is a line from the "About this Blog" page, where the key authors and their bios are also provided. Archives go back to January 2011, and the top post ever got close to 7,000 hits on the subject of "Europe leading social innovation". The Telefonica blog is highly informative about public policy issues, as its name suggests, with a focus on European Commission and changes and developments of legislation in the ICT sector. A very useful blog for those with an interest in this field. I particularly liked (and learned from) this recent post about the new European Commission strategy for making the internet safer for children.
Timberland's Bootmakers Blog This blog is for stories from the Timberland community about the Timberland brand, business, products and passions. The blog has archives back to mid 2008 which makes this another veteran corporate CSR blog. Posts are by Timberland people who have a landing page with their job title and personal information such as what they do in their spare time. This is a blog for those who love the Great Outdoors, though it also covers different aspects of Timberland CSR performance and initiatives, such as this post which describes how a Timberland jacket is made from recycled plastic bottles and even recycled coffee grounds. Coffee grounds are, apparently, excellent at absorbing odor. If you can't wear it, as they say, drink it! Beware though if you are a CEO Blogger. If you leave the company under a cloud, your blog gets taken down. Brian Dunn, the former BestBuy CEO blogger, knows this from first-hand experience.
Finally, there are many other great corporate CSR blogs out there, and all differ in style, tone, content and focus. I have covered but a few. I feel sure that all companies reap major benefits from blogging, and it's an informal and inviting way to communicate, personalize the business and create trust.

Disclosure: Netafim in Israel, Intel in Israel, GSK in Romania are clients of my company, Beyond Business.

elaine cohen, CSR consultant, winning Sustainability Reporter (CRRA '12 Best SME Report), HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz**(Beyond Business, an inspired CSR consulting and Sustainability Reporting firm)**

Comments

- Anonymous May 27, 2012

I'm surprised you didn't list Forbes CSR blog... I've read a few of their posts and found

them to be pretty good.

- elaine May 27, 2012

Hi Anonymous, thanks for commenting. Forbes is a business magazine and publishes news and Op Eds. My post is about corporations who practice CSR and use blogging as a means of communication with their stakeholders. If Forbes Inc. decides to become a CSR oriented business, and blog about it, then I may well consider convering that in a future post! thanks, elaine

Learning CSR Lessons in Romania

Friday, May 18, 2012

Following my posts on the Value of Case Studies and the Ukraine Case Study contest, the third in this Case Study Trilogy is set against the backdrop of the Transylvanian Mountains and Count Dracula, who could probably have written several Case Studies but not necessarily about sustainability. This post takes us to Bucharest, home to 2.2 million people and the center of Romania's growing economy. It is also home to Dragos Dehelean, Managing Partner of Selenis, a PR and Communications firm and CEO of ResponsabilitateSociala, a comprehensive portal for all things CSR in Romania. ResponsabilitateSociala is the driving force behind a two day annual event, presenting European CSR Lessons, or Case Studies, for the benefit of the local CSR practitioners, professionals, academics and NGO's. While I was unable to attend on Day One, I had a fabulous time on Day Two (16th May 2012).

The first part of the day was devoted to a panel discussion on community development with speakers from Petrom, Erste Bank Serbia, GlaxoSmithKline Romania, Raiffeisen Bank, and Fundatia Vodafone. All presented fascinating examples of the way they had developed their programs, and spoke frankly about the challenges, dilemmas and choices along the way. An audience of some hundred participants was highly engaged, and each presentation was met with several questions.

Mona Nicolici from Petrom described how Petrom developed a new strategy which started with educating employees in Sustainability and forming ten action teams throughout the company's operations to support community empowerment programs. Andrea Brbaklić from Erste Bank in Serbia described her company's program, called Centrifuge, to promote cultural decentralization, youth activism and prevent deviant behavior. Andreia Cucu of GlaxoSmithKline Romania talked about the company's 'The health of kids in the Danube Delta,' program, together with the Association Save the Danube and the Delta by which 80 percent of the kids in this poor and isolated area of Romania benefited from a free medical examination and a health campaign. Corina Vasile of Raiffeisen Bank described the bank's program of donating funds to NGO using social media tools. Finally, in this fascinating session, Elena Serban of the Vodafone Foundation explained how the global foundation provides grants for six-month professional volunteering opportunities, with fifteen people from Romania taking part this year.

The afternoon session was devoted to stakeholder engagement and ways in which companies interact with stakeholders. In this session, I presented a case study from my client comme il faut, an Israeli fashion house, and the way this company engages with different stakeholder groups and also leverages a much broader dialog in society to advance the position of women.

Here is my presentation: **Europe CSR Lessons: Lipstick, Food, Fashion and Prostitution**

View more presentations from elaine cohen.

What impressed me most about the day, however, was not only the high quality presentations and generosity of the presenters in sharing their approaches, but also the intense engagement of the audience who fully involved themselves in the debates that arose. Overall, there is a fine sustainability movement building momentum in Romania, and this is a pleasure to see. Kudos to Dragos Dehelean for making a formidable contribution.

As for me, I will be back in Bucharest next week, working with a client on their first Sustainability Report. Hope they haven't run out of ice cream.

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

Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me viawww.twitter.com/elainecohen on Twitter or via my business websitewww.b-yond.biz(Beyond Business, an inspired CSR consulting and Sustainability Reporting firm)

Comments

- Bushra May 20, 2012

This is a fantastic presentation Elaine. How proud you must be to have been a part of this amazing movement.It takes a rather contrarian view to women empowerment but it works!

- Bushra May 20, 2012

What a fantastic presentation and what a great movement. You must be so proud to have been a part of this amazing initiative.

- elaine May 27, 2012

Thanks Bushra for both comments :)

- Bushra May 27, 2012

hahahha Dont rub it in...I am new to this blogging thing :)

Case Studies Work for Good in Ukraine

Friday, May 18, 2012

Following my introductory post about the Value of Case Studies (here), now it is time to share how this works in Ukraine.
I was fortunate to attend the launch of the fourth National Case Study Contest in Kiev, Ukraine on 14th May.

Actually, my story with this contest started a while back, in my capacity as a judge in the third year of the contest. The contest is hosted by the Center for CSR Development in Ukraine, led by the ever-energetic Maryna Saprykina, the dynamo of the CSR scene in Ukraine.
Over the three years of this program, over 110 case studies have been submitted. The contest is generously sponsored by Ernst and Young in Kiev, where the passionate Victor Kovalenko, Climate Change and Sustainability Services practice manager, Ernst and Young, has a strong personal involvement.
The case studies that were submitted last year covered a wide spectrum of topics ranging from road safety, employee engagement, educational programs and more, and were all of impressive quality, clearly stating the issue addressed, the activity and the outcomes.
The winning Case Study in 2011 was from System Capital Management (SCM) a professional investor and the managing company of a financial and industrial group of Ukraine, the SCM Group, which comprises over 100 companies in Ukraine and internationally, employing around 200,000 people. The case study showed SCM's significant contribution to education. "Reforming Ukraine's education system has been an increasingly important issue on the national agenda as far as for the country's successful development and its ability to compete in the modern economy depend on the quality of education of its citizens. Starting from 2008, we have been implementing our social programme "Contemporary Education", based on concrete steps to ensure that the quality of training of Ukrainian university graduates corresponds to the demands of the real economy

sector. The programme has 4 key components aimed and driving the education reform agenda. We believe that by investing in education and raising the quality and standards today we are investing in successful development of Ukraine in the future." In this program, 234 universities took part in a Compass Ranking in 2008-2011, creating awareness for educational possibilities and over 2,000 students from different universities attended master classes delivered by SCM executives in 2010-2011.

The second place went to Turbatoam, one of the world's largest turbine construction enterprise that implements full production cycle: design, manufacture, supply, installation and adjusting, firm maintenance of turbine equipment for all types of power plants. The issue at Turbatoam was a poor image and difficulty in recruiting young appropriately qualified professionals. The company established a comprehensive Human Resources management program to ensure attraction and retention. The program covered salary restructuring, a full social policy, education, training and career development, and results-based incentives. This resulted in a more balanced age profile in the company and more effective attraction and recruitment of young professionals.

The third place went to ViDi Group, a leader in the automotive and logistics market in Ukraine. In 2009 the Company established the first in Ukraine City of Cars "ViDi AutoCity", which includes authorized dealerships of leading international car brands. The ViDi case study also related to people management, inspired by the need to cope with rapid organizational growth, through creating a staff loyalty program, based on employee dialogue and responses to needs. Turnover reduced by 4% and 16% of staff achieved promotion in 2010 and many other benefits were realized.

Other interesting studies included:

Auchan, a hypermarket retailer, which developed a program to address the spread of AIDS. The speed of AIDS development in Ukraine is one of the highest in the world with up to 148,000 people infected with the AIDS virus and over 8,000 children hospitalized due to this disease. Auchan developed a fabulous program to raise awareness and support AIDS prevention.

The Lafarge Group developed a program to address road safety. The Lafarge Group had over 30 road fatalities in 2010 and early 2011. Therefore, in 2011 the topic of road safety was made a priority and several effective programs implemented for employees and the local community.

Obolon, a large brewery, developed a case study to support environmental protection and recycling of plastic bottles, a major issue in Ukraine.

I expect that the fourth contest, which will give preference to Sustainability Reporting, will be just as fascinating! To introduce the theme, I made a presentation on Trends and Best Practices in Sustainability Reporting (which I will cover in another post!) .

Still on the theme of Sustainability Reporting, I enjoyed a most interesting panel moderated by Pavlo Sheremeta, a partner at Inspira with panelists Viktoria Grib, Sustainability Manager, DTEK, Viktoria Mykhno, Head of PR at Platinum Bank and Victor Kovalenko of Ernst and Young mentioned above. Aside from the fact that the panel was only for people with names beginning with V, one of the most interesting themes of this discussion was the element of fear which stops companies taking that first step toward transparency.

Both DTEK and Platinum Bank overcame all fears and reservations and are pioneers in the Ukraine market. DTEK published their first Sustainability Report covering 2007 and report every two years with a UNGC COP every year. DTEK's most recent Sustainability Report is here. Their journey has been progressive with each successive report more transparent than the previous one. The process of external verification has also been of value, helping management understand the issues that are important for the company to address in the report and its impacts on society. Platinum Bank published a first report in 2010, a GRI based report at level C, and as far as I can tell, the first bank in Ukraine to

publish a Sustainability Report. Viktoria Mykhno shared her learnings from the process of developing this report, which included a wise piece of advice: "Be concise and meaningful - cut out what's not material - it's like cutting out your heart, but do it anyway!" But back to case studies and the fabulous program in Ukraine. It's a way to share, learn, engage and build a body of best practice. I am looking forward to seeing the new submissions later this year. And more Ukranian companies reporting on their sustainability impacts.
Photo Credits to the Center for CSR Development.see more here.

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me via www.twitter.com/elainecohen **on Twitter or via my business website** www.b-yond.biz **(Beyond Business, an inspired CSR consulting and Sustainability Reporting firm)**

The Case for Sustainability Case Studies

Friday, May 18, 2012

How can you use Case Studies to galvanize markets? I have two fine examples from my personal experience this week in Eastern Europe. The first: Ukraine. The second: Romania.

On Monday 14th May, I was pleased to attend the launch of the Fourth Annual National Case Study Contest in Kiev, Ukraine. On Wednesday 16th May, I was also pleased to attend the second day of the European CSR Lessons Conference in Bucharest, Romania. Both events show how the development of Case Studies are contributing to increasing awareness, recognition and sharing of best practice as a platform for market development in these two fabulous and energetic markets where CSR is emerging with the help of committed and dynamic leaders.

What is the value of a Sustainability Case Study?

A Case Study helps develop Internal Dialogue and Learning: In order to develop a full Case Study, which offers much more depth than a short paragraph on a website or in a Sustainability Report, a comprehensive dialogue must be held within an organization to establish the background, full story of activities conducted, description of outcomes and aggregation of learnings. This cannot be done by one person alone. A great Case Study is the result of internal collaboration which engenders dialogue and teamwork and expands learning for entire teams and companies.

A Case Study helps Focus on Outcomes: By its very nature, a Case Study is not complete without a description, quantitative as well as qualitative, of the outcomes of activity. By its very nature, a Case Study cannot be written until an activity or a process is complete and has delivered a change in the status quo. Far too often, especially in Sustainabiltiy Reporting, or even in internal decision making processes, the focus is on "doing" rather than "delivering an outcome". A Case Study, well-written, encompasses both, and helps link what is done to what has changed as a result. In terms of sustainability, this is of course key. It is unfathomable that we have thousands of companies "doing" sustainability without being able to explain the noticeable impacts of such activity.

A Case Study is an Organizational Story: Often a Case Study will tell the story of an organization's culture and showcase the way things get done. This becomes an organizational story, which can be told and retold in order to inspire additional sustainability activities in the company and reinforce a culture of sustainability and responsible practices. Moreover, a Case Study is one of the few platforms where company can tell its own story in full. There is little media coverage of individual, successful sustainability interventions. Case Studies can fill that gap.

A Case Study is a Learning Tool: Because a Case Study of necessity contains detail of all the stages of an initiative, the Case Study becomes a learning tool for an organization and for external stakeholders. By developing a Case Study, an organization contributes to the body of knowledge in the field, which is important, given the relatively limited knowledge about what is actually happening in companies today. There are many headlines, Press Releases and short references to Sustainability practices available via

different channels. The depth of a good Case Study creates not only awareness but also knowledge of what can be done, and how and what works best.

A Case Study is a Tool to Engage Stakeholders: Beyond the internal learning and dialogue, a Case Study can be used to engage external stakeholders either in the preparation of a Case Study in which they were involved or were impacted, and/or in the discussion of case studies completed. This both enlightens stakeholders about the sustainability activities of the company and also involves them in evaluating the sustainability initiatives. The insights of external stakeholders about possible reapplication, extension or development of a concept could be valuable for a company in determining future goals.

A Case Study is a Platform for Building Reputation: While Case Studies alone cannot build trust, and they are best in combination with existing, transparent, sustainability communications on a broader level, Case Studies can contribute to building reputation by showing how companies identified a risk or an opportunity, addressed either or both, and delivered focused action. This confirms the sustainability capabilities of a company and demonstates their commitment, which has positive reputational value.

Case Studies build Transparency Muscles: Many companies which are not ready to deliver a full, transparent Sustainability Report can develop their transparency muscles through publishing Case Studies. Often, this carries little risk because Case Studies tend to focus on successful examples of practice. The publication of a Case Study is a way to create awareness for corporate sustainability activities without the necessary rigor of producing a GRI-based or UNCG or other form of report, which demands much higher resources and much greater transparency. In the absence of broader sustainability communications, a Case Study becomes a pilot for transparency, and starts getting those muscles into shape.

Case Studies build Discipline: Finally, the development of a Case Study requires discipline and rigor. Used as a leadership exercise, this can help build management and communication skills, and teamworking, within an organization.

Events framed around the development of Case Studies are attractive propositions. The development of a single Case Study is usually not a massive organizational resource burden. Participation in such events often accessible to companies where more extensive disclosure requirements might exclude many from participating. In Ukraine and Romania, this is well understood and both are using the Case Study concept as a way to drive sustainability and awareness in their nascent markets.

To read more about the Ukraine Case Study experience, go to this post:

To read more about the European CSR Lessons Case Study conference, go to this post.

For ice cream, go to your local ice cream parlor or get yourself one of these (a kind gift from my friend, Paul Scott, MD of CorporateRegister.com)

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz/en **(BeyondBusiness, an inspired CSR consulting and Sustainability Reporting firm)**

CSR: 8 short questions, 5 long answers

Friday, May 11, 2012

For those of you who don't speak Romanian (which I don't, though I have downloaded an App :)), I thought I would provide a translation of my recent interview which appeared online here. The interview is with ResponsabilitateSociala.ro, the premier portal in Romania for all things relating to CSR. Andreea Giuclea, editor of ResponsabilitateSociala conducted the interview and was responsible for asking me many thought-provoking questions. ResponsabilitateSociala is hosting the annual Europe CSR Lessons on 15th and 16th May in Bucharest, with a fine line-up of speakers and fascinating case studies. I will be presenting a home-grown case study from my own market on Wednesday 16th May. More about that after the event.

When Bing Tanslate came up with an interesting "English" translation of my interview in Romanian, I realized that I had to step in. This is just one example:

"They may advise you to report the more honest and transparentin a way that allows the 2nd really imactul to evaluate their activity. Finally, we advise you to be realistic and authentic, and to accept the fact that lies on a road that stretches over many years and a day trip."

Here is the interview in full. Bingless.

As CEO of a CSR consulting firm, you work with companies that are trying to develop responsibly. What is the main advice you offer them?

We recognize that companies have to start where they are. As consultants, we are always looking to help our clients deliver more progress, better results, faster implementation and broader and deeper assimilation of sustainability principles in the business. However, we recognize that companies can only do so much and that they have to pace themselves. Sustainability is a long-term effort and must follow a strategy which has a scope and a timing which is right for each business.

We therefore advise companies to look at their broader role in society and how their sustainability performance is positioned in the context of the contribution they make to a better world. We advise companies to find the right focus for their business and drive their performance in that focused area as hard as they can, while ensuring a minimum baseline across key sustainability indicators. We advise companies to ensure they bring along all their employees and external partners – sustainability works best when it forms a culture which is embedded in the business and is done in partnership.

We urge companies to measure not only performance, but outcomes and consider the question: what is different in the world as a result of our sustainability performance? We advise companies to report as honestly and as transparently about their business in a way which enables stakeholders to gain a true appreciation of their impacts. Finally, we advise companies to be realistic and authentic, acknowledging they are on a multi-year journey and not a day-trip.

Could you tell us what is your opinion of the current phase of corporate social responsibility? What are the main challenges that the field is facing?

Worldwide, I believe sustainability is in a dynamic phase and moving towards a more

holistic representation of the concept. Rather than just trying to "be good" or "do good", there is more of a realization these days that sustainability is a way of business, not just a project which runs alongside the business. No longer just about values or philanthropy, companies now see they can make money through sustainability.

This means that companies are looking for the "shared value" aspects of sustainability activity which are generated through different business models. Regulation is also getting keener in many countries and carbon emissions, energy, water and other natural resources are becoming more expensive. Financially, companies are realizing that their financial balance sheet has the potential to be significantly affected by government intervention with carbon taxation, water taxation, landfill costs etc.

The move to an integrated approach to sustainability, characterized by the integrated reporting model, is taking time to be fully understood but is showing signs of reaching a wider corporate audience. Finally, the use of web-based tools to connect with stakeholders and online interactions to gather stakeholder feedback are becoming more acceptable.

Beyond Business is a firm based in Israel that works with local and international clients. From this point of view, what regions do you think are more open to CSR initiatives and how can you explain it? Are there any cultural differences regarding the approach towards social responsibility?

Broadly, the approach to sustainability is more governed by the size and global nature of a business, rather than its location. Global companies, which are generally leading the sustainability pathway, operate in the same way in every market in which they are present. This has the effect of leveling out local and cultural differences. Local companies in every market are impacted significantly by the standards established by leading businesses, as they are often suppliers to these businesses. Microsoft, P&G and Wal-Mart, for example, require their suppliers to report on sustainability performance.

However, in a more general sense, there are some differences in culture and focus, depending on the state of business and sustainability practice. Local companies in emerging economies, for example, are primarily concerned with ensuring compliance and attention to quality, safety and employee standards, while focusing their efforts on those aspects of sustainability which will deliver shorter term cost advantages, such as energy and raw materials savings. In some areas, such as India, sustainability is more about citizenship and philanthropic activities. In some countries, such as Japan, sustainability is very systematic and driven by quality frameworks, whereas in other countries, such as Africa, it's more about social equality and empowerment.

You also offer Sustainability Reporting consultancy. How important is for a company to be transparent about its CSR activities?

We see transparency as a catalyst for performance. The very act of preparing a Sustainability Report causes a company to confront many issues within its business which have never been addressed previously in the same way. Different questions are asked and new measurements are required. Core deliberations about disclosure cause serious discussions in the business at the highest levels. Making a public commitment to targets and action plans carry a certain pressure to deliver, far more than with targets communicated internally.

Additionally, Sustainability Reporting is a source of pride for employees and serves to support employee engagement. Therefore, most companies find that reporting serves as a management tool to help define and determine performance levels, set targets, engage employees and make progress.

In addition, of course, transparency is the basis of a trusting relationship with stakeholders – research has shown that readers of Sustainability Reports increase their level of trust in the reporting company, even if the report is not of the highest quality. (See specifically the recent report from ACCSR, on readers' perceptions of Sustainability

Reports) A strong level of trust from stakeholders is massively significant and can help the company move forward and overcome challenges and risks. Often, the Sustainability Report is the only place in which the company can tell its own story, as reports in the press may be misrepresentative.

What are the main challenges you face when trying to convince companies about the importance of CSR reporting?

More and more these days, we do less in terms of "trying to convince" companies to report. We prefer to talk to companies about Sustainable Business Strategy, and help them understand why and how this is beneficial for their business as well as for society and for the planet. The Sustainability Report is part of this discussion. Our reputation as Sustainability Report consultants often brings companies to approach us after they have made the decision to report and are looking for the expert support to deliver the best document they can.

However, we still spend much time and energy in helping develop awareness in the market, through our writings, conferences and our work with different corporate groups. One initiative, which we started in 2009, is called the Transparency Index. We evaluate and publish a ranking of the website transparency of leading public companies in different markets in the world to see how they are reflecting sustainability issues in an accessible way through their web platform. For the first few years, we covered the Israeli market only, but now, in partnership with the Center for CSR Development in Ukraine, we are expanding this into a global index which will be launched later this year. Web-based transparency is also influenced by the presence of a Sustainability Report.

In general, we find that companies which are on the sustainability journey are more ready to report because they have accepted that transparency is an inseparable part of the overall process. Often, they are subject to pressures from their customers or even competitive pressures to report. Those who have not, often talk about the complexity, cost and lack of investor pressure to report. However, these are companies who have not quite understood what Sustainability Reporting is all about. Even as an SME, you might say a micro-business, my consulting firm Beyond Business published a first Sustainability Report (which won an award as the Best SME Report in the global CRRA '12 Awards in April 2012), and we intend to report every two years. As a consulting firm, this is important for us to "practice what we preach" and demonstrate that any reason for not reporting on sustainability is simply an excuse and not a justification.

You are the author of the book ”CSR for HR: A Necessary Partnership for Advancing Responsible Business Practices”. Could you tell us in a few words what is the role played by the HR department in establishing a CSR strategy?

The Human Resources function in any business has an important leadership role to play in contributing to the definition and execution of sustainability strategy in any company, and also in establishing Human Resources practices which are sustainable. Sustainability done well requires changing the culture of the business. The Human Resources function has the specialist knowledge and skill to drive culture change processes.

To embed sustainability, HRM needs to be clear about the contribution of employee engagement and employee practices to delivery of an overall sustainable business plan. Many HRM processes are inextricably linked to sustainability themes – compensation, recruitment, diversity and inclusion, safety, health and wellbeing. HRM can also make a profit-supporting contribution to sustainability. Wellbeing programs, for example, are now known to deliver up to four times the investment for companies, in increased employee productivity, reduced health costs and insurance premiums, reduced absenteeism and turnover. HR needs to get better at measuring their contribution and tabling the benefits in a clear way. Regrettably, most HR Managers have still not understood this.

From your experience, can you give us some examples of how businesses can become more sustainable? Do you admire any companies in particular for their approach towards

sustainability?

I think the first thing is for a company to make the decision to define a clear strategy that integrates sustainability thinking into business processes and define what the desired outcome is. In the current line-up, it is hard not to ignore Unilever as a company which has made bold statements about sustainability, "decoupling" environmental impacts from corporate growth and trying to engage consumers in behavior change, with a CEO who is very vocal about the importance of this approach and carries much influence.

There are many companies I admire, ranging from large global corporations to smaller local businesses in different countries. Pepsico, Marks and Spencer, BT, Novo Nordisk, GlaxoSmithKline, Intel, IBM, Microsoft, Walt Disney, Vodafone, Telefonica of Spain, Westpac Bank of Australia, Kesko of Finland, Natura Cosmeticos of Brazil, Novus International from the U.S., Netafim of Israel, – some of whom are my clients - are all showing sustainability leadership in many different ways.

I think the important thing here is not to try to reduce sustainability to one single denomination. Sustainability is a complex set of factors and no company is totally perfect. As long as a company is stretching itself to do what it can from where it is, and making demonstrable progress, I have admiration for that.

How do you see the evolution and future of corporate social responsibility?

There is a lot of debate about whether CSR or Sustainability will remain as a distinct function in business or whether it will become absorbed into the fabric of each business and part of the general responsibilities of managers and the way they do things. I don't believe this latter approach will work. I believe that Sustainability will always be a required focus of every business, acting as a platform and a guide and a set of checks and balances for each business.

I believe sustainability is growing into an important profession which will rank alongside the business leadership with its own voice and contribution to successful sustainable business strategy. Of course, it does become part of everyone's role, but without leadership, no business function has impact. Just as businesses have absorbed Quality as a Way of Life, but there is still a Quality Manager in most businesses, so Sustainability cannot survive without its own distinct strategic leadership within the business.

Over the coming years, I believe we will see more regulation around sustainability themes, especially transparency and reporting, and therefore the number of companies which deliver Sustainability Reports will increase substantially. This will have the effect of catalyzing sustainability performance and creating a new competitive threshold for all companies everywhere. Companies which do not participate in this movement will lose ground and become the exception.

For those companies which are still undecided about sustainability, the time is now! In Romania, I believe there are massive opportunities, with a growing economy and a stronger presence in Europe and in the world. This is the time for companies in Romania to align with leading business practice and become more prominent in their adoption of a sustainability approach.

I am looking forward to the European CSR Lessons Conference and to being back in Bucharest. They have fabulous ice cream in Bucharest :)

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz/en **(BeyondBusiness, an inspired CSR consulting and Sustainability Reporting firm)**

What makes a Sustainability Report good or bad?

Tuesday, May 08, 2012

My friend and CSR & Sustainability Consultant Juan Villamayor, who writes a great blog, is also writing a dissertation on the quality of Sustainability Reporting. In return for the promise of loads of ice-cream the next time I am in Barcelona, I agreed to provide Juan with my thoughts in response to his question:

What makes a Sustainability Report good or bad?

After I had drafted my response, pretty much off the cuff, I thought I would share it, in case anyone else is writing a dissertation. More ice cream for me, right ? Here is more or less what I wrote:

What makes a Sustainability Report good?

Ultimately, the test of a good or bad Sustainability Report is in the value it adds to a business (and by implication, to the stakeholders of that business). This may be internal value (management processes, engagement etc.) or external value such as building trust and managing risk. Unfortunately, companies rarely measure the value they gain from Sustainability Reporting, though most confirm that they do gain value. I would love to see some research about the specific impact of reporting on companies.

Assuming the report adds value, what makes a report good or bad depends on who is interested in it. Most reports are written for a range of stakeholders and therefore try to cover a balanced set of issues. However, depending who you are, this may or may not be enough. If you are an environmental activist and cannot find clear, relevant environmental impact data, you will be disappointed. If you are in a local community which has been affected by the company's operations, and cannot find information relating to the company's local impacts in your area, you will be disappointed. If you are an employee and read about information which you did not previously know, you may become more engaged and proud, or you may feel disconnected to read in a report what you might have expected to hear through an internal communication process. If on the other hand, you are a professional reporter, and expect reports to reflect a discipline of transparency, measurement and provide data about the company's sustainability impacts, then you tend to look for (not in order of importance) :

The Company's Role in Society One of the first things I look to a Sustainability Report to do is enlighten me as to how the company sees its role in society. Sustainability is not just about improving impacts and behaving ethically. It's about doing business in a different way which makes a social contribution. I like to see companies define that contribution before they get into the detail of how many tons of paper they have recycled. This provides context for the report.

Material Issues A materiality matrix (see interactive example from BASF here) which identifies the specific most important issues that the company faces in sustainability performance which has been developed using input from external and internal stakeholders, is important. Specific companies are at specific risk and face specific opportunities, as well as having very specific impacts on people and planet. Materiality helps us understand what these are and react accordingly.

Outcomes I look for the outcomes or impacts of the company's Sustainability activities, not just performance. So if a company has been investing in environmental technology, I look to see if environmental impacts have improved. If the company has been investing in the community, I look to see what community outcomes have been achieved. A simple "train timetable" of what we have done and how much we have spent is rarely satisfying.

Framework Most companies today have adopted the GRI framework to compile their report and include a GRI Index. I find this very helpful for navigating the report and finding specific information that I require. With such a framework, it is easy to see what has been

reported and what not, against a template of universally relevant key issues. Even if the GRI Framework is not used, another type of framework or structure may be fine, but the inclusion of a content index is most helpful.

Authentic Style and Tone I look for a style and tone which is authentic and not obviously copy-written – one which explains technical terms and helps tell a story rather than just state the dry facts.

Clear Data I look for data which is presented coherently and where the basis for calculations are clear, so that you know what's included and what's not. I was recently reading a report that provides a figure for Motor Collisions per 100 employees. There is no basis for the calculation. Does this mean all employees or only employees that have a company vehicle? Is it all collisions or only collisions caused rather than experienced? Data must be presented in a way we can understand, and it is interesting to see prior year data for more than one or two years, so that you can get a sense of continuity.

Targets, Progress and Future Plans I look for SMART targets , and understanding of not only what progress has been made to achieve the targets so far, but also what plans are in place to continue to do so (see SCA's Report for a good example of this). Simply stating that the company will reduce carbon emissions by 20% by 2020 is not terribly convincing. What is convincing is the plan to achieve this.

Stakeholder Voices I love to see people in the report – all businesses are about people – employees telling their stories, external perspectives and well-written real-life case studies all add to the credibility and easy-reading factor of the report. (Check out this fabulous report from Impahla Clothing)

How Sustainability is Managed I believe there is importance in how sustainability is managed in an organization – whether there is a Board Committee, a dedicated Sustainability Leader and a corporate Steering Team of some sort. I always look in the report to see who is responsible for leading sustainability strategy and who is on the frontline of execution. A robust structure gives credibility and confidence that progress can be made and objectives can be achieved. (see page 48 of the Toyota Report for an example)

Accessibility Easy navigation of all the report content – a hyperlinked downloadable PDF is my preference (see Cisco's example), as I can read it without an internet connection. Report-builder features for web-based reports are important (see Timberland's example). I hate flipbooks and other pyrotechnical web presentations, though opportunity to add comments, such as the SAP report , is a nice touch. A good report website is attractive and accessible to many. Either way, it must enable you to get to what you want fast. Not many people read a report from end to end in the order of the contents list.

And finally, I look for **Linkage** – the link between the company's sustainability performance and its business success. Most companies don't really know how to express this, and there is some expectation that Integrated Reporting might provide a route to expressing this meaningfully. Today, when I see it, it's a bonus, but my starting point premise is that I won't find it in Sustainability Reports, which is quite ironic really, when you think that many companies engage in sustainability in order to support sustainable positive business performance. (I like the way BT does this)

Finally, finally, I look for **Assurance.** Today, most companies do not use external assurance or verification and those Assurance statements I read are often partial or completely inadequate, so I tend to assume that I won't find a good Assurance statement which is the result of rigorous process and adds credibility to the report. Here again, when I find a great Assurance Statement, it's a bonus. (here is an example from Bureau Veritas, assuring the Nestle 2011 CSV Report)

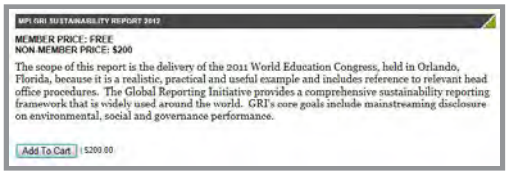
Those are my shoot-from-the-hip things that work well for me in Sustainability Reports. Then I thought about answering the question the other way around:

What makes a Sustainability Report bad?
Here, aside from saying the opposite of all the above, I think most of us know the answer to this – marketing orientation without substance, highly selective "good news" coverage with no context or substantiating data, and difficult, stiff, narrative with a tick-box approach to performance.
Truth is, most reports are neither totally good nor totally bad. but who am I to judge? I can say what works for me, but every stakeholder will have her or his own view.
A Sustainability Report is, simply put, what stakeholders make it.
And this brings me to my final point:
What makes a Sustainability Report really, really good?
Feedback. Yes. **Feedback.**
A Sustainability Report which gets no feedback hasn't hit the radar. And that's bad. Be a great stakeholder. Give a Sustainability Report your feedback.

elaine cohen, CSR consultant,winning Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz/en **(Beyond Business, an inspired CSR consulting and Sustainability Reporting firm)**

The Price of a Sustainability Report

Saturday, May 05, 2012


MPI GRI SUSTAINABILITY REPORT 2012

MEMBER PRICE: FREE
NON-MEMBER PRICE: $200

The scope of this report is the delivery of the 2011 World Education Congress, held in Orlando, Florida, because it is a realistic, practical and useful example and includes reference to relevant head office procedures. The Global Reporting Initiative provides a comprehensive sustainability reporting framework that is widely used around the world. GRI's core goals include mainstreaming disclosure on environmental, social and governance performance.

Add To Cart | $200.00

What value would you place on your Sustainability Report? $1 ? $10 ? $1,000 ?

Here is an organization that has an answer. $200.

This is what non-members have to pay to read The MPI GRI Sustainability Report on WEC 2011 in which MPI presents its Global Reporting Initiative statement for the 2011 World Education Congress in Orlando.

Meeting Professionals International (MPI), apparently, is "the meeting and event industry's most vibrant global community [which] helps its members thrive by providing human connections to knowledge and ideas, relationships, and marketplaces." MPI has certainy elevated the value of sustainability Reporting. To a whole $200.

Who would have thought that Sustainability Reports would become a new revenue stream?

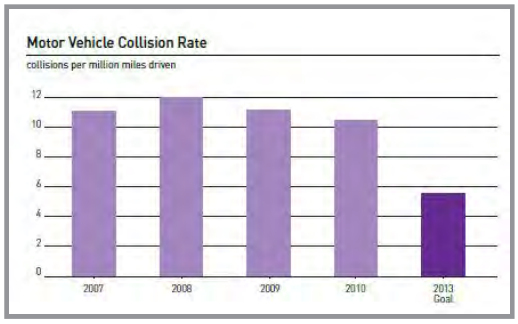
elaine cohen, CSR consultant,winningSustainabilty Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me viawww.twitter.com/elainecohen on Twitter or via my business websitewww.b-yond.biz/en (Beyond Business, an inspired CSR consulting and Sustainability Reporting firm)

Lilly: Sustainability Report Cone Award

Saturday, May 05, 2012

This is the third in my series of Sustainability Report Cone Awards. The second was SGS - net 2 cones. The first was Intuit - also net 2 cones. This time, Lilly, the drug people. Can they beat net 2 cones?

(Note: All cone pictures were sources from Ice Cream Cone ClipArt)
Lilly 2010 Corporate Responsibility Report
About the Company: Tenth largest pharmaceutical company in the world.
HQ in U.S.
$23 billion revenue.



38,300 employees.
Manufacturing plants in 13 countries.
NYSE listed.
About the report: PDF 103 pages.
GRI Application Level B.
Not externally assured.
UNGC COP included.
Ice Cream Cones Awarded:
Lilly reports on Motor Vehicle Collision Rate. There are just a few companies which do this. I think road safety is a very important measure and would like to see all companies reporting on this. Corporations can have a significant impact on global and local road safety, as I mentioned in an article some time ago. Another nice touch in the Lilly report is the reference to the corporation's support for its key local community, the State in which the company HQ is located, Indiana, U.S., and where Lilly is one of the largest employers. Supporting the local community strengthens Lilly's home base and demonstrates commitment to local employees and causes. Local stakeholders will appreciate this focus.

Lilly's Data Summary of environmental performance is a well-laid-out table, showing progress made over four years 2007-2010. Evidence of progress is well presented, showing both absolute measures and intensity measures - for example, absolute waste generation has decreased from 398,000 tons in 2007 to 228,000 tons in 2010, with a corresponding reduction in waste intensity of tons per $ million revenue from 20.3 to 9.88.

Lilly, similar to many companies in the past couple of years, has taken measures to restructure the workforce and layoff people. No report can be complete without reference to the extent of such restructuring and the way it has been conducted. Lilly addresses this in the report, providing numbers and describing processes to support employees through the transition.

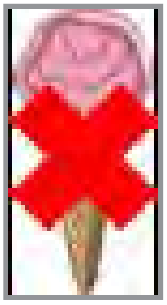
Lilly's report is well constructed in terms of public policy and declarations of corporate approach. The report covers everything from counterfeit drugs to government regulation to differential pricing, Medicare, price controls, role of generics and more. Lilly make it

clear where they stand as a business on some very core issues which affect the relationship between business and society. While action is more important than words, public declaration of policy is a first step to ensuring that aligned action follows.

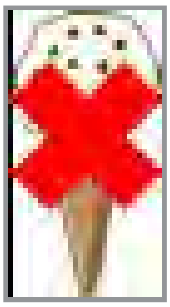
I must also comment on the excellent Workplace Section in this report. Lilly includes 12 pages onworkplace practices, quoting excerpts from "J.K. Lilly Jr.'s 1916 Report on the subject of employment", which apparently has stood the test of time, good coverage of leadership and development programs including core diversity training and a course for helping employees examine the trust disparity among people of different backgrounds, and the new employee community program, Connecting Hearts Abroad, which enables 200 employees to volunteer for two weeks in ten countries around the world, and a new internal social networking site. Interesting progress, albeit that I would have liked to see more impact data, on employee turnover and retention, for example, or on actual gender diversity results.

Ice Cream Cones Dewarded:

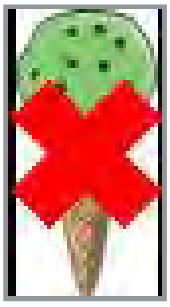
One of the key Big Pharma social impact areas is Access to Medicines. Lilly offers detailed reporting on the way they approach Access to Medicines, focusing on what Lilly is doing and how much money they are allocating to make important drugs more available to those who are deprived of equitable access. Much attention is given, for example, to the Lilly award-winning MDR-TB Partnership - formed in 2003 with the WHO to combat Multi-Drug-Resistant Tuberculosis. This is well explained, including background and context of the health issues relating to MDR-TB and challenges in making relevant drugs more accessible and treatment more effective. Lilly cites achievements in awareness campaigns, drugs provided and healthcare professionals trained - a great story and truly valuable program. What works less well for me, however, is that nowhere in the pages devoted to this case study is the actual measure of access to these drugs mentioned, nor the effectiveness of the drug in curing people. Awareness is critical but awareness alone does not solve world problems. I wonder how awareness translates into effective outcomes. I would love to see how this program has changed lives, how many people are now treated who were not before. With 9 years of action under the MDR-TB Partnership's belt, I love to know if this is effective use of Lilly's massive investment and the extent of actual social impact. Developing a good measure of program effectiveness is not an easy task by any means, and perhaps my expectations are unreasonably high, but more about outcomes as a result of action would make this story come alive for me.



Materiality is covered off superficially for Lilly. There is a list of 5 key issues which are generic enough to be fairly meaningless - such as "The development and production of safe and effective medicines". This is not just a material issue - it seems more like a mission statement. The core, specific material issues for this company are not highlighted. For example, what happens to all those medicines that people receive and are never used ? Lilly has a small section about Product End-of-Life but doesn't really demonstrate real action in this area. This is not identified as a specific material issue.



Lilly does not externally assure the company's report. For a global business such as Lilly,



in a complex business such as pharma, external verification would be a welcome addition to the overall credibility of this report. No matter how stringent internal reporting standards are, external verification demonstrates a more serious commitment and well, you never know, may even enable inconsistencies, if they exist, to be discovered and corrected. Now, what truly sustainable company would not be interested in this?

Overall Ice Cream Cone Status: Lilly nets three cones and is therefore in the lead in the Cone Award League Table for 2012. Congratulations! There is no maximum to the number of cones that can be awarded or dewarded, so there is still room for more than three net cones. Watch this space for more Sustainability Report Cone Awards. Who will get to net 4 Cones ?

elaine cohen, CSR Consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz/en **(Beyond Business, an inspired CSR consulting and Sustainability Reporting firm)**

Local Reporting: How ArcelorMittal Does It

Monday, April 30, 2012

ArcelorMittal is the world's leading steel and mining company, with 100 million tonnes of annual production capacity and 260,000 employees across 60 countries and annual sales of $78 billion. I tried to imagine what 100 million tonnes of steel looks like. But I scored a blank. All I know is that 100 million tons of ice cream would look a whole lot nicer :). But I do have an idea of what 2,000 tonnes look like - yes, you guessed it - the ArcelorMittal Orbit.

The ArcelorMittal Orbit is a sculpture and public viewing platform was designed by Anish Kapoor and Cecil Balmond. It is 114.5 meters tall, and is the UK's tallest sculpture, 22 meters taller than the Statue of Liberty. The Orbit is planned to become a new visitor attraction with views of up to 20 miles, encompassing the entire Olympic Park and London's skyline, and is now all spanking, shining new, waiting for the Games to start. Visitors will be able to take a trip up the structure in a lift and then walk down the spiral staircase of 455 steps. Read more about the Orbit and see more photos at the Orbit website.

ArcelorMittal is no stranger to Sustainability Reporting and produces an annual report of the Company's sustainability activities both at a global level and also at several of the company's locations around the world. Going with the tagline **Safe Sustainable Steel**, the ArcelorMittal's 2010 Sustainability Report is a 49 page GRI Level C+ report with external assurance. After the opening section which talks about strategy, business profile and core stakeholders, the report has four core sections which have become the template framework for the local reports around the world: Investing in People, Making Steel More Sustainable, Enriching our Communities and Transparent Governance.

In 2010, ArcelorMittal spent $347million in environmental technology modernization to support reducing carbon emissions, launched a new Human Rights policy and became the fifth steel company to be included in the Dow Jones Sustainability Index.

I counted 12 local reports for 2010, in addition to the global effort, and most are produced both in the local language and in English. While there is a common outline structure and some overlap of content, and an orange-tangerine color supporting the basic design of most reports, the local reports are independent and distinctive representations of local performance at impressively high quality. Of the local reports I could read (i.e. those in English), I noted a very clear set of personalities coming through.

Argentina's report is called "Transforming Tomorrow" and is a GRI Level B Report of 80 pages with strong sections on employee health and community involvement and a feedback form at the end. It contains some interesting perspectives from local journalists, and a nice interview with the External Affairs Manager who says: "Making the Sustainability Report allows us to outline a new way of stakeholder engagement involving all the areas, working to identify common points of interest and setting goals for each of them."

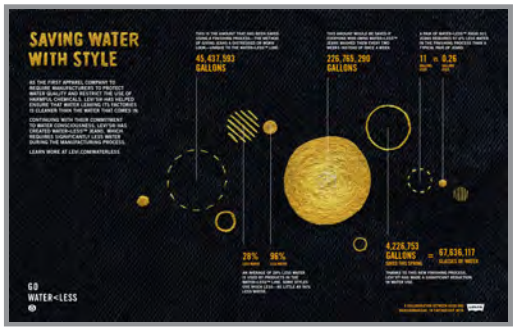
Brazil's Report is called "Looking forward to Tomorrow's Steel" and is a 71 page GRI Level B report and contains interesting persepctives on the Brazilian steelmaking industry, details of an Organizational Climate Survey covering over 19,000 employees in the LATAM region, and a strong emphasis on employee health and safety. Biodiversity

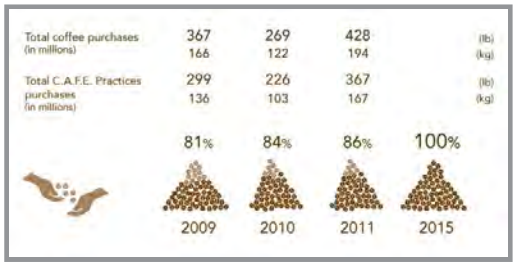
features strongly in this report, with interesting detail of how biodiversity is affected in all parts of the LATAM region managed through the Brazil subsidiary.
India's Report (covering 2009) is a 40 page, non-GRI first report for this country, and full of the Indian flavors and spices that make this report highly Indian, and truly distinctive. It doesn't follow the 2010 template structure, instead focusing on social impact and community engagement, providing detailed context about the poverty, lack of literacy and chronic health issues in the tribal communities where ArcelorMittal is active, and the nature of the company's efforts to alleviate these problems.
Mexico's Report is a 12 pager and somewhat more compact than the rest of the local issues, with no GRI framework, but it contains plenty of Mexican faces and some local flavor. It follows the four topic template with meticulous care: 2 pages per topic (one page on Governance).
Poland's Report is a 41 page report, the first for this subsidiary, not GRI, with some great photos and many quotations from local Managers. Its focus is the significant impact the Polish business of ArcelorMittal has on the local steel industry, as the largest steelmaker in Poland.
The South African Report, entitled "Bold Spirit" is the only report which is not a standalone, and is included in the 216 page Annual Report for ArcelorMittal in South Africa. It includes a GRI Index for the sustainability content but no application level. It does not follow the sustainability report template and is less attractive as a sustainability report, but it includes a great section on the role of steel in society and description of the different impacts.
The USA Report is a 23 pager, not GRI, and follows the global template quite closely, with a clean design and short case studies interspersed with the narrattive. It includes a nice section of Key Performance Indicators and progress made against these to date.
It is quite impressive that ArcelorMittal has so much to say in key countries of operation and makes the effort to deliver meaningful report to all local stakeholders. Despite the different lengths, frameworks and approaches of ArcelorMittal local company reports, the local reports are, in my view, highly relevant and highly valuable. What would be an improvement for future years accross all reports is a materiality analysis, and greater disclosure of the feedback of stakeholders and how this has been incorporated intho the ArcelorMittal sustainability strategy.
I asked Meera Pau Mehta, ArcelorMittal Corporate Responsibility Program Manager, who has responsibility for implementation of the Human Rights Policy and the development of the Corporate Responsibility Report, what the payoff is for ArcelorMittal in producing so many reports. She said, quite simply, "Accountability and driving performance".
Meera said that "The global report is led by the group corporate responsibility team. Local reports are compiled by the local Corporate Responsibility teams, with support from the corporate team. The Group report addresses global issues, and those that are relevant to our global stakeholder groups. To keep the Group report succinct, we cannot include all the topics that are important to different local stakeholder groups. This is where local reports really make a difference – they address the topics that are most important to local stakeholders, and in the local language."
Meera added: "I love the variety of my role: I can be working on topics ranging from human rights to reporting to supplier capacity building. I have a great opportunity to shape our response to these important topics. "
Hear more from Meera at the **Smart Sustainability Reporting Conference on 15th May**, where she will be talking about "Increasing transparency and driving performance: from global to local corporate responsibility reporting". I am looking forward to it! (If you haven't registered yet, contact me for a discount code!)

elaine cohen, CSR consultant,winningSustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me viawww.twitter.com/elainecohen on Twitter or via my business websitewww.b-yond.biz/en (BeyondBusiness, an inspired CSR consulting and Sustainability Reporting firm)

Making Data Meaningful in CSR Reports

Sunday, April 29, 2012





On April 19th, I participated in the CSR Data Management Forum (conference site now no longer online), an entire day devoted to the cycles of processes involved in pulling together all the relevant information for sustainability transparency, starting with Data Collection, through Data Evaluation, Assuring the Data, Communicating CSR Data and a closing discussion, which I chaired, on Pulling it all Together. It's rare that a CSR conference is devoted specifically to the data management cycle and credit here is due to Paul Scott, MD of CorporateRegister.com who came up with the idea and opened up the proceedings. While data collection has an undisputable place in performance management, the focus of this day, was data collection for CSR transparency - either in the form of CSR Reports or in the form of CSR data submission to data aggregators such as the Carbon Disclosure Project or index-generators such as the DJSI.

Can Excel do the job?

The first session opened up with a debate between Credit360 (Iain McGhee) and Best Food Forward (Craig Simmons) who had been briefed to present opposing views about the merits of software systems for sustainability data management. Credit360 is one of the leading providers of sustainability software. After mentioning that only 24% (according to research by Ernst and Young) of reporting companies use software to gather their data, Iain McGhee went on to explain the types of software available. There is SaaS, Software as a Service, which is web-based, hosted by the provider (in the cloud) and enables input via the internet, and "on-premise" software, which means installing the software program on a company's servers and managing it technically in situ. If you are considering a software solution, SaaS seems to be the preferred option, as it doesn't require tons of technical work from your IT people and it is quite significantly lower cost. But, if only 24% of companies are using software, what are the rest using? Of course, we all know the answer to that: **Excel**! The good old spreadsheet option. On behalf of Credit360, Iain McGhee presented a detailed analysis demonstrating that **Excel** is wholly inferior for several reasons, such as lack of audit trail (anyone can make changes, which are not retained or identified by user), breaks in formulas which can disrupt entire data-sets and are hard to identify, lack of dashboard-type presentation tools, no solution for qualitative data and more. Just to whet our appetite, Iain referred to the Telefonica site as an example of how software-based tools can help generate fabulous interactive data presentation on websites.

Craig Simmons, on the other hand, works from the basis of two premises: (1) People think they want software when they really want business outcomes and (2) Specialist software tools are fast losing ground to better and less costly generic alternatives. He calls software tools "dangerously seductive", promising all sorts of seamless solutions when in fact, they have some minefields all of their own, such as difficulty of locating

software errors and the need to get far more organized up front before the software can be properly used. Craig says **Excel** does the job well and quoted large businesses which manage data effectively with **Excel**. He also talked about the relative merits of online solutions such as Google docs for collaborative processes.
At the end of a rather spirited discussion, a show of hands by conference attendees tended to prefer the software option over **Excel**. The real question, though, is how many of them will bite the bullet and make the conversion? As a Sustainability Reporter who works with many clients around the world, I have to say that **Excel** rules and none of my clients use software packages, though I often recommend to them that they should. Though I admit to being pretty nifty with a spreadsheet, or several, these days!

Data normalization - watch the fine print

The next session discussed how to evaluate data and how to present it. Craig Simmons from BestFootFoward reappeared in this session and offered up some great infographic examples of how to make data meaningful. See how far you can travel on a carbon budget here, and the carbon footprint of a lunchtime sandwich here. One debate arose about presentation of absolute versus relative (normalized) data, and an important insight is the way normalized metrics are calculated. It's possible, for example, to reduce carbon intensity just by enjoying the benefits of currency exchange fluctuations, without actually making changes in the business, if carbon intensity is linked to $ references such as turnover or profit. A common-sense approach taken by many is to measure intensity relative to more meaningful metrics that are true measures of performance such as square meters of offices or factories, number of hours worked or units produced.

The Wild West of Assurance While the number of Sustainability Reports published each year continues to grow, the percentage of these which are externally assured has remained constant for the past several years. In other words, as part of the reporting landscape, assurance is not gaining momentum. There remain many issues with assurance, the main focus of Session Three, and Ben Murray from Carbon Smart walked us through research conducted by Carbon Smart on assurance which shows that "assurance is not always well understood by stakeholders, there are low levels of uptake by reporting companies and assurance doesn't always deliver the goods!". No surprises there. The level of uptake of assurance with the FTSE 350 showed that 10% of companies do not report and therefore have nothing to assure, 67% do not assure, 4% use a form of "alternative" assurance, such as a panel or student review, and out of the total 350 companies analyzed, only 66 use a valid form of assurance - 19%. Assurance statements of Vodafone plc, BHP Billiton, Associated British Foods, Royal Bank of Scotland and British American Tobacco were singled out as leading the pack, but I haven't looked at these specifically so you can make your own judgment.

Overall, the entire assurance movement remains, to me, a Wild West, and now, as more reports are online, the challenges of effective, meaningful, credibility-advancing assurance for Sustainability Reports are even greater and few have managed to address this competently.

Communicating CSR Data

Peter Knight of Context America came back to the infographics theme and presented some examples of good and bad representations. This one, from Levi's, which is about saving water, was presented as a bad example. It takes forever to understand the message, according to Peter.
On the other hand, this one, from Starbucks, is a simple but effective representation of the Company's progress on ethical sourcing.
While infographics are certainly the New Sexy Thing in CSR (and other)

communications, they are hardly the crux of CSR communications. They are fine for the delivery of single, simple, one-focus messages, but not quite the basis of a CSR communications strategy.

Pulling it all Together Finally, in the last session, which I chaired, I presented some questions to the audience:

- If **Excel** is a black hole for data errors, why is the market not moving en masse to SaaS ?
- If Assurance is hopelessly inadequate, misunderstood and misrepresentative, is it a good or a bad thing that only a small percent of companies are doing it ?
- Is Data the issue or are Business Outcomes the issue? But how do you determine business outcomes without data ?
- Can Infographics really save the world ?

Interesting points to ponder until the next CSR Data Management Conference.

A good day, which would have been improved only by, yes, you know, ice cream.

elaine cohen, CSR consultant, winning Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz/en **(BeyondBusiness, an inspired CSR consulting and Sustainability Reporting firm)**

Thank you for voting!

Wednesday, April 25, 2012

I am delighted that Beyond Business Ltd, my consulting company, has won **first place in the Best SME Report** in the CRRA '12 Reporting Awards :)
This is what report viewers said about the Beyond Business report:
“They know their stuff. They know what they have achieved. Material aspects are included. It is an honest report. They tell what they haven't achieved (although the organization is small and hardly anybody would hold them accountable for any failures). The content makes the readers believe in the organization.” **NGO & Charity, Germany**
“It is clear that a lot of effort went into producing this report alongside a heavy workload. The content and style is original and engaging.” **CSR Consultant, UK**
“Corporate reports are mostly self-serving. But here comes a company that's started small but thinks big by sharing its ideas which could have been kept for private profit.” C**orporate CSR Professional, Philippines**

There is also a really nice comment on the report page on the CorporporateRegister.com website, from "chenying":

"This is really the most interesting CSR report I have ever read up until now. I laughed while reading. It is full of jokes; it easily gets the message across and remains professional. It is such a pleasure to read it. The "Quick facts" is well done! The "Case Study" offers concrete examples. Though it looks quite lengthy but I didn´t feel it. It is very informative. If I were a potential client, you´ve won me!"

This captures the essence of what we were trying to do with this report - deliver a professional document while making it easy to read and a little fun. That's how sustainability should be!

The Beyond Business report also achieved **fourth place in the Best First Time Report category** and **eighth place in the Creativity in Communications Category** . We are proud to have delivered a winning report !! And this is the time to **thank** each and every one of the CRRA '12 voters who nudged our report into first place. Admittedly, this was the smallest category with only five reports in total, but overall, the category got more votes per report than any other category.
THANK YOU EVERYONE!!!
We believe that any business, no matter how small, can report and can gain benefit from reporting. We also believe that it is important for sustainability consultants to issue reports as a way of demonstrating our personal commitment to sustainability and showing clients that we know how to do it as least as well or better than other firms. "Practice what your preach" goes the old adage. We practice a lot and we preach a lot. And what's more, it's good for business.

Congrats also to the runners up in the SME category, Banarra from Australia and Guelph

Hydro Inc from Canada, both of whom delivered great reports.

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices. Contact me viawww.twitter.com/elainecohen on Twitter or via my business websitewww.b-yond.biz/en (BeyondBusiness, an inspired CSR consulting and Sustainability Reporting firm)

Drumroll for the CRRA '12 winners

Saturday, April 21, 2012

Once again, amidst great fanfare, the annual iconic **CRRA Awards Winners** were announced on the evening of 19th April at a special super-duper gala event in London hosted by CorporateRegister.com, the global CR resources website, which is home to the world's most comprehensive directory of corporate non-financial reports with close to 40,000 reports from 9,000 companies across 161 countries.

Reports from five countries took the nine first place awards, with the UK and the US gaining three top awards each, and Denmark, Australia and Israel with one each. Countries making the top 27 places (first place and two runners up in each category) include France with one report, Brazil with two reports, Canada with two reports and South Korea with one. All in all, nine coutries are represented in the top line-up, which is a realtively small number, considering that entrants included reports from 29 countries.

The star of the evening was Coca Cola Enterprises Inc., U.S. who took two awards with overall Best Report and Best Carbon Disclosure categories, and a runner up in the Best Relevance Category. This is the first time that Coca Cola has taken the Best Report category, having been pipped at the post by Hewlett Packard or Vodafone in previous years. No doubt, Vodafone will be wondering what happened this year, as this is the first year since the start of the CRRA tradition that Vodafone has not taken one or more first place awards. Marks and Spencer did well in CRRA '12 , with two awards, one each in the categories Best Relevance and Materiality and Best Openness and Honesty.

Novo Nordisk topped the Best Integrated Report category (no surprises!). Novo Nordisk has definitely claimed this category and this time acheived a decisive win with almost double the amount of votes earned by the runners up in this category

It would be remiss of me not to mention that for the first time in the history of the CRRA, a first place award was won by an Israeli report - this was - ahem - the Beyond Business report - my very own report coming in as **Best SME Report**. Although this was a small category, the level of voting was high and the category received more votes per report than any other category.
Overall, CRRA '12 drew 6,001 valid votes, an increase of 3.7% versus last year, showing the continuing popularity of this largest online annual reporting competition worldwide.
So, without further ado.... drumroll..... here are the winners. (NB. Links are the report profiles on the CorporateRegister.com website, so you need to be registered to view them).

Best Report
Winner: Coca-Cola Enterprises Inc (U.S.)
1st Runner-up: Vodafone Group plc (UK)
2nd Runner-up: Marks and Spencer plc (UK)

Best First Time Report
Winner: La Trobe University (Australia)
1st Runner-up: Bloomberg LP (U.S.)
2nd Runner-up: American Water Works Company Ltd (U.S.)

Best SME Report

Winner: Beyond Business Limited (Israel)
1st Runner-up: Banarra (Australia)
2nd Runner-up: Guelph Hydro Inc (Canada)

Best Integrated Report
Winner: Novo Nordisk (Denmark)
1st Runner-up: Hyundai Engineering and Construction Company (S Korea)
2nd Runner-up: Vancity (Canada)

Best Carbon Disclosure
Winner: **Coca Cola Enterprises Inc. (U.S.)**
1st Runner-up: **Vodafone plc /(UK)**
2nd Runner-up: Royal Dutch Shell (UK)

Creativity in Communications
Winner: The Walk Disney Company (U.S.)
1st Runner-up: Microsoft (U.S.)
2nd Runner-up: Hewlett-Packard Company (U.S.)

Relevance & Materiality
Winner: Marks and Spencer plc (UK)
1st Runner-up: L'Oréal SA (France)
2nd Runner-up: Coca Cola Enterprises Inc (U.S.)

Openness & Honesty
Winner: Marks and Spencer plc (UK)
1st Runner-up: Microsoft (U.S.)
2nd Runner-up: Natura Cosméticos SA (Brazil)

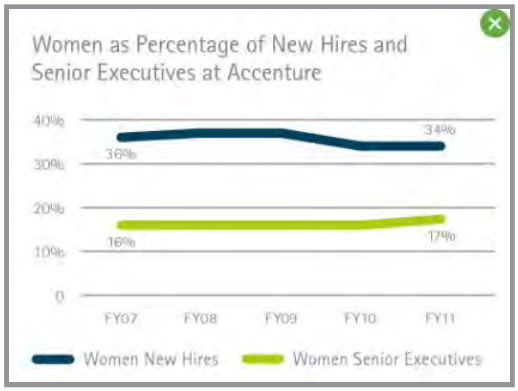
Credibility through Assurance
Winner: Co-operative Group Limited (UK)
1st Runner-up: Banco Bradesco (Brazil)
2nd Runner-up: Royal Dutch Shell plc (UK)

Congrats to all the winners!!! and comiserations to all the non-winners.
But take heart ... only one year to go till the CRRA 13 !

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. Author of CSR for HR: A necessary partnership for advancing responsible business practices Contact me via www.twitter.com/elainecohen **on Twitter or via my business website** www.b-yond.biz/en **(BeyondBusiness, an inspired CSR consulting and Sustainability Reporting firm)**

Five insights on Accenture and Women

Thursday, April 05, 2012



Let me start at the end. After reviewing Accenture's global 2010-2011 Corporate Citizenship Report, recently released, I have been encouraged by Accenture's performance in gender diversity and advancing women. In many ways, I now believe that Accenture is showing leadership in providing a working environment which repects women's leadership and encourages women to advance.

But that's the end. The beginning is that I wasn't fully convinced of this after reading the Accenture Corporate Citizenship Report. Fortunately, I didn't stop at reading the report. I talked to Accenture. And this is the story. From the beginning.

I didn't have time to study Accenture's report in full (it's online and available as a download) but I can never resist having a quick look at new report releases, so I did, just in passing, in-between things. Kinda by auto-pilot, my screen navigated to the page entitled **"An inclusive, diverse environment".**

What stood out for me on this page is this:

My first reaction was this:

I was disappointed. For the past 5 years, female intake has been static at 34-36 percent. And the number of women senior executives has been static at 16-17 percent of the senior executive workforce. Accenture has a Diversity Council and a Diversity Advisory Forum. There are leadership courses for women and a Women's Network. Accenture celebrates International Women's Day and in 2010, senior women participated in events in 146 locations across 35 countries, and in 2011, events took place in 162 locations across 40 countries. Accenture conducts research every year on women in business, and has Women's Mentoring Programs which pair women with senior executives. Yet only 17 percent of the senior executives are women.

Accenture writes: "Increasing the representation of women and minorities among our leadership and welcoming all diverse employees will remain ongoing priorities for us." For the past 5 years, there appears to have been almost no increase of women representation in the senior executive ranks, despite this having been, apparently, a priority during these years.

It therefore seemed to me that, whatever Accenture has been doing for the past five years, it hadn't worked. Whatever Accenture plans to do for the next five years, has to be different. As I have said in the past, **down with womenwashing!**. "Fixing" women through leadership programs and women's networks doesn't create space for women to move into leadership positions.

Admittedly, Accenture has three women on the Board of Directors (out of a total of 10 non-management Directors) and 26% (5 out of 19) of its global Executive Leadership Team are women, which stacks up pretty well against most large companies and other companies in this sector. However, this just made me wonder why more women do not achieve senior executive status, and, apart from continuing the current initiatives, what Accenture plans to do differently to ensure that 17% could become more than 17% in the next few years. **But then.....**

I contacted Stacey Jones, who is Accenture's reporting contact point for Corporate Citizenship to see if there is perhaps an explanation that I am missing. I was totally impressed that Stacey came back to me immediately and we chatted by phone about what Accenture is doing to advance women. This is fabulous responsiveness, way beyond that which I experience from most companies (and I write to many!).

And then .....

From our conversation I understood that the "senior executives" is actually quite a small proportion of the overall management population at Accenture, as 17% is based on a group of some thousand within the company's population of nearly 250,00 employees. The percentage of women overall in all management positions is much higher.

I also saw that the total workforce increased by 40% in the same 5 years, so the female workforce in 2007 was 61,200, while in 2011, it was over 80,000. This means that ***absolute*** numbers of women in senior positions has increased, even if the percentage figure does not reflect this. Maintaining this level, then, actually represents an achievement.

In addition, Stacey talked with passion about the programs to advance women at Accenture, especially the Diversity Council. "Diversity Council membership includes representation of our most senior male and female executives who have key leadership positions within the business. They play important roles in succession planning and sponsoring women to be groomed for leadership positions and ensuring they have the opportunity to advance. I have been here for 18 years, and I personally observe the investment of time and energy that goes into creating an inclusive culture that works for women."

All this was enough to convince me that there is genuine openness and encouragement for women's advancement at Accenture.

And so .....

I changed this post from what have been a rather critical post to one which highlights the value of stakeholder engagement. Here are my five insights:

Number Uno: As stakeholders, take the time to give feedback and ask questions. Had I not fed back my observations to Accenture, I would have written an overly critical piece. Knowing what I do now, this would have been unjustified. I like being critical :), but I prefer to be fair.

Numero Two: As corporations, listen and be responsive to stakeholders. My conversation with Accenture provided them with some value. Through my feedback, they were able to gain some new perspectives about how to present their performance in the Corporate Citizenship Report and a couple of insights into aspects of diversity management.

Number Trois: Things are not always what they seem. It's always worth checking the facts and hearing the other side of the story. It's easy to jump to conclusions, and be judgmental, especially when the numbers seem straightforward. But just asking a simple question led to a great conversation and a much fuller understanding of the situation on my part. It's easy to be critical of companies. It's less easy to take the time and consider a more balanced view.

Nombre Four: Transparency builds trust. This is the whole point of Sustainability Reporting. Transparency opens you up to scrutiny. It exposes you to criticism and external interventions. As a result, I now have a much higher level of trust in Accenture's reporting, and corporate integrity, and Accenture has avoided what might have been some rather unpleasant publicity, and has gained new insights about their reporting.

Nummer Cinq: Make sure your Sustainability Report has an accessible contact point. If the whole point of Sustainability Reporting is to engage stakeholders, make sure you publish an accessible contact point. It's so frustrating when you send an email and it ends

up in a black hole. Accenture's timely and friendly response is a **best practice example** of stakeholder engagement and deserves a **CSR Reporting Blog Double Cone Award.**
The End.

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me viawww.twitter.com/elainecohen**on Twitter or via my business website**www.b-yond.biz/en **(Beyond Business, an inspired CSR consulting and Sustainability Reporting firm)**

A rare free gift from the CSR Reporting Blog

Saturday, March 31, 2012

Did you know that the CSR Reporting Blog also comes in convenient, offline, searchable, hyperlinked, downloadable PDF's, and what's more, at NO CHARGE to blog readers and blog non-readers all over the globe?

Here is a FREE! (wow) download of all entries and comments in 2011 (and a little of 2012) in the

CSR Reporting Blog 2011 ebook
The 2011 ebook is 276 pages short. Don't read them all at once. Unless you are a real reporting geek. Or you need an excuse to eat even more ice-cream.

And just in case you were wondering, yes, the blog was available in ebook form in 2009 - 2010. Click here to download the first CSR Reporting Blog ebook (442 pages).

And now, back to blogging.....

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict.Author of CSR for HR: A necessary partnership for advancing responsible business practices Contact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz/en **(Beyond Business, an inspired CSR consulting and Sustainability Reporting firm)**

A bank with a mission. RBS goes sustainable.

Friday, March 30, 2012

The Royal Bank of Scotland (RBS) is a bank with a mission. Rehabilitate its reputation and manage itself sustainably. Following the failure of the bank in 2008/2009 and a 70% government buyout, harsh public criticism about executive pay and controversies over pension arrangements, sailing has not been all that plain for RBS in recent years. Philip Hampton , the RBS Group Chairman has gone on record as saying: "We are committed to being a sustainable bank in every sense of the word." Many companies have shown that they can be at low points in terms of reputation (Nike, Gap Inc. and yes, even Walmart), and through consistent, applied, systematic change to the core business approach, responsiveness to stakeholders and embedding of a new culture, can reinstate themselves as (more) trustworthy sustainability leaders. RBS is committing itself to this effort and doing what it takes with a long-term perspective.
The Bank's turnaround is based on a new 2013 vision which includes leadership in transparency and requires deep embedding of sustainability principles and communications. This is showcased in the RBS Sustainability Report for 2010. RBS Group's five sustainability themes are:

- Fair Banking
- Supporting Enterprise
- Employee Engagement
- Safety and Security
- Citizenship and Environmental Sustainability

Recently, I had the opportunity to chat to Duncan Young, Head of Reporting and Engagement at the RBS Group. Duncan is responsible for overseeing all sustainability communications, including the annual Sustainability Report and 'impact' reports. The 'Engagement' aspect of his role includes ongoing stakeholder relations with NGO's, media, politicians and investors and more. Duncan will speak on "Fully Engaging your Stakeholders through Strategic Communication" at the Smart Sustainability Reporting Conference on 15th May, in London, which I will be chairing.
Duncan Young comes from a backgroundin journalism - until June of last year, when he took up his current role, he was the Deputy Editor of News at the BBC Scotland. Naturally, I couldn't resist asking Duncan how he had made this transition - RBS has been a Bank that the media love to hate, and now he finds himself telling the RBS story in a way which is designed to reverse that reality. I asked Duncan if this has presented a conflict for him, at a personal level. Duncan said: "Anyone working within a corporation has to recognize how the business is able to speak about difficult issues in public. Part of the journey is becoming more open and transparent - this doesn't mean we are always able to be as open and transparent as the press would like us to be. When we come to define sustainability within RBS, we often talk about anything that can damage our reputation. As a journalist, I can recognize this. I can spot things which are coming down the line. It puts me in a good position to take that conversation to the business. This is a good thing and turns a potential conflict into an advantage".

Is Sustainability Reporting doing the job? Is it helping to get the message out and

improve reputation and engender trust in RBS? After all, banks, including RBS, as still what you might call, reputationally-challenged :). Duncan believes that reporting has a bigger role to play than ever before and that this is important not only for investors but also for the people in the street. "Reporting is a demonstration of why we can be trusted. Increasingly messages from sustainability reporting are finding their way into our mainstream messaging and reporting. Sustainability is becoming more mainstream as communications collateral in the business." So is it time for Integrated Reporting? Not yet, thinks Duncan. "I don't think the Annual Report will ever be able to tell the whole story. The Integrated Report won't be the end of the road for Sustainability Reporting." "Ah yes", murmured the CSR-Reporting Blogger, "I tend to agree."

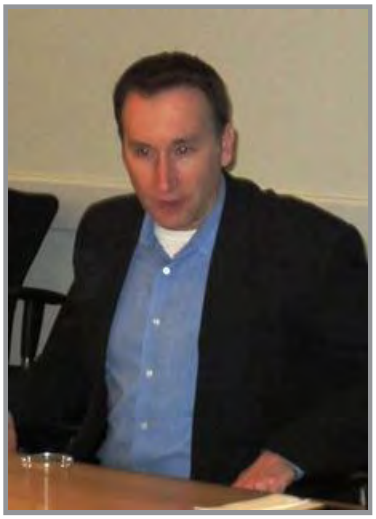
Onthe subject of "Smart" sustainability reporting, Duncan says: "I think historically we have concentrated on the one annual reporting splurge and hoped that it would satisfy our stakeholders. Smart reporting should meet the needs of all stakeholders and includes impact reporting, social media, engagement programs, all developed in a clever way using segmentation. Something we did this year is to design our report as an online experience but not a printed document, improving the general experience, interactivity. It can be updated rather than remaining as a static report. We had previously produced a report called "Our Financing of the Energy Sector" - this was our first outing into segmentation. The report discussed our relationships with the energy companies, the technologies they are using and their impacts. Much of this gets distorted in the media debate. We found that it was a very worthwhile exercise to focus on this and produce a report defining the position of RBS in relation to energy financing."

The reporting process has power. Duncan told me: "Any time there is a process in a large corporate that demands data and evidence before decisions are made, that process has power. Each year we go to the business and ask questions. If there is no improvement, that instantly creates internal pressure and gives visibility to the sustainability agenda within the company. It puts pressure on people to do better. No-one wants to not make progress. This is what our team has found at RBS." Duncan's team is himself and three others, responsible, among other things, for the reporting cycle and its outputs. This cycle tends to last from November through to around April each year. As we are now heading into April, watch for the RBS 2011 report, coming soon to a website near you.

In the meantime, if you are in or around London on May 15th, come to the conference and feel free to ask Duncan Young all the questions I didn't have time to ask!
elaine cohen, CSR consultant, Sustainabilty Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz/en **(Beyond Business, an inspired CSR consulting and Sustainability Reporting firm)**

Community giving: Motorola Solutions Foundation reveals all

Wednesday, March 28, 2012



Last week, it was my pleasure to facilitate a fascinating meeting at Motorola Solutions Israel in honor of the visit of Matthew (Matt) Blakely, the enthusiastic Director of the **Motorola Solutions Foundation**. Founded in 1953, the Motorola Solutions Foundation focuses its funding on public safety, disaster relief, employee programs and education, especially science, technology, engineering and math programming. In 2010, the Motorola Solutions Foundation invested $18.4 million in strategic community programs around the world, which was supplemented by an additional $7.1 million in employee giving and other cash and product donations. The largest chunk of this total amount - $13.9 million - went to support educational programs. The assets of the Foundation are over $70 million. You can check out the Foundation's activities on their Facebook page. Matt getting ready to talk to a group of CSR Managers and NGO's In his talk to a selection of CSR Managers from local industry and some NGO leaders, Matt emphasized:

The Focus on STEM Education: (Science, Technology, Engineering, Math) This makes sense for Motorola, because, "as a company of scientists, we feel it's important to support the next generation". This is particularly important for women, and other underrepresented groups in technology careers, so that they can gain exposure to the possibilities of developing a science-based career and gain tools to pursue such opportunities.

The Focus on Public Safety: Motorola Solutions makes the radio technologies and communications equipment that government entities and fire departments use, as well as logistics and large retail companies. These are communications devices, which are typically rugged and durable for use in a range of challenging applications such as coastguard organizations, federal law enforcement and more. Because of this, the connection to support public safety and support for the families of fallen first responders is a natural link and focus of outreach for the Motorola Solutions Foundation. In addition, the Foundation often works together with customers and partners on volunteer activities. Supporting the work of the Red Cross, for example, is a key part of Motorola Solutions efforts.

Supporting Local Communities: "We want to make sure our impact is felt at local level". Local involvement in community causes is very important to Motorola Solutions employees and a range of activities are progressed around the world. Part of this is by way of cash donations from both the Motorola Solutions Foundation and employees, but

many of these programs are about personal volunteering and engagement.
Long Term relationships: The Motorola Solutions Foundation likes to maintain long-term relationships with the causes it supports and 72 percent of the beneficiary organizations are ones which have been connected with Motorola in previous years. However, grants are made on an annual basis, to prevent complacency in the annual allocation process and to "refresh the partnership" - each year, requesting organizations are asked to submit a new grant request and reaffirm progress made so far and new objectives. This provides the opportunity to review, discuss and ensure that allocations are made for the right reasons.
The Stability of the Foundation: Because the Motorola Solutions Foundation funds its annual budget from assets, there is a high degree of stability from year to year. The total amount of funds allocated is not subject to short-term pressures, market downturns or changes in management.
The Measurement of impact: Prior to approving grants to any local cause, the Motorola Solutions Foundation examines the effectiveness of its social activity and the nature of the impact the organization has in society. For example, there are several programs in which improved school attendance and performance has been documented as a result of Motorola Solutions Foundation-supported programs and interventions.
It was very interesting to hear from someone whose job is to give away over $20 million per year. It was more interesting to hear the very careful, strategic, impact-focused approach. It may be easy to give away money, but it is far less easy to ensure that the money is used effectively to create positive social outcomes. Aimee Schutzman, the CSR Manager of Motorola Solutions in Israel, and a highly-experienced local CSR leader, who hosted the meeting, was on hand to give local examples of how the Motorola Solutions Foundation supports programs in this country.

Aimee Schutzman - the Motorola Solutions Israel CSR Champion
Following Matt's talk and discussion with other local companies, three NGO's presented their activity:
Time to Know: This is a fabulous initiative that provides a breakthrough solution for one-to-one computing classrooms. Teachers use Time to Know's interactive comprehensive curriculum and digital teaching platform to manage all classroom activities and deliver a personalized curriculum to every student with significantly enhanced learning outcomes. This is a tremendous futuristic, almost surreal, type of classroom environment which is incredible to observe. Apparently the future is already here. Check this out:
T2K: a Paradigm Shift in K-12 Education from Time To Know on Vimeo.
Lior Boker Foundation (Hebrew website only) : Lior Boker was a firefighter who heroically lost his life during a beyond-the-call-of-duty attempt to rescue victims of the Carmel Fire which raged in Israel's Carmel Mountains, killing many and displacing hundreds of families. Lior's widow, Nava Boker, established a Foundation in her late husband's name to help support firefighting activities - train firefighters, support firefighting rescue services and encourage and train volunteers. An inspiring example of bravely turning adversity into the opportunity to help others in the name of one who gave his life to do so.
Project Wadi Attir - A Model Sustainable Desert community Project Wadi Attir seeks to develop and demonstrate a model for sustainable, community-based organic farming, adapted to a desert environment. It is designed to combine Bedouin aspirations, values and experience in desert agriculture, with sustainability principles and cutting edge green technologies, including renewable energy production, resource recycling and arid land stewardship. It is intended to showcase a breakthrough approach to environmentally sound sustainable development, which could impact the Middle East region as well as other parts of the world. Check it out - and be inspired - here:

Anyway back to strategic philanthropy. In my opening remarks at the meeting, I mentioned four purposes of corporate community investment:

Uno: To meet a community need by leveraging the resources and capabilities of business in a way which complements and augments work done in other sectors. **Due:** To demonstrate good corporate citizenship – which gives reputational value. **Tre:** To provide a benefit for the organization - in terms of supporting a team-culture, service-orientation and exposing employees to new challenges which build their skills. **Quattro:** To provide a personal benefit for employees – the feeling of giving to the community is genuinely appreciated at a personal level.

Unfortunately, though, in Israel, the concern with the first purpose tends to be subordinate to the other three. That means, companies are more concerned with seen to be *being good* and *making their employees happy* than they are with using their precious resources to contribute to truly long term systemic change that enriches communities and the quality of life for all. The short-termism of community involvement and the lack of any real measurement of the effectiveness – the outcomes - of community involvement are two things that characterize the way things work in here. In fact, that's the big difference between involvement and investment.

Investment is about strategic philanthropy – creating collaborative partnerships and working to bring about deeply-felt impact over time to meet defined needs in society. It's about creating – and calculating – a social return on this investment, not only an economic return for the business. Internal organizational benefits are also important but they need to be combined carefully with social needs in order to find the optimum mix.

In Israel, community involvement is generally short-term, employee-focused and outcomes are not measured. Companies record total giving and volunteer hours, but rarely much more, with a few exceptions.

The Maala Ranking for 2011, which included 85 (mainly publicly traded) companies, reported a total community contribution of $144 million – with around $1.5 million being the average per company – less than 1% of pre-tax profit (compared to 1 – 3% average in more CSR-developed countries). 10% of these companies gave over $ 2.5 million per year – in fact, two organizations alone contributed over $18 million in total . Around 50 companies contribute less than half a million dollars. 87% of these companies encourage employee volunteering with an average 20% of employee participation.

This compares with median total giving in a survey in the US of 184 leading companies where the median total giving was $22.10 million in 2010. 81% of companies reported have a corporate foundation.

Corporate foundations in Israel are not popular. There are very few. One of the main reasons is the amount of money that corporations are investing in communities is relatively low, partly due to the size of the local market and partly due to other corporate and cultural considerations. Perhaps one of these considerations is the long-term commitment that is required before you establish a foundation. In the 2011 ranking (covering 2010 data), for example, when the economy declined, Israeli companies contributed **over 40% less** than in 2010, and the lowest they have contributed for four years on average (according to the Maala Ranking) . In the U.S, in 2010, where economic conditions were no better, corporate charitable giving rose by 10.6%.

All in all, a very worthwhile opportunity to listen, share, think and discuss matters related to corporate community involvement, investment, giving and volunteering. Kudos to Matt Blakely, Aimee Schutzman and the Motorola Solutions Foundation.

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me viawww.twitter.com/elainecohen on Twitter or via my business websitewww.b-yond.biz/en (Beyond Business, an inspired CSR consulting and Sustainability Reporting firm)

SGS: Sustainability Report Cone Award

Saturday, March 24, 2012

Following my first Ice Cream Cone Award, Intuit, which, since publication, has caused an increase in corporate ice-cream consumption by 24% (and mine by 38%), I am pleased to make another Cone Award to SGS for the Company's Corporate Sustainability Report 2011.

(All ice cream cone images are sourced from: Ice Cream Cone ClipArt) (Almost good enough to eat!)

About the Company

Headquartered in Geneva, Switzerland, SGS is an inspection, verification, testing and certification company with more than 70,000 employees and a network of more than 1,350 offices and laboratories around the world. Established in 1878, SGS started by offering agricultural inspection services to grain traders in Europe. During the mid 20th century, SGS diversified into inspection, testing, certification and verification services across a variety of sectors, including industrial, minerals and oil, gas and chemicals among others. SGS is listed on the SIX Swiss Exchange and has revenues of $5.2 billion.

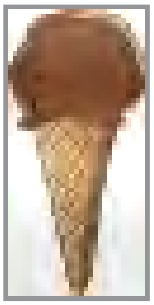
About the Report

Third Corporate Sustainability Report. Conforms to B+ of the GRI Guidelines as checked by the GRI. Assured by a third party auditor. PDF 84 pages. Separate GRI Index downloadable from the report website.

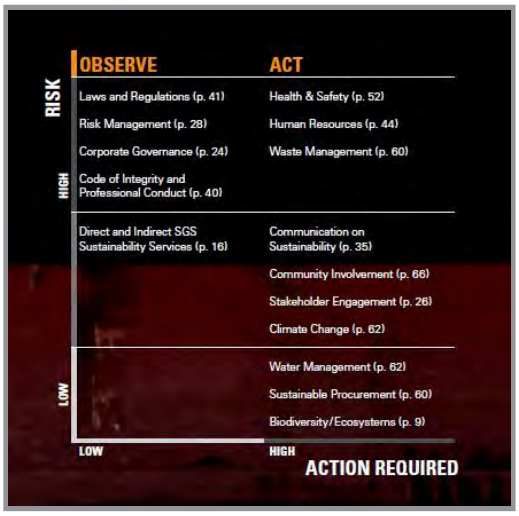
Ice Cream Cones Awarded

SGS has specific, quantified, timely and published goals through to 2014. Thirteen goals in the areas of Professional Excellence, Environment, People and Community which make it clear what SGS commits to achieving. This is not to be underestimated. Reducing carbon intensity by people and by revenue by 10%, reducing turnover (to below 14%) and sickness absence rate (to below 1.5%) and more, may not be breaking the sound-barrier in terms of stretch, but, as I learnt long ago, "80% of something is better than 100% of nothing". A nice, double cone for SGS for making their targets measurable and transparent.

Good practice for SGS on reporting stakeholder feedback. 1,319 stakeholders responded to a survey about the prior SGS report and in the current report, SGS summarizes the feedback that was provided. This is a qualitative summary - it might have been nice to see quantitative data, and it is not clear how stakeholders were asked to respond in the survey. SGS also does not disclose the relative mix of stakeholders which provided feedback - 1,319 is made up of employees, customers, contractors, investors, NGO's and others. However, soliciting stakeholder feedback, and disclosing results, even in a rather filtered way, demonstrates a process of recognition for and understanding of the significance of stakeholder engagement.

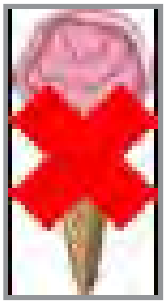


I like the way that SGS describe their different services offering. While this might be thinly veiled marketing content, SGS offers compact contextual information about why each area of activity is important and contributes to sustainable agriculture, global trade, transportation, biodiversity and more. It's an interesting summary of many of today's global sustainability issues and opportunities, flavored with short stories about how SGS's work is making a difference, for example, through operation of a fleet of mobile laboratories for testing of ballast water, which can disrupt marine ecosystems (did you know that ?), or pioneering work to calculate the carbon footprint associated with farming scallops throughout their entire lifecycle for a Chinese fishery, or a new Battery Test House and E-Mobility Competence Centre in Munich, Germany where we for developing and testing safe electric, hybrid and fuel cell cars.



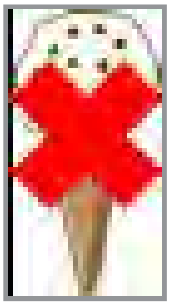
I wondered whether to award a Cone or deward a Cone for the SGS Risk Matrix (see below). On the one hand, key risks are transparently defined and areas of risks are referenced and explained within the Sustainability Report. On the other hand, I would have like to have known a little more about how this risk matrix was developed, and to what extent it includes stakeholder input. On balance, I settled for awarding rather than dewarding. Remember ? I promised I would try to be magnanimous.

With almost 48% of SGS's revenue being spent on employee wages and benefits, and 8,000 new people being recruited in the last year alone, getting the best out of SGS people and engaging them in sustainability is absolutely compelling. SGS present one of the best overall programs for embedding sustainability at all levels of the organization that I have seen in Sustainability Reports over the years. Ranging from sustainability workshops resulting in commitments to targets, e-learning sustainability programs, learning and development programs, to performance reviews etc, SGS demonstrates CSR for HR in a mature way.

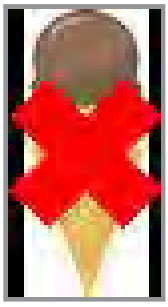


Ice Cream Cones Dewarded

This is a marginal deward. SGS have done something very good. Following a risk assessment, road safety was identified as a number one risk and in India, SGS Launched a country-wide road safety initiative which includes mandatory reporting, distribution of road helmets and reflective jackets etc. So why the deward? I would like to see SGS reporting road safety **results** and also adopting a **global** road safety policy. This is one of my pet subjects to track - the impacts of road un-safety are massive and represent a real sustainability issue whichever way you look at it (as I wrote in a post on CSRWire a while ago). So, good progress by SGS, but hoping for more.



Gender diversity is not transparently reported by SGS - almost to the point that it generates a suspicion that performance is really quite poor. 34.4% of the total SGS workforce is female, but while SGS reports that more female employees were promoted to manager level - SGS does not report how many. Instead, SGS reports against an odd indicator called the "equal opportunity ratio" - apparently the relative ratio of female managers to total female employees versus the ratio of male managers to male employees. Sorry, I don't get it. What I would like to know from SGS is how many women managers are in the business in total. Diverting to the SGS Website, I see that this company is led by an all-male 8-strong Board of Directors, and an Operations Council of senior executives with 25 members, 4 of whom are women (16%). I almost gave another deward for this, but I decided to continue to be magnanimous and stay with one cone down only.



The GRI Index is a separate download. I always find this irritating. I use the GRI Index to navigate sustainability reports. Having it separate from the PDF document is tiresome for me - meaning I have to bounce around between documents to get to information. If a company is producing an 84-page PDF, another couple of pages to integrate the GRI Index doesn't seem to me to be so much of a stretch.

Overall Net Ice Cream Cone Award Five minus three makes two net cones for SGS. Half a cone each for the women senior execs. Ha-Ha. Overall, an impressive report, nicely laid out, demonstrating good basic commitment. With a little stretch, there will be some ice-cream for the SGS men next year, too!

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz/en **(Beyond Business, an inspired CSR consulting and Sustainability Reporting firm)**

How big is your brain-print?

Tuesday, March 20, 2012

Yogesh Chauhan is Chairman of the Corporate Responsibility Group and **BBC** Chief Adviser Corporate Responsibility. He is slowly but surely transforming the CSR landscape at the BBC. We recently had the opportunity to chat about our expectations of the upcoming **Smart Sustainability Reporting Conference on May 15th in London.** Yogesh will be leading a session called: *Moving towards the report of the future - creating engaging, dynamic and accessible content and distributing through segmented data sets.* Sounds intriguing - the report of the future - segmented data sets - engaging, dynamic - not the sort of language most people currently associate with sustainability reports. Therefore, being rather a delayed-gratification-challenged person, I couldn't wait to ask him about what all this means. I found Yogesh very open and willing to share his views. But I am not going to tell you specifically about segmented data sets. You can hear more about that at the conference.

What I will share are some of the other things we talked about.

For example, how Yogesh sees his role: "The fundamental task I have is to challenge the organization in a positive and constructive way. I need to personally to be ahead of the game and identify what the challenges are likely to look like in the future." The BBC employs 23,000 people around the world, so this is no small undertaking.

For another example, how do you influence brain-print? Brain-print is to the media is what ice-cream-print is to Elaine (me), or what foot-print is to a corporation's environmental impacts. Brain-print is the sector jargon which refers to the impact of the media on the way people think. According to Yogesh, in terms of CSR, the "most substantive impact of the media is its influence in how people make sense of the world around them and how they are informed by the media". The BBC approach, according to Yogesh, goes like this: "What guide us are the BBC core editorial values – these are sacrosanct – they have been around much longer than I have and will stay around - impartiality, fairness and integrity are core to all that we do. We cannot afford to side with a particular viewpoint. The debate about climate change is very interesting and there is massive external scrutiny on how we report about climate change: some say the BBC is highly responsible in the way it reports, others say we are too cautious, other say we give too much time to the skeptics. But when you have critics on both sides, you tend to know that you have reported impartially and provided the right balance of content. "

The BBC's overall Corporate Responsibility and Sustainability Program goes under the heading of **Outreach**, and includes the BBC's approach to journalism, promoting learning,

education, creativity and cultural excellence, engaging with local communities, managing environmental sustainability, supporting charitable causes and maintaining a responsible workplace. When Yogesh Chauhan introduced Sustainability Reporting at the BBC some years ago, it was like "pushing an open door". The BBC acknowledged the role it needed to play as a Big Media Company. Since then, the BBC has been reporting, and experimenting with reporting.
Currently, the BBC produces an annual **Corporate Responsibility Performance Report** which in 2011 was a mere 24 pages long, the center piece of which is the way the BBC upholds its Public Purposes. It's rather like a storybook, with accounts of how the BBC Outreach has advanced citizenship with the BBC News School Report project in which 11-14 year olds are encouraged to produce their own news reports and BBC Learning Works which maximizes learning content linked to BBC programmes. Other themes include promoting culture with the Proms Plus Intro series for families to get to know the experience of classical music and the BBC World Class project that helps schools in the UK develop a twinning partnership with schools around the world.

In addition, the BBC has started to publish quarterly newsletter supplements which provide a focused update on a specific aspect of CSR activities. The latest update, from January 2012, zooms in on Diversity at the BBC in all of its facets, providing an in-depth look the BBC workforce, procurement activities and community outreach and supplemented by a BBC Diversity website. This reflects the experimental aspect of reporting for the BBC - drilling down holistically and more comprehensively than in a single Sustainability Report which covers all issues, four times a year. This reflects a desire of the BBC to experiment with different ways of reporting and viewing the reporting process as one of evolution rather than a static one-model template. In many ways, it's the best of both worlds- a full annual report with more frequent subject-specific updates to keep stakeholders interested and engaged. It also perhaps reflects the view of the BBC that the GRI framework (which the BBC reporting does not formally align with, though the BBC is supporting the development of the Media Sector Supplement) is more of a procedural approach to reporting, which is rather different from the way the BBC (and Yogesh) want to use the report, which is to generate interest, not just information.

Yogesh made the point, that as a publicly-funded broadcaster, the BBC has an absolute commitment to disclosure. "The BBC is subject to freedom of information legislation. Anyone can ask us any question about how we run our business. We reveal everything - salaries, travel expenses, Board meeting minutes – there is lots of information available. Above and beyond our Sustainability Reporting, every single response we have ever given is available on the website. We get the most wonderful and weird questions thrown at us. Therefore, as an organization we are probably one of the most transparent. The challenge for us is not what to put in the public domain but how we present in a digestible form – what, if anything, to leave out rather than how much to put in."

By the way, the BBC participates in the **MediaCSR Forum**, which I discovered while browsing the BBC CSR site. If you haven't seen it - take a look. It's a wealth of information about what's happening in the Media and CSR, and why.

I am looking forward to hearing more from Yogesh on **15th May.** Hope you will stop by.

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me viawww.twitter.com/elainecohen **on Twitter or via my**

business websitewww.b-yond.biz/en **(Beyond Business, an inspired CSR consulting and Sustainability Reporting firm)**

Intuit: Sustainability Report Cone Award

Monday, March 19, 2012

As we are now almost three months into 2012, I decided to take a look at who's been publishing what (Sustainability Reports of course - I wasn't searching for the latest true crime bestsellers - though some might not notice the difference).

This starts a series of posts based on a random pick of Sustainability Reports published in 2012 and some insights about what I found valuable and what I, IMHO, found less valuable.

For some, reading about Sustainability Reports may be rather boring (that's me being responsive to stakeholder concerns). So here's a good tip. It's always best to read the CSR Reporting Blog with ice-cream. This makes every Sustainability Report just a little more palatable. Therefore, for everything I like about the report, I will award One Ice Cream Cone. For things I like less, I take away One Ice Cream Cone. For really bad reports, that leaves more ice-cream for me! However, I will try to be magnanimous. Sometimes I will award a Cone for the quality of the reporting, sometimes for the sustainability activity which is reported. You will have to guess which is which.

(All ice cream cone images are sourced from: Ice Cream Cone ClipArt - the Go-To-Place if you are feeling depressed or suicidal). (The different sizes of the cone pictures are not indicative of anything other than the fact that it's awkward for non-techies like me to size all the pictures equally - blame the pixels.)

Intuit 2011 Corporate Sustainability Report

About the Company:
Intuit is a provider of business and financial management solutions for small and mid-sized businesses; financial institutions, including banks and credit unions; consumers and accounting professionals. HQ in California. Traded on NASDAQ. $4 billion revenue. 8,000 employees.
About the report: First report. PDF - 16 pages. Not conforming to the GRI Framework. Not externally assured.

Ice Cream Cones Awarded: This is a great starter report with a very meaningful 16 pages. It's written in eye-level, user-friendly language which is accessible for non-seasoned report readers. The design is simple, pleasant and doesn't give you a headache. The Sustainability Report website makes content accessible online.

One aspect of user-friendliness is the **Equivalent To** explanations. For key data, Intuit facilitates visualization of environmental achievements through comparisons

Paper Reduction Through Our Products

Product Line	FY07	FY08	FY09	FY10	Activity to Save Paper
TurboTax	60	48	60	90	Electronic filing of tax return
QuickBooks	180	178	166	168	Email invoices, statements and reports from QuickBooks
Intuit Financial Services	180	180	140	123	Online bank statements received
Payroll Services	30	60	74	60	Direct deposit paychecks, electronic filing of tax returns
Quicken Health	–	–	–	22	Online statements and bill pay for patient portals
Global Business	–	–	–	100	Electronic filing of QuickTax and ProLine tax returns
Payment Services	–	–	–	10	Online statements in the Merchant Service center
Pro Tax	84	120	104	145	Electronic filing from Pro-series and Lacerte users
Total Sheets of Paper Saved Per Year (in Millions)	**534**	**586**	**544**	**718**	

Total $MtCo_2e$ Avoided Through Paper Savings – 8,850

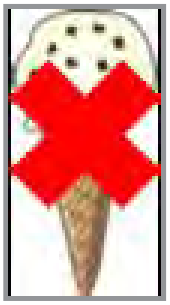
to things that we can see in our mind's eye as we read the report. For example, "Intuit's supply chain accounted for 21 percent of our carbon footprint in 2008. It produced 5,500 tons of waste that year - the equivalent of 1,600 dumpsters." "During a three-month period in 2011, Intuit removed 21 tons of e-waste from the solid waste stream... that's roughly equivalent to 138 refrigerators!" Can't you just see 138 refrigerators stacked up outside your office?

Intuit tracks indirect impacts which are enabled through the use of Intuit products.

Use of Intuit software enables Intuit customers to reduce paper and energy consumption. Intuit reports on the total paper saved by customers in this way, with a target to help customers cut paper use by 1 billion sheets annually, resulting in the avoidance of 12,000 MtCO2e of GHG emissions and equivalent to saving 400 acres of forestland in the United States. (see that Equivalent To thing again?). This is a great approach - focusing not on what Intuit does, but on the result of what Intuit does - this is what's important when considering sustainability impacts.

I give a Cone to Intuit for telling it like it is. Here is what the company says about Water Management. "We're attempting to collect Intuit's water usage data. We've made some progress, but before we can report the data we need to collect more and confirm its accuracy." It is often a dilemma for first-time reporters to go public without the data or stay under the radar. The force of a public commitment to doing more next time deserves recognition.

Another Cone for Intuit's Green Team reported activity. The company has Green Teams at more than 15 locations and describes a enthusiastic activity ranging from engaging 4,000 Intuit employees in Earth Day activities, WasteWatch waste reduction program, Live Green Sweepstakes using the internal social network to make employees aware of a sustainable lifestyle with the chance to win a Vespa, Freecycle@work program to encourage recycling and reuse of "stuff" and a Green Your Business Forum, encouraging small business owners to engage to get Green Tips and advice.

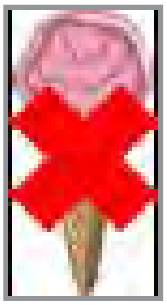


Ice Cream Cones dewarded:

I miss some form of index - while I prefer the GRI Index, any other Index would do. Indexing report contents makes it so much easier to find specific information.

I miss some evidence of stakeholder engagement and a materiality analysis. The fact that Intuit sets out key goal areas and future targets does not necessarily mean that these are the most material issues for the company for all stakeholders. For example, Intuit reports, as mentioned above, on resource consumption avoidance at customers.

This does not feature as an area of focus for future goals, but I suspect it is a core material issue.
The report does not contain any information about governance or the way sustainability is managed at this company. The introductory message is written by the CFO and not the CEO. I wonder why? Was the CEO on vacation at the time this report was written? Or did the CEO opt out of Sustainability? Or does the CFO have a particular passion for the subject? Whatever the reason, I have an expectation that the most senior person in the organization will have ownership for sustainability (and reporting) and make a public comment in the Sustainability Report so that everyone is clear about where s/he stands. The CFO, of course, can always add more.



Overall Net Ice-Cream Cone Status: Two cones for Intuit. But that's ok. They can share them around.

elaine cohen, CSR Consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohenon Twitter or via my business websitewww.b-yond.biz/en(Beyond Business, an inspired CSR consulting and Sustainability Reporting firm)

Comments

- JanMorgan March 21, 2012

You are funny and brilliant Elaine - this is a wonderful post that as usual tells it like it is in a memorable way. Thank-you! Jan

15 ways to say Sustainability Report Data Management

Saturday, March 17, 2012

How do you define "data" in the context of Sustainability Reporting? Here are 15 synonyms for Sustainability Report Data Management:

1. Headache
2. Migraine
3. Marathon
4. Boring
5. Painful
6. Tiresome
7. Impossible
8. Geez
9. Never
10. Endless
11. Struggle
12. Mismatch
13. Error
14. Exasperation
15. Depression

Get the picture? No-one, but no-one, has an easy time getting the data together for a Sustainability Report.

Arguably, the single most-underestimated challenge in writing Sustainability Reports is compiling the quantitative data and presenting it in a way which is transparent, clear, logical and understandable by a range of stakeholders. Reporting companies face many questions as they go through the reporting cycle:

- What quantitative data to include?
- What processes are used to collect the data?
- What's the cut-off point and how do you ensure that all data is aligned with that?
- How do you start to measure what is not already measured?
- Who should be responsible for the data collection?
- Is Excel good enough or do we need an IT platform?
- How do you select data-providers?
- Should it be cloud-based or server-based?
- How do we verify the data internally?
- Who signs off on all the numbers?
- Do we cover all global operations or only the big locations?
- What about assurance? Is it worth it? How to go about it?
- Who is really going to use our data? What to they really want?
- Where are the bottlenecks and how to manage them?
- What exactly is the CSR Data Management Lifecycle?

The GRI has recently announced that sustainability data will be much easier to find with the new XBRL Taxonomy. The GRI calls this "a major step forward in making sustainability data available to society." This is done through the use of software which tags data contained in Sustainability Reports for efficient retrieval. But, before you can tag it, you gotta catch it, right? If you don't do a good job of collecting and collating the data, even gold-plated taxonomy won't help.

Enter the **CSR Data Management Conference**. All about **"Strategies For Successful CSR**

Data Lifecycle Management". April 19th. London. One unique day dedicated to Data Management for improving sustainability performance and generating Sustainability Reports. Promises to provide answers.
Brings speakers from reporting companies and data-services vendors who can shed light on the entire process of getting the right data to the right place at the right time for your Sustainability Reporting process and presenting it in a meaningful way.
After the conference, you may be talking about Data Management in a different way. Just in case, here are 15 **alternative** synonyms for Sustainability Report Data Management:

1. Easy-peasy
2. Piece of Cake
3. No-brainer
4. Professional
5. Self-sustaining
6. Elementary
7. Painless
8. Accurate
9. Timely
10. Smart
11. Straightforward
12. Pushover
13. Efficient
14. Systematic
15. Ice-cream

I will be speaking at the conference. I always have a lot to say when it comes to Sustainability Reporting. You might have noticed.

See you there ?

PS: Quote "SPK" when registering for the conference to receive a 20% discount

PPS: To round off the day, starting at 6:00pm, one of my favorite annual events: The CorporateRegister.com annual CR Reporting Awards Gala Evening, announcing the results of the fifth annual CR Reporting Awards (CRRA) and presenting trophies to the winners of all the reporting categories. Watch this space for news of the winners! See 2011 winners here and 2010 winners here.
.

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz/en **(Beyond Business, an inspired CSR consulting and Sustainability Reporting firm)**http://bit.ly/GB8RMQ

7 material issues for the GRI to consider

Friday, March 09, 2012

Hot off the press is the GRI's latest Sustainability Report for 2010/2011 at Application Level A, covering the financial year 1 July 2010 to 30 June 2011. This time, the report contains a summary of prioritized material issues based on a stakeholder survey. This is the first GRI's own sustainability report to be based on the G3.1 Guidelines and the NGO Sector Supplement. The report is 33 pages long, supplemented by 26 pages of GRI Index and 14 pages of Annex, in which most of the quantitative data in response to performance indicators is reported.
Last year, the GRI GRI report was not terribly impressive and left big gaps in our understanding of the true impact of the GRI's performance in driving sustainability reporting. (See a post by Antonio Vives, Sustainability Guru, for a great summary of the issues). This year, efforts have been made to respond to the critics and take on board stakeholder feedback in three key ways: - An online stakeholder survey to which 159 stakeholders responded. - A review by a newly-established External Feedback Committee composed of five members selected by the GRI. - Inclusion of disclosures relating to the NGO Sector Supplement indicators relating to Program Effectiveness.
The online stakeholder survey yielded eight key aspects of GRI impacts that are most material - these are all specific GRI indicator heading such as "training and education" or "marketing communications". This still does not get to the real, meaningful, material issues, in my view. It seems like a list of indicators which 159 individuals consider to be more important than other indicators. Materiality should be about specific issues relevant to specific stakeholder groups relative to a specific business - otherwise they remain generic and do not contribute to stakeholder understanding. Take a look at the way Vodafone presents materiality which I wrote about in a previous post.
As a GRI Organizational Stakeholder with a passion for Sustainability Reporting, I would consider several issues to be material:

The impact of sustainability reporting - how many companies report ?
The GRI, in 2010, announced a target: "By 2015, all large and medium-size companies in OECD countries and large emerging economies should be required to report on their Environmental, Social and Governance (ESG) performance and, if they do not do so, to explain why." After two years, and with three years to go, I would expect to read about the GRI's specific progress towards this target in the Sustainability Report. There is reference to much that GRI is doing in the framework of "Report or Explain" activities. There is reference to an increase in the number of large global companies which report (95% of the G250 in 2011 according to KPMG research versus 80% in 2008) and this can definitely be attributed, in part, to the good work of the GRI staff. The overall number of sustainability reports published appears to be increasing and has done so every year for over a decade. These are great achievements. And yet, reporting still remains below around 10% of the target companies globally. Is this really mainstream or is it just talking mainstream?

There is something to be said for increasing awareness of Sustainability Reporting and in this sense, the GRI has made a pivotal contribution. Collaboration with the Organisation for Economic Cooperation and Development (OECD), the United Nations Global Compact (UNGC), the United Nations Environment Programme (UNEP), and the International Standards Organisation (ISO) has indeed created awareness platforms for the GRI Framework, reaching many channels and geographies. No doubt this awareness, as well as the work that the GRI does with governments around the world, is

getting the message, at least in part, through to the regulators. Nonetheless, how many OECD governments currently require ESG performance reporting? The GRI reports on its advocacy activities, but not on their impact.

The outcome of sustainability reporting - does it make a difference?

The vision of the GRI is "A sustainable global economy where organizations manage their environmental, social and governance impacts responsibly, and report transparently". This assumes that the sustainability reporting contributes to more sustainable practices. If, as I believe, sustainability reporting is a catalyst for sustainability performance, then we should be able to see the performance improvements in sustainability by corporation, by sector and by geography. While this is a hard nut to crack, I believe it's highly material. If all companies are doing is reporting their **un**sustainability, we haven't saved the world. We need companies to be performing more sustainably and reporting about that. While a measurement of reporting's contribution to sustainability doesn't really feature in the GRI lexicon of metrics at present, I feel that, sooner or later, Sustainability Reporting will have to become accountable. Right now, it's seen as a cost, a massive effort and a serious organizational burden by most. The ROI of reporting has not been clearly articulated and while we all know that it brings immense benefits, one day, someone will have to quantify those benefits in a way which we can all understand. It would be nice to see the GRI rise to this challenge.

The quality of sustainability reporting

GRI says that they do not police reports or reporting companies - rather, the role of the GRI is to provide the reporting framework and offer guidance and support for reporters. But surely, the term sustainability reporting, or GRI Framework, should offer an inherent promise of minimum quality and accuracy? The reputation of the GRI and sustainability reporting is not well served when headlines such as Lies, Damn Lies and CSR do the rounds online, referring to research on thousands of Sustainability Reports which contain errors and misleading information. The purpose of Sustainability Reporting is not advanced when reports which are primarily "look how great we are" platforms destroy credibility. Sustainability Reporting kicks itself in the shins when all that is disclosed are "doing good" actions instead of impacts and outcomes. The number of truly high quality, comprehensive reports which give a "fair and balanced" representation of a company's sustainability performance are few and far between. I hate to dampen the positive buzz about sustainability reporting, and let there be no mistake that I believe Sustainability Reporting is **important** and that the GRI's role is **crucial**, but the quality, accuracy and scope of Sustainability Reporting needs to improve by several orders of magnitude. How can this not be material for the GRI? Does the lack of credibility in Sustainability Reporting not materially affect the GRI's ability to maintain its influential role?

Use of the Application Levels In the GRI's own report for 2010-2011, an A level report, 47 indicators are "not material" and 6 indicators are "not available" - 53 indicators for which there is no response. This is a 67% non-response rate for the highest level of "transparent reporting". Doesn't this seem odd? The GRI is probably correct in the fact that many indicators are indeed not material to its operations - after all, GRI is not a global manufacturing company employing hundreds of thousands of people in a high-impact industry - but it points to a problem in outlook and perception. If the most transparent level of reporting can get away with responding to only 33% of indicators, then either transparent needs a new definition or the Application Level framework is poorly constructed. This will surely be part of the new G4 considerations and I hope that the new-generation GRI Framework will address this issue in a thorough way. See my views about how to construct reporting in my post about whether sustainability reports actually report what people what to know or not. See also this post from AccountAbility which covers five misconceptions about GRI Reporting, the first relating to this very point

about Application Levels.

The role of assurance Not much has changed since I referred to Assurance as the Wild West of Sustainability Reporting. I recently came across another article about the poor quality of Sustainability Report Assurance in 2011, based on research conducted by Carbon Smart. This research shows that "the level of sustainability assurance provided by FTSE 350 companies remains pitifully low. Just 79 of the 350 companies included some kind of assurance comment for their 2010 CSR reports, only 66 of which were independent assurance statements. Even where assurance is provided, many of the statements fail to meet minimum requirements that would render them accessible and useful to readers." Add to this the fact that reports parade as "assured" when only a very small proportion of the data has actually been verified or only a small part of a corporation's global data is actually disclosed. For Sustainability Reporting to be both more useful and more credible, assurance practices need to change. Surely this impacts the mission of the GRI in a material way?

The GRI relationships with financial services stakeholders
Two of GRI's five largest donors are financial services institutions (PWC and KMG). The USA Focal Point was established through the financing of the Big Four Accounting companies. Integrated Reporting efforts are primarily focused on investor needs. The GRI EFC has two out of five members from the financial services community. The weight of the financial services community on the development of the GRI cannot go unnoticed. But, as I have often said, sustainability should not only address financial stakeholders. If the purpose of sustainability (and reporting) is to help investors make more money, then I think something has gone astray somewhere along this journey. I believe a material issue for the GRI has to be the maintenance of a broader perspective - an appeal to all stakeholders, including those who are looking for a better future, not necessarily defined as having more money in the bank. See my Heretical thoughts on Integrated Reporting.
The GRI's management of its operations in a social and environmentally responsible manner
This is the area to which the GRI has given the most detail in its report, as in previous years. I concur with the External Feedback Committee (EFC) which wrote: "The report could be improved by providing a consistent and clear link between the DMAs and the performance results and by including performance-related data in the main body of the report, rather than the Annex or Content Index sections." Dumping data into a report add-on is usually indicative of a lack of integration of performance into core operations and often a way to conveniently skip over delivering full accountability for results. However, the GRI does provide good narrative around the data, with clear explanations (except, perhaps, for the fact that the GRI Board of Directors is only 21% female, when the Secretariat is 70% female and total workforce is around 45% female).
Back, then, to the GRI's own GRI Report.

I support the GRI (as an Organizational Stakeholder) and believe that its value is far greater than the impression which readers of this report will take away. The GRI has made efforts to be more responsive this time around and has reflected a more rounded picture of the organization's activities and areas of impact. Attempts to include feedback are better than last time. My ability to write this post is facilitated by the GRI's commitment to transparent reporting. The GRI is still on its own reporting journey and this report shows progress.
In future, I would like to see the GRI take a less mechanical approach towards the use of the GRI Framework and see the GRI get beneath the skin of reporting to where real impact is created - in the hearts and minds of corporate leadership, in the daily practice of

organizations, in the interplay between all stakeholders and in the engagement around the issues that bubble below the surface of sustainability reporting. In short, around the issues that companies do not (yet) report. I would like the GRI report to be an account of outcome as well as action, a story as well as a checklist, a delight as well as an obligation.

Anyone for ice-cream?

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict.Author of CSR for HR: A necessary partnership for advancing responsible business practices Contact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz/en **(Beyond Business, an inspired CSR consulting and Sustainability Reporting firm)**

Editing Sustainability

Wednesday, March 07, 2012

How do you edit sustainability? What's relevant when you are the editor of a sustainability publication?

One person that confronts these questions every day is Tom Idle, a writer, journalist, editor and commentator in the field of corporate sustainability, climate change policy, environmental protection, clean energy and renewables, and corporate social responsibility. Currently, Tom is Editor of Sustainable Business, a climate change and sustainability magazine. I will be meeting up with Tom at the Smart Sustainability Reporting Conference which I will be chairing on 15th May in London, so I asked Tom about what goes through his mind as editor.

Here are a few of the things that Tom told me: "I am constantly asking myself the question: What is a sustainable business? The answer is, of course, that a truly sustainable business does not yet exist. The challenge for me is sorting the wheat from the chaff. A growing number of companies are taking it incredibly seriously; shifting their business models to prepare for the new paradigm. Many others are making incremental changes, which ought to be applauded. It's important that the two sets of companies are not treated the same from an editorial point of view."

"We are living in interesting times. The challenges posed by the dire economic state of the West, potentially catastrophic climate change, a growing population, suspected peak oil, emerging economies, etc, etc. call for a revolution in the way in which we live, buy, sell and behave. To be writing about sustainability issues right here, right now, makes me feel alive. I am part of the debate and, hopefully, my magazine offers part of the solution. I happened upon this agenda by chance not long after graduating as a journalist. Now I'm here, I won't be leaving."

"I am keen to get away from the term 'corporate sustainability' and to talk more about smarter business. Adopting green practices and processes is sustainable. But it's also about being smart. A lot of this stuff is about doing business better. "

"I want everybody that books a place at the conference to have a good time. I want them to learn something new and to teach the person sitting next to them something new. This is not just a listening exercise - this is a chance to meet new people, learn new ways of doing things and to have fun. From the stage, I want to hear some great stories. That is what journalism is: storytelling. And stories, told well, make great editorial for the magazine."

"I want the Smart Sustainability Reporting Conference to rip up the rule book that has been built over the years, telling companies how they should put their annual CSR report together. I want businesses to question the objective of sustainability reporting and find smarter ways of doing it - with the 'how', 'why' and 'what' centre of mind."

Tom tends to skim-read many Sustainability Reports and uses them to grab the headlines on any company that he might be writing about. What does ripping up the rule book mean? What does he consider to be a "smart" report?

"For me, it's got to be about materiality. What's the point in companies spending lots of energy reporting on things that are of no interest to their stakeholders? Companies need to find value in the activity of sustainability reporting. It's not just about the final document and communication. It's about devising methods for extracting the key data that is vital to assessing the company's sustainability credentials and using that in creative, informative and interesting ways that will help drive value across the business and in the supply chain. I feel for reporters, though. It must be a tough job, especially if they are sitting in the midst of an unhelpful workforce that views them as merely a pain in the backside."

Yes, it's true. As a Sustainability Reporter, with broad contact within companies, often interviewing tens of managers for stories and chasing tens of others for data, the feeling of being a "pain in the backside" is not entirely foreign to me. Reporting is a tough job, and doing it well is even tougher. The focus on materiality is key and a fundamental assessment of material issues as the basis for Sustainability Reporting is certainly a smart start-point.

Editing sustainability, therefore, is giving critical voice to the material impacts for which companies are accountable, and their consequent outcomes. Using relevant and meaningful case studies to illustrate how all this happens is part of the editorial skill. Editing Sustainability and Sustainability Reporting, apparently, have a lot in common. Tom's insights led me to wonder if Sustainability Editors are just as much a pain in the backside as Sustainability Reporters? I didn't ask him that question.

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz/en **(Beyond Business, an inspired CSR consulting and Sustainability Reporting firm)**

Dr Sustainability is back again again!

Tuesday, March 06, 2012

What an exciting event it is when Dr. Sustainability comes to town! Her last visit was a resounding success, and many sustainability practitioners, academics, consultants and worldwide opinion leaders can now be found quoting Dr. Sustainability's insights in keynotes, books, journal articles and PhD research papers. Dr. Sustainability enjoys having a positive impact and, once again, graced us with her presence and agreed to respond to more questions from CSR-Reporting Blog readers. Here are some of the questions you asked Dr. Sustainability, and her responses:

Dear Dr. Sustainability: How do I know when my company is sustainable? **Dear Clueless:** When investment analysts tell you so, of course.

Dear Dr. Sustainability: We did an employee engagement survey this year. It showed that most of our employees are not engaged. What should we do? **Dear Awful Employer:** Ask them to lie. It will look better in your Sustainability Report.
Dear Dr. Sustainability: I received feedback that our Sustainability Report was excellent this year. The feedback was from my mother. Is it ethical to post this to Facebook? **Dear Mommy's Boy:** Yes, of course. If you don't, your mother will.
Dear Dr. Sustainability: I hear talk that new regulation will raise the bar for all public and private sector companies to develop strategies to advance a low-carbon economy. Should I include our strategy in our Sustainability Report? **Dear Strategist:** Only if there is a GRI Indicator for that. Otherwise, wait for G4.

Dear Dr. Sustainability: I read somewhere that Sustainability Reports are full of data that people don't want to read. How do I know which data to include? **Dear Data-Based:** Ask your stakeholders what they don't want to know, and leave it out.

Dear Dr. Sustainability: Sustainability Reporting is driving me nuts. Every time I think I have a final draft, someone else in the company objects and we have to remove another section. The report is now reduced to 14 pages. I started with a draft of 132 pages. What should I do? **Dear Verbose:** Next time, start with a draft report of 5 pages, and then everyone will want to add sections. You will soon be back to 132 pages.

Dear Dr. Sustainability: How is it that you know so much about sustainability? **Dear Skeptic:** I have Google+.

Dear Dr. Sustainability: Where can I find cheaper paper to print my Sustainability Report? Everyone keeps telling me that our report isn't worth the paper it is printed on. I think that is because of the high price of FSC Certified 99% post and pre-consumer waste paper. What do you suggest? **Dear Paper-Waster:** I suggest you replace your Procurement Manager and negotiate a discount.

Dear Dr. Sustainability: I have been a Chief Sustainability Officer for some years now, but I am getting disillusioned because, despite the fact that we are acting to solve all the world's problems, the world keeps having problems. Should I resign or add more members to my team? **Dear Problem-Solver:** My advice is to think positive. Take the half-filled glass approach. **At least the world is now half-sustainable.**

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me viawww.twitter.com/elainecohen on Twitter or via my business websitewww.b-yond.biz/en (Beyond Business, an inspired CSR consulting and Sustainability Reporting firm)

The P.R.I.C.E. of CSR

Monday, March 05, 2012

A few weeks back, I participated in a panel on the theme of CSR: The Way Forward at World CSR Day in India. The panel was headed up by one of the most prominent pro-CSR thought-leaders in India, Dr. Bhaskar Chatterjee, Director – General & CEO, Indian Institute of Corporate Affairs. Dr Chatterjee has a long and illustrious career, having held several positions of importance in the Indian government, and as Secretary in the Department of Public Enterprises (DPE), he led game-changing reform and change among Indian State Owned Enterprises laying special emphasis on Corporate Governance, revitalization of the MOU system, Human Resource Management, Sustainable Development and CSR.

The DPE released CSR Guidelines for Public Sector Enterprises and run workshops to assist companies in implementation, which includes an allocation of net profit of up to 5% for small companies and 2% for larger companies. Although CSR in this context refers to "CSR activities" which "may be planned *in parallel* to the business plan, looking at every possible opportunity to link and integrate business plans with the need based social and environmental concerns", rather than a more integrative model whereby CSR becomes the way of doing business, the heightened awareness and contribution to sustainability is important in this fast-growing economy and no doubt has a positive impact.

In the few minutes I had to present my own views on **CSR: The Way Forward**, I listed five key points: (you might call this **The P.R.I.C.E. of CSR** :-))

P is for Partnerships: The world's problems extend beyond the capabilities of any single company to solve. Supporting global or regional solutions to sustainability issues is important for businesses which wish to thrive for the long term. Partnership across sectors, and within industry sectors, offers a collective way forward which benefits companies and their stakeholders. The level of partnership activity is increasing - and this will continue.

R is for Reporting: Paul Scott, MD of CorporateRegister.com expects, after all the 2011 reports are logged, to see between 6,000 and 6,500 CSR/Sustainability Reports covering the year 2011 on a global basis. This doesn't include reports written in non-latin languages, of which there are also many (Chinese, Japanese reports etc), so, in reality, there are far more reports. Several countries are including sustainability disclosure in regulation (such as Denmark) and Stock Exchanges are starting to demand disclosure as a condition of listing (such as South Africa JEC). Reporting - business transparency - is here to stay and will become even more important as part of the way forward. While there numerous Indian companies now reporting on sustainability performance (watch out for the India Transparency Index 2012 - coming soon!), reporting as a way of life for Indian corporations will need to move into a higher gear.

I is for Integrate: CSR can no longer be a "project" based activity. It is no longer about philanthropy. CSR means creating sustainable business strategy in which CSR is embedded as part of the organizational culture and drives all activities. CSR is relating to the needs and aspirations of stakeholders and identifying business risks and opportunities in a holistic and fully integrated way. Indian business needs to make this shift as part of its way forward.

C is for Creating Shared Value: While the now ubitquitous notion of CSV is gaining ground - some say, too much ground, (see Dr Sustainability's opinion on CSV), because the concept is being diluted to mean almost anything that a corporation sells that people want to buy, CSV can offer win-win's for business and society. Kevin Moss of BT wrote an interesting piece about what CSV is and what it is not. However, CSV at its core is an outcome of integration of CSR principles into business strategy, and offers a positive

prism through which to drive sustainable business practices. Take a look at the Nestle CSV case study website for practical examples.

E is (of course) for Employees: With employee engagement in sustainability having gone viral, and for good reason, corporations today must understand that CSR begins at home. Companies which invest in the compensation, safety, diversity and inclusion, wellbeing, development, environmental awareness and community involvement of their employees are winning the War for Talent, the War on Climate Change and the War for Long Term Sustainable Growth and Profit. As they win, we all benefit. CSR is not just about being good to employees; it's the development and systematic adoption of Human Resources policies and practices which lead to the transformation of corporate impacts ON employees to the sustainability impacts OF employees on all stakeholders. Read more about this at CSRforHR.com.

So that's **The P.R.I.C.E of CSR**. However, it's not a one-way road. A corporation that pays the P.R.I.C.E. of CSR delivers many dividends - and not only for the corporation. In fact, the P.R.I.C.E. of CSR has positive returns beyond standard investment ROI approaches. An article in Marketing Week quotes Marks and Spencer as having contributed an additional GBP 50 million to profit in 2010 as a result of Plan A, while Coca Cola made $100 million savings due to packaging reductions.

CSR: The Way Forward also includes attention to many other important aspects of doing business sustainably - such as good governance, the use of technology, especially in the race to a low-carbon economy, implications of regulation, investor demands, supply chain outsourcing, disaster and emergency relief and even the way CSR is managed in organizations. The fascinating presentations by my co-panelists and ensuing discussion highlighted many of these issues.

World CSR Day in Mumbai was a welcome opportunity to continue spreading the message. I get the feeling that with people like Dr. Baskhar Chatterjee, and Dr R.L. Bhatia, founder of World CSR Day, at the helm, India may just be finding The Way Forward.

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz/en **(BeyondBusiness, an inspired CSR consulting and Sustainability Reporting firm)**

Transparency is an asset

Saturday, March 03, 2012

Transparency is an asset. That's what we believe here at Beyond Business and at the CSR-Reporting Blog. That's why, back in 2009, we developed the Transparency Index of leading publicly traded companies, analyzing the quality of sustainability transparency on their corporate websites. In 2009, 2010 and 2011, we analyzed the top 100 companies in our home market, Israel. However, the Transparency Index is a globally applicable index, which is equally valid for all companies in all sectors, providing complete comparability on what matters **equally as much** as what companies are doing to advance their own sustainability and that of the planet: **how effectively their corporate websites make this information available and accessible to their local and global stakeholders.** Therefore, in 2011, we formed a partnership with the Center for CSR Development in Ukraine, and, after updating the methodology to include some modifications reflecting our experience of performing the analyses over several years, we have started to analyze the leading companies in several additional countries around the globe. We are on our way to developing the first truly **Global Transparency Index.**

Rank	Company	Percentage Transparency
1	Novo Nordisk	92
2	Danske Bank	83.5
3	Nordea	80
4	TDC	78
5	Novozymes	77
6	Maersk	71.5
7	Coloplast	66.5
8	Lundbeck	64.5
9	Carlsberg Group	64
10	Chr. Hansen Holding	63.5

In 2011, we published The Transparency Index for the largest publicly traded companies in South Africa and in the UK. This year, 2012, after slightly modifying the methodology to reflect an improved balance of the Transparency Index four dimensions (reporting, content, navigation, accessibility), we have published a Transparency Index for the largest publicly traded companies in two countries: Denmark and the U.S.

The Top Ten		
Score	Company	Rank
91.5	Intel	1
89	IBM	2
82	Johnson & Johnson	3
81	Pfizer	4
79.5	General Electric	5
76	AT&T	6
73.5	Coca-Cola	7
73	Microsoft	8
72	PepsiCo	9
71	Bank of America	10
71	Citigroup	10

In Denmark, Novo Nordisk takes the trophy with a leading 92% transparency, reflecting top level reporting on sustainability issues and great performance in the other three transparency dimensions on the Novo Nordisk website. A Twitter stream, with a clearly explained policy, video content and even sustainability games in business ethics, climate change and economics and health. Novo Nordisk is way ahead of the average transparency of the top 25 companies in Denmark which ranks at **57.3%**.

Here is how the top ten in Denmark looks:

The full report of the Transparency Index in Denmark can be downloaded here.
In the U.S. our findings are that companies are a little more transparent. **Average transparency for the top 25 in the U.S. is 69% .** Intel takes the trophy here with **91.5%** transparency, reflecting sustainability reporting, a highly informative sustainability website, video content, a great CSR at Intel blog , a report builder and an online feedback form.
Here is the top ten in the U.S.:

The full Transparency Index Report for the U.S. can be downloaded here.
The full methodology is transparently (!) described in each report.
While it is true that transparency is only half the picture - it's an important half of the picture. Transparency does not substitute for good performance, but it is necessary as a tool to inform about performance. Transparency is a public statement of commitment to sustainability, encapsulating both a declaration and a promise, a demonstration of serious intent and most importantly, an invitation to stakeholders to read, review and react. As the world embraces digital formats and interactions, web-based sustainability transparency has an important place in the shaping of sustainability practices.
Watch this space for more countries to follow in the Global Transparency Index (and for news of the launch of our new GTI website) and for further analyses as the more countries are added to the mix.

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz/en **(Beyond Business, an inspired CSR consulting and Sustainability Reporting firm)**

Comments

- BushraAzhar March 05, 2012

This is a great post and although I am still reading through the very transparent methodology, I just love the concept and the effort you guys have put into this. Now, If only we had something like this in Saudi Arabia!!

- elaine March 05, 2012

hi Bushra, thank you for reading and for your great comments. We will see if our partners at the Center for CSR Development in Ukraine will be able to develop a Transparency Index for the 25 largest companies in Saudi Arabia as part of our global TI roll-out :) Watch this space!
elaine

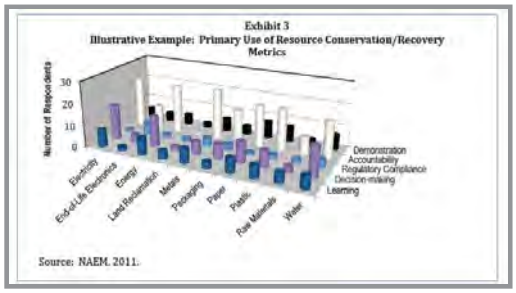
Is Sustainability Reporting off-target?

Friday, March 02, 2012

Sustainability information, research and survey-results overload is one of the greatest challenges of the sustainability profession! It seems that every day, another informative and insightful report plops into my inbox or miraculously appears in my Twitter Stream or Google Alert. Just scanning most reports is a full time job, so being selective is a key skill. One current report that I have selectively read end-to-end is worth reviewing. Here goes:

Finding Common Ground on the Metrics that Matter

This report, published by The Investor Responsibility Research Center Institute (IRRC), a not-for-profit organization established in 2006, working at the intersection of corporate responsibility and the informational needs of investors, and authored by Peter A. Soyka President, Soyka & Company, LLC and Mark E. Bateman President, Segue Point, LLC, describes three major findings, based on analysis of corporate data from the results of a recent "Green Metrics that Matter" survey conducted by the National Association for Environmental Management (NAEM), ESG researcher/investor data from company web sites and interviews with corporate execs and investment researchers.



The Metrics that Matter Report explores and documents the extent to which corporate environmental, social, and governance (ESG) information tracked and managed internally by companies is consistent with information sought by external parties, in particular, by ESG investors and the research companies that serve them.

Exhibit 24
Overlap of Key Metrics of Interest to ESG Researchers/Investors and Corporate Decision Makers

E&S Issue	ESG Researchers Evaluating the Issue (of 14)	Percentage of NAEM Survey Companies Tracking the Issue	Metric as Defined in NAEM Survey
Climate Change	13	88%	GHG Emissions
Diversity Issues	12	81%	Employee Diversity
Employee Health and Safety	11	100%	Lost Day Injuries
Energy Use/Efficiency	10	93%	Energy Use
Environmental Management	10	81%	EHS Management Systems
Product Issues	9	50%	Product Compliance with Customer Requirements
Philanthropy	9	86%	Philanthropy/Charitable Causes
Environment Emissions (non Climate Change)	8	69%	TRI Emissions
Supply Chain	8	58%	Supply Chain Performance
Water Use/Stress	7	86%	Water Use
Environmental Fines/Compliance	7	96%	Fines and Penalties
Environmental Liabilities	5	80%	Environmental Remediation Costs
Renewable Energy	5	63%	Renewable Energy Use
Waste Production/Reduction	5	88%	Non-Hazardous Waste
Community Involvement	5	66%	Community Investment
Resource Management and Use	5	42%	Raw material use
Recycling	4	68%	Resource Conservation/ Recovery (paper)
Workplace	4	36%	Ergonomics Projects/Initiatives
Environmental Spills	4	84%	Spills and Releases
Stakeholder Engagement	4	44%	Stakeholder Engagement
Training	3	82%	Employee Training
Environmental Product Design	2	50%	Product Innovations or Sustainability-related Services
E-Waste	1	43%	End-of-Life Electronics
Opportunities in Environmental Technology	1	37%	Sustainability-related Research and Development
Opportunities in Green Building	1	49%	Investments in EHS/Sustainability-related Capital Improvements
Packaging Material and Waste	1	47%	Resource Conservation/ Recovery (packaging)
Product Ingredients	1	42%	Raw material Use
Customer Management	1	27%	Customer/Consumer Education

In other words, are companies reporting what (investor) stakeholders want to know and are they doing it effectively? Great question. As Sustainability Reporting expands - CorporateRegister.com confirms 5,700 reports published in their database for 2010 and Mike Wallace of the GRI confirms roughly a 35 percent increase in GRI reporters in the U.S. from 2010 to 2011 - so the importance of the effectiveness of reporting becomes more acute. Add this to the fact that "virtually all publicly traded mid-cap to large-cap firms in the U.S. and in many other countries typically are included" in investment-focused analyses, and you can see that ESG disclosures are key to driving

market impact.

The report covers five main aspects of this complex topic:
1: Background and context of reporting and investor requirements
2: Commonly used ESG metrics and why they are important
3: Analysis of metrics approach by leading rating frameworks
4: Commonalities and differences of ratings
5: Recommendations for the way forward
The major findings are:#1 : No agreement on number of ESG metrics required There is general agreement about the key corporate sustainability issues, but not necessarily on the specific form and number of metrics used to measure them. There is also a fundamental difference in the purpose(s) to be served by examining corporate ESG information between corporate executives and ESG researchers/investors. The IRRC report claims that there may be a "mismatch along several relevant dimensions between what ESG information companies claim they are developing and using and the information requested by external parties." **#2 : ESG is still about risk, not about value** Both ESG researchers / investors and corporate EHS managers and executives approach ESG issues from a risk mitigation perspective, not a value creation perspective. **#3 : More dialogue is need to improve disclosure effectiveness** Future improvements in corporate disclosure quality and in efficient and adroit collection and use of these data in investment analysis will require improved clarity and more effective and consistent communication between companies, researchers, and the consumers of information. **The crux of the metrics** The real issue of this report, however, addresses the mismatch between what investors want to analyze and what companies track and disclose in terms of ESG metrics, and why the mismatch exists. With typical companies tracking and disclosing on 37 ESG metrics, with some tracking more than 50, and sustainability performance being reported to C-level executives or Boards of Directors at numerous companies, as well as the rise in use of the GRI guidelines, one might be forgiven for thinking that alignment between investor interest and corporate disclosure would be more consistent. Surely, all the stakeholder engagement that the increasing number of companies is now attesting to would lead to a common denominator of interests, right? Wrong. First, different investors look for different metrics. Second, dialogue is not really dialogue. Third, all that drives ESG tracking and disclosure is not wrapped up in $ bills. The Metrics that Matter Report shows that **accountability** and **decision-making** are the key drivers for the tracking of metrics within companies.
Table reproduced from the IRRC Report :
Finding Common Ground on the Metrics that Matter, February 2012
In other words, ESG data is used to help businesses manage themselves more sustainably for the long term. Isn't that great? It's not only about presenting ESG risks to investors. And here we circle back to my heretical thoughts on Integrated Reporting. Despite the fact that "ESG evaluation is all about assessing management quality, which raters believe is a key determinant of future financial outperformance", all that matters in sustainability metrics should not be investor driven. Happily, the way companies are using metrics seems to support this view. This being said, there is some correlation between demand and supply:
Table reproduced from the IRRC report - from the NAEM survey -
showing the level of analyst interest versus the number of companies that track related metrics
Most ESG researchers want disclosures on climate change, most companies provide them. Most analysts want information about diversity, most companies provide it. Most ESG researchers want health and safety data, everyone supplies it (influenced possibly, by regulation, not just voluntary disclosure). Going down the list, however, you can see

the mismatch - mainly on the side of greater disclosure about things that most analysts do not (yet) consider all that important. However, the IRRC goes on to indicate that there are several other issues that ESG researchers look for which were not covered by the NAEM survey for which disclosures by corporations are less common.
Of course, companies should not ignore investor demands, and no-one (I assume) would argue against the need for greater consistency, comparability, and even correlation to financial impacts of ESG data. However, a broader perspective needs to be retained when considering what companies should track in terms of metrics and what they should disclose. This should also be informed by a company-specific materiality analysis, something which is not always present in many Sustainability Reports.
The role of the GRI The Metrics that Matter Report maintains that "the GRI has been very helpful, but contains too many questions and imposes burdens on responding companies that may limit its uptake." The interviews conducted with various experts indicate that they generally support the concept of GRI, and believe that it has substantially improved the ESG research space. "But there was also widespread recognition that GRI may ask for too much and make it too difficult for companies to disclose important information...and..that companies that report based on the GRI guidelines put significant effort into generating these reports. One interviewee described the process as like the 'Bataan Death March [for companies] to do a report.' As a result, relatively small numbers of companies issue such reports compared to the universe of companies ESG researchers must evaluate." This is important insight, but, in my view, it is not the reporting process that presents the largest burden, but the data management processes within companies. It is not the GRI Framework that is preventing companies from reporting - after all, many companies manage to report without the GRI Framework.

I work on many Sustainability Reports for companies, and there is no doubt that the most challenging parts of the process are (1) gaining genuine stakeholder input (2) assessing material issues and (3) gathering sustainability performance data that is consistent, comprehensive and accurate. Turning this into a Sustainability Report is the easier part of the process. If investors want the data, companies need to do the work whether **or not** they produce a Sustainability Report which fully conforms to GRI Guidelines at whatever level. Let's not forget that the GRI Framework is extensive but not mandatory - data points which are not relevant for companies can be (and are) skipped. I have found that, for companies that are serious about sustainability, and are prepared to make the effort to put in place good data management systems for key metrics, GRI reporting is not a barrier but a beneficial tool.
The (sensible) recommendations made by the IRRC report include:#1 : More clarity (or at least, more transparency) is needed regarding the relationships between ESG management and performance improvements and corporate financial performance. **#2 : Additional research** is required to determine how closely disclosure reflects ESG management quality and performance. **#3 : Understand link to value creation** - gaps remain in our understanding of the linkages and research illuminates a number of key issues and questions that speak to corporate value creation through adroit management of ESG issues. **#4 : Greater dialogue and sharing of informationand perspectives** is essential for both sides to understand the other's needs and constraints, and to forge communication mechanisms that are more effective and less burdensome.
My view is that in an ideal world, there would be 30 core indicators (agreed by the main body of ESG researchers, analysts, regulators, where relevant, and corporations), that are material to all companies in any sector that every company would disclose, on a regular basis, using the same methodology, for all global operations, in a way which makes a causative link between sustainability impacts and economic performance. This would achieve greater clarity, comparability and act as a basis for meaningful

assessment of relative risk and opportunity. These indicators might even be the prime indicators for inclusion in Integrated Reports. Beyond the 30 core indicators, there may be another 50 - 100 sustainability performance metrics that are in the pickn'mix category, with higher or lower material relevance to different companies in different sectors and geographies. Companies could choose if, and how, to disclose against these indicators, in line with their stakeholder interest. I wonder if the revision of the GRI Framework to G4 will move in this direction?
Finally, I stress that there is much more insight and valuable information in the Metrics that Matter Report, whatever side of the equation you are on, and it is well worth the investment of time to read it in full. It contains a wealth of perspective, it's intelligently written and addresses many questions which are at the core of sustainability reporting efforts. It will certainly be useful material at the Smart Sustainability Reporting Conference in May.

Of course, I did a PDF search for "ice cream" and found none in this Report. This post, then, is a testimony to my impartial and magnanimous nature. I recommend the report anyway!
elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me via www.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz/en **(BeyondBusiness, an inspired CSR consulting and Sustainability Reporting firm)**

45 reasons to attend the Smart Sustainabilty Reporting Conference

Wednesday, February 22, 2012

One-Day Conference15th May 2012, 76 Portland Place, Londonwww.sb-reporting.net
And here are the reasons to attend...

45: You can get a discount from the CSR-Reporting Blog. **email me** for discount code.
44: You don't have any other plans for the 15th of May, 2012.
43: You might learn something.
42: You might teach something.
41: You will hear great speakers.
40: You can heckle great speakers.
39: You get to give the Conference Chair a hard time (ahem, I can take it)
38: You will be able to ask sustainability reporting experts loads of questions.
37: You get to hear about the "most read sustainability report". Which is that? Oh, Marks and Spencer. Read it yet?
36: You will at long last understand everything there is to understand about Sustainability Reporting.
35: Attendance will count as 16 credit points in the CSR Reporting Blog Sustainability Reporting Study Program.
34: You can do lots of networking in the breaks. Or lots of breaking in the networks.
33: You get to hear how **ArcelorMittal** increases transparency and drives performance.
32: You will learn about strategic communication at the Royal Bank of Scotland.
31. You will be able to avoid the stress of real work for a full day.
30: You will be able to impress all your friends with acronyms such as the **IIRC,DEFRA,GRI** and more.
29: You will never think about your own Sustainability Report in the same way again.
28: You will hear me answer the question: Is Integrated Reporting really the **Holy Grail**? Hint: Err.
27: You will learn all about segmented data sets at the **BBC**.
26: You will be able to hear **John Elkington**, the guru of sustainability.
25: You will find out where integrated reporting is likely to go from **Paul Druckman** of the IIRC.
24: You will hear Paul Scott of **CorporateRegister.com** debating where companies should draw the line on transparency.
23: You will be able to do some shopping in London **after** the conference.
22: You will hear from **the most sustainable company in the world** about pioneering integrated reporting. Guessed who? Novo Nordisk.
21: You will learn how to account for indirect ecological impacts in a complex supply chain. From **Danisco**.
20: You will be able to do some shopping in London **before** the conference.
19: You will be able to impress the **Twitter CSR community** with live tweets from the conference.
18: You will be able to list 45 reasons you attended the conference.
17: You will be able to **slip out in the lunch break** and do some shopping in London.
16: You will be able to compare this conference with the next Smart Sustainability

Reporting Conference.
15: You will be able to answer the question: Is Sustainability Reporting Smart?
14: You will be able to brief your in-house reporting team on all the ways they can improve your company's Sustainability Report.
13: You will be able to check out **76 Portland Place** as a conference venue.
12: You will be able to post a picture of yourself at the conference on your Facebook page.
11: This line is intentionally left blank.
10: This line is unintentionally left blank.
9: You will be able to make intelligent comments about Sustainability Reporting.
8: You will be able to hear about the role of sustainability reporting in building a green economy.
7: You will be able to hear how **Wyndham** created their first integrated report.
6: Dare I leave another line blank?
5: You will be able to enjoy the conference refreshments (hope they have ice cream).
4: You will meet lots of people interested in Sustainability Reporting. Doesn't that sound like fun?
3: You will enhance your reputation as a Sustainability Reporting Conference Go-er.
2: I will be able to meet you.
1: I want you to attend.

So, if that's not enough, here's a bonus reason for attending: you will not regret it.

elaine cohen, CSR consultant, Sustainabiliity Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz/en **(BeyondBusiness, an inspired CSR consulting and Sustainability Reporting firm)**

En route to the Taj

Saturday, February 11, 2012

In honor of my forthcoming trip to Mumbai in India this week for the **World HRD Congress**, where I will be presenting on one of my favorite subjects, **CSR for HR**, and attending the **World CSR Day** ceremonies as a panelist on the subject of **CSR-TheWay Forward**, chaired by **Dr Baskhar Chatterjee**, the Director General and CEO of the **Indian Institute of Corporate Affairs**, I thought I would take a look at the Sustainability Report of the Taj Hotels, as I will be staying at the **Taj Lands End.** (I have fond memories of staying at the Taj Mahal Palace several years ago, so I have high expectations!- the Taj Mahal, as you may recall, made headlines in 2008 as the site of a brutal terrorist attack in which 175 people lost their lives, and the staff was subsequently commended for outstanding service beyond the call of duty, protecting guests and remaining loyal to their employer. **Terror at the Taj** has even become an HBS case study. Following the terror attack, the India Hotels Company set up the Taj Public Service Welfare Trust to assist the families affected).
The Taj Hotel Group recently released its **eighth Sustainability Report**, entitled "Beyond the Numbers". Beyond The Numbers is a way of expressing, for the Indian Hotels Company, owner of the Taj Hotel and other hotel brands, that doing business with CSR at the core is what defines the company as an organization and shapes its journey in responsible tourism by influencing every life that it touches. The Indian Hotels Company is the largest hotel chain in South Asia, with a portfolio of 107 hotels and 12,795 rooms across 12 countries on 5 continents, selling almost 3 million room nights per year. The Company is owned by the **Tata Group**, one of the highly respected names in Indian industry.

The report is GRI Application Level A+, 88 pages long, with a clever design and a personal, inviting style. Each section begins with an anecdote or almost poetic story, such as how the turtle retreats to its shell for safety, as an introduction to the safety section, or the way workers spent hours fuelling a furnace or 12 hours bending over a conveyor in former times, as the backdrop to the section on how India Hotels is a great workplace, dating back to 1912 when the Tata Group introduced 8 hour shifts, the precursor to a productive work-life balance approach for employees.

This is a thorough report covering governance, compliance and risk management, with a discussion of key risks. The report does not contain a Materiality Matrix, but it does cover stakeholder engagement and offers a list of priority issues:
• Optimizing revenues
• Focusing on customer delight
• Ensuring safety
• Developing human capital
• Ensuring environmental excellence
• Creating sustainable livelihoods

The Indian Hotels Company places a strong focus on environmental protection and

records energy, GHG emissions and water consumption per hotel room per night. It is interesting to note the gap between the luxury segment (with 202 kh CO2e emissions per night) and the lower-cost hotel options (18 kg CO2e emissions at the lower end). 23 hotels are ISO14001 certified. The group maintains a "War on Waste" with 16% of hotel organic waste being composted, and much of other types of waste are recycled. 3% of the Company's energy needs are met through renewable sources and 25% of water consumption is recycled water, with several hotels achieving zero water discharge.

Oddly, one thing I might have expected to read in this report does not gain air time: the whole question of human rights, child labor, human trafficking, prostitution and child sex exploitation. Just recently I caught a headline "**Sex racket out of star hotels in Tamil Nadu busted**", referring to arrests of pimps using local hotels to conduct their dealings. **An internet report** states that there are "estimated to be over 900,000 sex workers in India. 30% are believed to be children and that the number of children involved in prostitution is increasing at an estimated 8 to10% per annum. About 15% of the prostitutes in Mumbai, Delhi, Madras, Calcutta, Hyderabad and Bangalore are children and nearly half of them became commercial sex workers when they were minors. Conservative estimates state that around 300 000 children in India are suffering commercial sexual abuse."

One thing a responsible tourism player in India could do would be to become a signatory of **The Code.org** and establish a specific ethical code and policy regarding commercial exploitation of children, institute other measures to prevent such issues and report fully about the procedures in place. While the hotel and tourism industry may not be responsible for these issues, they certainly can be part of a solution which raises awareness, educates and ensures there is no degree of complicity in any of their activities.

In the meantime, I look forward to returning to India. It's been a while since I tasted Indian ice-cream :)

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz/en **(BeyondBusiness, an inspired CSR consulting and Sustainability Reporting firm)**

10 ways to liberate the sustainability report

Wednesday, January 25, 2012

Yesterday saw the publication of the **SMI-Wizness Social Media Sustainability Index**, a must-read for anyone who wants to know who are the corporate movers and shakers of the social media cypermap and what they are doing and why. According to the report, authored by the social-media master Matthew Yeomans, "a new landscape of social media sustainability has emerged. Today, at least 250 major corporates are engaged in some form of social media sustainability comms and more than 100 have a blog, YouTube, Facebook or Twitter channel dedicated to talking about sustainability."

The report ranks the social media practices of 100 top rated sustainable companies (selected from existing listings and green rankings) provided they have a blog, Facebook page, Twitter account or YouTube channel.. If you are serious about socmed, then at least one of these options is a must-have.

Companies today are using social media "to not just communicate their sustainability stance but also to involve the public in building a better world". The main ways in which they do this include hiring experienced filmmakers, writers and reporters to tell a complicated story well, crowdsourcing, crowdfunding, creating alliances with NGOs, charities and conservation watchdogs to support common goals and raise awareness, leveraging the public through campaigns and contests, and more. Twitter is the main platform used by corporates, followed by Facebook, YouTube and a Company blog. See the full report to see who does what best. But here's a hint. The top ten in social media.

The methodology of calculating the ranking for the 100 companies in the sample is based on a score of a maximum 100 points which include the following parameters:

- Useful communication: possible 20 points
- Commitment to community: possible 20 points
- Transparency (allowing comments and replying) - 10 points
- Communicating actions not beliefs - possible 10 points
- Social media shareable CR/Sustainability Report - possible 10 points
- Regular updates of social media communication - possible 10 points
- Creative storytelling - possible 20 points

GE came out as the overall best with a score of 93 points, retaining its first place from last year because of consistent leverage of social media channels to advance the **Ecomagination** and **Healthimagination** agendas, and also because of its "App". There are actually several companies who are using Apps to make their reports accessible to a wider audience, as **I mentioned in my CSRwire.com article earlier this month**. Apps will become commonplace for Sustainability Reports, I have no doubt. Pretty soon we will

need an App to track the Sustainability Report Apps. VF corporation made it into 7th place with 84 points (from nowhere **last year**) , mainly because of its Timberland acquisition. The Top Ten SocMed Swingers' best practices are profiled in the report which makes for fascinating reading and offers inspiration for companies which haven't yet staked their claim.

One thing that was of particular interest to reporting geeks like me was Matthew Yeoman's analysis entitled "10 ways to liberate the sustainability report". This year, 36% of the 100 companies reviewed in the index have used social media to "liberate their reports from the dungeons of disinterest" (wow, a little harsh, maybe? Remind me to take a look in my local dungeon for the 64% which have apparently stayed there). Anyway, 36% is more more than double the number of companies which were reported to be dungeon-free **last year**. The ones who are picked out for commendation are:

- **GE** : for their iTunes App
- **Alstom** : with a shareable microsite
- **Timberland:** for use of social channels
- **SAP**: for an interactive materiality matrix
- **North Face**: for use of video
- **Alcatel Lucent:** for publishing their report on Scribd
- **Danisco**: for publishing on Slideshare
- **UPS** and **McDonald's:** for use of infographics
- **Ford:** for a sharable digital map

Finally, the report also lists the top 100 Sustainability Twitterers (among which I am proud to be counted) and I will now happily call myself a member of the Wizness Green Twitterati. 22 of the 100 are company twitter handles and 20 are NGO's. A good a #CSR #FF list as ever there was.

By now it is clear that Sustainability without Social Media is like Ice Cream without a Spoon. It's all in the delivery. The **SMI-Wizness Social Media Sustainability Index** will help you think about what companies are doing today to leverage their sustainability platforms through all the social media possibilities that are available. The author even offers a checklist to help companies get thinking about telling their social stories. The only thing that's missing is what flavor ice-cream the corporate bloggers prefer.

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz/en **(BeyondBusiness, an inspired CSR consulting and Sustainability Reporting firm)**

Comments

- DavidDarmawan February 02, 2012

sustainability getting more support from social media and the corporate may used it to "brain wash" their audience. For sure the CSR commuity may create a netrics for that!

21 ways to make your Sustainability Report stand out from the crowd

Tuesday, January 17, 2012

Inspired by this post on Geenbiz.com entitled **"I published my CSR Report. Where's my media coverage?",** in which Elin Nosewski offers some tips about how to get noticed by reporters and bloggers - mainly focusing on the report content, I thought I would offer some tips of my own on how to make your Sustainability Report stand out from the crowd. Here they are:

1. Call it iReport 4s. Everyone will queue for one.
2. Write it in Latin or Ancient Greek. You will easily capture all the very very very old people who read Sustainability Reports.
3. Include pornographic pictures. Porno is the most viewed content on the internet. **Every second, 28,528 internet users are viewing pornography.**
4. Have your CEO present it to Financial Analysts and Investors over breakfast in a London Hotel. They won't understand but they will enjoy the croissants.
5. Have your VP for Human Resources write the introduction. Now, ***that's*** original. **That's how Lloyd's Bank did it in 2009.**
6. Have the CSR Reporting Blog mention it in **The Top Ten Reports** of the year. (No-one one has been able to afford this, yet, but you could be the first.)
7. Print your report on virgin paper, destroying 347 Amazon Forest trees, and send it using the postal service to thousands of stakeholders. **Greenpeace** will make such a campaign about this that no-one will fail to notice your report.
8. Win a CSR Reporting award. That's how **Vodafone** does it.
9. Gamify it. That's how **BT** does it.
10. Write it in Braille. **39 million blind people** will love you.
11. Turn it into multiple-choice test. It will be used in school syllabuses all around the world.
12. Offer an iPad to those who provide feedback. That's how **OneSteel** does it.
13. Offer a luxury weekend in Hawaii to all those who are prepared to use the weekend to read your report. Don't worry, only 4 people will respond. Your mom, your dad and your 2 kids.
14. Send out a Presss Release saying you have published a Sustainability Report. (OK, this is not a serious entry.)
15. Add disposal instructions on the back cover. Something like: Please dispose of this report in an environmentally responsible manner before you read it.
16. Fit it all into one webpage. This is how **AHA!** does it.
17. Use a sexy waitress to deliver it to male executives. See how **Heinz does it with Ketchup.**
18. Publish it on the web, then Digg it, Stumble Upon it, Slideshare it, Facebook it, Google+ it and Tweet it. Again. Once more. And again.
19. Employ a blogger relations specialist and create a bloggers corner blog. This is how **SAP** does it.
20. Make it all in videos. This is how **Burt's Bees** does it.
21. Accidentally on-purpose, call it your Annual Report. The entire financial world will love it! And financial journalists will rush to scrutinize it.

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz/en **(Beyond Business, an inspired CSR consulting and**

Sustainability Reporting firm)

Responsible Marketing ? Heinz #Fail

Sunday, January 15, 2012

An interesting thing happened last week. I was in a client meeting and we were discussing sustainability strategy. At one point, the conversation turned to responsible marketing. We started to talk about examples of responsible marketing and I couldn't help but blurt out: "Have you seen the new Heinz Ketchup TV Ads?"
Before you could say "Heinz Ketchup Irresponsible Marketing", EVERYBODY around the table reacted in loud tones of indignation and disapproval. Their response was so immediate that it even took me aback. Most people don't get so enraged by inappropriate marketing, accepting it as an inevitable side-effect of branding and promotional activity.
The current Heinz Ketchup "Be Original" Ads showing in Israel are a far cry from the wholesome, clean, family, humorous and entertaining ads we have been used to from Heinz. In the ad below, two guys have the brainwave-like idea for a new TV Show - isolating a group of people in a house for a couple of months and evicting one, or two, of them every week - a reference to the Big Brother reality show - a totally depressing TV program that I personally would not want my brand associated with in any way or form. The guys are apparently suggesting something "original" - hence the tie-in with the campaign tag-line - "Be Original". However, Big Brother is not the issue. The issue is that these two guys, in mid-bite of their hot-dog, are suddenly entranced by a sexy blonde waitress in a red uniform, who mysteriously appears to bring them a bottle of Ketchup. See for yourself:

Heinz states in the Company's **Communication and Marketing Guidelines**, part of the Heinz' Global Code of Conduct, that "*Heinz has established guidelines for all of its units and affiliates worldwide related to the marketing of its products.....It is important that all of the Company's communications reflect Heinz's commitment to family-oriented values and its long-standing commitment to proper nutrition and consumer well-being. Heinz must convey these commitments through responsible advertising and messages which promote the healthful consumption of the Company's products."*
Is this the family-oriented values face of Heinz Ketchup?
Photo from grey.co.il
I personally think it's a big responsible marketing #FAIL for Heinz, showing disrespect to women, using inappropriate sexual connotations to promote a family food aired on prime time TV when kids of all ages are viewing. Is this really the only way to sell Ketchup? Perhaps it's time I changed brands.

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz/en **(BeyondBusiness, an inspired CSR consulting and Sustainability Reporting firm)**

Ten examples of Carbon Footprint Reporting

Sunday, January 15, 2012

There are just 7 days to go until close of voting in the **CorporateRegister.com CRRA '12 fifth annual online reporting awards.** While you are finalizing your votes, please consider voting for my own **Sustainability Report - How a little consulting firm makes a big impact** - which is entered in four categories: Best Report, Best First Time Report, Best SME Report and Best Creativity in Communications. Additionally, you might also please consider reviewing and voting for the **Baran Group Report** - which I worked on - which is entered in two categories: Best Relevance and Materiality and Best Openness and Honesty.

If you want a recap of the awards this year and the reports entered, you could look at the three posts I have written about CRRA '12:

- **The CRRA Navigation Guide**
- **25 examples of creativity in Sustainability Reports**
- **18 examples of (not so) integrated Sustainability Reports**

Today, I thought I would see how companies are reporting on carbon, by reviewing the **Best Carbon Disclosure Category.** The Awards guidelines ask us to consider: ***Which report gives the best disclosure of the company's carbon emissions, the implications for climate change, and the mitigation measures taken? Check for policy, quantified data, targets.***

There are just 10 entries this time around in this category, three from the U.S., two from Brazil and the UK, and one each from the Netherlands, Austria and Finland. Here they all are in alfa order:

Amcor Limited - global packaging manufacturer **Banco Bradesco SA** - bank **Banco Santander Brasil SA** - bank **Bank of America** - bank **British Sky Broadcasting Group plc** - TV entertainment **Coca-Cola Enterprises Inc** - beverages **Royal Dutch Shell** plc - energy **Tieto Corporation** - IT and product engineering services company **Vodafone Group plc** - telecoms **Wyndham Worldwide Corporation** - hotels and leisure

You might think it would be quite straightforward to report on Carbon Emissions. After all, it's one of the most measurable and trackable areas of sustainability performance.

The GRI Indicators covering carbon emissions are simply stated (all the reports in this category in CRRA '12 are written in accordance with the GRI Framework): **EN16:** Total direct and indirect greenhouse gas emissions by weight. **EN18:** Initiatives to reduce greenhouse gas emissions and reductions achieved.

Calculation of carbon emissions often uses the framework of the Greenhouse Gas Protocol which defines three scopes. The **GHG Protocol** further categorizes these direct and indirect emissions into three broad scopes:

Scope 1: All direct GHG emissions from sources that are owned or controlled by the reporting entity. **Scope 2:** Indirect GHG emissions from consumption of purchased electricity, heat or steam. **Scope 3:** Other indirect emissions, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the reporting entity, electricity-related activities (e.g. Transmission & Distribution losses) not covered in Scope 2, outsourced activities, waste disposal, etc.

However, in addition to these indicators, each company can choose to disclose a host of information which puts the data into a certain context relative to the organization's overall impacts and performance, explains the sources of carbon emissions and actions taken to control carbon emission impacts. What we actually find is that companies tend to report in very different ways. Some more detailed, some less. Some clearer, some less. Some barely giving more than a single number, some offering long stories and explanations. Some also refer to their carbon impacts on third parties - indirect impacts - which are

often greater than the directly generated impacts of doing their business. All in all, reporting on carbon is as diverse as the carbon performance of companies itself. Looking at the ten companies which entered their reports in this category, aspiring to be the Best Carbon Disclosure reporters, I found this to be true.

What would I expect the best carbon disclosure to include?

- Overall absolute emissions - the scope (Scope 1, Scope 2 and Scope 3) and their sources.
- The scope of the reporting - covering all operation or just a selection.
- Performance versus prior years and performance versus targets with explanations.
- The way carbon reductions have been achieved.
- How employees have been engaged in the carbon emission reduction efforts.
- How external stakeholders (customers/suppliers) have been engaged in carbon emission reduction efforts.
- Future plans/targets to reduce the emissions burden and the way these will be achieved.

EN16. Total de emissões diretas e indiretas de gases causadores do efeito estufa, por peso	24.784 toneladas de CO2
EN17. Outras emissões indiretas relevantes de gases causadores do efeito estufa, por peso	135.012 toneladas de CO2

Greenhouse Gas Inventory EN16, EN17 AND EN29

CO_2 emissions (t) in 2010	Total
Scope 1 (refrigerating gases, generators and vehicle fleet)	5,542
Scope 2 (purchase of electrical energy)	14,021
Scope 3 (aircraft trips, third party organic waste, battery collection points, third party electrical energy consumption and transportation of goods and freight)	82,283

What did I find ?

Overall absolute emissions - the scope (Scope 1, Scope 2 and Scope 3) and their sources. **Amcor** provides details of carbon intensity (per unit of production) by Scope over 6 years for Amcor "legacy" sites, representing Amcor prior to its Alcan Packaging acquisition.

Amcor also discloses the level of total absolute carbon emissions.

Banco Bradesco does not include details of carbon emissions in their 61 page report, but refers to the website, which is all in a foreign language - Portuguese ? with no English option. The emissions numbers - in toneladas - are stated as part of the GRI Index.

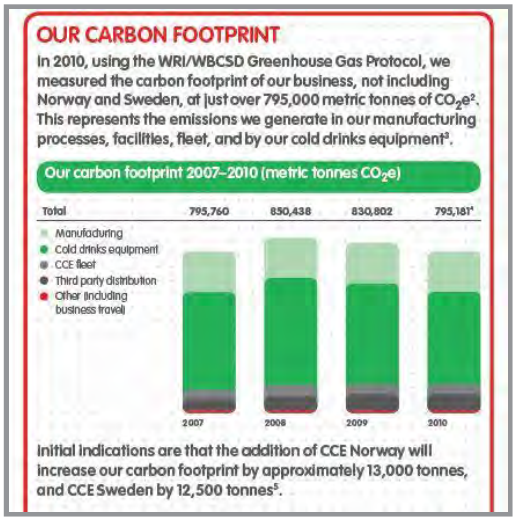
Banco Santander shows Scope 1, 2 and 3 emissions for the reporting year:

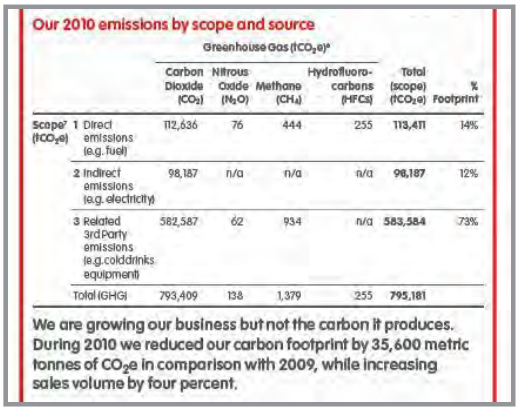
The Bank also confirms that emissions ***per employee*** dropped 76% between 2005 and 2010.

Bank of America details Scope 1, 2 and 3 emissions for 2010 and prior year 2009, by source, including details of Renewable Energy Credits.

British Sky Broadcasting provides details data for Scope 1, 2 and 3 emissions since 2008 baseline tracking. Data is shown for absolute emissions and per GBP million turnover. Even the Sky News Helicopter is detailed as generating 183 tons of (Scope 3) carbon emissions in 2010/2011.

Coca Cola Enterprises reports in detail against all three Scope emissions, explaining methodology, sources, and even an estimation of the likely effect of new additional

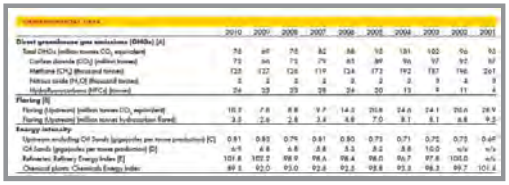




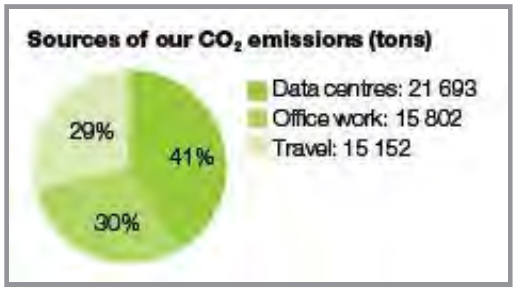
Our 2010 emissions by scope and source

		Greenhouse Gas (tCO_2e)[6]					
		Carbon Dioxide (CO_2)	Nitrous Oxide (N_2O)	Methane (CH_4)	Hydrofluoro-carbons (HFCs)	Total (scope) (tCO_2e)	% Footprint
Scope[7] (tCO_2e)	1 Direct emissions (e.g. fuel)	112,636	76	444	255	113,411	14%
	2 Indirect emissions (e.g. electricity)	98,187	n/a	n/a	n/a	98,187	12%
	3 Related 3rd Party emissions (e.g. colddrinks equipment)	582,587	62	934	n/a	583,584	73%
	Total (GHG)	793,409	138	1,379	255	795,181	

We are growing our business but not the carbon it produces. During 2010 we reduced our carbon footprint by 35,600 metric tonnes of CO_2e in comparison with 2009, while increasing sales volume by four percent.



	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Direct greenhouse gas emissions (GHGs) (A)										
Total GHGs (million tonnes CO_2 equivalent)	78	69	78	82	86	92	101	102	96	93
Carbon dioxide (CO_2) (million tonnes)	73	64	73	79	83	89	96	97	92	87
Methane (CH_4) (thousand tonnes)	120	122	126	119	124	173	192	187	196	261
Nitrous oxide (N_2O) (thousand tonnes)	3	3	3	3	3	3	3	3	4	3
Hydrofluorocarbons (HFCs) (tonnes)	24	33	23	28	24	20	13	8	11	4
Flaring (B)										
Flaring (Upstream) (million tonnes CO_2 equivalent)	10.7	7.8	8.8	9.7	14.2	20.8	24.6	24.1	20.6	28.9
Flaring (Downstream) (million tonnes hydrocarbon flared)	3.2	2.6	2.8	3.4	4.8	7.0	8.1	8.1	6.8	9.2
Energy intensity										
Upstream excluding Oil Sands (gigajoules per tonne production) (C)	0.81	0.80	0.79	0.81	0.80	0.73	0.71	0.72	0.73	0.69
Oil Sands (gigajoules per tonne production) (D)	n/a	6.8	6.8	8.8	5.3	8.2	8.8	10.0	n/a	n/a
Refineries: Refinery Energy Index (E)	101.8	102.2	98.9	98.6	98.4	98.0	96.7	97.8	100.0	n/a
Chemical plants: Chemicals Energy Index	89.3	92.0	93.0	92.8	92.3	93.8	95.3	96.3	99.7	101.4



territories:

Royal Dutch Shell provides 10 years of carbon emission data in a concentrated data table separate from the report narrative. The narrative states that higher emissions were due to higher production, especially in Nigeria because of an improved security situation. Shell makes a distinction in the report narrative between Scope 1 and 2 emissions (also splits emissions between production operations and flaring). It is not clear whether Scope 3 emissions are included.

Tieto explains the sources of carbon emissions, mainly generated through data center consumption plus employee work and travel.

Tieto provides details for all Scope 1, 2 and 3 for the year 2010.

Between 2009 and 2010, Tieto has increased the scope of its reporting from 7 offices in Sweden and Finland to 58 offices - a significant achievement- but rendering an absolute comparison with prior year data not relevant. As you might imagine, total CO2 emissions increased significantly with increased business activity. However, while Scope 1 and 2 emissions ***per person*** decreased in 2010 vs 2009, Scope 3 emissions ***per person*** increased from 0.7 tons to 0.82 tons in 2010, this, despite a stated decrease in travel expenses per person by 3% (Scope 3 emissions, as can be seen, is primarily business travel). This is not explained.

Vodafone reports absolute emissions in the printed report, supplemented by significant detail on the **Vodafone Sustainability Report website.Wyndham Worldwide Corporation** reports total Scope 1 and Scope 2 carbon emissions and sources.

The scope of the reporting - covering all operations or just a selection.Amcor's reporting covers all manufacturing sites. **Banco Bradesco's** report covers all the Bank's operations. **Banco Santander's** report covers all the Bank's operations. **Bank of America's** report covers the entire activities of the Bank. **British Sky Broadcasting** covers all sites except joint ventures and is annualized data based on 11 months operations. **Coca Cola Enterprises** reports on all the business with some omissions for newly acquired territories in 2010/2011.**Royal Dutch Shell** reports on all operations. **Tieto's** carbon reporting covers between 73% and 90% of employees (18,000 employees).

Energy consumption and emissions of greenhouse gases, 2010

1 Litre = 0.2642 US Gallons
1 MWh = 3.6 GJ

Emission class	Description/sources	Unit	Value	Per person
EN 16 direct and indirect GHG emissions				
Diesel	Back up in data centres	tCO_2	93	<0.005
Electricity	Offices and data centres	tCO_2	28 870	1.55
Heating	Offices	tCO_2	6 119	0.33
Cooling	Data centres	tCO_2	2 413	0.13
GHG protocol scopes 1 & 2 total		**tCO_2**	**37 495**	**2.02**
EN 17 other indirect GHG emissions				
Taxi	Business travel	tCO_2	1 076	0.06
Flights	Business travel	tCO_2	11 588	0.62
Own cars	Business travel	tCO_2	2 488	0.13
GHG protocol scope 3 total		**tCO_2**	**15 151**	**0.82**
EN3 direct energy consumption				
Diesel	Back up for data centres	litres	352 687	18.98
Total		**litres**	**352 687**	**18.98**
EN4 indirect energy consumption				
Electricity	Offices and data centres	kWh	141 337 369	7 606.14
Cooling	Offices	kWh	6 633 519	356.99
Heating	Data centres	kWh	32 149 293	1 730.13
Total		**kWh**	**180 120 181**	**9 693.26**
Total CO_2 emissons 2010		**tCO_2**	**52 646**	**2.83**

Vodafone's report includes all operations with the exception of joint ventures. **Wyndham Worldwide Corporation** reports on all facilities over which the company has direct control.

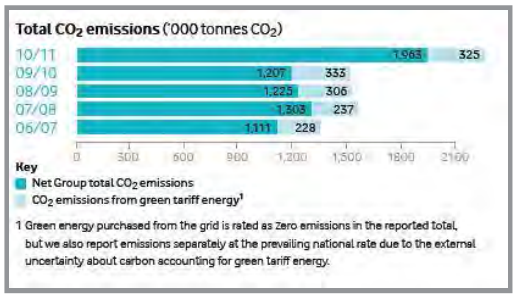
Performance versus prior years and performance versus targets with explanations.

Amcor reports a 2.4% carbon emission reduction in intensity (per unit of production) over 5 years for Scope 1 and 2 but did not meet the 10% 5-year target. No explanation for falling short of targets is provided.

Banco Bradesco does not refer to prior year performance or express any carbon targets.

Banco Santander does not disclose targets and does not explain performance versus prior years beyond a passing reference.

Bank of America shows a big increase in Scope 3 emissions. However, 2010 data now includes all forms of business travel, not just air travel which was the only element reported in the 2009 report - a good example of how reporting scope improves from year to year. BoA also reports emissions from waste disposal and negative emissions from recycling and composting (232,171 tons).



British Sky Broadcasting clearly shows performance against targets over two reporting periods.

Coca Cola Enterprises provides data for prior years, showing improvements in absolute performance while increasing sales.

Royal Dutch Shell makes general comments about performance relating to manufacturing efficiency.

Tieto Corporation of Sweden makes no secret of their carbon vision - though it is not clear by when this is scheduled to be achieved.

Vodafone provides good, clear detail relating to performance versus objectives:

Performance against environment targets

	Target	09/10 performance[11]	10/11 performance[11]
25% reduction in gross CO_2e emissions[1]	-25%	-7%	-19%
20% increase in energy efficiency[2]	20%	10%	25%
Sky owned sites to obtain 20% of their energy requirements from the use of on-site renewable energy[3]	20%	In progress	In progress
25% reduction in CO_2e emissions per van in our fleet[4]	-25%	3%	14%
20% reduction in CO_2e emissions per FTE from employee business travel[5]	-20%	-5%	-8%
Divert 90% of waste from landfill[6]	90%	64%	80%
Reuse or recycle 70% of waste[7]	70%	63%	66%
Ensure that water consumption remains +/- 1m³ from 10m³/FTE[8]	9-11m³	8m³	9m³
Cut the total energy consumption of Sky+HD boxes by 30%[9]	30%	29%	29%
Engage with 50 of our most carbon intensive suppliers[10]	50	50 of our most carbon intensive suppliers identified	50 engaged 58% agreed to submit data by August 2011

Vision: **100% CO_2 neutral**

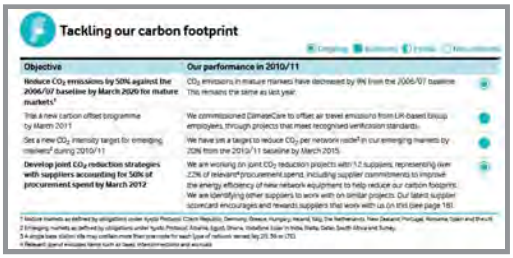
Wyndham Worldwide Corporation does not provide details of past performance (this is a first Sustainability Report).

The way carbon reductions have been achieved.

Amcor refers to "a range of procedural and technical improvements" including lighting replacement, improving boiler efficiencies, insulating steam pipes and replacing inefficient heating with infrared space heating.

Banco Bradesco offers no information. In fact, it is not clear whether there have been any carbon reductions.

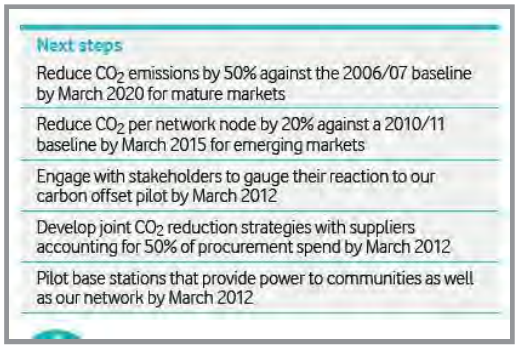
Banco Santander advances construction or maintenance of branches to reduce the use



Tackling our carbon footprint

Objective	Our performance in 2010/11
Reduce CO_2 emissions by 50% against the 2006/07 baseline by March 2020 for mature markets[1]	CO_2 emissions in mature markets have decreased by 9% from the 2006/07 baseline. This remains the same as last year.
Trial a new carbon offset programme by March 2011	We commissioned ClimateCare to offset air travel emissions from UK-based Group employees, through projects that meet recognised verification standards.
Set a new CO_2 intensity target for emerging markets[2] during 2010/11	We have set a target to reduce CO_2 per network node[3] in our emerging markets by 20% from the 2010/11 baseline by March 2015.
Develop joint CO_2 reduction strategies with suppliers accounting for 50% of procurement spend by March 2012	We are working on joint CO_2 reduction projects with 12 suppliers, representing over 22% of relevant[4] procurement spend, including supplier commitments to improve the energy efficiency of new network equipment to help reduce our carbon footprint. We are identifying other suppliers to work with on similar projects. Our latest supplier scorecard encourages and rewards suppliers that work with us (on this (see page 18).

1 Mature markets as defined by obligations under Kyoto Protocol: Czech Republic, Germany, Greece, Hungary, Ireland, Italy, The Netherlands, New Zealand, Portugal, Romania, Spain and the UK.
2 Emerging markets as defined by obligations under Kyoto Protocol: Albania, Egypt, Ghana, Vodafone Solar in India, Malta, Qatar, South Africa and Turkey.
3 A single base station site may contain more than one node for each type of network served (eg 2G, 3G or LTE).
4 Relevant spend excludes items such as taxes, intercompany costs and accruals.



Next steps

Reduce CO_2 emissions by 50% against the 2006/07 baseline by March 2020 for mature markets

Reduce CO_2 per network node by 20% against a 2010/11 baseline by March 2015 for emerging markets

Engage with stakeholders to gauge their reaction to our carbon offset pilot by March 2012

Develop joint CO_2 reduction strategies with suppliers accounting for 50% of procurement spend by March 2012

Pilot base stations that provide power to communities as well as our network by March 2012

OVERARCHING OBJECTIVES	GOALS
Quantify Wyndham's global environmental footprint for owned, managed, and leased properties.	Gather accurate and complete information for global footprint.
Establish a baseline that can be improved over time to generate cost savings and environmental leadership.	Report a robust carbon footprint that encompasses Scope 1 & 2.
Set a Corporate sustainability performance target	Reduce CO_2e by 20% by 2020 with interim goal of 12% by 2016 by energy per square foot using 2010 as a baseline.

of natural resources and raw materials that contribute to the Bank´s direct and indirect GHG emissions. It also compensates its emissions through the Projeto Floresta Real. 2010 emissions will be offset by March 2011 by planting 60,000 native forest trees in degraded areas with low Human Development Index (HDI) levels.

Bank of America achieved a 7.5% reduction in Scope 1 and 2 emissions in 2010 by improving energy efficiency in its retail banking centers, office buildings, and data centers and optimizing real estate portfolio to make the most efficient use of space. The Bank also discloses that there was a reduction in the GHG intensity of the U.S. electricity grid, which also contributed to their improved performance.

British Sky Broadcasting refers to building efficiency improvements including lighting, increased air sensors and air conditioning chiller units. Energy at UK Sites is purchased at renewable tariffs. The British Sky report also includes a page entitled "30 things we have done to reduce our environmental impact", many of which relate to energy consumption and carbon emissions.

Coca Cola Enterprises provides data for prior years and detailed explanations of what carbon emissions are generated where and what actions have been taken through energy-efficient technologies in manufacturing (compressed air, lighting and heating), renewable energy use, transportation efficiencies and cooling equipment for soft drinks (which are 62% of Coca Cola's core business emissions) and vending machines. Also, plant production lines are equipped with energy meters which show energy consumption performance in real-time and can be used to make adjustments which affect resulting carbon emissions.

Royal Dutch Shell does not give details about specific actions taken to reduce carbon emissions.

Tieto's main advance has been the opening of "one of the most environmentally efficient" data centers in Sweden, called "Tieto Cave", with 20 meter rock solid walls. Wow. Sounds like a good setting for Mission Impossible 6. I can just see Tom Cruise tunneling through that. When fully utilized, the data center will supply 1,000 homes with heat and warm water.

Vodafone discloses great detail about the way carbon efficiencies have been achieved including using fresh air to cool equipment instead of air conditioning, increasing temperature at which base stations can operate, thereby reducing cooling requirements, remote shutdown of base stations, installing more energy efficient base stations, reducing

number of computer servers, using alternative energy (solar and wind) for part of the operations and reducing operating time of generators through technology improvements. **Wyndham Worldwide Corporation** provides a long list of carbon-reducing activities relating to lighting, heating, Energy Star appliances and the company purchases 100% of its energy usage from wind power at the corporate HQ.

How employees have been engaged in the carbon emission reduction efforts.

Amcor does not refer to employee engagement in carbon emission reductions. Amcor refers only to an EMS, using ISO18000.

Banco Bradesco offers no information.

Banco Santander lays on 85 free daily chartered buses between subway stations and the organization's administrative buildings. The service is used by 1,662 employees. Santander also provides bicycle parks and changing rooms with showers, towels and shampoo.

Bank of America engages "thousands" of employees in environmental issues through workshops and other activities. Employees saved 2,268 tons of carbon savings and 350 employees became Environment Ambassadors. Bank of America also offers a subsidy to employees to purchase hybrid electric (and now also, compressed natural gas) vehicles - over 3,700 employees have bought hybrids since 2007. This is important as Scope 3 emissions, which are mainly employee commuting and business travel, increased in 2010. Business travel emissions increased by over 150%.

British Sky Broadcasting ran a second Flight Challenge for employees focusing on minimising flights between Scotland and London by raising awareness of alternatives.

Coca Cola Enterprises does not specifically refer to employee engagement in environmental performance though there is one short employee story.

Royal Dutch Shell does not mention employees.

Tieto does not specifically refer to employee engagement in Green activities, though much of the company's carbon performance will be affected by reducing business travel which clearly requires employees to collaborate.

Vodafone does not specifically refer to employees in relation to carbon emission activities.

Wyndham Worldwide Corporation runs a Wyndham Green Council with representatives from across the Company, including over 200 associates from cross-functional departments in each business unit in over 20 countries. Innovations, experiences, and best practices are regularly shared across the Company and published annually in a Global Best Practices document.

In addition, Wyndham offers Sustainability 101 training in 10 languages, and has already trained 35% of the company's employees. This is supplemented by educational efforts reaching 76% of the workforce on Earth Day and around other events. Wyndham also has a Green Kids program, designed to teach children about sustainability and the best of all, a **Caught Green Handed program**, to recognize positive environmental performance of employees.

How external stakeholders (customers/suppliers) have been engaged in carbon emission reduction efforts.

Amcor does not disclose information on how Amcor engages with customers or suppliers with regard to carbon reduction efforts, except in the area of future targets.

Banco Bradesco is a signatory to the Equator Principles and reports on how they apply environmental thinking to credit decisions. The bank offers four environmentally positive investment funds. However, aspects related to carbon disclosure are not specifically discussed.

Banco Santander participates in the Sectoral Forum for the Management of GHG

Emissions – Engagement of Suppliers. The objective is to persuade suppliers to adopt a systematic inventory process, establishing activities for mitigating and offsetting emissions.

Through its core business, the **Bank of America** is committed to advancing a low-carbon economy and has generated low-carbon business worth $11.6 billion between 2007 and 2010 including more than $1.9 billion in "green" commercial real estate debt and equity transactions, $1 billion in debt and equity for green affordable housing in 23 states, $476 million in financing for energy efficiency upgrades and retrofitting for K–12 schools, colleges and universities and acted as underwriter on four IPOs, raising $3.7 billion in capital for renewable energy, clean technology and energy efficiency companies. Bank of America also held a supplier conference, encouraging disclosure to the Carbon Disclosure Project - 75 of the Bank's largest suppliers responded to the CDP.

British Sky Broadcasting asked 50 most carbon intensive suppliers to measure their carbon footprint and further reduce emissions using the Carbon Disclosure Project reporting framework. 25 agreed to participate so far. Through the Sky Rainforest Rescue campaign, in partnership with WWF, British Sky involves customers in a campaign to help save one billion trees in the Amazon rainforest.

Coca Cola Enterprises does not specifically refer to customers though the section on sustainable packaging and carbon footprint throughout the lifecycle of Coca Cola products involves consumers and requires their participation in responsible environmental behavior such as recycling.

Royal Dutch Shell describes in detail what the company is doing to develop produce cleaner energy and advanced biofuels and lubricants developed to help customers use less energy.

Tieto confirms that their core business offering, data centers and IT solutions, can help customers reduce their carbon footprints.

Vodafone reports on offerings of low-carbon solutions including smart metering for customers. "Combined with innovative technology from our partners – such as Isotrak's Active Transport Management System or AMS' smart metering solutions – more than 5 million Vodafone M2M connections are providing access to data that help businesses improve efficiency and cut costs. We believe that at least 4 million of these connections also help to reduce energy use and related carbon emissions."

Wyndham Worldwide Corporation operates a vacation ownership program with certification programs reaching over 800,000 timeshare owners, focusing on reduction of energy, water and waste. At Wyndham Hotel Group, the Green Franchisee Hotel Advisory Board was formed in 2010 in which 12 cross-brand hotel owners and general managers showcased and shared green practices to advance sustainability in the hotel group portfolio. Also, Wyndham has a Green Supplier initiative to partner with suppliers and vendors who have a similar commitment to protecting the environment.

Future plans/targets to reduce the emissions burden and the way these will be achieved.

Amcor announces a new target of an additional 10% reduction in carbon intensity by FY 2015/2016. This will be achieved through engaging suppliers, working with customers to make packaging more environmentally friendly and continuing internal efficiency drives.

Banco Bradesco established an Eco-efficiency Working Group which developed a Master Plan that aims to establish an environmental management structure in line with the Bank's activities, including actions to be developed over the next five years. What this space, as they say.

Banco Santander is not explicit about future plans to achieve carbon reductions.

Bank of America has declared a goal to reduce carbon emissions by 15% in the next 5 years. They will do this by increasing LEED certified space to 20% by end 2015 and will offer monetary rewards and career advancement for employees who contribute to

achieving environmental goals.

British Sky Broadcasting includes a narrative relating to next steps, in which the company will continue to do what it has already been doing in terms of carbon management.
Coca Cola Enterprises: "We are reviewing our carbon reduction goal in 2011, looking at our carbon impacts beyond our immediate operations and the demands of our stakeholders and policy makers." Watch this space, too.
Royal Dutch Shell does not specify future targets.
Tieto explains how the company will work towards carbon neutrality: reduced business travel, lower data-center energy consumption, lower office energy consumption etc.
Vodafone offers a detailed program for future carbon emissions reduction, the only reporter in this category to do so at this level of detail: **Wyndham Worldwide Corporation** also give some specific through not quantifiable targets, indicating positive intention. So, any conclusions about which report **YOU** will **VOTE** for in this category? (if you got this far, **CONGRATULATIONS**!!!)
My votes go to Vodafone, Coca Cola Enterprises, Wyndham and British Sky. I especially like Wyndham's employee practices.
So remember, carbon is carbon is carbon but reporting is not reporting is not reporting is not reporting. **Help the best reporters gain recognition and raise the bar through yourVOTES >>>;**.

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practicesContact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz/en **(BeyondBusiness, an inspired CSR consulting and Sustainability Reporting firm)**

A Sustainability Reporting Quiz for 2012

Tuesday, January 03, 2012

This is a quiz to test your knowledge about Sustainability Reporting. Answers at bottom of page.

How can you tell a real Sustainability Report from a fake Sustainability Report?

1. Check to see if it was written by Jackie Collins. If Jackie Collins is the CSO, it's real.
2. Read the first page. If you want to continue to the second page, it's fake.
3. Check to see if it contains the words "This is a real Sustainability Report". If yes, it's real.
4. Subscribe to the CSR Reporting Blog - if the CSR Reporting Blog says it's real, it's real.

What's the ideal number of pages for a Sustainability Report?

1. 20 pages: 1 page introduction, 15 pages of brand info, 4 pages of GRI Index.
2. 150 pages: 10 pages introduction, 100 page of brand info, 40 pages of GRI Index.
3. Depends on whether each page contains content.
4. 365 pages. One for each day of the year.

What value does assurance add to a Sustainability Report?

1. People instantly believe everything that's written.
2. Accounting firms earn tons of money.
3. It stops people actually reading the report while they are trying to figure out what the assurance statement actually means.
4. It's a great excuse for not taking responsibility for errors and omissions.

Where is the best place to display your Sustainability Report?

1. Next to the medicine cabinet (stocked with Advil).
2. In the dentist's waiting room (it will make toothache seem like heaven).
3. On your bookshelf along with great classics like Alice in Wonderland. There are similarities.
4. Next to the rest of your company's marketing brochures.

Should you report using the GRI Framework?

1. Yes. Why stand out from the crowd?
2. Yes. The GRI stats need a boost.
3. Yes. People will think your report is impressive even before they read it.
4. No. Why make it easy for stakeholders to navigate the report?

Which Sustainability Reports start with the words "Sustainability is in our DNA"?

1. All of them. It means **D**efinitely **N**ot **A**ccountable.
2. All the ones written by PR companies.
3. All the ones who know what DNA stands for.
4. All the ones who have imposed genetic testing on all employees as part of their Sustainability Strategy.

What's the best way to write a Sustainability Report?

1. Plagiarize. **Only Crane and Matten will notice.**
2. Use a pencil. Easier for erasing all the stuff the lawyers tell you to take out.
3. Copy-paste from last year. But don't forget to change the dates and add new photos.
4. Hire the best Sustainability Report writer available. Hint. Me.

How much money should you invest in producing your Sustainability Report?

1. $100,000 to produce it. $100,000 to pay people not to read it.
2. Check the ROI. How much additional sales revenue do you expect to generate as a result of people reading your Sustainability Report?

3. More than last year. Even Sustainability Reporting is subject to inflation.
4. Less. Find a fabulous Sustainability Reporter who will give you a very reasonable price. Hint. Me.

Is an Integrated Report better than a separate Sustainability Report?

1. Yes. It will make you instantly popular in global financial and investment circles.
2. No. Sustainability information will be overshadowed by financials. OK. Make that a Yes.
3. Yes. Putting all your eggs in one basket saves baskets.
4. No. Integrated reporting is the result of integrated thinking. This means you will have to think.

What is the main benefit of Sustainability Reporting?

1. Ice cream sales increase when people write reports.
2. Sustainability Reporters have lots of fun. Hint. Me.
3. Sustainability Reporting has become a prominent industry sector contributing to global financial prosperity. This is your opportunity to make a contribution.
4. Sustainability Reporting ensures that your business is totally transparent, which means that all stakeholders are able to make informed decisions and can decide to criticize, boycott or tell Greenpeace about your company.

Happy Sustainability Reporting in 2012 :-)Quiz answers: Please send a check payable to the CSR Reporting Blog in order to receive the quiz answers. Please leave your email so that we can send you marketing junk forever.

elaine cohen, CSR consultant, Sustainability Reporter, HR Professional, Ice Cream Addict. Author ofCSR for HR: A necessary partnership for advancing responsible business practices Contact me viawww.twitter.com/elainecohen **on Twitter or via my business website**www.b-yond.biz/en **(BeyondBusiness, an inspired CSR consulting and Sustainability Reporting firm)**

Comments

- JordiMorrsRibera January 05, 2012

A lot of thanks for the fun about sustainability, perhaps a too much seriously field.

- WilliamNewman January 06, 2012

Pretty funny Elaine! Happy 20-12!


بيئة
סביבה
環境
קיימות
Sustainability
окружающая среда
持続可能性
الاستدامة
CSR
Environment
स्थिरता
этика
empresas
sostenibilidad
RSE
mediului
ชุมชน
GRI
Responsibility
עסקים
Beyond
Business Ltd
şeffaflık
المسؤولية
etică
Ethics
estrateg
Community
comunidad
קהילה
社区
responsabilidade
ответственность
transparenţă
Strategy
TRANSPARENCY
透明性
שקיפות
रणनीति