

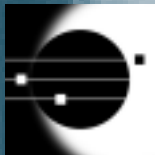
**The Global Reporters**  
is the first international  
benchmark survey of  
corporate sustainability  
reporting



SustainAbility



United Nations  
Environment  
Programme



The Global  
Reporters

## Introduction

This report is part of the joint **UNEP / SustainAbility Engaging Stakeholders** programme, which had the early aims of:

- promoting wider and more honest company environmental reporting;
- cataloguing and analysing sectoral trends;
- tracking and evaluating trends in the main world regions;
- reviewing and responding to the latest reports;
- exploring the links between current reports and sustainable development reporting.

Building on these aims, the specific objectives of the 2000 survey are to:

- establish a robust basis on which to assess the quality of the latest sustainability reports;
- explore the main trends in relation to different sectors and emerging 'hot topics';
- highlight indications of how sustainability reporting presently aligns (or not) with society's emerging sustainable development agenda;
- indicate early expectations for 2001 and 2002 reporting.

## Methodology

The methodology of *The Global Reporters* (pp54–56) has involved a fundamental overhaul of the assessment tool used in earlier benchmark surveys, given that the nature and scope of corporate accountability – and therefore reporting – have themselves changed radically in recent years. The methodology's focus is summarised as follows:

### Context and Commitments

Assesses how well a company explains its business context for sustainable development, as well as the principles and intentions which will guide its actions. What does the company plan to do to address the triple bottom line agenda in a real and strategic way, short-, medium- and long-term?

### Management Quality

Assesses how well the quality of information allows a judgement on a company's actions and processes compared to its stated intentions. Does the report tell readers if management has the leadership, insight, structures, systems, processes and incentives to ensure its commitments are achieved?

### Performance over Reporting Period

Assesses aspects of operational performance and triple bottom line impacts, as well as targets for improvement. Are readers provided with full triple bottom line results – and future targets?

### Accessibility and Assurance

Assesses quality and usefulness of information according to stakeholders' needs. What measures have been taken to ensure that the information provided is useful, accessible, timely and trustworthy?

## Selection

*The Global Reporters* focuses on best practice and innovation. The new assessment methodology has been applied to the Top 50 companies, identified as follows:

- received a top 20 score in our 1997 benchmark survey;
- were an official GRI pilot test company;
- were honoured by other international reporting awards schemes (e.g. ACCA, IÖW);
- were nominated by a selection panel based on recommendations by the **SustainAbility Network**, as well as the GRI Steering Committee.

Our analysis was limited to:

- sustainability reports (or separate environmental, social or community reports);
- annual financial reports and /or information on the company's website (only where these were explicitly referenced in sustainability reports).

**Executive Summary** *The Global Reporters* spotlights emerging best practice around the world, focusing on a number of key sectors and 'hot topics'. Significantly, it introduces and applies a radically revised methodology for assessing reports. As far as we are aware, this is the first-ever international benchmark survey of corporate sustainability reports and reporting.

01 Ranking the Global Reporters		
Rank	Company	Score
	Maximum Possible	196
1	BAA	122
2	Novo Nordisk	121
3	The Co-operative Bank	116
	British Telecom	116
5	BP Amoco	111
	Royal Dutch /Shell Group	111
7	WMC	100
8	ESAB	98
9	Bristol-Myers Squibb	97
10	Volkswagen Group	95
	ING Group	95
12	United Utilities	94
13	The Body Shop Australia /NZ	93
14	Manaaki Whenua Landcare	91
15	Eskom	89
16	Sunoco	87
	Unilever	87
18	British Airways	86
	Camelot	86
20	South African Breweries	84
	IBM	84
	Anglian Water	84
	Mohn Media	84
24	Ford Motor Company	82
	Eastern Group	82
26	Henkel Group	81
	Kirin Brewing Company	81
	TEPCO	81
	Cable & Wireless	81
30	Nortel Networks	80
31	Fortum	79
	Axel Springer Verlag	79
33	Procter & Gamble	77
34	Baxter	75
35	BASF	74
36	Statoil	71
	BMW Group	71
	Aracruz Celulose	71
39	General Motors	70
	Matsushita Electric Group	70
41	STMicroelectronics	69
	BC Hydro	69
43	Interface	68
44	Toyota Motor Corporation	66
45	The Dow Chemical Company	65
46	ABB Group	64
47	Nexfor	63
48	CIS Co-operative Insurance	62
49	Dofasco	58
50	Stora Enso	57

## Key Results

Our analysis uncovered several headline results:

### The Top Six

The top six companies scored over 100 points. They are **BAA** (122 – or 62% – of the maximum 196 points), **Novo Nordisk** (121), **The Co-operative Bank** and **British Telecom** (116), and **BP Amoco** and **Royal Dutch /Shell Group** (both 111). Overall, the average score across the Top 50 is 84 (43%), leaving a considerable gap to be closed.

### The Top Six are all European

All six company reports scoring over 100 are European. Indeed, five of them – including the Anglo-Dutch **Royal Dutch / Shell Group** – are from the UK, which may result from especially strong development of sustainability language and concepts, as well as standards and guidelines in Britain.

Overall, the average scores achieved are fairly consistent across several world regions. Europe (27 reports) leads with 88 points on average, followed by OECD countries other than Europe and North America (7 reports) with 83 points, non-OECD countries (3 reports) with 81 points, and lastly North America (13 reports) with an average 75 points.

### GRI pilot testers lead the pack (just)

We wondered how well the companies that had pilot tested the March 1999 GRI guidelines exposure draft<sup>01</sup> would score against the other Top 50 reporters. With GRI pilot tester **Novo Nordisk** effectively tied with BAA, there is little difference in the top scores. When the average scores are considered, however, the GRI pilot testers open up a 5-point lead; while the lowest pilot tester score is a full 13 points ahead of the lowest non-pilot tester.

## Doing Well: Drugs and Oil

The leading sector in terms of overall scores is the pharmaceuticals sector (**Novo Nordisk, Bristol-Myers Squibb, Baxter**), followed by oil & gas (**BP Amoco, Royal Dutch / Shell Group, Statoil** and **Sunoco**). By contrast, the sector with the lowest average score is chemicals.

## The Triple Bottom Line Scorecard

Many reporting companies have started to use the language of the triple bottom line as a reference point for their sustainability reports. Amongst the Top 50, 16 (32%) mention sustainability, corporate citizenship or triple bottom line on their front page. We analysed seven major clusters of reporting criteria used in the 2000 benchmark survey:

- Context & Commitments
- Management Quality
- Economic Performance
- Social & Ethical Performance
- Environmental Performance
- Multi-Dimensional Performance
- Accessibility & Assurance

Of these clusters, *environmental performance* reporting is covered most comprehensively (with companies averaging 53% of the possible score), while the lowest scores were received for *economic* (32%) and *social & ethical performance* (29%).

The report also looks at what happened to 1997's Top and Bottom Ten reporting companies, uncovering dramatic increases in a third of those re-visited.

<sup>01</sup> Top 50 companies that pilot tested the GRI *Sustainability Reporting Guidelines* exposure draft are indicated in Appendix 2 (pp57-60).

## Conclusions

The overall conclusions of the 2000 survey are that:

- the initial focus on corporate environmental reporting has genuinely opened out to embrace the economic, social and ethical dimensions of business performance;
- reports frequently leave out some of the most important sustainability impacts associated with companies' activities – and nearly all of them fail to systematically address companies' activities in and impact on the developing world;
- reporting companies still represent a small fraction of the tens of thousands of major multinational corporations, let alone of the millions of medium and small-sized enterprises, around the world;
- from the perspective of the 1980s dramatic progress has been made, but a huge – and growing – challenge remains.

## Sectoral Issues and Trends

In the 2000 survey, we examined results in detail from eight sectors:

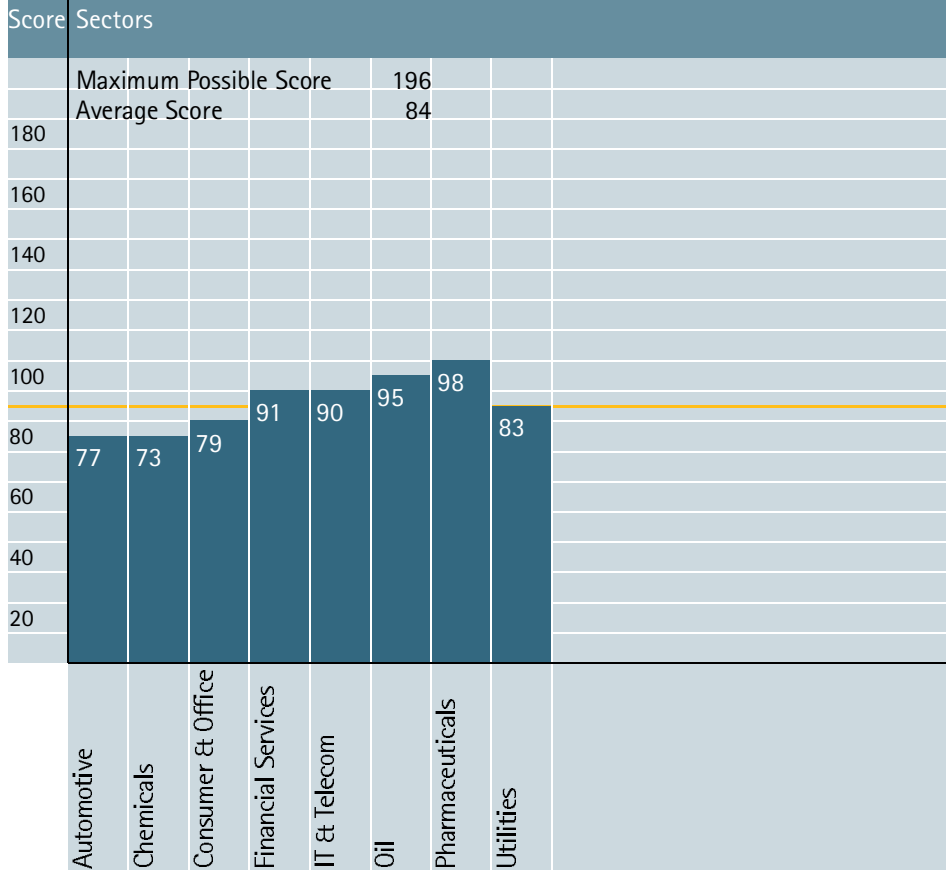
- **Automotive**
- **Chemical**
- **Consumer & Office Products**
- **Financial Services**
- **IT & Telecom**
- **Oil & Gas**
- **Pharmaceuticals**
- **Utilities**

Among the Top 50 corporate sustainability reporters, the best overall score was achieved by the companies in the pharmaceuticals sector (average 98), followed by the oil & gas sector (average 95). Chapter 3 (pp17–34) looks at each sector in terms of star performers, best practice and future trends.

### Note

Throughout this report, analysis of scores (but not the scores themselves) have been rounded to the nearest whole number.

## 02 Average Scores by Sector



## Hot Topics

Section 4 examines and assesses eight current issues identified during the benchmarking process:

- **Words from the top**  
What language are business leaders using?
- **Building the business case**  
How is the business case for sustainability presented?
- **Standards and guidelines**  
What reporting standards are companies using?
- **Non-OECD world**  
How does the reporting agenda look from a non-OECD perspective?
- **Key performance indicators**  
How is the debate on key performance indicators shaping up?
- **Verification and assurance**  
What is the future for verification – boom or bust?
- **Internet, intranets and extranets**  
How is the practice of e-reporting evolving?
- **Influencing public policy**  
How upfront are the Top 50 about their lobbying?

## Towards Stakeholder Governance

The final section of the report predicts an emerging focus over the coming decade on stakeholder governance. There will be greater integration between reporting and strategic business decision-making – reflected in an accelerating shift from information-based reporting for stakeholders to more deeply engaged processes of consultation and collaboration with stakeholders. The outcome will be companies which are deeply aware of the impacts of all their activities, sensitive enough to predict how they change and develop over time, and pro-active enough not just to respond to those changes, but to help bring them about actively.

This section concludes that future reporting is likely to evolve rapidly and radically over the coming years – and predicts 10 key changes:

- **Names of the Game**  
The language of sustainability is on the up.
- **Standard Responses**  
Companies that embrace international standards are helping to move the practice of reporting forward.
- **Selling Wall Street**  
The 'business case' for sustainable development will occupy much of the spotlight for companies in the coming years.
- **Governance Agendas**  
As sustainability issues begin to cut across major business functions, reporting will increasingly involve boards and directors.
- **Incoherence Hurts**  
Companies will need to begin accounting for their efforts to co-ordinate sustainability initiatives and reporting with their public policy activities.
- **Go Real-Time**  
Sustainability reporting will become increasingly real-time online.
- **Strengthen Foundations**  
Even as agendas and strategies become ever more lofty and far-reaching, reporting companies must always be careful to mind the basics.
- **Head South, East**  
The information gap pertaining to Northern companies' operations in and impacts on less-developed and emerging economies will be closed.
- **Offer Real Assurance**  
Even as verification of reports increases, new forms of assurance are cropping up which may prove just as valuable.
- **Amplify Weak Signals**  
The best reporting companies will step beyond the current hot issues to sense and embrace emerging trends and societal expectations ahead of the game.