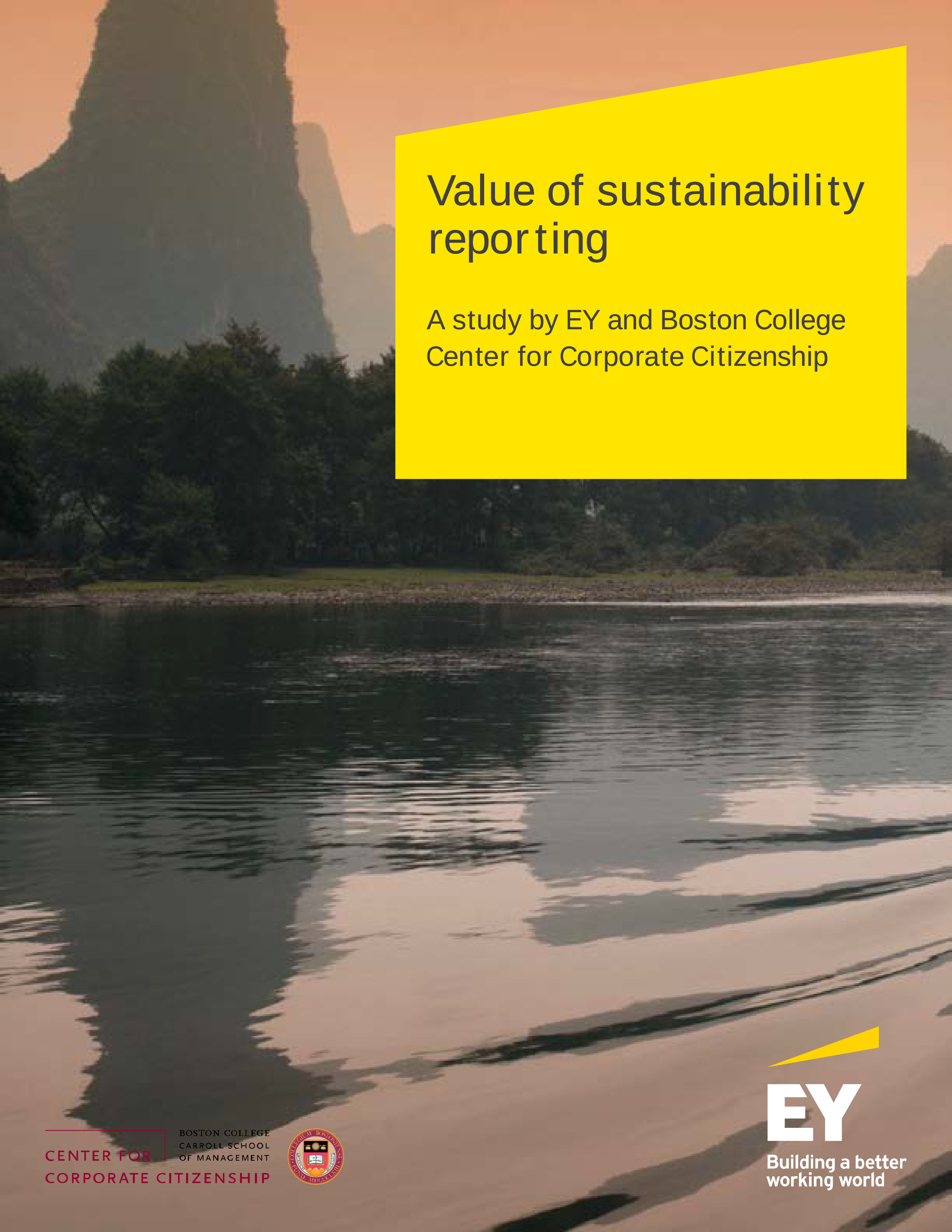

Value of sustainability reporting

A study by EY and Boston College Center for Corporate Citizenship

CENTER FOR CORPORATE CITIZENSHIP

BOSTON COLLEGE
CARROLL SCHOOL
OF MANAGEMENT

EY
Building a better working world

About this study

This study was produced as a joint effort between EY and the Center for Corporate Citizenship at Boston College.

The Boston College Center for Corporate Citizenship and Ernst & Young LLP conducted a survey on sustainability reporting, which was administered between February 26 and March 8, 2013. The comprehensive survey covered various aspects of an organization's ESG reporting. Topics included the cost and benefits of reporting, as well as making connections to financial performance. Respondents' companies did not have to report in order to participate in the survey. For more information on the profiles of the companies surveyed and the methodology, please refer to page 24.

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1

Executive summary

Sustainability reporting has emerged as a common practice of 21st-century business.

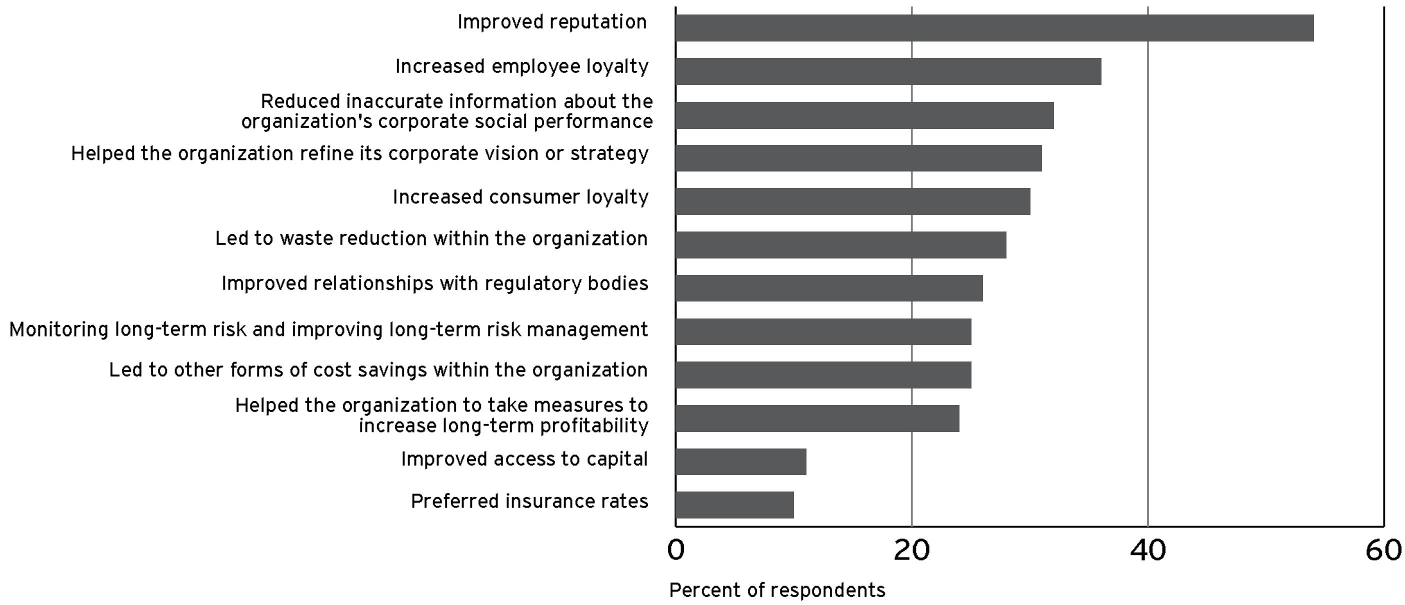
Where once sustainability disclosure was the province of a few unusually green or community-oriented companies, today it is a best practice employed by companies worldwide. A focus on sustainability helps organizations manage their social and environmental impacts and improve operating efficiency and natural resource stewardship, and it remains a vital component of shareholder, employee, and stakeholder relations.

It is clear that sustainability reporting is here to stay. Environmental, social and governance (ESG) company data scroll down thousands of trading terminals. A full 95% of the Global 250 issue sustainability reports.[1] Firms continuously seek new ways to improve performance, protect reputational assets, and win shareholder and stakeholder trust. The evidence is all around us.

The benefits of sustainability reporting go beyond relating firm financial risk and opportunity to performance along ESG dimensions and establishing license to operate. Sustainability disclosure can serve as a differentiator in competitive industries and foster investor confidence, trust and employee loyalty. Analysts often consider a company's sustainability disclosures in their assessment of management quality and efficiency, and reporting may provide firms better access to capital.[2] In a review of more than 7,000 sustainability reports from around the globe, researchers found that sustainability disclosures are being used to help analysts determine firm values and that sustainability disclosures may reduce forecast inaccuracy by roughly 10%.[3]

Beyond the Global 250, thousands of companies around the world issue sustainability reports, and the number of companies reporting grows every year.[4] In 2011, more than 2,200 firms filed reports with the Global Reporting Initiative (GRI), and hundreds more filed GRI-referenced reports.[5] These firms exemplify the principle that reporting is expected of the top companies in our modern business world. As business consultant and author Christopher Meyer explained, we now live in "the age of transparency," where companies that do not own up to their responsibilities will find themselves in "the worst of all worlds," where they will "be *made* responsible and still not be *considered* responsible."[6]

Figure 1: Ways that sustainability reporting provided value



Source: Boston College Center for Corporate Citizenship and EY 2013 survey
Note: for information on how this study was conducted, please refer to page 24.

The benefits of reporting include:

- Better reputation: a 2011 survey on corporate reputation found that expanding transparency and reporting positive deeds were the two most important ways to build public trust in business.[7] The 2013 Boston College Center for Corporate Citizenship and EY survey revealed that more than 50% of respondents issuing sustainability reports reported that those reports helped improve firm reputation (see Figure 1).
- Meeting the expectations of employees: a 2011 survey conducted by EY and Green Biz found that employees were a vital audience for sustainability reporting, with 18% of reporters citing employees as a report's primary audience.[8] More than 30% of reporters in the 2013 Boston College Center for Corporate Citizenship and EY survey saw increased employee loyalty as a result of issuing a report (see Figure 1).
- Improved access to capital: recent research found that reporting firms ranked highly for sustainability have Kaplan-Zingales Index scores that are 0.6 lower than the scores for low-sustainability companies.[9] A lower score signifies fewer capital constraints.
- Increased efficiency and waste reduction: in a 2012 global survey of sustainability reporters, 88% indicated that reporting helped make their organizations' decision-making processes more efficient.[10]

Sustainability reporting requires companies to gather information about processes and impacts that they may not have measured before. This new data, in addition to creating greater transparency about firm performance, can provide firms with knowledge necessary to reduce their use of natural resources, increase efficiency and improve their operational performance. In addition, sustainability reporting can prepare firms to avoid or mitigate environmental and social risks that might have material financial impacts on their business while delivering better business, social, environmental and financial value – creating a virtuous circle.

Already, 61% of sustainability managers report that risk management is one of the three top reasons for their firms' sustainability activities.[11] The links between material business impacts and environmental and social risks suggest that sustainable business management and its key metrics will become more significant in the evaluation of overall business risk.[12]

For reporting to be as useful as possible for managers, executives, analysts, shareholders and stakeholders, a unified standard that allows reports to be quickly assessed, fairly judged and simply compared is a critical asset. The Global Reporting Initiative (GRI) currently provides the global standard for comparability.

2

The Global Reporting Initiative: the leading global standard

More than two-thirds

of respondents indicate that their organizations employ the GRI framework in the preparation of their reports.

As firms worldwide have embraced sustainability reporting, the most widely adopted framework has been the GRI Sustainability Reporting Framework (GRI Framework or framework).

The GRI framework is a collection of reporting guidance documents – all of which were developed through global, multi-stakeholder consultative processes – designed to assist companies in preparing sustainability reports and ESG disclosures. These guidance documents are periodically revised to ensure that they continue to meet the needs of 21st-century business and society.[13] In the 2013 Boston College Center for Corporate Citizenship and EY survey on sustainability reporting, more than two-thirds of respondents indicate that their organizations employ the GRI framework in the preparation of their reports.

The key benefit of using the GRI framework, in addition to standardization of reports, is guidance on material issues. The GRI emphasizes that a company consider those environmental and social aspects that are most significant to its key stakeholders and have the most significant impacts on its business – or result from it.[14]

The GRI Guidelines have been designed to harmonize with other prominent sustainability standards, including the OECD Guidelines for Multinational Organizations, ISO 26000 and the UN Global Compact.[15]

Reporters who use the GRI Guidelines are strongly encouraged to submit their sustainability reports to external assurance. Though assurance is not mandatory for sustainability reports, there is evidence that many analysts and investors, including investors who do not consider themselves social investors, consider assurance important and factor its presence or absence into their company analyses.[16] As one respondent to the Boston College Center for Corporate Citizenship and EY 2013 survey wrote: "We are investors who are looking for robust material and audited sustainability information for corporations. We heartily endorse any effort aimed at driving it."

History of the GRI and sustainability reporting

The Global Reporting Initiative was founded at the end of the 1990s. Only a few dozen companies filed reports with the GRI in its first few years, but with the environmental sustainability movement at its core, it quickly gathered momentum. By the mid-2000s, hundreds of companies were voluntarily adopting the GRI framework and producing sustainability reports. In January 2011, the GRI began collecting GRI-referenced and non-GRI-referenced reports.[17] Today, thousands of companies, from all over the globe, are publishing sustainability reports. In the Boston College Center for Corporate Citizenship and EY survey, a majority of respondents indicated that their organizations issue a sustainability report.

The first version of the GRI standards appeared in 2000. The working groups that draft and revise the framework and supplements are composed of corporate representatives, NGOs, labor groups and society at large. By continually revising its standards through a broadly consultative global process to meet evolving circumstances, the GRI has established itself as a leader in reporting.

Between 2007 and 2011, the GRI Sustainability Disclosure Database, which tracks sustainability reports submitted by companies, grew, on average, more than 30% each year (see Figure 2). According to a 2006 study by GRI data partner the Governance & Accountability Institute, Fortune 500 participation in GRI reporting was 5%. A 2012 follow-up found that 53% of companies on the S&P 500 published a sustainability report and that 63% of those were GRI reports. This is similar to the results of the Boston College Center for Corporate Citizenship and EY study, in which more than two-thirds of respondents indicated that their organizations use either GRI guidelines or a GRI-referenced framework for sustainability reporting (see Figure 3).

3

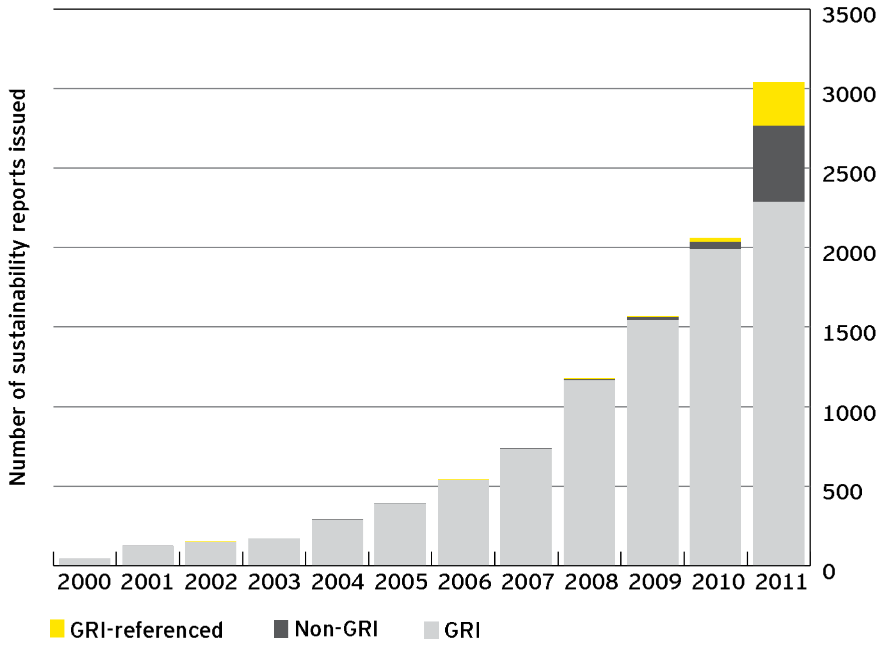
Sustainability reports: yesterday and today

2009 One of the biggest moments in the mainstreaming of sustainability reporting

A variety of concerns, including pollution, climate change, human rights issues and economic crises, have prompted the development of ongoing public discourse about the role of business in society and the need for greater transparency, sustainability and responsibility in business.

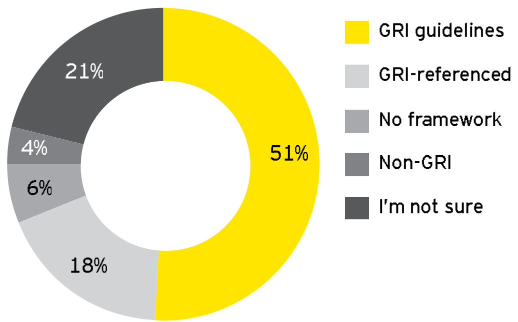
One of the biggest moments in the mainstreaming of sustainability reporting came in 2009, when Bloomberg made access to sustainability data available to terminal subscribers as part of its regular subscription. There are more than 100 sustainability data points available for each firm covered, and in the latter half of 2010, analysts and investors viewed more than 50,000,000 indicators, representing a 29% uptick from the prior six months.[18]

Figure 2: Growth of sustainability reporting, 2000–2011



Source: Data from GRI Sustainability Database
Note: GRI started collecting GRI-referenced and non-GRI reports in January 2011.

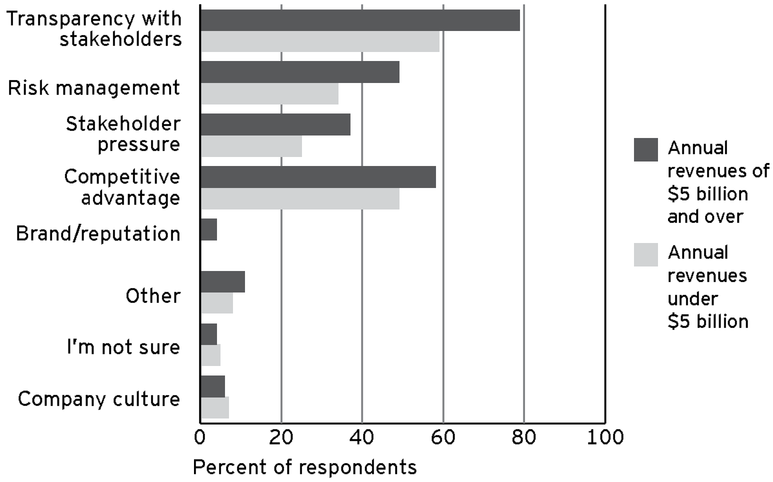
Figure 3: Reporting frameworks organizations use to organize their reports



Source: Boston College Center for Corporate Citizenship and EY 2013 survey

It's just part of business: reasons to report

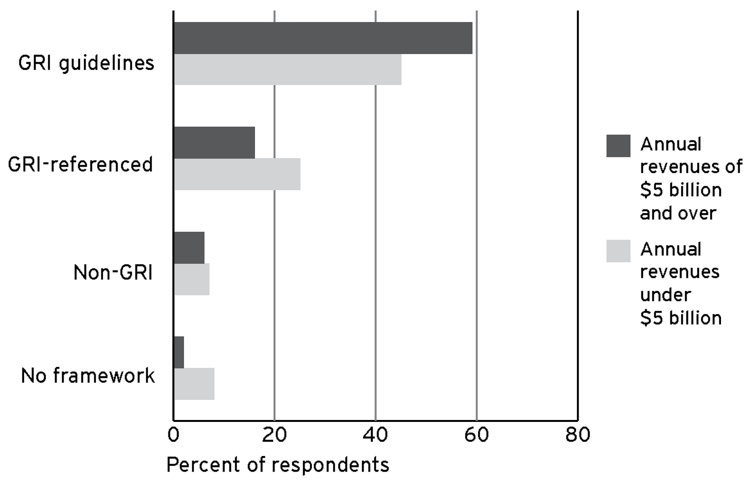
Figure 4: Motivations for reporting by company size



Companies are motivated to report for different reasons. Large companies are more likely to report than small companies, and they appear to be influenced more than small companies by expectations of transparency with stakeholders and competitive differentiation.

Source: Boston College Center for Corporate Citizenship and EY 2013 survey

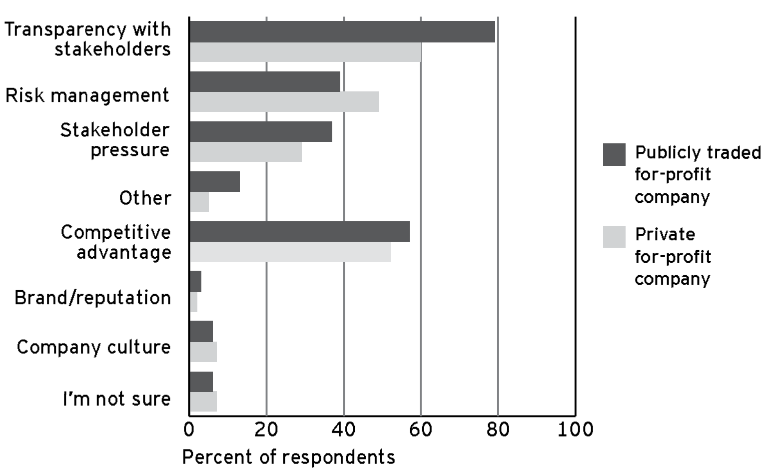
Figure 5: Reporting framework by company size



Large companies are more likely to employ the GRI framework.

Source: Boston College Center for Corporate Citizenship and EY 2013 survey

Figure 6: Reasons to report by company type



Public companies are influenced by stakeholders to a greater extent than privately held companies, suggesting increased influence of stakeholder perspectives.

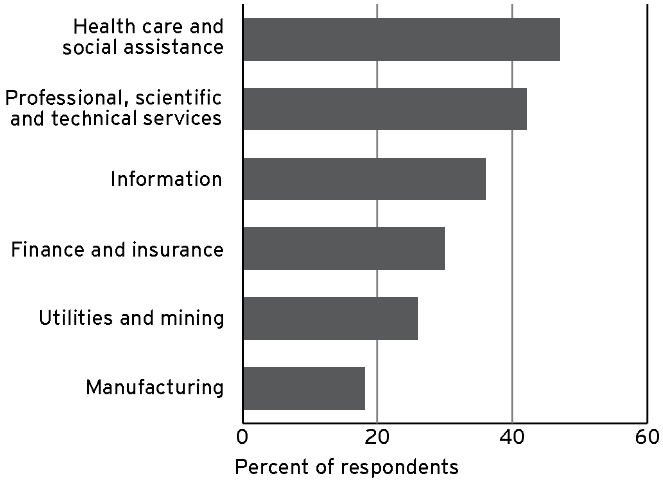
Private companies are more likely than their public counterparts to see reporting as an opportunity to manage risk.

Source: Boston College Center for Corporate Citizenship and EY 2013 survey

Reporting contributes to important business outcomes

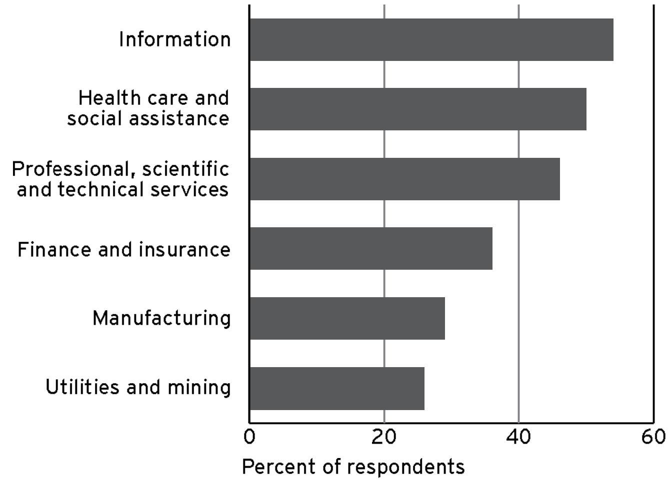
Research has shown that the process of reporting can improve productivity and efficiency. Different industries report realizing major value from reporting in different ways; these benefits contribute to improved financial performance (see Figures 7–10).

Figure 7: Increased consumer loyalty



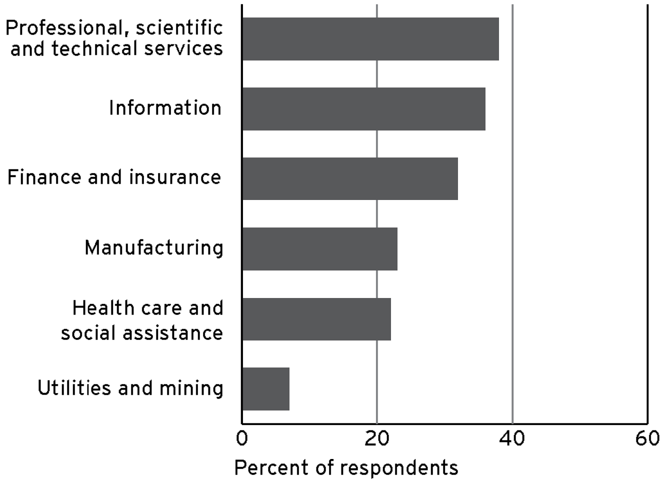
Source: Boston College Center for Corporate Citizenship and EY 2013 survey

Figure 8: Increased employee loyalty



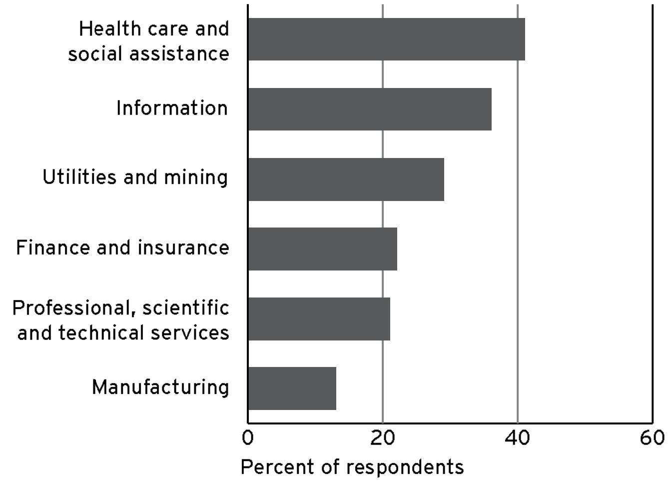
Source: Boston College Center for Corporate Citizenship and EY 2013 survey

Figure 9: Reduce waste



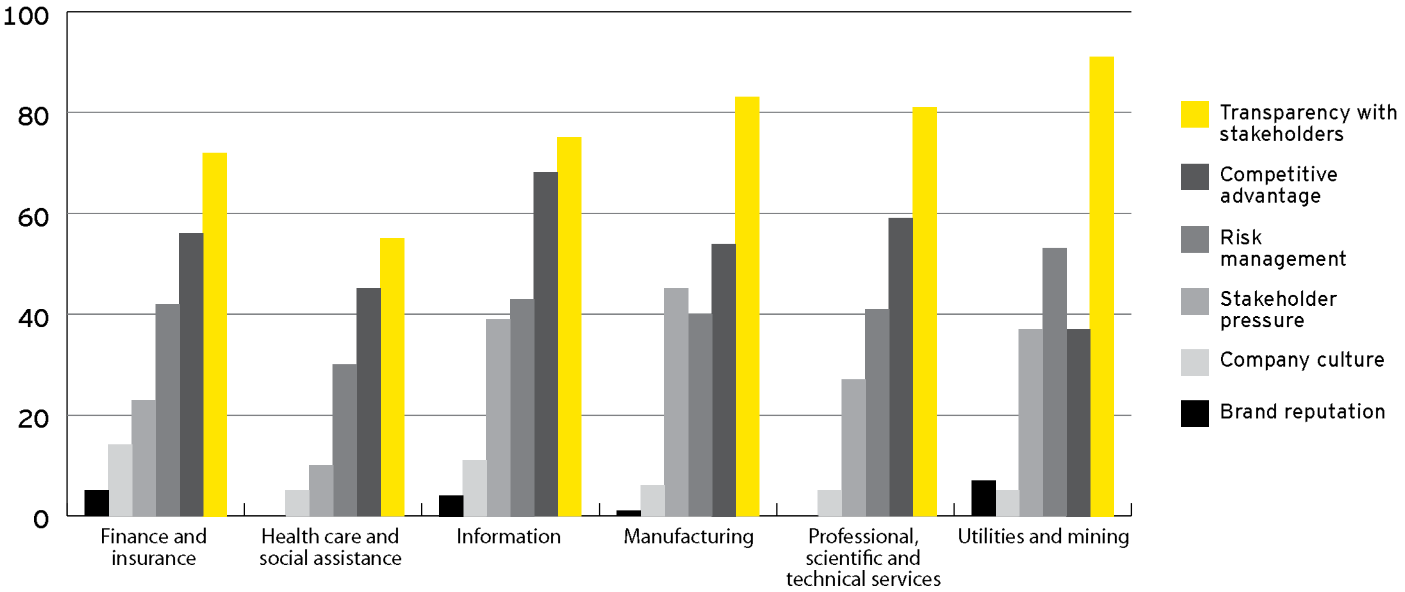
Source: Boston College Center for Corporate Citizenship and EY 2013 survey

Figure 10: Monitoring long-term risk and improve risk management



Source: Boston College Center for Corporate Citizenship and EY 2013 survey

Figure 11: What motivates organizations to report



Source: Boston College Center for Corporate Citizenship and EY 2013 survey

What drives a company to issue a sustainability report in 2013? Many corporations, after all, engage in sustainability activities without issuing reports.

In general, those companies that report appear on sustainability rankings and obtain higher places within those rankings than do non-reporters.[19] Though improved reputation is reported to be a significant positive outcome of sustainability reporting, it was not found to be a primary reason that companies prepare reports (see Figure 12).

The Boston College Center for Corporate Citizenship and EY survey found that transparency with stakeholders was a key motivation for organizations to disclose ESG information (see Figure 12). A variety of internal and external drivers may also influence whether a firm reports:

- Rating agencies factoring sustainability information into broader analysis[20]
- Executives, shareholders and investors seeking assurance that sustainability risks have been managed
- Communities seeking information regarding how the company is managing the environmental and social impacts of its operations
- Regulations related to environmental and social matters
- Current and potential employees seeking information about company sustainability practice[21]

Investors and exchanges seeking more transparency

For many firms, the growth in socially responsible investment (SRI) may be one of the most compelling reasons to engage in reporting. Approximately US$3.74 trillion in assets are administered by managers who systematically evaluate and screen for sustainability practices when determining their portfolios.[22]

The market for responsible investment, however, isn't limited to members of the public or to investors. Mainstream analysts have shown a healthy appetite for sustainability information.[23] And institutional shareholders, including some of the world's largest, have been asking companies for increasing amounts of ESG data.[24]

Reporting: the law of the land?

In many countries some type of sustainability reporting is mandated, either by exchanges or by the government, and every year brings new laws and guidelines to countries throughout the world. Stock exchanges in at least 20 countries across six continents require or strongly encourage companies to provide sustainability reports or similar disclosures.[25] At present, at least 44% of capital in stock markets worldwide is in exchanges that either mandate or encourage reporting.[26] In South Africa, for example, companies listed on the Johannesburg Stock Exchange must either produce an integrated report with both financial and sustainability information or explain its absence.[27] More than a dozen countries mandate varying levels of corporate sustainability disclosure.[28]

As of 2012, the governments or stock exchanges of 33 countries have required or encouraged some level of sustainability reporting:[29]

Argentina	Germany	Mexico
Australia	Greece	Netherlands
Austria	Hungary	Norway
Brazil	India	Saudi Arabia
Canada	Indonesia	Singapore
China	Ireland	South Africa
Denmark	Italy	Spain
Ecuador	Japan	Sweden
Egypt	Korea	Turkey
Finland	Luxembourg	United Kingdom
France	Malaysia	United States

In addition, in the fall of 2011, the European Commission recommended to the European Parliament that it investigate ways to ensure further corporate disclosure.[30]

Many indicators suggest that mandatory corporate reporting will be the future in both developed and emerging economies. Some believe that reporting will be required in the future in both emerging and developed economies.

4

The business benefits of sustainability reports

Transparency offers a number of financial and social advantages that make it more than worth its costs.

Financial performance

Supporters of reporting and the GRI have long contended that disclosure offers reporting companies a wide spectrum of intangible benefits, such as employee loyalty and consumer reputation. But new research suggests that the value of disclosure also extends to the firm's balance sheet. This is consistent with the survey responses for this report, where by a majority reported realizing business value as a result of their companies' reporting efforts.

A 2009 analysis of the results of more than 200 independent empirical studies examining the relationship of corporate social and environmental performance to corporate financial performance suggested that companies might benefit from increased communication of their good deeds.[31] The studies in the sample specifically covering transparency and reporting indicated positive market reactions to sustainability reporting.[32] A 2012 finance study indicated that a large institutional shareholder's successful interventions in corporate social responsibility increased share price by an average of 4.4% a year.[33]

The rigor of the reporting process matters a great deal in terms of the value that can be realized. Recent research found that environmental disclosure quality and firm value have a positive relationship. Even after implementing a control for environmental performance, the most transparent companies in the study tended to have higher cash flows.[34] Furthermore, an analysis of firms from 1994 to 2007 found that higher levels of transparency correlate with better firm liquidity, decreased bid-offer spreads and a higher Tobin's *Q*.[35]

Access to capital

Research indicates that reporting may well open the door to new and less costly sources of capital. By reporting on their sustainability initiatives, companies may be able to convince potential sources of equity that they are competitive and lower-risk investments.[36] A recent paper suggests that investors increasingly prefer to invest in transparent enterprises due to higher stakeholder-manager trust, more accurate analyst forecasting and lower information asymmetry.[37]

A study of five industries with significant environmental impacts (utilities, metals and mining, oil and gas, pulp and paper, and chemicals) determined that voluntary sustainability disclosure by firms in these industries allows investors more information than government-regulated transparency alone and that disclosure was positively correlated with return on assets and cash flow from operations.[38]

Finally, communicating sustainability efforts may signal general firm quality and help lower the firm's cost of equity, particularly in competitive markets.[39] More competitive industry sectors tend to employ more types of social and environmental programs and tend to initiate higher numbers of sustainability initiatives, suggesting that firms may see their sustainability efforts as important opportunities to positively differentiate themselves.[40]

Innovation, waste reduction and efficiency

Gathering information and constructing a report can help a firm to develop new means of data collection and to think in new ways about long-held practices. The data gathered in the reporting process may help firms:

- Innovate processes
- Reduce waste
- Gain insight into possible growth areas

Reporting can offer firms insight into potential changes in process and business. Innovative firms can employ social and environmental initiatives as opportunities for learning.[41]

Risk management

Reporting firms may be better able to predict and manage risks emanating from sustainability-related dimensions of business. Engaging in sustainability reporting may allow firms to:

- Anticipate and prepare for issues in communities of operation
- Increase agility in process improvement
- Anticipate and prepare for future materials scarcity

In 2008, several multinational firms collaborated with the GRI on a pilot program to address supply chain sustainability. The GRI case analysis found that reporting provided new insight into supplier management and business practices – a potentially substantial benefit in an era when many corporations have been held accountable for the actions of their suppliers.[42]

Improved environmental performance has been linked already to better financial results; as natural resources continue to be taxed and the costs of industrial inputs increase, this effect may become significantly more pronounced.[43] Many large corporations already monitor or reduce emissions beyond legal requirements.[44] Of the world's 500 largest companies, 68% now have a sustainability strategy in place and 76% of sustainability professionals queried in a 2011 EY and Green Biz survey expect scarcity to affect their resource use within five years.[45] As resources grow scarcer, the discipline of sustainability reporting can help firms maintain focus and gain insight into how to better steward those resources.

Reputation and consumer trust

Since 2008, consumers are increasingly wary of placing their trust in corporations.[46] Trust is a valuable commodity: a 2009 report on firm reputation found reputation leaders performed 22% better than the S&P average; more than five years' stock prices were 88% higher than average.[47] Sustainability reporting can aid firms that seek to:

- Create, improve, or repair a brand
- Signal trustworthiness
- Reach social-choice consumers
- Maintain their license to operate

Reporting may prove to be a powerful tool for corporations that need to build or restore trust. A recent EY study found that social acceptance risk was one of the Top Ten Risks for Global Business and that corporations may benefit from communicating transparently to the public.[48] A worldwide survey from late 2011 indicated that most professionals believe that increasing transparency is the most important way for businesses to build trust.[49]

Employee loyalty and recruitment

Reporting has a powerful impact on stakeholders outside a company, and it can also have a profound effect on the happiness and productivity of the firm's employees. Proactively communicating your firm's corporate responsibility commitments has a positive impact on productivity, including the number of voluntary, uncompensated hours worked.[50] In a survey of sustainability professionals, 18% of respondents claimed that employees were a primary audience and that reports can help improve both retention and recruitment.[51]

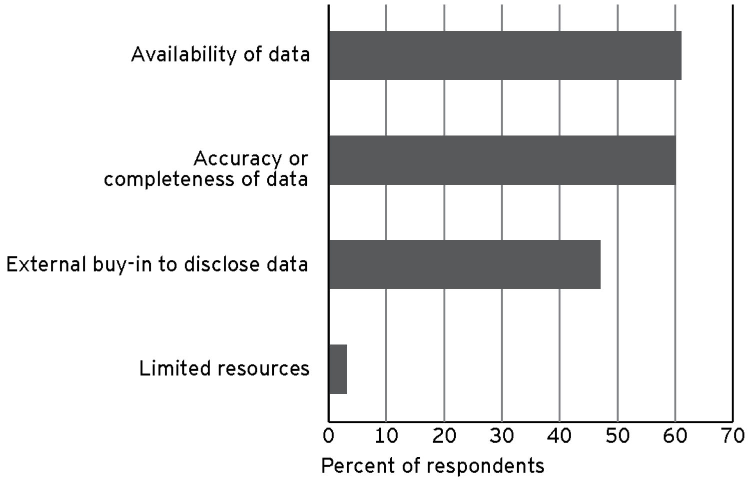
In addition to inspiring current employees, responsible disclosure can serve as a powerful differentiator in a competitive job market. A reputation for responsibility and disclosure can help recruiting efforts.[52]

Social benefits

Many firms that produce sustainability reports have found that doing well and doing good are not mutually exclusive propositions. By releasing their reports, they engage with stakeholders outside the company, integrate with local and global communities, and participate in inclusive discourse that can lead to investments that benefit the company and its operating environment.

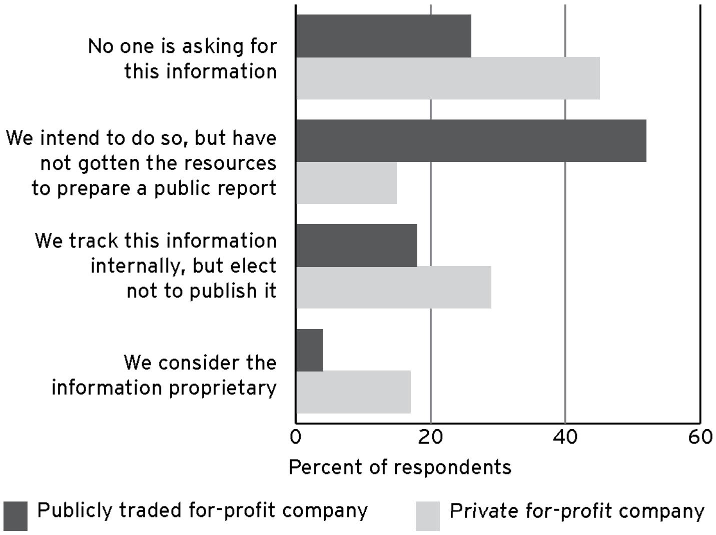
In an especially competitive or saturated market, disclosing information on a firm's sustainability commitments leads to positive differentiation of the company and better firm performance. A study of corporate social responsibility in highly competitive markets concluded that companies engaging in sustainability initiatives can simultaneously increase firm success, reduce negative social influence and benefit society at large.[53]

Figure 12: Challenges of sustainability reporting and assurance process



Source: Boston College Center for Corporate Citizenship and EY 2013 survey

Figure 13: Reasons why companies do not report



Source: Boston College Center for Corporate Citizenship and EY 2013 survey

Why not report?

Though issuing a sustainability report in accordance with the GRI framework or another standard requires a lot of work, there is strong evidence that transparency offers a number of financial and social advantages that make it more than worth its costs. Respondents from organizations who issue a sustainability report most often identified data-related issues as among their challenges in the reporting process (see Figure 12; Boston College Center for Corporate Citizenship and EY 2013 survey).

For large enterprises, sustainability reporting may not be an entirely internal activity; proper sustainability management may require working with subsidiaries and suppliers. For some enterprises, these suppliers may not be large enough to support robust reporting or may not yet have adopted the practice of sustainability reporting – requiring of reporters more effort to capture full business impacts through their supply chains.[54]
See Figure 13 for the differences in the reasons why organizations do not report between private and public for-profit companies (Boston College Center for Corporate Citizenship and EY 2013 survey).

5

The future of sustainability reporting

The way forward

Some advocates of sustainability believe that integrated reporting is the way forward.

A push to integrate financial and sustainability reporting

One part of the move towards standardization is the push for annual reports that include and connect information on both financial and non-financial aspects of business.

Some advocates of sustainability reporting believe that integrated reporting is the way forward. In 2010, the GRI cofounded the International Integrated Reporting Council (IIRC) to help promote the disclosure of sustainability performance data.[55] In March 2013, the GRI and IIRC announced a Memorandum of Understanding declaring the two organizations' continued commitment to collaboration.[56]

Assurance and harmonization

As more companies issue sustainability reports, analysts expect that public and investor demand for external assurance of sustainability reports will grow. Independent assurance of sustainability disclosures can help make a persuasive case for the reporter's seriousness and reliability. The GRI encourages external assurance, and there is strong evidence that investing in assurance is a wise decision since it enhances the credibility surrounding positive disclosures. For example, a recent study found that readers are more likely to believe negative disclosures than positive disclosures in reports. In order for disclosures of positive performance to have the same weight and credibility as negative disclosures, the positive disclosures had to be assured – even if the negative disclosures were not assured.[57] See Figures 14 and 15 for a breakdown of assured reports by provider type and the scope of assurance.

Because analysts, investors and other stakeholders are paying attention to sustainability reporting, many firms have come to understand that the credibility offered by assurance is important. Among those report-issuing companies in the Boston College and EY survey, 35% have some level of assurance conducted on their sustainability reports. Of those reporting assurance, 55% have their full reports assured and 45% have some indicators assured.

A survey commissioned by Accounting for Sustainability indicated that investors and analysts tend to consider external assurance a vital part of a company's sustainability reporting process, with 77% of the sample labeling it either "important" or "very important."[58]

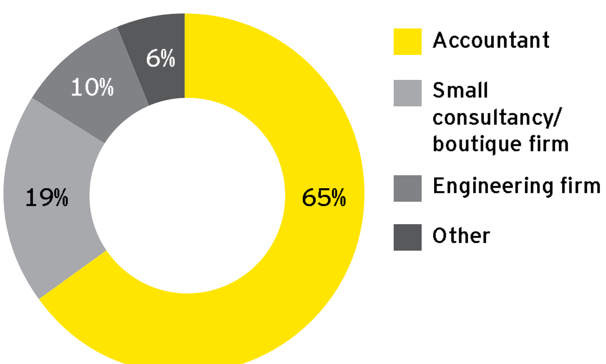
Indicators show that the number of assurance statements in sustainability reports is increasing year over year.[59]

There is evidence that firms with more visible industrial impacts such as mining, power and finance are more likely to seek assurance[60] and that assurance conducted by large accounting firms may be considered superior in quality due to the firms' economies of scale, professional codes of ethics, and the reputational capital that they bring to their engagements.[61]

Though assurance is not yet mandatory for sustainability reports, it is an important risk management exercise. As more and more companies issue reports and seek assurance services, there is likely to be an increased demand for comparability and alignment across reports. Today there is already a movement towards harmonization of reporting guidelines and standards; the GRI Framework, for example, aligns with ISO 26000, the UN Global Compact and the Carbon Disclosure Project.[62]

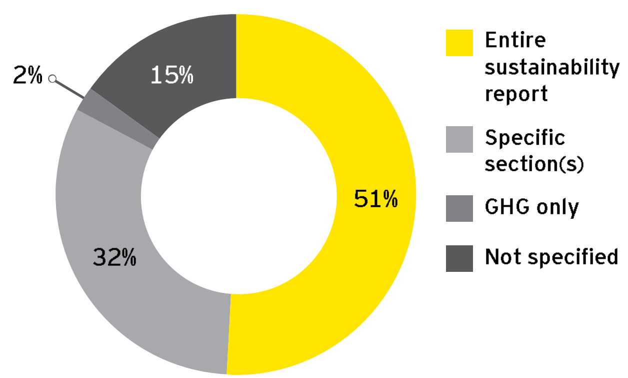
A table illustrating the alignment of reporting dimensions across frameworks can be found in Appendix A of this report. The appendix covers nine different initiatives, descriptions of the reporting framework, tool, and/or standards they cover, the industries and regions they represent, and which core sustainability issues they address.

Figure 14: Assured reports by provider type, 2012



Source: Data from GRI Sustainability Database

Figure 15: Scope of assurance, 2012



Source: Data from GRI Sustainability Database

6

Appendix A: harmonization of reporting frameworks

Organization initiative or tool	Global Reporting Initiative (GRI) Sustainability Reporting Guidelines
Type/description	• Reporting framework: G3.1 is the GRI's set of sustainability reporting guidelines, and G4 is planned to be released in May 2013. Performance indicators are organized into the following three dimensions: economic, environmental and social. • www.globalreporting.org
Members/regions represented	4,981 organizations from every region around the world have created GRI reports.
Industries	All public and private organizations
Core subjects	• Organizational governance • Human rights • Labor practices • The environment • Fair operating practices • Consumer issues • Community involvement and development
Website	• The Global Reporting Initiative www.globalreporting.org • GRI Sustainability Disclosure Database database.globalreporting.org

Organization initiative or tool	AccountAbility: The AA1000 Series of Standards

Type/description	• Voluntary, principle-based standards:
	  • AA1000 AccountAbility Principles Standard (2008): provides a framework for organizations to proactively handle their sustainability challenges.
	  • AA1000 Assurance Standard (2008): provides a method for assurance professionals to evaluate the degree to which an organization meets the AccountAbility Principles.
	  • AA1000 Stakeholder Engagement Standard (2012): provides a framework for stakeholder engagement.
	• www.accountability.org/standards/aa1000aps.html
	• www.accountability.org/standards/aa1000as/index.html
	• www.accountability.org/standards/aa1000ses/index.html

Members/regions represented	Members in North America, European Union, Latin America, Middle East, Southern Africa, and other developing countries
Industries	Financial services, pharmaceuticals, energy and extractives, telecommunications, consumer goods, and food & beverages
Core subjects	• Organizational governance • Human rights • Labor practices • The environment • Fair operating practices • Consumer issues • Community involvement and development
Website	www.accountability.org

Organization initiative or tool	Carbon Disclosure Project (CDP) tool and framework
Type/description	• Tool: CDP Questionnaire – the CDP provides an online questionnaire for firms looking to report their environmental impacts. • Rankings: CDLI (Climate Disclosure Leadership Index) and CPLI (Climate Performance Leadership Index) – top-scoring companies out of a group, based on market capitalization, can qualify to be part of the indexes. • Reporting framework: Climate Disclosure Standards Board (CDSB) – the CDP promotes the integration of information regarding climate change into companies' financial reports with its global framework. • https://www.cdproject.net/en-US/Respond/Pages/overview.aspx • https://www.cdproject.net/en-US/Results/Pages/leadership-index.aspx • https://www.cdproject.net/en-US/OurNetwork/Pages/special-projects.aspx#cdsb
Members/regions represented	Global membership includes investors and corporations.
Industries	Firms from all types of industries report to CDP.
Core subjects	The environment
Website	www.cdproject.net

Organization initiative or tool	International Integrated Reporting Council (IIRC) International Framework (December 2013)
Type/description	• Reporting framework: the first iteration of the International framework for integrated reporting will be available in December 2013. One of the main objectives of integrated reporting is to communicate a more comprehensive picture of an organization's value by considering the environmental, social and governance dimensions along with financial performance. The framework would provide a consistent and comparable way for companies to develop integrated reports. • http://www.theiirc.org/about/the-work-plan/ • http://www.theiirc.org/about/making-happen/
Members/regions represented	Global organization made up of regulators, companies, the accounting profession, investors, NGOs, and those involved with standard setting
Industries	All types of organizations
Core subjects	• Organizational governance • Human rights • Labor practices • The environment • Fair operating practices • Consumer issues • Community involvement and development
Website	http://www.theiirc.org

Organization initiative or tool	International Organization for Standardization ISO 26000
Type/description	• Standard (non-certifiable): provides guidance for organizations on how to behave in a socially responsible way. Helps organizations to put principles into actions and shares best practices. ISO 26000 was launched in 2010. • www.iso.org/iso/home/standards/management-standards/iso26000.htm
Members/regions represented	Members from 163 countries
Industries	All types of organizations
Core subjects	• Organizational governance • Human rights • Labor practices • The environment • Fair operating practices • Consumer issues • Community involvement and development
Website	www.iso.org/iso

Organization initiative or tool	OECD: Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones
Type/description	• Tool: the OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones focuses on the risks and ethical issues that corporations doing business in such areas might encounter. These include a higher level of care when managing investments and speaking out regarding wrongdoings. • www.oecd.org/daf/inv/corporateresponsibility/weakgovernancezones-riskawarenesstoolformultinationalenterprises-oecd.htm
Members/regions represented	34 member countries including advanced and emerging countries in North America, South America, Europe, and the Asia-Pacific Region
Industries	Multinational enterprises, professional associations, trade unions, civil society organizations and international financial institutions
Core subjects	• Organizational governance • Human rights • Labor practices • Fair operating practices • Community involvement and development
Website	www.oecd.org

Organization initiative or tool	Sustainability Accounting Standards Board (SASB)
Type/description	• Standards: the SASB has classified companies into ten sectors covering 89 industries that incorporate their degrees of resource use and potential for sustainability innovation. The SASB will produce materiality maps by industry and develop standards for each industry that will account for differences across types. Sustainability accounting standards will consist of performance metrics and management disclosures and will be classified under impacts or opportunities for innovation. • http://www.sasb.org/sics/ • http://www.sasb.org/approach/produce/ • http://www.sasb.org/sustainability-standards • Standards for all ten sectors will be available in the second quarter of 2015 at http://www.sasb.org/sustainability-standards/timeline/.
Members/regions represented	Any public company in the US
Industries	89 industries in ten sectors: health care, financials, technology and communications, non-renewables, transportation, services, resource transformation, consumption, renewables and alternative energy, and infrastructure
Core subjects	• Organizational governance • Human rights • Labor practices • The environment • Fair operating practices • Consumer issues • Community involvement and development
Website	www.sasb.org

Organization initiative or tool	United Nations Global Compact Ten Principles
Type/description	• Voluntary corporate responsibility initiative/framework: The UN Global Compact requires participating companies to adhere to their 10 principles regarding human rights, labor, environment and anti-corruption. The Global Compact also has a number of specific tools for those four areas including the following: Business and Human Rights Learning Tool, Guide to Develop Human Rights Policy, Good Practices to Prevent and Combat Human Trafficking, Corruption Fighting E-learning Tool, and more. • www.unglobalcompact.org/AboutTheGC/index.html • http://www.unglobalcompact.org/AboutTheGC/tools_resources/index.html
Members/regions represented	More than 10,000 corporate participants and other stakeholders in over 130 countries
Industries	Any company, business association, labor or civil society, government organization, NGO or academic institution
Core subjects	• Labor practices • The environment • Consumer issues • Community involvement and development
Website	www.unglobalcompact.org

Organization initiative or tool	WBCSD and World Resources Institute (WRI) The Greenhouse Gas (GHG) Protocol

Type/description	• Tool/standards: the GHG Protocol is a global accounting tool used by corporations, organizations and governments to quantify, manage and report on greenhouse gas emissions. The protocol is made up of four distinct but related standards included below:
	  • Corporate Accounting and Reporting Standards (Corporate Standard)
	  • Project Accounting Protocol and Guidelines
	  • Corporate Value Chain (Scope 3) Accounting and Reporting Standard
	  • Project Life Cycle Accounting and Reporting Standard
	• www.ghgprotocol.org/about-ghgp
	• http://www.ghgprotocol.org/standards

Members/regions represented	Tool is used globally by corporations, organizations and governments, within both developed and developing countries.
Industries	All types of organizations across industries
Core subjects	The environment
Website	www.ghgprotocol.org

7

About this study

Profile of organizations surveyed and methodology

This study was produced as a joint partnership between EY and the Center for Corporate Citizenship at Boston College.

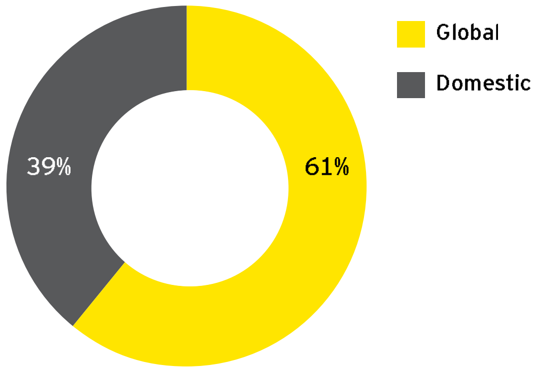
The Boston College Center for Corporate Citizenship and EY conducted a survey on sustainability reporting, which was administered between February 26 and March 8, 2013. The comprehensive survey covered various aspects of an organization's ESG reporting. Topics included the cost and benefits of reporting, as well as making connections to financial performance. Respondents' companies did not have to report in order to participate in the survey.

Survey information was sent by email to members of the Center for Corporate Citizenship and to other professionals. The survey was also sent to members of a Survey Sampling International (SSI) panel. Members of the SSI panel were corporate professionals and were required to be employed at management or executive levels in their companies to complete the survey. All respondents needed to be at least somewhat familiar with their organizations' sustainability disclosures (also known as corporate citizenship; environmental, social and governance; ESG; or corporate social responsibility disclosures).

At the end of the survey, respondents indicated whether they would like to be included in drawings for gift cards, which were for completed surveys only. There were five US$100 gift cards. Respondents also indicated at the end of the survey whether they were willing to be contacted with additional questions.

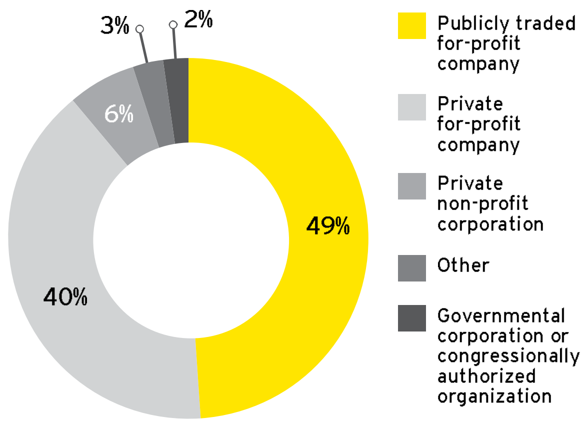
There were 579 total respondents, and 391 work for organizations that issue a sustainability report. For Figures 1 and 3–12, the maximum number of respondents is 391. Figure 13 pertains to the 188 respondents whose organizations do not issue reports. See Figures 16–18 for additional information regarding the sample, including a breakdown by company operations area, type, and industry.

Figure 16: Company operations area – domestic (US only) vs. global



Source: Boston College Center for Corporate Citizenship and EY 2013 survey

Figure 17: Company type



Source: Boston College Center for Corporate Citizenship and EY 2013 survey

Figure 18: Classification of companies by industry

Industry	Percent of respondents
Manufacturing	17
Finance and insurance	15
Professional, scientific and technical services	12
Utilities and mining	9
Information	8
Other	7
Health care and social assistance	6
Retail trade	5
Construction	4
Transportation and warehousing	4
Other services (including public administration)	3
Accommodation and food services	2
Administrative and support; and waste and facilities management	2
Arts, entertainment and recreation	2
Educational services	2
Real estate	2

Note: Industries based on North American Industry Classification System (NAICS).

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About the Center

The Carroll School of Management Center for Corporate Citizenship at Boston College is a membership-based knowledge center. Founded in 1985, the Center has a history of leadership in corporate citizenship research and education. We engage 400 member companies and more than 10,000 individuals annually to share knowledge and expertise about the practice of corporate citizenship through the Center's executive education programs, online community, regional programs, and our annual conference. For more information, visit the Center's website at BCCorporateCitizenship.org.

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