

## An Australian at the Helm of a Global Sustainability Flagship

I recently attended the first regional Global Reporting Initiative (GRI) summit in Malaysia. This forum represented the first time the GRI, a strongly US & Euro-centric initiative, has formally stepped foot in the Australasian region. It was a highly appropriate to do so. Highly appropriate, and happily for the sustainability movement in Australia, because of the recent appointment of Australian, Dr. Judy Henderson, as the inaugural Chair of GRI.

The GRI is a global initiative to develop, promote and disseminate a generally accepted framework for sustainability reporting – voluntary reporting of the economic, environmental and social performance of an organisation. The GRI was established to make sustainability reporting as routine as financial reporting (GRI, 2002). Since its inception in 1997, the GRI has worked to design and build acceptance of a common framework for reporting on the linked aspects of sustainability - the economic, the environmental, and the social (GRI, 2000).

The GRI, which was recently endorsed by Kofi A. Annan, Secretary General of the United Nations, is rapidly gathering momentum within the corporate community worldwide as the widely accepted tool for sustainability reporting, albeit being a voluntary standard. Large and small companies, local and global companies and companies from all sectors have, to various degrees, embraced the GRI Guidelines. It is estimated now that thousands of companies, as opposed to hundreds in the 1990s, are undertaking sustainability reporting to their key stakeholders globally. In Australia alone this number is well over 100, with some of the largest companies such as Telstra, BHP Billiton, Westpac, Rio Tinto, WMC, Sydney Water, Melbourne Water and Wesfarmers fully embracing such stakeholder reporting initiatives. GRI is quickly becoming the common thread between these, sometimes vastly different, company reports.

Dr. Henderson, formally a Commissioner on the World Commission on Dams, and as such not unfamiliar to the engineering profession, brings a broad perspective to GRI that has to date been dominated by large multi-national companies, accounting firms and a plethora of government and non-government agencies. As the former Chair of Australian Ethical Investment Ltd., and a current Board member of the NSW Environmental Protection Authority, she also brings to GRI perspectives from two of the key stakeholders in sustainability reporting: socially responsible investment funds; and regulatory agencies.

I asked Dr. Henderson the reasons for the growing demand, and uptake of, sustainability reporting, and as such a strong need for a framework such as GRI. “Long before the present crisis in public confidence in financial reporting, we have seen a growing demand for more accurate and credible disclosure of the non-financial activities of corporations, which are now being required to negotiate their position in society on much broader issues. Calls for greater transparency requires comparable and verifiable measurement tools. GRI has responded to that call by providing a globally-accepted, standardised mechanism for corporate accountability on a range of economic, environmental and social indicators.” In addition, Dr Henderson said that corporate leaders are recognising the strong direct benefits of public reporting of sustainability issues such as:

- Enhanced brand image and reputation
- Increase in competitive advantage through product changes and creation of new markets
- Increased sales and customer loyalty
- Increased employee loyalty
- Improved internal management systems
- Improved risk assessment, and thus access to capital

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I also asked Dr. Henderson of her initial impressions of GRI, and of her vision for GRI over the next two years. "The process of development of the GRI reporting framework has been as important as the product. By bringing together a diversity of stakeholders from business, labour and civil society organisations, accountancy organisations and governments, GRI has built up a broad-based global consensus. This is an on-going process. The 2002 Guidelines are about to be released, and GRI is already developing a range of sector supplements to address specific sectoral issues. As companies go through the next reporting cycle GRI will be seeking feedback from reporters and report-users to provide input for the next round of refinement of the Guidelines."

Dr. Henderson, who was also a key-note speaker at the Environment Institute of Australia's National Conference in Brisbane, is a tireless worker amongst us inching the debate of sustainable development closer to the top of corporate and political agendas. On behalf of the Institute of Engineers Australia, and in particular the Environmental Engineering Society, I wish Dr. Henderson every success with GRI, and trust that the number of Australasian companies engaging in voluntary sustainability reporting will continue to increase. On your road to sustainability reporting, do refer to the GRI Guidelines, as I believe this eclectic and dynamic reporting framework is now here to stay.

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