

REPORTING TODAY

Corporate Responsibility 2.0

Do web reporting and employee blogs truly advance corporate transparency and accountability?

Corporate responsibility communications have evolved fairly rapidly in the past couple of years, especially when measured by sheer volume and innovation. The ongoing innovation in reporting has extended, like nearly everything, to the internet.

Companies have moved from lamenting that nobody reads their reports to seeking innovative new ways to gain readership and engage stakeholders. Many reporters have eschewed the thick paper affairs of yore and have taken much of their reporting online, publishing svelte executive summaries that encapsulate performance detailed on their websites. And now that more than 30 percent of proposal requests from corporate customers seek information on sustainability performance, more companies realize that these can double as marketing materials.

This is good news for all stakeholders, who are increasingly concerned about companies' environmental and social *bona fides* but have neither the time nor the inclination to wade through pages and pages of narration and charts to find information that addresses their concerns.

Starbucks and McDonalds, for example, have created small, well-designed pieces that provide key information in a neat package. The Starbucks pamphlet can be found at the coffee bar right alongside the company's credit-card application. Nokia allows visitors to its site to personalize report content by checking off items of interest. The site then generates a report containing only the requested information, saving paper, time, and most likely frustration.

Several corporates—including [McDonalds](#), [Intel](#), [Sun Microsystems](#), [HP](#), and [Infosys](#)—and even the [World Bank](#) have taken to blogging their thoughts on corporate responsibility. While some of these blogs seem little more than another public-relations channel, others are more candid, expressing the challenges and frustrations of responding stakeholder concerns as well as pondering more esoteric matters. In a recent [post](#), Perry Gruber, Community Solutions Program and Communications Manager at Intel, made an excellent corporate analogy to Maslow's hierarchy of needs, placing CSR, not surprisingly, at the top of the pyramid. And the blogs of CSR manager [Marcy Scott Lynn](#) and [David Douglas](#), VP of Eco Responsibility, both at Sun Microsystems, are refreshingly open and at times engage in what amounts to online brainstorming.

While Sun boasts around 4,000 unfiltered employee blogs, even from the CEO and general counsel, few companies will tolerate—let alone encourage—such openness. While the opinions expressed in Sun's employee blogs are not those of the company itself, the practice of allowing employees to opine online about whatever suits their fancy opens a window into a company's culture and soul that no polished and much-vetted printed report ever could.

Yet if it is only top performers in terms of employee engagement, product safety, or environmental footprint that sanction unfettered openness, how much do these tools really advance transparency?

Quite a bit. Web tools facilitate stakeholder engagement: blogs encourage stakeholders to comment; wikis spur collaborative engagement; personalized reports, if tracked, can help identify what stakeholders are reading. These, along with online surveys and

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NEW AND NOTEWORTHY

Incorporating ESG principles improves financial performance

A report from Goldman Sachs introduces the firm's methodology to identify companies that focus on ESG factors to gain competitive advantage. Companies on Goldman's GS SUSTAIN list have outperformed the stock market by 25% since August 2005, and 72% outperformed their peers over the same period.

Innovation and integrity are key to success

Arthur D. Little's new study identifies integrity and innovation as key drivers of a company's financial success, reporting that innovative firms achieve an average growth rate of 13% higher than underperformers.

Sustainability reporting yields economic benefit

A study by the Financial Services Institute of Australasia found that reporting on sustainability could bring a 2–3% gain in profits to many companies and add AUD1.2 billion to Australia's annual GDP.

US companies lag in responding to social and environmental concerns

Ethical Investment Research Services reports that US companies lag behind those in Europe in responding to social and environmental concerns, costing them potential profits.

REPORT REVIEWS

Each month, we evaluate a corporate responsibility report for [Ethical Corporation](#) magazine. Here are our most recent reviews:

- > [Skanska 2006 Annual Report](#)
- > [ITV 2006 CSR Report](#)

REPORTING TODAY (continued)

other web-based programs, can all help a company better engage stakeholders and prioritize issues.

As has happened with reporting itself, peer pressure will encourage evolution to greater transparency, whether through blogs, vlogs, wikis, or the next new thing to come down the pike. And that is a good thing.

CONFERENCE NEWS

Net Impact Conference: “Building A Sustainable Future”

Aleksandra Dobkowski-Joy, a principal at Framework:CR, will participate in a panel titled “Viewing CSR from a Strategic and Tactical Perspective” at the 15th annual [Net Impact](#) conference to be held in Nashville, Tennessee. The conference, [Building a Sustainable Future: What will you do next?](#), will take place from November 1–3.

Conference Board Holds Meeting

Kathee Rebernak, founder and CEO of Framework:CR, will be a panelist at the [Conference Board’s Environmental, Health, and Safety Legal Council](#) meeting taking place in Atlanta, Georgia from October 23–24. The panel members will discuss the current state of corporate responsibility communications and provide general guidance on how attorneys can assist their companies in their reporting efforts.

Ethical Corporation Annual Corporate Responsibility Reporting Conference

[Ethical Corporation](#) is holding its annual [Corporate Responsibility Reporting and Communications Conference](#) on November 13–14 in London. The focus of the conference will be on how to effectively communicate corporate responsibility performance to stakeholders.

STANDARDS UPDATE

AA1000 assurance standard under review

[AccountAbility](#) invites interested parties to collaborate in an online revision process to the AA1000 Assurance Standard. Registered users can receive up-to-date information, read relevant blogs, and provide feedback. AccountAbility will also conduct national and international [sustainability assurance consultation workshops](#) from October through January. The workshops will identify issues to be addressed during the revision process and inform the development of the next-generation standard.

New website opposes SEC proposals

The [Social Investment Forum \(SIF\)](#) and the [Interfaith Center on Corporate Responsibility \(ICCR\)](#) have launched [SaveShareholder-Rights.org](#). The site is part of the groups’ campaign to combat SEC proposals they believe would seriously restrict investors’ rights. Supporters of the campaign can sign a statement opposing the proposals and send comments to the SEC and Congress. The deadline for comments is October 2, 2007.

Pressure to disclose climate risk grows

[Ceres](#), [Environmental Defense](#), and financial officials of 10 states and New York City have petitioned the SEC to require companies to disclose how climate change may affect their profitability. The [petition](#) follows New York attorney general Andrew Cuomo’s investigation of several energy companies to determine whether they provided adequate information about potential operational risks.

New GHG Protocol guidelines released

The [World Business Council for Sustainable Development](#) and the [World Resources Institute](#) have released [new guidelines](#) for estimating greenhouse gas emissions reductions resulting from renewable-energy and energy-efficiency projects.

STANDARDS UPDATE (continued)

UN Global Compact releases annual review

The [UN Global Compact](#) has [issued a report](#) examining how and why companies implement the [Global Compact principles](#). Of 400 respondents to the survey, most said they have implemented policies to uphold the principles, and 71% manage these policies at the CEO level. Additionally, 63% report participating in the Global Compact in order to increase stakeholder trust in their company.

ANNOUNCEMENTS

Framework to offer seminar for IROs

Framework:CR will offer a seminar for investor relations officers entitled *Communicating ESG Performance to Investors and Analysts*. The one-day workshop will be held in early December in New York City. Keep an eye out for more information.

Framework publishes first corporate responsibility report

In July Framework:CR published its [first corporate responsibility report](#), available on our [website](#). If you’ve read it, we would love to have your feedback. Please take a minute to complete a brief [survey](#) and let us know what you think.

Ceres-ACCA Awards

The Association of Chartered Certified Accountants (ACCA) and Ceres are calling for submissions to the [sixth annual Ceres-ACCA North American Awards for Sustainability Reporting](#). The application deadline is October 26, and the winners will be announced in spring 2008.

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At Framework, we know that excellent reporting enhances business performance. We communicate your results—and the hard work behind them—clearly and compellingly without spin or fluff. We navigate the ever-shifting reporting landscape, and we guarantee that your reports are consistent with your overall communications approach. And you reap the benefits of increased accountability; greater trust, confidence, loyalty, and long-term business value.

To begin planning your world-class report, call us or send us an email.

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