

GRI conference opens up a new era of corporate disclosure

Innovation and technology have a vital role to play in enabling access to high-quality information in real time to take better decisions in the interests of all stakeholders, writes Md. Touhidul Alam Khan

THE 5th GRI Global Conference held on May 18-20, 2016 at Amsterdam, the Netherlands called on companies and organisations for stepping out from their comfort zones, become truly innovative and contribute to global initiatives such as the UN Sustainable Development Goals. Forming new collaborations, lasting partnerships and a true multi-stakeholder approach which will be vital for furthering the sustainability agenda, demonstrated by the renewed MoU strengthened the long-standing collaboration between The Global Reporting Initiative (GRI) and the UN Global Compact. Embracing transparency, a new paradigm for conducting business, the importance of storytelling and building trust was a key feature throughout the three-day conference. The new era of corporate disclosure is set to be digital, responsible and interactive, and sustainability data will be a crucial factor of the latest trend.

Innovation and technology will have a vital role to play in enabling access to high-quality information in real time to inform better decision-making for all stakeholders, empowering us towards a more sustainable economy and world. In the conference, around 1,200 delegates from 73 countries and 208 speakers (46 per cent female and 54 per cent male) attended 41 sessions.

In the opening plenary session on May 18, 2016, Peter Blom, CEO, of Triodos Bank explained the changes needed "within the banking industry to lead us to a more sustainable economy. "We need to humanise the banking profession again. Then, the industry can really help with financing the move to a more sustainable economy. Organisations need to look back at their original goals; our future relies on companies rediscovering their purpose."

During the opening plenary at the 5th GRI Global Conference which was moderated by Bloomberg's Sustainability Editor, Eric Rostow, high-profile speakers including Bob Massie, Eric Hespenheide and Peter Blom examined the journey of sustainability from niche to widespread, and pointed to a new future of corporate transparency and trust ahead of us.

Michael Meethan, CEO of the GRI said, "We are at a key moment in the evolution of sustainability. Transparency is inescapable; it is becoming the new paradigm for conducting business. The Rana Plaza tragedy in Bangladesh in 2013 and



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the more recent Panama Papers scandal, highlight the critical need for us to continue pushing the sustainability agenda."

"Tools and methods need to be evolved," urged Michael Meethan. "There can no longer be a 'one size fits all' strategy. It is imperative that we no longer work in silos with competing standards, and frameworks. We need the 'walled gardens' of sustainability to come down."

The changing focus and deepening issues in corporate social responsibility over the past two decades have been captured in the evolution of GRI Standards. Over the years more than 33,000 sustainability reports have been collected in the GRI Sustainability Disclosure Database, created by thousands of companies across the world.

With the theme 'Empowering Sustainable Decisions', this year's conference put thrust on the next frontier of sustainability and disclosure, unlocking the full potential of sustainability reporting as a tool for transformational change. During the three-day conference, GRI had been scaling up its impact by announcing over a dozen new partnerships in sustainable development and

technology and innovation.

"The Panama Papers are yet another demonstration of how insufficient transparency erodes public confidence in business and governments. This loss of trust undermines the conditions needed for economic growth, and transparent and sustainable development practices and policies are required," said GRI Chief Executive Michael Meethan. "For nearly two decades, the GRI has developed reporting standards that increase transparency around critical sustainability issues such as climate change, human rights and corruption. The 5th Global Conference is all about creating the next era of corporate disclosure, where sustainability information promotes transparency, trust and confidence in the world's companies, policies and economies."

"It is shameful that 850 million people still live in extreme poverty in the world, but the prospect of achieving the SDGs renews my faith in humanity," declared Teresa Fogelberg, GRI Chief Executive and added that "the SDGs provide us with a moral compass. With new partnerships, a united commitment and a 'can-do'

attitude, we can achieve great things."

The private sector plays a crucial role in helping countries meet the SDGs, and now, more than ever, there is a greater need for alignment, measurement and communication through the sustainability reporting process to enable a strong private sector contribution to the SDGs.

Desmond Swayne TD MP, Minister of State at the Department for International Development, UK spoke about the vital role of the private sector in creating the inclusive economic growth needed to achieve the SDGs. Along with the call on governments to do more, there was also a call for mobilising the small and medium enterprises (SMEs) around the world. The sheer critical mass that SMEs represent within the business community offers great potential for effecting significant change in the sustainability landscape.

International sustainability standard setter GRI announced its newest technology initiative, the Digital Reporting Alliance, on the second day of the 5th GRI Global Conference. The Digital Reporting Alliance will address two key

challenges in sustainability reporting: lack of structured data and lack of demand for digital reporting. The initiative will create the technical infrastructure for digital reporting by promoting an XBRL taxonomy and a platform for filing digital reports. The founding of the alliance coincides with the release of the first set of exposure drafts of GRI Sustainability Reporting Standards which are now available for public comment.

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On May 20, 2016, the third day of conference, a discussion session was held on 'Building trust in South Asia-Enforced or self-regulation'. In the discussion session, this writer gave the recent example of FRC (Financial Reporting Council) established in Bangladesh and mandatory requirement of Sustainability Reporting (SR) by the Bangladesh Bank for all banks from 2015. And Bangladesh is working on green banking activities since 2011. The Bangladesh Securities and Exchange Commission (HSEC) as regulatory body is also working on it seriously. The non-financial data for SR very much depends on financial data. Considering this and due to better transparency, the FRC was formed in Bangladesh. And it was opined in the session that transparency always follows trust. The corporate citizens and business houses supported the government to form this council. As the first CSRA in Bangladesh, he also emphasised on assurance of sustainability reporting by the third party for bringing trust and for better transparency of the organisation. For example, the Prime Bank is the only organisation in Bangladesh which prepared sustainability report in the year 2015 under GRI G4 and qualified by GRI, the Netherlands for 'materiality disclosure' issue.

The sustainability report has been the cornerstone of non-financial disclosure for decades, but this is set to change. The new era of corporate disclosure is going to be digital, responsible and interactive.

New and innovative approaches to disclosure are arising, focused on the data in the reporting process rather than the reports themselves.

According to 68 per cent of the audience at the third plenary of the GRI Global Conference, sustainability information is most valued for decision making, over and above benchmarking or marketing purposes. By liberating the data from physical reports, sustainability information can be used in new platforms and by a range of data users - ultimately enabling better business and policy decisions to lead us towards a more sustainable global economy. During the plenary, global leaders in innovation and technology discussed the potential for using sustainability data to enable transformational change.

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Innovation and technology have a vital role to play in enabling access to high-quality information in real time to take better decisions in the interests of all stakeholders. And data is going to be endemic to all that we do; it will saturate everything. "We are going through another industrial revolution: information technology is disrupting one sector after another, and the automotive sector is likely to be next. We hope that through engagement with companies - big and small, we can lead the exciting and challenging discussion on this data revolution", opined by the speakers in the conference.

Meethan announced the closure of the conference by highlighting the change in momentum needed to innovate and address the most urgent challenges we face: "Vision without action is merely a daydream. But action without vision is just passing the time. But with both, we can change the world."

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