

# **GEMI Benchmarking Survey**

# **Sustainable Development Reporting**

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# Survey Overview

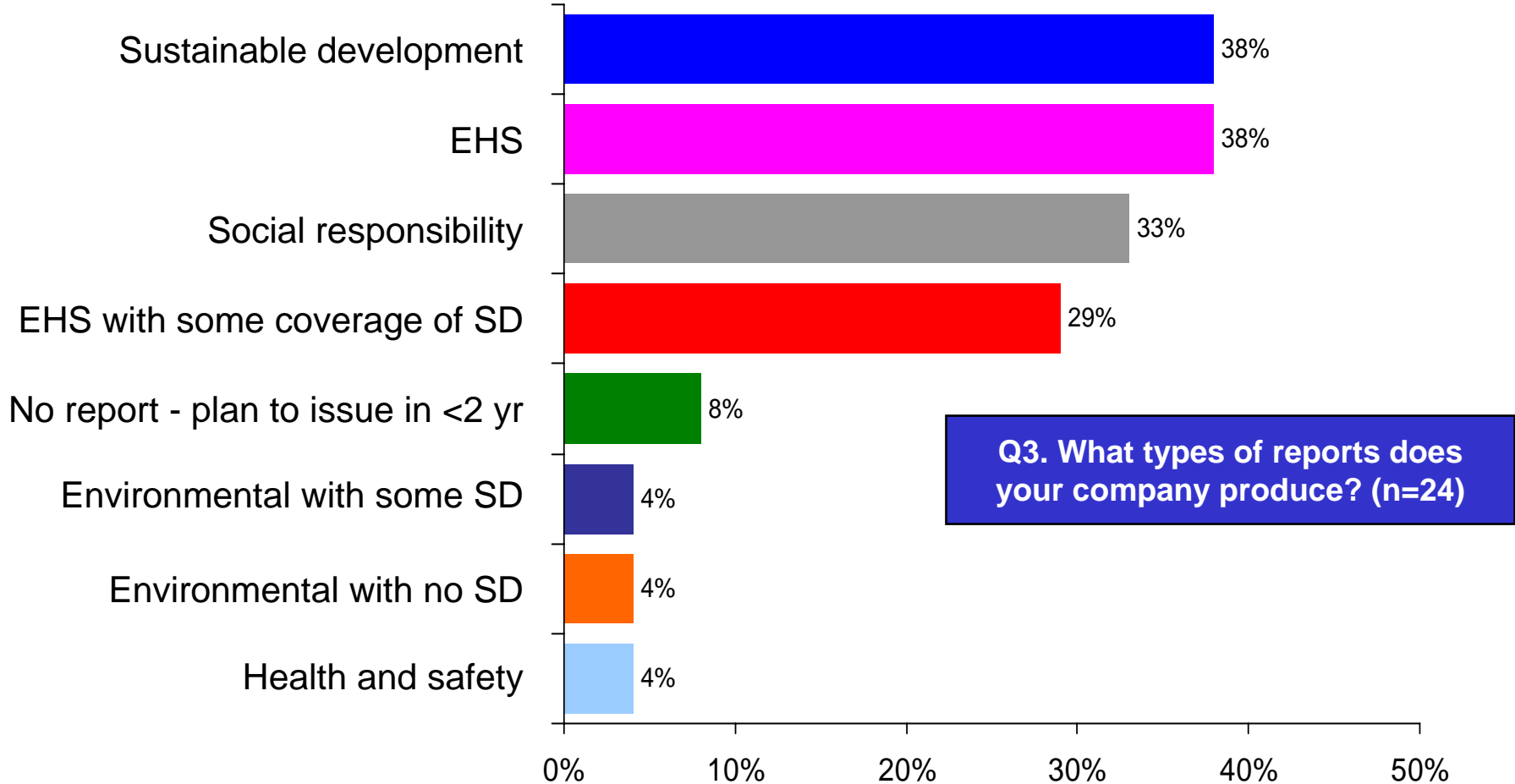
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## Designed to address sustainable development reporting practices of GEMI companies

- Survey response rate was approximately 60%
  - 25 out of 41 member companies responded to the survey
  - Not all companies completed all questions
- Broad industry coverage
- Thank you to all participants!

# Public Reporting - Category

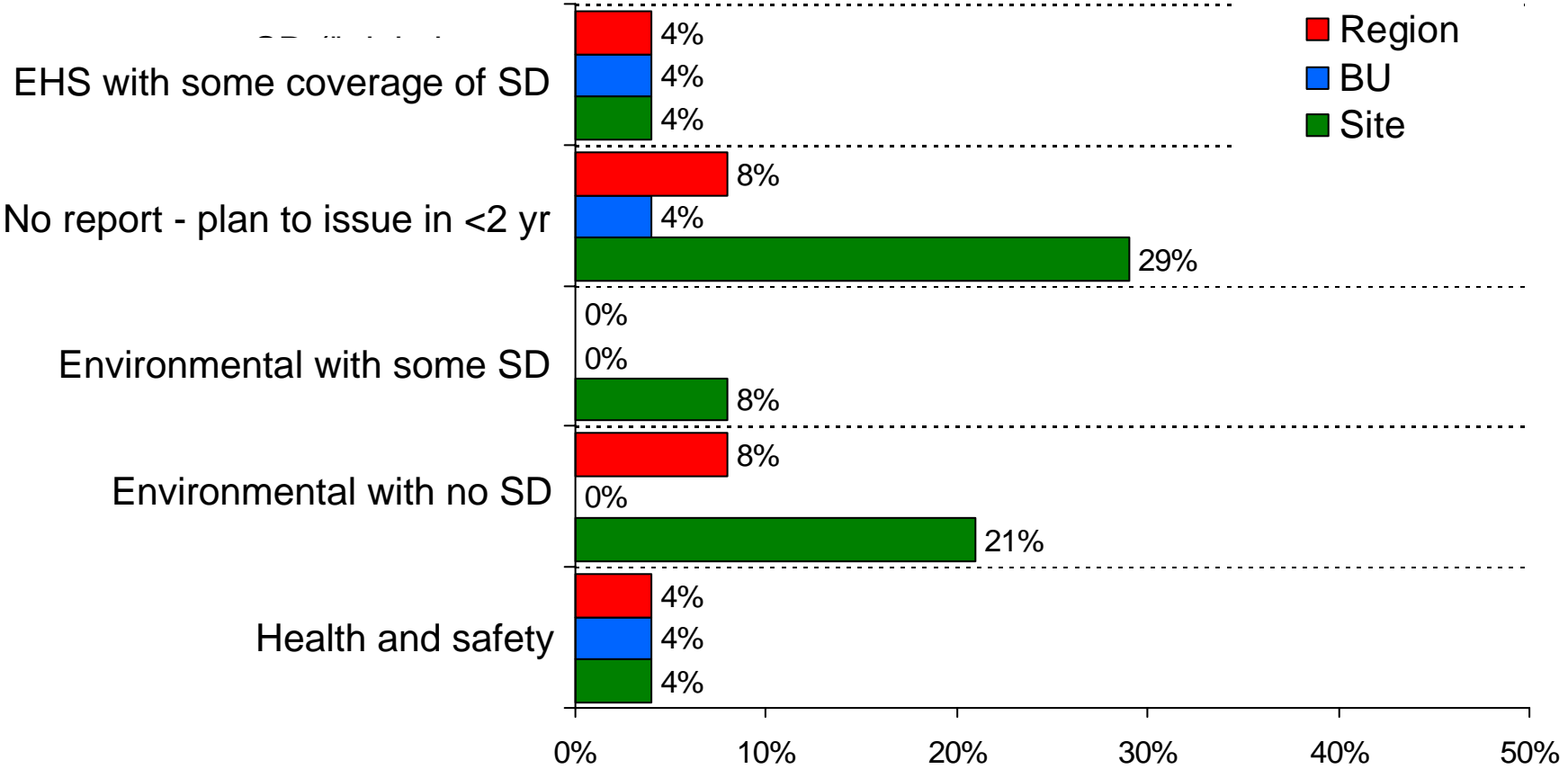
**All companies surveyed publish some type of SD and/or EHS report, but there are many different kinds**



# Public Reporting – Type of Report

Site reports are not uncommon, but there are few reports with a regional or business unit focus

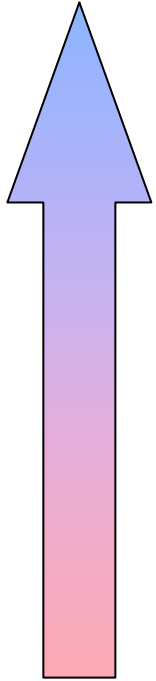
Q3. Does your company produce any of the following types of public reports? (n=24)



# Reporting Objectives

## There are many objectives for public reporting

Common



Build brand and reputation

Facilitate dialogue with external stakeholders

Manifest commitment to transparency

Raise internal awareness

Improve relations / reputation with government bodies

Improve relations and reputation with NGOs

Respond to shareholder concerns

Improve relations / reputation with neighbors

Build or reinforce internal culture

Keep pace with or gain an advantage over competitors

Facilitate dialogue with internal stakeholders

Drive internal change

Reduce external criticism of company

Raise suppliers' awareness of company's expectations

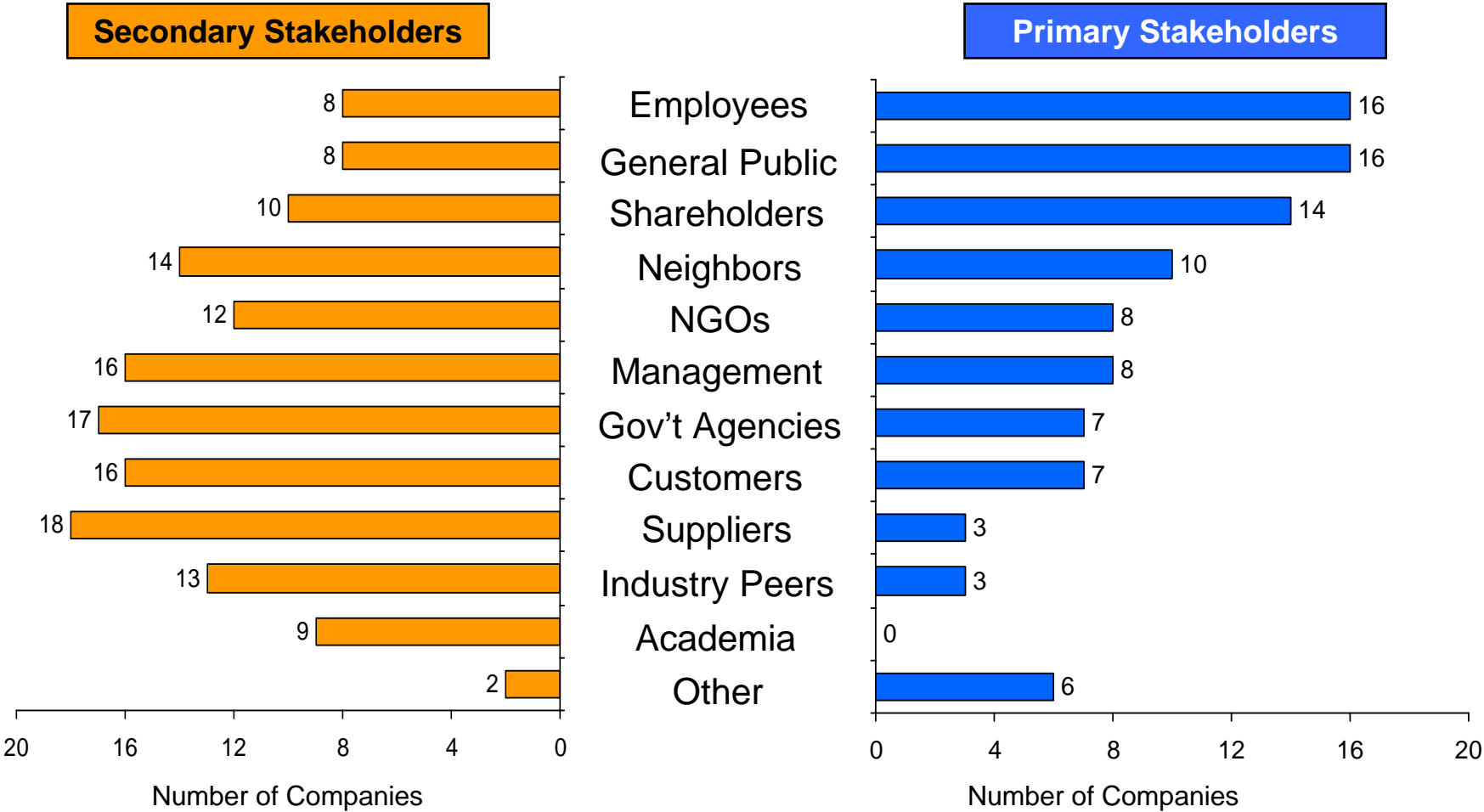
Increase recruiting effectiveness

Meet a customer request

Uncommon

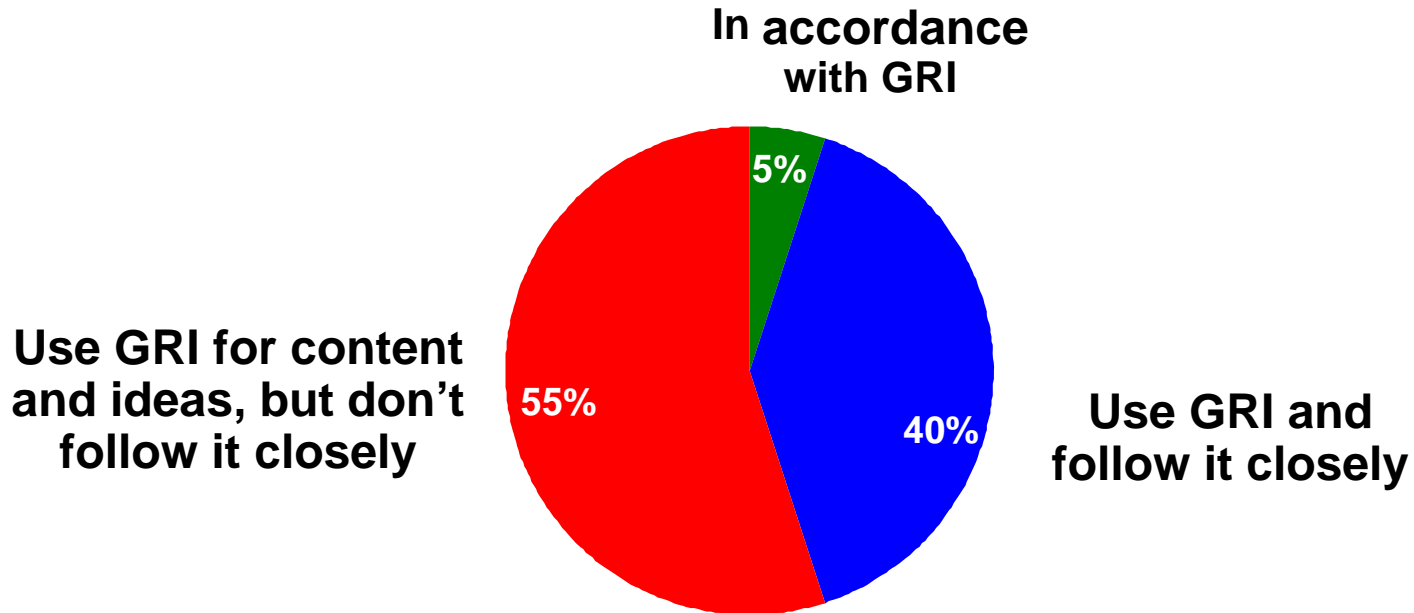
# Intended Audiences

**Employees and the general public were the top primary audiences; there are many secondary audiences**



# Format of Report

## Many companies follow or use the GRI Sustainable Reporting Guidelines



**There are more GEMI companies using the GRI today (75%) than in 2001, when only half reported that they did so**

# Advantages of GRI Guidelines

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The principal advantages of using the GRI reporting framework include:

- **Demonstrates company commitment to transparency**
- **Helps organize reporting information**
- **Encourages consistency across corporate reports**
- **Provides opportunity to compare results with peers**
- **It is a widely accepted reporting framework - the *defacto* standard**
- **Has broad stakeholder acceptance and familiarity**
- **It is helpful to have a format the NGOs like**



# Disadvantages of GRI Guidelines

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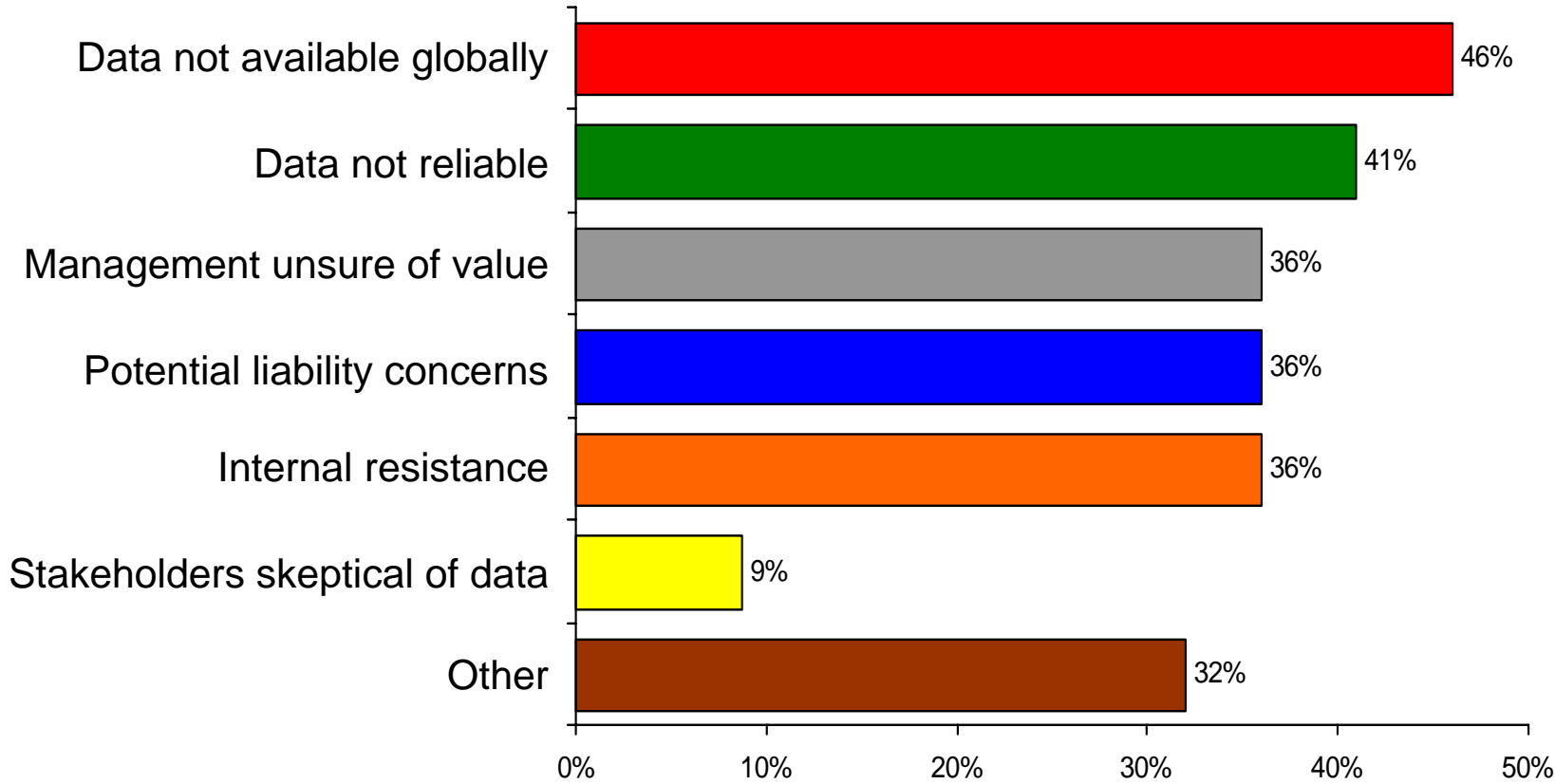
The principal **dis**advantages of using the GRI reporting framework include:

- **Raises expectations of outside stakeholders even though many portions are not applicable**
- **Requires considerable effort to complete**
- **The data for many of the elements are not available**
- **Too many indicators and many are not meaningful**
- **Does not fit US companies as well as non-US firms**
- **There is significant overlap with annual shareholders report**

# Challenges to Reporting

Many of the challenges to public reporting relate to the availability and reliability of data

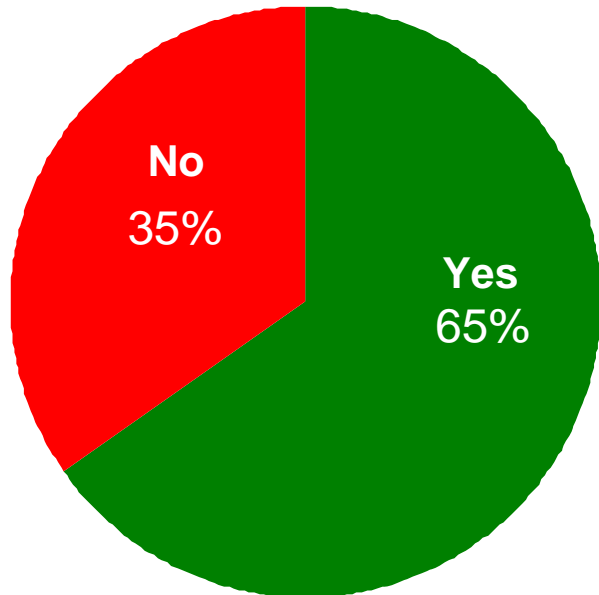
Q6. What challenges has your company encountered in connection with publishing a report? (n=22)



# Evolving Report Content

**Most companies indicate that their public reports have undergone major changes over the past several years**

Q18. Has there been a major change in the strategy or content of your company's reports over the last several years? (n=23)



## Key Developments:

- Coverage expanded from EHS to SD
- Greater transparency
- Better aligned with business needs

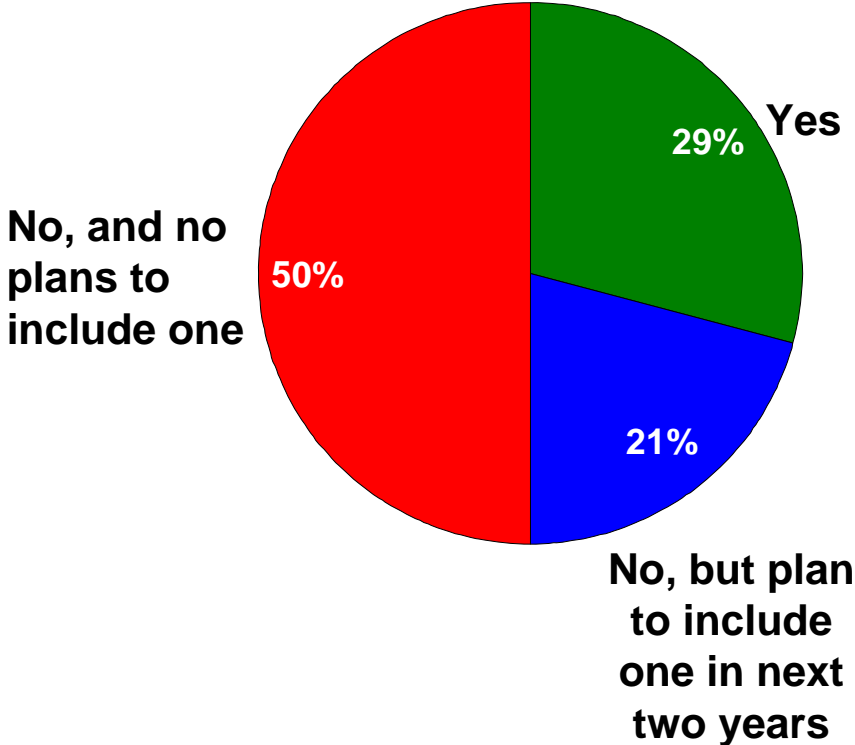
## Companies are changing reports to include new types of information and to better address social and corporate responsibility issues

- **EHS**
  - Transportation impacts, product stewardship, pharmaceuticals in the environment...
- **Social**
  - Human rights, access to medicines...
- **Corporate Responsibility**
  - Governance, ethics...
- **Economic**
  - Supply chain impacts...

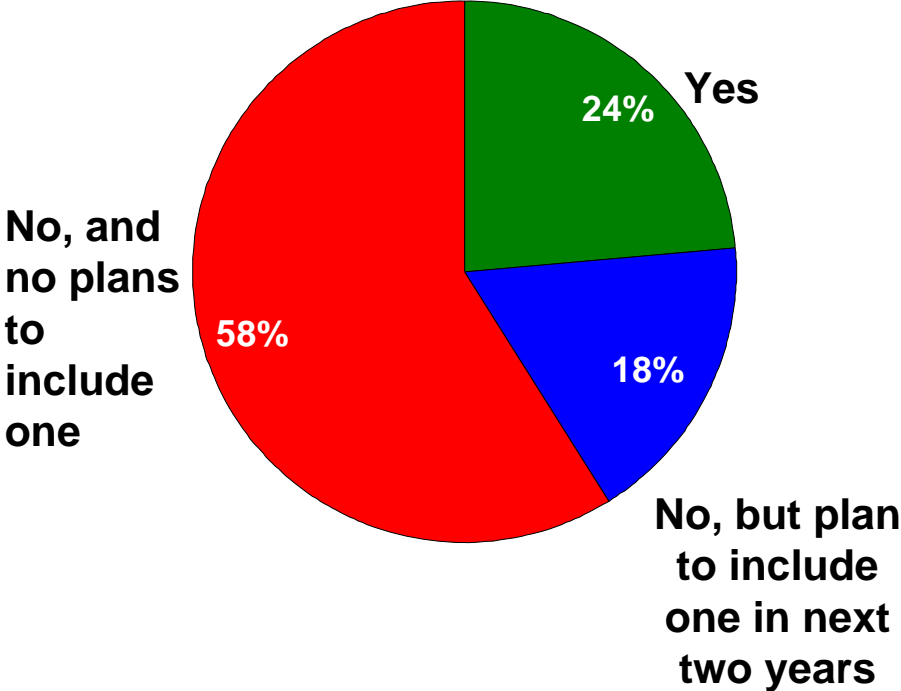
# Integration with Financial Reporting

## Half of the companies include, or plan to include, SD or EHS in their annual financial reports

**Q21. Does your financial annual report contain a section on SD? (n=24)**



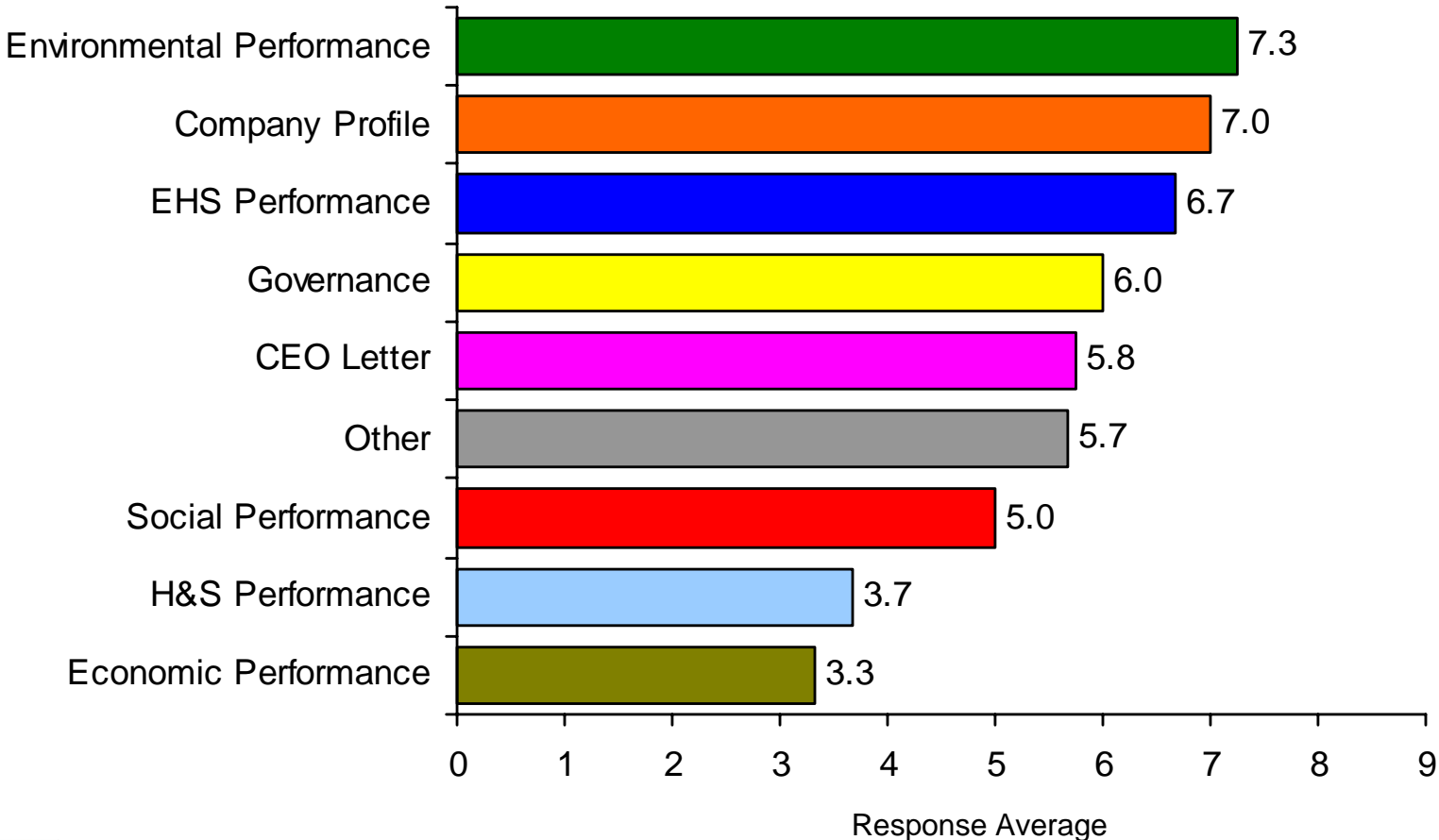
**Q22. Does your financial annual report contain a section on EHS? (n=17)**



# Reader Interest Areas

## Environmental performance is the area of most interest to readers

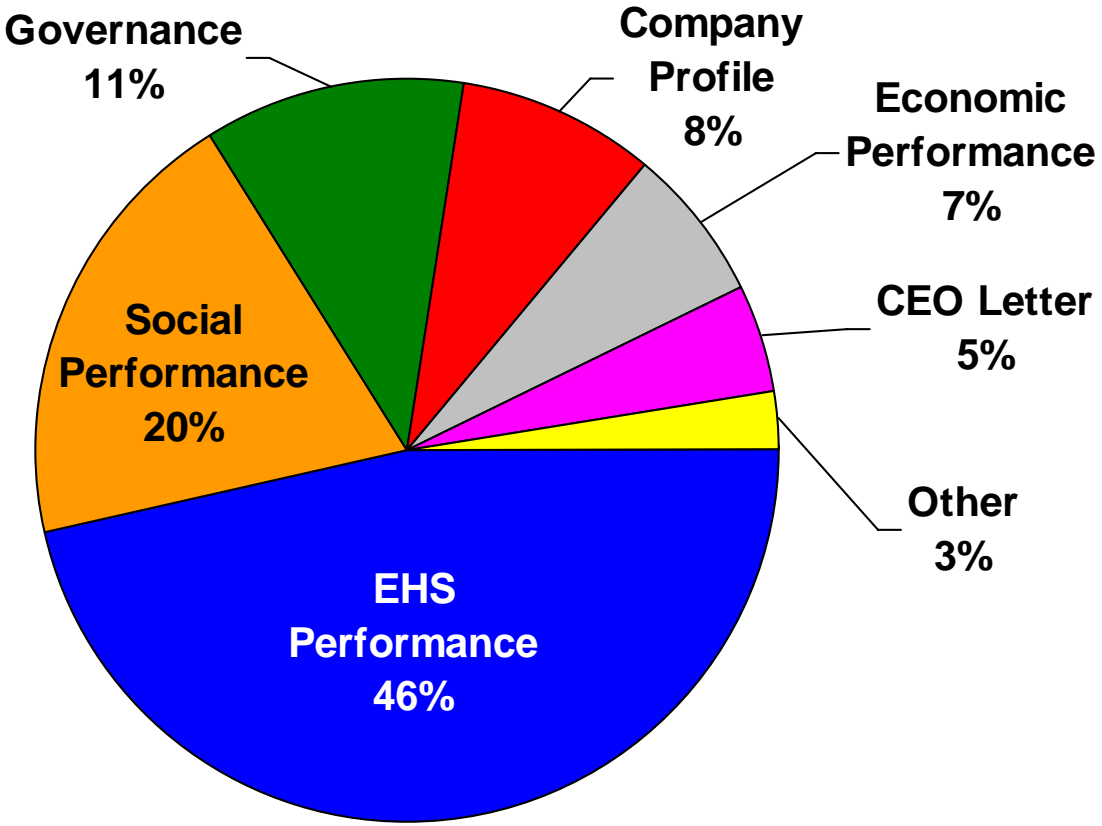
Q16. If your company's report is published on its Web site, please rank the sections of the report according to the attention received from visitors to the site. (n=6)



# Report Content - Today

**EHS information comprises the largest percentage of total report content, just as it did in the 2001 survey**

**Q14. Show breakdown of your company's total report content by section (n=23)**

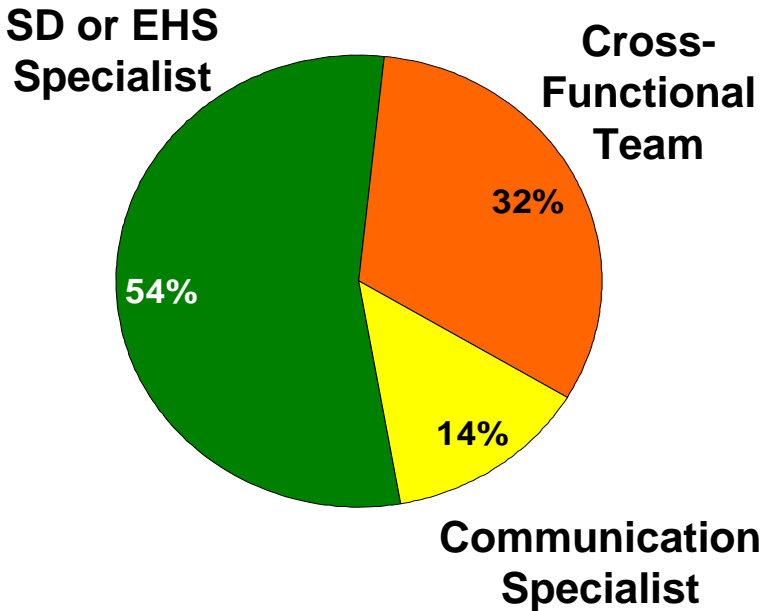


# Report Preparation

## Many departments are involved in report preparation

Department	Companies
EHS	100%
Legal	91%
Public Affairs	86%
Community Relations	82%
Investor Relations	73%
Human Resources	68%
Finance	55%
Manufacturing Operations	55%
Diversity Office	50%
Government Affairs	50%
Charitable Foundation	23%
Corporate Responsibility	23%
Sustainable Development	23%
Marketing	14%
Quality	14%

**Q30/32. Who has the primary responsibility for preparing your company's report? (n=22)**

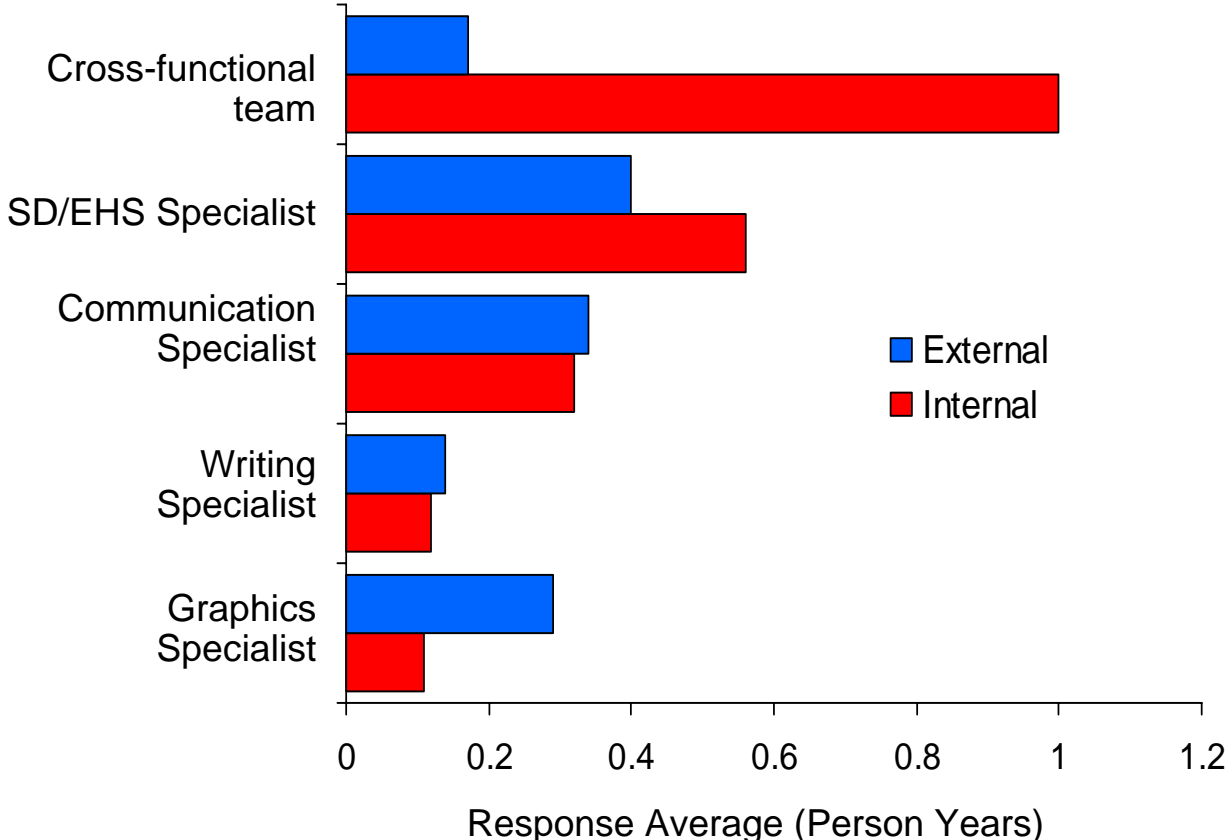




# Report Development – Resources

The average internal staff time to develop a report was 2.1 person years in 2004 vs. 0.9 person years in 2001

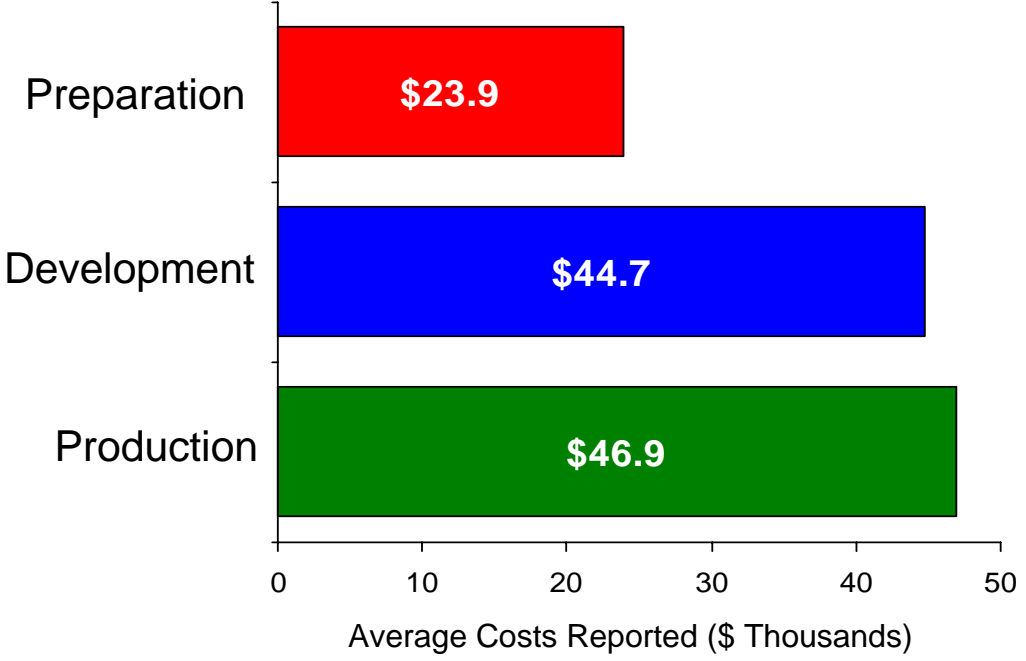
Q33/34. With regard to staff, how much effort does it take to develop the report? (n=21/15)



# Report Development Costs

The average cost to prepare, develop and produce a report is the same as in 2001 (~\$115K)

Q35. How much is spent on report preparation, development and production? (n=13)



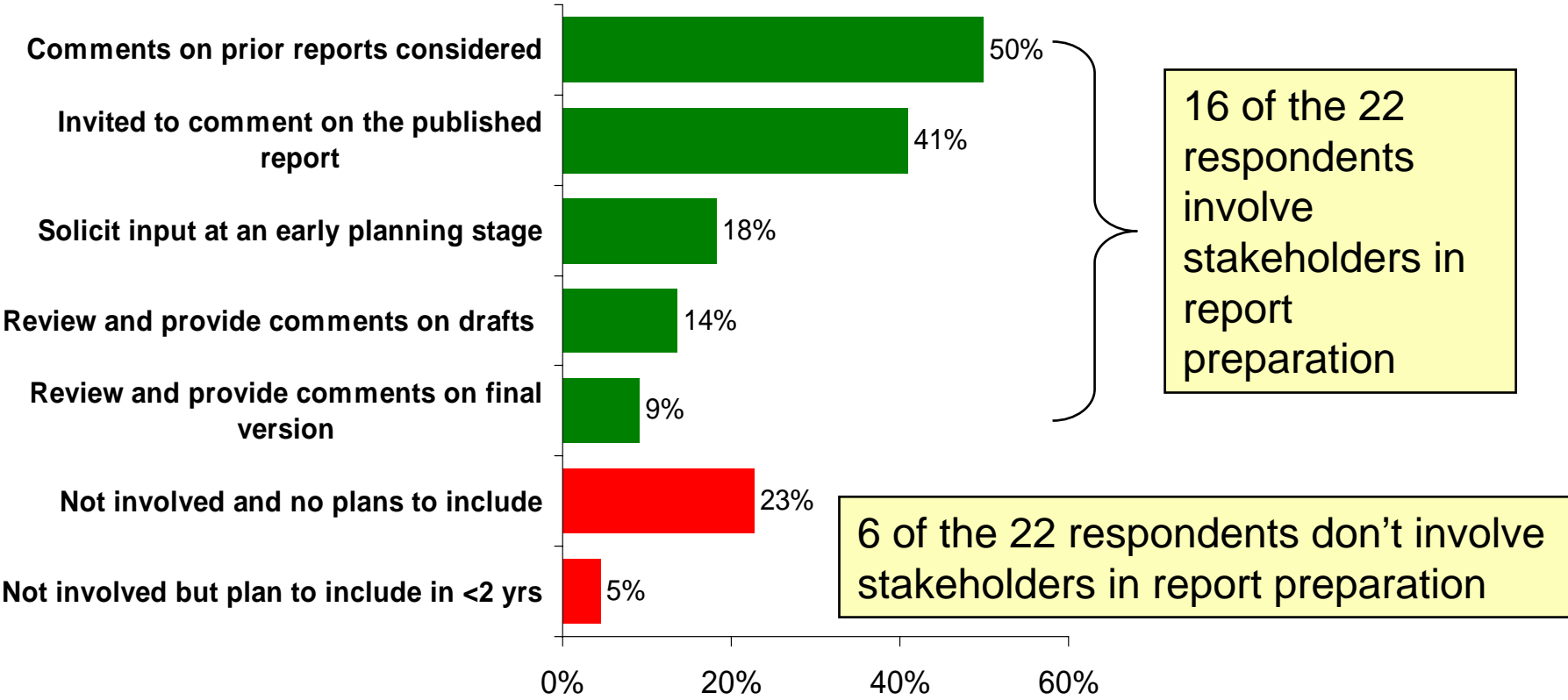
Most companies said that the value of the report would not increase simply by increasing the dollars spent



# Involvement of External Stakeholders

## Most companies involve external stakeholders at some point in the process of report preparation

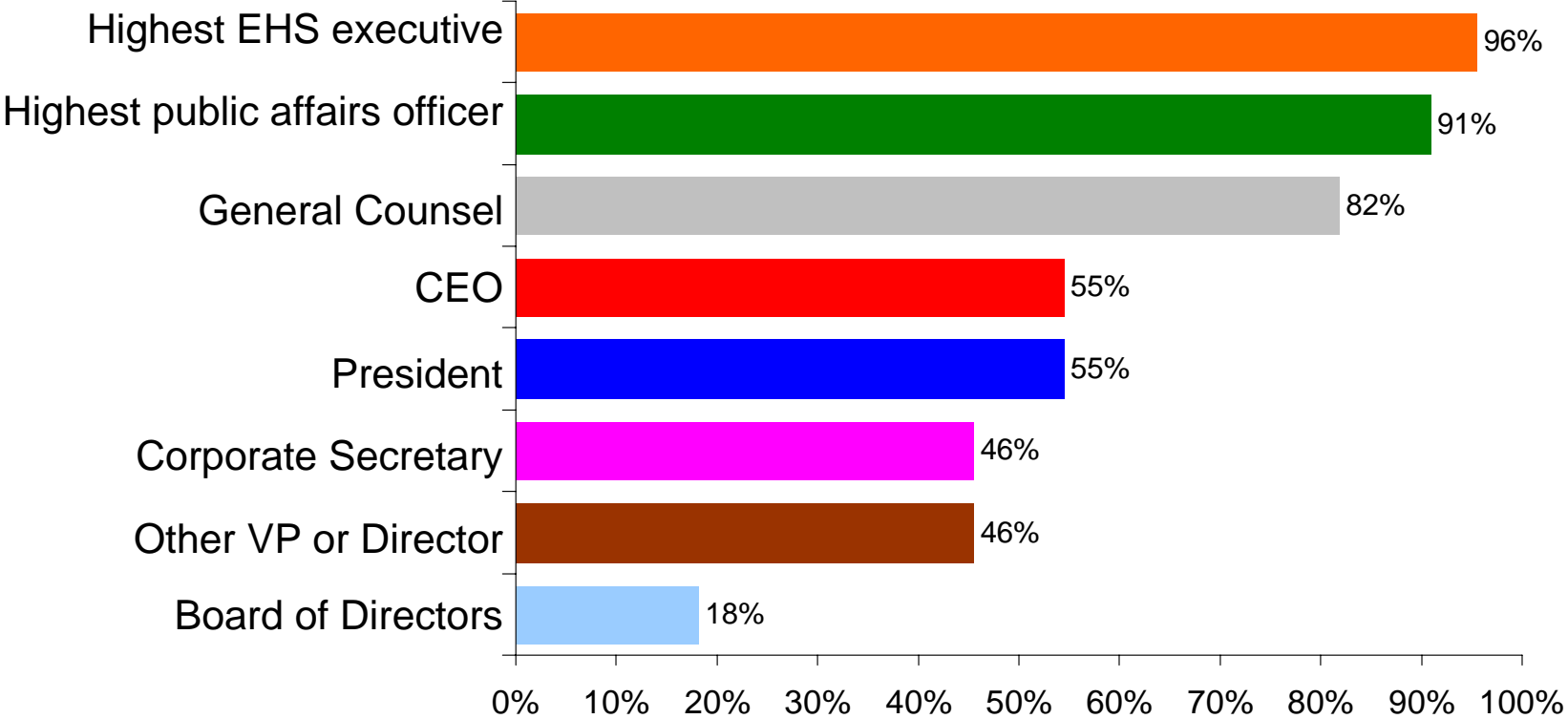
**Q23. In what manner are external stakeholders involved in the process of report preparation? (n=22)**



# Report Approval

## Report content is approved by a wide range of management functions

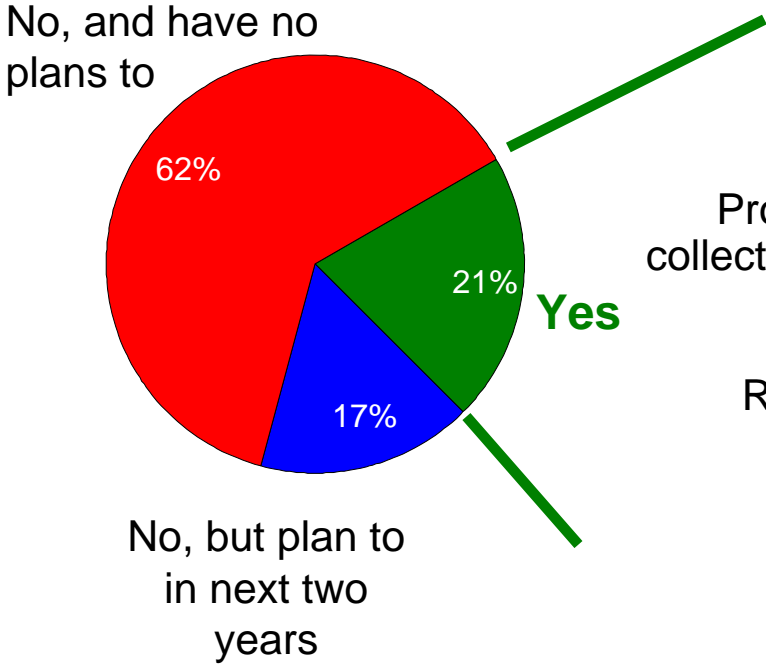
Q28. Which management functions in your company approve report content? (n=22)



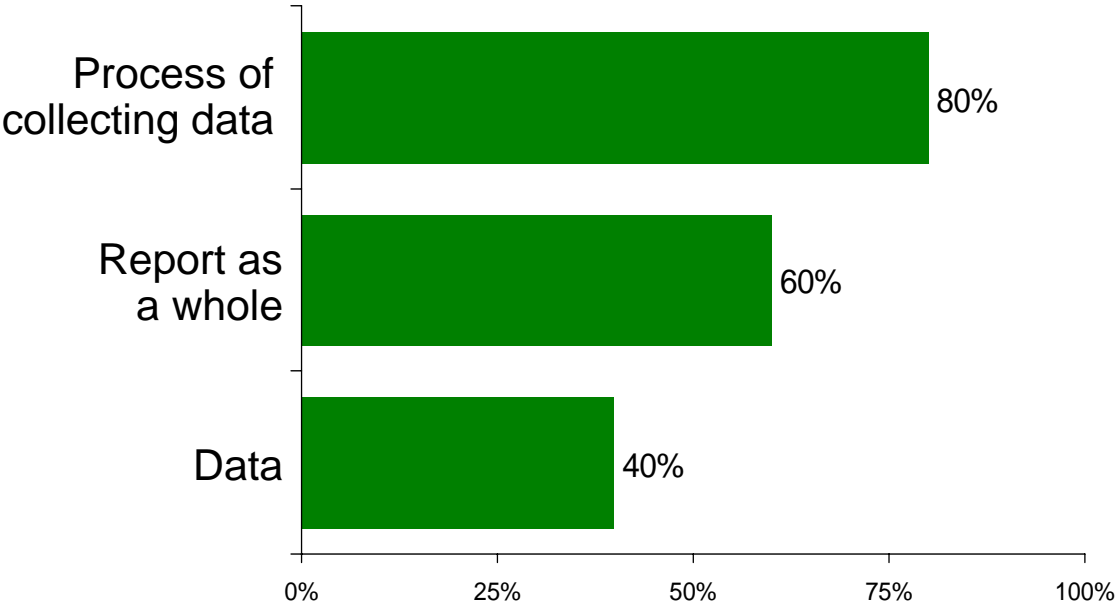
# Third Party Verification

## Few undergo third party verification of their reports

**Q24. Is there third party verification associated with the report? (n=24)**



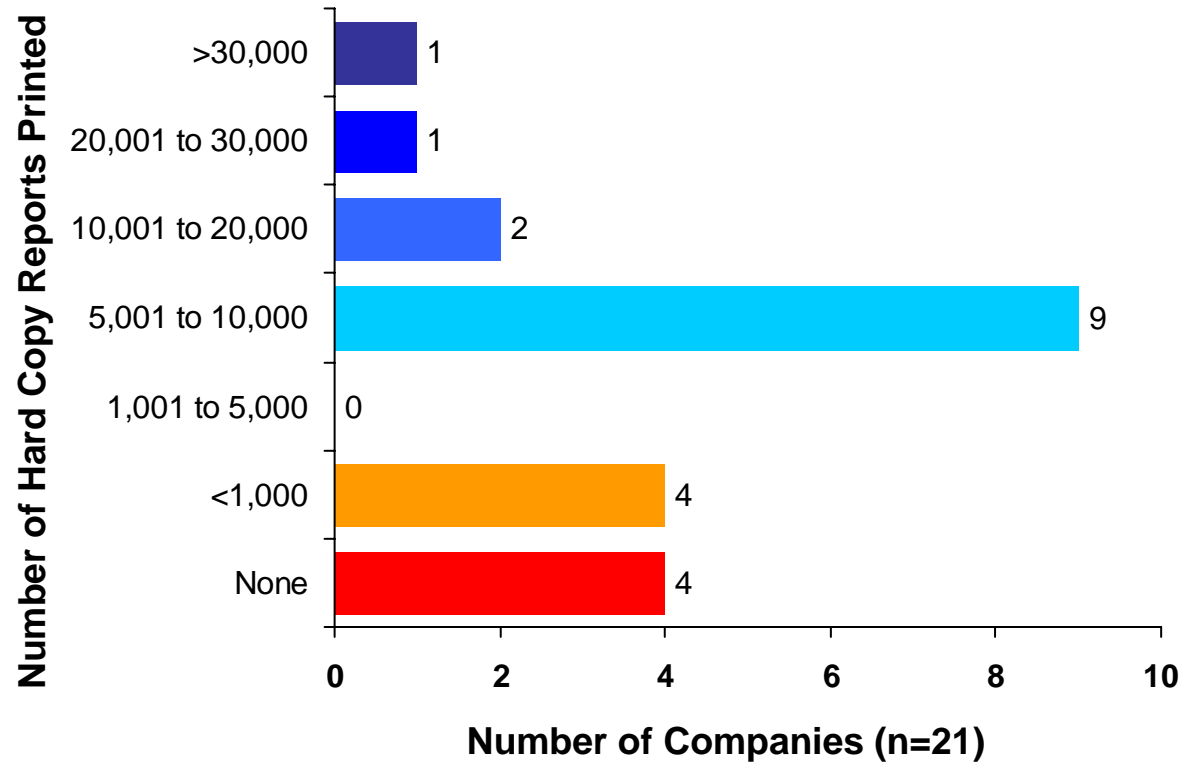
**Q25. To what does the third party verification relate? (n=5)**



# Report Publication

## Most companies produce fewer than 20,000 hard copies of their report

Q38. How many hard copies of the report does your company print? (n=21)



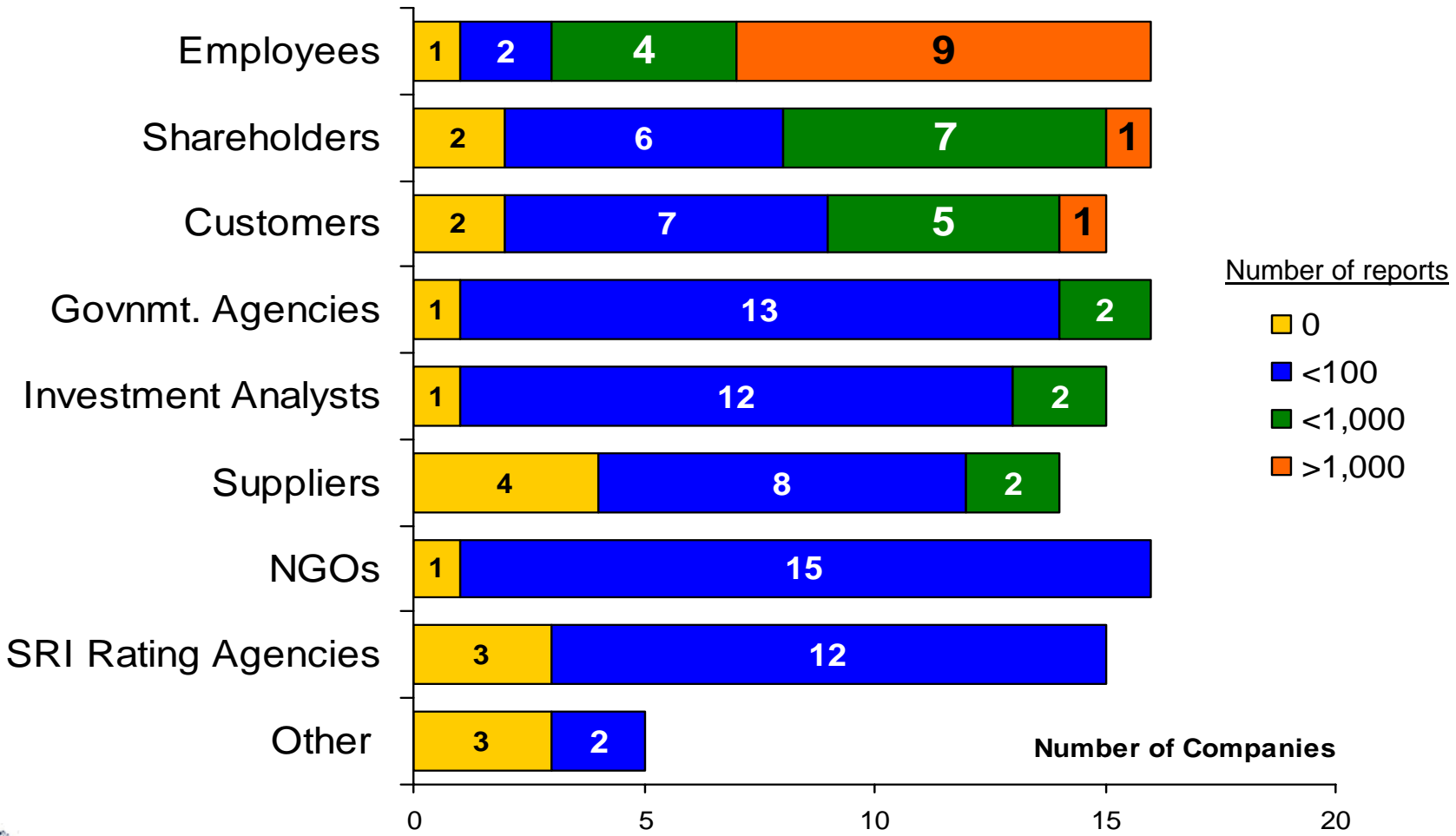
Half of the companies print between 5,000 and 20,000 hard copies

The highest number of reports printed was 70,000

# Report Distribution

## The majority of printed reports are provided to employees

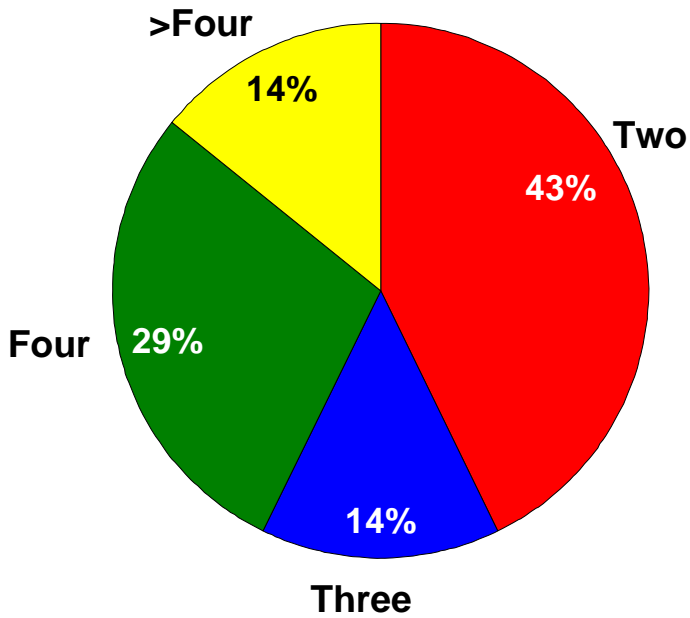
Q39/40. To whom are the hard copies of the report distributed? (n=20)



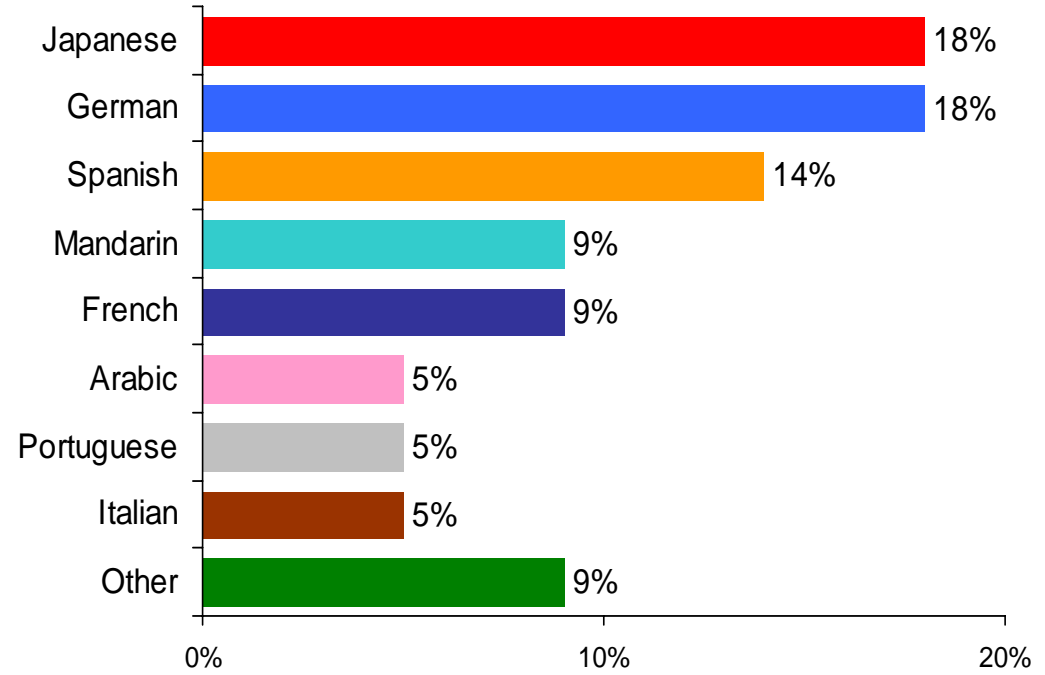
# Reporting Language

All companies prepare an English language version, but only 1/3 publish in a language other than English

In addition to English, in how many languages is the report produced? (n=7)



Q41. In which languages is the report produced? (n=22)

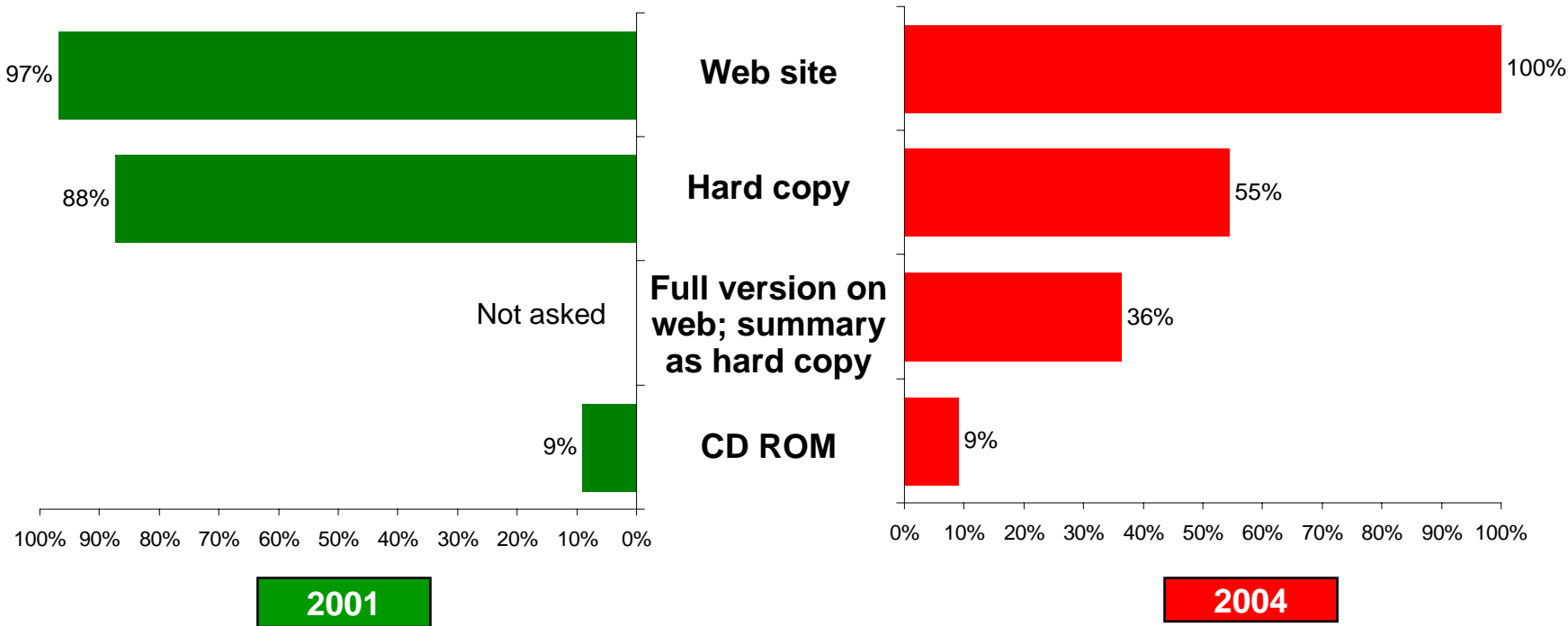




# Publishing on the Web

Only 55% of respondents produce hard copies of their full report but all publish on the web

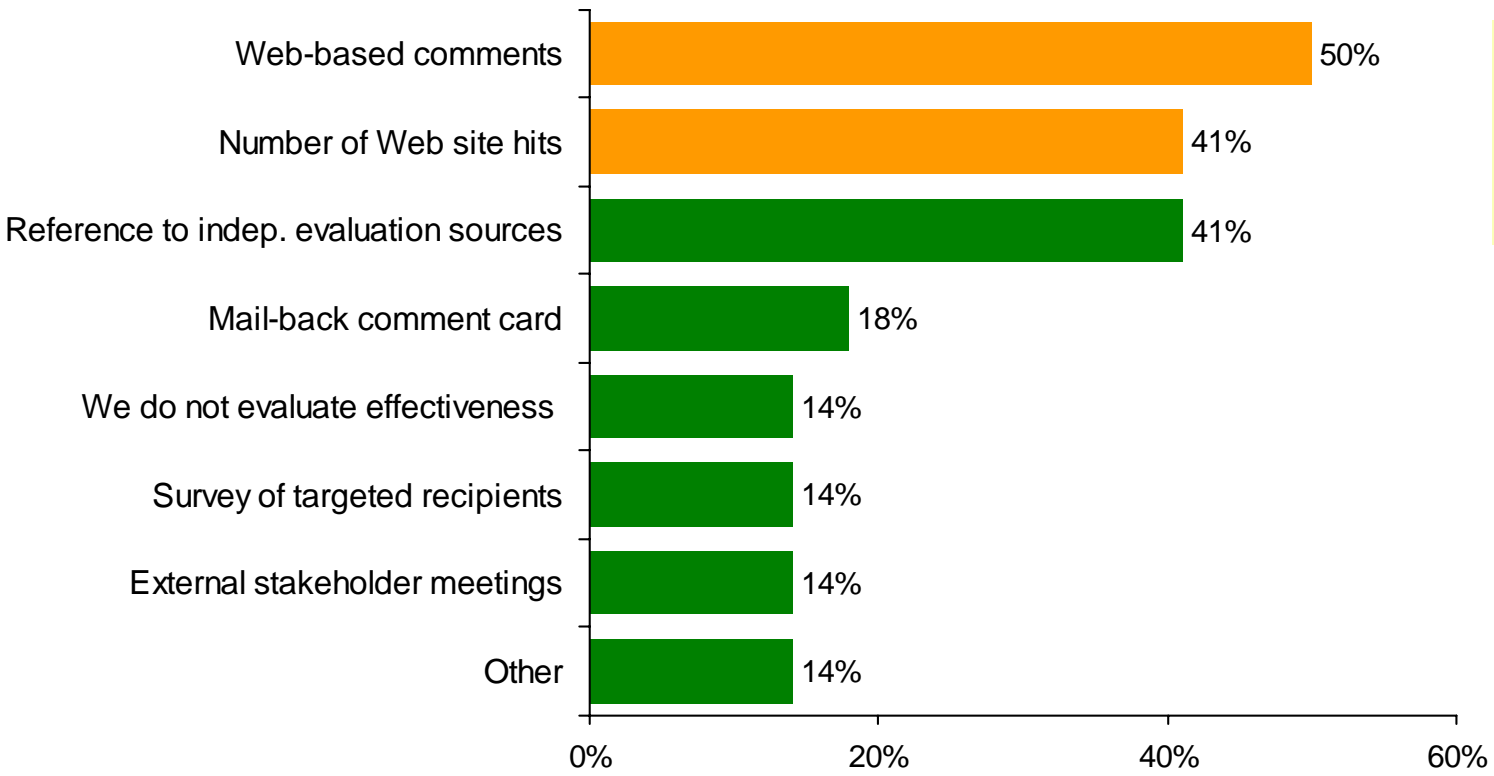
Q36. How does your company publish your report? (n=22)



# Evaluating Effectiveness

## Companies use a variety of feedback loops to evaluate report effectiveness

Q42. How does your company evaluate the effectiveness of its report? (n=22)

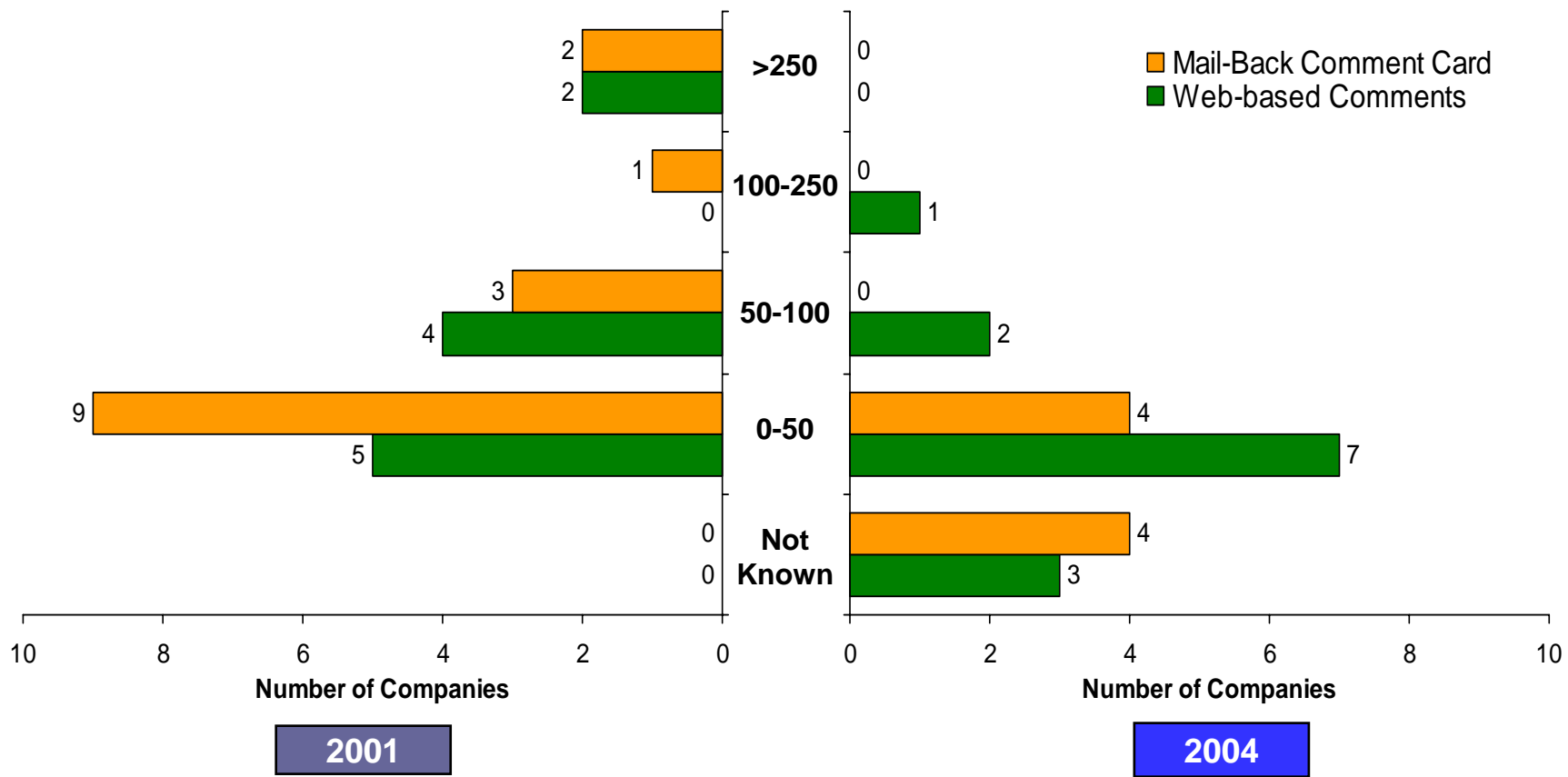


Web provides useful data to evaluate effectiveness

# Reader Comments

**In general, companies are receiving less comments today than they did in 2001**

**Q43. How many responses did your company receive for its last report? (n=14)**



**The following slides contain additional information  
on certain topics**