IFC Advisory Services in East Asia and the Pacific

Sustainability Reporting Handbook for Vietnamese Companies

IN PARTNERSHIP WITH

State Securities Commission of Vietnam

International Finance Corporation
World Bank Group

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The State Securities Commission of Vietnam is an organization under the Ministry of Finance of Vietnam, whose purpose is to develop capital markets, regulate securities activities, license market participants, and enforce regulations.

The Vietnamese Sustainability Reporting Handbook was commissioned by IFC and The State Securities Commission of Vietnam in an effort to promote the disclosure of environmental and social information by listed companies in Vietnam.

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Foreword of the State Securities Commission of Vietnam

When highlighting stock exchange-listed companies' sustainability issues we normally refer to the adoption and implementation of environmental, social and governance policies that help minimize risks, turbulence and improve companies' long-term performance. During the last decade, many corporations and business groups that formulated strategies to meet the demands of investors, the government and society in a responsible manner, have focused their resources on ensuring the sustainability aspects of investment, operations, production and suppliers.

At a number of UN-level discussions, members of the OECD and G20 have shown a strong commitment to strengthen long-term financial stability and global economic development. As a result, businesses need to raise the bar on their environmental, social and governance performances. In the meantime, the UN has also been actively encouraging businesses to start reporting on sustainability issues.

Sustainability reporting is the practice of measuring, disclosing and being accountable to internal and external stakeholders for an organization's performance towards the goal of sustainable development. Companies developing and issuing sustainability reports should evaluate and disclose environmental and social information, in addition to their financial and governance performance, already common practice at a global level.

Sustainability reporting helps companies not only build a stronger relationship with other stakeholders, investors and communities, but also improve operational risk management. This also enables companies to pivot and quickly adapt to a changing business environment and effectively compete in the market. During the last decade, the world has seen an increase in the number of companies producing sustainability reports and integrating environment, social and governance performance information into their annual reports. This trend also underscores a clear link between good sustainable performance and enterprises' ability to be efficient and profitable.

In Vietnam, disclosing and reporting on environmental, social and other sustainable development issues is a new concept. Listed companies have limited access to information about environmental and social standards and sustainable development best practices. As a result, listed companies are unable to provide information crucial to investors such as that detailing community development, waste management, efficient use of water, employee compensation and benefits, labor force diversity and the existence of independent committees. The dearth of this information might prevent companies from attracting investors with high environmental and social standards.

To respond to this urgent need, the State Securities Commission of Vietnam (SSC) and IFC with the assistance of the global PWC team have developed and now publish this Sustainability Reporting Handbook for Vietnamese companies. This Handbook will provide companies with reporting processes and key performance indicators to be used when Vietnamese companies start developing Sustainability Reports.

The SSC hopes listed firms will use this Handbook to understand, manage and disclose their environmental and social performance levels. Overall, this is the first step companies should take towards meeting their sustainable development goals and contribute to the stock market's sustainable development through better risk management and governance.

State Securities Commission of Vietnam

Foreword of IFC

The last decade has seen a steady rise in public demand for businesses to be transparent about their environmental, social, and governance (ESG) performance, including their contributions to local economies.

Companies worldwide have met this trend with increasing uptake of what is now commonly called "sustainability reporting". As a member of the global investment community and a leader in sustainability standards in emerging markets, IFC sees sustainability reporting as an opportunity for a more dynamic engagement between investors and businesses. There is a clear link between good ESG performance and the ability of enterprises to be profitable and survive turbulent times. We have integrated sustainability in our own approach to investments in emerging markets and we have seen the value and the importance of disclosure about sustainability issues. However, there is still a big gap, including in emerging markets, when it comes to material ESG information about company performance. Many investors, including institutional investors who acknowledge the importance of sustainability issues as a driver of financial return as well as an indicator of environmental and social impact, need this information to make informed investment decisions.

As a member of the World Bank Group and the largest global development institution focused exclusively on the private sector, IFC has been working for several years now to address the information gap, and our partnership with the Global Reporting Initiative (GRI) is part of that on-going effort.

IFC sees sustainability reporting as a timely next step to improve transparency and ultimately the sustainability of the investments we make. It is also a management tool that can help companies to identify operational efficiency improvements, innovate in their products and services, build stronger relationships with stakeholders, enhance reputational value and, increasingly, attract investors.

It is encouraging that the State Securities Commission of Vietnam supports this initiative. We would like to see many more Vietnamese companies undertaking sustainability reporting alongside and as part of their annual reporting. Companies achieving excellence across all aspects of management are companies most likely to grow and succeed over the long term.

We hope you will find this Handbook useful.

Finally, we would like to thank the great contribution of PWC team to the intensive preparation and consultation process before this Handbook can be published.

IFC

1. Purpose of this guideline:

This guideline provides companies in Vietnam with some simple steps to follow to get started in sustainability reporting. In particular, it focuses on environmental and social (E&S) aspects of business performance. By considering the needs of companies listed on the Hanoi and Ho Chi Minh stock exchanges and other companies in Vietnam, it aims to answer the following questions:

- Why should a Vietnamese company consider undertaking a sustainability report?
- What are the main global standards and references?
- What main steps are to be taken in the process?
- What are the key success factors when implementing the sustainability reporting system?
- How can a company ensure the report's credibility and a good reception from stakeholders?
- What aspects of business performance should the sustainability report cover?

The present draft is designed so Vietnamese companies can quickly apply it to prepare good quality sustainability reports to meet investor and stock exchange requirements. Companies that display a good sustainability performance and disclosure level will help improve Vietnam's overall E&S performance.

This document serves to highlight the basic disclosure requirements for a company to begin its reporting journey. Once initial reporting experience has been attained, listed companies are encouraged to evolve beyond these guidelines with the objective of following international best practices.

A ***"report or explain"*** framework is designed to encourage Vietnamese companies to start reporting. This means companies should report their E&S performance or explain why they have chosen not to.

Listed and soon-to-list companies are encouraged to include sustainability reporting as part of their holistic reporting, either within the annual report or separately. In addition, this guide encourages the use of the Global Reporting Initiative (GRI) framework and independent external assurance. The GRI Guidelines are internationally accepted as best practice.

2. Why report?

A global shift is taking place in how the responsibilities of companies are understood. Investors, regulators and other stakeholders increasingly expect companies to manage business impacts, risks and opportunities as they relate to environmental, social, corporate governance and economic aspects of business performance. They, in turn, encompass products, services and operations. These include issues that extend beyond the direct influence of companies, but still affect medium and long-term business success and license to operate. The umbrella term for these considerations is "sustainability".

The term sustainability is linked to the concept "sustainable development" as defined by the Brundtland Commission of the United Nations on March 20, 1987: "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs."

Studies show that companies that excel in managing sustainability are also likely to do well financially. For these and other reasons, a growing number of companies are taking the decision to publish sustainability reports alongside or integrated into their annual financial reports and websites.

A sustainability report enables companies and organizations to report sustainability information in a similar way to financial reporting. Sustainability reports are released by companies and organizations of all types, sizes and sectors, from every corner of the globe.

By reporting transparently with accountability, companies and organizations can increase the trust stakeholders have in them and in the global economy. The reporting process also drives a range of business improvements:

1) At a fundamental level, sustainability reporting is a **management tool that can improve a company's understanding of emerging risks and business opportunities**. If approached in this way, the sustainability reporting management system can help the company prepare for these

emerging trends and develop internal responsibilities and systems to improve performance over time.

2) An important differentiating feature of sustainability reporting is the **consideration of stakeholder interests**. Stakeholders are individuals or groups who are likely to be affected by the company's activities, are interested in the company's performance and/or can have an influence in some way. Examples of stakeholders include employees, customers, clients, suppliers, NGOs, communities, investors, governments and the media. An effective sustainability report will add significant value to a company's reputation and ability to do business by **building trust with these various stakeholders**. It can also open ongoing dialogue with stakeholders through each reporting cycle.

3) Sustainability reporting is a **means to identify new ways of generating and measuring business value**. Investors globally are becoming more interested in how strategies for managing sustainability performance also lead to increased competitiveness and innovation on the part of companies. Governments are working to create opportunities and incentives for sustainable companies.

4) Increasingly, shareholders also want to know that new projects, system improvements, products and services based on environmental and social considerations benefit the company's core business. A sustainability report, including specific targets and metrics, provides a transparent and comparable means to show how well a company is managing particular risks combined with a **positive return on investment from sustainable activities.**

3. Global standards and references

Paragraph 47 of the outcome document of the 2012 United Nations Conference on Sustainability Development (Rio+20), entitled "The Future We Want", recognized the importance of sustainability and integrated reporting by listed companies. It also encouraged industry, governments and relevant stakeholders to take the following action:

"To develop models for best practice and facilitate action for the integration of sustainability reporting, taking into account the experiences of already existing frameworks and paying particular attention to the needs of developing countries."

A number of excellent frameworks already exist to guide companies in sustainability reporting. The leading global standard is the Global Reporting Initiative G3 framework. A variety of industry-specific standards have also been developed and a growing number of countries are issuing national guidelines.

The following questions can guide companies as they choose which standards to apply:

- What are the main reporting goals (e.g. building reputation, responding to regulations and attracting investors)? What kind of report would achieve these goals?

- Who are the most important stakeholders and what type of reporting would be most effective in reaching these stakeholders?

- What are the key issues to focus on? Are there specific reporting tools for these topics?

- Has the company signed up to any voluntary codes that require regular reporting on implementation progress? (e.g. United Nations Global Compact)

- What is the main industry and national context in which the company operates? Do any reporting frameworks focus on this industry or country?

- Do any of company investors apply specific sustainability standards that require disclosure? (e.g. IFC Performance Standards, UN-backed Principles for Responsible Investing).

This section describes some of the most common standards and frameworks.

3.1. The Global Reporting Initiative

The most widely used global framework for sustainability reporting has been developed by the **Global Reporting Initiative (GRI)**. The GRI Guidelines offer a set of principles ("How" to report) and performance indicators ("What" to report) that have been developed during more than 12 years of global and multi-stakeholder dialogue. The GRI principles are:

- **Materiality** – the report should reflect the organization's significant economic, environmental and social impacts and include information to substantively influence stakeholders' assessments and decisions.

- **Stakeholder Inclusiveness** – the report should identify stakeholders and document the company's responses to reasonable stakeholder expectations and interests.

- **Sustainability Context** – the report should describe the organization's performance in the wider context of sustainability.

- **Completeness** – the report should provide sufficient coverage of material topics and indicators within a clearly defined reporting boundary.

The GRI framework is a useful starting point because it is widely used and recognized. It also covers a broad range of economic and E&S performance aspects with technical guidance (protocols) on how to measure and report these.

The "third generation" of the GRI's Sustainability Reporting Guidelines, the G3 Guidelines, was released in 2006 in Amsterdam following three years of multi-stakeholder and global engagement. More than 3,000 individuals worldwide from diverse sectors were engaged. As a result, companies can be assured the guidelines reflect the most comprehensive global consensus on what a sustainability report should contain.

On March 23, 2011 the GRI updated its G3 guidelines to G3.1. This update reflected stakeholder feedback specifically on references to human rights, community investment and development, and gender issues. These updates will inform the upcoming GRI G4 Guidelines currently under development.

For more information, visit: www.globalreporting.org

3.2. The Carbon Disclosure Project

The Carbon Disclosure Project (CDP) is an independent not-for-profit organization working to drive greenhouse gas emission reductions and sustainable water use by businesses and cities. Approximately 4,000 organizations across the globe measure and disclose greenhouse gas emissions, water management and climate change strategies in response to CDP's information requests. This data is annually collected on behalf of institutional investors, purchasing organizations and government bodies. By reporting to the CDP, companies are included in this database and increase the chances of receiving good sustainability ratings by investors.

The CDP is also working to develop guidance for companies on how to include useful climate change-related information in, or linked to, mainstream financial reports. The Climate Disclosure Standards Board is a CDP special project and recently launched The Climate Change Reporting Framework (CCRF) (Edition 1.1, Oct 2012). The CCRF is a voluntary framework for disclosing information of value to investors in assessing how climate change affects the strategy, performance and prospects of a company. The CCRF is based on existing standards, research, analysis and good practice, including the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)* developed by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD).
For more information, visit: www.cdproject.net

3.3. The United Nations Global Compact

The UN Global Compact is a strategic policy initiative for businesses committed to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labor, environment and anti-corruption.

When joining the Global Compact, companies make a commitment to issue an annual Communication on Progress (COP), which is a public disclosure to stakeholders (e.g., investors, consumers, civil society and governments) on progress made in implementing the 10 principles of the UN Global Compact and in supporting broad UN development goals. Based on a standard template, COPs must be posted on the Global Compact website and shared widely with stakeholders. The information in a COP is relevant for a sustainability or annual report. For more information, visit: www.unglobalcompact.org

3.4 The IFC Sustainability Framework

IFC, part of the World Bank Group, is the largest multilateral source of loans and equity finance for private enterprises in emerging markets. IFC is also a leader in applying ESG standards to investments. These standards, since 2006, have been adopted by more than 70 commercial finance institutions through the Equator Principles[1].

IFC's Sustainability Framework articulates a strategic commitment to sustainable development and highlights IFC's approach to investment risk management. The Sustainability Framework includes Performance Standards that apply to investee clients, providing guidance on how to identify and manage risks and impacts. The Performance Standards cover eight aspects:

1. Assessment and Management of Environmental and Social Risks and Impacts
2. Labor and Working Conditions
3. Resource Efficiency and Pollution Prevention
4. Community Health, Safety and Security

[1] The Equator Principles (EPs) are a voluntary credit risk management framework for managing E&S risk in Project Finance transactions. They are adopted by financial institutions and are applied where total project capital costs exceed US$10 million. Since 2006, the EPs have been based on IFC Sustainability Performance Standards and on the World Bank Group Environmental, Health and Safety Guidelines (EHS Guidelines). Currently 77 adopting financial institutions (74 EPFIs and 3 Associates) in 32 countries have officially adopted the EPs, covering more than 70 percent of international Project Finance debt in emerging markets. For more information, visit: www.equator-principles.com

5. Land Acquisition and Involuntary Resettlement

6. Biodiversity Conservation and Sustainable Management of Living Natural Resources

7. Indigenous Peoples

8. Cultural Heritage.

Investee companies must meet the requirements in the IFC Performance Standards and World Bank Group Environmental, Health and Safety Guidelines, and develop appropriate Action Plans prior to investment. During the life of an investment, companies must provide updates to IFC, as well as relevant stakeholders, on their adherence to the Performance Standards and any agreed Action Plans, including significant events. This information can be relevant to include in a sustainability or annual report. For more information, visit: www.ifc.org/sustainability

3.5. International Integrated Reporting Council

The **International Integrated Reporting Council (IIRC)** is an international effort to develop a global framework for Integrated Reporting. IIRC released a Draft Prototype Framework for Integrated Reporting in September 2012, which takes a principles-based approach rather than focusing on rules for measurement or disclosure of specific key performance indicators (KPIs).
More than 80 leading companies tested the principles of Integrated Reporting in their corporate reporting cycle as part of the IIRC's Pilot Programme in 2012. The six IIRC principles are i) strategic focus and future orientation, ii) connectivity of information, iii) responsiveness and stakeholder inclusiveness, iv) materiality and conciseness, v) reliability and vi) comparability and consistency. The Draft Framework emphasizes an organization's creation of value through use of and dependence on different resources and relationships or 'capitals' (financial, manufactured, human, intellectual, natural and social).

Sustainability information is material for integrated reporting. Companies can choose whether to publish sustainability reports separately and/or as content embedded in an integrated annual report. By integrating financial and sustainability information, companies provide a more holistic and meaningful picture of their business model and performance to investors and stakeholders.

For more information, visit: www.theiirc.org

3.6 AccountAbility Principles for Sustainable Development

AccountAbility's AA1000 series are principles-based standards to help organizations become more accountable, responsible and sustainable. The Principles for Sustainable Development (Inclusivity, Materiality and Responsiveness) are based on the premise that an accountable organization will take action to:

- Establish a strategy based on a comprehensive determination of all issues that are material to the organization and its stakeholders
- Establish goals and standards against which the organization's strategy and performance can be judged
- Disclose credible information about strategy, issues and performance to stakeholders.

The Principles are compatible with other sets of principles in the marketplace, such as the UN Global Compact, GRI and ISO 26000.

For more information, visit: www.accountability.org

3.7. ISO 26000:2010

ISO 26000:2010 provides guidance, rather than verifiable requirements, on how businesses and organizations can operate in a socially responsible way. The standard was launched in 2010 following five years of negotiations between many different stakeholders across the world.

Representatives from governments, NGOs, industry, consumer groups and labor organizations were involved in its development, which means it represents

an international consensus. ISO 26000 helps clarify what social responsibility is, helps businesses and organizations translate principles into effective actions and shares best practices relating to social responsibility. It is aimed at all types of organizations regardless of their activity, size or location.
For more information, visit: www.iso.org

3.8. Global Impact Investing Ratings System

Global Impact Investing Ratings System (GIIRS) is a system for assessing the E&S impact of companies and funds. The rating enables companies to raise capital from mission-aligned investors based on the E&S impact of their business operations and activities. It aims to capture the business value created by positive impact and achievement of goals surrounding good governance, responsible labor and supply chain practices, attractive working conditions, improved environmental performance, and efforts that strengthen local communities, among other factors.

GIIRS provides a Company Impact Rating of the E&S impact of an individual company, including an overall rating, ratings in 15 sub-categories and KPIs relevant to the company's industry, geography, size and social mission.
For more information, visit: http://giirs.org

3.9. Emerging Market Initiatives

Governments, stock exchanges and coalitions of investors are calling for improved corporate disclosure across a growing number of emerging markets. Since 2006, the following governments and stock exchanges have issued requirements or voluntary guidelines on sustainability reporting:

2006 – China issues sustainability reporting requirement for state-owned enterprises

2007 – Bursa Malaysia requires listed companies to report on their corporate social responsibility (CSR) activities

2008 – Shanghai and Shenzhen Stock Exchanges publish requirements for listed companies to report on CSR

2010 – South Africa requires all companies listed on the Johannesburg Stock Exchange to begin publishing annual "integrated reports" addressing financial and sustainability performances

2011 – Securities and Exchange Bureau of India (SEBI) introduces requirement that the 100 largest listed companies disclose information on social, environmental and economic responsibilities

2011 – Singapore Stock Exchange releases Sustainability Reporting Guide

2011 – Hong Kong Stock Exchange issues Consultation Paper on environmental, social and governance (ESG) reporting

2012 - Brazil's BM&FBOVESPA Stock Exchange issues recommendations on sustainability reporting by listed companies.

3.10. Other Global Initiatives

- The **Corporate Sustainability Reporting Coalition** is a coalition of more than 40 organizations, primarily institutional investors, managing in excess of US$1.6 trillion, seeking integration of material sustainability issues within the corporate reporting cycle of all listed and large private companies.
- **The Natural Capital Declaration** and **WAVES partnership (Wealth Accounting and the Valuation of Ecosystem Services)** are collective commitments by countries, private companies, financial institutions and civil society groups to value and account for nature's vital role in the global economy. (www.naturalcapitaldeclaration.org) (www.wavespartnership.org)
- **The World Business Council for Sustainable Development (WBCSD)** is a CEO-led organization of forward-thinking companies seeking to create a sustainable future for business, society and the environment. The WBCSD has been working with its members and key stakeholders, such as the GRI, on corporate best practice and the advancement of sustainability reporting since 1995. The WBCSD has also developed tools (such as the GHG Protocol with the WRI), to help companies measure and report their management of sustainability issues to stakeholders. (www.wbcsd.org)

- **Principles for Responsible Investing** (PRI) is a United Nations-backed network of more than 1,100 international investors and service partners working together to put six Principles for Responsible Investment into practice. The Principles reflect the view that environmental, social and corporate governance (ESG) issues can affect the performance of investment portfolios and therefore must be given appropriate consideration by investors if they are to fulfil their fiduciary (or equivalent) duty. (www.unpri.org)

4. Main steps in the process

Publishing a first sustainability report can be resource intensive for a company. It takes a dedicated team time to identify all the different elements that need to be included and to obtain and verify information. However, learning from this process can have a variety of benefits for the organization, ranging from

10 Steps to Prepare a Sustainability Report	
	Step 1: Set a vision and corporate commitment for sustainability performance and reporting
	Step 2: Appoint a senior executive with oversight and accountability for the reporting process and the report itself
	Step 3: Establish a cross-departmental taskforce to plan and prepare the sustainability report
	Step 4: Take stock of where your company is on the sustainability journey
	Step 5: Engage with stakeholders
	Step 6: Determine the most important issues to report on
	Step 7: Plan the data collection process
	Step 8: Compile your report
	Step 9: Build the report's credibility
	Step 10: Plan for continuous improvements

new strategic and leadership insights to operational efficiencies, product innovation and increased attractiveness to investors and employees.

As internal capacity is built, the process becomes less costly in subsequent years and with more benefits to the business. The following steps can help emerging market companies set up a reporting system that facilitates internal learning and maximizes the benefits of reporting.

Step 1: Set a vision and corporate commitment for sustainability performance and reporting

This is the first step taken when a company decides to publish a sustainability report. This commitment should come from the company leadership team and be linked with a clear vision and purpose.

A forward-thinking sustainability report can greatly assist a company to move more rapidly towards sustainable practices that generate value for the business and stakeholders. It can also provide a platform for proactive engagement between companies and investors. The report should be absolutely aligned with the company's core business and embedded in a commitment to establish effective sustainability management systems.

A key component of authentic sustainability reports is their recognition and responsiveness to stakeholder concerns. Corporate leaders are best placed to demonstrate a commitment to communicate with stakeholders and show that the company has listened and will act accordingly. Listening to stakeholder concerns and perspectives can also strengthen a company's own vision and strategy.

Step 2: Appoint a senior executive with oversight and accountability for the reporting process and the report itself

A senior executive or director should have responsibility and accountability for the reporting process and final

> **Success factor**
>
> Clear leadership sends a signal throughout the company that the reporting work is a priority. Departments then know how to respond by adapting their systems more efficiently.

outcome, similar to the Annual Report process. Clear direction from the outset will help guide the reporting team and process in terms of corporate priorities and messages. A senior executive can also push to achieve a more ambitious standard and ensure the report is aligned with and informs corporate strategy in the most effective way.

Visionary leadership from the top is an important success factor in sustainability reports. An executive with oversight of the process can ensure the reporting team has the necessary authority and access to build an accurate report. This relieves much of the resource burden many reporting teams face when they struggle to access company people and data.

Step 3: Establish a cross-departmental taskforce to plan and prepare the sustainability report

The best sustainability solutions come from operational departments responsible for their pieces of the puzzle. The next step is to involve these departments in the sustainability reporting process. A good way to achieve this goal is to establish a reporting taskforce comprised of knowledgeable staff from relevant areas of company operations.

> **Success factor**
>
> Select staff who are curious and interested to learn from the reporting process. They will in turn benefit from a deeper understanding of the company and build valuable relationships with staff in other departments.

A smaller core group of three to four staff members can be appointed to manage the day-to-day work on the report. This core reporting team should meet with the taskforce every two weeks to review updates on content planning and data collection.

By representing different views and parts of the business, the taskforce can efficiently collect and contextualize quality data. Members of the taskforce should be responsible for integrating relevant findings from the reporting process back into their different departments.

Step 4: Take stock of where your company is on the sustainability journey

Often information about a company's E&S performance, alongside economic and corporate governance aspects, will be split between various departments and levels of operations. If this information has not been collected before, it presents an opportunity to establish a system to effectively gather the needed information and make sure it is conveyed in a comprehensive and understandable fashion.

Companies often complete a specific social report about their community involvement and may also have prepared and submitted environmental reports for relevant authorities or have systems for recruiting and managing employees. The sustainability reporting process can facilitate the integration of these various aspects and provide input to a crosscutting, corporate sustainability strategy.

The first report planning session can focus on taking stock of these various ingredients and incorporate them into a coherent vision and plan for the report.

Step 5: Engage with stakeholders

Sustainability report content is, in part, defined based on expectations of the organization's internal and external stakeholders. Key stakeholder group concerns, especially those of government, investors, NGOs, employees, suppliers and customers, should be considered. Sustainability reporting doesn't need to address all these concerns, but a good understanding of stakeholder interests will greatly enhance the reporting process and output, particularly if stakeholders believe they have been heard.

> **Success factor**
>
> A critical part of stakeholder engagement is providing feedback to stakeholders on whether and how their concerns were addressed.

Stakeholder engagement is often a new and unfamiliar activity for reporting teams, yet even minimal efforts can add a great deal of value. Some information on stakeholder views can be captured from existing interactions in routine business operations, such as surveys of employees and customers. There may also be useful records of correspondence with investors and regulators, which highlight material issues and interests.

Existing information may provide sufficient insights for the first reporting cycle. Organizations may then choose to have focused stakeholder engagements to gather inputs in defining future report content. The goal should be to establish ongoing dialogue and channels for feedback.

The reporting, disclosure and ongoing communication with stakeholders should be tailored to varying levels of education, access to information and the need for information. Stakeholders can also be engaged on specific themes. Issues like information propriety and competitive concerns should be treated carefully when undertaking such engagements.

Type of Engagement	Purpose of Engagement	Level of Reporting
Information published on website and through corporate documents and announcements	To inform stakeholders about the company's sustainability efforts and response to stakeholder concerns	All stages of reporting
Surveys (Email, paper or in person)	To collect information on stakeholder concerns and interests	Beginner and Intermediate reporting
Focus Groups	To hear and discuss stakeholder feedback on specific topics or initiatives	Intermediate and Advanced reporting
Stakeholder Panels	To engage a group of experts to provide ongoing, periodic input on the company's sustainability report and sustainability strategy	Intermediate and Advanced reporting
Telephone, email or website "hotlines"	To allow any stakeholders to contact the company with concerns or suggestions and receive feedback on the company's response.	Advanced reporting.

Step 6: Determine the most important issues to report on

> **Success factor**
>
> A simple and clear storyline goes a long way to effectively communicate with readers. Therefore, defining the most material issues for your report is an important success factor.

The concept of “materiality” is a common element in most standards and frameworks for sustainability reporting. It is also part of financial reporting. It means that it remains up to the company to determine what are the most important issues, risks and opportunities to discuss in the report. Key performance aspects and indicators listed in reporting standards can help to identify material issues. But, they still need to be prioritized based on a combination of i) the company’s own view of what’s most important and relevant, and ii) concerns expressed by stakeholders.

Material information is any information that influences stakeholder assessments and decisions about the company. This is the same information the company management team would focus on when making decisions about the company’s future. Material sustainability considerations should also link directly to the company’s business model.

For many companies doing their first report, this may be the first time to identify material sustainability issues in a systematic way, such as choosing three to five top sustainability priorities for the organization. Other information can still be included, but the top issues will help define the main narrative (key messages) in the report. They will also feature prominently in the CEO’s message and snapshot of key data points at the front of your report.

Step 7: Plan the data collection process

Too often, companies tell a good story without providing rigorous and verified performance data. Reporting teams learn, through the reporting process, what data is available and relevant. An action plan developed at the inception of the report development process can help ensure these insights are learned sooner rather than later.

The reporting taskforce will play a key role in obtaining relevant data from existing systems and enabling the creation of new systems for data collection as needed. With taskforce support, the reporting team will check data and underlying systems to ensure quality. The data will then be assessed to identify how it informs the overarching messages and goals of the sustainability report.

Success factor

High-level oversight will streamline data collection by providing a clear mandate and authority to the reporting team.

Step 8: Compile your report

You are now ready to write the report content to fit the data you've collected and respond to material issues and stakeholder concerns you've identified. This will also be an important moment to decide the right formats for sustainability content.

Success factor

Ask your stakeholders how they would prefer to receive information about your company's sustainability performance. Keep checking to see which formats work best.

Sustainability reports have traditionally been published as single, print documents that contain a full range of information about the organization's sustainability performance during the past year. Having all this information in one place is very useful for getting a sense of the whole story. However, not all stakeholders will want all this information. You can now consider a range of different reporting formats to reach different stakeholders with the content they're most interested in. Additional channels for sustainability reporting include:

- Priority content and data integrated into the Annual Report
- Range of content, data, infographics and videos published on company website
- Brochure with highlights
- Specific information included on product labels
- Targeted emails sent to specific stakeholders
- Investor briefings
- Responses to surveys from research and ratings agencies.

Step 9: Build the report's credibility

One of the ways to enhance stakeholder confidence in your report is to obtain third party assurance. Assurance is similar to the financial audit of an annual report.

An assurance engagement will focus on the **accuracy and completeness** of the information in the sustainability report and the extent to which the report responds to **stakeholder interests and concerns**.

> **Success factor**
>
> Choose a reputable assurance provider that can add value to your ongoing reporting activities.

Assurance for sustainability reports typically assesses the **reliability of the underlying data systems** that produced the data and content in the report. Some specific audits might be done on selected projects, case studies or performance data.

Assurance providers can add value to your ongoing reporting efforts by identifying current challenges and **recommending ways in which you can improve during the next reporting cycle**. Many companies publish these recommendations in the sustainability report to build trust with readers. Sharing this update on your reporting journey is one way of showing your stakeholders that you are transparent about, and committed to, continuous improvements.

Step 10: Plan for continuous improvements

Sustainability reporting is a valuable ongoing process for driving continuous improvements in your corporate sustainability strategy. As soon as you publish your report, think about the next steps to incorporate the results into corporate strategy cycles and in designing improved systems to manage E&S performance.

In the future, financial and sustainability reporting may become integrated, leading to the publication of one single annual corporate report. It would be useful to prepare for this shift by aligning the work of the sustainability and annual reporting teams. One good way to achieve alignment is to make sure your sustainability report is prepared in the same reporting cycle as the annual report. This will ensure that data is comparable for the same time period.

Another characteristic of leading reports is the inclusion of performance targets for key sustainability performance aspects. Targets are useful for focusing company efforts towards a bold vision of sustainability performance. It also enables investors and other stakeholders to understand the direction the company is taking and how well it can meet these targets over time. Targets should balance aspirations with achievability.

5. What aspects of business performance should the sustainability report cover?

The report's content should focus on material E&S issues for the company's business and stakeholders. Material issues are ones that are deemed important by the company internally and key external stakeholders such as communities, buyers, suppliers and investors.

The standard sections of a sustainability report include strategy, management approach and performance regarding specific E&S issues.

The following are some indicative E&S issues for Vietnamese listed companies to consider[2]. Aspects of corporate governance are already addressed through the requirements of the corporate governance manual[3].

ENVIRONMENTAL	SOCIAL
Energy efficiency	Employee compensation
GHG emissions	Benefits
Biodiversity conservation	Staff turnover
Water usage	Employee health
Natural resource use	Safety practices
Waste to energy	Diversity
Recycling practices	Strengthening local communities

[2] Adapted from: Sustainable Stock Exchanges: Real Obstacles, Real Opportunities - Discussion paper prepared for the Sustainable Stock Exchanges 2010 Global Dialogue (November, 2009)
[3] Source: IFC, 2010, Vietnam Corporate Governance Manual

Information disclosure in a sustainability report should:

- Be aimed at providing a concise description of material E&S aspects, impacts, risks and opportunities for the organization and its various stakeholders
- Include an overview of organizational strategy and objectives on these issues
- Contain information on the organization's performance on material aspects as well as the management approach underlying the performance
- Give a balanced view on performance highlighting positive and performance improvement areas
- Serve as a key disclosure medium for an organization to put forward its intent, goals and targets and other forward-looking statements to its stakeholders.

The sustainability report must include a definition of the reporting boundary and specify all the entities and operations in the company/group that have been included for reporting on sustainability performance, strategy and management approach. This should, in principle, be the same boundary as applied in the annual financial report.

The reporting period should also be clearly defined based on either the Calendar Year or Financial year (April-March/July-June), and consistent with the company's financial reporting period.

In keeping with these considerations, there are three main types of indicators for sustainability reporting:

1. Scope Indicators
2. Standard Disclosure Indicators
3. Performance Indicators.

5.1 Scope Indicators

Scope refers to the range of sustainability topics covered in the sustainability report. Boundary refers to the sub-entities of the organization that would be included in the reporting scope. If there is change in the scope or boundary, in the initial report or in the subsequent years, an explanation, both on the change and reason thereof, should be provided.

The "boundary" of the report is defined based on an assessment of which entities should be included for reporting. Typically, the company's equity stake, organizational and operational control as well as ease of reporting incrementally on diverse entities constitute the basis for selecting the reporting boundary.

Reporting Boundary

At a minimum, the reporting organization should include the following entities in its report:

- Entities over which the organization exercises control should be covered by Indicators of Operational Performance (emissions, waste, child labor, etc.)

- Entities over which the organization exercises significant influence should be covered by Disclosures on Management Approach (management systems, protocols followed, certifications etc.).

For all material issues, the management approach and key performance indicators should be included in the report.

Preliminary Materiality Assessment

A combination of internal and external factors should be used to determine whether information is material, including factors such as the organization's overall mission and competitive strategy, concerns expressed directly by stakeholders, broader social expectations and the organization's influence on upstream and downstream entities. Assessments of materiality should also take into account the basic expectations expressed in the international standards and agreements with which the organization is expected to comply, such as IFC performance standards or UN Global Compact.

Prioritization: Once the material issues are identified, these can be arranged in terms of their combined priority to the company and importance to stakeholders.

5.2 Standard Disclosure Indicators

Organizational Profile

This would include basic information and data about the operations of the business entity so the report's flow becomes more contextual and comparable to other similarly placed businesses.

Strategy and Analysis

This section is intended to produce insights into strategic topics. It should provide a high-level, strategic view of the organization's relationship with sustainability to provide a context for subsequent and more detailed reporting in other sections.

Investors will be particularly interested in the extent of the company's commitment to sustainability. This provides an indication of measures that will affect the company's future performance and sets the tone for integrated and effective management systems to be established and maintained throughout the organization.

Management's Commitment Statement

The report should contain a statement by the CEO on sustainability strategy and performance. This should be a one or two page summary covering the following elements:

- How the organization views sustainability in the context of its core business model and its stakeholders, and balances needs and expectations

- Material E&S issues and highlights performance, including successes and failures
- Any goals and targets that were set by the top management for improving the company performance during the reporting period
- Priorities in terms of E&S and stakeholder inclusivity and future goals
- Other issues including whether the report is based on this framework or any other framework and reporting Period/Cycle. It is expected that the timing of the annual and sustainability reports should be the same.

Once issues have been identified and their materiality established, companies benefit from developing a sustainability vision. A sustainability vision is an expression of the desired sustainability position and should be aligned to the corporate strategy. It should be designed in recognition of the key risks, efficiency potentials and the sustainability-related revenue or differentiation opportunities the company has recognized.

Index of relevant indicators used in the report

The report should contain an index to help readers find information related to specific indicators. The index can be mapped to GRI Indicators or other relevant standards as necessary. This will greatly assist research analysts compiling company reports for investors.

5.3 Performance Indicators

This section includes the list of key E&S aspects that organizations should consider including in their sustainability reporting content. The degree of detail and the KPIs chosen may vary depending on the importance of certain sectors and stakeholder interests.

The following table introduces the various E&S aspects for reporting. Annex 3 provides an overview of the core indicators in the GRI G3.1 framework that can be used to report on these aspects. The GRI framework is widely used and a reliable starting point. Other frameworks can also be reviewed for identification of potentially useful indicators, particularly guidelines that focus on specific industry practices.

ASPECTS	DESCRIPTION
Resource Management	This aspect covers resource consumption details in absolute and intensity terms. Resources may be natural resources and materials derived from natural resources. Organizations should also cite initiatives for resource conservation, reuse and recycling.
Emissions, Effluent and Waste	This aspect covers impacts to the environment in terms of absolute and intensity of environmental emissions, effluent and waste as well as environmentally safe handling and disposal procedures. Organizations are encouraged to report on initiatives to reduce the impacts on these environmental output indicators.
Energy and Climate Change	Organizations should report how much energy is consumed by business operations, including energy intensity, energy sources and energy efficiency initiatives. Consumption of energy as well as other processes can result in emissions that have an impact linked with climate change. Organizations should quantify and disclose their GHG emissions as per acceptable international standards and describe any actions taken towards climate change mitigation.
Biodiversity	This aspect covers the impact of business operations on biodiversity. This may include areas of biodiversity and species that have been protected or rehabilitated.
Environmental Compliance	Organizations should disclose their overall status on compliance with various rules and regulations on environmental performance as well as details of non-compliance, if any.
Product Responsibility	This aspect covers the effects of products and services on customers and end users. This may, for example, relate to practices ensuring customer health and safety, customer satisfaction and recall procedures, intellectual property rights and customer data protection. The disclosure would also need to incorporate any non-compliance events with applicable rules and regulations.
Employment	Organizations should disclose their workforce profile and diversity as well as how it is placed with respect to staff turnover.
Occupational Health and Safety	Organizations should disclose information on practices and performance to ensure health, safety and well being of employees.
Capacity Development and Training	This aspect covers opportunities provided to the workforce to develop competencies – thereby assisting in organization capacity building.
Labor Management relations	This aspect covers practices that foster amicable labor management relations. Organizations should also disclose non-compliance with any of the International Labour Organization (ILO) core standards related to child or forced labor, discrimination and freedom of association.
Supply Chain Management	Organizations should disclose the extent and performance of supply chain sustainability practices and risk management.
Anti-Corruption	Organizations should disclose practices to prevent corruption in business activities and mechanisms to remedy such incidents.
Social Impacts	This aspect covers any negative impacts of the organization's operations on local communities and steps taken to mitigate these.
Community Investment	This aspect covers community investment and development activities, including financial support aimed at serving the community.

6. Appendix 1: Mapping stakeholders and their needs

Entities, groups or persons who have an impact on the business or are impacted on by business operations are designated as "stakeholders". Leading companies have developed an appreciation that effective stakeholder engagement can contribute to improving the business approach, risk and opportunity framework. The key reasons for engaging stakeholders include:

- Building trust in key business relationships
- Reducing reputational risk
- Avoiding operational interruptions as a result of stakeholder action
- Identifying and understanding the impact of operations on stakeholders
- Designing effective responses to stakeholder needs
- Sharing progress on E&S initiatives
- Identifying areas to cooperate for better sustainability
- Gaining insights into new business opportunities.

The purpose of **stakeholder mapping** is to ensure that, as far as possible, all relevant stakeholders are identified. The following questions can be used to guide the stakeholder mapping process:

- **Responsibility:** To whom does the company have legal, financial and operational responsibilities?
- **Influence:** Which stakeholders have influence or decision-making power with regard to the company and its operations?
- **Proximity:** Which stakeholders does the organization interact with most? For example internal stakeholders, stakeholders with long-standing relationships, and organizations the company depends on for day-to-day operations.

- **Dependency:** Which stakeholders are directly or indirectly dependent on the company's activities and operations in economic or financial terms, or in terms of regional or local infrastructure? This includes stakeholders who are dependent on basic services provided directly or indirectly by the company.

- **Representation:** Which stakeholders can legitimately claim to represent a constituency, such as through regulations, customs or culture?

- **Policy and strategy intent:** Which stakeholders are addressed directly or indirectly through the company's policies and value statements, including those who can give early warnings on emerging issues and risks?

7. Appendix 2: Overview of a typical sustainability assurance process

Assurance standards such as AA1000, ISAE3000 or Dutch 3410N provide guidance to the auditor when performing an assurance engagement relating to an organization's sustainability report. The objective of the Assurance engagement is to obtain:

a) A reasonable assurance (an audit engagement), or

b) A limited assurance (a review engagement) or

c) A hybrid of the two types of engagements.

Typically there are five steps to an assurance process:

1) **An agreement or engagement letter** is drafted and agreed between the assurance provider and the company. Any limitations must be recorded in the sustainability report. The type of assurance, i.e. audit or review or a combination thereof, is clearly stated in writing in the engagement letter. The auditor ensures the team's sustainability skills for the assurance and may also seek external experts on specific sustainability issues as needed.

2) **A desk review is undertaken on the sustainability report** and other information about the company. A review of the reporting guidelines is also made and the sustainability reporting process. The overall presentation of the sustainability report, including balanced coverage of issues, is also assessed.

3) **Site visits are conducted** to interview key officials of the company, visit a sample of sites within the reporting boundary, analyse data and evidence, and interview site personnel and stakeholders as applicable.

4) **Verification of quantitative data required to calculate final indicators is done,** taking into consideration their relevance, representativeness, diversity and expected level of reliability. This is usually followed by verification of calculated final indicators, constructed from the reviewed data, taking into account the mechanisms of consolidation and calculation.

5) **Issue of Assurance Statement and Management Letter:** The findings are discussed at a meeting with the board of the company at the company's headquarters after the site visit is concluded and key findings are available. An Assurance Statement and Management Letter, containing opportunities for improvement and closure of gaps if any, are usually provided at this meeting. The assurance statement specifies which parts of the sustainability report have been audited, which parts have been reviewed and which parts were not considered to be within the scope of the engagement. If the examination or the report is subject to limitations, the auditor states this in his/her assurance report and refers to the reasons for the limitations expressed by management in the sustainability report. If while performing the engagement the auditor reaches the conclusion that the reporting criteria used is unsuitable, a statement to this effect is provided in the assurance report. For review engagements, the auditor states that the procedures performed are more limited than those for an audit engagement. The signed assurance statement is appended to the sustainability report and made available to the stakeholders in hard copy or in a downloadable from a website or both formats.

8. Appendix 3: GRI G3 Guidelines – Summary of Disclosures

1. Strategy & Analysis

1.1 Statement from the most senior decision-maker of the organization.

1.2 Description of key impacts, risks and opportunities.

2. Organizational Profile

2.1 Name of the organization.

2.2 Primary brands, products and/or services.

2.3 Operational structure of the organization, including main divisions, operating companies, subsidiaries and joint ventures.

2.4 Location of organization's headquarters.

2.5 Number of countries where the organization operates, and names of countries with either major operations or those that are specifically relevant to sustainability issues covered in the report.

2.6 Nature of ownership and legal form.

2.7 Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries).

2.8 Scale of the reporting organization.

2.9 Significant changes during the reporting period regarding size, structure or ownership.

2.10 Awards received during the reporting period.

3. Report Parameters

Report profile

3.1 Reporting period (e.g., fiscal/calendar year) for information provided.

3.2 Date of most recent previous report (if any).

3.3 Reporting cycle (annual, biennial, etc.)

3.4 Contact point for questions.

Report scope and boundary

3.5 Process for defining report content.

3.6 Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.

3.7 State any specific limitations on the scope or boundary of the report (see completeness Principle for explanation of scope).

3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can significantly affect comparability from period to period and/or between organizations.

3.9 Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.

3.10 Explanation of the effect of any re-statements of information provided in earlier reports and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).

3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.

GRI Content Index

3.12 Table identifying the location of the Standard Disclosures in the report.

3.13 Policy and current practice with regard to seeking an external assurance for the report.

4. Governance, Commitments and Engagements

Governance

4.1 Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.

4.2 Indicate whether the Chair of the highest governance body is also an executive officer.

4.3 For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.

4.4 Mechanisms for shareholders and employees to provide recommendations or directions to the highest governance body.

4.5 Linkages between compensation for members of the highest governance body, senior managers and executives.

4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided.

4.7 Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental and social topics.

4.8 Internally developed statements of mission or values, codes of conduct and principles relevant to economic, environmental, and social performance and the status of their implementation.

4.9 Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental and social performance. This includes relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct and principles.

4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance.

Commitments to External Initiatives

4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization.

4.12 Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or endorses.

4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization (i) has positions in governance bodies; (ii) participates in projects or committees; (iii) provides substantial funding beyond routine membership dues; or views membership as strategic.

Stakeholder engagement

4.14 List of stakeholder groups engaged by the organization.

4.15 Basis for identification and selection of stakeholders with whom to engage.

4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.

4.17 Key topics and concerns that have been raised through stakeholder engagement and how the organization has responded to those key topics and concerns, including through its reporting.

5. Performance Indicators

Economic Performance

EC1 Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.

EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change.

EC3 Coverage of the organization's defined benefit plan obligations.

EC4 Significant financial assistance received from government.

Market Presence

EC5 Range of ratios of standard entry-level wages compared to local minimum wages at significant locations of operation.

EC6 Policy, practices and proportion of spending on locally-based suppliers at significant locations of operation.

EC7 Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.

Indirect Economic Impacts

EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or *pro bono* engagement.

EC9 Understanding and describing significant indirect economic impacts, including the extent of impacts.

Environmental Performance Indicators

Materials

EN1 Materials used by weight or volume.

EN2 Percentage of materials used that are recycled input materials.

Energy

EN3 Direct energy consumption by primary energy source.

EN4 Indirect energy consumption by primary source.

EN5 Energy saved due to conservation and efficiency improvements.

EN6 Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives.

EN7 Initiatives to reduce indirect energy consumption and achieved reductions.

Water

EN8 Total water withdrawal by source.

EN9 Water sources significantly affected by withdrawal of water. (The total number of significantly affected water sources by type)

EN10 Percentage and total volume of water recycled and reused.

Biodiversity

EN11 Location and size of land owned, leased, managed in or adjacent to, protected areas and areas of high biodiversity value outside protected areas.

EN12 Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.

EN13 Habitats protected or restored.

EN14 Strategies, current actions and future plans for managing impacts on biodiversity.

EN15 Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.

Emissions, Effluent and Waste

EN16 Total direct and indirect greenhouse gas emissions by weight.

EN17 Other relevant indirect greenhouse gas emissions by weight.

EN18 Initiatives to reduce greenhouse gas emissions and achieved reductions.

EN19 Emissions of ozone-depleting substances by weight.

EN20 NOx, SOx, and other significant air emissions by type and weight.

EN21 Total water discharge by quality and destination.

EN22 Total weight of waste by type and disposal method.

EN23 Total number and volume of significant spills.

EN24 Weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII and percentage of transported waste shipped internationally.

EN25 Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.

Products and Services

EN26 Initiatives to mitigate environmental impacts of products and services and extent of impact mitigation.

EN27 Percentage of products sold and their packaging materials that are reclaimed by category.

Compliance

EN28 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.

Transport

EN29 Significant environmental impacts of transporting products and other goods and materials used for the organization's operations and transporting members of the workforce.

Overall

EN30 Total environmental protection expenditure and investments by type.

Social Performance Indicator: Labor Practices and Decent Work

Employment

LA1 Total workforce by employment type, employment contract and region.

LA2 Total number and rate of employee turnover by age group, gender and region.

LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.

Labor/Management Relations

LA4 Percentage of employees covered by collective bargaining agreements.

LA5 Minimum notice period(s) regarding significant operational changes, including whether it/they is/are specified in collective agreements.

Occupational Health and Safety

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.

LA7 Rates of injury, occupational diseases, lost days, absenteeism and number of work-related fatalities by region.

LA8 Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families or community members regarding serious diseases.

LA9 Health and safety topics covered in formal agreements with trade unions.

Training and Education

LA10 Average hours of training per year, per employee by employee category.

LA11 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.

LA12 Percentage of employees receiving regular performance and career development reviews.

Diversity and Equal Opportunity

LA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators

of diversity.

LA14 Ratio of basic salary of men to women by employee category.

Social Performance Indicator: Human Rights

Investment and Procurement Practices

HR1 Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.

HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.

HR3 Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.

Non-Discrimination

HR4 The total number of discrimination incidents and any action taken. Freedom of association and collective bargaining.

HR5 Operations identified, in which the right to exercise freedom of association and collective bargaining may be at significant risk and action taken to support these rights.

Child Labor

HR6 Operations identified as having significant risk for incidents of child labor and measures taken to contribute to the elimination of child labor.

Forced and compulsory labor

HR7 Operations identified as having significant risk for incidents of forced or compulsory labor and measures to contribute to the elimination of forced or compulsory labor.

Security Practices

HR8 Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.

Indigenous rights

HR9 Total number of violation incidents involving the rights of indigenous people and action taken.

Social Performance Indicator: Society

Community

SO1 Nature, scope and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting.

Corruption

SO2 Percentage and total number of business units analyzed for risks related to corruption.

SO3 Percentage of employees trained in an organization's anti-corruption policies and procedures.

SO4 Action taken in response to incidents of corruption.

Public Policy

SO5 Public policy positions and participation in public policy development and lobbying.

SO6 Total value of financial and in-kind contributions to political parties, politicians and related institutions by country.

Anti-Competitive Behaviour

SO7 Amount of legal action for anti-competitive behavior, anti-trust and monopoly practices and their outcomes.

Compliance

SO8 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.

Social Performance Indicator: Product Responsibility

Customer Health and Safety

PR1 Lifecycle stages in which health and safety impacts of products and services are assessed for improvements and percentage of significant products and services categories subject to such procedures.

PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their lifecycle, by type of outcomes.

Product and Service Labelling

PR3 Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements.

PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.

PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.

Marketing Communications

PR6 Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship.

PR7 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship by type of outcomes.

Customer Privacy

PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.

Compliance

PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.

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