Sustainability and Reporting Trends in 2025

Preparing for the future

GRI — Empowering Sustainable Decisions

The Second Analysis Paper of
GRI's Reporting 2025 Project,
October 2015

ABOUT GRI

GRI is an international independent organization that has pioneered corporate sustainability reporting since 1997. GRI helps businesses, governments and other organizations understand and communicate the impact of business on critical sustainability issues such as climate change, human rights, corruption and many others. With thousands of reporters in over 90 countries, GRI provides the world's most trusted and widely used standards on sustainability reporting and disclosure, enabling organizations and their stakeholders to make better decisions based on information that matters. 29 countries and regions reference GRI in policies. GRI is built upon a unique multi-stakeholder principle, which ensures the participation and expertise of diverse stakeholders in the development of its standards. The value of sustainability reporting is that it enables transparency of information, which leads to better decision making, which in turn builds trust. GRI's mission is to empower decision-makers everywhere, through our standards and multi-stakeholder network, to take action towards a more sustainable economy and world.

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Contents

Executive summary

This paper presents the main conclusions of the "Sustainability and Reporting 2025" project, led by GRI.

Based on interviews with business executives, civil society leaders and experts in different fields, the project investigates the key sustainability and business challenges to be tackled over the next decade. The project also explores how companies and decision-makers might prepare to cope with these challenges and the role reporting and disclosure will play in this transformation.

Initial conclusions and insights will be presented and explored further at the Sustainability and Reporting 2025 Forum in October 2015. This will add an extra dimension to the study and enrich the final publication, which will be released in January 2016.

Below is a summary of the main insights from this investigation.

THE NEXT DECADE WILL REQUIRE EVERYONE'S CONCRETE ACTION ON WHAT REALLY MATTERS

The general context in which we all live – in which businesses operate and decision-makers act – will be shaped by well-known challenges, such as the increasing world population, wealth inequality and climate change. Additionally, we will also see major challenges related to conflicts, human rights violations and population migration.

All of the people interviewed during the course of this study have a strong belief that these issues will intensify dramatically in the next decade. There is also consensus that, even with further development of global governance structures and governmental leadership, **businesses will need to play a larger role than they do today in the design and implementation of solutions.**

Our planet, social fabric and global economy need business leaders to lead differently. It is also in the medium and long-term interest of these companies **to engage much further by taking action to find innovative solutions to global challenges.**

Another important change in the next decade is **the development of data technology and digital communication,** which will enable companies, governments and stakeholders to access information that matters to them more easily and to analyze, compare, correlate and identify responsibility faster and more precisely.

The combination of these elements will make building and maintaining trust increasingly important for organizations and institutions; putting transparency at the center of communication will help organizations build trust

and reputation. **Coherence and consistency in communications and actions** will be the most important building blocks of reputation.

WHAT DOES THIS MEAN FOR COMPANIES?

Companies need to understand better how the challenges of the next decade will affect their business. They will be asked to engage publicly and concretely on specific topics, to use their operations and assets to help society tackle critical issues.

Concrete engagement includes the definition of clear goals. Such engagement will also require coherent actions to support the goals, such as investing in innovation, defining supportive partnerships and lobbying against regulation that can damage efforts to achieve them.

To be more efficient in tackling the issues that will most significantly affect their business and society, companies will need to consider engaging in **collaborative partnerships with each other, as well as with stakeholders and other organizations.**

Sustainable development models can play a guiding role in tackling concrete issues, such as material and substance cycles and impacts on ecosystems or climate change. **Companies may consider making an effort to align their business decisions to one of the models,** such as the circular economy, the shared economy or the green economy. The Sustainable Development Goals (SDGs) are also considered an important global reference when tackling concrete issues on the sustainability agenda.

WHAT DOES THIS MEAN FOR BUSINESS LEADERS AND OTHER DECISION-MAKERS?

Business leaders should set ambitious goals to tackle critical issues. In order to position the company as committed to advancing the sustainability agenda in a decade of large-scale challenges, ambitious goals are needed.

Consequently, business leaders and other decision-makers will have to **be better informed and educated on the links between sustainability challenges and business performance and impacts,** considering the associated risks, opportunities and value creation in the short and long term. For that, they will need to incorporate additional information into their decision-making processes, such as the current and future impacts of climate change on business plans, the measurement of externalities and monetization calculations, supply chain associated risks, helping them navigate the context of the next decade.

Furthermore, business leaders **will need to proactively seek to break down operational silos and integrate the management systems** of different departments in the company, in order to act more efficiently on the critical issues to be tackled.

At a more advanced level, business leaders **will need to review current business development models** considering current and future limitations and opportunities. Financial resources should be allocated to explore and support the transition to new sustainable business models.

Business leaders and other decision-makers will need to work together to define efficient economic mechanisms to support businesses that are really tackling society's critical issues in a sustainable way and to prevent destructive operations.

Finally, business leaders and other decision-makers should take action to ensure that **business contributions to tackling society's critical issues are measured and communicated transparently** to all stakeholders, according to their needs.

WHAT DOES THIS MEAN FOR COMMUNICATING AND REPORTING?

On the content of reporting and corporate communication in the future, the following points were made.

In the transparency era, companies will be expected to demonstrate their proactive commitment towards a sustainable future through reporting and other diclosures, which will have to clearly explain companies' contributions to tackling society's real issues, such as food and water security issues, wealth distribution issues and climate change. In general, **the link between sustainability challenges and companies' business models will become stronger** and will change the current understanding of 'strategically relevant issues' (material issues).

This will be accomplished, in great measure, through **regulated and non-regulated disclosure formats** as well as other forms of external communication.

In particular, **transparency in the supply chain,**

with the disclosure of validated data, is considered key to demonstrating consistency and the commitment to sustainable development in general.

Perhaps unsurprisingly, **"totally integrated," "trustworthy" and "consistent"** were terms used to describe the reporting and disclosure of the next decade. In this context, 'integration' refers not only to the integration of financial and sustainability strategy and analysis, but also to the integration of disclosure and goals with supply chains and other partners to tackle real issues. 'Trustworthy' and 'consistent' refer to the importance of having reports and communications that reinforce consistent commitments to unvarnished reporting about sustainability performance and demonstrated adherence to a set of ethical values.

But, at the same time, **reports are expected to be shorter and relevant, but explain the context.** The more focused the communication, the less chance companies have to misinform. But without context, the information is not useful. Companies will need to find the **right balance** between direct, 'to-the-point' information based on data that can be checked easily, and contextual descriptions that enable stakeholders to understand the efforts made or needed. Additionally, data in external communications should be used to underpin and support specific points the company wants to make in **relation to its commitments and efforts made to tackle real issues.**

On the format of reporting and corporate communication in the future, the following points were made.

Reporting (or disclosure) will be digital and almost real-time. The 'report' of the future will not just be a document that is released and checked once a year, but a mix of communication pieces, based on dynamic, accessible data that moves beyond the report itself.

Consequently, there is a general perception that, in the digital era, **companies will have even less control over information about their performance and their impacts than they do today.** Information on performance and impacts will become much more accessible to all and will be gathered and analyzed using powerful search engines and analysis software. Companies and stakeholders will be able to find correlations and check consistency more easily.

Aiming to prepare reports and communications that express real efforts towards concrete and sustainable solutions, **new metrics will be created where there is a specific unmet need.** A large number of metrics has been created in recent decades; consequently, in the next decade, companies and other players could focus on working with partners to build on what already exists to create solutions to improve the planning and decision-making processes.

I. Introduction

1.1 THE "SUSTAINABILITY AND REPORTING 2025" PROJECT

Data shows that, although reporting and performance measurement have increased dramatically in the last decade, none of the key sustainability issues identified as critical – such as the destruction of ecosystems, wealth concentration and human rights abuses – were tackled properly.

This suggests that three decades of corporate measurement and reporting on sustainability related issues have not yet been persuasive enough to influence decision-makers – in civil society, the public or private sector – to drive us to adopt sustainable business models and consumption patterns.[1] One could also conclude that the value currently attributed by decision-makers to these matters is not yet high enough to use sustainability performance information in critical decision-making processes.

Stopping measuring, managing and reporting on environmental, social and other aspects of business performance is not an option, as these topics are increasingly present in and critical in to the general business context and the future of business. However, reflection is needed in order to make the resulting information fundamental for decision-makers.

The main focus of this project, which started in January 2015, is to investigate what will define meaningful corporate reporting and communication to better help business and society transition towards a sustainable future, considering the context in which businesses will operate in the next decade. Based on the findings, hopefully, companies and other players in the reporting field can focus their efforts in on what really matters to empower decision-makers and stakeholders to enable this transition.

The findings presented in this paper will be discussed at a dedicated forum in October 2015, which will shape the final publication that closes this investigation. The final publication will be launched in January 2016.

1.2 THIS SECOND ANALYSIS PAPER

In this paper we analyze 22 interviews, 10 of which are with business executives representing companies from eight business sectors – forestry, food & beverage, energy, chemical, IT Solutions, mining & metals, services and telecommunications – and 12 with civil society leaders and experts, covering various areas of expertise. The interviewees come from around the world: Australia, Brazil, Germany, Hong Kong, India, Italy, the Netherlands, Philippines, South Africa, Spain, UK and USA.

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1) See previous paper, _Sustainability and Reporting Trends in 2025_, for data and references.

Based on the interviews, this paper presents key identified sustainability (and business) challenges to be tackled in the next decade, suggests how companies and decision-makers might prepare to cope with these challenges and considers the role reporting and disclosure will play in this transformation.[2]

By conducting a content analysis of the individual interview transcripts, we extracted the interviewees' insights in relation to the following topics:[3]

a. Key identified sustainability (and business) challenges to be tackled in the next decade;
b. The ways companies and decision-makers might prepare to cope with these challenges;
c. The role reporting and disclosure will play in the transformation towards a sustainable economy model.

The project team also collected additional references about general major trends and specific topics mentioned in the interviews or suggested by the team and other experts (see the further reading section on page 65 for the complete list). In order to check whether and to what extent the results of our investigation were aligned with the results of other general investigations, we compared them with the content of a selection of papers. The list of selected references is presented in section 3.4.

In this second paper we also present conclusions related to the initial hypothesis (see section 4), which was that meaningful reporting would focus on one of these approaches:

1. The transition to a sustainable model;
2. The contribution to achieving the Sustainable Development Goals;
3. On investors' interests;
4. On the 'valuation of externalities'.

2. Interviewees and topics discussed

2.1 INTERVIEWEES

The results presented here come from the analysis of all 22 interviews.[4] Summaries of the full interviews and video highlights are published on the project *webpage*.

The interviewees were selected based on their leadership role, field of expertise and focus on accelerating the transition towards sustainable growth. By selecting a diverse group, even if not representing all possible stakeholders groups, the different perspectives could be collated on the main points on society's agenda in the next decade, the way the new context will impact business and the challenges companies will face. Based on these insights, we explore further the kinds of sustainability disclosures and reporting that are expected or needed to promote the transition to a sustainable economy.

The interviewees are presented here in two groups: business executives, and civil society leaders and experts. This separation helps the investigation of the differences between their insights depending on their roles. These groups were considered during the analysis of the results, as will be seen in the following sections.

In figures 1 and 2 the two groups of interviewees[5] are presented in alphabetical order by name.

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4) *Only interviews published between January to April 2015 were included in first Analysis Paper. All 22 interviews produced since January 2015 are analyzed and discussed in this second Analysis Paper. Most of the interviews will be found on the project website by the time of publication of this paper. Few will be published in the weeks after.*
5) *For more details on the interviewees' profiles, see Annex I.*

Fig. 1

BUSINESS EXECUTIVES

Name and title	Organization's name	Sector	Country
Paul Boykas, Vice President Public Policy and Government Affairs	PepsiCo	Food & beverage	USA
Luca Crisciotti, CEO	DNV GL - Business Assurance	Services	Italy
Aldo Cristiano, Director of Cocoa Procurement	Ferrero	Food & beverage	Italy
Dr. Ashutosh Karnatak, Director (Projects) & Chairman of Sustainable Development Committee	GAIL Gas Limited	Energy	India
Marina Migliorato, Head of Sustainability Innovation and Stakeholder Engagement	Enel	Energy	Italy
Jeanne Ng, Director of Group Sustainability	CLP	Energy	Hong Kong/ China
Ben Pratt, Vice President Corporate Public Affairs	Mosaic Company	Chemicals, Mining & metals	USA
Daniel Schmid, CSO	SAP	IT solutions	Germany
Elena Valderrábano Vázquez, Global Director for Corporate Ethic and Sustainability	Telefónica	Tele-communications	Spain
Roberto Waack, Chairman of the Board	AMATA	Forestry	Brazil

Fig. 2

CIVIL SOCIETY LEADERS AND EXPERTS

Name and title	Organization's name	Focus	Country
Marjella Alma, CEO	eRevalue	Data technology	UK
Marjan de Bock-Smit, CEO	Supply Chain Information Management (SIM)	Supply chain	The Netherlands
John Elkington, Executive Chairman and Co-founder	Volans	Sustainability and business strategy	UK
Prof. Mervyn King, Chairman	IIRC	Corporate governance and reporting	South Africa
Dr. Simon Longstaff, Executive Director	St James Ethics Centre	Ethics	Australia
Robert E. McGarrah, Jr., Counsel	AFL-CIO's Office of Investment	Labor conditions and rights	USA
Kumi Naidoo, Executive Director	Greenpeace	Ecosystems protection and human rights	The Netherlands
Dr. Roberto de Ocampo, Founding Partner (Centennial Group International), Chairman (Centennial Asia Advisors)	Centennial Group International, Centennial Asia Advisors	Development planning	Philippines
Sara Parkin, Founder Director	Forum for the Future	Sustainability and business education	UK
Paul Simpson, Chief Executive Officer	CDP	Carbon emissions & climate change	UK
Katherine Smith, Executive Director	BCCCC	Sustainability and business education	USA
Pavan Sukhdev, Founder and CEO	GIST Advisory	Measuring and valuing impacts on natural and human capital	India

2.2 TOPICS DISCUSSED

The interviews explored the following questions:

- What will be at the heart of society's agenda 10-15 years from now? How will this influence the business agenda?
- What kinds of indicators will be useful for reporting in the next decade? Why?
- What kinds of impacts will executives and managers be monitoring to evaluate how companies are coping with the challenging business context?
- How will value creation be expressed?
- What kinds of external communications will be meaningful?
- What role will new technologies play in shaping the future of sustainability-related disclosures?

The interviewees' insights were analyzed to allow us to present the conclusions of this analysis and start preparing a picture of the next decade. The conclusions are presented here under three topics:

a. Key identified sustainability (and business) challenges to be tackled in the next decade;
b. The ways companies and decision-makers might prepare to cope with these challenges;
c. The role reporting and disclosure will play in the transformation towards a sustainable economy model.

3. The main challenges and trends

3.1 KEY IDENTIFIED SUSTAINABILITY (AND BUSINESS) CHALLENGES TO BE TACKLED IN THE NEXT DECADE

Based on the interviews, here are **key issues** that emerged as being critical for decision-makers to consider in their strategic planning in the next decade, in order to promote a sustainable development model.

The following sub-sections present a summary of the analysis, taking into account the different topics covered in all interviews: social; environmental; institutions, models and systems; technology and innovation.

During the analysis of the interviews it became clear that the group of civil society leaders and experts mostly emphasized similar topics but also suggested a new set of aspects to be considered. They are presented in section 3.1.5.

3.1.1 ON SOCIETY'S DYNAMIC

The issue most mentioned as a fundamental element to understanding the next decade's challenges is the **world population increase**, particularly the rise of the middle class in Africa, India and China, and the large percentage of young consumers. As a consequence of the population increase in combination with the current development model and lack of proper regulations, **food and water security issues are** becoming

more critical in already stressed areas and in new regions. The demand for energy is also increasing.

There is a perception that the continued increase in the differences in wealth access and distribution will create tensions that will have to be managed in the short and long term. The **reduction of wealth inequality** becomes a key point on the agenda for the next decade, answering the increased demands for wider access to financial resources, education, health services, energy, civil and labor rights. Additionally, **human rights protection** – promoting the respect of human life, people's beliefs and support and collaboration among diverse groups – was identified as a fundamental ingredient for **promoting peace** in the next decade.

These global challenges – conflict, human rights violations, increasing inequality and lack of access to food and water – are also causing one of the largest **population migrations** in human history. This phenomenon will affect society and business in the next decade in ways that are still difficult to predict. Consequently, the **ability to manage conflict** – enabling societies to collaborate and prosper in collaborative ways – will be also part of the tool kit for the next decade.

* Aspects such as food and water security are considered and appear with more emphasis than in the previous analysis.[6]

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6) For a summary of main preliminary findings presented in the first Analysis Paper see Annex II.

"Water shall be a major issue in next 20-25 years. So water contribution methodologies will evolve and will be in villages, in urban cities and in suburban cities – a new technology to reuse the water. What I also visualize is in agriculture there will be double the seeds that will require less water." • *Dr. Ashutosh Karnatak, GAIL Gas Limited*

"The use of natural resources will certainly be more rigorously measured going forward. The more complicated dimensions are going to be how do we generate power, and how are we going to pay for that power generation? How are we going to price carbon? And how will we use water, the precious resource required for all life on earth, which I think everybody realizes is becoming a significant issue for many regions?" • *Katherine Smith, BCCCC*

"The interaction of communities all around is going to be a phenomenon that I think will continue rather than back up. Many of those that are emigrating will not be going back to where they came from. They will stay in the societies where they have gone to, therefore changing the nature, the composition and the interaction amongst those societies." • Dr. *Roberto de Ocampo, Centennial Group International*

3.1.2 ON NATURAL RESOURCES AND ECOSYSTEMS

The general **management of natural resources** was discussed as a major challenge in the next decade. Under this general perspective, many specific aspects were mentioned such as **regional** and global water management and land usage. But the specific issue most mentioned was **climate change**; interviewees believed its effects will be present in the next decade as never before, even with the definition and implementation of new policies affecting urban and rural areas globally.

Ecosystem protection issues (including oceans) were considered fundamental to balancing climate change, but also to guarantee services society and business can depend on in the short and long term. This topic led to the discussion of **waste and contamination management issues** will demand specific concrete actions in order to guarantee ecosystem functioning and supporting society's further development.

Raw material scarcity was also identified by many interviewees as a major issue for the next decade. It is mainly connected to population growth and the current development model based on increasing consumption and still very low levels of materials recycling.

* When compared to the preliminary analysis, this list includes new aspects, such as natural resources management with an emphasis on water and land usage, and highlights the importance of oceans when discussing the protection of ecosystems.

"There is no contestation on the science and I would anticipate sadly that we will see an increase in extreme weather events. That increase in extreme weather events is going to make addressing climate change an irresistible issue both for governments as well as for companies. I see that as one major game changer." • *Kumi Naidoo, Greenpeace*

3.1.3 ON SOCIETY'S GOVERNANCE STRUCTURE AND DEVELOPMENT MODELS

For many, a **new generation of growth and development models** will be at the center of many discussions in the next decade, as the current model is considered the cause of the issues identified previously, related to the way we live together and to sources and natural systems. In this context, the most mentioned models were the **circular economy, shared economy, collaborative economy and green economy** as references in the discussions around solutions in the next decade. **The Sustainable Development Goals (SDGs)** were also mentioned as references when defining specific goals to tackle sustainability related issues.

New concepts for energy production (e.g. decentralization) and the need to develop environmentally friendly energy models were mentioned as an ingredient needed in the models of the next decade, to tackle climate change, increase demand for clean energy and promote production decentralization and wider access.

Two main points were made when discussing what will be critical for institutions' approaches to tackling the key issues. They were **cooperation** – to tackle interconnected issues between public and private sectors and among companies themselves – **and the further development of appropriate governance structures** – to organize and scale up solutions.

Efficiency in the production and distribution of goods and services was mentioned by the interviewees as a main element of any management or development model, aligning efforts to better use resources and distribute products and services.

* Many aspects in this category became much more explicit after the complete analysis of the interviews, such as the need for cooperation, the need to create a more accessible energy production model and the need to tackle the lack of efficiency in the production and distribution of goods.

"We need to partner together – business, governments and all other players – because the problems that we will face in the next decade will be crucial. The solution will be global: we need global actions from the diverse stakeholders in our society, because it will be extremely challenging to achieve these important goals in the few years we have." • *Marina Migliorato, Enel*

"What I see is that those companies that are going to use natural resources effectively, and produce commodities in a sustainable way, socially, economically, and environmentally, will succeed. We have also to consider that people are asking for responsible business models and more transparency." • *Luca Crisciotti, DNV GL - Business Assurance*

3.1.4 ON THE IMPACTS OF DATA TECHNOLOGY AND INNOVATION ON SOCIETY

Across the board, the interviewees mentioned that the fast development of data technology will enable higher connectivity, easier access to information, almost real-time correlation analysis and the production of large amounts of data. This technology will be used more and more to inform stakeholders, tackle concrete sustainability issues and improve decision-making processes.[7]

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7) For more on data technology as an enabler of value creation see Appendix IV.

It is also important to recognize that society and business will face difficulties in defining the focus and limits of innovation – to be developed and offered in the market – as the short innovation cycle is resulting in a challenge to evaluate, absorb and regulate innovation.

* Both trends presented here were identified in the first analysis.

"We're going to have to display our information in more formats and more broadly available platforms. I think technology will just continue to improve for this purpose and we'll get better at generating the data. When you're trying to generate sustainability data for a very complex manufacturing enterprise, the data is constantly being generated and has to be monitored very well for it to have any meaning."
• *Ben Pratt, Mosaic Company*

3.1.5 ADDITIONAL POINTS EMPHASIZED BY THE GROUP OF CIVIL SOCIETY LEADERS AND EXPERTS

Not surprisingly, the group of civil society leaders and experts see the concerns of broader civil society at the same level as the concerns and responsibility of business. But, furthermore, they expected business to participate more in the development of solutions to sustainability issues.

Here are the points they emphasized on society related trends, which business will need to keep in mind:
• The loss of trust and legitimacy in institutions
• The need to reinforce participative democracy
• The lack of creativity in political leaders, leading to a new role for business and social leaders

"I think the big issues that society is going to be facing in the next decade or longer is trying to come to terms with the loss of trust and legitimacy in many social institutions. The future is going to be one in which society demands and in which institutions respond by saying, 'Let us rethink and re-articulate what it is we stand for, what is the purpose we serve, what are the values and principles that define the nature of our conduct?' and declare that publicly, and then be expected to behave in accordance with that." • *Dr. Simon Longstaff, St James Ethics Centre*

3.2 HOW COMPANIES AND DECISION-MAKERS MIGHT PREPARE TO COPE WITH THE CHALLENGES OF THE NEXT DECADE

The interviews addressed a broad range of the aspects of sustainability that will be important in the next decade, and the ways companies will have to act to cope or to lead in this scenario.

During the analysis of the interviews, it became clear that both groups mentioned mostly similar topics, but considered them from different points of view. The differences between the two groups are presented in section 3.2.5.

Overall, the interviewees concurred that business will need to be able to address the following points.

3.2.1 ON THE COMPANY'S IMPACTS AND RESULTS

Companies' managers will need to better **understand companies' general value creation and destruction** in order to define main areas to be addressed properly.

This may also lead to a better **understanding and measurement of companies' impacts (externalities) and to the application of the language of monetization** to externalities, if possible.

This understanding can be used **to accelerate efficiency and innovation** and will also help companies to define models to better **share the value they create**. Consequently, there is a perception that the **next decade's innovation boost** will probably be driven by the need to tackle real, concrete and urgent social, environmental, governance and other issues, and may be inspired by the desire to design new business models.

* The aspects covered here were also present in the previous analysis.

"We've been valuing companies for hundreds of years by looking at their profit. Currency, of course, is still one measure of value – it's the quantitative value, and it's easy to measure. But we know that, in our rapidly changing world, approaching or exceeding planetary boundaries and reaching a population of 9 billion by 2050, the winning companies of the future will be generating value in different ways." • *Paul Simpson, CDP*

"I think the idea of how you look at a company's value for long-term success is going to be critical, and that is how have you developed your supply chain, how are you teaching your talent that's coming up internally in the company, what are the issues that you are focusing on for your customers and such. However, I actually think that it'll still be financial value. I think that all these things need to

be integrated into the financial value in the end. We need to look at financial value differently as opposed to how many bags of chips did you sell this period in the last four weeks. I think that's the financial value that needs to change." • *Paul Boykas, PepsiCo*

"Understand that you have impacts which are not merely financial impacts for shareholders, but also economic and social impacts on whole of society, and indeed the planet. Understand these impacts, and understand that actually externalities – which are, if you like, third party impacts of doing business as usual – are measurable." • *Pavan Sukhdev, GIST Advisory*

3.2.2 ON THE COMPANY'S STAKEHOLDERS, REPUTATION, RISKS AND VALUE

In general, the interviewees considered that **reputation and other intangible assets will be the main component of firm value**. The importance of reputation in this equation comes from the **link between stakeholders' informed opinions and investors' decisions and regulations**.

On the risk analysis side, the reputational element will reinforce the current trend that, in this scenario, **a much wider range of aspects will be used to calculate risks**.

In short, one could conclude that the successful companies of the next decade will develop a **dynamic and interactive way to build trust**. To do that, companies will have to be **transparent, responsible, accountable and coherent**.

* The aspects covered here were also present in the previous analysis.

> "When you are talking about impact indicators in social programs, the impact is measured through every project, so it's very difficult to manage global indicators that could enable comparison between one company and another. I think we have a very huge demand from people, investors and also societies that want more information and transparency." • *Elena Valderrábano Vázquez, Telefónica*

> "I'm pretty sure that in 10 years not only the socially responsible investors but also the mainstream investors will understand that looking at just financial performance is not enough to make a good investment decision. They need to consider non-financial impacts as well, and that will lead to better investment decisions." • *Daniel Schmid, SAP*

3.2.3 ON THE COMPANY'S CONTRIBUTION TO A SUSTAINABLE MODEL

Successful companies in the next decade will be those that **tackle society's real issues**, such as wealth distribution, and consider business models that evolve our current understanding of development and capitalism. They will do so through a **collaborative approach with other players**, be they companies, civil society organizations, clients, suppliers, governments or others.

They will **prepare board members, executives and leaders** to engage in a broader approach to value creation, aligned with a sustainable future agenda. They will **focus on efficiency and innovation to create social value** and will develop **new business models** considering shared value creation.

* These aspects were present in the first analysis, but became much clearer and more detailed in this second analysis.

> "In the future, reporting and disclosure will be about saying, 'Well, I tried this and it didn't work, but when I joined with these other companies in the sector we managed to do a lot more,' or, 'I'm stuck on this, who can help?' You're actually reporting and disclosing in order to get help and to collaborate and build alliances in order to achieve a lot more, even faster." • *Sara Parkin, Forum for the Future*

3.2.4 ON THE COMPANY'S GOVERNANCE AND MANAGEMENT

The ability of executives and board members to understand and deal with correlations between financial and sustainability (extra-financial) data will be at the center of companies' agendas in the next decade. Companies will have to educate **board members and executives** on the correlation between financial and sustainability impacts, in order to cope with the new scenario. Consequently, companies should get ready to implement an **integrated management system**, as this will help them understand and deal with these correlations.

Additionally, one of the most important ingredients for success in this challenging decade will be the quality of people helping companies to tackle contextual challenges as well as contributing to building trust and improving reputation. Companies will probably have to make an extra effort **to attract talent and invest in human capital**, as these will be desperately needed for business to be trustworthy and innovative.

It is also interesting to note that many interviewees believe the world of work will change dramatically. Not only because new skills will be needed but there will be less work to be done as we know by people, following the expanded use of robots. This will require **a new work distribution model and re-training of the workforce**. Companies (and society) should start preparing for this change.

Finally, as the main sustainability impacts of most companies occur in their supply chains, it will be unavoidable to tackle critical issues there in this transparent era. It is critical that **companies know their supply chain well and align commitments with purchasing policies (traceability and responsibility)**.

As society will be facing many challenges and pressures, companies will have **to cope with stronger regulations**. In particular, the transparency decade will require companies to implement **robust anti-corruption policies**.

* The aspects covered here were also present in the first analysis, but there is now more emphasis on talent management and executive education.

> "What are the inputs into the business model of the company and how does the company make its money? What are the risk management issues? What is the strategy? What is the governance structure? You need a discussion at board level – at every board meeting – about impacts and outcomes so that you get this right across the business. That brings the financial and the non-financial together, giving a picture of the true state of play inside a company." • *Prof. Mervyn King, IIRC*

> "People increasingly understand that to make a true difference to sustainability, you have to look to your supply chain. The deeper you look into the supply chain – on a component or ingredient level – the deeper you get into the problems and challenges that the global economy is facing. We're now living with a shortage of food and consumer products." • *Marjan de Bock-Smit, SIM*

3.2.5 ADDITIONAL POINTS EMPHASIZED BY THE GROUP OF CIVIL SOCIETY LEADERS AND EXPERTS

Leading companies will probably have to **develop and implement a vision of sustainable business**. For instance, they will have to deal with the **issue of over consumption**, as this is the biggest and most fundamental issue of the current development model.

Considering the weaknesses of other institutions, companies will probably have **to lead the sustainability agenda**, define ambitious goals, develop new technology and redefine the cost/risk equation. This will position them for **a much wider value proposition than financial results**.

In support of their role, companies will probably design more **dynamic governance structures**, integrating more stakeholder representatives in the governance structure and building relationships in an open and collaborative way.

One identified area of tension in terms of coherent behavior is the way companies lobby today. To survive and strive in the next decade, companies will have to address this issue and **stop doing destructive and irresponsible lobbying**.

They should instead get ready to **lobby for policies and taxes that help tackle sustainability issues**.

"Business is stepping up to the mark. They're recognizing that they have to engage politicians in a very different way. Some of the more awake CEOs and other business leaders are realizing that if they're going to go beyond the CSR and shared value propositions to truly sustainable outcomes, then the policy framework has to be very different." • *John Elkington, Volans*

3.3 THE ROLE REPORTING AND DISCLOSURE WILL PLAY IN THE TRANSFORMATION TOWARDS A SUSTAINABLE ECONOMY MODEL

The following sub-sections present a summary of the analysis considering all interviews, on the content and format of reporting and communications.

Again, during the analysis of the interviews it became clear that the interviewees emphasized similar topics, but the group of civil society leaders and experts proposed some new aspects to be considered. Their main additional comments are outlined at the end of each sub-section.

Summarizing the insights from the interviews, and considering that they do not represent all stakeholder groups, these are the interviewees' perspectives on the main features of useful corporate reporting and communications.

3.3.1 ON THE CONTENT OF REPORTS AND COMMUNICATIONS

The following previously identified points were confirmed (extracted from previous paper):

- **Demonstrate proactive commitment towards sustainable economic development;** reporting and disclosing should no longer be considered only as an instrument designed to hold companies accountable.
- **Reports will focus on the ability of companies to create value for business and society.**
- **Transparency in the supply chain** is key to demonstrating consistency and a commitment to sustainable development in general.
- Companies will have to get used to two different co-existing reporting and disclosure environments: one will be **heavily regulated** and the other will be a space for the company to deal with **society's expectations of transparency** and easy access to robust, trustworthy data.
- **"Totally integrated"** is an expression used by some interviewees when describing the report of the future. This expression describes integration of financial and non-financial value creation and destruction, and the integration of a company's reporting with that of their suppliers and even peers that are committed to the same regional development goals. It also refers to digital integration with other systems.

The group of civil society leaders and experts emphasized the following specific recommendations for companies to cope with the new context:
- Reports should explain clearly **how business strategy and plans help tackle society's urgent issues** and build a prosperous future
- Companies will be expected to present **how they calculate business value creation**
- **It will be useful to see reports using the six capitals concept:** financial, manufacturing, human, social and relationship, intellectual and natural capital[8]

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8) *The capitals are stocks of value that are affected or transformed by the activities and outputs of an organization. The IIRC Framework, for example, present them as financial, manufactured, intellectual, human, social and relationship, and natural.*

"If perception and performance ends up being aligned then you have to move your performance. It's that value creation that your company needs to commit to. That value creation has to have value to your stakeholders, to the communities that you operate in. If there's an acceptance of your business model moving forward that your performance really is good, then and only then can you really capitalize." • *Jeanne Ng, CLP*

"It is important that the shared responsibility that the company has and the efforts that the company puts into their own supply chain to make it as clean, as efficient, as responsible as possible, that this is communicated via a set of hard-fact indicator related communications and soft-facts which you have to, in a descriptive or in a different way, communicate to the outside world." • *Aldo Cristiano, Ferrero*

"Ultimately, I think there will probably be one integrated report. But frankly, the demand for the information means it will have to be disaggregated and made available widely on the web, so people can find it directly via a search engine. I think that's essentially how investors and consumers and workers are going to need the information, and therefore how companies are going to need to respond." • *Robert McGarrah, AFL-CIO's Office of Investment*

3.3.2 ON THE FORMAT OF REPORTS AND COMMUNICATIONS

The following previously identified trends were confirmed (from the first analysis paper):

- **Reporting (or disclosing) will be digital** and almost real-time. In its role as a tool to interact with stakeholders and support decision-makers, the report of the future will not be an annual document that is released and checked once a year, but dynamic, accessible data.
- **Companies will have even less control** over information about their performance than they do today. Performance information will be gathered and analyzed using powerful search engines and analysis software, which will help companies and stakeholders find correlations and check their consistency.
- GRI's XBRL taxonomy is only the start of a future data tagging solution to improve data access. **The next generation of search engines will probably be able to find and organize information whether it is tagged or not.**

These points became more actionable through the specific insights of the civil society leaders and experts:

- **Make it short,** as there is a strong perception that companies' reports and communications are focused on publishing a large number of well-known indicators or experimenting with new metrics, rather than on presenting the clear results of their efforts in tackling real issues.
- **Be prepared for online, real-time reporting and a variety of dynamic communication channels.** This is the transparency era.
- A large number of metrics has been created in recent decades; consequently, companies and other players **should focus on working with partners to build on what already exists** to create solutions to improve the planning and decision-making processes, aiming to better support concrete and sustainable solutions.

"With the digital age I think we'll probably be moving into a whole set of different kinds of communication formats. In the end, it's about inspiring change in the minds of people, and driving change in the ecosystems in and around a company. I think what we'll start to see is more real-time reporting, with different data sets being used for specific audiences. A company has to start to feel the freedom to publish what makes the most sense for particular audiences." • *Marjella Alma, eRevalue*

"Communication is broader than reporting, it's an integrated process that will be completely connected: the way you advertise your product and the way you communicate the impact of your corporation will be completely matched. I see a new communication process being established, very open and transparent, and with the internet, it may be something that the companies will not control – perhaps the population will control that through an app." • *Roberto Waack, AMATA*

3.4 FROM THE SELECTED REFERENCES

Throughout the project, the team collected additional references about the major general trends and specific topics mentioned in the interviews or suggested by the team and other experts (see the further reading section on page 65 for the complete list).

In order to check whether and to what extent the results of our investigation were aligned with the results of other investigations, we analyzed the content of a selection of papers. Here we present the results of this analysis.

- The trend analysis presented by the World Economic Forum in its publication *Top 10 Trends of 2015* (2015) is well aligned with the results of this investigation. Two main differences were the identification of **growing importance of health sector in the economy**, as well as **cyber security-related issues**.

- The Forum for the Future has published several documents on its investigation into trends for the next decade. Comparing the content presented at the *Trends* webpage (updated in January 2015) and the findings of our investigation, we found three additional key trends resulting from their analysis. They are: **the growth of informal economy; increasing mobility, which will require new solutions; and the re-distribution of manufacturing throughout the planet.**

- The research publication of the Cambridge Institute for Sustainability Leadership, *Rewiring the Economy: Ten tasks, ten years* (2015), adds **key trends specifically for regulators and investors.** According to the Institute, capital regulators and providers should consider how to reflect social and environmental risk factors in the cost of capital, according to the true cost of business activities. In addition, financial structures need to be innovated to better serve sustainable business development.

4. On our investigation starting points

Some initial hypotheses for the future of sustainability reporting were set out during the design phase of the project. There were four hypotheses that we wanted to investigate further.

The analysis of the produced interviews confirmed some of the trend-based hypotheses, but also brought light to aspects that were not clear at the beginning. A short summary of the hypotheses and the main conclusions are presented in this section.

4.1 ON THE CONTENT OF REPORTS

The initial hypotheses, which are described and analyzed below, stated that meaningful reporting would focus some of the following aspects:
1. The transition to a sustainable model;
2. The contribution to achieving the Sustainable Development Goals;
3. On investors' interests;
4. On the 'valuation of externalities'.

4.1.1 REPORTING ON THE TRANSITION TO A SELECTED SUSTAINABLE MODEL

Would defining goals aligned with a specific sustainable model help companies accelerate change towards a sustainable economy?

The hypothesis:
Over the last decade, various proposals have been put forward to deal with the dilemma of 'limits versus progress/development/growth' (called 'sustainable economy models'), such as The Green Economy, The Circular Economy, Progress without Growth and Natural Capitalism.[9]

Depending on its model of choice, a company will have a particular focus for improving its performance and impacts. The company will work towards this model to develop the economy and create value for society as a whole, while reducing resource consumption, the resultant waste and ecosystem contamination.

Considering this trend, sustainability disclosure and reporting in the future should express the extent to which companies are shifting their performance towards their chosen sustainable model. The main goal of measuring business performance would then be to show how quickly companies are making the transition to their chosen model.

The conclusion:
The interviews clearly mention the need for

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9) UNDESA (2012). *A guidebook to the green economy*. Issue 1: green economy, green growth, and low-carbon development – history, definitions and a guide to recent publications. New York: United Nations Division for Sustainable Development.
Ellen Macarthur Foundation (2012). *Circular Economy*. Cowes, Isle of Wight: Ellen Macarthur Foundation.
Jackson T (2009). *Prosperity without growth? The transition to a sustainable economy*. London: Sustainable Development Commission.
Paul Hawken, Amory Lovins, and L. Hunter Lovins (2013). *Natural Capitalism: Creating the Next Industrial Revolution*. Rocky Mountain Institute.

companies and society to adopt new development models and implement the principles of the circular economy, green economy, collaborative economy and shared value. But our conclusion is that the choice of model was less emphasized than the choice of real issues to be tackled and reported on.

4.1.2 REPORTING ON THE CONTRIBUTION TO ACHIEVING THE SUSTAINABLE DEVELOPMENT GOALS

Would committing to goals to tackle society's urgent and well known challenges – in partnership with government – help companies accelerate change towards a sustainable economy?

The hypothesis:

The United Nations, in collaboration with leaders from different sectors, has defined common goals for governments and companies called the Sustainable Development Goals (SDGs), to support the transition to a sustainable economy. The UN believes that companies, driven by concrete contextual challenges, will have to commit to goals that are important to society in general.

Consequently, meaningful sustainability disclosures and reporting should help governments and organizations to measure and report on their commitment to the SDGs. Companies' reports would then explain how they are working in the public interest, improving performance to achieve the SDGs.

The conclusion:

The SDGs were mentioned by some of the interviewees as an international reference that should guide companies and governments to build collaborations. In most of the interviews the importance of the SDGs was mentioned as relevant when connected to defining real issues to be tackled through collaboration.

4.1.3 REPORTING WITH A FOCUS ON INVESTORS' INTERESTS

If one considers that power is in the hands of financial capital providers, who want business to transform quickly for a new development model, what information would help them make sustainable decisions, and in what format would they need it?

The hypothesis:

Some organizations and thought leaders consider financial capital providers to be the main decision-makers in the transition to a sustainable economy. Their continued engagement could be achieved by producing information with relevant content that supports their decision-making processes.

Organizations such as the CDP, the International Integrated Reporting Council (IIRC) and, more recently, the Sustainability Accounting Standards Board (SASB) have been created to develop indicators or reporting guidance that could help companies inform investors about very specific aspects of their performance and risks, or the links between their strategy and sustainability. The content varies from focusing on a specific indicator or set of KPIs to giving general strategic descriptions on the business model.

For these players who consider investors to be the most critical players capable of accelerating the transition towards a sustainable economy, meaningful reports will focus on investors' needs.

The conclusion:

Investors were mentioned as critical stakeholders by a significant number of interviewees. The metrics mentioned to support the dialogue between companies and investors were externalities calculations and monetization. If this group becomes as critical as some interviewees believe, a new generation of disclosures around externalities will be needed.

4.1.4 REPORTING ON 'VALUATION OF EXTERNALITIES'

Would calculating and taking into account the financial value of all necessary environmental and social resources and systems needed to produce a service or a product help to accelerate the transition to a sustainable economy?

The hypothesis:

Some organizations are looking for more a well known language in which to express companies' impacts to promote change. As financial language has been used in recent decades to measure financial value creation, these players believe that financial language should also be used to quantify value creation – and destruction – including for social and natural capital involved in companies' operations, products and services.

In this context, 'externalities' encompasses the broad range of external business factors and impacts that are normally not monetized in value calculations. Taking such externalities into account would enable companies and their stakeholders to evaluate business externalities and make them part of regular business accounting.[10]

Since this movement was initiated by the World Bank and The Economics of Eco-systems and Biodiversity (TEEB)[11] in 2008, it has attracted many other organizations such as the Natural Capital Coalition[12] and its partners.

Following this trend, the most effective way to accelerate the transition to a sustainable economy would be to evaluate and monitor business impacts in a much more profound and correlated way, in a language that is well known by investors.

The conclusion:

A significant number of interviewees believe that if externalities metrics are well developed, the discrepancy between price and real costs will be resolved. This will help protect ecosystems, which are hugely valuable and currently neglected, and build social capital, which is not taken into account properly either.

4.2 ON THE FORMAT OF DISCLOSURES AND REPORTS

How will corporate reports be transformed by the digital era? Will the content remain the same? How will the format of reports be in 10 years from now?

The hypothesis:

A sustainability report is a document with roots that are profoundly connected to printed annual

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10) The most widely discussed example of reporting using this concept is the PUMA environmental Profit & Loss (P&L) account.
11) For more information see the TEEB website.
12) For more information see the Natural Capital Coalition website.

publications. Such publications rely on data gathering systems to collect the information to be published, which may be checked by auditors before being distributed by a company to its stakeholders.

Organizations have adapted their reports to the digital age; they are now usually offered in pdf and html format, making it easier for readers to navigate through the content. But the essence of and procedures around reports are still strongly connected to their roots in printing.

How will such a publication be transformed – or even survive – in the digital era, in which stakeholders expect to access real-time data online, to check its validity and consistency?

One thing is clear: the future will be increasingly dominated by digital data,[13] which can be tagged to provide easy access and enable analysis. For companies, this will probably mean continuous disclosure of data that will be updated frequently, making it available for public consumption. This format will bring a challenge: one of being coherent and trustworthy at all times.

The conclusion:
The format and content of what a 'report' will be in the next decade and how this concept will be changed by real time interactions is yet to be discovered. But all interviewees confirmed the influence the digital era will have on the future shape of reporting and disclosure.

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13) By digital data the authors mean information that is only available digitally and can be accessed via search engines.

Annex I – Interviewees' profiles

BUSINESS EXECUTIVES

Paul Boykas: After 25 years at PepsiCo USA, he is now Vice President for Global Public Policy. Boykas also serves on the steering committee of the U.S. network of the UN Global Compact.

Luca Crisciotti: Chief Executive Officer of DNV GL - Business Assurance, Crisciotti has been with the company since 2001.

Aldo Cristiano: Director of Cocoa Procurement, Ferrero, Cristiano is an expert in the food and beverage supply chain and has dedicated most of his career to tackling sustainability related issues in the supply chain.

Dr. Ashutosh Karnatak: Director of Projects at GAIL Gas Limited, the largest gas transmission and marketing company in India. Dr. Karnatak has been Chairman of Mahanagar Gas, Ltd. since May 2015.

Marina Migliorato: Head of Sustainability Innovation and Stakeholder Engagement at Enel, a multinational energy company serving 61 million end users in Europe and Latin America, in the newly formed Innovation and Sustainability department.

Jeanne Ng: Director of Group Sustainability at CLP Holdings. She is responsible for bringing new skills into the company and embedding sustainability as 'business as usual'.

Ben Pratt: Vice President, Corporate Public Affairs at The Mosaic Company, the world's leading producer of concentrated phosphate and potash crop nutrients.

Daniel Schmid: Chief Sustainability Officer of SAP. His objective is to transform SAP into a role model of a sustainable company.

Elena Valderrábano Vázquez: Global Director for Corporate Ethics and Sustainability at Telefónica, the biggest Spanish multinational and one of the largest private telecommunications companies in the world.

Roberto Waack: Biologist, businessman and global expert in sustainable forestry, Waack is Chairman of the Board of AMATA Brazil, a company dedicated to timber production from Forest Stewardship Council (FSC) certified logging and plantations.

CIVIL SOCIETY LEADERS AND EXPERTS

Marjella Alma: An expert in developing tools to analyze public companies' data, Alma is co-Founder and CEO of eRevalue, a technology company that looks at the corporate reporting, regulatory and stakeholder landscapes, extracting useful and meaningful data to inform companies on what issues are really important.

John Elkington: An expert in the business strategy and sustainability field, Elkington is founding Partner and Executive Chairman of Volans, and a Visiting Professor at the Doughty Centre for Corporate Responsibility at Cranfield University, Imperial College London and UCL.

Prof. Mervyn King: An expert in corporate governance and reporting, King is Chairman of the International Integrated Reporting Council and of the Integrated Reporting Committee of South Africa, and was previously Chairman of the GRI Board of Directors.

Marjan de Bock-Smit: An expert in mapping and analyzing supply chain risks, de Bock-Smit is founder and CEO of Supply Chain Information Management (SIM), a company that helps organizations verify where and how their products are produced. SIM provides its clients with an innovative proprietary tool for managing their supply chain.

Dr. Simon Longstaff: An expert and thought leader in ethics, Longstaff is Vice-Chairman of GRI's Board of Directors and Executive Director of the St James Ethics Centre, Australia. He is also co-organizer of the Festival of Dangerous Ideas – an annual event featuring debates about controversial ideas.

Robert McGarrah: An expert on US labor conditions and rights, McGarrah is a lawyer at the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO)'s Office of Investment in the USA, he is a spokesperson on workers' compensation.

Kumi Naidoo: An expert in ecosystem protection and human rights, Naidoo is International Executive Director of Greenpeace. A social and environmental activist, Naidoo recently led the Global Call for Climate Action, which organized mass demonstrations around climate negotiations.

Dr. Roberto de Ocampo: An expert in development planning, de Ocampo is Founding Partner of Centennial Group International and Chairman of Centennial Asia Advisors in the Philippines. He is a leader in his region, heading the Development Bank of the Philippines.

Sara Parkin: An expert in sustainability and business education, Parkin is Founder Director and Trustee at Forum for the Future – an organization that helps companies find ways to create a sustainable future, including by changing the food and energy systems.

Paul Simpson: An expert in climate change and emissions, Simpson is Chief Executive Officer of CDP. He sits on the advisory panel of Guardian Sustainable Business and the Global Stranded Assets Advisory Council for the Smith School of Enterprise and the Environment at Oxford University.

Katherine Smith: An expert in sustainability and business education, Smith is Executive Director of the Center for Corporate Citizenship at Boston College, which helps companies know more, do more and achieve more with their environmental, social and governance investments.

Pavan Sukhdev: An expert and thought leader in measuring and valuing impacts on natural and human capital, Sukhdev is Economist and Founder and CEO of GIST Advisory. He is the author of the book and campaign Corporation 2020, and was the head of both TEEB and UNEP's 'Green Economy Initiative'.

Annex II – Summary of preliminary findings presented in the first paper

The identified trends outlined in the executive summary of the first analysis paper, *Sustainability and Reporting Trends in 2025*, were:

- Shortage of raw materials
- Definition of policies and action plans to tackle climate change
- Reduction of waste and ecosystem contamination
- Reduction of wealth inequality
- Management of social conflict and migration
- Protection of human rights
- Definition of regional sustainable development plans
- Re-education of workers for new sectors
- Growth of ethical and reputational crises
- Reinforcement of anti-corruption policies

This is taking place in the midst of the digital era, in which the public expects real-time access to information.

Furthermore, from the analysis of the first interviews, considering these identified contextual trends, it was also possible to conclude that:

- **Companies will be held accountable, as never before,** since society's major problems are far from being solved, and companies are seen as powerful institutions that have a decisive role to play in finding solutions.
- **Business decision-makers will take sustainability issues into account more profoundly** when making decisions related to growth, return on capital, reputation and risk management. Corporate decision-makers will consider the company's proactive contribution to tackling sustainability issues. An important part of a company's contribution to sustainable development implementation will be demonstrated, for example, through the integration of business strategy with supply chain, regional players, sector peers and through public-private partnerships. This will also be achieved by reinforcing good governance models and improving transparency.
- **Ethical values, reputation and risk management will guide decision-makers when dealing with issues that are not yet regulated,** such as cutting-edge innovations and conflict management.

- **'Reports' will result both from regulated and voluntary processes.** Sustainability reports and disclosures – in different formats – will reflect important issues and support decision makers, as well as helping stakeholders to monitor companies' contributions to sustainable development and the consistency between their ethical values and actions.

- **Technology will enable companies and stakeholders to access, collate, check, analyze and correlate data.** Consequently, decision-makers will take into consideration the potentially constant scrutiny of the consistency between their ethical values and actions. This will also empower stakeholders, who will most likely play a new role in corporate governance and strategy definition.

- **Technology will enable companies to operate in a highly integrated way,** for example, disclosing performance information in context alongside that of their supply chain and regional partners.

- **New indicators will emerge,** revealing the correlations between impacts, displaying internal and external business integration, providing valuation of impacts (externalities), and determining the level of trust stakeholders have in a company. Decision-makers will be better informed about the specific impacts of business activities when making decisions to build a sustainable economy.

- **Sustainability data will be digital.** The digital format will prevail for presenting financial and non-financial performance information. Reports and disclosures will be released more frequently than today's annual communications. The reliability of the data will be essential for building trust with stakeholders.

Annex III – Common language and distinct perspectives on the future of reporting

The research and analysis presented in this Annex has been prepared by The Boston College Center for Corporate Citizenship (BCCCC) for the "Sustainability and Reporting 2025" project.

The BCCCC analyzed the interview transcripts produced by GRI for the Sustainability and Reporting 2025 project, in combination with interviews that the BCCCC conducted with 17 US-based business executives, developing an analysis and comparison of all 39 interviews.

For this analysis the BCCCC used language syntax software KH Coder to identify dominant themes and their relationships to each other. Themes were examined within and across interview groups. Topline results are presented in this Annex.

As we move towards reporting in 2025, this analysis highlights the need to take into account that different groups of reporters are approaching this journey with different perspectives, contexts and perceptions of what their imperatives are. There are several diagrams and tables included in this Annex that highlight where perspectives may overlap or diverge. Being mindful of these concerns is critically important if we are to influence greater participation in reporting.

THE METHODOLOGY
Using KH Coder, the transcripts of the interviews were analyzed to identify distinct and overlapping themes in the discourse of those interviewed. The transcripts were cleaned to remove the comments and questions of the interlocutor and the following terms were consolidated to the corresponding tags presented in Figure 1.

Fig. 1

TAGS USED IN THE ANALYSIS

Tag	Words replaced
_communication	Communicating, communications, communicate, communicated, story, storytelling
_customer	Customer, customers, Consumer, consumers
_digitalization	Digital, digital media, social media, internet, online, web
_efficiency	Efficiency, efficient
_environment	Environment, environments, environmental, environmentalist(s)
_financial	Financial, financials
_global	Global, globally, globalize, globalized, globalization
_governance	Governance, govern
_information	Information, Data, database, datum
Long_term	Long-term, long term, longer term
_performance	Performance, perform
_purpose	Purpose, purposes
_measurement	Measure, measures, measured, measurement, metrics, metric
_regulation	Regulation, regulations, regulate, law, legislation, legislate, statute, statutory
_reporting	Report, reports, reporting, reported, sustainability report(ing), sustainability information, disclose, disclosure, disclosed
_risk	Risk, risks
_social	Social, societal
_stakeholder	Stakeholder, stakeholders
_strategy	Strategy, Business strategy
_sustainability	Sustainability, sustainable, sustainability, sustain
climate_change	Climate change, climate reductions, global warming
Natural_resources	Natural resources, Natural capital, resources
supply_chain	Supply chain, supply chains, supplier, suppliers

The three cohorts of interviewees were grouped[14] as presented in figure 2.

Fig. 2

THREE COHORTS OF INTERVIEWS

European, South American and Asian executives	NGO leaders	US-based executives
• Roberto Waack, AMATA • Dr. Roberto de Ocampo, Centennial Group International • Marina Migliorato, Enel • Daniel Schmid, SAP • Jeanne Ng, CLP • Luca Crisciotti, DNV GL - Business Assurance • Aldo Cristiano, Ferrero • Ashutosh Karnatak, GAIL Gas Limited • Ben Pratt, Mosaic Company • Elena Valderrábano Vázquez, Telefónica	• Dr. Simon Longstaff, St James Ethics Centre • Paul Simpson, CDP • Robert McGarrah, AFL-CIO's Office of Investment • John Elkington, Volans • Sara Parkin, Forum for the Future • Mervyn King, IIRC • Kumi Naidoo, Greenpeace	• Bruno Sarda, Dell • Paul Boykas, PepsiCo • Trisa Thompson, Dell • Trisha Cunningham, Texas Instruments • Dave Stangis, Campbell's Soup • Tim Mohin, AMD • Chris Lloyd, Verizon Communications • Christine Hoisington, Booz Allen Hamilton • Corinn Price, Insperity • John Edelman, Edelman • John Spinnato, Sanofi • Kate Rubin, United Health Group • Marlene Ibsen, Travelers Insurance • Suzanne Fallender, Intel • Josh Chaitin, Edelman • Thomas Tropp, Arthur J. Gallagher • Julia Wilson, Nielsen

We examined co-occurrence networks of words used most frequently and nearest each other to identify the predominant themes of the interviews using Jaccard coefficient[15] at >=.14 to measure the frequency of word use and the proximity of words to each other within paragraphs. Co-occurrence network analysis helps us to see where different stakeholder groups had similar or divergent levels of concern on a variety of issues. The first analysis looked at all of the groups together.

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14) Three experts that have discussed mainly on one specific topic were removed for the analysis as the cohorts were not large enough to balance their biased perspective. The interview content from Katherine Smith, Executive Director of BCCCC, was also removed as she supervised the work on the analysis.

15) The Jaccard similarity coefficient (originally coined coefficient de communauté by Paul Jaccard), is a statistic used for comparing the similarity and diversity of sample sets. The Jaccard coefficient measures similarity between finite samples (in this case interview texts).

Words in larger bubbles were mentioned most frequently. Words at the center of the triad (in green in the center) were themes that were shared in common among all three stakeholder groups. Words in chartreuse were shared by dyads, and words in gold were unique to the individual interview group.

COMMON LANGUAGE AND DISTINCT PERSPECTIVES

The green cluster are the words most common among the three groups. The green clusters are themes shared by dyads and the orange are particular to individual groups. The bubbles are scaled to indicate greater or lesser word frequency. The more prominent the joining line, the closer the proximity of the words it connects.
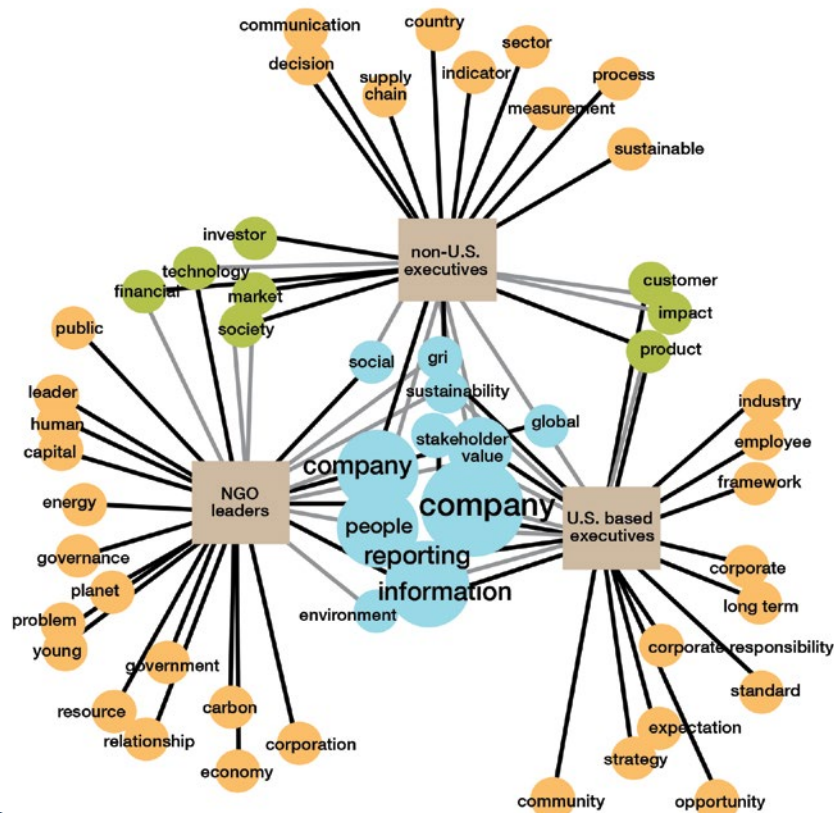
This network illustrates the relationship of the narratives of the three groups together. You can see that for all of those interviewed, the institution of **the company** is central to the protection of the environment to the development of sustainable global business models that create more business and social value and improve the lives of the people in all stakeholder categories. Among all three cohorts, **transparent reporting** is seen as a crucial lever necessary to advance sustainable business and sustainable society. You can see that all three groups emphasize the **company as a key actor in reporting.** US-based executives place greater emphasis on the company than those executives from other countries or NGO leaders, hence the two bubbles of differing sizes in the center.

Fig. 3

ALL INTERVIEWEE GROUPS TOGETHER

This network represents themes described by US executives. You can see that the company and its employees and customers are of particular concern and that reporting is typically related most strongly to corporate responsibility. The company is the most prominent entity mentioned but is at the periphery of the other themes. This emphasis and position (connection to customers and employees and multiple threads of the network that relate to performance assessment and measurement) suggests that those interviewed may not see the companies as initiating change in the ecosystems of our environment and economy, but as responding to expectations or influences. While environmental concerns are represented, concerns for reputation, trust and expectations from multiple stakeholder groups and industry standards emerge prominently as well. There is a more intense focus on dimensions of business and customers, and reporting emerges in a separate cluster as a distinct activity rather than as a part the primary cluster about the company.

Fig. 4

US-BASED EXECUTIVES

For executives outside the US, the company is also the most prominent reference point, and one that is central in the conversation, presented as part of an integrated whole of a sustainable society and economy. Stakeholders are defined more broadly by these executives; society and people at large are prominent as influences, followed by investors, managers and suppliers. Employees or customers are not as prominent in these interviews. The links to the environment are more explicit. Stakeholders are influential in this network, linked to communication and connected to perceptions about performance. The concept of digital information is present in several clusters and is presented as a tool to enable better sustainability performance measurement. Financial reporting and sustainability reporting are more closely linked, reflecting more openness perhaps to the integration of these reports.

Fig. 5

EXECUTIVES BASED OUTSIDE US
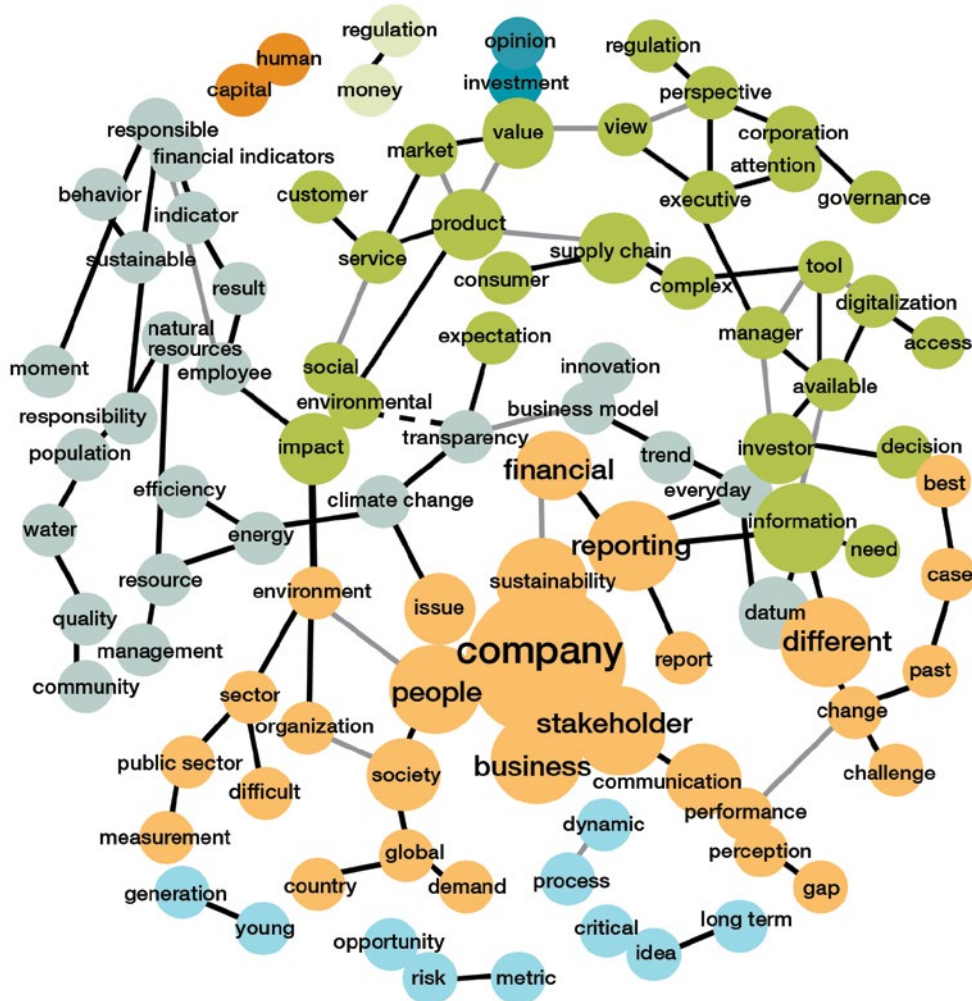
Not surprisingly, the NGO leaders are focused on the company as central to the change required to achieve a sustainable society. Their interview texts emphasize the power and impact of the company and the corresponding responsibility of the company, and also emphasize the importance of transparency and accountability to stakeholders outside of the company. The language network for these interviews is less complicated than for business executives. For NGO leaders, there is a single imperative. Unfettered by the need to satisfy shareholders or maintain competitive market performance, they keep focus on addressing climate change and other issues related to natural and human capital.

This group of leaders made more explicit statements about the need for companies to address climate change, alternative energy production and social and political inequality. The theme of future generations emerged prominently in interviews with NGO leaders, as did the concept of natural capital markets.

Fig. 6

NGO LEADERS
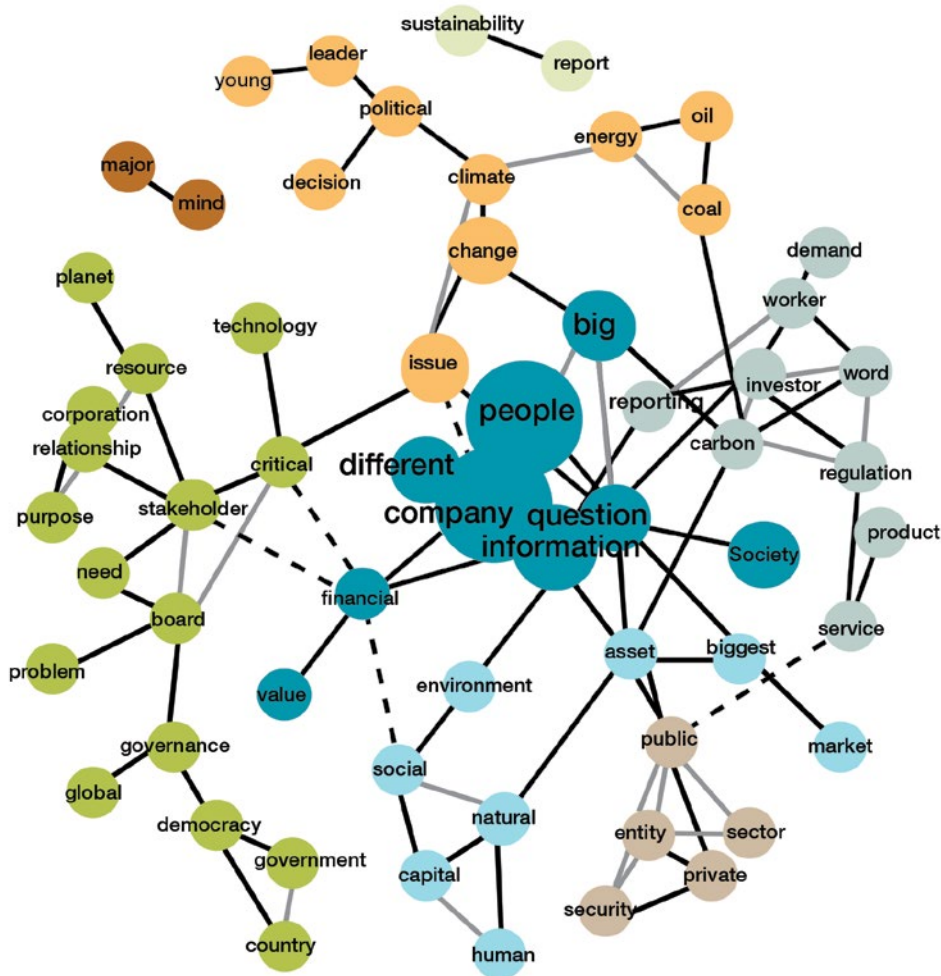
PERSPECTIVES ON KEY THEMES

We then took the three most prominent words and conducted concordance analysis to look at those themes in context.

Using the network analysis to identify the most often used words in the interviewees' responses, we used KH Coder to run concordance analysis on selected terms, which enabled us to quickly scan the context in which the word is used. These tables present a concordance analysis of the words "reporting," "company" and "people." The concordance tables offer a quick view of the use of these words in the context of the verbatim transcripts of the 39 interviews. The center column contains the word being examined and the columns to the left and right provide the context for the word's use. A maximum of 12 words in either direction are included. The tables represent all uses of the word except for any used in reference to a particular person or company or non-sequiturs. All other occurrences are included.

Fig. 7

ANALYSIS OF "REPORTING"

Context	Word	Context
The name of the game is communication, it's broader than	reporting	it's an integrated process that will be completely connected
I don't see something like any specific instrument of	reporting	I see a general communication process
the role of	reporting	is to be completely different, much more dynamic
this process of	reporting	it's much more, a process of being linked
are successful by socially	reporting	I don't think companies can operate in a vacuum
no doubt	reporting	is critical
the idea of	reporting	on these things makes people develop measurements
so the measurement is critical, and because you're	reporting	you need the measurement
will be in the future more a part of the financial	reporting	
this kind of balanced view of the world. Truly integrated	reporting	

Context	Word	Context
I think it comes out to be it is not financial	reporting	
but the systems in place will be like financial	reporting	to the extent that we report on the quarter
how many companies are	reporting	now and they're not all on a common platform
activities were not even being captured in the regular financial	reporting	system
There must be a balance as it was certainly shown that financial	reporting	alone was not enough
a demand for	reporting	of social and labor practices
Some dimensions are more prone to quantitative	reporting	than others
not so much in regulation method but standardized	reporting	on generally acceptable content
the initiative of private companies to go in to sustainability	reporting	is much more pronounced and more dynamic than the public sector
the second type of	reporting	that has to do with the consciousness of a company's sustainability
there will be a part of a company's	reporting	that has to do with the financial reports and marketing reports
the rest of society will now be the heart of the	reporting	system that will allow this to be much more transparently reported
that means that	reporting	is going to continue to be a major and growing factor
factor in the	reporting	systems of corporations and more and more public entities and regulators
more demand for a standardized and more understandable means of	reporting	
some countries are more sophisticated than others but even then	reporting	seems to have caught on regardless of the level of sophistication
this is a kind of	reporting	that is now being sought after even by regulators
maybe we are to cooperate again between the sustainability department for	reporting	and the financial, the CFOs

Context	Word	Context
when you started as company, you started in	reporting	because reporting provides you not just a tool for reporting
reporting because reporting provides you not just a tool for	reporting	but requires that you manage the information
it's normal that you start with	reporting	after that you communicate
we were aware that this is not enough just	reporting	
be so transparent that you never need any types of	reporting	and control. It's just a dream maybe
we will have a new type of report. Integrated	reporting	is working on it
What we did with GRI regarding sustainability demonstrated that we need better	reporting	in general. That's why CFOs must be more involved
Not only by sector, we have to do measurement and	reporting	altogether. We have also to have a framework from the government
it's not anymore a trend. It will be seen everywhere that	reporting	will be done online
	reporting	will be done in a timely manner
in 2025, you will see	reporting	in a timely manner
there are standards and	reporting	that's become almost pretty much ingrained
we have to continue improving our	reporting	and communication because stakeholder expectations are changing
	reporting	has a very important role
already today there are	reporting	instruments to highlight key indicators
we've done a pretty good job of	reporting	on sustainability. I think it will just expand
15 years, the progress that GRI has made in standardizing	reporting	is going to evolve
shared value for us with GRI in adhering to the GRI	reporting	standard
today, companies, in the best cases, are	reporting	what they are doing through just some reports
they are	reporting	facts and figures

Context	Word	Context
to stay on the market, they have to be	reporting	much more information but in a different way
What we have don't allow you to answer real time. You're	reporting	information on regular basis, once per year
we should be more transparent in the way in which we are	reporting	information about what we produce
we have to be prepared as managers to be	reporting	this kind of information. This is a cultural change
this is a cultural change, from the	reporting	to the disclosing
	reporting	is something static and looking at the past
	reporting	is more a dynamic concept linked to the real information
I think	reporting	is evolving
Managers are realizing the value in actual measurement and	reporting	on these things, not just the value for those outside
some	reporting	is going to become mandatory. Most of it has been voluntary
I expect the mandatory components of	reporting	to be the base layer
The base layer of	reporting	things like energy consumption carbon emissions, maybe water withdrawals
voluntary	reporting	against how organizations are collaborating
still a lot of interest and room for voluntary	reporting	I'm starting to see consolidation between the different frameworks
the latest GRI	reporting	standard was a good example of how they aligned
	reporting	is going to continue to become more mainstream
people don't read the content in the	reporting	so why not get to what's most important quickly
mandatory parts will move into the 10-K and the SEC	reporting	
the standards out there now for	reporting	will almost compete with each other
the future of	reporting	is going to be trending along the lines that it currently is

Context	Word	Context
many companies will file both types of	reporting	as well as an annual reporting
Most are using the GRI. Some 7,100 are	reporting	With GRI already in the marketplace
	reporting	is very important and it has to deal with all aspects
in 24/7 era of media and news you have to allow your stakeholder to see	reporting	where they want to look at it
there's so much information out there that your	reporting	has to be able to clearly define stories and connect emotionally
there have been a lot of efforts to try to harmonize	reporting	
is going to be a real sector approach in terms of	reporting	
mandatory	reporting	may happen in the future
the only country today that mandates	reporting	is South Africa
get together to assess the possibility of formally integrating	reporting	both financial and nonfinancial information
anybody operating global has to think of doing annual	reporting	because the expectations of the stakeholders
much better to be a leader out there doing the	reporting	on economic, social and governance, and environment impacts
every year as part of our global	reporting	we do a global employee survey
we have to start with the premise that yes, your	reporting	is critical. It's driving changes and improving companies
	reporting	is here to stay
I think inevitably we'll be seeing a trend toward mandatory	reporting	I think that's the case in Europe
countries have enacted regulations with required social	reporting	
in short order. There's need in this	reporting	world for people to work together and collaborate
there's been a huge proliferation of indexes, all requiring	reporting	and all using slightly different standards – all of which cause confusion
whether or not	reporting	is going to become mandatory is an interesting question

Context	Word	Context
In the larger corporate community, there is an expectation that	reporting	will occur, whether or not a government is requiring it
	reporting	will only become more and more important to companies going forward
it's an imperative for companies to be	reporting	on what they're doing
what's most important about	reporting	going forward is ensuring it is tailored to your industry
industry collaboratives in the	reporting	world are really important
make sure that these	reporting	frameworks actually reflect the footprint that your company has
I hope to see a trend toward simplifying the	reporting	world in the future
	reporting	has definitely been picking up steam over the last few years.
there is a hodgepodge of different ways of	reporting	An alphabet soup, lots and lots of new players hopping into that
	reporting	is going to continue to evolve in the coming years
We've seen dramatic change in the number of companies that are	reporting	
we're still trying to make the business case for	reporting	
for companies that are more advanced in	reporting	you're going to see more targeted and segmented for different audiences
get down to fewer indicators more aligned and integrated into financial	reporting	
think in general we are going to need more context around	reporting	around issues
when you create these massive documents for	reporting	very few people read that – it's not very accessible
is there a way to get more value out of	reporting	?
in my view,	reporting	is about performance
reporting is about performance. You don't just	reporting	because you want to reporting; you reporting because you

Context	Word	Context
you want to be	reporting	because you're actually working on something to make it better
We have a code of conduct. so it's not about	reporting	it's about performance
rather than just	reporting	the news, we're driving performance throughout the supply chain.
at some point in time this type of	reporting	will become if not mandatory, it will become highly recommended
many good company who are not worried about	reporting	under GRI Framework
In a lot of geographies, there's already mandatory	reporting	so we're continuing to watch that to see how that develops
so you may have a standard, but how one company is	reporting	on that standard can still be very different based upon their business
today there are a lot of frameworks for	reporting	out there and it's kind of too many
it's like any industry:	reporting	is an industry all by itself
I think we've seen a revolution in	reporting	on environment and social factors in the last 10 or 15 years
We will see more information being integrated into annual	reporting	and financial accounts, but also integrated into other places
companies are not being candid	reporting	to the workers on the actual prospects for change
We want GRI to issue rules that require mandatory	reporting	on ESG
there's a big effort under way to get companies	reporting	on stranded assets
demand from investors to have companies	reporting	on ESG standards to meet key performance indicators
consensus that companies are going to need to meet ESG	reporting	standards in the future
We need the information to be public and that's where	reporting	comes in.
If we a GRI type reporting where ESG issues are in the	reporting	That will be then made widely available on the web,

Context	Word	Context
what will be the demands on companies to be	reporting	on particularly ESG questions. How it will affect value
SEC is going to actually require these matters to be in	reporting	to investors? That's an open question at this point,
of political and lobbying spending. We want that to be	reporting	that's something that GRI calls for now
for example on environment I'd like to see specific	reporting	about carbon reductions, what has the company achieved?
I 'd like to see the companies' actual	reporting	on political and lobbying spending and on compliance
The question is, will it be	reporting	or will it be just spread information in different places.
The problem is at the moment most of the	reporting	that is done is taking one slice through one bit of the data
there's a momentum building, and transparency and disclosure and	reporting	are one part of that but it's much, much bigger
You're actually	reporting	and disclosing in order to get help and to collaborate
To say transparent	reporting	does not mean nakedness; it means balanced reporting
Selective information is misinformation. You need this balanced	reporting	
not in this incomprehensible language we've been	reporting	in for years.
part of the response to accountability has been	reporting	
	reporting	has added a very important dimension to trying to promote accountability

Fig. 8

ANALYSIS OF "COMPANIES"

Context	Word	Context
happening in society, and what will be happening with	companies	and try to build on that
will be pieces of information that will be tagged by a	company	which anybody can draw down who has an interest
Whether or not	companies	make that information public is a different question
check whether or not claims made by the	company	or by others about it are valid or not.
stories that we tell about ourselves and about other	companies	are going to want to frame a narrative about who they are
build trust and legitimacy is that every single indicator that a	company	chooses will have to make sense within an underlying ethic
and the degree to which they indicate an alignment between what the	company	says and what it actually does.
reporting and financial accounts, but also integrated into other places:	companies'	communications with their stakeholder on products, in advertising
It will definitely change the way we value	companies	Historically we used to value companies on financial performance
That's how we've been valuing	companies	What is their profit? What is it going to be
	companies	that are going to be the winners in the future will solving the problems of today and the future
	companies	that can do that will be the most valuable.
we got cooling, by shipping ice. All the	companies	that did that went bust when we developed refrigeration.
Will the large oil and gas	companies	today be the energy companies by 2050, 2100? Big question
The real question is which of those	companies	can transform their business models
The single most pressing issue for	companies	and frankly for the planet is climate change.
They have no way to talk to the	companies	

Context	Word	Context
The	companies	are not being candid reporting to the workers
under United States law, it's illegal for	companies	to lie to investors but s not employees
clear to The United States Chamber and to many	companies	that they can't ignore threats from climate change and changing market
carbon assets and there's a big effort under way to get	companies	reporting on stranded assets.
the SEC demand from investors to have	companies	reporting on ESG standards to meet key performance indicators
There is increasing consensus that	companies	are going to need to meet ESG reporting standards
what will be the demands on	companies	to report on particularly ESG questions.
How it will ESG questions affect the value of the	company	? I mean we have learned some hard lessons
costing them in terms of their investor confidence in the	company	and in terms of demands on compensation.
they've shown that the valuation is greater for	companies	that do maintain transparency and do emphasize sustainability in their operations
the market cap is greater for these	companies	over the long term
have a secret campaign finance system in the US where	companies	give unlimited money and effectively buy politicians
centered on the actual products and services that the	company	makes and how it sells them in the market place
words what has the	company	achieved to meet the goal of reduction of carbon
As far as governance I'd like to see the	companies	reporting on political and lobbying spending
need to work with your employees and environment to make the	company	of the future and make it successful.
As an absolute bare minimum, they're going to expect	companies	to have something on paper that tracks performance in multiple areas
The question for	companies	then will be not do we report or do we not,
migrate the economy, migrate industries, migrate our	companies	to greater levels of sustainability.

Context	Word	Context
the purpose of everything we do, whether you're a	company	or another organization, is that it's good for people.
At the moment there is nothing that convinces me that	companies	have actually got that they have a major contribution to make
I think it will be very interesting to see if	companies	are actually finding that their CSR is going to get in the mix
be they trusts, trading trusts, stocktons,	companies	or whatever, these are the biggest user of natural assets
in fact there are thousands of cyber breaches,	companies	and public sector entities being hacking daily
as a listing requirement on the Johannesburg Stock Exchange and South African	companies	were the first that had to do sustainability reports
what he was saying, that	companies	are not part of society. Nothing could be further from the truth
	companies	are very much a part of society, they're not apart
six capitals or six resources which are used by a	company	financial, manufactured, intellectual, human, social
on an ongoing basis, talk to stakeholders, identified by the	company	and relevant to the company's business about what the company wants
sustainability issues relevant to the business of the	company	Let's take water to the beverage manufacturer
financial lens. Whereas value today is seen as how the	company	makes its money and how
look at this mass of information and think how the	company	is operating in an interrelated, interconnected way
understand "What are the value drivers of the	company	Who are the major stakeholders? What are their needs and expectations?
What are the resources being used by the	company	
What are the inputs into the business model of the	company	
How does the	company	make its money, its activities? What is the risk management

Context	Word	Context
There are also outputs such as waste. What's the	company	doing with that?
you get a picture of the true state of play inside a	company	
climate change an irresistible issue both for governments as well as for	companies	
The difficulty in answering the question of how it'll impact on	companies	is that different companies are going to be impacted differently.
Different	companies	have responded to the challenge of climate change and environmental destruction
we don't want to kill these	companies	
but we want these	companies	to transition from being dirty energy companies to being clean energy companies
the writing will be on the wall for some of these	companies	survival in the long term.
The real race that matters moving forward is which	companies	get ahead of the green energy technology race
Let's be blunt about it.	companies	do that all the time to manufacture demand.
not underestimate the power of the alliance between powerful governments and powerful	companies	

Fig. 9

ANALYSIS OF "PEOPLE"

Context	Word	Context
some companies already monitor what	people	are saying about them
it's a process of monitoring what	people	think about you
we need to live with more	people	around us, all the time, better informed
maybe it is traditional model of boards with	people	representing different investors, that will also need to change.
with everyone, we need to listen to the ideas, because	people	have good ideas that we need to incorporate into the company
how are	people	treated who do work for the company
9 billion	people	on the planet, how to feed them and how to farm
the same challenges, but heightened because there will be more	people	on the earth, more demands being made
the idea of reporting on these things makes	people	develop measurements.
should at least pat ourselves on the back a little bit so	people	understand that there have been successes
is one of the largest, in a sense, exporters of	people	's relation to their overall global environment
	people	may be working from their home-base rather than reporting every day
being conscious of leading	people	to be able to be decision makers is going to go up
protection of the environment will be part of what	people	will expect
we are seeing in some societies	people	who are capable of digesting this information
integrated thinking will be, for sure, how you will manage	people	
it will be a world which is characterized by having eight billion	people	and on the environment. Having this holistic view

Context	Word	Context
I think this is why a lot of	people	have a bit more faith that the company really knows what's happening
becomes like an integrated risk measurement which helps	people	
was based you probably have at least 24 or 36 hours before	people	or stakeholder in the HQ company would understand what's going on
it used to work and it was acceptable. That was what	people	accepted.
start to move the needle, but right now that group of	people	or a group of investors is really, it's quite small.
building the business model and trying to get the right	people	in the room
products have been obtained and in a very transparent way.	people	want to know, obviously, what they are getting
with all those complexities and fragmentation ... somehow	people	want to, nevertheless, understand how the whole supply chain is built
do it seriously it could be also a very good example that	people	and companies and many stakeholder follow the same path
can translate it into indicators or into a kind of wording where	people	understand
it's nothing that you can impose. You need to train	people	you need to get the awareness
you need that	people	understand the complexity, and need, really, to live it
by continuously training, awareness raising, dialoguing with the	people	
I think that one of the biggest error that	people	do is when they start to boycott something or to run away
to be a lighthouse model, an example where	people	follow you, companies follow you, society follows you
very important and that is the message that	people	need to understand and be involved in a very proactive way
level of accountability and it will come into the focus of the	people	then everyone will be accountable, responsible and companies will get it

Context	Word	Context
	people	have to be more vigilant about the environment
we can take out more efficiency from the	people	
time you need to communication whatever you're doing so that	people	are there with you, they're connected with you
communication connects	people	and generally some of the companies they're very shy about it
I tell our	people	that you must communicate, communicate, communicate
in fact communication, it connects	people	it connects your stakeholder with your company.
own perception that they don't want to tell maybe to the	people	that they're doing it. What I feel, we're
technologically advanced, so we need to communication with the	people	
it will be in a sustainable format or not. That,	people	they want to understand.
in fact,	people	are judging you.
what	people	are perceiving, that is correct
we are doing a lot for our	people	for our society.
we tell our	people	that you must communicate
who takes care of the society. That communication is what	people	are looking for.
you have to be in constant in touch with the	people	.
trying to adequately take care of all the additional	people	on the earth, even 10 to 15 years from now,
the way global business has to meet demand and the way that	people	will have to go about sustainability.
make it, because the number of people, the kinds of	people	consuming it will increase. Is that too circular external communication
we have a lot of information, we know what the	people	are demanding,
what are the	people	needs

Context	Word	Context
how to manage waste and health services to	people	,
have a project there that we connect health services, doctors with	people	who needs these services but it's like a small services,
through the device, through the connectivity,	people	could live a better life.
have an opportunity to reach more	people	
to have a better life for these	people	
think we have a huge opportunity in developing	people	
we have a very huge demand on	people	investors and also societies, that want more
regulations today are built by a number of	people	a number of experts deciding based on their knowledge
in the future, we will have less	people	deciding, more
deciding on behalf of	people	
rather than having a lot of committees of	people	working together. The rules will be the data, basically
when you talk about digitalization today, most of the	people	Think about new technology or computers, hardware
one generation is using some tool while other	people	is using different tools.
some	people	ask, so what is sustainability
taking care of the	people	who live in the environment in which we live and work
because	people	don't read all the content that's in the reporting
so why not get to what's most important quickly and get	people	on their way.
a corporation is nothing more then a group of	people	
the	people	in our company have an inherent desire to help improve communities
we've been connecting	people	and helping them communicate.

Context	Word	Context
.	people	are beginning to think in terms of, how can I leverage
all the information and the content for the	people	that track it
it used to be small silos of expertise, but now	people	are starting to move up the corporate hierarchy
more and more	people	are going to be involved.
most of our employees actually knock on	people	's doors and it's a very different dynamic
mainly because of the expense of hiring	people	to do the work that volunteers do
It's really happy to see so many young	people	at this conference knowing their companies are valuing their input
all without voluntary standards then you have so many	people	going in so many different directions
most	people	are using is the GRI. Some 7,100 GRI
will voluntarily guide	people	to do that
	people	like yourselves are the most important peers and influencers of action.
	people	trust each other.
to really make positive change	people	have to be working collectively to address the issues and the challenges
I think there's need in this reporting world for	people	to work together and collaborate.
that that's not sustainable, and that's not treating those	people	who are suffering from diseases that can be treated
we talk about millennial is a lot but a number of other	people	want to support brands and companies that share their values
generally you're focused on the talent of the	people	that you have in your company so talent attraction and retention
you serve, the communities that you're in, and the	people	that you interact with through your company.
help them develop in their careers at our company and develop as	people	both in terms of their personal and professional skills.
It is important not just to do good so	people	can live well,
your environment impact, social and governance impact that helps	people	be smarter about the resources the company is using

Context	Word	Context
is, when you create these massive reports, very few	people	read that it's not very accessible.
keep it to the critical few items that	people	really find to be important, impactful, and material
you're starting to harness the profit motive to do good for	people	on the planet
.	people	want to do business with good people
people want to do business with good	people	
now the other thing it does is encourage	people	who are of like mind to come and work with us
customers and other	people	that are investing in companies, they want lowered risk
	people	are more important than property
They put the regulation before love, their property before their	people	
because	people	don't trust their institutions,
the future for corporations, in which	people	are going to be looking for them to be far more certain
Whole areas of work, like	people	who clean windows, will disappear.
new protocols being developed on the internet, which will allow	people	to have their own personal cloud
called Democracy with a capital D, where	people	will be able to make informed decisions based on reliable information
there will be a very important role in the future for	people	to actually aggregate and analyze information
	people	will be looking to make those informed decisions
"That's going to be a very important service that helps	people	not to be overwhelmed
what is the good that a group of	people	commit themselves to serving in a spirit of public service.
the	people	in the marketplace act out of self-interest
for	people	who want to use them, they already exist.

Context	Word	Context
some	people	prefer to live with the myth rather than the reality
that you find, you know you have a potential weakness because	people	will see those gaps as being evidence of insincerity
see what kind of signals they are sending to all	people	who deal with them about what's really important
going to be a highly efficient and effective mechanism by which	people	will be able to draw out what they want to know
ensure that	people	can make informed decisions about the kind of world they want to
information that	people	will look to rely upon can be provided
Do we have enough resources for all the	people	on the world to live a healthy life and meet their needs
technology is making the world a lot faster.	people	want shorter amount of information like through Twitter and other
world approaching or exceeding planetary boundaries with 9 billion	people	by 2050
we're still having effects, particularly working	people	and families
,	people	are demanding answers even now
Not only customers in China but frankly in the US,	people	care about whether these are made under humane conditions
Are they paying their workforce sufficiently so that	people	can buy their products and services that they're selling?
the workers are the	people	that are doing these jobs
You may even see some business	people	going into politics,
You look at Syria now. Some	people	are saying that's water-related.
climate change is going to be a lot more serious than most	people	currently realize.
Most	people	think that paradigm shifts happen within a few weeks or months
generational shifts where	people	saw a world in which all the sun spinning around the earth
That was deeply existentially unsettling to	people	

Context	Word	Context
younger	people	sometimes come and talk to us.
The legacy that the Baby Boomers and the	people	before them are handing over is toxic.
aggregators, search engines,	people	can go into oceans of information
you will have almost corporate avatars where	people	construct working models of major companies.
do we understand it and how do get it to the	people	who need to make choices and decisions
could move into a future in the coming decades where	people	produce wonderfully elegant reports but it remains corrupt
algorithms, the sorts of analysis that	people	have developed are spreading and will increasingly spread
the audience that you're talking about. They're not younger	people	
These	people	now are from around the world
You say young	people	will deal with it
	people	used to say to be born in a time without challenges is to be robbed
it's not been articulated in a simple, broad framework that	people	can engage with.
There are huge lists of things that	people	can do, but they're not inspiring.
	people	do not find them coherent
Does it make	people	feel good about themselves?
Does it make	people	feel good about their relationships with others
	people	want order and they want meaning.
that order and meaning is something that's part of what makes	people	feel good.
We will have an economy that has a logic which is fewer	people	consuming less stuff, because we can't carry on the way we've been
desire and association that's used by advertising to get	people	to buy stuff. But this is about us feeling life satisfaction
make sure that society has got the order and meaning that make	people	feel they want to belong to it

Context	Word	Context
I can do to change the logic so that it's fewer	people	consuming less stuff
We can all see how we can contribute. Rather than damning	people	for not contributing
and do it in a way that absolutely minimizes the pain to	people	as well as the environment.
We need	people	who are going to take big decisions and take big risks.
Bring in	people	who are going to help you work it out.
Some science, some economics, but most of it is about bringing	people	together to achieve a shared outcome.
lack of imagination in thinking about the future. I think	people	are very fearful
radical transparency. We've seen with social media, if	people	think they can keep secrets in their corporate closets, they are mistaken
We really have an unemployment problem in the world, and yet	people	without IT skills are going to be unemployable.
I think what the critical issue is that	people	have got to think and they've got to have agenda items
the biggest insecurities	people	face are very simple things. Not having basic needs met
access healthcare and the sad reality is that 100s of millions of	people	around the world do not have access to sanitation
do not have access to things that most urban	people	in the developed world and the developing world take for granted
if everybody in the world is to have the lifestyle that	people	in developed countries take for granted we will need more resources
the top of the heap of society might need to sacrifice to pick up	people	at the bottom of the society
if we look at the trends in the world	people	who are socially excluded are reaching a point of saying enough
if they cannot factor in	people	and planet alongside profit then in fact their profit is going to diminish
The danger is where	people	get in a box ticking mentality.

Context	Word	Context
Companies that rely on ordinary	people	as customers are going to have to do something more.
increasingly	people	are looking for good things to invest in
What I say to young	people	look at the world around you and don't accept it.
I say to young	people	challenge the status quo.
you have finite energy sources like oil, coal, and gas	people	are going to fight over
Deep in the ground, deep in the ocean, deep in places where	people	have to kill themselves getting to it.
Clearly	people	have been primarily looking in the wrong direction
,	people	are already asking questions in much larger numbers now
governance system has failed us and is failing us. The	people	that really benefit from governance systems are the top 20 %
The majority of	people	in the world actually are receiving the crumbs
discomfort, pain, and change. Leadership is not about telling	people	what they want to hear

Annex IV – Data technology as an enabler of value creation

The analysis presented in this Annex has been prepared by SAP for the "Sustainability and Reporting 2025" project.

There are many trends around data and data management that will impact how companies, organizations, governments, consumers and other stakeholders interact with information and each other in the coming 10 years.

These trends include:
1. Acceleration of the amount of data available and in real time;
2. More modes of consumption of data across value chain including networks of networks or an internet of things;
3. More correlation between data points in order to understand impacts.

ACCELERATION OF THE AMOUNT OF DATA AVAILABLE AND IN REAL TIME

There is an unprecedented pace of digitization of information in the personal and business worlds. In other words, we are moving how we interact away from multiple physical, tangible assets into digital formats – documents are stored and shared digitally rather than as pieces of paper.

According to IBM, 90% of all the data ever created was created in the past two years and it will double every 18-24 months! Looking backwards from an enterprise perspective, the management of classical resources like money, human resources and materials has been at the center of each and every enterprise resource planning (ERP) management system. More recently, completely different topics and requirements around supply chain transparency and customer management have had to be managed successfully in order for companies to act and stay relevant in a connected, 24/7 operating economy.

Deciding on which type of data will be useful and can help decision-making process is one of the challenges of this decade.

MORE MODES OF DATA CONSUMPTION ALONG THE VALUE CHAIN, INCLUDING NETWORKS OF NETWORKS OR AN INTERNET OF THINGS

Along classical business processes – like purchasing, production and transportation – new information models have been established to improve speed, efficiency and quality to gain a competitive

advantage. Devices such as mobile phones, smart meters, smart circuit breakers, automobiles, RFIDs, e-tolling and industrial machines are only a few examples that sense, create and communicate a constantly increasing flow of data in the age of the "Internet of things."

All these solutions end up in a digitally networked world with millions of embedded sensors and innovation in data technology can be seen as accelerator. In this context, and with the right usage of data (data visualization, predictive analytics), businesses will transform, like Uber and Airbnb.

But it's not only the enterprise (or governmental) perspective on creating and using information that should be considered. A fundamental change in the perspective on information is coming from individuals and their behavior around information. A prospering middle class, with more and more people having access to information using the latest technology, is part of an ever-growing number of data users. Millennials[16] are growing up with technology around them; they are always connected through their mobile devices, which have millions of apps available. They are "native digital" and what's going on around the world is just a few fingertips away.

This kind of norm-setting around creating, and especially consuming, information from the perspective of an individual is raising expectations and is also forcing organizations to rethink their approach to information sharing and disclosure.

MORE CORRELATION BETWEEN DATA POINTS IN ORDER TO UNDERSTAND IMPACTS

In the last two decades, environmental and social aspects have mostly been disclosed separately from financial information. Recent discussions are challenging this separation and leading to new approaches. Environmental aspects, social aspects, corporate intellectual property and the like are seen as the next essential capitals to be considered as integral in the context of value creation and its presentation.

The call for a holistic view across all capitals (financial, social, environmental and others) will change the way additional information ("extra-financial" data) from areas like energy and emissions management, environmental health and safety, social transparency and responsibility in the supply chain are treated. They will most likely evolve from a pure collection and disclosure approach towards an "integrated approach," where financial and extra-financial data are treated in the same way, with the same rigor and quality (assurance) in data processing.

Consequently, the "R" in classical Enterprise Resource Planning systems (ERP's) should be "widened" to go beyond the pure management of financial and human resources, and materials. It should equally treat and valuate environmental resources and many other social matters.

Data technology is on its way to supporting this movement. It is already possible to process

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16) Millennials/Gen Y refers to the ones born in the period 1970-1995.

much more data and more complex data sets in a fraction of the time it took in the past. The discussion is on a level of real "real-time" processing, and this will support holistic decision-making. It is primarily the design of approaches that make possible the seamless incorporation of extra-financial data in financial systems, enabling it to be used by decision-makers in their day-to-day business.

This will lead to the increased automation of data and allow extra-financial information to be used in standard business processes. It is also clear that not all sustainability information required will reside in core financial systems, nor can be automated immediately. Looking ahead, improved technologies will be required to capture information manually collected across the value chain.

The three trends outlined above pose interesting opportunities to further transparency and communication and promote the real understanding of all impacts of extra-financial information on the opportunities and risks of financial outcomes, and vice versa.

Further reading

FUTURE TRENDS IN SOCIETY

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- *Trends*, Futures Centre, 2014
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- *Top Global Mega Trends to 2025 and Implications to Business, Society, and Cultures*, Archana Devi Vidyasekar, Frost & Sullivan, 30 May 2014
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- *The cost of inaction: Recognising the value at risk from climate change*, The Economist Intelligence Unit, 24 July 2015
- *Rewiring the Economy*, University of Cambridge Institute for Sustainability Leadership (CISL), July 2015
- *Put a price on nature? We must stop this neoliberal road to ruin*, George Monbiot, The Guardian, 24 July 2014

- *Pavan Sukhdev on pricing natural capital*, Sustainable Food Trust, December 2013
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- *See Change: How Transparency Drives Performance*, SustainAbility, 5 December 2014
- *An In-depth Study on Sustainability Transparency Practices Around the Globe*, S&P Dow Jones Indices and RobecoSAM, June 2014
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Acknowledgements

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