

Trade and Development Board
Investment, Enterprise and Development Commission
Intergovernmental Working Group of Experts on
International Standards of Accounting and Reporting
Twenty-fifth session
Geneva, 4–6 November 2008
Item 3 of the provisional agenda
**Review of practical implementation issues relating to
international financial reporting standards**

2008 Review of the reporting status of corporate responsibility indicators

Report by the UNCTAD secretariat

Executive summary

The first part of the present report provides an overview of recent developments in corporate responsibility reporting. The second part presents the results of the 2008 review of the reporting status of corporate responsibility indicators. This review examines the disclosure practices of 100 emerging market enterprises made up of the top 10 enterprises from the top 10 United Nations member States, by index weighting, found in the Morgan Stanley Capital International (MSCI) Emerging Markets Index. The 10 countries whose enterprises are included in this study are Brazil, China, India, Indonesia, Israel, the Republic of Korea, Malaysia, Mexico, the Russian Federation and South Africa. The benchmark used in this study is made up of the 16 indicators recommended in UNCTAD's 2007 publication *Guidance on corporate responsibility indicators in annual reports*. The benchmark also includes the five indicators recommended in UNCTAD's 2004 publication *A Manual for the Preparers and Users of Eco-efficiency Indicators*. The main findings of this study show that half the indicators recommended in UNCTAD's *Guidance on Corporate Responsibility Indicators in Annual Reports* are reported by 25 per cent or more of the enterprises in the study. A further three out of five of the indicators recommend in UNCTAD's *Eco-efficiency* manual are also reported by 25 per cent or more of the emerging market enterprises in the study. Additional analysis indicates that 25 of the 100 enterprises studied report according to the guidelines of the Global Reporting Initiative, while five of the enterprises included a United Nations Global Compact "communication on progress" report. The study concludes that while corporate responsibility reporting does appear in a significant number of emerging market enterprises, the practice is not yet widespread.

* ISAR documents were previously issued under the symbol TD/B/COM.2/ISAR/...

Contents

	<i>Page</i>
Introduction	3
I. Overview of recent developments in corporate responsibility reporting ..	3
A. Growth and development of CR reporting	3
B. CR reporting enhanced by user-generated content	7
C. Voluntary and mandatory CR reporting	8
D. Emerging markets CR reporting	11
E. Responsible investment	12
F. Climate reporting	13
G. CR reporting “sustainability context”	15
II. Status of implementation of corporate responsibility reporting	15
A. Background and methodology	15
B. Reporting practices of 100 emerging market enterprises	19
C. Reporting practices by group	22
D. Reference to GRI and Global Compact in company reports	29
III. Conclusions	30
<i>Annex</i>	
List of enterprises in the study, by country	32

Introduction

1. Corporate responsibility (CR) reporting has been a focus of work for the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR) for a number of years. Since the twentieth session of ISAR, the group of experts has recognized the demand among preparers and users of corporate reports for improved comparability and relevance in CR reporting. At its twenty-fourth session, the group agreed on a voluntary technical guidance on CR reporting within corporate annual reports (TD/B/COM.2/ISAR/42). This was published by UNCTAD in 2008 as the *Guidance on corporate responsibility indicators in annual reports*.

2. At its twenty-fourth session, the group of experts suggested that case studies on corporate responsibility reporting be conducted to provide practical feedback on the status of corporate responsibility reporting around the world. The present report presents a case study of the reporting practices of 100 large emerging market enterprises. The data and analysis presented in chapter II of this study were prepared in cooperation with the Ernst and Young EMEA CSR Knowledge Center and the CSR Management and CSR Auditing Programme at Erasmus University, Rotterdam.

3. The objectives of this study are to (a) provide a brief overview of recent developments in the area of corporate responsibility reporting; and (b) to present and analyse the results of the secretariat's study of corporate responsibility reporting among 100 large enterprises in emerging markets. The overview of recent developments is provided in chapter I, which examines significant developments in the area of corporate responsibility reporting. Chapter II presents the findings of the 2008 study of corporate responsibility reporting, along with detailed analysis.

4. The findings of this study show that half the indicators recommended in UNCTAD's *Guidance on Corporate Responsibility Indicators in Annual Reports* are reported by 25 per cent or more of the enterprises in the study. A further three out of five of the indicators recommend in UNCTAD's *Eco-efficiency* manual are also reported by 25 per cent or more of the emerging market enterprises in the study. Additional analysis indicates that 25 of the 100 enterprises studied report according to the guidelines of the Global Reporting Initiative (GRI), while five of the enterprises included a United Nations Global Compact "communication on progress" report. The study concludes that, while corporate responsibility reporting does appear in a significant number of emerging market enterprises, the practice is not yet widespread.

I. Overview of recent developments in corporate responsibility reporting

A. Growth and development of CR reporting

5. CR reporting has grown more than 100-fold since 1992. That year (when the United Nations Conference on Environment and Development, or "Earth Summit", in Rio de Janeiro helped popularize the term "sustainable development", coined five years earlier by the United Nations-convened Brundtland Commission) saw the publication of 26 CR reports.¹ According to CorporateRegister.com, which compiles the world's most comprehensive online database of CR reports, almost 2,700 CR reports were published in 2007 a decade-and-a-half later.²

¹ CorporateRegister lists seven CR reports in 1991 and in 1990, three in 1989, and one in 1988. Brundtland Commission (1987). *Our Common Future: Report of the World Commission on Environment and Development*. 20 March. <http://www.worldinbalance.net/agreements/1987-brundtland.html>.

² *Global Report Output by Year*, CorporateRegister.com, 4 July 2008. <http://www.corporateregister.com/charts/byyear.htm>.

6. As of 4 July 2008, CorporateRegister.com databases were tracking a total of 17,410 CR reports by 4,449 companies. Of these reports, 2,748 refer to the GRI sustainability reporting guidelines and 320 index company progress on the 10 principles of the United Nations Global Compact. CorporateRegister.com Managing Director Paul Scott traces the development of CR reporting from its roots in Europe to regulatory developments across the Atlantic that spurred growth. According to Scott, “There have been sporadic initiatives [in the past] to produce non-financial corporate reports, such as the social reports produced in Germany during the 1970s.” He observes that “The current reporting movement emerged from reporting in the United States during the late 1980s, in response to the increasing volume of emissions data put into the public domain by the... ‘right to know’ legislation which established the Toxic Release Inventory [TRI].”³

7. The Emergency Planning and Community Right-to-Know Act – enacted in 1986 by the United States Congress in response to the 1984 chemical explosion at a Union Carbide plant in Bhopal, India – requires the United States Environmental Protection Agency (EPA) to collect and publish facility-level toxic emissions throughout the United States through TRI.⁴ According to the EPA, toxic releases decreased by more than 40 per cent (or 1.45 billion pounds) in TRI’s first decade, through 1997.⁵

8. These data seem to support the theory underpinning TRI (and CR reporting more generally) that disclosure can assist in reducing adverse impacts.⁶ This “TRI Effect” demonstrates a strong correlation between disclosure and improved management of environmental (and social) issues, though the relationship is neither automatic nor necessarily causal. There are many other factors besides corporate responsibility that can account for the reduction of problems, breaking a causality link. And there are plenty of examples where corporate reporting of environmental and social impacts does *not* lead to mitigation of adverse effects. The role of corporate transparency is, therefore, seen as a necessary but not sufficient condition, which allows for improved awareness and management of issues, as well as measurement of progress over time.

1. CR reporting awards

9. Two new CR reporting awards, both based on reader voting, were launched in the spring of 2008: one by CorporateRegister.com and one by GRI. The geographic concentration of winning companies differed significantly for each award: the CorporateRegister.com awards focused on developed country companies, while the GRI awards focused more on developing country companies. Studies surveying trends and best practices accompanied both awards schemes, advancing similar, as well as distinct, findings. Taken as a whole, these awards programmes and studies provide a useful picture of the current state of CR reporting around the world, as well as forecasting future trends.

10. CorporateRegister.com characterized the 461 users who registered 3,660 votes to determine its awards as “the largest (and most knowledgeable) reporting awards

³ Baue W (2004). *A brief history of sustainability reporting*. SocialFunds.com. 2 July. <http://www.socialfunds.com/news/article.cgi/1459.html>.

⁴ United States Environmental Protection Agency. *What is the Toxics Release Inventory (TRI) Programme?* <http://www.epa.gov/tri/triprogram/whatis.htm> (visited 11 July 2008).

⁵ United States Environmental Protection Agency. *Toxics Release Inventory Reporting and the 1997 Public Data Release*. 30 April 1999: 1. <http://www.epa.gov/tri/tridata/tri97/pdr/chap1.pdf>.

⁶ Hamilton J (2005). *Regulation Through Revelation: The Origin, Politics, and Impacts of the Toxics Release Inventory Programme*. New York: Cambridge University Press. http://books.google.com/books?id=ovijnnKLw_0C.

judging panel anywhere to date.”⁷ After inviting all 2,000 companies that currently register CR reports on its website, CorporateRegister.com closed the entrant list at 300, to keep the sample size manageable.

11. European companies made up 58 per cent of the entrants and 68 per cent of the winners in the CorporateRegister.com awards. Although 8 per cent of entrants came from Asia and 2 per cent from South America, no companies from either of these regions made it into the top three slots in any of the nine award categories. Awards in the “Best Report” category, for example, all went to European-based companies: United Kingdom-based Vodafone Group won, with Netherlands-based ABN Amro Holding and United Kingdom-based BP the runners-up.

12. For the GRI awards, GRI logged 5,650 votes cast by 1,725 people from 70 countries on at least two of the 780 CR reports submitted for the awards. This much larger group voted predominantly for developing country companies.⁸ This was despite the fact that almost half (46 per cent) of respondents came from Europe and North America. For example, Brazil-based Petrobras and Banco Real came in first and second in the “Best Report” category, while United Kingdom-based BP came in third.

Table 1. CorporateRegister.com and GRI CR Reporting award winners

CorporateRegister.com Awards 2008	Global Reporting Initiative Awards 2008
<i>Best Report</i>	<i>Best Report, All Stakeholders</i>
Vodafone (United Kingdom)	Petrobras (Brazil)
ABN Amro (Netherlands)	Banco Real (Brazil)
BP (United Kingdom)	BP (United Kingdom)
<i>Best First Time Report</i>	<i>Best Report According to Civil Society</i>
Green Mountain Coffee Roasters (United States)	Petrobras (Brazil)
PricewaterhouseCoopers (United Kingdom)	Natura Cosméticos (Brazil)
De Beers (South Africa)	BP (United Kingdom)
<i>Best Small and Medium-sized Enterprise Report</i>	<i>Best Report According to Media</i>
Green Mountain Coffee Roasters (United States)	Gas Natural (Spain)
Australian Ethical Investment (Australia)	Italcementi (Italy)
Workspace Group (United Kingdom)	TGC-5 (Russian Federation)
<i>Best Integrated Report</i>	<i>Best Report According to Financial Markets</i>
Novo Nordisk (Denmark)	ABN Amro India (India)
BHP Billiton (Australia)	Banco do Brasil (Brazil)
African Bank (South Africa)	Banco Real (Brazil)

⁷ *CR Reporting Awards 07 Official Report: Global Winners and Reporting Trends*. CorporateRegister.com, March 2008. <http://www.corporateregister.com/pdf/CRR07.pdf>.

CorporateRegister discounted a total of 1,262 votes: 674 for voting on their own companies’ reports, and 588 resulting from “automated” voting by companies voting on their own report.

⁸ *GRI Readers’ Choice Awards: Awards Ceremony 2008*. Global Reporting Initiative.

http://www.globalreporting.org/NR/rdonlyres/E675567C-35B1-47FC-88A4-40F8038490B0/0/Awards_Brochure.pdf.

CorporateRegister.com Awards 2008*Best Carbon Disclosure*

BMW (Germany)
Rio Tinto (United Kingdom)
Energias de Portugal (Portugal)

Creativity in Communications

Coca-Cola Enterprises (United States)
Hewlett-Packard (United States)
Nokia (Finland)

Relevance and Materiality

BP (United Kingdom)
ABN Amro (Netherlands)
Akzo Nobel (Netherlands)

Openness and Honesty

Bayer (Germany)
Nike (United States)
Corticeira Amorim (Portugal)

Credibility through Assurance

BP (United Kingdom – Assurance
Provider Ernst and Young)
Royal Dutch Shell (United Kingdom –
Independent Stakeholder Panel)
ABN Amro (Netherlands – Ernst and
Young)

Global Reporting Initiative Awards 2008*Best Report According to Employees*

ITC (India)
Usinas Siderúrgicas de Minas Gerais
(Brazil)
ABN Amro India (India)

Best Report by a Not-So-Big Business

Frigoglass (Greece)
Findesa (Nicaragua)
Euskatel (Spain)

Best Report by a Non-OECD Company

TGC-5 (Russian Federation)
Usinas Siderúrgicas de Minas Gerais
(Brazil)
ITC (India)

Best Report by a Non-Business

Organization
Fundación Empredimientos Rurales Los
Grobo (Argentina)
City of Melbourne (Australia)
CILSA (Argentina)

2. The length of CR reports

13. The CorporateRegister.com study also documents the continuation of a trend reported in the previous edition of this UNCTAD report (*2006 Review of the Reporting Status of Corporate Responsibility Indicators*): the increasing length of reports, from an average of 30 pages in 1992 to 55 in 2007. The top three reports across the nine categories in the CorporateRegister.com awards averaged 95 pages, with a low of 18 and a high of 313.

14. The GRI study documents the same dynamic and analyzes the implications that “the volume of reports might overwhelm readers and impede trust as a result”.⁹ Felipe de Lima Fagundes of a Brazilian non-governmental organization, one of the report readers interviewed for the GRI study, noted that “[s]ome of these reports are 200 pages. The first thought I have is that they might be trying to hide a few things in all that information”.¹⁰

15. Companies have struggled with the “length dilemma” for years, weighing the relative importance of comprehensiveness (and hence length) versus the readability of brevity. An oft-used strategy for addressing this is to produce a shorter print report that tells the “story” in a narrative style, and to use Internet-based reporting for metrics and other data that require more space.

⁹ Bartels W, Iansen-Rogers J and Kuszewski J (2008). Count me in: the readers’ take on sustainability reporting. Global Reporting Initiative, KPMG, and Sustainability. 22 May. <http://www.globalreporting.org/NR/rdonlyres/3F57ACC8-60D0-48F0-AF28-527F85A2A4B4/0/CountMeIn.pdf>.

¹⁰ Ibid.

3. CR print reporting and Web reporting

16. The CorporateRegister.com study points out that while some experts had earlier projected the eventual demise of the printed CR report as companies migrated disclosure to the Web, the study reveals this to be not the case.¹¹ The CorporateRegister.com study observes that “The data shows that the printed report refuses to die: 81 per cent of 2007 reports were produced in hard copy (and almost all are also available electronically). The printed report is still necessary, both as a bona fide business document but also because it remains more readable and accessible to many stakeholders.”¹²

17. Likewise, predictions of corporate reporting being conducted exclusively via company websites have not come to pass. According to the CorporateRegister.com study, “data for 2007 reveals that HTML reporting is less popular than many believe. Only 14 per cent of reports last year had an online, HTML format (and even these reports may also have been produced in other formats).”¹³

B. CR reporting enhanced by user-generated content

18. In June 2008, apparel firm Timberland introduced a major innovation into CR reporting by fusing its sustainability reporting platform onto a social networking website. The company is shifting its print report (which shared the 2008 Ceres– Association of Chartered Certified Accountants (ACCA) North American Award for Best Sustainability Reporting) from annual to biennial.¹⁴ More significantly, Timberland is filling in the gap with more real-time communications on at least a quarterly basis via a new dedicated webpage on JustMeans.com, a social networking site devoted to socially responsible business.¹⁵

19. Robin Giampa of Timberland explained how this new approach invites direct input from readers, encouraging engagement between company and stakeholders to create an accountability feedback loop. “We follow our quarterly updates with a conference call for the public to weigh in with their feedback. Giving diverse stakeholders the opportunity to engage with us directly is a novel move in corporate sustainability, and we’re excited about its prospects.”¹⁶

20. Similarly, Patagonia is using the web innovatively to enhance its CR reporting transparency. In March 2008, the company launched the *Footprint Chronicles* website that tracks “the good and the bad” in Patagonia’s supply chain, such as the distance products travel and locations where they are manufactured and processes, as well as CO₂ emissions and waste generated and energy consumed throughout the supply chain.¹⁷

21. Patagonia figures its customers and investors are savvy enough to know that problems exist in its manufacturing processes, according to Patagonia CEO and President Casey Sheahan. “Our customers are scientists, activists, professors, doctors and more – they have the collective experience and knowledge we’re looking for. We’re highlighting

¹¹ *Op. cit.* fn 7.

¹² *Ibid.*

¹³ *Ibid.*

¹⁴ Association of Chartered Certified Accountants (ACCA) and Ceres (2008). Ford and Timberland Win Ceres-ACCA North American Awards for Best Sustainability Reporting. 30 April.

<http://www.ceres.org/NETCOMMUNITY/Page.aspx?pid=889&andsrcid=421>.

¹⁵ Baue B (2008). Organizations Learning How to Green Their Communications. *CSRwire.com Latest Corporate Social Responsibility News*. 1 July. <http://www.csrwire.com/News/12538.html>.

¹⁶ Giampa R (2008). Timberland’s trendsetting use of social networking to advance corporate sustainability. *Corporate Watchdog Radio ViewPoint*. 9 July. <http://corporatewatchdogmedia.blogspot.com/2008/07/new-generations-in-sustainability.html> and <http://vcr.csrwire.com/node/9220>.

¹⁷ Baue B (2008). Patagonia takes next step in corporate transparency and accountability. *CSRwire.com Latest Corporate Social Responsibility News*. 25 March. <http://www.csrwire.com/News/11480.html>.

exactly what happens in the manufacturing process and asking customers for their suggestions and help in efforts to find solutions to our less sustainable practices.”¹⁸ So instead of glossing over the problems, Patagonia exposes them in hopes of partnering with its stakeholders to create solutions, just as Timberland is doing.

22. Finally, CR reporting is beginning to apply eXtensible Business Reporting Language, or XBRL, a specific application of eXtensible Markup Language (XML) that creates taxonomies of “tags” for labelling specific pieces of information to enable their interconnection electronically. In March 2007, GRI released a beta draft taxonomy of XBRL tags mapped to the G3 Sustainability Reporting Guidelines.¹⁹ This framework facilitates issue identification within CR reports, and direct comparability across reports. For example, a company can report its carbon dioxide emissions anywhere in its CR report, from the first page to the last. With XBRL tagging, this information gets reported under a discrete tag, allowing readers to locate the data easily in any given report.

C. Voluntary and mandatory CR reporting

23. A number of countries are mandating CR practices by companies, though CR reporting requirements vary. In May 2008, for example, the Nigerian Government’s Federal Executive Council (FEC) approved the development of a CR policy for the country. The Ministry of National Planning Commission said the Government would establish minimum environmental and social standards for all corporations focused on their core competencies to encourage “sensible” CR investment and guard against being “a financial drain on businesses”.²⁰

24. In August 2007, the Philippines Board of Investment (BoI) required CR programmes and reporting. Under the 2007 Investment Priorities Plan, companies granted six-year income tax holidays need to issue annual reports on implementation of their CR programmes during the last two years of the period.²¹ “This is to ensure that the benefits granted to these companies in terms of the fiscal incentives trickle down to the community hosting them and uplift the people’s lives,” explained Trade and Industry Undersecretary Elmer Hernandez, who also heads the BoI.²²

25. This move was preceded by the July 2007 adoption of Article 74 by the Government of Indonesia requiring social and environmental responsibility programmes for companies dealing in natural resources.²³ According to CSR-Asia, a civil society group, some Indonesian industry organizations, including the Indonesian Chamber of Commerce, opposed the move, in part because of the unprecedented nature of regulating CSR.²⁴ “The question is, has Indonesia, as the first country to legislate, got it right? . . . [D]one correctly, it could open the door to new [socially responsible investing] funds.”²⁵ CSR-Asia pointed out that the scope

¹⁸ Patagonia (2008). Patagonia is first to track environmental and social impact of its products. *CSRwire.com*. 24 March. <http://www.csrwire.com/News/11493.html>.

¹⁹ Baue B (2007). If you tag it, it will be used: sustainability reporting in XBRL. *SocialFunds.com*. 16 April. <http://www.socialfunds.com/news/article.cgi/2272.html>.

²⁰ Nigeria Direct (2008). FEC okays n17.4b to settle fuel transporters’ bridging claims. 27 May. <http://www.nigeria.gov.ng/NR/exeres/69DF7B8E-F305-4AF9-AC86-162E59C37F93.htm?id=3242>; and Nigeria First (2008). Nigeria: FEC approves corporate social responsibility policy. 22 May. <http://allafrica.com/stories/200805221042.html>.

²¹ Manila Bulletin (2007). CSR programmes now mandatory – BoI. 20 August. <http://www.mb.com.ph/issues/2007/08/20/BSNS20070820100791.html>.

²² Ibid.

²³ Indonesia Business Links (2007). Corporate Social and Environmental Responsibility in the Limited Liability Law (UU PT), 11 September. <http://www.ibl.or.id/en/ibl/html/gateway.php?sid=newsandmode=readandid=77>.

²⁴ Lyon E (2007). CSR law in Indonesia. *CSR-Asia Weekly*. 25 July. <http://www.csr-asia.com/upload/csrasiaweeklyvol3week30.pdf>.

²⁵ Ibid.

of companies covered remained unclear at the time of the regulation's introduction, with indications it may extend to all but financial institutions. CSR-Asia also expressed concern that the financial sector would be specifically excluded from any law on CSR. CSR-Asia experts suggested that the law was primarily focused on "mandating philanthropy" rather than addressing wider issues of sustainable business practices, noting that "The financial sector has a key role to play in CSR, to manage funds in a responsible manner and to loan new capital only to those companies who can demonstrate a commitment to environmental, social and governance issues."²⁶

26. Bursa Malaysia, the Malaysian stock exchange, has long promoted strong corporate responsibility and governance. In 2004, the Malaysian Government came out in support of *voluntary* CR reporting, but during the 2007/08 intersession period, the Malaysian Prime Minister announced support for *mandatory* disclosure of CR activities in annual financial reports of publicly listed companies, in part to attract international investment.²⁷ As the national stock exchange, Bursa Malaysia plays a key role in enforcing these government policies on CR disclosure and corporate governance.

27. In January 2008, the Chinese Government issued an advisory opinion on mandating CR reporting, according to the April 2008 report to the United Nations Human Rights Council by John Ruggie, Special Representative of the Secretary-General on human rights and business.²⁸ According to a July 2007 report from China-based research firm SynTao, in 2006 there were 18 CR reports issued by Chinese companies, and 13 had been published by May 2007, exceeding the number in the same period the previous year.²⁹

28. In late November 2007, the Swedish Government mandated that as of March 2008 all 55 State-owned enterprises in that country must issue CR reports using GRI third-generation (or "G3") sustainability reporting guidelines.³⁰ At the time of the announcement, 25 Swedish State-owned enterprises already issued CR reports using GRI guidelines.³¹ GRI hailed Sweden as "the first Government in the world to introduce such sustainability reporting measures... It is expected that this development will further stimulate other Swedish companies to begin disclosing such information using the GRI framework for sustainability reporting."³²

²⁶ Ibid.

²⁷ Domini Social Investments, *Malaysia (Bursa Malaysia)*, forthcoming, and Prime Minister Yab Dato' Seri Abdullah Bin HJ. Ahmad Badawi, "The 2007 Budget Speech," delivered 1 September 2006, Pages 22-23, paragraphs 88-90. <http://www.epu.jpm.my/bajet/engbajet2007.pdf>.

²⁸ Ruggie J (2008). Protect, respect and remedy: a framework for business and human rights. Report of the Special Representative of the Secretary-General on the issue of human rights and transnational corporations and other business enterprises, 7 April.

<http://www.reports-and-materials.org/Ruggie-report-7-Apr-2008.pdf>.

See footnote 24 in the Ruggie report: "Instructing opinions about central State-owned enterprises fulfilling social responsibility," issued by China's State-owned Asset Supervision and Administration Commission of the State Council, 4 January 2008.

²⁹ Guo Peiyuan, Zhang Xubiao, Wei Ningdi (2007). *Study of Sustainability Reporting in China: A Journey to Discover Values*. SynTao, 13 July. <http://www.SustainabilityReport.cn>.

³⁰ Government of Sweden (2007): *Guidelines for external reporting by state-owned companies*. Ministry of Enterprise, Energy and Communications, 29 November. <http://www.sweden.gov.se/content/1/c6/09/41/25/56b7ebd4.pdf>.

³¹ Global Reporting Initiative (2007). Sweden pioneers a global first in sustainability reporting. 20 December. <http://www.globalreporting.org/NewsEventsPress/LatestNews/2007/NewsDec07Sweden.htm>.

³² Ibid. France was the first national Government to mandate CR reporting, with the passage of the *nouvelles régulations économiques* in 2001. Baue " (2002). New French law mandates corporate social and environmental reporting. *SocialFunds.com*, 14 March. <http://www.socialfunds.com/news/article.cgi/798.html>.

29. In September 2006, the Canadian Social Investment Organization submitted an official recommendation that the Canadian Government require “all publicly listed companies... to issue annual GRI reports”.³³ At that time, only 34 Canadian companies or organizations issued CR reports with reference to the GRI framework.³⁴

30. In November 2005, the United Kingdom Government repealed the Operating and Financial Review (OFR), an the annual environmental and social reporting regimen developed over three years of public consultation by the United Kingdom Department of Trade and Industry (DTI).³⁵ However, in November 2006, the United Kingdom Government passed the revised Companies Act that requires a Business Review reporting “on environmental matters, the company’s employees and social/community issues”, according to the United Kingdom Department for Business Enterprise and Regulatory Reform.³⁶ The United Kingdom Government replaced the OFR with the Business Review, removing what it considered onerous requirements while leaving in place what it considered essential elements of the OFR.³⁷ United Kingdom companies are also expected to comply with the European Union Accounts Modernization Directive, which requires an Enhanced Directors’ Reports analyzing environmental and social aspects of company impacts, including employee issues.³⁸

31. During ISAR’s 2007/08 intersession period, the United Nations Global Compact, the largest corporate citizenship initiative in the world, has continued to strengthen its reporting requirement. Reporting on company efforts to support the Global Compact principles, known as a Communication on Progress (COP), is one of the primary responsibilities of Global Compact signatories. In June 2008, the Global Compact de-listed 630 companies for failing to publish COP reports.³⁹ The move followed up on the de-listing of over 500 companies in late 2006 for the same lack of communication.⁴⁰ While the Global Compact remains a voluntary initiative, signatories are expected to meet the commitments of joining it.

32. In September 2008, the International Organization for Standardization (ISO) Working Group on Social Responsibility convened in Santiago, Chile, and formally agreed to change the status of its working draft standard on Social Responsibility to a “Committee Draft”, the next step in the process of finalizing a new international

See the below section, *Stock Exchanges and Socially Responsible Investing Indexes Drive CR Reporting*, for discussion of how the Australian Government and the Johannesburg Securities Exchange in South Africa used the investment process to require corporate responsibility disclosure. Sweden distinguished itself as the first Government to require GRI reporting.

³³ Ellmen E (2006). *Written Submission to the National Roundtables on Corporate Social Responsibility and the Canadian Extractive Sector in Developing Countries*. Social Investment Organization, 13 September. http://geo.international.gc.ca/cip-pic/library/CSR_Toronto_Submission_%20Eugene_Ellman_0906.pdf.

³⁴ Ibid.

³⁵ *Speech by the Rt. Hon. Gordon Brown MP, Chancellor of the Exchequer, at the CBI Annual Conference in London*, HM Treasury, 28 November 2005.

http://www.hm-treasury.gov.uk/newsroom_and_speeches/press/2005/press_99_05.cfm and William Baue, “United Kingdom Kills Operating and Financial Review of Environmental and Social Information,” SocialFunds.com, 8 December 2005. <http://www.socialfunds.com/news/article.cgi/1882.html>.

³⁶ United Kingdom Department for Business Enterprise and Regulatory Reform (2008). *Narrative Reporting: Business Review*. <http://www.berr.gov.uk/bbf/financial-reporting/business-reporting/page21339.html> (visited 13 July 2008.)

³⁷ United Kingdom Department for Business Enterprise and Regulatory Reform (2006). *Narrative Document: Consultation on Mandatory Business Reporting*. 24 March. <http://www.berr.gov.uk/bbf/financial-reporting/business-reporting/page27239.html>.

³⁸ Trucost (2005). OFR Environmental Reporting requirements set to continue under EU Accounts Modernization Directive. 28 November. <http://www.trucost.com/euaccmoddir.html>.

³⁹ Global Compact (2008). 630 Companies Delisted as Part of Integrity Measures. 25 June. http://www.unglobalcompact.org/newsandevents/news_archives/2008_06_25.html.

⁴⁰ Global Compact (2006). 203 Additional Companies to be Listed as “Inactive”. 28 December. http://www.unglobalcompact.org/newsandevents/news_archives/2006_12_28.html.

standard. The proposed ISO standard (known as ISO 26000) identifies a number of key areas of social responsibility, including reporting. While the draft ISO 26000 standard does not provide detailed reporting guidelines, it does highlight the principle characteristics of reporting in this area, including that information should be understandable, truthful and accurate, balanced, material, timely and comparable. The ISO 26000 draft also notes that there are a number of initiatives – such as ISAR guidance or GRI guidelines – that exist on this subject. If the “Committee Draft” is adopted by national chapters of ISO, the new ISO 26000 would be a voluntary standard to provide guidance to organizations on the subject of social responsibility, and recommend that socially responsible organizations report on this subject.

D. Emerging markets CR reporting

33. In January 2008, the Social Investment Research Analyst Network (SIRAN), a working group of the Social Investment Forum (SIF), and KLD Research and Analytics performed an analysis of CR reporting amongst a select group of emerging markets companies.⁴¹ From the starting universe of the SandP/International Finance Corporation Index, the study covered the top four companies in three sectors (oil and gas, metals and mining, and telecommunications) from seven emerging markets: Brazil, China, India, the Russian Federation, South Africa, the Republic of Korea, and Taiwan Province of China.

34. The study finds 87 per cent of 75 surveyed companies make some sustainability disclosures, with just over half publishing stand-alone CR reports. A little over a quarter (27 per cent) of companies referenced GRI guidelines in their reports. The researchers attribute South Africa’s leading role in CR reporting to Johannesburg Stock Exchange listing requirements that mandate the use of GRI. China, on the other hand, “has the greatest room for improvement”.⁴²

Chinese CR reporting in “developmental phase”

35. The July 2007 SynTao report referenced in the “Mandatory CR Reporting” section above notes that Chinese CR reporting is still in its “developmental phase”.⁴³ According to SynTao, the history of CR reporting in China dates back to 1999, when Shell China issued a CR report independent of its annual report, and reached only seven CR report preparers by the end of 2005 – more than half of which were foreign companies.⁴⁴

36. Chinese CR reporting turned the corner in 2006, dubbed “the year of sustainability reporting in China”, according to SynTao. That year, 12 first-time reporters brought the total number of CR reports in China to 18 – the same number as all previous years combined. Most of the reports followed GRI guidelines, and the majority of reporting companies were State-owned enterprises. Of all Chinese CR reporters since 1999, 17 are State-owned enterprises, 8 are foreign enterprises, and 1 is a Chinese private enterprise.⁴⁵

37. SynTao attributes the rise in Chinese CR reporting to two factors – (a) rising awareness of CR reporting, fuelled by conferences and media accounts; and (b)

⁴¹ Social Investment Research Analyst Network (SIRAN), Social Investment Forum (SIF), KLD Research and Analytics (2008). Sustainability reporting in emerging markets: an analysis of the sustainability reporting in selected sectors of seven emerging market countries. January. http://www.siran.org/pdfs/SIRAN-KLD_Report_for_EM_Transparency_2007.pdf.

⁴² Ibid.

⁴³ Guo Peiyuan, Zhang Xubiao, Wei Ningdi (2007). Study of sustainability reporting in China: a journey to discover values. Syntao, 13 July. <http://www.SustainabilityReport.cn>.

⁴⁴ Ibid.

⁴⁵ Ibid.

momentum created by Government and state-owned enterprises. In 2004, the State-owned Assets Supervision and Administration Commission of the State Council and the Department of Construction Management at Tsinghua University set up a joint research team on CR reporting in China. In early 2006, the Ministry of Commerce's Transnational Corporation Research Center issued a draft of *Guidelines on Corporate Responsibility Reporting for Chinese Enterprises*.⁴⁶

38. SynTao adopted the CR reporting assessment methodology of SustainAbility, the United Kingdom-based research and consultancy firm and found Chinese CR reports doing relatively well in presentation of performance, governance and strategy. Chinese CR reports fall short on management indicators, as well as accessibility of information and assurance, according to the SynTao analysis.⁴⁷

39. The SynTao report lists the "sustainability values of Chinese enterprises" such as PetroChina: "offering clean energy and creating harmony".⁴⁸ These values contrast with CR related challenges facing Chinese enterprises, as well as other emerging transnational corporations (TNCs) from developing countries and economies in transition. As noted in UNCTAD's 2006 *World Investment Report*, developing country TNCs engaged in "South-South" investment, or direct investment between developing countries, can be subject to scrutiny over a number of CR issues, ranging from human rights and labour practices, to environmental controls and product safety issues.

E. Responsible investment

40. In 2008, a number of new environmental, social and governance (ESG) indexes were introduced. In January 2008, Standard and Poor's launched the SandP ESG India Index tracking the 50 Indian companies with the highest ESG scores out of the 500 largest companies listed on the National Stock Exchange of India. CRISIL and KLD Research and Analytics, India-based and United States-based social and environmental research firms (respectively), provide the ESG analysis, with support provided by the IFC.⁴⁹ This index served as the model for a similar set of indexes covering the Middle East and North Africa (MENA) region. In April 2008, SandP announced a partnership with Dubai-based Hawkamah, the Gulf region's leading institute for corporate governance, to develop the SandP-Hawkamah ESG MENA indices, initially covering 11 markets.⁵⁰ As with the India ESG index, constituents are weighted based on their ESG scores, linking index performance to companies' ESG performance instead of simply their market size. According to SandP's methodology, a significant portion of the score is derived from the existence of ESG indicators company reports.

41. The UN Principles for Responsible Investment (PRI), launched in April of 2006 by the United Nations Secretary-General and a coalition of institutional investors, continues to grow and attract new signatories. As of July 2008, the PRI had almost 400 signatories managing \$13 trillion in assets committed to six principles for analysing the ESG implications of their investments.⁵¹ PRI Chair Donald MacDonald of the BT Pension Scheme indicated in June 2008 that PRI was considering exclusion of signatories who had failed to follow the sixth principle: to

⁴⁶ Ibid.

⁴⁷ Ibid.

⁴⁸ Ibid.

⁴⁹ "SandP ESG India Index launched," *Hindu Business Line*, 30 January 2008.

<http://www.thehindubusinessline.com/2008/01/31/stories/2008013152251600.htm>.

⁵⁰ "Mena to get advanced indices," *Gulf News*, 16 April 2008. <http://www.gulfnews.com/business/Markets/10205906.html>.

⁵¹ United Nations Principles of Responsible Investment. *Signatories to the Principles for Responsible Investment*, <http://www.unpri.org/signatories/>. Visited 14 July 2008.

report on adherence to the five other principles. The move is similar to that taken by the United Nations Global Compact (noted above) and responds, at least in part, to calls by some investors and other stakeholders to strengthen the requirement of PRI signatories to report ESG assessments of their investments.⁵²

F. Climate reporting

1. Carbon Disclosure Project

42. At his address at the release of the Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Synthesis Report in November 2007, United Nations Secretary-General Ban Ki-Moon said that “[s]lowing – and reversing – these threats [posed by climate change] are the defining challenge of our age”.⁵³ The primary way companies can contribute to solutions is to reduce carbon dioxide and other greenhouse gas emissions in their own operations and supply chains. Consequently, corporate climate reporting on carbon emissions has become a major focus.

43. The genesis of the Carbon Disclosure Project (CDP) dates back to 2000, but 2003 was the first year that 35 institutional investors managing \$4.5 trillion sent questionnaires asking the world’s 500 biggest companies (FT500) for information on their greenhouse gas (GHG) emissions – almost half of which responded. In 2008, the sixth year of this data request (or CDP6), the number of investors has grown to 385 and the assets managed have risen more than ten-fold to \$57 trillion, asking 3,000 companies about their carbon dioxide emissions.

44. CDP operates on the same principle as the “TRI Effect”: that disclosure prompts corporate responsibility – in this instance, GHG emissions reduction. However, the link between disclosure and sustainability performance is not necessarily causal, according to Matthew Kiernan, CEO of Innovest Strategic Value Advisors, a research firm that produces the annual CDP report. “Carbon disclosure is one thing, actual carbon performance is something else altogether”, Kiernan said.⁵⁴ To underscore this distinction, Innovest changed the name of the index it produces tracking the best CDP responders – from the “Climate Leaders Index” (CLI) until 2006 to the “Climate Disclosure Leadership Index” (CDLI) in 2007.⁵⁵ In other words, corporate leadership in climate disclosure does not necessarily translate into corporate leadership in climate action.

2. Corporate climate reporting studies

45. One proxy of the rising significance of corporate climate reporting is the wave of recent studies on the phenomenon, all examining the FT500 as their starting universe. GRI and KPMG Global Sustainability Services issued a study in July 2007, CorporateRegister.com did so in February 2008, and Ethical Corporation Institute added to the growing body of research in July 2008.

46. The CorporateRegister.com study examined the FT500 between September 2006 and December 2007, and found 67 per cent (335) issuing CR reports. Of these 335 CR reports, 87 per cent address climate change, with 78 per cent publishing

⁵² Molony J (2008). United Nations Principles for Responsible Investment prepares to expel fund managers over disclosure failures. *Thomson Investment Management News*. 27 June. <http://www.thomsonimnews.com/story.asp?storycode=43285&andencCode=5073548BC7194063JTBS737226611>.

⁵³ Ban Ki-Moon (2007). Secretary-General’s address to the IPCC upon the release of the Fourth Assessment Synthesis Report. 17 November. <http://www.ipcc.ch/pdf/presentations/valencia-2007-11/pachauri-17-november-2007.pdf>.

⁵⁴ Baue B with Rheannon F (2007). Leave only footprints: measuring and managing corporate carbon emissions. *SocialFunds.com*. 4 September 2007. <http://www.socialfunds.com/news/article.cgi/2362.html>.

⁵⁵ Interview with Matthew Kiernan, 31 August 2007. See also Climate Disclosure Leadership Index (CDLI) <http://www.cdproject.net/climateleaders.asp?menu=3&submenu=7>. Visited 22 August 2008.

quantitative GHG emissions data; 65 per cent include a specific climate change section; and 41 per cent address climate change in the CEO or Chairperson introduction. However, only 16 per cent assign management responsibility for addressing climate change.⁵⁶

47. Almost two thirds (63 per cent) of reporters use the GHG Protocol, an emissions measurement platform developed by the World Resources Institute and the World Business Council on Sustainable Development.⁵⁷ Almost half (45 per cent) of reporters provide information on “downstream” emissions, for example from the use of their products (a level of reporting known as “Scope 3” in the GHG Protocol) while 46 per cent report as far as Scope 2 (“upstream” emissions, for example from purchased electricity) and only 9 per cent stop at Scope 1 (direct emissions from companies’ own operations).

48. The study distinguished between relative emissions data – or eco-efficiency indicators, (i.e. composite figures incorporating other key metrics such as turnover, product throughput or employee numbers) which were used by 7 per cent of reporters – and absolute data (used by 32 per cent), with 40 per cent using both absolute and relative emissions data (and 21 per cent reporting no emissions data).

49. A little over half (51 per cent) of reporters made commitments to reduce emissions, but CorporateRegister.com distinguished between those setting broad objectives (14 per cent) compared to those setting so-called “SMART” (specific, measurable, achievable, realistic, time-scaled) targets (37 per cent.) The study built on its distinction between relative (eco-efficiency) and absolute emissions data when it comes to target-setting, observing that “SMART targets for absolute emissions are the more challenging commitment: depending on the parameters used, a given company performance might meet a *relative* emissions target while breaching an *absolute* one.”

50. The Ethical Corporation Institute study reports similar findings that add different dimensions to the picture. This study finds 62 per cent of FT500 companies having set carbon emissions reduction targets, a slightly higher percentage than the CorporateRegister.com study. The Ethical Corporation Institute study focuses on CDP5 responses by FT500 companies instead of their CR reports, which may explain the difference. Interestingly, the study identifies 34 different public protocols or guidelines being used by the surveyed companies to report their emissions.⁵⁸

51. The GRI-KPMG report examined a much smaller subset of the FT500, a tenth of the universe (50 companies), drawn from diverse sectors and regions.⁵⁹ The study found all the surveyed companies addressing climate change in their 2005 CR reports, but focused more on upside opportunities (such as carbon trading) while largely ignoring financial risks such as threat of climate-related class-action law suits or business disruptions caused by climate-related extreme weather events, for example flooding, storms and droughts. “In general, companies did not quantify the financial implications of risks or opportunities, with the exceptions of some

⁵⁶ Wayman M (2008). *The Corporate Climate Communications Report 2007: A study of climate change disclosures by the Global FT500*. CorporateRegister.com. February.

http://www.corporateregister.com/pdf/CCCRReport_07.pdf.

⁵⁷ Ibid.

⁵⁸ Ethical Corporation Institute (2008). Only 62% of the FT 500 companies reporting emissions have carbon reduction targets. *CSRwire.com*. 2 July. <http://www.csrwire.com/News/12547.html>.

⁵⁹ Global Reporting Initiative and KPMG Global Sustainability Services (2007). *Reporting the Business Implications of Climate Change in Sustainability Reports*. 17 July. http://www.globalreporting.org/NR/rdonlyres/C451A32E-A046-493B-9C62-7020325F1E54/0/ClimateChange_GRI_KPMG07.pdf.

reporting on savings from reductions in energy use and emissions, and the purchase or sale of carbon credits,” the GRI-KPMG report stated.

G. CR reporting “sustainability context”

52. The GRI G3 Guidelines unveiled in 2006 included a new reporting principle, “sustainability context,” whereby a “report should present the organization’s performance in the wider context of sustainability”. In other words, companies cannot examine their corporate responsibility performance in isolation, but rather must analyse how their actions advance or hinder the broader societal achievement of sustainable development. “For example, this could mean that in addition to reporting on trends in eco-efficiency, an organization might also present its absolute pollution loading in relation to the capacity of the regional ecosystem to absorb the pollutant”, the guidelines state.⁶⁰

53. The 2008 GRI/SustainAbility/KPMG *Count Me In* study reports that CR report readers “want to understand the reporter’s direct and indirect sustainability footprint”, but are not necessarily getting the sustainability context needed for understanding.⁶¹ “It is reasonable for readers to assume that any organization that takes the trouble to issue a sustainability report aims to demonstrate its performance in meeting the goal of sustainability, but this remains largely undefined”, the report states in the “Commitment to Sustainability” section of the “Report Content” chapter. “It can be challenging to extrapolate the specific sustainability impacts associated with a particular reporter’s activities through a report”, it adds in the “Sustainability Impact” section of the chapter.⁶² In this light, the future of CR reporting rests largely on its ability to contextualize its real contribution to the future of people and the planet, to the achievement of social, environmental and economic sustainability.

II. Status of implementation of corporate responsibility reporting

A. Background and methodology

1. Corporate Responsibility Indicators

54. The purpose of this study is to evaluate the level of reporting on the corporate responsibility indicators identified in the 2008 UNCTAD publication *Guidance on Corporate Responsibility Indicators in Annual Reports* (based on the ISAR document TD/B/COM.2/ISAR/41). The guidance selected 16 core indicators that enterprises could use in reporting on corporate responsibility issues in annual reports. A summary of these selected indicators can be found in table 2 below.

⁶⁰ Global Reporting Initiative, G3 Sustainability Reporting Guidelines, Version 3.0, 17 August 2006

http://www.globalreporting.org/NR/rdonlyres/ED9E9B36-AB54-4DE1-BFF2-5F735235CA44/0/G3_GuidelinesENU.pdf.

⁶¹ Bartels W, Iansen-Rogers J, Kuszewski J (2008). *Count me in: The readers’ take on sustainability reporting*, Global Reporting Initiative, KPMG, and SustainAbility. 22 May. <http://www.globalreporting.org/NR/rdonlyres/3F57ACC8-60D0-48F0-AF28-527F85A2A4B4/0/CountMeIn.pdf>.

⁶² Ibid.

Table 2. Selected indicators on corporate responsibility

Group	Indicator
Trade, investment and linkages	1. Total revenues 2. Value of imports vs. exports 3. Total new investments 4. Local purchasing
Employment creation and labour practices	5. Total workforce with breakdown by employment type, employment contract and gender 6. Employee wages and benefits with breakdown by employment type and gender 7. Total number and rate of employee turnover broken down by gender 8. Percentage of employees covered by collective agreements
Technology and human resource development	9. Expenditure on research and development 10. Average hours of training per year per employee broken down by employee category 11. Expenditure on employee training per year per employee broken down by employee category
Health and safety	12. Cost of employee health and safety 13. Work days lost due to occupational accidents, injuries and illness
Government and community contributions	14. Payments to Government 15. Voluntary contributions to civil society
Corruption	16. Number of convictions for violations of corruption related laws or regulations and amount of fines paid/payable

55. Environmental issues are recognized as an important feature of corporate responsibility, so in addition to the aforementioned indicators, the study also included the indicators on eco-efficiency found in the 2004 UNCTAD manual *Eco-Efficiency Indicators* (UNCTAD/ITE/IPC/2003/7).⁶³ The selected indicators can be found in table 3 below.

Table 3. Eco-efficiency indicators

Indicators	
1.	Water consumption
2.	Global warming contribution
3.	Energy use
4.	Dependency on ozone-depleting substances
5.	Waste generated
6.	Material efficiency

2. Sample selection

56. In total, 22 indicators were tested against the actual reporting practices of 100 leading enterprises from 10 emerging markets. The sample used in this study is comprised of 10 of the top enterprises⁶⁴ from each of the top 10 most heavily

⁶³ The indicator "Material efficiency" was not derived from the manual *Eco-Efficiency Indicators*, but was added as an indicator of how enterprises contribute to the conservation of global resources, by means of recycling of materials and/or innovations in the area of scarce resource usage.

⁶⁴ Note that in some countries, some of the top 10 enterprises by index weighting were related enterprises. This study sought to avoid reviewing the reporting practices of different entities within the same industrial conglomerate, and for this reason the "selected top 10" described in this paper may not correspond exactly with the top 10 by index weighting for each country;

weighted United Nations member States found in the Emerging Markets Index produced by Morgan Stanley Capital International (MSCI EM Index).⁶⁵ The current MSCI EM Index tracks more than 900 publicly listed enterprises, which account for roughly 85 per cent of the market capitalization of 25 emerging markets.⁶⁶ Table 4 below provides a list of the economies included in the MSCI EM Index.

Table 4. The 25 economies included in the MSCI EM Index

1. Argentina	14. Republic of Korea
2. Brazil	15. Malaysia
3. Chile	16. Mexico
4. China	17. Morocco
5. China, Taiwan Province of	18. Pakistan
6. Columbia	19. Peru
7. Czech Republic	20. Philippines
8. Egypt	21. Poland
9. Hungary	22. Russian Federation
10. India	23. South Africa
11. Indonesia	24. Thailand
12. Israel	25. Turkey
13. Jordan	

57. The top 10 United Nations member States, by index weighting, within the MSCI EM Index are listed in table 5 below, along with their total index weighting. In addition, table 5 shows the weighting of the top 10 enterprises selected for this study. The top 10 enterprises from each country account for between 45 per cent and 84 per cent of their respective country's index weighting. These enterprises were selected on the basis of their economic significance within their home countries, and as samples of leading companies in each country. As a group, the 100 enterprises from emerging markets represent 46.5 per cent of the market capitalization of the entire MSCI EM Index. Thus, as a group, this sample represents a large portion of the investable universe of emerging market enterprises. A complete list of enterprises included in the study is found in the annex.

in some cases, the selected top 10 enterprises consist of 10 enterprises selected from among the top 15 largest enterprises by index weighting.

⁶⁵ MSCI is a commercial provider of financial information, including equity indices tracking publicly listed enterprises around the world. The MSCI EM Index is considered by institutional investors to be the industry standard to gauge emerging markets performance, and is an important tool for facilitating foreign portfolio investment to developing countries and countries with economies in transition.

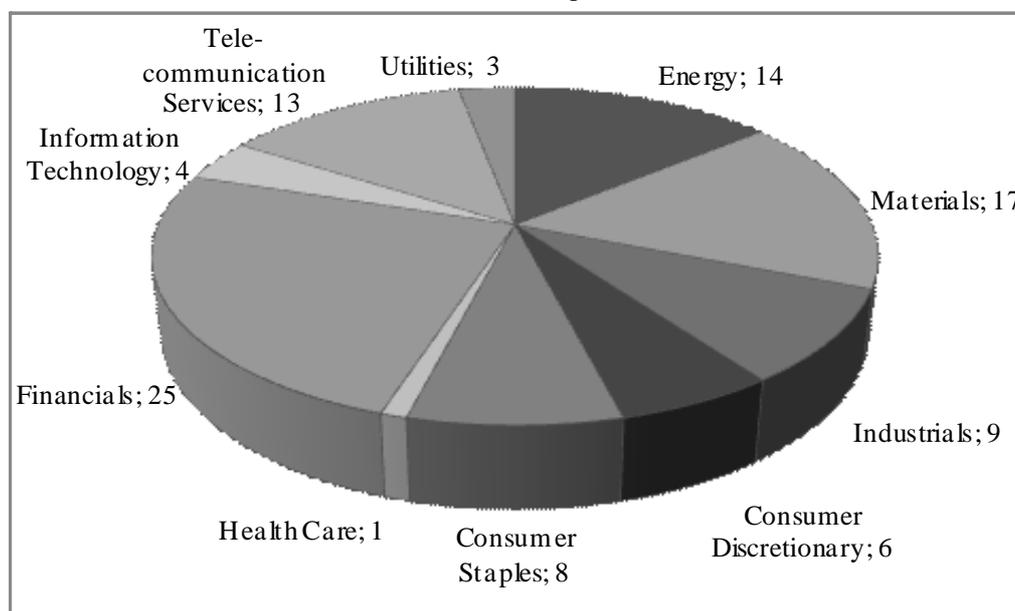
⁶⁶ All MSCI EM Index data used in this study is based on the index as of 12 March 2008, unless otherwise indicated.

Table 5. Top 10 United Nations member States included in the MSCI EM Index, by index weighting⁶⁷

Country	Index weighting of country (per cent)	Number of companies from this country in the index	Selected top 10 companies as % of country weighting	Selected top 10 companies as % of index total market capitalization
Brazil	14.9	72	50	7.5
China	14.2	112	56	8.0
Republic of Korea	13.2	114	45	6.0
Russian Federation	10.0	32	82	8.2
India	7.2	67	52	3.7
South Africa	6.7	50	63	4.2
Mexico	4.8	28	84	4.0
Israel	2.4	32	84	2.0
Malaysia	2.4	57	59	1.4
Indonesia	1.7	22	83	1.4
Total	77.4			46.5

58. The enterprises included in the study represent a wide range of industries. The distribution of the 100 enterprises by sector is displayed in figure 1 below.

Figure 1. Distribution of the 100 enterprises by sector⁶⁸
(number of companies)



⁶⁷ This study focuses on the disclosure practices of United Nations member States; if all markets were included, then Taiwan Province of China, which makes up 11.3 per cent of the MSCI EM Index, would have been included.

⁶⁸ Based on Global Industry Classification Standard (GICS) as of 29 August 2008. Source: www.msicibarra.com.

3. Sources of information

59. The purpose of the 2008 UNCTAD publication *Guidance on Corporate Responsibility Indicators in Annual Reports* is to assist preparers of enterprise reporting in producing concise and comparable corporate responsibility indicators within their annual reports. In that light, the review of corporate responsibility was based primarily on annual financial reports, the main focus of the guidance. If not all information on the selected indicators was disclosed in the annual financial reports, separate corporate responsibility reports and information provided on company websites were examined consecutively.

60. The guidance focuses on reporting on a nationally consolidated basis for the information to be useful to stakeholders within the context of a specific country. The study determined the level of reporting on the selected indicators by reviewing corporate reporting on a consolidated basis for 2007. When information for 2007 was not yet available, 2006 reporting was examined.

4. Research method

61. The various sources of corporate reporting were examined for the presence of quantitative information on the selected indicators, as described in the *Guidance on Corporate Responsibility Indicators in Annual Reports*. Qualitative or descriptive information was not considered, except as described below.

62. The study also examined the location of corporate responsibility information. A distinction was made between enterprises that report information in a specific section of the annual report (without a separate corporate responsibility report), enterprises that publish a separate report, and enterprises that disclose corporate responsibility information only on the company website. The nature of the information (quantitative or qualitative) was not taken into account in determining the various locations.

63. Finally, the corporate reporting of the sample was examined for references to the GRI and the United Nations Global Compact. The study distinguished between general references to the GRI or the Global Compact, and the use of more detailed tools such as a GRI index (a complete reference to GRI disclosures in a company report) and a Global Compact progress report (a concise yet standardized means of reporting progress on each of the Global Compact's 10 principles).

B. Reporting practices of 100 emerging market enterprises

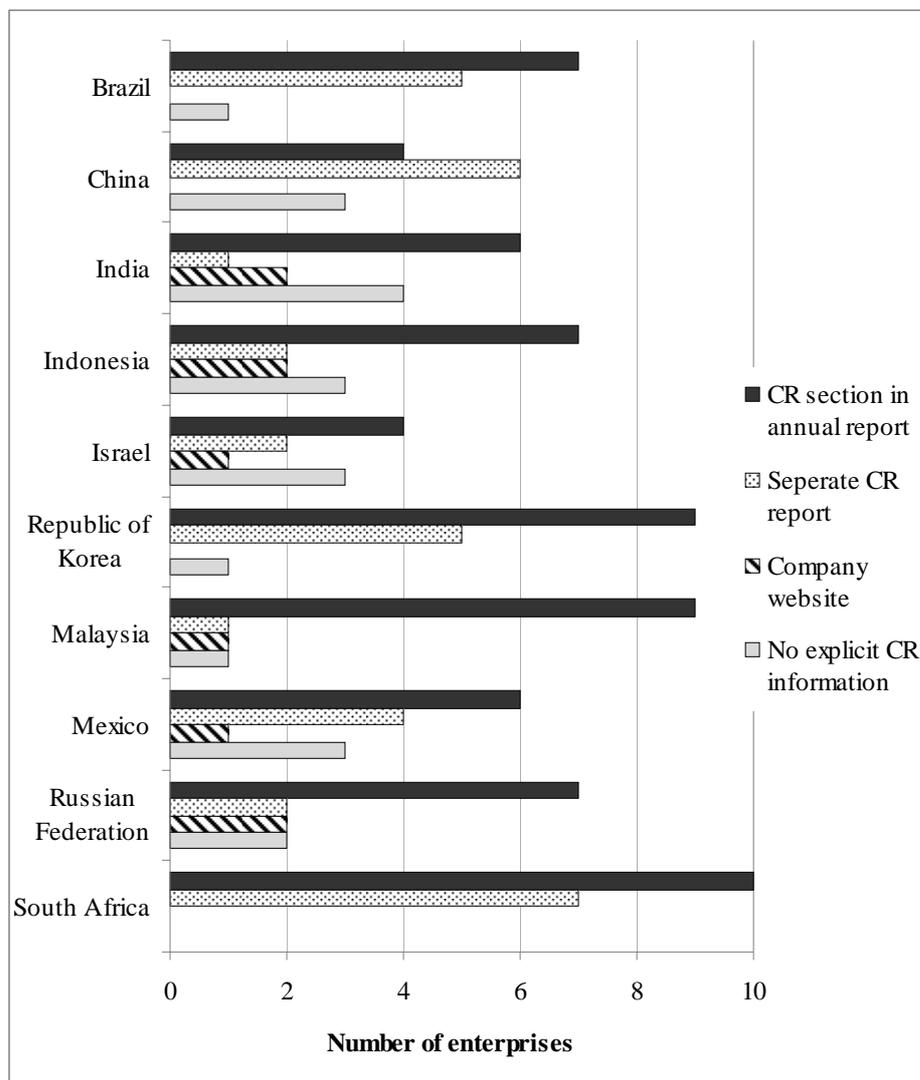
64. This section discusses the main findings of the study, and is divided into "Reporting context: location of corporate responsibility disclosures" and "Reporting practice: prevalence of corporate responsibility indicators".

1. Reporting context: location of corporate responsibility disclosures

65. In order to better understand the overall rate of corporate responsibility reporting as well as the location of that reporting, figure 2 below provides an overview per country of the location of corporate responsibility information, along with the number of top 10 enterprises disclosing information in those locations. In addition, the figure also displays per country the number of top 10 enterprises that do not explicitly disclose corporate responsibility information; "explicit" disclosure in this context means information that is distinctly presented as "corporate responsibility" or "sustainability" information in a recognized portion of the annual report, website or other company publication.

66. Figure 2 displays three possible locations for corporate responsibility information. The first is a specific section of the annual report dedicated to corporate responsibility. This section was defined as a distinct part of the annual report focusing explicitly on corporate responsibility-related topics, regardless of the number of pages in use. The reviewed enterprises used various headings for these sections, such as Environment, Health and Safety; Corporate Social Responsibility; and Green Management and Sustainable Development. The other two possible locations are a separate corporate responsibility report and the company website. The nature of the corporate responsibility information (quantitative or qualitative) was not taken into account in determining the various locations.

Figure 2. Number of top 10 enterprises reporting CR information and the location of that information



67. Of the 100 examined enterprises, 97 had an annual report available. Of these 97, 69 dedicated a specific section of the annual report to corporate responsibility issues. Separate reports were published by 35 enterprises, and 28 of those also included the information in the annual report. Finally, 9 enterprises disclosed their CR information solely on the company website. In summary, 85 of 100 enterprises

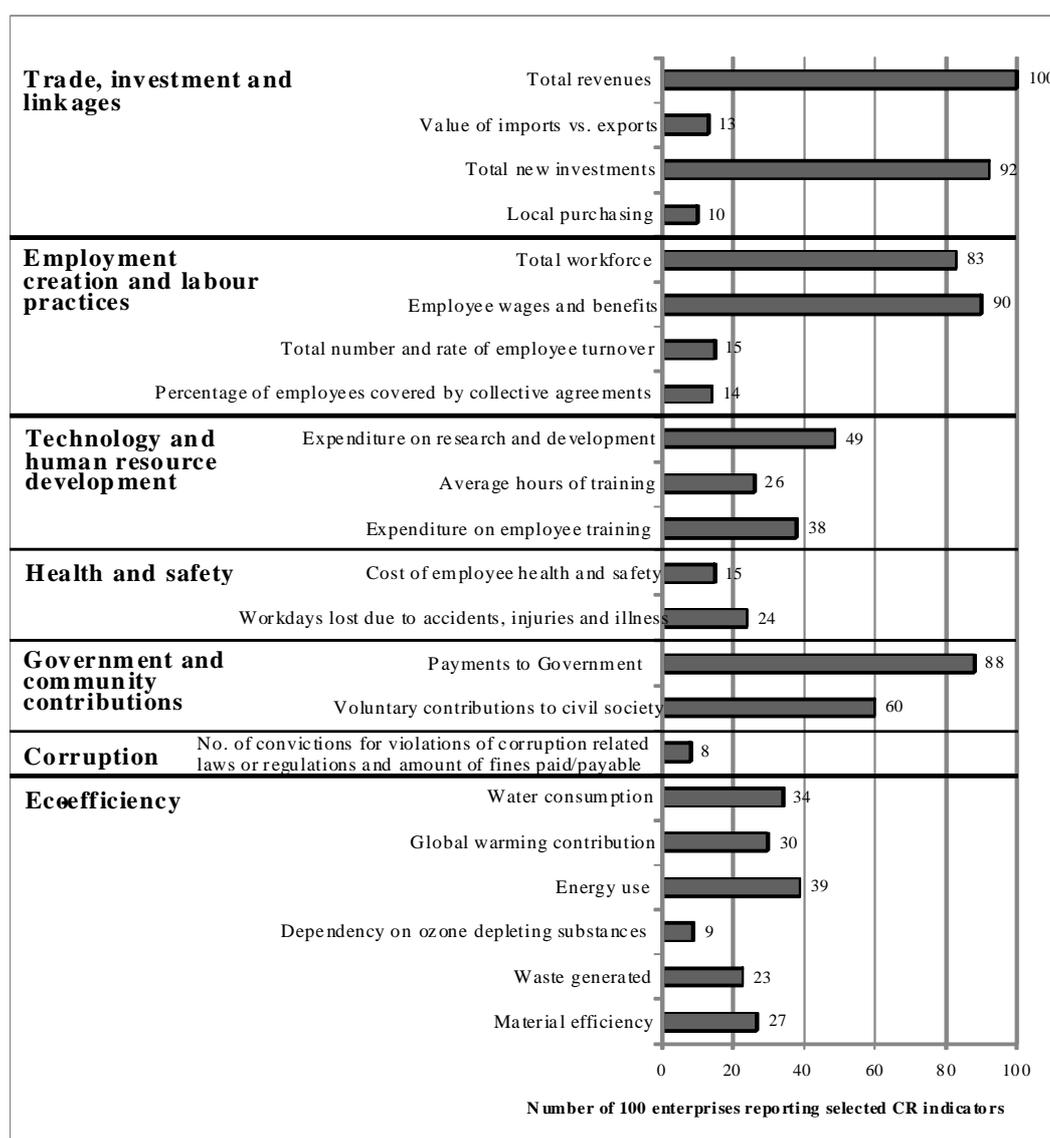
disclosed some kind of corporate responsibility information. Simultaneously, 15 enterprises did not explicitly disclose their corporate responsibility information in a distinct location, but scattered CR-related information over a number of locations, including financial statements.

68. On a per-country level, the studied sample is relatively small, so any inferences should be made cautiously. However, since the sample includes 10 of the largest enterprises per country, and larger enterprises tend to be more advanced in corporate reporting than smaller enterprises, some generally useful observations could be made. For example, all 10 of the selected enterprises from South Africa are reporting on CR issues in their annual reports, with 7 enterprises also publishing a separate CR report. In comparison, only four of the 10 selected enterprises from Israel are providing information on corporate responsibility in their annual report.

2. Reporting practice: prevalence of corporate responsibility indicators

69. The main findings on the prevalence of the selected indicators are displayed in figure 3 below. Figure 3 provides an overview of the number of enterprises that disclose quantitative information on each of the 22 CR and eco-efficiency indicators described above (see tables 2 and 3).

Figure 3. Reporting of ISAR indicators among 100 emerging market enterprises



70. The most and least prevalent disclosures from figure 3 are summarized in table 6 below. “Total revenues” is subject to the highest level of disclosure, with all of the enterprises disclosing information. This outcome is not unexpected, given the nearly universal reporting of financial and operating results. The same is applicable for “Total new investments” and “Employee wages and benefits” (with respectively 92 and 90 enterprises disclosing quantitative information). With current income tax as part of the required disclosures, the indicator “Payments to Government” is disclosed by 88 enterprises. The indicator “Total workforce” completes the top five with a disclosure rate of 83.

Table 6. Most and least prevalent disclosure on indicators

Top 5 most prevalent disclosure items among 100 emerging market enterprises	Disclosure rate	Bottom 5 least prevalent disclosure items among all 100 emerging market enterprises	Disclosure rate
Total revenues	100	Total number and rate of employee turnover/Cost of employee health and safety	15
Total new investments	92	Percentage of employees covered by collective agreements	14
Employee wages and benefits	90	Value of imports vs. exports	13
Payments to Government	88	Local purchasing	10
Total workforce	83	Corruption	8

71. A large discrepancy exists between the disclosure rates of the five most and least prevalent disclosed indicators. “Total number and rate of employee turnover” is only reported by 15 out of 100 enterprises. Two of the four indicators from the group “Employment creation and labour practices” are part of the bottom five least prevalent disclosures, namely “Cost of employee health and safety” and “Percentage of employees covered by collective agreements” (with a disclosure rate of 15 and 14, respectively). This outcome is noteworthy, considering that another indicator from this group (“Total workforce”) is one of the most prevalent disclosure items. The two least disclosed indicators are “Local purchasing” and “Corruption”, with a disclosure rate of 10 and 8, respectively.

72. A comparison between the five most and least prevalent disclosures suggests that the most reported indicators are likely to already be disclosed in the conventional corporate reports, while the relatively new non-financial performance indicators clearly display a much lower disclosure rate.

C. Reporting practices by group

1. Trade, investment and linkages

73. Figure 4 indicates that all 100 enterprises disclosed quantitative information on “Total revenues”, and that 86 enterprises also included some form of segmental breakdown, as encouraged by the *Guidance on Corporate Responsibility Indicators in Annual Reports*. In addition, 25 enterprises provided a statement of added value, mostly as part of the financial statements (not shown in figure 4). Value added in enterprises is measured by the difference between the revenue from the goods and services produced and the cost of goods and services brought in. Brazil was the

most prevalent in disclosure of value added, with 7 of the 10 largest enterprises of that country providing a statement.

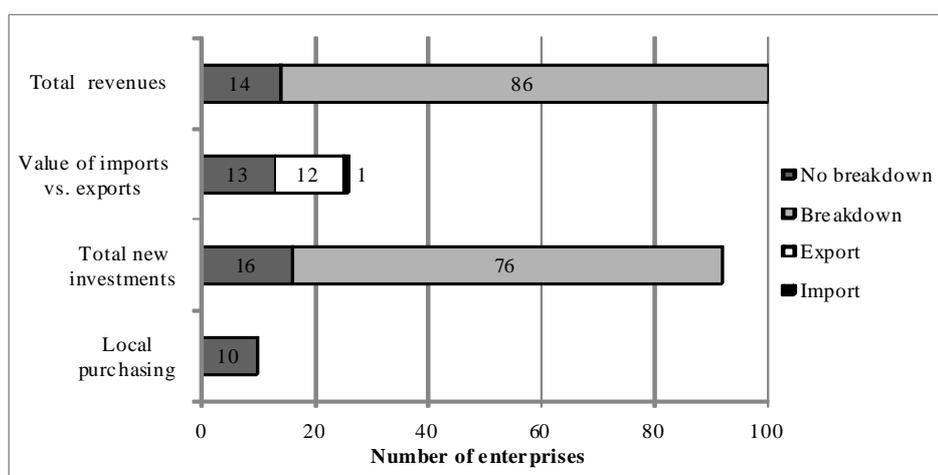
74. The value of an enterprise's exports in relation to its imports is an indicator of the contribution of an enterprise to the balance of payments of the country in which it operates. As displayed in figure 4, 13 enterprises disclosed quantitative information on both imports and exports. Five of these enterprises belonged to the 10 largest enterprises from India. Twelve enterprises reported only on export, and one enterprise reported solely on import. In total, 25 enterprises provided information on exports and 14 enterprises provided information on imports.

75. After "Total revenues", the most reported indicator in the category "Trade, investment and linkages" was "Total new investments". New investments by enterprises can have a positive economic and social impact, as these can lead to the development of productive capacity and the reduction of poverty in host developing countries. The indicator was reported by 92 of the enterprises in the study. South Africa was most prevalent in the disclosure of this indicator, with four of the 10 largest companies of that country reporting quantitative information. In contrast, the reviewed enterprises from Israel, the Republic of Korea and Malaysia did not disclose any quantitative information on this subject.

76. The costs of local purchasing are a general indicator of the extent of an enterprise's linkages with local economy, and this indicator was only disclosed by 10 enterprises. More enterprises provided descriptive information, often emphasizing the importance of a good relationship with (local) suppliers and of supplier education. Sixty per cent of the disclosed information was made by enterprises in the "Materials" industry (an industry sector containing chemicals and metal and mining companies, among others).

77. The level of reporting on the corporate responsibility indicators from the group "Trade, investment and linkages" appears to be ambiguous. Two of the four indicators in this group appear in the top five most prevalent disclosure items, while the other two are part of the five least prevalent disclosed indicators. The two indicators, "Total revenues" and "Total new investments", are often disclosed in the traditional reports on financial and operating results, while the two indicators that reflect the enterprises contribution to the economic development of host countries – namely "Value of imports vs. exports" and "Local purchasing" – are clearly the subject of less disclosure.

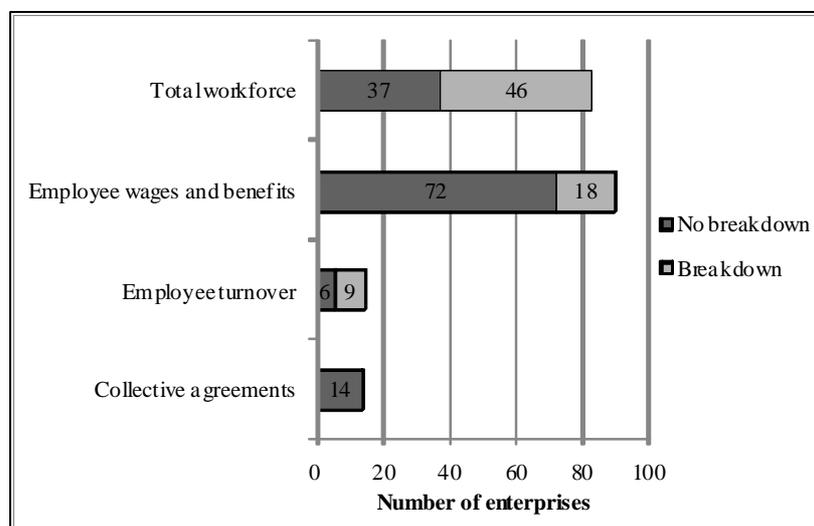
Figure 4. Number of enterprises reporting on trade, investment and linkages indicators⁶⁹



⁶⁹The study did not include a breakdown for the indicator "Local purchasing".

2. Employment creation and labour practices

Figure 5. Number of enterprises reporting on employment creation and labour practices indicators⁷⁰



78. One of the most significant positive economic and social contributions an enterprise can make to the country in which it operates comes through the creation of jobs. As displayed in figure 5, 83 enterprises stated the total number of their employees; of these, more than half (46) provided some form of breakdown (e.g. gender, employment type, country).

79. “Employee wages and benefits” is one of the five most prevalent indicators. In total, 90 enterprises disclosed information on the amount of employee wages and/or other benefits. Of those enterprises, 18 reported some type of breakdown. Most enterprises reported at least information on expenditures on post-employment benefits (such as pensions) in their financial statements, explaining the high disclosure rate.

80. Workforce turnover rates can reflect the job security of employees and the employment practices of an enterprise, but the indicator was only disclosed by 15 of 100 enterprises. More than half of these enterprises (9 of 15) did state a type of breakdown, such as gender or reason of departure.

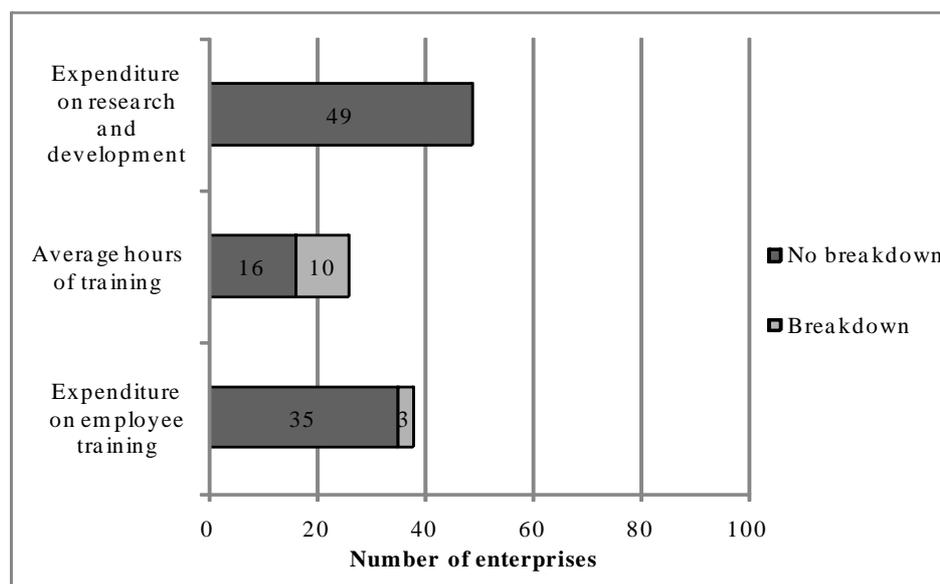
81. The indicator “Percentage of employees covered by collective agreements” refers to the collective bargaining agreements signed by the reporting enterprise or employer organizations of which it is a member. Collective bargaining is recognized as an effective private means for increasing the positive social impact of business activity. The indicator is disclosed by merely 14 enterprises, with 5 of these disclosures made by enterprises from the “Materials” industry sector.

82. The level of disclosure in the group “Employment creation and labour practices” varies widely between the two more traditional indicators (“Total workforce” and “Employee wages and benefits”) and the two relatively new indicators (“Employee turnover” and “Percentage of employees covered by collective agreements”). This conclusion is similar to the one stated earlier regarding the indicators from the group “Trade, investment and linkages”.

⁷⁰ The study did not include a breakdown for the indicator “Percentage of employees covered by collective agreements”.

3. Technology and human resource development

Figure 6. Number of enterprises reporting on technology and human resource development⁷¹



83. Figure 6 displays the number of enterprises that disclose information on each of the three indicators from the group “Technology and human resource development”. The figure indicates that 49 enterprises reported their total expenditure on research and/or development.

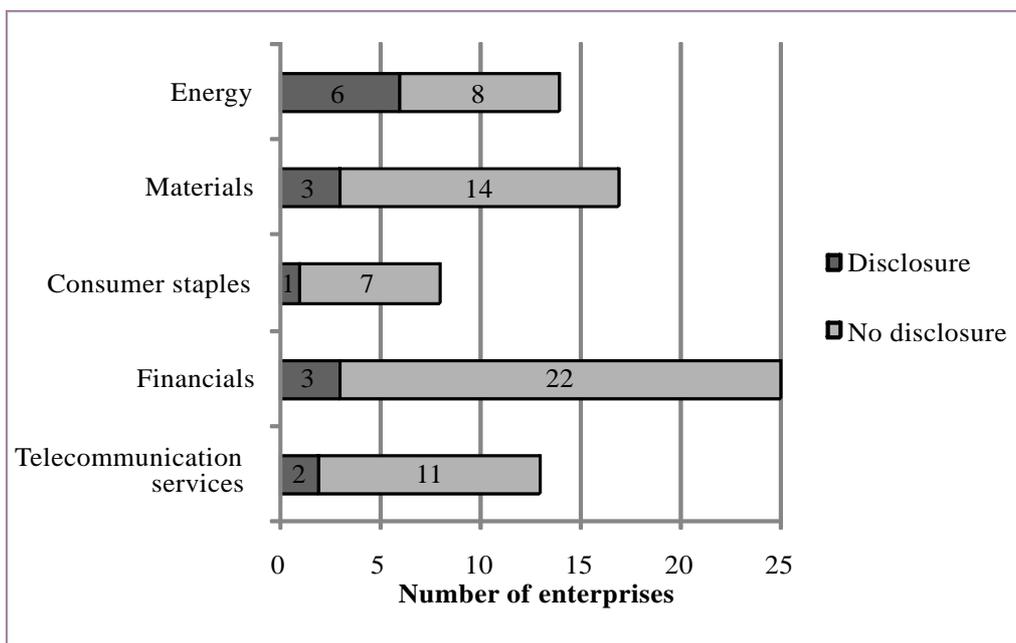
84. Enterprises can contribute to the capacity for innovation of local communities by enabling employees to develop their skills. The Guidance on Corporate Responsibility Indicators in Annual Reports distinguishes two different ways to measure employee training: by average hours of training per employee and by expenditure on training per employee.

85. In total, 26 enterprises stated the average hours of training per year, and 10 of these enterprises provided a breakdown by, for example, employment category. The expenditure on employee training is disclosed by more enterprises, namely 38. However, only 3 of these enterprises provide an additional breakdown of the costs. Out of 100 enterprises, 15 reported on both the average hours and the expenditure on employee training.

⁷¹ The study did not include a breakdown for “Expenditure on research and development”.

4. Health and safety

Figure 7. Disclosure on cost of employee health and safety by industry

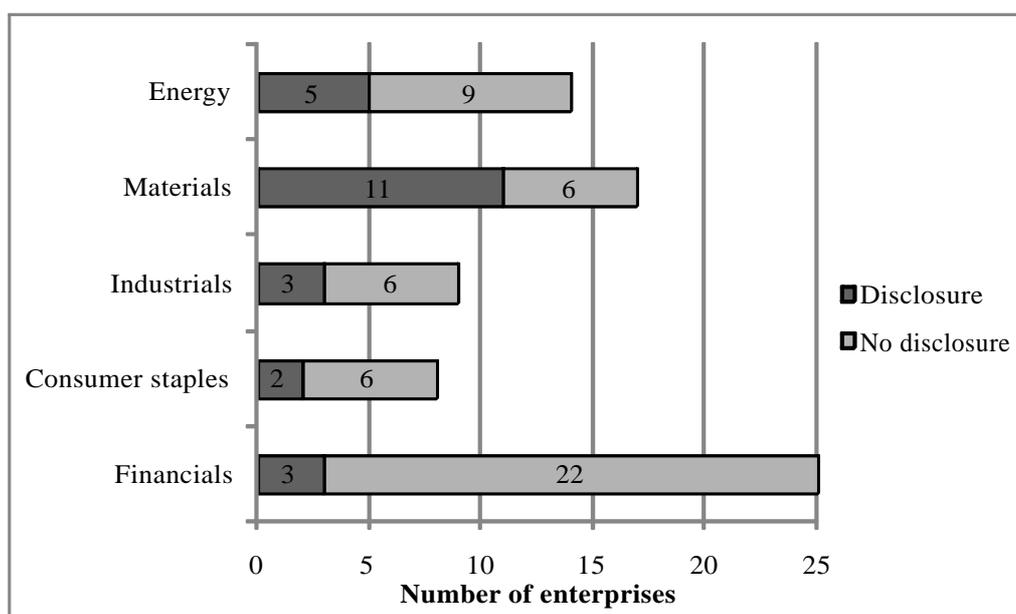


86. In total, 15 enterprises reported the company’s cost of occupational safety and health-related insurance programmes (when such programmes existed). Figure 7 displays the division of these 15 enterprises among the various industry sectors. While caution should be applied before drawing any conclusions from this data due to small sample sizes, the data nevertheless can be seen as suggestive of practices among large enterprises in emerging markets.

87. In relative terms, the majority of the disclosures were made by enterprises from two typically hazardous sectors, namely “Energy” (a sector including enterprises involved in oil and gas drilling, exploration, refining and transportation) and “Materials” (a sector containing chemicals and metal and mining companies, among others). In total, nine enterprises from these sectors reported on health and safety issues. However, relative to the total number of enterprises from these sectors, a considerable portion of the sample of enterprises did not disclose any information, as shown in figure 7. The same is applicable for the disclosure rate of the other sectors.

88. The number of workdays lost due to occupational accidents, injuries and illness can reflect the degree to which enterprises contribute to creating a healthy, safe and productive environment. As depicted earlier in figure 3, the indicator is disclosed by 24 enterprises. Figure 8 below displays the division of these 24 enterprises among the various industry sectors. Again, caution should be applied when drawing conclusions from this small sample.

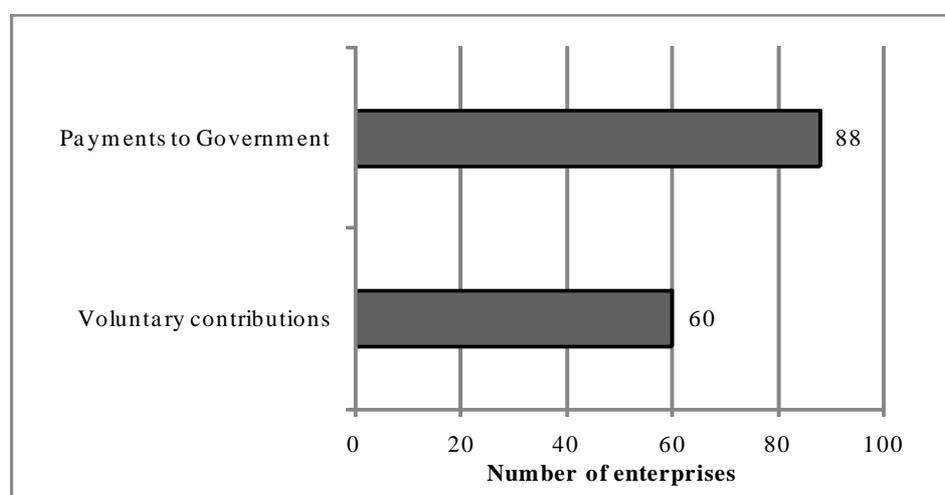
89. As seen in figure 8, enterprises in the “Materials” sector were responsible for the majority of the disclosures on work days lost, both in absolute and in relative terms. The sectors “Energy” and “Industrials” also had a relatively high disclosure rate. The “Industrials” sector includes, among others, enterprises engaged in construction and engineering and machinery, and could be, given the nature of the sector, more susceptible to occupational accidents. The same is applicable for enterprises in the “Energy” sector.

Figure 8. Disclosure on workdays lost by industry

5. Government and community contributions

90. The indicator “Payments to Government” was reported by 88 out of 100 enterprises in the study, as presented in figure 9. Enterprises can contribute to government finances in the form of taxes, royalties, licence fees, and other payments to the Government. The study did not make a distinction between the different kinds of contributions, but most enterprises at least disclosed information on current tax.

91. Voluntary contributions are charitable donations and investments of funds in the broader community, where the target beneficiaries are external to the company. The total amount reported should account for the actual expenditures in the reporting period, not commitments. In total, 60 enterprises disclosed quantitative information on the indicator but even more enterprises presented descriptive information on various environmental and social programmes.

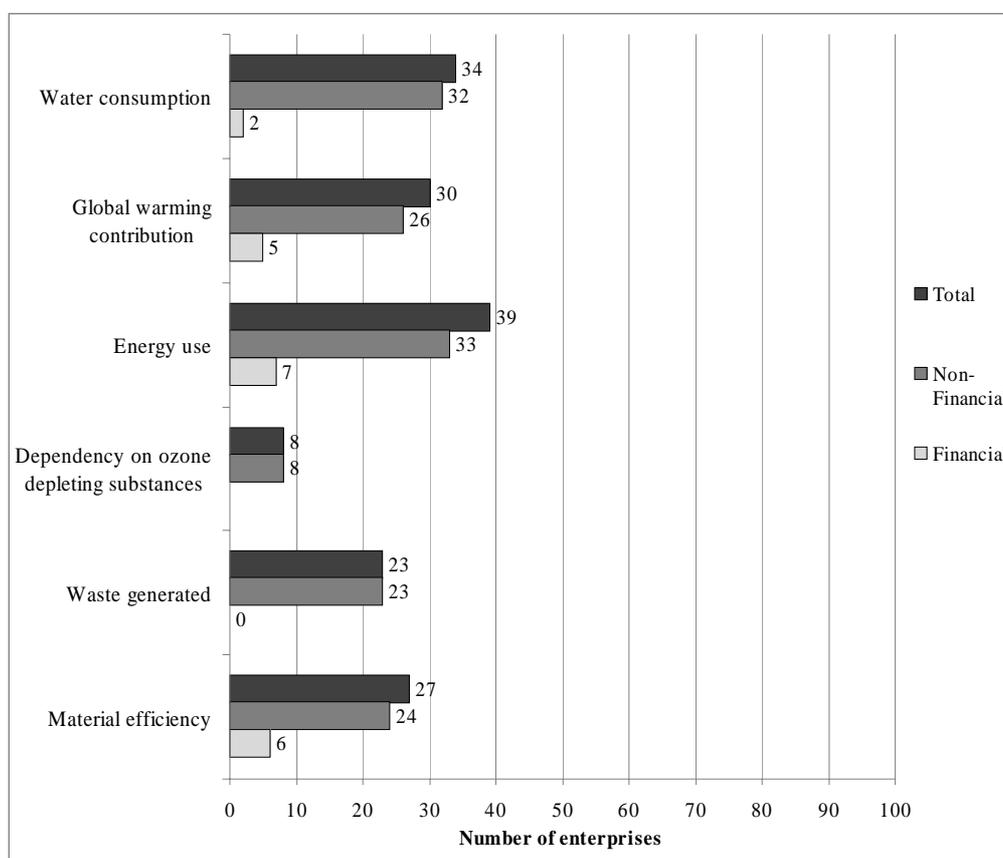
Figure 9. Number of enterprises reporting on government and community contributions

6. Corruption

92. Corruption is internationally recognized as an obstacle to economic development and a hindrance to international trade and investment. Enterprises can make a positive contribution to respect for anti-corruption laws and international norms by ensuring that they are not involved in corruption. A basic measurable performance indicator in this regard is the number of legal infractions a company incurs as a result of corrupt practices. As displayed in figure 3 and table 6, "Corruption" is the least prevalent indicator, with only eight enterprises disclosing quantitative information on this subject. In most of the cases, the reported information included the total number of cases with a description of the type of corruption and the resulting (legal) action. Descriptive information on corruption prevention was not taken into account.

7. Eco-efficiency

Figure 10. Number of enterprises reporting on eco-efficiency



93. The Guidance on Corporate Responsibility Indicators in Annual Reports does not focus on environmental issues, as ISAR previously conducted extensive work in this area, including the 2003 UNCTAD manual Eco-Efficiency Indicators. Since environmental issues are recognized as an important feature of corporate responsibility, six eco-efficiency indicators were included in the study (see table 3).

94. Figure 10 above displays the number of enterprises that disclose quantitative information on each of the selected eco-efficiency indicators. The study also distinguished between financial and non-financial disclosures. Financial information on eco-efficiency indicators was defined as information reported in monetary units,

while non-financial information was defined as information in physical units (such as litres, kilojoules and cubic meters. Enterprises can disclose both financial and non-financial information on one single indicator, so the total number of enterprises in figure 10 is not necessarily the sum of the financial and non-financial disclosures.

95. “Energy use” is the most prevalent indicator, with 39 enterprises disclosing information on this subject. Most of the 39 enterprises reported non-financial information, but 7 enterprises also included financial information. Non-financial information on the consumption of water is disclosed by 32 enterprises, and financial information was disclosed by two enterprises.

96. The least disclosed indicator was “Dependency on ozone-depleting substances”. Ozone-depleting substances are chemicals/substances that are controlled under the Montreal Protocol. The dependency is defined as production plus purchases and stocks of those substances. This indicator is only disclosed by nine enterprises, with four from the “Energy” industry sector. For all eco-efficiency indicators, it was found that non-financial disclosures are more frequently used than financial disclosures.

97. The focus of environmental disclosures seems to have shifted towards global warming contributions. This indicator, reported by 30 of the 100 companies in the study, is momentarily a high profile global issue, and can be expected to receive much more attention in corporate responsibility reporting going forward.

D. Reference to GRI and Global Compact in company reports

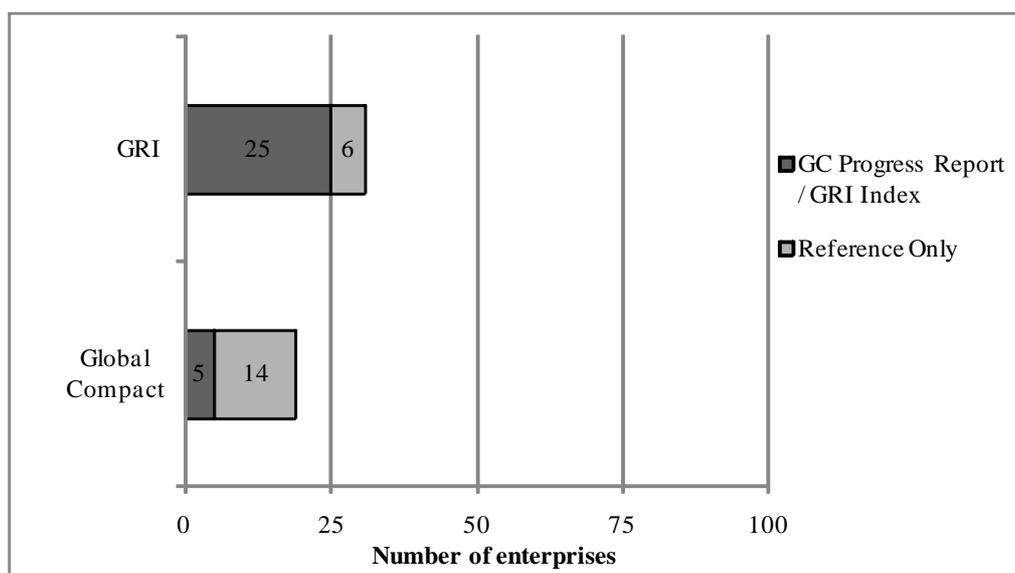
98. The Global Reporting Initiative has developed the world’s most widely used sustainability reporting framework; indeed, the GRI framework is cited in UNCTAD’s Guidance on Corporate Responsibility Indicators in Annual Reports as a source for 5 of the 16 indicators. The cornerstone of the GRI reporting framework is the Sustainability Reporting Guidelines. In 2006, the third and most recent version of the Guidelines (known as the “G3 Guidelines”) was published. To date, more than 1,500 companies, including many of the world’s leading brands, have declared their voluntary adoption of the GRI guidelines worldwide.⁷²

99. The United Nations Global Compact is the largest corporate citizen initiative in the world. It is a voluntary initiative for businesses and other organizations that are committed to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labour, environment and anti-corruption. By doing so, business can help ensure that markets, commerce, technology and finance advance in ways that benefit economies and societies everywhere. To date, the Global Compact has over 5,500 corporate participants and stakeholders from over 130 countries.⁷³

100. Given the significance of these two initiatives to corporate responsibility reporting, this study also tracked the number of references to the Global Reporting Initiative and/or the Global Compact in reporting among the 100 enterprises in the study. As shown in figure 11 below, a total of 31 enterprises referred to GRI indicators and 25 of those enterprises used the GRI index. Regarding the Global Compact, 19 enterprises referred to support for the Global Compact, and 5 enterprises used a Global Compact communication on progress.

⁷² Global Reporting Initiative, <http://www.globalreporting.org/>.

⁷³ United Nations Global Compact, <http://www.unglobalcompact.org/>.

Figure 11. Reference to GRI and Global Compact among 100 emerging market enterprises

101. The Global Compact recognizes a CR report based on GRI indicators as meeting the requirements of a “Communication on Progress” (COP), but some companies choose to produce a COP in addition to a GRI based report, or in place of a GRI-based report. Four enterprises used both the GRI index and a Global Compact COP. Thirteen enterprises used the GRI index and made a reference to the Global Compact. This suggests that these companies used the GRI guidelines to meet the COP requirements from the Global Compact.⁷⁴ Five enterprises had a reference to the Global Compact, but used neither a Global Compact progress report nor the GRI index. Two of the five enterprises also referred to the use of GRI indicators.

III. Conclusions

102. This report is the second ISAR review of the reporting status of corporate responsibility indicators based on the indicators identified in the Guidance on Corporate Responsibility Indicators in Annual Reports (based on the ISAR document TD/B/COM.2/ISAR/41). The study has focused on the disclosure practices of 100 leading emerging market enterprises comprised of selected top 10 enterprises from the economies of the top 10 United Nations member States, by index weighting, found within the MSCI Emerging Markets Index. The leading enterprises of the MSCI EM Index were chosen as the sample for the study due to the economic significance of these enterprises within their economy and the influential role the MSCI EM Index plays in facilitating foreign portfolio investment towards developing economies and economies in transition.

103. The main findings of this study show that half the indicators recommended in UNCTAD’s Guidance on Corporate Responsibility Indicators in Annual Reports are reported by 25 per cent or more of the enterprises in the study. A further three of five of the indicators recommended in UNCTAD’s Eco-efficiency manual are also reported by 25 per cent or more of the emerging market enterprises in the study.

⁷⁴ The Global Compact requires participating companies to produce, annually, a Communication on Progress (COP) in order to promote transparency and accountability, share corporate practices, and protect the integrity of the initiative (website *Global Compact*, http://www.unglobalcompact.org/COP/Review_Project.html).

104. Additional analysis indicates that 25 per cent of the enterprises studied report according to the guidelines of the Global Reporting Initiative, while 5 per cent of the enterprises included a United Nations Global Compact COP report. In examining the location of CR reporting, the study found that 85 per cent of the enterprises studied had distinct reporting on CR information in their annual reports, in standalone CR reports, or on their company website. Of these three locations, a majority of companies in the study included a distinct section on CR information in their annual reports, while separate CR reports also remain quite common for enterprises reporting CR information.

105. The overall level of reporting on corporate responsibility appears to be ambiguous. A large discrepancy in disclosure rates exists between the most and least prevalent disclosures. Closer analysis reveals that the more prevalent indicators are typically those that are the same as traditionally found in financial reporting, while the indicators that display wider business impacts show a much lower disclosure rate of reporting. Furthermore, while distinct sections on CR information appear in the reports (annual or CR) of a majority of enterprises in this study, the use of specific reporting guidelines such as those of GRI or the United Nations Global Compact are used only by a minority of enterprises. This suggests that while awareness of corporate responsibility reporting appears common among leading emerging market enterprises, and some progress has been made in producing CR reports, there nevertheless remains room for improvement among enterprises in adopting international guidelines that might improve the comparability and relevance of reporting on this subject.

Annex

List of enterprises in the study, by country

Brazil

- AMBEV PN
- BANCO BRADESCO PN
- BANCO ITAU HLDG FIN. PN
- CSN SIDERURGICA NAC'L ON
- GERDAU PN
- PETROBRAS PN
- TELE NORTE LESTE PART.PN
- UNIBANCO UNIT
- USIMINAS PNA
- VALE DO RIO DOCE PNA

China

- CHINA COMMUNIC CONSTRU-H
- CHINA CONSTRUCTION BK H
- CHINA LIFE INSURANCE H
- CHINA MOBILE
- CHINA PETRO and CHEM H
- CHINA SHENHUA ENERGY H
- CNOOC
- ICBC H
- PETROCHINA CO H
- PING AN INSURANCE H

India

- BHARAT HEAVY ELECTRICALS
- HDFC BANK
- HOUSING DEV FINANCE CORP
- ICICI BANK
- INFOSYS TECHNOLOGIES
- ITC
- LARSEN and TOUBRO
- OIL and NATURAL GAS CORP
- RELIANCE COMMUNICATION
- RELIANCE INDUSTRIES

Indonesia

- ASTRA INTERNATIONAL
- BANK CENTRAL ASIA
- BANK MANDIRI
- BANK RAKYAT INDONESIA
- BUMI RESOURCES
- INDOSAT
- INT'L NICKEL INDONESIA
- PERUSAHAAN GAS NEGARA
- TELEKOMUNIKASI INDONESIA
- UNITED TRACTORS

Israel

- BANK HAPOALIM
- BANK LEUMI LE-ISRAEL
- BEZEQ ISRAEL TELECOM.
- CHECK POINT SOFTW.
- ISRAEL CHEMICALS
- ISRAEL CORP
- MA MAKHTESHIM-AGAN IND
- NICE SYSTEMS
- PARTNER COMMUNICATIONS
- TEVA PHARMACEUTICAL IND

Republic of Korea

- HYUNDAI HEAVY INDUSTRIES
- HYUNDAI MOTOR CO
- KEPCO KOREA ELECT. POWER
- KOOKMIN BANK
- KTandG CORP(KOREA TOBACCO)
- LG ELECTRONICS
- POSCO
- SAMSUNG ELECTRONICS CO
- SHINHAN FINANCIAL GROUP
- SHINSEGAE CO

Malaysia

- BUMIPUTRA-COMMERCE HLDGS
- GENTING
- IOI CORP
- KUALA LUMPUR KEPONG
- MALAYAN BANKING
- MISC FGN
- PUBLIC BANK FGN
- SIME DARBY
- TELEKOM MALAYSIA
- TENAGA NASIONAL

Mexico

- AMERICA MOVIL L
- CEMEX CPO
- EMPRESAS ICA
- FEMSA UNIT UBD
- GRUPO FIN BANORTE O
- GRUPO MEXICO B
- GRUPO TELEvisa CPO
- INDUSTRIAS PENOLES CP
- TELEFONOS MEXICO L
- WALMART MEXICO V

Russian Federation

- GAZPROM
- LUKOIL HOLDING
- MOBILE TELESYS
- NORILSK NICKEL
- NOVATEK GDR
- SBERBANK RUSSIA
- SURGUTNEFTEGAZ
- TATNEFT COMMON
- UNIFIED ENERGY
- VIMPELCOM

South Africa

- ANGLO PLATINUM
- ANGLOGOLD ASHANTI
- FIRSTRAND
- GOLD FIELDS
- IMPALA PLATINUM HOLDINGS
- MTN GROUP
- NASPERS N
- REMGRO
- SASOL
- STANDARD BANK GROUP