



Survey of Reporting on Corporate Social Responsibility (CSR) by the 40 Largest Listed Companies in Bulgaria

Conference:

EU Environmental Regulations – Risk or Opportunity for the Finance Sector?
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Background

❖ Partners for Financial Stability (PFS) Program initiative – www.pfsprogram.org

❖ Country survey conducted by the Economic Policy Institute and co-financed by a PFS Program grant, Sofia – www.epi-bg.org



EAST • WEST
MANAGEMENT
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Peer Group and Timetable

❖ Forty largest companies by market capitalization listed on the Bulgarian Stock Exchange (BSE), Sofia as of 1st of March, 2007:

- represent 83.4% of the market capitalization of BSE;

- represent 71.6% of the BSE turnover for March 2007.

❖ Companies` disclosures in Bulgarian and English on their websites and annual reports during the time period March – June 2007

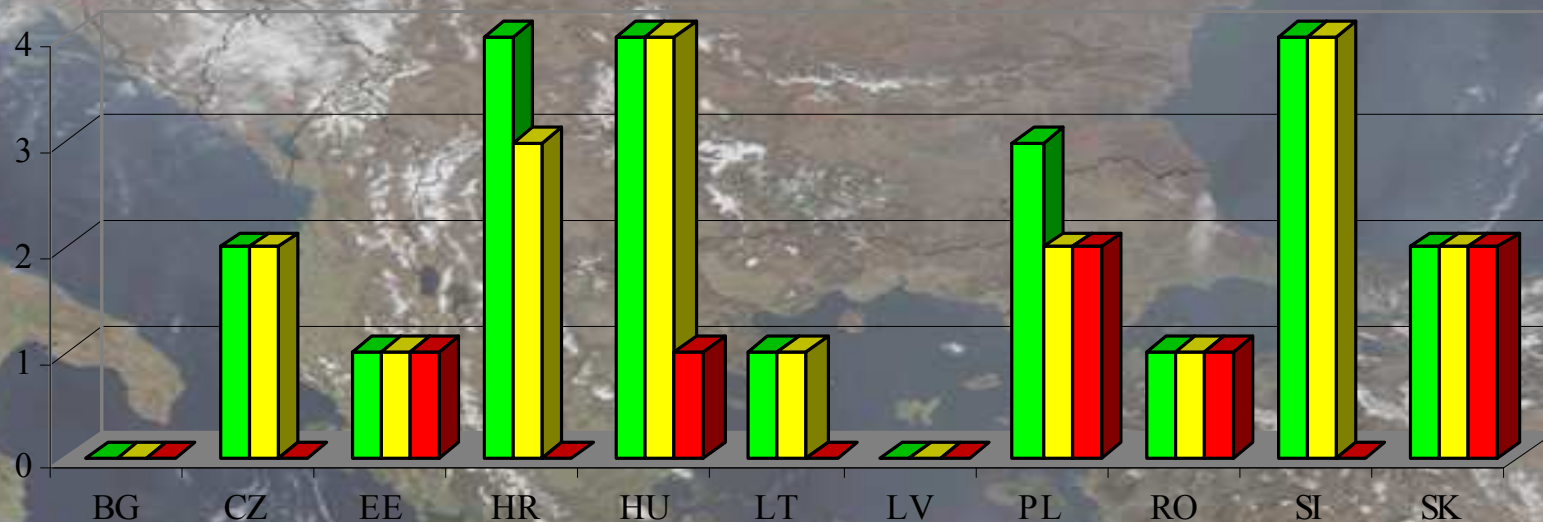


Methodology

- ❖ **Basic profile of the company (industry specification and primary countries of operation)**
- ❖ **Publishing stand alone ESG report**
- ❖ **Corporate governance and reporting**
- ❖ **Environmental policy**
- ❖ **Social policy**



Publishing stand alone ESG report



- Companies with a stand alone English-language ESG report - September 2007
- Companies using recognized standards (i.e. GRI) for ESG report - September 2007
- Companies with an ESG report which includes an assurance statement - September 2007



Corporate Governance and Reporting

- 1. Does the company disclose details on its corporate governance structure?**
- 2. Does the company report on compliance with a Corporate Governance Code?**
- 3. Does the Company disclose audit relation information?**
- 4. Does the company disclose its policy on shareholder rights?**
- 5. Does the company disclose and report on its internal Code of Business Conduct/ Code of Ethics?**



Environmental Policy

- 1. Does the company state whether it complies with industry-specific, national and/or international regulations regarding environmental standards?**
- 2. Does the company disclose the names of individuals (management and/or board members) or the department responsible for environmental management and compliance?**
- 3. Does the Company report on energy and water use?**
- 4. Does the company report on its environmental performance, including efficient use of resources, emissions and waste?**
- 5. Does the company integrate environmental aspects into its supply chain management policy?**



Social Policy

- 1. Does the company disclose compliance with industry-specific, national and/or international regulations regarding human rights and/or labor standards?**
- 2. Does the company report any community patronage/ sponsorship programs?**
- 3. Does the company disclose its employee development or employee benefits policies?**
- 4. Does the company list its health and safety policy?**
- 5. Does the company disclose its employment policy?**



General Survey Findings on Reporting Practices on Environmental Policy

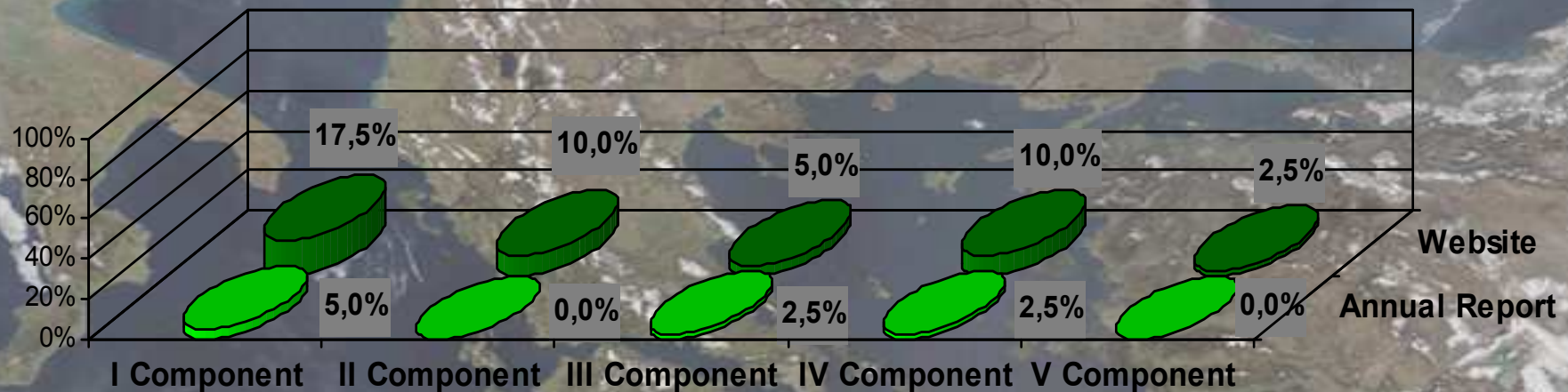
27.5% (11) of the companies surveyed disclose data (in the Bulgarian/English annual report or website) about at least one of the five questions of the “Environmental Policy” section.

Of these:

- ❖ **72.7% (8)** report on compliance with industry specific, national/international regulations
- ❖ **36.3% (4)** disclose the names of individuals or department responsible for environmental management
- ❖ **27.2% (3)** report on energy and water use
- ❖ **54.5% (6)** report on its environmental performance
- ❖ **18.1% (2)** report on integration of environmental aspects into its supply chain

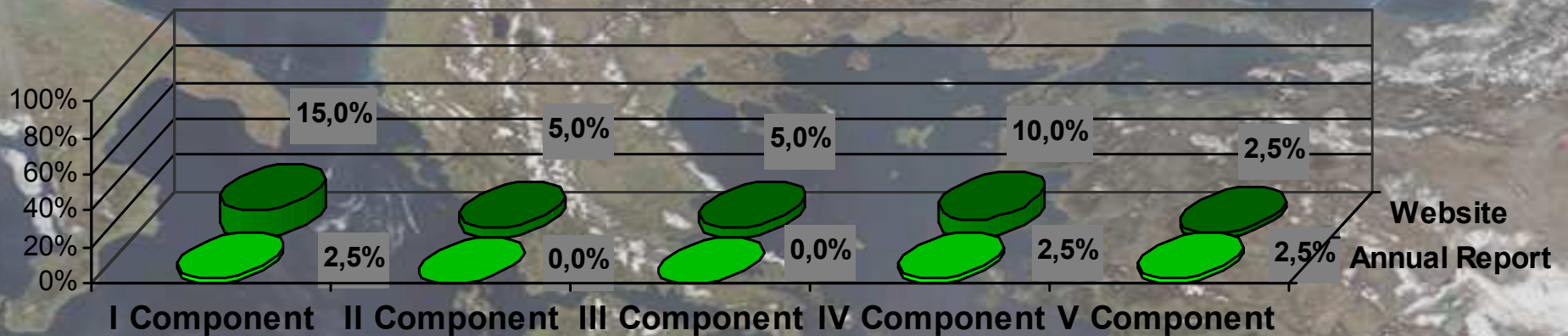


Environmental Policy Reporting in English





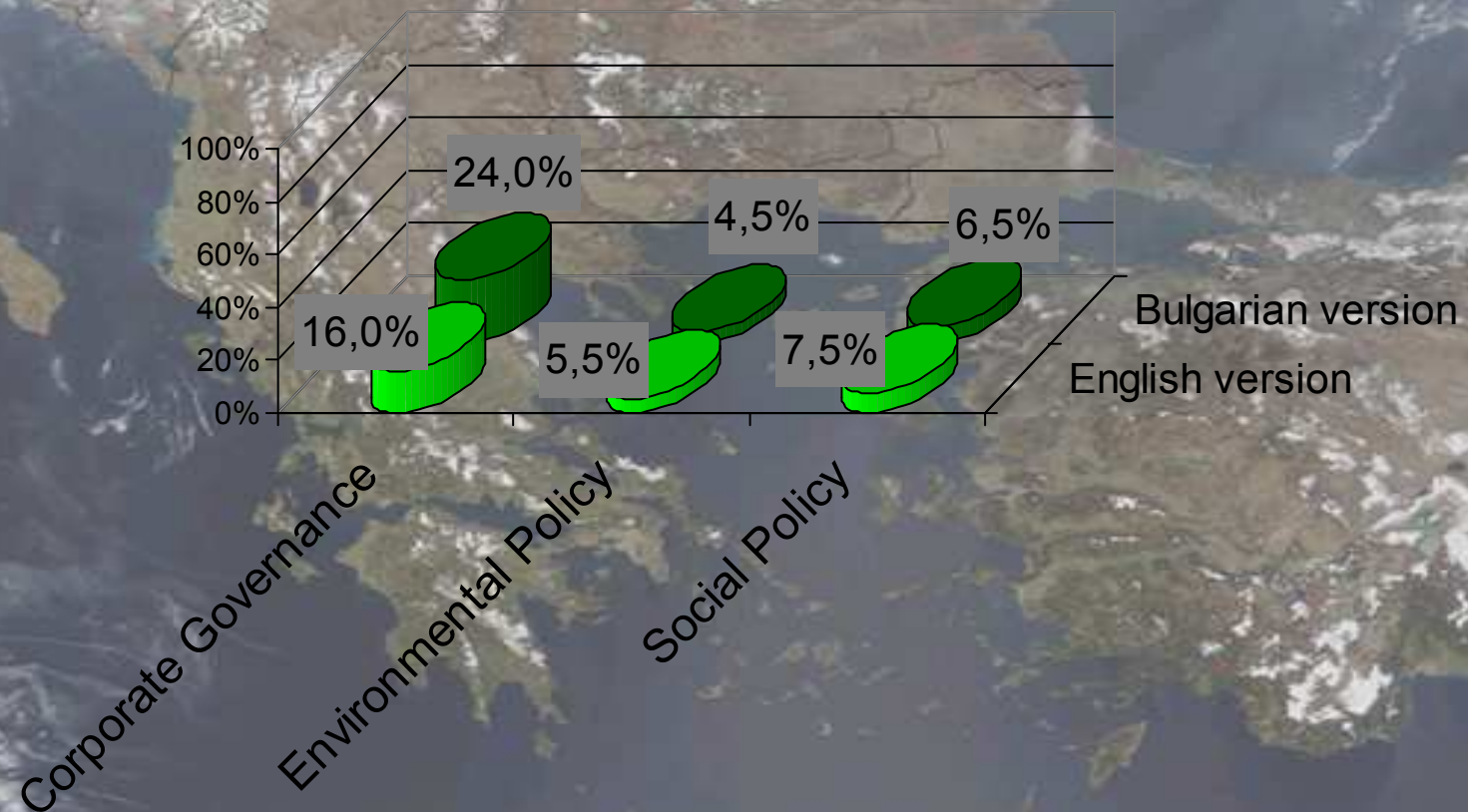
Environmental Policy Reporting in Bulgarian





Percentage CSR Reporting

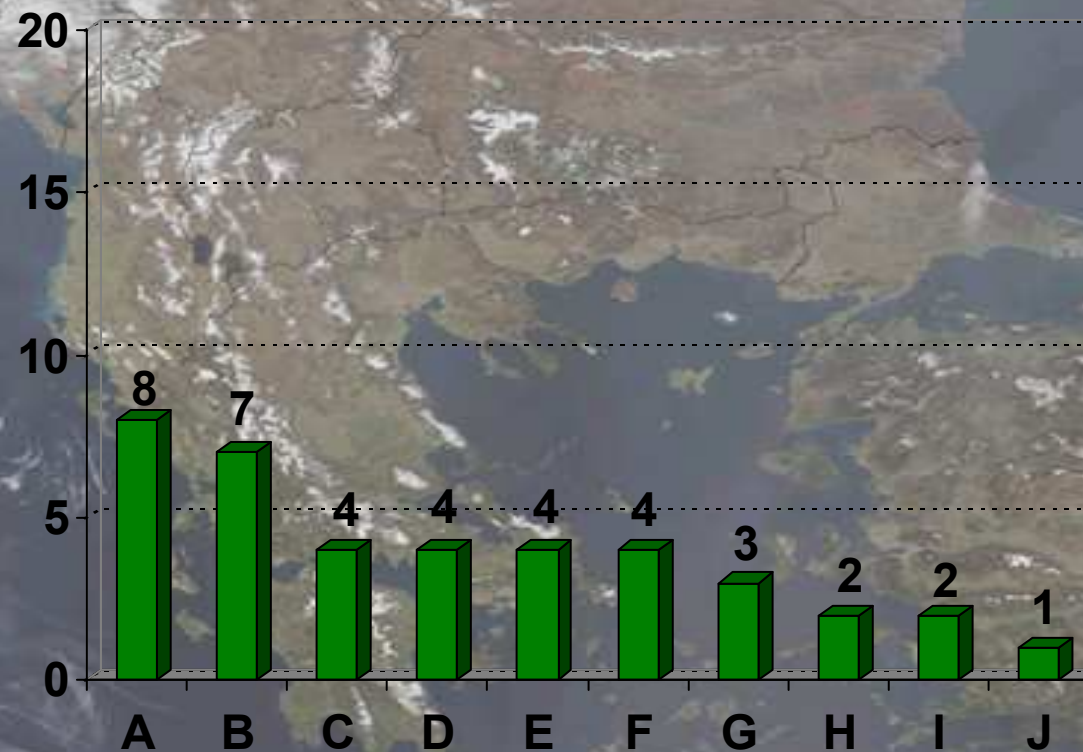
(100% if all companies report each element)





Current Best Practice

(Maximum 20 points)





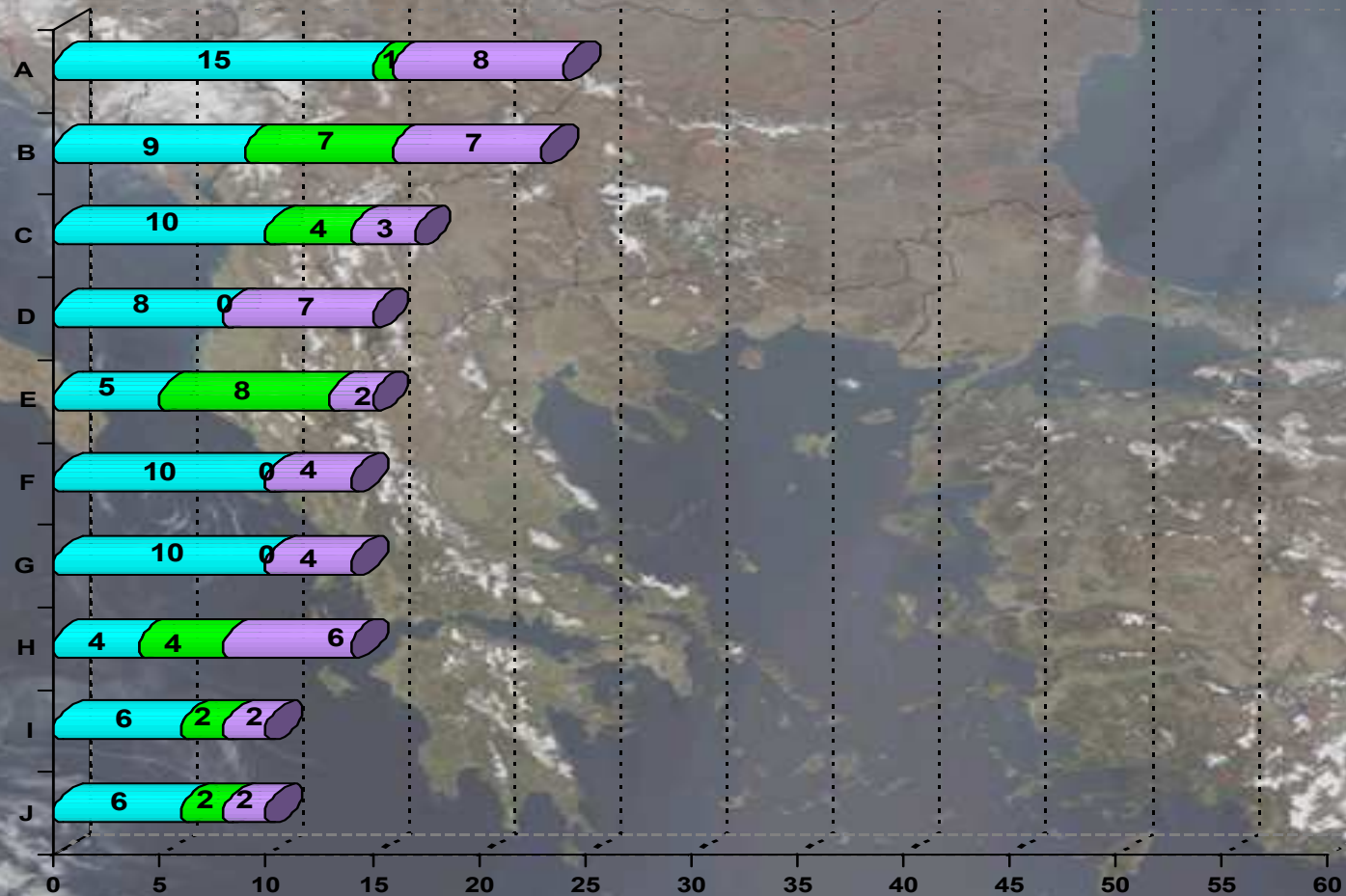
Additional Analysis

Eight of the forty surveyed companies belong to the financial sector and none of them report on the components included in the survey's section “Environmental Policy”.

Two of them registered scores in Top 10 in the CSR survey's best practice (Corporate Governance + Environmental Policy + Social Policy)



Additional Analysis



■ Corporate Governance

■ Environmental Policy

■ Social Policy



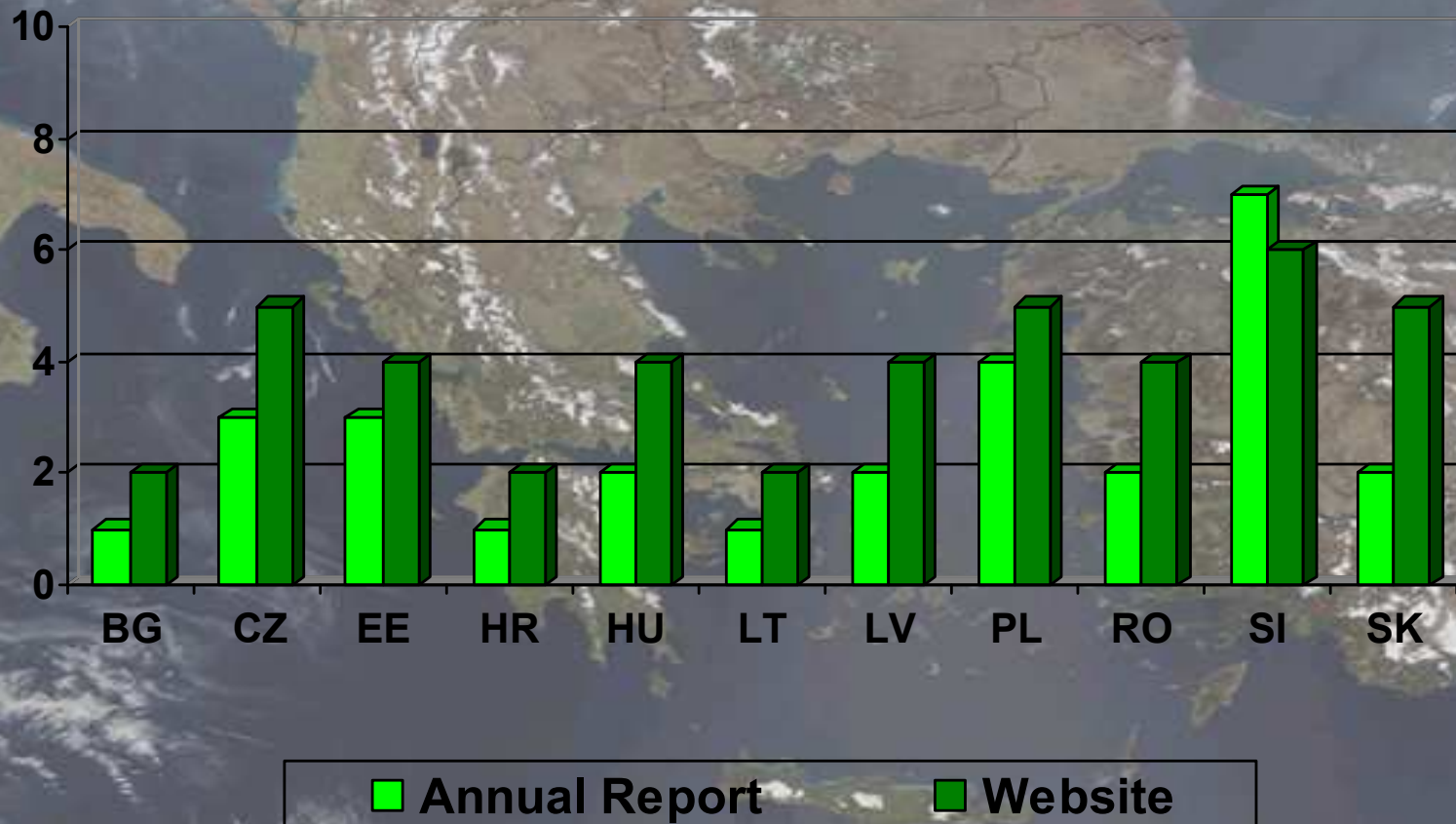
PFS Program Regional Surveys (September, 2007)

Cross-Country Comparison

(Disclosures on Environmental Policy in English)

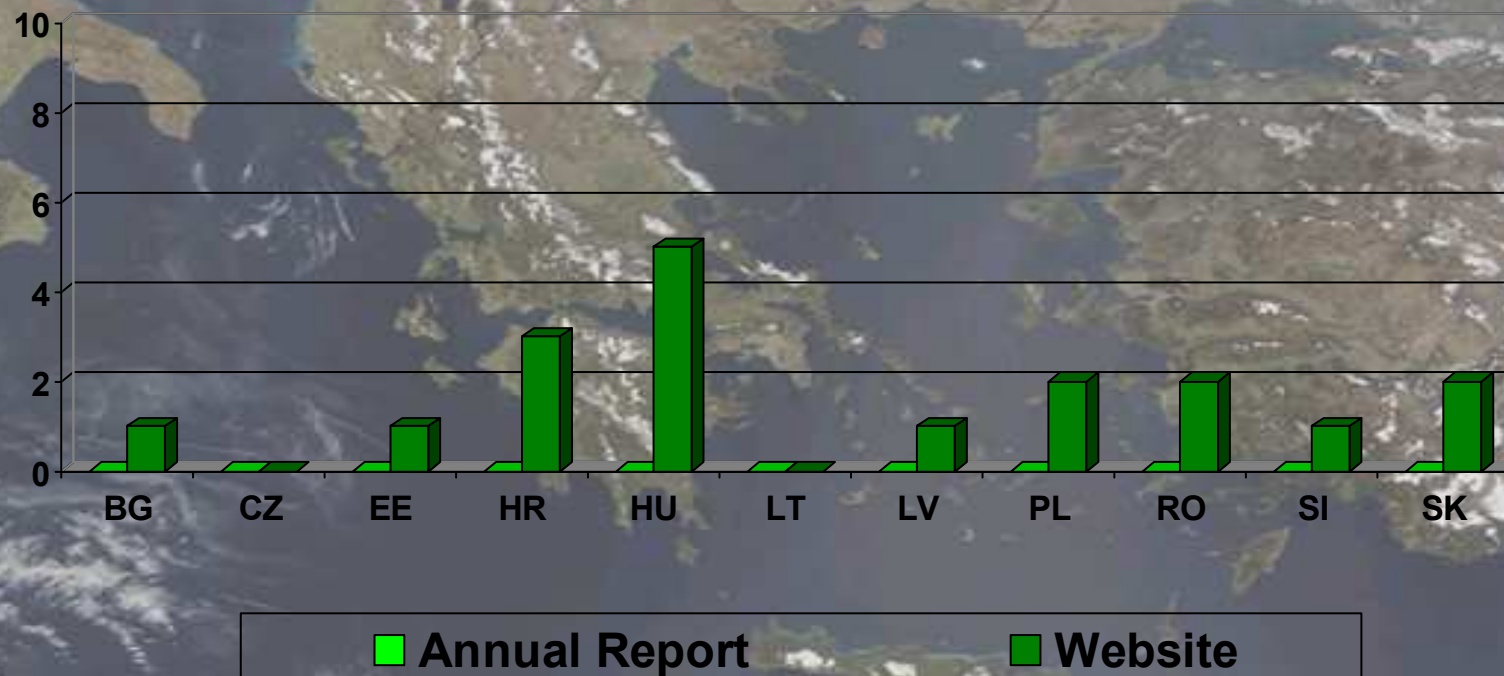


Does the company state whether it complies with industry-specific, national and/or international regulations regarding environmental standards?



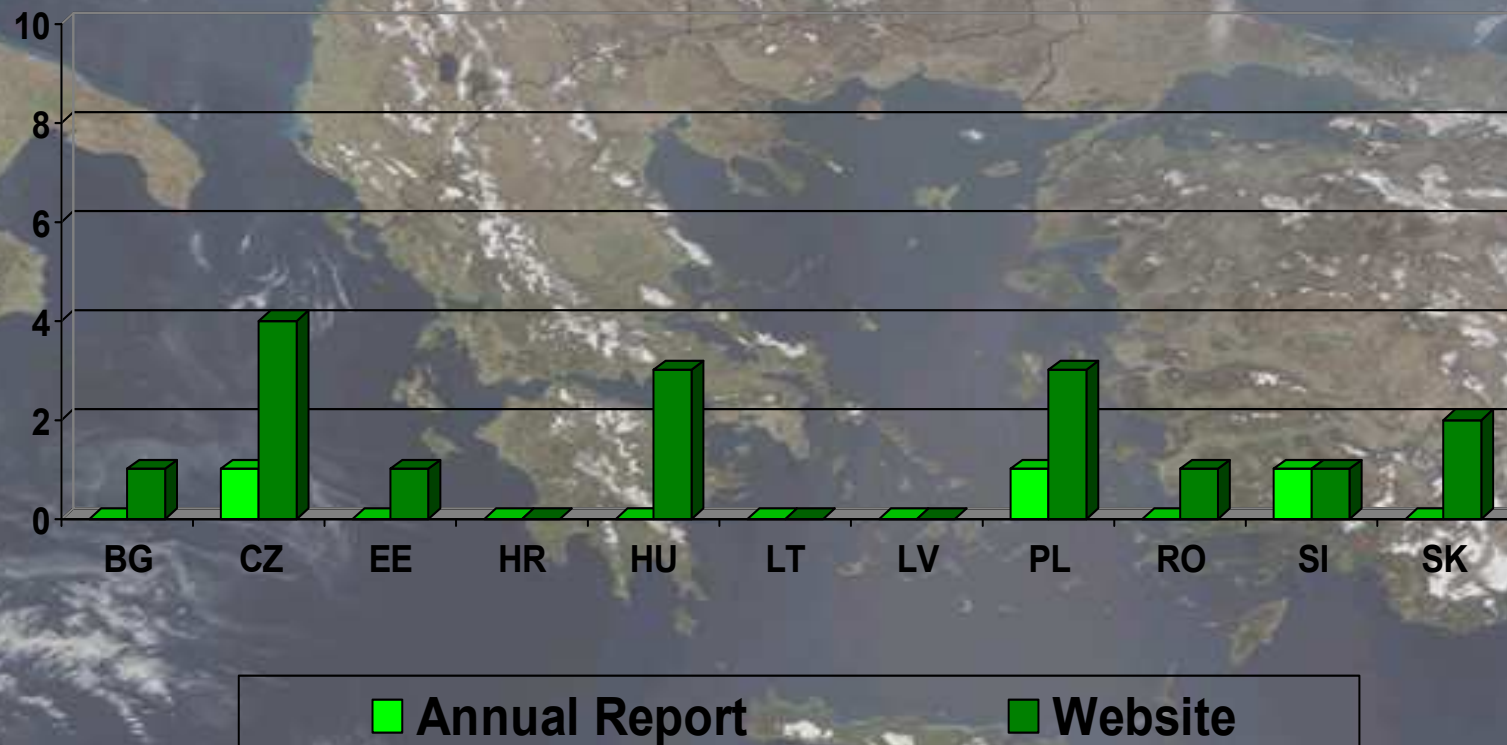


Does the company disclose the names of individuals (management and/or board members) or the department responsible for environmental management and compliance?



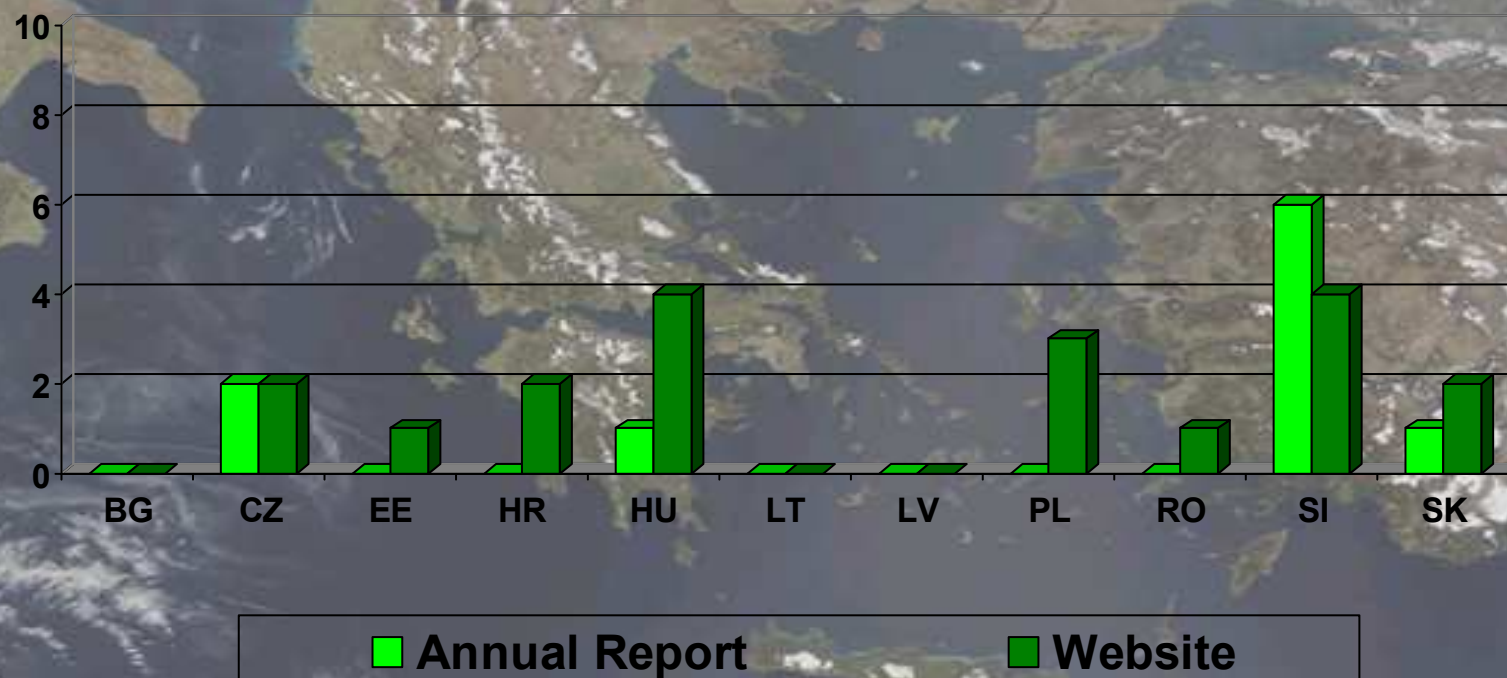


Does the Company report on energy and water use?



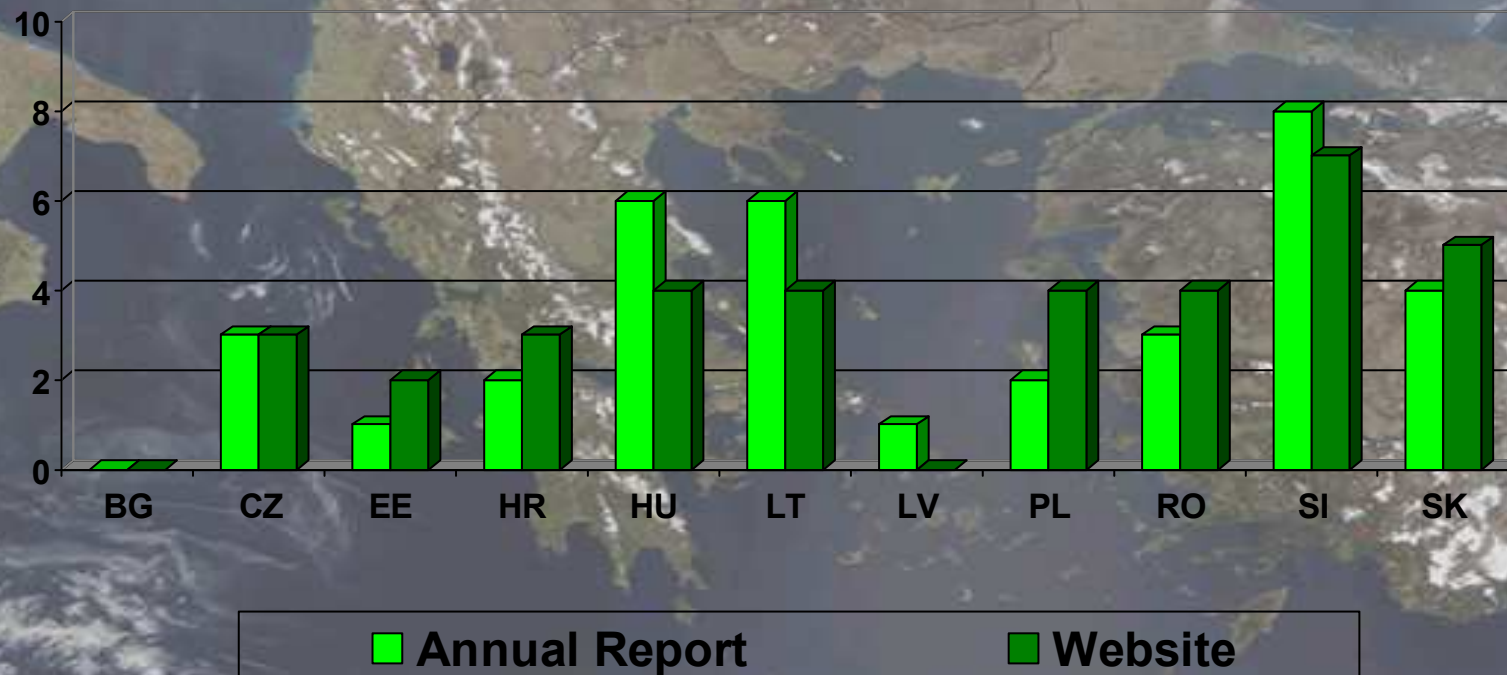


Does the company report on its environmental performance, including efficient use of resources, emissions and waste?





Does the company integrate environmental aspects into its supply chain management policy?





! THANK YOU !

All survey database and results are available on the websites of the Economic Policy Institute (www.epi-bg.org) and of the Partners for Financial Stability (PFS) Program (www.pfsprogram.org/capitalmarkets)

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