

# How does company sustainability reporting work?

Presentation for the ETUI-UNI Europa workshop  
*Sustainability: what does it mean for worker  
representatives and working conditions in retail?*  
Brussels 5 June 2012

# Outline of presentation

- Sustainability versus CSR
- Sustainability reporting: main actors
- Global Reporting Initiative
- Retail sector: sustainability reporting practices
- UN Global Compact

# Corporate social responsibility (CSR) is voluntary



# Sustainability concerns the future

Non-sustainable path



2012



2030

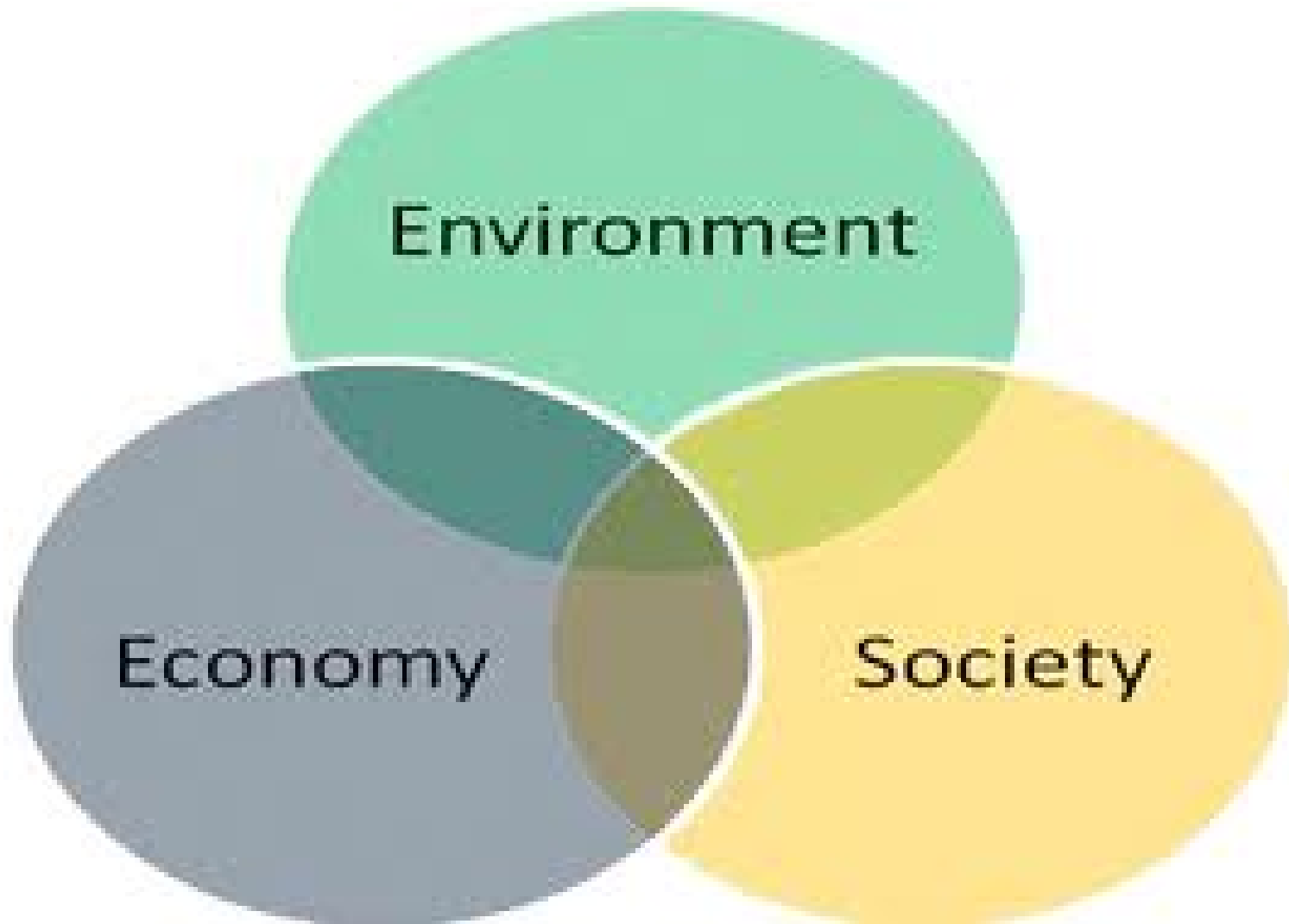


2050

Sustainable path



# Sustainability has different dimensions



# The social dimension of sustainability



## Human resources:

- Working conditions
- Training
- Health and safety
- Career development



## Human rights:

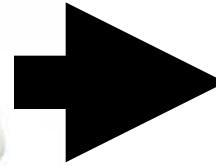
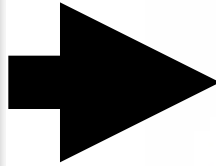
- Freedom of association
- Right to strike
- Ban on child and slave labor



## Stakeholder relations:

- Community
- Suppliers
- Customers

# Sustainability reporting: main actors



**INDITEX**



**METRO GROUP**

## Investors:

- Ethical funds
- Pension funds
- Insurance cos.

## Rating agencies:

- Vigeo
- SAM

## Sustainability initiatives:

- Global reporting initiative (GRI)
  - France: Bilan social
  - UN Global Compact
  - OECD multinational guidelines
- Sustainability reporting

## Companies:

- ca. 2000 large stock market companies

# Global Reporting Initiative (GRI)

- Founded in 1997
- Based in Amsterdam
- Multistakeholder governance
- Trade unions involvement (e.g. ITUC)
- Main task: Developing reporting standards:
  - G3 – present standard (developed in 2006)
  - G4 guidelines being developed
- Used by ca. 1900 organizations
- Main reporting standard worldwide



# GRI G3 Reporting Topics

- Economic
- Environmental
- Social
  - Labour Practices and Decent Work
  - Human Rights
  - Society
  - Product Responsibility

# GRI Reporting Standards: Labour Practices and Decent Work

## Aspect: Employment

- CORE** **LA1** Total workforce by employment type, employment contract, and region, broken down by gender.
- CORE** **LA2** Total number and rate of new employee hire and employee turnover by age group, gender and region.
- ADD** **LA3** Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.
- CORE** **LA15** Return to work and retention rates after parental leave, by gender.

## Aspect: Labor/ Management Relations

- CORE** **LA4** Percentage of employees covered by collective bargaining agreements.
- CORE** **LA5** Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.

## Aspect: Occupational Health and Safety

- ADD** **LA6** Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.
- CORE** **LA7** Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.
- CORE** **LA8** Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.
- ADD** **LA9** Health and safety topics covered in formal agreements with trade unions. Health and safety topics covered in formal agreements with trade unions.

## Aspect: Training and Education

- CORE** **LA10** Average hours of training per year per employee, by gender, and by employee category.
- ADD** **LA11** Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.
- ADD** **LA12** Percentage of employees receiving regular performance and career development reviews, by gender.

## Aspect: Diversity and Equal Opportunity

- CORE** **LA13** Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.

## Aspect: Equal Remuneration for Women and Men

- CORE** **LA14** Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.

# GRI Reporting Marks on Indicators

- A : address all core indicators
- B : report fully on at least 20 Performance Indicators, (core or additional), including at least one from each Indicator Category (Economic, Environmental, Labor Practices and Decent Work, Human Rights, Society and Product Responsibility).
- C : at least 10 Performance Indicators, either core or additional, including at least one from each Indicator Dimension (Economic, Environmental, and Social).
- + : external assurance

# Reporting practices: largest retailers

- 32 have a sustainability report
  - 18 of these use GRI
    - 14 of these get a mark
- 2 have an environmental report + web information
- 12 have only info on web
- 4 have no information

# Reporting practices: Europe's largest retailers

See attached Excel spreadsheet

# Information from GRI Reports: Largest Retailers

Indicator	Level of Information (2010)		
	Full	Some / explanation	None
Labour Turnover	9	8	33
Collective bargaining coverage	6	4	40
Accident/sickness rate	11	7	32
Training	9	5	36

## Other sustainability initiatives

- UN Global Compact
- UN Principles for Responsible Investment (PRI)
- Carbon Disclosure Project (CDP)
- ISO 26000
- Sectoral
  - Retail Forum
  - Forestry Service Council (FSC)
  - Fishery initiative
- OECD Multinational Guidelines

# Global Compact Principles

## Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

## Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

## Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

## Anti-Corruption

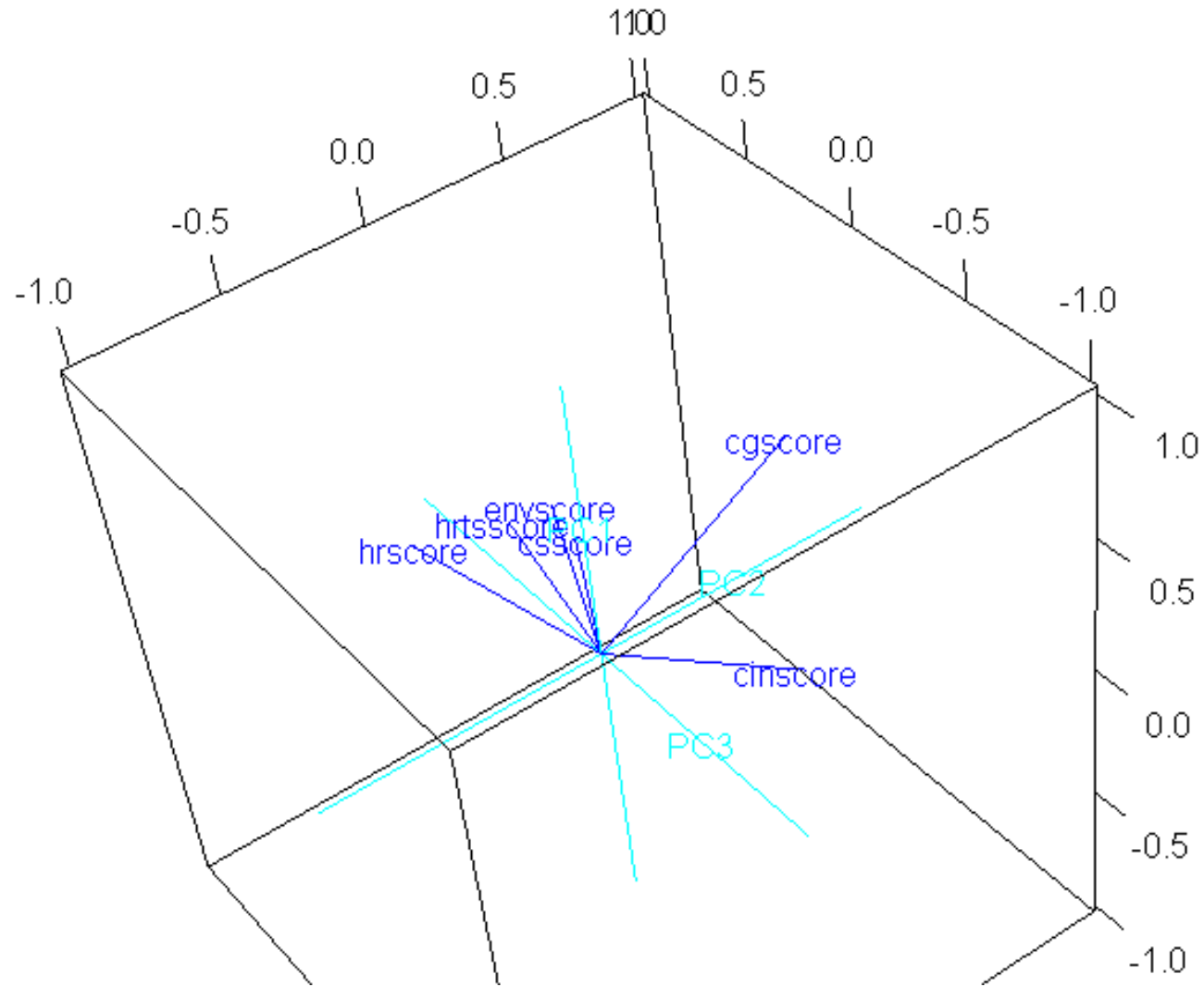
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.



# Global Compact Signatories: European retail

- REWE
- Ahold
- Migros
- Coop Group
- Inditex

# Sustainability: company practices are different



**THANK YOU FOR YOUR  
ATTENTION!!!!**