



**Deloitte & Touche  
Global Environment and Sustainability Services Group**

## **Deloitte Sustainability Reporting Scorecard**

### ***Introduction***

Corporate enterprises, as well as other types of organizations, are paying closer attention to their sustainability reports and for good reason. More and more stakeholders - from regulators, to suppliers and investors - are using the reports in their decision-making. Businesses are reading them to decide on potential partners, consumers to choose whose products and services they want to buy, and students to evaluate prospective employers. Investors and financial analysts are using sustainability reports, as they are increasingly interested in non-financial information, such as social, economic and environmental impacts and related risks and opportunities, to support their investment decisions.

Companies are taking a more comprehensive approach to reporting than previously seen in traditional financial reporting to shareholders. There is also a move from isolated reporting on environment or health & safety towards sustainability, including environmental, social, and economic aspects and including direct and indirect influence on the economy and on society.

Stakeholders' demands for sustainability information have grown more exacting than ever before. Business enterprises are asked for information on their vision, values and principles, the management systems and actions they have in place to support these, their objectives, and their past and current performance in comparison to their peers and their targets. They are asked to provide sufficient information on all those issues that stakeholders have identified as being important to them and which have an impact on society, the economy and on the environment.

## The Value of Transparency and Reporting

The world today is a place where transparency has become a prerequisite for acceptance in the marketplace and for the license to operate. Indeed, reporting is a very effective approach toward making progress in sustainable development. External reporting to interested stakeholders enhances trust and acceptance. Internal reporting on progress against targets and on action plans to management supports companies' decision-making and therewith helps improve performance and business success overall.

Many business and non-business organizations make great efforts to achieve higher transparency and accountability and work together in initiatives such as the UN-Global Compact or the Global Reporting Initiative (GRI) to increase acceptance of reporting as an effective tool for making progress and to create a better understanding of and enhance the use of commonly accepted reporting principles and formats.

## The Logic to the Process of Reporting

In order to make reporting and communication effective management instruments, it is important that reporting organizations - first and foremost - identify the target audiences of their communication and consult these audiences about their actual information needs and expectations, before they start writing or talking. It might also be important to know, what the relevant problems and concerns of these stakeholders are and how - as a business organization - it could contribute with useful products and services to solving these problems. Reporting organizations should also identify and characterize those issues of their activities and products that create an impact on any stakeholder group, either directly or indirectly.

Once relevant issues are identified and characterized, reporting organizations can describe to report users how they manage these issues by demonstrating their commitment and management methods, by addressing the sustainable development agenda in their relationship with the various stakeholder groups and by quantifying and progressing their performance. Organizations must demonstrate credibly in their reports that the key sustainability issues are core to their business strategies and objectives. Report users would be looking to see consistency in measures and actions, and to find a "red thread" throughout their actions and throughout their report.

However, reporting makes sense only if reports reach their audience, are read, and if the information provided is understood. This information can then be the start of a dialogue that finally will lead to a change in behavior or further improvement of the respective performance. Reports, therefore, must make good use of tools for communicating effectively and work towards creating credibility and trust from the viewpoint of the reader.

We believe that these are the essential steps in demonstrating the business case for sustainable development reporting, what will, finally, lead to a much more widespread acceptance and higher value of sustainability reporting.

## About this Scorecard

### Benefits from the Sustainability Reporting Scorecard

To date, Environmental and Sustainability Reports have still been largely experimental. Reporting Awards have led to the development of scoring criteria that fit particular circumstances. GRI is making great progress in developing a common framework for sustainability reporting and in formulating criteria that reflect current thinking or best practice of reporting. However, there is still a long way to go in making such reporting criteria widely accepted and broadly applied.

The *Deloitte Sustainability Reporting Scorecard* is a step towards filling this gap.

We concentrate much more on quality than on quantity, and intend to give guidance on the process of reporting, on the content of a report and on the format to make sure that the report is able to communicate effectively. We do not specify or require information on specific topics or impacts, as these will always depend highly on the circumstances of the reporting organization on the one hand, and the needs of the report user on the other. This makes assessment indeed more challenging than just checking against a given list of impacts or indicators following a fixed format.

With this Scorecard we can only assess how organizations report and what they state in their reports, but not how they perform on sustainable development. This Scorecard is about the quality of reports, not the performance of the respective reporting organization. It, however, provides a vast opportunity to learn about reporting practices and to improve effectiveness and quality. It also allows for benchmarking of reports over time, against each other, and against best practice.

### Based on International Guidelines

The manual on which this Scorecard is based builds on international guidelines established by leading international sustainability and reporting organizations. Many of the criteria evaluated refer to the Sustainability Reporting Guidelines on economic, environmental and social performance of the **Global Reporting Initiative** (GRI). Further input is coming from the work being done by the **World Business Council for Sustainable Development** (WBCSD) on *Sustainable Development Reporting*, on *Measuring Eco-efficiency* and on *Sustainability through the Market*, as well as on work conducted by the **International Auditing Practice Committee** (IAPC).

Deloitte Touche Tohmatsu is actively involved in these efforts in many different ways and through several of its most experienced experts. Some of them are also involved in the various national and international award schemes for environmental and sustainability reporting, which are also in many ways active fora for discussing and further developing reporting best practice.

Deloitte Touche Tohmatsu will continue to consult with these organizations and leading reporters, as well as to participate in reporting initiatives as part of the continual improvement process.

## Developing the Scorecard

The *Deloitte Sustainability Reporting Scorecard* was created with input from many angles and with the active contribution of many experienced environmental and sustainability practitioners. It was developed in an interactive process, maintained by a robust and intensive methodology of sharing and consultation.

We build our development on a state-of-play analysis of Report Rating Schemes and Reporting Guidelines. This study included not only the analysis of tools for report assessment and methodologies of report award schemes, but also of governmental and institutional guidelines for reporting, performance assessment tools and process guidelines. It finally also built on manifold communication with corporate report writers and in-depth analysis of many corporate reports that were either winners of awards or were rated high in most recent report rating studies.

Deloitte Touche Tohmatsu around the world is already successfully using a Corporate Environmental Report Scorecard that was originally developed in 1995 and reviewed in 1997. This is a scorecard particularly developed for environmental reports which is still valid and highly useful for this specific purpose. It is best used for and based on communication needs of corporations whose major impacts lie within the company's own operations.

The *Deloitte Sustainability Reporting Scorecard* builds on the experience with this former tool intensively applied to environmental reports, as well as to additional formats which are used in various countries for environmental and social reports. The most valid input forms the vast experience that was developed throughout the Deloitte Touche Tohmatsu global practice in manifold client engagements on reporting.

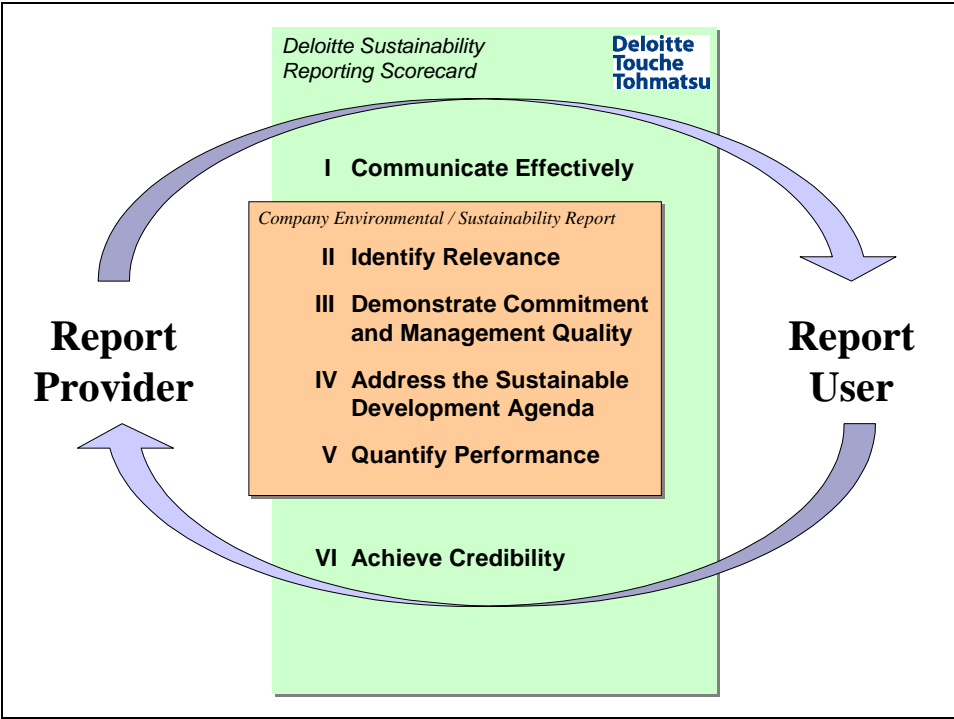
## Explaining the Structure and Rationale

The *Deloitte Sustainability Reporting Scorecard* is following the logic of the “red thread” recommended for the process of reporting:

The Scorecard first of all evaluates the effectiveness report providers can expect to achieve with their communications to report users and the ability of the report to create credibility with the report users. These criteria seldom refer to particular chapters in a report. They rather need overall evaluation.

Most importantly, the Scorecard focuses on the relevant issues that a reporting organization has to identify and build into its management and reporting. The Scorecard then follows a logic of argumentation that starts with the identification of the relevant issues and respective stakeholders, covers commitment and management quality, addresses relationships to key stakeholders and concludes with quantifying performance. It is often the case that reporting organizations will assign particular sections of their report to these relevant issues; others will choose different structuring rules which they find more useful for effective communication and more suitable to their circumstances.

The 30 criteria evaluated by the Scorecard are grouped into six parts as visualized in the chart on this page, illustrating the interrelationship between report provider and report user, the key elements of a report, and the six sections of the tool.



We believe that a high quality sustainability report - what ever it is called, e.g. Triple-Bottom-Line or Corporate Citizenship Report - should be designed to communicate a compact story on the reporting organization’s strategy and commitment, and its progress and contribution toward a more sustainable economy, environment, and society. This should become visible as the “red thread” tying together the organization’s aims throughout the report.

The Scorecard tool provides detailed information and guidance for evaluating reports with respect to each of the 30 criteria. Such information - explanations, characteristics, and examples - is most valuable to better understand reporting practices and development trends.

In the table that follows, these 30 criteria are listed and explained in brief to make their meaning understandable. The tool also asks for some additional specifications to characterize the reporting organization and the report assessed.

## The Structure and Content in more detail

<b>I Communicate Effectively</b>
1. Provide <b>Corporate Context</b>
2. Follow <b>Basic Principles of Reporting</b> (reporting period, scope and entity)
3. Cover <b>Qualitative Reporting Characteristics</b>
4. Design an effective <b>Report Structure</b> (a “red thread”)
5. Optimize <b>Readability</b> (language, pictures, charts, explanations, navigation tools)
6. Allow for <b>Quick Reading</b> (executive summary, key indicators)
<b>II Identify Relevance</b>
7. Identify and address key <b>Stakeholders</b> and their concerns and challenges
8. Identify and describe key <b>Relevant Issues</b> (significant aspects)
<b>III Demonstrate Commitment and Management Quality</b>
9. Include <b>Sustainable Development Vision and Strategy</b>
10. Formulate <b>Top Management Commitment</b> (principles, values, policy)
11. Characterize <b>Responsibilities and Organizational Structures</b> (including corporate governance)
12. Demonstrate <b>Action</b> (objectives and programs)
13. Describe <b>Management System and Integration into Business Processes</b>
14. Describe <b>Management of Risks and Opportunities</b> (Contingency Planning, Compliance Management, etc.)
<b>IV Address the Sustainable Development Agenda</b>
15. Describe <b>Innovation</b> for more sustainability (design, operations, markets)
16. Demonstrate a sustainable <b>Value/Supply Chain</b>
17. Describe <b>Financial Implications</b> (costs, savings, investments, liabilities, wins) and wider <b>Economic Impacts</b>
18. Demonstrate <b>Employee Involvement/Relationship</b> (including knowledge management)
19. Include interaction and partnerships with <b>Civil Society</b> (communities, consumer groups, NGOs, authorities)
20. Describe working on <b>Framework Conditions</b> and <b>Public Policies</b> for sustainability (local and global developments)
<b>V Quantify Performance</b>
21. Use effective and meaningful <b>Metrics and Indicators</b> (absolute figures and ratios)
22. Specify <b>Data Quality and Accuracy</b>
23. Show <b>Trends</b> (performance over time)
24. Provide <b>Targets</b> (level of achievement and envisioned future performance)
25. Include <b>Interpretation and Benchmarks</b> (context and comparability)
<b>VI Achieve Credibility</b>
26. Describe <b>Engagement with Stakeholders</b> (dialogues and outcomes thereof)
27. Optimize <b>Balance of Issues and Suitability</b> (usefulness for the reader)
28. Demonstrate <b>Connection to Reality</b> (stories, people)
29. Enable <b>Accessibility and Interactivity</b> for contacts, feedback and for further information
30. Use <b>Assurance Services</b> (verification)
<b>Additional Specifications</b>
<b>Reporting Organization</b>
<b>Assessed Report</b>
<b>User of the Scorecard</b>

## The Way the Questionnaire is constructed

The *Deloitte Sustainability Reporting Scorecard* gives detailed information and guidance for each of its 30 criteria on how to assess a report and how to do the scoring. This information (on all the 30 criteria) is constructed in a standardized way. In this section, the meaning and value of this structure and its elements are explained. The way to use it is demonstrated in the table below:

<b>TITLE: A HEADLINE TO NAME THE CRITERIA</b>	
<b>Description of the criteria:</b> <b>A sentence to briefly characterize and describe the item.</b>	
<b>Scores:</b> Characterization of the scores 0 to 4, based on generic scoring levels, additionally specified for the respective criteria.	<b>Explanations and Characteristics:</b> This section provides additional <b>Explanations and Definitions</b> of terms and key expressions used to describe this item. It includes also <b>Characteristics</b> that help understand the item and score the quality in which it is fulfilled by the report assessed. Furthermore, there are some <b>Qualifications</b> or <b>Requirements</b> of current state-of-the-art practices of reporting. Finally, the section gives important <b>References</b> to reporting standards/guidelines.
<b>Examples:</b> <ul style="list-style-type: none"> <li>• Examples of practices applied in reporting</li> <li>• Examples from reporting standards/guidelines</li> <li>• Illustrative examples</li> <li>• Listing of options from the explanations and qualifications</li> </ul>	

## The Meaning of the Scores

Each of the 30 criteria of the *Deloitte Sustainability Reporting Scorecard* is worth a score between 0 and 4 points corresponding to a level of fulfillment between “no mention” or “very insufficient” and “pace-setting creative approach” or “outstanding”.

Scoring should be conservative. We believe that conservative scoring encourages learning and improvement. The score of 4 points is reserved for truly extraordinary/innovative disclosure and explanation. The theoretical overall total of 120 scores or 100% would refer to a rather unrealistic maximum for ideal reporting of complete satisfaction.

In the chart below, the five scoring levels from 0 to 4 and respective percentages for the overall score are described with general qualification statements.

Scores	Generic Scoring Levels	Total (%)
0	No mention or very insufficient / very little	0%
1	Some / little / partial mention or coverage	25%
2	Most important aspects covered, average	50%
3	Better than average, current state-of-the-art practice of several leading reporters	75%
4	Pace-setting creative new approach, outstanding, best practice	100%

## Using the Scorecard

**The *Deloitte Sustainability Reporting Scorecard* is first of all designed for the benefit of report providers in developing their reports. Secondly it can serve for the benefit of report users in evaluating the value and quality of published reports.**

**The application of the Scorecard is not limited to any particular kind of reports or reporting scope. The total score received may, however, be reduced for a report of limited or incomplete sustainability scope.**

### The Scorecard as a Learning Tool

In their process of developing a report, report writers can use the *Deloitte Sustainability Reporting Scorecard* either as a self-assessment tool or just as a source of learning and experience. Deloitte Touche Tohmatsu practitioners are using it in assisting clients in report development. They assess - together with their clients - report drafts and identify gaps and options for further improvements.

In the detailed description of the 30 criteria, the Scorecard includes a vast amount of know-how and explanations. Manifold examples illustrate the issue and provide possibilities others have successfully used.

Discussing the results of an assessment and comparing it e.g. to sector average or to best practice allows for a better understanding of the strengths and weaknesses of the own report. Discussing the own report in comparing it to reports of peers can further offer options for improvement. Scorecard users will be able to learn a lot from such in-depth discussion and benchmarking.

Finally the Scorecard will facilitate users to get in touch with Deloitte Touche Tohmatsu reporting experts and benefit from their experience and know-how.

### The Scorecard as an Assessment Tool

The *Deloitte Sustainability Reporting Scorecard* will also serve report users and analysts to assess and compare reports over time and with each other. Surveys and comparisons could be made within sectors, within regions and on other groups of reporting organizations or report types. Individual reports can be assessed against average or best practice benchmarks.

The Scorecard would also allow establishing or strengthening new national, regional or global benchmarks. It could serve to set up or further develop award schemes for sustainability reporting.

If users want to stress certain areas or set a particular focus, the tool is flexible enough for the weighting of the criteria or parts of the Scorecard to be adapted in view of such a purpose.

## Use for Different Type of Reports

The application of the Scorecard is not limited to any particular kind of reports.

It can be used for printed reports and for Internet based communication. There is also no limitation with respect to the scope or purpose of a report. It can be applied to fully-fledged sustainability reports, as well as for reports with a partial scope, such as environmental, EH&S, social reports or reports limited to other aspects of sustainability. It may even be applied to an annual report as far as includes information on sustainability, corporate governance, corporate citizenship or the like.

Often, it is most useful or necessary to apply the Scorecard to a combination of reports that together comprise a company's communication on sustainability. Finally, the Scorecard could also be used on site reports or on reports of subsidiaries, regional organizations or brands, in the same way as it is applicable to corporate reports.

Total scoring, however, will be influenced by a limited or incomplete scope of a report.

When this document uses the word "report", all such types of written communication are covered with that term.

## Guidance for Scorecard Users

Users of the *Deloitte Sustainability Reporting Scorecard* are recommended to follow a sequence of steps when applying the tool to a report to assess its quality.

- It is recommended that assessors first read the entire report before starting the scoring. Such reading must not be in all detail, but should allow a profound overview of what the report includes and what elements are covered (or not covered) in which parts and in what way.
- Assessors should also track with the help of respective side notes in the report where they want to refer to which criteria of the Scorecard and, on a scoring sheet with referenced page numbers, on which page of the report they found a particular criteria dealt with or specification fulfilled.
- Scores should be given conservatively. If only parts of the requirements of a scoring level (e.g. 3) are fulfilled, it is recommended scoring one level lower (i.e. 2 in the above example).
- It is further recommended avoiding half scores such as 1.5 or 2.5 wherever possible. A five level scoring (here 0 to 4) is the most robust scoring from a statistical point of view. From half level scoring it is also a very small step to even further differentiation of e.g. 2.25 or 2.75 or even finer.
- It might be advisable to go over the scores again, once the assessment is completed or later when other reports have been scored in the meantime, as individually applied assessment criteria may change during the process, due to experience gained over time.

We expect that a time of approximately 6 to 8 hours is necessary for careful reading and to comprise a robust and sound assessment and scoring of a report.

We also recommend that a particular report be assessed by more than one person, to balance out subjective views and create a sound basis for discussion of open points and differing views.

A tool such as this Scorecard is never perfect and there are plenty of arguments why it could be constructed in a different way and with a different way of grouping or describing the individual criteria and even scoring levels.

There are a number of dilemmas reflected to the structure and format of this tool as it is presented here. Deloitte Touche Tohmatsu has discussed these dilemmas to the extent possible in order to solve them or deal with them constructively. Dilemmas regarding the use of the Scorecard can be managed - as we believe - by means of the rules provided in this paragraph.

## **More Information**

### **Sustainability Reporting**

We recommend the following reports and articles for additional reading in the area of Sustainability Reporting:

- GRI Guidelines for Sustainability Reporting of Environmental Social and Economic Performance
- WBCSD reports on Eco-efficiency, Sustainability through the Market and on Sustainable Development Reporting (to be published)

The following links to websites of organizations might be useful for Scorecard users:

- [www.globalreporting.org](http://www.globalreporting.org)
- [www.wbcsd.org](http://www.wbcsd.org)
- [www.deloitte-sustainable.com](http://www.deloitte-sustainable.com)
- [www.unglobalcompact.org](http://www.unglobalcompact.org)

### **Deloitte Touche Tohmatsu**

The Deloitte Touche Tohmatsu Global Environment and Sustainability Group (GESG) is a global business line of more than 180 dedicated practitioners in more than 20 countries worldwide that are closely interlinked with Deloitte assurance services, risk and management consulting, and corporate financial services. The global firm can leverage our services with global coverage and in-depth industry knowledge.

One of the key Service Lines of the GESG is Corporate Sustainability Reporting. In March 2001, GESG has formed a Global Working Group on Sustainability Reporting, comprised of about 10 practitioners and reporting experts from various Deloitte Touche Tohmatsu Practices around the globe.

# Evaluation Questionnaire

## Part I – Communicate Effectively

1. CORPORATE CONTEXT	
<p><b>The report provides information that describes the organization’s business and operations enabling the reader to determine the perspective of the sustainability information and data provided.</b></p>	
<p><b>Scores:</b></p> <p>0 – no mention or very insufficient description of Corporate Context</p> <p>1 – partial mention or unclear description of Corporate Context</p> <p>2 – average coverage of describing Corporate Context</p> <p>3 – current state-of-the-art practice of describing Corporate Context</p> <p>4 – pace setting (new and creative) way of describing Corporate Context</p>	<p><b>Explanations and Characteristics:</b></p> <p><b>Corporate Context</b> may include:</p> <ul style="list-style-type: none"> <li>• Nature of business and activities</li> <li>• Main products/services</li> <li>• Major markets and the organization’s role and position</li> <li>• Major sites and operations (production places)</li> <li>• Legal organization – ownership, subsidiaries, etc.</li> <li>• Financial key figures and other key figures</li> <li>• Organizational structures</li> <li>• Geographic spread and scope of activities</li> <li>• Possible major changes in organizational context (organization size, and activities, mergers, divestments, spin-offs) since last report</li> <li>• History of the company</li> </ul> <p>Reference to GRI Version 2000 <i>Guidelines</i> Part C, Section 2: “Profile of Reporting Organization”</p>
<p><b>Examples:</b></p> <ul style="list-style-type: none"> <li>• World maps to illustrate where the company operates what type of activities and subsidiaries</li> <li>• Lists of subsidiaries e.g. with percentage of contribution to turnover</li> <li>• Pie charts of sizes (turnover, production volume, employees, etc.) for the company’s business units</li> <li>• History charts (with development/event milestones) for the company history</li> </ul>	

## 2. BASIC PRINCIPLES OF REPORTING

**Basic Principles of Reporting require that reports specify reporting period, reporting scope, reporting entity, related boundaries and limitations and report target audience.**

### Scores:

- 0 – no mention or very insufficient specification of Basic Principles of Reporting
- 1 – little mention or partial coverage, not all principles covered
- 2 – average coverage, all Principles more or less specified
- 3 – better than average specification / state-of-the-art use of Basic Principles, of Reporting, such as practiced by several leading reporters
- 4 – pace setting (new and creative) approach of describing Basic Principles of Reporting

### Explanations and Characteristics:

**Reporting Period** is the period to which the data and information included in the report refers to.

**Reporting Scope** means the areas of concern, issues or activities that are covered by the report and respective limitations. The scope of a report could for example be limited to one or several areas of sustainability, but not include all.

**Reporting Entity** defines the parts of the reporting organization (and related boundaries) to which the described aspects, activities and performance refer. Criteria of qualification could be:

- The report covers those parts of the organization, which are the most relevant ones for the scope selected.
- The entity (activities/sites) covered by the report, are specified in relation to the organization in total (e.g. as percentage of turnover, number of employees or production volume, etc.).

**Boundaries and Limitations** are any restrictions or exclusions to scope or an entity that allow a more clear and better understandable description. Criteria for qualification are:

- The report explains when it covers a limited scope or only part of the organization, e.g. selected countries or plants, or selected business units or activities.
- The report includes reasons for omitting certain aspects of a sustainability scope or parts of the organization, and specifies plans for more extensive coverage in the future. A process of expanding scope and entity over time could be presented in the report.

**Report Target Audience** is the group or groups of readers to whom the report is primarily addressed. Most often the report is addressed to more than one group, and is therefore a combination or compromise to fulfill the expectations of all the groups addressed. Rationale for the selection of target audience (what criteria were used for the selection, investigations made) may also be useful.

### Examples:

#### Reporting Period:

- Calendar year (e.g. 2001), or fiscal/business year (e.g. April 1<sup>st</sup> to March 31<sup>st</sup> of next calendar year)
- Period of other duration e.g. two years (e.g. 1999/2000)

#### Reporting Scope:

- Environmental, Health & Safety (H&S), social, economic, financial aspects
- Product and market aspects
- Steps/phases of the product/service life cycle (supply chain, use and end-of-life)
- Scope and limitations regarding local, regional and global sustainability effect/impacts and environmental/social/economic conditions

#### Reporting Entity:

- Organizational coverage and boundaries (e.g. partial, majority/minority-owned subsidiaries and joint ventures)
- Geographic coverage (e.g. countries, regions) for the entire report or for parts or specified aspects of the information provided

#### Report Target Audience:

- The target audience may include: customers, suppliers, employees, NGOs, neighbors/communities, shareholders, financial markets or a combination thereof

### 3. QUALITATIVE REPORTING CHARACTERISTICS

The information provided in the report fulfils the qualitative characteristics of accounting and sustainability reporting.

**Scores:**

- 0 – report is very insufficient with respect to Qualitative Reporting Characteristics
- 1 – only partially sufficient with respect to Qualitative Reporting Characteristics
- 2 – most needs with respect to Qualitative Reporting Characteristics followed
- 3 – better than average with respect to Qualitative Reporting Characteristic, practice of several leading reporters
- 4 – pace setting (new and creative) way regarding Qualitative Reporting Characteristics

**Explanations and Characteristics:**

Six **Qualitative Reporting Characteristics** were defined to improve reporting on sustainability by making information published in reports as useful and relevant for stakeholders as possible, and by enhancing credibility of the reported data.

Applying the Qualitative Reporting Characteristics means describing how and to what extend they have been applied in collecting and handling the information presented in the sustainability report.

**Relevance:** To be useful, information must be relevant to the decision-making needs of user groups, recognizing their diverse expectations and needs. In sustainability reporting, the issue of what is or is not relevant may best be gauged through various forms of stakeholder engagement.

**Reliability:** Information is reliable when it is free from bias and material error. The reliability characteristic is supported by a number of other characteristics, such as **valid description, substances, neutrality, completeness, and prudence.**

**Clarity:** The audience for sustainability reports is often wide and diverse. It should therefore be ensured that sustainability reports are understandable to a wide range of stakeholders.

**Comparability:** Many users of sustainability reports will wish to compare reported data against prior years and against other organizations within the same sector. Consistency in the recognition, measurement, and presentation of information is therefore essential.

**Timeliness:** Reliable comparable data should be provided to enable informed comparison over time. Reports should be issued on a regular basis (an annual report is currently the basis). However, Internet reporting allows relevant information to be updated more frequently.

**Verifiability:** Where feasible, reported data and information should be such that an independent third party could verify it.

Reference to GRI Version 2000 *Guidelines* Part B, Section 2: "Qualitative Characteristics for GRI Reporting"

**Examples:**

**Clarity:**

- Technical and scientific terms should be used carefully and explained within the report, and simple words and clear, suitable graphics should be used where appropriate. A glossary may be helpful.

**Timeliness:**

- The report indicates the reporting period used and provides reasons for the choice of a reporting period when that is less frequent than annual.

**4. REPORT STRUCTURE**

**The report has a clear structure, comprehensible logic in the sequence of chapters, and the reader is guided through the complex matter in a way that facilitates reading and assists understanding.**

**Scores:**

- 0 – very insufficient structure or no identifiable logic of sequence of chapters
- 1 – only partially sufficient structure and/or no or insufficient rationale
- 2 – understandable structure and/or rationale for choice of structure / average practice
- 3 – better than average report structure and rationale for choice of structure / current state-of-the-art
- 4 – pace setting (new and creative) structure and rationale for choice of structure

**Explanations and Characteristics:**

The report has a **logical structure** or “**red thread**” throughout the document which is relating to the major messages of the report and to the information needs of the targeted audiences.

The **sequence of chapters** is making the report an entire story. The issues covered and the ways they are reported make sense to a reader considering the organization’s structure(s) and circumstances.

Understanding is also supported by a **rationale** for the structure and flow/sequence chosen.

A **web-based report** may allow more than one option for a report structure. Various structures could be allowed with respective links for particular needs. The navigation through the page (see also criteria 5: Readability) gets being very important for a web-based report. The structure of the page should be explained in a **site map**.

**Examples:**

- The report could follow organizational structures, or cover main activities according to markets.
- There could be sections for each business unit and for the reporting organization as a whole.
- The structure can be based on the relevant issues or significant aspects identified (issue-by-issue base).
- The report can describe relevant issues along the product life cycle.
- The structure can be based on specific information needs from different stakeholders.
- A report can follow a structure recommended by a reporting standard, or follow the structure of a Reporting Guideline such as *GRI Guidelines*.

## 5. READABILITY

**The report uses language, charts, pictures and necessary explanations, as well as other useful tools that help the reader navigate through the document.**

### Scores:

- 0 – very insufficient use of tools to support readability
- 1 – partial use, missing easy opportunities to improve readability
- 2 – average use of language, charts, pictures, explanation and navigation tools for good readability
- 3 – current practice of several reporters with regards to readability / state-of-the-art and attractive readability
- 4 – pace setting (new and creative) methods for optimal readability

### Explanations and Characteristics:

The report uses a comprehensible **language** and a **style** that is understandable for the audience(s) targeted with the report.

The report includes clear and non-misleading **charts** for the graphical presentation of performance information, metrics and indicators, used together with textual information to support understandability.

**Pictures**, such as **photographs** and **drawings** to illustrate the written information, are relevant and real. They can further support the understandability of the written information and improve the attractiveness of the report.

The report provides all necessary **explanations**, such as definitions and explanatory information on terms and vocabulary used in the report, which not all readers might be sufficiently familiar with.

**Navigation Tools**, such as graphical or any other type of tools provide guidance to readers to help discover distinct information in the report more easily. Navigation is highly important for a web-based report.

### Examples:

#### Language and Style:

- Language and style may be specific for different audiences.
- Style could be dependent on the content and could be different for different parts of the report (e.g. more narrative/story-type or more technical, “we”-form, third person or passive format).
- Careful usage of the vocabulary that is written specifically for and suitable to the targeted audience so that it is not necessary to have extensive explanations (see below).

#### Pictures and Charts:

- Charts of figures are not misleading or do unintentionally lead readers to make incorrect interpretations of data and results (selection of axes, scales, use of ratios and indices).
- Links between figures and graphical presentation of figures (e.g. providing numbers together with bar charts etc.).

#### Explanations (where necessary):

- Glossary of technical or sector-specific terms and of sustainability vocabulary
- Footnotes, Appendices
- Explanations of abbreviations and uncommon units, units chosen
- References to other sources where explanations/definitions of technical terms etc can be found
- Hyper-links (url-addresses) to Websites of their own and of other organizations for the purpose of explanation (background reading)

#### Navigation Tools:

- Color codes, mnemonics/symbols, specific fonts
- Use of boxes, their location on the page, inserts, flaps, etc.
- Index and cross-references to standards/frameworks that the report is following (e.g. lists of GRI indicators and lists of pages in the report that the information is presented)
- Indication on chapters for specific target groups (with specific interests)
- Short introduction of the structure of the report to help readers prioritize what to read in what order
- Internet example: possibility for a reader to specify particular interested, e.g. stakeholder group

## 6. QUICK READING OPTIONS

The report includes options, such as an Executive Summary and Key Indicators that allow readers to capture the most important messages of the report in a short period of time.

### Scores:

- 0 – no or very insufficient options for Quick Reading
- 1 – little or partial options for Quick Reading
- 2 – average options for Quick Reading
- 3 – better than average, current state-of-the-art options for Quick Reading provided
- 4 – pace setting (new and creative) options for Quick Reading

### Explanations and Characteristics:

**Executive Summary** is a succinct overview of a report. It provides the fast reader in an effective way with a balanced overview of the report’s content and key messages. It also includes the Key Indicators.

**Key Indicators** are quantitative information on the organization’s most relevant issues and also on generally applicable indicators, for the current reporting period, historical trends over past periods and a future target.

Reference to GRI Version 2000 *Guidelines* Part c, Section 3: “Executive Summary and Key Indicators”

### Examples:

#### Elements of an Executive Summary:

- Key messages to the report target audience
- Major challenges and key relevant issues, e.g. significant aspects
- Highlights and lowlights of the reporting period
- Headlines from the major report sections

#### Key Indicators:

- Selected generally-applicable and relevant business-specific environmental, social, economic and management indicators
- Key financial figures, no of employees, market share etc.

## Part II – Identify Relevance

7. KEY STAKEHOLDERS AND THEIR CONCERNS AND CHALLENGES	
<b>The report demonstrates that the reporting organization has identified its key stakeholders and their major concerns and challenges.</b>	
<p><b>Scores:</b></p> <p>0 – no mention or very insufficient specification of Key Stakeholders and their concerns and challenges</p> <p>1 – partial mention or unclear specification of Key Stakeholders and their concerns and challenges</p> <p>2 – average specification of Key Stakeholders and their concerns and challenges</p> <p>3 – current state-of-the-art specification of Key Stakeholders and their concerns and challenges</p> <p>4 – pace setting (new and creative) ways of specifying Key Stakeholders and their concerns and challenges</p>	<p><b>Explanations and Characteristics:</b></p> <p><b>Stakeholders</b> are those groups who are impacted/affected by the activity of the reporting organization, who are involved/engaged with it, who have any other type of relationship with it and/or who have an interest in information on the reporting organization.</p> <ul style="list-style-type: none"> <li>• The report shall demonstrate that the key stakeholder groups are identified by the reporting organization, and that their concerns and challenges, the impacts put on them, as well as interests and needs for information are characterized and described.</li> <li>• The stakeholders to address may be different for different issues (see also criteria 8: Relevant Issues).</li> </ul> <p><b>Concerns and Challenges</b> of stakeholders may include environmental, social or economic issues, as well as societal or development problems. They may be local or on a wider scale.</p> <p>Building on its business portfolio and its skills and capacities, the reporting organization should elaborate on how it can contribute to solving these problems with its products and services, or how it could change its product portfolio or its business practices and behavior to the same end.</p> <p>There are many options how this could be covered and described in the report.</p> <p>Reference to GRI Version 2000 Guidelines, Part C, Chapter 5, Subsection “Stakeholder Relationship”</p>
<p><b>Examples:</b></p> <p>Key Stakeholders can be:</p> <ul style="list-style-type: none"> <li>• Employees, workforce, including families</li> <li>• Customers, clients, consumers</li> <li>• Suppliers, contractors</li> <li>• Investors, financial community, analysts</li> <li>• Authorities (local or national), international organizations</li> <li>• Communities, neighbors</li> <li>• Representatives for certain interests like NGOs, trade unions, consumer groups, lobby groups, etc.</li> </ul> <p>Concerns and Challenges can be:</p> <ul style="list-style-type: none"> <li>• Access to health and medication</li> <li>• Access to information and technology</li> </ul>	

## 8. RELEVANT ISSUES

The report demonstrates and explains what the organization’s relevant issues (significant aspects) are and how they have been identified.

### Scores:

- 0 – no mention or very insufficient description of Relevant Issues
- 1 – partial mention or unclear description of Relevant Issues
- 2 – average coverage of Relevant Issues
- 3 – better than average / current state-of-the-art of describing Relevant Issues
- 4 – pace setting (new and creative) ways of describing Relevant Issues

### Explanations and Characteristics:

**Types of Relevant Issues** that derive from an organization’s business and activities may be:

- Relevant issues can be local/regional and/or global in nature and effect.
- They can be long-term or short-term.
- Relevant issues can be in the organization’s own operations, on the upstream value added chain, in the product use or service application, or at the product end-of-life.

“**Hot topics**” of the industry or of the business activity are identified and discussed.

Reports may also contain the reasons behind the choice of their relevant issues/aspects.

Reporting organizations often use methods such as described in ISO 14001 Environmental Management System (EMS) Standard to identify and describe their relevant issues.

### Examples:

#### Environmental Issues:

- Input and output factors such as energy, water, material use, air emissions, water effluents, waste and effects thereof on the local or global environment (e.g. Climate Change)
- Impacts related to land-use, use of hazards, impacts to bio-spheres (Biodiversity, Loss of Feedstock)

#### Social Issues:

- Issues/impacts related to human rights (e.g. for Indigenous People), labor practices (e.g. Female Opportunities), and local or global community aspects (e.g. Poverty)
- Impacts related to major diseases (e.g. AIDS)

#### Economic Issues:

- Direct cash flows directed to the various stakeholder groups or invested into the organization (e.g. Salaries and Benefits)
- Direct financial impacts on stakeholders or indirect economic impacts (e.g. Suppliers in Developing Countries)
- Wider economic impacts on the national or international economy (e.g. Education or Unemployment)

### Part III – Demonstrate Commitment and Management Quality

#### 9. SUSTAINABLE DEVELOPMENT VISION AND STRATEGY

**Sustainable Development Vision and Strategy describe how the organization intends to contribute to solving gaps toward Sustainable Development, and the way it responds to these challenges.**

**Scores:**

- 0 – no mention of Vision in relation to Sustainable Development and its response in the business strategy
- 1 – some, little or partial mention of a SD Vision and its implementation into the business strategy
- 2 – most important aspects of a SD Vision for the organization and its consequences for the business strategy are covered
- 3 – better than average description of the SD Vision and consequences for the business strategy
- 4 – pace setting (creative and new) ways to describe the organization’s Vision and strategy toward Sustainable Development

**Explanations and Characteristics:**

Presentation of a **Vision for the future** in which the most pressing sustainability **challenges**, to which the organization has a connection, are about to be solved.

Discussion of how economic, environmental and social **goals** and **values** intersect and are balanced in the organization, and how this shapes the organization’s decision-making process.

The organization’s **Business Strategies** include a response to the environmental, social and economic challenges. It describes the components of the product / service portfolio that contribute to solving sustainability problems.

Reference to GRI Version 2000 *Guidelines* Part C, Section 4: “Vision and Strategy”

**Examples:**

**Sustainability Challenges:**

- Most pressing challenges are poverty, inequalities, climate change, or loss of bio-diversity.
- Companies can try to keep the Sustainable Development vision in the international political contexts (e.g. the Kyoto Agreement)

**Ways of implementing a sustainability strategy:**

- R&D programs (for new technologies, social innovation and new services) and combined research programs e.g. with universities
- Marketing strategies or components (e.g. markets for the poor / less privileged)
- Partnerships with other groups of society to help make progress toward sustainability in markets, areas of activity and/or countries in which you are operating or contracting with suppliers
- Special supplier selection programs

## 10. TOP MANAGEMENT COMMITMENT

**The report describes top management’s involvement in release and implementation of the organization’s principles, values and policies, e.g. presented in a CEO Statement.**

### Scores:

- 0 – very little management commitment or no CEO Statement
- 1 – some aspects of commitment or partial CEO Statement e.g. from lower level person only
- 2 – most important aspects to demonstrate top management commitment covered in the report
- 3 – more than average coverage of most aspects of top management commitment
- 4 – pace setting (new and creative) ways used to demonstrate top management commitment

### Explanations and Characteristics:

**Organizations’ Principles/Values** are overarching statements in which top management declares basic or core maxims the organization aims to follow.

**Policies** describe or guide management and staff of organizations in their behavior with internal and external stakeholders on aspects of the activity (e.g. procurement, marketing) or in specified areas (e.g. environment, ethics).

Organizations may follow **Codes of Conduct** of international organizations (e.g. UN Global Compact, OECD Guidelines for MNOs) or of industry or sectorial associations (e.g. Chemical Industry’s Responsible Care Program).

The **CEO Statement**, referring to key elements of the report, particularly vision and strategy, and to the organization’s current and future challenges in relation to Sustainable Development, sets the tone of the report and establishes credibility with internal and external report readers.

A statement may not demonstrate the same level of commitment to readers, if a lower-level manager or a sustainability staff person, instead of the CEO or person of equivalent rank to the CEO, authors it.

Reference to GRI Version 2000 *Guidelines* Part C, Section 1: "CEO Statement"

### Examples:

#### Principles / Values / Policies

- Reference to the organization’s values and principles (e.g. available from the web site)
- Reference to environmental, H&S, and resource policies, its social and stakeholder policies
- Relevance of sustainability aspects in the organization other policy documents (e.g. procurement, R&D)
- Aspects of launch (e.g. internal and external communication) and implementation (training/education) of principles / values / policies
- Posting of entire or parts of principles / values / policies in the report
- Help to find the organization’s principles / policies / value documents on the web page

#### Codes of Conduct:

- Reference to or listing of adopted Codes of Conduct (e.g. the UN-Global Compact)
- Ways of integrating the adopted Codes of Conduct into organization structures and actions

#### A CEO Statement may include the following elements:

- Declaration of commitment to environmental, economic and/or social goals and leadership
- Major challenges to the organization and its business sector and their implication on the business strategy
- A visionary or long-term discussion about markets and product developments
- Acknowledgement of successes and failures
- Performance against benchmarks, targets and industry sector’s norms
- Integration of environmental, and/or social and economic responsibilities with financial responsibilities

## 11. RESPONSIBILITIES AND ORGANIZATIONAL STRUCTURES

The report describes the organization's structures that are in place on various levels and the allocation of roles and responsibility to deal with sustainability matters, as well as the allocation of goals and objectives to individual accountabilities.

### Scores:

- 0 – no mention or very unsatisfactory description of Roles and Responsibilities and of Organizational Structures on sustainability matters
- 1 – some, little or partial description of Roles, Responsibilities and organizational Structures of sustainability matters
- 2 – most important elements of Responsibilities and Organizational Structures on sustainability are covered
- 3 – better than average / current state-of-the-art of describing Responsibilities and Organizational Structures
- 4 – pace setting (new and creative) ways of describing Responsibilities and Organizational Structures

### Explanations and Characteristics:

**Organizational Structures** to be described in the report are committees, teams or circles, special functions or offices for sustainability matters on various levels of the organization (e.g. corporate, business units, subsidiaries, sites).

**Roles and Responsibilities** describe the rights and duties, the relationship, and the split of tasks between the different functions of the organization, such as between line managers of various business processes (R&D, procurement, manufacturing, marketing and sales) and the specialized functions on sustainability matters.

Elements of **Corporate Governance** (allocation of responsibilities and functions on the top board level) shall be included in the report as far as they are relevant for sustainability (e.g. social, economic or environmental issues).

**Individual Accountabilities** are specified responsibilities, duties and/or targets that are allocated to individual managers or members of the board (Elements of Corporate Governance). Organizations can describe their system for individual accountabilities or communicate individual allocations of most relevant issues or key targets.

The report provides **names** and/or **functions** of members of steering committees and management teams for environmental or social issues.

Reference to OECD Guidelines on "Corporate Governance"

### Examples:

#### Organizational Structures:

- Committees / Councils
- Teams / Working Groups
- Networks

#### Roles and Responsibilities:

- Responsibilities of line managers and of staff functions
- Sustainability / environmental Management Representatives
- Corporate or other unit special functions / departments
- Sustainability / environmental delegates (key aspects of job descriptions)

#### Individual Accountabilities:

- For specified actions, the achievement of targets or the completion of projects
- Allocated to the responsibility of specified functional units or to individual managers

## 12. IMPROVEMENT ACTION

The report describes the organization’s overall objectives and action programs for improvements and progress towards sustainability.

### Scores:

- 0 – no or very little mention of overall objectives and action programs for improvement
- 1 – partial coverage of overall objectives and/or action programs
- 2 – most important objectives and action programs covered, average description of overall objectives and action programs
- 3 – better than average / current state-of-the-art of describing objectives and improvement actions
- 4 – pace setting (new and creative) ways of describing objectives and improvement actions

### Explanations and Characteristics:

**Overall Objectives** are overarching goals that an organization sets out in view of living up to its principles, values and policies. They correlate to the organization’s sustainability vision, business strategy, financial strategy, and to the identified relevant issues.

Overall objectives include ambition level and year set for goal achievement. They are specific, measurable and verifiable.

Overall objectives include information on achieved results or progress made towards these goals, as well as explanation of deviations from goals.

**Actions Programs** are activities of the organization to achieve improvements or progress on the relevant issues.

Action programs include a description of how these actions are planned, organized and how achievements are managed and controlled.

Action programs might be reported in the form of case histories, success stories or lessons learned, also including challenges, hurdles and failures.

### Examples:

#### Overall Objectives:

- Qualitative goals or key selected set of quantified targets
- Overall objectives for about 3, 5 or 10 years time frames
- Goals in relationship to future or prospected legal requirements

#### Actions Programs:

- Programs on impacts within own operations, along the value added chain, or on product/service application and end-of-life
- Programs on efficient use of resource, emission and waste reduction, substitution
- Programs for specific groups of society e.g. indigenous people, communities, labor groups, in developing countries or in neighborhoods to facilities
- Programs for supplier assessment and implementation of process/condition improvements of social aspects at suppliers’ or contractors’ facilities (e.g. in developing countries)

**13. MANAGEMENT SYSTEM AND INTEGRATION INTO BUSINESS PROCESSES**

**The report characterizes the management system for sustainability issues such as environment, H&S, and social responsibility, and demonstrates the integration of these elements into the business processes and procedures.**

**Scores:**

- 0 – no mention of management system and integration into business processes
- 1 – some mention of parts of the system only
- 2 – most important elements of system and key steps of integration covered
- 3 – current state-of-the-art of describing management systems and integration of sustainability in the business process
- 4 – pace setting (new and creative) ways of describing the integration of sustainability into the business process

**Explanations and Characteristics:**

The **Management Systems** in place for handling sustainability related issues are described, including a characterization of the different elements of the system in place and how they are functioning.

**Business Processes** are marketing, design & development, procurement, production, distribution, sales, after sales services, etc., but also finance & controlling, public relations, human resource management.

Further it is described and demonstrated how sustainability issues are **integrated** into the business processes and procedures.

**Examples:**

**Management System:**

- Elements of the management system are key procedures and management tools used (e.g. inventory, audit, target setting, action plans, internal reporting, management review); (see also ISO 14,001 for elements of a management system)
- Management Systems on various levels (corporate, business units and facility)
- Description or evidence of the management system’s effectiveness and efficiency
- Description of the system’s potential for improvement

**Integration into business processes:**

- Information about plans for improvements or better integration into business processes
- Description of interrelation of various aspects of the system (environmental, quality, social, etc.)
- Challenges relating to various aspects and discussion of potential trade-offs between conflicting goals (e.g. social versus environmental, long-term versus short-term, environmental versus economic)
- Information on how sustainability issues are taken into consideration in the decision-making process
- Level of integration of management systems in the business basic functions such as purchase, sales, and marketing

## 14. MANAGING RISK AND OPPORTUNITY

The report describes and demonstrates how significant risks and opportunities are managed proactively.

### Scores:

- 0 – no mention of management of significant risks and opportunities
- 1 – little mention of management of significant risks and opportunities
- 2 – most important aspects regarding management of risks and opportunities are mentioned
- 3 – better than average reporting on risk and opportunity management
- 4 – pace setting (new and creative) ways of describing management of risks and opportunities

### Explanations and Characteristics:

- Reporting of relevant issues and how they are identified is covered in criteria 8 above. These relevant issues may include significant **risks and/or opportunities** (both long- and short-term) for an organization and its business.
- Here it is about how the **management** of these risks and opportunities is described in the report. This can include a description of what **systems and processes** the organization has in place for handling its risks and opportunities, such as
- Foreseeing risks, preparedness to act (e.g. to prevent risks)
  - Realizing if and how a risk will materialize
  - Overlooking the market to see opportunities
  - Managing R&D in view to see opportunities
- Major environmental, economic and/or social **challenges** may influence an organization’s business. Some of these challenges may be:
- Market acceptance (e.g. product safety, change of market conditions)
  - Change in resource availability
  - Major accidents (e.g. natural disasters, train/aircraft crashes, spills or contaminations)
  - New / more stringent regulations (e.g. human/labor rights)
- Systems that organizations have for effectively managing their risks and opportunities are:
- **Contingency Planning** / emergency preparedness / crisis mgt.
  - **Compliance management**
  - **Innovation management** / intellectual capital / knowledge mgt.
  - **Cost / efficiency management**

### Examples:

#### Contingency Planning:

- Emergency response plans, results of emergency response tests and rehearsals
- Measures, procedures and training aimed at preventing and reducing damage
- Descriptions of risk analysis completed and risk minimization actions accomplished

#### Compliance Management:

- Compliance with local, national and international legislation and regulations, international protocols and declarations (e.g. human rights, labor rights protocols, Montreal protocol, OECD MNC guidelines, etc.)
- Compliance with sector or industry codes and regulations (e.g. codes of the financial service industry on the prevention of money laundering, etc.)
- Permits (environmental and socially relevant), explicit statement of “clean record”, reported incidents and punitive actions, corrective actions and preventative measures taken
- Effects (environmental and/or social) as consequence of incidents (compared to total effects)
- Financial and economic consequences of non-compliances of legal compliance efforts and of incidents/corrective actions

#### Innovation Management:

- Procedures to identify and manage environmental and social risks and opportunities in research and product development

#### Cost / Efficiency Management:

- Cost reduction and efficiency improvement programs (e.g. eco-efficiency, waste reduction/reuse)

## Part IV – Address the Sustainable Development Agenda

### 15. INNOVATION FOR MORE SUSTAINABILITY

The report describes the organization's efforts for innovation and introduction of new improved products/services that help make progress towards environmental and social improvements.

#### Scores:

- 0 – no mention of innovation and its relationship to sustainability
- 1 – partial mention of innovation and its relationship to sustainability
- 2 – most important aspects of innovation for more sustainability are covered
- 3 – better than average reporting on innovation for more sustainability
- 4 – pace setting (new and creative) ways of describing innovation for more sustainability

#### Explanations and Characteristics:

**Innovation**, technological and social, is of key importance in an organization's development process towards becoming more sustainable.

Innovation takes place in many activities or business processes of a company or other organization, including R&D, design of product/service, production processes, and sales & marketing.

Including sustainability issues into all processes of innovation is therefore essential to the success of every organization towards more sustainability.

Reporting on innovation for more sustainability can therefore describe how sustainability has been integrated in the organization's objectives and activities for better products and services.

Reference to WBCSD "eco-efficiency - creating more value with less impact" (2000) and "Sustainability through the Market- seven keys to success" (2001)

#### Examples:

##### Product/Service Design:

- Design of products and services (Design for Environment, Eco-innovation, Factor 4 / Factor 10 efficiency improvements), e.g. dematerialization, recycling/reuse strategies, closing the material loop, Services for poor / under-privileged customer groups, products that increase public health
- Design for customer's real needs e.g. selling a services instead of material intensive products
- Description of use of life cycle analysis for improvements of products, e.g. product end-of-life strategies, product take-back, producer responsibility
- Eco-efficient, eco-innovative products and services

##### Processes:

- More sustainable technologies and methodologies for production and manufacturing (e.g. Cleaner Production, Kaizen, Quality Circles, job sharing options)
- Internal incentives for resource savings and emission reduction
- Internal incentives for cooperation and efficiency
- Information on eco-efficiency of processes

##### The Marketplace:

- Ways the organization fulfils the customers' needs and aspirations
- Innovative partnerships with consumers, suppliers or civil society organizations, e.g. fair trade methods
- Innovative ways of creating effective product information and consumer awareness

**16. SUSTAINABLE VALUE/SUPPLY CHAIN**

**The report includes information about the organization’s cooperation with customers and relationship to its suppliers and contractors to ensure progress towards sustainability along the entire value/supply chain.**

**Scores:**

- 0 – no mention of aspects of the value/supply chain
- 1 – some, little or partial mention or some steps of the value/supply chain only
- 2 – most important aspects of a sustainable value/supply chain covered
- 3 – better than average / current state-of-the-art
- 4 – pace setting (new and creative) ways

**Explanations and Characteristics:**

The first steps towards managing sustainability are often taken within the organization’s **fence line**. However, analyses most often show that there are much bigger impacts (on environment, society and economy outside that narrow boundary, than within.

Sustainability may be much influenced by **up-stream** or **down-stream** activities on the **value chain** of a product or service, i.e.

- with the extraction of the materials included
- the processes applied by suppliers and subcontractors
- with the use by the consumer or end user
- with the final disposal or revalorization

Reporting on the sustainability aspects of the value/supply chain therefore implies describing the ways how organizations manage to include sustainability as part of their **relationship** and **co-operation** with distributors and customers on one side, and with suppliers and contractors on the other.

**Examples:**

**Suppliers and contractors:**

- Overview of how organizations handle sustainability issues with suppliers and contractors
- Initiatives with suppliers and contractors to expand the organization’s sustainability objectives and programs to their operations and processes
- Review of the situation on a regular basis and change of product/service supplier if necessary, e.g. how is the review carried out, by who and how often
- Results of survey and audit activities with suppliers and contractors, e.g. examples of changes made
- Description of improvements and achievements made in suppliers/contractor programs

**Customers:**

- Dialogue with customers about sustainability
- Systematic initiatives to include sustainability in the co-operation with customers

**Environmental issues:**

- Programs to eliminate hazardous substances in materials and parts purchased
- Control of production processes with regard to emissions/effluents control and waste minimization
- Sustainable use of natural resources (land, forests, costs, animal populations, etc.)
- Protection of bio-diversity and habitats

**Social issues:**

- Improvement of working conditions and equal rights
- Elimination of child labor or alternatively education options for non-adults employees
- Compliance to human rights globally (also in countries with non-democratic regimes)
- Protection of indigenous’ rights
- Protection of existing and functional social structures

## 17. FINANCIAL IMPLICATIONS AND WIDER ECONOMIC IMPACTS

**The report includes information on environmental, and/or social matters that have or could have a bearing on the organization’s short- and long-term financial performance, as well as an impact on the economy around it.**

### Scores:

- 0 – no mention of financial implications of environmental and social matters
- 1 – some, little or partial mention of financial implications
- 2 – most important aspects of financial implications, at least of environmental matters, covered
- 3 – better than average / current state-of-the-art description of financial implications, both for environmental and social matters
- 4 – pace setting (new and creative) ways of reporting on financial implications of env. and social matters

### Explanations and Characteristics:

Social and environmental matters have an influence on the organization’s financial performance directly or indirectly, and may additionally have a wider economic impact.

Direct effects are **costs** and **savings** related to sustainability issues, and necessary **investments, reserves** and **liabilities** for current or future needs and obligations, and **benefits** from e.g. synergies and incentives.

Reporting about sustainability includes reporting about these financial implications and economic aspects of sustainability.

**Wider economic impacts** are real or potential indirect effects on the economy around the reporting organization that can be influenced indirectly from its existence and actions.

Reference to WBCSD “eco-efficiency - creating more value with less impact” (2000) and Sustainability through the Market - seven keys to success” (2001)

### Examples:

#### In General:

- Definitions and amounts of current costs and investments
- Financial benefits and cost savings that result from improvement measures and environmental and/or social management programs
- Financial responsibilities in relation to environmental and/or social risks and provisions for investments and payments that may become necessary in the future
- Governmental taxes, penalties and costs for permits
- Governmental incentives and benefit programs
- Financial aspects for emergency preparedness
- Environmental/social effects of investments and charges/taxes
- Explanation of significance and interpretation of changes and trends
- Comparison to financial impacts from other areas
- Discussion of economic return and pay-back of investments
- Ways of calculating provisions and changes over the last 3 to 5 years
- Explanations for significance and trends
- Financial effects of incidents

#### Specific for Environmental Reports:

- Financial implications of use of resources, for emission/effluent control and waste disposal/treatment, for environmental management purposes
- Environmental taxes, pollution charges and permissions costs, environmental fines and penalties

#### Specific for Social Reports:

- Financial implications of social security/insurance
- Cost and investments in and/or returns from training/employee education
- Payments to charity organizations and for development projects

**18. EMPLOYEE INVOLVEMENT/RELATIONSHIP**

**The report describes how employees are included and encouraged to be actively involved in the organization’s sustainability improvement programs and actions.**

**Scores:**

- 0 – no mention of employee involvement / relationship
- 1 – mention of some aspects of employee involvement / relationship
- 2 – overview of employee involvement / relationship and most important aspects are described
- 3 – better than average reporting on employee involvement /relationship
- 4 – pace setting (new and creative) ways of reporting about employee involvement /relationship

**Explanations and Characteristics:**

**Inclusion and active involvement** of employees in the sustainability programs on a reporting organization are essential to achieving the goals of sustainability. The organization’s **relationship to employees** tells a lot about the approach to sustainability, in particular with respect to social aspects.

Reporting about how employees are involved in sustainability programs includes descriptions of activities to e.g. **motivate**, and **train and educate** people and to **provide financial incentives**.

Implementing and operating a sustainability program therefore includes suitable programs and procedures of employee **motivation** and **involvement**.

It also includes investigation on the **effectiveness and functioning** of these procedures, as well as investigation on **employee satisfaction** and respective improvement programs.

**Examples:**

**Employee Involvement and Motivation:**

- Measures to raise awareness and install a sense of responsibility among employees
- Results of employee suggestion plans or “quality/sustainability” circles
- Internal award system
- Procedures for feedback of relevant sustainability information to employees
- Motivation of individuals/groups to achieve the established targets (e.g. with bonuses)

**Education and Training and Knowledge Management:**

- Coverage of knowledge management system
- Issues included and focus of system (e.g. efficiency management, risk reduction, H&S, corporate culture, vision and strategy)
- Type of procedures used in knowledge management and employee education and training
- Documentation on education & training on sustainability issues
- Description of educational programs, number of employees educated and time allocated for education on sustainability issues and human resource development
- Percentage of employees involved and time/resources spent for it

**Surveying Employee Satisfaction:**

- Measurement of employee attitude and employee satisfaction on environmental, social issues, etc.
- Methods used to measure employee satisfaction (e.g. internal, external)

**19. INTERACTION WITH CIVIL SOCIETY**

**The report describes how the organization contributes to improvement programs for communities with which it has a specific relationship, and/or actions and measures on issues that e.g. help minimize the negative aspects of inequalities.**

**Scores:**

- 0 – no mention of interaction with civil society
- 1 – mention of some but little or partial interaction with civil society
- 2 – most important aspects covered and overview given of the organization’s interaction with civil society
- 3 – better than average reporting on interaction with civil society
- 4 – pace setting (new and creative) ways of reporting on interaction with civil society

**Explanations and Characteristics:**

**Civil society** means all types of groups or **communities** (local or non-local) that are not governmental or business organizations, including the individuals that are part of these group or communities and the organizations representing them (e.g. consumer groups, NGOs, or public interest groups).

Reporting on the relationship with civil society means describing the type of initiatives taken together with such groups and communities in order to improve conditions in specific areas, such as reducing disadvantages (discriminations and inequalities), increasing benefits (improved living conditions, access to basic needs and information).

Reference to GRI Version 2000 Guidelines, Part C, Chapter 5, Subsection “Stakeholder Relationship”

**Examples:**

- Working with local communities and neighbors of facilities
- Working with consumer and public interest groups
- Cooperation with NGOs and other civil society organizations
- Interaction with labor organizations and unions
- Siting the organization’s facilities in economically lower, deprived and undeveloped areas and countries
- Support against deteriorations of natural environments and habitats
- Participation in local environmental initiatives such as cleaning parks, forests, cooperation with green organizations
- Contribution to counterbalance societal divide, e.g. gap between races, between rich and poor, digital divide
- Contribution to alleviation of poverty or inequalities
- Support for fighting against diseases and social destruction
- Creating markets for the poor, e.g. water supply services to poor areas, making necessary drugs available to underprivileged society groups
- Providing social and economic opportunities, such as work, energy (electricity, gas), water
- Income to communities from taxes, trade, etc.
- Consultation/advisory groups with indigenous people

## 20. FRAMEWORK CONDITIONS AND PUBLIC POLICIES

**The report includes information on the organization’s involvement with governmental bodies and/or industry/sector associations etc. to develop programs for the improvement of governmental policies, regulations, guidelines and standards toward sustainability.**

### Scores:

- 0 – no mention of work on framework conditions or public policies
- 1 – reporting of some involvement with governmental bodies and/or industry/ sector associations about work on framework conditions or public policies
- 2 – average reporting about work on framework conditions or public policies, such as on few relevant issues or an overview of the organization’s involvement
- 3 – better than average reporting about work on framework conditions or public policies, covering the key relevant issues
- 4 – pace setting (new and creative) ways for reporting about the organization’s involvement on framework conditions or public policies for sustainability

### Explanations and Characteristics:

**Framework conditions** are the rules and terms set by authorities, governments and inter-governmental organizations (UN, OECD, WTO, etc.), under which businesses and other interactions are to be conducted.

Framework conditions include e.g. legal frameworks, trade rules, technical and managerial standards, accounting rules, etc.

Framework conditions can be very decisive (hindering or accelerating) for Sustainable Development.

Cooperation about framework conditions or public policies can take place with various organizations, e.g.:

- Local and national authorities and governmental bodies related to the industrial sector
- Supra national level, e.g. EC and UN
- Intergovernmental organizations e.g. OSCE
- National and international industry/sector associations
- National and international organizations e.g. WBCSD, national BCSDs, multi-stakeholder organizations, FEE, ISO

It might be different for various organizations on what sustainability issues and with what governmental bodies and/or industry/sector associations they will be involved with.

Reporting includes describing relationships to governmental bodies and/or industry/sector associations, reporting on the activities/initiatives/programs undertaken together and the related challenges and achievements.

Reference to WBCSD “Sustainability through the Market - seven keys to success” (2001)

### Examples:

- Description of the sustainability issues that it is important for the organization to cooperate with governmental bodies and/or industry/sector associations about.
- Description of the organization’s role in improving the regulatory context for sustainability (locally, nationally and globally)
- Description of the organization’s role in improving guidelines and standards towards sustainability e.g. UN Global Compact, GRI Sustainability Reporting Guidelines
- Description of the cooperation with local, national and international authorities, industry associations and organizations e.g. through contribution to programs
- Participation in environmental initiatives (e.g. UNEP, sector initiatives)

## Part V – Quantify Performance

21. USE OF METRICS/INDICATORS	
<b>The report includes quantitative performance information on all issues/aspects, which the organization has identified to be relevant/significant.</b>	
<p><b>Scores:</b></p> <p>0 – no or very limited metrics/ indicators provided in the report</p> <p>1 – metrics/ indicators provided only on some, but not all relevant issues</p> <p>2 – quantitative performance information with metrics/ indicators on most relevant issues provided</p> <p>3 – better than average / current state-of-the-art reporting with meaningful and effective performance metrics/indicators</p> <p>4 – pace setting (new and creative) ways of reporting relevant and meaningful performance metrics/ indicators</p>	<p><b>Explanations and Characteristics:</b></p> <p><b>Quantitative Performance Information</b> is a structured description of performance and progress with meaningful and clearly defined metrics/indicators (environmental, social and/or economic).</p> <p><b>Metrics and indicators</b> (used here as synonyms terms) are the specific measurement of an individual aspect that can be used to track and demonstrate performance. These are usually but not always quantitative.</p> <p>A key element of quantifying an organization’s performance is providing meaningful and measurable indicators on the issues/aspects the organization has identified to be relevant for its stakeholders and its business. These help decision-making and provide necessary information to stakeholders.</p> <p>There exist indicators, which are virtually applicable to all businesses, are globally relevant and their methods for measurement are established and definitions accepted globally. These are named “<b>generally applicable</b>”, which all organization can be expected to report.</p> <p>It will therefore vary from organization to organization which indicators are best used in their report and which are omitted. Rationale for the choice of indicators is therefore additional meaningful information.</p> <p>Reference to GRI Version 2000 <i>Guidelines</i>, Part B, Section 3: “Classification of Performance-Reporting Elements” and Part C: “Performance”</p> <p>Reference to WBCSD: “Measuring Eco-efficiency” (2000)</p>
<p><b>Examples:</b></p> <ul style="list-style-type: none"> <li>• Operational performance data (resources and material inputs, air emissions, effluents and waste/non-product outputs)</li> <li>• Management performance indicators, e.g. on implementation of environmental management system, management of stakeholder-related issues, social programs e.g. with suppliers and contractors and the local community</li> <li>• Condition indicators, e.g. influence on the environmental or the local community</li> <li>• Leading and lagging indicators</li> <li>• Use of absolute and relative indicators</li> <li>• Use of ratio indicators such as efficiency, productivity/intensity, percentages e.g. eco-efficiency indicators, recycling percentage, percentage of renewable resources.</li> <li>• Indicators relating to the product e.g. environmental performance under use, and life-cycle indicators</li> <li>• H&amp;S indicators, e.g. lost work time rate</li> <li>• Environmental cost and investment figures (it should be explained why environmental cost are high or why they are low)</li> <li>• Data on employees diversity, from social programs (e.g. with suppliers and contractors)</li> <li>• Indicators related to specific stakeholder groups, e.g. employee satisfaction, education and training in sustainability</li> <li>• For further examples of indicators see e.g. GRI and ISO 14031</li> </ul>	

## 22. DATA QUALITY AND ACCURACY

The quality of the data presented in the report is characterized and accuracy and expected uncertainties are specified and assessed.

### Scores:

- 0 – no mention of data quality and accuracy
- 1 – little or partial information on data quality and accuracy
- 2 – most important needs regarding data quality and accuracy covered
- 3 – better than average / current state-of-the-art reporting of data quality and accuracy
- 4 – pace setting (new and creative) ways of reporting data quality and accuracy

### Explanations and Characteristics:

Reporting on **data quality** and **accuracy** are part of making the reported information more **reliable**. Reporting quantitative performance also includes describing the system to collect and handle the information presented in the report, as well as describing what **uncertainties** that are connected to the information presented.

There are certain interrelations and dependencies between the quality and accuracy of the data and the way the data is presented. It also determines what type of interpretations and conclusions it enables to take, e.g.:

- The number of significant digits presented for a figure reflects its accuracy.
- A calculated performance figure cannot be more accurate than the uncertainty of the most uncertain transformation factor.
- etc.

Description of processes, procedures and systems for data **collections**, data **aggregation** and data **transformation**, including a description of applicable instructions to all reporting entities to ensure uniform data generation and data assessment.

### Examples:

- Measured, calculated or estimated data
- Assessment of the range of uncertainty of the figures presented
- Dependence of accuracy on transformation factors, e.g.:
  - emission factors for SO<sub>2</sub> and CO<sub>2</sub>, calculated from chemical properties of resources
  - emission factors for air pollutants, dependent on burner conditions,
  - transformation factors to summarize air emissions into effects such as GHG, acidification
  - waste amounts assessed from collection practices, etc.).

**23. TRENDS OVER TIME**

**The report includes trends over time what improves the value of the performance information for users.**

**Scores:**

- 0 – no reporting of trends over time
- 1 – some or little reporting of trends covering several years
- 2 – most important/significant indicators are reported for at least three reporting periods
- 3 – better than average / current state-of-the-art reporting of trends over time
- 4 – pace setting (new and creative) ways of reporting trends over time

**Explanations and Characteristics:**

**Trends over time** are indicators shown over several reporting periods, most often years.

That means indicators are presented not only for the actual year, but also for some previous years, making it possible to see, in what direction they are developing, and how strong changes are compared to the absolute value of the particular indicator or compared to targets and benchmarks.

**Examples:**

- Trends shown in tables, charts and/or graphs, making it easy to follow the development
- Information for at least three reporting periods, e.g. years
- Changes in trends explained and reasons are given
- Comparison to a baseline year, e.g. at the beginning of a major improvement program or after a major change

24. TARGETS

The report includes targets that improve the value of the performance information and demonstrate the usefulness of indicators for decision-making.

Scores:

- 0 – no targets provided in the report
- 1 – some or unspecific targets provided on some indicators only
- 2 – average use of targets; targets for most indicators of all relevant issues / significant aspects
- 3 – better than average / current state-of-the-art reporting on targets (targets setting and target achievement)
- 4 – pace setting (new and creative) ways of reporting target setting and target achievement

Explanations and Characteristics:

**Targets** are expected performance for a future point in time to which management has made a commitment to its achievement. Reporting on targets includes the presentation of future targets, of earlier set targets and of achievements made compared to these.

**Future targets** are targets that are set for a point in time after the presentation of the report. They are normally shown together with trends of past developments or achievements made already in view of the future target.

**Earlier set targets** which were set in the past e.g. for the time of the report publication or for the reporting period are normally presented in relation to the actual performance achieved in the reporting period.

Targets are most valuable for management decision making and for reporting if they are quantitative and verifiable so that it is possible to clearly state whether or no a target has been achieved.

Examples:

- Targets for the future together with explanations for how targets will be fulfilled
- Achievements compared to targets set in the past
- Explanations for achievement and non-achievements, and future actions on non-achievements
- Development in view towards longer-term targets (for 5 or 10 years)
- Explanations of changes that were made on targets set previously
- Targets, as well as achievements, presented in a form which makes it easy for the reader to get an overview of the company’s performance

**25. INTERPRETATION AND BENCHMARKS**

**The report includes discussion of the performance results achieved and comparisons to e.g. peers to better interpret results, improve understanding, and allow move valid conclusions on how to achieve progress.**

**Scores:**

- 0 – no interpretation and benchmarks of performance data and results
- 1 – little interpretation and/or benchmarking of some limited performance and results only
- 2 – most important indicators with interpretation and/or some benchmarking
- 3 – better than average / current state-of-the-art reporting on using interpretation and benchmarking
- 4 – pace setting (new and creative) ways of reporting on using interpretation and ways of benchmarking

**Explanations and Characteristics:**

**Interpretation** is putting the achieved performance into context and providing rationale for it.

**Benchmarks** are comparisons to peers, best-in-class performers, average or any other comparison that allows better understanding, or fosters a more proactive management of and decision-making on the issue measured with the respective performance indicator.

Interpretation and benchmarking of performance gives the reader the possibility to better understand the organization’s performance and results.

Such reporting includes benchmarks for the key indicators in the most relevant issues, and rationale for the choice of the benchmarks. It could also include information on the organization’s involvement in initiatives with the aim to establish measurement procedures and such benchmarks (e.g. GRI, GHG protocol and other sector initiatives).

**Examples:**

- Interpretation of (or rationale for) trends and achievements (non-achievements)
- Use of contextual indicators (ratios to economic, national average, best practice, etc)
- Comparison to sector and/or national average, legal limits, industry standards (e.g. accident frequency compared to industry and/or national benchmarks)
- Comparison to national totals, carrying capacity limits (footprint indicators)

## Part VI – Achieve Credibility

26. ENGAGEMENT WITH STAKEHOLDERS	
<p><b>The report includes information of the organization’s engagement with stakeholders and outcome of such dialogues on issues that are environmentally, socially and/or economically relevant to them and to the organization.</b></p>	
<p><b>Scores:</b></p> <p>0 – no mention of activities and interaction with stakeholders</p> <p>1 – limited engagement with some, but not all stakeholder groups only that are relevant for the organization</p> <p>2 – effective engagement with some, but not all relevant stakeholder groups, or limited engagement with most relevant stakeholder groups</p> <p>3 – above average and effective interaction with most relevant stakeholder groups</p> <p>4 – pace setting (new and creative) type and intensity of engagements with stakeholders</p>	<p><b>Explanations and Characteristics:</b></p> <p><b>Engagement</b> with Stakeholders means interaction that allows the stakeholder an active role with the reporting organization.</p> <p>Approaches to <b>Engagement with Stakeholders</b> could be surveys, written communications, consultations, focus groups, community/advisory panels, web-based or other discussions, round tables, dialogues and involvement programs.</p> <p><b>Stakeholder Dialogue</b> or multi-stakeholder dialogue is a dedicated interaction with one or a group of multiple stakeholders on a particular subject, program or towards a particular goal of achieving understanding, consensus or progress.</p> <p><b>Partnerships</b> are close and continued cooperation and cross-fertilization between the organization and a dedicated partner</p> <p>Potentially relevant stakeholders are among customers, suppliers, employees, investors, authorities, public interest groups and non-governmental organizations.</p> <p>Reference to GRI Version 2000 Guidelines, Part C, Chapter 5, Subsection “Stakeholder Relationship”</p>
<p><b>Examples:</b></p> <p><b>Ways to describe Stakeholder Engagement / Dialogue:</b></p> <ul style="list-style-type: none"> <li>• Description of methods used</li> <li>• Including information on results of stakeholder engagements /dialogues</li> <li>• Frequency and extent of contact and briefings</li> <li>• Awards received or given</li> <li>• Rationale for the selection and prioritization of engagements with various stakeholders</li> <li>• Listing membership and active involvement in organizations and their programs/projects (e.g. WBCSD events and projects)</li> <li>• Nature and scale of involvement in initiatives and membership organizations</li> <li>• Proactive contacts, dialogue and open communication with partner organizations (e.g. authorities, media briefing, etc.)</li> </ul> <p><b>Partnership with Stakeholder Groups:</b></p> <ul style="list-style-type: none"> <li>• Local communities (such as e.g. between local authorities and utilities/service providers) in view of improving local living conditions</li> <li>• Local or international environmental and/or social NGOs (such as e.g. the Marine Stewardship Council)</li> <li>• Financial service organizations in view of better finance conditions (such as e.g. micro-credit programs)</li> <li>• Participation and/or active contribution in initiatives (e.g. GRI Sustainability Reporting Guidelines)</li> </ul>	

**27. BALANCE OF ISSUES AND SUITABILITY**

**The report gives a representative picture of the organization and its key sustainability issues and challenges, and covers issues, which are relevant to its performance, acceptance and progress in a balanced way, so that it is most useful for the targeted report audience.**

**Score:**

- 0 – major lack of balance, major key issues and challenges missing
- 1 – still obviously out of balance in some key aspects
- 2 – no major unbalances / most important balances sufficient
- 3 – better than average / current state-of-the-art regarding balance of issues
- 4 – pace setting (new and creative) ways of balancing issues

**Explanations and Characteristics:**

The issues that are covered by the report are in **balance** with respect to the key stakeholders (report target audience) and key relevant issues of the organization and its industry.

They also reflect specifics of the selected report scope, entity, and reporting period.

The report provides evidence that report content achieves best **usefulness or suitability** for the targeted reader group.

**Examples:**

**Areas of balance:**

- between challenges, unresolved issues and success stories
- between steps of the value chain and their relevance
- between various business units, related e.g. to reporting entity
- between local and corporate aspects, related e.g. to the selected target audiences
- between management aspects and performance aspects
- between text/stories and data
- between success and challenges
- between content of the report and top management and editorial promises

**Evidence for usefulness / suitability:**

- Involvement of potential report audiences and stakeholders (internal and external) in the report development and preparation (e.g. in a steering or focus/feedback group)
- Dialogue on reporting with target audiences and/or stakeholder groups
- Response to feedback on earlier reports and on recommendations given by report readers
- Use of multiple languages and translations for specific reader groups
- Feedback from internal functions (marketing/sales, R&D, manufacturing, communications department, human resources department) about usefulness and acceptance of report and provided information

**28. CONNECTION TO REALITY**

**The report, reflects performance objectively, gives realistic targets, openly comments achieved results regarding improvements and failures and demonstrates connection to reality by including concrete stories with real people.**

**Score:**

- 0 – little connection to reality
- 1 – partial, unsatisfactory use of means to demonstrate connection to reality
- 2 – average practice of several reporters in using means to demonstrate connection to reality
- 3 – above average / current state-of-the-art use of means to demonstrate connection to reality
- 4 – pace setting (new and creative) way of demonstrating connection to reality

**Explanations and Characteristics:**

Connection to reality is demonstrated with the right characteristics that adhere to the elements of the report, such as:

- **Objective** performance
- **Realistic and achievable** targets
- **Open and honest** comments
- **Really achieved** results (regarding improvements and failures)
- **Concrete and true** stories
- **Real** people who have a specified relationship to the organization and the provided information

**Examples:**

**Topical information:**

- Acceptance of limitations and endeavors to make progress and contribute to solutions
- Inclusion of areas with no progress, lack of improvement, or deficiencies
- Quotes from employees and stakeholders
- Avoiding discussion without content

**Performance data:**

- Discussion of missed targets and permanent problems
- Use of realistic, achievable targets

**Case stories:**

- Stories that are told together with pictures of people
- Interactions with partners or stakeholders on real issues
- Unresolved issues and critical areas of business activities

**Pictures:**

- Pictures with a real-life connection
- Avoiding the use of picturesque nature or exotic pictures (pictures could be e.g. from plants on facilities, actions of employees in the wilderness, or from organization engagement with children).

**29. ACCESSIBILITY AND INTERACTIVITY**

**Reports allow accessibility for feedback and to further information through mechanism for report readers to facilitate contact, provide feedback, and allowing the receipt of more information on the organization and its relevant issues.**

**Scores:**

- 0 – no use of mechanism for feedback and no opportunity for further information
- 1 – partial use, few mechanism and opportunity of access and interaction only
- 2 – average use of mechanism and opportunity to allow feedback and further information
- 3 – better than average / current state-of-the-art practice for feedback and access to further useful information
- 4 – pace setting (new and creative) mechanism for feedback and influence and access to further useful information

**Explanations and Characteristics:**

**Mechanism for Contact and Feedback** includes contact coordinates and numbers, and the encouragement of providing feedback of any kind or with the help of a dedicated questionnaire.

The more direct and effective contact the report allows, the more effective for the reader to provide feedback and even take some influenced on the organization’s future reporting and performance; the higher also may be the credibility the reporting organization gains from the reader’s perspective.

**Opportunity for more information** includes any form of allowing a reader to access more or specific information that he/she may want to receive from the organization.

The more specified to a readers needs the opportunities for further information are, the better are those needs satisfied and the higher is the credibility that the reporting creates.

**Examples:**

**Mechanism for contact and feedback:**

- Contact names, addresses, email addresses and telephone/fax numbers
- Single corporate and/or multiple local contacts
- Contacts to special functions such as environmental, sustainability, corporate communications etc.
- Hotlines
- Reply card or questionnaire included in the report
- Request/opportunity for feedback on the organization’s home page

**Opportunity for more information:**

- Links to further information on the organization’s home page
- Reference to and link to the organization’s annual report/-account
- References to other organization reports (site reports, other sustainability related reports).
- References to other reports discussing relevant issues that could help the reader to better understand the report and evaluate the organization’s environmental, social and/or economic performance
- Reference to relevant industrial alliances or research institutes
- Information about different languages in which the report is available

### 30. ASSURANCE SERVICES

**Assurance services, provided for a report, include a verification statement of an independent third party (e.g. an auditor, consultant or external expert) that increases credibility of the information included in the report.**

**Score:**

- 0 – no verification and no mentioning of assurance services or verification
- 1 – partial or very limited verification statement, some mentioning of assurance services or verification
- 2 – solid verification statement as used by several reporters
- 3 – best practice / state-of-the-art verification statement and methodology, and discussion of verification
- 4 – pace setting (new and creative) verification procedure and statement

**Explanations and Characteristics:**

**Verification** of the report or part of the information provide in the report by an independent third party or other **assurance services** serve to increase the credibility of the report user in the reported information and the reporting organization.

The report user’s assessment of the credibility that **the verification statement** adds to the report is influenced by:

- The verifiers integrity and knowledge about the issues included in the report
- The scope of the verification and the procedures performed
- Whether the verification statement is formulated in an unambiguous, clear and understandable way
- The inclusion of guidance in the report on how to use and interpret the verification statement

Reference to GRI Version 2000 *Guidelines*, Part A, Section 8: “Verification of GRI Reports” and Annex 3: “Guidance on Verification”

**Examples:**

Elements that can influence the integrity and knowledge of the verifier:

- Be competent with regard to the issues covered by the verification
- Be independent of the reporting company
- Be working according to a set of professional standards
- Belong to a profession regulated by law

Organization providing assurance:

- Accounting organization
- Expert in the area of sustainability or reporting
- Academia personalities

Elements that can be included in the verification statement:

- Title and addressee
- Description of the engagement and identification of the subject matter (including the engagement objective, the subject matter, and the time period covered)
- Statement to identify the responsible party and description of the verifier’s responsibilities
- Identification of the standards under which the engagement was conducted
- Description of the scope of the verification
- Description of the procedures performed
- Identification of the criteria used (the statement identifies the criteria against which the subject matter was evaluated or measured so that readers can understand the basis for the verifier’s conclusions)
- The verifier’s conclusion, including any reservations or denial of a conclusion (includes information about the level of assurance provided)
- The date of the verifier’s statement (informs the users that the verifier has considered the effect on the subject matter of material events of which the verifier became aware up to that date)
- The name of the firm or the verifier and the place of issue of the statement (the name informs the readers of the individual or firm assuming responsibility for the engagement)

### Additional Specifications

#### Reporting Organization

When using this Scorecard, specify also the following criteria on the reporting company:

<b>EXACT NAME OF THE COMPANY</b>	
<b>INDUSTRIAL SECTOR</b>	
Select from the following: <ul style="list-style-type: none"> <li>• Automotive</li> <li>• Utilities</li> <li>• Metals &amp; Minerals</li> <li>• Oil &amp; Gas</li> <li>• Pulp &amp; Paper</li> <li>• Chemicals &amp; Pharmaceuticals</li> <li>• Consumer Goods</li> <li>• Industrial</li> <li>• Telecom</li> <li>• High-tech</li> <li>• Financial Services</li> <li>• Other (please specify)</li> </ul>	
<b>GEOGRAPHICAL REGION</b>	
Select from the following: <ul style="list-style-type: none"> <li>• Americas</li> <li>• Africa</li> <li>• Asia</li> <li>• Europe</li> <li>• Australia / Oceania</li> </ul>	
<b>BUSINESS SIZE</b>	(Total sales in USD)
Select from the following: <ul style="list-style-type: none"> <li>• &lt; 100m</li> <li>• 100m - 1bn</li> <li>• 1bn - 10bn</li> <li>• 10bn - 100bn</li> <li>• &gt; 100bn</li> </ul>	
<b>ORGANIZATION SIZE</b>	(Number of full-time employees, FTE)
Select from the following: <ul style="list-style-type: none"> <li>• &lt; 250</li> <li>• 250 - 1k</li> <li>• 1k - 5k</li> <li>• 5k - 10k</li> <li>• 10k - 25k</li> <li>• 25k - 100k</li> <li>• &gt; 100k</li> </ul>	

### Evaluated Report

When using this Scorecard, specify also the following criteria on the report:

<b>EXACT NAME OF THE REPORT</b>	
<b>REPORTING PERIOD</b>	
Specify year or reporting period: (e.g. two years' period)	
<b>REPORTING SCOPE</b>	
Select from the following: <ul style="list-style-type: none"> <li>• Environmental Report</li> <li>• Health, Safety and Env. Report</li> <li>• Social/Ethical/Community Report</li> <li>• Environmental with some Social Information</li> <li>• Sustainability / Triple-bottom-line / Corporate Citizenship Report</li> <li>• Annual Corporate Report</li> <li>• Site / Facility Report</li> </ul>	ENV HSE SOC ENV+ SUST  ANN FAC
<b>TYPE OF REPORT</b>	
Select from the following: <ul style="list-style-type: none"> <li>• Brochure (optionally downloadable pdf-file)</li> <li>• Brochure with additional short info on the web (other than pdf-file)</li> <li>• Web-based interactive, other than pdf-format (optionally printed summary)</li> </ul>	BRO BRO+  WEB
<b>REPORTING EXPERIENCE</b>	
Select from the following: <ul style="list-style-type: none"> <li>• First-time reporter</li> <li>• Reporting Experience (not first-time reporter)</li> </ul>	FTR EXP
<b>GRI ADOPTION</b>	
Select from the following: <ul style="list-style-type: none"> <li>• Yes</li> <li>• Partial</li> <li>• No</li> </ul>	GRI PART NON

### User of the Scorecard

To assess a particular report the tool was used by:

<b>NAME OF SCORECARD USER:</b>	
<b>DELOITTE PRACTICE &amp; FUNCTION:</b>	
<b>LOCATION &amp; DATE:</b>	

This version of the scorecard was issued in July 2002