



# Integrated Reporting Insights

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HOSTED BY CONTEXT, BLOOMBERG AND WRI  
FEBRUARY 21, 2012

## Findings

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### On February 21, Context, the World Resources Institute, and Bloomberg hosted a lunchtime session for CSR professionals focused on integrated reporting.

We asked Janet Ranganathan, vice president for science & research at the World Resources Institute and a member of the International Integrated Reporting Council's working group and Bruno Bertocci, Managing Director and Global Equity Portfolio Manager, UBS, to kick off a discussion on integrated reporting, why it matters, and what companies should think about. Below are thoughts from our discussion.

#### WHAT IS INTEGRATED REPORTING? HOW DOES IT WORK?

- An approach that seeks to bring together financial, environmental, social and governance (ESG) information in a single reporting format
- Shows connectivity between management communications and ESG data to help close the circle of information required to make investment decisions

Why does it matter?

- The world is changing. There are new business risks and the external context of how companies do business is important to consider.
- There are increased demands for corporate transparency
- Current corporate reporting is not up to the task - it's too backward looking.

#### WHAT DOES THE FUTURE LOOK LIKE?

- By 2020 a new world order exists. Integrated reporting is fully embraced bringing business communications together with ESG data.
- Fiduciary duty is redefined to include how companies consider all sources of capital - beyond purely financial capital.
- Integrated reporting provides better information to make better investment decisions.

#### WHO IS WORKING ON INTEGRATED REPORTING?

- The International Integrated Reporting Council (IIRC), a coalition of businesses, regulators, securities exchanges and not-for-profit groups. Sixty global companies are currently road testing the IIRC standard.
- The United Nations has put global sustainability reporting by companies among its proposed key outcomes for the Rio+ 20 summit in June.

- The Securities and Exchange Commission has published guidance on what public companies should disclose to investors on risks related to climate change.
- South Africa has made it compulsory for companies listed on the Johannesburg Stock Exchange to produce integrated reports.

### Contemplating Integrated Reporting? Eight Tips to Consider

1. **Materiality is key.** The goal is to connect the dots for financial stakeholders so investors can see how ESG issues are affecting the business model.
2. **Think ahead.** Forward looking statements are needed. Currently this is a challenge as no safe harbor exists to discuss future risks.
3. **Data is king.** Influential analysts are already looking at ESG data. Identify the appropriate key performance indicators (KPIs), verify the data and put it in your report.
4. **Is the top bought in?** Has management thought about sustainability? Is sustainability part of the business strategy? How is your company communicating sustainability internally and externally?
5. **Consider social media.** Information could be presented in different formats in the future. Consider the tools. Keep track of how information is being communicated using social media.
6. **Stakeholder engagement is critical.** Ask your stakeholders what they think about your reporting. What is missing? What do they want to see?
7. **Pay attention to the politics.** Demand-side is key to adoption. Watch for guidance from the stock exchanges and accounting standards boards. Track the progress of the IIRC.
8. **Learn from the first-movers.** A number of companies are experimenting with integrated reporting including United Technologies Corporation, Astra Zeneca and Phillips.

Continue the conversation at

[www.sustainabilityincontext.blogspot.com/2012/03/context-co-hosts-integrated-reporting.html](http://www.sustainabilityincontext.blogspot.com/2012/03/context-co-hosts-integrated-reporting.html)

## Our clients

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Context is proud to work with some of the world's leading companies. We make sure we understand each client's business, their audience and their sustainability issues.

We use these insights to create focused strategies and effective communications. Our current clients include:

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Syngenta  
Unilever  
Vodafone  
WBCSD  
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Sodexo NA

### EMERGING MARKETS

Antofagasta  
CEMEX  
Kazakhmys

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