Global Expectations, Influences, and Means for Communicating Integrated Non-Financial Reporting

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Introduction: The project

• Aim & Scope: Global Expectations, Influences, and Means for Communicating Integrated Non-Financial Reporting

• Rationale: Increased contribution of external influences on online CSR /Non-financial reporting

• R Q:

“What are the increasing extra-organizational influences on efforts to communicate non-financial data that meets stakeholder communication and information needs through such reporting?”
Communication as Agency?
(with regard to Burke’s Dramatistic Pentad)

• Do annual reports serve stakeholder (& shareholder) information needs in the emerging “spaces of collective interests”?

• “...new shareholder paradigm and with it needs to be new way of reporting...Integrated reports offer a fresh start”

Leuner J. (March-April, 2012) Communication World
Method and Approach

Content analysis: Corporate Web sites:

• NZ Post Group
• ANZ Bank

Role of CSR Ratings

- Dow Jones Sustainability World Index assess corporate sustainability. Companies are reviewed based on a thorough analysis of economic, environmental, and social performance.

- RI ....7 dimensions of corporate reputation, including workplace, governance, citizenship, financial performance, leadership, products and services, and innovation.

- Three of the seven dimensions that drive reputation (citizenship, governance, and workplace) fall into the CSR category—and analysis shows that 42% of how people feel about a company is based on their perceptions of the firm’s corporate social responsibility practices.

FTSE4Good Global Index independent company jointly owned by The Financial Times and the London Stock Exchange.
Latest CR Reports

27/05/2014
3M (NYSE:MMM) publishes 2014 Sustainability Report
The report highlights the company's sharpened focus on key sustainability challenges
Read more...

27/05/2014
Delhaize Group publishes 2013 Sustainability Progress Report
The report underscores the company's progress toward 2020 'Supergood' strategy
Read more...

22/05/2014
FedEx (NYSE:FDX) publishes FY13 Global Citizenship Report
The report tracks the company's efforts to connect the world in responsible and resourceful ways
Read more...

22/05/2014
Legal & General Group (LGEN:LON) publishes Sustainability Report 2013
Role of GRI Reports v International Integrated Reports (IIR)?
Towards Integrated Reporting (IIR) or Communicating value in 21C?

An integrated report is a concise communication about how an organization’s strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value in the short, medium and long term.

www.theiirc.org

“Capitalism needs financial stability and sustainability to succeed. Integrated reporting will underpin them both, leading to a more resilient global economy.”

Jane Dyble, AQ, Director, Singapore Exchange Limited, former Chairman of the International Organization of Securities Commissions

INTEGRATED REPORTING <IR>

WHAT IS INTEGRATED REPORTING <IR>?

<IR> is a process founded on integrated thinking that results in a periodic integrated report by an organization about value creation over time and related communications regarding aspects of value creation.

An integrated report is a concise communication about how an organization’s strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value in the short, medium and long term.

HOW <IR> WILL SHAPE THE FUTURE OF BUSINESS

<IR> is needed by business and investors. Businesses need a reporting environment that is conducive to understanding and articulating their strategy, which helps to drive performance internally and attract financial capital for investment. Investors need to understand how the strategy being pursued creates value over time.

IIRC PILOT PROGRAMME YEARBOOK 2013
ABOUT <IR>

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Our sustainability reporting website (nikeresponsibility.com) includes an index that points readers toward relevant GRI indicators and UNGC principles. The site also includes search functions that allow users to find information and access our reporting. The GRI G3 Guidelines include different application levels, from A+ (the most rigorous) to C. We have assessed our performance against the GRI guidelines at the B level.
• **IR** in the corporate reporting landscape:
  • **IR** is about better reporting, not more reporting
  • **IR** is consistent with numerous developments in corporate reporting take place within national jurisdictions across the world
  • **IR** will provide the impetus for greater innovation in corporate reporting globally
  • **IR** has a combined emphasis on conciseness, strategic focus and future orientation, the connectivity of information, and the capitals and their interdependencies
  • **IR** emphasizes the importance of integrated thinking within the organization.
Case: NZ Post Group

http://www.nzpost.co.nz/
“It’s an accountability document, not a marketing document”

Mark Yeoman, CA, CFO NZ Post

( Business Journal Dec 2013)

“it provides a way to really talk about the non-financial dimensions of the business...not only terms of accountability ...explaining our strategies for managing them” …(ibid)
The Six Capitals
.......what they mean for the New Zealand Post Group, as follows:

Our People       Human Capital
The composition of our people, their skills, engagement and how we are developing them

Our Environment  Natural Capital
How we have used natural resources to carry out our business

Our Relationships Social & Relationship Capital
The relationships we have, and how we have added value to those stakeholders

Our Networks     Manufactured Capital
The physical assets we hold that combine to create our nationwide network

Our Finances     Financial Capital
The pool of funds available to us, and where it comes from

Our Expertise   Intellectual Capital
Our knowledge, skills and special abilities, and how we have developed these sources

NZPost Annual Review 2013
ANZ Banking Group
UN Global Compact
Communication on Progress
May 2012 – May 2013
The Rise of Social Media

3 in 4 use social media for professional purposes
*Non-corporate respondents

Use of main social networks for CR and non-CR purposes:

- LinkedIn
- Facebook
- Twitter
- YouTube

When media are used for corporate purposes, respondents' choice:

*Data based on use of social media.

Increase in the use of LinkedIn

Social media: a legitimate engagement channel

1 in 3 engage with companies via LinkedIn

TOP 10

Findings

• Corporate desire to: report & communicate more holistic & strategic view of organisation
  – ESG obligations ....plus risk management & clear indications of creating societal value
  – “value“ in its varying ways
  – Inter-relationship of the above..... leading to holistic & strategic view of how organisation managed.
Conclusions (draft)

- Online communication CSR reporting...increasing (ie content and formats)....

*Communication as AGENCY* ?!

- Impact of external benchmarking/templates (main template players still GRI/IIR)

- Role and impact of stakeholders – global

- Move from shareholder to stakeholder focus

- Influence of CSR Ratings
References

- Colleoni, E (2013) CSR communication strategies for organisational legitimacy in social media Corporate Communications: International Journal Vol 18 No 2, pp228-248


