Why Sustainability (ESG) Reporting is the most important trend in North America
ACTIVITIES IN 30 countries
WHY CSE IS UNIQUE?

Global Experience and competitive rates
A leading consulting and training company. Provides training programs and sustainability solutions.

GRI
GRI’s training partner and Gold Community Member

International Distinctions

International Certifications

Flexibility, Immediacy
At CSE the client, and the satisfaction of its needs, is our priority. We have simplified our processes to respond in a faster and more direct manner.
CSE’s SERVICES

- Sustainability & Materiality Assessment
- Sustainability Strategies
- Sustainability Reporting
- External Verification & Assurance
- Online Education Sustainability Academy
- Group Certified Trainings for Sustainability Professionals
- SROI & Stakeholder Engagement Programs
- Carbon Reduction Product LCA & Green Events
10 Years Anniversary

10+ locations each year in North & Central America, Europe, Middle East, Asia
Participants from 55 Countries & 5 continents

90% of Fortune 500 Sustainability and CSR Directors/CSOs have attended it.

Certified Sustainability Practitioners

Over 1400

Significant influence in increasing Sustainability and CR performance of attending Business (CSE Research)

Training and Influence leaders from governmental organizations around the globe such as:
- European Investment Bank
- G20 Business Engagement Groups
- United Nations Industrial Development Organization
- United Nations Environment Program
- United Nations Global Compact
Sustainable Development

**Definition 1987**

“Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

**The Business Case of Sustainability**

Create Value for Stakeholders

- Minimize Risk
- Build Confidence
- Social Recognition
- Social and Environmental License to Operate
- New Market Areas - Innovation
- Attract Capital - Investors
- Long-term Growth
What is a Sustainability Report

- Financial and non-financial reporting provides shareholders and other stakeholders with a meaningful, comprehensive view of the position and performance of companies
- More than 1,000 Companies in the US publish a Sustainability Report on an annual basis
- Most influential companies in US publish a Sustainability Report
The need for a Sustainability (CSR) Reporting

- What you cannot measure you cannot manage
- What you cannot measure you cannot change
Sustainability (ESG) Reporting Trends in North America, 2018-2019
The Influence of Sustainability in Financial Results and the rise of AI and Blockchain
The goals for the research were to:

Identify new trends on Sustainability Reporting and examine:

- Link between the sustainability reporting and strategy practices of companies and their financial results.
- Sustainability practices of the leading companies in each sector.
- Block chain and the use of artificial intelligence practices in analyzing sustainability reports.
- Which sectors are more active in sustainability reporting.
- Characteristics of companies that publish sustainability reports.
- Standards and guidelines
- External Assurance
The research analyzed 642 unique sustainability reports published by private companies and other organizations based in North America (U.S.A. and Canada).
The Global Reporting Initiative (GRI) STANDARDS

1. GRI helps businesses, governments and other organizations understand and communicate the impact of business on critical sustainability issues through the GRI Sustainability Reporting Standards

2. Most widely used, globally, sustainability reporting standards for over 20 years

3. Focus on reporting on what really matters and where it matters, and helps move sustainability reporting to strategic level

4. ▪ 125+ policies across 60 countries reference GRI
   ▪ 46000 reports registered in the GRI Sustainability Disclosure Database
   ▪ 75% of the largest 250 companies in the world use GRI Standards
   ▪ More than 30 Stock Exchanges reference GRI (incl. NASDAQ, Deutsche Borse Group, Swiss Exchange)
The UN Sustainable Development Goals (SDGs)

On 1 January 2016, the 17 Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development adopted by world leaders in September 2015 at an historic UN Summit & officially came into force.

While the SDGs are not legally binding, governments are expected to take ownership and establish national frameworks for the achievement of the 17 Goals.

Countries have the primary responsibility for follow-up and review of the progress made in implementing the Goals, which will require quality, accessible and timely data collection.

Regional follow-up and review will be based on national-level analyses and contribute to follow-up and review at the global level.
Most Significant Findings

01 Economic growth can be linked to sustainability performance through the application of minimum requirements (related to the company’s culture) and the use of a wide range of sustainability tool and guidelines.

02 The percentage of top-10 companies per sector that publish a sustainability report is very high: 100% for healthcare products, 90% for automotive, 80% for food and beverage, 80% for energy, 80% for chemicals, 80% for financial services.

03 Artificial Intelligence (AI) is gaining more followers & will play an intrinsic role in enabling and scaling sustainability solutions.

04 Blockchain can also change the way business transactions take place. From a supply chain perspective, such visibility will help ensure efficient transactions, while promoting food safety, efficient recalls, the elimination of counterfeits, and the assurance of ethical trading partners.
Decline in the percentage of companies that seek external assurance. Out of the total sample, 25.7% sought external assurance for their sustainability report. One of the barriers is the high cost.

Most active sectors are the financial services, energy and energy utilities, food and beverage, healthcare products and mining. These sectors are the most proactive when it comes to disclosing the data and information on their business activities and operations.

Most of the companies that publish sustainability reports are Large and Multinational Enterprises. The global presence of their operations and impacts makes reporting on their sustainability performance a necessity in order to keep their social and environmental license to operate.

Growing trend for Small-Medium Enterprises to publish sustainability reports to increase their transparency, attract customers and grow their business.
The reporting guidelines of the Global Reporting Initiative remain the most widely used reporting guidelines for conducting sustainability reports and support a culture of transparency in non-financial results.

124% increase was observed in the number of companies that referenced their commitment to the sustainable development goals since 2017.
Top 10 Companies per Sector (based on revenues)

HEALTHCARE PRODUCTS
100% published a sustainability report during 2016-2017 period; 60% were according to GRI Guidelines.

AUTOMOTIVE
90% of companies report their sustainability progress; 70% according to GRI reporting guidelines.

ENERGY
80% published a sustainability report during the last years. 38% according to GRI.

CHEMICALS
80% published a sustainability report during the last years. GRI reports are 88% in Chemicals. 5 out of 7 companies having been externally assured.

TECHNOLOGY
80% published a sustainability report during the last years. GRI Reports are 75% in Technology

FINANCIAL SERVICES
80% published a sustainability report during the last years. GRI Reports are 75% in Financial Services

REAL ESTATE
80% published a sustainability report during the last years. GRI Reports are 50% in Real Estate

FOOD & BEVERAGE
80% published a sustainability report during the last years. 38% according to GRI

MINING
70% reported their sustainability progress. 100% according to GRI guidelines. 40% of reports are externally assured.

RETAILERS
70% reported their sustainability progress
Sustainability Performance & Financial Results

Closely examined the Top-50 Rated companies with Sustainability Reports on CSRHub. These companies have:

- 40 Active Resource (on average) – culture of transparency
- 73% recorded better financial results in 2017 compared to 2016
- 67% report using the GRI
- 32% seek external assurance (6% higher than the average of all companies in research)
- 36% integrate the SDGs (22% higher than the average of all companies in research)
- 44% report to the CDP (20% higher than the average of all companies in research)
- 38% members of the UNGC (24% higher than the average of all companies in research)

**Sectors**

- Healthcare Products
- Financial Services
- Computer & Technology Hardware
- Food & Beverage

Most companies focus on their **Employees**, having the highest average **rating of 70**. Next priority goes to the **Environment** with an average rating of **65**. Then follows **Community** at **61** and **Governance** at **60**.
## Return on Sustainability (RoS) Framework

### Checklist (Minimum Requirements)
- Related to the company’s culture and strategy as expressed through its transparency, goal setting practices, planning and credibility

### Preferred Tools and Outcomes
- Tools and guidelines related to reporting, how the SDGs have been used and applying ESG criteria

### RoS Outcomes
- Related to higher ESG ratings, stakeholder perception and positive contribution to financial results
Sustainability Academy
Specialized online trainings

01 Introduction to GDPR
02 Online Diploma on Corporate Sustainability (SDGs included)
03 Online Certificate on Sustainability (CSR) Reporting
04 Online Certificate on Carbon Reduction Strategy
05 Online Certificate on ESG Performance
06 Online Certificate on Social Entrepreneurship
07 Introduction to Social Impact Assessment and SROI

Introduction to GDPR
Join us in our Certified Sustainability Practitioner program in:
Atlanta –February 21, 2019

For more info contact : Sustainability@cse-net.org
Questions?