

WBCSD and the GRI

The World Business Council for Sustainable Development (WBCSD) believes that companies can promote sustainable development by effective communication about business achievements and efforts. The WBCSD supports the formation of any multi-stakeholder institution that will work to develop understanding and harmonize the practice of sustainability reporting. The WBCSD supports the Global Reporting Initiative (GRI) in this work, subject to the organization and its process being transparent, consensus driven, balanced, accountable, credible and independent. On that basis the WBCSD:

- supports the GRI process to establish voluntary guidance for reporting on the integration of economic, environmental and societal aspects of business performance;
- assumes practicability, pertinence, relevance, transparency and the flexibility to allow innovative reporting as key success factors in the GRI process;
- considers GRI as a dynamic process for further improving a framework of reporting;
- sees an advantage of increased credibility in reporting based on the multi-stakeholder process inherent in the GRI;
- actively supports the GRI process through volunteer participation in the different bodies and working groups -- and expects to be represented in these bodies ;
- encourages its members to actively support GRI and participate in working groups and meetings to further develop understanding of and revisions of the guidelines;
- informs members on the evolvement of GRI and ensures member interests and concerns –as a group – are represented;
- encourages member companies to address GRI guidelines, where applicable, in their reporting undertakings.

ANNEX ONE

Some LD's have expressed preferences for different wording. Some of the suggestions were:

Re-phrasing	Notes
- <i>Delete</i> : "accountable"	<i>Not changed</i> – there is strong feeling that being accountable is key to maintaining a relationship with the GRI, regardless of what shape the GRI takes.
- <i>Addition</i> : "... and enhances the credibility of business performance"	<i>Not changed</i> – not enough agreement that "business performance" is the right angle.
- <i>Addition</i> : "... vehicle to encourage improvements in SD reporting and promote continuous improvement"	<i>Not changed</i> – there are other "vehicles" that could be used to encourage SD reporting.
- <i>Addition</i> : "... Developments associated with the GRI..."	<i>Not changed</i> – the WBCSD wants the membership to be "involved" which is more active than passively being informed on the "developments" in the GRI.
Bullet Point 8	<i>Discussion</i> – too strong a statement, suggestion is "WBCSD to encourage member companies to participate in the GRI process"
- <i>Addition</i> : "GRI should not become a rating agency and/or implement rating companies in order to maintain the credibility and neutrality of GRI"	<i>Not Changed</i> – Independence of the GRI is already stated in the preamble to the paper, this includes GRI not becoming a verifier or rating agency.
Bullet point 3	<i>Discussion</i> – "Considers the GRI Process as dynamic one which will be continuously improved through the identification and dissemination of reporting experiences and best practices" <i>Some support of this change has been received.</i>
- <i>Addition (change)</i> Bullet point 5	<i>Not Changed</i> – suggestion was to change "... through volunteer participation in" to "... by providing essential business input to"; it is key that the WBCSD participate in the different working groups and not just give input. In principle, the WBCSD must be part of the whole process not just in the feedback phase
Bullet point 2	<ul style="list-style-type: none"> • <i>Discussion</i> – delete current bullet point 2 and replace with: "believes that to be accepted by the business community, the GRI process must be <ul style="list-style-type: none"> ú consensus-driven: guidelines created by a consensus of stakeholder-experts who are volunteers, i.e., not paid to

	<p>advocate a special interest position</p> <ul style="list-style-type: none"> ú open: open to public scrutiny with a process for providing input and managing dissenting views, and ú balanced: opportunity for meaningful input by those with the requisite knowledge and a substantive stake in the outcome.” <p><i>Some agreement with this position</i></p>
First sentence	<i>Discussion</i> – which area?
Bullet Point 2	<i>Discussion</i> – Best practice in what? Sustainability or Reporting?
<i>Addition</i> Bullet Point 8	<i>Not changed</i> suggestion was to add, “undertakings, while remaining free to use other indicators more appropriate to their particular needs” – this would be covered by relevance stated in the second bullet point.
<i>Change</i> Bullet Point 2	<i>Changed</i> – from “acknowledges” to “assumes”, because the GRI charter does not guarantee, practicability, pertinence, relevance, transparency and the flexibility to allow innovative reporting
<i>Tone</i>	<i>Discussion</i> - There are two main issues; support for the GRI as an organization and support for the GRI guidelines as specific guidance. This distinction I don't feel comes across strongly enough in the statement and with those people not familiar with the detail some of the bullet points are not clear as to what they refer.

ANNEX TWO

FEEDBACK

Sony	Agreed
Proctor & Gamble	Cautious Support – comments -Against mandatory verification -Wary of business model of institutionalized GRI – what will it become? -Funding of GRI Trust – questionable
DuPont	Agreed – comments - Troubled with the « one size fits all » aspect of GRI
Hoffman-La Roche	Agreed – comments - Flexible
Novartis	Agreed
Sulzer	Agreed
Enron	Agreed – comments - Ensure reporting expectations don't become cumbersome
Renault	Agreed
Adidas-Salomon	Agreed
Novo Nordisk	Agreed
Ford	Agreed
Suncor	Agreed
Wanadoo	Agreed – comment - Add « pertinence » to the paper
Fundacion Entorno	Agreed
Rio Tinto	Agreed
Shell	Cautious Support – comments -GRI should be a « voluntary guideline » -WBCSD should support GRI based on emerging best practice and experience of member companies -WBCSD member companies have the right to voice concerns
S C Johnson	Agreed – comments - Last three bullet points are the most important in terms of supporting business initiatives.
WMC	Agreed – comments - helped in KL with the word-smithing
Holcim	Agreed – comments - helped in KL with the word-smithing
Unilever	Agreed – comments - helped in KL with the word-smithing
Aventis	Agreed
KPMG	Agreed – comments - some question why “pertinence” was important to add to bullet point 2
3M	Agree – comments - continued support of GRI needs to be

	evaluated periodically regarding the stated criteria in the position paper
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CEDES Golfo de Mexico	<p>Support questionable – comments</p> <ul style="list-style-type: none"> • The WBCSD “acknowledges balance, practicability, pertinence, transparency and the flexibility to allow innovative reporting as key success factors in the GRI process”. However, there is no indication as to how these factors will be achieved in the GRI process, or how the WBCSD will ensure or enable them to be reached. • The WBCSD “considers GRI as a dynamic process for further improving and establishing it as a framework to establish best practice”. Are we really seeking best practice? Is it not a dynamic process for further improving? • If the position is to endorse the GRI, what exactly is the role of the WBCSD? Specifically, the SDR project? How are its goals modified by this endorsement? How does the GRI fit in with the SDR project? Is it a duplication of work and results?
Toyota	<p>Agree – comments</p> <ul style="list-style-type: none"> -SDR project is not to deliver indicators nor to tackle the issue of standardization - It is not enough to just follow or incorporate GRI guidelines, we would like to suggest that members should be encouraged to add their own originality and ingenuity when undertaking their reporting
GrupoNueva Costa Rica	No Formal Comment
§Nokia	Agreed
§Statoil	Agreed
Petro-Canada	Agreed
Anova	Agreed
DaimlerChrysler	<p>Cautious Agreement – comments</p> <ul style="list-style-type: none"> - Companies must be responsible for own content - Companies must take a broader audience into account
Bayer	<p>Agreed – comments</p> <ul style="list-style-type: none"> - Guidelines must be flexible and voluntary
Alcoa	<p>Agreed – comments</p> <ul style="list-style-type: none"> - Relevance must be clearly stated in the document
Rabobank	Agreed
BASF	Agreed

AT&T	<p>Agreed – comments</p> <ul style="list-style-type: none"> - Support for GRI as a process does not imply or require WBCSD member companies' acceptance of any specific amount of GRI clauses and guidelines - The undeveloped state of knowledge regarding social responsibility issues, particularly regarding the concerns of developing countries, must be remembered as a caution against premature certainty
BC Hydro	Agreed
Conoco	<p>Agreed – comments</p> <ul style="list-style-type: none"> - Consistency? A principle in the current (or older) GRI drafts is an aim to create enough consistency of reporting that stakeholders can compare companies' performance. Consistency should not outweigh flexibility, however
ABB	Agreed -
*Acindar	Agreed
*AGBAR	Agreed
Kajima	No formal comment
Anglo American	<p>Cautious Support – comments</p> <ul style="list-style-type: none"> - It must provide a realistic floor for acceptable reporting, leaving the industry leaders to set their own best practice norms. - Reporting norms should encourage the entry of new organizations into the currently small, elite club of companies publishing reports – by ensuring that the requirements are focused on core issues. - Best practice norms must not be equated with expense but with relevance of communication. A one-size-fits-all approach would be problematic. - Effective participation in the GRI may be problematic to some southern companies due to time and expense constraints but any “global” norm needs to have input from them. - The institutionalization of the GRI is not supported. - Members of the WBCSD should be free to adopt their own reporting guidelines as appropriate to national and sector experiences and expectations and the evolving preferences. - Support for any norms on reporting should be subjected to periodic review – ensuring a reality check on the requirements. - Any premature attempt to unify

	reporting standards in an inflexible manner could be counterproductive in terms of increasing corporate resistance and would not necessarily be valued by our stakeholders.
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AOL Time Warner Inc	Agreed
*Arthur D. Little	Agreed
*Asahi Glass Co.	Agreed
*Companhia Vale do Rio Doce	Agreed
*Codelco	Agreed
*CLP holdings Limited	Agreed
*CIMPOR	Agreed
*China Petrochemical Corporation	Agreed
*CEMEX	Agreed
*Cargill Incorporated	Agreed
Borealis A/S	Agreed
*BHP Billiton	Agreed
*BG Group	Agreed
Environmental Resource Management	Agreed – Comments - “Balance” with reference to what? - “Credible” define who the initiative is meant to be credible with
Allianz	Agreed
Caterpillar	Agreed
Heidelberger Zement AG	Agreed
ESKOM	Cautious Support – comments - Position paper should clearly states that GRI is a guideline and also acknowledge other processes by making general references in the bullet points and not specific to GRI
Honda	Agreed
*Eastman Kodak Corporation	Agreed
*Dow Corning Corporation	Agreed
*FALCK Group	Agreed
*Fiat Auto	Agreed
*Fortum Corporation	Agreed
*Grupo IMSA	Agreed
*Heineken NV	Agreed
*Interface Inc	Agreed
*Hitachi Chemical Co.	Agreed
*International Herald Tribune	Agreed
International Paper Company	Agreed – comments - We would also point out that maximum credibility can only be attained in reporting if, like corporate financial reporting, the reports are verified by a third party process. - The GRI process can be most effective as it evolves to a norm similar to ‘generally accepted accounting practices’ in the context of financial reporting.
*Italcementi Group	Agreed
*ITT Industries	Agreed
*John Laing plc	Agreed

*Johnson & Johnson	Agreed
*JSC NORD	Agreed
*Kikkoman Corporation	Agreed
*L'Oréal	Agreed
Severn Trent	Agreed
Norsk Hydro	Agree
Henkel	Cautious Support – comments - Good for Larger companies but it misses the point in terms of SME's - There is an issue of consistency in the development of the guidelines
Interface	Agreed
RMC Group	Cautious Support – comments -GRI as just another communication tool
Nutreco	Agreed – comments - GRI should remain flexible - No mandatory verification - Do not make guidelines too rigid
ING	Agreed comments - The voice of the WBCSD needs to be heard on all levels of GRI governance - The WBCSD should focus on maximizing the business voice
Deutsche Bank	Agreed – comments - Against a mandatory verification. - The decision about the issues and how deep someone will report on it is a decision of the company. - Sees no need for “pertinence”
BP	Agreed
Deloitte & Touche	Agreed
Powergen	Agreed
Zurich Financial Services	Agreed – comments - GRI must be voluntary guideline
Fortum Corporation	Agreed – comments - GRI should be a voluntary guideline (also in the future) - WBCSD should support GRI based on sharing tools of best practice
Teijin Limited	Agreed
Nutreco Holding	Agreed
IMSA	Agreed
Storebrand	Agreed
TEPCO	Agreed
ICI	Agreed
Suez	Agreed
Sonae	Agreed
ST Microelectronics	Agreed
Brodrene Hartman	Agreed
COGEMA	Agreed – comments - It is important to strive toward the integration of environmental/ economic/

	social - Continuous check should be done to determine the added value of the GRI
Norsk Skog	Agreed
Toray Industries	Agreed
Syngenta	Cautious Support – comments - We very much support the idea of Guidelines but hope they remain as guidance and do not become mandatory.