

Improving companies' CSR reporting practices

**Mag.^a Sabine Kjaer (akaryon, kjaer@akaryon.com), DI Petra Bußwald (akaryon, busswald@akaryon.com),
Dr. DI Franz Niederl (akaryon, niederl@akaryon.com), DI HaraldReisinger (Plenum,
herald.reisinger@plenum.at), DI (FH) Georg Woi, MSc (Seri, georg.woi@seri.at)**

Improving the disclosure of social and environmental performance data of companies and organizations is one of the aims of the European Commission in the field of Corporate Social Responsibility (EC 2011, p. 12). Although Europe is leading regarding the share of companies (especially large enterprises) reporting on corporate responsibility – 71 per cent (KPMG 2011, p. 8) – there is still a high amount of European companies, particularly SMEs, not publishing social and environmental information on a formal level (EC 2011, p.11). Most of the companies in the service sector – except Financial services and Communication & Media – are just getting started (see KPMG 2011, p.5). A great amount of SMEs considers it to be too cost-intensive and time-consuming (Wensen/ Broer/ Klein/ Knopf 2011, p. 114). In addition to these issues, submitted reports are mainly of low quality, based on poor quality of quantitative data, which also makes it difficult to compare sustainability results between companies.

The aims of the research described in this paper were a) to analyse the difficulties leading to time-consumption and low quality b) to develop solutions in order to reduce efforts and maximize quality of ecological and social data as well as sustainability reports especially in the service sector.

Detailed research questions dealt with the preparatory phase of planning CSR reporting including understanding of existing guidelines, data acquisition, data quality achievable, indicator development, interpretation of results and reporting.

One starting point of the analysis was the GRI standard 3.1 as the internationally agreed and widely accepted standard for CSR reporting. Indicators suggested by GRI were analysed regarding their understandability, relevance for service-oriented companies, overlap regarding data acquisition with other (especially ecological) sustainability assessment indicators (carbon, material, water, area footprints). Desk research was complemented by cooperating with an Austrian company, operating Europe-wide in the banking and finance sector.

Research resulted in the definition of a common data set catering both for automatic calculation of GRI performance indicators as well as of other ecological key figures (CO₂, ecological, water footprint etc.), based on a policy paper drafted by the OECD (2007a, 2007b) and elaborated on by Giljum et al. (2011). (see also: United Nations, 2003) Data collection procedures suggested should be possible without pre-existing knowledge on GRI and sustainability assessment. Data quality, completeness and transparency were regarded as important issues and algorithms have been developed to assess these figures on a company level as well as on a single department level. The data set and the automatic calculation of GRI and footprint indicators have been integrated into a web-based tool, which supports growing understanding on indicators as well as flexible analysis and benchmarking.

References

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