



Dr Simon Longstaff

Interview 3



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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.

Trust and legitimacy will determine the value of companies

An expert and thought leader in ethics, Dr. Simon Longstaff is Vice-Chairman of GRI's Board of Directors and Executive Director of the [St. James Ethics Centre](#), Australia. He is also co-organizer of the [Festival of Dangerous Ideas](#). This article reflects his unique contribution to the discussion on the future of reporting, with edited highlights from his full one-hour interview.

For Longstaff, the next decade will be about companies learning to measure coherence and build trust and legitimacy, as society will be able to validate – or disprove – companies' data and the stories they generate.

Society: a decade of dealing with trust and legitimacy

"I think the big issues that society is going to be facing in the next decade, or longer, is trying to come to terms with the loss of trust and legitimacy in many social institutions," says Longstaff.

"You see this in politics, in the commercial environment, in virtually every institution that societies depend on," says Longstaff. "They have, in a sense, betrayed their purpose in the eyes of the public, which has given rise to a loss of trust, a rise in cynicism, and profound questions about the legitimacy of those institutions.

"So, the future is going to be one in which institutions respond to the demands of society by saying, 'Let us rethink and re-articulate what it is we stand for, what is the purpose we serve, what are the values and principles that define our conduct?' and then be expected to behave in accordance with these statements."

Companies: communication should be based on coherence

By engaging with stakeholders on issues of trust, exploring purpose and ensuring their conduct is coherent, Longstaff believes companies will have the opportunity to differentiate. "I envisage a more cynical or, at least more skeptical public in the future. They will examine every single aspect of what a corporation does, and they'll be asking questions like: 'Do they treat their employees in a manner which is consistent with what they say they stand for? How do they treat their suppliers, their customers, their owners, the society in which they're based...?'"

"If I was heading up a major consumer goods company in the future, I would address coherency before transparency," says Longstaff. "They're not mutually exclusive, but I'd be really conscious of the need to have a coherent set of operations. I would know, for example, that despite my best efforts to be innovative



regarding the products I develop, the pace of innovation in other areas would catch up, so my ability to distinguish my products solely on the basis of its own discrete features would be limited.

“What I’d have to do instead is to invest in the character and the culture of my organization and what the brand signifies across the full spectrum of stakeholders with whom I’m going to have to deal, and on whom I’m going to rely for the prosperity of that company. So I’m going to want to be really clear about the DNA that shapes my organization; that is, its core values and principles as related to the purpose.”

Companies will also have to learn to measure this coherence, says Longstaff. “I would be putting in place ways to carefully and accurately measure the extent to which what I say about myself and what I actually do, and the way people perceive what I do, are in alignment across the full spectrum of key stakeholder relationships,” he explains.

Get ready: validated stories will express value

By measuring performance, companies will have the opportunity to be transparent about how they operate. But, considering a future where anybody can gather information about any topic at any moment from a plethora of digital platforms, will a narrative document, such as a sustainability report, still be important?

“Corporations themselves will want to have a narrative,” says Longstaff. “We are all story-telling creatures. We explain ourselves to the world by the stories that we tell about ourselves and about others, and companies are going to want to frame a narrative about who they are, what they stand for, and how they act upon the world and within the world. In telling their story, if somebody wants to know if it’s true or believable, they will be able to validate the information that’s there for themselves and see whether it’s credible.”

Longstaff believes that the validated story is a strong foundation for trustful relationships, which will express companies’ value in the future.

“I think the value of companies is going to be measured by the number, depth and quality of relationships that they can sustain,” he says. “It’s not just going to be about the share of the wallet, if you like, amongst their customers. It’s also going to be the productive relationships upon which they depend. Some of these will involve those who give them capital, some who choose to work for them, some who buy their services, and some who are part of the supply chain within which they operate, but the total value of a corporation will only be measured by its full spectrum of relationships.”

