

SustainAbility

Global Reporters Methodology

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About the Methodology

Important note: This document is the result of many years of investment and development by SustainAbility. It has been released to the public in the spirit of transparency and in the hope of stimulating future improvements in sustainability reporting. The methodology remains the sole property of SustainAbility Ltd/Inc. and may not be used for any commercial purpose without the express written consent of SustainAbility Ltd/Inc.

How did SustainAbility develop this methodology?

SustainAbility has undertaken a series of benchmark surveys of corporate environmental and sustainability reporting, normally every two years, since 1994. This tool has evolved as a result of that process.

The earliest SustainAbility surveys covered environmental reporting, only briefly exploring social issues. In 2000, the methodology underwent a significant revision. As part of that process, we took account of growing consensus regarding various elements of economic, social and environmental reporting as it was emerging through the Global Reporting Initiative and various other corporate sustainability initiatives.

In 2005-06 the methodology underwent significant further evolution. Previously the focus had been on how well a particular report covered a specific set of 'sustainability topics' such as water use, emissions to air, diversity and human rights. This approach, however, failed to take account of the relative importance of these issues. In the current version of the methodology the focus has been shifted to assess a set of generic business processes, and to consider the extent to which these processes take account of sustainability impacts and performance.

Objectives

The purpose of this methodology is to enable assessment of sustainability reports, and to encourage high-quality, transparent reporting among organisations. We believe this is important because:

- Sustainable development requires rapid, structural changes in the global economy.
- Harnessing markets to deliver change is a necessary condition to deliver the required scale and pace of change.
- Corporate transparency and disclosure enable stakeholders to hold companies to account and support the identification of value creation opportunities.
- Successful companies integrate their responses to these three challenges into their core competitive strategies.

For the purposes of this methodology, we assume the audience for reporting is:

- well informed on basic business and sustainability issues
- seeking to understand and assess sustainability performance among organisations and wider societal actors
- interested in a company's business activities.

This may include investors (mainstream and socially responsible investors), employees, governments and campaigners, among others. While SustainAbility does not seek to prioritise any particular stakeholder group (or their views) over another, the perspective

we have adopted for this report benchmarking methodology does assume both knowledge of and interest in corporate activity and its specific implications for sustainability.

How does SustainAbility undertake a report assessment using this methodology?

A report analyst first undergoes intensive training and familiarisation, to ensure he or she is fully versed in the concepts that underlie the sections and specific criteria. This involves trial benchmarking, discussion and calibration over a period of weeks.

The analyst then begins by reading the report material thoroughly. Scoring is done using a standard score sheet that requires the analyst to state his or her rationale for the score given, and for not awarding a higher score. Moreover, the analyst must note page numbers, website sections or other evidence he or she took into consideration.

Following this, a benchmark supervisor reviews the analysis and scoring and discusses the analyst's rationale and decisions. When the two reach agreement, a final score is awarded.

Relationship to GRI

SustainAbility has supported and participated in the development of the Global Reporting Initiative (GRI) and its Sustainability Reporting Guidelines since its inception. We have dedicated considerable time and effort to this process, which seeks to develop internationally relevant and credible guidelines for sustainability reporting, and continue to advocate their use among our network.

This methodology is informed by the GRI Guidelines, and designed specifically to complement them. In no way do we intend to offer an alternative reporting framework to the GRI guidelines. We see this methodology as fully compatible with GRI reporting, in the following ways:

- The GRI reporting principles that determine 'report content' (inclusivity, relevance/materiality, sustainability context, completeness) are specifically addressed in a number of criteria.
- The GRI reporting principles that address 'quality of information' (balance, comparability, accuracy, timeliness, clarity, assurability) are also assessed in the specific scoring elements of our criteria.
- This methodology assumes and is predicated on information of the sort required by the GRI guidelines' 'Disclosures on Management Approach', part of the Standard Disclosures.
- Our methodology does not, however, require specific indicators of performance on specific issues, as provided for in the GRI guidelines, although it does provide a basis for evaluating any such indicators that may be provided by reports.

The most important difference between the GRI guidelines and this benchmarking exercise is that while GRI seeks to encourage reporting against a standard framework, SustainAbility seeks to add a rigorous and credible external analysis of the quality of that reporting. Both of these approaches may influence an organisation's reporting decisions, but in different ways.

Does SustainAbility's benchmarking take account of an organisation's sustainability performance?

The analysis of reports using this methodology is specifically limited to what an organisation discloses or discusses – it does not explicitly address whether an organisation's efforts are good, bad, sufficient or fast enough in sustainability terms. That judgement is considered to be for stakeholders themselves, who should be able to use company reports to inform their conversations with – and opinions of – organisations.

At its broadest level, the goal of sustainability reporting can be thought of as an accounting to society. The company, through its report, is making the case for continued license to operate and further societal investment. The reader can be thought of as a societal investor who uses the report to assess the company's commitment, performance, and impact – and who subsequently wants to make a decision whether to work for the company, buy its products, invest in it, or simply allow it to continue to operate and innovate.

Our methodology seeks to assess the extent to which an organisation's societal reporting meets the needs of this societal investor. The fundamental question is: How well does an organisation's disclosure enable such a user to draw comprehensive and accurate conclusions around the company's:

- commitment and ability to contribute to sustainable development in a real and strategic way, in both the short and long term
- ability to innovate to provide transformational solutions to sustainable development in ways that are financially attractive
- operational performance and impacts over the reporting period
- likely future performance and impact, as judged from the quality of an organisation's leadership, structures, systems and incentives
- ability to ensure the integrity of the reporting and disclosure process itself?

Language and terminology

Reporters and readers use many different terms to cover the same general field of impact that an organisation's sustainability report may concern itself with. These include for example sustainability, sustainable development, corporate citizenship, corporate social responsibility, corporate responsibility, non-financial information, extra-financial information, and the triple bottom line.

While individuals may prefer one approach over another, or may intend a particular emphasis through their choice of terminology, for the purposes of this methodology, we consider these ideas to be interchangeable. In any event, our belief is that these concepts are of core importance to corporate performance and should be seen and understood clearly in the context of – indeed as part and parcel of – an organisation's ordinary business.

Why is SustainAbility making this tool publicly available?

We believe that sustainability reporting is of great value to many different members of society. We look forward to the day when the majority of organisations provide high-quality sustainability reporting as a matter of course. It is our hope that making this methodology public will help switch readers on to the value reporting can represent in their decision-making processes. We also hope that preparers of reports will be able to understand the impact their reports have on readers and improve as a result.

Furthermore, we are committed to transparency as a matter of principle. We believe that opening up our analysis to public scrutiny will enable a rich dialogue to ensue, which will lead to important improvements in future rounds of benchmarking.

As stated above, this methodology is only intended for use by properly trained and qualified analysts, and any other use is likely to result in scores of varying quality. The methodology remains the property of SustainAbility Ltd/Inc. and may not be used for any commercial purpose or undertaking without the express permission of SustainAbility Ltd/Inc.

Does a benchmark include websites and related documents?

The methodology is designed primarily to assess printed or online sustainability, environmental, social, corporate citizenship and community (etc.) reports.

Websites, annual reports and other related documents are included if they are clearly highlighted as integrated into an organisation's sustainability reporting. The sustainability report must contain subject-specific references to additional information available on the internet and in other documents.

All aspects should be scored according to the company's overall reporting, rather than referencing a particular place in the report. For example, information on employee training opportunities may be gleaned from anywhere in a report, not just from an 'Employee Training' section.

How are reports scored using this methodology?

While the specific scoring device varies according to the criterion being considered, the overall approach is based on an underlying scoring framework that ascribes a score of 0–4 for each criterion. This framework is described in more detail below.

0 = NOTHING

The report provides no information on [the criterion], or nothing sufficiently significant to suggest the company understands or takes [the criterion] seriously. Overall, any statements appear generic or formulaic, without specific links to the company and its own activities or impacts.

1 = SKETCHY

Coverage suggests the company recognises [the criterion] to some degree, and is attempting to present it in a serious way.

BUT: The company does not (yet) address [the criterion] in a systematic way. Without assurance of the existence of a systematic approach, the reader cannot be sure that the coverage is not due to a good report writer and/or the company's desire to be seen in a favourable light, rather than a true reflection of actual reporting activities under way within the company. Overall, there is evidence of effort, but it is difficult to tell whether the company is really moving in the right direction, because the overall pattern does not come into view.

2 = SYSTEMATIC

Coverage suggests the company is taking [the criterion] seriously and seeking to present the information systematically. Overall you get the sense that the company is on the right track in terms of satisfying the criteria.

BUT: Even though the systems and processes are robust, they have not yet been fully developed or rolled out across the company, across divisions and across issues, all of which takes time.

3 = EXTENSIVE

Coverage is serious AND systematic AND not suffering from major gaps in coverage, presentation or interpretation – a systematic treatment that has been rolled out across the company and across a range of issues and concerns. N.B. This is not to require explicitly that every single company activity, major issue and individual site has achieved the same level of sophistication in issues management, information gathering and presentation. The 'preponderance of evidence' should show a significant, widespread level of success in rolling out systems and processes.

BUT: The information is not explicitly or fully linked to core business decision-making. Overall, while reporting in this area is very good, there is insufficient evidence that the company in general could be deeply affected and influenced by the process of reporting.

4 = INTEGRATED

Reporting is serious, systematic and extensive, AND evidence is given that shows how reporting in this area is linked to general business decision-making and core processes to improve sustainable development (SD) effectiveness. The reader is confident that the company at the highest levels takes to heart the results of reporting in this area and alters course accordingly.

Scores are sequential: For any report to merit a particular score, it must have achieved the requirements of the lower score as well.

How can I comment on this methodology?

We welcome your comments and look forward to reviewing them as we look for ways to improve our report analysis. We will endeavour to answer as many direct queries as possible.

1 Governance and Strategy

1.1 Company and Industry Profile

Definition: Description of the nature and scale of a company's activities, products, services and the industrial, global, societal and environmental context it operates within.

Value: Reader needs a clear sense of what the company does (e.g. the portfolio of products and services and the activities and processes that produce them), and the major sustainable development (SD) implications of these activities in order to assess the appropriateness of the report's coverage and materiality of issues therein.

Scoring criteria – what to evaluate:

- clarity of description of corporate activity
- comprehensiveness of information included – e.g. products, processes, geographic scope of operations, financial position, business model etc.
- any context (industry, regions etc.) that helps the reader interpret company activity
- any innovations in introducing a lay public to some of the more complicated industry issues.

Company and industry profile	
Score 0 NONE	No information or isolated fragments, which show there is no serious attempt to help the reader understand the company.
Score 1 SKETCHY	Aspects of relevant company information included (e.g. size, geographical presence, products, processes and industry), but the information is sketchy and not brought together in a systematic way. No real picture of company emerges.
Score 2 SYSTEMATIC	Company information is presented systematically, and includes some information on where and how the company operates and some of the SD implications, but major gaps remain (e.g. insufficient discussion of the industry that it operates within).
Score 3 EXTENSIVE	Wide-ranging profile of the company including: <ul style="list-style-type: none"> — description of the company's history linked to its present situation — products, services and major SD impacts — major business or industrial activities — main geographic areas of operation – and issues that this creates — company size – e.g. turnover, number of employees.
Score 4 INTEGRATED	In addition , explanation of how the company's planned future is related to SD impacts, across major areas of operation, as well as the global and business environment that it works within.

1.2 Top Management Statement

Definition: Personal perspective of the CEO, chairman or other top-level authority in the company, conveying the company's accountability for SD performance, acknowledging any successes or challenges, and appropriately reflecting the report content. **Value:** Gives an indication of top management's SD agenda and sense of accountability, thereby highlighting what the company sees as most important.

Scoring criteria – what to evaluate:

- may take the form of a letter, an interview or other formal or informal statement
- position of person who signs – is he or she in a position of authority at the company? Is he or she accountable for the issues covered in the report?
- interpretation of major SD challenges facing the business
- statements of accountability and commitment
- personal passion and motivation on the part of the executive(s)
- parallels with report content – does the statement adequately reference the report, its major content and intention?

Top management statement	
Score 0 NONE	No top management statement made or does not convey serious accountability for report (e.g. not signed by top management or individual with overall accountability for SD within organisation) or does not convey serious intent to introduce report content (e.g. simple, generic statement without links to company's SD challenges or performance; good news only).
Score 1 SKETCHY	Top management statement shows some seriousness of intent (e.g. discussion of specific aspects of company's SD commitment and activities over past year), but the overall statement appears selective or haphazard (e.g. no interpretation of examples; reader gets no sense of how examples given relate to the whole).
Score 2 SYSTEMATIC	Top management statement demonstrates a systematic attempt to describe the company's approach and commitment to SD, recent progress and the company's future course, but major gaps exist in terms of content, coverage, presentation or interpretation.
Score 3 EXTENSIVE	Gives a more complete sense of overall SD interpretation and accountability and recent progress toward this, including: <ul style="list-style-type: none"> — interpretation of what SD means for the company — balanced summary of achievements and setbacks (or goals and targets), with some interpretation (e.g. explanation for not achieving target) — providing inspiration and motivation for staff — reflective of the executive's personal goals and motivation.
Score 4 INTEGRATED	In addition , explains how SD and/or past year's experience has influenced core business thinking and/or decisions. The statement is also forward looking, relevant and challenging for others, such as government or other members of industry.

1.3 Issue Identification and Prioritisation

Definition: Description of the relationship between the nature, scale and location of a company's activities, products, services and the associated positive and negative SD impacts (e.g. economic, social, environmental) and a description of the process the company uses to determine the relative importance (materiality) of those impacts on stakeholders and business strategy. **Value:** Reader needs to understand the company's assessment of its impacts both on the company itself and on the environment or society. Reader also needs to understand and have confidence in the management decision-making process that led to such interpretation.

Scoring criteria – what to evaluate:

- evidence of serious attempt to identify and evaluate positive and negative impacts associated with company's or industry's activities
- breadth and balance of issues identified
- clarity of description of issues and impacts
- stakeholder involvement in identification or prioritisation of impacts and associated issues
- links to reporting on performance (i.e. extent to which report includes performance information against specific main issues identified).

Issue identification and prioritisation	
Score 0 NONE	No discussion of company's impacts or generic statements only (e.g. references limited to the notion of creating value or commitment to the triple bottom line or other notion, without further elaboration or company-specific links).
Score 1 SKETCHY	Discussion identifying some material impacts associated with company and/or industry operations, but reader gets no sense that these have been identified through any sort of systematic process to understand and describe the range of positive and negative impacts.
Score 2 SYSTEMATIC	Reporting demonstrates systematic efforts to identify and describe specific material impacts associated with the company and/or the industry, but this process is not yet complete or sufficiently broad. May tend towards more positive issues, rather than addressing negative impacts as well.
Score 3 EXTENSIVE	Reporting identifies describes and prioritises material impacts and associated issues: <ul style="list-style-type: none"> — across the main activities and areas of operation — covering both positive and negative impacts — specific to different activities or context — including involvement of stakeholders in the identification process.
Score 4 INTEGRATED	In addition , the coverage shows the link between the company's assessment of specific material impacts and actual decisions taken with respect to core business thinking, planning or development.

1.4 Values, Principles and Policies

Definition: Any overarching and publicly available statement of accountability intended to guide and constrain a company's actions, identified areas of business or sustainable development performance (e.g. mission statements, business principles, core values, charters, codes of conduct, major policies). **Value:** The reader needs to understand the framework within which an organisation interprets its accountability and makes decisions in order to judge the organisation's intentions and levels of commitment.

Scoring criteria – what to evaluate:

- clear explanation of the overall framework that guides the company's actions, the various components, and how these components relate to one another
- applicability of this framework to economic, social and environmental impacts
- usefulness of framework in guiding actual decision-making – does it provide clear guidance as to what is and is not acceptable?
- clear explanation and examples of how this framework is applied in practice.

Values, principles and policies	
Score 0 NONE	No overarching principles that set out scope of accountability for sustainable development impacts is evident or vague or generic statements only, e.g. unqualified repetition of the Brundtland Commission definition of sustainable development.
Score 1 SKETCHY	Some discussion of an overall framework for accountability, but no systematic attempt to help reader understand how principles relate to company's sense of accountability for impacts (e.g. the existence of principles is mentioned, but detail is not provided).
Score 2 SYSTEMATIC	Reporting describes values, principles and policies clearly and logically, helping reader to understand the company's approach to sustainable development better, but major gaps exist in coverage, explanation, or discussion of implementation.
Score 3 EXTENSIVE	More complete description of accountability framework, including: <ul style="list-style-type: none"> — clear explanation of the overall framework that guides company actions, the various components, and how these components relate to one another — explanation of how framework applies to key economic, social and environmental impacts — clear explanation and examples of how this framework is applied in practice.
Score 4 INTEGRATED	In addition , explanation or examples of how this framework has influenced core business thinking or decisions.

1.5 Business Strategy and Sustainable Development Vision

Definition: How a report explains the link between the company's key value and risk drivers and its sustainable development outlook, and how the company's business model and corporate strategy take account of this link. **Value:** The transition to sustainability is a long-term process. The reader needs to understand the company's long-term vision in order to put current trends and performance in context, and to assess the company's commitment to and competence in integrating sustainable development thinking into its strategic decision-making and innovation.

Scoring criteria – what to evaluate:

- depth and breadth of any explanation of future direction with regard to sustainable development issues
- presentation of tools like scenarios to explore wider SD implications of different company choices
- links between the company's indicated future direction and environmental, social and economic impacts
- future-oriented comments made in the CEO statement.

Business strategy and sustainable development vision	
Score 0 NONE	No discussion, or only general or generic statements.
Score 1 SKETCHY	Specific examples of some ways in which the company plans to evolve, but reader gets no sense of overall direction or there are no links to sustainable development.
Score 2 SYSTEMATIC	Reporting demonstrates a systematic attempt to explain how the company's envisioned direction is related to SD performance, but major gaps remain (e.g. only environmental performance covered).
Score 3 EXTENSIVE	Report gives full sense of how the company plans to evolve, including: <ul style="list-style-type: none"> — how this direction is related to sustainable development impacts — covering a range of issues across dimensions of impact and major business activities.
Score 4 INTEGRATED	Reporting also explains how the company, as part of its overall strategy, is seeking to influence its operating environment (including key stakeholders) to advance improved sustainable development performance in the market (e.g. link to customer, policy, investor influence).

1.6 The Business Case

Definition: Description of any links between an organisation's environmental or social performance and its traditional (financial or business-oriented) measures of business success. **Value:** The company's understanding of the areas in which good environmental or social performance generates business value can be critical to its long-term commitment and success. Users need to know the extent to which organisations have assessed these links and have taken steps to align their operations with them.

Scoring criteria – what to evaluate:

- evidence of a systematic effort to understand the business case across economic, environmental and social dimensions
- robustness of this explanation (e.g. tied to specific business value elements, such as shareholder value, revenue, operational efficiency, access to capital, customer attraction, brand value and reputation, human and intellectual capital, risk profile, innovation and licence to operate)
- evidence of how company understanding of the business case has influenced its planning and activities.

The business case	
Score 0 NONE	No discussion of the relationship between business value and sustainable development performance or expectations, or generic statements unsupported by examples (e.g. 'being green is good business').
Score 1 SKETCHY	The company provides examples of particular links (e.g. specific win-win opportunities, costs of particular measures), but reporting is patchy, so that a full picture of the relationship between sustainable development and business value does not emerge.
Score 2 SYSTEMATIC	Reporting shows evidence of a mature attempt to understand the business case across a range of examples, and key findings from this process are reported, but major gaps remain (see below).
Score 3 EXTENSIVE	Systematic reporting on: <ul style="list-style-type: none"> — the major ways in which environmental social, and economic performance are each thought to influence specific aspects of business performance (e.g. market share, reputation, competitive advantage) — any attempts the company has made to quantify this influence in its own operations.
Score 4 INTEGRATED	In addition , reporting explains how business-case learning has affected actions the company has taken to strengthen its own commitment to sustainable development (e.g. through convincing customers, by influencing regulators etc.).

1.7 Sustainable Development Implementation Challenges

Definition: Description of any major challenges encountered in applying guiding principles and/or pursuing sustainable development goals; distinct from identifying sustainable development issues and impacts, this is about challenges encountered in addressing those impacts. **Value:** The process of integrating environmental, social and economic aspects of sustainable development with the need to drive business value in the short and long term requires hard choices, and often involves trade-offs between legitimate interests of different stakeholders. Frank discussion of these choices helps the reader evaluate the company's commitment and put the report's materiality and discussion of performance in context.

Scoring criteria – what to evaluate:

- significance of challenges identified (e.g. regulatory constraints, competition, market demands, internal operations, environmental or social conflicts or inconsistencies), and their usefulness in helping reader understand complexity of sustainable development issues facing the company
- clarity of explanation of these challenges
- explanation of how the company is currently addressing these issues.

Sustainable development implementation challenges	
Score 0 NONE	No discussion of implementation challenges, or simple generic statements only.
Score 1 SKETCHY	Company recognition that sustainable development is a challenge, with reporting addressing at least one major challenge, but not in much depth, giving the reader little sense of its significance.
Score 2 SYSTEMATIC	Coverage of a range of challenges facing the company (giving the sense of a considered process to identify and deal with these challenges) and aspects of the company's response, but major gaps exist in the types of challenges identified, or in the company's response, as presented by the report.
Score 3 EXTENSIVE	Wider reporting on a significant range of sustainable development challenges including: <ul style="list-style-type: none"> — coverage across dimensions of impact and major business areas — well-presented case studies or examples.
Score 4 INTEGRATED	In addition , reporting shows how the company has integrated the learning from dealing with major sustainable development challenges into its core business thinking or decisions, or how the company has turned implementation challenges into opportunities to create new value for stakeholders.

1.8 Governance Responsibilities and Structure

Definition: Description of the organisational structures (such as committees, functions and individuals) with responsibility for monitoring and addressing sustainable development-related issues, to ensure good business decision-making, organisational integrity and a culture of transparency. **Value:** Gives the reader an understanding of how decisions are informed and taken at high levels with respect to sustainable development issues; and how responsibility and accountability for sustainable development-related issues is organised.

Scoring criteria – what to evaluate:

- clarity and specificity of information provided on responsible individuals or units
- explanation of links between responsibilities and major sustainable development issues identified, as well as performance management processes
- description of how sustainable-development-related responsibilities fit in with other board-level responsibilities.

Governance responsibilities and structure	
Score 0 NONE	No discussion of responsibilities and accountabilities, or very generic statements (e.g. sustainability is ‘everyone’s responsibility’).
Score 1 SKETCHY	Elements of organisational accountability included, but fragmented, leaving little sense of the whole.
Score 2 SYSTEMATIC	Reporting demonstrates systematic effort to explain accountability for sustainable development issues, but major gaps exist (e.g. such as description of specific Environment, Health & Safety (EHS) departments, or board-level sustainable development concerns, but not showing links between the two).
Score 3 EXTENSIVE	Report provides a significant range of information of sustainable development governance and accountability on material issues across the company, including: <ul style="list-style-type: none"> — accountability across major businesses, geographies and issues — specific concerns and responsibilities of the board and executive-level management — how governance is monitored (e.g. through external audits of the management system, or through individuals’ assessments and/or compensation).
Score 4 INTEGRATED	In addition , clear explanation of how governance of sustainable development has influenced core corporate governance processes (e.g. ethics, compliance, strategy, risk management).

1.9 Risk Management

Definition: Description of the company's internal approach to the identification and management of business risk, and specifically how sustainable-development-related issues are integrated into this assessment. **Value:** The reader needs a robust understanding of how the company views its future development in light of factors affecting the business climate and specific company circumstances.

Scoring criteria – what to evaluate:

- clarity of risk management process, including coverage, responsibility (including board level) and major highlights (e.g. due diligence/M&A activity, incorporating current/future risks into project management, application of precautionary principle)
- breadth of impacts addressed by risk management processes (and level of integration of sustainable development issues into this process)
- evaluation and interpretation of risks (and opportunities) identified
- connection to performance reporting (e.g. inclusion of specific information on risks identified)
- link to broader company goals, objectives and values.

Risk management	
Score 0 NONE	No discussion, or only general or generic statements (e.g. 'acting responsibly helps us manage our risks better').
Score 1 SKETCHY	Brief mention of particular areas of business risk, but reader gets no overall sense of how the company understands risk in the context of sustainable development impacts.
Score 2 SYSTEMATIC	Reporting demonstrates a systematic attempt to explain how the company considers sustainable development dimensions of business risk, but major gaps remain (e.g. coverage addresses only a limited portion of material impact areas).
Score 3 EXTENSIVE	Report gives full sense of how sustainable development issues are integrated into risk management processes including: <ul style="list-style-type: none"> — how the management of sustainable development impacts are integrated into specific business lines or processes — interpretation of how well or poorly the company has prepared for actual or potential risks resulting from this activity — how this is reflected in the company's understanding of material issues and impacts — links to specific sustainable development commitments, values or objectives and management procedures.
Score 4 INTEGRATED	Reporting also explains how risk management has affected sustainable development performance, and how this impact is likely to affect future company actions (e.g. divesting from specific activities or taking additional protective measures).

1.10 Meeting Tomorrow's Needs

Definition: Description of the company's processes for developing new areas of business focusing on new products, services, business models or ways of working aimed at meeting sustainable-development-related needs. **Value:** Demonstrates company's approach to future competitiveness and innovation that takes account of sustainable development issues. Serves as an indicator of management quality.

Scoring criteria – what to evaluate:

- links between sustainable development impacts and issues and thinking on current or future market needs; new business initiatives
- connection to R&D and investment decisions
- coherence of links between sustainable development needs and trends and company growth plans and strategy
- connection to partnerships or collaborative approaches to drive innovation
- scale and extent of innovations (e.g. impacting on operating process, product or market).

Meeting tomorrow's needs	
Score 0 NOTHING	No information provided on sustainable development innovation or generic statements only (e.g. 'we seek to provide future solutions').
Score 1 SKETCHY	Report provides some information on efforts to develop the business to meet social or environmental needs (e.g. some information on R&D spend), but is insufficient to form a clear picture (e.g. limited identification of opportunities or links to sustainable development drivers).
Score 2 SYSTEMATIC	Reporting suggests a systematic attempt to develop future innovative products and services, but major gaps exist in content, coverage, presentation or interpretation (see above).
Score 3 EXTENSIVE	Broad identification of overall future business development, including: <ul style="list-style-type: none"> — meaningful detail on opportunities to meet sustainable development needs — comprehensive treatment of products, services and business models and how they may be configured in the future — clear interpretation of the results including most promising areas for investment, partnership or advocacy to meet future needs.
Score 4 INTEGRATED	In addition , reporting describes how new innovations in products etc. are delivering improved performance against key sustainable-development-related issues.

1.11 Customer Influence and Market Shaping

Definition: Description of the way in which an organisation strives to influence the preferences and/or buying patterns of its customer base on sustainable development issues, through advertising, marketing, incentives, brand and other means of product or issue-oriented communication. **Value:** Gives readers an understanding of how the company seeks to shape markets for its products or services, how its public identity is positioned to help accomplish this, and how this takes account of commitments and activities on sustainable development issues.

Scoring criteria – what to evaluate:

- clarity of the company's sense of accountability for influencing customer preferences
- links to any commitments, e.g. responsible advertising codes, labelling or product information initiatives
- discussion of how the company seeks to understand customer preferences, including its view on the most effective strategies for influencing customers, and specific steps the company has taken or plans to take
- views on the main aspects of customer demand, brand values and positioning which affect the company's sustainable development performance, and how the company seeks to understand these dynamics
- discussion of alternative products and services with the potential to improve the company's sustainable development performance.

Customer influence and market shaping	
Score 0 NONE	No discussion, or statements are either generic (e.g. 'our customers are our most important stakeholders') or shift responsibility for sustainable development impacts solely to customers or 'the market'.
Score 1 SKETCHY	Report provides some information on brand or current customer priorities that affect sustainable development performance, but the reader gets no sense that the company has systematically assessed the issue.
Score 2 SYSTEMATIC	Reporting demonstrates a systematic attempt to assess the relationship between brand, customer preferences and the company's ability to achieve sustainable development goals, but major gaps exist.
Score 3 EXTENSIVE	Significant coverage of company's efforts in influencing and educating its customers on its sustainable development performance including: <ul style="list-style-type: none"> — company's sense of accountability for customer influence — significance of brand or identity in achieving business strategy — usefulness of the company's reporting strategy as a tool for informing and influencing customers — summary of main efforts to understand (e.g. customer surveys) and influence customers (e.g. marketing)

	— views on the main aspects of customer demand which affect the company's sustainable development performance.
Score 4 INTEGRATED	Includes discussion of how brand, identity and customer influence have been integrated into core business thinking (specifically linked to sustainable development issues) and the results of these efforts.

2 Management

2.1 Management Procedures

Definition: Description of formal approaches to regulating a company's processes and performance in environmental, social, economic or other areas. This may include broad, corporate-wide approaches as well as dedicated management systems (such as energy management systems) to address specific material issues. **Value:** Provides the reader with a sense of the structures the company has in place to ensure a particular outcome against its specific objectives, which serves as an indicator of commitment, as well as an indirect indicator of current and future performance.

Scoring criteria – what to evaluate:

- how fully an organisation describes the links between its internal management processes and its material sustainable development impacts or goals; test: how well can you describe the company's approach to managing sustainable development issues across the business?
- breadth and significance of material sustainable development issues the management system addresses
- clear cross-link to issue identification and prioritisation
- clarity of explanation of actual steps the company is taking to manage its material impacts
- links to internal oversight, responsibility and governance for sustainable development performance
- evidence, where relevant, of strategic implications for different locations (e.g. any differences in approach or performance between activity in home country and emerging economies).

Management procedures	
Score 0 NONE	No mention of how material issues are managed.
Score 1 SKETCHY	Some reference to or description of management systems, but insufficient to form a clear picture of company's overall framework to manage material impacts.
Score 2 SYSTEMATIC	Company describes a more robust and logical framework for managing material impacts (linked to values or principles), but major gaps remain in content, coverage, presentation or interpretation.
Score 3 EXTENSIVE	Reporting provides a significant range of information on its systems and processes for managing material impacts. Discussion of how management priorities are set, company experience over time, as well as high priority issues; linked to overall core values and accountability structures.
Score 4 INTEGRATED	In addition , clear links are presented between the company's management processes and core business decision-making and processes; discussion of how internal management system

	interfaces with external stakeholder engagement.
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2.2 Value Chain Management

Definition: Description of the company's approach to identifying, systematising and tracking performance requirements of its suppliers and value chain (e.g. joint ventures or other key partners), specifically with respect to material sustainable development impacts.

Value: Helps readers understand impacts outside the company's immediate boundary. Helps readers understand where reporting boundaries should be set, in order to take account of issues appropriately.

Scoring criteria – what to evaluate:

- level of integration of material sustainable development issues into value chain management processes
- links to any external initiatives
- links to company's internal management systems, values and principles (information on value chain management may be found in the discussion of economic, social and EHS management systems as well)
- review or interpretation of performance across the value chain, and implications for the company's own understanding of performance.

Value chain management	
Score 0 NOTHING	No value chain sustainable development management issues are evident in reporting, or qualitative, generic statements only.
Score 1 SKETCHY	Brief discussion of value chain issues and management, e.g. reference to certain impacts at various stages of value chain, but insufficient to form a clear picture. Isolated case studies, rather than systematic rationale and efforts.
Score 2 SYSTEMATIC	Reporting as the result of a systematic process to define, manage and evaluate sustainability impacts of value chain performance, but major gaps remain, either in content, coverage, presentation, interpretation or implications.
Score 3 EXTENSIVE	Reporting provides a wide range of information on performance of value chain against company's sustainable development goals, including, for example: <ul style="list-style-type: none"> — content – relevant issues — coverage – of business activities, key suppliers, customers and regions — interpretation – identification of targets, sustainability context — implications – discussion of implications for company's other management systems, and policies and commitment.
Score 4 INTEGRATED	In addition , explanation of how company's approach to managing suppliers' and other elements of value chain performance on relevant sustainable development issues influences core business thinking and decisions (e.g. consideration in normal financial planning and accounting). Discussion of particular successes and

	failures in influencing its value chain partners on sustainable development initiatives.
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2.3 Stakeholder Engagement

Definition: Description of the company's processes for regular consultation and dialogue with groups or individuals with legitimate interests in the company's performance, in order to illuminate concerns, manage risks and take advantage of opportunities arising from collaboration. **Value:** sustainable development issues often affect a company's stakeholders very significantly. Reader needs to understand how well the company has identified its stakeholders and addressed these issues to make an informed judgement on the quality of its relationships with these groups.

Scoring criteria – what to evaluate:

- clear understanding of key stakeholder groups – who they are and their main needs and positions
- description of stakeholder engagement processes, what they cover, their purpose and outcomes
- listing of key stakeholder-identified priorities and how the company intends to respond.

Stakeholder engagement	
Score 0 NONE	No discussion, or no indication that the company has seriously considered the role of stakeholders for the company.
Score 1 SKETCHY	Identification of key stakeholders and acknowledgement of the value of their engagement, but no evidence of a systematic attempt to draw on stakeholders to inform activities.
Score 2 SYSTEMATIC	Reporting describes a logical framework for at least some types of stakeholder engagement and examples of results, or some discussion of stakeholder perceptions of company behaviour, but with major gaps (see below).
Score 3 EXTENSIVE	Reporting identifies and describes how company has drawn on stakeholder input in managing and understanding material impacts, including: <ul style="list-style-type: none"> — the nature and extent of engagement processes used, across activities, issues and areas of operation — key findings from stakeholder processes – including clear discussion of stakeholder perceptions and priorities — discussion of how these findings have been integrated and used by the company.
Score 4 INTEGRATED	In addition , evidence of how feedback and engagement processes have been integrated into the company's decision-making processes, supported with examples of results from this integration (e.g. the company's ideas about its own scope of responsibility changed because of stakeholder engagement).

2.4 Personnel Performance Management, Training and Development

Definition: Description of the company's programs and processes to identify and develop strong employee performance, including programs and processes to invest in improving employee skills and knowledge, to improve company performance on objectives, goals or values. **Value:** Gives reader an understanding of how well employees are supported and equipped to address sustainable development issues as part of their work.

Scoring criteria – what to evaluate:

- description of performance and development policies, commitments and assessment tools
- description of training policies, commitments and frameworks
- links between the above and material sustainability issues identified
- evaluation of effectiveness and key needs going forward.

Personnel performance management, training and development	
Score 0 NONE	No discussion of employees' performance management and training as part of sustainable development management.
Score 1 SKETCHY	Brief identification of employees as key to delivering on sustainable development goals, but no evidence of a systematic attempt to integrate sustainability goals or objectives into performance management or training processes.
Score 2 SYSTEMATIC	Reporting describes a logical framework for at least some aspects of performance appraisal and management, or some discussion of sustainable development objectives with respect to employee skills or effectiveness, but with major gaps (see below).
Score 3 EXTENSIVE	Reporting identifies and describes how the company has sought to build its approach to performance and development in order to deliver effective management of sustainable development impacts, including: <ul style="list-style-type: none"> — integration of material sustainable development issues into performance and training processes — extent to which corporate values and ethics training informs personnel management (including processes for holding employees to account) — evidence of steps to build core capacity and skill sets (e.g. stakeholder engagement skills) across the company.
Score 4 INTEGRATED	In addition , evidence of how consideration of sustainable development in performance, training and development management affects the company's ability to deliver its core business strategy.

2.5 Learning and Knowledge Management

Definition: Description of the company's programs and systems to track and retain knowledge (especially relating to sustainable development issues) and ensure it is used throughout the company. **Value:** Readers need to understand how well the company is positioned to hold onto its intellectual capital, which often resides almost wholly in the brains and experiences of current employees, and is lost if those employees leave the company or in the event of business reorganisation. Serves as an indicator of the capacity of a company to control sustainability impacts, and an indirect indicator of performance.

Scoring criteria – what to evaluate:

- description of areas in which knowledge management is most important (especially sustainable development issues)
- description of formal or informal learning networks for employees' use, how they are managed and how they are integrated into company learning
- links to material sustainable development issues.

Learning and knowledge management	
Score 0 NONE	No discussion of knowledge management as part of sustainability management.
Score 1 SKETCHY	Brief identification of knowledge retention as key to delivering on sustainable development goals, but no evidence of a systematic attempt to integrate sustainability goals or objectives into knowledge management.
Score 2 SYSTEMATIC	Reporting describes a logical framework for at least some aspects of knowledge management, or some discussion of sustainable development objectives with respect to employee knowledge, sophistication or networks, but with major gaps (see below).
Score 3 EXTENSIVE	Reporting identifies and describes how company has sought to build its approach to knowledge management to deliver on management of material sustainable development issues, including: <ul style="list-style-type: none"> — integration of relevant sustainable development issues into knowledge management processes — formal and informal processes for sharing knowledge on sustainability issues — evaluation of how effective activities have been in delivering on sustainable development goals.
Score 4 INTEGRATED	In addition , evidence of how consideration of the management of knowledge on sustainability issues affects the company's ability to deliver its core business strategy.

2.6 Public Policy and Regulatory Affairs

Definition: Description of the way in which an organisation interacts with politics and public policy on sustainable development issues, including its advocacy techniques (lobbying, membership in trade associations), the content of its advocacy (e.g. policy positions) and the level of transparency about this involvement. **Value:** Public policy frameworks play an essential role in encouraging improved performance on sustainability issues. Readers need to have a clear sense of the level of transparency and accountability a company demonstrates on its lobbying positions (particularly of material issues), and the extent to which these positions are clearly consistent with wider sustainability commitments.

Scoring criteria – what to evaluate:

- overall transparency of the company's 'philosophy' of its approach to public policy, as well as its public policy positions on key issues; key question – does the company provide information on its lobbying and public policy activities?
- extent to which the company has assessed the 'materiality' of key public policy issues; key question: does lobbying and public policy information focus on the most material issues for the business?
- consistency between positions on public policy issues and wider commitments; key question: how far does the company go in demonstrating how lobbying is linked to and supportive of its core values and principles?

Public policy and regulatory affairs	
Score 0 NONE	No information provided on lobbying. Or the company makes general references, such as a simple statement of compliance with the law on political contributions, but no insight into activities.
Score 1 SKETCHY	Coverage recognises the relevance of lobbying to material sustainable development issues and goes some way to provide insight into the company's overall philosophy on the role of public policy in driving sustainability improvements within the industry.
Score 2 SYSTEMATIC	As above but information also includes signs that robust systems and processes are being developed to actively manage and disclose lobbying and public policy activities. The company likely discusses at least one 'material' issue in some depth.
Score 3 EXTENSIVE	Coverage indicates that systems exist to manage and disclose public policy activities. The company likely discusses policy positions on several material issues in some depth. However, the approach to lobbying is still not fully integrated with company values, business principles and core business decision-making.
Score 4 INTEGRATED	As above and in addition there are explicit links between values and principles, core business decision-making (including corporate governance) and the approach to public policy. There is likely to be evidence of values and principles relevant to specific business objectives and lobbying that supports these objectives.

2.7 Industry Influence

Definition: Description of the way in which an organisation strives to influence sustainable development performance across its industry – or, for particular issues (e.g. climate change), across business in general. This criteria includes activities like participating in industry task forces to improve sustainable development performance, promoting the spread of best practice through industry association workshops, research or publications, and promoting the use of voluntary regulation in the industry. **Value:** Demonstrates the company's sense of accountability for its wider sphere of influence, which includes the company's role as a member of industry.

Scoring criteria – what to evaluate:

- description of major business and industry sustainable development associations and initiatives the company belongs to
- strength of the company's stated sense of accountability for influencing industry standards
- degree to which influencing industry standards is integrated into the company's overall sustainable development goals and priorities
- discussion of major industry challenges – and opportunities to address them
- breadth and significance of examples given of specific attempts to influence industry peers.

Industry influence	
Score 0 NONE	No discussion or generic statements (e.g. listing memberships of trade associations, without discussion of company's own efforts).
Score 1 SKETCHY	Isolated examples of how the company has participated in attempts to influence one or more industry sustainable development standards, however reporting suggests no systematic approach to assessing its ability to influence the industry sustainable development agenda and performance.
Score 2 SYSTEMATIC	Reporting demonstrates a systematic attempt to assess what the company can do to improve the sustainable development performance of its industry (or business in general), with at least one example of how it has or plans to do so, but major gaps exist (see below).
Score 3 EXTENSIVE	Significant coverage of the company's efforts and involvement in measuring and improving the industry's sustainable development performance, which may involve: <ul style="list-style-type: none"> — company's scope of accountability for industry influence — summary of main opportunities to influence industry (e.g. list of associations or initiatives and timelines) — views on key areas for improvement in the industry (or business in general) — specific steps the company has taken or plans to take, with discussions of relevant results.

Score 4 INTEGRATED	In addition , evidence of specific links between industry standards or approaches and the company's own business thinking or decisions (e.g. whether to dissociate from a trade organisation over disagreement on sustainable development issues). A sense of vision for the whole industry needs to be articulated.
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2.8 Philanthropy and Social Investment

Definition: Description of the company's priorities, programs and performance in philanthropic and social investment activities, including charitable donations and support for external organisations that support the company's management of its material issues and impacts. **Value:** Demonstrates the company's commitment to social investment activity and strategic management of this activity. Demonstrates how the company contributes to the wealth creation in its social and economic environment, outside of employee salary and shareholder equity.

Scoring criteria – what to evaluate:

- coverage of philanthropic or social investment activities with relevance to material issues and impacts identified
- thoroughness of description of activities, their purpose, performance and results
- discussion of challenges or lessons learned
- links to management and business decision-making with respect to material issues.

Philanthropy and social investment	
Score 0 NONE	No discussion or generic statements (e.g. total charitable contributions, with no discussion of impacts).
Score 1 SKETCHY	Isolated examples of how the company has supported charitable causes, however reporting suggests no systematic approach to assessing its social investment agenda in light of its business impacts and stakeholders' needs.
Score 2 SYSTEMATIC	Reporting demonstrates a systematic attempt to assess its various charitable and social investment activities, their magnitude, location and purpose, but major gaps exist (see below).
Score 3 EXTENSIVE	Significant coverage of the company's efforts and involvement in social investment activities: <ul style="list-style-type: none"> — with clear connection to its identified material issues and impacts and to the company's overall strategy — including views on relevance of programs or projects selected for investment — with reference to processes for management of social investment performance, and clear interpretation of results.
Score 4 INTEGRATED	In addition , discussion of specific links between philanthropic or social investment activities and specific actions to manage the company's identified material issues and/or evaluate its core business performance.

2.9 Investor Relations

Definition: Description of the way in which the company seeks to integrate sustainable development issues into its communications and relationship with the financial community broadly as well as the company's own investors. **Value:** Demonstrates the company's understanding of – and commitment to – sustainability as a tool or framework for financial value creation.

Scoring criteria – what to evaluate:

- evidence that the company has integrated its understanding of the business drivers for sustainability (see 1.6) into communications with the financial community
- strength of the company's stated sense of accountability for its influence of the investment community
- degree to which influence is integrated into the company's overall sustainable development goals and objectives
- discussion of major challenges in articulating or realising a robust approach to integrating sustainability issues into investor communications
- breadth and significance of examples given of attempts to influence and educate investors' understanding of sustainability issues.

Investor relations	
Score 0 NONE	No discussion or generic statements (e.g. listing investors as key stakeholders).
Score 1 SKETCHY	Isolated examples of how the company has engaged with investors (e.g. meetings with SRI analysts, responses to questionnaires), however reporting suggests no systematic approach to ensuring investor relations address the sustainable development agenda and performance.
Score 2 SYSTEMATIC	Reporting demonstrates a systematic attempt to integrate key sustainable development issues into communications with the financial community and key company investors (e.g. one example of how it has or plans to do so), but major gaps exist (see below).
Score 3 EXTENSIVE	Significant coverage of efforts in measuring and articulating the sustainable development issues and performance to investors which may involve: <ul style="list-style-type: none"> — details of how the company views its own accountability for influencing and educating investors on material sustainable development issues — steps the company has or plans to take to integrate sustainable development issues into key communications, with results — summary of opportunities to influence and educate investors and the financial community (e.g. list of associations or initiatives along with their sustainable development agendas and timelines) — views on key areas for improvement in communicating with investors.

Score 4 INTEGRATED	In addition , evidence of specific links between the company's approach to investors and the company's own business thinking or decisions (e.g. working to convince investors to support company attempts to improve performance, working to attract other investors who support this approach).
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3 Presentation of Performance

3.1 Performance and Strategy Alignment

Definition: Description of how the company presents and explains its performance on material sustainable-development-related topics aligned to the issues identified and its overall strategy. **Value:** Readers need clear and specific performance information on the issues that matter most to the company. This provides a means of testing materiality and value of reported information.

Scoring criteria – what to evaluate:

- breadth and depth of performance information provided – does this align with issues identified as being material?
- coherence of reported performance in relation to overall strategy that addresses these material issues
- comprehensiveness of reported performance.

Performance and strategy alignment	
Score 0 NONE	No apparent connection between performance information reported and major issues identified; or no or very limited performance information presented altogether.
Score 1 SKETCHY	Limited links between issues identified and performance reported, but reader gets no sense of overall picture.
Score 2 SYSTEMATIC	Clear attempt to explain how company has sought to understand performance on material sustainable development issues but major gaps remain (see below).
Score 3 EXTENSIVE	In-depth account of links between sustainable development issues and performance, including, for example: <ul style="list-style-type: none"> — coherent information on performance on all or most material issues — links to issue identification process (how performance retroactively influences issue prioritisation) — explanation of any gaps in performance reporting.
Score 4 INTEGRATED	In addition , explanation of how company's performance on material sustainable development issues has affected core business thinking or decisions (e.g. how sustainable development performance influences the picture of business success and overall strategy). Performance measures are fully aligned to the material issues identified and articulated in the strategy.

3.2 Measuring Sustainable Development Performance

Definition: Presentation of performance and quality of indicators on material sustainable development issues. **Value:** Providing reliable, quality data on how the company performs on material sustainable development issues is central to the value of reporting.

Scoring criteria – what to evaluate:

- inclusion of indicators of performance (e.g. KPIs) in reporting, covering material impacts (linked to issue identification)
- comprehensiveness of issues included
- indicator quality – accuracy, consistency, relevance; aggregate or specific
- indicator comparability – involvement in development and/or use of standardised definitions and measures
- innovation – efforts to quantify the non-tangible; efforts to define and describe impacts usually externalised.

Measuring sustainable development performance	
Score 0 NONE	No information on company's efforts to define and measure sustainable development performance.
Score 1 SKETCHY	Limited discussion of how company has defined and measured certain aspects of its sustainable development performance, but reader gets no sense of overall effort to date, or what company plans to do in the future.
Score 2 SYSTEMATIC	Clear attempt to explain and measure sustainable development performance (linked to values, principles and management system), but major gaps remain (e.g. geographical and business lines).
Score 3 EXTENSIVE	In-depth account of sustainable development performance and interpretation including: <ul style="list-style-type: none"> — listing and definition of measures used for environmental, social and economic impacts — explanation of how indicators were selected and developed including the extent to which stakeholders were involved — comprehensive coverage of performance by geography, business line, over time etc. — appropriate use of data (e.g. use of both normalised and real performance information) — links to external sources and standards and/or collaborative work with industry peers or stakeholders — major measurement challenges.
Score 4 INTEGRATED	In addition , explanation of how performance has affected core business thinking or decisions (how these indicators are used at highest levels in the company to guide business decisions).

3.3 Context and Interpretation

Definition: Degree to which information on sustainable development performance is interpreted and compared in order to help readers understand its meaning, significance, or relationship to other factors. **Value:** Reader needs performance information that can be read and understood in light of the company's own ambition and compared to relevant benchmarks.

Scoring criteria – what to evaluate:

- availability of interpretative commentary throughout performance reporting
- connection to external context (e.g. ecological carrying capacity, overall industry impact, link to corporate, sector, national or international goals and targets) to allow readers to evaluate performance
- transparent discussion of company's own evaluation of performance (including commentary on trends, acceptability of performance achieved, relationship to other companies or historical performance achieved, normalisation of figures)
- reference to any internal goals or external performance commitments.

Context and interpretation	
Score 0 NONE	No information on company's efforts to place performance information in context or present its own evaluation of performance.
Score 1 SKETCHY	Some limited examples of performance evaluation and information in context, but reader gets no sense of overall performance context or how the company judges its performance. Examples may be patchy, or rationale may be light.
Score 2 SYSTEMATIC	Clear and consistent attempt to explain company performance in light of company's own view and internal and external benchmarks or other references, but major gaps remain.
Score 3 EXTENSIVE	In-depth efforts to characterise and enable interpretation of its sustainable development impacts honestly and accurately, including, for example: <ul style="list-style-type: none"> — providing assumptions on which statements are based — links to external norms, commitments, etc. — reference to industry impacts or internal commitments — interpretative commentary prevalent throughout performance information.
Score 4 INTEGRATED	In addition , explanation of how the process of measuring and reporting sustainable development impacts has affected how the company interprets its own performance and responds directly, through formal strategic and/or management efforts.

3.4 Target Setting

Definition: Information on how the company uses performance data to set future performance priorities. **Value:** Gives reader a sense of how the company interprets and acts on its own performance. Serves as an indicator of management quality.

Scoring criteria – what to evaluate:

- provision of target information across main issue and impact areas
- clarity of information provided on targets, including origin, definitions and rationale
- coherence of presentation (e.g. SMART targets – that are Specific, Measurable, Attainable, Relevant and Time-bound)
- links between targets set and issues and impacts identified; links to management procedures.

Target setting	
Score 0 NONE	No information on targets set, or insufficient to form a clear picture.
Score 1 SKETCHY	Some limited discussion of target setting, but reader gets no overall sense of specific performance goals the company aims to achieve in the future. Examples may be patchy, unspecific, untimely or of questionable relevance.
Score 2 SYSTEMATIC	Clear and consistent attempt to convey concrete performance targets, but major gaps remain (see below).
Score 3 EXTENSIVE	In-depth efforts to convey SMART goals and targets (see above) for managing performance levels, plus discussion of target setting including, for example: <ul style="list-style-type: none"> — provision of targets across major areas of impact or activity — easily understood discussion of where targets are derived from, how they fit with management priorities and how they will be tracked in the future — sufficient context for readers to understand the strategic nature of particular targets.
Score 4 INTEGRATED	In addition , explanation of how the process of target setting has affected the company's efforts to manage and improve impacts, through formal strategic and/or management efforts.

3.5 Performance Against Standards

Definition: Description of how the company seeks formally to institute specific expectations for performance, whether legal obligations, general norms or voluntary standards; and the company's approach to internal monitoring of these expectations, covering financial and sustainability issues, and the links between the two. **Value:** Enables the reader to understand how the company takes practical responsibility for ensuring that its expressed expectations are met, and the level of transparency the company is willing to meet with respect to its performance in this area.

Scoring criteria – what to evaluate:

- identification of standards and norms subject to company expectations, including coverage (financial, sustainable development, legal, data aggregation, etc.), responsibility and major highlights
- link to external organisations involved in defining norms, codes and standards (if any)
- clarity of description of major elements of national or international legal expectations to which the company is subject
- clarity of internal review and audit process, including coverage, responsibility (internal and external elements) and major highlights
- evaluation and interpretation of performance as highlighted in recent review activity
- link to broader company goals, objectives and values.

Performance against standards	
Score 0 NONE	No discussion, or only general or generic statements.
Score 1 SKETCHY	Brief mention of internal and external compliance activities, but reader gets no overall sense of how the company applies and uses these activities in the context of sustainable development impacts.
Score 2 SYSTEMATIC	Reporting demonstrates a systematic attempt to explain how the company considers codes, norms and legal standards as well as audit requirements of sustainable development dimensions of business activities, but major gaps remain (e.g. coverage addresses only a limited portion of material impact areas).
Score 3 EXTENSIVE	Report gives full sense of how the company implements relevant internal and external codes and standards and how it evaluates its performance in relation to these. This includes: <ul style="list-style-type: none"> — interpretations of how well or poorly the company has performed against this activity — how this activity is related to specific sustainable development impacts and/or specific business lines or processes — links to specific sustainable development commitments, values or objectives.
Score 4 INTEGRATED	Reporting also explains how compliance activity has affected sustainable development performance, and how this impact is likely to affect future company actions.

4 Accessibility and Assurance

4.1 Assurance

Definition: Any formal efforts made by the company to enhance readers' comprehension and confidence in reports or reported information, through verification and audit statements, management evaluations, certification statements, expert statements or formal stakeholder commentary. **Value:** Readers have a direct stake in reporting that is credible and meaningful from a lay reader's point of view. Serves as an indicator of maturity and indirect indicator of management quality.

Scoring criteria – what to evaluate:

- relevance and usefulness of third-party statements
- statements provided by reputable and objective external organisations or individuals, including explanation of scope of assurance
- clarity of conclusions of assurance processes
- description of principles, procedure and rigour of assurance process
- company response to assurance or stakeholder comments
- listing and discussion of relevant awards
- discussion of internal audit process with regard to relevant information.

Assurance	
Score 0 NONE	No external assurance mechanisms evident or discussed.
Score 1 SKETCHY	Limited statement covering particular elements of reporting (e.g. data collection processes), but reader gets no sense of reliability of overall reporting processes.
Score 2 SYSTEMATIC	Clear attempt to describe mechanisms by which company assures reliability of reporting process, but major gaps remain (below). May include, for example, an assurance statement without context or response from the company.
Score 3 EXTENSIVE	Significant explanation of processes used to ensure report reliability, including: <ul style="list-style-type: none"> — external statements, including challenges and queries on the organisation's reporting and/or performance — clear explanation of scope of assurance and key findings and conclusions — assurance processes and results presented with proper context and interpretation.
Score 4 INTEGRATED	In addition , explanation of how organisation aims to implement recommendations from assurance processes to improve reliability of future reports and develop business strategy and decisions.

4.2 Reporting Commitment, Policy and Strategy

Definition: The organisation's stated commitment to reporting on the sustainable development impacts of its activities, as well as how this information is provided through wider communication channels, formats or vehicles for stakeholder groups. **Value:** Gives readers an understanding of the importance, role and strategic nature of reporting.

Scoring criteria – what to evaluate:

- statements describing consistent reporting process, including e.g. indication of intended frequency of reporting, discussion of expansion of approach or coverage of issues
- discussion of strategic reasons for reporting and links to achieving aspects of overall business strategy
- links to additional sources of information or modes of communication with stakeholders (e.g. websites, advertising campaigns, branding, annual financial reports and local reports).

Reporting commitment, policy and strategy	
Score 0 NONE	No indications of organisation's commitment to on-going regular reporting, or reasons for reporting.
Score 1 SKETCHY	Limited discussion of organisation's reasons for issuing the current report and/or some sense of organisation's plans for regular public reporting on sustainable development issues, but insufficient to form a clear picture of the company's commitment to reporting.
Score 2 SYSTEMATIC	Clear attempt to describe company's overall approach to reporting, including frequency of reporting and specific plans for extending or improving reporting in the future (e.g. identification of new areas of coverage).
Score 3 EXTENSIVE	Full description of current and future reporting strategy, including: <ul style="list-style-type: none"> — discussion of any commitment to evolve coverage or approach in a specified time frame — indication of how reporting is used internally to help drive performance or improve awareness — coherent communications across multiple platforms, keyed to different users, issues or needs.
Score 4 INTEGRATED	Explanation of how the organisation understands its reporting strategy links to its broader commitment to good corporate governance, transparency and decision-making.

4.3 Reporting Standards

Definition: The organisation's commitment to and practical use of key accountability standards in informing, developing or improving its reporting. These may address reporting, stakeholder engagement, performance assessment or other reporting-related activities. **Value:** Gives the reader a sense for the strategic nature of reporting, and the company's commitment to use reporting to raise expectations for itself and other companies.

Scoring criteria – what to evaluate:

- identification of standards used (e.g. GRI guidelines) and specific ways in which they are used (e.g. application of sector supplements, levels of reporting)
- types of issues, impacts or reporting processes to which use of standards applies
- evaluation of usefulness of standards, such as insights gained, specific improvements in accountability or management, and how standards may be extended or differently implemented in future
- indication of commitment to improving standards themselves and/or raise accountability across companies or industry through use of standards.

Reporting standards	
Score 0 NONE	No indications of organisation's commitment to or use of standards in reporting-related activities.
Score 1 SKETCHY	Limited or unqualified discussion of generic standards (e.g. 'we refer to the GRI Guidelines'), but insufficient to form a clear picture of the company's commitment to and implementation of standards in reporting.
Score 2 SYSTEMATIC	Clear attempt to describe company's overall use of standards, including identification of standards used (e.g. 'we report in accordance with GRI') and their applicability, but major gaps remain (see below).
Score 3 EXTENSIVE	Full description of current and future use of standards in reporting, including: <ul style="list-style-type: none"> — discussion of any commitment to evolve coverage or approach in a specified time frame — indication of how reporting-related standards are used internally to help drive performance or improve awareness — interpretation of how well the use of reporting-related standards has helped the company meet objectives to improve accountability or performance.
Score 4 INTEGRATED	Explanation of the company's advocacy of reporting-related standards to improve accountability for and governance of its own actions and/or to raise accountability across industry.

4.4 Accessibility of Information

Definition: The language, comprehensibility, usefulness and availability of information provided publicly, including users with special needs. Given the complexity of reporting on sustainable development performance, there is much that organisations can do to aid or impede the reader's ability to use and interpret information. **Value:** Indicates how serious company is about communicating with stakeholders. Serves as an indication of management quality.

Scoring criteria – what to evaluate:

- efforts to facilitate access to information of various types, depending on readers' needs (e.g. table of contents, signposting, good organisation, good use of website, index of contents, use of accessibility aids where appropriate)
- accessibility of concepts (e.g. aimed correctly at needs and familiarity of intended audience)
- accessibility of language (e.g. minimal use of jargon, reporting in local languages).

Accessibility of information	
Score 0 NONE	No info on the best way to use the report to help readers with different interests and/or no attempt to facilitate readers' understanding through clear language and minimal use of jargon.
Score 1 SKETCHY	Some evidence of attempts to facilitate readers' understanding, such as explanation of basic report organisation.
Score 2 SYSTEMATIC	Evidence of systematic attempt to use reporting to facilitate readers' understanding of organisation's sustainable development commitment and performance (e.g. inclusion of directions to other sources of organisation-related information such as financial reports or glossary of terms).
Score 3 EXTENSIVE	Reporting includes comprehensive reader information, including: <ul style="list-style-type: none"> — clear suggestions on how different stakeholders can get the most out of the report — clear language that provides readers of all levels with access to the information — clear directions and references to supplementary material relevant to the report section and content that will enhance the report for specialised readers (e.g. online data sets for sites, countries, business areas, etc.) — comprehensive web-based material linked to the report.
Score 4 INTEGRATED	In addition , company provides specific links to other, 'normal' areas of corporate communications, including corporate identity, advertising, product labelling, shareholder communication or meetings.