



# **International and Domestic Development Status for Promoting Corporate Sustainability Reports**

**Yung-Shuen Shen,  
Associate Professor,  
Dept. of Environ. Engr.,  
Da-Yeh University**

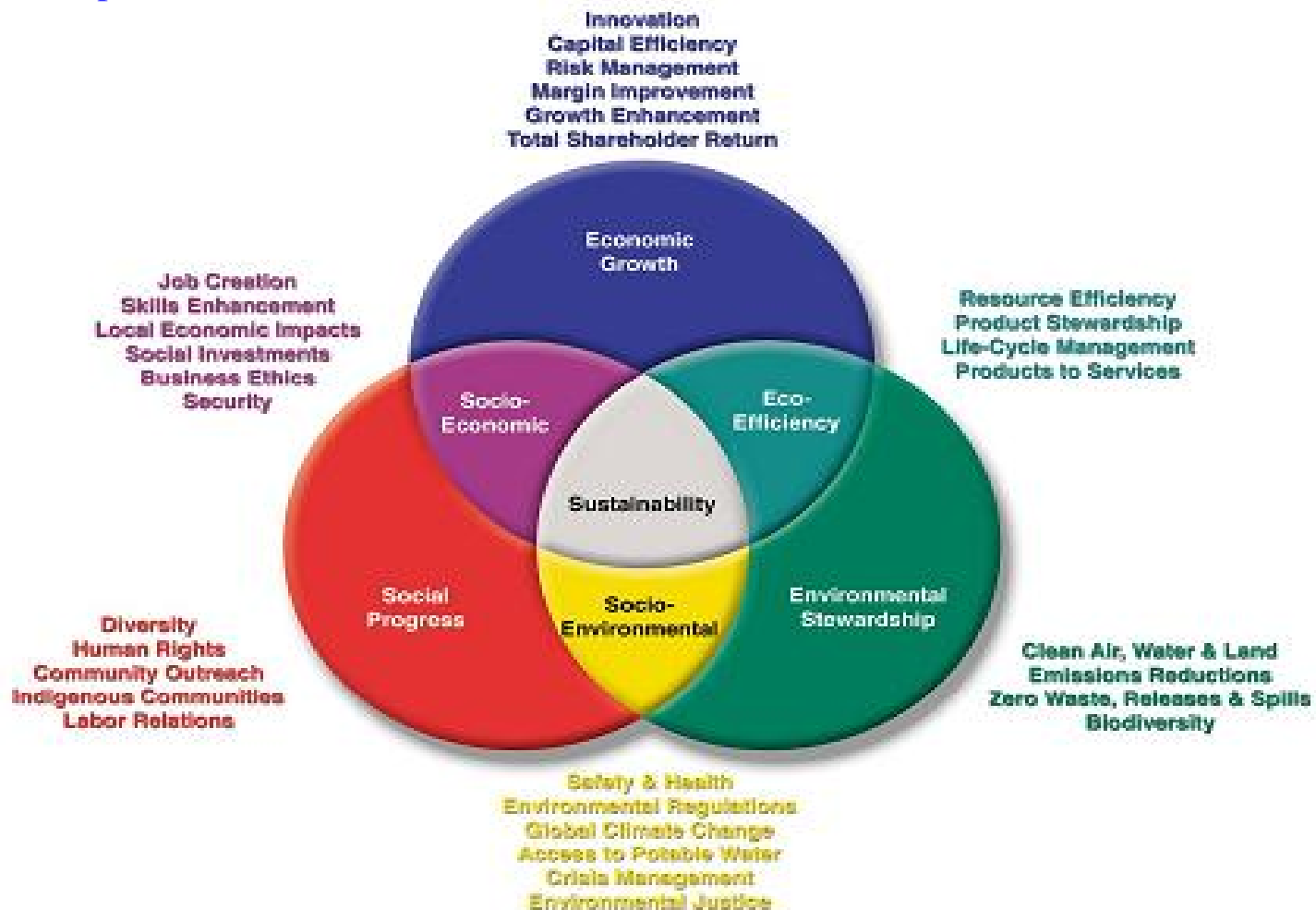
# Content

- **Background and current status**
- **Main international organizations, standards, and trends**
- **Japan's Experience of CSR Promotion**
- **Domestic promotion and development of CER/CSR**

# Background and current status

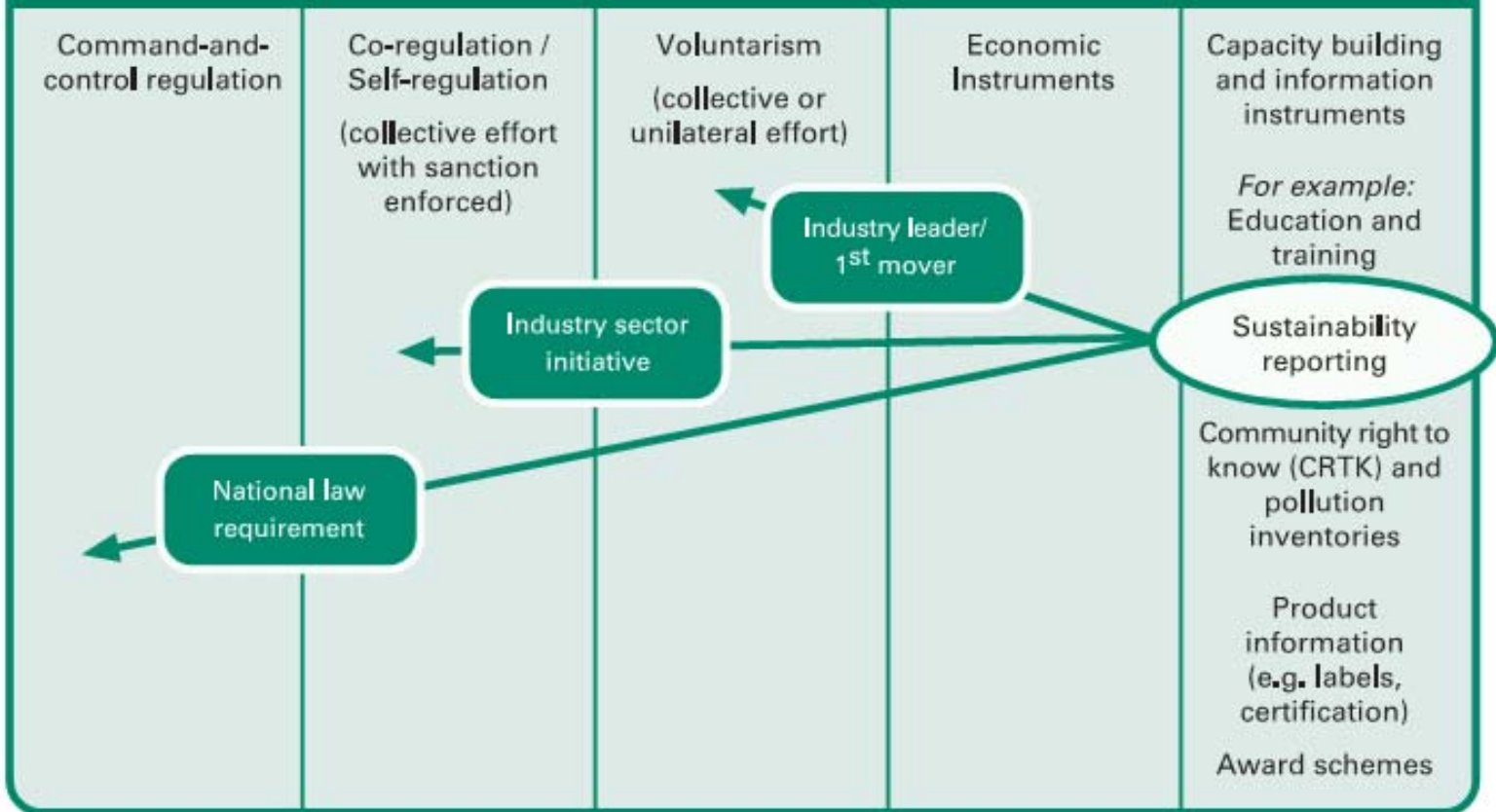


**Sustainability** – To meet the needs of the present without undermining the ability of future generations to meet their own needs. (Source: This is the classic definition that first appeared in the Brundtland Commission report, *Our Common Future*, 1987)



- 
- Sustainability reporting became a formal part of the global agenda when governments from around the world committed at the 2002 United Nations World Summit on Sustainable Development (WSSD) “to encourage industry to improve social and environmental performance through voluntary initiatives including...public reporting on environmental and social performance” specifically referencing the Global Reporting Initiative (GRI).

## From sticks to carrots: A spectrum of regulatory instruments

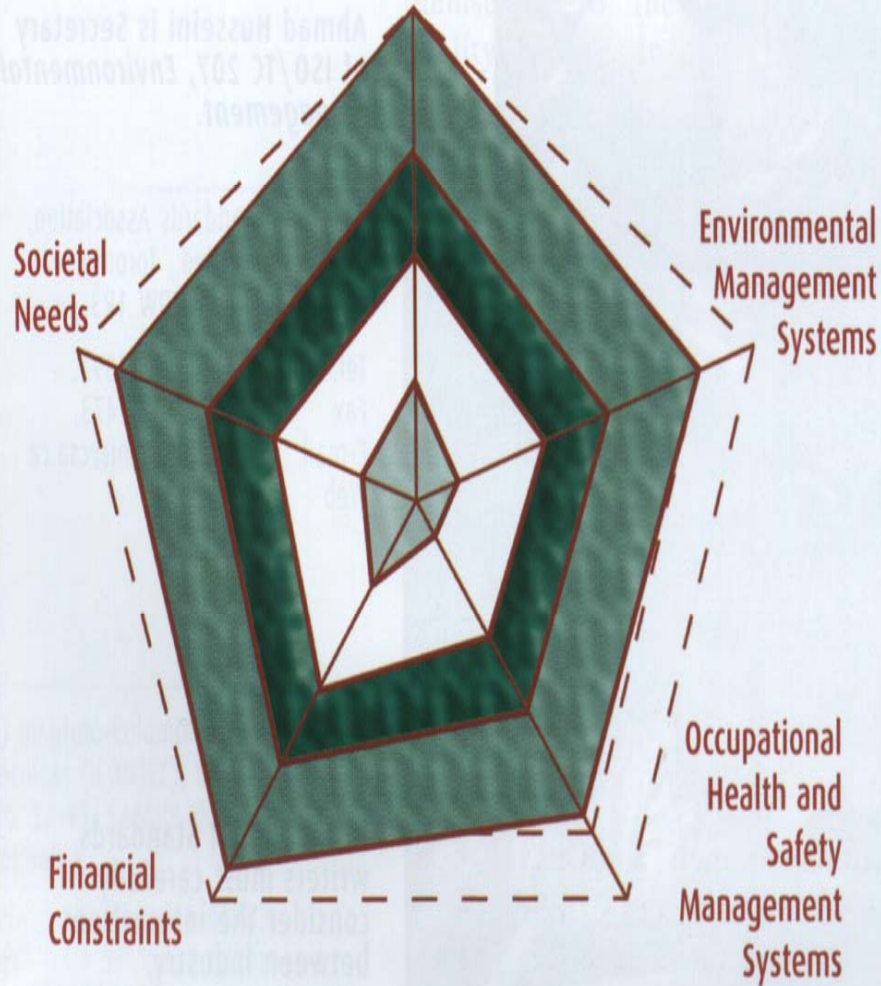


(UNEP and KPMG, 2006)



# What are Driving Forces to report?

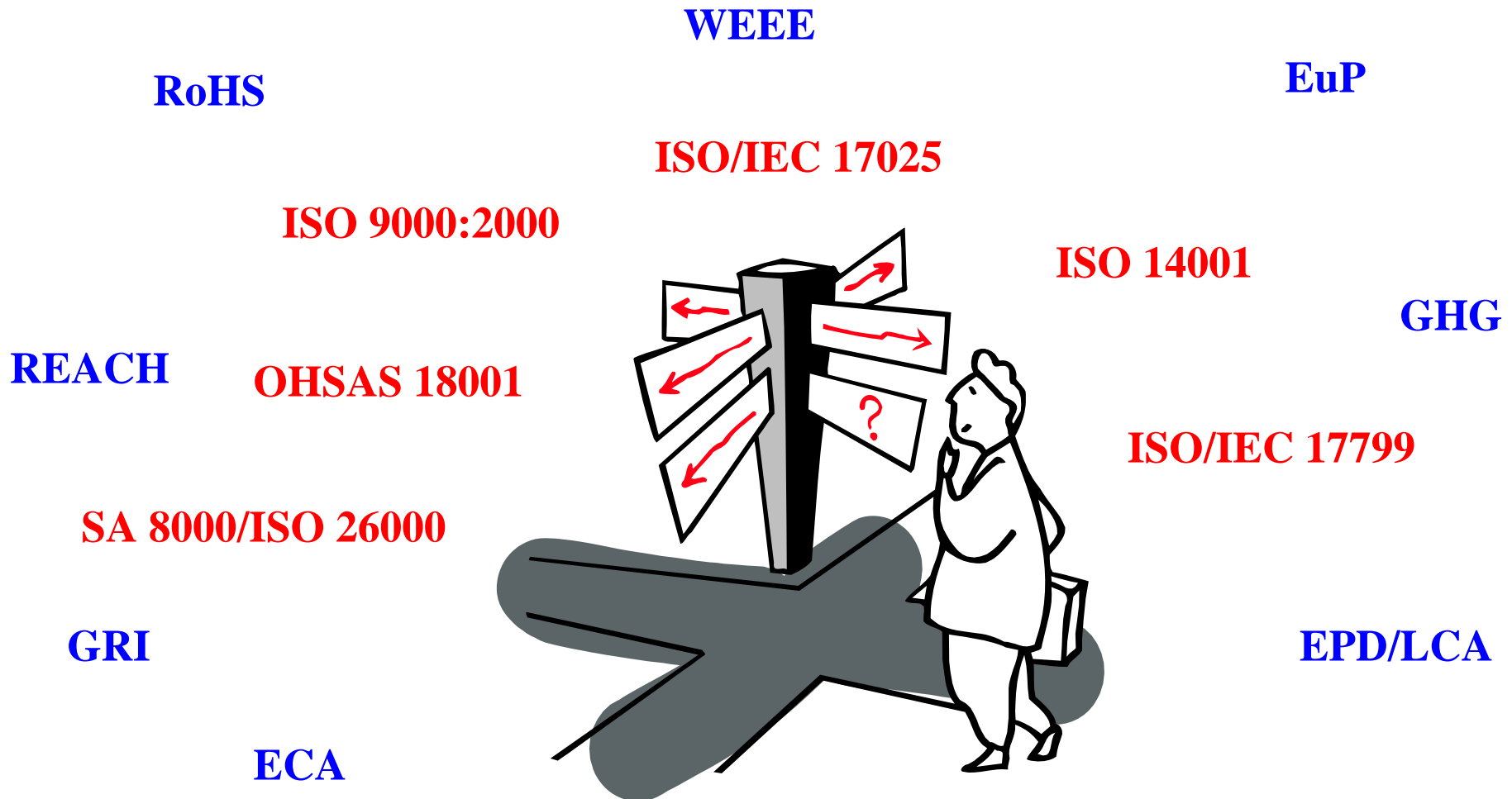
Quality Management Systems



Any more?



# International system certifications, environmental activities and regulations

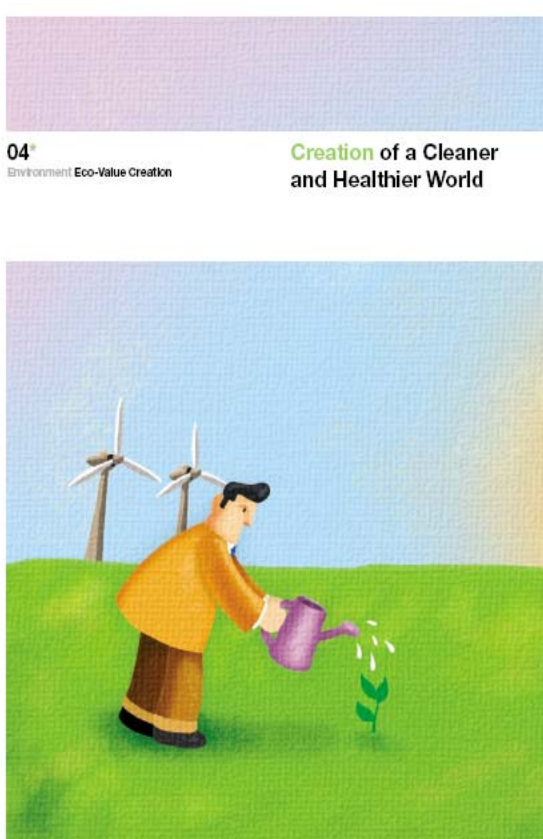




# Types of Non-financial Corporate reports

- **Environmental Reports**
- **Environmental, Safety, and Health Reports**
- **Social Performance Reports**
- **Corporate Citizenship Reports**
- **Sustainability Reports**

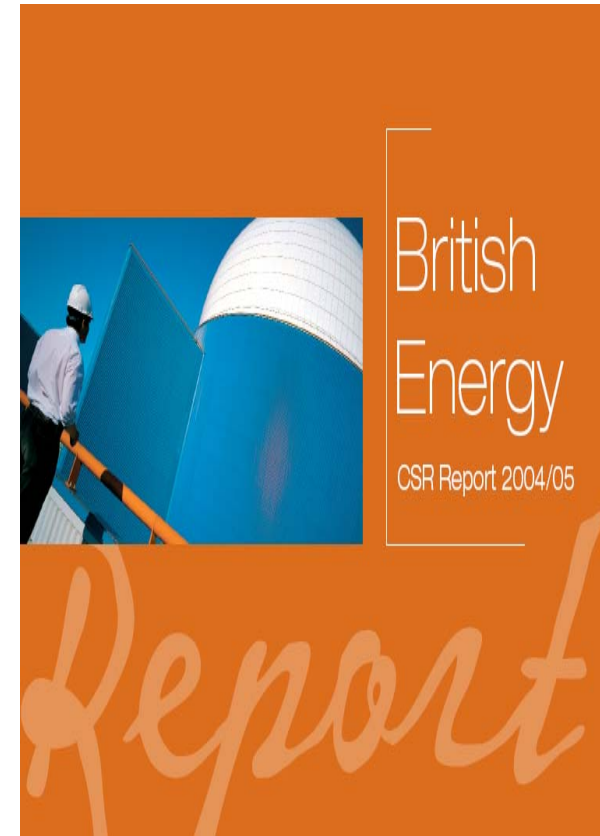
# Example CSR of International Electric power Companies



**KEPCO**

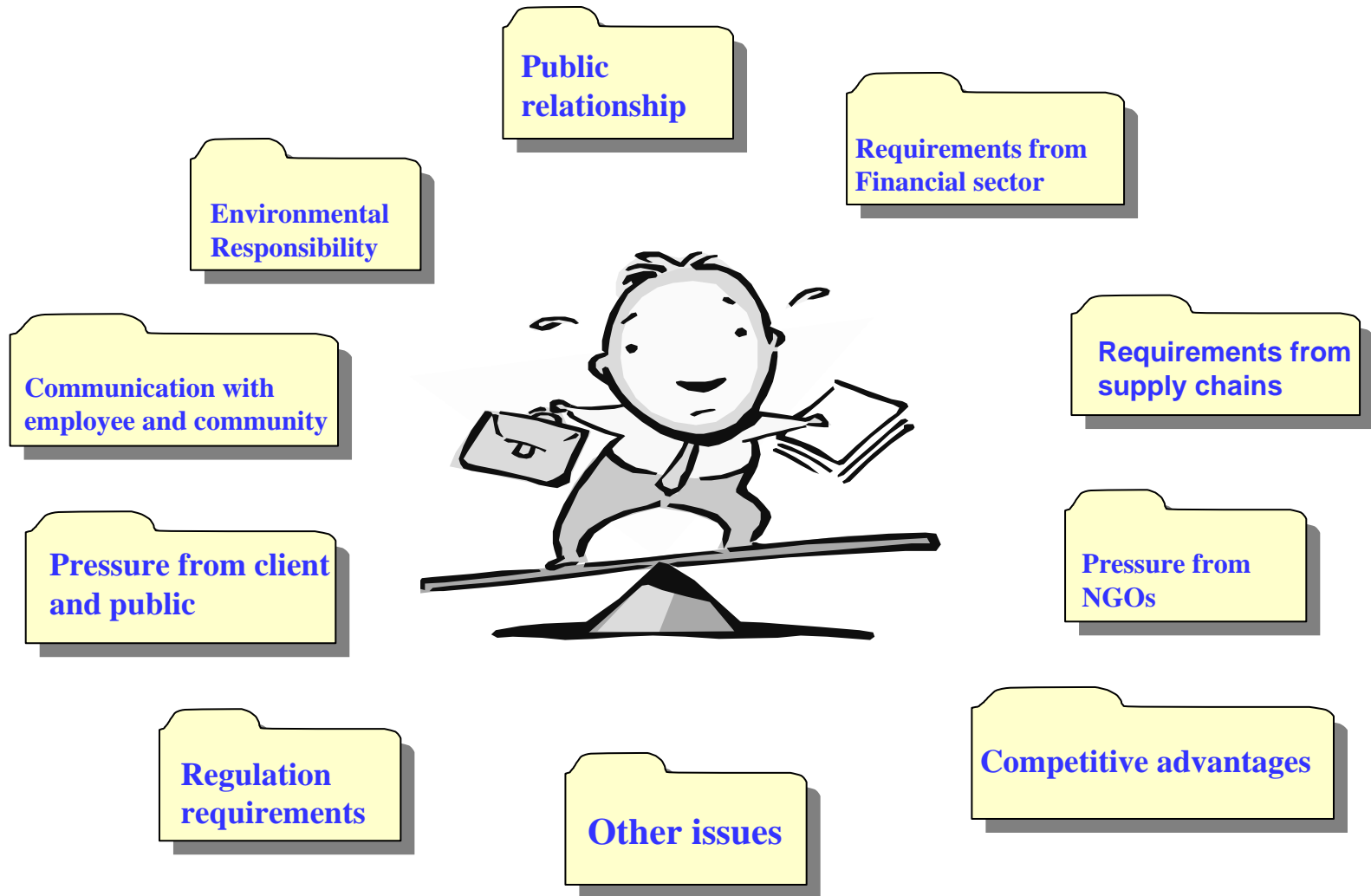


**TEPCO**



**British Energy**

# Business Significance of Reporting



# Key trends that fuelled global reporting activities swift progress

## ➤ External factors:

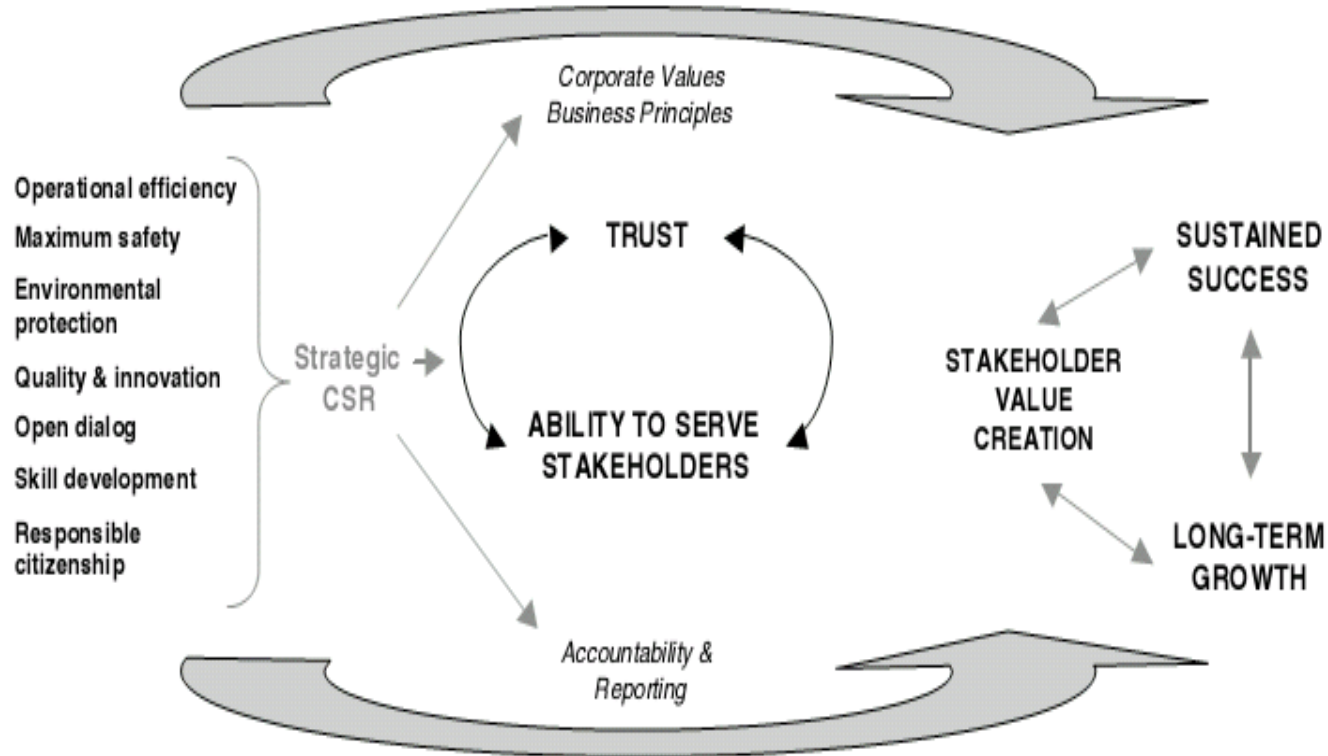
- Expanding globalization
- Search for new forms of global governance
- Reform of corporate governance
- Global role of emerging economies
- Rising expectations for organizations' visibility
- Evaluation of progress toward sustainable development
- Governments' interest in sustainability reporting
- Financial markets' interest in sustainability reporting
- Emergence of next-generation accounting

# Key trends that fuelled global reporting activities swift progress

## ➤ Internal factors:

- Company's increasing awareness of environmental and SD issues.
- Realize corporate internal value created by SD activities.
- Require Employer's commitment to SD by employee.
- A key issue to make employee stay in and work.

# CSR Strategic Process



(Perrini, 2005)

# Benefits of Reporting

- Effective management in a global economy, where information (reliable or unreliable) travels at Internet speed, requires a **proactive approach**.
- Reporting is a **key ingredient** to building, sustaining, and continually refining stakeholder engagement.
- Reports can **help communicate** an organization's economic, environmental, and social opportunities and challenges in a way far superior to simply responding to stakeholder information requests.
- Companies **increasingly emphasize** the importance of relationships with external parties, ranging from consumers to investors to community groups, as key to their business success.
- Transparency and open dialogue about performance, priorities, and future sustainability plans **help to strengthen these partnerships** and to build trust.

# Benefits of Reporting (cont'd)

- Sustainability reporting is a vehicle for linking typically **discrete and insular functions** of the corporation—finance, marketing, research and development—in a process, GRI continues more strategic manner.
- The process of developing a sustainability report provides **a warning of trouble spots**—and unanticipated opportunities—in supply chains, in communities, disclosure among regulators, and in reputation and brand management.
- Sustainability reporting **helps sharpen management's ability** to assess the organization's contribution to natural, human, and social capital.
- Sustainability reporting may **reduce volatility and uncertainty** in share price for publicly traded enterprises, as well as reducing the cost of capital.



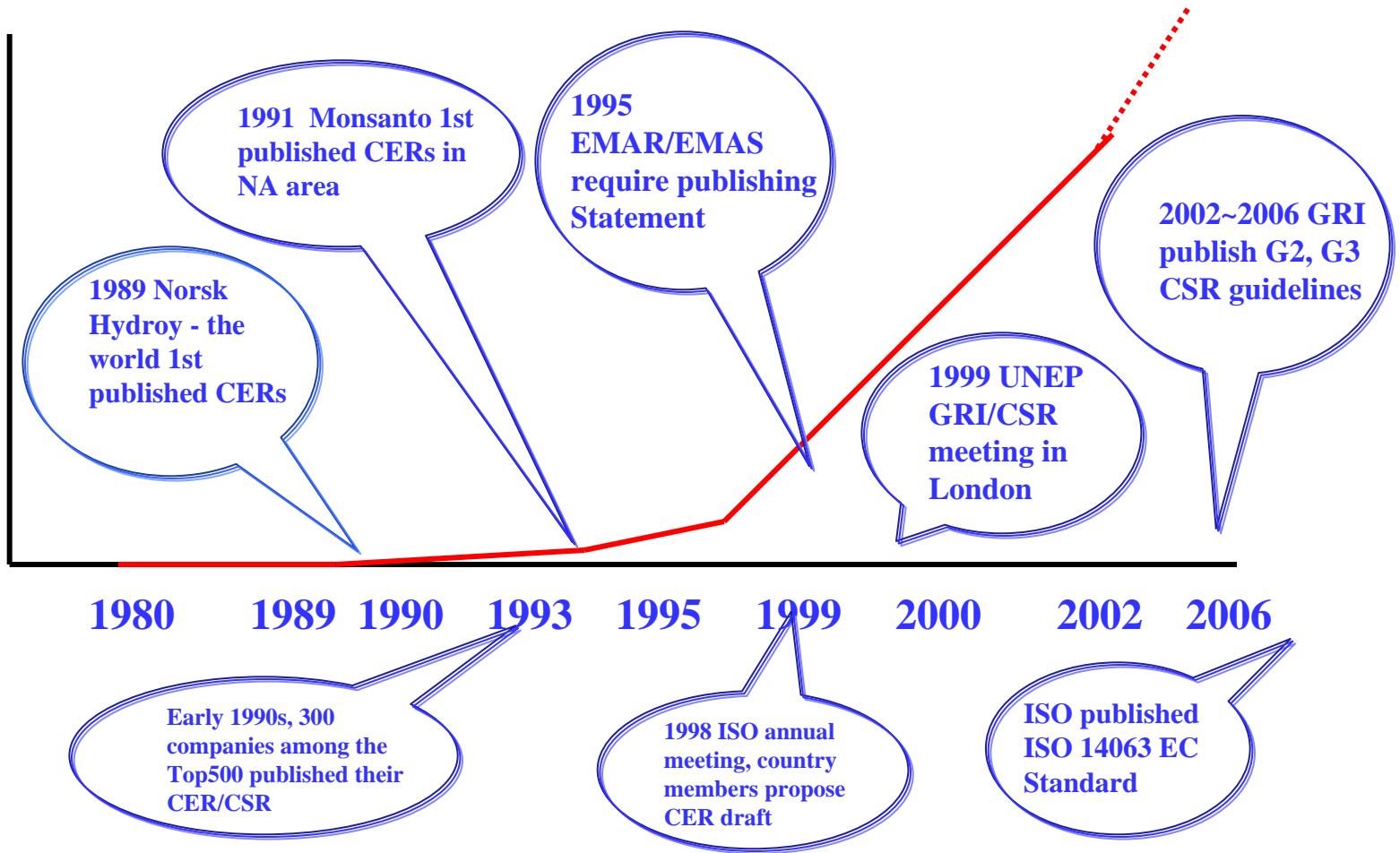
# Contents should be included in CSR by WBCSD's definition:

- **Core value and principles of corporate environmental and sustainable strategies.**
- **Performances and objectives on economic, environmental, and social aspects.**
- **Top management's commitments to continues improvement on various performances.**
- **Express concrete contribution of corporate to environmental protection and sustainable development.**

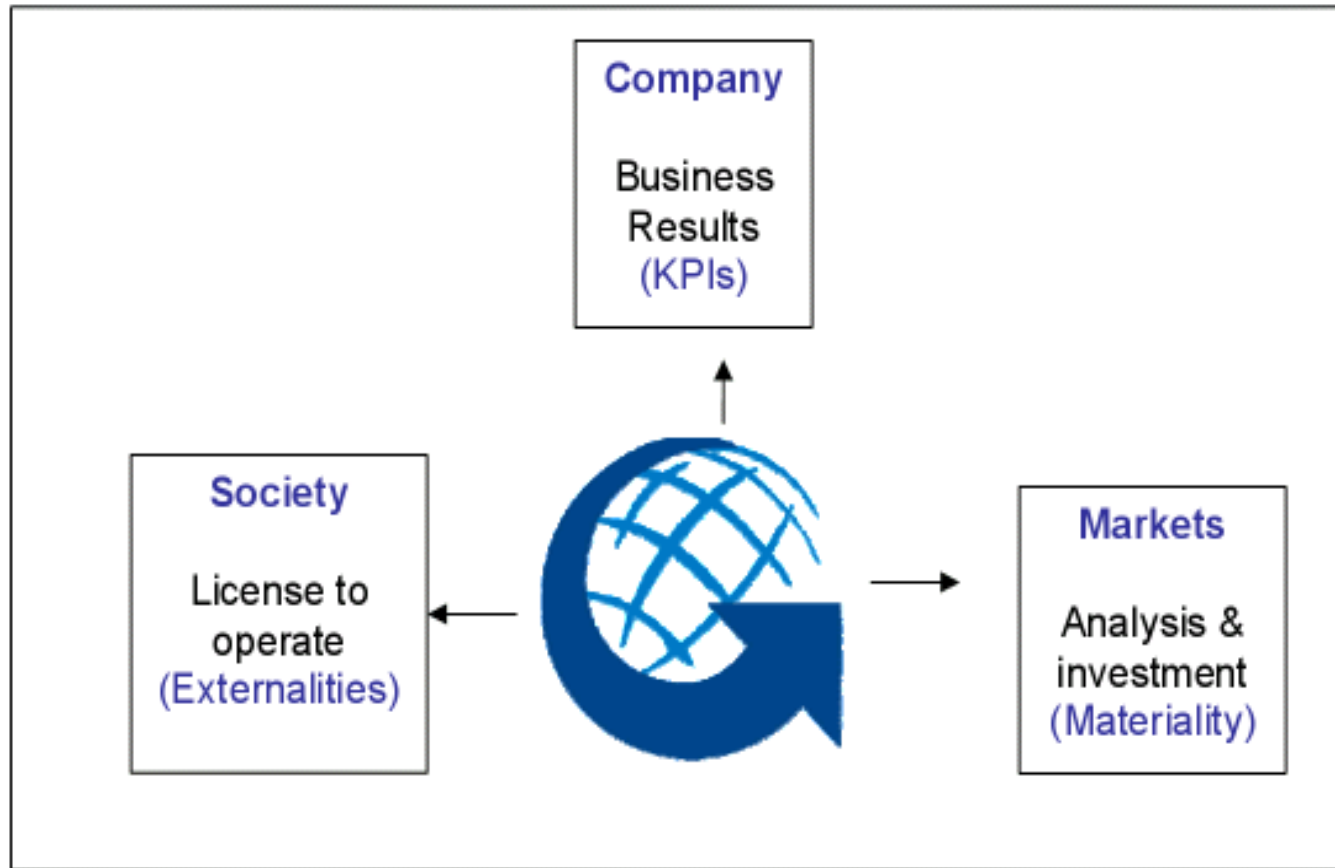
# International Roadmap of CER/CSR

Published Number of CER/CSR

5000  
4000  
3000  
2000  
1000  
500  
0



# Different groups have different needs



# Check list of Stakeholder-based CSR Themes

Stakeholder-based Categories							
Human Resources	Shareholders	Customers	Suppliers	Financial Partners	Public Authorities	Community	Environment
<b>CSRT hemes</b> Staff composition Turnover Equality of treatment Training Working hours Schemes of Wages Absence form Work Employees' benefits Industrial relations In-house communications Health and safety Personnel's satisfaction Workers rights Disciplinary measures and litigation	Capital stock formation Shareholders' / partners' pay Rating performance Corporate governance Benefits and services Investor relations	General characteristics Market development Customer satisfaction Customer loyalty Product/Services information and labeling Ethical & environmental product and services Promotional policies Privacy	Supplier management policies Contractual conditions	Relations with banks Relations with insurance companies Relations with financial institutions	Taxes and duties Relations with local authorities Codes of conducts and compliance with laws Contributions, benefits or easy-term financing	Corporate giving Direct contributions in the different intervention fields stakeholder engagement Relations with the media Virtual community Corruption prevention	Energy consumption Materials Emissions Environmental strategy and relations with the community

(Perrini, 2005)

# Perrini' report (2005) : Case Company Overview

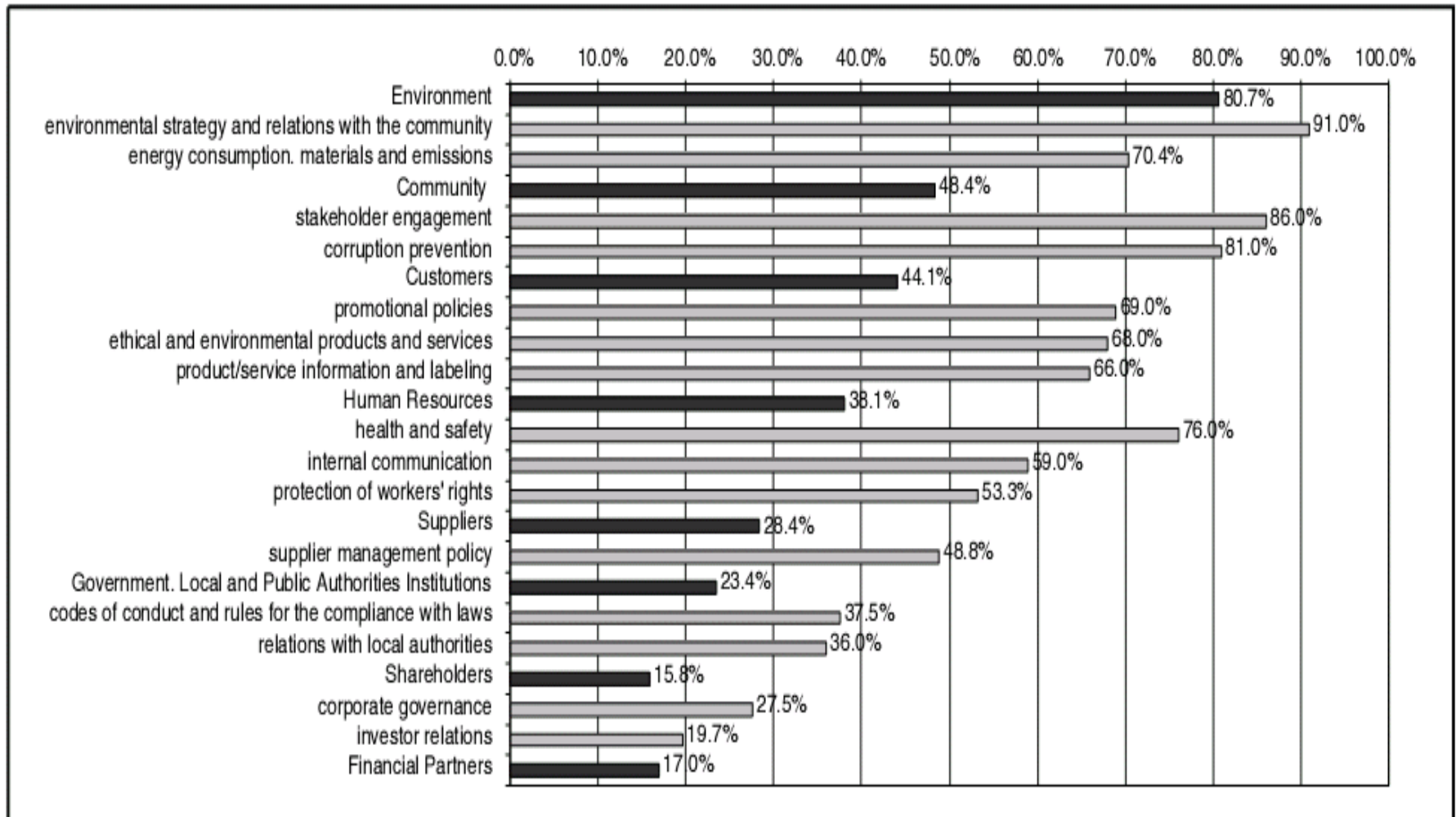


**FRANCESCO PERRINI**, Bocconi University "G. Pirelli" Department of Management, Viale Filippini 9, Milan, Italy 20122. E-mail: fperrini@unibocconi.it

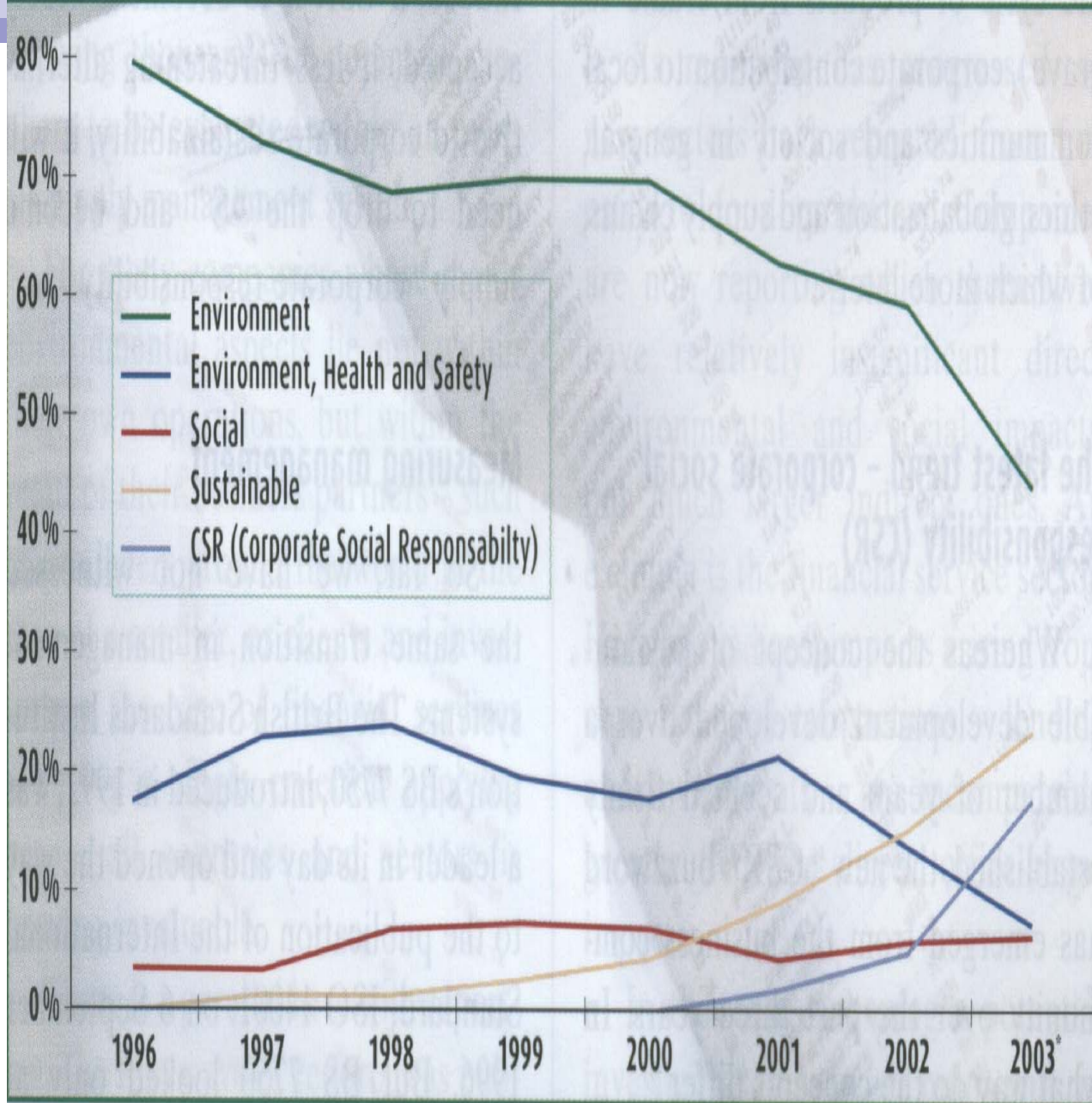
Francesco Perrini is Associate Professor of Management at Bocconi University, Milan, where he is also Senior Professor of Corporate Finance at the School of Management (SDA Bocconi) and Visiting Professor at the Wharton School, University of Pennsylvania. His work is concerned with the management of corporate development processes and social issues in management: corporate responsibility, social entrepreneurship and sustainable innovation.

Name	Industry	Country	Document's Name	Year	Adopted Reporting Standard
ABB LTD	General Industrials	SWITZERLAND	Sustainability Report	2003	GRI; AA1000
ABN AMRO HOLDING	Financials	NETHERLANDS	Sustainability Report	2003	GRI
AECON NV	Financials	NETHERLANDS	CSR Report	2003	GRI
AGFA GEVAERT NV	Non Cyclical Consumer Goods	BELGIUM	Environmental Report	2003	None
ARCELOR	Basic Industries	FRANCE	Sustainability Report	2003	None
AXA	Financials	FRANCE	Sustainability Report	2003	None
BANCHE POPOLARI UNITE SCRL	Financials	ITALY	Social & Environmental Report	2003	ABI; GRI
BANCO POPOLARE DI VERONA E N	Financials	ITALY	Social Report	2003	GBS; ABI
BANCO SANTANDER CENTRAL HISP	Financials	SPAIN	CSR Report	2003	GRI
BAYERISCHE MOTOREN WERKE AG	Cyclical Consumer Goods	GERMANY	Sustainability Report	2003	GRI
BG GROUP PLC	Resources	UNITED KINGDOM	Social & Environmental Report	2003	None
BHP BILLITON PLC	Resources	UNITED KINGDOM	HSE Report	2003	GRI
BNP PARIBAS	Financials	FRANCE	Sustainability Report	2003	None
BOC GROUP PLC	Basic Industries	UNITED KINGDOM	CSR Report	2003	GRI
BOOTS GROUP PLC	Cyclical Services	UNITED KINGDOM	CSR Report	2003	GRI
BP PLC	Resources	UNITED KINGDOM	Sustainability Report	2003	GRI; AA1000
BRITISH AMERICAN TOBACCO	Non Cyclical Consumer Goods	UNITED KINGDOM	Social Report		GRI
BRITISH TELECOMMUNICATIONS	Non Cyclical Services	UNITED KINGDOM	Social & Environmental Report	2003	None
CARREFOUR SA	Non Cyclical Services	FRANCE	Sustainability Report	2003	GRI
CASINO GUICHARD PERRACHON	Non Cyclical Services	FRANCE	Sustainability Report	2003	GRI
CENTRICA PLC	Utilities	UNITED KINGDOM	CSR Report	2003	None
CIBA SPECIALTY CHEMICALS-REG	Basic Industries	SWITZERLAND	CSR Report	2004	None
CITIGROUP	Financials	UNITED KINGDOM	Social Report	2003	GRI
DANONE	Non Cyclical Consumer Goods	FRANCE	Social & Environmental Report	2002	None
DEUTSCHE BANK AG -REG	Financials	GERMANY	CSR Report	2003	GRI
DEUTSCHE POST AG-REG	Cyclical Services	GERMANY	Environmental Report	2003	None
DEXIA	Financials	BELGIUM	Sustainability Report	2003	GRI
DIAGEO	Non Cyclical Consumer Goods	UNITED KINGDOM	Social Report	2003	GRI
DOW EUROPE	Basic Industries	BELGIUM	CSR Report	2002	GRI
ELECTROLUX AB-SER B	Cyclical Consumer Goods	SWEDEN	Sustainability Report	2003	None
ENEL SPA	Utilities	ITALY	Sustainability Report	2003	CSR-SC; GRI; AA1000
ENI SPA	Resources	ITALY	HSE Report	2003	Fondazione Mattei
ESSILOR INTERNATIONAL	Non Cyclical Consumer Goods	FRANCE	Sustainability Report	2003	GRI
EXEL PLC	Cyclical Services	UNITED KINGDOM	Environmental Report	2003	None
FRANCE TELECOM SA	Non Cyclical Services	FRANCE	Sustainability Report	2003	None
FRANCE TELECOM SA	Financials	UNITED KINGDOM	CSR Report	2003	None
GAS NATURAL SDG SA	Utilities	SPAIN	CSR Report	2003	GRI
GLAXOSMITHKLINE PLC	Non Cyclical Consumer Goods	UNITED KINGDOM	CSR Report	2003	None
GUS PLC	Cyclical Services	UNITED KINGDOM	CSR Report	2003	None
HENKEL KGAA	Non Cyclical Consumer Goods	GERMANY	Sustainability Report	2003	None
HENNES & MAURITZ AB-B SHS	Cyclical Services	SWEDEN	CSR Report	2003	GRI

# Top Down Stakeholder Categories and Main CSR Themes in EU



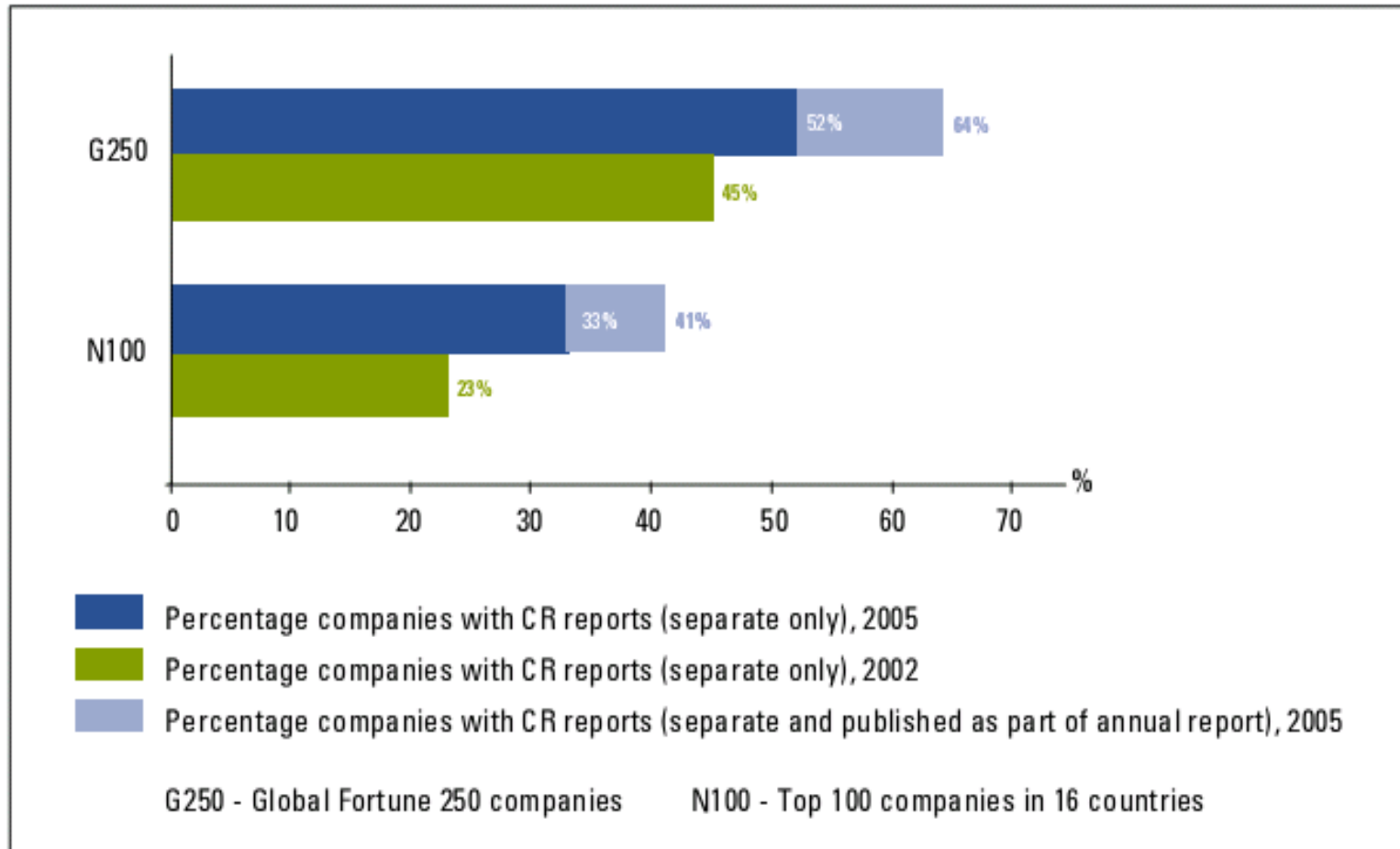
(Perrini, 2005)



Evolution in the types of corporate non-financial reports published over the period 1996-2003 - based on 3 879 reports, received to 30 June 2003.

(Source: CorporateRegister.com, July 2003.)

Figure 1: Corporate responsibility (CR) reporting,  
Global 250 and Top 100 in 16 countries (2002, 2005)





# KPMG International Survey of Corporate Responsibility Reporting 2005

June 2005

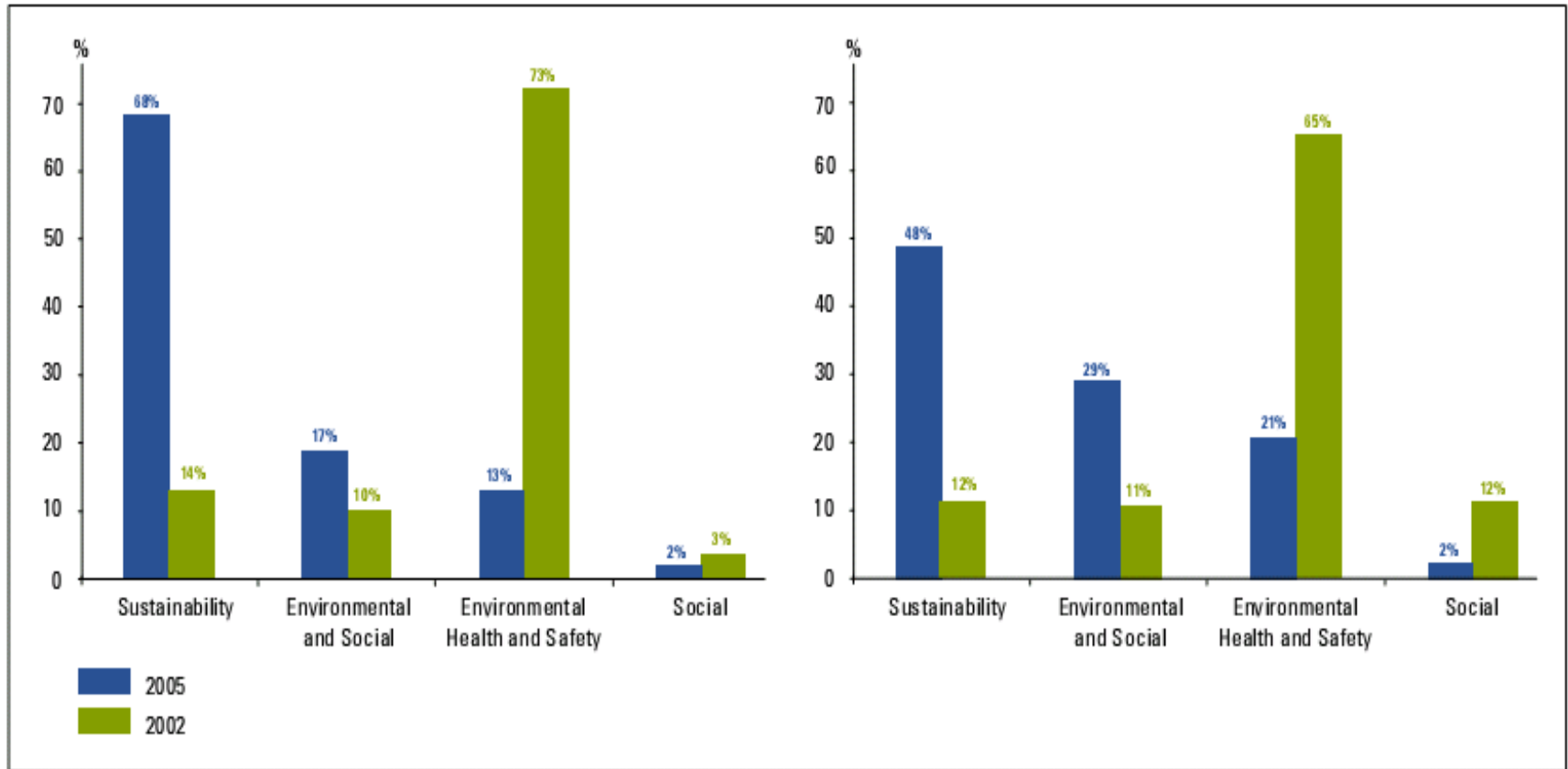


Figure 2a: Type of corporate responsibility (CR) reports, Global 250 (2002, 2005)

Figure 2b: Type of corporate responsibility (CR) reports, Top 100 in 16 countries (2002, 2005)

KPMG International Survey of Corporate Responsibility Reporting 2005

June 2005

Corporate responsibility (CR) reporting trend by country, Top 100 in 16 countries (2002, 2005)

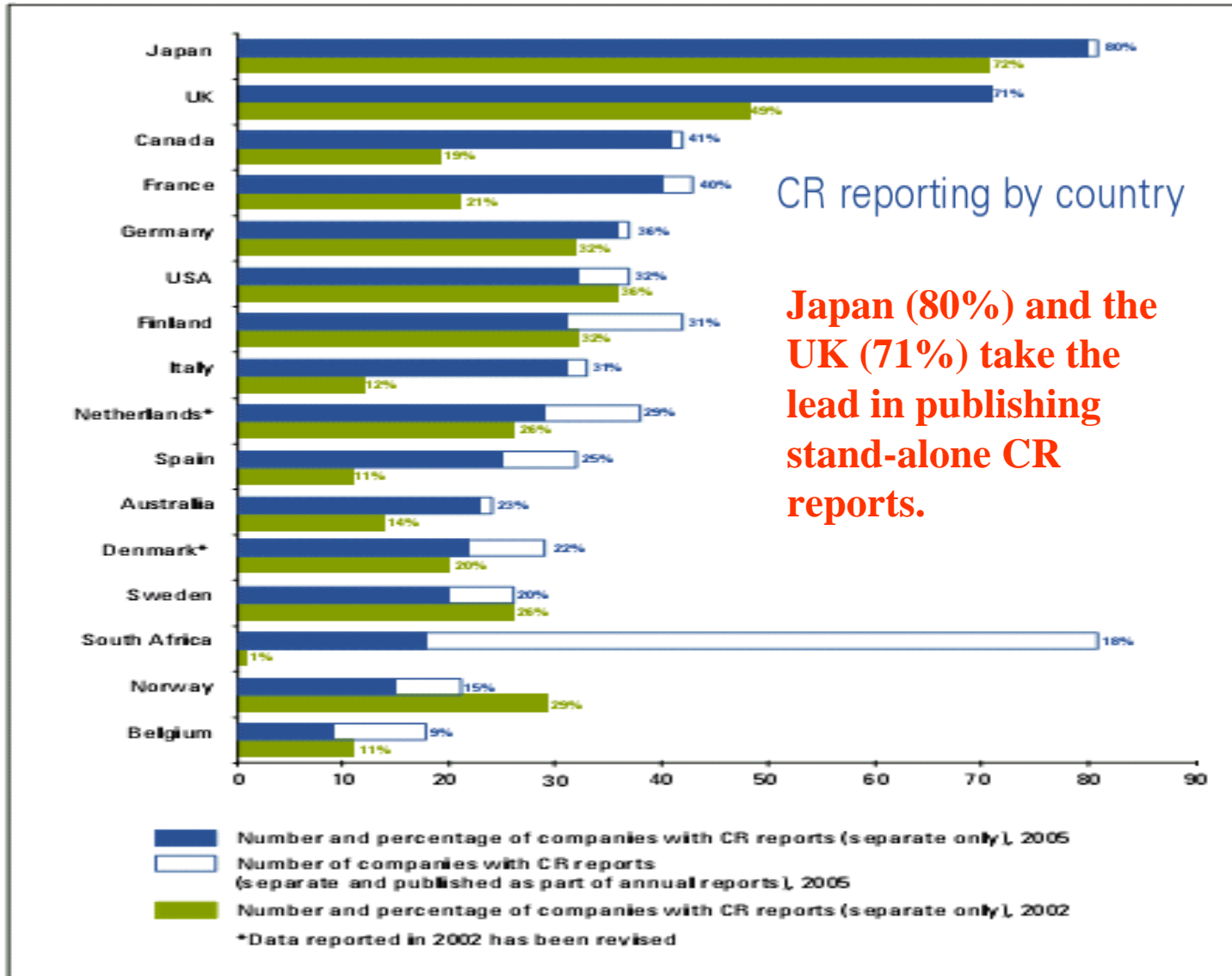
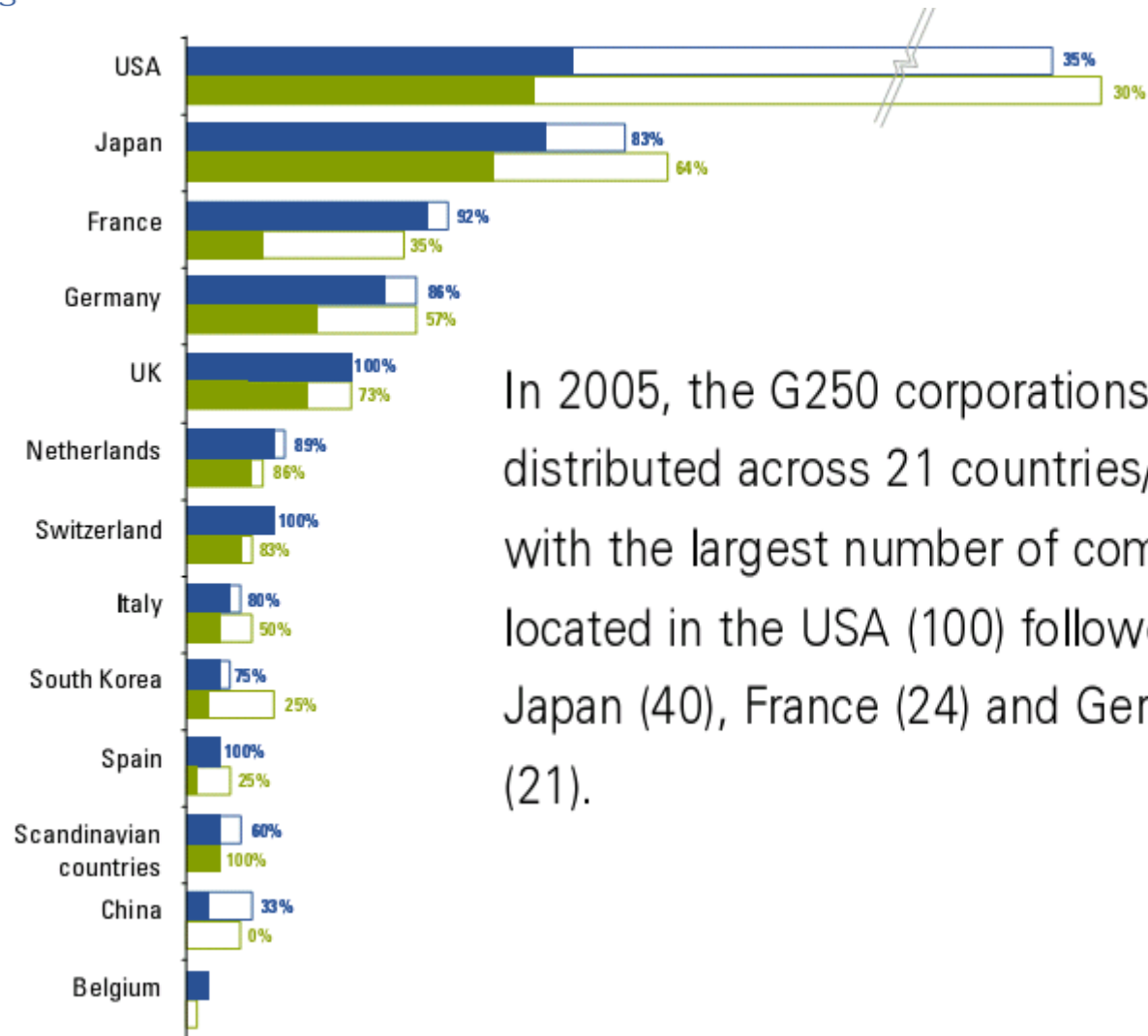


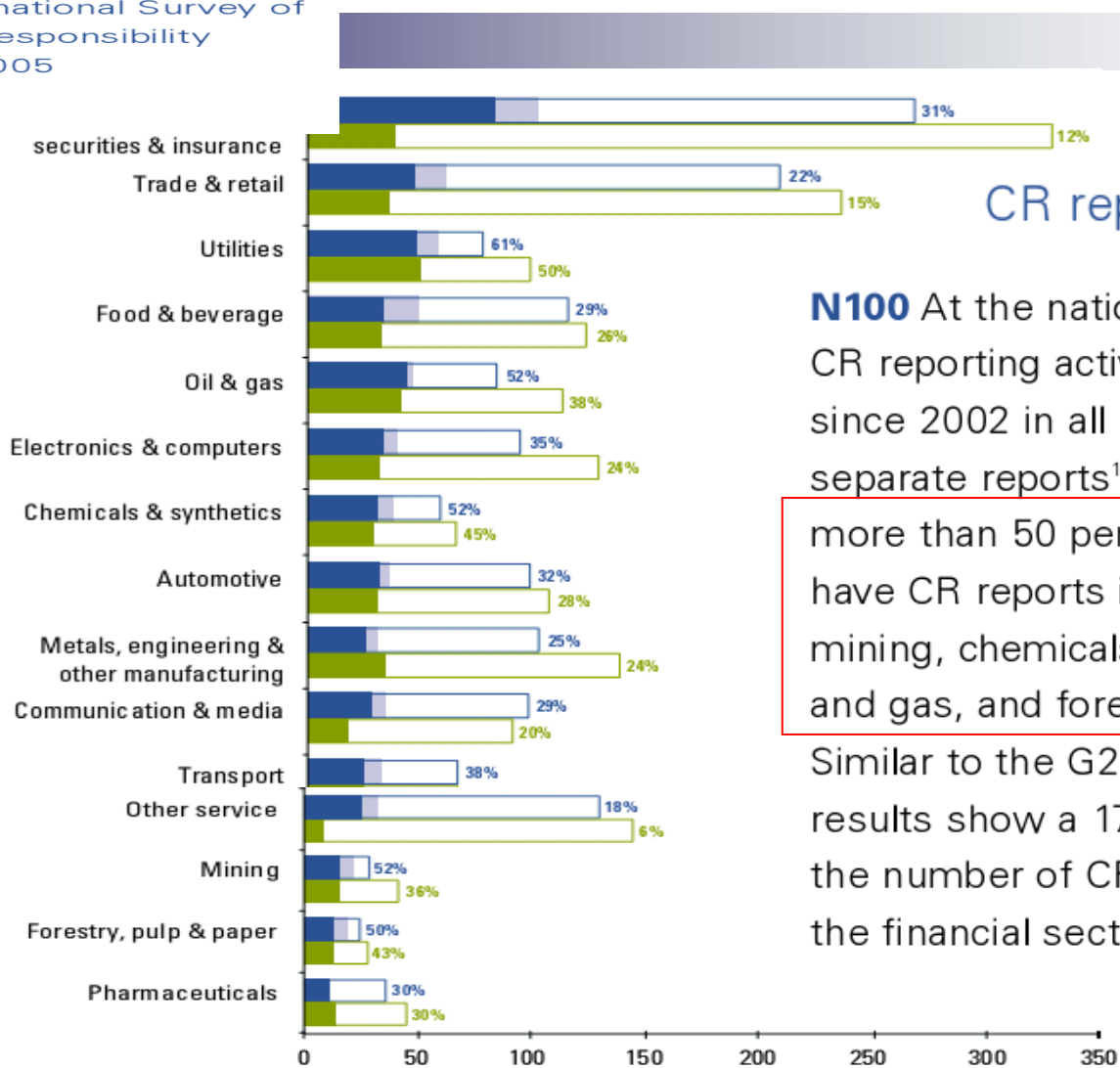
Figure 3: Corporate responsibility (CR) reporting trend by country, Top 100 in 16 countries (2002, 2005)

June 2005



In 2005, the G250 corporations are distributed across 21 countries/regions with the largest number of companies located in the USA (100) followed by Japan (40), France (24) and Germany (21).

Geographical distribution of reporting companies, G250 (2002, 2005)



## CR reporting by sector

**N100** At the national level (Figure 5), CR reporting activity has increased since 2002 in all but one sectors for separate reports<sup>11</sup>. Sectors in which more than 50 percent of companies have CR reports include utilities, mining, chemicals and synthetics, oil and gas, and forestry, pulp and paper. Similar to the G250 results, the N100 results show a 170 percent increase in the number of CR reports published by the financial sector (31 percent).

- Number and percentage of companies with CR reports (separate only), 2005
- Number of companies with CR reports (separate and published as part of annual reports), 2005
- Total number of companies in the sector, 2005
- Number and percentage of companies with CR reports (separate only), 2002
- Total number of companies in the sector, 2002

\*Data reported in 2002 has been revised



## Asia

CR reporting practice in Asia is slow but growing; Japan being the biggest 'outlier' to this generalization. For a number of years, CR reporting in Japan has far surpassed that of Western countries. The picture in the rest of Asia is quite different. Although CR reporting in South Korea has taken off considerably in the past two years, it has still to take root in many other countries including India, Pakistan, Bangladesh, Sri Lanka, Malaysia, Indonesia, Singapore and Thailand.

CR reporting in Asia outside Japan is largely encouraged by Asian subsidiaries of multinational companies, and is generally restricted to large local corporations from sectors with a high environmental impact such as oil and gas, chemicals and steel. Many local companies, driven by the supply chain requirements of multinational companies, are also beginning to show interest in CR reporting, as they hope to win these multinationals as their customers. In the Asian cultures where public recognition plays a very important role, award schemes like the Association of Chartered Certified Accountants (ACCA) corporate reporting awards in Sri Lanka, Malaysia, Pakistan and Hong Kong are a significant stimulus.

CR reporting activity in two of Asia's fastest growing economies is described below:

- In India, although CR reporting is not mandatory, a small but sizeable number of both subsidiaries of multinationals and local companies in, for example, the steel, automotive and entertainment industries are publishing CR reports mostly based on GRI guidelines. However, most CR activities of these companies are focused on community initiatives rather than governance, risk and disclosure.
- In Mainland China, CR reporting is almost non-existent, but this is expected to change as China continues to expand foreign trade, seek overseas listings and as multinational companies increase sourcing of products from Chinese suppliers. In 2002, the GRI guidelines were published in Chinese to encourage local companies to report. At the moment, several Chinese banks publish CR reports as part of the banking sector's reform in anticipation of privatization.

## Latin America

Developments in the CR field in Latin America are at an early stage. In Latin America there are at present about 20 CR reports, with 80 percent of these concentrated in Brazil, Chile, Argentina and Mexico. Reporting sectors are diverse, with the most active sectors being tobacco and mining, followed by construction and forestry. CR reporting is mainly restricted to large companies. Seven of the 10 largest companies operating in the region produce a report on the CR activities. Report titles vary, but they all signify a balanced approach to sustainability reporting recommended by the GRI guidelines. In Latin America, there is also a strong tendency for obtaining external assurance of CR reports, with more than half of the reports currently having been verified.

Main proponents of corporate responsibility in Latin America are private sector institutions, with weak impetus from the government<sup>12</sup>. Unlike some other emerging regions, reporting practice is considerably higher among companies with Latin-American headquarters than for local subsidiaries of multinational companies.





## Africa

With the sole exception of South Africa, where mining, food and beverage, retailing, and insurance sector companies have been producing environmental and corporate citizenship reports for several years, public reporting by companies on their CR performance is still a comparatively new concept in Africa. However, it appears that South Africa is not lagging far behind the rest of the world. Of the 642 reports listed on GRI's website, 31 are from companies operating in Africa, nearly double the number (19) from South and Central America, the Caribbean and the Middle East combined. It should be noted however, that with the exception of those reports from South Africa, the five other African reports are produced by wholly-owned subsidiaries of UK-based tobacco and alcohol companies.



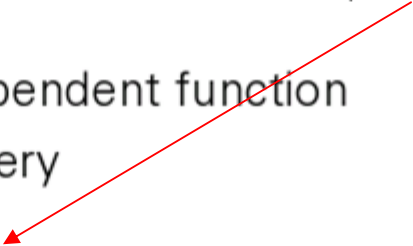
# CR reporting: drivers and issues

**Table 1 Drivers for corporate responsibility**

Driver	%
Economic considerations	74
Ethical considerations	53
Innovation and learning	53
Employee motivation	47
Risk management or risk reduction	47
Access to capital or increased shareholder value	39
Reputation or brand	27
Market position (market share) improvement	21
Strengthened supplier relationships	13
Cost saving	9
Improved relationships with governmental authorities	9
Other	11

**Table 2 Corporate governance**

Topic	Regulatory	%
Code of conduct or code of ethics	developments, such as the 2002 Sarbanes-Oxley Act, the forthcoming	67
Section in report on corporate governance	Operational Financial Review (OFR)	61
Link between corporate governance and CR	requirements in the UK and the EU	53
CR structure within the organization	Directive requiring the inclusion of	32
Ultimately responsibility for CR	environmental and social matters in	30
Separate CSO or CR unit	annual reports, all contribute to the	29
Whistleblower/ombudsman/other independent function	increased reporting on this subject.	29
Codes related to corruption and/or bribery		18
Link between Sarbanes-Oxley and CR		6



**Table 3 Materiality: how companies select content of CR report**

Reference	%
GRI guidelines	40
Stakeholder consultation	21
Other (e.g. national standards and regulations)	13
Business Principles	3
AA 1000 principles	<1
Risk Assessment	<1

The survey showed that a second most important input for deciding the issues to report, particularly for the Japanese (18 reports) and French (4 reports), are national standards and regulations (13 percent). It is interesting that these reports still state that the report is seen as the starting point for dialogue with stakeholders.

## Table 4 Stakeholder engagement

### Topic



in Table 4, more than 57 percent of the organizations include information on stakeholders in their CR reports, but only 39 percent refer to structured stakeholder dialogue.

%

Key stakeholders mentioned	57
Structured stakeholder dialogue	39
Specific feedback on the report from stakeholders	32
Company publicly responds to stakeholder feedback	8
Stakeholders identification	7
Company measures impact of report via stakeholders dialogue	6

# Benchmarking Target in 2005 KPMG Report

## Toyota Motor Corporation, Environmental & Social Report 2004



### Toyota Motor Corporation, Environmental & Social Report 2004

Toyota Motor Corporation (Toyota) issued its first environmental report in 1998. When responding to the challenge of CR, the environment has always been a top priority for Toyota. In fact, developing environmentally friendly technology is also seen as one of Toyota's key societal responsibilities. This vision is clearly reflected in Toyota's CR reports. However, since the 2003 financial year Toyota has extended the scope of the reports to include both social and economical aspects of the company's CR performance.

The 2004 report thoroughly discusses the environmental management and impact of Toyota's activities in most of its business functions from Design to Sales/After Sales. The report presents environmental data and achievements against both its past and future goals. The report also discusses Toyota's second-generation hybrid vehicle, Prius, which has received high acclaim and support from a wide spectrum of stakeholders, including some environmental NGOs.

But what is most interesting is that in the 2004 report Toyota specifically addresses social topics in relation to its customers, employees, business partners, shareholders and society at large. Toyota sees this as a first step only to be enhanced over time to further improve its *accountability* which is the company's main driver for reporting both environmental and social performance.

"In the future, Toyota plans to continue enhancing disclosure of information both the environmental and social aspects of its activities"

– Kosuke Shiramizu, Executive Vice President, Toyota Motor Corporation

# Benchmarking Target in 2005 KPMG Report

## Ford Motor Company, 2003/4 Corporate Citizenship Report



### Ford Motor Company, 2003/4 Corporate Citizenship Report

Since Ford issued its first Corporate Citizenship report in 1999, it has seen the role of its reporting change. What started as a sign of commitment and a stake in the ground on issues such as climate change and human rights is becoming more and more a consistent and systematic discussion of Ford's economic, environmental and social performance.

The 2004 report clearly addresses the most important sector issues like sustainable mobility, hybrid cars, fuel economy, vehicle safety and diversity. Furthermore, interesting sections explore such key issues as protection of human rights in the supply chain, developments in China and responding to the threat of HIV/AIDS.

The report shows a remarkable candor in addressing challenges and presenting both quantitative and qualitative information. It touches, for example, on not meeting a goal of improving SUV fuel economy and includes several outside perspectives, including critical ones. According to Ford, some challenges revolve around discussing the need for multi-sector cooperation and involvement of other actors, and encouraging more stakeholder groups and people to read the report.

"Reporting is part of a continuous improvement process, not an end in and of itself. While the report is certainly a means to communicate externally, surprisingly a good portion of its value comes from raising awareness and building alignment internally."

*-Tim O'Brien, Vice-President of Corporate Relations, Ford Motor Company*

"Accountability Rating 2005" placed TEPCO's report at No.7 among the world's 100 leading companies (the Global 100).

## Total Scores for the Global 100

Rating	Company	Score	Sector	Region
/	<b>BP</b>	56	<b>Oil</b>	<b>Europe</b>
0	<b>Royal Dutch/Shell Group</b>	50	<b>Oil</b>	<b>Europe</b>
1	<b>Vodafone</b>	5/	<b>Telecoms</b>	<b>Europe</b>
2	<b>HSBC Holdings</b>	41	<b>Financial services</b>	<b>Europe</b>
3	<b>Carrefour</b>	4.	<b>Merchandising</b>	<b>Europe</b>
4	<b>Ford Motor</b>	36	<b>Automotives</b>	<b>Nth Am</b>
5	<b>Tokyo Electric Power</b>	35	<b>Utilities</b>	<b>Asia</b>
6	<b>Électricité De France</b>	34	<b>Utilities</b>	<b>Europe</b>
7	<b>Peugeot</b>	34	<b>Automotives</b>	<b>Europe</b>
/.	<b>Chevron</b>	33	<b>Oil</b>	<b>Nth Am</b>

**(TEPCO CSR, 2006)**

# Too much or too little?



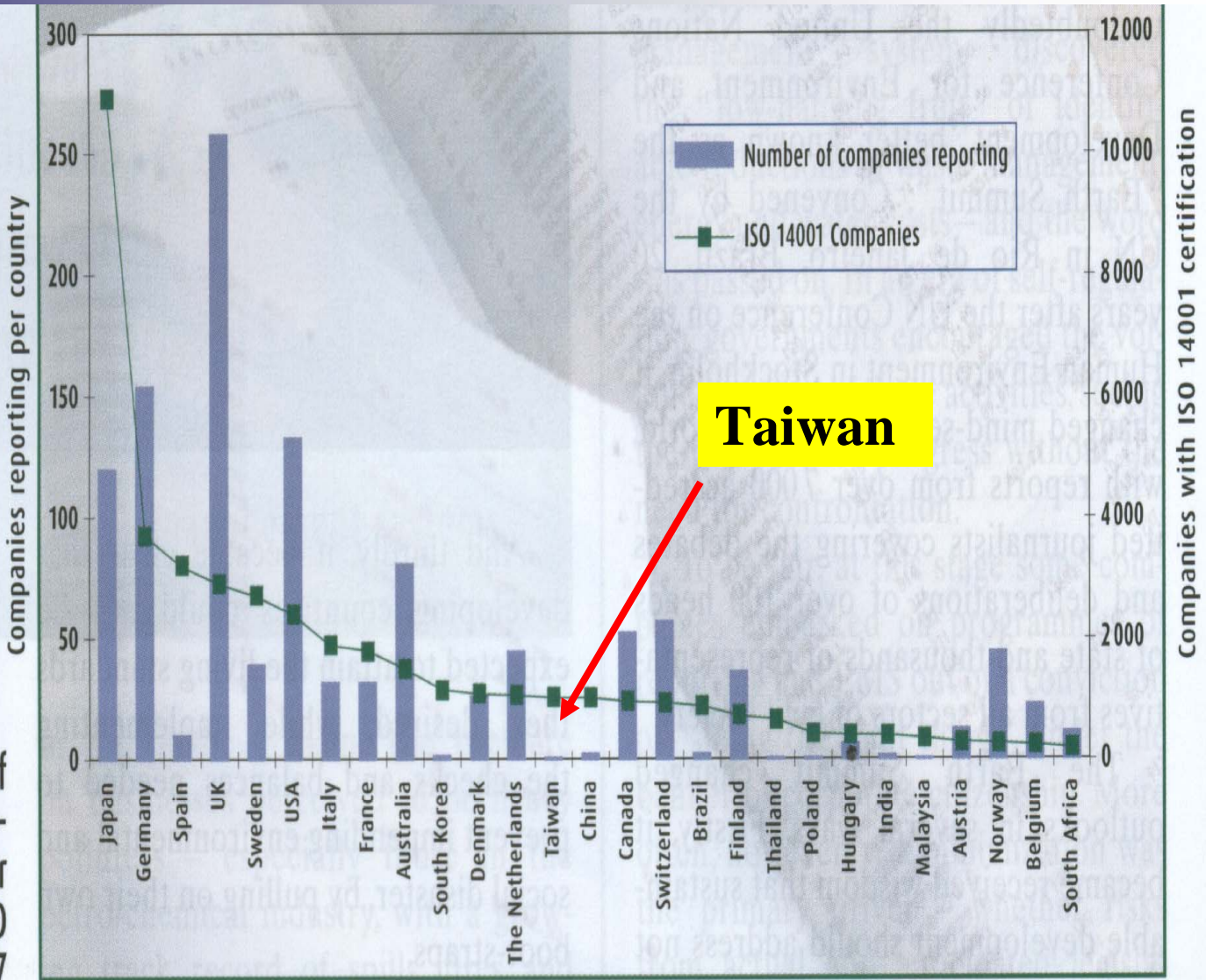
(ISO Management, 2003)



Too much  
or  
too little?

Comparison of number of companies publishing non-financial reports with number of companies holding ISO 14001 certification in 27 countries.

(Source: CorporateRegister.com, July 2003.)



# Main international organizations, standards, and trends



# Most internationally recognized CSR Organizations



World Business Council for Sustainable Development



Global Reporting Initiative™



Investors and Environmentalists for Sustainable Prosperity



GEMI®



International



**The Sustainability Report**

Affiliated with the Institute for Research and Innovation in Sustainability

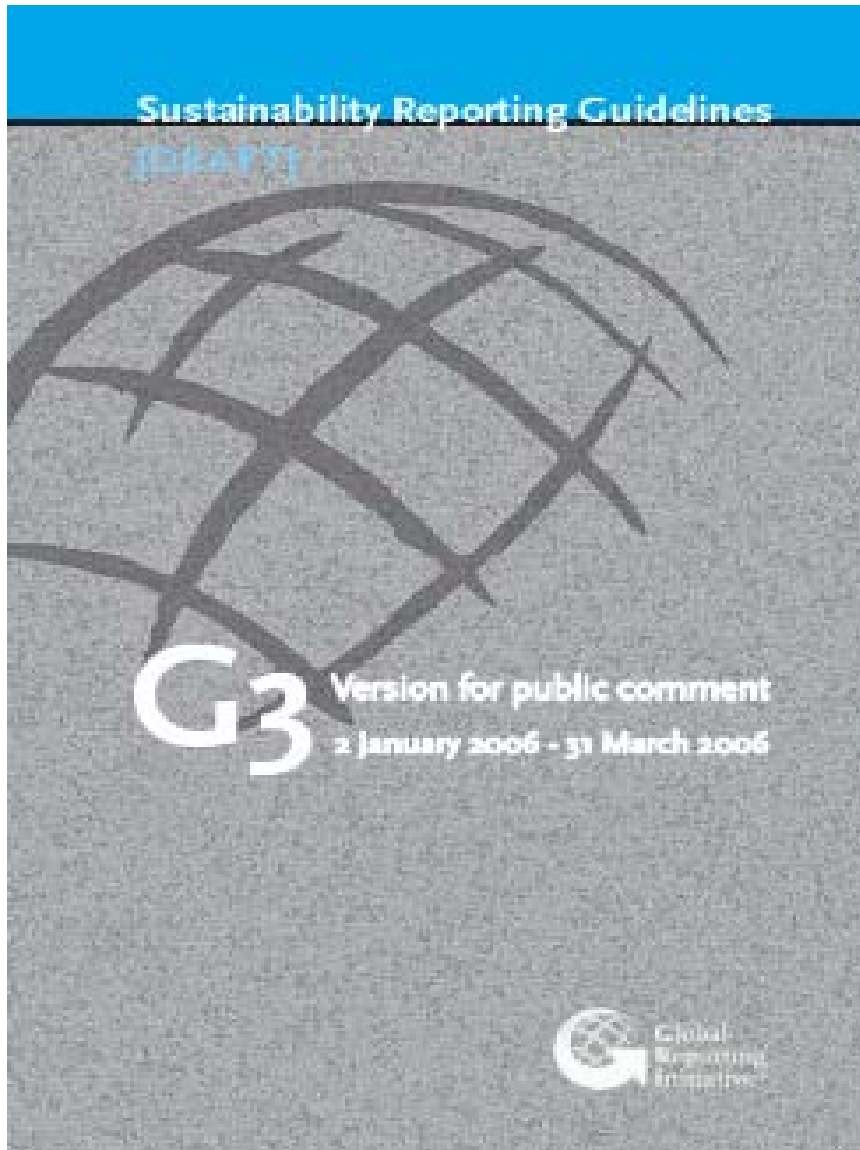
The issues and trends shaping Canada's health, economy and environment

**BSD** Business and Sustainable Development:  
**global.com** A Global Guide

# Guidelines and tools for Sustainability reporting

- The Sustainability Reporting Guidelines of the Global Reporting Initiative (**GRI**) 2006
- Framework for Public Environmental Reporting, an Australian approach (Environment Australia, 2000)
- General Guidelines on Environmental Reporting (UK DEFRA, 2001)
- Japanese Environmental Reporting Guidelines, Guidance for Publishing Environmental Reporting (Japan MOE, 2001)
- The CEFIC Responsible Care - Health, Safety and Environmental reporting guidelines (CEFIC, 1993)
- The WICE guidelines (WICE, 1995)
- CBI guideline: "Introducing environmental reporting (CBI, 1995)
- UNEP/Sustainability reports "Engaging Stakeholders" (UNEP/SustainAbility, 1996 )
- The Forum on Environmental Reporting (FEEM) Guidelines for preparation of company environmental reports (FEEM, 1995)
- The INEM Sustainability Reporting Guide: A Manual on Practical and Convincing Communication for Future-Oriented Companies (INEM, 2001), etc.

# GRI-G3 (2006)



## Table of Contents

---

<b>Overview of Sustainability Reporting</b> .....	4
Sustainable Development and the Transparency Imperative .	4
The purpose of a sustainability report.....	4
Orientation to the GRI Reporting Framework.....	4
Orientation to the GRI Guidelines.....	5
<b>Part 1: Report Content, Boundary, and Quality</b> .....	6
Defining Report Content .....	6
Guidance for Defining Report Content.....	6
Principles for Defining Report Content.....	6
Setting the Report Boundary.....	9
Quality of Reported Information .....	10
Principles for Ensuring Report Quality .....	10
<b>Part 2: Standard Disclosures</b> .....	13
Disclosure items.....	13
1: Strategy and Analysis.....	13
2: Organizational Profile.....	13
3: Report Parameters .....	14
4: Governance, Commitments, & Engagement .....	15
Disclosures on Management Approach and	
Performance Indicators .....	16
Economic Performance Indicators .....	16
Environmental Performance Indicators .....	17
Social Performance Indicators .....	19
<b>Part 3: Guidelines use and report compilation</b> .....	24
<b>Glossary</b> .....	26

# CERES CSR Guideline

- **Company profile**
- **Environmental policies, organization and management**
- **Workplace health and safety**
- **Community participation and accountability**
- **Product stewardship**
- **Supplier relationships**
- **Use of nature resources**
- **Emissions and wastes**
- **Compliance**
- **Priorities and challenges**

# Top Standards for Corporate Real Estate Professionals

- **GRI** - Global Reporting Initiative (GRI)'s Sustainability Reporting Guidelines set a globally applicable framework for reporting the economic, environmental, and social dimensions of an organization's activities, products, and services. It is the most widely used and internationally recognized standard for corporate sustainability measurement and reporting. (<http://www.globalreporting.org>)
- 
- **LEED** - The LEED (Leadership in Energy and Environmental Design) Green Building Rating System® is a voluntary, consensus-based national standard for developing high-performance, sustainable buildings. ([www.usgbc.org/LEED/](http://www.usgbc.org/LEED/))
- 
- **Dow Jones Sustainability Index** – Dow Jones Sustainability Index (DJSI) is described as the first global index tracking the financial performance of the leading sustainability-driven companies worldwide. (<http://www.sustainability-index.com>)

# Top Standards for Corporate Real Estate Professionals (Cont'd)

- **FTSE4Good** – The FTSE4Good Index Series was created by FTSE, a respected global financial index company based in Britain, in response to the increasing interest in SRI. It is widely used by investors and asset managers, especially in Europe, and increasingly in Asia. (<http://www.ftse.com/ftse4good/index.jsp>)
- 
- **Smart Growth Network** – The Smart Growth Network (SGN) was formed in response to increasing community concerns about the need for new ways to grow local communities while boosting the economy, protecting the environment, and enhancing community vitality. Numerous states and municipalities have endorsed the approach in their development strategy. (<http://www.smartgrowth.org>)
- 
- **Equator Principles** – The Equator Principles is a framework for financial institutions to manage environmental and social issues in project financing. The Principles are intended to serve as a common baseline for the implementation of individual, internal environmental and social procedures and standards for project financing activities across all industry sectors globally. (<http://www.equator-principles.com>)

(GEMI, 2006)



# Current Development of Global Reporting Activities

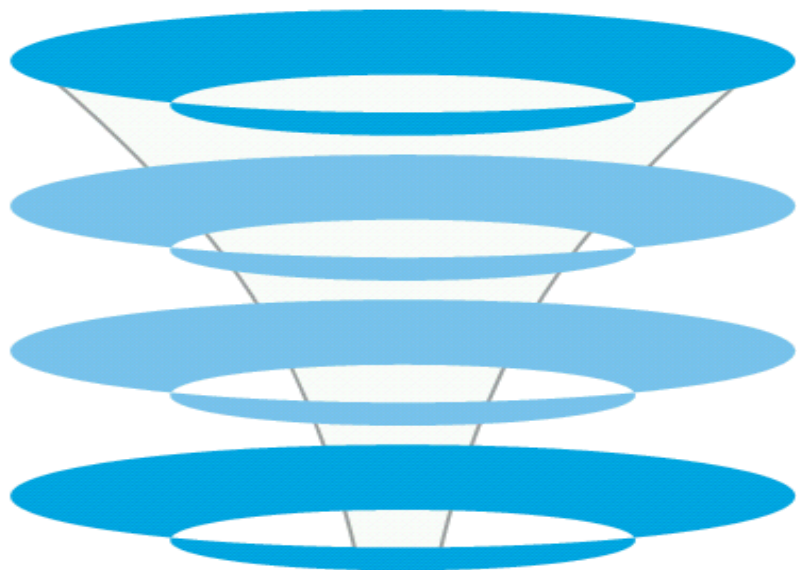
- GRI Guideline **G2 upgrade to G3**
- GRI/UNGCP **G3 Guidelines to Communicate Progress with the UN Global Compact Principles**
- GRI **Public Agency Sustainability Reporting**
- CERES/GRI **Facility Reporting Project (FRP)**
- **On-line Reporting Activities**
- GEMI's Corporate **Transparency Work Group**
- **Third-party Assurance Activities for CSR**



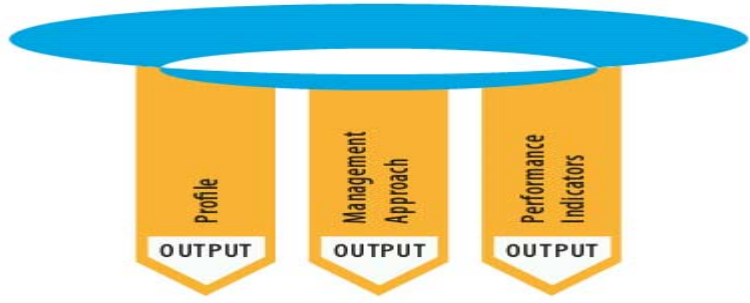
# In October 2006, the G3 Guidelines were released and replaced the 2002 Guidelines.

- Amsterdam, 5 October 2006.
- Global Reporting Initiative G3 Sustainability Reporting Guidelines launched
- A new global reporting standard – business and investors call for widespread use
- The next generation framework for businesses and other organizations to **report on tough issues like climate change, corporate governance, and child labor** is launched today by the Global Reporting Initiative (GRI).
- GRI's third iteration ("G3") *Sustainability Reporting Guidelines* (previous releases in 2000 and 2002) are **a landmark in the ongoing history of sustainability reporting and corporate social responsibility**.
- The G3 Guidelines build upon the tried and proven 2002 Guidelines, which **are in use by upwards of 1000 organizations**.
- The Guidelines are widely recognized for bringing sustainability reporting into the business mainstream.
- The new G3 Guidelines are **simpler**, help organizations focus on **material issues** and support improved sustainability performance.
- They are **harmonized with the UN Global Compact**, are more useful for investors and analysts, and bring corporate governance into sharp focus.

Principles and Guidance



# Overview of the GRI/G3 Guidelines



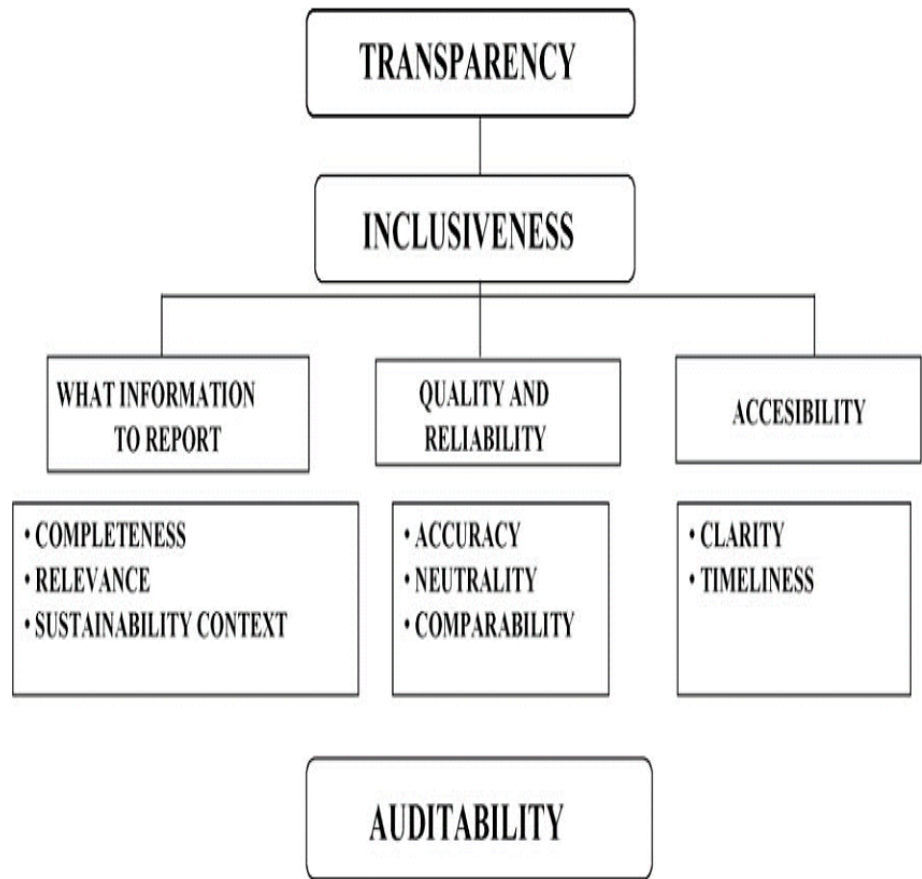
Focused Sustainability Report

(GRI/G3, 2006)

# GRI-G3 Reporting Framework



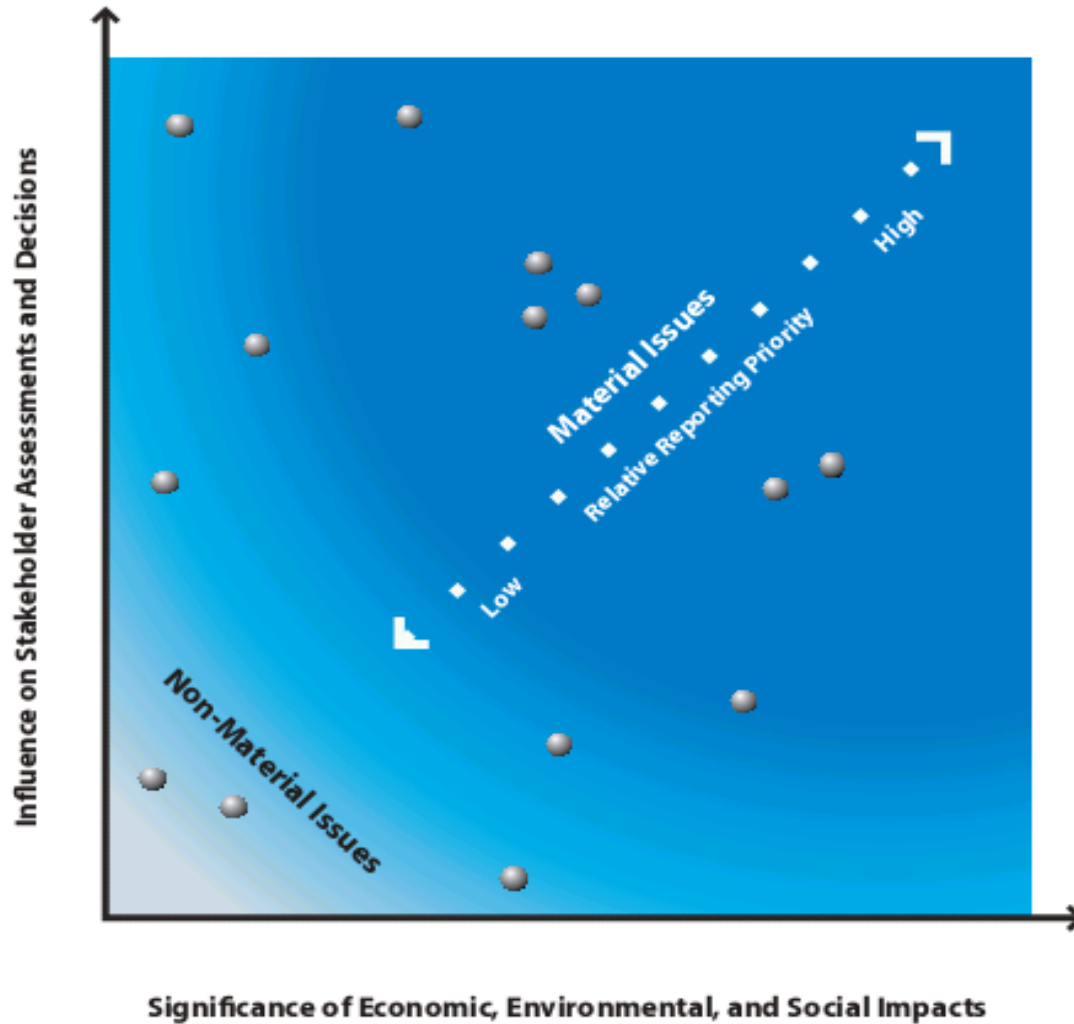
# GRI Reporting Principles



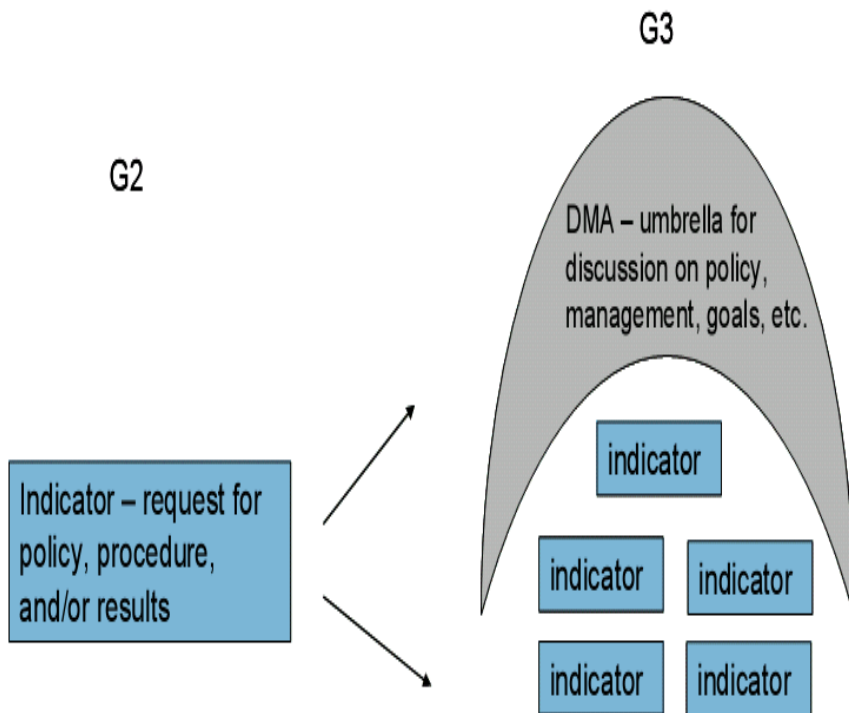
<http://www.globalreporting.org/ReportingFramework/AboutReportingFramework/G3ReportingFramework.htm>

(Moneva et al., 2006)

# Defining Materiality



(GRI/G3, 2006)



Indicator count:

G2 core	G2 additional	G3 core	G3 additional
50	47	47	32
Total: 97		Total: 79	

- A new type of disclosure mechanism was created in G3 to achieve the desired balance between consistency, and keeping indicators focused on eliciting performance oriented information: the “Disclosure on Management Approach” (DMA).
- The DMA provides the space for organizations to discuss the context for their performance results, including policies, procedures, targets, etc.



Search :

**Reporting Framework**

[About Reporting Framework](#)

[About G3](#)

**G3 Online**

[Defining Report Content](#)

[Defining Report Quality](#)

[Setting the Report Boundary](#)

[Profile](#)

[Disclosure on Management Approach](#)

[Performance Indicators](#)

[Sector Supplements](#)

[UNGC 2008 GRI](#)

## G3 Online

Below is the complete online Reporting Framework. It is the same information provided by the printed guidelines. Please view in any order that is appropriate for your needs.

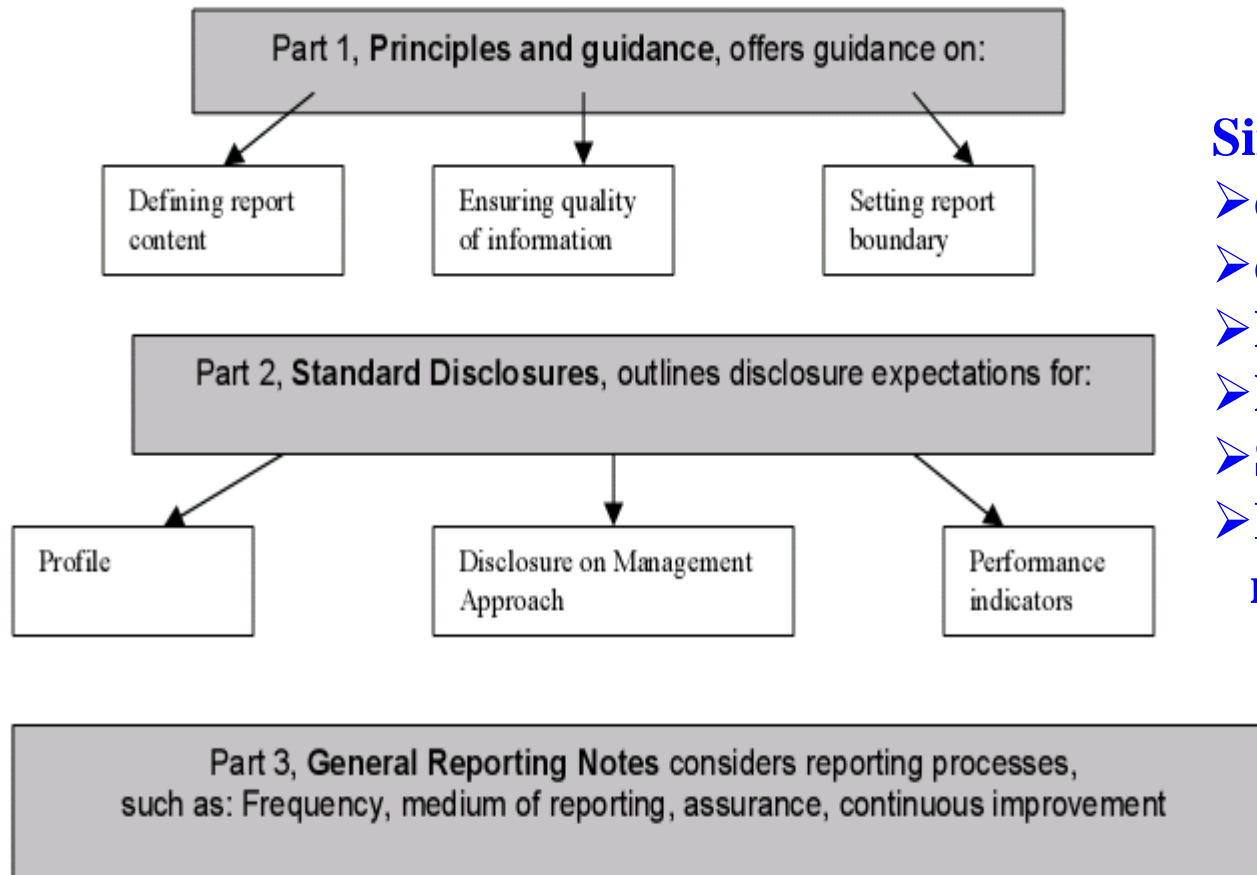
### Order a hardcopy of the G3 >

- [Defining Report Content](#)
- [Defining Report Quality](#)
- [Setting the Report Boundary](#)
- [Profile](#)
- [Disclosure on Management Approach](#)
- [Performance Indicators](#)
- [Sector Supplements](#)

### View Language-specific Guidelines

Select Language

# The G3 Guidelines contain:



**Six indicator sets:**

- economic,
- environment,
- human rights,
- labor,
- Society, and
- Product responsibility.



# G3 Guidelines to Communicate Progress with the UN Global Compact Principles (COP)



[http://www.globalreporting.org/NR/rdonlyres/0CF87463-ADAD-4CE5-AF95-B89243EB61E0/0/UNGCGRI\\_MakingTheConnection.pdf](http://www.globalreporting.org/NR/rdonlyres/0CF87463-ADAD-4CE5-AF95-B89243EB61E0/0/UNGCGRI_MakingTheConnection.pdf)

# G3 Guidelines to Communicate Progress with the UN Global Compact Principles (COP)

## Summary of Alignment Between COP Elements and G3 Guidelines

COP Element	G3 Guidelines Disclosures
A statement of continuing support for the Global Compact in a message from the Chief Executive Officer or other senior executive.	<b>Strategy and Analysis</b> Support for the Global Compact and how the ten principles influence the company's strategy can be presented in a CEO letter.
References, links or descriptions of <b>policies, commitments and systems</b> the company has created in order to implement the Global Compact principles in its operations.	<b>Governance, Commitments, Engagement</b> Descriptions of statements of mission or values, codes of conduct, and principles, and of charters, or other initiatives the company endorses that assist the company in addressing sustainability issues, along with high level processes for setting strategies, defining risk and opportunities, can be used to demonstrate commitment to implementation of GC principles.
	<b>Disclosure on Management Approach (DMA)</b> Overview of the company's management approach in each category (e.g. human rights) providing insight into how the GC principles are put into practice.
Description of practical actions that the participant has taken in the previous year to implement the ten Global Compact principles.	<b>Disclosure on Management Approach (DMA) and Select Performance Indicators</b> Explanation of management approach can also incorporate description of practical steps taken. Furthermore, select performance indicators ask for descriptions of actions in addition to quantitative data.
<b>Measurement of outcomes</b> using, as much as possible, standard indicators or metrics.	<b>Performance Indicators</b> Stating performance shows outcomes and results for economic, environmental and social categories. Performance on each of the GC principles is covered with one or more indicators.

# GRI Public Agency Sustainability Reporting

In September 2003, GRI launched a multi-phase, 15-month process to develop a pilot version of the Public Agency Sector Supplement.



## Public Agency Sustainability Reporting

A GRI Resource Document  
In Support of the Public Agency Sector Supplement Project

January 2004

# Why Public Agency Reporting?

- As new mechanisms for corporate accountability have begun to take shape, there have been calls – both from within and outside the public sector – for governments to demonstrate their leadership **not only through policies, but equally as important, through their own actions.**
- As significant employers, providers of services, and consumers of resources, **public authorities can have a major impact on national and global progress towards sustainable development.**

## Operational Impacts of Public Agencies

The direct impact of public sector operations on the economy, environment, and society are significant since this sector is typically one of the largest in countries around the world. The following are a few examples:

- Canada's federal government is the nation's largest single enterprise. It employs 224,000 people; owns 21.4 million hectares of land, 59,000 buildings and facilities, owns and operates 25,000 motor vehicles; and is responsible for more than \$8 billion in annual purchases of goods and services.
- The U.S. federal government owns one-third of the nation's land and is the largest consumer of energy. Its purchases total more than \$200 billion annually.
- In the United Kingdom, the government purchases £25 billion of goods and services annually.

# CERES/GRI Facility Reporting Project (FRP)

latest FRP  
news:

[US EPA supports FRP pilots with Performance Track facilities](#)

[Lockheed Martin Facility Joins FRP Pilot Test](#)

[Home](#)

[About the FRP](#)

[2005-2006  
Pilot Tests](#)

[Partnerships](#)

[FRP Reporting  
Guidance](#)

[Reporting  
Resources](#)

[Why Facility](#)

Welcome to the

# FRP

## Facility Reporting Project

We are a multistakeholder initiative developing

a generally accepted, facility-level environmental

<http://www.facilityreporting.org/>

# Why Facility-level Sustainability Reporting?

- Voluntary **organization-level** sustainability reporting is becoming a **basic expectation** for larger corporations and institutions; more than two thousand companies worldwide are now producing corporate-level environmental or sustainability reports.
- However, ***local needs are often not met by organization-level reporting.*** Reporting on corporate-wide emissions reductions or water conservation programs may provide some context about a company's priorities and progress, but has limited value for local stakeholders--communities, workers, NGOs, local government leaders and regulatory agencies--interested in site-specific impacts and accomplishments. **Meeting the needs of local stakeholders, including facilities themselves, requires facility-level information.**
- Facility-level reporting, however, is **currently in its infancy**--and where it does exist is fragmented and highly variable in quality and content.

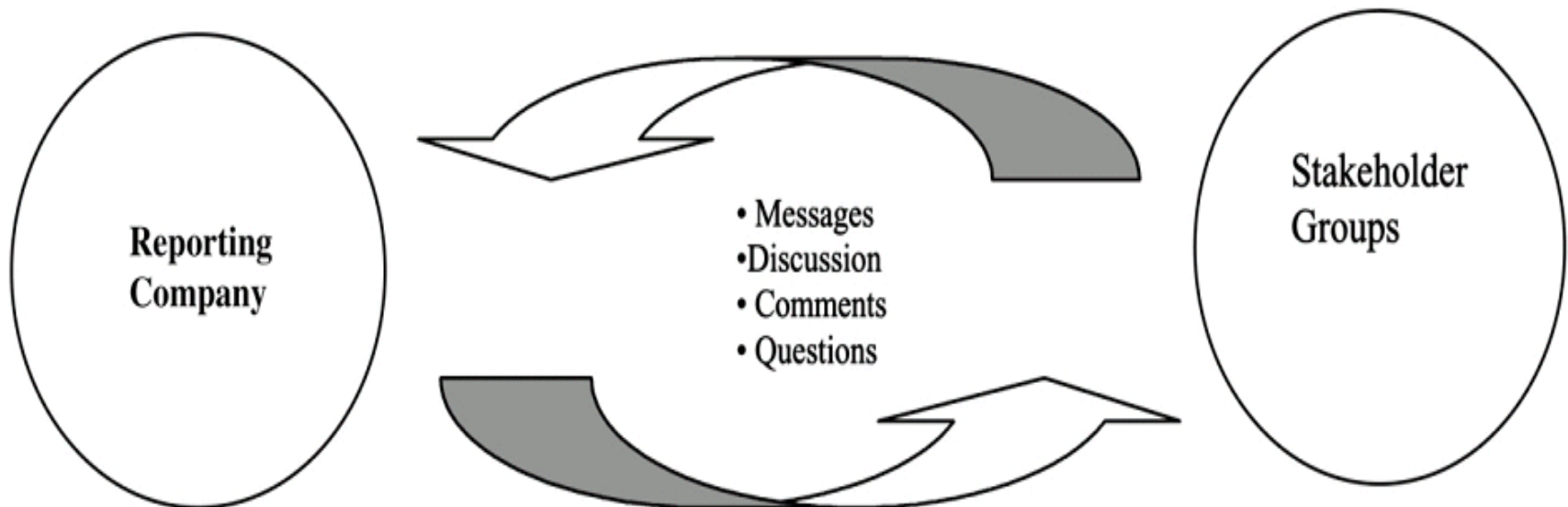
# CERES/GRI Facility Reporting Project (FRP)

Facility Reporting Project  
**SUSTAINABILITY REPORTING GUIDANCE**  
— *Pilot Draft* —

March 2005

<b>Overview of the FRP's Sustainability Indicators</b>	
<b>Major Category</b>	<b>Sub-category</b>
Economic Indicators	Payroll Taxes Donations Infrastructure investment
Environmental indicators	Materials Energy Water Biodiversity Emissions, Effluents & Wastes Compliance Overall
Social Indicators	Labor Practices & Decent Work Human Rights Society

# On-line Reporting Activities





# On-line Reporting Activities

**BSD** Business and Sustainable Development:  
**global.com** A Global Guide

Home » Current issues » Corporate reporting

Search

BSDglobal - Home

Current issues:

Corporate social responsibility (CSR)

Corporate reporting:

Global Responsibility

Stepping Forward

Coming Clean

Awards

Registry

An international standard for CSR

The European Union green paper

## On-line registry

An on-line archive of corporate sustainability reports, stretching back to the 1980s, has been developed as part of a joint project involving the German federal environment agency (Umweltbundesamt) and the London-based Next Step Consulting. It can be found at <http://www.corporate-register.com>.

Around two-and-a-half thousand reports have been documented on the site, which is searchable by company, year, sector or country. Also catalogued are any company affiliations, for example to the World Business Council for Sustainable Development or to the various sustainable development stock market indexes.

Headline figures from the archive reveal that the country with the largest number of reports published is the UK, followed by Germany, the US and Sweden.

For further details, contact Paul Scott ([post@nextstep.co.uk](mailto:post@nextstep.co.uk)) or Reinhard Peglau ([reinhard.peglau@uba.de](mailto:reinhard.peglau@uba.de)).

This site dev  
and hosted b

Case st  
Alphabet  
Cour  
Sec

Industry  
Sector-by  
list of use  
res

In the  
UK 'ethica  
posts recor

In  
Our pick fr  
sust  
business bo

[http://www.bsdglobal.com/issues/reporting\\_registry.asp](http://www.bsdglobal.com/issues/reporting_registry.asp)

# On-line Reporting Activities



This on-line archive of corporate sustainability reports, stretching back to the 1980s, has been developed as part of a joint project involving the German federal environment agency and the London-based Next Step Consulting.

## About This Site:

CorporateRegister.com is the world's largest online directory of corporate non-financial reports. These include Corporate Social Responsibility (CSR), sustainability, environmental and social reports. [More ...](#)

### Registered Users:

[Login HERE](#)

### New Users:

[Register for FREE access](#)

### Show me sample CSR reports

Find out more about these reports without having to [register](#) by accessing selected publications from our [PriorityReporters](#).

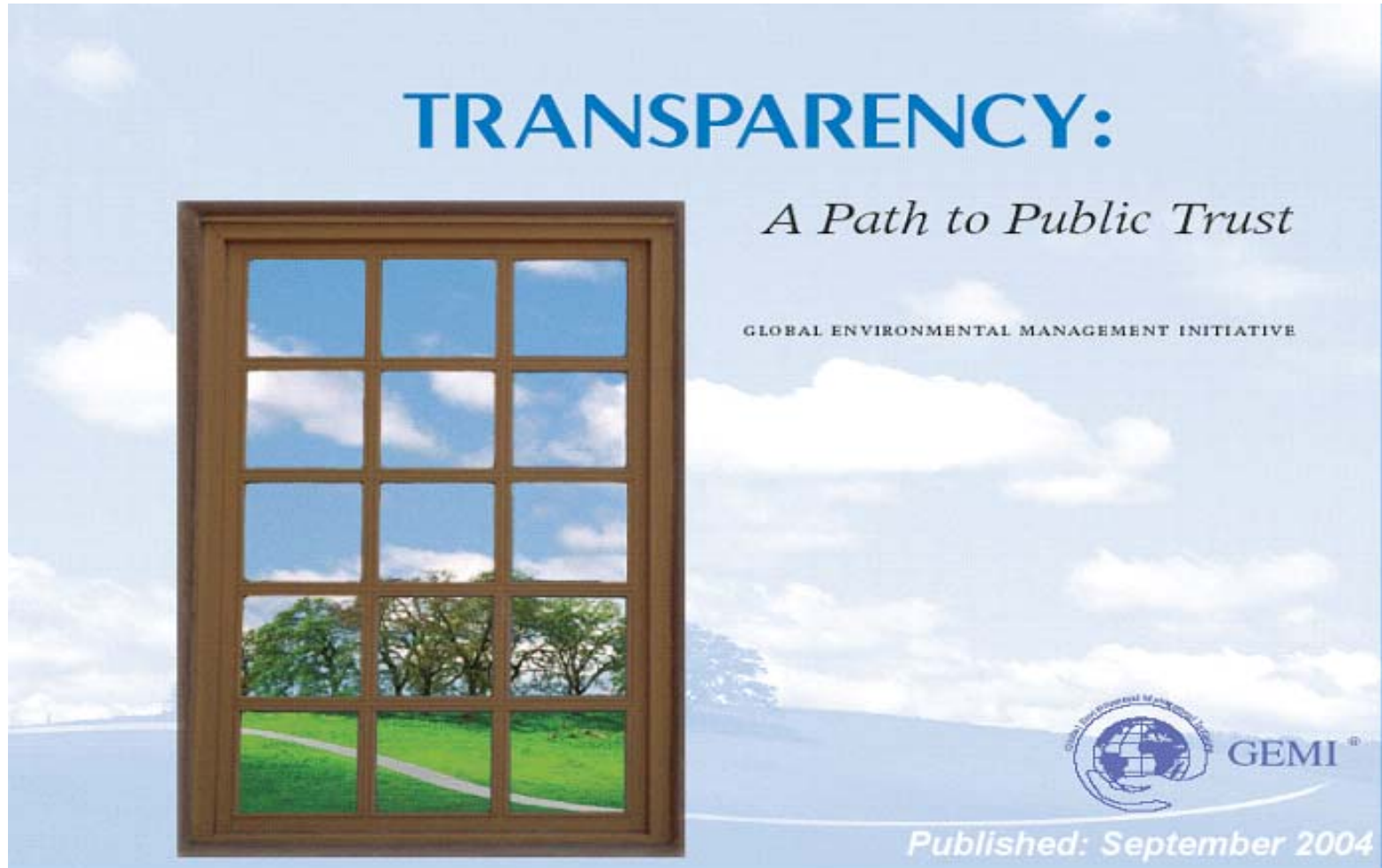
## Site Status for 5 Jan 2007:

We currently feature 12977 reports from 3553 different companies across 89 countries.

**12977 reports from 3553 different companies across 89 countries.**

<http://www.corporate-register.com/>

# GEMI's Corporate Transparency Work Group



Global Environmental Management Initiative (GEMI)

<http://www.gemi.org/GEMITranspOverview.pdf>

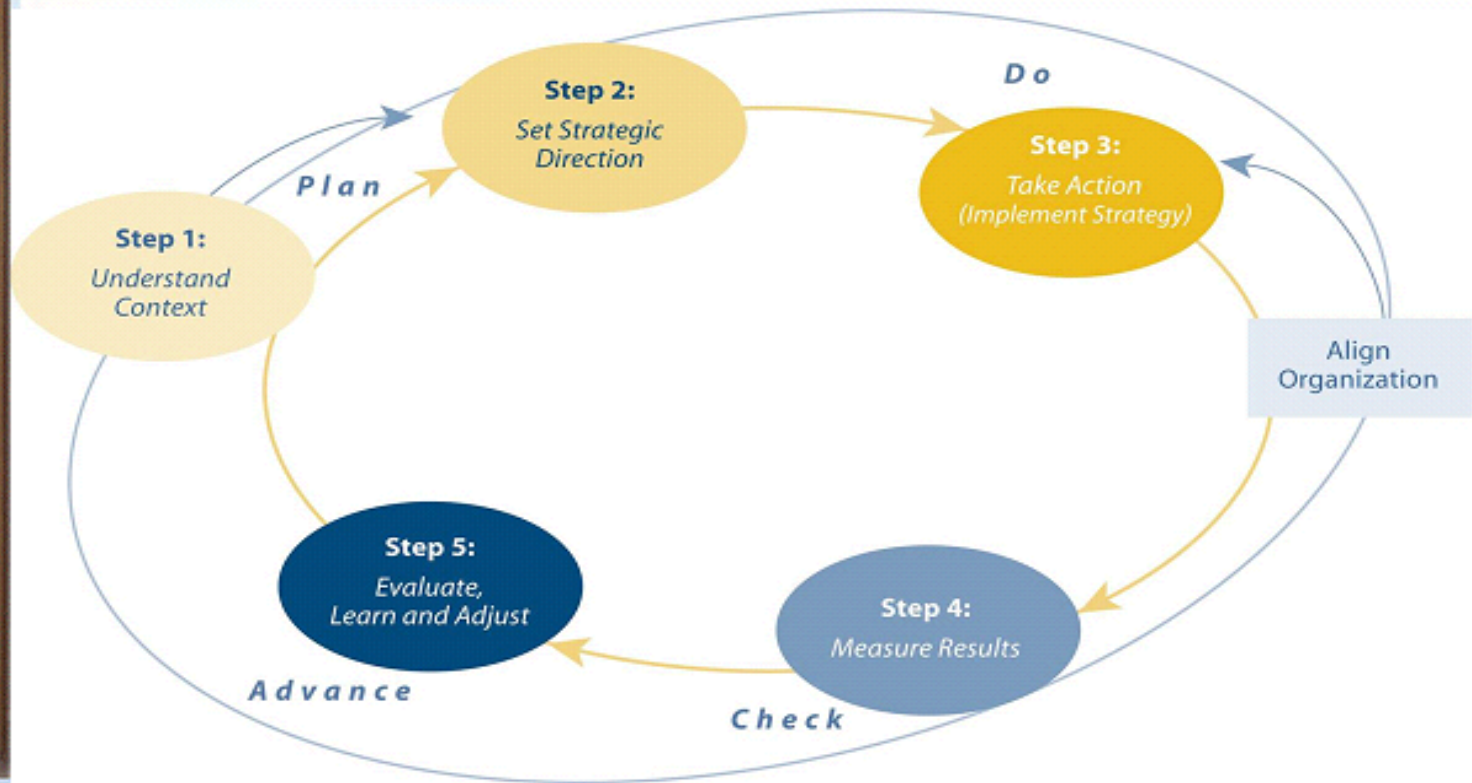
## Report Tools

The seven tools contain questions, examples & matrices to assist in transparency strategy development:

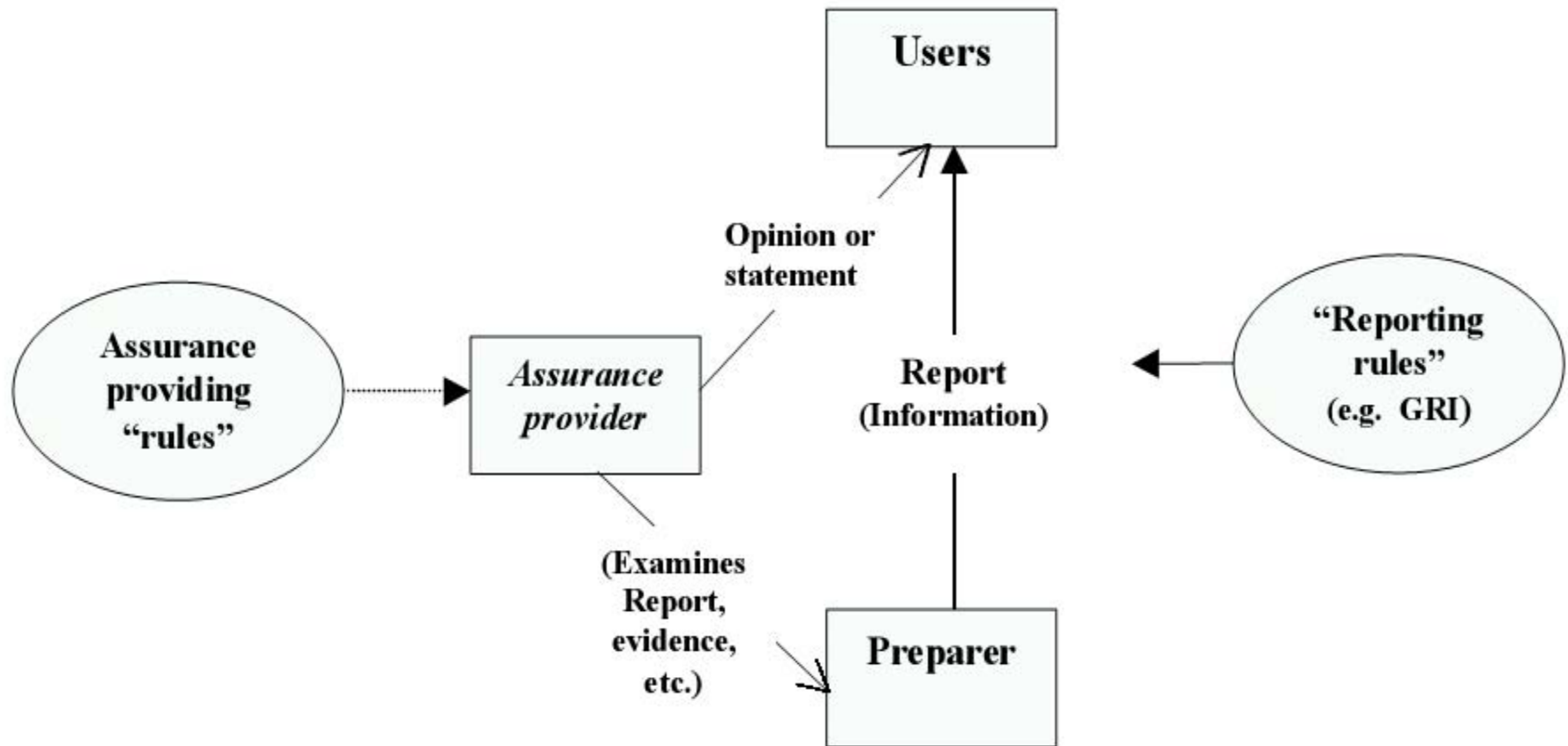
- *Tool #1:* Transparency Strategy Assessment
- *Tool #2:* Appraise Current Transparency Activities
- *Tool #3:* Identify Opportunities and Risks
- *Tool #4:* Know Your Stakeholders
- *Tool #5:* Understand the Stakeholder Relationship
- *Tool #6:* Evaluate the Impact of Selected Approaches to Transparency
- *Tool #7:* To Verify or Not to Verify



# The Strategic Transparency Planning Process

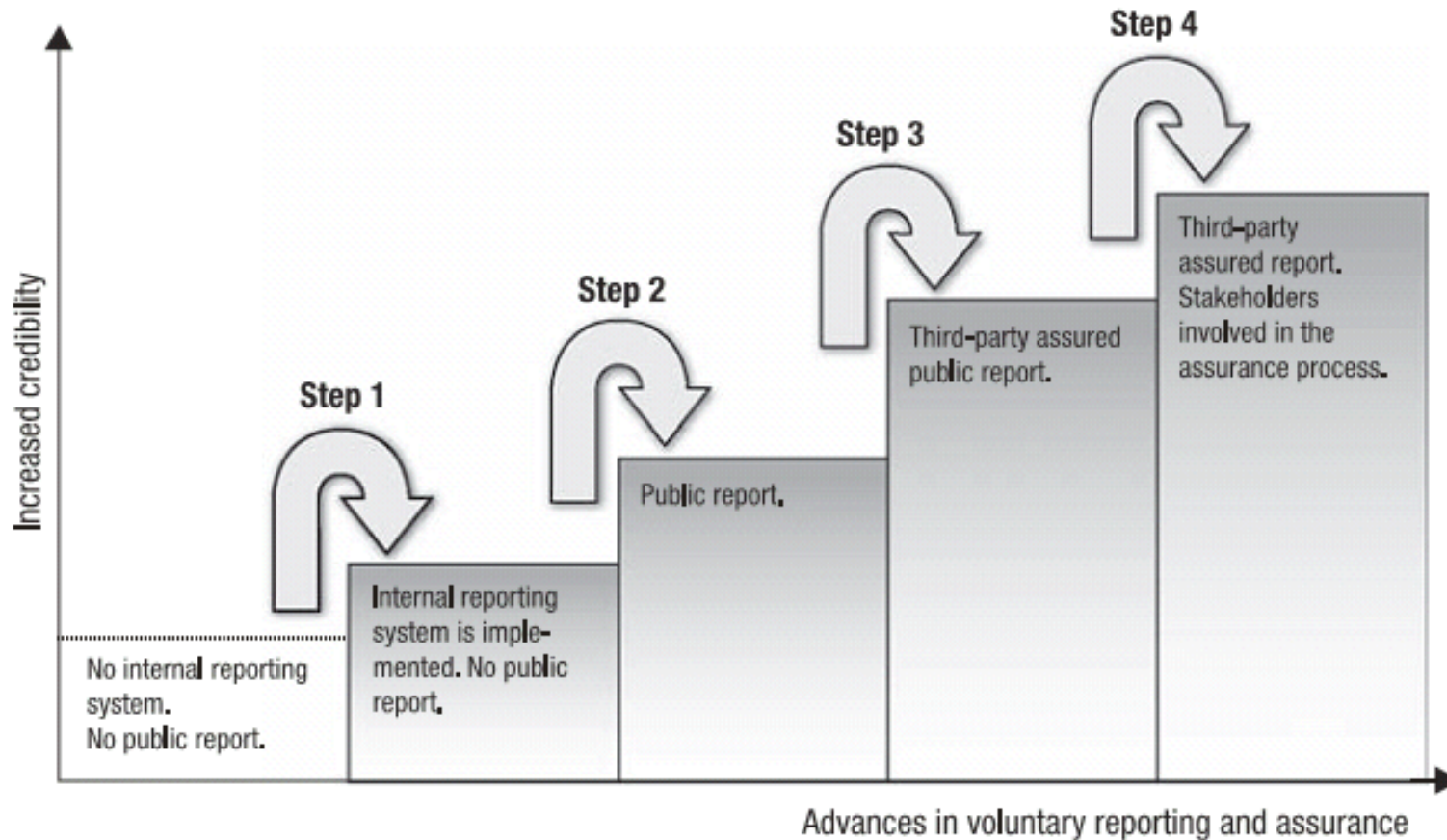


The assurance providing function is in effect superimposed on the accountability relationship between preparer and users.



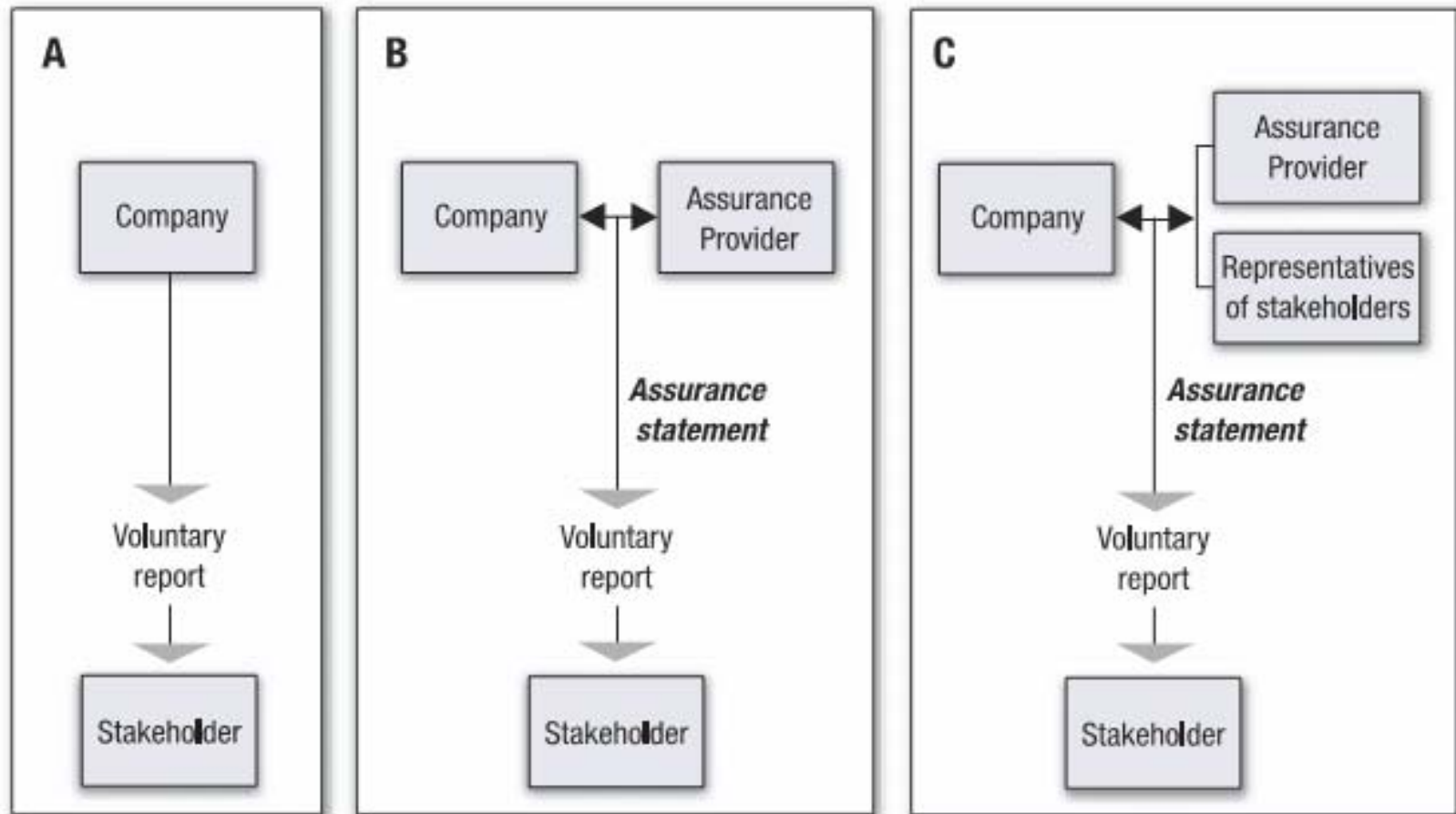
# Third-party Assurance Activities for CSR

## Steps towards third-party assurance of environmental/sustainability reports



(Park and Brorson, 2005)

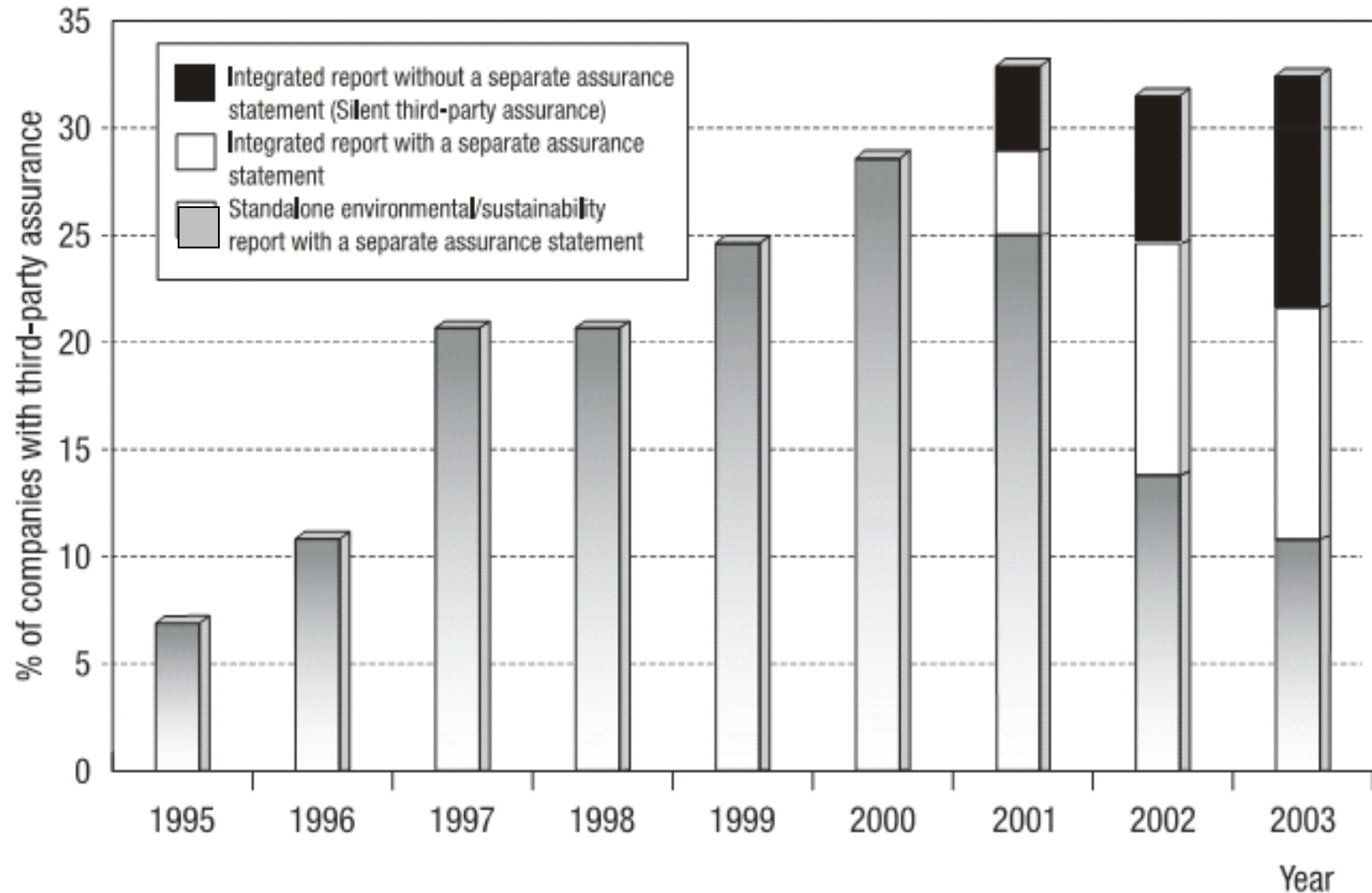
# Models for the interaction between companies, assurance providers and stakeholders concerning voluntary environmental/sustainability reports



(Park and Brorson, 2005)

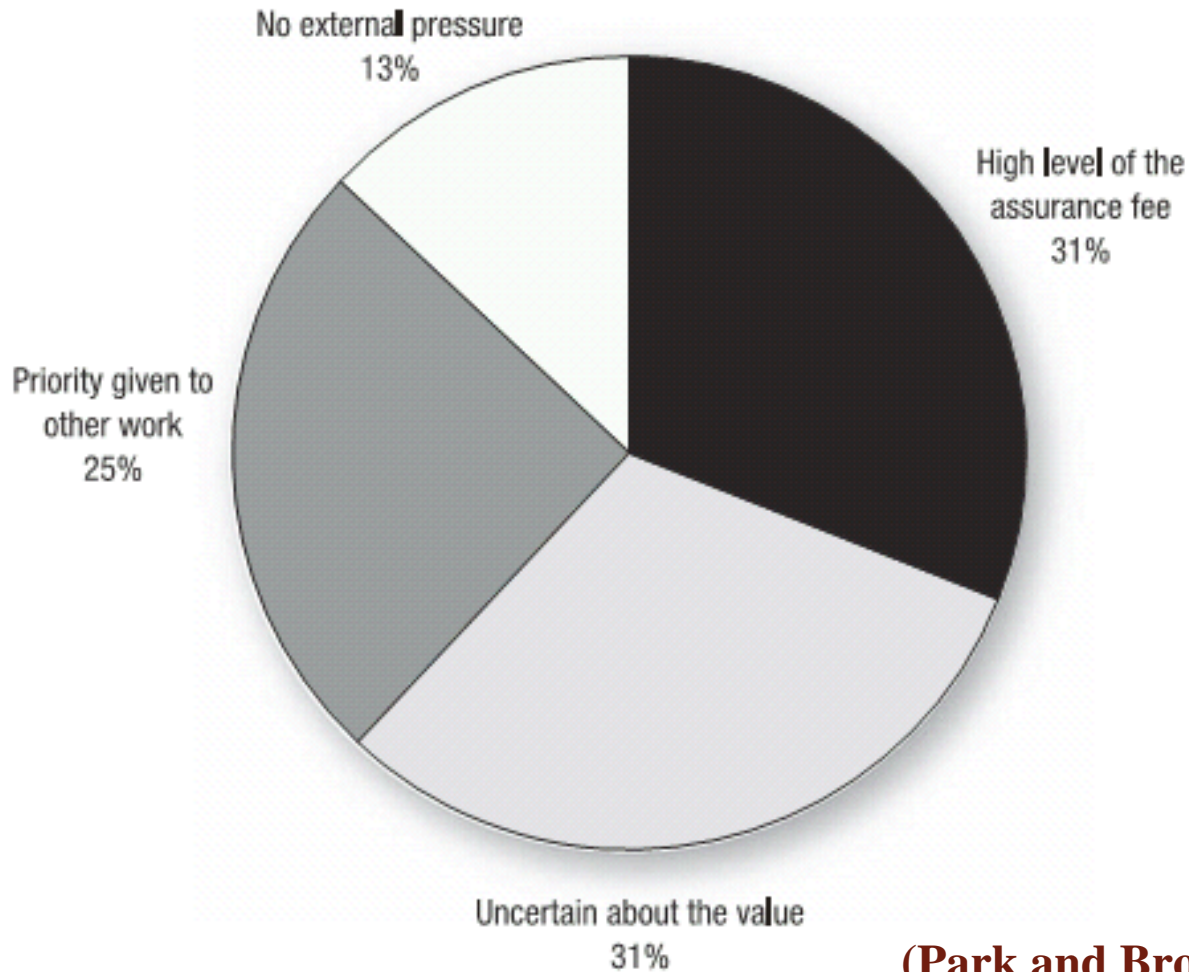


## Trends of the third-party assurance by 28 Swedish companies in 1995 to 2003



(Park and Brorson, 2005)

# Common arguments as to why companies did not seek third-party assurance of environmental/sustainability reports (28 Swedish companies in 1995 to 2003)

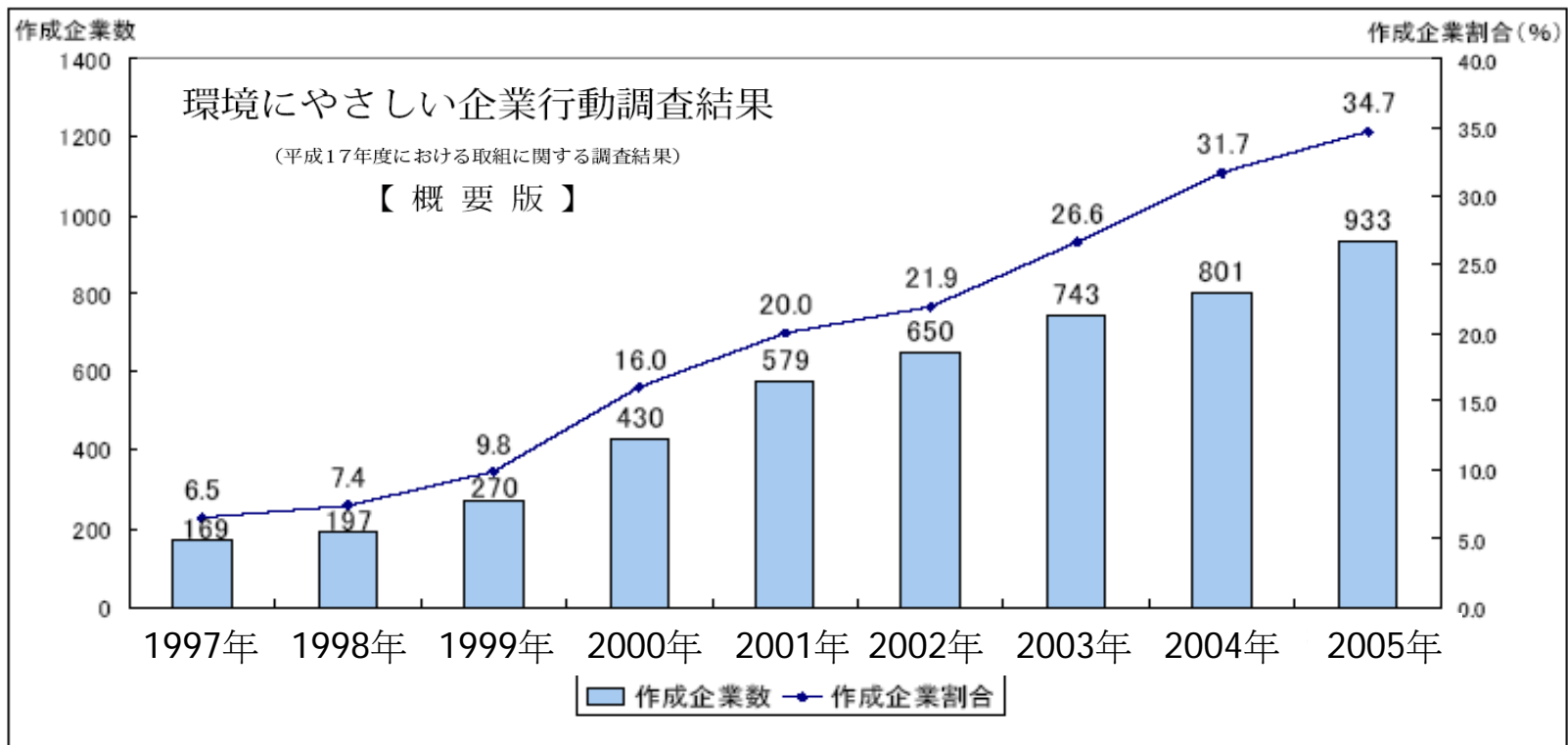


(Park and Brorson, 2005)

# Japan's Experience of CSR Promotion

Some assigned companies have been required to publicly report since 2005 by law. 環境配慮促進法について

図1 : 環境報告書作成企業数の推移



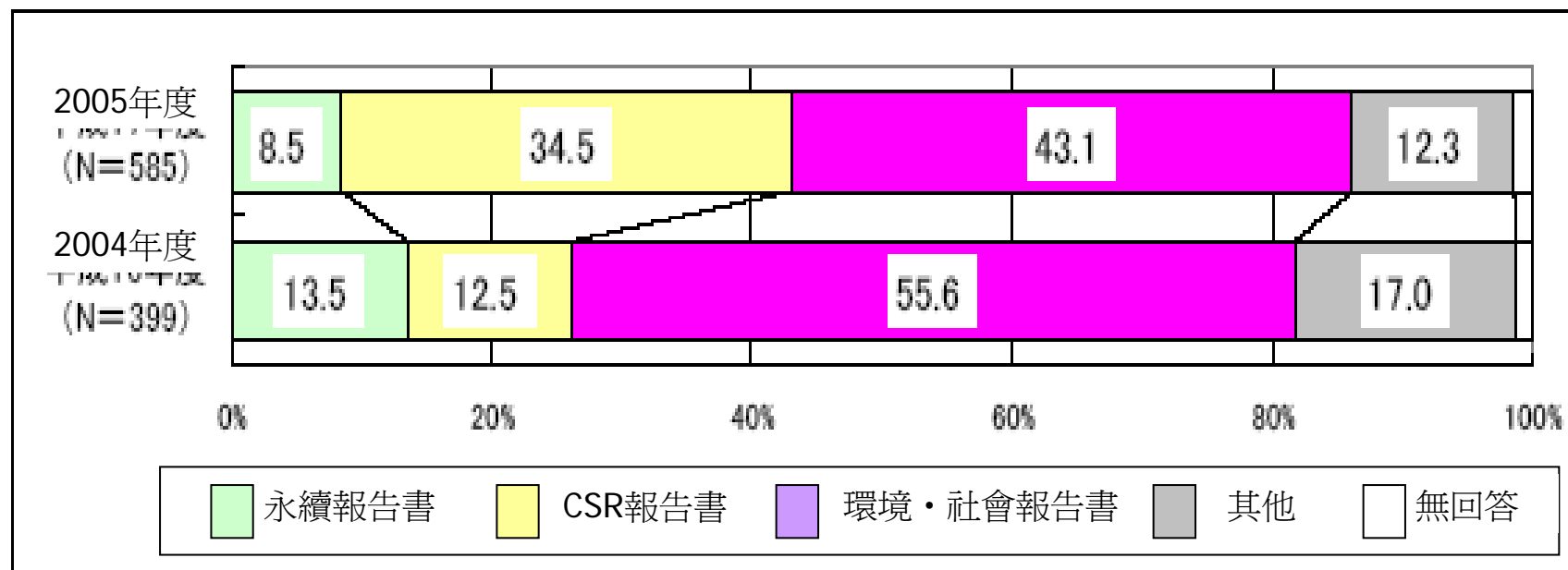
資料來源：日本環境省，2005年度企業環保行動調査，2006年12月

# 環境にやさしい企業行動調査結果

(平成17年度における取組に関する調査結果)

## 【概要版】

図3：社会・経済的側面の記載手段

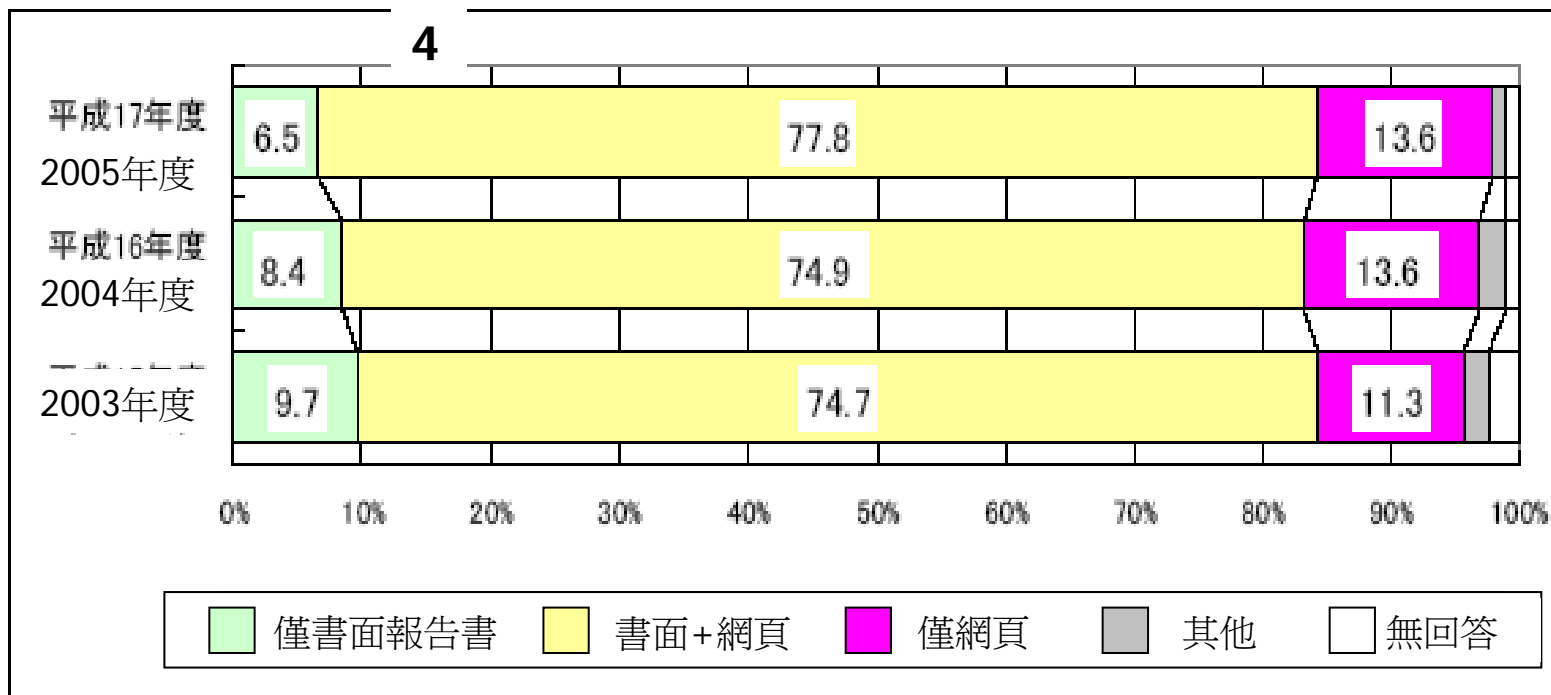


# 環境にやさしい企業行動調査結果

(平成17年度における取組に関する調査結果)

## 【概要版】

図22:環境報告書の公表媒体について

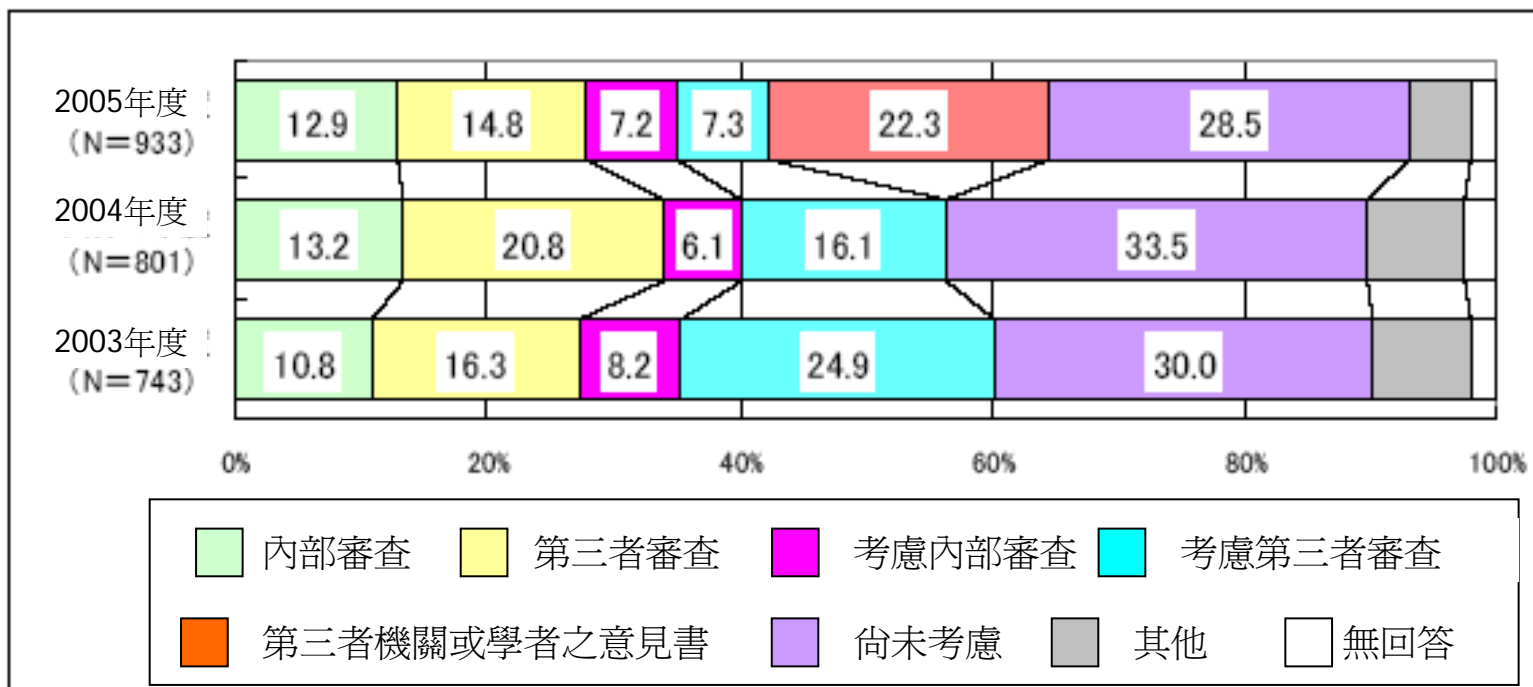


# 環境にやさしい企業行動調査結果

(平成17年度における取組に関する調査結果)

## 【概要版】

図5：環境報告書の信頼性向上の手段について



# Domestic promotion and development of CER/CSR

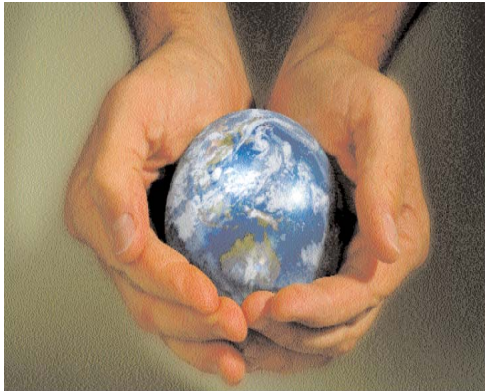
- Compared to international development level, Taiwan has been late to promote CER/CSR activities more than **10 years**.
- In 1999, **CBCSD** initiated the “Environmental Performance Report” activity among its company members. It’s the first domestic action for promoting CER/CSR.
- Since 2000, **MOEA/IDB** initiated corporate environmental report activity during its ISO 14001 pilot projects for six consecutive years. Till now, more than 50 companies/facilities have published their CERs in Taiwan, but most of them are not verified or even not publicly disclosed.
- Most of the published CER of Taiwan’s companies only focused on the outcomes of ISO 14001 or OHSAS 18001 management systems. There could be **still a big gap** compared to international CSR levels.
- The CER/CSR Quality of a few large Taiwan’s companies (i.g. **China Steel Co., TSMC, Kuozui Motor Co.,** etc. ) is comparable to the level of international corporate.
- Sep. 2006, MOEA/IDB and Financial Supervisory Commission (**FSC**) started together to initiate discussions for a domestic program of the disclosing corporate environmental information for large companies.

# Conclusion

- **An significantly increasing trend** - combining environmental reporting with social and economic reporting provides information on a company's performance against the "triple bottom line" of sustainability.
- **Benchmarking best** corporate environmental management practices from international targeted companies for raising CER/CSR implementation level is critical for Taiwan's companies.
- **CER/CSR activities** shall be continuously promoted in Taiwan to develop a "Win-Win" situation for the environmental protection and economical growth.
- Taiwan should continue to dedicate itself to join **international** environmental protection activities as an active participant, cooperater and contributor.



# Thank you for your attention



**Dept. of Environ. Engr., Da-Yeh Uni.  
Green Technology and Magement Lab.**

**Web: [www.dyu.edu.tw/~ysshenn](http://www.dyu.edu.tw/~ysshenn)**

**E-mail: [ysshenn@mail.dyu.edu.tw](mailto:ysshenn@mail.dyu.edu.tw)**

**Tel: 04-851-1888 ~ 2363**

**Fax: 04-851-1330**