

# ISO backs environmental reporting

A new initiative from the International Standards Organisation (ISO) aims to broaden the appeal of environmental reporting beyond large companies in the industrialised world – but it risks stepping on the toes of more established reporting guidelines. **Paul Scott** looks at ISO's plans and intentions

Yet another initiative is under way to encourage environmental reporting by companies. But this ambitious project – which aims to close the gap in environmental communications between North and South – is born of a particularly influential parent: the International Standards Organisation (ISO).

At a meeting in July in Kuala Lumpur, an ISO environmental management technical committee began work on guidelines for environmental communications standards. The development has broad-based support from countries all over the world, both North and South. If they can steer a course which avoids overlap and confrontation with existing initiatives, the new guidelines – planned for publication in 2004 – should encourage developing countries and small and medium-sized enterprises (SMEs), as well as multinationals and developed-world companies, to report and communicate their environmental performance.

ISO has done much to encourage improvements in environmental management systems (EMS), with its ISO 14000 series of 18 EMS standards for technical guidance and content. While there is some overlap between EMS and environmental reporting (both require identification of environmental impacts, set objectives and targets, and involve a commitment to continuous improvement), ISO has, as yet, made no foray into the field of environmental communications.

However, at an ISO meeting in June 2000, Sweden first mooted a 'new work item proposal' on environmental communications. Following discussions and counter-proposals, an agreed proposal was put to the vote of technical committee members from over 30 countries in early 2001. The results of the vote on this proposal were published in May 2001. Technical committee members, voting by country, were clearly in favour of the proposal, with 25 votes for, three against and five abstentions.

A new working group, WG4, was formed to produce ISO 14063 on Environmental Communications by September 2004. The proposed standard, 'Environmental management –

environmental communications – Guidelines and Examples' will be issued within the ISO 14000 series.

## Why the need for a new initiative?

There is already a plethora of guidelines, recommendations and models for environmental reporting. Many companies feel confused by the many checklists, examples and exhortations to report, and may be surprised to learn of yet another development.

However, the reasoning of the ISO committee members is:

- despite the developments of the past decade, non-reporters still vastly outnumber reporting companies, and the committee members feel that there is a pressing need to break the log-jam;
- reporting is still a developed world phenomenon. For reporting to make real progress,

- developing countries need to enter the field;
- most companies communicating environmental issues are large, and efforts by SMEs are still almost invisible. SMEs need simple, straightforward guidance that does not make disproportionate demands on resources from a small team; and

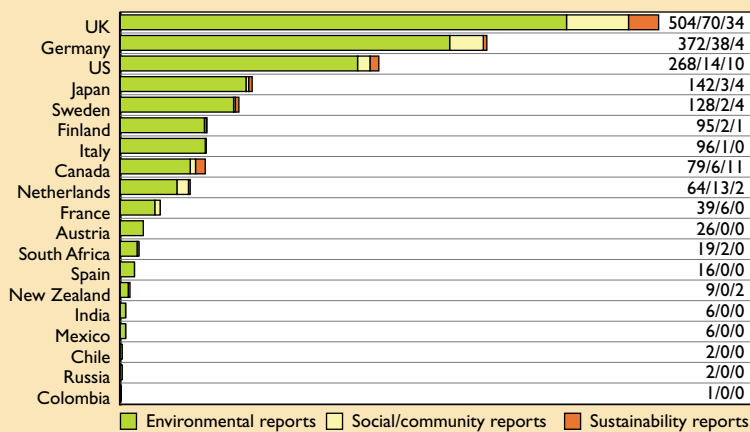
- the models with most influence – particularly that of the Global Reporting Initiative (GRI) – tend to appeal to multinationals, particularly those based in developed countries. Although more flexible than previous efforts, many companies still feel these models are too prescriptive. A simplified approach to environmental communications is needed, the committee members decided, which has broad appeal and is capable of being adopted by any company anywhere in the world.

The current status of environmental reporting may be evidenced by the reporting records of the ISO technical committee voting members (see Figure 1). While some countries have a strong record, others have achieved little or nothing. Unless non-reporters can be encouraged to participate, environmental reporting is in danger of becoming an activity exclusively for developed countries, seen as an irrelevance by the developing world. It must be preferable for more companies from more countries to communicate on environmental issues, albeit at an initially less sophisticated level, than for current leaders to increase the divide yet further.

## How will ISO 14063 fit with the GRI?

The GRI aims to set a flexible framework for reporting and to set the scene for various degrees of sophistication according to the extent a company wishes to adopt the guidelines. To quote from the GRI guidelines: "The [GRI] is a long-term, multi-stakeholder, international undertaking whose mission is to develop and disseminate globally applicable sustainability reporting guidelines for voluntary use by

## 1. ISO Technical Committee member countries: reporting records 1988–2001



The following technical committee members currently produce no environmental, social or sustainability reports, according to CorporateRegister.com: Argentina, Bangladesh, Egypt, Indonesia, Israel, Malaysia, Morocco, Poland, Singapore, Sri Lanka, Turkey, Yugoslavia, Zimbabwe

Source: www.CorporateRegister.com, based on 2,102 records (1988–Oct 2001); values represent the number of each report type produced per country

## 2. ISO Technical Committee member countries: types of report

organisations reporting on the economic, environmental and social dimensions of their activities, products and services.”

ISO 14063 will be a different beast altogether:

□ It will address environmental communications in general – both internal and external communications – rather than focusing solely on written environmental reports.

□ It will look at environmental issues only, rather than incorporating social and sustainability aspects: this is because the committee's scope is restricted to environmental matters under ISO regulations. At first sight this may appear to be a weakness, given that the ultimate aim of company reporting is to push towards wider issues of sustainability. However, it would be a major breakthrough for more companies in developing countries to engage in environmental communications. Few companies make a leap straight into sustainability reporting, and encouragement to take a first step, initially on environmental issues only, will make it easier for companies to begin to move in the right direction. As Figure 2 demonstrates, the overwhelming majority of reports from ISO technical committee member countries are environmental.

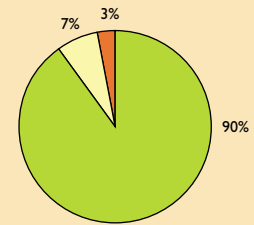
□ It will offer guidance only, showing how to communicate rather than setting out the content of the communication. It will be in no way prescriptive or lead to certification (and in this

respect ISO 14063 will not emulate the ISO 14001 series).

In theory, development of ISO 14063 should not lead to confrontation with GRI. Companies that so wish should be able to adopt the GRI guidelines while at the same time making use of ISO 14063. In practice, it might be expected that GRI, as the biggest kid on the block, will be wary of any perceived encroachment on what it sees as its territory. However, as Joe Casio, chairman of the US technical advisory group to the ISO technical committee stated in May 2001: “There's no question it will be difficult. People should revisit the language of the proposal before we begin this process. It specifically states that this standard will be how to report, not what to report. If battle lines are to be drawn, that's where the tension will be.”

### The way forward

The working group will follow a structured framework of six chapters, which were drafted by specific task groups in Kuala Lumpur. Two key chapters cover the principles of environmental communication and the process of environmental communication. The former will look at basic principles and characteristics (including understandability, traceability, credibility, relevance, and accuracy), the latter at a simple ‘plan-do-check-act’ approach, as compared with the all too common ‘react-do-redo’ approach taken by many companies.



Environmental reports  
Social reports  
Sustainability reports

Source: [www.CorporateRegister.com](http://www.CorporateRegister.com), based on 2,102 records (1988–Oct 2001)

The new working group will next meet in Denmark in December to discuss all proposals received by the various national standardisation organisations. Its programme could set the scene for far greater engagement in environmental communications by organisations of all sizes across all countries, in parallel with established reporting initiatives. **EF**

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