

## Sooner or Later? When to Publish Your First CSR Report

By Mark Brownlie

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It might not be the debate of the century, but there are vastly differing views on when a company should publish its first corporate social responsibility (CSR) report.

Many decision makers look to non-financial reports to understand the rest of the story on corporate performance. Whether they are titled “environment, health and safety” or “corporate social responsibility” or “sustainability” reports, these publications provide readers with information not commonly found in annual financial reports. CSR reports are becoming consistently expected and increasingly commonplace.

So, should a company wait until the time is right or, conversely, just get the ball rolling?

Proponents in the “not yet” camp would ask, “What’s the rush?” There are no regulatory requirements in North America for publicly traded companies to publish CSR reports. Since CSR reporting is in its infancy, it might not pay to be on the bleeding edge. Let others experiment. Wait until the field is more determined; until the standards are set. In some cases, companies might feel they don’t have solid quantitative data to share, or that their performance isn’t quite where they want it before they go trumpeting their horn.

There is concern that companies might jump the gun and publish CSR reports for the wrong reasons (e.g., to simply gain recognition), or before they have adopted some essential CSR elements (e.g., data tracking, stakeholder engagement). Perhaps the prudent route is to wait until the company has robust measurement and management systems and strong performance.

The opposing viewpoint—start now—would argue that because it is a young field and expectations for transparency are high, it is better to proceed along a continual improvement path and get started sooner rather than later.

CSR reporting does not have to be an all or nothing undertaking. There is still considerable forgiveness in the reading masses when it comes to the efforts of new CSR reporters, especially if the report is very clear about what is missing and why. Companies adopting an incremental approach to CSR reporting could start with just a few environmental indicators, or cover just a portion of their operations. Or companies could start with what they’re already measuring and reporting internally. And take steps. Rome wasn’t built in a day.

Where to start? It’s best to base report content on current capabilities, stakeholder consultation, and an overall communications strategy. Or a company can consult the Global Reporting Initiative’s *Sustainability Reporting Guidelines*—the de facto standard in the CSR reporting field—since they reflect a synthesis of the information needs of a broad range of stakeholders. Because using the *Guidelines* is a voluntary undertaking it is entirely acceptable to prepare a report that does not cover every indicator.

Companies at any level of experience and sophistication can get started. Rookie reporters need not feel compelled to release a hefty tome. Many companies might need to build their reporting capacity in an incremental fashion, moving gradually to greater coverage, transparency and structure in the sense of continuity and consistency from year to year.

In this case, timing isn’t everything. Getting started is the critical first step.

The verdict? Don’t let the perfect be the enemy of the good. Don’t let the seemingly insurmountable task of preparing a CSR report lull you into a state of inertia. Don’t think that your company is too small or complex. Companies with only ten employees have released reports. An incremental approach to CSR reporting could be an integral part of a company’s learning and continual improvement process. The field of CSR reporting is a work in progress — why shouldn’t your report be as well?