Corporate Responsibility
A united state?

Analysis by Context
Reporting trends in the USA and Europe

Commentary by
Lord Browne, Jeff Immelt, David Vidal

social environmental context

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Context is a consultancy specializing in corporate responsibility strategy and communications.
We work with multinationals in all sectors, in the USA and Europe. More at: www.econtext.co.uk

In search of a united state

In collecting information for this research report, we listened carefully to different opinions on the future of corporate responsibility (or citizenship) and the reporting of its performance on both sides of the Atlantic.

There are certainly transatlantic differences in the flavor of corporate responsibility (CR) on either side of the pond. Yet there is little agreement on how to describe these variations, or indeed if they really matter.

Our data show that far fewer big US companies report on their CR performance – social and ethical, environmental, human rights, or supply chain. In fact, David Vidal of The Conference Board notes (page 2) that roughly the same percentage of major US companies reports on these issues as their Chinese counterparts.

Yet when John Browne, Group CEO of BP, lays out (page 4) his vision of corporate responsibility for BP, would any US CEO take issue?

Jeffrey Immelt, Chairman and CEO of General Electric, actually finds (page 6) the US and Europe moving toward agreement on how both should produce and consume energy and reduce emissions.

Environmental care is a key CR topic, as is the need to bring poor people into the economic system. On page 8, Context associate Lloyd Timberlake explains how both US and European companies are experimenting with new models to do business lower down the economic pyramid.

And for those who have puzzled at the sometimes peculiar language of CR, we offer on page 10 an intriguing analysis by two US law school professors, John Conley and Cynthia Williams, who argue that the emerging language of CR reveals a controlling nature.

On page 12 we give our thoughts on the limitations of reporting and the need to use additional channels to communicate on CR topics.

Context's research and analysis – starting on page 14 – provides comprehensive detail on who (and who is not) reporting among the top 100 companies on each side of the Atlantic.

In our transatlantic travels we find far more commonality than division on CR. We feel there is a united state. What do you think?

Email Peter Knight: peterk@econtext.co.uk

Scandals that led to Sarbanes-Oxley produced a version of corporate responsibility in the US which concentrated on legal compliance and shareholder responsibility. In Europe, the emphasis has been on going beyond compliance. But the differences are diminishing.

Moving toward a mid-Atlantic view

David J. Vidal
Director of Research, Global Corporate Citizenship, The Conference Board

Since 1993, the number of top companies in industrialized countries producing CR reports has tripled.

Some time during the peak period of the corporate scandals in the US, President George W. Bush convened a prestigious group of CEOs in the White House. A picture was taken; it showed a stage, the smiling President, and a poster bearing the presidential seal and the words Corporate Responsibility.

That picture was worth more than 1,000 words in explaining how corporate social responsibility (CSR) or corporate citizenship compare and contrast in the US and Europe. Shaw (or Churchill, according to some) once said that "England and America are two countries separated by a common language," and corporate responsibility (CR) is yet another term with different nuances in different hemispheres.

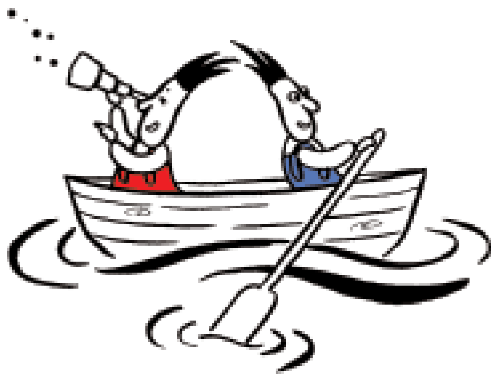
For the corporate responsibility being heralded by George Bush had to do with compliance with the law, with being responsible to shareholders and not having executives treat shareholder assets as their own, and with toeing the line on the new Sarbanes-Oxley legislation on corporate governance requirements.

Contrast that with the beyond-compliance, non-regulatory, and voluntary understanding of CR of the European Union, and you see the fundamental differences in approaches. The EU calls CSR: "a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis."

It is difficult to encapsulate the CR issue in a few phrases, and even more so to describe differences between the world's two dominant regions. But there remain some simple truths:

- In the US, a corporate and legalistic culture of rules and compliance has not provided as fertile a ground for the growth of CR as a principles-based culture has done in the UK and Europe.
- In the US, the strength of the shareholder culture as the compass for corporate purpose retains a grip that also handicaps the growth of CR because it requires a different burden of proof.
- However, it is likely that as the world grows "flatter" and as the commercial and ethical cases for CR mature, the current differences between US and European practitioners will become one rather than two sets of practices.

Signs of this unification come in a first-of-its-kind report issued in August, 2005 by the US Government Accountability Office (GAO). In Europe the EU issued its Green Paper on CSR in 2001, and work continues on a consensus framework. Under the Operating and Financial Review (OFR) in the UK, companies are being required to include environmental and social matters in their annual reports.



In 2005, some 80% of top companies in nearly 21 countries/regions had CR reports, as compared with 50% in 2002.

While recognizing that the US lacks any comprehensive legislation mandating a federal role in CSR, the GAO report found 12 US agencies with over 50 programs, policies, and activities that generally fall into four key government roles of endorsing, facilitating, partnering, and mandating company CSR activities. Most of these programs were found to have come into being during the last five years.

Since 1993, the number of top companies in industrialized countries producing CR reports has tripled, according to the KPMG International Survey of Corporate Responsibility Reporting 2005.

The KPMG report also found that among world regions, only the US and China failed to meet the general rule-of-thumb that the incidence of CR reporting is in proportion to the number of Global 250 companies in a country or region. In 2005, some 80% of top companies in nearly 21 countries/regions had CR reports, as compared to 50% in 2002. Yet in 2005 in the US (which had 100 of the top 250 global companies) only 35% reported; in China, 33% did.

Since reporting is among the clearest indicators of a company's CR intentions, this evidence shows that the direction in the US is set and the pace of change is accelerating. However, convergence in US-Europe outlook and performance remains some way off.

Responsibility: A transatlantic comparison

How it has developed	Similarities with other region	Differences with other region
USA		
• Unofficial and voluntary • Globalization a key factor • Shareholders are more equal than stakeholders • Citizenship is rooted in tradition of business philanthropy • CR means compliance, ethics, and good governance • Environmental compliance is more established than CR • EH&S generally separate from CR and not yet Sustainable Development	• A driving mechanism is the new corporate CR reporting • London offices of US investment houses help lead financial industry engagement • Crises are frequent CR catalysts • Some participants in UN Global Compact • CR making inroads in top businesses • Ascendancy of business as global actor and foreign revenues more important than ever	• Official support for CR is greater in the UK and Europe • US head offices yet to follow lead of their London beachheads • Fewer Compact participants in US than in Europe • No federal-level legislation embracing CR • Global markets less of a factor than in the EU
UK/Europe		
• Official, unofficial, voluntary and regulatory • Globalization, privatization of industries, and history of deep global political and commercial engagements were key • Stakeholder focus in the European social compact • CSR or CR more used terms than citizenship • Environmental compliance is mainstream and integral to social responsibility • Sustainable Development and CR increasingly seen as the same	• Civil society a vital factor in the CR agenda • Formalized stakeholder engagement processes being used • Potential addition of a channel to expand TCB mid-market presence • Interest in academic CR study surging	• More sophisticated support infrastructure for CR and continual discussion of it in public and private channels • NGOs assertively framing the debate on business in society • Stakeholder representation on boards is more acceptable

Responsibility is a much-used but ill-defined term in business. BP has sought a better definition and concluded that responsibility operates on several levels in the company, all closely linked to business strategy.

What responsibility means for BP

John Browne
Group Chief Executive, BP

Whether BP is viewed as an increasingly responsible company, which deserves to prosper for decades, will be based not on articles like this or reports, but on witnessing sustained, consistent actions by the group's people worldwide.

Our fundamental purpose as an organisation is to provide better goods and services in the form of light, heat, power and mobility to increasing numbers of people and thereby to deliver shareholder value on a long-term basis.

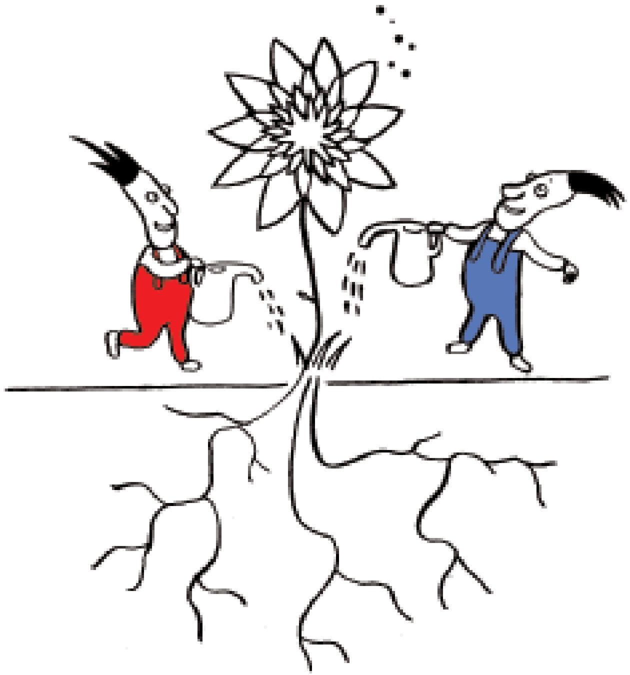
To achieve our purpose, we have a strategy. In Exploration and Production, we seek out long-term assets – the largest, low-cost, new hydrocarbon deposits – while managing the decline of mature fields. In our customer-facing businesses, we look to attract more and more customers through improved quality of products and service.

In delivering our strategy, we must also act responsibly if we are to build trust, be sustainable and strengthen our global reputation. "Responsibility", however, has become a much used and ill-defined term in the modern business world, and so we have sought to define it more clearly for ourselves. We have concluded that responsibility operates on several levels in BP, all of them closely linked to our business strategy.

At its most fundamental, responsibility means obeying the law – complying with the numerous laws and regulations that govern our operations in each country. Legal compliance is far more than a box-ticking exercise. It makes complex demands and requires highly developed processes. In a large refinery there may be as many as a million regulatory requirements to be tracked, executed and checked.

However, we believe that responsibility means more than keeping to the rules. We believe it means behaving in a consistent way around the world, being driven by the group's values and responding to the growing external expectations placed on large corporations.

For example, we have a code of conduct, informed by our group values, which sets specific, obligatory rules on such issues as equal employment, HSE and business ethics. In a limited number of areas we also have mandatory group standards. For example, no one in BP is allowed to use a mobile phone when driving. And no one is allowed to make a facilitation payment.



Legal compliance is far more than a box-ticking exercise.

Both compliance and being a progressive operator lie in what we call our "sphere of control" and we call this "responsible operations". It is here that we control the choices made – from where to explore to how we recruit – and we are accountable for the outcomes. It is also through this that we are able to generate considerable benefits for society – taxes, salaries, dividends, capability development, in addition to a range of essential energy products and services.

At a further level, being responsible prompts us to play our part in helping to address global challenges that are directly relevant to our long-term business strategy. The difference here is that we clearly do not control outcomes – responsibility is shared – so we work with governments, business partners and civil society, using our skills and resources to deliver better outcomes for society.

Our most obvious example of global leadership has been on the environment. We chose to take a lead on the issue of climate change in 1997 because we believed there was a strong case for taking precautionary action. Since then we have not only reduced our own greenhouse gas emissions but have taken an active role in the global debate, and resulting actions, on climate change. For example, we are actively developing a "decarbonised" fuel project in Scotland to remove the carbon from natural gas to create hydrogen. A world first, the hydrogen will be used to generate virtually emissions-free electricity while storing the carbon dioxide safely under the North Sea in oil reservoirs.

More recently, again in line with our business strategy and growth, we have recognised the need to make a more focused and inclusive contribution towards social and economic development. We have concluded that, in addition to the value we provide through running responsible operations, we can make a valuable contribution through focused community investment programmes.

We have chosen three areas (education, enterprise development and access to energy) where there is very often an overlap between what we can offer, what communities need and what will help us deliver our long-term business strategy – what we call mutual advantage.

Finally, and of great importance in terms of the impact our investments have on development, is the way our host governments manage the resource wealth we help to create (governance). Our role here ranges from our involvement in the debate around revenue transparency through to the foundation, with Oxford University, of the Oxford Centre for the Analysis of Resource Rich Economies.

In summary, our responsibility to society operates on several levels in BP, all of them closely linked to our business purpose and strategy. Whether BP is viewed as an increasingly responsible company, which deserves to prosper for decades, will be based not on articles like this or reports, but on witnessing sustained, consistent actions by the group's people worldwide. Together with our various partners, we will continue to play our role.

Despite some differences, there are many more areas where the US and Europe agree. The trend is toward unity on an issue that is neither ordinary nor unique to the US or Europe: that we must revolutionize how we produce and consume energy and commit firmly to reduce emissions.

Needed: consistency on energy policy

Jeffrey Immelt
Chairman and CEO of General Electric

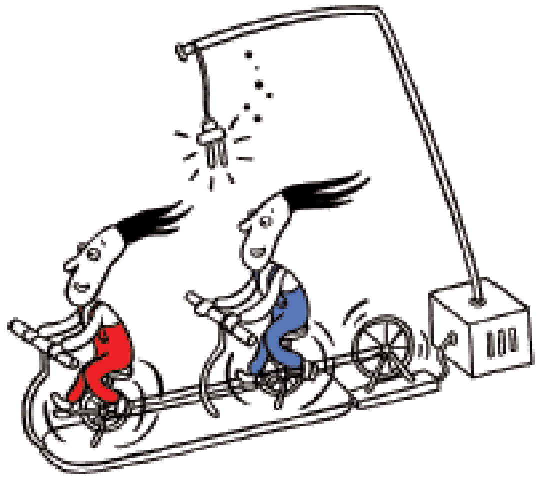
The US and Europe differ over many things, some ordinary – such as what kind of game football is – and some vital to the core of our respective, varied cultures, helping to keep us distinct and, in turns, engaged and exasperated.

Still, there are many more areas where we agree, and I believe we are now moving toward increasing agreement on an issue that is neither ordinary nor unique to the US or Europe: that we must revolutionize how we produce and consume energy and commit firmly to reducing emissions in our shared environment.

Diminishing oil and natural gas reserves, reliance on imported and sometimes unstable energy sources, price volatility and global climate concerns demand that we do so. It will require three elements: the brain-power to develop new technologies, a market that is open to them and the wills of our elected leaders, those in industry and those committed to progress.

It will take work to gather these elements together but the prospect of success is growing. Since the 1990s, innovations in dramatically cleaner energy have emerged, not just in the US and Europe but in China, India and elsewhere. Their common denominator has been a target of higher efficiency, lower cost and fewer emissions – such as that found in cleaner coal applications that could shave millions of tonnes of carbon dioxide from emissions levels. As these technologies take hold, we enhance our potential to succeed, but a viable market must exist. Signs of such growth are emerging, both in companies and the capital markets.

In June 2005 alone, two of Silicon Valley's top venture firms invested nearly €33m ($40m) in solar energy companies. While such "clean tech" investment represented just 2.6% of North American venture capital in 2004, that is double the level of 2000. In a recovering capital market, these numbers show that we are crossing the threshold where solving energy and environmental problems is the profitable thing to do as well as the right one – and where fewer pounds of emissions can mean more pounds on the bottom line.



If GE were to continue to grow as we project, by 2012 our emissions would have gone up more than 40%.

General Electric is putting its money where its mouth is. We have committed to doubling annual investment in clean energy technology research and development to €1.25bn ($1.53bn). Instead of a top-down approach that could potentially stifle creativity and innovation, we are investing most new funding at the research level, making sure that these new funds go directly into those innovation engines that offer the most promise. We also plan to double energy-efficient product revenues over the next five years and will make big cuts in our greenhouse gas emissions. If GE were to continue to grow as we project, by 2012 our emissions would have gone up more than 40%. Instead, we are committing to reduce them by 1%.

Since the 1990s, innovations in dramatically cleaner energy have emerged, not just in the US and Europe but in China, India and elsewhere.

Climate change was high on the agenda at the July Group of Eight summit in Edinburgh, and we support the European Commission's proposed directive to improve energy efficiency and manage energy demand. We also applaud the UK government's decision to invest £40m ($70m) in cleaner electricity generation from coal and gas as well as for hydrogen and fuel cells. But these commitments and the prospect of exciting new technologies mean little if leaders on both sides of the Atlantic – along with industry and other stakeholders – cannot work together to develop coherent processes and consistent policies.

In the US, the lack of a coherent energy policy has slowed the exploitation of new innovations. While great progress has been made, we have failed to realize fully the opportunities that exist in wind, solar, clean coal, nuclear power and other renewable resources. The result is that the US has watched Europe and others advance, strengthening their economies and security.

I am not talking about "one-policy-fits-all" but consistency. GE has business in hundreds of countries and more than 300,000 workers – more than 85,000 in Europe alone. To remain competitive, we cannot navigate a regulatory maze that forces us to modulate every product and process to suit individual regulatory regimes at their whim. All that we ask for – and this will allow us to grow as a healthy, responsible company – is consistency.

Policies that commit to market-based approaches will drive innovation and lead to environmental improvements. The US and Europe stand at a crossroads, where the co-operative efforts of governments, industries and stakeholders can change the course of the world. Taking the proper path will not be easy, cheap or quick. But nothing worthwhile ever is.

(This is an edited version of an article that first appeared in the Financial Times; June 29, 2005. Used by permission of author.)

While populations in the North age and markets in the developed world stagnate, business is increasingly looking to the poor but fast-developing South for consumers. But is there really gold at the bottom of the pyramid?

Doing business with the poor

Lloyd Timberlake
Context Associate

Critics say that profitability means that this is just another way of exploiting the poor.

Several leading companies on both sides of the Atlantic agree that it is worthwhile, or at least it ought to be worthwhile, to do more business lower down the economic pyramid.

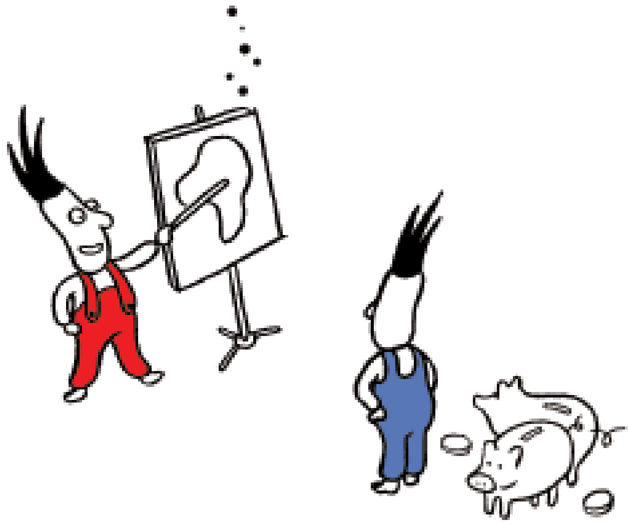
This approach, also called pro-poor business, sustainable livelihood business, or even – unfortunately – "business for social inclusion", is often defined as doing business with poor people and communities in ways that benefit the poor and benefit the company's bottom line.

So we are speaking of real business, not philanthropy or public relations. This is important, say supporters, because profitability means that a company can grow, spread and replicate a given pro-poor business project. Critics say that profitability means that this is just another way of exploiting the poor.

The two main academic proponents are American: C. K. Prahalad of the University of Michigan's school of business and Stuart Hart of Cornell's school of management, and both have written readable and evangelizing books on the subject with typical American cheerleading titles: *The Fortune at the Bottom of the Pyramid: Eradicating Poverty through Profits* (Prahalad, 2004) and *Capitalism at the Crossroads: the Unlimited Business Opportunities in Solving the World's Most Difficult Problems* (Hart, 2005).

Both argue that Northern markets are stagnant; many Northern populations will shrink; about 95% of population growth will be in the poorer South; so companies must do more business there to survive, much less to thrive.

The World Business Council for Sustainable Development (WBCSD) has also been a cheerleader for what it calls "sustainable livelihood business," having published a field guide to it as well as guides to how to finance it and how to find partners to help you do it (www.wbcsd.org). The Council argues that clever companies can often find new, cheap forms of "patient capital" for such business, and companies need good partners in the NGO community to help them reach poor customers.



Many companies have high hopes; the whole approach and way of thinking are so new.

Examples abound. Unilever is selling iodized salt in Ghana, creating jobs by outsourcing the manufacturing and distribution, thus creating more local jobs. DuPont has organized a scheme in Colombia whereby corn farmers can sell some of their crop even before planting, so they can afford better seeds, fertilizer, pesticides: made by DuPont. SC Johnson is sticking to natural pyrethrum (from a kind of daisy), rather than going artificial, to help support Kenyan farmers and to stick a "green" label on its household pesticides.

There are also a growing number of examples from companies in Latin America, Africa, and Asia involved in similar business ventures.

Much of the early motivation for such business ventures came from the extractive industries, many of whose mines and wells are in very remote areas surrounded by very poor people. What could they do besides charity?

These companies – the likes of Rio Tinto, Shell, and BP – rarely produce products the poor can buy, so they have focused on the other side of pro-poor business: organizing local supply chains based on the small and medium-sized enterprises owned by local people.

Recently, a number of companies on both sides of the Atlantic have gone – theoretically – further and started looking at their pro-poor business ventures in terms of helping to meet the UN's Millennium Development Goals. (See *Business for Development: Business solutions in support of the Millennium Development Goals,* published by the WBCSD on the occasion of the UN summit on the goals in September, 2005.)

Theoretical is an important word in any discussion of pro-poor business. Theoretically, to borrow the academics' words, there is both a "fortune" and "unlimited business opportunities" at the bottom of the pyramid. But both are hard to get at. Access usually requires working in countries with bad infrastructure, bad and opaque legal systems, and bad banking and credit systems. It requires new business models and strange new partners. So no company has made a lot of money near the base of the pyramid. One that seems to be doing very well is Vodafone, which when it was trying to introduce cell phones into South Africa was told by the government that it had to find ways of getting some phones to the poor. They checked their customer database to find who in remote areas were using their phones a lot. Most of these were renting their phones out, call by call. They helped these entrepreneurial customers open cell phone kiosks. Slowly this activity began to make the company more than its regular cell phone business in the big cities; so it is spreading this approach through Africa.

Many companies have high hopes; the whole approach and way of thinking are so new. DuPont CEO Chad Holliday said of pro-poor business in 2003: "This is an investment in the future. And although I think we can have some theory and some very good demonstration projects in the next two or three years, I think it will take five–ten years before it starts making a difference on my bottom line. If I look at a company, ours of 200 years, planning to be 300 years old, this is critical. If we don't learn how to do this, the DuPont company is not going to be 300 years old."

Many NGOs already talk like corporations – of branding and accountability. Such shifts in language may presage changes in the way they think and act.

Using CR language to shape and control

John M. Conley
University of North Carolina at Chapel Hill School of Law

Cynthia A. Williams
University of Illinois College of Law

A couple of years ago we began an experiment: treating the corporate social responsibility (CSR) movement as if it were the kind of exotic culture that anthropologists might study.

Our research has confirmed the vitality and relative coherence of the CSR movement. Governments, corporations, and their critics take it seriously at the rhetorical level. At the action level, governments outside the United States promote its primary objectives: the identification, planning, and disclosure of corporate responses to social and environmental problems.

Three main CSR activities are partnership, dialogue, and reporting. Partnerships usually bring in non-governmental organizations (NGOs) to lend their expertise and imprimaturs to a company that seeks to improve its practices in some social or environmental area. For many NGOs, participating in these engagement activities has become a core activity. Dialogues bring together "stakeholders" in various corporate social issues, and CSR reporting expands financial-style transparency to social and environmental problems.

Some observers see the "progressives" as winning in these developments. Greater transparency cannot be bad, nor can co-operation between corporations and their stakeholder critics.

However, our research is raising some questions about whether the CSR movement is actually succeeding and the ultimate desirability of that success.

There is reason to be skeptical of corporate motives. We have heard many expressions of concern that companies' CSR activities rarely encompass their "core" activities, as well about the need to "scale-up" social and environmental activities from the demonstration project level.

Our linguistic analyses suggest that companies are treating both stakeholder dialogue and CSR reporting as opportunities to shape and control the debate over their conduct – and bringing sophisticated communication strategies to bear in doing so. Rather than redressing the power imbalance between corporations and civil society, these processes may be reinforcing it.

What becomes of NGOs as they evolve from often-radical critics into corporate partners? Many NGOs already talk like corporations, with their discussions of "branding" and "accountability". Their representatives admit that these habits of language may presage parallel changes at the level of thought and action as well.

The CSR movement can be understood as an example of the "new governance" whose consequences are difficult to gauge.

They worry about capture, co-optation, and "greenwashing". They find it hard to resist the logic when corporations demand the same kind of accountability of them that NGOs demand of companies. But NGOs' social utility lies in being independent, aggressive, and sometimes hyperbolic – in other words, in not always being accountable. Some see demands for accountability as disguising an effort to domesticate, bureaucratize, and ultimately neuter the most stridently effective among them.

The CSR movement can be understood as an example of "the new governance" whose consequences are difficult to gauge. CSR shifts the emphasis from traditional government regulation of corporate conduct to corporate disclosure and engagement with civil society. Companies and NGOs bear much more responsibility for shaping outcomes than they did in the old regulatory state.

CSR remains a work in progress. It promises a corporate decision-making process in which managers talk openly about social and environmental issues and tell the world what they did and why.

Who chooses the private actors, the "stakeholders," that are central to the process? Some, such as employees and local residents, are consensus candidates. But others – the "partnering" NGOs, for example – seem to have chosen themselves. They have leveraged a place at the table by their ability to communicate, with the public as well as with corporate targets. They may be good watchdogs, but they have gained their watchdog positions by a process that has none of the hallmarks of liberal democracy.

Moreover, the CSR world is a profoundly paternalistic one. Powerless people are occasionally seen in the dialogue process, but at the sufferance of corporations and NGOs. Otherwise, they must be spoken for by their unelected representatives.

What happens to accountability? Representatives not chosen by their constituents cannot be removed by them. We found widely-expressed concern that corporate/NGO partnerships may be pre-empting the development of strong local governments. Entities that have appointed themselves to speak for local interests have displaced the very institutions that would be most likely to call companies to account.

We have heard that corporations and NGOs are subject to discipline by their respective customers and contributors. But we have repeatedly been told that most consumers will not pay a premium for CSR, and in any event both consumers and contributors are far removed from the locales where accountability issues are most salient.

CSR remains a work in progress. It promises a corporate decision-making process in which managers talk openly about social and environmental issues and tell the world what they did and why. Yet it could become nothing more than an elaborate public relations charade in which companies perform prescribed rituals but continue to do business as usual.

It could be even worse than business as usual, as the effect of the rituals may be to co-opt critics, distract consumers, and pre-empt regulation. Only ongoing empirical scrutiny of the CSR movement will tell. Our research leaves us hopeful about change in the social expectations of business, but increasingly skeptical that "business as usual" is being changed in any profound way by those expectations.

Standardisation, too much detail and aiming for multiple audiences make many CR reports lousy forms of communication. A cure is available.

How to be fabulously fascinating

Peter Knight
Director
Context
peterk@econtext.co.uk

Does anyone actually read corporate responsibility (CR) reports?

Be honest, when last did you sink into your most comfortable armchair in gleeful anticipation of an insightful read about the social and environmental performance of the corporation that sweated to produce the document in your hands?

How often have these reports given you a clear understanding of how the company feels, thinks and acts?

Oh, the disappointments! The grotesque detail of some (especially those aiming to hit high notes in self-serving public benchmarks), the obfuscation of others, the poverty of presentation, the pictures of butterflies and bunny rabbits…

To be fair, some reports do hit the sweet spot and change hearts and minds by their clarity, honesty and focus on issues relevant to the reader.

CR reports have certainly come a long way since the early 90s when corporations first began to lift their corporate skirts to reveal environmental secrets. While some contained nuggets of useful information (compliance performance, for example), most of the pages were filled with soft assurances.

Today, with the Global Reporting Initiative (GRI) established as the *de facto* standard, reports are much better. Some are excellent, giving good and bad news, and avoiding the traps of vanity publishing (our clients, of course, are firmly in this category).

But the drive to standardise, to shovel in the detail, to cover every conceivable angle and cater for the widest possible audience has led to reports (and their often associated websites) being lousy forms of communication.

Perversely, the greater the standardisation of reporting, the greater the need to think more intelligently about priorities and key messages, and to use other channels to communicate. In this business, one size most definitely does not fit all, especially if the garment is a CR report.

These reports have become the basic requirement. Their source information (gathered from around the company) provides the necessary intelligence about your performance.

The information-gathering process is itself enormously informative of your gaps, risks and (important) business opportunities. It also provides an ideal tool to carry internal messages as the reporter leaps from silo to silo, much like a bee working the orchard, cross-fertilising the messages.

> How often have these reports given you a clear understanding of how the company feels, thinks and acts?

> Many reports make it no further than a box under a secretary's desk.

The rule is to make it engaging. Corporate homilies will not do.

Academic research supported by Context (to be published in January 2006 – watch www.econtext.co.uk), shows how large companies are beginning to acknowledge the valuable role reporting plays as a tool for organisational change.

But once your reporting cupboard is filled with information and some of that has been published, what happens then? Smart companies have realised that reporting should never be seen as a communication end in itself. Rather, it is the platform from which you launch communications sorties into specific audiences.

There are many opportunities to communicate, depending on your sector, key audiences and corporate culture.

Consider a few essential steps:

Make sure the right people get your report

How many of your last report were distributed? Was there a clear plan? Did you check and monitor?

Many reports make it no further than a box under a secretary's desk. There are not many people who need to read it, but the least you should do is give most of them the opportunity. This is why we built our global CR Who's Who – a database of important people in the CR agenda, worldwide. It's ideal for our multinational clients and provides a quick, effective way to get the report into the hands of those people who actually want to see it.

Talk to your own people

A CR report will satisfy the needs of the small opinion leader audience, but it is probably unsuitable for others, such as your staff. Will they read a GRI report aimed at opinion leaders? Maybe, but it will bore them rigid. They need something crafted for them. This does not have to be a big production. It could be anything from an article in the staff newspaper (but please make it interesting!) to a targeted document that repackages some of the information in the report and directs it specifically at the staff. The rule is to make it engaging. Corporate homilies will not do.

Tell your customers too

Your customers want to know they are dealing with an honourable organisation. And you have many opportunities to carry relevant messages. These can range from in-store leaflets (predictable, but necessary), to relevant messages in communications channels such as recordings on call-centre messages, retail websites, bills and statements. Some of our clients are now experimenting with these channels and we help them identify the opportunities and craft the messages.

Intrigue opinion formers

Put some energy into your communications with opinion formers – politicians, academics, non-governmental organisations and journalists. Never assume that these busy people are anything but uniquely human: easily bored, desperate for excitement. Don't send them dull documents or dupe yourself into believing that they will be interested in an inward-looking corporate initiative. Constantly seek ways to intrigue and engage. Look to give – scarce information, access to influential people etc – rather than take.

Fascinate yourself!

If you continue to find this agenda interesting and constantly work to appreciate why others might not, it will always be easier to go beyond reporting, to fascinate yourself and your audience. It is in this way that you stand a good chance of helping others to understand just how responsible you are.

These are some of the ideas we explore with our clients: always keeping a clear focus on the needs of the audience; always looking for the pressure points to stimulate and enthuse. The biggest offence at Context is to be dull.

Transatlantic reporting trends

What do comparisons of the reporting habits of top companies in Europe and the USA tell us?

The obvious – as the data on the following pages show – is that around twice as many European companies publish CR reports compared with their US counterparts. What's more, the rate of increase in reporting is less in the US than Europe.

Does a cursory read of these data indicate an indifference to the topic in the USA, a lack of concern maybe for social and environmental issues and their impact on business?

From our experience working in both regions, nothing could be further from the truth.

First, our data show that 45 of the top 100 US companies were reporting as at the end of July 2005. Our market intelligence indicates that the halfway mark will be exceeded by early 2006. This will make reporting a majority activity in the US, although there is admittedly some way to go before the region reaches the European level. But does the number of reporters indicate commitment to CR? Yes and no. With the world's biggest and most advanced domestic market on their doorsteps, US corporations might indeed be insulated from some of the societal risks and pressures felt so keenly by their European counterparts. But US corporations are becoming even more active in world markets – knowing that future opportunities are in the developing world, not in the largely stagnating, aging markets of the North. They are as aware as any of their European counterparts of the need to understand the impact of societal change on their business: both threat and opportunity. More important, they understand the need to communicate this concern to influential stakeholders in those markets.

That they might not choose to do this through the medium of a single report is of no great consequence. If anything, it indicates to us that they might have a smarter way to respond.

General Electric's ecomagination advertising campaign is a typical example. And anyone witnessing Procter & Gamble's promotion of its water purifying tablets designed for the developing world will be reminded that US companies emphasise communication, not necessarily reporting.

(See our views on communicating CR on page 12.)

Methodology

Our analysis shows how the largest public companies in the USA and Europe report their performance on social and environmental issues. First, we identify which companies publish formal reports, and how long they have been doing so. Then we explore how they report (web, pdf and/or print), what they cover (environmental and social issues, supply chain, human rights) and whether external inputs are included (assurers and stakeholders). The result is a picture of the current state of reporting on both sides of the Atlantic.

We have made every effort to ensure that the analysis is accurate, but the nature of the exercise means that there are many grey areas where we have had to make judgements. That is why we have included comments at the end of each line, to embellish the raw yes/no in the table. Data are based on publicly available information on company websites, supported by other reporting resources, especially the CorporateRegister website (www.corporateregister.com). Below we set out what the headings mean and the rules we have used in making judgements where necessary.

1. Cut-off date
Data record reports published before 31 July 2005.

2. Who is included?
The US companies are the 100 largest by market capitalisation on 8 July 2005 according to the S&P500. The European companies are based on the FTSE Eurofirst 100 index on 5 July. We have adapted this index by adding major companies from the FT Euro 500 which are not in the Eurofirst index. In both cases, companies are listed in order of market capitalisation.

3. Number of years reporting
We have tried to be generous. In general we have started counting when the company first produced a report on any of the elements of corporate citizenship – eg community, environment, health and safety. But we have aimed to identify regular reporting, so if there was then a five-year gap before the next report we have not included that period. If a company reports every other year, we have counted from the beginning, and noted that fact in the Comments column. We have also excluded brochures, pamphlets and general statements of policy or principle. By reporting, we mean a commentary and data on performance in the year.

4. Form of reporting
We identify print, HTML and pdf reporting. Several companies produce pdfs which are accessible by page or section, often described as "interactive". This is noted in the comments section. HTML reports are only those which are available as web pages on the company site, with HTML links. As above, we have not included web sections which merely provide general descriptions of policy, principle or practice. We have looked for reports of performance.

5. Independent assurance statement
The emphasis here is on "assurance". It needs to be more than a commentary by one or more individuals. But we have included companies where assurance only applies to part of the report, eg Environment.

6. Performance areas covered (environmental, social, etc)
Inevitably there is some overlap in these sections. For example, companies may cover human rights in the supply-chain context. As above, we have looked for reporting of performance rather than merely statements of policy or intent.

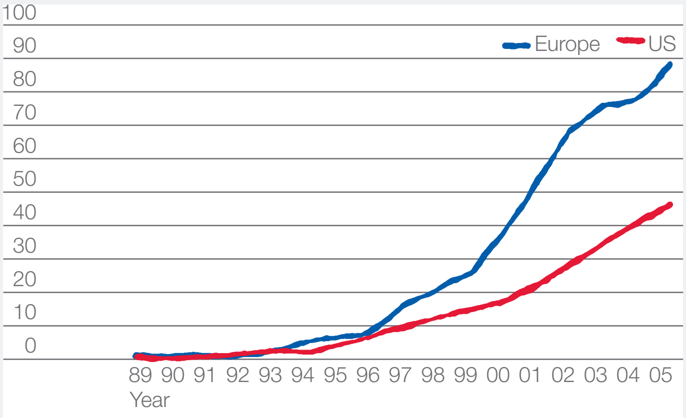
7. Stakeholder voices
This is the fuzziest judgement we have had to make. We have looked for specific comments or responses from stakeholders (more than one). Rather than evidence of stakeholder engagement, we looked for what stakeholders said, in their own words.

8. Dow Jones Sustainability Indexes (DJSI)
This column records membership of the DJSI World index. An "e" indicates membership of the European Stoxx index but not the world index. An "s" indicates that the company has been judged a "supersector" leader by DJSI. A "u" indicates membership of the US index only.

Key findings

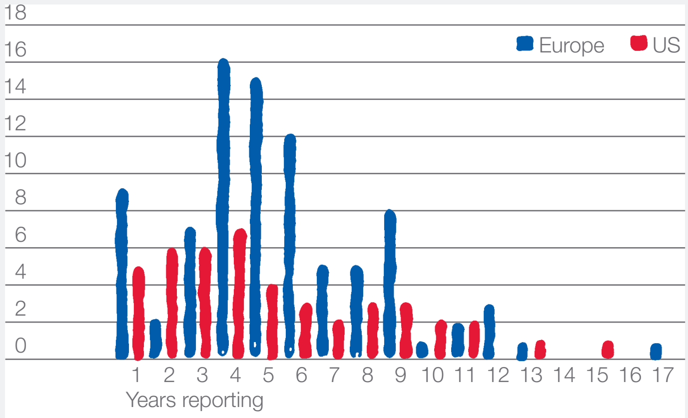
How many report

Number of top companies reporting



How many years

Corporate reporting experience (number of companies)



After a slow start, European companies began to race ahead of their US competitors in the late 1990s and have never looked back. It is now very unusual for a leading company in Europe not to publish information about its impacts on society and the environment, while slightly more than half of the top US companies do not do so.

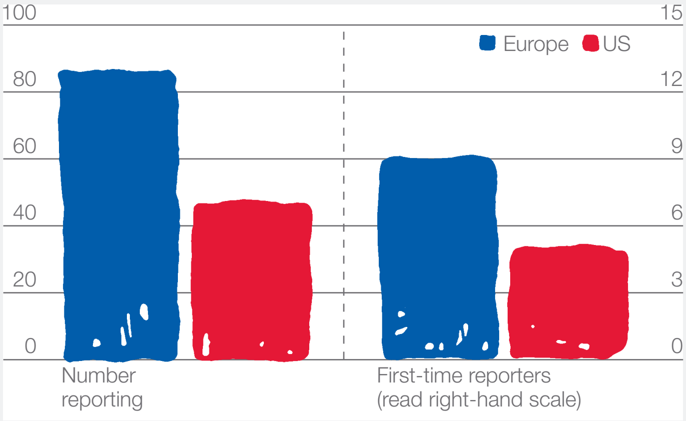
Quick overview

Number of companies that:

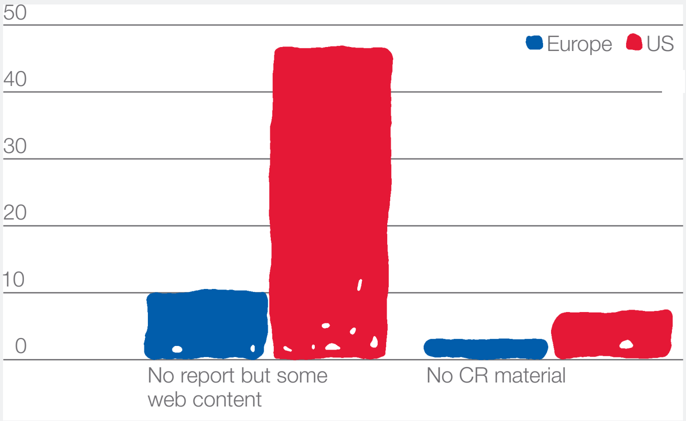
	Euro 100	US 100
Report	87	45
Report environmental and social performance	84	36
Report environmental performance	87	43
Report social and ethical performance	84	38
Cover supply-chain issues	64	27
Cover human rights	43	7
Include stakeholder comments	25	9
Have independent assurance	52	2
Are reporting for the first time this year	9	5
Report on the web only (html)	4	3
Report in print only	0	0
Produce no reporting of substance (no CR or Citizenship report and no significant section in annual report)	13	55

Analysis

Numbers reporting



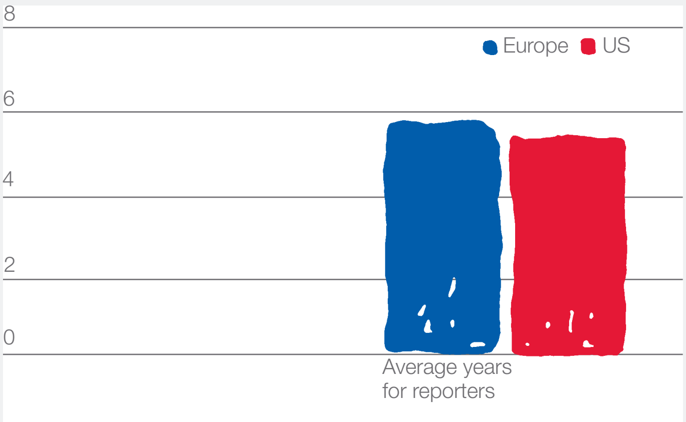
Non-reporters

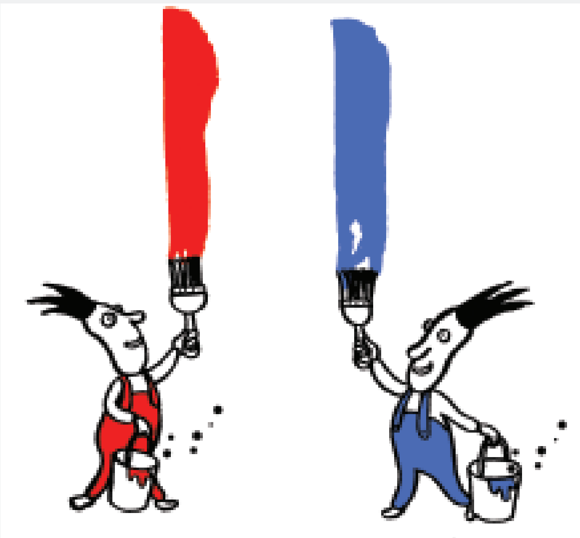


Early movers in the US have more experience than almost all European reporters. The German chemical group BASF is the outstanding exception, publishing its first environmental report in 1989. The result (see below) is that the average experience of reporting is very similar on both sides of the Atlantic – just over five years in the US and five and a half years in Europe. There seems little sign of a US come-back. In 2004/05 there were nine new reporters in Europe and only five in the US.

While there are many more European companies publishing formal reports, almost all companies in both regions are providing some information on their websites, usually in dedicated sections. They tend to describe policies and practices, without providing significant information about what they have done during the past year or giving specific data. But this approach can be innovative. For example, Applied Materials now produces a quarterly social responsibility web update.

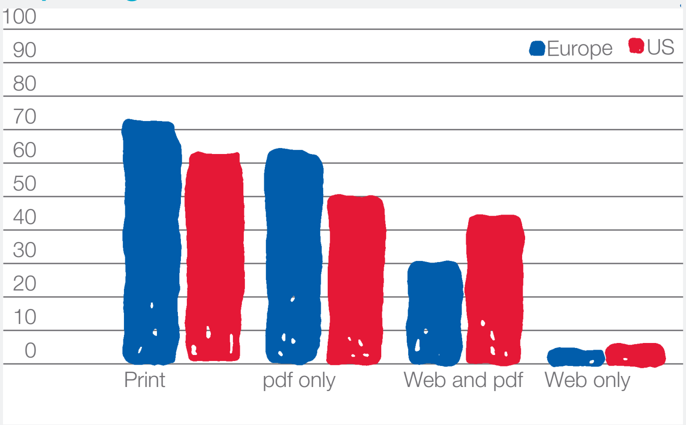
Average years reporting



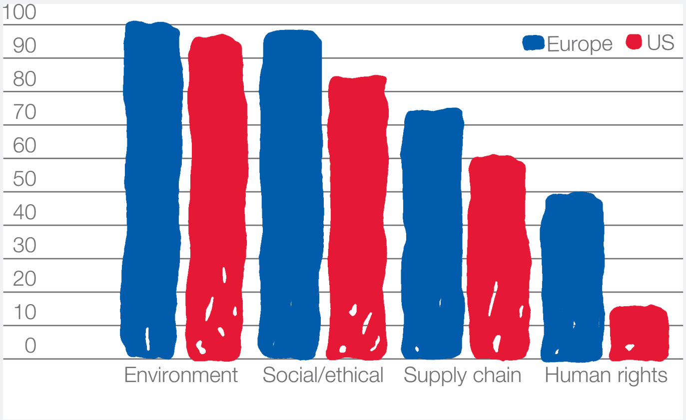


Analysis continued

Reporting media (percentage of those reporting)



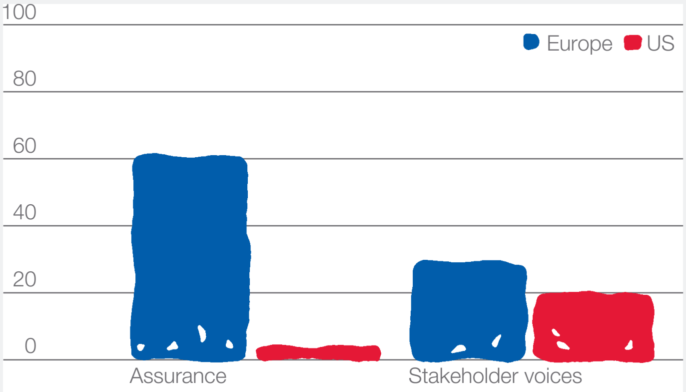
What they cover (percentage of those reporting)



Most companies on both sides of the Atlantic report in print and on the web, although there is a slightly greater affinity for printed reports in Europe. Probably because of this, European companies are more likely to offer just a pdf report on their websites, rather than an HTML report. US companies, perhaps aiming at a more internet-savvy audience, are more likely to offer both web and pdf formats. Very few companies in either region offer only a web report.

Virtually all reports cover environmental issues. US Bancorp and Washington Mutual are the exceptions – their reports focus on community activity. A few companies, especially in the US, only cover environmental issues, but most include some information about social and/or ethical matters. Coverage of specific areas varies significantly, however. Many do not report performance in the supply chain and human rights areas – those companies tend to include policy statements and commitments, but do not provide hard evidence of what they are doing in support of those commitments. In both cases, US companies are less likely to report in these areas than their European counterparts.

Outside voices (percentage of those reporting)



Sectors – US (percentage of sector reporting)

NB: numbers after sector description are number of companies in sector

It is virtually unheard-of for US companies to hire outsiders to provide assurance on their reports, while the practice is increasingly common in Europe. This difference is the most significant in reporting practice, demonstrating considerable doubts among US companies about the value of existing assurance approaches. Nevertheless, many US companies have environmental management systems that are subject to external assurance.

There is more appetite in the US for including stakeholder voices, but even here European companies are more enthusiastic. This is still a minority practice, though, even among companies which carry out some form of stakeholder engagement. Several companies report that they have engaged with stakeholders, but do not provide specific responses, or even a summary of what stakeholders said.

There is significant variation between sectors in the prevalence of reporting in the US. Banks, insurers and telecoms companies are particularly under-represented, with only about one in five of the companies in these sectors reporting. In contrast, all four utilities and most of the energy companies in the top 100 publish reports, as do two-thirds of the consumer goods companies (the likes of Procter & Gamble and Coca-Cola). Given the controversial nature of the healthcare sector, it is perhaps particularly surprising that only five of the 13 companies here are reporters. The “consumer discretionary” sector consists mainly of media companies, which have traditionally been slow to engage with reporting on citizenship issues.

In Europe there are relatively few sectors which do not have 100% representation. Banking is an exception, where only four-fifths of companies report, and there are also a couple of absences among insurers. The lowest score is among construction companies, where only one of the three in the top 100 publish reports.

US Top 100

Ranking by market value	Company	Number of years reporting	Printed report	Web reporting ▲ = pdf only, ■ = web report only, ★ = both	Independent assurance statement	Covers environmental performance	Covers social and ethical performance	Covers supply chain issues	Covers human rights	Includes stakeholder comments	★= Dow Jones Sustainability World Index u = DJ US Index, s = supersector leader	Comments
1	Exxon Mobil	6	★	★	–	★	★	a	b	★		a: Policies and awards only b: Policies and commitments only
2	General Electric	2	–	★	–	★	★	★	★	–	★	
3	Microsoft	2	★	▲	–	★	★	★	a	–	u	a: Brief mention in connection with a case study
4	Citigroup	5	★	▲	–	★	★	★	a	–	★	a: Policy only
5	Pfizer	–	a		–	–	–	–	–	–	★	a: Corporate citizenship brochure (no KPIs)
6	Johnson & Johnson	9 a	★	★	–	★	★	★	b	–	★	a: First report 1996, annual reporting from 1999 b: HIV/Aids only
7	Bank of America	4a	–	b	–	c	–	–	–	–	u	a: Last full environmental report 2003. Environmental update in Community report 2004 b: Limited info on web. Pdf of past environmental and community reports c: Limited
8	Intel	11	★	★	a	★	★	★	–	★	★ s	a: Assurance according to AA1000 by MBA students
9	Wal-Mart	–	–	a	–	–	–	–	–	–		a: Community, environment and food safety web sections
10	American Int'l. Group	–	–	–	–	–	–	–	–	–		
11	Altria Group	–	–	a	–	–	–	–	–	–		a: Responsibility web section
12	Procter & Gamble	11	–	▲	–	★	★	★	★	–	★ s	
13	IBM	15	–	★	–	★	★	★	a	★	★	a: Policy only
14	Cisco Systems	–	–	a	–	–	–	–	–	–	u	a: CSR web section. Plan to report 2005
15	JPMorgan Chase	–	–	a	–	–	–	–	–	–		a: Community partnership report only
16	Chevron	2 a	★	★	–	★	★	★	★ b	–	u	a: 2003 CR Update is intended to be read in conjunction with full 2002 CR Report b: Human rights covered in 2002 CR Report
17	Wells Fargo	–	–	a	–	–	–	–	–	–		a: CSR web section covering philanthropy and environment
18	Coca-Cola	4	★	★ a	–	★	★	★	★	–	u	a: Html report covers environment only, Corporate Citizenship pdf only
19	Dell	8	★	▲ a	b	★	★	★	c	★	★	a: Commitment web section b: Statement of intention to prepare for verification c: Policy only
20	Verizon Communications	1	★	★	–	★	★	★	–	–		
21	PepsiCo	2	★	▲ a	–	★	★	★	★	–		a: CR section in Annual Report, 17 pages including GRI index
22	Home Depot	1	–	■ a	–	★	★	b	–	–		a: Regularly updated rather than annual reporting, pages dated when last revised b: Issue addressed and reporting information to follow
23	Amgen	–	–	a	–	–	–	–	–	–		a: Corporate citizenship web section, covering philanthropy only
24	ConocoPhillips	2 a	★	▲	–	★	★	b	b	★		a: First report covers two years b: Policy and programme only, no data
25	Wachovia	–	–	a	–	–	–	–	–	–		a: Community web section and 2002 community partnership report

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26	**United Parcel Service**	3	–	★	–	★	★	★	–	–	★	
27	**SBC Communications**	–	–	a	–	–	–	–	–	–		a: Corporate citizenship brochure covering community, philathropy and diversity
28	**Time Warner**	–	a	b	–	–	–	–	–	–	★	a: Not reporting annually (first report 1996, last report 2002) b Citizenship web section
29	**Abbott Labs**	5	★	▲ a	–	★	★	★	–	★	★	a: Citizenship web section
30	**Hewlett-Packard**	4	★ a	★	–	★	★	★	★	★	★	a: Printed summary only
31	**Merck**	–	–	a	–	–	–	–	–	–		a: Substantial corporate responsibility web section but no KPIs reported
32	**Comcast**	–	–	a	–	–	–	–	–	–	u	a: Community web section
33	**United Health Group**	–	–	a	–	–	–	–	–	–	★	a: Community web section
34	**Lilly (Eli) & Co.**	10	–	★	–	★	★	★	a	★		a: Policy only
35	**Medtronic**	–	–	a	–	–	–	–	–	–		a: Community web section
36	**American Express**	–	–	a	–	–	–	–	–	–		a: Giving Back web section
37	**Tyco International**	–	–	a	–	–	–	–	–	–		a: Commitment web section
38	**Oracle**	–	–	a	–	–	–	–	–	–		a: Community web section
39	**Wyeth**	3	★	★ a	–	★	★	★	–	–		a: Separate EHS and Philanthropy Reports
40	**Morgan Stanley**	–	–	a	–	–	–	–	–	–		a: Community web section and Annual Charitable Report
41	**3M Company**	3	–	★	–	★	★	a	b	–	★ s	a: This information is considered proprietary (noted in GRI index) b: Policy only
42	**Fannie Mae**	–	–	a	–	–	–	–	–	–		a: Social responsibility web section
43	**QUALCOMM**	–	–	a	–	–	–	–	–	–		a: Community and environmental policy web sections
44	**Boeing Company**	–	–	a	–	–	–	–	–	–		a: Community web section
45	**U.S. Bancorp**	4	–	▲	–	–	★	–	–	–		
46	**Merrill Lynch**	–	–	a	–	–	–	–	–	–	★	a: Citizenship web section, covers philanthropy only
47	**Viacom**	–	–	a	–	–	–	–	–	–		a: Citizenship web section
48	**United Technologies**	5	★	★	–	★	★	–	–	–	★	
49	**Walt Disney**	4	★	▲	–	★	–	–	–	–	u	
50	**Gillette**	9	–	▲	–	★	★	★	–	–		

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51	**Target**	–	–	a	–	–	–	–	–	–	u	a: Community and diversity web sections
52	**Texas Instruments**	4	–	▲	–	★	–	★	–	–	u	
53	**BellSouth**	–	–	a	–	–	–	–	–	–		a: Community and diversity web sections
54	**Bristol-Myers Squibb**	9	–	■	★	★	★	★	–	–	u	
55	**Walgreen**	–	–	a	–	–	–	–	–	–	u	a: Community web section
56	**News Corporation**	–	–	–	–	–	–	–	–	–		
57	**Goldman Sachs Group**	–	–	a	–	–	–	–	–	–	★	a: Social responsibility web section
58	**Lowe's**	1	★	▲	–	★	★	★	a	–	u	a: Policy only
59	**Federal Home Loan Mtg.**	–	–	a	–	–	–	–	–	–		a: Citizenship web section, covers philanthropy only
60	**Schlumberger**	–	–	a	–	–	–	–	–	–	★	a: Community Involvement web section
61	**Motorola**	6	★	★ a	–	★	★	★	–	–	★	a: Website contains some information and summary performance with KPIs
62	**Yahoo**	–	–	–	–	–	–	–	–	–		
63	**Dow Chemical**	8	–	★ a	–	★	★	b	b	–		a: GRI report is intended to be read in conjunction with the Corporate Report (which includes 4 pages on CR) b: Policy only
64	**WellPoint**	–	–	a	–	–	–	–	–	–		a: Commitment web section
65	**Du Pont**	13	–	★ a	★ b	★	★	c	–	–	★	a: Web report and separate GRI Report (pdf) b: Covers EHS c: Policy only
66	**eBay**	–	–	a	–	–	–	–	–	–		a: Foundation and community web section
67	**Allstate**	2	★	▲	–	★	★	★	–	a	u	a: Stakeholder voices, but not direct feedback on the company
68	**Sprint**	–	–	–	–	–	–	–	–	–		
69	**Nextel Communications**	–	–	a	–	–	–	–	–	–		a: Community web section
70	**McDonald's**	4	★	★	a	★	★	★	b	★	★	a: Intention to seek third party assurance on future reports b: Policy only
71	**Washington Mutual**	3	★	▲	–	–	★	–	–	–		
72	**Anheuser-Busch**	8	–	★	–	★	★ a	–	–	–		a: H&S and responsible drinking web sections
73	**EMC**	–	–	a	–	–	–	–	–	–		a: Citizenship web section covering environment and philanthropy
74	**Prudential Financial**	–	–	a	–	–	–	–	–	–		a: Community web section
75	**Exelon**	4	★	▲	–	★	★	★	–	–		

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76	**MetLife**	–	–	a	–	–	–	–	–	–		a: Citizenship web section covering philanthropy
77	**Caterpillar**	–	–	a	–	–	–	–	–	–	★	a: CR web section
78	**MBNA**	–	–	a	–	–	–	–	–	–		a: Foundation web section
79	**Occidental Petroleum**	10	★	▲	–	★	★	–	★	–		
80	**First Data**	–	–	a	–	–	–	–	–	–		a: Community web section
81	**Apple Computer**	–	–	a	–	–	–	–	–	–		a: Global Environment web section
82	**Honeywell Int'l**	–	–	–	–	–	–	–	–	–		
83	**Kimberly-Clark**	5	–	▲	–	★	★	★	a	–	★	a: Policy only
84	**Carnival**	–	–	–	–	–	–	–	–	–		
85	**Schering-Plough**	–	–	a	–	–	–	–	–	–		a: EHS reports in 1998 and 2003, Philanthropy Report in 2002
86	**Lehman Bros.**	–	–	–	–	–	–	–	–	–		
87	**Duke Energy**	7	★	▲	–	★	★	–	–	–	u	
88	**Applied Materials**	–	–	a	–	–	–	–	–	–	u	a: Quarterly CSR Web Report covering employee and community issues, Environmental Report published 2001
89	**St. Paul Travelers**	–	–	a	–	–	–	–	–	–		a: Community web section
90	**Emerson Electric**	7	★	▲	–	★	–	–	–	–		
91	**Southern**	4	★	▲ a	–	★	–	–	–	–		a: Reports published 2001 and 2003
92	**Colgate-Palmolive**	1	★	▲	–	★	★	★	a	–	★	a: Policy only
93	**Symantec**	–	–	a	–	–	–	–	–	–		a: Community web section
94	**Devon Energy**	–	–	a	–	–	–	–	–	–		a: EHS and Community web sections
95	**Dominion Resources**	3	–	■	–	★	–	–	–	–		
96	**FedEx**	–	–	a	–	–	–	–	–	–		a: CSR web section covering social and environmental issues with some data
97	**Lockheed Martin**	1	–	★	–	★	–	–	–	–		
98	**SunTrust Banks**	–	–	a	–	–	–	–	–	–		a: Community and diversity web sections
99	**Cardinal Health**	–	–	a	–	–	–	–	–	–		a: Community web section
100	**Corning**	6	★	▲	–	★	–	–	–	–		

Euro Top 100

Ranking by market value	Company	Number of years reporting	Printed report	Web reporting ▲ = pdf only, ■ = web report only, ★ = both	Independent assurance statement	Covers environmental performance	Covers social and ethical performance	Covers supply chain issues	Covers human rights	Includes stakeholder comments	★= Dow Jones Sustainability World Index e = DJ Stoxx Index, s = supersector leader	Comments
1	**BP**	11	★	★	★	★	★	★	★	–	★	
2	**Shell**	10	★	★	★	★	★	★	★	★	★	
3	**HSBC**	5	★	▲ a	★	★	★	★	b	–	★	a: Interactive pdf b: Policy only
4	**Vodafone**	5	★	★	★	★	★	★	★	★	★	
5	**Total**	3	★	▲	–	★	★	★	★	–	★	
6	**GlaxoSmithKline**	5	–	★	★ a	★	★	★	★	–	★	a: Assurance of EHS section only
7	**Novartis**	9	–	★ a	–	★	★	★	★	–	★	a: Citizenship web report and separate GRI Report (pdf)
8	**Sanofi-Aventis**	4	–	■	★	★	★	–	–	–		
9	**Nestlé**	3 a	★	★	–	★	★	★	–	–	★	a: occasional environmental reports since 1995
10	**ENI**	9	★	▲ a	★	★	★	★	★	–		a: EHS data only
11	**Royal Bank of Scotland**	4 a	★	▲	–	★	★	★	–	★	★	a: First full report
12	**Roche**	12	★	▲ a	★	★	★	★	★	–	★	a: Interactive pdf
13	**UBS**	6	–	★ a	–	★	★	★	–	–	★	a: Environmental Report and community web section
14	**Telefonica**	3	★	▲	★	★	★	★	★	–	★	
15	**Deutsche Telekom**	8	★	▲	–	★	★	★	★	★	★	
16	**Nokia Corp**	7	–	★ a	–	★	★	★	b	–	★	a: Separate CR and Environmental Reports b: Policy only
17	**Banco Santander Central Hispano**	3	★	▲	★	★	★	★	★	–	★	
18	**France Telecom**	6	★	▲	–	★	★	★	a	★		a: Policy only
19	**Astrazeneca**	5	★	★	★	★	★	a	b	–	★	a: Policy only b: Policy with target to introduce KPIs
20	**Siemens**	6	★	★	–	★	★	–	a	–	★	a: Policy only
21	**Barclays**	6	★	▲	★	★	★	★	a	–	★	a: Policy only
22	**ING Group**	5	★	▲ a	★	★	★	★	★	–	★	a: Interactive pdf
23	**E.ON**	1	★	▲	–	★	★	–	–	★		a: Operating companies have been reporting longer
24	**BNP Paribas**	4	★	▲	–	★	★	a	a	–	★	a: Policy only
25	**HBOS**	5 a	★	▲	★	★	★	★	★ b	–	★	a: Second full report b: Policy only

Ranking by market value	Company	Number of years reporting	Printed report	Web reporting ▲ = pdf only, ■ = web report only, ★ = both	Independent assurance statement	Covers environmental performance	Covers social and ethical performance	Covers supply chain issues	Covers human rights	Includes stakeholder comments	★ = Dow Jones Sustainability World Index e = DJ Stoxx Index, s = supersector leader	Comments
26	**SAP**	–	–	a	–	–	–	–	–	–	★	a: Citizenship web section
27	**Banco Bilbao Vizcaya Argentaria**	3	–	■	★	★	★	★	★	–	★	
28	**L'Oréal**	1	–	■	–	★	★	a	a	–		a: Policy only
29	**Credit Suisse**	10	★	▲	–	★	★	a	a	–	★	a: Policy only
30	**Axa**	3	★	▲ a	–	★	★	★	–	–		a: Also separate Environmental Report
31	**Lloyds TSB**	6	★	▲ a	–	★	★	★	★	★	★	a: Policy only on website
32	**ABN AMRO**	2 a	★	▲	★	★	★	★	★	★	★	a: Second sustainability report, also one-off Environmental Report covering 1998–2000
33	**Société Générale**	4	★	▲ a	★	★	★	★	★	–	★	a: Interactive pdf
34	**Allianz**	1	–	▲ a	–	★	★	–	–	–	★	a: Short report with summary table containing indicators
35	**Tesco**	4	★	★	–	★	★	★	a	★	★	a: Policy only
36	**Diageo**	6	★	▲	★	★	★	★	★	a	★	a: Consultation feedback on website
37	**Deutsche Bank**	6	★	▲	–	★ a	★ a	–	–	★	★	a: Limited data
38	**Telecom Italia**	7	a	▲	★	★	★	★	★	–	★	a: Sustainability section (82 pages) in Annual Report
39	**British American Tobacco**	4	★	▲	★	★	★	★	★	★	★	
40	**DaimlerChrysler**	5	★	▲ a	–	★	★	★	★	–	★	a: Separate Environment and CSR Reports (no data)
41	**Generali**	a	–	–	–	–	–	–	–	–		a: Interim document in 2004 prior to full sustainability report in 2005
42	**BASF**	17	★	★	★	★	★	★	★	–	★	
43	**LVMH**	4	–	▲	★ a	★	–	★	–	–	e	a: Assurance on 11 environmental indicators
44	**Ericsson**	9	★	▲	–	★	★	★	a	–	★	a: Policy only
45	**Unilever**	9	★	★ a	★	★	★	★	★	★	★ s	a: Separate Environmental and Social Reports, additional information on website
46	**BT**	13	–	★ a	★	★	★	★	★	–	★ s	a: Pdf summary only
47	**Moller-Maersk**	–	–	a	–	–	–	–	–	–		a: EHS web section
48	**Credit Agricole**	–	–	a	–	–	–	–	–	–		a: Sustainable development web section
49	**Anglo American**	5	★	▲ a	★	★	★	★ b	★	–	★	a: Supporting information on website b: In the context of economic development
50	**RWE**	6 a	★	▲	★	★	★	b	b	–	★	a: Report published bi-annually b: Policy only

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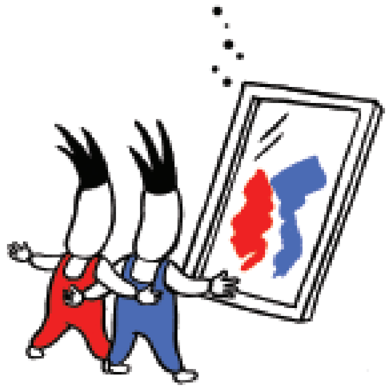
51	Carrefour	4	★	★	★	★	★	★	★	–	★	
52	Vivendi Universal	5	★	▲	★	★	★	★ a	–	★		a: No data
53	UniCredito Italiano	5	★	▲ a	★	★	★	★	–	–	★	a: Interactive pdf
54	Rio Tinto	9	★	★	★	★	★	★	★	–	★	
55	Philips	8 a	★	▲	★	★	★	★	★	★	e	a: First report 1997, annual reporting from 2000
56	BHP Billiton	9	★	★	★	★	★	★	★	★ a	★	a: Reports and case studies of consultations
57	Repsol	6 a	★	★	★	★	★	b	★	–		a: First combined report b: Policy only
58	BG Group	9	★	★	★	★	★	★	★	–	★	
59	National Grid Transco	9	★	★	★	★	★	a	★	–	★	a: Policy only
60	Suez	5	★	▲	★	★	★	a	a	★		a: Policy only
61	Statoil	11	–	★	★	★	★	–	★	★	★ s	
62	KBC Group	–	–	a	–	–	–	–	–	–		a: Brief section in Annual Report
63	BMW	6	★	▲ a	–	★	★	★	–	★	★	a: Bi-annual reporting
64	Banca Intesa	–	–	–	–	–	–	–	–	–		
65	Nordea Bank	–	a	–	–	–	–	–	–	–		a: Brief policy section in Annual Review
66	Telia Sonera	1	–	▲ a	–	★	★	–	–	–		a: Recent merger: Telia and Sonera previously produced separate Environment Reports
67	Aviva PLC	7	★ a	★	★	★	★	★	★	–	★	a: Summary report in pdf
68	Dexia	4	–	▲	–	★	★	a	b	–	★	a: Brief mention b: Policy only
69	Deutsche Post	1	★	▲	–	★	–	–	–	–		
70	Renault	a	–	–	–	–	–	–	–	–		a: Environmental Reports 1997–2001, now environmental section in Annual Report and sustainable development web section
71	Zurich Financial Services	–	–	–	–	–	–	–	–	–	★	
72	Hennes & Mauritz	3	–	▲	–	★	★	★	★	★	★	
73	Bayer	12	★	▲	★	★	★	a	a	–	★	a: Policy only
74	Standard Chartered	4	–	★	★	★	★	★	–	★		
75	Munich Re	4	★	▲	–	★	–	★	–	–		

Ranking by market value	Company	Number of years reporting	Printed report	Web reporting ▲ = pdf only, ■ = web report only, ★ = both	Independent assurance statement	Covers environmental performance	Covers social and ethical performance	Covers supply chain issues	Covers human rights	Includes stakeholder comments	★ = Dow Jones Sustainability World Index e = DJ Stoxx Index, s = supersector leader	Comments
76	Endesa	5	★	▲	★	★	★	★	–	–	★	
77	Danone	7	–	▲	★	★	★	★	★	★	★	
78	Iberdrola	6	★	▲	★	★	★	★	★	–	★	
79	Prudential	4	★	▲	–	★	★	a	–	–		a: Brief mention
80	Reckitt Benckiser	5	–	▲	★	★	★	★	a	–	e	a: Policy only
81	Aegon	1	★	★	–	★	★	a	a	–	★	a: Brief mention
82	Cadbury Schweppes	6	★	★	–	★	★	★	★	★	★	
83	Imperial Tobacco	4	★	▲	★	★	★	★	★	★ a		a: Expert "peer reviews"
84	Air Liquide	4	–	■	–	★	★	–	–	–		
85	St Gobain	–	–	a	–	–	–	–	–	–		a: Section in Annual Report since 2002
86	Fortis	1	–	▲ a	★	★	★	★	b	–	★	a: Interactive pdf b: Policy only
87	British Sky Broadcasting	4	★	▲	a	★	★	★	–	–	★	a: Covers community only
88	SABMiller	8	★	★ a	★	★	★	★	–	–	★	a: Web report with highlights in pdf
89	Lafarge	4	–	▲	a	★	★	★	★	★	★	a: The report contains a stakeholder panel commentary
90	GUS	5	–	★	★	★	★	★	★ a	★	★	a: In supply chain context
91	Heineken	5	★	▲	★	★	★	★	★	–	★	
92	ST Micro	7	★	▲	★	★	★	★	★	–	★	
93	Bouygues	–	–	a	–	–	–	–	–	–		a: Environmental and social section (16 pages) in Annual Report, separate sustainable development report from 2003
94	WPP	2	★	▲	–	★	★	★	a	–	★	a: Policy only
95	Pinault-Printemps-Redoute	1	★	▲ a	–	★	★	★	–	–		a: Included in Annual Report
96	Schering	8 a	★	▲	–	★	★	b	–	–		a: Report published every two years b: In the context of environmental goals
97	Carnival	–	–	a	–	–	–	–	–	–		a: Environmental policy only
98	Altadis	–	–	a	–	–	–	–	–	–		a: Code of conduct and policy only
99	BAA	12	–	★ a	★	★	★	★	b	–	★	a: Pdf report for individual sites b: Brief mention
100	TPG	1	–	▲	★	★	★	a	a	–		a: Policy only

Who we are



Context is a consultancy specialising in corporate responsibility (CR) strategy and communications. We work with multinationals in all sectors, in the USA and Europe.

We write CR and sustainable development reports covering environmental and social issues. Our team helps companies with their internal and external communications, and provides strategic support in corporate relations.

Our clients include: Anglo American, BAE Systems, BT, Camelot, Cisco Systems, Coca-Cola Europe, Egg, EMI, GSK, HP, ITV, Lloyds TSB, Newmont Mining, Nokia, Reebok, Sainsbury's, Shell, Syngenta, Unilever, United Technologies, Vodafone, WPP.

Context
5-23 Old Street
London EC1V 9HL
+44 (0)207 251 0050
peterk@econtext.co.uk
simonp@econtext.co.uk
www.econtext.co.uk

social environmental context

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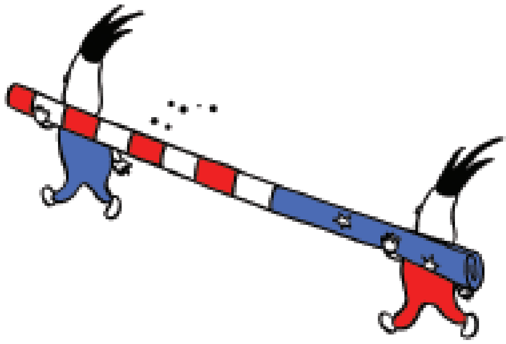

Context
5-23 Old Street
London EC1V 9HL
+44 (0)207 251 0050
peterk@econtext.co.uk
simonp@econtext.co.uk
www.econtext.co.uk

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environmental
context