

# Taking Sustainability Reporting to Scale

Instituto per i Valore d'Impresa (ISVI)

Milano, June 29, 2004

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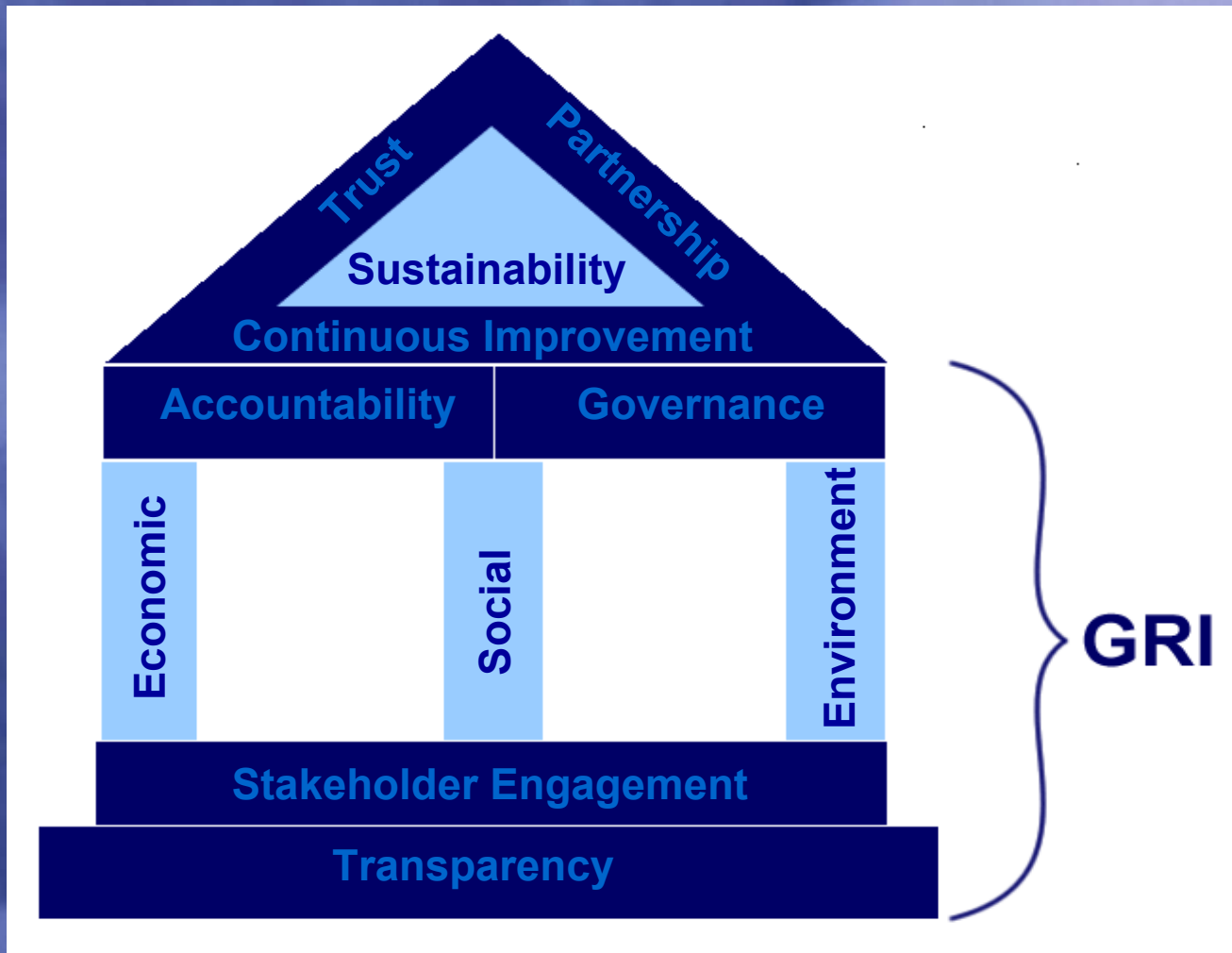
# GRI mission

- ▶ elevate economic, environmental and social reporting to routine practice and to the highest standards of rigour and comparability.
- ▶ facilitate a multi-stakeholder process to design and continually improve sustainability reporting guidelines for all reporting organizations.

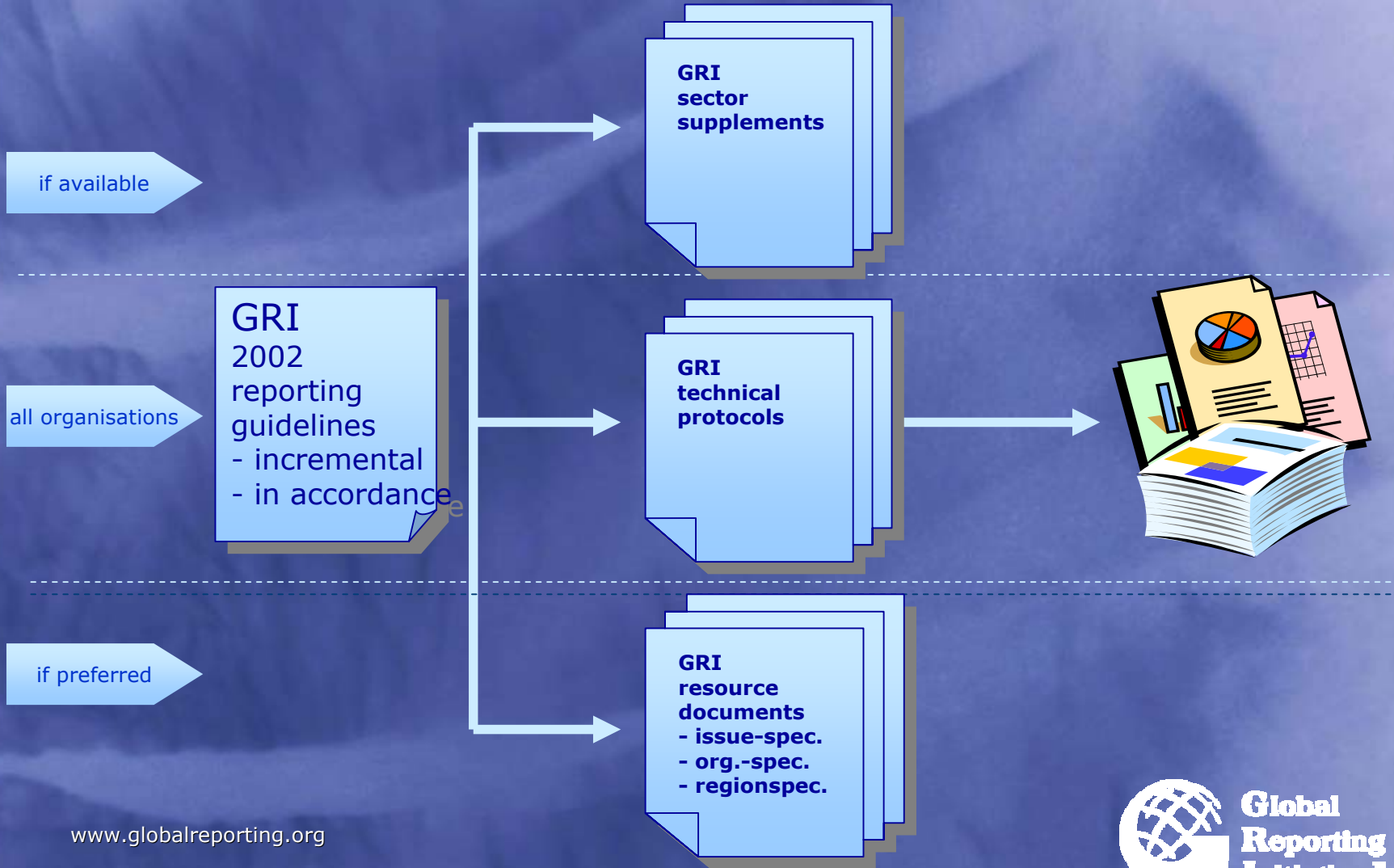
# everyone's urgent business



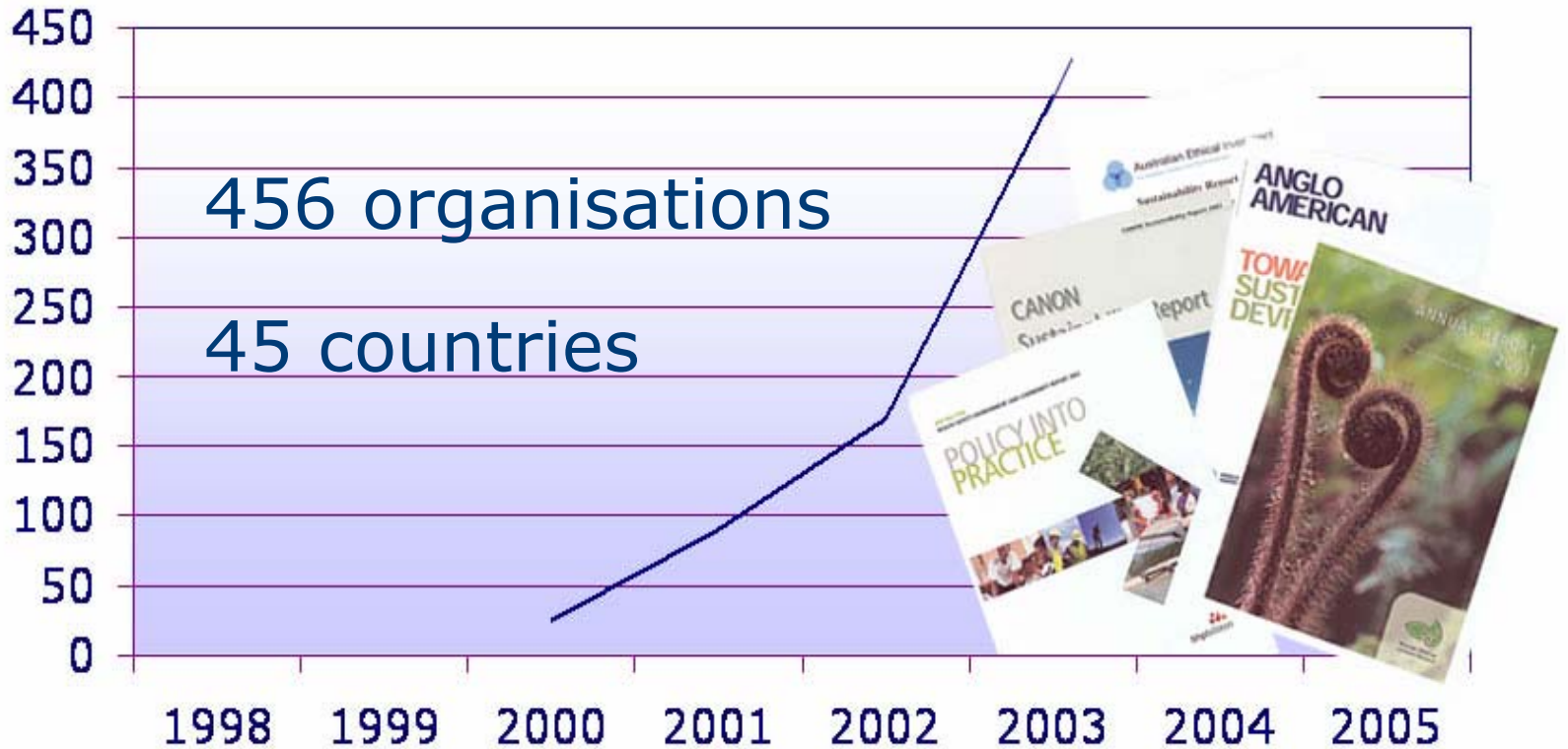
# the architecture of sustainability



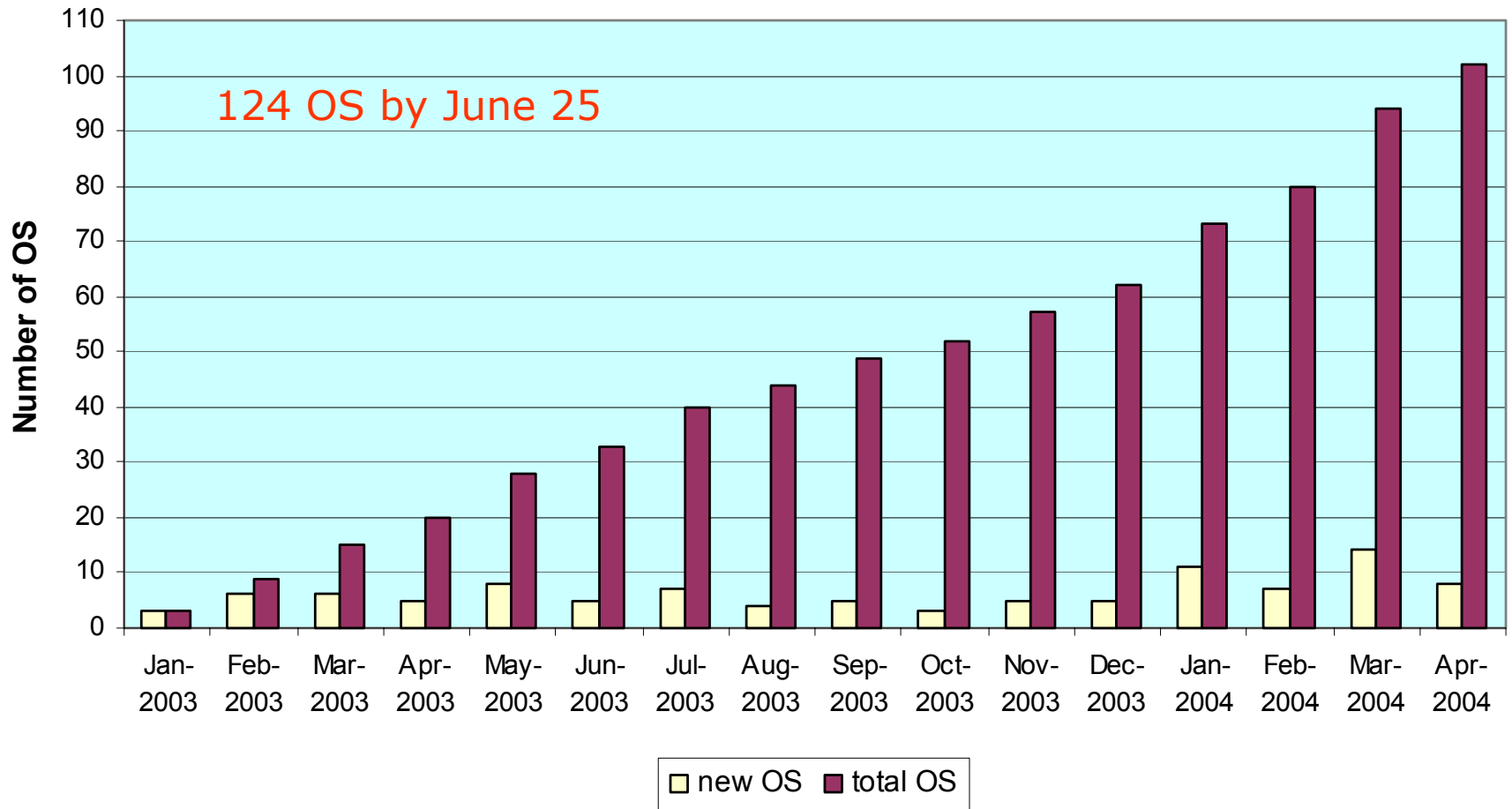
# GRI products



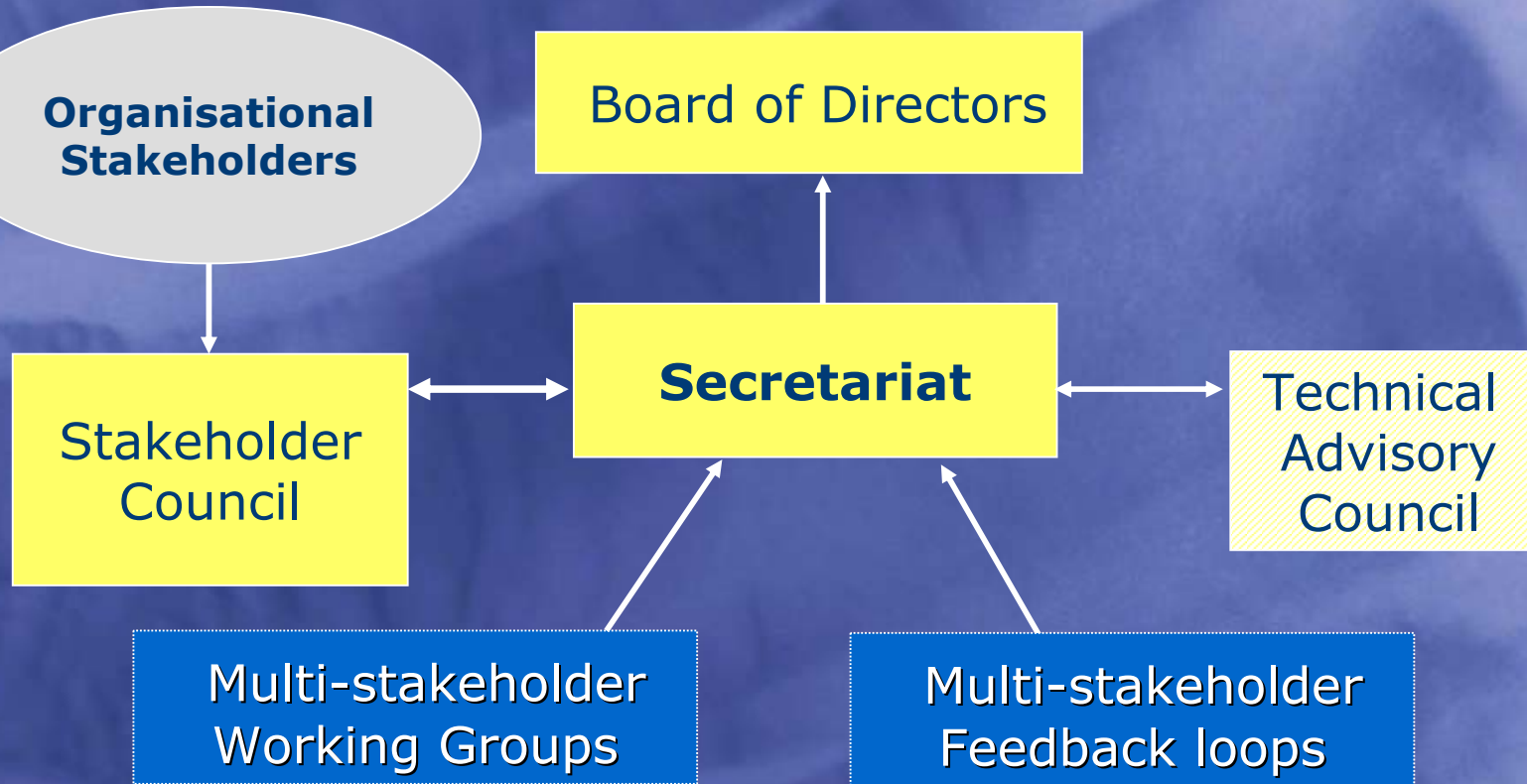
# demand for GRI guidelines



# organizational stakeholders



# governing the GRI and participation in the GRI process

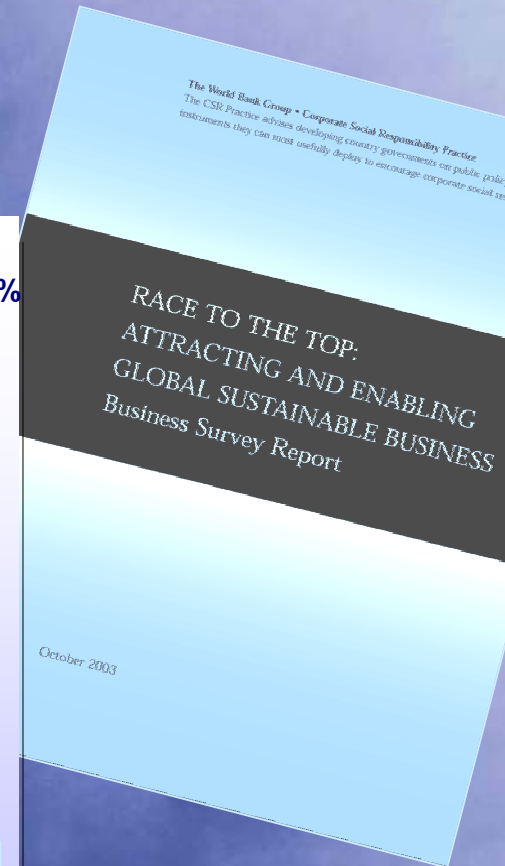
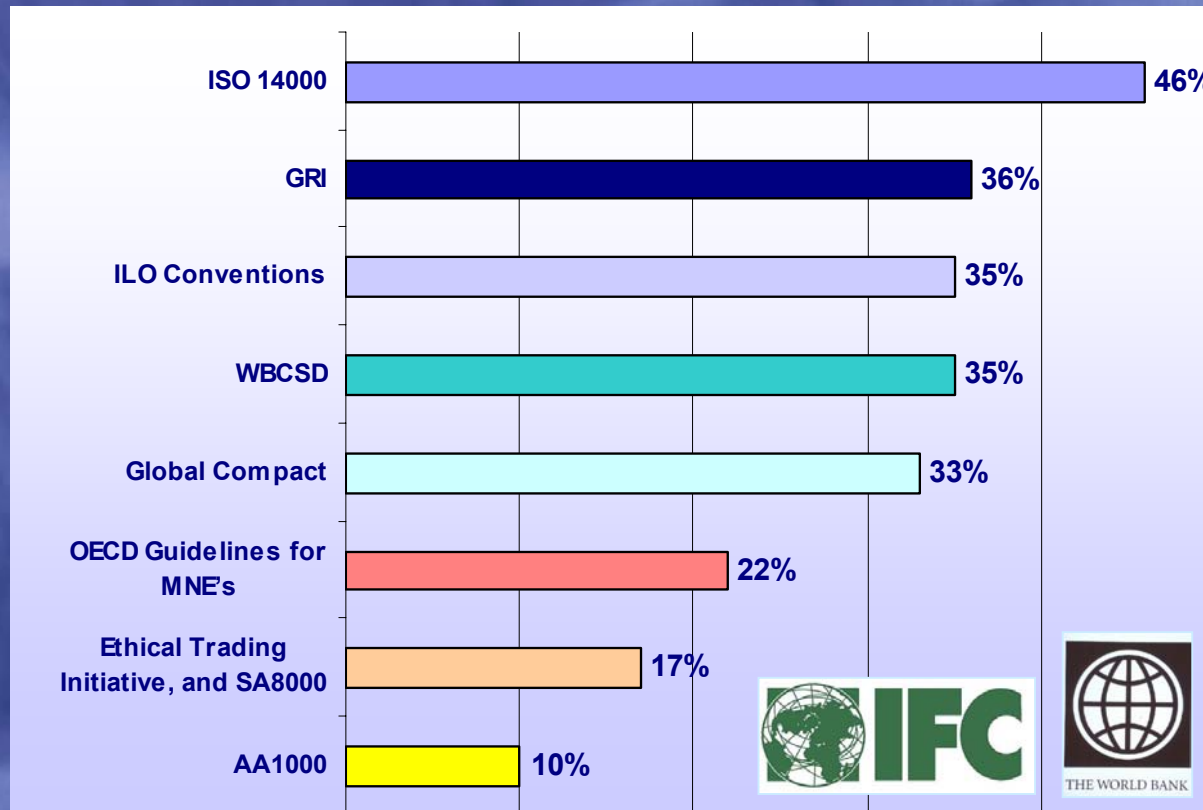


# is the business case for a sustainability reporting approach...



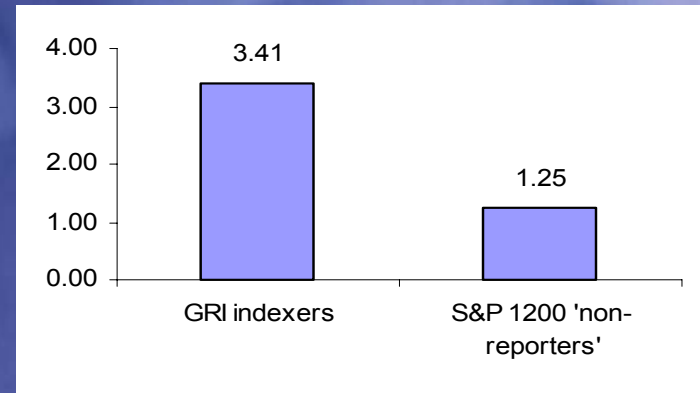
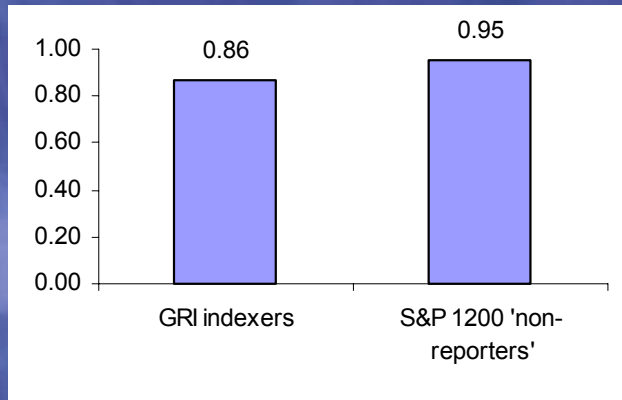
# internal effects

Which standards/forums are most influential on business practice?



# added value ?

measuring the “value relevance” of sustainability reporting for all



publicly quoted GRI pioneers have marginally lower share price volatility

GRI indexers: 193, S&P: 798

those companies which not only refer to the GRI Guidelines when preparing their sustainability reports but publish a detailed 'GRI index' have, on average: significantly higher profit margins with marginally higher revenue growth.



# emerging global architecture

## normative framework

UN Global Compact, OECD Guidelines

generally accepted accounting principles for sustainability (GAAPS)

**GRI Framework**, IAASB, AA1000 Series

## marketplaces

e.g. GHG Register

## management systems

e.g. ISO, etc.

## voluntary performance standards

e.g. SA8000, etc.

## regulatory frameworks

e.g. Sarbanes-Oxley Act

# GRI portfolio

- **the 2002 sustainability reporting guidelines**
  - new generation Guideline expected in 2006
  - 2002 version translated into 10 languages
- **sector supplements**
  - conclude to final: tour operators, financial services-social, telecom, automotive
  - move to pilot: financial services-environment, mining/metals, public authorities
  - starting: transportation and logistics
  - in negotiation: food retail, oil & gas, IT, energy utilities, cement, construction, pharmaceuticals, chemicals, multilaterals, NGOs, universities
- **technical protocols**
  - conclude to final: energy use, water use
  - move to pilot: child labour, Health & safety
  - started: reporting boundaries
  - candidates: biodiversity

# GRI portfolio ... continued

## ■ resource documents

- move to final: HIV/AIDS
- candidate: limits-based indicators

## ■ linkages documents

- GRI/Global Compact synthesis
- GRI/OECD MNE guidelines synthesis
- started: GRI/Japan's MoE Reporting Guidelines

## ■ facilitating digital solutions

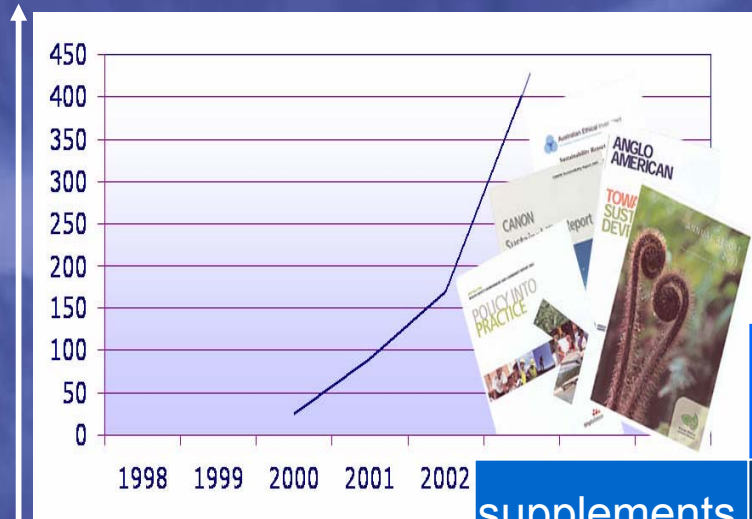
- meeting with software companies, RFP on the web, strategy development with Arup (consultancy), implementation starting in fall, synchronized with Guidelines revision

## ■ other activities

- SME projects:
  - reporting by SMEs in Eastern Europe (report on website)
  - SME handbook project (funded by Dutch government)
- Financial Market Working Group (starting in fall 2004)
- Matchmaker Program between reporters and universities/MBA programs (see website "matchmaker")

# demand for new GRI products

services



supplements

guidelines

software

revisions

investor

time