

Sustainability and Reporting Trends in 2025 – Preparing for the Future –

GRI's Reporting 2025 Project: First Analysis Paper, May 2015





ABOUT GRI

GRI is an international, not-for-profit organization working in the public interest towards a vision of a sustainable global economy, where organizations manage their economic, environmental, social, and governance performance and impacts responsibly. Thousands of corporate and public sector reporters in more than 90 countries use the GRI Guidelines. More than 24,000 reports have been registered in GRI's Sustainability Disclosure Database, and 27 countries and regions reference GRI in their policies.

GRI's activities are two-fold: firstly, the provision of sustainability reporting guidelines, and secondly, the development of engagement activities, products and partnerships to enhance the value of sustainability reporting for organizations.

www.globalreporting.org

info@globalreporting.org

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Executive summary

For people who understand the need for a transformational path to a sustainable economy, one of the most important questions today is: Which processes will drive the changes we need to make in order to achieve this economy?

It is clear that the reporting process has a role to play. Information gathered during this process can lead to better companies and policy, provided it is properly focused and used to inform critical decisions.

However, experience shows that this is not always the case. Although the practice of measuring and reporting sustainability performance has increased dramatically over the last decade – most large companies now disclose sustainability performance data – the negative environmental and social impacts of business persist.

So we've made great progress, but we need to adapt and change to enable the market to build better companies and better policy. Together with leaders, governments, business and the global GRI community, we are working to define the future of reporting.

If sustainability data and reporting are to be effective tools for companies and stakeholders¹ over the next decade, they must be shaped to best inform decision makers tackling major sustainable economy challenges, such as:

- 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

All of this will take place in the midst of the digital era, in which the public expects real-time access to information, and comparable performance data.

Looking ahead to the sustainability and reporting trends of 2025, GRI's Reporting 2025 project aims to facilitate the discussion around the future of reporting. This paper examines the key topics for decision makers to consider in the next decade in order to transition to a sustainable economy, and looks at how disclosure and reporting should be shaped to support them in this process.

The insights presented here provide the first set of preliminary findings of the Reporting 2025 project. They result from the analysis of the first nine interviews conducted as part of the project, as well as other sources. The insights reveal several trends that indicate how disclosure will evolve in the next decade. In short:

- **Companies will be held accountable, more than ever before;** 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.
- **Technology will enable companies and stakeholders to access, collate, check, analyze and correlate data.** Consequently, decision makers will take into account 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 and report in a highly integrated way,** for example, disclosing performance information in context alongside that of their supply chain and regional partners.

¹ The concept of 'stakeholders' is used here in a generic way. Some interviewees referred to them in general and others more specifically as consumers, clients, suppliers, governments, civil society, investors, etc.

- **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.
 - **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 building a sustainable economy.
 - **Reports will result both from regulated and voluntary processes.** Sustainability reports and disclosures will support decision makers, inside and outside of companies, as well as helping stakeholders to monitor companies' contributions to sustainable development and the consistency between their ethical values and actions.
 - **Sustainability data will be digital.** This format will prevail for presenting financial and sustainability 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.
- The next Analysis Paper (September 2015) and the final publication of this project (January 2016) will explore further the relationship between the insights gained through interviews and research and the trends initially identified by GRI, on the content and format of disclosures and reports:²
- Reporting on the transition to a sustainable model
 - Reporting on the contribution to achieving the Sustainable Development Goals
 - Reporting with focus on investors' interests
 - Reporting on 'valuation of externalities'
 - Reporting as shaped by new data technology

² For details on initially identified trends on content and format, see section 2.3.

1 Introduction

Today, decision makers, companies and other organizations have the information they need to change the way they operate, but this information often goes unused.

Information alone, therefore, does not necessarily lead to change; it can only do so if it is used in decision-making processes that are guided by a vision. Leaders – companies, NGOs, regulators and other stakeholder groups – have a role to play in creating a vivid image of our desired future. By establishing audacious goals, reporting organizations share their aspirations for a future that they may not have imagined possible.

Is the purpose of sustainability disclosure and reporting to promote change?

Yes. Although the exercise of measuring and reporting has other purposes – such as to inform companies and their stakeholders about the impacts business activities have on people and the environment, and to help companies understand and manage risks, foresee opportunities and improve performance – the most important purpose is to measure and report towards a sustainable economy.

But evidence shows that both reporting on sustainability impacts and the decision-making processes that disclosure informs will have to evolve if they are to promote the changes we need to make in the next decade to achieve – or even get close to – a sustainable economy.

So far, measuring and reporting on sustainability impacts has not been used effectively as a tool to promote change on the scale that is needed.

1.1 Greater transparency...

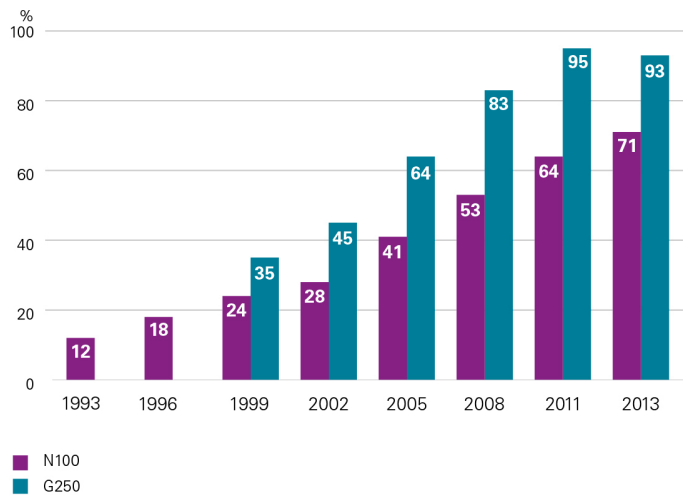
Over the last decade, the practice of corporate sustainability disclosure has increased dramatically, as has stakeholder demand for sustainability data. Regulators, rating agencies, stock exchanges, investors, consumers and civil society organizations have been asking companies to measure and disclose their performance like never before.

Stakeholders believe in the power of transparency to better understand business and make informed decisions. Transparency has become a critical element in building trust, maintaining or improving reputation and managing risks.

Reporting is a means for organizations to show their commitment to transparency and their progress towards goals. GRI and many other organizations have developed guidance and metrics – at the sector, national and international levels – to improve companies' abilities to prepare sustainability reports and disclosures that are meaningful to stakeholders.³

Today, the world's largest companies in all sectors and regions disclose their sustainability performance and impacts to some degree. The *KPMG Survey of Corporate Responsibility Reporting 2013* concluded that "Almost all the world's largest 250 companies report on Corporate Responsibility (CR)" (see figure 1), and that "Reporting is now the norm across all these sectors, with at least 62% of companies in every sector producing a (CR) report."⁴

Figure 1. Growth in reporting since 1993 (percentage of companies with CR reports)



Base: N100/G250 companies

Source: KPMG International, *The KPMG Survey of Corporate Responsibility Reporting 2013*, December 2013, p. 22.

³ At the global level examples are the IIRC and CDP. At regional levels examples are: the European Union Directive 2014/95/EU; the Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises, issued in 2013 by the Indian Ministry of Heavy Industries and Public Enterprises; the 2008 China CSR Guidelines by the State-owned Assets Supervision and Administration Commission (SASAC) and sustainability accounting standards by the US-based Sustainability Accounting Standards Board (SASB). For stock exchanges, examples are: the 2012 BM&F Bovespa 'report or explain' recommendation in Brazil; the Stock Exchange of Thailand (SET) Guidelines on social responsibility and reporting, issued in 2012; the 2011 Singapore Exchange Guide to Sustainability Reporting for Listed Companies; and the Johannesburg Stock Exchange listing requirement based on the King Code on Corporate Governance, issued in 2010.

⁴ KPMG International, *The KPMG Survey of Corporate Responsibility Reporting 2013*, pp. 10, 27.

1.2 ... but increasingly negative impacts

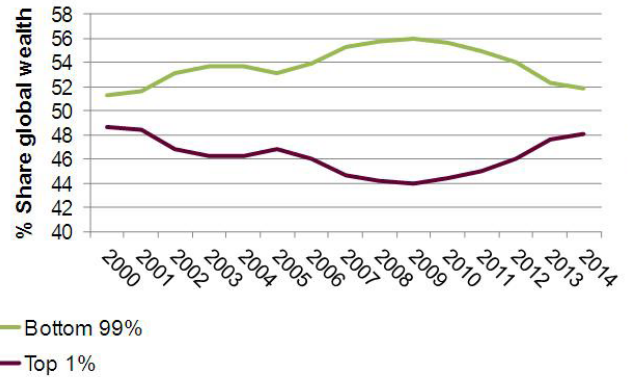
Despite the increasing transparency, change towards a sustainable economy is progressing slowly. The sustainability movement – promoting transparency, better management of natural resources, regeneration of ecosystems, human rights, ethics and improved quality of life – has forever changed our understanding of business impacts and responsibilities, and has led to considerable improvements in the performance of many companies.

However, this movement is not yet powerful enough to influence the decision-making processes that underpin the transition of governance structures, business models and resource consumption patterns to a sustainable level.

Despite performance improvement and innovation, we are still consuming increasing amounts of raw materials every year, increasing pollution and ecosystem contamination, and human rights and peace are far from being guaranteed for a large part of the world’s population. We are still concentrating wealth (see figure 2), increasing global temperatures and operating with (very) short-term goals.

In the document *Wealth: Having it all and wanting more*, OXFAM GB summarized the wealth concentration trends as follows: “In 2014 the richest 1% of people in the world owned 48% of global wealth, leaving just 52% to be shared between the other 99% on the planet. Almost all of that 52% is owned by those included in the richest 20%, leaving just 5.5% for the remaining 80% of people in the world. If this trend continues of an increasing wealth share to the richest, the top 1% will have more wealth than the remaining 99% of the people in just two years, with the wealth share of the top exceeding 50% in 2016.”⁵

Figure 2. Share of global wealth of the top 1% and the bottom 99% respectively



Source: Oxfam GB, *Wealth: Having it all and wanting more*, 2015, p. 2.⁶

.....

“Throughout its evolution and diversification, our industrial economy has hardly moved beyond one fundamental characteristic established in the early days of industrialization: a linear model of resource consumption that follows a ‘take-make-dispose’ pattern. Companies harvest and extract materials, use them to manufacture a product, and sell the product to a consumer – who then discards it when it no longer serves its purpose. Indeed, this is more true now than ever – in terms of volume, some 65 billion tonnes of raw materials entered the economic system in 2010, and this figure is expected to grow about 82 billion tonnes in 2020.”⁷

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⁵ On this point, see also James Henry, Tax Justice Network, *The Price of Offshore Revisited: New Estimates for Missing Global Private Wealth, Income, Inequality, and Lost Taxes*, July 2012.

⁶ The material on this page from *Wealth: Having it all and wanting more*, 2015 is reproduced with the permission of Oxfam GB, Oxfam House, John Smith Drive, Cowley, Oxford OX4 2JY, UK, www.oxfam.org.uk. Oxfam GB does not necessarily endorse any text or activities that accompany the materials.

⁷ Source: Ellen MacArthur Foundation, *Towards the Circular Economy, Vol. 1*, 2012, p. 3.

1.3 Designing sustainability disclosure to promote change

How should sustainability reporting and disclosures evolve over the next decade to support decision-making processes more effectively and promote changes towards a sustainable economy? Are new metrics and new formats needed, and if so, which ones?

GRI's Reporting 2025 project explores the answers to these questions. It was designed to promote an international discussion about sustainability trends in the next decade: the most urgent topics decision makers will have to deal with when making decisions concerning production and consumption. The project explores how sustainability disclosure and reporting will become effective tools to support companies and stakeholders in such processes over the next decade.

Over a 12-month period, thought leaders from various fields are interviewed on subjects such as data technology, society and business development, with the aim of identifying the main

issues that will be (or should be) at the center of companies' agendas, and consequently in their public reports and disclosures. This open dialogue is intended to form the basis for meaningful future corporate disclosures. The interviews and research relating to the project are disseminated regularly on GRI's website and at regional events.

This first Analysis Paper presents the initial findings of the exploration, looking at the material produced and published between January and April 2015. It aims to encourage similar dialogue between actors in the sustainability and transparency fields.

The next Reporting 2025 Analysis Paper will be published in September 2015. The final Reporting 2025 publication will be designed by GRI and its project partners at a dedicated forum in October 2015, which will mark the end of this year of exploratory dialogue. The publication will present the main trends identified, and will be launched in January 2016.

To find out more, visit the [Reporting 2025 project page](#).

2 Starting points: Focus and strategy are needed

In 1999, GRI created the first sustainability reporting standard – the GRI Guidelines – through a global process in which representatives of business, labor unions, investors, accountants, civil society organizations and other experts were invited to participate. The Guidelines have been updated regularly since then, and today – 15 years after the GRI Guidelines were first launched – they are used by thousands of corporate and public sector reporters in more than 90 countries. At least 24,000 reports have been registered in GRI’s Sustainability Disclosure Database and 27 countries and regions reference GRI in their policies.

The Guidelines present sets of indicators to help organizations measure and disclose their impacts and management approaches in many areas. The Guidelines have become a global reference, and a global language, for many other initiatives, making this aspect of companies’ performance measurable, manageable and more transparent. They have also been used as reference by several sustainability performance tools and rating schemes.

Developments that have taken place over the last decade have led to important questions about the future role of sustainability disclosure and reporting. New frameworks and performance indicators have been proposed, and global goals have been set.

But will such developments lead to better support for decision-making processes that drive change towards a sustainable global economy? And if so, how?

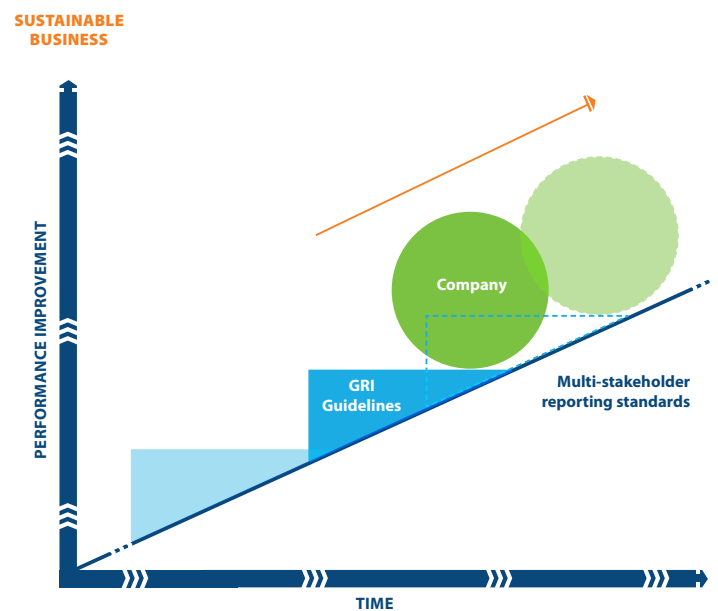
2.1 Material reports – clarity and strategic focus

During the three-year development period of the latest version of the GRI Sustainability Reporting Guidelines, G4, GRI coordinated a global multi-stakeholder consultation with thousands of participants, which resulted in a call for ‘focus’. In all regions, stakeholders – including business – wanted GRI to inspire a new generation of strategically focused reports: *material reports*.

There was general global consensus that, compared to hundreds of pages of project descriptions and a few goals, strategically focused reports would be much more useful for supporting decision-making processes and promoting change. These more focused reports would also be more helpful for building trust, improving reporters’ reputation and evaluating the risk management ability of companies’ leaders. This request became the core of the G4 Guidelines.

From this perspective, reporting against international standards is a way to improve performance towards sustainable business practices, year after year, while also refining internal cycles (plan–do–check–act). Each improved version of the GRI Guidelines acts as a stepping-stone, pushing companies in the direction of more sustainable business performance. Focused reports, such as those prepared using the G4 Guidelines, are expected to show this progress more clearly and demonstrate commitments towards better sustainability performance. (See figure 3.)

Figure 3. Reporting supports progress towards sustainable business performance



2.2 Strategy – choosing a direction

The idea that reporting on sustainability related issues is a critical tool for improving companies’ performance is widely accepted, both within companies and among their stakeholders. Different approaches have been proposed recently to improve sustainability performance, presenting different ways to measure it and to focus companies’ efforts.

Will these new approaches help? Perhaps. Each of them provides a specific understanding of critical factors that could influence change. If that factor is a powerful one – one that can really activate the most crucial points of the decision-making processes – we may have found the right focus for designing the future of sustainability reporting and disclosure.

In 2014 GRI started to investigate these approaches by identifying trends that could potentially shape the sustainability agenda and reporting in the future. The Reporting 2025 project aims to check these trends and identify others. The initially identified trends are presented below in two parts: **reporting content** and **reporting format**.

2.3 Initial reporting trends identified

Through interviews with policy makers, thought and business leaders, the Reporting 2025 project aims to explore which of these trends are considered key to unlocking the power of reporting to accelerate change; the project also aims to discover other trends that may be emerging. The interviews in this first quarter of the project revealed that there are many more trends on the radar; these are examined in section 3.

2.3.1 On content

On content of disclosures and reports, the four initial trends identified were:

1. Reporting on the transition to a sustainable model

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

Over the last decade, various proposals have been put forward to deal with the dilemma of limits versus progress/development/growth – sustainable economy models such as the green economy, the circular economy, progress without growth and natural capitalism.⁸

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, 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.

2. Reporting on the contribution to achieving the Sustainable Development Goals

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

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, driven by concrete contextual challenges, companies 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.

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?

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 reports with relevant content that supports their decision-making processes.

⁸ Division for Sustainable Development, UNDESA, [A guidebook to the Green Economy](#), 2012.

Ellen MacArthur Foundation, [Circular Economy](#), 2012.

Tim Jackson, Sustainable Development Commission, [Prosperity without growth? The transition to a sustainable economy](#), 2009.

Paul Hawken, Amory Lovins, and L. Hunter Lovins, [Natural Capitalism: Creating the Next Industrial Revolution](#), 2013.

Organizations such as the Carbon Disclosure Project (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.

4. Reporting on the 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?

Some organizations are looking for a more familiar language in which to express companies' impacts and 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, the term 'externalities' encompasses the broad range of external business factors and impacts that are normally not monetized in value calculations. Taking these into account would enable companies and their stakeholders to evaluate business externalities and make them part of regular business accounting.

Since this movement was initiated by the World Bank and The Economics of Eco-systems and Biodiversity (TEEB) in 2008, it has attracted many other organizations, such as the Natural Capital Coalition and its partners.^{9,10}

From the point of view of 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.

2.3.2 On format

Concerning the format of disclosures and reports, the initial trends identified were:

The format of reporting will be shaped by new data technology

A sustainability report is a document with roots that are profoundly connected to printed annual publications. Such publications rely on data gathering systems to collect the information to publish, which may be checked by auditors before being distributed by a company.

Organizations have adapted their reports for 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 reports 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,¹¹ which can be tagged to provide easy access and enable analysis. For companies, this will probably mean the continuous disclosure of data that will be updated frequently, making it available for public consumption. This format will give rise to a challenge: one of being coherent and trustworthy at all times.

⁹ For more information see [TEEB](#) and the [Natural Capital Coalition](#).

¹⁰ The most widely discussed example of reporting using this concept is the [PUMA Environmental Profit & Loss Account \(E P&L\)](#).

¹¹ By digital data the authors mean information that is only available digitally and can be accessed via search engines.

3 Reporting and the transition to a sustainable economy

This section presents the first analysis of the interviews in relation to the trends described in section 2.3, as well as newly identified trends. The findings relate to the first quarter of the Reporting 2025 project, from January to April 2015, when GRI published nine interviews on the future of reporting and future trends. Summaries of the full interviews and videos of the highlights are published on the Reporting 2025 [project page](#).

The first group of interviewees:¹²



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



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



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



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



5. **Dr. Roberto de Ocampo:** 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. De Ocampo is also chairman of the Philippine Veterans Bank.



6. **Paul Simpson:** Chief Executive Officer of the 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.



7. **Marjella Alma:** Co-Founder and CEO of eRevalue, a women-led technology company that looks at the corporate reporting landscape, the regulatory landscape and the stakeholder landscape, extracting useful and meaningful data to inform companies on what issues are really important.



8. **Robert E. McGarrah, Jr.:** 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.



9. **Marjan de Bock-Smit:** Founder and CEO of Supply Chain Information Management (SIM), a company that helps organizations verify where and how their products are produced.

¹² Interviews published in January to April 2015 were included in this first Analysis Paper. Interviews will continue to be published monthly; future interviews will be discussed in the second Analysis Paper and final Reporting 2025 publication.

The interviewees were selected based on their leadership role, field of expertise and focus on accelerating sustainable growth. By selecting a diverse group, different perspectives could be collated on the central points on society's agenda over the next decade, how the new context will impact business, and which challenges companies will face. Based on these insights, we explored the kinds of sustainability disclosure or reporting that are expected in the transition to a sustainable economy.

The interviews explored the following questions:

- What will be at the heart of society's agenda in 10-15 years from now? How will this influence the business agenda?
- What kind of indicators will be useful for reporting in the next decade? Why?
- What kind 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 kind of external communications will be meaningful?
- What role will new technologies play in shaping the future of sustainability-related disclosures?

The interviews reveal that, although the four report content trends initially identified (see section 2) are on the radar for thought and business leaders, there are many other trends to be considered as drivers of change in the next decade; these will also define the future of sustainability reporting and disclosure. The trends are presented in three parts: (3.1) Key topics for society; (3.2) Key topics for business; and (3.3) Reporting in the next decade.

3.1 Key topics for society

- The social and environmental issues at the center of today's agenda will still be relevant – and probably more prominent or intense – in the next decade. The topics explicitly mentioned by the interviewees as society's **hot topics** for the next decade are:
 - 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
- Society will have a general **lack of trust in institutions** in the next decade: governments, companies and other organizations will be challenged in relation to their trustworthiness.
- The **advance and spread of data technology** will be important in the next decade, making data much easier to access, collate, check, analyze and correlate. This will empower individuals and organizations to produce their own information analysis methodologies and to disseminate their own conclusions through multiple digital media channels. From this perspective, the next decade will be marked by an 'information battle,' in which individuals, institutions and organizations may find it difficult to build trust.

3.2 Key topics for business

- **Transparency and consistency** will be the name of the game. The digital era will increase pressure on organizations to achieve consistency between values and actions. As information will be increasingly easy to find, analyze and verify, consistency will be vital. Stakeholders will have easy access to an increasing amount of corporate information, making it even more critical for companies to align their actions with their values, in order to build trust and protect their reputation.
- Furthermore, companies will have to **be explicit about their values**. This will be critical in the challenging context in which companies will operate in the next decade. One area in which this is apparent is innovation: products and services – from biotechnology to cyber-space control and drones – are developing faster than their limiting regulations. This means citizens and companies will be responsible for defining what is acceptable and what is not.
- **The importance of stakeholders will grow**, and their roles will be empowered by technology. Stakeholders are already influential opinion makers, shaping the institutional environment and strongly influencing the market and regulations in many sectors. Stakeholders will become much more involved in governance models and strategy definition.

- **Supply chain management will be at the center** of the business agenda in the next decade, along with reputation management. One challenge for companies will be to ensure stable supply of products and materials, because of climate change and other environmental and social factors. In addition, the digital era will make it possible for companies (and stakeholders) to gain detailed knowledge of a company's supply chain, its connection with other sectors and its impacts on global and regional sustainable development.
- **Integrated management is the way to go.** Data technology will enable companies to operate in an integrated way within and across sectors and regions, monitoring their impacts and supply chains, and acting together to tackle society's and companies' challenges. This will require a new managerial culture.
- **Reporting (or disclosure) will be digital**, and almost real-time. As a tool to interact with stakeholders and support decision makers, the report of the future will not be a printed document that is checked and released once a year, but rather dynamic, accessible data.
- **Companies will have 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 consistency.

Specific topics:

The following points were made by some of the interviewees, addressing more specific factors they consider critical for the future of reporting.

3.3 Reporting in the next decade

Interviewees' views are clearly influenced by the topics they see at the center of society's agenda, and by their area of expertise. As a result, there are a number of topics in relation to reporting and disclosure in the next decade that most or all interviewees agree on, and others that differ. These are presented below.

General topics:

The following points were made by most or all interviewees.

- Sustainability related disclosure and reporting should **demonstrate proactive commitment towards sustainable economic development**; it should no longer be considered only as an instrument designed to hold companies accountable. By establishing audacious goals, reporters will share their vision for the future with their stakeholders.
- **Reports will focus on the abilities of companies to create value for business and society.** Companies will have to be much clearer about their contributions to efforts such as improving wealth distribution, reducing the impacts of climate change, protecting ecosystems, implementing regional sustainable development plans.
- **Transparency in the supply chain** is key to demonstrating consistency and a commitment to sustainable development in general. Interviewees foresee a much deeper integration between business strategy, purchasing policies and supply chain, as well as the implementation of regional sustainable development plans.
- **Companies (and governments) will have to choose a sustainable development model** to be aligned with and define their big-picture goals. In this context, some interviewees mentioned the circular economy, the collaborative economy and the green economy.
- **The Sustainable Development Goals (SDGs)**, or a similar system, may become a reference to monitor progress towards the establishment of a sustainable economy. This reinforces the idea that public and private partnerships will be key to tackling the challenges ahead, particularly for companies that have not chosen a specific sustainable economy model as a reference to define its big-picture goals.
- Companies will have to get used to **two 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. The latter should be created by the company in consultation with stakeholders, as partners in its value chain.
- **"Totally integrated report"** is an expression used by some interviewees when describing the report of the future. This expression describes the integration of financial and sustainability 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 language of future reporting will be “**monetization of impacts**” and “**valuation of externalities.**” Data technology will enable companies, experts and stakeholders to create methodologies that will use large amounts of data to get a more accurate valuation of externalities that can be monetized. Financial value language will be used to express natural and social value in future reporting.
- **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.
- Because of mandatory reporting rules, companies may be obliged to release some form of report in parallel to their real-time data disclosure – an ‘**official version.**’ The annual format may also be maintained to preserve the storytelling aspect of the reporting and disclosure process.
- More innovative metrics will be needed:
 - As decision makers will have to know more about the correlation between impacts to make business decisions. This is only possible if they can use **correlated indicators:** indicators that show the connection between different factors in the context in which the decision will be made.
 - As it will be very difficult for stakeholders to decide who to trust and for companies to build trust, in a jungle of digital platforms and intelligent search machines, **new indicators to measure trust** will need to be created and monitored constantly.
 - As disclosures will be integrated in different ways, **integrated indicators** will be created to guide decision makers. This could mean integrating financial and non-financial information, or integrating a company’s performance measurement and reporting with that of its supply chain, regional partners or sectorial peers.

4 What do you think?

GRI encourages its network to further explore these questions:

- What are the main issues that society will be dealing with in the next decade?
- How will these issues affect the way companies operate and report?
- Which decision-making processes will drive the changes we need to make towards a sustainable economy?
- What kind of sustainability data and reporting can inform decision makers and stakeholders tackling the sustainable economy issues of the next decade?

Individuals and organizations can participate in the Reporting 2025 discussion by sharing their views on these questions, or letting us know about an issue they believe will be – or should be – at the center of companies' agendas and their public reports ten years from now. Please send comments via email to the Reporting 2025 project team: reporting2025@globalreporting.org.

Individuals and organizations can also contribute by promoting discussions in their regions using the content posted on the Reporting 2025 section of the GRI [website](#). The minutes and conclusions of the discussion can be submitted via email to the reporting 2025 [project team](#).¹³

¹³ Corporations that are ready to take the lead in steering the discussion in 2015 and exploring the trends in more depth in 2016, can also take part in the project as part of the GRI Corporate Leadership Group on Reporting 2025. For more information please contact [GRI](#).

Further reading

Future trends in society

Archana Devi Vidyasekar, Frost & Sullivan, [Top Global Mega Trends to 2025 and Implications to Business, Society, and Cultures](#), 30 May 2014

Gerd Leonhard, [Digital ethics and the future of humans in a connected world](#), 6 December 2014

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SustainAbility, [10 Trends for 2015](#), 2014

The Millenium Project, [Global Challenges for Humanity](#), 2014

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George Monbiot, The Guardian, [Put a price on nature? We must stop this neoliberal road to ruin](#), 24 July 2014

McKinsey & Company, [Big data: The next frontier for innovation, competition, and productivity](#), May 2011

McKinsey & Company, [Global forces shaping the future of business and society](#), November 2010

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ACCA and IMA, [Big data: its power and perils](#), November 2013

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Acknowledgments

The Global Reporting Initiative (GRI) would like to thank the global sponsors Boston College – Center for Corporate Citizenship, Enel and SAP, whose financial support made this publication possible.



BOSTON COLLEGE CENTER FOR
CORPORATE CITIZENSHIP
CARROLL SCHOOL of MANAGEMENT



PUBLICATION DEVELOPMENT

Project coordination

Satu Brandt, GRI

Content development

Nelmara Arbex, GRI

With contributions from

Katherine Smith, Boston College – Center for
Corporate Citizenship
Marina Migliorato, Enel
Chris Zerlaut and Elmar Paul, SAP
Margo Mosher, SustainAbility

Text editing

Lucy Goodchild van Hilten, Tell Lucy

Design and layout

Tuuli Sauren,
INSPIRIT International Communications

Photography

© 123RF/ Yuanyuan Xie



GLOBAL REPORTING INITIATIVE

PO Box 10039

1001 EA Amsterdam

The Netherlands

Telephone: +31(0) 20 531 00 00

Facsimile: +31(0) 20 531 00 31

www.globalreporting.org