



“No, I do not.”

Elaine Cohen doesn't think that Integrated Reporting will replace the independent Sustainability Report in the future.

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“An Integrated Report, no matter how expansive, will never address material sustainability impacts to the degree that will enable non-financially-motivated stakeholders make informed decisions.”

Elaine Cohen



Elaine Cohen is the founder and CEO of [Beyond Business](#). She is an expert voice in the field of sustainability strategy and sustainability reporting and author of three books on sustainable practice and reporting. Elaine writes regularly for her [CSR Reporting blog](#) and other publications, and is a frequent chair and speaker at sustainability conferences. In an interview for the [nxr lab](#) she talks about current issues from the world of sustainability reporting.

Interview

How long have you been engaged in Sustainability Reporting and what do you specialize in?

I have been helping clients to prepare Sustainability Reports since 2005 and that's still my prime occupation and one that I love. Every new report is a

be one of the first to use the G4 guidelines with clients, having worked on three G4 reports for three clients on three continents published before the end of 2013. Reporting includes many different aspects of sustainability activities – it's not just writing a report – it's about stakeholder engagement, mapping material impacts, helping companies define priorities and strategic positions and action plans. Reporting pulls together different knowledge and skill sets and that's why it's so interesting.

Some years ago G4 was supposed to be a game changer. Has the new reporting standard really changed the game?

There's never an easy answer to anything related to Sustainability Reporting. Yes or no is never quite enough. G4 has changed the game in some respects. It has certainly forced companies to think about and make a declaration about their most important impacts (materiality). Although "materiality" was on the map before G4, no-one really took it seriously. The G4 guidelines made materiality a familiar term in sustainability. On the other hand, while many companies decide and report what's material, there is little evidence that this has changed the way they develop sustainability strategy or construct their reporting. The next phase will need to be greater alignment between what is stated as material and what's done and what's reported.

What major content changes have you noticed within Sustainability Reports in the recent past (3-5 years)?

I believe reporting has shifted to more of a "business throughout the value chain" approach, rather than being about community involvement and charitable contributions. More companies are talking about the way their core business impacts society and the environment, which means integrating sustainability into decision-making, rather than keeping sustainability on the sidelines as a project or set of activities that boost reputation. This is the right direction, of course, because it's these business impacts that are far more meaningful than any amount of charitable giving or lighting retrofits. Recently we have seen more content shifting to supply chain management, human rights and in some cases, impact assessments. And more companies are talking about the business benefits of sustainability rather than just the sustainability benefits.

Do you think Integrated Reporting will replace the independent Sustainability Report in the future?

No, I do not. Integrated Reporting is a tool to help financial stakeholders assess the value of a company (in theory, at least – we still have to see how information in Integrated Reports will actually be used by the financial

sustainability impacts to the degree that will enable non-financially-motivated stakeholders make informed decisions. I applaud the inclusion of sustainability-related information in annual reports, and similarly, Sustainability Reports cannot be entirely devoid of financial information. But, fundamentally, Integrated Reports and Sustainability Reports are two different tools that serve different purposes and I believe that companies that adopt integrated reporting will, by and large, continue to publish standalone sustainability reports to meet the transparency and information needs of a much wider range of stakeholders.

How do you think Sustainability Reporting changes the way corporations do business?

I often talk about reporting as a catalyst for performance improvement. The degree to which corporations change can be correlated, I think, to the degree to which they take reporting seriously. It's part of a cycle. Companies that are serious about sustainability to help manage risk and develop opportunity are also serious about reporting and that in turn helps them drive performance. Reporting can be a tool to develop consensus about what's important, how to address it, how to measure it and how transparently to disclose. Reporting, done well, involves many people in an organization and over time empowers people and drives cultural and behavioral change. This is the positive cycle of performance and reporting. We are therefore seeing a convergence of internal and external messaging. That's what reporting does. It helps an organization develop one voice for internal and external stakeholders. Of course, no amount of reporting can change the way a company does business if its leadership are not predisposed to behaving ethically and responsibly. Reporting is not a magic pill that changes everything. But, as a tool used wisely, it can contribute to changing some things.

In the Sustainability area companies still use a lot of different names to label their reporting. e.g. Sustainability Report, Corporate Social Responsibility Report, Corporate Responsibility Report, Environmental Report or Citizenship Report. What do you advise your clients to use for their reporting and why?

I prefer reports to have a title that reflects the message a company is trying to tell. For example, with Caesars Entertainment, we spent a lot of time thinking about what each report is trying to convey, and use a title that gets that message across. The most recent report was called, for example, "Inspiring Citizenship" which has a double meaning ... on the one hand, citizenship inspires Caesars and on the other hand, Caesars inspires its stakeholders to engage with the citizenship agenda. As for the difference between Sustainability, Citizenship, CSR, CR and all the other names, they

today than “responsibility”. Sustainability or Citizenship seem to me to reflect a broader level of impact, beyond a basic expectation of acting responsibly, toward more of an encompassing sense of impact on society and planet.

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