Chapter III
Web 2.0 Driven Sustainability Reporting

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ABSTRACT

Web 2.0 driven sustainability reporting describes an emerging digital approach powered through Web 2.0 technologies for companies communicating sustainability issues. Such a computer-based application of semantics overcomes the limitations of orthodox methods and provides an array of specific capabilities to improve sustainability communication both, for companies (reporters), and their various stakeholders (report readers), that is along interactivity, customisation, and reporting à la carte, stakeholder dialogue, and participation. This chapter gives an outline on this up-and-coming sustainability reporting approach along three categories: (i) Media-specific trends in sustainability reporting are observed. (ii) New opportunities Web 2.0 technologies are offering for corporate sustainability reporting are identified. (iii) The concept and implementation of a software tool for sustainability reporting à la carte is presented making clear the movement away from early reporting stages towards the advanced one of a Web 2.0 driven approach.
Corporate sustainability reporting has its roots both in environmental and in non-financial reporting (IISD et al., 1992; DTTI et al., 1993; UNEP and SustainAbility, 1994). It follows a development path towards a concept of balanced reporting, usually communicating the three pillars of environmental, social, and economic performance and its mutual interrelations, in business terms often called the triple bottom line approach (Elkington, 1997). Sometimes, this approach is put in popular terms like “making values count” (ACCA, 1998), or “linking values with value” (KPMG, 2000), or described as “creating value and optimising prosperity according to the Triple P bottom line” (SER, 2001). The latter is understood as combining shareholder value, eco-efficiency, and corporate citizenship, or being part of corporate social responsibility (CSR Europe, 2000).

In the 10 years since sustainability reporting first became a topic of broader interest in academia, business, and government, it has rapidly grown to a field of research with increasing relevance for companies (Kolk, 2004) and capital markets (Flatz, 2003), even in the eyes of investors (Australian Government, 2003). At present, sustainability reporting seems to become part of companies’ daily affairs, even entering (to a certain extent) the business mainstream. Hence, for a growing number, not just for some pioneering companies, the question is now how to report on sustainability issues, and no longer whether to report at all (Marshall and Brown, 2003).

Regardless of nationality or other differences in country results, this is not only true for leading edge companies in corporate sustainability and few sector leaders, but also for global players and multinationals (KPMG, 2005), stock-quoted and publicly traded companies (Raar, 2002), as well as for a number of medium-sized (Clausen et al., 2001) or small companies (EC, 2002). This trend is evidently a worldwide phenomenon (Kolk, 2004), with North America and Europe coming first, followed by the Asia-Pacific region, and even spreading to Africa (Visser, 2002).

While the field is still evolving, as sustainability reporting matures and practice develops into a more sophisticated stage, companies have to realise that the “honeymoon period” (DTTI et al., 1993) in which comprehensive non-financial reports received media and public attention just for the fact that they publish reports at all rather than for what was disclosed is over. Nowadays, a substantial amount of information is required. However, further to the relevance of contents, issues of communication style also become of greater importance (Beattie and Pratt, 2003; Hund et al., 2004; ACCA, 2004), in particular interactivity (Teo et al., 2003; Isenmann and Kim, 2006), target group tailoring (Jensen and Xiao, 2001; Isenmann and Marx Gómez, 2004), and stakeholder dialogue (WBCSD, 2002; Unerman and Bennett, 2004). Due to cross media availability and other innovative opportunities offered by the internet and its associated technologies and services, companies are entering a new transitional stage of online reporting (SustainAbility and UNEP, 1999; Clarke, 2001; Wheeler and Elkington, 2001).

In this chapter, we provide an outline of how to benefit from Web 2.0 technologies for communicating sustainability issues, while developing from early sustainability reporting stages towards a more sophisticated digital approach. Using Web 2.0 technologies, however, companies and stakeholders can overcome the current limited and rather monological reporting approach and develop practice towards more social interaction.

As the overall aim, this chapter attempts to bridge the gap between the business-driven field of sustainability reporting and its different facets on the one hand and on the other, the technology-intensive area of online information systems, software tools and information management harnessing for Web 2.0 technologies and semantics. Although research in both domains is