GRI’s Reporting 2025 project looks ahead at what thought leaders expect to be the main issues on companies’ agendas – and in their reports – ten years from now. Through a series of in-depth interviews with thought leaders in various fields, GRI is building an open dialogue that will form the basis for meaningful future corporate disclosures.

Edited highlights of these interviews will be posted every month on the Reporting 2025 webpage, along with related references that enrich the discussion. GRI will update and publish an analysis of the main trends identified in these interviews every quarter. In January 2016 the final publication will present a roadmap for the future of reporting.

Transparent supply chains will tell the true sustainability story

Marjan de Bock-Smit is Founder and CEO of Supply Chain Information Management (SIM), a company that helps organizations verify where and how their products are produced. SIM provides its clients with an innovative proprietary tool for managing their supply chain, and a bespoke service to monitor and analyze the performance of suppliers.

Supply chain holds the key to sustainability, according to de Bock-Smit. In the next decade, society will be increasingly interested in the origin of the products they purchase and consume, and companies will need to adjust the way they operate to accommodate the rise in demand for information and transparency. In particular, she says, companies will need to own the data about their supply chain, giving them the basis for their sustainability story and helping them gain credibility.

Society: searching for the story behind our products

Sustainability in the supply chain is a story that consumers want to hear, says de Bock-Smit. “I see a huge shift in the coming decade when it comes to being truly transparent. I think societies will continue to move towards transparency and this is having a huge impact on companies and governments. This shift is towards a bigger focus on supply chains.

“People increasingly understand that to make a true difference to sustainability, you have to look to your supply chain. The deeper you look into the supply chain – on a component or ingredient level – the deeper you get into the problems and challenges that the global economy is facing.”

People are becoming choosier about the products they consume. “The end consumer, who ultimately dictates what’s going to happen in the market, wants to understand where their food comes from. Consumers want to know if the product they’re buying comes from a country where there’s poverty, and whether the company that sells it paid the producers in that country enough money. They want to know the story behind their products, and my prediction is that this interest will grow. The consequences of that for companies will be enormous; how can you secure the whole story of the product you sell to a consumer? We are going into the ‘consumer and buyer power’ decade.”
Companies: integration of sustainability and purchasing is a must!

The first step to taking control of the story, says de Bock-Smit, is integrating sustainability and purchasing policies. “The most important factor in integrating sustainability into the way a company does business is bringing the sustainability and purchasing policies together. I almost don’t understand it when I see a company with a beautiful sustainability policy, and statements about what they want to achieve in the supply chain, but no integration with purchasing.

“I talk with the purchasing officers and the only goals and targets they have are related to economic parameters, not sustainability. If the situation stays like this, nothing will truly change and these companies will struggle to survive in the transparent era. The sustainability policy and purchasing policy have to be integrated as one. We can talk for ages about reporting – about how good it would be to make a change where the product’s raw materials come from – but if the purchaser doesn’t take these sustainability goals into account, nothing concrete will happen. Nothing can be properly disclosed.”

Another trend she sees in the next decade is the increase in supply chain ownership; a reversal of the brand ownership movement that has happened in recent years. “What I’ve observed in the last 30 years is that companies have moved towards being only brand owners, by selling their production locations. Now it’s going to be a reverse act: Companies are going back to owning parts of their supply chain. This gives them much more control over everything that happens; it will have an impact on society and on the way companies do business, and will improve the transparency of their supply chain.”

Get ready: validated data will be the basis for trustworthy reports and recognition

It’s not just the supply chain itself that companies will have to take control of, says de Bock-Smit, it’s also the related data. “When it comes to supply chain, reports will be centered on validated data that helps them tell their story. It’s going to be crucial for companies to own their own data sources going forward, to make sure that the data related to their supply chains is correct. In order to give the right answers and to be proactive towards the outside world, companies will need to take control of this data.

“Data is everywhere, and consumers, NGOs and governments can grab it whenever they want; it’s already happening through search engines. As a company, as long as you have the data you can always respond in the right way.

“Companies that are serious about maintaining a sustainable supply chain also need data to be able to present themselves to stakeholders. Supply chain will play a major part in how investors reward companies, so those that take it seriously will benefit.”