

## **The ESRA criteria**

The ESRA criteria have been divided into two parts -

1. Contents (35%)
2. Reporting Principles (65%)

The percentage between the criteria has been decided by the Belgian organisers.

### Contents

The contents section makes up 35% of the marks and is sub-divided into six sections:

1. Senior management statement (5%)
2. Reporting and accounting policies (5%)
3. Profile of reporting organisation (5%)
4. Executive summary and key indicators (5%)
5. Vision and strategy (5%)
6. Policies, organisation, management systems and stakeholder relationships (5%)
7. Performance (5%)

### Reporting Principles

The reporting principles section makes up 65% of the marks and is sub-divided into eight sections:

- |              |                          |
|--------------|--------------------------|
| Principle 1. | Relevance (5%)           |
| Principle 2. | Reliability (5%)         |
| Principle 3. | Clarity (5%)             |
| Principle 4. | Comparability (5%)       |
| Principle 5. | Timeliness (5%)          |
| Principle 6. | Completeness (5%)        |
| Principle 7. | Verifiability (5%)       |
| Principle 8. | Overall impression (30%) |

The criteria can be applied to both environmental and sustainability reports. The sections of the revised ESRA criteria are described more fully below.

**PART ONE: CONTENTS (35%)**

- 1. Senior management statement (5%)**
  - 1.1 Commitment to economic and/or social and/or environmental goals by leadership
  - 1.2 Major challenges for the business in terms of integrating responsibilities for financial performance with economic and/or social and/or environmental, along with the implications of this on future business strategy
  
- 2. Reporting and accounting principles (5%)**
  - 2.1 How has the data been obtained
  - 2.2 Major underlying assumptions made
  - 2.3 Explanation of the limitations in the accuracy of the data
  
- 3. Profile of reporting organisation (5%)**
  - 3.1 General profile (for example: major products and services, countries of operation, nature of ownership)
  - 3.2 Organisation context (for example: number of employees, scale of activities, net sales, total assets)
  - 3.3 Coverage of report (region, services, facilities, joint ventures, subsidiaries)
  - 3.4 Contact persons for report including e-mail and web addresses
  - 3.5 Significant changes in size, structure, ownership, or products/services that have occurred during the reporting period
  - 3.6 Public accessibility and how to obtain report(s).

**4.0 Executive summary and key indicators (5%)**

4.1 Highlights of report and commitment to targets

4.2 Performance against benchmarks (economic and/or social and/or environmental), previous years performance, targets and industry sector norms

**5.0 Vision and strategy (5%)**

5.1 The reporting organisation is asked to set out its vision and discuss how that vision integrates economic and/or environmental and/or social performance (for example: long-term vision of sustainability, a discussion of challenges and obstacles that lay ahead, an explanation of how economic and/or social and/or environmental values intersect and are balanced in the organisation).

**6.0 Policies, organisation, management systems and stakeholder relationships (5%)**

6.1 Policies and organisation (for example: policies pertaining to economic and/or social and/or environmental issues, application of guidance and/or standards such as CEFIC, GRI, ISO 14000 and EMAS, organisational structure and responsibilities (board of directors, senior management, special staff, operating staff, committees and councils).

6.2 Management systems (for example: risk assessment, internal audits, compliance, supply chain/outsourcing issues, employee training, approaches to measuring and monitoring data, environmental accounting and auditing, programmes and procedures pertaining to economic and/or environmental and/or social performance).

6.3 Stakeholder relationships (for example: basis for definition and selection of major stakeholders, approaches to stakeholder consultation, type of information generated by stakeholder consultations, use of stakeholder feedback).

**7.0 Performance (5%)**

- 7.1 Key parameters (absolute data) and rationale for choosing them
- Environmental data
  - Social data
  - Economic data
- 7.2 Key ratio (normalised) data, including integrated indicators
- Environmental data
  - Social data
  - Economic data
- 7.3 Targets including their achievement/non achievement with explanations, setting of future targets with explanations
- Environmental data
  - Social data
  - Economic data
- 7.4 Benchmarking (historical trends, comparison with best practice and industry norms/peers, performance against regulatory requirements)
- Environmental data
  - Social data
  - Economic data

## **PART TWO: REPORTING PRINCIPLES (65%)**

The qualitative characteristics of reporting, now part of the ESRA criteria, serve to enhance the credibility of reported data and are intended to make information as relevant as possible for stakeholders. The following eight reporting principles are judged:

### **Principle 1. Relevance (5%)**

To be useful, information must be *relevant* to the decision-making needs of user groups, recognising their diverse expectations and needs. Relevance may be determined by stakeholder or by external parties.

### **Principle 2. Reliability (5%)**

Information is reliable when it is free from bias and material error. The reliability characteristic is supported by a number of other characteristics such as valid description, substance, neutrality, completeness, and prudence.

### **Principle 3. Clarity (5%)**

Reporting organisations are asked to ensure that their reports are understandable to a wide range of stakeholders. Stakeholder engagement and feedback may be used to test clarity.

### **Principle 4. Comparability (5%)**

To enable monitoring and benchmarking, organisations should aim for consistency in both the form and content of reporting over time. This will enable stakeholder to compare performance against previous years and other organisations.

### **Principle 5. Timeliness (5%)**

To give stakeholders prompt notice of outcomes and trends, reporters are asked to report on a regular cycle. Whatever approach is selected, reliable comparative data should be provided to enable informed comparison over time.

### **Principle 6. Completeness (5%)**

All significant environmental (social and financial) aspects should be addressed, which may imply considering the whole product life cycle. Cherry picking of selected issues is not considered adequate for giving a true and fair view on sustainability aspects and impacts to the external reader.

### **Principle 7. Verifiability (5%)**

The inclusion of a verification statement is an important aspect of report credibility. Issues to consider are: remit and scope, indication of site visits and site specific testing, use of verification standards and guidance literature (for example: IDW, FEE, GRI)

### **Principle 8. Overall impression (30%)**

This criterion has been considered as the most important by the organisers of the event. The extent to which the report communicates to the declared target audiences should be evaluated. Issues to consider are: layout and appearance, comprehensive navigation through report, communication and feedback mechanisms, use of internet, appropriateness of graphs, illustrations and photos, understandability, readability, accessibility and appropriate length. The relevance of the topics addressed to the stakeholders is of great importance.