



## SECTION B.4

# Dissemination and communication

The objective of corporate sustainability reporting policies or initiatives is to ultimately improve the environmental and social performance of companies. Reporting will only lead to improved performance where it is part of a comprehensive sustainability strategy (see section A – *“1.2.4. Business performance”, on page 15*) and if the sustainability performance report is both publicly available and actively assessed by civil society and the general population. This section provides a detailed look at the role that government actors and stakeholders can play in supporting the dissemination and wider communication of sustainability reports and information. The section includes:

1. An introduction to the strategies for supporting the dissemination of sustainability information.
2. Examples of strategies and initiatives used to disseminate sustainability information.
3. An outline of the first steps government actors can take in supporting the dissemination of sustainability information.

Where the sustainability reports contain information on the SDGs, these dissemination strategies can also be used to disseminate this information. See section B.3 – *“2. Role of governments in respect to data”, on page 85* for further information on how company sustainability reporting can contribute to national-level reporting on the SDGs.

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# 1. COMMUNICATING AND DISSEMINATING SUSTAINABILITY PERFORMANCE

Communication can be seen as happening at two levels – firstly the companies themselves can report on their performance, and secondly, independent organizations and government actors can use this information to communicate on the relative performance of companies. This section focuses on the second issue.

Government actors therefore have an important role to play, enabling public access to understandable and consistent information and then making people aware of the information and able to act upon it. This can be done through a variety of initiatives including:

- Engaging with companies directly:
  - Providing guidelines and examples of good quality reporting and communication.
  - Creating intra-sector competitiveness, e.g. through awards or other initiatives.
- Supporting dissemination and communication initiatives to enable civil society to make decisions based on company disclosed data:
  - Providing clear information – public awareness and information campaigns.
  - Creating or supporting initiatives that companies want to be associated with, or to avoid being associated with.

## 1.1. ENGAGING WITH COMPANIES TO ENHANCE DISSEMINATION

Government actors can make it easy for companies to produce understandable reports by providing reporting guidelines, and encourage companies to produce report through the use of awards. These two initiatives can be combined through the use of awards specifically aimed at the quality and understandability of company sustainability reports.

### 1.1.1. Company reporting guidelines

As indicated in Raising the Bar, company reports usually contain little information on to whom the information would be of interest or relevant. This is an important issue, as companies should have undertaken a materiality process during which they would have identified their key stakeholders and the stakeholders' main concerns.

*"Table 23. Key stakeholders and their specific interests<sup>180</sup>" on page 95, is a summary of the research in Raising the Bar with some additions outlining to whom the information could be of interest.*

To maximize the use of a report, the companies should be encouraged to:

- Provide a detailed description of their materiality processes.
- Disclose the key drivers for their reporting.
- Provide a mapping of which stakeholder group is interested in which reported area and how the company has responded to their needs and interests.
- Present an overview of key environmental performance data against goals. The performance goals should be SMART (specific, measurable, achievable, relevant and time bound).
- Include trend data for five years where available with clear information about baselines, targets and timeframes.
- Provide the data in a variety of formats:
  - Raw data in a downloadable format, e.g. to enable investors to be able to analyse in detail.
  - Visualization of data using easy to understand language to enable consumer groups to understand the information.

All stakeholders with significant influence, particularly national governments, should actively engage with reporting companies in order to increase the quality of the disclosure. This will enable stakeholders to more effectively use the information in their decision-making processes.

A key component of this will be to make the information accessible to a non-technical audience. The 'Science Based Targets' manual<sup>179</sup> includes some suggestions on this; in terms of reporting on carbon emissions they provide some simple suggestions:

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<sup>179</sup> Science Based Targets initiative, Science Based Target Setting Manual (2017)

Stakeholder	Potential influence	Key questions for the stakeholder
Long-term investors	Use influence to directly impact on the company's environmental, social and governance performance.	<ul style="list-style-type: none"> <li>• Is the company efficient? Has the company addressed its risks adequately?</li> </ul>
Stock exchanges	Sustainability-related conditions to the listing of companies.	<ul style="list-style-type: none"> <li>• What is the relationship between sustainability and financial performance?</li> <li>• Does the company merit listing on the exchange?</li> <li>• Is its sustainability performance in line with the stock exchange's expectations?</li> </ul>
Governments	Sustainability reporting regulation; pollution limits; tax incentives; awards.	<ul style="list-style-type: none"> <li>• Is the company making efficient use of national natural resources?</li> <li>• Is the company contributing to the change in natural capital in the country?</li> <li>• Is the company compliant with regulations and agreed limits for pollution, particularly those linking to international agreements?</li> <li>• Is the company maximizing international competitiveness?</li> </ul>
Companies	Business relationships, e.g. supply chain requirements.	<ul style="list-style-type: none"> <li>• How are the impacts of key suppliers affecting the company's sustainability (e.g. energy and water use) performance?</li> <li>• How significant are the downstream impacts on the life cycle impacts of the product or service?</li> </ul>
Non-governmental organizations	Negative publicity (blacklists); campaigns.	<ul style="list-style-type: none"> <li>• Is the company transparent and open?</li> <li>• How does the company compare to its peers?</li> <li>• Are there any specific areas where it is under-performing?</li> </ul>
General public	Campaigns; boycotting.	<ul style="list-style-type: none"> <li>• Is the product safe for people and planet?<sup>179</sup></li> <li>• Is the company open and trustworthy?</li> <li>• Which is the best company to buy from?</li> </ul>

**Table 23.** Key stakeholders and their specific interests<sup>180</sup>

- Put carbon emissions in context, e.g. the equivalent to taking 1,000 cars off the road.
- Provide lay terms for technical language:
  - Scope 1 – direct emissions
  - Scope 2 – emissions from purchased heat and electricity
  - Scope 3 – value or supply-chain emissions
- Avoid jargon.

These suggestions can easily be extended to other reporting categories such as waste and water.

National governments therefore may wish to provide guidelines on reporting which would cover what should be included in a full report and how to present the information to the general public in a summary document. Alternatively, they can refer them to existing publications such as 'Model guidance on reporting ESG information to investors' from the Sustainable Stock Exchanges (SSE) initiative.<sup>182</sup>

<sup>180</sup> While this may be the most important issue to the general public, company sustainability reports may not distinguish between company and product information – see section B.4 - 2.2 for further information.

<sup>181</sup> Adapted from: UNEP, Raising the Bar – Advancing Environmental Disclosure in Sustainability Reporting, 2015

<sup>182</sup> SSE, model guidance on reporting ESG information to investors (2017)



### 1.1.2. Sustainability reporting awards

Awards are a simple way of encouraging companies to improve their reporting quality and celebrating success. This was a key strategy in the 2015 Danish Action for Corporate Social Responsibility, and the Government committed to support the CSR Awards organized by the CSR Foundation. The awards were established to create awareness and share knowledge about the efforts of Danish companies and to learn from the most strategic companies. Initially they were run by the CSR Foundation, but now are run by the Danish Auditors association.<sup>183</sup> In 2017, awards were presented by the Crown Princess Mary, emphasizing the importance of the awards.

Examples of awards initiatives in other countries include:

1. UK Global Good Awards<sup>184</sup> (previously National CSR awards).
2. The Gulf Sustainability and CSR Awards<sup>185</sup> has 24 categories divided into 13 sustainability categories and 11 CSR categories.
3. Asia Sustainability Reporting Awards<sup>186</sup> recognizes and honours sustainability reporting best practice in Asia.
4. The Corporate Register<sup>187</sup> runs a global annual award for corporate responsibility reporting.

183 <http://www.fsr.dk/Om%20os/English>

184 <http://globalgoodawards.co.uk/>

185 <https://gulfsustainabilityawards.com/>

186 <https://csmatters.com/>

187 <http://www.corporateregister.com/crra/>

Of these examples, the latter two have a focus on the quality of reporting as opposed to performance. To encourage high-quality reporting, they include the following categories:

- Asia Sustainability Reporting Awards:
  - Most transparent report
  - Best report design
  - Best of categories including sustainability, materiality, stakeholder, supply chain
- The Corporate Register:
  - Creativity in communications
  - Openness and honesty
  - Best of categories including carbon disclosure and integrated report

This approach of focusing on reporting can be taken to encourage high-quality and understandable reports.

Another example of awards is the newly established 'ISAR Honours' of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR), serviced by UNCTAD.<sup>188</sup> This will be awarded to initiatives that facilitate improvements in companies' reporting on sustainability issues.

A complete list of CSR awards is available from the Awards List.<sup>189</sup>

188 <http://isar.unctad.org/isar-honours-2018/>

189 <https://awards-list.com/international-business-awards/corporate-social-responsibility-csr-awards/>

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## 2. STRATEGIES TO ENCOURAGE COMPANIES TO DISSEMINATE INFORMATION

Once companies are producing good quality sustainability reports it is necessary to ensure that this information is disseminated to key stakeholders in a fashion that can influence decision making. This is likely to be most effective when the information from the company reports is analysed and compared and the relative performance, and even a ranking, of companies is made available. Government actors can do this in a variety of ways including:

1. Supporting or initiating information campaigns or platforms.
2. Supporting or referencing initiatives to identify 'best-in-class' companies and products.
3. Establishing a 'blacklist' of organizations that are failing to meet minimum requirements.
4. Linking to relevant issue-specific initiatives.

Examples of these opportunities are outlined in the remainder of this section.

### 2.1. INFORMATION CAMPAIGNS AND PLATFORMS

Section B.3 – *"3. Data management systems", on page 88*, covered data management platforms from the angle of managing data and driving collaboration – but they also can play a key communication role. The Arab Sustainability Platform<sup>190</sup> was discussed in detail in section B.3 – *"3.2. Regional-level platform – Arab Sustainability", on page 88*, and this is a good example of how a central platform can be used to compare company performance and help generate positive interest in the sustainability performance of companies.

Another relevant example is the Corporate Human Rights Benchmark (CHRB).<sup>191</sup> This disclosure platform takes publicly available information of a limited number of large companies to rank their performance against six themes relating to human rights. In the first assessment, 98 publicly traded companies were chosen on the basis of their size (market capitalization) and revenues, as well as geographic and industry balance.

The following six themes are addressed:

1. Governance and policy commitments
2. Embedding respect and human rights due diligence
3. Remedies and grievance mechanisms
4. Performance: company human rights practices
5. Serious allegations
6. Transparency

The information is taken from company websites, documents and additional company input to the CHRB Disclosure Platform. The information found is then used to score the different companies against each of these themes, and tables of performance of the industries and companies are produced (*"Figure 8. Example of output from the Corporate Human Rights Benchmark for agricultural products<sup>192</sup>", on page 98*).

Government actors can help to publicize this information for end users and consumers.

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190 [www.arabsustainability.com](http://www.arabsustainability.com)

191 <https://www.corporatebenchmark.org>



Figure 8. Example of output from the Corporate Human Rights Benchmark for agricultural products<sup>192</sup>

## 2.2. BEST-IN-CLASS LISTS

Company sustainability reports are not aimed at consumers, and with the advent of integrated reports it is very difficult for consumers to be able to draw out pertinent information from them. In addition, consumers are often interested in the performance or safety of a specific product, and organization-level sustainability reporting might not be suited to providing that information. Consumers have been supported in this by a range of non-governmental organizations that review companies and provide guidance on which companies are the best in class for particular products.<sup>192</sup>

The Ethical Company Organization<sup>193</sup> publishes The Good Shopping Guide<sup>194</sup> which provides information on

a huge number of products and services in the following categories:

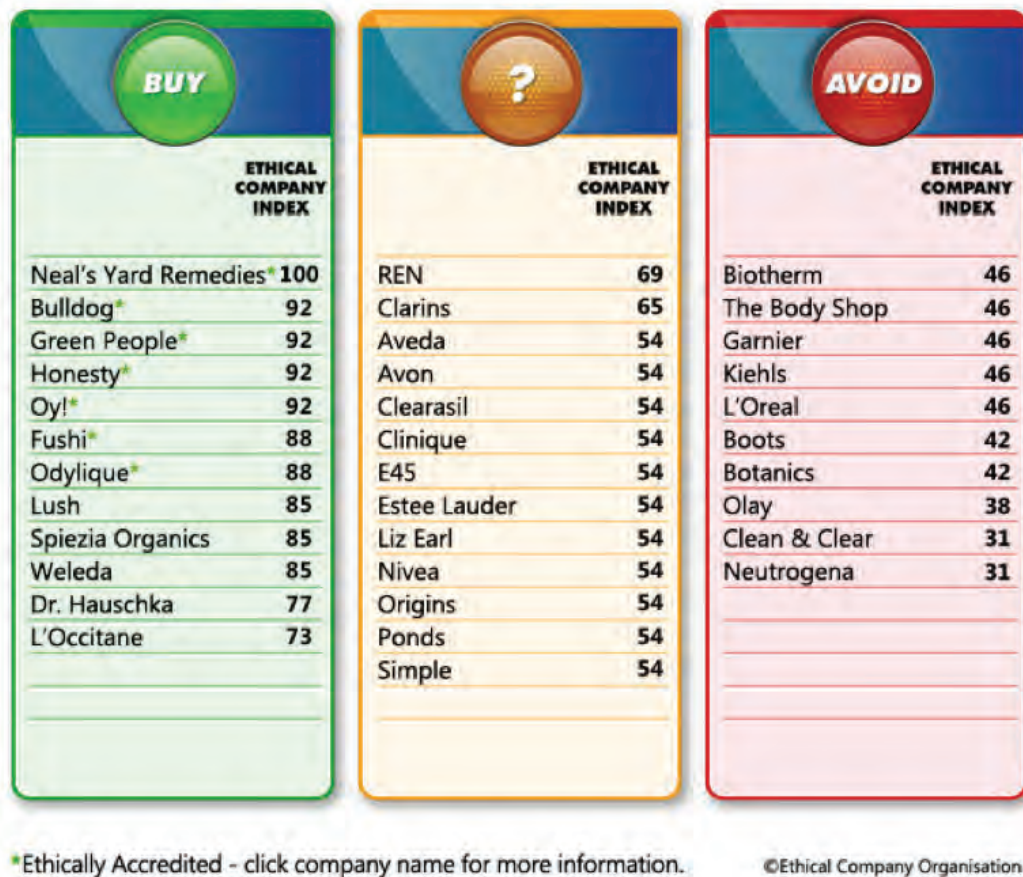
- Home, including paints and appliances
- Money, mortgages, banks and credit cards
- Food and drink
- Health and beauty

It recommends the best companies and products in each category and more detailed information is available listing the performance of the company under ten categories covering environment, animal welfare, people and extra. Environmental reporting is one of the categories (*“Figure 9. Example of information provided by the Good Shopping Guide. Information has evolved and there is no longer a list which matches what is reflected in the report<sup>195</sup>, on page 99).*

192 Ibid. (<https://www.corporatebenchmark.org/sites/default/files/styles/thumbnail/public/2017-03/Key%20Findings%20Report/CHRB%20Key%20Findings%20report%20-%20May%202017.pdf> on page 17)

193 <http://ethical-company-organisation.org/>

194 <http://www.thegoodshoppingguide.com/>



**Figure 9.** Example of information provided by the Good Shopping Guide. Information has evolved and there is no longer a list which matches what is reflected in the report<sup>195</sup>

The Ethical Consumer<sup>196</sup> is a more campaign-orientated organization, although the site also includes the following:

- Product guides – these are similar to those on the good shopping guide, a summary of the rating of the main service providers, with more information available behind a paywall. An interesting feature is a slider that allows the user to change the importance of environmental issues that concern them, including animals, people, politics and positive environmental impact.
- Company profiles – a summary of the ratings of a few companies is available and more information is available behind a paywall.
- Guides on ethical shopping.

The Environmental Working Group<sup>197</sup> is a United States not-for-profit entity aiming to enable people to live healthy lifestyles. It contains a range of information including:

- Healthy-living guides covering topics such as avoiding pesticides or parabens.
- Specific topic issues such as tap water pollution databases.
- Detailed cosmetic product guide covering over 70,000 products and rating them from one to ten based on the chemicals they contain (*“Figure 10. Example of information provided by the Environmental Working Group<sup>198</sup>, on page 100*).

195 *Ibid.* (The current update of the list can be found at this link <https://thegoodshoppingguide.com/ethical-skincare>)

196 <http://www.ethicalconsumer.org/>

197 <https://www.ewg.org/>

**Score:** 3

**Data available:** Limited

**Product Summary**

**Ingredient Concerns**

**Animal Testing?**

**Label Information**

**Where to Purchase**

**Discuss This Product**

**Data last updated:** April 2017

**EWG VERIFIED™ FOR YOUR HEALTH**

**Learn More**

**All Terrain KidSport Sunscreen Spray, SPF 30**

See all: All Terrain Inc. All Terrain sunscreen: SPF 15-30

EWG scientists reviewed All Terrain KidSport Sunscreen Spray, SPF 30 for safety according to the methodology outlined in our Skin Deep Cosmetics Database. We assess the ingredients listed on the labels of personal care products based on data in toxicity and regulatory databases, government and health agency assessments and the open scientific literature. EWG's rating for All Terrain KidSport Sunscreen Spray, SPF 30 is 3.

**Ingredient Concerns:** low moderate high

**Overall Hazard** [Progress bar: low]

**Cancer** [Progress bar: low]

**Developmental & reproductive toxicity** [Progress bar: low]

**Allergies & immunotoxicity** [Progress bar: low]

**Use restrictions** [Progress bar: low]

**Other HIGH concerns:** Biochemical or cellular level changes, Multiple, additive exposure sources, Occupational hazards; **Other MODERATE concerns:** Contamination concerns, Organ system toxicity (non-reproductive); **Other LOW concerns:** Cancer, Data gaps, Ecotoxicology, Persistence and bioaccumulation

Like 0 Tweet Pin it Share

Figure 10. Example of information provided by the Environmental Working Group<sup>198</sup>

The Good Guide<sup>199</sup> is another initiative aimed at providing information to inspire healthy choices. The site uses product ingredient information to rate products based on chemical hazards.

All these organizations have a different focus, from corporate misdemeanours and tax evasion (Ethical Consumer) to environmental performance (Good Shopping) to health (Environmental Working Group and the Good Guide), yet the approach is similar. In each case, they aim to condense the information that is available into a single score or visual table to make decision making simple for consumers.

While it is probably impractical for national governments to develop such an approach, they may be able to support NGOs or other organizations to make use of the information, as has been done by the Chilean Ministry of Environment, which has supported a partnership of academic institutions to create the methodology and list called Mi Código Verde.<sup>200</sup> The methodology is based on life cycle assessment and uses eight categories to assess

198 *Ibid.* ([https://www.ewg.org/sunscreen/about-the-sunscreens/836405/All\\_Terrain\\_KidSport\\_Sunscreen\\_Lotion%2C\\_SPF\\_30\\_/](https://www.ewg.org/sunscreen/about-the-sunscreens/836405/All_Terrain_KidSport_Sunscreen_Lotion%2C_SPF_30_/)). The website does no longer feature the spray, but only the lotion.

199 <https://www.goodguide.com/>

200 <https://micodigoverde.cl/>

the performance of products, with a summary of the analysed products published on the website. Unlike the other initiatives in this section, no ranking or scoring is provided, just a description of the performance of each product analysed.

When developing or supporting the development of product-level assessment, a useful starting point is the Guidelines for Providing Product Sustainability Information.<sup>201</sup> The guidelines provide valuable information on how to make effective, trustworthy claims to consumers on product-related sustainability information.

### 2.3. WORST-IN-CLASS LISTS

In 2004, in order to tackle a reported problem with bonded labour, the Brazilian Ministry of Labour and Employment enacted Decree No. 540/2004. This created a register of employers (both people and legal entities) caught exploiting workers under abusive and coercive conditions, the so-called 'lista suja' or 'dirty list'. Between 2004 and 2014, 300 companies were included in the list. The process for inclusion on the list included the following:

201 UNEP, Guidelines for Providing Product Sustainability Information, 2017 available at: [http://www.oneplanetnetwork.org/sites/default/files/guidelines\\_for\\_providing\\_product\\_sustainability\\_information\\_10yfp\\_ci-scp\\_2017.pdf](http://www.oneplanetnetwork.org/sites/default/files/guidelines_for_providing_product_sustainability_information_10yfp_ci-scp_2017.pdf)



1. Lodging of a complaint.
2. Visit by the ministry.
3. Prosecution and fine.
4. Inclusion on the dirty list.
5. Monitoring for two years before being removed from the list.

In addition, financial bodies were encouraged to withhold financial assistance to these companies, and many banks and private businesses resolved not to do business with the companies on the list, and consumers also boycotted the companies.

This is an extreme example to address a highly sensitive issue; the controversial law was challenged by employers and was updated, and the government ceased to publish the list in 2014. Nonetheless, it was successful in bringing the issue of modern slavery to the attention of consumers and is credited with contributing to the release of 50,000 people from modern slavery.<sup>202</sup>

This is far from the only initiative aimed at tackling modern slavery. For example, both the Modern Slavery Act in the United Kingdom and the California Transparency in Supply Chains Act in the United States require companies to disclose the efforts that they are taking to tackle slavery in their supply chains.

There are further examples of governments creating 'blacklists' for companies not meeting the required standard. A Chinese NGO, the Institute of Public and Environmental Affairs (IPE), developed a pollution blacklist, but this was simply to raise awareness and there were no sanctions on the companies on the blacklist.<sup>203</sup>

Since then, it seems that the Ministry for Environmental Protection has developed its own blacklist, a public list recording all incidents of violation. Unfortunately, there is little information available about their criteria or the penalties the companies experience, but in one example the China National Petroleum Corporation (CNPC) was fined 500,000 yuan (US\$ 80,000) as untreated wastewater was found to have contaminated local land and underground water tables.<sup>204</sup>

Where government actors want to draw attention to

202 For more information see: <http://humantraffickingsearch.org/blacklisted-an-overview-of-brazils-dirty-list/>

203 For more information see: [http://www.chinadaily.com.cn/china/2007-12/14/content\\_6320388.htm](http://www.chinadaily.com.cn/china/2007-12/14/content_6320388.htm) and [http://en.people.cn/200611/01/eng20061101\\_317249.html](http://en.people.cn/200611/01/eng20061101_317249.html)

204 For more information see: <http://www.greenpeace.org/international/en/news/features/china-blacklists-factories-120210/> and <https://uk.reuters.com/article/china-environment-cnpc/chinas-top-oil-firm-blacklisted-for-environmental-breaches-idUKL3N0LI30020140213>

specific bad-practices, a blacklist approach can be pursued.

## 2.4. LINK TO ISSUE SPECIFIC INITIATIVES

There are already a range of existing issue-specific initiatives aimed at protecting people or the environment. These include:

- The Better Cotton Initiative<sup>205</sup> aims to promote better standards in cotton farming.
- The Forestry Stewardship Council<sup>206</sup> promotes sustainable forestry practices.
- Fair Trade is a generic term for products that aim to guarantee a fair price for producers.
- The Marine Stewardship Council<sup>207</sup> promotes sustainable forestry practices.
- The Roundtable on Sustainable Palm Oil<sup>208</sup> aims to promote sustainable palm oil production.

While these organizations all run voluntary sustainability standards, they also run campaigns and so there is the potential to benefit from any marketing that they undertake or learn from their campaign approaches.



205 <https://bettercotton.org/>

206 <http://www.fsc.org/>

207 <https://www.msc.org/>

208 <https://www.rspo.org/certification>

## Getting started...

### Government role in communicating sustainability performance

Sustainability reporting will only be effective if the content is publicly available and actively assessed by civil society. National governments can most effectively support this by:

- encouraging and pressuring companies into publicising their reports;
- supporting initiatives to use the publicly available data to assess and rank company performance to enable easy decision making for those wishing to use this information to influence their purchasing habits.

National governments and stakeholders can encourage companies to report by providing clear and simple guidance on what to cover in a report. There is already a wealth of information available, but it may be useful to tailor it to the specific national or sector audience. Once companies are reporting, they can be encouraged to promote their report by being directed to existing dissemination platforms such as the GRI or IIRC databases. Companies can be further encouraged to promote their reports and successes by establishing a national awards scheme or encouraging national companies to participate in international awards.

While guidelines and awards schemes will help disseminate reports to a wider audience they do not encourage any detailed comparison of company performance to allow the reports to easily be used in decision making. National governments can:

- Direct civil society to existing comparison platforms if they exist, these could be either:
  - Company performance focused, such as the Arab Sustainability website<sup>209</sup> or the Corporate Benchmark<sup>210</sup>
  - Consumer facing, such as The Good Shopping Guide,<sup>211</sup> the Environmental Working Group (EWG)<sup>212</sup> or Mi Código Verde.<sup>213</sup>
- Create warning mechanisms, including companies that are not meeting basic standards in key areas.

These civil-society facing initiatives are more likely to enable people to act on the information contained in the reports and therefore provide an incentive for companies to improve their performance.

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209 [www.arabsustainability.com](http://www.arabsustainability.com)

210 <https://www.corporatebenchmark.org>

211 <http://www.thegoodshoppingguide.com/>

212 <https://www.ewg.org/>

213 <https://micodigoverde.cl/>

