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The company survey – overall results

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Objectives of the Survey

- Get a better understanding of
 - the framework conditions on sustainability reporting in the eight partner countries,
 - the reporting practice of companies,
 - companies` challenges and needs regarding training, as basis or the further project planning.
- The aim was not to benchmark, rank or judge countries.
- Azerbaijan, Bulgaria and Serbia as newcomers to the project had an extended survey to assess also the general CSR framework conditions and CSR activities of companies .



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Good participation in survey

- Azerbaijan: 75
- Bulgaria: 128
- Croatia: 103
- Macedonia: 81
- Montenegro: 75
- Romania 93
- Serbia: 100
- Turkey: 153

- **Total: 808 companies**



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Company Sample in Countries

- The sample of companies, which responded to the survey, looks different in the eight countries:
 - In Bulgaria, Montenegro and Romania, 90% (and more) of companies who completed the questionnaire are SMEs (under 250 employees). In Romania 59% were even micro companies.
 - In Turkey, by contrast, SMEs accounted only for 34% of the sample companies and 66% were large companies.
 - In Azerbaijan SMEs accounted for 71% of the sample companies, in Croatia SMEs accounted for 76% , in Macedonia for 53% and in Serbia they accounted for 83%.



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Company sample cont.

- Moreover, economic sectors played different role in company samples:
 - Whereas in Turkey 59% of sample companies belong to Manufacturing, in Croatia only 10% belong to Manufacturing.
 - Whereas in Bulgaria „professional, scientific and technical activities“ counts for 14,4% of sample companies, in Turkey only 1,8% belong to this sector.
 - Whereas in Romania 19% are in agriculture, in Azerbaijan only 1,3% of the sample companies in agriculture and no company in Macedonia from agriculture.

Thus differences in national survey results may reflect less national specialties, but reflect the different characteristic of the survey companies.



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CSR Awareness

- Results rank from 43% which are aware of the term CSR in Azerbaijan to 95,5% of companies you are aware of the term in Turkey.
- Results show that there has been a big increase from the last survey in 2013 in Croatia, Montenegro and Turkey (increase in Turkey of 42,6%).
- Part of the reasons might be that the same companies were surveyed in 2013 and 2015, thus they knew the term from the last survey.
- However, the high awareness of the term CSR is also linked to the success of the CSRforAll project as well as the fact that in all countries several CSR initiatives developed from the beginning of the millennium and governments became increasingly active in promoting CSR,



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CSR Engagement.

- With the exception of Azerbaijan (28%) and Romania (46%) , the vast majority of companies consider themselves active in CSR (Bulgaria: 76%, Croatia: 77.7%, Montenegro: 69%, Serbia: 77%, Turkey: 80%)
- However, also in Azerbaijan, despite that fact that companies do not consider themselves active, they are concerned about fair business behaviour, the environment and respecting human rights. Thus, the actual engagement of companies might be higher that the survey result indicates.



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Assessment CSRforALL

- In Croatia (55%) and Macedonia (65%) the majority of sample companies are aware of CSRforALL, whereas in Montenegro (25%), Romania (14%) and Turkey (40%) only a minority of companies are aware of CSRforAll.
- Similarly, 58% of sample companies have participated in Croatia in a CSRforAll activity, but 6,5% in Romania. Thus, the differences indicate the differences in sample.
- More important is that the vast majority of companies, which participated in a CSRforAll activity regarded the project for useful or very useful.
- Thus, the survey shows the success of the first phase of the project.



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Disclosure of non-financial information

- Huge differences between 16% of sample companies in Azerbaijan and Serbia, and 72% of companies which claim to disclose non-financial information in Macedonia.
- More important that many companies in the process of disclosing (20% of companies for instance in Montenegro and 19% in Romania).
- Companies use a huge variety of approaches to disclosure information.
 - Most used approach in all countries is to provide information on the homepage in the internet (65% in Montenegro).
 - In most countries more formal ways for reporting play a considerable role: Azerbaijan (15% IRP), Croatia (17% CSR Report, 11% IRP), Macedonia (24% CSR report, 17% IRP), Montenegro (23% CSR Report, 19% IRP), Serbia (14% CSR Report) Turkey (29% CSR report, 17% IRP)



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Disclosure of non-financial information cont.

- A relatively high number of companies claim to use frameworks such as the GRI (40% in Turkey), or CoP of the GC (33% in Macedonia).
- The vast majority of companies do not use external verification of their non-financial information.
- The vast majority did not assess the costs of reporting.
- Main reasons for reporting are good corporate governance, consumers and/or customer companies. Investors play in most countries only a marginal role.
- There are large difference in perception about the future development of reporting (expectations that it will grow in 20% of companies in Azerbaijan to 77% of companies in Macedonia). However, the overall pictures is that companies believe in an increase in the disclosure of non-financial information (52% Croatia and Montenegro, 61% Serbia, 68% Turkey).



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Challenges

- The main two challenges are lack of time and resources, as well as companies are not sure how to get started.
- Mentioned are also difficulties to get information, time and attention from colleagues as well as difficulties to assess the impacts.
- The vast majority of companies is interested in receiving training.



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Lessons from company survey

- Majority of sample companies were SMEs. Is this our target audience for the training? Then we have to keep it very simple.
- We can not give companies time and resources, but we can help them to get started: Easy step-by-step guidance to overcome initial barriers.
- Although GRI seems to be quite known, it seems to make sense to include into the guidance some practical information on GRI, CoP, RAFI, European accounting directive as well as local standards (CSR Index for example).
- Guidance should also entail a „resource list“ of available guidance.



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To think about

- Is there any specific investors` view which needs to be incorporated?
- Should we include th guidance in the up-date of the CSR handbook or keep it separate?
- What other inititatives need to be included?
- Should we link training on reporting to the CSR awards?



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Thank you very much for your attention

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