



# Placing a value on sustainability

Presentation for the relaunch of Royal Holloway's  
*Centre for Research into Sustainability*

Wednesday 18 February 2009

Professor Jeffrey Unerman  
Royal Holloway School of Management

Royal Holloway  
University of London



# Techniques currently available to account for the social impact of operations

---

- Many frameworks available
  - For example:
    - Global Reporting Initiative
    - AA1000 (Institute of Social and Ethical Accountability)
  - Most do not attempt to reduce social impact to a single 'value' figure
  - For many areas they recommend narrative disclosure
- Various valuation techniques exist
  - Resultant valuations need to be treated with caution
    - A single valuation figure can convey simplicity and objectivity for what is a highly complex and subjective process



# Gaps & challenges in translating social impact into organisational value

---

- Need consensus on what organisational value comprises
  - Conceptions of this vary between stakeholders, so consensus requires dialogue and is highly political
  - Current economic situation may affect conceptions
- Inappropriate to copy financial accounting
  - Aimed at different range of stakeholders
  - Financial immateriality may be socially material
  - Discounting techniques inappropriate for social impact



# Potential responses to addressing these gaps & challenges

---

- Need simple-to-use but meaningful measures
- Need continual refinement to frameworks
  - Possibly moving to focus on creating social wellbeing rather than maximising short-term profits
- Challenging the business time horizon
- Dissemination of best practice as toolkit from which each organisation can draw as needed
- Need effective stakeholder engagement
- Need user tools to flexibly interrogate data



# Summary

---

- ‘Value’ means different things to different people and is a dynamic concept
  - Inappropriate for preparers to calculate a single value figure for their sustainability impact
- Need to communicate a range of sustainability information
  - Also need tools to help each stakeholder draw from and summarise this data in a manner relevant to their understanding of ‘value’

