Reporting and transparency trends shaping corporate behavior

Barbara Dubach
Managing director and founder

“A LACK OF TRANSPARENCY RESULTS IN DISTRUST AND A DEEP SENSE OF INSECURITY.”
DALAI LAMA

Lifehack Quotes
Reporting landscape

Reporting on outcome

Measuring Progress on the SDGs: Multi-level Reporting

Negative impacts
Positive impacts

engageability
engage and create opportunities

April 14, 2016
Trends in mandatory and voluntary sustainability reporting

Source: Carrots and sticks publication
Corporate reporting trends (CH / WBCSD)

- **Average page length for sustainability reports**: 81 / 93
- **Average month between reporting period and publication**: 3,7 / 4,2
- **75 / 88% of reporters use the GRI guidelines**
- **50 / 59% of reporters use the GRI G4 guidelines**
- **44 / 63% of reports are titled ‘sustainability report’**
- **17 / 78% of companies have their report externally assured**

Source: WBCSD reporting matters and ÖBU/ engageability ‘Nachhaltigkeitsberichterstattung – quo vadis’
Despite these development, sustainability is not yet mainstream in the private sector.

**Uptake of reporting and other sustainability related initiatives worldwide**

- 44’000 listed companies*
- 120’000’000 companies worldwide

- UNGC
- GRI
- CDP
- DJSI
- B Corp

* Source: World Bank, 2014 (excluding purely financial companies)
True business sustainability

To drive the transition to a more sustainable and low carbon economy at the scale and speed required, true business sustainability will be needed.

<table>
<thead>
<tr>
<th>BUSINESS SUSTAINABILITY TYPOLOGY</th>
<th>Concerns (What?)</th>
<th>Values created (What for?)</th>
<th>Organizational perspective (How?)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business-as-usual</td>
<td>Economic concerns</td>
<td>Shareholder value</td>
<td>Inside-out</td>
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<tr>
<td>Business Sustainability 1.0:</td>
<td>Three-dimensional concerns</td>
<td>Shareholder value</td>
<td>Inside-out</td>
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<tr>
<td>Refined Shareholder Value</td>
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<tr>
<td>Business Sustainability 2.0:</td>
<td>Three-dimensional concerns</td>
<td>Triple bottom line</td>
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<td>Triple Bottom Line</td>
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<tr>
<td>Business Sustainability 3.0:</td>
<td>Starting with sustainability challenges</td>
<td>Creating value for the common good</td>
<td>Outside-in</td>
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<tr>
<td>True Business Sustainability:</td>
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</table>

The key shifts involved:

- 1st shift: broadening the business concern
- 2nd shift: expanding the value created
- 3rd shift: changing the perspective

Source: Prof. T. Dyllick/ K. Muff, Clarifying the meaning of sustainable business
Perferred methods capturing outside perspective

1. Questionnaires/ surveys
2. Established communication channels
3. Interviews
4. Focused group discussion
5. One-to-one meetings
6. Panel/ Dialogues
7. Partnerships

Interesting example: Tieto’s open crowd sourcing

The new materiality assessment started with an open crowd sourcing arranged by Tieto. This type of open dialogue enabled the participants to transparently and openly discuss about Tieto CR regardless of her location and time of participation. The process ensured that each participant was able to provide his or her own view instead of rating topics within a predefined scope. This is our way of practicing our open source culture externally and internally on CR – we welcome any and all comments and proposals. Invitations were sent out via e-mails to different representatives from our stakeholder groups, and also advertised on the web and in social media. In total, 260 people, representing customers, investors and media among others, participated in this online brainstorming. 161 of the participants were employees, showing the high interest in this stakeholder group to participate in an active dialogue with the company regarding CR. The high number partially also reflects the past year’s restructuring activities, which increased employee interest in CR dialogue.

Source: engageability ‘Materiality 360’
Examples of stakeholder panels enhancing transparency

Stakeholder Panel

External Review Committee

Shell, for the eighth successive year, has invited an External Review Committee to assess its sustainability reporting. This letter provides our assessment of Shell’s 2012 Sustainability Report. We express our views as individuals, not on behalf of our organisations.

Stakeholder Panel

Sustainability Council
„TRANSPARENCY RESULTS IN TRUST AND A DEEP SENSE OF SECURITY“

Dalai Lama