

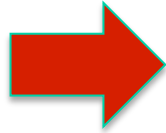


What is
sustainability
reporting?

Origins of Sustainability Reporting



1977



Sullivan principles created to apply economic pressure on South Africa. Launched as “Global Sullivan Principles” in 1999 to cover social justice and human rights



Origins....



1989

Valdez principles established by coalition of environmental NGOs and investors.



Valdez principles become CERES principles after the founding coalition (Coalition for Environmentally Responsible Economies)

1976

OECD issues Guidelines for Multinational Enterprises. 5th edition published in March 2011



1997

Ceres establishes GRI as independent entity in 1997 with support of UNEP FI and World Bank Group



GRI in relation to other standards



WORLD
RESOURCES
INSTITUTE

National, sector and issue
focused guidelines

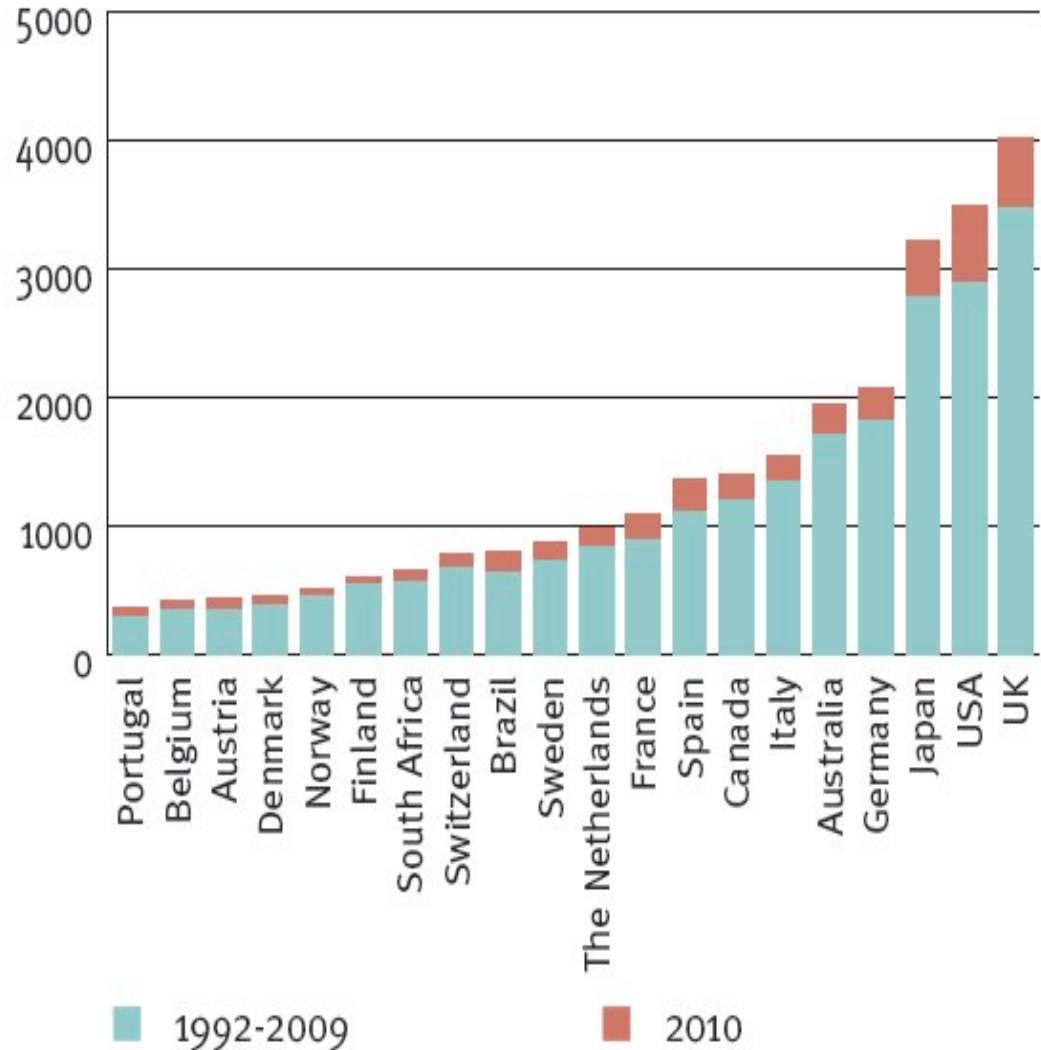


ICMM
International Council
on Mining & Metals



Global sustainability reporting trends

- 48% of S&P 500 companies now publish reports (Greenbiz, 2012 State of Green Business report)
- More than 5,500 such reports are published worldwide. (According to CorporateRegister.com)
- As of 2010, 1866 from 60 countries use the GRI framework to publish reports (29% increase in reporters from developing countries compared with 2009)



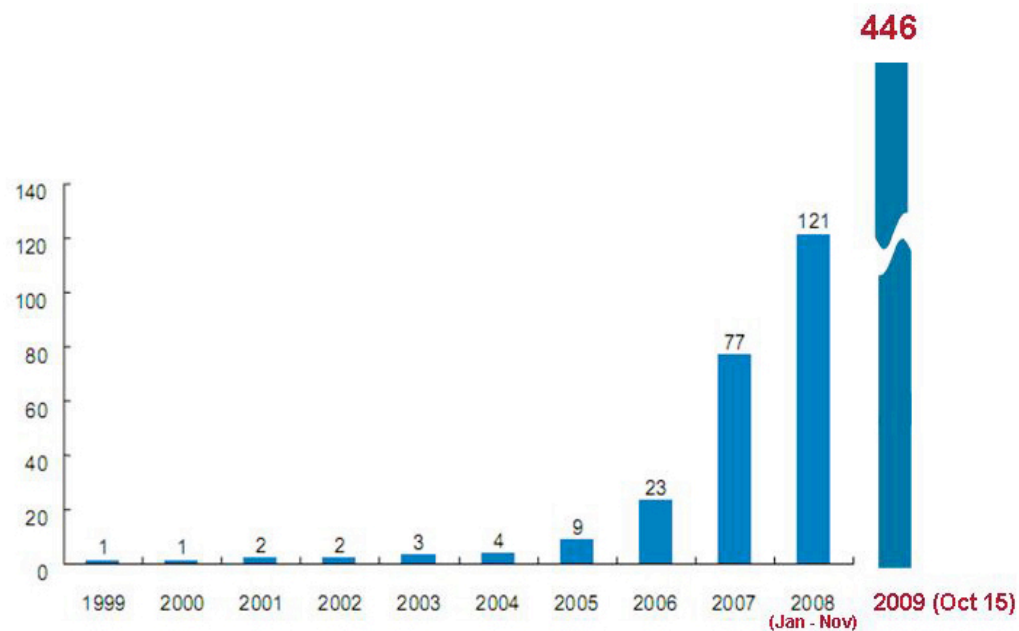
Reporting trends in emerging markets

CHINA - 2006 regulations for state-owned enterprises and 2008 stock exchange requirements = 703 reports in 2011.

SOUTH AFRICA - Over 450 JSE listed companies must produce integrated reports (F+ESG)

INDIA - 2011 requirement that top 100 companies must publish Business Responsibility Reports.

BRAZIL - 2012 BM&FBOVESPA stock exchange recommends sustainability reporting



注：(i) 由于报告搜集工作的改进，此统计的报告数量与《价值发现之旅 2007》稍有不同，请以此为准；
(ii) 数据仅根据公开可获得资料统计，仍可能存在遗漏；(iii) 母公司均发布报告的，分别统计；
(iv) 有部分报告因发布年份不详，未被纳入统计，因此实际报告数量比图中标示数据要高

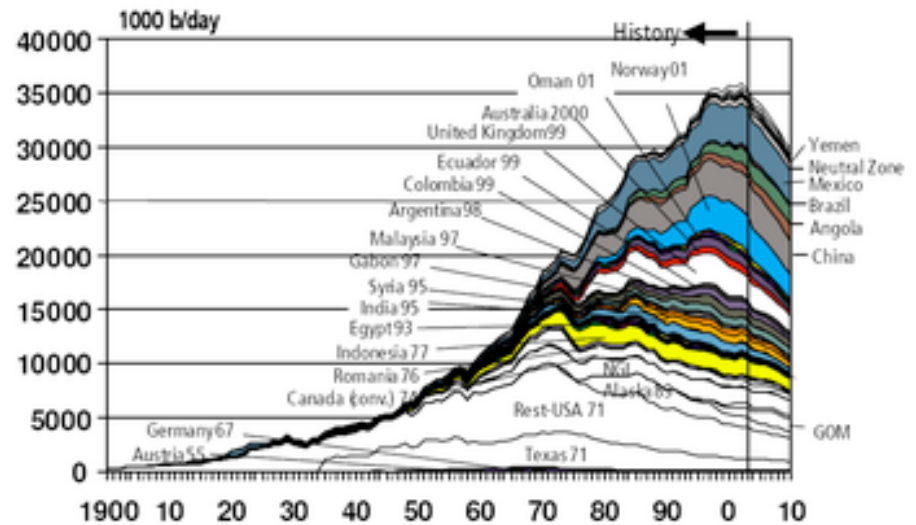
Why report?

- Stakeholder relationships (license to operate)
- Risk reduction (reputational and operational)
- Investor relationships
- Identification of new markets and business opportunities
- Future resilience
- **Employee morale**
- **Improved strategy and management systems**

ACCOUNTABILITY



VULNERABILITY & DEPENDENCY



Source: Industry database, 2003 (IHS 2003)
OGI, 9 Feb 2004 (Jan-Nov 2003)

OPPORTUNITY

The CFO's role is on the rise

Growing awareness of scarcity of business resources

CFOs interested in potential cost savings

Rankings and ratings matter to company executives



Six growing trends in corporate sustainability, Ernst&Young, March 2012



The GRI Framework (G3.1)

- Principles, process and performance
- Different levels of reporting (A,B,C, +)
- Multi-stakeholder consensus
- Sector supplements
- National guidelines (Brazil pilot)

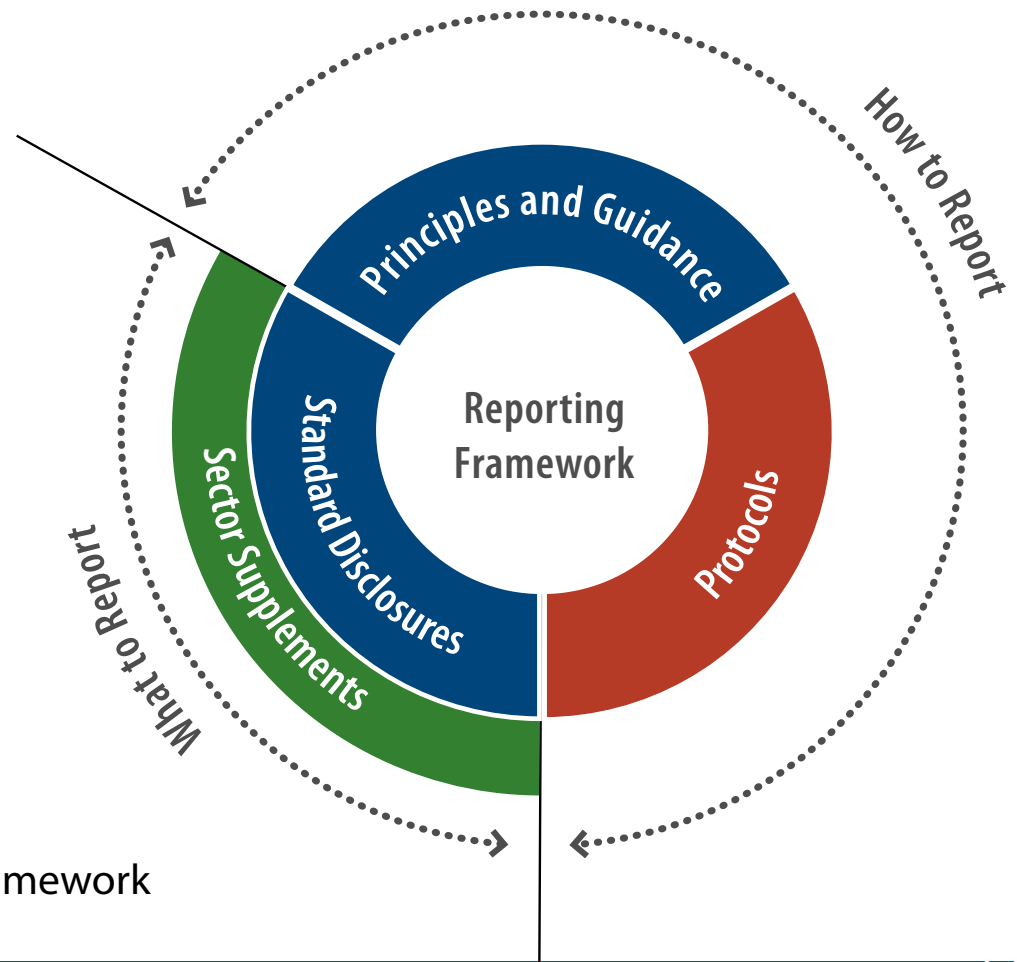
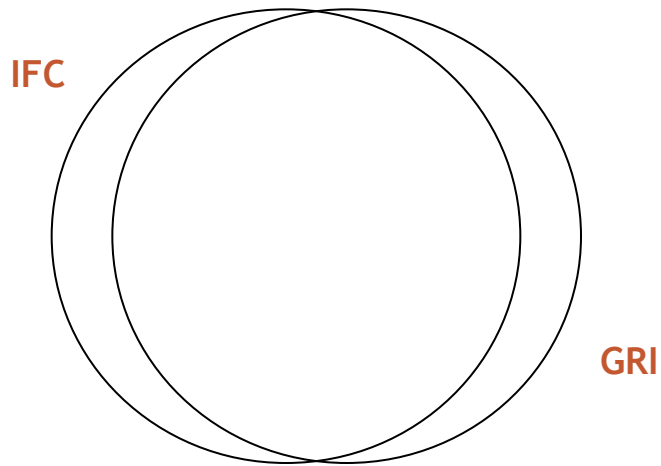


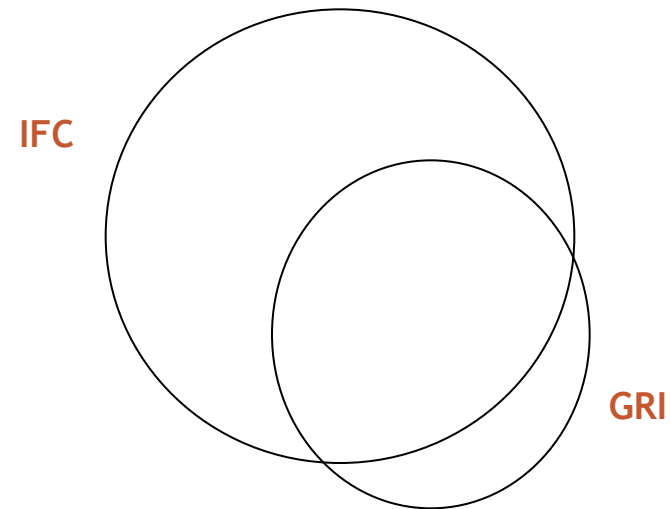
Figure 1: The GRI Reporting Framework

IFC Performance Standards Objectives and GRI

Objectives



Requirements



Reporting principles

Content

- Materiality
- Stakeholder inclusiveness
- Sustainability Context
- Completeness



Quality

- Balance
- Comparability
- Accuracy
- Timeliness
- Reliability
- Clarity



Stakeholders



Materiality

“The information in a report should cover topics and Indicators that:

- ✓ reflect the organization’s significant economic, environmental, and social impacts
- ✓ would substantively influence the assessments and decisions of stakeholders.”

A Paradigm shift



**Sustainability
reporting**

**Integrated
reporting**

Managing different forms of capital

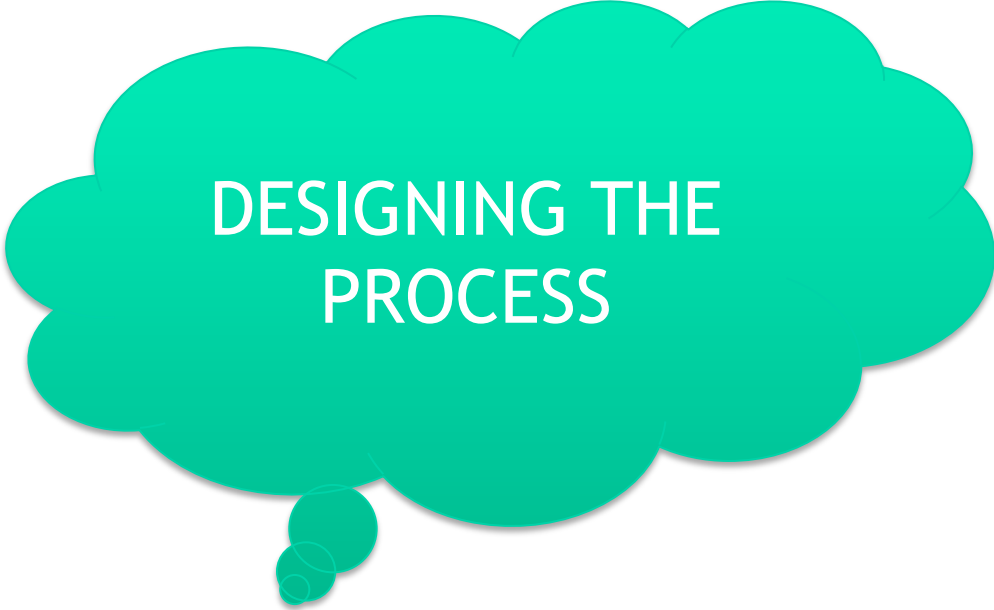
“The process of integrated reporting ... challenges organizations to demonstrate their stewardship of multiple forms of capital—financial, manufactured, human, intellectual, natural, and social—and encourages collaboration and communication within the company.”

Hanks, J. and Gardiner, L. (2012) *Integrated Reporting - Lessons from the South African Experience*, Private Sector Opinion 25, Global Corporate Governance Forum

Group discussion

What is “good” sustainability reporting?

(Discuss in groups for 10 mins and report back)



DESIGNING THE PROCESS

What IFC has learned

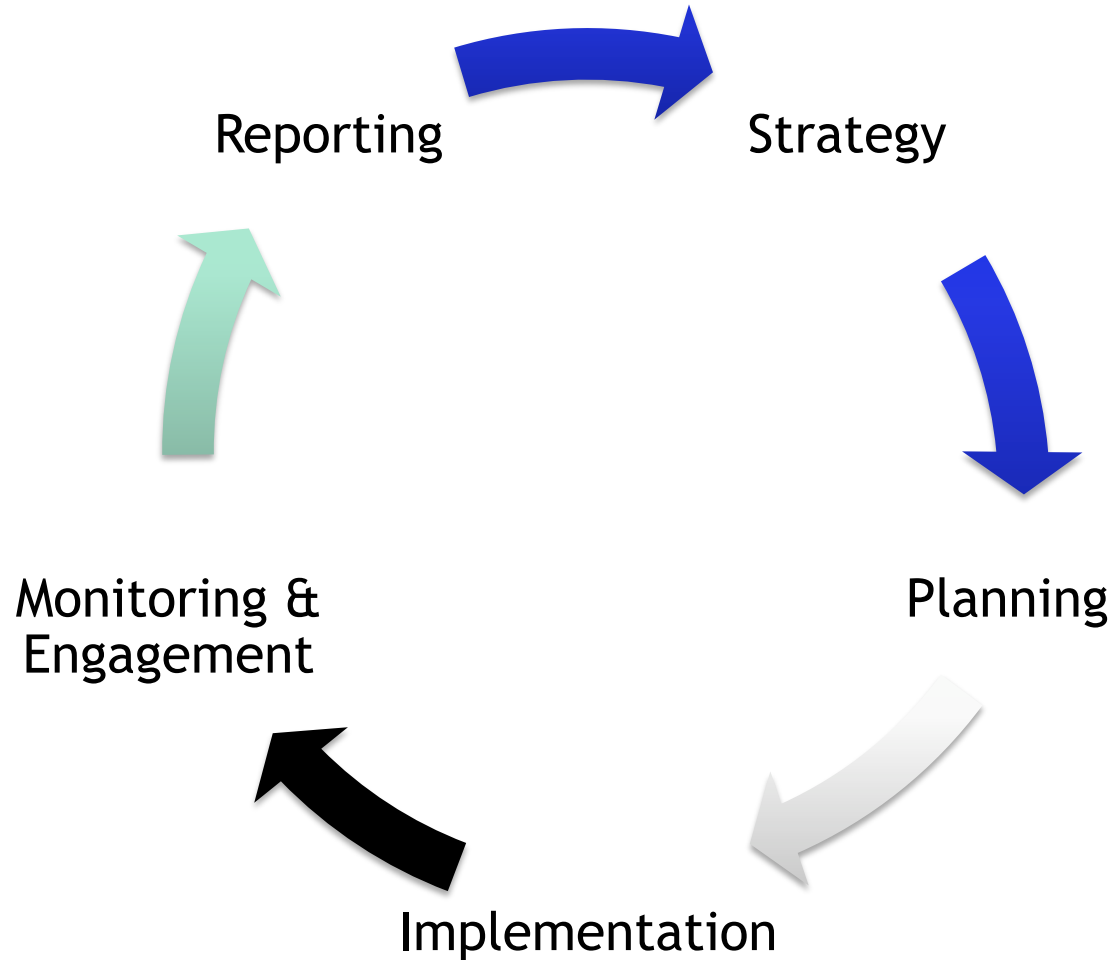
- Build a cross-cutting team
- Identify stakeholders
- Determine goals of reporting
- Identify material issues to report on
- Build an appropriate reporting system (consider scale and scope)
- Link reporting to an integrated corporate strategy

	Challenge/ opportunity	Response	Outcome
Manila Water (Philippines)	Privatization of major water supplier. Member of largest family-led group in the Philippines (Ayala Group) with strong social commitment. Needed to reach out to underserved communities.	<ul style="list-style-type: none"> • IFC staff and company worked together to undertake extensive stakeholder engagement, establish an environmental and social management system with KPIs, and then <u>publish first sustainability report.</u> 	Significant reputation benefits and numerous business awards contributed to very successful IPO, subsequent annual sustainability reports and a coordinated sustainability effort at Group level.
Petrotesting (Colombia)	Diverse community and environmental initiatives which demonstrated commitment to best practice. But lack of focused strategy at corporate level and ad hoc public reporting.	<ul style="list-style-type: none"> • IFC provided support to CSR team to <u>develop first sustainability report,</u> building their capacity and helping to promote awareness at corporate level. 	First report published shortly before the company was sold to new owners. New management view CSR efforts as adding value and are exploring options to move forward with a more focused sustainability strategy.
GDIH (China)	The company sought IFC's assistance to publish a best practice sustainability report in response to guidelines/ requirements issued by the Shanghai Stock Exchange. IFC and client saw opportunity to leverage the ESMS approach under PSs.	<ul style="list-style-type: none"> • IFC global and local IS/AS team worked with company to select local trainer and consulting firm to assist in mapping IFC/GRI/SSE requirements and designing best practice report 	First report published in May 2010, and second in 2011. Each time company has been ranked top in the energy sector in China for its SR report. Reports ties sustainability to core business strategy and discusses stakeholder views.

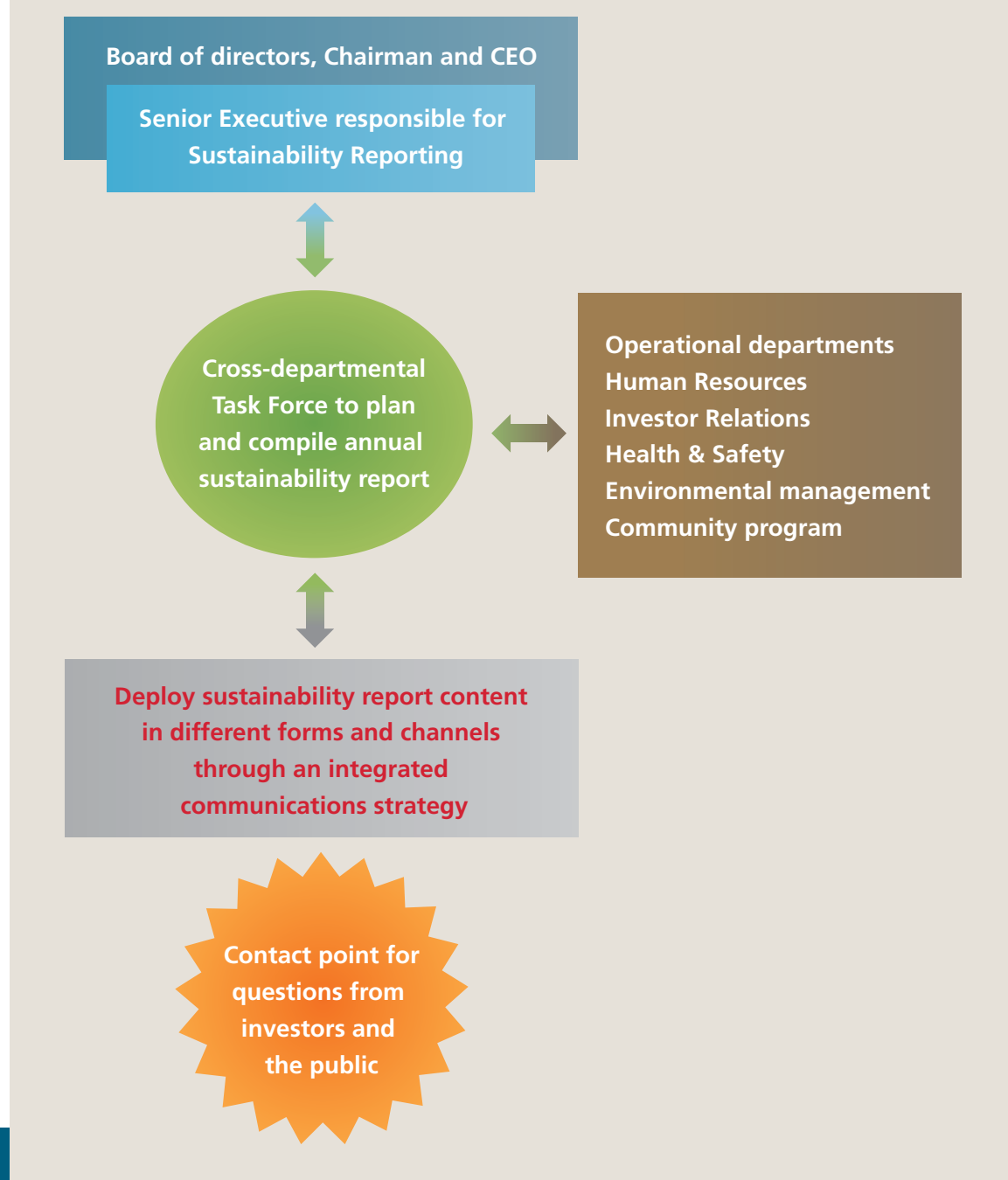
4 Common pitfalls

- **Outsourcing:** Selecting the right local consultant to provide coaching and support throughout the process
- **Leadership:** Effectively introducing senior staff to the concept of reporting and getting their buy-in
- **Organizational ownership:** Identifying a cross-departmental task force within the company to be responsible for the reporting process, thereby bringing different perspectives, speeding up data collection, and ensuring internal learning
- **Internal capacity:** Proper training of the task force and operational staff at the outset on GRI reporting by certified trainers

Reporting as part of the strategy cycle



Example of a reporting structure



Source: IFC and GRI (2010), "Getting More Value from Sustainability Reporting"

Group exercise

Design a reporting process for BRAC. Consider:

- How long will the reporting process take?
- When will it start? When will it finish?
- What are the different steps you will include in the process?
- Who will make up the reporting team?
- Who will need to review and sign off?



LINKING M&E AND REPORTING

Creating continuous improvement

- M&E should reflect corporate strategy and commitment to goals and targets
- Provides regular feedback on progress
- Choosing indicators that encourage innovation and competitiveness
- Integrate stakeholder views and feedback
- Learning from innovative approaches

Reasons to believe >

[in a better world](#)[in our Company](#)[in our reporting](#)

Report Parameters

[Stakeholder Engagement](#)[Governance and Ethics](#)[Third-Party Verification and Assurance Statement](#)[Global Reporting Initiative](#)[Global Business Principles](#)

Report Parameters

Here is where you will find our reporting parameters—our guidelines for what we include, who we consult to build the report and how we determine the contents of our report.

SCOPE OF REPORT

We issue our *Sustainability Report* annually. Our most recent report, the *2010/2011 Sustainability Report*, covers the performance of The Coca-Cola Company and the Coca-Cola system (our Company and our bottling partners) from October 2010 through August 2011. Our previous report, the *2009/2010 Sustainability Review*, was published in December 2010. References to “currently,” “to date” or similar expressions reflect information as of August 31, 2011. In cases where information is tracked by calendar year, the data reflect 2010 and prior calendar year performance, as applicable. All data and information in this year’s report reflect the performance and goals of The Coca-Cola Company, unless otherwise indicated. In cases where we provide information related to the Coca-Cola system, it’s important to note that some of the information comes from operations outside our control. However, we believe the measurements and claims in our report are accurately collected and reported, and that the underlying methodology is sound.

In October 2010, The Coca-Cola Company acquired the North American operations of Coca-Cola Enterprises Inc. (CCE) and sold our Company’s Norway

IN THIS ARTICLE

- ↓ [Scope of report](#)
- ↓ [Goals and measurement](#)
- ↓ [Transparency](#)
- ↓ [Third-party assurance](#)
- ↓ [Listening to our stakeholders](#)
- ↓ [Other reports](#)

RELATED

- [Global Reporting Initiative \(GRI\)](#)
- [Sustainability at The Coca-Cola Company](#)
- [FIRA Sustainability BV](#)
- [2010 Annual Review](#)
- [Regional and Bottling Partner Reports](#)

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[Global Reporting Initiative](#)

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Water Stewardship



Energy Efficiency and Climate Protection



Sustainable Packaging



Healthy Communities



Share

Goal:

By 2010, return to the environment—at a level that supports aquatic life—the water we use in our system operations through comprehensive wastewater treatment.

Goal:

By 2020, safely return to nature and to communities an amount of water equal to what we use in our finished beverages and their production.

Progress:

IN PROGRESS

We aspire to treat all wastewater from our manufacturing processes. As of the end of 2010, we had achieved 93 percent alignment, and by the end of 2011 we estimate 96 percent alignment with our stringent standards.

Progress:

IN PROGRESS

We estimate that in 2010 we replenished 23 percent of the water used in our finished beverages (based on 2010 unit case volume).

Performance highlights by year	2010	2009	2008	2007	2006
Water use ratio (efficiency), defined as liters of water used per liter of product produced by the Coca-Cola system	2.26	2.36	2.43	2.47	2.56
Total liters of water used by the Coca-Cola system	295B	300B	305B	306B	303B
Percent of Coca-Cola system plants in compliance with internal wastewater treatments standards (which meet and often exceed applicable laws)	93%	89%	88%	85%	83%
Number of community water partnerships supported by the Coca-Cola system and number of countries where projects exist	320, 86	250, 70	203, 56	116, 48	65, 38
Estimated percent of water replenished ¹ by the Coca-Cola system based on the total water used in our finished beverages	23%²	22% ³	N/A	N/A	N/A

ASSURANCE METHODOLOGY AND PRINCIPLES OF AUDITING

FIRA conducted the verification process in accordance with international assurance standards. The Company applies its own sustainability performance reporting criteria, derived from the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI). FIRA reviewed The Coca-Cola Company data and claims against the Company's reporting criteria and the GRI, including explanatory notes related to disclosed performance information. The content of the Report and the identification of material issues are the responsibility of the Company's management. The FIRA audit team members have not been involved in the development of the Report nor have they been associated with The Coca-Cola Company's sustainability programs, data collection, or information systems. FIRA ensures that our assurance team possessed the required competencies and adhered to the principles of auditing regarding ethical conduct, professional integrity, and independence.

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WORK UNDERTAKEN

The basis of our work consists of claims disclosed in the Report including associated information. To come to our conclusions we investigated the integrity of the internal processes, controls and underlying evidence made available to FIRA. We performed the following activities:

1. Review of materiality and stakeholder engagement on sustainability issues related to the Company to obtain information on relevant issues in the reporting period.
2. Review of the Company's systems, processes and internal controls for collection and aggregation of quantitative and qualitative information in the



CONCLUSION

The Coca-Cola Company reports about initiatives and performance related to sustainability. Based on the work undertaken, we conclude that the claims and information portrayed in the Report are reliable and comply with GRI level B.

Note: Annual Report on Form 10-K related claims have not been reviewed by FIRA.

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ACCOMPLISHMENTS AND RECOMMENDATIONS

Our observations on the reported company's performance are based upon our expertise combined with the GRI guidelines. The Coca-Cola Company Report shows significant progress in several areas. A stakeholder engagement process for this year's report was initiated. Additionally, goals were set for material issues and progress is reported. By appointing a CSO, the Company's sustainability strategy will become more focused and centralized.

- **Stakeholder Engagement & Materiality:** The Company has initiated stakeholder engagement specifically for this Report, in addition to their ongoing departmental stakeholder engagement to confirm materiality for reporting. Merging these engagement results will deepen the understanding of material issues supporting development of the Company's sustainability strategy and the claims published.
- **Report Balance:** The Report touches on a large variety of complex topics.
 - The Company is becoming increasingly transparent as goals, short- and long-term, are disclosed, progress is reported and challenges are discussed.
 - As structure within stakeholder engagement is enhanced, balance within the Report will grow. Topics identified for more in-depth disclosure are (some of



Innovation in sustainability reporting is about telling stories



Sustainability Report 2010/11

Welcome to BAM Nuttall's updated sustainability report. This year we have a new interactive feature to explore some of our issues in an accessible way. See the panel on the right.

CEO Introduction



We launched Beyond Zero in 2006. In the early days, although we were clear it covered a broader agenda, it was certainly.. [More >](#)

About this report



[More >](#)

This report provides an overview of progress made by BAM Nuttall during 2010 towards becoming a more sustainable business..

Environment

Meeting the challenge of climate change



Climate change continues to be a key focus for our environmental policies and our carbon footprint provides a key headline

measure of our efficiency. [More >](#)

Our people

Developing our People



BAM Nuttall has a core business value of being 'people focused'. [More >](#)

[Making a Difference with Diversity](#)

See it through their eyes



Glendoe
Phil Cullen, Head of Health and Safety

Explore our sustainability issues with our new interactive site

Looking forward

- Growing investor interest in value drivers of sustainability
- Integration of financial and sustainability reports
- Balanced reporting - “telling the good and the bad”
- Real-time information online



Group exercise

Design your company commitment to sustainability reporting:

1. Choose 3 sustainability issues that you believe should underpin your corporate strategy
2. Make a commitment on what your company will achieve in 5 years in relation to these topics
3. Set a target for annual performance improvement
4. Choose 1 GRI indicator per issue to measure performance
5. Explain how you will tell stakeholders about poor performance if you don't manage to meet your targets