

Toshiba 2011 CSR report

Too much information

By Kathee Rebernak

Toshiba's 2011 corporate responsibility report and website, together, show in microcosm the confusion that reigns in corporate responsibility – or sustainability, or citizenship – reporting

If ever there were a poster child for the case to be made for integrated reporting, Toshiba would be it. Toshiba's 2011 CR report, with its accompanying website and various other reports, provides reams of information. Toshiba largely fails, however, to present a cohesive picture of its overall performance.

To its credit, Toshiba publishes an impressive amount of information on its philosophy of governance and management of environmental and social activities, and the activities themselves. Its corporate reporting consists of an annual financial report, annual CR report, environmental report and a citizenship, or "social contributions activities" report.

In addition, each of Toshiba's nearly 150 facilities publishes its own environmental report; that most are written in Japanese may prevent many stakeholders from diving more deeply into the data. And then there's the CR website.

Unfortunately, none of this gives a particularly good picture of how the company's many, many activities that fall under the umbrella of corporate responsibility – including environmental activities that seem to be a key component of Toshiba's product and technology development – contribute to Toshiba's growth and profitability.

Much of the information on the website is copied exactly from the report – or vice versa – but some is contradictory and it is not clear which medium presents the more accurate picture. Complicating stakeholders' ability to assess performance is the fact that the 2011 environmental and "social contributions activities" reports are not due out until later this year.

The result is confusion. For example, save one vague line in the targets section about supporting "the employment of female employees", the report contains no discussion of gender diversity. The website does, however, contain a lengthy discussion of gender diversity – or, rather, the lack thereof.

Jilting GRI for ISO 26000?

Toshiba has vigorously pursued reporting in line with the ISO 26000 standard. It has adopted an in-depth approach to assessing performance of a variety of "sub-issues" in each of the seven ISO 26000 subject categories and has set targets and plans for each. And while the company has identified 235 "action items" and established an impressive array of key performance indicators, the large majority of targets stated are qualitative. Nonetheless, the company reports 100% achievement of most of its targets. A rather head-

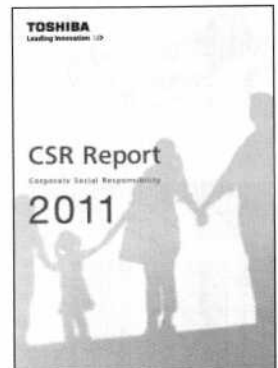
scratching example is that the report counts as a major achievement the fact that it has "achieved the target of improvement in overall environmental efficiency".

A careful reading of the report might lead one to wonder whether Toshiba has abandoned GRI for ISO 26000, the nascent corporate responsibility guidelines. While the GRI index contained on the company's CR website references the 2010 report (covering full year 2009) and various others, as well as the company's main website, there are no references to the 2011 report. Further, although the report points to a materiality analysis, and even displays a 3D graphic to support the idea, the report identifies no issues as material. Both Toshiba's third-party evaluator and the company's own consultant express a desire to see the company identify and prioritise its material issues.

Toshiba's reporting of environmental performance is far stronger than that of its other practices. Its approach is clearly laid out, as is its focus on greening processes, products, and technologies. A discussion of environmentally conscious products (ECPs) is interesting and should lead readers to see connections to business success, even if such connections themselves are not clearly drawn. Toshiba self-certifies a group of products identified as "Excellent ECPs" based on their ability to meet or exceed internally set environmental performance standards. No doubt stakeholders – investors and customers in particular – would be interested in seeing details of these products' environmental performance vis à vis competing products.

Toshiba devotes a considerable amount of space to discussion of its improving eco-efficiency factors but relatively little to better known indicators, such as trend data on GHG emissions, energy consumption, water use and waste generation. The few quantitative environmental indicators reported are centred on reductions of GHG emissions and water usage mainly through ECPs. Stakeholders may be left to wonder why there aren't more quantitative indicators of performance. Perhaps Toshiba is saving those figures for its still-to-come environmental report.

Next time, Toshiba might consider putting all that information in one place, so stakeholders who want to see performance data don't have to go hunting for it. And while ISO 26000 is a useful tool in helping direct attention to a variety of environmental, social and governance issues, Toshiba's use thereof should not preclude rigorous application of GRI – in particular a determination of the company's material issues. There's plenty of room in this world for both. ■



Snapshot

Follows GRI? Hard to say; GRI index contains no reference to 2011 report.

Assured? So it says, by an individual; no assurance standard mentioned.

Materiality analysis? Yes, but no material issues identified.

Goals? Yes

Targets? Yes

Stakeholder input? Yes

Seeks feedback? Yes

Key strength: Application of environmental standards in new product development.

Chief weakness: Too many parts; no centralisation of data.

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