Introduction
Each year, the winning reports from participating European national schemes may be submitted for the European Sustainability Reporting Awards (ESRA). The ESRA is open to all types of organisation, irrespective of size (large or small) and sector (private or public). In total, 20 reports were submitted in this tenth year. The report entries came from various different industries and organizations. The full list of 14 participating countries in the ESRA scheme and their contact details are given at the back of this report of the judges.

The objectives of the European Sustainability Reporting Awards are:

- to contribute to further and better reporting on environmental and sustainability issues by organisations across Europe
- to reward best practice and provide guidance to other entities that are publishing or intend to publish environmental or sustainability reports
- to encourage organisations to take up public environmental and sustainability reporting
- to increase organisations’ accountability and to increase their responsibility to stakeholders

The panel of the judges awarded the following:

*Best sustainability report 2005*
Rabobank Group (The Netherlands)

*Runner-up, Best sustainability report 2005*
BT Group plc (UK)

*Commendation for an SME sustainability report 2005*
memo AG (Germany)
The ESRA 2005 judging panel
As well as representatives from participating countries, four independent judges also joined the ESRA judging panel. This year, the judging panel members were as follows:

**Judges representing the ESRA 2005 participating countries**

<table>
<thead>
<tr>
<th>Name</th>
<th>Country</th>
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<tbody>
<tr>
<td>Dr Christine Jasch</td>
<td>Austria</td>
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<tr>
<td>Mr Olivier Costa</td>
<td>Belgium</td>
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<tr>
<td>Ms Helle Bank Jørgensen</td>
<td>Denmark</td>
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<tr>
<td>Ms Sirpa Juutinen</td>
<td>Finland</td>
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<tr>
<td>Mr Pierre Marcenac</td>
<td>France</td>
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<td>Mr Dieter W. Horst</td>
<td>Germany</td>
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<tr>
<td>Prof Brendan O'Dwyer</td>
<td>Ireland</td>
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<tr>
<td>Dr Nancy Kamp-Roelands</td>
<td>Netherlands</td>
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<tr>
<td>Mr Sigve J. Aasebø</td>
<td>Norway</td>
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<tr>
<td>Mr Jose Muralha</td>
<td>Portugal</td>
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<tr>
<td>Mr Carlos Larrinaga</td>
<td>Spain</td>
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<tr>
<td>Mr Gunnar Abrahamson</td>
<td>Sweden</td>
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<tr>
<td>Dr Thomas Scheiwiller</td>
<td>Switzerland</td>
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<td>Mr Paul Scott</td>
<td>UK</td>
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**Independent judges**

<table>
<thead>
<tr>
<th>Name</th>
<th>Organization</th>
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<tbody>
<tr>
<td>Mr Dominique Bé</td>
<td>European Commission</td>
</tr>
<tr>
<td>Prof Jan Bebbington</td>
<td>CSEAR</td>
</tr>
<tr>
<td>Ms Teresa Fogelberg</td>
<td>Global Reporting Initiative (GRI)</td>
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<tr>
<td>Mr Paul Monaghan</td>
<td>Co-operative Financial Services</td>
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**Non-voting chair**

<table>
<thead>
<tr>
<th>Name</th>
<th>Organization</th>
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<tr>
<td>Mr Job Hottentot</td>
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The ESRA judging criteria
The ESRA criteria have been divided into two parts: Contents (50%) and Reporting
Principles (50%).

Contents:
1. CEO (or equivalent senior manager) Statement (5%)
2. Executive summary and key indicators (5%)
3. Profile (5%)
4. Reporting and accounting policies (5%)
5. Vision and strategy (5%)
6. Governance structure and management systems (10%)
7. Performance (15%)

Reporting Principles:

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 (10%)
Principle 8. Overall impression (10%)

For more information about the criteria, please see the Web pages of the sponsoring
bodies.
ESRA 2005 entries
The following reports, all national winners, were submitted into ESRA 2005 from the European countries as listed:

### Large company sustainability reports

<table>
<thead>
<tr>
<th>Country</th>
<th>Company</th>
<th>Website</th>
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<tbody>
<tr>
<td>Belgium</td>
<td>Dexia</td>
<td><a href="http://www.dexia.com">www.dexia.com</a></td>
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<tr>
<td>Denmark</td>
<td>Novo Nordisk</td>
<td><a href="http://www.novonordisk.com">www.novonordisk.com</a></td>
</tr>
<tr>
<td>Finland</td>
<td>Kesko</td>
<td><a href="http://www.kesko.fi">www.kesko.fi</a></td>
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<tr>
<td>France</td>
<td>Suez</td>
<td><a href="http://www.suez.com">www.suez.com</a></td>
</tr>
<tr>
<td>Germany</td>
<td>Adidas-Salomon AG</td>
<td><a href="http://www.adidas.com">www.adidas.com</a></td>
</tr>
<tr>
<td>Ireland</td>
<td>ESB</td>
<td><a href="http://www.esb.ie">www.esb.ie</a></td>
</tr>
<tr>
<td>Netherlands</td>
<td>Rabobank Group</td>
<td><a href="http://www.rabobank.com">www.rabobank.com</a></td>
</tr>
<tr>
<td>Norway</td>
<td>Storebrand</td>
<td><a href="http://www.storebrand.com">www.storebrand.com</a></td>
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<tr>
<td>Portugal</td>
<td>EDP</td>
<td><a href="http://www.edp.pt">www.edp.pt</a></td>
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<tr>
<td>Spain</td>
<td>BBVA</td>
<td><a href="http://www.bbva.es">www.bbva.es</a></td>
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<td>Sweden</td>
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<td><a href="http://www.scandinavian.net">www.scandinavian.net</a></td>
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<tr>
<td>Switzerland</td>
<td>Roche</td>
<td><a href="http://www.roche.com/sustainability">www.roche.com/sustainability</a></td>
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<tr>
<td>Switzerland</td>
<td>Migros</td>
<td><a href="http://www.migros.ch">www.migros.ch</a></td>
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<tr>
<td>UK</td>
<td>BT Group plc</td>
<td><a href="http://www.bt.com/betterworld">www.bt.com/betterworld</a></td>
</tr>
<tr>
<td>UK</td>
<td>Anglo American plc</td>
<td><a href="http://www.angloamerican.co.uk">www.angloamerican.co.uk</a></td>
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### SME and other sustainability reports

<table>
<thead>
<tr>
<th>Country</th>
<th>Company</th>
<th>Website</th>
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<tbody>
<tr>
<td>Austria</td>
<td>1. Obermurtaler Brauereigen.m.b.H.</td>
<td><a href="http://www.murauerbier.at">www.murauerbier.at</a></td>
</tr>
<tr>
<td>Austria</td>
<td>Austrian Paper Industry</td>
<td><a href="http://www.paper.at">www.paper.at</a></td>
</tr>
<tr>
<td>Finland</td>
<td>Senaatti-kiinteistöt (Senate Properties)</td>
<td><a href="http://www.senaatti.fi">www.senaatti.fi</a></td>
</tr>
<tr>
<td>Germany</td>
<td>memo AG</td>
<td><a href="http://www.memo.de">www.memo.de</a></td>
</tr>
<tr>
<td>Spain</td>
<td>Javierre</td>
<td><a href="http://www.javierre.es">www.javierre.es</a></td>
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The ESRA 2005 Winners

Best Sustainability Report 2005

Rabobank Group  (The Netherlands)

The report:
- provides extensive information and is very comprehensive and therefore strong in the completeness element
- is easy to navigate and read despite being longer than average
- has a logical structure and shows the main topics at the beginning of each chapter
- summarises the Rabobank Groep’s targets and addresses achievements in relation to past goals in every chapter
- addresses corporate social responsibility issues for each service the company provides
- describes their business rationale for CSR
- describes well how the Rabobank Groep embeds CSR within its organisation
- provides clear information about the Rabobank Groep’s activities in developing countries
- discusses controversial issues such as investments in palm oil and in corvettes in Indonesia
- has an assurance report (against ISAE 3000) that provides on certain topics a reasonable level of assurance and on the remaining topics a limited level of assurance
- is web-based and available in pdf version and accompanied by a concise publication in hard copy which shows the main CSR topics and dilemma’s Rabobank is confronted with

Runner Up, Best Sustainability Report

BT Group plc (United Kingdom)

The report:
- is well balanced, has highlights and lowlights and shows what has been achieved and what has not been achieved
- describes the reporting principles including references at tables to source description
- provides various ways to access the information, such as GRI-based
- is framed around 12 KPIs across 7 categories (customers, employees, suppliers, community, environment, digital inclusion and integrity), and gives 3 year trend data and a future target for each
- includes a ‘hot topics’ section which addresses more controversial CSR issues pertinent to BT and its sector in a frank manner.
- provides a thorough overview of the CSR governance structure of the company, including details of the board, management council, steering group and other groups such as their panel and committees
- is strong on describing the business rationale for corporate responsibility, and discusses BT’s approach to sustainable development and its vision and future plans
- notifies users precisely which parts and pages have been assured (against AA1000as) as well as publishing the full statement
- is, being web-based, easy to navigate through and access a large amount of information in a structured and organised way, making full use of the internet
Commendation for an SME sustainability report

memo AG (Germany)

The report:
- is very comprehensive
- is a pleasure to read
- describes objectives and responsibilities
- allows for comparison and explains differences in time
- has an innovative lay out

Judges remarks on other sustainability reports

Austrian Paper Industry (Austria)

The report:
- provides a good overview of the activities of their associated companies
- also covers companies that do not report themselves via a separate sustainability report
- has an innovative approach especially in relation to reporting environmental data
- includes statements from various stakeholders

BBVA (Spain)

The report:
- is comprehensive
- has an innovative approach of presenting certain economic and environmental issues such as the creating value overview, the eco-efficiency (focus on the benefit), the indirect environmental effects and the environmental management indicators.
- shows how corporate social responsibility is embedded in the organization
- describes how they have applied the reporting principles
Trends in sustainability reporting

Integration of financial and sustainability reports
Some leading organizations choose to integrate their sustainability and more traditional financial information into one report. The EU Modernisation Directive which is embedded in national law could possibly be a key driver, as it requires companies to disclose the following in the annual report:

“to the extent necessary for an understanding of the company’s development, performance or position, the analysis shall include both financial and where appropriate, non-financial key performance indicators relevant to the particular business, including information relating to environmental and employee matters.”

Sustainability reporting is not just a corporate activity
The judges were pleased to see a number of reports entered for ESRA 2005 that were not only from private organizations such as the sustainability report of Senaatti-kinteistöt (Senate Properties) of Finland and the sustainability report of the Austrian Paper Industry.

Increasing role of internet
Reporters increasingly use the internet as a reporting tool in various ways - for example as the primary interactive medium for their report or to provide additional information to supplement their hard copy report. In addition some reporters allow for various ways to access the internet based information, such as GRI compliance based or Global Compact compliance based. Companies however should bear in mind that internet is not yet accessible to all stakeholders.
Technical recommendations from the ESRA judges

Encourage sustainability reporting by other organizations than companies and by the public sector

The judging panel encourages a broader range of organizations to report, in addition to the widespread practice of reporting by companies. Other organizations include not for profit organizations, schools and hospitals. The public sector which, by its nature, has a more social function would be more transparent if they were to report on their policies and achievements and the extent to which sustainability is being incorporated into these. The judging panel also encourages more industry associations to report as they have the ability to provide an overview of the sustainability activities of a whole industry.

Show how sustainability is integrated into the business

Companies should provide more information on how they have actually integrated sustainability issues into their day-to-day businesses. This includes not only a description of the measures they have taken, but also the link with their core activities, processes and products.

Be more focussed and look at sustainable development as a process

Many sustainability reports are too long and not focused on the material issues. We recommend identifying key performance indicators, include shorter descriptions and include more data. The key performance indicators should be supplemented with an analysis of results compared to goals, targets and timeframes and description of corrective actions taken if they have not been achieved. Many reports still lack quantified performance targets or timeframes.

Address key issues for sector

We recommend companies operating in a specific sector to identify the key issues for their sector and report on these issues as far as applicable to their organization. This will help the user the compare reports from the same sector.

Use of internet

The Internet allows the sustainability report to be accessed in a variety of ways, depending on the information needs of the stakeholder. To increase the accessibility of internet-based reports the judges recommend that report navigation is improved. The judges also recommend that the user is clearly informed when they leave the sustainability reporting section.

Some companies have chosen to report additional information on their website, which enables the hard copy to only be in summarised form. Reporters should be aware that the Internet is not yet accessible to all stakeholders on a global basis and to consider publishing a summarized hardcopy report on a continual basis.

Reporting principles and scope

Most reports still lack a clear explanation of the reporting principles used. Examples of such disclosures include: a description how they have complied with the qualitative characteristics of reporting especially relevance and reliability, the influence of stakeholder engagement, the process of selection of key performance indicators, and the policy with regard to obtaining the data and inherent limitations in the reliability of the data. Reporters must also state the scope of their reporting organization in the report.

Integration in reporting

The increased integration of sustainability information in the annual report is welcomed. The judges continue to encourage reporting in a fully integrated way to ensure that shareholders and other annual report users understand the importance of, and commitment to, CSR for the company. We recommend that reporting is consistent each year, rather than picking and choosing different topics from year to year. Using a clear structure allows the readers to make comparisons and evaluate developments over time.
ESRA 2005 contact details

The full list of the ESRA 2005 participating accountancy bodies and countries is:

- **Austria**
  Kammer der Wirtschaftsstreuhänder
  Mrs Christine Jasch Tel: +41 1 587 2189, jasch.christine@ioew.at

- **Belgium**
  IRE – Institut des Réviseurs d’Entreprises
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- **Denmark**
  FSR – Foreningen af Statsautoriserede Revisorer
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- **Finland**
  KHT-yhdystys - Föreningen CGR ry
  Mr Jouko Ilola Tel: +358-9-755 22010, kht@kht.fi

- **France**
  CSOEC – Conseil Supérieur de l’Ordre des Experts-Comptables
  Mrs Nicole Powilewicz Tel: +33 1 4415 6029, dpiddat@cs.experts-comptables.org

- **Germany**
  WPK – Wirtschaftsprüferkammer
  Mr David Thorn Tel: +49 30 7261 61 226, david.thorn@wpk.de

- **Ireland**
  ACCA Ireland – Association of Chartered Certified Accountants
  Mr Luke Brockie Tel: 353 1 498 8903, luke.brockie@ie.accaglobal.com

- **The Netherlands**
  Royal NIVRA – Koninklijk Nederlands Instituut van Registeraccountants
  Dr Nancy Kamp-Roelands Tel: +31 10 406 8246, n.kamp@nl.ey.com

- **Norway**
  DnR - Den norske Revisorforening
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- **Portugal**
  OROC – Ordem dos Revisores Oficiais de Contas
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- **Spain**
  ICJCE - Instituto de Censores Jurados de Cuentas de España / AECA (Asociación Española de Contabilidad y Administración de Empresas),
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