Global Reporting Initiative™

Oxfam Novib

Informing decisions, driving change

The role of data in a sustainable future

Contents

Foreword

Sustainability reporting is now commonplace among the world's largest companies, resulting in a vast amount of sustainability performance data in various formats. The amount of data available is growing year on year, providing various stakeholders with the opportunity to leverage information to effect positive change.

Sustainability reports are valuable to many different groups of readers and users, especially in the developing country and emerging market context, where sustainability impacts are often hardest hitting and of the greatest urgency. These groups could benefit greatly from a better understanding of the reporting process, and of how to use reported data to advance their work – be it advocacy, partnerships, consumer action, investment decisions, or helping improve public information about sustainability issues.

However, we also see that sustainability reports are not being used to their full potential. This is a lost opportunity, not only for those who produced the reports, but also for their potential contribution towards sustainable change, a just world and poverty alleviation.

There is a need to maximize the potential of sustainability data to inform and empower change to tackle some of the world's most pressing sustainability challenges. This undertaking must start with understanding how sustainability data, as publicly reported by companies and organizations, is currently being used to advance issues in sustainable development – something we still know relatively little about, beyond anecdotal evidence.

This study, therefore, presents a baseline stock take of the ways sustainability performance data is being used by different groups, outlining the results and impacts of its use in terms of driving behavior change, and providing illustrative cases of the challenges and future potential of its use. It offers great insights into how sustainability data can be used to empower stakeholders, and how it can be leveraged for change. Given the priority for sustainability, special focus is given to the emerging economy and developing country context.

The study concludes with recommendations for reporting organizations, governments, data facilitators, advocates, GRI and various other parties on how to maximize the potential of sustainability data to inform and empower change. We hope these recommendations will mark the first step towards giving performance data a more central role in the transition to a sustainable global economy.

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This publication was made possible with financial support from the Swiss State Secretariat for Economic Affairs (SECO).

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Executive Summary

Welcome to the age of big data, in which increasing transparency leads to vast amounts of corporate performance information being added to the growing pool of sustainability data every day. This report is a starting point, providing greater understanding about how different stakeholder groups are using sustainability data. Armed with this information, organizations can tailor the data they present about their sustainability performance, and stakeholder groups can identify ways to use that data more effectively.

This report is timely, given the launch of the global Sustainable Development Goals in 2015, and serves to open a dialogue on how to ensure that sustainability data is accurate, available and advantageous as a tool to build a sustainable future.

The research and the report

GRI worked closely with Oxfam, BSD Consulting and Tell Lucy to produce this report. Oxfam was a valuable thought leadership partner on the project, providing input and ideas, and helping to gather information on which to base the report. GRI commissioned BSD Consulting to carry out the research, tapping into its international network of consultants to gather insights from around the world. Lucy Goodchild van Hilten translated the research, interviews and insights into this report.

The research was conducted in three parts: desk research, interviews and a virtual dialogue in an online ThinkTank on the Convetit engagement platform. The five-day online ThinkTank was held in February 2015 to identify cases that exemplify the use of sustainability data by different stakeholder groups, prioritize the cases and provide recommendations. A network was engaged to provide insights into the reporting landscape in each region: BSD representatives in South America, North America, Asia and Europe, and Incite in South Africa, were assigned case studies to develop under five categories: civil society, investors, businesses, governments and media. Interviews provided a deeper understanding of the way each stakeholder group uses sustainability data.

Each section of this report includes three insights into how the featured stakeholder group uses sustainability performance data; each insight is illustrated by a case study. The recommendations made by the stakeholder groups are collated under their respective sections, and consolidated at the end of the report in the recommendations section.

Civil society

Civil society organizations (CSOs) have a variety of roles to play to protect people and the environment. They employ a number of strategies – not only advocacy – to achieve their goals; this is especially the case in developing countries. By putting companies and governments in the spotlight, CSOs provide the tools and insights the public needs to hold them accountable and demand greater transparency. Internally, sustainability data helps CSOs optimize their effectiveness. With case studies of Oxfam's 'Behind the Brands' campaign, the Bench Marks Foundation and Buycott, the research reveals that sustainability data helps CSOs encourage accountability and drive performance improvement in companies, and empower the public to make informed decisions.

Investors

The investment community relies on performance data to make investment decisions. When seeking breadth of coverage and baseline data, investors can look to aggregators and rating agencies. These agencies gain internal benefits from using sustainability data: their business is based on data, making it fundamental to their operations. With the Global 100 Index, the Annual ESG Scorecard of Indian companies and CSRHub as case studies, the research shows that aggregated data can be used to inspire competition between companies to improve performance, inform investors to help them make sustainable decisions, and put a spotlight on sustainable companies.

Businesses

Companies use sustainability data – both their own and that of their peers – to inform internal and external decisions, from selecting a supplier to setting key performance indicators (KPIs). One of the many internal benefits of using data is to engage executives to drive better sustainability performance. With the Future-Fit Business Benchmark, PivotGoals and Bridgestone providing examples, the research reveals the benefits of using sustainability information: to benchmark topics to consider for a successful future, to set aggressive targets and boost performance, and to tailor information internally for the greatest benefit externally.

Governments and market regulators

Policies balance economic growth with social and environmental development; increasingly, regulators are taking sustainability factors into account when setting policies for businesses. Governments, market regulators and associations can set an example for companies in their constituencies by publishing their own sustainability performance data. Looking at the Corporate Information Transparency Index (CITI) in China, the South African Chemical & Allied Industries Association (CAIA) and Abradee in Brazil, the research shows that data enables regulators and associations to monitor collective progress, improve the performance of a collective group, and reward positive impact.

Media

The media has a critical role to play in contributing to a healthy democracy and promoting sustainable development. For media organizations to drive positive change on sustainability issues, they need access to reliable, robust sustainability data. Media organizations can set an example by reporting their own performance data. With case studies on the Schuster Institute for Investigative Journalism, Guardian Sustainable Business (GSB) hub and and the *Mail & Guardian* Investing in the Future Awards, the research shows that media organizations use data to inform their investigations and expose corruption, cover sustainability issues, and publish performance rankings.

Recommendations

Each user group highlighted different challenges and opportunities, with considerable crossover. Collated, they result in a set of recommendations for four groups:

- Governments and regulators: Develop conducive policy; offer a range of disclosure options based on standard guidelines; support SMEs
- Reporting organizations: Ensure data is accurate and honest; use standardized metrics; consider the context
- Report users: Pay attention to the context; put performance into perspective; remain objective
- GRI: Tap into technology; contextualize data and build capacity

GRI is using the results of this research to inform its future strategy and practice in three areas: to improve the reporting standards so that utility for users is maximized; to harness technology to create a platform that contributes to effective sustainability communications well beyond reports; and to activate user communities on the benefits and value of reported data for their needs.

Introduction

Welcome to the age of big data, in which increasing transparency leads to vast amounts of corporate performance information being added to the growing pool of sustainability data every day. Already populated with the information from tens of thousands of sustainability reports, this pool is constantly developing, providing new opportunities for different groups to harness the data and use it to accelerate the transition to a sustainable global economy.

Companies in developing and emerging economies are significant contributors to the growing sustainability data pool. According to research published in the **April 2015 issue of the *Journal of World Business***, "a range of emerging economy companies – in particular Asian and South American companies – tend to publish more comprehensive sustainability reports than most of their developed country peers." Companies in developing countries are directly exposed to today's major sustainability issues, and experience the impacts of their operations on the environment and society, through events related to climate change and poverty, for example. The research points out that "More extensive reporting by developing country firms may thus reflect a greater exposure of these firms to a number of CSR challenges that are specific to the contexts they operate in."

The researchers behind the study, from Royal Holloway University of London and the university of Leeds, UK, analyzed the content of 933 GRI sustainability reports by companies from seven different sectors and 30 different countries. They hypothesized that the content of reports would vary depending on the country and sector, and noted that "A functioning reporting regime should empower stakeholders through the provision of sustainability-related information. It should help companies to be transparent and accountable with regard to those aspects of their sustainability performance that are most material for their stakeholders, and stakeholders should then be able to integrate this information into their decision-making."

However, the researchers found that many of the reports were not shaped by material issues, and say there is still some way to go before the information is optimal: "To put it bluntly, it seems that stakeholders expect companies to publish sustainability reports but do not necessarily expect to read these. Both reporting companies and their stakeholders will need to step up their efforts in order to allow sustainability reporting to reach its full potential."

Anecdotally, organizations say their stakeholders use and benefit from the sustainability reports they publish. While there may be room for improvement in terms of what information companies disclose in those reports, it is evident that many stakeholder groups already use the data available, using it to drive change towards a sustainable future. To date, however, there has been little research into who is using the data, and how they are leveraging it to support their work.

This report is a starting point providing greater understanding about how different stakeholder groups are using sustainability data. Armed with this information, organizations can tailor the data they present about their sustainability performance, and the stakeholder groups can identify ways to better use that data.

2015 marks the start of a new set of global Sustainable Development Goals: 15-year targets that will guide us towards a sustainable future. Data has a key function in working towards these Goals, revealing areas for improvement in terms of corporate sustainability performance and transparency. The accessibility of this data is as important as its quality for optimizing its potential as a decision-making tool; streamlined, analyzed and even visualized, this data can provide powerful input to policy development, shaping our shared future.

This report is therefore timely, and serves to open a dialogue on how to ensure that sustainability data is accurate, available and advantageous as a tool to support the achievement of the Sustainable Development Goals, and build a sustainable future.

The research

The research was conducted in three parts: desk research, interviews and a virtual dialogue in an online ThinkTank on the Convetit engagement platform. The five-day online ThinkTank was held in February 2015 to identify cases that exemplify the use of sustainability data by different stakeholder groups, prioritize the cases and provide recommendations. A select group of practitioners, experts and thought leaders in sustainability and integrated reporting took part; 115 people joined the think tank, with more than 30 actively participating.

The ThinkTank generated more than 20 examples of efforts where corporations and supplier partners, third party organizations, government entities and intermediaries have used or would benefit from using sustainability data from annual reports to help advance mission-oriented aims. It concluded with a Google Hangout session with two GRI representatives – Alyson Slater, Director Regional Network and Sustainable Development and Pietro Bertazzi, Senior Manager for Policy & Government Affairs – to discuss findings and opportunities.

A network was engaged to provide insights into the reporting landscape in each region: BSD representatives in South America, North America, Asia and Europe, and Incite in South Africa, were assigned case studies to develop under five categories: civil society, investors, business, governments and media. Following online research, interviews provided a deeper understanding of the way each stakeholder group uses sustainability data; interviewees were asked why and how they use sustainability data, about the impact it has, and about the challenges and opportunities associated with it.

The report

The results of the ThinkTank, desk research and interviews were analyzed and are presented in this report in five sections:

- Civil society
- Investors and aggregators
- Businesses
- Governments and market regulators
- Media

Each section features three insights into how the stakeholder group uses sustainability performance data for its own purposes; each insight is illustrated by a case study.

Lessons from the stakeholder groups are collated in their respective sections, and consolidated at the end of the report in the recommendations section.

Civil society

According to the World Health Organisation, civil society organizations (CSOs) are generally accepted as being "non-state, not-for-profit, voluntary organizations formed by people in that social sphere." CSOs can include a variety of organizations, associations, networks and even movements that work towards a common interest.

CSOs play a vital role globally, and especially in developing countries, by putting companies and governments under the spotlight, providing the tools and insights the public needs to hold them accountable and demand greater transparency.

Sustainability data is key to this function: many CSOs are collating, analyzing and making available vast amounts of data about companies, to help people make more sustainable decisions. Civil society is an important stakeholder group for companies, keeping them on track in terms of their sustainability performance. GRI engages with many CSOs to develop Sustainability Reporting Guidelines – both for the internal use of CSOs themselves, and for them to monitor the performance of companies – and drive transparency to enable better decision-making for a sustainable global economy.

Internal benefit: optimizing effectiveness

CSOs differ from companies in many ways, including how they measure the success of their operations. GRI worked with NGOs to develop specific reporting guidance – a tailored set of Guidelines that include performance indicators developed specifically for NGOs, to capture what matters most. The Guidelines cover sector-specific issues such as program effectiveness, public awareness and advocacy and resource allocation.

By using sustainability data, CSOs can work more effectively towards their goals; empowering people, encouraging accountability and helping companies improve their performance all help to increase the positive impact of their operations exponentially.

Assessing and understanding others' sustainability data also helps CSOs understand their own impacts. By taking ESG issues into account in objectives and strategy, and by monitoring sustainability performance, CSOs can improve their own performance, increasing impact and reducing administrative costs.

CSOs also provide benefits to others by using sustainability data. Here we evaluate three significant contributions that their use of sustainability data makes towards a sustainable global economy, along with case studies:

- Encouraging accountability
- Driving performance improvement
- Empowering the public

Encouraging accountability

Many CSOs exist to support a cause, and to hold companies accountable for their impacts on society, the environment and the economy. By using sustainability performance data, these CSOs can paint a realistic picture of a company's activities, performance and impacts, and hold them to account for their actions.

For example, **Oxfam's 'Behind the Brands' campaign** accesses publicly available ESG data, published in company reports and on websites, to assess the progress the 10 biggest food and beverage companies are making towards a sustainable supply chain. The information Oxfam collects tells a powerful story, which has encouraged the big brands to be accountable for their sustainability performance, and that of their supply chains. And by having access to the information, major

"As a result of our activities in accessing data we have seen qualitative changes in reporting by major corporations and in some instances on the ground improvement in mitigating impacts in certain communities."
David van Wyk, Bench Marks Foundation

stakeholders – including banks and investors – can conduct their own assessments, spurring on the companies to be more accountable.

Similarly, WWF is encouraging accountability through its **Palm Oil Buyers Scorecard**. In its 2011 review, WWF concluded that no company had an excuse for not using 100% certified sustainable palm oil. Starting with just 10 members in 2004, the initiative now has more than 1,300 members from 50 countries. Members are required to provide information about their palm oil supply, increasing their transparency and accountability.

While many companies publish performance information, data is not always available; the **Centre for Environmental Rights (CER)** pushes for greater public and private sector transparency around environmental performance. Established in 2009, the organization works to encourage transparency and accountability – overall, they say access to full environmental data is limited, and that governments and companies need to push transparency more to encourage accountability.

CASE STUDY
Oxfam's Behind the Brands campaign
Marshaling a sustainability data 'race to the top'

Part of their broader 'GROW' initiative, Oxfam's **'Behind the Brands'** campaign challenges the 'Big 10' food and beverage companies – Associated British Foods, Coca-Cola, Danone, General Mills, Kellogg, Mars, Mondolez International (previously Kraft Foods), Nestlé, PepsiCo and Unilever – to take part in a 'race to the top' to improve their social and environmental performance. Oxfam connected consumers with performance information, making the data 'dance' to inspire improvement.

The campaign uses the 'Behind the Brands Scorecard', which analyzes publicly accessible information, from sources such as corporate websites, supplier codes, annual reports, CDP submissions and sustainability reports. Oxfam tracks the progress of companies in terms of setting policies to determine, evaluate and improve their social and environmental impacts in seven key areas critical to sustainable agricultural production: women, small-scale farmers, farm workers, water, land, climate change and transparency.

Result: By using publicly available data, Oxfam encourages companies to be more transparent and report their sustainability policies, encouraging healthy competition between the brands. The Scorecard provides stakeholders with access to the commitments companies make, enabling them to demand stronger commitments and ultimately hold companies to account. Corporate financial departments, big banks and investors are using the information to conduct risk assessments and develop vulnerability reports. Most importantly, Oxfam believes that a ranking or score card alone is not enough: data needs to connect with consumers and citizens and 'dance'. Through Behind the Brands, Oxfam made the data dance, which enabled the campaign to have a bigger impact than 'just another ranking'.

Challenges: The data itself provides a challenge since the analysis is manual, accessing and processing data from various sources in a cost-effective way is a concern. The quality of the data is also an issue, as Oxfam is dependent on what information the companies make available.

Opportunities: The development of an open source participatory process would address these challenges, using digital media tools to bring together key stakeholders to co-create data. A self-generated scorecard would take this a step further by plugging in to the GRI reporting process, companies could report on the relevant scorecard indicators and the data can be exported easily.

Driving performance improvement

While encouraging accountability, sustainability data also invites reflection, helping companies make changes towards improving their own sustainability performance, and that of their supply chains.

As we see in the case study, by comparing the performance of big brands, Oxfam's 'Behind the Brands' Campaign fuels a 'race to the top'. Oxfam analyzes the intention of companies to determine, evaluate and improve the social and environmental effects of their direct and indirect operations. Pitching the companies against one another in this way provides an incentive to improve performance.

The **Bench Marks Foundation** also has a positive effect on performance, in the South African mining sector. The Foundation benchmarks company performance by looking at publicly available data, in-company data and stakeholder opinion. This gives companies valuable insights into their performance, providing them with the opportunity to improve; many companies engage with the Foundation to discuss their strategies, reports and research methodologies, which in turn informs their sustainability performance.

Painting a picture of sustainability performance can also show companies where they can make improvements. **ContextReporting.com** is a sustainability data visualization and benchmarking platform that aggregates corporate sustainability data, organized by GRI indicators, into a central repository. It enables companies and the public to visualize performance data, displaying the change in performance over time for a given indicator, and benchmarking their performance against that of their peers.

CASE STUDY
Bench Marks Foundation
Creating accountability in the South African mining sector

The **Bench Marks Foundation** is a non-profit, faith-based organisation owned by the churches in South Africa that monitors corporate performance against an international measuring instrument: the Principles for Global Corporate Responsibility.

The Foundation collates data on companies from three sources: insider information, publicly available data and public opinion. It gathers private insider information by engaging with management, employees and former employees, and studying policy documents and management plans. For the publicly available data, the Foundation reviews sustainability and integrated reports covering the past decade to determine the company's performance, looking for continuities, discontinuities, and contradictions from one report to the next and from one year to the next. The foundation surveys the views of the public, clients and external agencies, assessing how they experience the corporation, and comparing their experiences to their findings based on private and public data.

Result: Using data has enabled the Foundation to contribute to qualitative changes in reporting by major corporations, in some cases mitigating community impacts. In particular, its research work around mining in southern Africa has become an important point of reference for corporations, NGOs, academics, journalists and the communities impacted. Companies also benefit from the work, engaging with them to improve their sustainability performance.

Challenges: The information companies provide is often insufficient. Some corporations provide too much information – a "haystack in which to hide a needle" – while others do not provide enough. Most reports focus on shareholders and often serve the purpose of image building and advertising rather than dealing with important environmental and social issues. When admitting negative environmental or social impact, companies often couch the information in the language of a 'confessional', with no indication of what remedial steps are being taken.

Opportunities: Consideration of the audience can help determine the best format for reporting: The Bench Marks Foundation has a strong preference for disaggregated rather than integrated reporting, as disaggregated reports tend to bring out more details about the impacts – both positive and negative – of specific operations. There are also benefits in promoting reports in a user-friendly format, in the languages of impacted communities.

Empowering the public

Many CSOs empower the public, equipping them with the information they need to make sustainable decisions and drive the sustainable global economy from the demand side. A wave of CSOs using sustainability data to highlight the performance of companies and products will, in turn, empower people, providing the insights consumers need to make informed choices.

Wikirate uses crowdsourced data and information to "make companies clear," helping the public understand how companies are run, and how sustainable they are. Armed with this knowledge, consumers can choose products and services that contribute to the world in which they want to live.

Likewise, the **GoodGuide** provides consumers with product-related information – "open data" – in an app that helps them identify and purchase safe, healthy, ethical products. Founded in 2007, GoodGuide has a team of experts tasked with collecting, analyzing and rating more than 210,000 different products. Their goal is to rate the products that comprise the top 80 % of current sales in a category, including personal care, household chemical and food products.

Taking this step further, **Buycott** gives people a platform to share their opinions and actions, and encourage others to support or avoid specific companies and products. Buycott uses IT and company data to empower consumers to make well-informed decisions. The platform currently hosts more than 340 user-driven campaigns that cover a range of social responsibility issues. These campaigns range in membership size from 403,000 members to several campaigns of less than a hundred members.

CASE STUDY
Buycott
Using IT and company data to empower consumers

Buycott is a smartphone app that enables consumers to scan a product barcode, trace the product's ownership to its parent company and cross-check the company against campaigns set up by users. There are more than 340 such campaigns, covering issues like GMO labeling, child labor and animal testing. Each campaign has a list of companies that it either aims to support ('buycott') or avoid ('boycott').

Buycott has a "rich, but ultimately limited knowledge base of corporations and products" and is working on adding new data to its systems. The data they use comes from research and from consumers themselves. The developers are calling on consumers to help improve their knowledge base further: When a consumer scans an unknown product, they can add it to the database, identifying as much information information such as the product name, brand name, and company name. Users can contribute to background information about companies, and also vote for information they consider to be accurate.

Result: Buycott has more than 340 user-driven campaigns covering a range of social responsibility issues, split into topics including Criminal Justice, Environment and Women's Rights. Campaigns range in membership size – some only have a handful of members, while others have almost half a million. The largest campaign in terms of membership is the 'Demand GMO Labeling' campaign. The 'Long Live Palestine, Boycott Israel' campaign **gained notoriety after it shot to popularity** in 2014, boycotting Israeli products. The number and size of the user-driven campaigns, and the reported uptake of the app, suggests that consumers find it useful to inform their purchasing decisions.

Challenges: Ensuring the accuracy of the data remains an important challenge, particularly given the often complex and constantly changing nature of corporate ownership structures; the developers recognize that most companies in the database actually own more brands than they have on record. With campaigns being user-driven, conflicts arise: for example, one campaign supports Koch Industries Inc. for "generously donating millions of dollars for libertarian, fiscal conservative, and limited government causes" while another boycotts its products, claiming the Koch brothers are "billionaire bad-guys, finally gaining notoriety for their wicked ways."

Opportunities: The community-based approach to data collection and campaigning provides an opportunity to collate information from a variety of sources, letting consumers themselves decide on its accuracy and integrity.

Learning from civil society

The CSOs interviewed for this report highlighted several areas for improvement. Below are their recommendations for companies, regulators and consumers to increase the utility of sustainability data.

- **Develop conducive policy**
  The Centre for Environmental Rights (CER) has battled the corporate and regulatory environments for four years, and highlights the need to ensure a conducive policy environment to encourage greater transparency in the private sector.
- **Make data available**
  GoodGuide and ContextReporting.com pinpoint the efficient, effective and accurate harvesting of data as their biggest challenge; technology may provide a solution. ContextReporting.com is looking into the G4 XBRL taxonomy to enable tagged data navigation, and Oxfam suggests the development of an open source participatory process.
- **Ensure data is accurate and honest**
  Buycott cites data accuracy as a challenge, and calls on consumers to assist in maintaining and improving the integrity of the data. Oxfam suggests a self-generating scorecard that is 'plugged in' to the GRI reporting process. The Bench Marks Foundation highlights challenges with company reported information being "confessional."
- **Ensure data is relevant to emerging social issues**
  Despite the continuing increase in transparency, Oxfam found that many sustainability reports still fail to address the most pressing societal issues, making it difficult to assess the impact of the company on those issues.

Investors and aggregators

Despite being one of the main audiences that companies target with their sustainability reports, investors are also one of the least well-understood and hardest to access. The sustainable investment community relies on performance data to make investment decisions; this is increasingly important in emerging and developing economies, where the boom in investment opportunities combined with significant sustainability challenges, such as climate change, health and human rights, presents investors with new risks and opportunities.

Asset managers' commitment to 'integration' increases the expectation that companies will focus on materiality, says Mike Tyrrell, Editor of ***SRI-Connect***, a specialist network site for sustainable and responsible investors. "Investors are increasingly looking for companies to focus their sustainability communications on those issues that present most upside opportunity or downside risk to the business," he explains. "This is partly driven by the underlying investment logic of taking environmental, social and economic factors into account, and partly by the UN Principles for Responsible Investment, which commit investors managing $45 trillion or more to 'incorporate ESG issues into investment analysis and decision-making processes."

When it comes to the companies that they hold, or are considering investing in, investors use data to determine how influential sustainability factors are on business strategy and to enable them to identify areas of risk or opportunity. "Investors expect these companies to present their sustainability data directly via analyst briefings, one-to-one meetings and investor 'roadshows'," adds Mike Tyrrell. "As the volume and sophistication of investor demand for sustainability information grows, investor relations and sustainability departments are working more closely together. Our report ***Take Control of SRI Communications*** sets out guidance on how to communicate sustainability data to investors effectively."

When seeking breadth of coverage and baseline data, investors can look to aggregators and rating agencies. Aggregators and rating agencies mine sustainability data from thousands of sources and arrange it in a variety of ways to meet the needs of their customers. By putting tailored information into the hands of the people who need it, these agencies facilitate informed decision-making. Sustainability data is the basis on which they provide information and ratings; the data comes from reports, websites and other performance sources.

Internal benefit: boosting business

Sustainability data is the lifeblood of aggregators and rating agencies; simply put, sustainability data drives their business. Accuracy and comparability are two key elements for making the data support their operations; the aggregators' and rating agencies' users and clients want reliable, granular, comparable and quantitative data. Mining this data and collating it into a usable format provides a business model that supports these organizations.

Keeping up with sustainability reporting trends also provides aggregators and rating agencies with opportunities. As companies increasingly collect and publish their performance data on a more frequent basis, with many now sharing quarterly results of quantitative data like GHG emissions, the aggregators and rating agencies have an opportunity to refine the information they provide, making it more timely.

"Investors and analysts use [sustainability] data extensively. We track this through the website usage monitoring. They contact us directly if the data is not clear, that helps us to improve future reporting. The data is also used internally to measure performance and set targets."

Stiaan Wandrag, Sasol Chemical Industries (Pty) Ltd

As a major user group of sustainability information, aggregators and rating agencies have the power to shape the way data is shared and the extent to which it impacts investment, strategic and business decisions. Here we evaluate three significant contributions that their use of sustainability data makes towards a sustainable global economy, along with case studies:

- Informing investors
- Inspiring performance competition
- Putting a spotlight on sustainable companies

Informing investors

Investors assess a wide range of data when making decisions about where to put their money; traditionally, this information would primarily be financial, but the recent increase in sustainable and responsible investment has put some sustainability metrics higher up on the list of performance requirements. Sustainability management and reporting helps investors identify risks and opportunities, and uncover hidden value. Ultimately, data helps investors make money. Aggregators and rating agencies provide a vital service to help investors navigate the vast amount of data available for each company, and draw comparisons between them.

Bloomberg was a first-mover in recognizing the value of GRI-based sustainability data, founding its ESG products in 2006. The leading provider of global business and financial information, Bloomberg seeks to deliver data, news and analytics through innovative technology, primarily through Bloomberg terminals around the world. Bloomberg has included Sustainable Finance across several financial products and will further expand sustainability analysis in line with its 2013 BCause strategy. Bloomberg has also produced its own GRI-based report since 2012.

Old Mutual Investment Group in South Africa (OMIGSA) uses corporate sustainability information to inform investment decisions, accessing the data via Bloomberg and other third party data providers. Data helps them assess how companies are positioned compared to their peers, and get an idea of growth potential. Rather than diving into individual sustainability reports, accessing aggregated data lets OMIGSA see trends across time and sectors.

In India, sustainability disclosure has increased dramatically, because of several initiatives: the National Voluntary Guidelines for Social, Environmental and Economic Responsibilities of Businesses, and the Annual Business Responsibility Report, which was mandated by the Securities and Exchange Board of India, have had a big impact on transparency in India. The **Annual ESG Scorecard of Indian Companies** aims to harness this wave of data to inform investors on the ESG performance and risks of their stock portfolio. Its associated tool, called ESG Benchmarks, helps investors rank and compare businesses more easily.

While many investors are taking sustainability data into account, the uptake is still slow. According to IRAS, which runs the **South African Sustainability Data Transparency Index (SDTI)**, until regulators enforce transparency, too few pension funds, trustees, asset owners and investors will interrogate sustainability data to a meaningful extent. Investors face calls to use the data available, but the burden is on companies and information agencies to make sure the data is usable, useful and accurate.

CASE STUDY
Annual ESG Scorecard of Indian companies
Benchmarking performance in India

The **Annual ESG Scorecard of Indian companies** analyzes the sustainability disclosure and reporting trends of more than 120 large businesses in India. First published in 2014, the Scorecard aims to inform investors on the ESG performance and risks of their stock portfolio, and intends to become an annual benchmarking scorecard. It also provides ESG Benchmarks – a tool for investors to rank and compare businesses.

The Annual Benchmarking Framework and its resultant scorecard answer several questions: How complete and comprehensive is the ESG disclosure of listed businesses in India? Where does a particular company rank compared to its peers in terms of providing satisfactory ESG information that is consistent over time? What are the key material indicators that companies are not addressing? Which ESG related issues constitute the year's top disclosures? On which metrics have companies not met the benchmark?

Result: As a new initiative, its impact in terms of promoting greater transparency and improving sustainability performance is difficult to determine. However, the results of similar initiatives around the world highlight the potential positive contribution it could make to sustainability performance, strategy and investor engagement.

Challenges: Such scorecard approaches run the risk of perpetuating a compliance 'tick-box' mindset, rather than fostering a more strategic appreciation of the potential competitive opportunities associated with addressing societal challenges.

Opportunities: Investors have expressed the need to go beyond disclosure and to create metrics to compare and evaluate the sustainability performance of businesses; these metrics must be standardized, comparable and quantitative, and some suggest they should also translate into monetary value, taking risk mitigation and the identification of opportunities into account. While challenging, finding the most appropriate set of metrics that meet these objectives could improve investor engagement in sustainability data.

Inspiring performance competition

Companies benchmark their performance against that of their peers in many areas, including sustainability. By pulling together the data and ranking companies according to their environmental, economic, social and governance performance, aggregators and rating agencies can pit companies against each other, leaving them to fight for the top spot. This competition encourages companies to improve their performance, inspiring creative and innovative approaches to sustainability.

Some listings cover different regions, particularly where regulations require a certain amount of transparency and set out performance thresholds. The Sustainability Data Transparency Index (SDTI) aggregates corporate performance data relating to 122 measurable indicators for more than 300 companies listed on the South African stock exchange. Despite the listing requirements set forth by the stock exchange, the SDTI has not had much traction. After a two-year comprehensive review, the agency that manages the Index – IRAS – concluded that too few companies are concerned about the transparency and accuracy of their ESG performance data.

The **CSRHub** pools its sources to put companies in the spotlight, rating more than 14,000 companies from 135 industry sectors in 127 countries. It's an aggregator of rankings: the subscription-based online tool is fed by 371 data sources, including nine leading SRI research firms. It aims to help corporate managers, researchers, activists and government agencies analyze companies' behavior, benchmark performance, see what stakeholders think of companies' sustainability efforts, and identify opportunities to drive improved performance.

The spectrum of impact is wide and there is no one rule that dictates the extent to which aggregated information and ratings will inspire innovation and improve the sustainability performance of companies. However, it is evident that at least in some cases, companies are motivated to improve their sustainability performance by their placement (or lack thereof) within regional and international rankings.

CASE STUDY
CSRHub
Combining ratings for consistency

CSRHub is an online tool that provides subscription-based access to employee, environmental, community and governance ratings on more than 14,000 companies from 135 industry sectors in 127 countries. The patent-pending system aggregates and normalizes 63 million data points from almost 400 sources, including socially responsible investing research firms, various well-known indexes, NGO ratings and government agencies.

CSRHub's sources include nine leading SRI research firms: Asset4/Thomson Reuters, CDP, EIRIS, GovernanceMetrics International/Corporate Library, IW Financial, MSCI (RiskMetrics IVA and Impact Monitor), RepRisk, Trucost and Vigeo. By aggregating and normalizing the information from these sources, CSRHub has created a broad, consistent rating system and a searchable database that links each rating point back to its source.

Result: CSRHub believes that providing these ratings will increase transparency and encourage more critical discussions about how companies are responding to societal challenges: Within companies, the ratings enable corporate managers to identify which CSR areas need improvement; sustainability managers to assess how stakeholders view their CSR efforts; and marketing managers to compare company CSR ratings with competitors. Academic researchers, activists and government agencies can analyze the behavior of thousands of companies, and consumers can compare companies to make informed decisions about the products and services they buy.

Challenges: Methodological challenges are involved in providing consistent ratings of sustainability performance for as broad a range of companies as possible: sources track performance differently, and have their own – often incomparable – rating and measurement methodologies. Some sources cover specific sectors or regions, with none offering data on more than 60% of the companies covered. They also update information at different time intervals.

Opportunities: CSRHub aims "to be an engine of transparency that encourages more consistent and actionable disclosure from all types of organizations." By providing comparable data, CSRHub gives companies a picture of where they stand in comparison to their competitors. This has the potential to encourage them to improve and increase their transparency, which in turn would provide more data to the sources, further improving the tool's utility.

Putting a spotlight on sustainable companies

There are more than 45,000 companies listed in stock exchanges globally, and tens of millions of small, unlisted companies. This means we need to choose: consumers have to pick a product, companies select suppliers, investors choose portfolios, and employees apply for jobs. Every day we make countless choices about these companies, and this has direct and indirect impacts on the economy, the environment and society. Knowing how much energy a company uses compared to its competitors, or how it addresses the issue of child labor in the supply chain, can inform those decisions, helping us make a positive impact with our choices.

Indexes like the **Global 100 Index** paint a broad picture of companies' performance, placing them in order of performance within their sector. The Global 100 Index an annual ranking of all publicly traded companies with a market capitalization of at least US$2 billion. Metrics like waste, energy productivity, innovation capacity and employee turnover help people make decisions based on data. The Index is highly visible – it is shown on Bloomberg and Reuters tickers – and the data is also publicly available, enabling anyone to use the information.

Some stakeholders, like investors and companies themselves, need a more detailed view of performance. CSRHub aims to help corporate managers, researchers, activists and government agencies analyze companies' behavior, benchmark performance, see what stakeholders think of companies' sustainability, and identify opportunities to drive improved performance.

Aggregators and rating agencies can help a variety of people make informed decisions, by putting sustainable companies in the spotlight. A consumer looking for a product has different needs to an investor looking for an opportunity or sustainability manager making performance improvements, and the variety of information available serves to inform these different decisions.

CASE STUDY
The Global 100 Most Sustainable Corporations
Ranking the world's most sustainable companies

The **Global 100 Index** of 'most sustainable corporations in the world' is an annual ranking of all publicly traded companies with a market capitalization of at least US $2 billion. The ranking is based on an evaluation of how effectively the companies manage ESG risks and opportunities relative to their industry peers.

The Global 100 Index applies filters to the starting list of companies, first eliminating companies that are not keeping pace with the sustainability reporting trends in their sector: companies that fail to disclose at least 75 % of the 'priority indicators' for their GICS Industry are eliminated.

Companies in the shortlist are then scored on the priority KPIs for their particular GICS Industry. The top overall performers from each Industry are named as the final Global 100.

Result: The Global 100 Index follows a rules-based construction methodology and is seen to be more akin to a financial index than many other sustainability indices. It is available on Bloomberg and Reuters, giving investors access to relevant sustainability assessments. Between its inception on 1 February 2005 to 31 December 2014, the Global 100 Index delivered a total return of 90.76 %, compared to 96.98 % for its benchmark, the MSCI All Country World Index.

Challenges: The evaluation process seeks to unpack corporate sustainability into its component parts, and focus on the numbers. Because of this, it runs the risk of failing to put performance in context, and potentially undervalues the critical importance of assessing organizational competencies. It also does not allow for a considered assessment of the organization's innovative approaches addressing pressing societal challenges to ensure greater longevity than those companies that are simply managing their impacts more effectively.

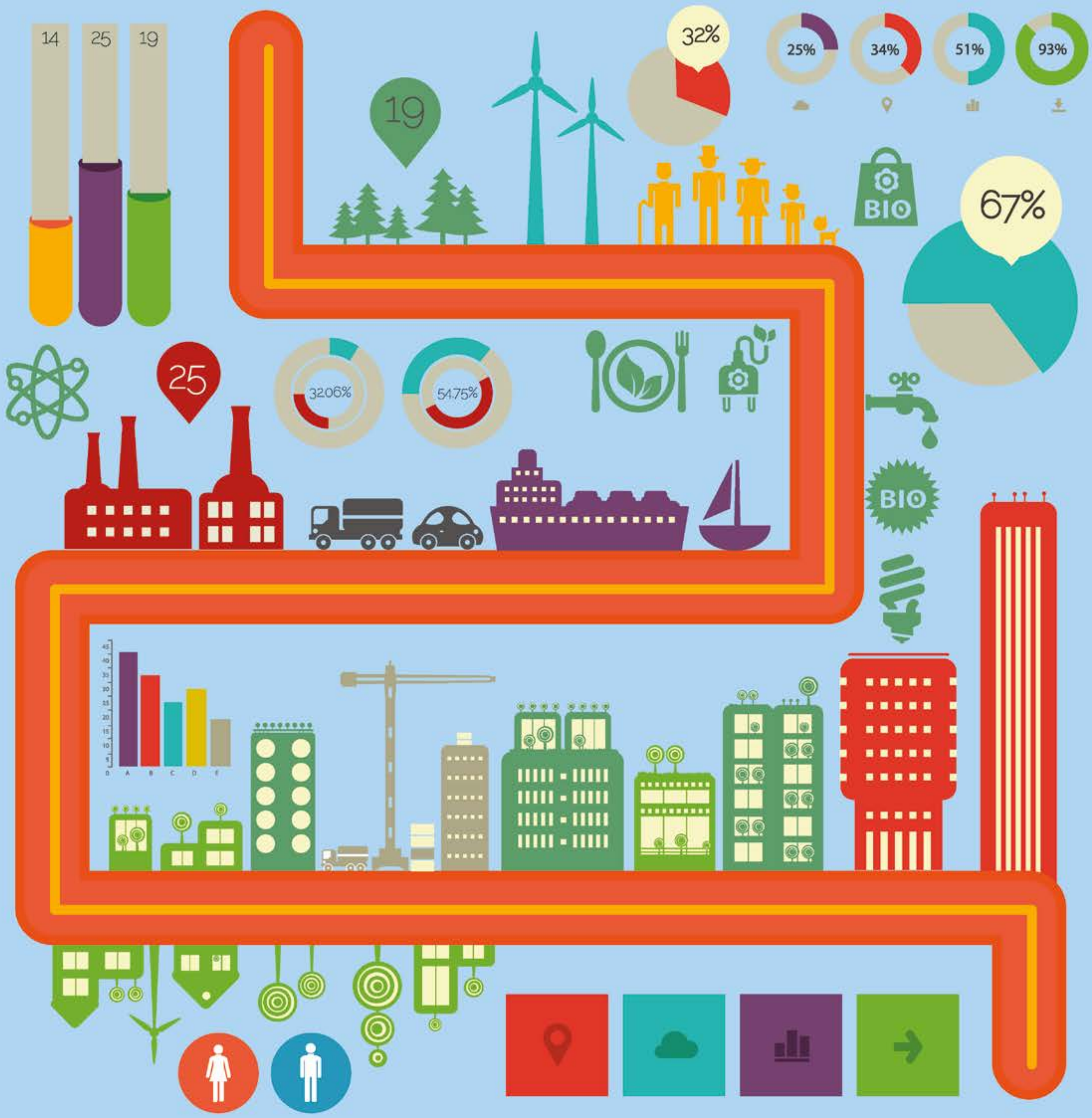
Opportunities: Because the indicators are quantitative and clearly-defined, the results of the Global 100 Index are seen to be objective and replicable. Qualifying Global 100 companies are scored on a percentage rank basis against their global industry peers against a list of twelve quantitative KPIs that run the gamut from energy and water use, to employee compensation and corporate tax strategy.

Learning from investors and aggregators

The organizations interviewed for this report highlighted several areas for improvement, and simple measures companies, regulators and people could take to increase the utility of sustainability data.

- **Use standardized metrics**
  Data needs to be comparable and, where possible, quantitative, to enable benchmarking. GRI's Sustainability Reporting Guidelines provide a good framework for this; the responsibility lies with companies to use it.
- **Ensure data accuracy**
  IRAS identified data accuracy as a challenge, particularly when companies respond to questions about inaccurate data by being defensive. It is in companies' best interests to ensure their data is accurate, and more reliable data will be more valuable for report users – particularly investors.
- **Look at qualitative data too**
  Using only quantitative data limits the user to a small set of indicators. The Global 100 Index believes this means that stakeholders run the risk of missing contextual nuances and highly valuable performance information that can't be expressed in numbers. Looking for new ways to communicate this information will encourage more stakeholders to take it into account.
- **Manage the data**
  Diving into big data can be daunting; as the aggregator of aggregated information, CSRHub acknowledges that pulling ratings together can be tricky – different agencies cover different topics, companies, timeframes and locations. Look at the data you need, rather than trying to digest it all there's more than one way to assess performance.

Businesses



Businesses

The majority of listed companies today disclose their non-financial performance, giving their stakeholders a better understanding of how they operate, and how likely they are to succeed in the challenging future that lays ahead. Companies use sustainability data – both their own and that of their peers – to inform internal and external factors, from selecting a supplier to setting KPIs.

More than 45,000 companies are listed on stock exchanges globally, and there are **125 million micro, small and medium sized enterprises (MSMEs)**. Around 90 million of these MSMEs are in developing countries; the growth rate is three times higher in low-income economies than in high-income economies. These companies contribute to the economy, employ people and use natural resources. They support or damage communities, protect or harm the environment, and make money responsibly or corruptly. Sustainability data shows how seriously companies take their role in the transition to a sustainable economy, and indicates how strong they are compared to their peers.

GRI provides Sustainability Reporting Guidelines for companies of all sizes, in all sectors, to help them collect, analyze and publish their sustainability data. Business is a key stakeholder group for GRI, and representatives of companies have taken part in developing the Guidelines over the course of more than a decade. As the generators of corporate sustainability data, companies need to engage with the standards and frameworks that shape the information; consistency makes the data more powerful as a driver of change.

There are numerous benefits to measuring, managing and reporting sustainability data, including improving sustainability performance, optimizing operations to reduce costs, garnering trust and loyalty from customers, innovating technological solutions, and achieving targets while supporting the economy, the environment and society.

Internal benefit: engaging executives

According to one large South African retail company in the fast moving consumer goods (FMCG) sector, it can be challenging to engage senior management with sustainability issues. Some of their executives have expressed skepticism about the value of the GRI Guidelines, for example, reportedly seeing sustainability as a 'tree hugger' activity that is separate from the core business. This company has worked to counter this opinion, and now successfully uses the Guidelines as an internal reference tool to reflect on performance and strategy. Specifically, this has resulted in new internal measures to monitor and engage suppliers on ESG-related risks.

Anecdotally, this is not a unique case. With quarterly targets, a focus on short-term goals and shareholder requirements, and an eye firmly on the bottom line, executives can take some persuading to see the benefits of sustainability reporting. However, it's the data itself that can speak to them: sustainability data is a powerful tool for internal dialogue. It can illustrate risks and opportunities, and show senior management a new angle to take on the company's performance – one that investors are increasingly taking too.

"Business is the most influential sector on the planet. If companies can engage their stakeholders on sustainability-related issues with the necessary level of urgency, we may be able to ensure a flourishing future for business, society, and the environment … before it is too late. As a father and grandfather, this is personal."

Bob Willard, Future-Fit Business Benchmark

Companies are using data in a number of ways to reap the benefits transparency can bring. Here we look at three significant contributions that their use of sustainability data makes towards a sustainable global economy, along with case studies:

- Benchmarking topics to flourish in the future
- Reaching for the sky: setting aggressive targets
- Tailoring information to enhance the benefits

Benchmarking topics to flourish in the future

Knowing what topics to address is a key concern for companies. Materiality is central to the sustainability reporting process, and is defined and highlighted in the G4 Guidelines. Deciding on the relevant topics to manage, measure and report is the first step in sustainability management and reporting, and companies can tap into sustainability data to inform this process.

The **Future-Fit Business Benchmark** provides a set of performance criteria that companies can work towards to ensure they are "fit for the future." The goals provide a benchmark for companies to use to evaluate themselves against globally expected actions and achievements. The Benchmark sets out expected behaviors for companies, such as paying all employees a living wage, and ensuring that all materials are from sustainably-managed or recycled sources, setting a baseline of topics for all companies to consider. The goals have been designed to be applicable regardless of sector or location; this is important, since many of the issues they address have the biggest impacts in developing countries – issues like climate change, poverty and corruption.

Looking more closely, companies can find out what's considered relevant in their sector through research by organizations like the **Governance & Accountability Institute**. The Institute analyzed 1,246 GRI G3 and G3.1 reports issued in 2012 to assess the level of disclosure across all 84 GRI performance indicators. The resulting report, ***Sustainability – What Matters?***, includes a ranking of what is seen to be the 'most material' to 'least material' disclosures for each of 35 industry sectors. Companies can use this information to feed into their materiality discussions and stakeholder engagement activities, to determine what is most material for them.

Sustainability data is vital for companies: they can use it to inform their materiality assessments, giving them a wide view of what is – or could be – relevant to their operations. Setting a benchmark using globally applicable goals is a way all companies around the world can apply the information, and tapping into research can give companies valuable insights into the context in which they do business.

CASE STUDY
eRevalue
Mining narrative data to inform strategy

eRevalue is a technology company that uses 'big data analytics' to give companies insights into data from a variety of sources, including corporate reports and social media. eRevalue aims to make ESG data digestible so it can inform corporate decision-making. Armed with information on peer activity, industry trends, regulatory initiatives and stakeholder opinions, companies can determine what issues are most material and align these with their core business strategies.

eRevalue's tool Datamaran™ aims to "facilitate smart decision-making based on real-time information and alerts". It scans the web to mine publicly available sources – corporate reports, websites, and social media platforms – to show the user what is relevant based on their profile. It compiles information from three different 'landscapes': competitive, regulatory and stakeholder. The tool is consistent with initiatives as GRI, SASB, and the IIRC, but remains 'framework neutral'.

Result: eRevalue aims to unlock the potential of big data that sits in corporate reports, regulatory initiatives and on social media to inform corporate strategy, performance and reporting. By having the right information in a visual format, the intention is for companies and their consultants to spend less time researching and more time on implementation and action plans. eRevalue is currently piloting the Datamaran™ system before its release in mid-2015.

Challenges: One key challenge has been developing information technology to mine publicly available ESG data in an intelligent way. This is especially the case for 'narrative data' which is less structured and can be harder to analyze. Also, ensuring that decision-makers have access to the right data can be challenging; tackling this involves making data accessible and building interest in it.

Opportunities: There is a huge opportunity in unlocking the information hidden in big sustainability data. eRevalue has developed a growing library of search terms and synonyms, and is extending this into a narrative analysis that provides deeper insights into different issues.

Reaching for the sky: setting aggressive targets

Target setting is an art: raising the bar can inspire innovation, engage employees and lead to success for everyone involved. But how do companies set targets when it comes to sustainability performance? One answer is to look to peers and leaders in the sector to provide aspirational benchmarks.

PivotGoals has collected and categorized the targets of some of the world's largest organizations to help companies find their aspirational benchmark. According to the website, "PivotGoals is founded on the belief that there is a correlation between setting aggressive targets, reporting on them transparently, and ultimately improving performance." More than 3500 targets are searchable on the site – companies can look for their peers' goals by sector, goal type or by searching for particular companies.

Similarly, **Science Based Targets** – a collaboration between CDP, the United Nations Global Compact (UNGC), World Resources Institute (WRI) and WWF – aims to support ambitious target-setting. The initiative encourages businesses to set and meet ambitious greenhouse gas (GHG) emission reduction targets that contribute to the ultimate goal of keeping global temperature increase below 2° C compared to pre-industrial temperatures.

Rather than adding a small percentage to the previous year's target or simply plucking figures from the sky, it's better to reach – to tackle the issues we face today and tomorrow, especially in developing countries and emerging economies, companies need to set aggressive goals. By using databases of targets set by different companies, and setting targets that would truly contribute towards important global goals, companies are maximizing the positive impact they can make with their sustainability performance.

CASE STUDY
PivotGoals
Sharing targets to inspire improvement

PivotGoals is a searchable database of the sustainability targets set by the Fortune Global 500 companies. The initiative is founded on the belief that there is a correlation between setting and reporting on aggressive science-based targets, and improving performance to address societal challenges meaningfully. PivotGoals aims to accelerate the uptake and implementation of ambitious targets that are informed by a science-based assessment of current social and environmental challenges.

The targets are collated by manually reviewing corporate sustainability reports, annual financial reports and corporate websites. The targets are categorized by issue (e.g. climate, waste, human rights), value chain focus (e.g. supply chain, operations, product use), type of goal (e.g. specific and dated, achieved or expired), industry sector, and whether they are absolute or intensity based.

Result: The database provides a valuable resource for holding companies accountable, identifying best practice and has the potential to inspire companies to set ambitious, science-based performance targets. PivotGoals believes the database will have an impact in four ways: through benchmarking, driving performance, as a research tool and for accountability. The database enables companies to compare their goals to those of their peers, encouraging more aggressive targets, ultimately leading to improved performance. Academics can use the data to study how companies address today's biggest sustainability challenges, and NGOs and other stakeholders can use it to hold companies accountable for their actions against their commitments.

Challenges: Many companies still lack sustainability-related targets, and those that do set targets rarely explicitly reference the science behind the issue they aim to address, or are sufficiently ambitious to make a meaningful contribution to the challenge. Where targets do exist, the process of collecting, categorizing and updating them is manual and therefore time-intensive.

Opportunities: The initiative has the potential to prompt the more widespread adoption of meaningful science-based targets, and to further inform public policy on the steps needed to stay within planetary and social boundaries. Digital technology developments providing the ability to mine company data and narrative reporting will magnify this potential, enabling the efficient processing of more company reports, and facilitating quick and effective benchmarking.

Tailoring information to enhance the benefits

In order to navigate and make the best use of the sustainability data available – both internally and externally – companies need to decide how to select, organize, manage and use what they find. Knowing what's relevant and learning from the right data is vital; without focus and priority, the data can end up being superfluous and unhelpful. Companies have developed various approaches to this: some in-house, and some using the services of external organizations, including civil society organizations, aggregators and rating agencies.

One company that has developed its own approach for managing internal data is **Bridgestone**, with its Sustainability Hub. The Hub is an internal, cross-departmental platform that the company uses to track more than 500 sustainability metrics, collected over the course of several years. In addition to providing easy access to the data, it also puts all the information together, ready to be sent in response to stakeholder requests, including company ranking initiatives, financial indices, and customer surveys. Bridgestone believes that thanks to the Hub, the company is in a better position to benefit from the data and its sustainability initiatives.

Not all companies have systems to aggregate their own data, or to monitor what their peers are focusing on. **eRevalue** is launching a business intelligence system called Datamaran™ that extracts and analyzes data from a large variety of sources, including corporate reports, websites, and social media platforms. The tool aims to help companies make smart decisions based on real-time information and alerts, giving them access to information about what their peers are reporting, industry trends, regulatory initiatives, and stakeholder opinions.

Big sustainability data can be overwhelming to manage, but companies can benefit from deciding on their own approach to tracking information and leveraging it to drive sustainable strategy.

CASE STUDY
Bridgestone Sustainability Hub
Meeting stakeholders' data requests

Global tire manufacturer **Bridgestone** has sought to simplify its information flow and meet the interests of its key stakeholders by creating an internal 'Sustainability Hub'. Like many large companies, Bridgestone was facing the growing and disparate demands for sustainability information from numerous different stakeholders, including company ranking initiatives (such as Newsweek), financial indices (such as the Dow Jones Sustainability Initiative, and customer surveys (such as those from auto manufacturers).

The Hub provides a location where the company's sustainability-related data can be updated and accessed easily. Bridgestone identified 12 leading rankings, protocols, indices and certifications – from industry, academia, finance, customers, and NGOs – and consolidated them into a matrix of more than 500 metrics. Of these, Bridgestone focused on those that are most prominent (showing up in four or more rankings) and those that are most material to the business. They divided the final metrics among relevant departments, which are responsible for providing the most up-to-date information and data for their assigned metrics.

Result: Employees can access the information they need in less than five minutes, making it easy to update information, prepare reports and reply to stakeholder surveys. Through this initiative, Bridgestone believes they are more equipped to benefit from all of the sustainability initiatives and data brought about by their sustainability efforts.

Challenges: This initiative highlights the challenge companies face as a result of the many disparate sustainability initiatives and differing stakeholder demands, with no single initiative – including the GRI Guidelines – covering the full spectrum of initiatives being requested.

Opportunities: Bridgestone's Hub is an effective means of responding to the data demand challenge. With further developments in big data technology, other companies are expected to follow suit, potentially as part of a move towards real time data reporting. It is also hoped that developments like this will help companies report more effectively on the strategic measures they are taking to respond to societal challenges, helping stakeholders make informed judgments about their approach.

Learning from businesses

The companies interviewed for this report highlighted several things reporting organizations can do to make their sustainability data more valuable.

- **Set meaningful targets**
  Relatively few companies set sustainability-related goals and targets; according to PivotGoals, even fewer of these are sufficiently ambitious to make a meaningful contribution to the challenge. Science Based Targets highlights the importance of considering the science behind the issue the targets are addressing.
- **Pay attention to the context**
  A company's sector, location, size and many other factors have a significant impact on the company's sustainability performance, and how it should be benchmarking that performance. The G&A Institute acknowledges this, saying their research is a starting point for discussions; Future-Fit notes the challenge involved in developing a set of generic, globally applicable goals.
- **Assimilate and store data**
  Companies face a multitude of requests for information, with shareholders, customers, suppliers and indexes asking for performance data. Bridgestone suggests that, since no single initiative covers the full spectrum of what's being requested, companies would benefit from developing their own approach to collating and storing data.
- **Tap into technology**
  With the big data pile growing, technology holds the key to making the best use of it. eRevalue's big challenge has been in developing and applying information technologies to mine publicly available ESG data.

Governments and market regulators

Businesses operate under policies set out by governments, regulators and norms set by industry associations. These policies and norms determine the way companies make their money – they put boundaries in place for competition, set benchmarks for employee remuneration and tell them how much tax to pay. Businesses need to adapt and change in response to changing regulations; increasingly, regulators are **taking sustainability factors into account** when setting policies for businesses, and this in turn is having an impact on the way companies work, and how transparent they are about their operations.

In December 2014, the **Directive on disclosure of non-financial and diversity information by certain large companies** entered into force in the European Union, introducing measures that will strengthen the transparency and accountability of approximately 6000 companies. This kind of progress is not limited to Europe: governments, market regulators and associations in developing countries are collecting, examining and sharing sustainability data with a view to encouraging companies to operate in a way that addresses some of the most pressing sustainability issues, such as climate change.

The Sustainable Development Goals (SDGs) have led to increasing demand for monitoring sustainable development at the global, national and company level. An increasing number of regulators – governments, stock exchanges and industry associations – are setting out sustainability and transparency requirements for companies that fall under their jurisdiction. Sustainability data enables regulators to put rules in place that address some of the biggest challenges we face today: knowing where there are performance or informational gaps when it comes to corporate sustainability can help governments pinpoint the places where regulation is needed most. Sustainability data can also shine a light on excellence, giving associations and regulators the opportunity to highlight top performers and inspire improvement.

GRI aims to build the link between corporate and national sustainability reporting in the context of the SDGs, exploring areas where globally accepted statistical guidance is still absent. GRI works closely with governments to give them access to the data they need, and to help them shape policies and regulations that have a positive impact on companies' sustainability performance. This work has led to some outstanding steps forward in policy development, including **paragraph 47 of the outcome document of the UN Conference on Sustainable Development in 2012** – Rio+20.

Internal benefit: Setting an example

Governments and market regulators set policy requirements for companies in their jurisdictions, but they also have an important role to play in setting an example. Sustainability data can help them do that: by collecting and reporting their own data, governments and regulators can show what they expect of companies that must operate in line with their policies and regulations, inspiring a culture of transparency and innovation.

"In terms of the move to big data, there is seen to be exciting potential in terms of improved real-time disclosure on the direct environmental externalities of a company. We believe that this will definitely increase and become more available. The most significant opportunity lies with smart governments moving to get their hands on and utilize this data, in a similar manner to the management of financial data."

Jon Duncan, Old Mutual Investment Group

The association of the Brazilian Sugar and Ethanol Industries, **UNICA**, published its first consolidated report in 2008 – the first GRI report issued by any Brazilian industry association. As an association that sets out rules for its member companies, UNICA used sustainability performance data to set an example: Sustainability reporting is mandatory in this sector and by consolidating data from member companies, UNICA could display reporting expectations while giving an insight into the sustainability performance of the sector.

UNICA's first report inspired more member companies to produce their own sustainability reports, resulting in an increase in the number of reports being published in the sector.

Governments, market regulators and industry associations are in a strong position to leverage the power of data to improve sustainability performance for millions of companies worldwide. Here we evaluate three significant contributions that their use of sustainability data makes towards a sustainable global economy, along with case studies:

- Monitoring national progress
- Accumulating action to improve performance
- Rewarding positive impact

Monitoring national progress

Governments can form the link between micro-level company performance data and macro-level national data; they have national targets for a number of sustainability performance issues, such as greenhouse gas (GHG) emissions. This is of particular concern in many developing countries and emerging economies – a boost in trade means a parallel hike in emissions, for example – and these are the countries where the effects of industrial operations have the biggest impact. In order to monitor their country's progress towards national goals, and identify areas for improvement, governments need to know the state of play in their countries. By gathering and analyzing sustainability data from companies, governments can paint the bigger picture, identifying strengths and weaknesses to make progress towards a sustainable global economy.

In China, the **Corporate Information Transparency Index (CITI)** assesses companies based on the information they disclose publicly, to analyze trends and report back on progress towards improved transparency and performance. The enhanced transparency is helping different stakeholders use the resulting data including the Chinese government, which has started to engage more actively, encouraging greater disclosure on sustainability performance, particularly on environmental issues.

Sustainability data can give governments and market regulators a broad view of the performance of companies in their jurisdiction, helping them set out the path to a more sustainable future. By collating and analyzing the data available, indexes like CITI can show governments the progress and contribution companies and sectors are making towards national goals. This in turn gives governments the tools they need to encourage and even require greater transparency, driving change towards a sustainable global economy.

CASE STUDY
The Corporate Information Transparency Index (CITI)
Driving sustainability in China's supply chains

CITI assesses 147 companies from eight industrial sectors that have significant environmental impacts in China: IT, textiles, food and beverage, household and personal care, automobile, breweries, and leather. The Index measures a company's performance in managing the environmental impacts of factories in their supply chains in China. CITI uses the publicly reported data to analyze trends and report back on progress towards improved transparency and performance; the results are published on the IPE database, which is accessible to the public.

The evaluation is based on data from various platforms and information disclosed by companies: CITI approaches all targeted companies to disclose their data and when companies do not respond, CITI uses existing published data. The Index focuses on five components for an effective and publicly accountable corporate supply chain programme, including responding to information about problems in the company's supply chain's factories and requiring suppliers to publicly disclose their pollution discharge and energy/water use data.

Result: The Index enhances transparency in the high-impact sectors, and this is helping different stakeholders use the resulting data, including the Chinese government. NGOs are analyzing the data as a basis for motivating companies to make positive changes, and the government has started to engage more actively, encouraging greater disclosure on sustainability performance, particularly on environmental issues.

Challenges: Sustainability data, particularly from companies' supply chains, is not easily accessible in China, and is even more limited for small and medium sized companies. When businesses do report their performance, they rarely disclose negative results, and the quality and quantity of data is often limited.

Opportunities: Awareness raising, capacity building and developing incentives to encourage greater transparency and interrogation of supply chain performance data could increase the benefits of the Index. Opportunities around the role of big data in assessing company performance will be heavily impacted by governmental decisions. Relevant laws, regulations and recommendations by the national or local government will be needed to encourage the organizations to disclose data.

Accumulating action to improve performance

With a better understanding of companies' performance, regulators and associations can develop, introduce and adjust policies to address gaps in performance, or strengthen positive impacts. Sustainability data from companies in a sector can put pertinent issues in the spotlight, showing clearly where that sector is having the biggest effect on the environment and society, and identifying areas for improvement.

As the global representative of chemical manufacturers and producers, the **International Council of Chemical Associations (ICCA)** launched its Responsible Care initiative to enable the chemical sector to demonstrate how it has improved over time, and to develop policies for further improvement. By sharing information and putting a rigorous system of checklists, performance indicators and verification procedures in place, it provides the industry's main contribution to a policy framework set up by the United Nations Environment Programme (UNEP): the **Strategic Approach to International Chemicals Management (SAICM)**.

According to ICCA, "Responsible Care is the chemical industry's unique 'ethic', enabling the global chemical industry to continuously improve its health, safety and environmental performance." One of ICCA's regional members, the **South African Chemical & Allied Industries Association (CAIA)**, launched its Responsible Care initiative in 1994. The initiative requires that signatories are committed to continuously improving all aspects of their health, safety and environmental (HSE) performance, and that they engage in open communication about their activities and achievements. CAIA collects performance data annually from its signatories, publishing the information in a consolidated report.

By accumulating action, industry associations can make a significant contribution to the goals of national and international policymakers and organizations. When a global association of industry associations sets requirements for its members, those on the national level pass them on to member companies, extending the effects of transparency to thousands of companies. Sustainability data that returns as a result can feed into the regulation-setting process, enabling associations to adjust policies, and ultimately making the biggest possible contribution to a sustainable global economy.

CASE STUDY
South African Chemical & Allied Industries Association (CAIA)
Enhancing transparency in the South African chemical sector

As the representative body for the South African chemical sector, **CAIA** has more than 160 company members: manufacturers, distributors, warehousing, hauliers and spill response companies. In 1994, CAIA launched the Responsible Care initiative in South Africa, part of a global initiative of the chemical industry that supports signatories' efforts to continuously improve their health, safety and environmental (HSE) performance. Under Responsible Care, signatories are committed to improving all aspects of their HSE performance and engage in open communication about their activities and achievements.

CAIA collects HSE performance data from signatory companies annually and applies a rigorous system of checklists, performance indicators and verification procedures to the data. The results are published in a consolidated annual report, which presents quantitative and qualitative data on a range of HSE performance indicators aligned with the Responsible Care Management Practice Standard requirements and waste and water management, product stewardship, energy usage, greenhouse gas and other emissions, and incidents relating to the storage and transportation of chemicals.

Result: CAIA aims to increase transparency in the implementation and performance of Responsible Care by the South African chemical and allied industries. By collating and publishing performance data from signatory companies, CAIA enables the South African chemical industry to demonstrate its HSE improvement, and to develop policies to advance it further.

Challenges: To strengthen its impact, the process needs to be suitably responsive to the interests of internal and external stakeholders. CAIA also needs to find an appropriate balance between pushing leading companies to demonstrate their performance and innovation, without unduly deterring engagement of the lagging companies.

Opportunities: CAIA's transparency through Responsible Care encourages member companies to disclose more data and share results. This leads to the availability of best practice examples, enabling CAIA to recognize top performers and set performance thresholds in place as contract requirements.

Rewarding positive impact

According to **The Best Business Awards**, which highlights and rewards excellence in the private and public sector, winning an award can bring enormous financial benefits to a company: award winners consistently show improved sales, and higher share value. **Winning an award** can reinforce the company's strategy, and provide a PR opportunity, which can help them attract new talent. Sustainability performance awards can bring these benefits and more; by using data to showcase top performers, associations can set a high bar for their members, and give tangible examples of how their sector is performing.

One pioneering association in Brazil uses the reports issued by its members to award companies for their performance, in categories including Social Responsibility and Customer Assessment. The Brazilian Association of Electrical Energy Distributors (**Abradee**) uses data in its members' sustainability reports to compile information on which to base their award selections on an annual basis, in particular focusing on environmental performance.

Abradee started the process of analyzing and awarding the performance of its members well before environmental and social reporting become mandatory for energy companies in Brazil. By inspiring companies to improve their sustainability performance through transparency requirements, the association prepared the sector for mandatory reporting; today, energy companies are among the most advanced in Brazil in terms of sustainability management and reporting, and are strongly represented in the local Sustainability Index (ISE).

Sustainability data can reveal performance gaps, and it can also highlight excellence. By holding up high performing companies as examples of what can be achieved, associations can inspire their members to improve, instead of relying on policy and regulation to demand it.

CASE STUDY
Abradee
Awarding the Brazilian Electrical Utilities Sector

With the introduction of mandatory ESG reporting by the national control agency Aneel, most companies in Brazil now publish an annual GRI report. **Abradee**, the Brazilian Association of Electrical Energy Distributors, uses these sustainability reports to compile information on an annual basis and award best practices in social and environmental management.

Data collection is based on the specific indicators set up by the Brazilian CSR organization Instituto Ethos, which Abradee requires all member companies to use in order to assess their environmental and social management practices. The data is streamlined with information based on the GRI Guidelines. By comparing the performance of member companies against these indicators, Abradee awards the best performing company in the area of social responsibility.

Result: Abradee introduced its award scheme before reporting was made mandatory, so the sector was well prepared for the regulation; today, energy companies are among the most advanced in Brazil in terms of their reporting practices. Ten out of the 30 companies listed in the Sustainability Index (ISE) of the Brazilian Stock Exchange, Bovespa, are energy companies.

Challenges: The allocation of a reasonable proportion of human resource for data collection and reporting has been a challenge for Abradee's member companies. Under current economic pressures, several companies have reduced their number of employees, which has affected their reporting mechanisms strongly.

Opportunities: One way to address the resource challenge would be to reduce the amount of information being collected and reported by focusing on material issues. The introduction of internal data management systems could also help to reduce the time needed to manage the reporting process.

Learning from governments and market regulators

The organizations interviewed for this report highlighted several areas for improvement: simple measures companies, regulators and associations could make to increase the utility of sustainability data.

- **Standardize data**
  As UNICA's report shows, translating data into valuable macro data can be a challenge; facilitating this would help market regulators develop best practices and apply them in different sectors.
- **Don't set the bar too high**
  The balance between pushing leading companies to continuously improve their performance through innovation, and putting smaller and lagging companies off of reporting altogether is a challenge, according to CAIA. Setting the bar at the right height to inspire leaders and encourage late adopters is vital.
- **Resource realistically**
  In a challenging economic climate, companies make cuts to support their continuing business. Requiring companies, then, to make significant and immediate investments in sustainability and transparency could deter them from getting on board. The Abradee case study supports allocation of reasonable human resources for data collection and reporting.
- **Support SMEs**
  While the world's biggest multinational corporations may be flying ahead in terms of sustainability performance and reporting, micro, small and medium sized companies – especially in developing countries – may lack the capacity to keep up. This means data is limited, says CITI. Building capacity would strengthen their representation.

Media

Media

Traditional media – newspapers, television and radio – have welcomed a flurry of new platforms in recent years, with blogs, Facebook, Twitter and YouTube joining the ranks and bringing with them vast and powerful audiences. Digital media platforms have sprung up globally, but have also highlighted the **depth of the 'digital divide'** – the separation of information availability between developed and developing countries.

The media has a critical role to play in contributing to a healthy democracy and promoting sustainable development. A robust media informs and shapes public opinion and holds institutions and individuals to account for their actions, putting the public interest first and shining a light on questionable activities. The media keeps consumers abreast of national and international sustainable development issues, highlighting impacts made by companies, governments and the public, and suggesting areas for change. Social media in particular enables people and companies to garner support for initiatives and movements that aim to address sustainability issues.

For media organizations to drive positive change on these issues, they need access to reliable, robust sustainability data. Journalists act as watchdogs, investigating trending issues and looking to data on sustainability performance to hold their subjects to account. Data informs their analysis of business activities, and helps media organizations make informed choices about the products they promote, the advertising they allow, and the angles they take on stories. It also supports more effective engagement on sustainability issues.

By providing a framework in which companies can report their performance, GRI supports media organizations in their search for reliable data. Journalists can access sustainability reports in the Sustainability Disclosure Database, using them as a starting point for their investigations. Armed with an understanding of the performance and transparency of sectors or countries, media organizations can portray the bigger picture more accurately. GRI also worked closely with media organizations to produce tailored Media Sector Disclosures, enabling them to measure, manage and report their own impacts.

Internal benefit: Reporting to set an example

According to GRI's Media Sector Disclosures document, "Media organizations hold a powerful position in society through the impact and influence of their content. It is therefore essential that they are responsible, transparent and accountable." Many media organizations around the world are reporting on their own sustainability performance: Guardian News & Media in the UK, Media Prima in Malaysia, DIRECTV in Argentina, RBS Group in Brazil and Naspers in South Africa have all published sustainability reports.

Media and communications company **Sky** recognizes that its content, technology and business activity has an important role to play influencing social attitudes and behavior. Sky's sustainability plan – '**The Bigger Picture**' – focuses on four areas: to inspire people to act against climate change, improve lives through sport, open up the arts, and raise the aspirations of young people in schools. Sky's attention to its own sustainability performance resulted in the company winning the Guardian Sustainable Business award for sustainability communications impact in 2013. In leading by example, Sky improves its own sustainability performance and encourages the industry to follow suit.

"This summer I am stepping down after 20 years of editing The Guardian. *Over Christmas I tried to anticipate whether I would have any regrets … Very few regrets, I thought, except this one: that we had not done justice to this huge, overshadowing, overwhelming issue of how climate change will probably, within the lifetime of our children, cause untold havoc and stress to our species."*

Alan Rusbridger, Editor, *The Guardian*

With the support of sustainability performance data, media organizations are better equipped to leverage their influence and drive positive change. Here we look at three significant contributions that their use of sustainability data makes towards a sustainable global economy, along with case studies:

- Investigating to expose corruption
- Covering sustainability issues to drive change
- Researching performance to publish rankings

Investigating to expose corruption

In its function as a watchdog, the media seeks to foster greater accountability and enhanced performance in the public interest; the focus of media organizations is on undertaking more critical analyzes, often carried out by dedicated investigative journalists, who confront business, government and civil society leaders with tough questions. With the proliferation of digital media in recent decades, the investigative journalist has taken on different forms: social media and the blogosphere have made everyone a potential citizen journalist, able to uncover and expose organizations' performance information and impacts.

Citizen journalism contributes to bridging the information divide in developing countries; while traditional media organizations may have difficulty questioning their advertisers, citizen journalists have no such restraints. The ***Kenya Monitor*** publishes content on several broad themes, including governance, health, education, environment and human rights. In early 2015, the publication shared a video on YouTube **exposing the corrupt behaviour of a politician**, prompting the Kenyan Ethics and Anti-Corruption Commission to investigate. The police officer who provided the video chose the citizen journalist route over traditional media, arguably reflecting an increasing confidence in the integrity of independent media organizations in promoting accountability and protecting the public interest.

Similarly, the **Schuster Institute for Investigative Journalism** explicitly seeks to foster greater accountability and drive improved performance by uncovering corporate and government abuses of power, broadcasting and publishing the results of journalists' investigations. In 2012, **Schuster journalist E. Benjamin Skinner revealed the links** between endemic debt bondage in New Zealand's waters and the global seafood market, highlighting some of the possible shortcomings in the current levels of corporate disclosure. The article, published in *Bloomberg Businessweek*, was the result of a six-month, three-continent investigation.

In recent years we have witnessed the **decline of traditional media**, forcing organizations to find new ways of sharing content, with websites, apps and tweets replacing printed pages. Investigative journalism is expensive, and many media outlets have cut back on their large-scale projects, raising concerns about the depth of news coverage. In developing countries in particular, investigative journalism is influenced dramatically by funding and politics, rendering it less trustworthy. However, the public availability of information, and access to publishing platforms, has led to the rise of citizen journalism, providing enormous opportunities for wide-scale transparency.

CASE STUDY
The Schuster Institute for Investigative Journalism
Promoting accountability through journalism

The **Schuster Institute for Investigative Journalism** is an independent media and investigative reporting center that seeks to foster greater accountability and drive improved performance through 'impact journalism'. Its small staff of journalists takes on reporting projects that seek to uncover corporate and government abuses of power, and publishes the results. The Institute's primary focus is on social justice and human rights issues, and reporters investigate abuses of government and corporate power, wrongful murder and rape convictions, and injustices and abuses that harm women.

The Institute's website includes key documents, source materials and related discussions, organized to enable interested citizens and policymakers to critically review the underlying facts and issues for themselves. The journalists can access many different sources of data to put together their reports, including sustainability data on topics like corruption, gender and governance.

Result: The Institute's **recent work on slavery at sea**, which revealed the links between endemic debt bondage in New Zealand's waters and the global seafood market, and highlighted weaknesses in existing corporate disclosure practices, prompted the New Zealand government to act. The government adopted six of 15 recommendations made in a ministerial report into labor conditions aboard foreign-charter vessels. New Zealand then announced that during a four-year transition period, foreign-flagged vessels would be no longer allowed to fish in New Zealand's waters, and that all vessels would be placed under the jurisdiction of New Zealand's employment, health, and safety laws

Challenges: Effective investigative journalism requires technical skill, initiative, thoroughness in testing information sources, and the ability to appreciate the underlying systemic context. This typically requires significant time and resources, key challenges in the context of many increasingly resource-constrained, profit-driven media companies.

Opportunities: From a sustainability perspective there is an obvious potential for investigative journalists, both to appreciate the nature of corporate sustainability performance information that is being disclosed, and to contribute to further enhancing the quality and depth of such information. It also suggests possible strengths of the investigative body not being housed in a conventional commercial media organization, where competing priorities often undermine the pursuit of the public interest and constrain freedom of enquiry.

Covering sustainability issues to drive change

Billions of people around the world consume media every day – a televised debate, a feature article and a poignant Facebook post all have the ability to motivate people, be that to change their behavior, choose a product or take a stand. This has had some devastating consequences in the past, for example, the **coverage of the MMR autism scare** contributed to the substantial decline in the measles vaccination rate, resulting in the deaths of many children.

The media holds a powerful position in shaping public opinion and informing policy; by choosing to cover some of the biggest sustainability challenges we face today, and by using reliable information to report in a responsible way, media organizations can drive change, and support the transition to a sustainable global economy.

Many newspapers, in the developed and the developing world, have sections devoted to addressing sustainability issues. The ***Wall Street Journal*** and **Bloomberg** have dedicated news sections that provide reporting and analysis of business and sustainable development issues. The British national daily newspaper, *The Guardian*, has a vision to be the sustainability leader of the media industry. To support this effort, its **Guardian Sustainable Business hub** features news, expert opinion and analysis on the social and environmental impacts of business, with content from some of the world's most authoritative voices on corporate sustainability.

Sustainability data is key to informed, valuable reporting on the issues we face today, and the contributions companies are making to tackle them. Such reporting can shape public opinion on topics like climate change mitigation, human rights and economic transparency, encouraging people to take action. Enabling debate on corporate sustainability issues can encourage innovation, and sharing best practice can give companies an insight into what they could be doing better.

CASE STUDY
The Guardian Sustainable Business hub

Facilitating informed choices and decision-making

British national newspaper *The Guardian* has a vision to be the sustainability leader within the media industry; as part of this vision, the **Guardian Sustainable Business (GSB)** hub provides a global platform for corporate leaders who are driving positive social change. It features news, expert opinion and analysis on the social and environmental impacts of business. There are various channels, series, blogs, live chats and collections of news stories and reports addressing prominent and emerging sustainability issues. The site showcases best practice and informs policymaking, corporate behavior and consumer buying habits.

Hosting some of the world's most authoritative voices on corporate sustainability, the GSB hub seeks to push the boundaries of corporate sustainability. Stories aim to be impartial, and are based on reliable sustainability information, including performance data form corporate reports.

Result: GSB is widely recognized as a leading source of sustainability news. Users spend an average of eight minutes per visit on the site, reflecting the level of engagement it facilitates with stories that are based on sustainability data.

Challenges: Discouraging and carefully monitoring potential green-washing initiatives is a challenge for the site, which strives to put positive corporate sustainability achievements into perspective. The dilemma of wanting to promote positive socioeconomic change while also being critical became evident when The Guardian launched a campaign targeting fossil fuel companies, which is featured in GSB's partner zones.

Opportunities: With more than 32,000 active members and 540,000 unique visitors per month, the site has the ability to engage the audience with sustainability topics. Its forum encourages feedback, providing the opportunity for comments on reports and sharing stories. By encouraging participation from its audience, the forum enlarges its global reach and impact, in both scale and scope.

Researching performance to publish rankings

With access to data on companies' performance, media organizations can publish rankings based on different areas, from environmental performance to employee satisfaction. Media-run award schemes can stimulate business innovation and engagement on societal issues and promote corporate transparency. ***Newsweek's*** **Green Rankings**, for example, assess corporate environmental performance, focusing on the 500 biggest companies in the US and globally. The *Financial Times* runs a **corporate award initiative** aimed at promoting sustainable banking, sustainable finance and transformational business.

The Sunday Times in the UK and ***Fortune*** **magazine** in the US publish 100 Best Companies to Work For rankings. *Fortune* has partnered with Great Place to Work for almost two decades to run their initiative. **Research shows** that companies with a high level of employee trust perform better financially, and have a lower turnover. Rankings like these are aspirational for companies – those not listed can work to improve employee satisfaction, and others can aim to move up the list. And for potential employees, the rankings provide a point of reference for job searching and career decisions.

Similarly, media-led award schemes put a spotlight on top performing companies, encouraging performance improvement and giving potential employees and partners an insight into companies' performance. In developing and emerging economies, award schemes can focus on pertinent societal and environmental issues, celebrating the companies that are driving positive change. In South Africa, the *Mail & Guardian* newspaper runs the **Investing in the Future & Drivers of Change Awards**, which aim to encourage greater corporate engagement in finding solutions to societal challenges. To apply for the awards, companies need to provide documentation – including sustainability reports – that supports their nomination.

Media organizations are in a unique position to use sustainability data to highlight to wide audiences the top performing companies across a range of areas. By partnering with research organizations, or carrying out their own assessments based on sustainability data and surveys, many newspapers and magazines are putting together meaningful rankings of companies and awarding those that are driving change. Sustainability performance data enables media organizations to reward companies in a way that is both aspirational to would-be winners, and helpful to potential employees, partners and suppliers.

CASE STUDY
Mail & Guardian Investing in the Future Awards

Driving performance improvement through rating and award schemes

The weekly South African newspaper *Mail & Guardian* launched its **Investing in the Future Awards** around 30 years ago to encourage social investment and responsibility in business, government and civil society. The awards celebrate companies, individuals, civil society and government projects across southern Africa that impact the lives of people living in poverty, through the development and implementation of effective public policies and strategies. Winning projects are innovative and offer creative solutions to some of South Africa's biggest sustainability issues.

Hundreds of entries each year from projects around the country are judged by an independent panel of judges. To apply, companies need to provide background information, such as sustainability reports that show their activities, performance and impacts.

Result: The Awards have helped raise awareness of the often hidden contributions that companies make towards addressing South Africa's socioeconomic challenges. Receiving an award is regarded as a great honor, and the validation has helped to promote many projects that are making positive impacts in South Africa. The Awards have also contributed to improved disclosure, and increased public awareness of corporate activities.

Challenges: The judges avoid recognizing corporate social investment projects that may appear excellent, but are funded by companies whose main business in some way contradicts the projects – such as a company with an excellent environmental education initiative that runs factories that pollute rivers. Although challenging, this approach recognizes the importance of actively monitoring companies' sustainability performance, for example through their sustainability reports, and of critically reviewing the broader social impact of individual businesses.

Opportunities: The assessment process is designed to recognize those projects that make some sustainable difference, rather than being a sponsorship engagement for marketing purposes without any long-term effect. Innovation is heralded as a means for achieving progress in tackling social problems; the Awards encourage companies to be more innovative in their approaches to tackling sustainability issues, and to report their progress.

Learning from the media

The media organizations interviewed for this report suggested different ways the media can drive sustainable development by enabling informed decision making.

- **Put performance into perspective**
  The challenge is to promote positive socioeconomic change while also discouraging and carefully monitoring potential green-washing initiatives, putting positive corporate sustainability achievements into perspective, says Guardian Sustainable Business.
- **Invest in quality journalism**
  Effective investigative journalism requires significant time and resources, says the Schuster Institute for Investigative Journalism; this is a key challenge for resource-constrained, profit-driven media companies. Investment enables media organizations to benefit from using data to uncover truths.
- **Reward real change, not marketing**
  The *Mail & Guardian* recognizes projects that make some sustainable difference, rather than being a sponsorship engagement for marketing purposes without any long-term effect.
- **Remain objective**
  Media organizations face the challenge of interrogating corporate performance information and providing objective commentary while relying on revenues from corporate advertisers that may become the subject of investigation.

Recommendations

Each user group highlighted different challenges and opportunities, with considerable crossover. Here the results are consolidated and presented as recommendations for four different groups: governments and regulators, reporting organizations, report users and GRI.

Governments and regulators

- Develop conducive policy: A conducive policy environment encourages greater transparency, and standardized guidelines make the resulting data more valuable for stakeholders
- Don't set the bar too high: Offering a range of disclosure options inspires leaders and encourages late adopters to follow suit
- Support SMEs: Building capacity would strengthen their representation

Reporting organizations

- Ensure data is accurate and honest: Realistic reporting provides more valuable insights at the sector or national level
- Use standardized metrics: Use guidance such as the GRI Guidelines or industry metrics to enable benchmarking
- Consider the context: Explaining the context, including with qualitative data, gives stakeholders a better understanding

Report users

- Pay attention to the context: A company's sector, location, size, environment and many other factors affect its sustainability performance
- Assess data reliability: Look for reliable, accurate data to show performance, not relying on marketing
- Remain objective: Stakeholders like the media often have a vested interest in companies; remaining objective is key to gaining a clear picture of their performance

GRI

- Tap into technology: Offering stakeholders a platform to analyze data would help them use the information more effectively
- Contextualize data: Putting data in context – in terms of sector, location and environment, for example – would provide more valuable insights
- Build capacity: support reporting organizations and report users to encourage dialogue and help increase the value of sustainability data

GRI is using the results of this research to inform its future strategy and practice in three areas: to improve the reporting standards so that utility for users is maximized; to harness technology to create a platform that contributes to effective sustainability communications well beyond reports; and to activate user communities on the benefits and value of reported data for their needs.

These recommendations draw the starting line for our collective efforts to optimize the value of sustainability data as we work towards the next set of Sustainable Development Goals, and make informed decisions to support a sustainable future.

Acknowledgements

The Global Reporting Initiative (GRI) would like to thank the State Secretariat for Economic Affairs (SECO), whose financial support made this report possible.

GRI would like to thank the following people and organizations for their valuable inputs during the publication development process:

- **General supervision**
  Alyson Slater, Director Regional Network & Sustainable Development, GRI
- **Project management**
  Christine Koblun, Manager, Regional Network & Sustainable Development, GRI
- **With contributions from**
  Gine Zwart, Senior Advisor Corporate Accountability, Oxfam Novib
- **Research and case study development**
  Sebastian Straube, Managing Director and Co-Founder BSD Germany
  Beat Grünninger, Partner BSD Group
  Felipe Arango, Partner BSD Group
  Tobias Knapp, Managing Director BSD China
  Jonathon Hanks, Managing Director Incite
- **Report writing**
  Lucy Goodchild van Hilten, Tell Lucy
- **Design and Layout**
  Bert Odenthal, Odenthal Design
  Sarah Hoppe, Odenthal Design

The research partners

GRI worked closely with Oxfam and BSD Consulting to produce this report. Oxfam was a valuable thought leadership partner on the project, providing input and ideas, and helping to gather information on which to base the report. GRI commissioned BSD Consulting to carry out the research, tapping into its international network of consultants to gather insights from around the world. Lucy Goodchild van Hilten from Tell Lucy translated the research, interviews and insights into this report.

Oxfam is an international confederation of 17 organizations working together with partners and local communities in more than 90 countries. One person in three in the world lives in poverty. Oxfam is determined to change that world by mobilizing the power of people against poverty. Around the globe, Oxfam works to find practical, innovative ways for people to lift themselves out of poverty and thrive. Oxfam saves lives and helps rebuild livelihoods when crisis strikes. And they campaign so that the voices of the poor influence the local and global decisions that affect them. In all they do, Oxfam works with partner organizations and alongside vulnerable women and men to end the injustices that cause poverty.

BSD Consulting is a global sustainability consultancy that provides thought leadership and customized solutions for the management of sustainability issues to international business and governmental organizations. Through its local offices and partner organizations, BSD is able to provide local expertise in all geographical regions. It is BSD's aim to create the strongest possible impact in sustainable development through innovation and excellence, which are the main drivers in the daily work of our professionals.

Tell Lucy is a communications company that specializes in science and sustainability. Focusing on storytelling, Tell Lucy aims to make complex content accessible, understandable and engaging. Previously GRI's Press & Communications Manager, founder Lucy Goodchild van Hilten believes that researchers and corporations need to communicate more clearly: they have the power to inspire us to work together for a successful, sustainable future.

ABOUT GRI

GRI is an international, not-for-profit organization working in the public interest towards a vision of a sustainable global economy where organisations manage their economic, environmental, social, and governance performance and impacts responsibly. Thousands of corporate and public sector reporters in more than 90 countries use the GRI Guidelines. More than 23,000 reports have been registered in GRI's Sustainability Disclosure Database and 25 countries and regions reference GRI in their policies. GRI's activities are two-fold: firstly, the provision of sustainability reporting guidelines, and secondly, the development of engagement activities, products and partnerships to enhance the value of sustainability reporting for organizations.

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