SustainAbility™

Report Benchmark
Feedback for Ford
Sustainability Report 2008/9

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Benchmark Summary Statistics

The following are summary statistics for the benchmark of Ford's Sustainability Report 2008/9.

	2008/9	2007/8
Total Score (%)	**74%**	70%
Section Analysis		
Governance and Strategy	**86%**	82%
Management	**64%**	61%
Presentation of Performance	**70%**	65%
Accessibility and Assurance	**63%**	63%

1 Governance and Strategy

This section is designed to assess how well a company explains its activities and their associated economic, environmental and social impacts, the governance of sustainable development performance and the integration of sustainable development vision and business strategy.

		2009 Score	2008 Score	Page	Strengths	Opportunities for Improvement
1.1	Company and Industry Profile	4	4	http://www.ford.com/microsites/sustainability-report-2008-09/operations	– No notable change. See 2007/08 comments.	
1.2	Top Management Statement	4	4	http://www.ford.com/microsites/sustainability-report-2008-09/overview-letter-ford http://www.ford.com/microsites/sustainability-report-2008-09/overview-letter-mulally http://www.ford.com/microsites/sustainability-report-2008-09/overview-letter-cischke	– As in previous years, statements from Ford's CEO, Chairman and VP of Sustainability provide detailed discussion of Ford's sustainability vision and strategy, as well as external and internal context for the report. – The CEO and Executive Chairman's letters include a balanced discussion of the challenges and accomplishments Ford faced in the past year and outline key priorities for the year ahead. – Similar to last year, the VP of Sustainabilty's letter explains Ford's work over the year to further integrate sustainability into the organization.	
1.3	Issue Identification and Prioritization	4	4	http://www.ford.com/microsites/sustainability-report-2008-09/issues-materiality	– No notable change. See 2007/08 comments.	

1.4	Values, Principles and Policies for Sustainable Development Accountability	3	3	http://www.ford.com/microsites/sustainability-report-2008-09/governance-sustainability-policy http://www.ford.com/microsites/sustainability-report-2008-09/governance-sustainability-policy	– No notable change. See 2007/08 comments.	
1.5	Sustainable Development Vision and Business Strategy	3	3	http://www.ford.com/microsites/sustainability-report-2008-09/issues-mobility http://www.ford.com/microsites/sustainability-report-2008-09/issues-climate-blueprint http://www.ford.com/microsites/sustainability-report-2008-09/issues-climate-case-electrification	– Reporting demonstrates a clear understanding of the external environment in which Ford operates and how the company is evolving to meet current sustainability challenges, particularly those related to climate change and mobility. – *The Sustainable Technologies and Alternative Fuel Plan* and *Blueprint for Sustainability* clearly outline the company's approach to reducing CO2 impact and include an explanation of the processes and external considerations that led Ford to develop the plans. – The section on Ford's electrification strategy is framed by a detailed account of the external trends which are contributing to the need and demand for more electrified vehicles. – In addition to articulating the company's broad approach to sustainability, reporting identifies more specific needs of regional markets.	– While reporting provides a clear understanding of mobility challenges and an impressive commitment to explore the implications for Ford's business, it is still unclear if Ford's business model will evolve to meet these needs beyond the case studies included in the report. – Since reporting highlights the dilemmas of shifting demographics and the impracticability of replicating personal-vehicle transportation models in burgeoning megacities, it is important for Ford to articulate how this understanding will inform the business strategy. – In crafting its strategy going forward, Ford might consider: What precisely can it do to limit risks and capture opportunities related to mobility dilemmas facing both the developed and developing world? How can it begin to transform its investments and market strategies in response to longer-term trends? What is Ford's explicit sense of accountability for preventing catastrophe related to exploding demand for personal automobiles? While we understand and share the enormous challenge of answering these questions,

						the report itself can only become stronger by beginning to better explore (and articulate) this frontier.
1.6	The Business Case	2	2	http://www.ford.com /microsites/sustaina bility-report-2007-08/environment-facilities-operational http://www.ford.com /microsites/sustaina bility-report-2008-09/issues-climate-risks http://www.ford.com /microsites/sustaina bility-report-2008-09/issues-mobility-challenges http://www.ford.com /microsites/sustaina bility-report-2008-09/issues-humanrights-commitment	– Reporting identifies a number of potential growth opportunities related to sustainability, particularly in providing mobility solutions in emerging markets and fuel-efficient vehicles in the developed world where they are in high demand. – Ford acknowledges that addressing these market needs (and others related to sustainability) are integral to ensuring the long-term viability of the company. – Reporting includes a discussion of specific risk factors related to climate change and ad hoc examples of cost savings generated from energy reduction. – Like last year, the section on human rights identifies the business as well as the societal benefits to human rights management.	– Reporting could attempt to quantify the impact that addressing sustainability issues has on specific aspects of business performance such as brand value, market share, competitive advantage and/or performance of specific product lines. – Considering the current economic environment, Ford should consider further ways to demonstrate (quantitatively or qualitatively) the business case for its efforts. For example, how have sales of fuel-efficient vehicles impacted the company's financial performance, and how is that impact expected to increase/decrease in the future? What specific consequences might there be to the business in light of the long-term mobility challenges spelled out in the report, and precisely how much opportunity does Ford see in addressing those challenges (increased brand equity, potential market sizes, etc.)?
1.7	Sustainable Development Implementation Challenges	3	3	http://www.ford.com /microsites/sustaina bility-report-2008-09/issues-sustaining-labor http://www.ford.com /microsites/sustaina bility-report-2008-09/economy http://www.ford.com	– Ford's report frankly addresses the wide range of challenges the company faces as it restructures its business to achieve profitability, and includes detailed plans and actions to address those challenges. – Specifically, the report discusses the challenges associated with responding to consumer demands given the unstable economy and fluctuating fuel prices. – Furthermore, like last year, reporting describes Ford's approach to managing	– Reporting acknowledges a number of challenges facing the company but could be more specific in identifying implementation challenges related to fuel efficiency and mobility plans. For instance, what has been the impact of continuing uncertainty around national and international climate change policies? In light of recent studies that indicate a genuine prospect of oil production peaking in the next decade, what will be the impact

				/microsites/sustainability-report-2008-09/issues-climate-case-electrification-challenges	rising labor costs, particularly related to healthcare. − Reporting includes an extensive discussion of the challenges (related to profitability and infrastructure) associated with manufacturing and selling electric vehicles.	of declining oil production on Ford's plans? − Especially in the section on mobility, Ford could be more explicit about the challenges associated with implementing new transportation models in emerging economies.
1.8	Governance Responsibilities and Structures	4	3	http://www.ford.com/microsites/sustainability-report-2008-09/governance-sustainability-integration http://www.ford.com/microsites/sustainability-report-2008-09/governance-sustainability-board http://www.ford.com/microsites/sustainability-report-2008-09/governance-progress-structures http://www.ford.com/microsites/sustainability-report-2008-09/issues-climate-blueprint-governance	− Reporting includes extensive details on the governance structures in place to manage sustainability and specifically how sustainability is integrated into many levels of corporate governance and management. − Ford provides a diagram outlining sustainability governance in order to more clearly demonstrate lines of accountability. − In addition, reporting includes more specific details on how sustainable mobility and the Blue Print for Success are incorporated into governance structures − Of particular note is the VP of Sustainability's letter, which outlines how governance has evolved over time to further align business and sustainability strategies. − Ford also notes how the company ensures performance against sustainability metrics by tying it to compensation assessments for executives.	− While the reporting on governance is robust, it could still go further at the Board-level by further explaining the interaction and influence between the full Board and its Sustainability Committee.
1.9	Risk Management	3	2	http://www.ford.com/microsites/sustainability-report-2008-09/issues-climate-risks http://www.ford.com	− As before, the report features a detailed identification of risks and challenges for each material issue, including processes to identify and track risks on an ongoing basis. These sections provide a critical foundation for various actions and	− While reporting identifies and considers a range of risks the discussion of the *systems and processes* by which risk is monitored remains patchy. Reporting could be improved by offering a more systematic description of risk management

				/microsites/sustainability-report-2008-09/governance-sustainability-ethical http://www.ford.com/microsites/sustainability-report-2008-09/issues-climate-risks-energy	commitments forming the overall sustainability strategy. – Like last year, the section on Ethical Business outlines the company's approach to compliance-based risk management and includes information on how employees are trained in addressing high-risk issues for the company. – This year's report expands upon risks associated with climate change and includes further information about Ford's approach to managing physical risks to the company's operations.	systems, possibly even as a dedicated section under sustainability governance and/or management. – The report could also strengthen readers' understanding of specific risks by attempting to better quantify the potential financial, operational, and/or reputational risks associated with key sustainability issues/challenges. – The section on energy security frames the issue specifically in a US context – what are the *global* implications to Ford's future strategy of an overall decline in world oil production, and what are the risks of this happening on a meaningful timeframe?
1.10	Meeting Tomorrow's Needs	4	4	http://www.ford.com/microsites/sustainability-report-2008-09/issues-climate-risks http://www.ford.com/microsites/sustainability-report-2008-09/economy-recovery-products	– Reporting on this criterion is similar to that of the 2007/08 report but with some improvements including a more robust discussion within the Financial Recovery Plan section on the role of sustainability innovation in driving market growth for Ford.	– While reporting includes a strong understanding of the need for more sustainable mobility solutions in the developing world, next steps in generating a comprehensive approach are still unclear. While plans are obviously still evolving, Ford should clarify the current status of its efforts.
1.11	Customer Influence and Market Shaping	4	4	http://www.ford.com/microsites/sustainability-report-2008-09/society-customers	– No notable change. See 2007/08 comments.	– As noted, addressing the challenges of mobility and climate change will require customers to change their purchasing patterns and in many cases switch to new types of transportation and vehicles. Reporting could further explain how Ford plans to educate its customers about the benefits of these changes. For example, how will Ford incorporate information on the need for electrification into its

					advertising plans? How will it reassure customers that electric vehicles will meet their mobility needs?
Section Total		38	36		
Percentage of Maximum		86%	82%		

2 Management

This section is designed to assess how well a company reports on its activities to implement its sustainable development intentions. This section examines to what extent reporting demonstrates alignment between internal systems and sustainable development intentions, and to what extent the report explains the influence of the company on external market conditions.

		2009 Score	2008 Score	Page	Strengths	Opportunities for Improvement
2.1	Management Procedures	4	3	http://www.ford.com /microsites/sustaina bility-report-2008-09/governance-sustainability http://www.ford.com /microsites/sustaina bility-report-2008-09/governance-management http://www.ford.com /microsites/sustaina bility-report-2008-09/environment-management http://www.ford.com /microsites/sustaina bility-report-2008-09/issues-vehicle-manage	– Reporting is consistent with last year. One notable addition is the section on vehicle safety management, which includes more explicit details of Ford's processes and explains how the company coordinates with government bodies in the rolling out of market-specific policies.	
2.2	Value Chain Management	3	3	http://www.ford.com /microsites/sustaina bility-report-2008-09/operations-value	– No notable change. See 2007/8 comments.	

				http://www.ford.com/microsites/sustainability-report-2008-09/society-suppliers http://www.ford.com/microsites/sustainability-report-2008-09/environment-management http://www.ford.com/microsites/sustainability-report-2008-09/issues-humanrights		
2.3	Stakeholder Engagement	3	3	http://www.ford.com/microsites/sustainability-report-2008-09/issues-perspectives-forbes http://www.ford.com/microsites/sustainability-report-2008-09/society-who http://www.ford.com/microsites/sustainability-report-2008-09/overview-assurance	– No notable change. See 2007/08 comments.	
2.4	Personnel Performance Management, Training and Development	2	2	http://www.ford.com/microsites/sustainability-report-2008-09/society-employees-health http://www.ford.com	– This year's report includes further information (including a diagram) of the "One Ford Plan" and how the company uses this platform to align employees around the common goal of sustaining Ford long-term.	– Reporting could be more explicit about how employees are held accountable for retaining knowledge related to sustainability. For example is sustainability performance considered in employee evaluations (beyond those of executives)? Ford might consider building out such

				/microsites/sustainability-report-2008-09/society-employees http://www.ford.com/microsites/sustainability-report-2008-09/society-employees-workplace-relationship http://www.ford.com/microsites/sustainability-report-2008-09/governance-sustainability-ethical http://www.ford.com/microsites/sustainability-report-2008-09/governance-sustainability-integration	− Reporting describes a number of efforts to communicate key policies and directives to employees including online courses on ethical issues, mandatory review of the Code of Conduct Handbook and the eco-driving program. − Reporting mentions the new online ethics training course (a commitment from the 2007/08 report) and its role in employee training.	content could be built out in a form similar to the detail under Workplace Health & Safety. − The report could also provide more thorough coverage of how Ford keeps employees up-to-date with the knowledge, tools, and networks needed to enable effective sustainability implementation, especially with reference to the key material issues covered in the report. For example, how does Ford develop sustainability management skills beyond just the dissemination of formal policies and performance expectations? At a minimum, reporting should describe what mechanisms are in place to ensure that all employees have a baseline understanding of the issues. − Reporting could also be further improved by featuring Ford's frank interpretation of the effectiveness of these systems, including discussion of future needs and/or plans to continue developing systems in future years.
2.5	Learning and Knowledge Management	0	2	http://www.ford.com/microsites/sustainability-report-2008-09/governance-sustainability-integration		− Due to the absence of the Sustainability Learning Community, reporting on this criterion has weakened compared to last year. The Sustainability Learning Community was at the forefront of Ford's 2007/8 approach to knowledge management, so it is important for readers to know what has become of the program. − Ford should discuss how the company plans to mitigate the loss of knowledge from the large number of employees leaving the company due to downsizing. − Furthermore, if programs are

						implemented, Ford should aim to evaluate effectiveness by demonstrating how management processes have improved performance and helped Ford to reach its sustainability goals.
2.6	Public Policy and Regulatory Affairs	3	2	http://www.ford.com/microsites/sustainability-report-2008-09/issues-climate http://www.ford.com/microsites/sustainability-report-2008-09/issues-climate-ghg-stabilization http://www.ford.com/microsites/sustainability-report-2008-09/governance-case-political http://www.ford.com/microsites/sustainability-report-2008-09/overview-letter-cischke	− This year's report demonstrates a growing willingness to take a proactive leadership position on public policy. As is such, reporting describes a number of ways the company has evolved to align its sustainability strategy more closely with public policy efforts. − Of particular note is the discussion of climate change where Ford discusses fuel economy standards, incentives for fleet renewal and emission trading, as well as a more thorough integration of relevant policy information throughout the climate change section. − In addition, reporting explains how Ford engagement with government is incorporated into Ford's vehicle safety strategy. − The VP of Sustainability's statement explains how Ford has aligned environmental policy functions within business strategy.	− While the depth of quality of reporting on climate-related policy issues is strong the equivalent reporting under other material issues is still lacking. Though the nature and status of each issue does account for some differences, greater consistency across the issues would significantly improve the report. In future years, Ford might consider using the section on climate change policy and partnerships as a model for how it describes its engagement with government on other material issues including mobility and human rights. − Considering the public nature of Ford's (and other automakers') relationship with government this year, reporting might be more explicit about Ford's choice not to receive government funding and how the company might engage with government in the future.
2.7	Industry Influence	3	2	http://www.ford.com/microsites/sustainability-report-2008-09/issues-humanrights http://www.ford.com/microsites/sustainability-report-2008-09/issues-vehicle-	− Reporting demonstrates Ford's commitment to working with industry to address sustainability challenges, notably those related to climate change, human rights and the health of the automotive sector itself. − Of particular note is the explanation of the AIAG Initiative in which Ford includes the history of the program as well as specific	− While reporting includes a number of examples related to industry collaboration, given Ford's position as an industry leader (not only on sustainability but financially as well) reporting might be more explicit about what Ford sees as its role in guiding the industry towards more sustainable solutions. Given the pace and scale of the change needed Ford is in a unique position to guide the industry through this

				collaborative http://www.ford.com/microsites/sustainability-report-2008-09/issues-humanrights-industry-collaboration http://www.ford.com/microsites/sustainability-report-2008-09/issues-climate-blueprint-principles http://www.ford.com/microsites/sustainability-report-2008-09/issues-climate-technologies-migration-bev	outcomes and timelines. – Ford outlines its strategy towards engaging with external parties through the principle of "Vehicle + Fuel + Driver = GHG emissions." – To support this approach, the report describes a wide range of partnerships and research initiatives including those with industry competitors but also those beyond the automotive sector like energy companies (BP) and business in general (USCAP). The discussion is particularly strong in the section on electrification.	evolution. – In future reports, Ford might consider including a consolidated list of industry efforts to demonstrate the breadth and extent of its dedication to collaboration.
2.8	Philanthropy and Social Investment	2	2	http://www.ford.com/microsites/sustainability-report-2008-09/society-community	– No notable change. See 2007/08 comments.	
2.9	Investor Relations	2	2	http://www.ford.com/microsites/sustainability-report-2008-09/society-who http://www.ford.com/microsites/sustainability-report-2008-09/issues-perspectives-forbes http://www.ford.com	– Reporting identifies investors as key stakeholders and mentions communication channels and forums employed to engage them. – Like last year, the report recognizes the importance of communicating with investors on climate change. – Melissa Forbes' comments shed light on a specific example of where Ford has engaged with investors around	– In the 2007/8 report, Ford mentioned plans to evolve its strategy towards communicating with investors, however limited information exists to show how this plan has evolved. – The report would benefit from describing attempts to communicate relevant information to investors across all material issues. – Though investors are described as a key stakeholder group, the report does not

				/microsites/sustainability-report-2008-09/issues-climate-risks	sustainability issues.	feature a specific investor heading (as it does for other stakeholder groups). To improve reporting (and address the previous two comments) Ford might consider developing a specific investor and sustainability section in the report and/or imbed a sustainability section into its investor website.
Section Total		23	22			
Percentage of Maximum		64%	61%			

3 Presentation of Performance

This section is designed to allow the reader to assess how well the company reports and explains its performance on material sustainable development issues.

		2009 Score	2008 Score	Page	Strengths	Opportunities for Improvement
3.1	Performance and Strategy Alignment	3	3	http://www.ford.com/microsites/sustainability-report-2008-09/overview-performance + Under each tab "Progress and Data" in the sections Economy, Society and Environment	– Ford provides a performance summary, detailed data under each major report section – Economy, Environment and Society – and data highlights under each of its material issues. – Reporting is most comprehensive in the section on climate change, which provides data and information across a range issues including fuel efficiency, manufacturing, driver training and electrification.	– In general, the performance summary could provide a more thorough picture of performance for certain material issues, notably sustaining ford and mobility. – Ford might consider how it could streamline performance information (including data on material issues, broad environmental, social, and economic indicators and targets) to demonstrate a more strategic approach to data collection and performance. At the very least, the report could better link specific, quantitative data under Environment, Economy and Society with the most material issues – perhaps in the form of a matrix that shows how specific indicators map to the different classifications. – Reporting could provide further information about how Ford's current performance retroactively influences its ongoing strategy and issue prioritization. For example, has performance against certain criteria (fuel efficiency standards, for instance) led Ford to further refine its strategy to achieve certain goals? – In areas like mobility, where notable gaps in performance data exist, Ford might be more explicit about future plans to evolve reporting and data collection.

3.2	Measuring Sustainable Development Performance	3	3	http://www.ford.com/microsites/sustainability-report-2008-09/overview-performance + Under each tab "Progress and Data" in the sections Economy, Society and Environment	− Ford provides standard indicators for environmental, economic and social performance as well as Ford-specific status updates for each of its material issues. − For the most part, indicators are specific, consistent annually, relevant to Ford's business model and demonstrate a clear picture of performance.	− Performance data would be improved with more indicators demonstrating performance in markets outside of the US and Europe, especially related to Ford's exploration of ways to provide mobility solutions in these countries. − Reporting could be more explicit about the process for identifying the chosen indicators. Why were certain metrics chosen? What difficulties has Ford faced in expanding and/or improving data collection? Are there plans to further evolve performance data collection?
3.3	Context and Interpretation	3	2	http://www.ford.com/microsites/sustainability-report-2008-09/overview-commitments http://www.ford.com/microsites/sustainability-report-2008-09/issues-climate-ghg http://www.ford.com/microsites/sustainability-report-2008-09/issues-climate-progress-vehicle	− In general, reporting provides useful context on how Ford's performance has evolved over time. − The "Commitment and Status" section provides commentary on how Ford views its current performance and assesses current progress against identified goals. − The climate change section provides extensive detail on the scope of Ford's CO2 emissions throughout the product value chain. − The vehicle performance section compares the fuel efficiency of Ford's vehicles to that of its competitors/industry standards.	− Ford might consider additional opportunities (beyond the fuel efficiency section) to compare its performance against that of the rest of the auto industry. For instance, Ford might include an industry benchmark for some of the less obvious performance metrics like operational CO2 emissions per vehicle produced, which requires less knowledge of the sector than the current fuel efficiency metrics.
3.4	Target Setting	3	3	http://www.ford.com/microsites/sustainability-report-2008-09/overview-commitments http://www.ford.com/microsites/sustaina	− Reporting improved in this criterion by including a combination of qualitative goals and quantitative targets for all five of Ford's material issues − For the most part, targets are specific and measurable and reporting provides commentary on Ford's current progress	− While Ford should be commended for its steady improvement in this area, it can still go further. Specifically, Ford should continue to migrate away from vague, qualitative goals and toward targets that are specific, measurable and time-bound for all material issues. Where targets do not exist, Ford should aim to develop them

					bility-report-2008-09/issues-climate-technologies-economy	and likelihood of meeting each. – Specific information about Ford's future goals related to fuel efficiency demonstrates a long-term commitment to addressing its impact.	and report plans to do so. – In some cases it is unclear how Ford plans to measure performance against goals. For example in the instance of mobility, what metrics does the company use to measure progress? Ford might consider displaying targets alongside performance data. – Ford might also consider setting incremental targets for long-term goals. For example how does the GHG reduction goal of 30% by 2020 translate into targets for 2009, 2012, 2015? – Ford can also further demonstrate the value and importance of its targets by including a discussion of why and how specific targets have been selected. For example why were certain numerical targets selected? Were external standards consulted? This is strong in the section on climate change but could be improved for other environmental considerations (like water and waste) as well as in the section on human rights.
3.5	Performance Against Standards	2	2	http://www.ford.com/microsites/sustainability-report-2008-09/issues-climate-policy-regulation http://www.ford.com/microsites/sustainability-report-2008-09/issues-humanrights	– Reporting describes the use of a variety of standards including ISO 14001 for manufacturing facilities and product development, external health and safety standards and those related to human rights. – In the section on climate change Ford explains how legal regulations in the US and EU have been incorporated into its plans for producing fuel-efficient vehicles. – The report includes numerous links to external websites providing further information related to standards.	– While the report identifies a number of standards guiding strategy, it could be far more systematic in describing their implementation, as well as more explicit about how the company evaluates its performance against considerations within the specific standards. – For example, Ford could be more explicit about the role of the UN Global Compact commitment in guiding performance and strategy development, or about how the specific values and/or norms from external standards are reflected in the company's

						own goals and commitments.
	Section Total	14	13			
	Percentage of Maximum	70%	65%			

4 Accessibility and Assurance

This section examines how successful companies are in designing their reporting approach to meet the needs of the audiences for their sustainable development reporting. This includes an assessment of reporting on efforts to give readers confidence in the information presented.

		2009 Score	2008 Score	Page	Strengths	Opportunities for Improvement
4.1	Assurance	3	3	http://www.ford.com/microsites/sustainability-report-2008-09/overview-assurance	− No notable change. See 2007/08 comments.	
4.2	Reporting Commitment, Policy and Strategy	3	3	http://www.ford.com/microsites/sustainability-report-2008-09/governance-sustainability-reporting	− No notable change. See 2007/08 comments.	− Ford might be more explicit about why the company chose to move its entire report online, including identification and interpretation of any implications this change might have for its reporting strategy and approach.
4.3	Reporting Standards	2	2	http://www.ford.com/microsites/sustainability-report-2008-09/ungc http://www.ford.com/microsites/sustainability-report-2008-09/gri	− No notable change. See 2007/08 comments.	
4.4	Accessibility of Information	3	3	Throughout	− Ford's decision to report exclusively online demonstrates a streamlined approach to reporting. − The report follows a similar format to	− Given that the report solely exists online, Ford might consider how it can make its site more dynamic by adding features to make it more accessible to key audiences.

| | | | | previous years, making it easy for stakeholders familiar with Ford to find information and to compare performance over time.

− The organization around material issues makes it easy for the reader to find relevant information. | For example, Ford might consider including a search function for certain key terms or certain stakeholder groups. It may also consider opportunities to reduce the use of long, narrative presentations in favor of tighter summaries, graphics and other creative ways to deliver information online.

− In the future, Ford might consider how it can use new technologies and online tools to make reporting more interactive and a platform for engagement with key stakeholder groups. |

Section Total	11	11
Percentage of Maximum	63%	63%

5 Scoring System

The scoring system was the subject of improvement during 2002, with the aim of making it more consistent across all elements of the methodology. The generic scoring device, from 0-4 points, is as follows:

0=NOTHING
The report provides no information on the issue, or nothing sufficiently significant to suggest the company understands or takes the issue seriously. Overall, any statements appear generic or formulaic, without specific links to the company and its own activities or impacts.

1=SKETCHY
Coverage suggests the company recognises the issue to some degree, and is attempting to present it in a serious way.
    BUT: The company does not (yet) address the issue in a systematic way. Without assurance of the existence of a systematic approach, the reader cannot be sure that the coverage of this aspect is not due to a good report writer and/or the company's desire to be seen in a favourable light, rather than a true reflection of actual reporting activities underway within the company. Overall, there is evidence of effort, but it is difficult to tell whether the company is really moving in the right direction, because the overall pattern does not come into view.

2=SYSTEMATIC
Coverage suggests the company is taking the issue seriously and seeking to present the information systematically. Overall you get the sense that the company is on the right track in terms of satisfying the criteria.
    BUT: even though the systems and processes are robust, they have not yet been fully developed or rolled out across the company, across divisions, and across issues, all of which takes time.

3=EXTENSIVE
Coverage is serious AND systematic AND not suffering from major gaps in coverage, presentation or interpretation – a systematic treatment that has been rolled out across the company and across a range of issues and concerns. N.B. This is not to explicitly require that every single company activity, every single major issue, every single individual site has achieved the same level of sophistication in issues management, information gathering and presentation. The 'preponderance of evidence' should show a significant, widespread level of success in rolling out systems and processes.
    BUT: The information is not explicitly or fully linked to core business decision-making. Overall, while reporting in this area is very good, there is insufficient evidence that the company in general could be deeply affected and influenced by the process of reporting.

4=INTEGRATED
Reporting is serious, systematic and extensive, AND evidence is given that shows how reporting in this area is linked to general business decision-making and core processes to improve SD effectiveness. The reader is confident that the company at the highest levels takes to heart the results of reporting in this area and alters course accordingly.