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NEW REPORT A LANDMARK IN GLOBAL CORPORATE TRANSPARENCY

Sethi CSR Monitor Examines Corporate Social Responsibility and Sustainability

New York, NY, April 4, 2010—The newly launched Sethi CSR Monitor is the first attempt to systematically analyze the corporate social responsibility and sustainability reports published by major corporations from around the world. It answers an urgent need among investors, media, NGOs, policymakers and scholars for an objective guide to analyze and compare claims made by corporations in their self-published reports.

The analytical team was led by Prof. S. Prakash Sethi, founder of the International Center for Corporate Accountability and one of the pioneers of corporate codes of conduct. Following the lead of GAAP (Generally Acceptable Accounting Principles) the Sethi CSR Monitor classifies and compares information contained in the CSR-Sustainability Reports along 12 contextual elements on a point basis: environment, corporate citizenship, executive message, integrity assurance, stakeholder engagements, general employee relations, production workers, supply-chain management, codes of conduct, corporate governance, bribery and corruption and corporate reputation.

This study covers 477 CSR-Sustainability reports from a database of 1,225 companies from 23 industries and 43 countries, comparing results across industry and region. In terms of publishing CSR-S reports, Europe and Australia took the lead while reports from North American companies were conspicuously absent from the top performers list.

The six companies with highest overall scores were: BHP Billiton (Metals & Mining, Australia), Bayer (Healthcare, Germany), UniCredito Italiano (Financials, Italy), Iberdrola (Utilities, Spain), BT Group (Telecommunications, UK), and L’Oreal (Consumer Goods, France). Similarly, the best discussion of the environment and sustainability issue was covered by BT (Telecommunications, UK), Telefonica (Telecommunications, Spain), Tohoku Electric Power (Utilities, Japan) and Unilever (Consumer Goods, UK/Netherlands).

The general quality of the current batch of CSR-Sustainability reports points to considerable room for improvement. Over 60% of the reports in our database fell below 50% of the maximum achievable score. On the positive side, the data shows that companies with the best overall quality of reports are not limited to any single industry or region. As Prakash Sethi comments, “It is a clear indication that the primary driver for creating high quality reports is the commitment of the corporation and its management to communicate effectively with its various constituencies. It suggests that companies have a larger measure of discretion and opportunity to build public trust for socially responsible behavior.”

The CSR Monitor shows that high quality CSR-Sustainability reports help companies enhance their reputation to limit future risks from regulatory intervention, financial uncertainty, NGO pressures and public discontent.

For a free copy of the brief summary of the report, please visit our web site: www.sicca-ca.org.