



The Better Business Scan

How to use publicly available information

What are the motives to be(come) sustainable and how is this organized in a business model? Although you might not work at a particular company, you should still be able to make an informed assessment by using the Better Business Scan. External assessments are common in the business landscape. They are done by credit raters, investors, consultants, competitors, and management students. These groups use publicly available information to come to an informed assessment.

Sometimes they invited companies to fill out surveys or detailed forms to enable them to score these companies. This technique is for instance used by organizations like RobecoSAM and the Access to Medicine Index. But the willingness of companies to contribute to these exercises is decreasing, not in the least because there are so many of them. Therefore, the trend is to base sustainability assessments on public information – as for instance covered by the non-financial or integrated reporting efforts of companies.

But reports can be biased, not covering all information, while many companies (family-owned enterprises, smaller companies and the like) do not report at all. This document describes different sources of information that are nevertheless available and which can help to fill out the Better Business Scan in a responsible manner. But make sure that you understand the varying degrees of reliability and representativeness of different sources in order to distinguish between 'real' and 'fake' or 'biased' information. If you want to learn more, you can consult the 'Skill Sheets' (2018), in particular the parts regarding research and reading (A, B and C): www.skillsheets.com.

Different sources of information

There is a continuum ranging from more applied to more theoretical sources. Each type has its pros and cons. When using the Better Business Scan, the following sources are often useful:

- *Company website*
A company's website is a rich source of information. Especially motives for sustainability become clear, for example through the vision and mission statement. Does a company want to comply with all the rules or tackle the systemic causes of an issue?
- *Annual and sustainability reports*
The annual and sustainability reports contain a lot of useful information, such as the general corporate information, the operational and financial highlights, and a letter from the CEO. In addition, the narrative, graphics and use of images tell you how the company frames sustainability. This is important input to understand a company's motives.
- *Research reports*
Civil society organizations, educational institutes and governments conduct research on certain topics, sectors, etc. in which the practices of companies are sometimes explicitly discussed.
- *Rankings and indices*
Rankings and indices, such as the Dow Jones Sustainability Index, provide insights in the practices of companies on a number of metrics.
- *News articles*
Popular news articles are often written about incidents or new products. These events might provide important insights into the practices of the company.
- *Interviews*
One of the richest sources is an interview with an employee of the company. The employee can provide information on the specific questions, fill out the scan or give more general information on the company. Of course, keep in mind that the answers might be biased and that employees also have to make estimated guesses on some questions. Rather than conducting an interview yourself, you can also search for interviews with employees online.

- *Books*
This source of information is especially relevant for large companies, for example Interface or Unilever. There are books written on these companies with interesting insights into the motives for sustainability and the struggles to realize these intentions.
- *Scientific journal papers*
Papers in scientific journals are peer-reviewed which ensures the quality of an article. However, articles on specific

companies are limited and the extensive process of writing and publishing an article could make the information outdated.

- *Social media posts & advertisements*
Daily posts and advertisements campaigns show how companies position themselves in debates and current discussions. Besides the marketing strategy it sometimes gives more information about processes within the company, for example related to the supply chain or HRM practices.

Triangulation

Each source has its benefits and disadvantages. For example, some sources might be biased while others provide only a limited perspective on the company. However, combining multiple sources creates a lively picture of a company.

Wisdom of the crowd and peer review

Although you might not be an expert on the company, a collective opinion of a group of individuals might be just as good. Or even better. Thus, combining the opinions within a group in a constructive manner creates the possibility for an accurate assessment of a company.

Databases

The following databases, rankings and benchmarks contain the annual reports, sustainability reports and assessments of many companies. If you use the Better Business Scan to assess larger companies, it is probably worth it to check out these websites.

- Annual reports: <https://www.annualreports.com/>
- Sustainability/ESG Reports
 - GRI: <https://database.globalreporting.org/>
 - <IR>: <http://examples.integratedreporting.org/organisations>
 - SASB: <https://www.sasb.org/company-use/sasb-reporters/>
- ESG/Sustainability databases, rankings and benchmarks
 - Carbon Disclosure Project: <https://www.cdp.net/en/companies/companies-scores>
 - Dow Jones Sustainability Index: <https://www.spglobal.com/esg/performance/indices/>
 - MSCI: <https://www.msci.com/our-solutions/esg-investing/esg-ratings/esg-ratings-corporate-search-tool>
 - SustainAlytics: <https://www.sustainalytics.com/esg-ratings>
 - World Benchmarking Alliance: <https://www.worldbenchmarkingalliance.org/sdg2000/#company-overview>

Using different sources for the Better Business Scan

The Better Business Scan can be divided into seven parts. Each part focuses on a separate topic, which probably requires a different starting point to start searching for information. The overview below explains each part of the scan and suggests where to start looking for information.

Part 1. Company information	This section focuses on the characteristics of the company. Information can often be found on the website or annual report.
Part 2. Personal opinion and ambition	This section depicts the view of an 'average' employee. Information from the company's website, (social) media coverage, and interviews can help. When making an external assessment of the company, this part might be less relevant.
Part 3. Company motives	Company motives. This section focuses on the intention for sustainability. Using company information, such as the website, sustainability report and interviews, makes it possible to make this assessment.
Part 4. Strategy	This section addresses a company's strategy. Relevant information is present in almost all sources, but the company's annual report might be the best starting point.
Part 5. SDGs and Barriers	This section depicts an overview of the SDGs a company addresses and the barriers it encounters. The information can often be found on the website or in the sustainability and annual report.
Part 6. Functional areas	Functional areas. In this section a lot of functional areas of management are covered. This implies using multiple sources, from advertisements (marketing) to HR policies (HRM).
Part 7. Personal information	This section is mainly used for research purposes and less relevant when making an external assessment.

The table below gives an overview of the sources that are probably relevant for each part of the scan. Of course, this will vary for each company. Take the table as a rough guideline.

	Part 1	Part 2	Part 3	Part 4	Part 5	Part 6	Part 7
Company website	X	X	X	X	X	X	
Annual and/or sustainability report	X	X	X	X	X	X	
Research reports				X		X	
Rankings and indices				X		X	
News articles			X	X	X		
Interviews	X	X	X	X	X	X	
Books			X	X	X	X	
Scientific journal papers			X	X	X		
Social media posts & advertisements		X	X	X		X	