THE GLOBAL RESPONSIBILITY COMMUNICATION PLATFORM: New Horizons in Facilitating Communications and Stakeholder Dialogue

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ABSTRACT

Today companies are facing the challenge of operating in a transparent and global marketplace. Greater transparency acts as a driving force for increased corporate accountability. Corporate social responsibility and sustainable development are now considered priorities in the global community. There is therefore currently a focus on encouraging corporations, as well as national governments, to perform in an efficient and accountable manner.

Shareholders and other groups of stakeholders are now demanding that companies offer them more complete, credible, comparable and verifiable information regarding corporate performance. This has resulted in the emergence of public reporting practices regarding the wider definition of corporate performance, where financial, environmental, social and ethical information is blended together in "*sustainability reporting*". Environmental and social issues are also increasingly taken into account when investors make their investment decisions. Companies are finding that in order to achieve and sustain long-lasting success they must effectively serve all of their key stakeholders, as well as address their needs and concerns related to environmental, social and ethical aspects of organizational performance. This requires a shift in corporate culture as well as corporate governance practices.

The Global Responsibility Communication Platform has been designed to help companies meet the challenges of increased transparency and accountability. It facilitates cost-effective reporting and caters to the need of organizations to globally communicate with multiple stakeholder groups. The design of the Communication Platform will enable benchmarking, learning and collaboration within and amongst industries through the free flow of information and best practices. The Global Responsibility Communication

Platform brings together a unique knowledge network through strategic alliances, member companies and stakeholder partnerships.

Key words: accountability, transparency, corporate governance, sustainability reporting, stakeholder dialogue

1. INTRODUCTION

Today companies are facing the challenge of operating in a transparent and global marketplace. Corporate social responsibility and sustainable development are increasingly recognized as priorities in the global community. Corporate environmental management practices have moved from technical end-of-pipe solutions towards sustainability. The greening of industry and the subsequent improved corporate environmental management practices had a significant impact on corporate governance in the 1980s and 1990s. Stakeholders have demanded that companies manage and continuously improve their environmental performance, which can be seen through the rapid emergence and spread of voluntary environmental management standards such as ISO 14000 and EMAS.

There has also been a growing concern about whether organizations are operating in a social and ethical manner in the global society. The 1990s have seen a boom of research related to concepts such as corporate social responsibility and corporate citizenship. Davenport (2000) defines corporate citizenship as *"striving to conduct all business dealings in an ethical manner, making a concerted effort to balance the needs of all stakeholders while working to protect the environment*".

The development of a global communications network is enabling stakeholders to keep corporate performance under even harder public scrutiny. Through their demands for increased transparency, stakeholders are effectively driving accountability on behalf of corporations and organizations in all sectors and of all sizes. Stakeholder pressure is bringing about a shift in corporate cultures towards greater responsibility. It is becoming increasingly important for companies to ensure that all stakeholder groups have the means and resources to easily obtain information relevant to their concerns about corporate policy and performance. One-sided company reporting has so far not been effective in meeting stakeholders' information needs. Stakeholder groups are now demanding that companies offer them more complete, credible, comparable and verifiable information regarding corporate performance. This has resulted in the emergence of public reporting practices regarding the wider definition of corporate performance, where financial, environmental, social and ethical information is blended together in "*sustainability reporting*".

As corporations become global players, a local mistake can have severe effects on the overall image of the company. Headlines can hurt the bottom line, especially if they link the organization to unethical and/or unsustainable business practices. If the corporate image is tainted, it will take years to rebuild trust in the marketplace. As stakeholders take an increasing interest in companies' social responsibility, many companies are finding that they are not only held responsible for their own CSR performance, but also for that of the companies "upstream" and "downstream" – that is, a company's suppliers as well as its customers and even its customers' customers. Companies have therefore begun to monitor their entire supply chain to ensure an adequate degree of Supply Chain Responsibility (BSR, 2000A).

Shareholders and other stakeholder groups are no longer content with simply accepting what corporate management tells them on the basis of trust. Corporate management now need to put their words in action by showing what steps are being taken to meet the needs and concerns of their stakeholders. Only action will prove to stakeholders that the company is sincere in its efforts to cater to the diverse needs of its many stakeholders in a well-balanced way.
Continuous involvement of stakeholders should be seen as a way for organizations to work more proactively in meeting the diverse needs of stakeholder groups. There is thus a need for direct stakeholder dialogue opportunities and effective communication about corporate social responsibility and sustainability programs. In addition, there is a need to identify and address stakeholder issues at an early stage through dialogue, in order to pre-empt issues and avoid negative media exposure. For corporations there is an opportunity to build corporate brand image and gain competitive advantage through a serious and sincere approach to sustainability issues.

This paper will discuss the changing face of corporate governance, the increasingly important role of global stakeholder management, the emergence of sustainability reporting practices and current voluntary initiatives. The Global Responsibility Communication Platform, an emerging tool aiming to facilitate stakeholder communication and benchmarking related to corporate sustainability performance, will also be introduced.

2. CORPORATE ACCOUNTABILITY AND GOVERNANCE

"The proper governance of companies will become
as crucial to the world economy
as the proper governing of countries."

James D. Wolfensohn, President of the World Bank (1999)

In an era of increasing economic globalization, corporations of all shapes and sized have come to play a dominant role in organizing both the economic and social sphere of society. There is today a focus on encouraging corporations, as well as national governments, to perform in an efficient and accountable manner. The concept of corporate governance has historically been linked to the protection of shareholders' rights, and although such issues remain important in the global marketplace, it is necessary to broaden the definition and scope of corporate governance. In all established markets investors are demanding more information and greater accountability on the part of companies.

Epstein and Birchard (1999) identify four cornerstones frame measurement regarding corporate accountability: *performance measurement, management systems, information reporting, and corporate governance*. Extensive work regarding performance indicators, whether generic, industry specific or company specific has characterized the past decade. Guidance regarding environmental performance evaluation can be found in ISO14031. Today, roughly 20 000 organizations have received ISO14001 certification and thus implemented environmental management systems. With regard to reporting, it is increasingly common that that corporate communications strategies are beginning based on increased transparency. Companies are today reporting data to a much wider audience than ever before, both within the company and outside (Epstein and Birchard, 1999). Currently about 2 000 companies are producing publicly available corporate environmental reports annually. The development regarding reporting will be covered in more detail in section 4. In this section, the focus of the discussion will be the fourth cornerstone – corporate governance.

It is becoming clear that corporate governance is far more than just board processes and procedures. The definition and scope of corporate governance has broadened to include the full set of relationships between a company's management, its board, its shareholders and its other stakeholders, such as its employees and the community in which it is located. The main responsibility for making an organization accountable falls into the hands of top executives. According to Epstein and Birchard (1999, p. 19) these top executives that must:

- mandate measurement systems that shift people from a pure financial focus to a balanced focus on building financial, operational, and social value;
- dedicate the people and money to build information systems that support quantitative measurement and fast, reliable, consistent reporting worldwide;
- set targets and report on progress publicly to show how they have performed for shareholders and other stakeholders.

Major investors in public companies, including institutions such as insurance companies, pension funds or banks, have also begun to assess potential investments according to their sustainability performance. Overall, the individual investor wants to know where they are investing their funds and what criteria are being applied in making investment and decisions. Action by shareholders is no longer confined to those who want higher earnings per share, but also include those people and organizations, such as human-rights organizations and churches, who want to know where and how a specific company has been investing and operating (McIntosh et. al., 1998, p. 88). Socially responsible investors are demanding changes in corporate behavior through the submission of shareholder resolutions on a broad range of social issues (e.g. environmental practices, product concerns, global labor standards). The Interfaith Center on Corporate Responsibility, an international coalition of 300 institutional portfolios worth an estimated $ 45 billion, has been a primary proponent of such resolutions in recent years (BSR, 2000B). Today, Greenpeace is not only an environmental organization concerned with stakeholder activism, but also shareholder activism by actively using its voice as a shareholder to raise important stakeholder concerns at the shareholder meetings of major international corporations.

In response to these shareholder concerns, as well as increased media attention, companies worldwide have recently revised and reformed their corporate governance policies and practices. Efforts have included the development of communication processes with stakeholders and establishing board committees to address corporate governance and/or corporate social responsibility issues (BSR, 2000B). In the CACG Guidelines put forward by the Commonwealth Association for Corporate Governance, it is stated that: "*while the board is accountable to the owners of the corporation (shareholders) for achieving corporate objectives, its objectives, its conduct in regard to factors such as business ethics and the environment for example may have an impact on legitimate societal interests (stakeholders) and thereby influence the reputation and long-term interests of the company*" (CACG, 1999, p. 6).

It is in the context of growing awareness of the importance of good corporate governance that the OECD has developed a set of Principles of Corporate Governance[1]. These OECD Principles cover five main areas: the rights of shareholders and their protection; the equitable treatment of all categories of shareholders; the role of employees and other stakeholders; timely disclosure and transparency of corporate structures and operations; and the responsibilities of the board towards the company, shareholders and other stakeholders. Corporate governance can from an OECD perspective be said to rest upon four core values: *equitable treatment, responsibility, transparency and accountability*.

In summary, corporate governance can be said to refer to the broad range of policies and practices that boards of directors use to (1) manage themselves and (2) fulfill their responsibilities to investors and other stakeholders. The benefits to companies examining their governance practices and engaging in dialogue with stakeholders on a broad spectrum of issues include: (1) enhanced corporate reputation among shareholders, customers, employees, communities and others, (2) reduced exposure to adverse publicity stemming from high-profile public campaigns, and (3) reduced costs associated with the inclusion of shareholder resolutions in annual proxy statements (BSR, 2000B).

Transparent and accountable organizations will be characterized by a new corporate culture embracing full accountability through good corporate governance, performance measurement, management systems, reporting and active involvement in stakeholder dialogue. Corporate governance will in the future not only address the needs and concerns of investors and shareholders, but also include a firm commitment to address all relevant stakeholder needs, a commitment to conduct their operations in an ethical and accountable manner, demonstrate their commitment to environmental and social issues, as well as showing a commitment to sustainable development.

3. MEETING STAKEHOLDER NEEDS

"A company which abuses its workforce, or a company which employs forced labor, is not only in breach of the Universal Declaration and the Vienna Declaration, but is flying in the face of civilized thinking all over the world. Such a company is acting irresponsibly in an area over which it has direct influence. And in a world of increasing transparency and global communications, such a company is also foolish if it thinks such behavior will not attract attention."

Peter D. Sutherland, Chairman, British Petroleum[2]

Within the last decade the sole focus on shareholders has been displaced by an increasing interest in communicating with all relevant stakeholder groups, as well as building and maintaining relationships based on mutual trust. Savage, Nix, Whitehead, and Blair defined stakeholders as groups or individuals who "*have an interest in the actions of an organization and…the ability to influence it*" (1991, p. 61). This is also the definition adopted for the purpose of this paper. For a more detailed discussion regarding stakeholders see Henriques and Sadorsky (1999) or Wheeler and Sillanpaa (1997).

1 For more information see (http://www.oecd.org/daf/governance/principles.htm)

2 Quote from address to Amnesty International, Dublin, 26 September. Found in McIntosh, Leipziger, Jones and Coleman (1998)

All organizations are held accountable for their actions by a variety of stakeholder groups. Important primary stakeholders include employees, customers, suppliers, investors, and the local community. The development of a global communications network is enabling stakeholders to keep corporate performance under even harder public scrutiny. Headlines can hurt the bottom line, especially if they link the organization to unsustainable business practices. If the corporate image is tainted, it will take years to rebuild trust in the marketplace. Continuous involvement of stakeholders will help organizations to work more proactively in meeting the needs of the stakeholders.

Stakeholder inclusion and stakeholder dialogue not only enables companies to learn more about stakeholder concerns, but it also help foster increasing levels of trust within stakeholder relationships. In order to gain competitive advantages, the challenge is to be the first one to adapt to changing stakeholder needs. Many corporations have learned that consumers and business customers often seek to align themselves with firms that have reputation for social responsibility (Rondinelli and Berry, 2000). Stakeholder management can lead to strong, sustainable performance and can offer a roadmap for managing effectively in a time of unprecedented change (Schmidt, 1999). This section will address how corporations are being influenced by the needs and demands of three main stakeholder groups; *investors, customers and employees*.

According to the article *"Corporate Social Responsibility – A New Ethic for a New Economy"* on CSRwire.com, the emerging, information-based global economy will demand transparency and sustainability. It goes on to state that business can no longer succeed at the expense of their employees, the community or the environment and that corporate social responsibility is a business strategy designed for an economy where economic, environmental and social goals are positively interwoven (CSRwire.com, 2000). Companies are finding that in order to achieve and sustain long-lasting success they must effectively serve all of their key stakeholders, as well as address their needs and concerns related to environmental, social and ethical aspects of organizational performance.

Socially responsible investing still only account for a relatively small portion of total investments in the world, but the practice continues to grow and become more mainstream and influential. According to a 1999 report by the Social Investment Forum (SIF) the total investments using at least one social investment strategy have grown from $40 billion in 1984 to $639 billion in 1995, to over $2 trillion today. The report claimed that social investments accounted for about 13 percent of the estimated $16.3 trillion under professional management in the U.S. in 1999. Hundreds of institutions and mutual fund companies have used the power of their ownership positions in publicly held companies to sponsor shareholder resolutions or vote their proxies on corporate social responsibility issues (SocialFunds.com, 2000).

There are a number of initiatives and organizations that are concerned with social and sustainability investments. One such initiative is the Dow Jones Sustainability Group Indexes[3], which was launched in 1999 and offers a neutral and transparent measurement of corporate sustainability performance. The fact that the companies found on the Dow Jones Sustainability Group Indexes show a better share price performance than the regular Dow Jones Index indicates that there is a link between financial and sustainability performance.

3 For more information see http://www.sustainability-index.com/

Many customers – both individual consumers and business-to-business customers are factoring social and environmental performance into purchase decisions. Companies are finding that publication of comprehensive environmental or social audits or reports can satisfy the information need of many diverse stakeholder groups. (BSR, 2000D).

In a transparent marketplace where competition regarding skilled labor is fierce, it will also be increasingly important for companies to be able to present themselves as a socially responsible employer to potential employees. Research have shown that new graduates increasingly also evaluate employers also on the basis of the environmental, social and ethical performance. Many employees want to feel proud of the company that they work for and will therefore eliminate some companies as potential employers.

Researchers have been studying the link between corporate social responsibility and profitability for over thirty years. Most recent studies show that companies that are well managed and have strong stakeholder relationships tend to perform better than those who are focused solely on the financial bottom line. A new spirit of business has emerged: *Business as an engine for profits and principles.* (Makower, 1994). Further, research also shows that while stock markets may not as a general rule reward companies that are socially responsible, they are very likely to punish those that are accused of ethical wrongdoing (Svendsen, 1998).

4. INTERNET-BASED SUSTAINABILITY REPORTING

Corporate dissemination of information regarding their performance in various types of reports is not a new phenomenon. The practice of public reporting has existed for decades and even centuries. Recent developments have led to that the traditional financial accounts have been joined by corporate environmental reports as well as social reports. There has been a rather rapid expansion of voluntary corporate environmental reporting practices around the world and a growing number of companies release information electronically, through web sites and CD-ROMs. However, it is important to keep in mind that reporting companies, despite an encouraging growth rate, still represent only a small percentage of companies overall. A few national governments have also begun to approve legislation requiring companies to publicly report on their environmental performance, among them Denmark, the Netherlands and Sweden. (Engaging Stakeholders 1998)

In practice, environmental reports can range from simple public relations statements to a detailed and in-depth examination of the company's environmental performance, policies, practices and future direction. Companies that report on their environmental performance can be found at different stages of environmental management, which in turn will have implications for both the depth and the content of the report that they can produce. In UNEP's Technical Report on Company Environmental Reporting five ”Stages in corporate environmental reporting” was identified. The current development is clearly directed towards reaching the fifth stage of Sustainable development reporting, in which environmental, economic and social aspects of corporate performance are linked together (Brophy, 1998).

It is clear that although the reporting practices related to corporate performance information have improved, there is still a discrepancy regarding the intended and actual use of corporate reports. However, the expectations have also become higher and the analysis techniques more sophisticated. MacLean (2000) highlights the fact that "*environmental reports are coming under rigorous analysis by more competent readers with ever-higher expectations*" and adds that "*environmental reporting today has a long way to go before it reaches the same level of comparability, consistency, credibility, and relevance that financial reporting currently achieves*". Related to the development of reporting practices, MacLean and Gottfrid (2000, p. 248) argues that the paper-based report might not be the most appropriate manner in which companies can disseminate information to their stakeholders: "*A two page, site specific pamphlet, and open house, a Web site, etc., may be much more effective and less expensive than producing and distributing a forty page report*".

As Internet technologies have spread around the world, so has the practice of Internet reporting. Today, the Internet is increasingly being used to disseminate information regarding various aspects of corporate performance to stakeholders. Some companies have even completely discontinued the practice of producing corporate environmental reports as paper publications and now rely solely on the Internet medium and CD-ROMs to disseminate information regarding their environmental performance. The telecommunications companies Ericsson and Telia in Sweden are examples of this paper-less reporting practice. However, so far the majority of electronic reports are only slight adaptations of existing paper-based CERs.

According to the recent "*Corporate Reputation and the Internet*" survey of FTSE 100 company websites in the United Kingdom conducted by ERM, few companies are currently using their web-based communications tools to engage stakeholders in two-way dialogue on these issues. Companies have not yet begun to exploit the potential of the Internet to enhance their social and environmental reputation. The survey found that (ERM, 2000):

- Only 45 of the FTSE 100 sites featured an environmental section, and many of these contain only PDF versions of a text-based report.
- Very few websites (3/100) actively pursue two-way dialogue on environmental and social issues and only four have links to lobby group sites.
- Very few FTSE 100 companies reveal any information relating to their position on social/ethical issues (4/100).
- Protest websites are often more focused and clearer than the corporate sites they target.

According to a study conducted by ERM (2000), there is some evidence of companies beginning to structure their communication links to address diverse stakeholder needs. Website technology offers great potential for more appropriate and personalized presentation of information. It is likely that web sites in the future will take on a "tiered" structure, with stories at the surface and data/communication links below, to accommodate all kinds of enquiries. Web sites will need to address interested visitors in ways that suit their needs. (ERM, 2000)

Companies have begun to utilize the Internet for public reporting, but there are many possibilities to enhance the quality of Internet-based corporate performance information through the innovative use of information and communication technologies. Electronic reporting should be a part of an integrated approach to communicate corporate performance information. Some of its key strengths are that sites can be updated continuously, rather than being a once a year exercise associated with paper-based CERs.

Stakeholders are now beginning to demand sustainability reporting where financial, environmental, social and ethical aspects of corporate performance are linked together. It is often difficult for stakeholders to decide whether the company performance data that is available to them through the World Wide Web is accurate or inaccurate. This stakeholder uncertainty has increased the need for companies to engage stakeholders more directly to ensure that the information they receive is as accurate as possible (BSR, 2000C). The Global Responsibility Communication Platform, which will be described in greater detail in section 6, will help companies offer their stakeholders accurate and credible corporate sustainability performance information.

5. GLOBAL INITIATIVES FOR INCREASED CORPORATE ACCOUNTABILITY

During recent years an increasing number of standards and guidelines to support and measure accountability and performance have emerged. These include process standards and substantive performance standards, standards focused on single-issue or encompassing a variety of issues, and mandatory and voluntary standards. The selection of initiatives does not reflect any individual preferences, but should serve as an illustration of the types of initiatives that exist today. The Global Reporting Initiative is one example of a long-term, multi-stakeholder, and international undertaking that based upon the understanding that all stakeholders need clear and comparable information in order to evaluate economic, environmental and social performance. In this section, the "*Global Compact*" (UN, 1999) launched by the United Nations and the "*OECD Guidelines for Multinational Enterprises*" (OECD, 2000) will also be presented. These and other similar initiatives[4] are all examples of multi-stakeholder cooperation that share a common end goal – to provide voluntary principles and standards for responsible business conduct and performance reporting.

The mission of the Global Reporting Initiative (GRI) is to develop and disseminate globally applicable sustainability reporting guidelines for voluntary use by organizations reporting on the economic, environmental, and social dimensions of their activities, products and services (GRI, 2000). During the last year, a few forerunners have begun to produce triple bottom line or sustainability reports. These reports successfully integrate the environmental, safety, health, social, ethical and economic aspects and performance of a company. These reports are based upon the guidelines for sustainability reporting established by the Global Reporting Initiative (GRI) in 1999. A number of pioneer companies produced sustainability reports based on the GRI guidelines during 1999. The Sweden-based global manufacturing and engineering giant ITT Flygt was one of these pioneer companies.

4 Other standards include, but are not limited to: *Caux Round Table Principles, CERES Principles, EMAS, Ethical Trading Initiative, Global Sullivan Principles, Investors in People, ICC Business Charter for Sustainable Development, ISO 14001, OHSAS18001, PERI Reporting Guidelines, Social Accountability 8000 (SA 8000), AccountAbility 1000 (AA 1000).*

In June 2000, the Global Reporting Initiative (GRI) issued a set of revised guidelines - Sustainability Reporting Guidelines. These guidelines make recommendations for reporting on the economic, environmental and social performance of companies, also known as *sustainability reporting*. The aim of the revised Sustainability Guidelines is to help organization report information (GRI, 2000):

- in a way that presents a clear picture of the human and ecological impact of business, to facilitate informed decisions about investments, purchased, and partnerships;
- in a way that provides stakeholders with reliable information that is relevant to their needs and interests and that invites further stakeholder dialogue and enquiry;
- in a way that provides a management tool to help the reporting organization evaluate and continuously improve its performance and progress;
- in accordance with well-established, widely accepted external reporting principles, applied consistently from one reporting period to the next, to promote transparency and credibility;
- in a format that is easy to understand and that facilitates comparison with reports by other organizations;
- in a way that complements, not replaces, other reporting standards, including financial; and
- in a way that illuminates the relationship among the three linked elements of sustainability – economic (including but not limited to financial information), environmental, and social.

The Global Compact consists of nine principles covering topics in human rights, labor and environment as a challenge for world business leaders:

Principle 1: support and respect the protection of international human rights within their sphere of influence; and
Principle 2: make sure their own corporations are not complicit in human rights abuses.
Principle 3: freedom of association and the effective recognition of the right to collective bargaining.
Principle 4: the elimination of all forms of forced and compulsory labor;
Principle 5: the effective abolition of child labor; and
Principle 6: the elimination of discrimination in respect of employment and occupation.
Principle 7: support a precautionary approach to environmental challenges;
Principle 8: undertake initiatives to promote greater environmental responsibility; and
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

The OECD Guidelines for Multinational Enterprises aim to ensure that the operations of MNCs are in harmony with government policies, to strengthen the basis of mutual confidence between enterprises and the societies in which they operate, to help improve the foreign investment climate and to enhance the contribution to sustainable development made by multinational enterprises.

6. THE GLOBAL RESPONSIBILITY COMMUNICATION PLATFORM

Global Responsibility has been created to support the initiatives mentioned above and others such as the Greenhouse Gas Emissions Protocol. These initiatives are seen as the roadmap for corporate transformation and set the standards for measurement and reporting. Therefore Global Responsibility will not try to reinvent the wheel, but will build on these initiatives. The Global Responsibility Communication Platform has been designed to help companies meet the challenges of increased transparency and accountability.

The aim of the Global Responsibility Communication Platform is to provide companies with a format for reporting on policies, practices and performance data regarding sustainability, elaborating on existing guidelines such as the Global Reporting Initiative (GRI) and is flexible enough to be used by companies and organizations of all sizes and in different sectors. The offered Internet-based information brokerage services will facilitate cost-effective reporting and cater to the need of organizations to globally communicate with multiple stakeholder groups regarding corporate sustainability performance. The Communication Platform will thus help streamline the information flow and reporting process related to corporate sustainability performance.

The design of the Communication Platform will enable benchmarking, learning and collaboration within and amongst industries through the free flow of information and best practices. The Global Responsibility Communication Platform brings together a unique knowledge network through strategic alliances, member companies and stakeholder partnerships.

Global Responsibility is committed to help build corporate cultures based on accountability and transparency in response to the increasing demand – from individual consumers to entire communities, and from small investors to large pension funds – for social and environmental responsibility. Global Responsibility's service concept is a response to the challenges mentioned above and was developed by researchers at the International Institute for Industrial Environmental Economics (IIIEE) at Lund University in Sweden. At the core of the service concept is the Global Responsibility Communication Platform, a web-based service for sustainability reporting and stakeholder dialogue built upon the belief that increased transparency can help drive corporate accountability.

A software tool will offer companies assistance with the process of data entry related to the financial, environmental, social and ethical aspects of their corporate performance. There five different modules, each focused on a specific aspect of corporate performance:

- General – organizational profile, financial data, output data
- Environment, Health and Safety – policies, practices and performance data
- Social and Ethical – policies, practices and performance data
- Intellectual capital – policies, practices and performance data
- Product/Service – features and performance data

There are several levels of aggregation, so that reports based on the information can be produced at any level. It will be possible personalize both the user interface and reports based on the information provided through the portal.

The corporate performance information presented through the Global Responsibility Communication Platform will be placed in its proper context through news links and educational materials. The performance information found through the Communication Platform should however only be seen as a starting point for dialogue between organizations and their stakeholders. It is the act of engaging in stakeholder dialogue that will drive improvement in corporate sustainability performance and help corporations better meet stakeholder needs.

Several stakeholder dialogue workshops and seminars will be arranged each year, where balanced and all-sided discussion can take place between company representatives and their stakeholders. The Annual Global Responsibility Forum will play an important role in identifying new trends and setting priorities for future development of the Global Responsibility Communication Platform. These activities will help member companies build stronger stakeholder relationships. Companies will also receive assistance from sector advisors and the extensive knowledge network created around the Global Responsibility Communication Platform in order to identify and understand emerging issues related to corporate social responsibility and sustainability. Sector specific guidance for reporting will also be developed through these mechanisms.

Within the Global Responsibility Communication Platform, the Audit Partners, KPMG and Deloitte & Touche, will perform random assurance engagements in order to add credibility to the information submitted to the platform by companies and contribute to the learning process within each company aiming to improve their reporting practices. Other partners in development include the European Partners for the Environment (EPE), The World Conservation Union (IUCN), The International Institute for Sustainable Development (IISD) and the International Hospital Federation (IHF). The pioneer companies actively participating in the development include ITT Flygt, Birka Energi, Telia, Lunds Energi, Volvo Car Corporation, Sydkraft, Fighter, Skanska, BioMet Merck, Sony Europe International, Hennes & Mauritz, TransFargo, Wallin och Dalholm Boktryckeri AB, Brø drene Hartmann, and Malmö Allmanna Sjukhus (MAS).

6.1. Possibilities offered by the Global Responsibility Communication Platform

The possibilities presented by the communication platform are well illustrated by one of the partnerships that Global Responsibility has formed. The Swedish Business Travel Association (SBTA) and Global Responsibility have a joint project to facilitate cost-effective reporting and easy access to performance data. When a large corporation today implements an environmental management system, it takes on the challenge of including environmental considerations in all its procurement practices, which also includes business travel. Consider if 40 large corporations all have to send out questionnaires to about a 100 suppliers just for business travel related services. That would mean sending out, filling in and analyzing more than 4 000 questionnaires. Let us presume that each questionnaire takes a total of 4 hours to deal with on both sides (total 8 man hours per questionnaire) and the average time from start to finish of the process is 1 month. Calculating on an hourly cost of 50 EURO for manpower this equals a total cost of 1 600 000 EURO. Using the platform that time needed on both sides would decrease dramatically, as there would be only one report per supplier and the corporate performance information would then also be available for other interested parties.

Calculating on an average membership fee of 5 000 EURO for the 40 corporations and 100 suppliers, the total cost for disseminating corporate performance data through the Global Responsibility Communication Platform would instead be 700 000 EURO. When utilizing the Global Responsibility Communication Platform, the estimated time to handle each information request or questionnaire will be reduced from 8 hours to 15 minutes. The process of accessing the information needed to handle the 4 000 information requests would then only cost 50 000 EURO. The Communication Platform will ensure that each additional information request can be handled at a low marginal cost. Transaction costs will decrease as the number of customers that demand this type of corporate performance data steadily increases. Today, some of these companies publish paper-based reports and some do not. Hospitality organizations do not only supply services, they are also buyers of various products and services. Involvement in the Global Responsibility Communication Platform will allow for two-way communication, which is necessary in order to conduct overall procurement practices in a sustainable manner. Global Responsibility is currently developing a joint questionnaire for one-stop reporting of corporate performance data in close cooperation with SBTA and the International Institute of Industrial Environmental Economics (IIIEE) at Lund University in Sweden.

The opportunities for helping companies in developing countries gain equal access to markets can be illustrated by another partnership that Global Responsibility is in the process of establishing with the Confederation of Indian Industry. Consumer demands in the Western countries are pushing down reporting to the level of suppliers in the developing world. These suppliers are now required to supply their customers in the West with corporate sustainability performance data. This demand for increased public reporting is based on the concerns of big consumer brands that worried that their brands will be targeted if their suppliers in the developing countries are found to fall short of Western expectations. For many of these smaller suppliers, paper-based reporting is not a viable option due to the costs involved. Instead they need access to a cost-effective and trustworthy way of public reporting on a global scale, where the corporate performance information will be subject to random verification. Today, suppliers need to build trust to build business.

7. CONCLUSIONS

The increased utilization of information and communication technologies of the new economy has helped shape an even more transparent marketplace. Accountability is being driven through transparency, as stakeholders are demanding more complete, comparable and verifiable information regarding corporate performance. There is an emerging public reporting practice regarding the "*triple bottom line*", where financial, environmental, social, and ethical information is blended together through "*sustainability reporting*".

In the future there will be an even greater emphasis placed on the sustainability performance of corporations and other organizations. Innovative sustainability reporting solutions will be needed as an increasing number of companies will need to provide their stakeholders with easy access to credible information in formats that cater to the needs and requirements of each specific stakeholder group.

In recent years an increasing number of standards and guidelines that aim to support and measure accountability and performance have emerged. Voluntary initiatives, such as the GRI Sustainability Guidelines and the UN Global Compact, are examples of multi-stakeholder cooperation projects that share a common end goal – to provide voluntary principles and standards for responsible business conduct and performance reporting. Such initiatives play an important role in helping companies begin their transformation to sustainable organizations, where the business and management models required for the new economy have been embedded in the day-to-day operations and that are able to conduct sustainability reporting, i.e. offer a more balanced view of corporate performance by blending financial, environmental, social and ethical dimensions. As transparency continues to drive corporate accountability, companies will need to take sustainability issues into account in all decision-making situations in order to achieve long-term business success. Investors and other stakeholder groups will also require companies to actively report on their corporate sustainability performance.

The Global Responsibility Communication has been developed to help companies meet these challenges. It is an academic project that has evolved into a service company with a distinct vision of helping companies and organizations better understand the sustainability issues they face and communicate their efforts to stakeholders in a cost-effective manner. In sum, the Global Responsibility Communication Platform will help streamline the reporting process by providing cost-effective access to corporate sustainability performance information, as well as offer a means of engaging in meaningful stakeholder dialogue on sustainability issues, which can benefit both small and large organizations.

The feedback so far has been very positive and we look forward to receiving your feedback and input from the participants of EURO 2000. The concept will continue to be developed in partnership and consultation with companies, NGOs and academics. You are all invited to take part in this development process by sending us your feedback, engaging us in dialogue and/or joining as a pioneer company.

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The Caux Round Table (http://www.cauxroundtable.org)

Corporate-Register (http://www.corporate-register.com/)

CSR-Matrix (EBNSC) (http://www.ebnsc.org/Matrix2/)

The Corporate Social Responsibility Newswire – CSRwire.com (http://www.csrwire.com)

Domini Social Investments (http://www.domini.com)

Dow Jones Sustainability Group Indexes (http://www.sustainability-index.com/)

EBNSC - The European Business Network for Social Cohesion (http://www.ebnsc.org/)

Enviroreporting (http://www.enviroreporting.com/)

E&Q rating (http://www.eqrating.com)

Global Responsibility (www.global-responsibility.com)

Green Index (http://www.greenindex.co.uk/)

Social Funds.com (http://www.socialfunds.com)

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Sustainable Value (http://www.sustainablevalue.com/)

Social Investment Forum (http://www.socialinvest.org)

The Prince of Wales Business Leaders Forum (http://www.pwblf.org/)

Tomorrow-Web (http://www.tomorrow-web.com/)

VBDO (http://www.vbdo.nl/)

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