A review of online GRI reporting
Research by Radley Yeldar & The Global Reporting Initiative

Trends in online sustainability reporting

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Global Reporting Initiative™

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Communicating Sustainability: A GRI and Radley Yeldar project

About the research

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Introduction

This is the second year of joint research by Radley Yeldar and the Global Reporting Initiative looking at trends in online reporting, with a particular focus on sustainability reporting.

Over time, we aim to build a picture of changes in the use of online channels to report sustainability data. The research does not aim to endorse good or bad practice, but the findings should give reporters an informed view on how they might improve their online reporting. This research is also designed to find out how the GRI G3 Guidelines are being used in online reporting.

The 2009 research findings are still online at www.sustainabilityreportingonline.com.

For more information on the research, or to give your views on this research project, please contact either Radley Yeldar or the Global Reporting Initiative. Contact details can be found at the back of this document.

Overview

An overview of our research, how we ran the project, and what our key findings were.

What we looked for

We assessed 40 reports from a worldwide sample of organizations using the GRI guidelines. GRI provided Radley Yeldar with a list of reports to review for this research; these reports came from organizations that roughly reflect the proportional split of GRI reporters by sector and by region.

For each report analyzed, we recorded 38 pieces of information under four broad categories:

– General reporting information

– The use of the GRI guidelines

– Online reporting formats

– Online reporting functionality

The data recorded during this process provides the basis for this year's findings. One notable change during this cycle of research was the increased proportion of integrated reports included (defined or the purpose of this research, as reports that included both financial and sustainability/ESG information). 30% of this year's reports were integrated, compared with 2.5% in our previous research; this was a conscious decision to reflect the increased interest in integrated reporting by reporting users and practitioners. Links to further sources of information on integrated reporting are available in the Resources section of the site.

What we found

Format of primary source of reporting

The PDF remains the predominant format for online ESG reporting with 55% of our sample using either a flat PDF or interactive PDF as their primary source of reporting (i.e. the source of reporting where most pieces of GRI data was contained). However, around 40% of reporters selected to use a digital format as their primary source of reporting.

Online report presentation 2009 vs 2010

Legend:
■ 2009
■ 2010
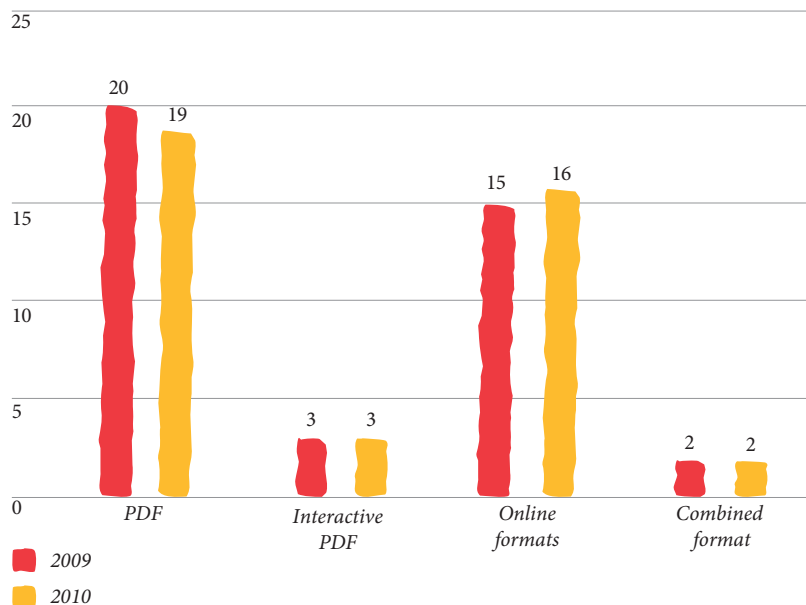
In our 2008-9 research, all 38 qualifying reporters in our sample used a PDF as their primary reporting format, or provided a PDF of the content contained in their primary reporting format; in this year's sample, four of the reporters made content exclusively available as a format designed to be used online.

25% of reporters made PDF content more accessible by offering users the opportunity to download reporting content in chunks – either through HTML links to sections, or through a print basket functionality.

Functionality of online reporting

77.5% of reporters included a mail-to link or contact form in their reporting, while 12.5% included an online feedback form. However, social media tools were not widely used in our sample:

– only one reporter offered users the opportunity to rate content in their reporting;

– only one reporter offered RSS feeds from within their reporting;

– only one reporter offered social bookmarking within the reporting, with three others that offered this functionality elsewhere on the sustainability or ESG section of the corporate website.

We saw a significant increase in the number of reporters including moving image (video, animations, etc) within the parameters of their report; this increased from one reporter in our 2008-9 research to seven in our latest sample.

Accessibility of GRI information

This year we saw the online GRI Content Index, which functions as a navigational tool for online reports, become more difficult to access than in our previous research. This year, the Content Index was accessible within an average of 3.9 mouse-clicks, compared with 3.4 clicks in our 2008-9 sample.

We wonder whether this reduction in accessibility is due to the increased proportion of integrated reports in our sample in 2009, which were generally harder to access from the organizational homepage than a sustainability or ESG report. It seems that financial report data is often less on the forefront on corporate websites as opposed to sustainability or ESG information. This might be due to the PR value of this type of information.

We also saw a slight decrease in the proportion of interactive GRI Content Indices. While 30% of reporters offered some kind of interactivity in their index (2008-9: 40%), 70% were not interactive. Curiously, some organizations choosing to report in an online format failed to provide an interactive GRI Content Index. This was not in line with our original expectations we believe that an interactive Index can make online reporting more comprehensive and accessible.

Our key findings from this year's research were presented at the GRI Conference in May 2010. A video overview of our findings is available via the Resources list atthe back of this document.

Themes and trends

Where is the report?

Defining the primary source of reporting

Last year's research identified that the boundaries of an online sustainability or ESG report are less clearly defined than those of a printed document: without a front and a back cover to act as the physical start and finish of a document, GRI data is often spread across a number of sources. The source containing the greatest proportion of GRI data was defined as the primary source of reporting. In order to define the primary source of reporting, referred to throughout this research, we looked at which sources users were directed to by the GRI Content Index. In other words, if a GRI Content Index referred report readers to 100 sources of information to gain the full picture of information required and 80 of these sources were found in their Sustainability Report, this was defined as the primary source of reporting.

Categorising the primary source of reporting

In our 2008-9 research, only one of the 40 reports analysed was an integrated report; in our 2009-10 survey, 12 primary sources of reporting were classified as integrated reports.

Report type	Number	%
Sustainability only	28	70
Integrated	12	30

The inclusion of more integrated reports was a deliberate choice, in order to reflect the increased interest in integrated reporting over recent months.

Accessing the primary source of reporting

Half of our sample made its primary source of reporting accessible within two mouse-clicks from the organisation's homepage.

Clicks	Number	%
1	3	7.5
2	17	42.5
3	12	30
4	6	15
5	1	2.5
6	1	2.5

Sources of GRI information

In this year's sample, 28 reporters used two different sources to provide all their ESG data, compared with 29 in our 2008-9 research. The number of reporters providing all ESG data in a single document remained static (40%), with the stand-alone ESG report remaining the most commonly-used single source of reporting.

Six integrated reports provided all the information in a single source. However, more conventional 'financial' annual reports were confirmed as an important secondary source of reporting, with 42.5% of our total sample using this document as a source of GRI information. In addition, 20% of the sample used their organisational website as a source of GRI data.

Median: 2.125 sources

Number of sources containing GRI data	Number of reporters	%
1	16	40
2	12	30
3	6	15
4	4	10
5	1	2.5
6	1	2.5

Interactivity of the online GRI Content Index

Only 22.5% of our sample provided a fully interactive content index, although a further 7.5% provided hyperlinks to parts of the GRI data that sat outside the primary source of reporting (usually when additional GRI data was stored on the organisation's website). Although 16 reporters used a digital format as their primary source of reporting, only 12 reporters in our sample gave report users an interactive GRI Content Index.

Interactivity level of GRI Content Index	Number	%
Fully interactive	9	22.5
Partially interactive (i.e. with hyperlinks)	3	7.5
Not interactive	28	70

5% of our sample provided GRI-specific navigational options in their reporting – in other words, pulled the GRI Content Index to the front of their report, highlighting its potential use as a navigational tool.

Take a look at: Copel

Copel provides users with two initial ways to access deeper content in its online integrated report: the CEO statement, or the GRI index. Once accessed, the GRI Content Index is fully interactive, giving users with a need for non-financial data a clear access point to reported information.

http://www.copel.com/relatoriosanuais/2008/index_en.htm

Themes and trends

Digital reporting formats

Here, we looked at the online presentation of the primary sources of reporting (as classified in the previous section of these findings).

Format	Number	%
Flat PDF	19	47.5%
Interactive PDF	3	7.5%
Online formats	16	40%
PDF and online formats given equal prominence with identical content	2	5%

Definitions of each reporting format can be found in the downloadable version of our previous findings, but examples of the differing types of digital format found in the 2009-10 research can be found in the breakout panels at the bottom of this page.

How are PDFs and Interactive PDFs being used

The PDF remains the predominant form of online reporting in our 2009-10 research, with flat and interactive PDFs accounting for 55% of our sample.

However, the quality of interactive PDFs showed a slight improvement, with some reporters employing navigational devices and interactivity more like that found on a full online format (such as an HTML report or a Flash book – see below for examples of each).

We also recorded a similar number of reporters trying to make PDF content more accessible to readers; 17.5% of our sample broke PDF content into chunks that could be downloaded separately.

Doing this rightly recognizes that some users only required certain sections of narrative, making it easy to jump into specific content by topic or type (e.g. just the content on environmental performance).

Take a look at: Intel

Intel's interactive PDF borrows heavily from the techniques of an online report, with an intuitive left-hand navigation panel and well-considered hyperlinks to sources of information outside of the report itself.
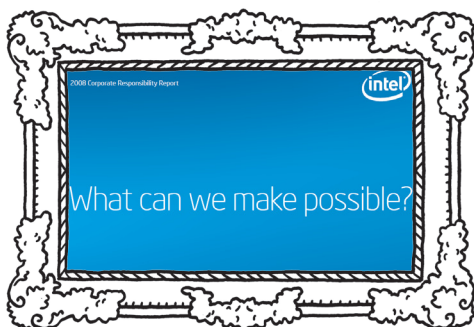
Breakdown of online formats:

We classified the 18 online primary sources as follows:

| Format	Number
HTML microsite (sustainability microsites also included)	11
Flash book	4
Integrated flash hybrid	1
Integrated HTML	1
Image based report	1

Unlike our last phase of research, we found that four online reporters chose not to provide a full PDF of their primary source of reporting as an alternate downloadable source of information, which perhaps suggests that digital formats are becoming a more recognized source of ESG data, eliminating the need to pull information together in a supporting PDF.

Take a look at: L'Oreal

This shows how Flash can be used to recreate a print experience online. While this format, known as a Flash book, can be an engaging way to present content, readers that want to get straight to the data of interest may find the need to zoom for detail somewhat frustrating.

Take a look at: Endesa Forteleza

Providing a good example of an HTML microsite, Endesa Forteleza offers readers rich content with hyperlinks and references to GRI data, which appear when the mouse hovers over certain elements of text. Navigation is also effective, making the most of the online channel.

Intel
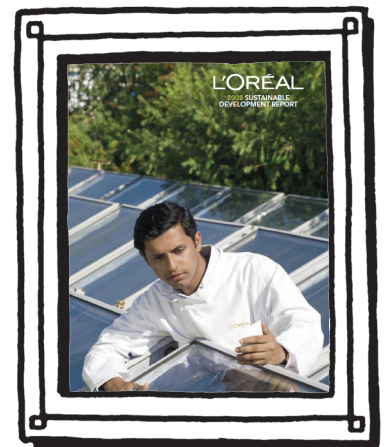
L'Oreal

Take a look at: **RioTinto**

Rio Tinto's report is integrated into the fabric of their main organizational website. Helpfully, they provide a fully interactive GRI Content Index, enabling users to jump straight to the information they require.

Take a look at: **H&M**

H&M also integrate their reporting content into their organizational site, but use panels of Flash to give users access to deeper levels of detailed content through PDFs.

Take a look at: **Grupo BBVA**

Its image-based report is given equal prominence to its PDF report and is equally accessible. The image-based report offers some of the functionality of an HTML report, but generally at a fraction of the cost.

H&M

Additional reports

We found a number of examples of other types of reports available from the same landing page as the primary reporting format.

Reporting type	Number of reporting organizations	x%
Summary report	6	15
Annual or financial report	4	10
Local reporting	2	5
Supplementary financial reporting	2	5
Supplementary issue-based reports	2	5
Supplementary non-financial performance report	1	2.5
Organizational governance report	1	2.5
Magazine-style report	1	2.5

Of these additional reports, 46% were in PDF format; 31% were Flash books; 15% were HTML reports; and 8% were image based reports.

In addition, we found 18 reporters offering a translated version of their report online, with most of this group (13 reporters) offering reporting in three languages.

Grupo BBVA

Themes and trends

Digital reporting functionality

Here, we look at how some of the online tools for engagement and dialogue that may prove helpful to sustainability practitioners are being used in the context of reporting.

Tools for engagement

Online reporting offers organizations the opportunity to share their ESG performance with stakeholders with different needs and levels of interest. It can provide engaging overviews of performance for casually interested stakeholders looking for something brief, while equally engaging interactive data tools can provide performance data to more cynical or specialist audiences.

This year's sample suggests that general audiences are better catered to than specialist ones when it comes to engaging content.

– 17.5% of our sample (2.5% in 2008-9) provided moving image (film or animation) within their primary source of reporting, with two more including videos on sustainability pages of organisational websites

– 7.5% of the sample reports played music as users browsed their content (2.5% in 2008-9)

– Just one reporter (2.5%) provided a Flash-driven data selection tool (down from 7.5% in 2008-9)

We also found one fewer custom PDF generation tool in the 2009-10 sample (2009-10: 7.5%; 2008-9: 10%).

The apparent reduction of investment into engaging functionality during a recession may not be surprising. However, might the increase in moving image (generally more engaging for generalist stakeholders) and a lower frequency of engaging functionality for specialist users reflect the fact that few reports successfully engage all stakeholders? By providing lighter overview content, perhaps sustainability reporters are attempting to tell their stories more clearly for customers or staff, for example, rather than just for investors.

Take a look at: **FujiXerox Australia**

This reporter took an innovative approach to reporting, making good use of Flash to tell the organization's sustainability story. The GRI Content Index, which opens in a separate window as an image, is one of the few elements that is not included within the Flash frames of the report.

Take a look at: **TASA**

TASA was the only company in this year's sample to provide access to a data selection tool. Less sophisticated than an interactive data cutter, this reporter pulls all its performance information into one place and animates charts and graphs as they are selected.

Asking for feedback

Online reporting offers users a clear opportunity for reporters to enter into dialogue with stakeholders. Our 2009-10 research (in line with our 2008-9 research) suggests that reporters are still hesitant to embrace these new technologies and channels for dialogue within the parameters of these reports.

Location	Number	%
Email or contact form in report	31	77.5%
Email or contact form on website	3	7.5%
No clear contact	6	15%

Of the 31 reporters that included an email address or contact form inside the parameters of their reports, 26 directed users to a sustainability-specific email contact, three directed users to a generic organisational email contact, while two provided an online feedback form.

One additional reporter provided an online feedback form on the sustainability pages of its main website.

Furthermore, one reporter gave users the option to comment on content (though on a blog that was housed in the same microsite as the report, not the report itself), and an additional reporter gave users the option to rate content on its sustainability website.

Contacting the reporter

Three reporters in this year's sample offered email updates specifically on sustainability issues. In addition, one reporter included an RSS feed within its online report to keep users up to date about changes or developments on its site. We also found one further reporter with an RSS feed on its sustainability microsite (of which the report is a part).

This represents a slight increase from our 2008-9 research, where only 3 organizations had either an email service or RSS feed on sustainability issues.

Content sharing

This functionality allows online reporters to share content beyond the parameters of the report, helping report content to be sent to friends, to sit on social media sites (such as Facebook), to be pushed through microblogging channels (such as Twitter) or to be saved on a bookmarking service (such as Delicious).

This seems to be catching on. This year, one reporter provided buttons for sharing content on social media and social bookmarking sites from within the boundaries of their primary source of reporting, with three further reporters including these buttons on sustainability pages outside of their reports.

In addition, five reporters included links to send content to friends; of these, four instances were within the boundaries of the primary reporting format, with one on the sustainability microsite (of which the report is part).

Take a look at: O2 Deutsche Telekom

02 Deutsche Telekom embraces the opportunities associated with new media, with a highly engaging online report that features video and encourages readers to share content via social media channels. The report also includes a tag cloud – the first we've found in two cycles of research – and an RSS feed within the parameters of the report.

Take a look at: RioTinto

RioTinto's report is woven into their corporate website, and, as a result, benefits from functionality such as "Send to a friend" buttons.

RioTinto
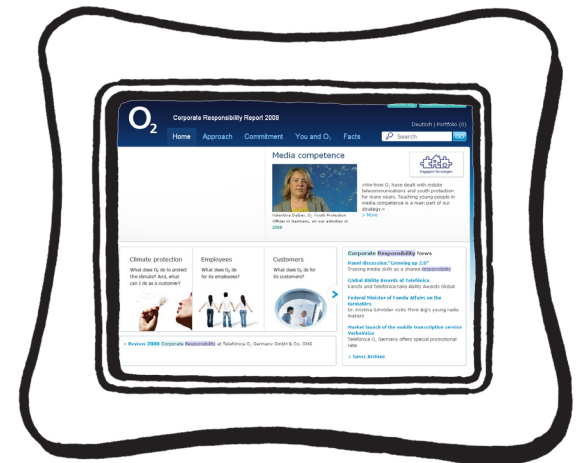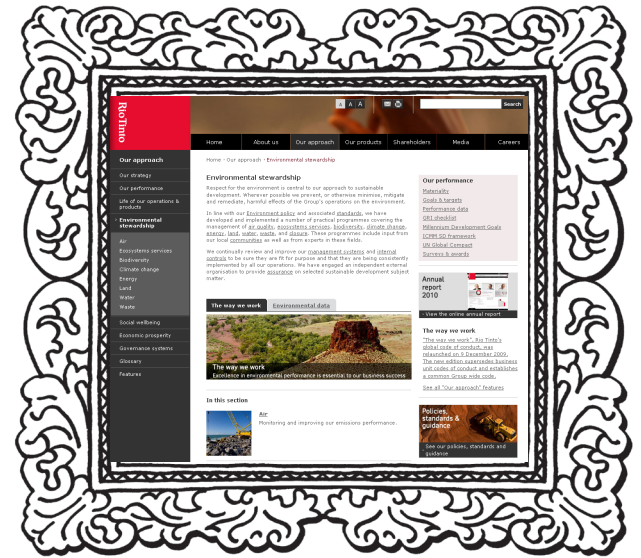
O2 Deutsche Telekom

About our sample

Our sample

The sample of reporting organisations was provided to Radley Yeldar by the Global Reporting Initiative. These reporters were:

888 Holdings	Iino Lines
A2A	Indesit
ABB Group	Intel
Abeinsa	L'Oreal
Amsterdam RAI	McDonalds
BKW FMB Energie	Nitto Denko
Canadian Imperial Bank of Commerce	NovoNordisk
Copel	Owens Corning
Cotlands	PSA Peugot Citroen
Det Norske Veritas	Red Electrica De Espana
Elval	Rio Tinto
Endesa Fortaleza	Singapore Exchange
Engineers Australia	Swire Beverages
Esteve	TASA (Tecnológica de Alimentos)
Exxaro	Tata Tea
Fuji Xerox Australia	Telefonica 02 Germany
Galvao Engenharia	Transurban
Grupo bbva	Veolia Environnement
Grupo Mexico	Western Power
H&M	Willard Intercontinental

These organisations provide a roughly representative spread of GRI reporters according to region and sector classification.

Region	Number	%	GRI % 2009
Africa	2	5	6
Asia	7	17.5	21
Europe	18	45	45
North America	5	12.5	12
Oceania	3	7.5	6
South America	5	12.5	12

Classification	Number	%
Services	21	52.5
Manufacturing	15	37.5
Extractive	3	7.5
Not for profit	1	2.5

All reporters used the GRI G3 Guidelines and most of them declared an application level, with a quarter of our sample using a sector supplement.

Application level	Number	%
A+	11	12.5
A	1	2.5
B+	4	10
B	8	20
C+	–	–
C	12	15
Undeclared	4	10

Sector supplement	Number	%
Not used/not applicable	30	75
Yes	10	25
Where yes:		
Electric utilities	4	10
Financial services	1	2.5
Mining and metals	3	7.5
Telecommunications	1	2.5
Apparel and footwear	1	2.5

Glossary

Sustainability/ESG report – a report in which an organization discloses information about its sustainability impact or environmental, social and governance performance

GRI data – sustainability information given in response to disclosures items of the GRI G3 Guidelines

G3 Guidelines: The Guidelines outline core content for reporting and are relevant to all organizations regardless of size, sector, or location. They are the foundation upon which all other GRI reporting guidance is based. The G3 Guidelines outline a disclosure framework that organizations can voluntarily, flexibly, and incrementally adopt. The flexibility of the G3 format allows organizations to plot a path for continual improvement of their sustainability reporting practices.

Online reporting – any reporting available online

Digital format – any report specifically designed as a web-based format, eg HTML microsite

Primary reporting format – the source of reporting where most pieces of GRI data was contained

Print basket – tool to select and collate relevant pages of an HTML report, which can then be bundled together for printing or PDF creation

GRI Content Index: The GRI Content Index lists every G3 disclosure addressed in a report. The Index complements, and should correspond to, an Application Level declaration. A well-constructed Index enables readers to more easily access, understand and communicate about GRI reports. Firstly, the Index communicates which GRI disclosures have been reported, and the reason why certain disclosures have not been reported. Secondly, the Index is the gateway to the sustainability performance data. It should have clear and direct referencing, and if used online, can be an interactive navigation tool. By using the index, report users should easily find the specific GRI data of interest.

Sector supplement: GRI Sector Supplements are a version of the GRI Guidelines tailored for a sector. Sector Supplements help to make sustainability reports more relevant, and easier to produce.

GRI application levels: The Application Levels indicate the extent to which the G3 Guidelines have been applied in sustainability reporting. They communicate which part of the Reporting Framework has been addressed – which set of disclosures, varying with the different Levels. Application Levels reflect the degree of transparency in reporting. The Levels do not give an opinion on the sustainability performance of the reporting organization, the quality of the report, or on formal compliance with the G3 Guidelines.

Integrated reporting – An integrated report presents information about an organization's financial performance with information about its Environmental, Social and Governance (ESG) performance in an integrated way.

Terms relating digital formats or functionality

Image based report: a reporting format built by placing digital 'pages' from a PDF version of a report generally designed to be printed into a frame containing navigational aids and additional functionality (generally HTML).

Flash book: a reporting format built by placing digital 'pages' from a PDF version of a report generally designed to be printed are placed into a Flash frame containing navigational aids and additional functionality.

HTML: Meaning hypertext mark-up language, HTML is a language used to write web pages. In the context of this research, it's used to define any report coded and put online (which may also be written in newer web languages such as XML, PHP or .Net).

Interactive PDF: a PDF with enhanced functionality, which provides at a minimum basic navigational function.

Further information

About the research partners

ry.

Radley Yeldar
We're a creative communications business, helping you tell your story simply, in one clear voice, by whatever means works best.

For the last six years, our dedicated sustainability team has helped clients to define and communicate their sustainability story, through reporting, internal communication, digital media and moving image. For more information, visit ry.com.

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The Global Reporting Initiative
The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework. GRI is committed to the Framework's continuous improvement and application worldwide. GRI's core goals include the mainstreaming of disclosure on environmental, social and governance performance.

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Find out more:

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