

# CSR TRENDS 2008

our 2nd comprehensive survey of  
sustainability report trends,  
benchmarks and best practices



CANADIAN BUSINESS  
FOR SOCIAL RESPONSIBILITY



Strategy + Design  
Communications

Enhancing credibility with stakeholders, raising staff awareness, attracting investment, managing risk and change – the benefits of CSR reporting make it a growing practice today. Establishing a CSR reporting process takes commitment and a systematic approach.

# special report: establishing your CSR reporting process

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Ten years ago, CSR reports were produced by a small group of early adopters. Today, in response to demands for transparency on corporate action on social issues and climate change, many companies are reporting on CSR.

In our reporting consultancy, CBSR now sees companies in two stages of development. The first have never reported and want to know where to start. The second have been reporting for some time, and need to gain both greater readership and a sharper focus on key issues.

The foundational steps and principles of good reporting apply to both.

As the first-time reporter dives in, they must understand that the reporting process will touch on every aspect of company operations. Strong reports are tools for improvement of social and environmental performance. The reporting process must be a catalyst for goal setting in an organization, and then with the goals publicly stated, the report drives the firm to reach the targets.

Ultimately, the report is only as good as the operational performance it highlights. Reports with impact show concrete actions taken and improvements made, in all aspects of a company's CSR activities.

step  
1

## Assess your CSR position

Discover what you are already doing. Look at all areas of your CSR performance and identify strengths, weaknesses and gaps. Take advantage of assessment tools, such as CBSR's "GoodCompany Guidelines", which allow companies to get an overview of their activities in the areas of community, employees, customers, suppliers, environment, and shareholders.

step  
2

## Identify and engage with stakeholders

Who has the greatest influence on and interest in your company? Undertake a mapping exercise to identify your primary stakeholders. Then consult with those groups to find out how you are perceived externally and which issues are material to them. You should address those issues in your reporting. Also find out how they want to receive the information – not everyone wants to read a long paper report.

step  
3

## Develop a communications plan

Develop an overall plan. Define audiences and channels (web, print, interactive content, video), and ensure there will be a mechanism for feedback. There is a trend towards shorter, targeted reports to different stakeholder groups (customers, employees), with additional information available on the web. Be sure to integrate the look and feel of the CSR report with the company's overall communications.

New reporters must also be aware that the report will become a cornerstone of open and transparent communication with communities, employees, shareholders, suppliers and other stakeholders. Best practice reporters know their stakeholders and consult with them prior to writing. Materiality matters! By understanding what means the most to these groups, the report can then be tailored to meet their needs.

It's not just novices, though, who need to ensure their report is an effective tool for stakeholder engagement. One of the common pitfalls for longer-term reporters is a lack of rigour in identifying stakeholders and addressing their issues. "Know your audience" is the principle to remember here, to ensure that a report is highly relevant and that it gets read.

We see two other related areas of potential improvement for CSR reporters. The first is transparency. Readers want to see an honest and forthright discussion of the business and CSR context, and the challenges a company faces. How strongly is CSR embedded? What are the benefits of CSR to the company and where is the fit with overall corporate strategy?

The second is around the scope, size and presentation of the report. As some CSR reports grow to book-sized tomes, companies should be wary of creating a "data dump" of information. Companies must choose relevant issues carefully, using stakeholder knowledge. There is also value in looking at different ways of communicating information: web-based, short format, and more. Being strategic and targeted will improve readability and readership.

In the end, for first-timers or experienced reporters, the foundation remains the same: know your audience, set targets and goals, be consistent for year-over-year comparability, and be honest about your business context, risks and opportunities.

**"At Loblaw Companies we are committed to socially responsible corporate citizenship. To date, we have focused our efforts on improving the environmental sustainability of our business model, expanding the healthy choices available to our customers and their families, and becoming one of Canada's preferred employers. Our first Loblaw Corporate Social Responsibility Report is an invaluable tool for articulating our priorities and measuring our progress."**

Galen G. Weston  
Executive Chairman  
Loblaw Companies Limited

**"Increasingly, companies are starting to distinguish between "producing a CSR report" and "doing CSR reporting." In future, I think we'll see more emphasis on stakeholder-specific CSR communications and marketing, with tactics like personalized on-line reporting, issue-specific white papers, and consumer-facing collateral being added to the CSR-reporting arsenal."**

Lynn Patterson  
Director, Corporate Responsibility  
Royal Bank of Canada

**"Sustainability reporting is one of the anchors that enables us to succeed as a high performance organization. It is an integral element in our strategy. The process provides the hindsight, insight and foresight to understand stakeholder expectations, make decisions that position us to meet their needs, and marshal our resources effectively to help meet evolving global challenges."**

Wayne Brownlee  
Chief Financial Officer  
PotashCorp

step  
4

### Measure and report on performance

Measure and manage. Choose the material issues on which you will report and develop Key Performance Indicators by which to judge your performance over time. Decide whether to align with a reporting framework such as the Global Reporting Initiative (GRI). Select a data management approach and gather the data from across the company. Determine whether you will have your data assured by a third party.

step  
5

### Draft and distribute your report

Reach your audiences. Prepare your report with a theme and logical flow that focuses on the issues most relevant to your stakeholders and describes the actions taken to support any statements you make. Then consider reviews by your internal CSR Committee, and stakeholders, along with assurance, if you choose to engage a third-party verifier. Distribute and market the report according to your communications plan.

step  
6

### Continuous improvement

Improve the process. After ensuring the report has been read, gather feedback from readers. Then begin planning for next year, incorporating all your learnings. And don't be afraid to ask for help – there are several organizations you can access, including CBSR, to make sure you don't have to go it alone.