Sustainability reporting assessment

Development and implementation of a methodology to assess sustainability / CSR reports according to GRI Guidelines:

A case study for the Greek financial sector

UNEP-FI Conference, 18th February 2006
Methodological approach

Global Reporting Initiative (GRI) Guidelines

Widely accepted benchmark methodologies

Sustainability Reporting Assessment Methodology

Greek Reports

Benchmark results
Sustainability report according to GRI Guidelines

Basic report content as defined by GRI Guidelines:

- Vision and Strategy
- Profile
- Governance Structure and Management Systems
- Sustainable Performance Indicators
  - economy
  - environment
  - society
Dimensions of sustainable performance

**Economy**
- Customers
- Suppliers
- Employees
- Providers of capital
- Public sector

**Environment**
- Materials
- Energy
- Water
- Emissions
- Waste
- Suppliers
- Products & services

**Society**
- Employment
- Training & education
- Basic human rights
- Bribery and corruption
- Competition and pricing
- Advertising
- Health & safety
Methodology

- GRI Guidelines consist of 142 indicators – topics
- Devised a numerical scoring system for each topic
- Each topic is allocated between 0 (worst) and 4 (best) points
- Results provide ranking among assessed reports
- Implementation of proposed methodology to all reports published in 2005 in Greece
## Benchmark scoring system

<table>
<thead>
<tr>
<th>Scores</th>
<th>Scoring Levels</th>
<th>Example – Paper Recycling</th>
</tr>
</thead>
<tbody>
<tr>
<td>“0”</td>
<td>No mention</td>
<td>No information provided</td>
</tr>
<tr>
<td>“1”</td>
<td>Generic statements</td>
<td>“Our company recycles paper”</td>
</tr>
<tr>
<td>“2”</td>
<td>More detailed</td>
<td>“Our company recycled 200 tons of paper”</td>
</tr>
<tr>
<td>“3”</td>
<td>Extensive</td>
<td>“Our central offices and branches in Attica recycled 170 tons of paper while our branches for the rest of Greece recycled 30 tons”</td>
</tr>
<tr>
<td>“4”</td>
<td>Full</td>
<td>“We achieved 170 tons of paper recycling within our operations in Attica and 30 tons from the rest of our branches. This is a 10% increase from last year’s recycled paper and we plan to further increase this figure by 5% next year”</td>
</tr>
</tbody>
</table>
Ranking of reports

Overall compliance with GRI Guidelines

<table>
<thead>
<tr>
<th>Company</th>
<th>Compliance (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coca-Cola HBC</td>
<td>46.6%</td>
</tr>
<tr>
<td>Vodafone Hellas</td>
<td>29.6%</td>
</tr>
<tr>
<td>Athens I. Airport</td>
<td>26.8%</td>
</tr>
<tr>
<td>Diageo Hellas</td>
<td>26.1%</td>
</tr>
<tr>
<td>S&amp;B Ind. Minerals</td>
<td>25.0%</td>
</tr>
<tr>
<td>Hellenic Petroleum</td>
<td>20.9%</td>
</tr>
<tr>
<td>Pireos Bank</td>
<td>20%</td>
</tr>
<tr>
<td>Eurobank</td>
<td>19.5%</td>
</tr>
<tr>
<td>Motor Oil</td>
<td>19.3%</td>
</tr>
<tr>
<td>Emporiki Bank</td>
<td>17%</td>
</tr>
<tr>
<td>Heracles Cement</td>
<td>16.8%</td>
</tr>
<tr>
<td>Nireus Food Co.</td>
<td>15.6%</td>
</tr>
<tr>
<td>Germanos</td>
<td>13.3%</td>
</tr>
<tr>
<td>OTE</td>
<td>12.4%</td>
</tr>
<tr>
<td>Cosmote</td>
<td>11.7%</td>
</tr>
</tbody>
</table>

Average = 21%
Financial Sector – An analysis of scores

Emporiki Bank
- Vision&Strategy/Profile/Manag. Structure: 50%
- Economic Performance: 27%
- Environmental Performance: 16%
- Social Performance: 7%

Eurobank
- Vision&Strategy/Profile/Manag. Structure: 41%
- Economic Performance: 32%
- Environmental Performance: 11%
- Social Performance: 16%

Pireos Bank
- Vision&Strategy/Profile/Manag. Structure: 47%
- Economic Performance: 38%
- Environmental Performance: 12%
- Social Performance: 4%
Overall results

Profile
(22 topics)

Governance Structure
(20 topics)
Core performance indicators

Economic indicators (10)

- Eurobank: 45%
- Emporiki Bank: 18%
- Pireos Bank: 10%

Environmental indicators (16)

- Emporiki Bank: 17%
- Eurobank: 14%
- Pireos Bank: 9%

Social indicators (24)

- Pireos Bank: 27%
- Emporiki Bank: 14%
- Eurobank: 10%
Commonly addressed indicators

Economic
- Total payroll and benefits
- Donations to community

Environmental
- Energy consumption (electricity, fuels)
- Total amount of waste (recycled materials)
- Renewable energy sources/energy efficiency initiatives

Social
- Breakdown of workforce
- Net employment creation
- Practices on recording occupational accidents and diseases
- Average hours of training
- Employee benefits
- Customer satisfaction
Environmental indicators

Energy consumption

Renewable energy sources
energy efficiency initiatives

<table>
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<tr>
<th>Bank</th>
<th>Energy Efficiency initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emporiki Bank</td>
<td>75%</td>
</tr>
<tr>
<td>Eurobank</td>
<td>50%</td>
</tr>
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<td>Pireos Bank</td>
<td>50%</td>
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Social indicators

Average hours of training

Employee benefits
Social indicators

Net employment creation

Customer satisfaction
Economic indicators

Donations to community

Pireos Bank: 25%
Emporiki Bank: 100%
Eurobank: 75%

Total payroll and benefits

Pireos Bank: 50%
Emporiki Bank: 50%
Eurobank: 50%
Less commonly mentioned indicators

**Economic**
- Net sales
- Total sum of taxes

**Environmental**
- Total materials use
- Recycled materials used (paper)
- Water consumption
- Greenhouse gas emissions

**Social**
- Equal opportunity policies
- Policies and programmes for skills management
- Awards received relevant to non-financial performance
Report assessment – Banking sector

Compliance with GRI Guidelines

- Pireos Bank: 20%
- Eurobank: 19.5%
- Emporiki Bank: 17%
GRI Financial Services Sector Supplements

- Environmental policies applied to the design and delivery of products and services
- Criteria for assessing and screening environmental risks in core business lines
- Policies to screen suppliers’ social performance
- Female-male salary ratio
- Distribution of economic value added
A comparison among sectors

Compliance with GRI Guidelines

- Industries: 24%
- Banks: 19%
- Services: 19%
Recommendations

- Clearly define reporting boundaries
- Data collection systems/procedures
- Essential core indicators coverage
- Promote broader stakeholder engagement

Future trends?

- External Guidelines & Frameworks
- “Triple-Bottom-Line” Reporting
- Broad stakeholder engagement

- Internal reporting practices
- Brochure reports
- Limited stakeholder consideration
Research - next step

► Go beyond reporting performance

► Develop assessment methodology for sustainability performance

► Develop assessment methodology for sustainability performance vs financial performance
Thank you very much for your attention!

Please note upcoming paper:
“Benchmarking Greek sustainability reports according to the GRI reporting guidelines”

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