



BSR Conference 2009

Reset Economy. Reset World.

CSR Reporting: Outside the Print Margins

Breakout Session Summary

Wednesday, October 21, 2009 | 3-4 p.m.

Speakers

- » **Ray Homan**, Vice President, Sustainability Solutions, North America, SAP A.G.
- » **Cecily Joseph**, Director of Corporate Responsibility, Symantec Corporation
- » **Doug Bannerman**, Senior Manager, Advisory Services, BSR (moderator)

Highlights

- » Printed reports will not disappear completely, but companies can print a smaller amount on an annual or biannual basis, and update online material much more frequently.
- » Online reporting enables more communication with stakeholders, including customers, employees, and business partners.
- » Social media strategies through new technologies are increasingly relevant for reaching the new generation of customers and employees, but these can carry risks in terms of disclosure and liability.

Memorable Quotes

"We want to get it to the point where the amount of time it takes to do a sustainability report is about a week." —Ray Homan, SAP

"Reporting allows you to get early views and signals into things that are happening. ... By taking this on the internet, you are interacting with more people and more issues, and serving as a sensor for your company." —Cecily Joseph, Symantec

"If I have to write a press release, I have to go through many, many hurdles, but if I want to write a blog, nobody cares. But it's the same risk to my company." —Cecily Joseph, Symantec

Overview

SAP and Symantec are both exploring ways in which online reporting can supplement and even replace traditional forms of reporting. According to Joseph, Symantec published its first sustainability report last fall, with the goal of being able to tell the company's unique story. The company plans to use this 10-page report for two years, and to publish additional material online to provide more frequent updates. The firm has also created online tools for feedback and has explored alternative media such as podcasts. Joseph said Symantec chose online reporting for two reasons: Printed material receives limited readership, and the online medium is inherently more flexible, allowing users to find unique information that is relevant to them.

Homan said the 2008 reporting process marked a huge shift for SAP, after the company's CEO decided that online sustainability reporting would become a core piece of the company's overall strategy. The increased frequency of reporting has also led directly to a heightened emphasis on internal performance. Homan commented that transparency leads to accountability, which allows management to create goals for performance. Now SAP's customers and other stakeholders are much more actively involved in monitoring the company's progress toward its stated goals, and they provide feedback when SAP lags behind its targets.



When asked whether the use of podcasts and blogs might reduce the need for face-to-face contact with stakeholders, Joseph replied that while social media has opened new avenues for engagement, it hasn't replaced more traditional formats. She said the main benefit was the opportunity to expand information and open a dialogue not only on what Symantec is doing, but also on the practices of its partners, especially groups such as the climate coalition BICEP.

Bannerman briefly demonstrated the SAP and Symantec online reports for the audience, and Homan walked the group through SAP's selection of priority topics and the example of carbon footprint and emissions reporting. The company has invested heavily in "telepresence," which has dramatically reduced the need for face-to-face meetings both internally, with clients, and among board members.

The speakers also discussed the issue of online information's time relevance. Homan said SAP would like to disclose sustainability information on a much more rapid timeline than the six to 12 months that is normally required. He expects that sustainability reporting will have to become more rigorous in part because of the links between carbon emissions and expected regulation, which will require higher levels of accuracy and credibility for emissions reporting.

The speakers asked the audience how many of them report online or in print, and an estimated 80 percent of attendees responded that their companies do both. Joseph said she believes there will continue to be a place for the printed document as a snapshot to describe what companies are doing. She pointed out that companies will continue to produce printed material and corporate responsibility coverage should be part of that.

Bannerman asked the speakers if they thought that online reporting would help insulate their companies from any erosion of trust in business and potential risks. Joseph replied that online reporting can help companies get a preview of things that are happening, which serves as a sensor for upcoming issues. Homan confirmed that risk management is an important part of stakeholder engagement, for which reporting is a helpful communications tool.

On the topic of risks related to disclosure, the speakers mentioned the increased risks of online reporting with new media tools. Joseph raised questions about liability that could arise due to the immediacy and ease of communication. For instance, Joseph said that blog posts don't go through the same internal approval process at her company as press releases, even though they could represent the same level of risk. Homan agreed that editorial rights and obligations are a huge challenge, and require due diligence.

In response to a question about who is reading the SAP report, Homan replied that the biggest audience is customers, then employees and partners, and not many analysts. The level of employee readership is high because SAP often refers to the document internally, so employees are frequently accessing and referencing the report. Homan also described examples of how the reporting process and use of metrics has had impressive effects on employee behaviors, such as rapid reductions in the use of disposable plastic bottles and cardboard boxes.

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