

ESG Viewpoint: WBCSD

RepRisk interviews Andy Beanland, Manager with the Redefining Value team at the World Business Council for Sustainable Development (WBCSD)

1. RepRisk: Please introduce to us the World Business Council for Sustainable Development and tell us about the work that you and your team do.

Andy Beanland: The World Business Council for Sustainable Development (WBCSD) is a global, CEO-led organization of over 200 leading businesses working together to accelerate the transition to a sustainable world. Our work targets the realization of the Sustainable Development Goals (SDGs) through six programs focusing on Circular Economy, Cities and Mobility, Climate and Energy, Food and Nature, People, and Redefining Value to achieve systems transformation. Through the Redefining Value program, we envision a world where business and the capital markets are responsible for powering a sustainable world – the most successful companies are those that contribute to and benefit from, flourishing societies globally. To do this, we need more well-run companies, making better decisions, and capital markets that properly value inclusive, impactful, and sustainable business practices. A key part of this is better, more transparent, and more comparable disclosure by companies on their environmental, social, and governance (ESG) performance. We do this by building collaborations and developing tools, guidance, case studies, engagement, and education opportunities to help companies incorporate ESG performance into mainstream business and finance systems.



2. RR: RepRisk data was used in the 2018 and 2019 Reporting matters publication, an annual report that is part of the Redefining Value Program. Please tell us more about the objectives and findings of the publication.

AB: Reporting matters is our annual review of members' sustainability, integrated or combined reports, with the ambition to improve the quality of corporate reporting within the membership. Our review uses 18 criteria to provide a holistic overview of reporting that considers a range of audience needs. We offer confidential feedback sessions to members on their reports and publish a public report highlighting the latest developments and good practice. One of the key findings from this year's report is that the vast majority of members continue to improve their overall score (88%) since we started the project in 2013. Importantly, we also see that 38% of members have improved their score on our Materiality criteria, suggesting that reporting has become more focused and specific. We also see an increase in the number of members combining financial and non-financial, or ESG, information in their disclosures and a growing number of companies acknowledging the SDGs in their reports, though there is a clear challenge in integrating the 2030 agenda into overall sustainability and business strategy. For further details, the report is available to download from the [WBCSD website](https://www.wbcasd.org/).

3. RR: RepRisk data was used in the evaluation of the Balance indicator to flag ESG and reputational issues related to WBCSD member companies. Please tell us why you chose RepRisk and what you see as the benefit of incorporating data from external, public sources – in addition to company-disclosed information – as part of your evaluation process.

AB: For the last two years, we've looked at high-risk incidents from influential sources by using the RepRisk ESG Risk Platform to flag issues of public concern and specific incidents that relate to material issues. We believe that balanced reports are transparent about the organization's risks, successes, failures, challenges, and opportunities – now and in the future. Reports should reflect positive and negative performance over the reporting period and include balanced external voices to enable the user to gain a complete understanding of the organization. The RepRisk Platform provides an objective way for us to assess if companies are responding appropriately and being transparent about their performance through their reporting processes.

4. RR: What do you see as the primary challenges in the reporting space, and how do you see the practice of reporting evolving in the coming years?

AB: [The Reporting Exchange](#) shows a continued expansion of reporting frameworks, standards, requirements, and voluntary reporting initiatives, but the people who prepare and use ESG information are finding the current reporting landscape complex and challenging. There is a need for greater efforts to harmonize and align reporting frameworks so that they measure and communicate critical, material information needed by mainstream capital markets to progress solutions to the big questions of our time: climate change, biodiversity loss, and inequality.

We also think that the time has come for companies to go beyond just financial optimization in their risk management, strategic target setting, and decision-making, since ESG-related aspects can impact companies' profitability and even survival. For corporate reporting, this means we need companies to disclose materiality-based, reliable, high quality, and comparable ESG information and integrate climate-related risk disclosures into their mainstream reporting processes. This will provide a cornerstone for transforming the financial system to reward the most sustainable companies and allow their solutions to achieve the scale that society needs.

5. RR: What are your plans for Reporting matters in 2020?

AB: Every year we review and evolve our criteria to keep up with the latest reporting trends. For example, we now look for our members to define targets that are context-based and aligned with globally agreed sustainable outcomes, such as the [Science Based Targets Initiative](#). We also plan to continue to use valuable external data sources, such as RepRisk, to complement our analysis, and to help members respond to increasing scrutiny.

Conclusion

WBCSD uses RepRisk to flag ESG and reputational issues related to member companies. In particular, WBCSD uses the filter function in the RepRisk ESG Risk Platform to look at high-risk ESG incidents from highly influential sources and related material issues. RepRisk serves as a reality check and complementary analysis to information that is self-reported by companies.

Bio

Andy Beanland is a Manager with the Redefining Value team at the World Business Council for Sustainable Development (WBCSD) in Geneva. In this role, Andy leads the work on the Reporting Exchange and the annual Reporting matters review process and publications. Andy is also responsible for monitoring and evaluation for a number of WBCSD grants. Andy holds a bachelor's degree in Computing and Business Management from the University of Leeds and Masters degree in Energy and Environment from Lancaster University. Andy has experience in sustainable tourism and sustainable mobility and as an IT specialist he worked for local government, academia, and in the forest and paper products sector. He is also a fellow of the Winston Churchill Memorial Trust.