



Does Disclosure Matter? And Why Report?

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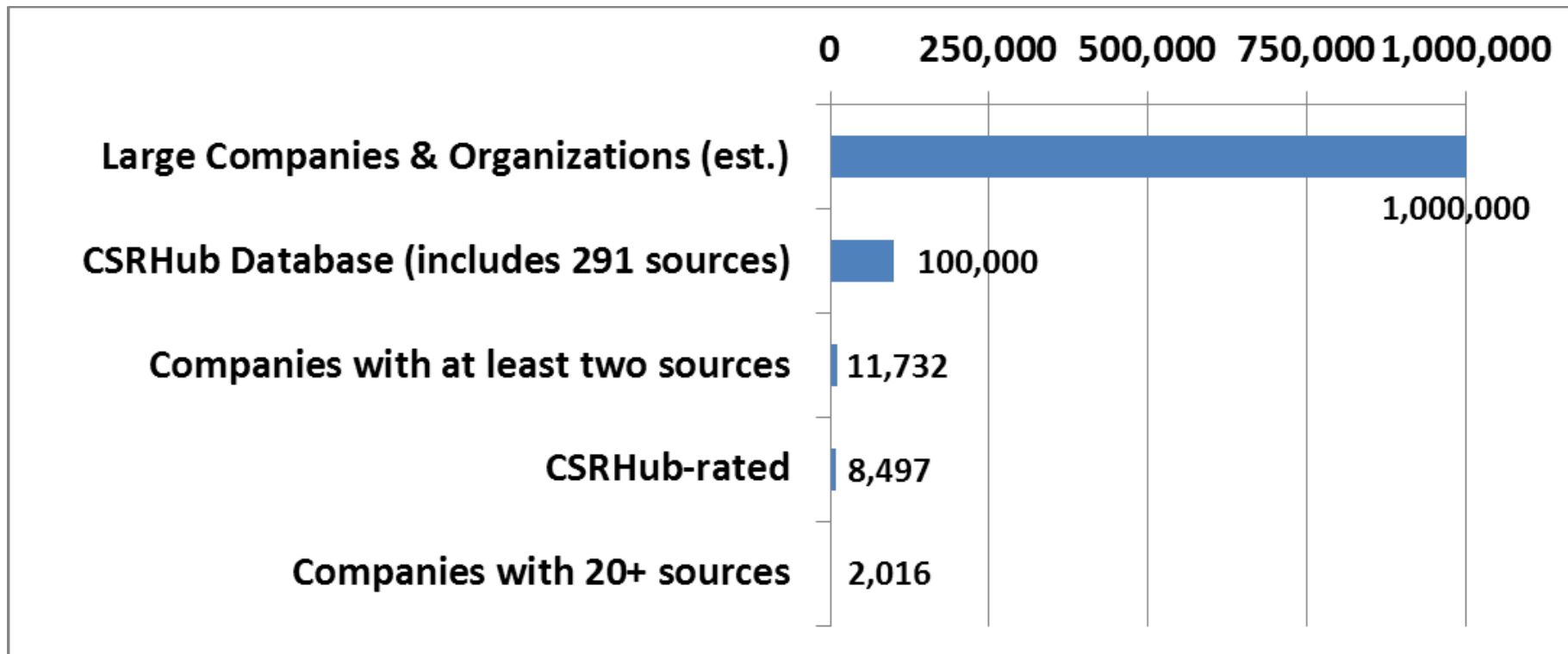


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Three Attitudes Towards Disclosure

- A. Keep a low profile.** If we don't say anything, maybe they'll forget about us!
- B. We are doing the best we can.** Start sharing the data that exists. Add an area to the Web site. Form a Committee.
- C. Commit to transparency.** Benchmark against your competitors. Start gathering the data you need. Organize it and look for ways to use it to compete and succeed.

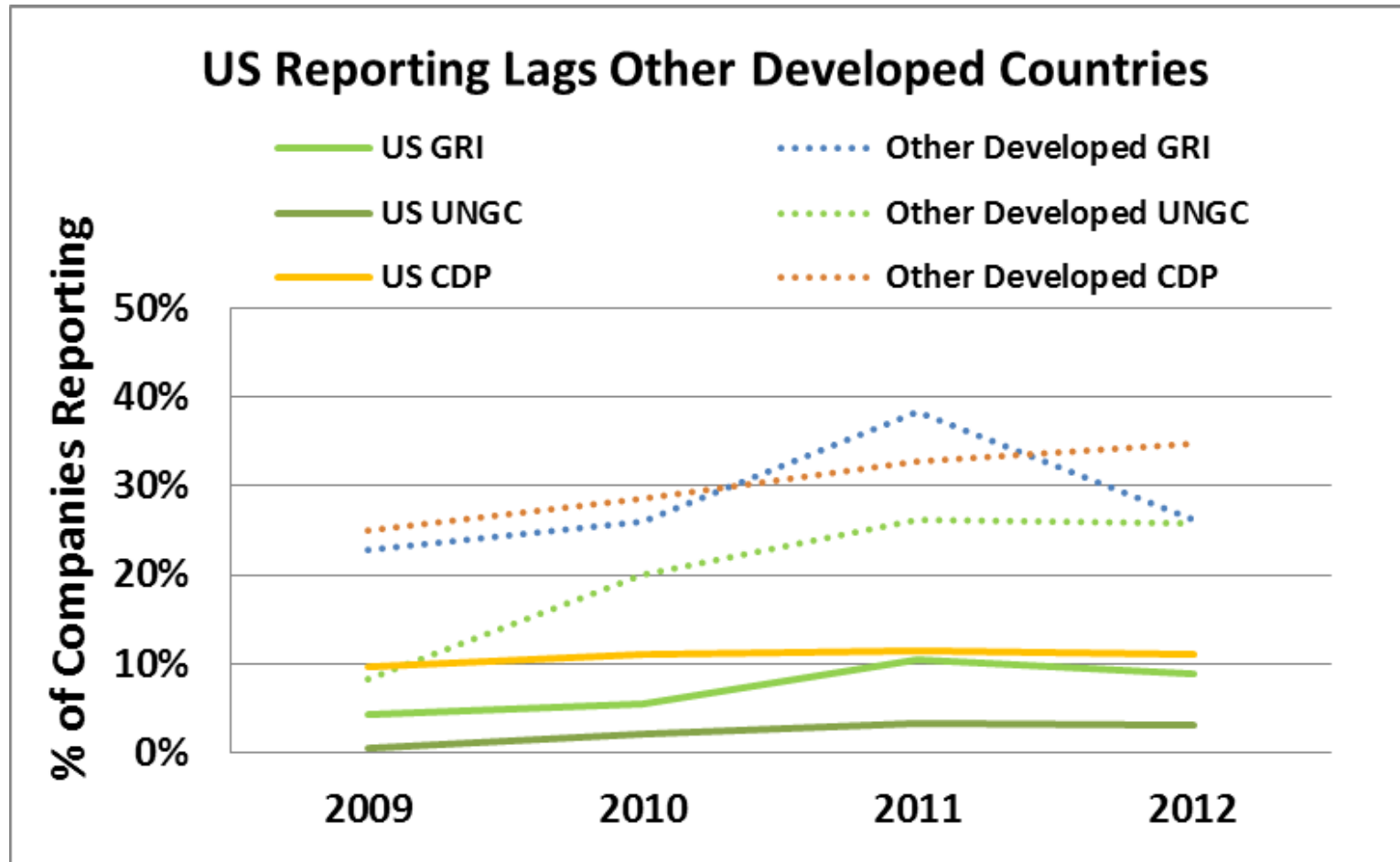
Most Organizations Are Not Yet Well-Studied



Reporting Framework Alphabet Soup

Assurance, Presentation	SASB, IIRC, SEC, Various stock exchanges, AT101, AA1000, ISAE300
Analysis, materiality determination	SASB, GRI, UN Global Compact, CDP, The Sustainability Consortium, ULE, Credit 360, OneReport, EPEAT, SPC, TEEB (Natural Capital)
Data collection, definitions	SAP, Enablon, Schneider, Eco-Vadis, OSIssoft, SourceIntelligence, CSRware, Scope5, ISO 14000, ISO 26000, Bloomberg, GISR

US Companies Report Less Than Those In Other Developed Countries



Business Managers Are Constantly Being Asked to Report Social Performance



GMIRATINGS
Discover Key Measures of Value



WORLD'S MOST ETHICAL COMPANIES



Best Of Lists, Indexes



Wall Street Research



THE GOODNESS 500



NGO's & Customers



Consultants & Software Tools

Business Managers



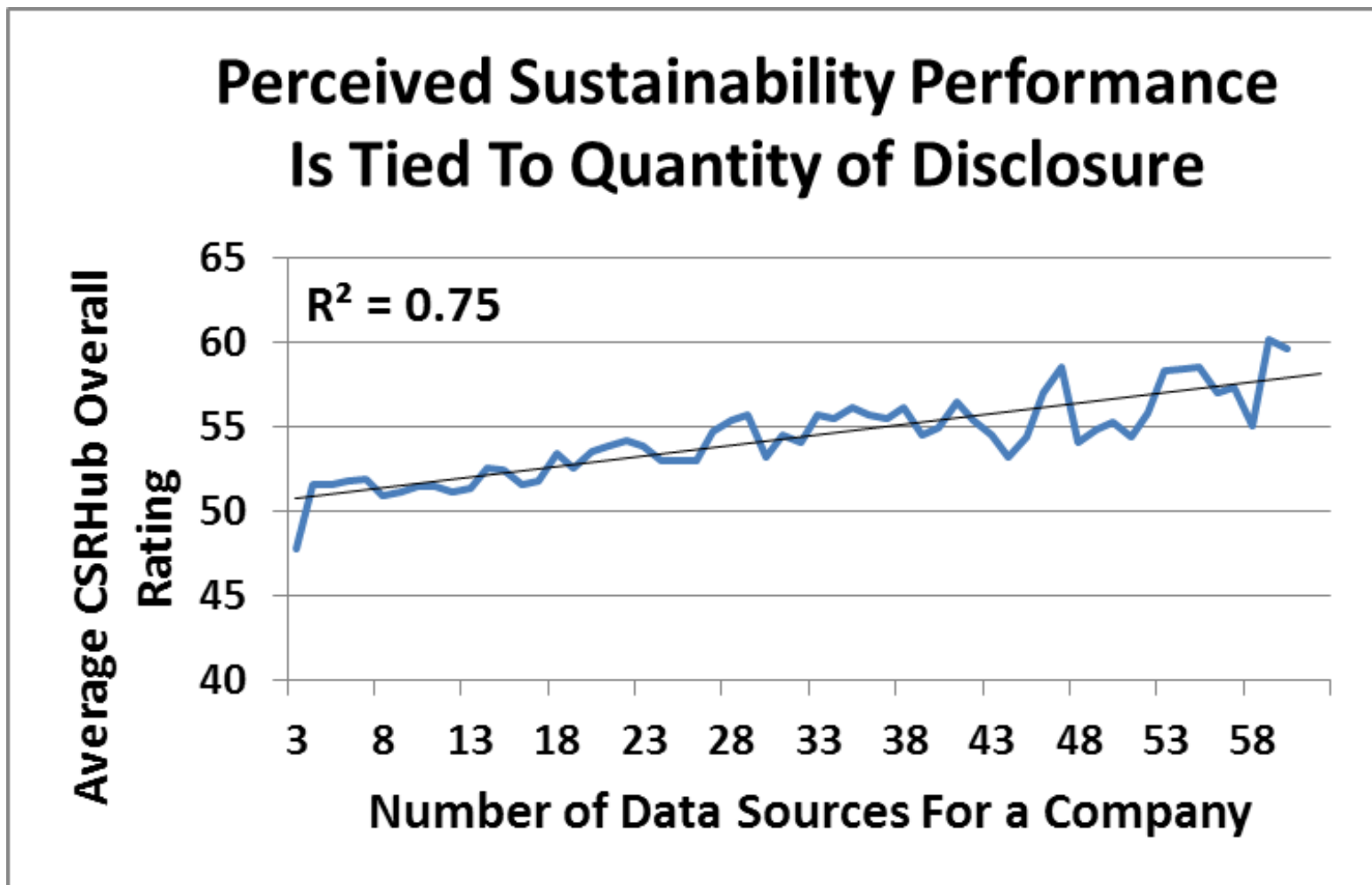
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Adopting a Reporting Framework Can Help You Cope With This Problem

- A. Get organized.** The reporting process forces you to define what is material (what issues matter for your business), and to understand and track your data.
- B. Build consensus.** When your team sees your reports, they will ask questions and offer advice. You can then start to adopt new policies and change behavior.
- C. Be prepared.** When your customers, investors, and employees inquire about your business' social performance, you will have answers.

Those Who Disclose More, Are More Favorably Perceived

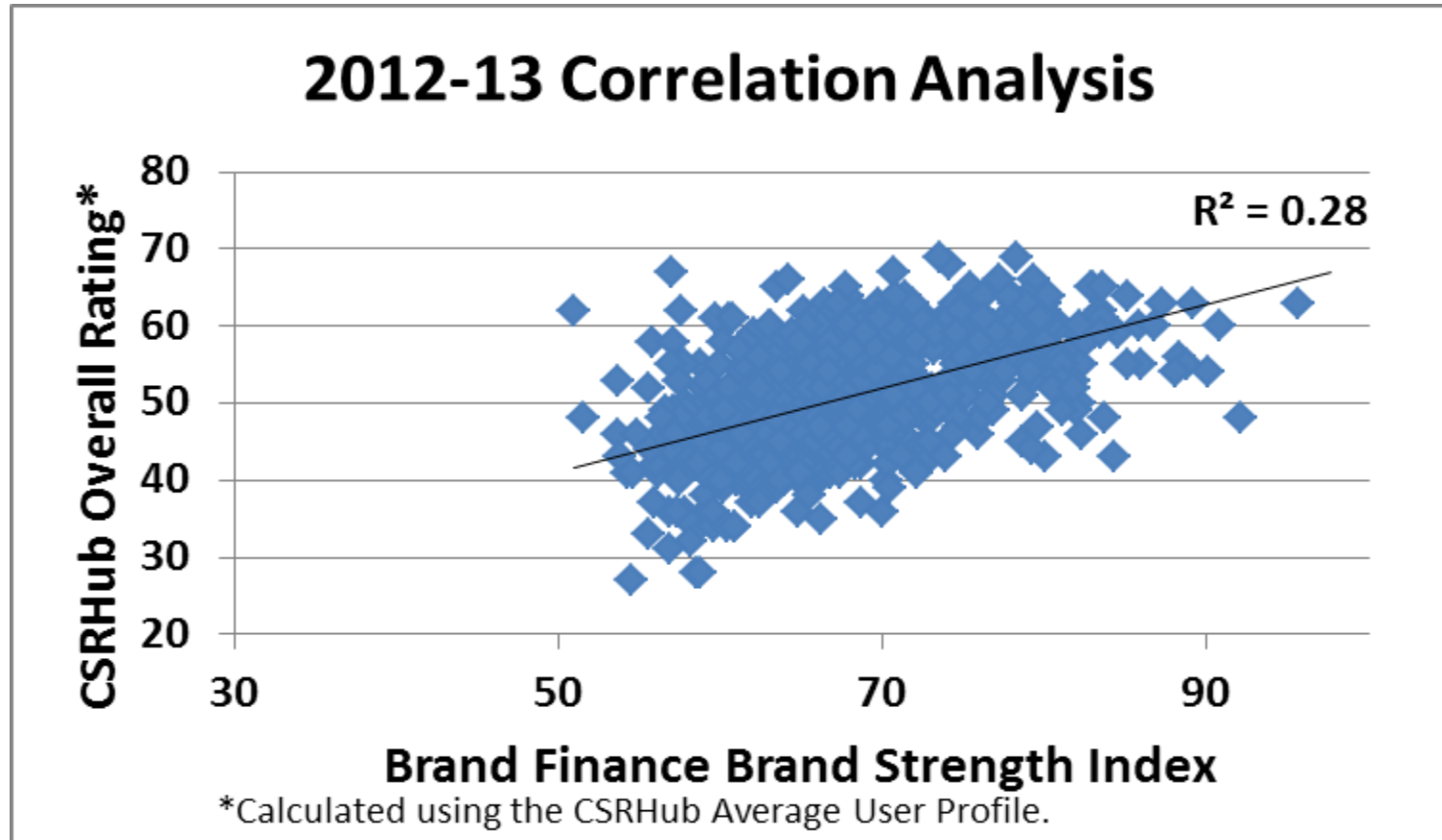


GRI Reporting Appears to Help

Subcategory Rating Comparison for GRI Versus Non-GRI

CSRHUB Subcategory	Non-GRI	GRI	Difference
Board	49.4	53.4	4.0
Community Dev & Philanthropy	50.6	53.0	2.4
Compensation & Benefits	52.7	58.4	5.7
Diversity & Labor Rights	50.9	56.8	5.8
Energy & Climate Change	51.2	58.2	6.9
Environment Policy & Reporting	44.2	54.6	10.4
Human Rights & Supply Chain	49.8	52.2	2.4
Leadership Ethics	48.2	51.6	3.4
Product	48.8	53.8	5.0
Resource Management	49.7	52.1	2.4
Training, Health & Safety	41.2	51.5	10.3
Transparency & Reporting	42.5	50.3	7.7

Better Sustainability Reporting Could Help Your Brand Strength



Sustainability Reporting Affects Risk

CSR Factor	Coefficients	Standard Error	t Stat	P-value
Intercept	4.43527	2.431E+00	1.82	6.82E-02
Community Dev & Philanthropy	0.06857	4.261E-02	1.61	1.08E-01
Human Rights & Supply Chain	-0.10904	3.455E-02	-3.16	1.63E-03
Product	-0.00509	3.251E-02	-0.16	8.76E-01
Compensation & Benefits	0.16070	3.890E-02	4.13	3.79E-05
Diversity & Labor Rights	0.11538	3.938E-02	2.93	3.43E-03
Training, Health & Safety	0.03344	3.761E-02	0.89	3.74E-01
Energy & Climate Change	-0.03139	5.395E-02	-0.58	5.61E-01
Environment Policy & Reporting	0.22055	4.810E-02	4.59	4.86E-06
Resource Management	-0.10529	5.703E-02	-1.85	6.51E-02
Board	0.06912	3.548E-02	1.95	5.16E-02
Leadership Ethics	-0.27535	5.624E-02	-4.90	1.07E-06
Transparency & Reporting	-0.00796	5.820E-02	-0.14	8.91E-01
Revenue	0.00012	7.702E-06	15.76	2.49E-52

What Else Should You Do?

- ❖ **Yes:** UN Global Compact and CDP (Carbon Disclosure Project) are widely used and require similar data to some of GRI's data.
- ❖ **When ready:** Dow Jones Sustainability Index and HRC 100 are examples of competitive recognitions.
- ❖ **Yes:** Add a Web site section. Distribute your GRI report on it and elsewhere.
- ❖ **Yes:** Consider joining or supporting sustainability organizations (e.g., BSR, Ceres, EDF).

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- ✓ Our data covers 103 countries, 135 industries.

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Sustainability Metrics & Decision Tools

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