Sustainability Imperative

2007 (6.5 billion)
Sustainability Reporting

How will your organization contribute to the future?
Trust is Essential

- “CSR has emerged as an inescapable priority for business leaders in every country.”
  - Michael Porter

- AC Nielsen Survey
  - 41% of Chinese consumers feel more loyal towards a company that aligns itself with a worthy cause.

  - 77% of Chinese employees would like to be involved in their companies’ CSR initiative

- Mori Survey, 2005
  - 67% rely on management quality as a key determinant in valuing a company.
Drivers for Reporting

Sustainability

Business

Impact

Results
GRI: Trusted, Credible Framework
Uptake Over Time

![Graph showing the uptake of GRI Reporters over time from 1999 to 2007. The number of Reporters increases significantly from 100 in 1999 to over 1000 in 2007.]
Uptake by Country
109 Financial Institutions

ABN AMRO Bank/Banco Real; ABN AMRO Holding Bank N.V.; Absa; Achmea Holding N.V.; AEGON N.V.; African Bank Investments Limited (ABIL); Allianz AG; ASN Bank; Australia and New Zealand Banking Group; Australian Ethical Investment Ltd; AXA - Group Management Services; Banca Monte dei Paschi di Siena (BMPS); Banco Bilbao Vizcaya Argentaria S.A. (BBVA); Banco Itau Holding Financeira S.A.; Banco Sabadell; Banesco Banco Universal; Barclays Plc; Bilbao Bizkaia Kutxa (BBK); BMO Financial Group; Caixa Catalunya; Caixa Galicia; Caja de Ahorros de Valencia, Castellón y Alicante, BANCAJA; Caja de Ahorros del Mediterraneo (CAM); Caja de Ahorros y Monte de Piedad de Zaragoza Aragón y Rioja – IBERCAJA; Caja Espanola de Inversiones, Caja de Ahorros y Monte de Piedad; Caja Laboral; Caja Madrid; Caja Navarra; Caja San Fernando; Caja Vital Kutxa; Calvert Group; Citigroup; Comité syndical national de retraite Batirente; Commerzbank AG; Confederacion Española de Cajas de Ahorros (CECA); Co-operative Bank; Co-operative Financial Services (CFS); Co-operative Insurance Society (CIS); Daiwa Securities Group; Delta Lloyd; Deutsche Bank AG; Development Bank of Japan; Dexia Group; DKV Seguros; DnB NOR ASA; DVV verzekeringen; EDC - Export Development Canada; El Monte Caja de Ahorros de Huelva y Sevilla; F&C Asset Management plc; Findesa; FleetBoston Financial; FMO (Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden); Folksam; FöreningsSparbanken AB; Fortis Bank; GLS Gemeinschaftsbank; Grupo Santander; Grupo Sanpaolo IMI; Hachijuni Bank; HBOS; HSBC Group; HVB Group; Hyundai Marine & Fire Insurance; IAG New Zealand Limited; ING Group N.V.; Insurance Australia Group Limited (IAG); Investec; KBC Group; Kommunalbanken Austria AG; KUTXA (Caja de Ahorros Gipuzkoa y San Sebastián); Lend Lease; Liberty Group; Mecu; National Australia Bank (NAB); Nedbank Group; Nikko Cordial Corporation; Nikko Cordial Securities; Nomura Holdings; Oesterreichische Kontrollbank AG; Old Mutual South Africa; Rabobank Groep; RAS Group; Royal & Sun Alliance; Royal Bank of Canada (RBC); Royal Bank of Scotland Group (RBS); Sampo Bank; Serasa S/A; Shorebank; SNS Reaal Groep; Société Générale Group; Sompo Japan Insurance; Standard Bank; Standard Chartered Bank; State Street Corporation; Storebrand; Taiyo Life Insurance Company; TD Bank Financial Group; Tokio Marine & Nichido Fire Insurance; Triodos Bank; UniCredit S.p.A.; Unipol (COMPAGNIA ASSICURATRICE UNIPOL S.P.A.); Vancity and Citizens Bank of Canada; VBDO Association of Investors for Sustainable Development; VicSuper Pty Ltd; Wells Fargo & Company; WestLB AG; Westpac Banking Corporation; World Bank Group; Zürcher Kantonalbank.
Benefits of Reporting

% of companies that mention this specific driver for CR

- Innovation and learning
- Risk management
- Employee motivation
- Access to capital
- Reputation and brand
- Market position
- Supplier relations
- Relationship authorities
- Cost saving

Global Reporting Initiative
Linking Internal and External

- Management Processes
- Sustainability Reporting
- External Engagement
Diversity of Interests

- Public impact
- Employees
- Government
- Corporate governance / Board
- Consumers
- Press
- Brand managers
- NGOs
- Trade associations
- Local communities
- Press
- R&D management
- CEOs
- Human Resource management
- Internal readers
- Press
- Product management
- Supply chain
- Internal results
- External readers
- Insurers
- Investors
Investors Using ESG

- Pensions
  - Principles for Responsible Investment

- Buy/Sell
  - Enhanced Analytics Initiative

- Investment Products
  - Get to know ISE BOVESPA Corporate Sustainability Index

- Regulators
  - Companies Act

- CARBON DISCLOSURE PROJECT
Intangible value

Market Value
$106 Billion
09/30/03

20%?

67%
Brand Value
$70 Billion

13%
Book Value
$13 Billion
09/30/03

source: Strategic Asset Management, Interbrand
How do you understand value?

eco efficiency + resource productivity +
  human capital +
stakeholder relations +
risk management +
community contribution +
  reputation +

quarterly results

short term value

long term value
The Reporting Framework

- **Principles**
- **Standard Disclosures**
- **Protocols**

G3

+=

- **Sector Supplements**
- **National Annexes**
Financial Services Supplement

2004-2005

Multi-stakeholder working group

2006-2007

Pilot Testing

2006-2007

Sector-Specific Reporting Guidance

Final Version

2006-2007
## Other Sector Guidance

<table>
<thead>
<tr>
<th>Pilot and Board Review</th>
<th>Underway</th>
<th>Pipeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive</td>
<td>Apparel and Footwear</td>
<td>Oil and Gas</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>Electricity Utilities</td>
<td>Food and Retail</td>
</tr>
<tr>
<td>Financial Services</td>
<td></td>
<td>NGOs / Foundations</td>
</tr>
<tr>
<td>Tour Operators</td>
<td></td>
<td>Construction</td>
</tr>
<tr>
<td>Public Agencies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mining and Metals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Logistics and Transportation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
What Would Be in a G3 Report?

- strategy
- organizational profile
- management approach

Results
(Performance indicators)
Evolving Guidelines: the G3 process

- Structured feedback process on 2002 guidelines
- Collaborative working groups
- International sneak peeks
- G3 Guidelines released
- Future development

2003 2004 2005 2006
GRI: Network Organization
You can take this further

- Use the Guidelines
- Let us know and share experience
- Join a governance body
- Become an OS member
- Join a working group
- Visit us online at www.globalreporting.org
Reporting by Country

- France, 42
- Germany, 39
- Netherlands, 39
- Canada, 35
- Italy, 33
- Finland, 31
- Sweden, 22
- Brazil, 21
- South Korea, 15
- Other countries, 123
- USA, 107
- Japan, 113
- South Africa, 44
- Australia, 52
- UK, 92
- Spain, 93
Different use, common information

- Business Results
- Contributions
- Value Drivers
- Sustainability
- Innovation Efficiency
- Company
- Civil Society
- Capital Markets