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Open Data and Corporate Social Responsibility (CSR) Metrics

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Private-sector initiatives and partnerships aimed to positively impact society and the environment are collectively labeled CSR initiatives. However, CSR means different things to different people. For some it is a companies' effort to act responsibly in the way they conduct their business, for others it is corporate philanthropy or at best exercises in public relations and at worst, smokescreens for irresponsible behavior¹. The purpose of this memo is to present the importance of corporate responsibility metrics and sustainability reporting, explain how open data is already having an impact in these and introduce alternative uses of data to further improve companies' performance on society and nature.

We all know that the private sector is often seen as a driver of exclusion rather than a partner to improve health and well being of socially excluded populations, however it is also known that corporations could have a tremendous potential to address poverty through their global supply chains and by pursuing inclusive business practices since their operations are

¹ The Economist. Corporate Social Responsibility. "CSR has nothing to do with charity" http://ccdebates.eiu.com/sites/all/themes/twitter_bootstrap/CCDebate_Summary_Mar26_FI_NAL.pdf

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linked to the world's poorest people.² This is why having a more complete picture of their sustainability performance and reporting is important for society at large.

However the problem is that the sustainability disclosure varies widely even though increasingly public companies are legally obligated to tell regulatory agencies and investors about the social, political and environmental risks they face. Today there are serious efforts to bring consistency in metrics and transparency in reporting such as the Global Reporting Initiative (GRI) whose guidelines are now being used by more than 5,000 companies around the world. As well, there are efforts to publicize data about companies around the world like OpenCorporates who aims to have a URL (universal resource locator) for every company in the world and starts to show the networks between global companies.

Transparency and streamlined reporting are a good start, but as Cary Krosinsky from the Network of Sustainable Financial Markets points out, “transparency is important, but there is a big difference between awareness and action”. There are some questions that have been developed combining openness, participation and collaboration such as:

What if companies opened up sustainability datasets so that outsiders could look for patterns or devise ways of better measuring impact? Or what if companies ask stakeholders to contribute data? Or even what if companies could mapped sustainability data in real time?

² Ibid

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All these is possible today through the emergence of new technologies. Imagine if we as consumers could have a way to find out if the product or service we need is made or provided by a company who conducts its businesses in a responsible way or not. This would not only be useful for consumers but would hopefully have an impact in mainstream investors to pay more attention to the sustainability performance of the companies' they choose to invest in.