Sustainability Reporting in Greece: Are We There Yet?

Companies are getting better at reporting, but more needs to be done

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Sustainability reporting, which integrates information on the economic, environmental, and social performance of a company into a single publication, is gaining acceptance among a growing number of organizations.

This article discusses research evaluating the quality and completeness of sustainability reports published by Greek companies. The overall results reflect an improvement in nonfinancial reporting in Greece. However, the limited number of companies compiling sustainability reports, as well as the significant gaps present within these reports, demonstrate that there is substantial room for improvement.

Background: Sustainability Reporting

Environmental awareness and social responsibility are becoming integral parts of the corporate agenda. Over the last decade, more and more companies have moved toward monitoring their performance on environmental and social aspects. These companies recognize that maximizing profits and shareholder wealth—the classical definition of an organization's reason to exist (Friedman, 1970)—are not the only targets that must be achieved.

Corporate social responsibility (CSR) is strongly related to stakeholder theory (for example, see Clarkson, 1995; Donaldson & Preston, 1995; Freeman, 1984; Freeman & Evan, 1990; Hart, 1995; Henriques & Sadorsky, 1999; Hill & Jones, 1992; T. M. Jones, 1995; T. M. Jones & Wicks, 1999; Mitchell, Agle, & Wood, 1997; Winn, 2001), given the fact that a company affects and is affected by not just one group of stakeholders (shareholders), but also by a broad range of other groups with different characteristics, interests, and needs. These additional stakeholders can include customers and clients, employees, suppliers, competitors, local communities, nongovernmental organizations, and others.

In this context, sustainability/CSR reports[1] are emerging as a new trend in corporate reporting. Such a report depicts the policies, plans, and programs the company has put into place, integrating quantitative and qualitative information on the economic, environmental, and social performance—what Elkington (1997) has described as the "triple bottom line"—of the company into a single publication.

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At the time we conducted the research described here, the most comprehensive study on corporate responsibility reporting was the survey conducted by KPMG in 2005 (KPMG, 2005). The survey included extensive coverage of the world's largest corporations, including the top 250 companies from the Fortune 500 (Global 250) and the top 100 companies in 16 countries, providing a truly global picture of reporting trends over the prior decade. The study found that the majority of the 250 biggest companies in the world issued separate reports on corporate responsibility (52 percent, compared to 45 percent in 2002), while at a national level, 33 percent (compared to 23 percent in 2002) of the companies issued separate CSR reports.

With the rise of nonfinancial reporting, several frameworks, standards, and initiatives have been developed to offer guidance on preparing meaningful and effective reports.

Such reports, usually published on an annual basis, are stakeholder-linked. Ideally, they depict the policies, plans, and programs the company has put into place in order to implement its overall CSR strategy, aiming to give the reader their implementation status as well as relevant future targets.

Benefits of Reporting

Public disclosure of nonfinancial information can potentially have multilateral benefits for the reporting organization, as well as for the various stakeholder groups that it is linked to (Gilbert, 2002; Global Reporting Initiative [GRI], 2002; Greeves & Ladipo, 2004; Stratos, 2005; United Nations Environment Programme [UNEP]/SustainAbility, 1997). It can allow the company to track its progress against specific targets and help it convey information on corporate sustainability strategy both internally and externally, communicating all relevant efforts.

Such disclosure also can help ensure that the organization maintains its "license to operate" from the community and wider society by building and maintaining stakeholder engagement and therefore improving the transparency of its business activities and enhancing its overall organizational credibility.

In addition, nonfinancial reporting has reputational and cost-saving benefits. It helps investors and other financial stakeholders make more informed decisions and allows comparison of sustainability performance among different organizations over time.

GRI Guidelines

With the rise of nonfinancial reporting, several frameworks, standards, and initiatives have been developed to offer guidance on preparing meaningful and effective reports. The Global Reporting Initiative guidelines are currently the most widely recognized and acknowledged. In fact, the GRI guidelines have turned out to be "the de facto global standard on reporting,"[2] with more than 1,000 organizations, including many of the world's leading brands, declaring their voluntary adoption of the guidelines worldwide.

Sustainability Reporting Among Greek Companies

Greek companies still have limited awareness regarding sustainability reporting and public disclosure of nonfinancial information. KPMG's 2002 International Survey of Corporate Sustainability Reporting showed that only 2 percent of the top 100 Greek companies published nonfinancial reports, although 28 percent included health and safety, environmental, or sustainability information in their annual financial reports (KPMG, 2002).

Floropoulos (2005) examined the voluntary disclosure of environmental information in the financial statements of Greek firms listed on the

Athens Stock Exchange (ASE) during the period 2000–2004. This research revealed that out of 351 companies listed on the ASE, fewer than ten provided information on relevant environmental issues in their financial statements.

About This Article

The purpose of the study discussed here was to assess the quality and completeness of sustainability reports published by Greek companies. The research used 2006 as the year of reference and employed a scoring system based on the GRI guidelines. The results of the study were compared with the previous year's outcomes in order to examine whether there had been any improvement in reporting practices.

Nonfinancial reporting assessment has been developed as a benchmark tool for examining reports on the basis of their inclusiveness and other factors. Such evaluation allows individual companies to be compared in terms of sustainability criteria, with the aim of distinguishing between better and poorer reporters.

Reporting assessments, which have been conducted by consultancies (Deloitte Touche Tohmatsu, 2001, 2002a, 2002b; Stratos, 2001, 2003, 2005; Sustainable Investment Research Institute [SIRIS]/Snowy Mountains Engineering Corporation [SMEC], 2002; UNEP/SustainAbility, 2000, 2002, 2004, 2006), research institutes, and academics (Ando, 2001; Archel, Fernandez, & Larrinaga, 2008; Clausen, Loew, & Westermann, 2005; Daub, 2007; Davis-Walling & Batterman, 1997; Erkko, Melanen, & Mickwitz, 2005; Gallego, 2006; Hussey, Kirsop, & Meissen, 2001; Morhardt, Baird, & Freeman, 2002; Peck & Sinding, 2003), add vital information on reporting trends and practices.

The discussion that follows first briefly outlines the main features of the GRI guidelines and the methodological approach that was developed in order to evaluate Greek reporters. We then present and discuss the results of our assessment. The article concludes with a discussion of the applied methodology and recommendations for future research.

Methodology and Sample Identification

Assessment Methodology

The Centre for Environmental Policy and Strategic Environmental Management at the University of the Aegean has developed a sustainability reporting assessment methodology based on the GRI guidelines. For a second consecutive year, the Centre has evaluated the quality and completeness of sustainability reports published by Greek companies. The results of the second-year benchmark survey evaluation are presented in this article.

Nonfinancial reporting assessment has been developed as a benchmark tool for examining reports on the basis of their inclusiveness and other factors.

The assessment methodology relies on the GRI 2002 reporting framework. This set of guidelines suggests that reports should cover the following clusters of criteria and indicators:

- The vision and strategy of the reporting organization on sustainable development, including a relevant statement by the CEO or equivalent senior manager.
- A profile of the organization and the report itself, giving an overview of the organization's activities and the report's scope.
- The organization's governance structure, including overarching policies and management systems in place to implement the vision of the organization regarding sustainable development and manage its performance.
- The performance of the organization during the reporting period, with information

Exhibit 1. Number of Topics and Possible Points for Each Report Section

Section	Topics	Maximum Possible Points
Vision and Strategy	2	8
Profile	22	88
Governance Structure	20	80
Economic Indicators	13	52
Environmental Indicators	35	140
Social Indicators	49	196
Labor Practices	*17*	*68*
Human Rights	*14*	*56*
Society	*7*	*28*
Product Responsibility	*11*	*44*
Total	141	564

grouped under three clusters of quantitative and qualitative indicators (the triple bottom line of economic, environmental, and social indicators) according to the conventional definition of sustainable development. Social performance indicators are further subgrouped into indicators on labor practices, respect for human rights, broader societal issues (such as bribery and corruption), and responsibility for products and services.

Scoring System

Following the structure and rationale of previously applied sustainability reporting assessment methodologies (for instance, Clausen et al., 2005; Deloitte Touche Tohmatsu, 2002c; Morhardt et al., 2002; UNEP/SustainAbility, 2006), a numerical scoring system was constructed, where each one of the 141 GRI topics/indicators was allocated a score between 0 and 4 points. Scores were assigned as follows:

- when a specific topic was not mentioned in the assessed report, no points were assigned;
- brief or generic statements received 1 point;
- more detailed coverage received 2 points;
- extensive coverage received 3 points; and
- the maximum score of 4 points was assigned to a topic when coverage was full and systematic, completely meeting the GRI requirements.

A few topics did not lend themselves to this five-level scale. In some other cases, the information provided by the sample group was too limited for the scale to apply. Accordingly, these topics were graded on either a two-level scale (receiving 0 or 4 points) or a three-level scale (receiving 0, 2, or 4 points).

See **Exhibit 1** for information on the number of topics and the maximum possible points for each. **Exhibit 2** shows an example of the scoring system used.

Sample Size and Reports Studied

A Web-based search was performed to gather all the sustainability/CSR reports published by

Exhibit 2. Applying the Scoring System Methodology

Score	Scoring Levels	Example: Direct CO_2 Emissions
0	No Mention	No relevant information provided in the report.
1	Generic Statements	"We monitor our CO_2 emissions."
2	More Detailed Information	"In 2006, the company's total emissions of CO_2 were equivalent to 800,000 tonnes."
3	Extensive Information	"Our head offices and plants in Greece produced 500,000 tonnes of CO_2, while the rest of our abroad operations resulted in 300,000 tonnes of CO_2."
4	Full and Systematic Coverage	"In 2006, the company's total emissions of CO_2 were equivalent to 800,000 tonnes. Our head offices and plants in Greece produced 500,000 tonnes of CO_2, while the rest of our abroad operations resulted in 300,000 tonnes of CO_2. This is a 5% reduction from last year's emissions. It is our stated commitment to reduce our CO_2 emissions by a targeted 10% by the end of 2008, compared to our 2004 level."

Greek companies during 2007 for the previous year. An initial search was carried out in the corporateregister.com database, where all companies are invited to register their sustainability reports. We further searched among the members of the Hellenic Network for Corporate Social Responsibility and other large Greek firms, as well as among subsidiaries of multinational corporations.

Sample size did not substantially increase compared to the previous year's number of reporting organizations. In total, 17 reports were included in the assessment for 2006 (compared to 16 in the previous year) (see **Exhibit 3**). This figure represents only about 24 percent of the core membership of the Hellenic Network for Corporate Social Responsibility[3] and a mere 4 percent of the firms listed on the Athens Stock Exchange in 2006.

We excluded reports by multinational corporations that had operations in Greece but that did not provide a breakdown of information at the country level. We also excluded the Hellenic Exchanges Group report because it provided mostly generic statements (and therefore would score so low on the assessment that it would not significantly contribute to the study's overall conclusions).

Two companies were first-time reporters: Frigoglass and the Organization of Football Games Prognostics (OPAP). The rest had published a report in at least one previous year.

Eight of the reports (47 percent) stated that they had been prepared using the GRI guidelines. Only two of the eight had clearly adopted the latest version of the GRI framework (G3). The rest referred to the previous set of guidelines (G2).

We should note that Heracles Cement provided the only integrated report, including financial and sustainability information in a single publication.

Benchmark Findings

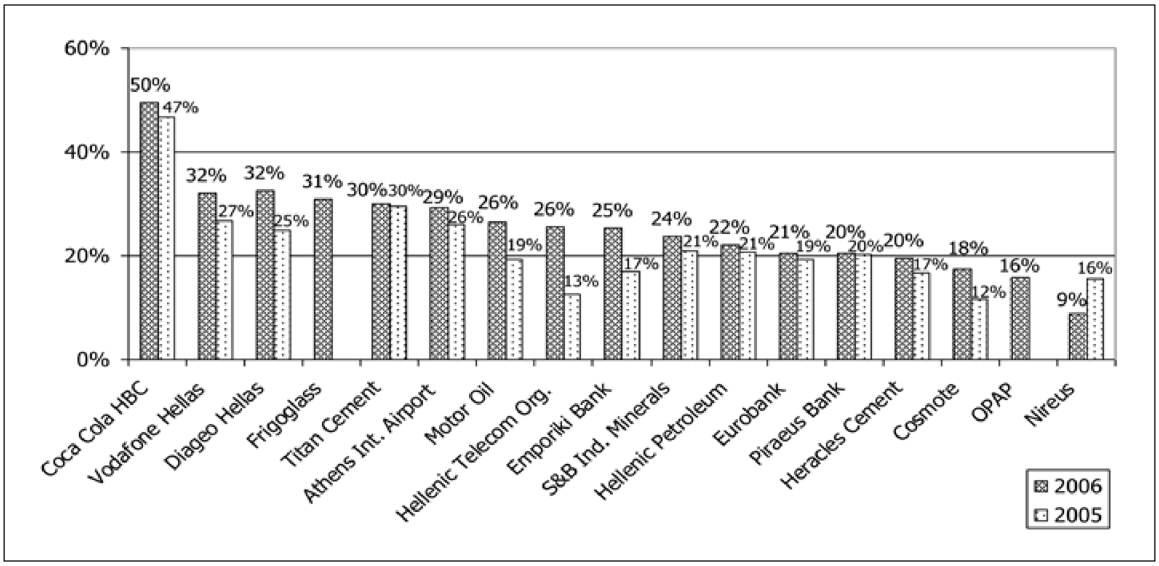
The results of our study reveal an overall improvement in reporting practices (see **Exhibits 4** and **5**). The average score was 25 percent, a 4 percent increase compared to the benchmark for the previous year (2005). The scoring results ranged from 280/564 (50 percent) to 50/564 (9 percent).

As we found during the previous year's evaluation, Coca-Cola HBC once again provided the most balanced report, covering issues from all

Exhibit 3. List of Companies With Sustainability Reports Included in the 2006 Benchmark Survey

Organization	Report Title	Web site
Athens International Airport	Corporate Responsibility Report 2006	http://www.aia.gr
Coca-Cola HBC	Social Responsibility Report 2006	http://www.coca-colahbc.com
Cosmote	Corporate Social Responsibility Report 2006	http://www.cosmote.gr
Diageo Hellas	Corporate Citizenship 2005-2006	http://www.diageo.com
Emporiki Bank	Corporate Social Responsibility Report 2006	http://www.emporiki.gr
Eurobank	Corporate Social Responsibility & Sustainability Report 2006	http://www.eurobank.gr
Frigoglass	Corporate Social Responsibility Report 2006	http://www.frigoglass.com
Hellenic Petroleum	Social & Environmental Report 2006	http://www.hellenic-petroleum.gr
Hellenic Telecom Organization	Corporate Social Responsibility Report 2006	http://www.ote.gr
Heracles Cement	Annual Report 2006	http://www.aget.gr
Motor Oil Hellas	Social Report 2006	http://www.moh.gr
Nireus	Social Report 2006	http://www.nireus.com
OPAP	Corporate Social Responsibility Report 2006	http://www.opap.gr
Piraeus Bank	Corporate Social Responsibility Report 2006	http://www.piraeusbank.gr
S&B Industrial Minerals	Social Report 2006	http://www.sandb.com
Titan Cement	Corporate Social Responsibility & Sustainability Report 2006	http://www.titan-cement.com
Vodafone Hellas	Corporate Responsibility Report 2006	http://www.vodafone.gr

Exhibit 4. Ranking of Greek Companies' Sustainability Reports



the clusters of topics/indicators in an inclusive manner.

There was still considerable variation in reporting practices and in the presentation of provided information. However, all assessed reports were awarded more points for organizational and report profiles and governance structure, rather than for triple-bottom-line performance presentation.

Newcomer Frigoglass, which ranked fourth, disclosed a mixture of G2- and G3-based indicators and topics. Hellenic Telecommunications Organization rose to 8th place (from 15th in last year's assessment), reflecting an impressive 13 percent improvement in overall report content under the scoring system we used.

The following sections briefly describe how well the sustainability reports of Greek companies covered the four relevant clusters of criteria and indicators (vision and strategy, profile, organizational governance structure, and performance).

Vision and Strategy

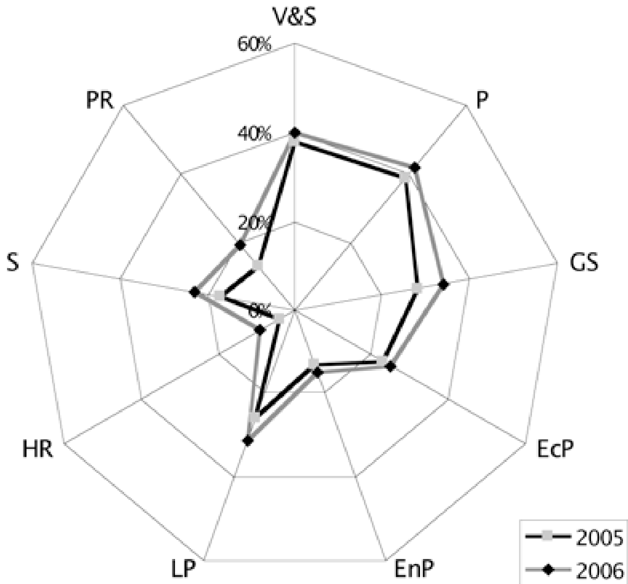
In disclosing their vision and overall strategies, most of the organizations failed to communicate the major challenges they face in the context of sustainable development and what measures they are undertaking to promote social responsibility. Moreover, they generally provided generic and indeterminate statements on the company's approach to stakeholder engagement and the potential benefits it could yield. In many cases, they tended to emphasize the economic dimension of corporate strategy and relevant future targets, without proportionate mention of targets on environmental or social aspects.

Profile Criteria

On the whole, introductory statements rarely provided the reader with an overview of the reporting year's successes and highlights, nor did they offer summaries of the report's contents. Greek reporters provided adequate information outlining their operations but did not clarify the scope of the report itself in a consistent manner.

In general, reports described the company's major products or services (or groups of products and services), the countries or regions where the organization's operations are located, as well as its major subsidiaries. Reports typically referred to the firm's legal form of ownership and gave an overview of the scale of the reporting entity

Exhibit 5. Average Scores per Cluster of Indicators/Criteria



Report Section	2005	2006	Change From 2005 to 2006
Vision & Strategy (V&S)	38%	40%	+2%
Profile (P)	39%	42%	+3%
Governance Structure (GS)	28%	33%	+5%
Economic Performance (EcP)	23%	25%	+2%
Environmental Performance (EnP)	13%	15%	+2%
Labor Practices (LP)	26%	31%	+5%
Human Rights (HR)	4%	10%	+6%
Society (S)	17%	22%	+5%
Product Responsibility (PR)	13%	19%	+6%

in terms of number of employees, net sales, and volume of products or services. However, they tended to minimize the boundaries of report coverage, thus failing to give the reader the exact range of the organization's impact.

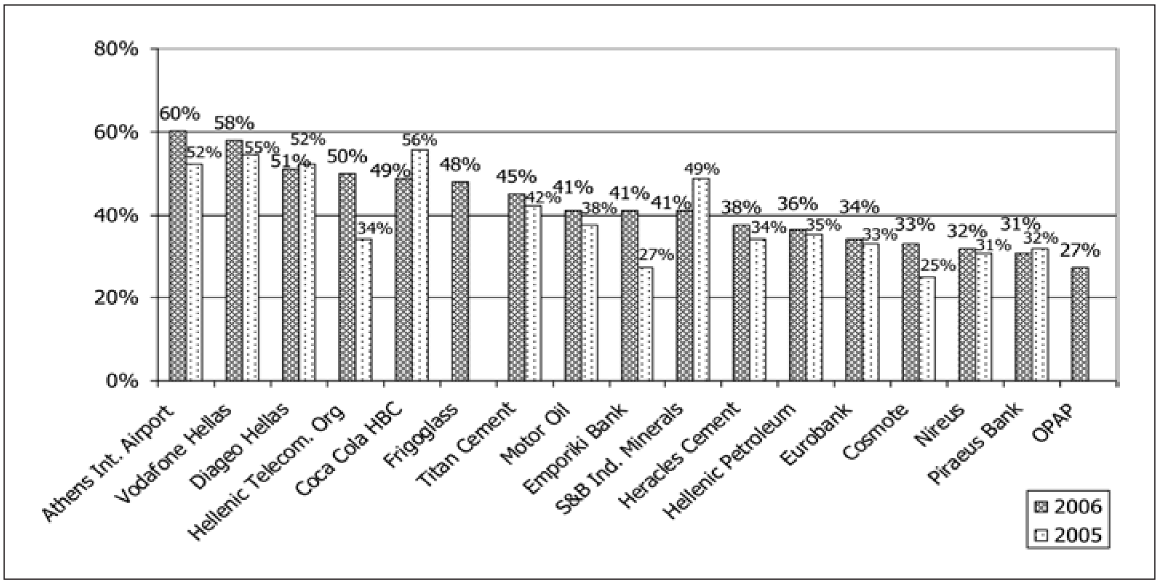
For the "profile" cluster of criteria (see **Exhibit 6**), the average score was 42 percent, reflecting a 3 percent increase compared to the previous year's results. The reports of Athens International Airport and Vodafone Hellas were more inclusive than those of the other organizations in the sample, scoring 60 percent and 58 percent, respectively.

In most cases, reports did not sufficiently identify the major stakeholder groups that affect (or are affected by) the company's operations. Most of the reports described the organization's approach to stakeholder engagement (with coverage ranging from generic statements to extensive discussion). But only a few attempted to point out all the company's potential stakeholders, their key attributes, and their relationship to the reporting organization.

The stakeholder engagement activities most commonly mentioned were employee and customer satisfaction surveys. The reports rarely included information on key issues and concerns identified as a result of stakeholder consultation or (more importantly) how those issues and concerns might possibly influence the organization's internal policies and operations.

Almost half of the assessed reports failed to provide adequate direction on how stakeholders

Exhibit 6. Scoring Results for the Profile Cluster of Topics



who were using the report could obtain additional information about the economic, environmental, and social aspects of the organization's activities, apart from the company's Web-site homepage and its financial report.

The Coca-Cola HBC report, followed by those of Vodafone Hellas, Titan Cement, and Hellenic Telecommunications Organization, covered the stakeholder-linked topics more materially and consistently than the rest of the sample.

Governance Structure Criteria

An adequate description of the company's internal governance and management systems is essential for report users who want to evaluate how the organization is managing its performance. Inclusion of such information also enhances transparency and potentially improves the robustness of the company's internal operations.

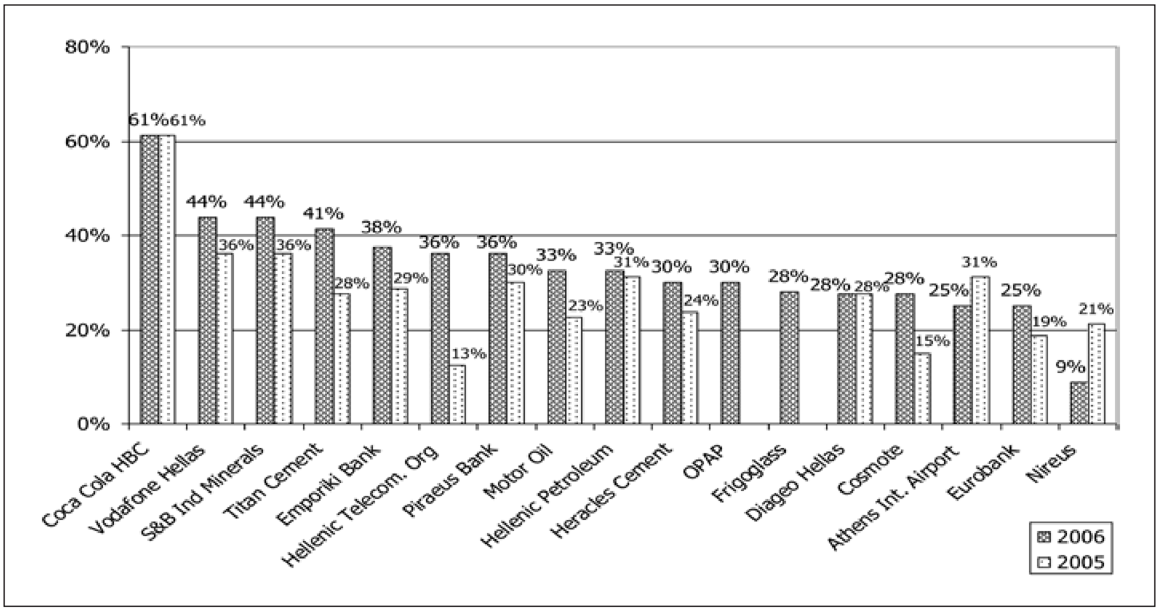
With respect to this cluster of criteria, Greek reports tended to reference the major committees under the board of directors that are responsible for strategy implementation and for oversight of the organization. Only the Piraeus Bank report provided extensive discussion on the scope of responsibility of the major committees that are in place for setting strategy and handling oversight of the organization.

The reports of Greek firms generally highlighted their companies' internally developed missions, principles, and codes of conduct. They also typically referenced the externally developed, voluntary sets of principles and other initiatives that the companies endorse or subscribe to, the organizations' membership in business associations, and the externally certified management systems they have in place.

Other commonly addressed topics were the reporting entities' programs and procedures pertaining to environmental and social performance (omitting the economic dimension of sustainable performance) and their approach to managing upstream impacts (supply-chain management) and downstream impacts (product stewardship initiatives).

On the whole, the average score on the internal governance cluster was 33 percent, a 5 percent increase compared to the previous year. Coca-Cola HBC's report scored 61 percent on this cluster of criteria, considerably higher than

Exhibit 7. Scoring Results for the Governance Structure Cluster of Topics

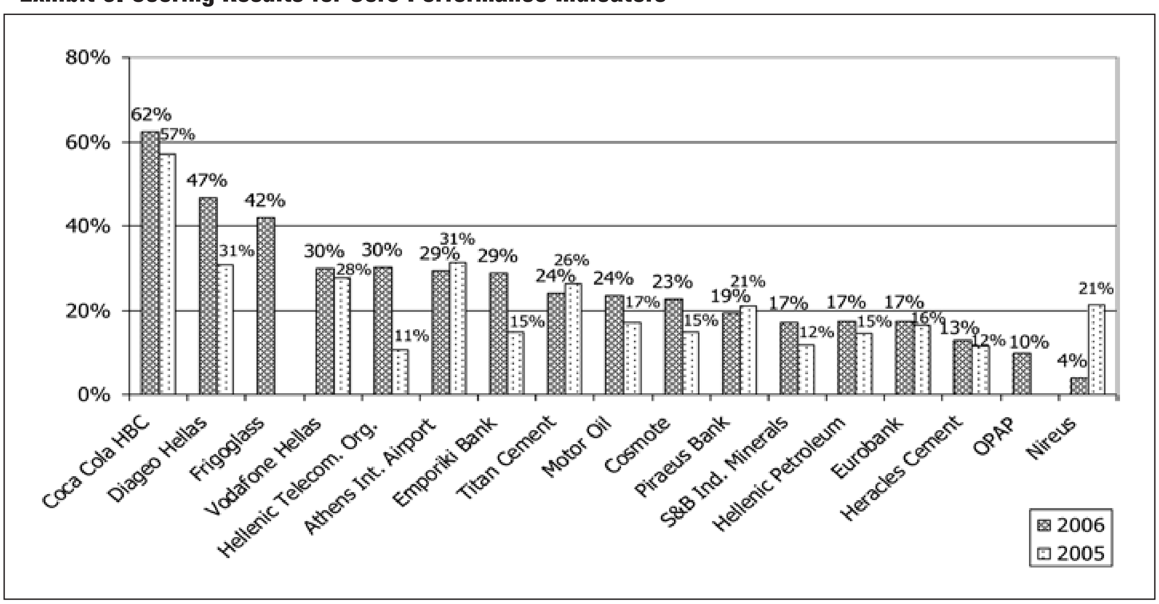


any of the others, because it was more inclusive regarding relevant information (see **Exhibit 7**).

Performance Indicators

Disclosure regarding sustainability performance among Greek companies over the 2006 reporting period seemed to be slightly more inclusive than in the previous year's reports. Core performance indicators, as defined by the GRI guidelines, are relevant to most organizations, and the information they provide concerns most stakeholder groups. Scores on these indicators (**Exhibit 8**) show a 5 percent increase from the previous year, with the average score under core

Exhibit 8. Scoring Results for Core Performance Indicators



performance indicators climbing to 26 percent from 21 percent.

The Diageo Hellas report scored an impressive 59 percent on product responsibility core indicators, while the report for Coca-Cola HBC obtained a 54 percent score for environmental core performance disclosures. Frigoglass ranked first on core performance indicators pertaining to workforce and labor practices with a score of 50 percent, even though this was the company's first report.

Despite these improvements in scores, major reporting gaps are still evident. Most of the Greek organizations whose reporting was evaluated are still quite far from publishing well-balanced and comprehensive reports.

■ *Economic Performance Disclosures*

Economic performance indicators were usually omitted in the reports assessed, and no relevant links to other publications or sources (such as the company's annual report or the corporate Web site) were included. The average score on this cluster of performance indicators was 25 percent, showing only a 2 percent rise from the previous assessment year.

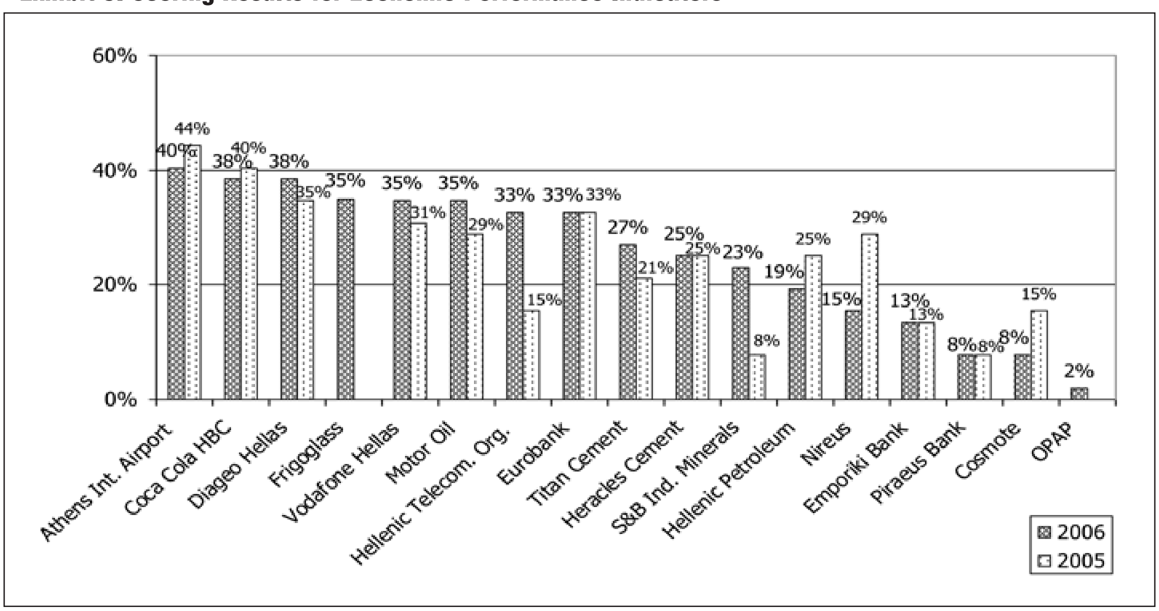
The most commonly addressed economic performance indicators were net sales; costs of all purchased goods, materials, and services; total payroll; and benefits. All the reports included discussion of the donations and charitable contributions that their organizations had made during the reporting period. In many cases, however, these contributions either were not referenced in financial terms or no relevant breakdown of the total amount was available.

Reports by Athens International Airport and Coca-Cola HBC included more relevant economic data. Accordingly, they ranked highest on the GRI's economic performance indicators, scoring 40 percent and 38 percent, respectively. See **Exhibit 9**.

■ *Environmental Performance Disclosures*

Probably the most serious shortcoming of Greek companies' sustainability reports was their weakness in effectively communicating their environmental performance. The average score

Exhibit 9. Scoring Results for Economic Performance Indicators



assigned for this group of performance indicators was 15 percent, a mere 2 percent increase from the previous study.

The environmental indicators most often cited were energy and water consumption, carbon dioxide (CO_2) emissions, and internal initiatives to improve energy efficiency. The data in most cases were hard to compare since they generally did not refer to the whole reporting entity, but to certain facilities and plants. Moreover, the reports tended to disclose waste treatment methods and quantities of materials recycled over the reporting period, but not the total amount of waste generated.

Only Vodafone Hellas, Titan Cement, and Frigoglass clearly stated the significant impacts on the environment of the major groups of products they produce. Coca-Cola HBC was the only company that reported on whether its business activities have significant direct impacts on biodiversity.

The results of our evaluation clearly reveal that Coca-Cola HBC is leading the way in environmental performance disclosure among Greek sustainability reporters. Scoring 54 percent on the GRI environmental indicators, it was far ahead of the rest of the sample. The company in second place on this cluster of scoring criteria, Titan Cement, obtained a score of 25 percent. See **Exhibit 10.**

■ *Social Performance Disclosures*

We found more promising results in assessing social performance disclosures. With an average overall score of 21 percent on social performance indicators, Greek companies' sustainability reports showed a 5 percent increase over the previous year's assessment.

Coca-Cola HBC ranked first in this section as well. But the most surprising results came from Diageo Hellas, Hellenic Telecommunications Organization, and Emporiki Bank, which demonstrated improvement of 16 percent, 14 percent, and 12 percent, respectively. See **Exhibit 11**.

The reports generally provided more information on internal labor practices and working envi-

Exhibit 10. Scoring Results for Environmental Performance Indicators

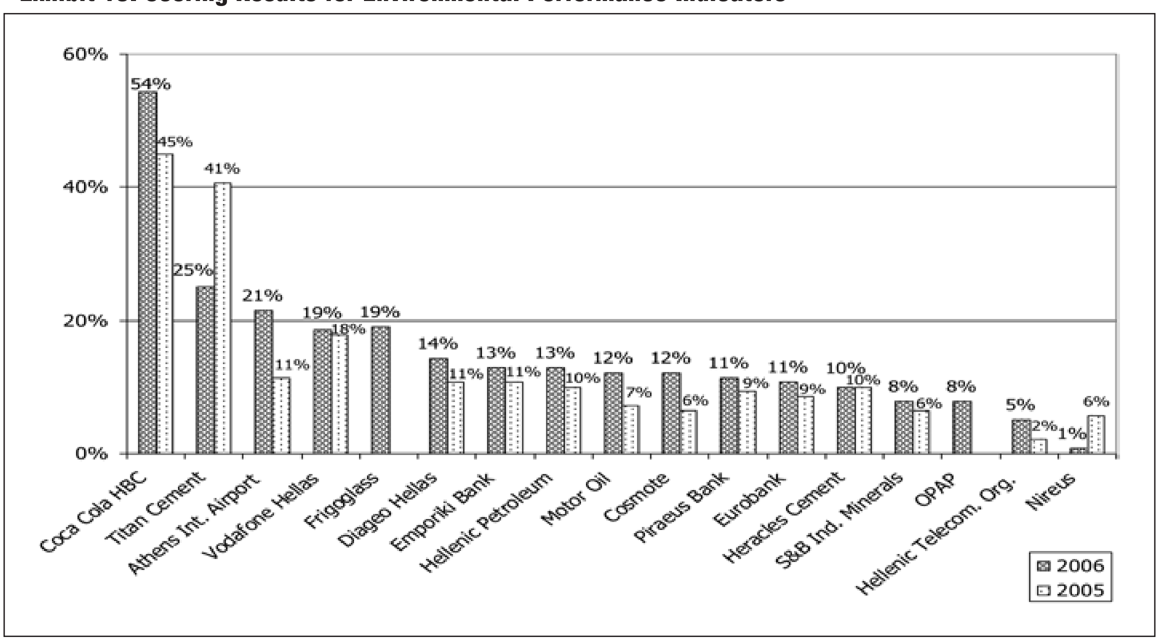
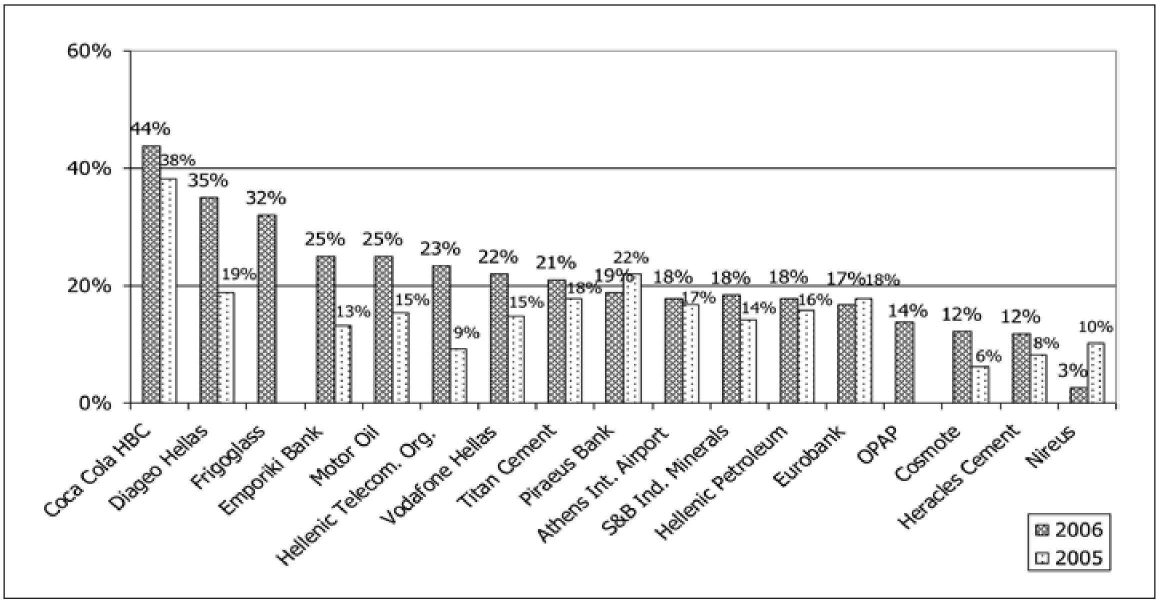


Exhibit 11. Scoring Results for Social Performance Indicators



ronments than on broader social issues associated with their companies' business operations. In particular, most reports included analysis of the company workforce in terms of factors such as gender, age, and degree of education. But only a few attempted to analyze the makeup of their workforce using parameters such as those proposed by GRI—i.e., worker identification by region or country, by status (employee/nonemployee), by employment type (full time/part time), or by employment contract (permanent or temporary).

Reports commonly included information on issues like workplace health and safety policies and measures, employee education and skill management (including average hours of training per employee), and the benefits that employees receive from the organization beyond those that are legally mandated.

By contrast, issues like equal opportunity and diversity promotion or communication between the workforce and senior management were mentioned infrequently. Similarly, the reports offered little discussion on their companies' respect and protection for basic human rights or the sphere of influence of the reporting entity. Few reports included the organization's approach toward nondiscrimination in business operations. Other aspects regarding respect for human rights and protection monitoring were almost totally absent.

The lack of information on this topic can be partially explained by the fact that most of the organizations whose reports were assessed operate in the European Union, where human rights are clearly and fully protected by legal obligations. Nevertheless, in the context of globalization, reporting on such matters is crucial.

The reports tended to highlight the awards and distinctions their companies had received during the reporting period for economic, social, and/or environmental performance. They offered less information on their companies' procedures for managing impacts on communities that are affected by their activities.

The reports omitted information regarding bribery and corruption, anticompetitive behavior, and how companies deal with such matters. Significantly, only three reports stated their company's approach toward managing political lobbying and contributions. Many companies may consider this a "sensitive" topic that should not be discussed.

Finally, the reporting on companies' responsibility for their products focused primarily on customer satisfaction policies and product surveys. Less attention was given to GRI indicators that cover issues such as preserving customers' health and safety during the use of products and services, product labeling, and consumer privacy.

For the average report scores on the various dimensions of social performance, see **Exhibit 12.**

Discussion and Observations

Our analysis showed that there has been a degree of improvement in the comprehensiveness of the sustainability reports published by Greek organizations. Most companies whose reports we assessed scored higher than last year, which is quite promising. See **Exhibit 13** for the full score results from the 2006 benchmark survey.

Room for Improvement

Nevertheless, these results leave substantial room for improvement. The information provided in the reports varied considerably. Organizations' sustainability reports often missed certain issues, primarily those related to triple-bottom-line performance, as well as stakeholder identification and engagement.

This variability in reported information highlights the need for the emerging global architecture of *de facto* standards, normative frameworks, process guidelines, and management systems, such as the United Nations Global Compact, the GRI guidelines, and the AA1000 series of standards.

Such guidance can help organizations better understand which topics are important to include in sustainability reports, what indicators are appropriate for covering the relevant issues, and how to communicate information effectively. In this respect, standardizing content would promote comparability and meaningful reporting.

Strengthening Business Outcomes With Better Reporting

In response to stakeholder expectations, reporting entities can strengthen both their business practices and their communications by effectively designing internal systems and processes

Exhibit 12. Average Scores on the Dimensions of Social Performance

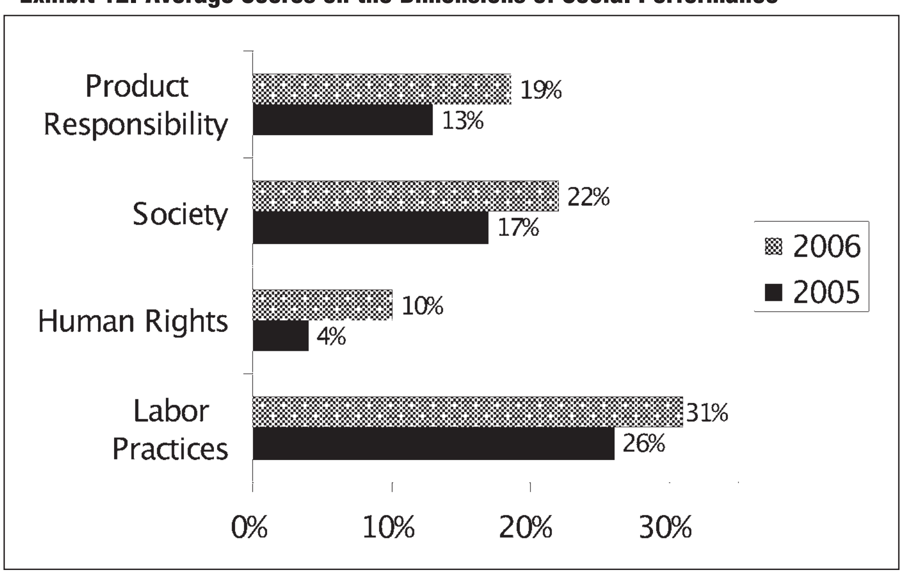


Exhibit 13. Full Score Results for the 2006 Benchmark Survey

Organization	Overall Score	Profile	Governance Structure	Economic Performance Indicators	Environmental Performance Indicators	Social Performance Indicators	Labor Practices	Human Rights	Society	Product Responsibility	Core Performance Indicators
Athens International Airport	29%	60%	25%	40%	21%	18%	29%	5%	11%	20%	29%
Coca-Cola HBC	50%	49%	61%	38%	54%	44%	41%	36%	61%	48%	62%
Cosmote	18%	33%	28%	8%	12%	12%	19%	0%	18%	14%	23%
Diageo Hellas	32%	51%	28%	38%	14%	35%	28%	21%	43%	59%	46%
Emporiki Bank	25%	41%	38%	13%	13%	25%	41%	16%	14%	18%	29%
Eurobank	21%	34%	25%	33%	11%	17%	37%	2%	14%	18%	16%
Frigoglass	31%	48%	28%	35%	19%	32%	50%	21%	25%	20%	38%
Hellenic Petroleum	22%	36%	33%	19%	13%	18%	37%	5%	25%	7%	17%
Hellenic Telecom Org	26%	50%	36%	33%	5%	23%	28%	11%	14%	25%	30%
Heracles Cement	20%	38%	30%	25%	10%	12%	21%	0%	21%	7%	13%
Motor Oil Hellas	26%	41%	33%	35%	12%	25%	49%	16%	4%	14%	24%
Nireus	9%	32%	9%	15%	1%	3%	7%	0%	0%	0%	4%
OPAP	16%	27%	30%	2%	8%	14%	21%	5%	14%	14%	10%
Piraeus Bank	20%	31%	36%	8%	11%	19%	26%	7%	25%	18%	19%
S&B Industrial Minerals	24%	41%	44%	23%	8%	18%	35%	2%	25%	0%	17%
Titan Cement	30%	45%	41%	27%	25%	18%	37%	14%	29%	2%	29%
Vodafone Hellas	32%	58%	44%	35%	19%	22%	24%	5%	39%	32%	32%
Average score	25%	42%	33%	25%	15%	21%	31%	10%	23%	19%	26%

to gather relevant and reliable data for measuring performance. Such approaches should be implemented in a balanced and comprehensive manner, avoiding the trap of covering too many issues superficially and in a sporadic manner, or concentrating on one particular topic while excluding other crucial information.

By starting with a small number of sustainable core performance indicators that best correspond to the business activities of the organization and covering them thoroughly, companies can produce results that are more useful and effective. Gradually, as experience is gained, the content of their reports can be expanded to include more specific and detailed issues.

We expected that our 2006 study sample of Greek sustainability reports would be larger than the previous year's. However, only two organizations were added to the list, while one of the previous year's companies did not prepare a report for 2006. Nonetheless, we still expect (and predict) a large increase in nonfinancial reporting within the next few years as Greek organizations experience more pressure from national and international competitors that already produce such reports.

In many other countries, nonfinancial reporting on business operations has become a mandatory requirement,[4] indicating that the world is moving in the direction of more extensive reporting on sustainability-related issues. In this context, Greek organizations that already have experience in sustainability reporting enjoy a competitive advantage at a national level—and can potentially encourage their peers to follow their example.

Continued Development of Report Assessment Methodology

In our assessment methodology, all topics and indicators were given the same weight in the overall scores. We strongly believe that defining different weights for the various GRI topics and indicators requires extensive prior engagement with multiple stakeholders in order to define specific weights that would be widely accepted for use in scoring criteria. Absent such multi-stakeholder development, using equiponderant weights, though the simplest approach, seemed the most appropriate.

However, we recognize that it is crucial to understand overall scores in terms of their components, the clusters of criteria. Greek companies provide more information on profile and governance criteria than on their performance status, illustrating a key reason why it is crucial to examine not just aggregated scores, but also the scores that reports achieve under the various clusters of criteria. As Milne, Tregidga, and Walton (2003) stress, citing K. Jones and Alabaster (1999):

By starting with a small number of sustainable core performance indicators that best correspond to the business activities of the organization and covering them thoroughly, companies can produce results that are more useful and effective.

> The problem with calculating aggregated scores for [triple-bottom-line] reports is that they shift attention away from what is and what is not being reported, and from the "level of quality" of the items that are being reported. Similar midlevel aggregate scores for two reporters, for example, could obscure that one of them reports on only a narrow range of items, but in much detail, while the other covers all items, but in vague rhetoric.

Moreover, while most topics were graded on a five-level point system (0 to 4 points), a small group of topics were assessed on a three-level scale (0, 2, or 4 points) and others on a two-level scale (either 0 or 4 points). This was because of the nature of some required information (e.g., “contact person(s) for the report” or “date of most recent previous report”) or because the information provided by the sample group was limited. An increase in information density would allow the scoring device to be readjusted.

The development of the evaluation methodology used in our research is a dynamic process. Scoring criteria will be recalibrated over time as the methodology is applied to future reports, many of which will (we hope) be more comprehensive.

Using the Report Assessment Methodology

We would note that our evaluation methodology can be employed by reporting entities and by the stakeholders who review their reports. The methodology allows users to assess the content of sustainability reports in terms of information quality and score that content against the most accepted set of relevant guidelines in use today.

As noted in previous studies (Daub, 2007; Deloitte Touche Tohmatsu, 2002c), such an evaluation tool does not directly assess the performance of an organization, but rather evaluates the extent to which the organization seeks to communicate this performance to its stakeholders.

Further Research

The Centre for Environmental Policy and Strategic Environmental Management at the University of the Aegean will continue to evaluate sustainability reports published by organizations that operate in Greece. These evaluations, which are carried out annually, seek to identify the emerging trends and practices associated with this relatively new type of corporate communication.

Further research steps in this area include developing an assessment methodology based on the most recently revised edition of the GRI guidelines (G3); defining weights for scoring each cluster of criteria using a multistakeholder panel of experts to arrive at consensus regarding their relative importance; and analyzing the content of Web-based environmental and social information and nonfinancial disclosures included in the annual reports of Greek firms listed on the Athens Stock Exchange.

Notes

1. In this article, the terms “corporate social responsibility report” and “sustainability report” are used synonymously, referring to reports that present the economic, environmental, and social aspects of business activities.

2. Global Reporting Initiative, http://www.globalreporting.org.

3. Among the core members of the network, 68 are industrial corporations and service providers, while the rest are consultancies, business associations, and assurance firms.

4. For a comprehensive list of countries that have imposed such mandatory requirements, see KPMG (2005), pp. 40–42.

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