Credible Reporting – Holding CSR to a higher standard

October 13, 2010
Agenda

• B&J history of CSR Reporting
• Engage a CPA – internal/external audit
• Assurance levels, Audit Standards, Types of Opinions - Determining scope
• Shared Learnings
• Evolution of B&J reporting
B&J history of CSR Reporting

- Social Report since 1989
- Internal & External Stakeholders
- “Social Audit” for years
- Evolution of report – CERES, GRI, Social Mission Goals
- Engaged LeBlanc & Assoc in 2008
Report of Independent Social Auditor

The Shareholders of Ben & Jerry’s Homemade, Inc.

At the request of Ben Cohen, Chairperson of the Board of Directors of Ben & Jerry’s Homemade, Inc., I have reviewed the 1989 Social Performance Report, which was prepared by a voluntary committee of the employees.

My conclusion is that Ben & Jerry’s have the most thoughtful, comprehensive social concerns program of which I am aware. Furthermore, there is evidence of a much deeper commitment to the concept that corporations have responsibilities beyond the bottom line than is the case with other companies with which I am acquainted.

These observations are based on the experience I accumulated over the past 30-plus years as founder, Chief Executive and Chairman of Control Data Corporation. During that time, I advocated and practiced greater investment of corporations in contributing to the solutions of major social problems.

As shareholders, you can indeed be proud of your company’s outstanding social performance.

William C. Norris
Founder and Chairman Emeritus, Control Data Corporation
Engaging LeBlanc & Assoc. (2008)

- Desired external assurance for stakeholders
- Desired independent perspective for 3 internal stakeholder groups – Management/Board/Unilever
What do these audit words mean?

- Internal audit, external audit
- Attest, Compilation, Review, Examination
- Reasonable Assurance, Limited Assurance
- Clean, Unqualified Opinion, Qualified, Disclaimer
Audit Scope

• LeBlanc & Associates was engaged to perform an examination (external audit) of the information reported in the “Social Mission Goals” section of the 2008 SEAR.

• In addition to the external audit, we were asked to develop an internal report to management answering the question; “Were there any activities taken or not taken in 2008 that would impact B&J’s ability to achieve its 3 part mission as we understood it?”
Audit Outcomes

• An unqualified (clean) opinion was provided on the data included in the Social Mission Goals section of the SEAR.

• A summary of 24 findings was delivered to the CEO and Social Mission Director. The findings were well received and an action plan was immediately implemented to address each finding.
To the Stakeholders of Ben & Jerry’s Inc.:

We have been engaged to conduct an examination of the Selected Data identified below which is contained within the Ben & Jerry’s Inc. Social and Environmental Assessment Report for the year ended December 31, 2008. Ben & Jerry’s Inc. management is responsible for the Data and the selection of which Data would be included in the scope of this examination. Our responsibility is to express an opinion on the Selected Data listed below based on our examination.

Our examination was conducted in accordance with attestation standards developed by the American Institute of Certified Public Accountants and the International Auditing and Assurance Standards Board’s ISAE 3000. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the Selected Data are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and statements included in the Selected Data. We believe that our audit provides a reasonable basis for our opinion.

Non-financial data is subject to more inherent limitations than financial data, given both the nature and the methods used for determining, calculating, sampling or estimating such data. We have not carried out any work on data reported other than the 2008 Selected Data, prior reporting periods, nor in respect of future projections and targets. We restrict our opinion to the Selected Data.

In our opinion, the Selected Data for the year ended December 31, 2008 is fairly presented, in all material respects.

Sandra LeBlanc, CPA
LeBlanc & Associates, LLC
Wilton, NH
September 23, 2009
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Selected Data, published as of September 23, 2009, includes the information presented only in Sections 3.1, 3.2, and 3.3 of the 2008 report, comprising reporting on Ben & Jerry’s “Social Mission Goals.”
13. INDEPENDENT ASSURANCE LETTER

To the Stakeholders of Ben & Jerry’s Inc.:

We have been engaged to conduct an examination of the Selected Data identified below which is contained within the Ben & Jerry’s Inc. Social and Environmental Assessment Report for the year ended December 31, 2009. Ben & Jerry’s Inc. management is responsible for the selection and evaluation of which data is included in the report.

“We were unable to obtain sufficient audit evidence to satisfy ourselves that the statements concerning Fair Trade ingredients in Europe, Values-Led Sourcing (VLS) spend in Europe, impact of Caring Dairy in Europe on greenhouse gas emissions, and Cage-Free egg certifications and purchases in the U.S., are fairly presented. These items are marked with an asterisk (*).”

Non-financial data is subject to more inherent limitations than financial data, given both the nature and the methods used for determining, calculating, sampling or estimating such data. We have not performed an examination of the non-financial data.
Shared Learnings

Formal audit improved:
• The Control Environment in the Social and Environmental sphere is not the same as it is in the Financial sphere.
• Data integrity
• Visibility and accountability in supply chain
• Internal awareness of importance of social metrics
• Management-Board dialogue
• External credibility
Evolution of B&J reporting

• Quality of Results metric
  – Focus on ‘auditability’

• Vermont Benefit Corporations Act “the Ben & Jerry’s law”
  – A new frontier for audited reporting?