Commission on Sustainability Data
Minutes of Tuesday 12 September 2023, 10.30am-12.30pm meeting
Mawby Room, Kellogg College Oxford

Present: Prof Jonathan Michie (Chair), Prof Jim Davies, Dr Nigel Mehdi, Dr Ana Nacvalovaite, Mr Ian Robertson (via Teams), Prof Niki Trigoni (via Teams)

In attendance: Mr Alex Hoeffler (Alumni Relations & Events Executive, taking minutes), Dr Stuart Jenkins (University Net Zero Fellow and Kellogg Research Fellow), Ms Sharika Khan (Director of Development and Alumni Relations), Mr Anders Knox (Strategic Partner Director, Avalara), Dr Bryn Roberts (Bynum Tudor Fellow), Mr Gary Walker (Finance Bursar), Mr Mazi Zarrehparvar (Centre for Mutual & Co-owned Business)

AGENDA

1. **Welcome and Background to the Commission**

   The Chair welcomed everyone to the meeting. All were notified that the meeting was being recorded for future reference.

   The Chair drew attention to the background paper on sustainability data which had been circulated in advance of the meeting, and which would be discussed as item 3 of the Agenda. The paper had been drafted by Mr Anders Knox, the Strategic Partner Director at Avalara, a prominent tax compliance company which had committed $100k to support the Commission.

   The Chair explained that the Commission was under the remit of the [Centre for Mutual and Co-owned Business](#) at Kellogg College, as they had co-hosted (along with the Global Centre on Healthcare and Urbanisation) the Sustainability Conference, organised by Mazi, at which Anders had presented on this topic, from which the idea of the Commission had derived. In addition, it is envisaged that the corporate body that would hold or oversee the sustainability data, should the Commission's aims be achieved, would most likely have some sort of mutual corporate form.

2. **Introductions**

   The Chair introduced the Commissioners and the others in attendance:

   i.   Professor Jonathan Michie, President, Kellogg College; Director, Centre for Mutual and Co-owned Business
   ii.   Professor Jim Davies, Official Fellow, Kellogg College; Professor of Software Engineering, and Director of the Software Engineering Programme, Department of Computer Science; Director, Oxford EPSRC Centre for Doctoral Training in Health Data Science
   iii.   Prof Niki Trigoni, Official Fellow, Kellogg College; Professor of Computer Science, Department of Computer Science
   iv.   Dr Nigel Mehdi, Ordinary Fellow, Kellogg College; Senior Associate Tutor in Sustainable Urban Development, Department for Continuing Education; and Visiting Lecturer, Software Engineering Programme, Department of Computer Science
   v.   Dr Ana Nacvalovaite, Kellogg College Research Fellow at the Centre for Mutual and Co-owned Business
   vi.   Ian Robertson, Vice President, Director & Portfolio Manager at Odlum Brown Limited; DPhil student at Kellogg, thesis on 'a multi-jurisdictional study of proxy voting by retail investors, with specific reference to their interest in Responsible Investing'

Others in attendance
    i.   Mr Alex Hoeffler, Alumni Relations & Events Executive (taking minutes)
    ii.   Dr Stuart Jenkins, University Net Zero Fellow and Kellogg Research Fellow
    iii.   Ms Sharika Khan (Director of Development and Alumni Relations)
    iv.   Anders Knox, Avalara Strategic Partner Director at Avalara
    v.   Dr Bryn Roberts, Bynum Tudor Fellow, Kellogg College, and Global Head of Data & Analytics, Roche Pharmaceuticals
    vi.   Gary Walker, Finance Bursar, Kellogg College
    vii.   Mazi Zarrehparvar, alumnus of Kellogg College and the MSc in Sustainable Urban Development

3. What is the problem, and how can it be solved?

Anders Knox introduced his paper, and presented on the topic of reliable sustainability data. The presentation noted that sustainability has evolved into a reporting challenge for businesses, given that the substance of what is being reported on is not readily observable. There is presently no effective mechanism for auditing the sustainability claims made by companies. It is thus imperative that the reliability and transparency of sustainability data be enhanced. Sustainability considerations need to be integrated into all decisions made by corporations. This sustainability integration could be effectively achieved through the utilisation of software solutions. The potential solution may thus lie in harnessing transactional data. Two reasons to follow this approach are:

    i.   Interconnectedness of Ecommerce Transactions: Ecommerce transactions are inherently interconnected and rarely isolated incidents. Within the basic logline data of these transactions, there exists sufficient information to calculate sustainability metrics.

    ii.   Interwoven Transactional Data: Critical transactional data within companies is intricately intertwined with other transactional data. These log files can be directly accessed from ERP systems, and be used to construct an incontrovertible and comprehensive dataset.

It was agreed that for such sustainability data goals to be progressed, major software companies will need to be engaged and persuaded to collect standardised sustainability data. To do so, these companies will need to offer their customers a standardised checkbox option. The checkbox should be customisable for each specific process that these software companies' control. This means that, for any given process, a customer should have the ability to check a box. When a customer checks this box, the software company should automatically log the relevant data to a database. Importantly, this database should be under the control of the customer, ensuring data security and transparency.

The presentation noted that major corporations typically have internal mechanisms that are closely aligned with their primary goals, which, in the case of big tech companies, often revolve around achieving better, faster, and cheaper solutions. To gain their support and engagement, we must capture their interest with innovative offerings. If one or two leading companies in the industry join the initiative, it will set a powerful precedent for others to follow suit. This approach has a strong potential impact on the software industry. By standardising data, especially within the realm of Enterprise Resource Planning (ERP) companies, a scenario may be created where software becomes an essential tool for addressing sustainability concerns. In essence, it transforms the landscape, as the original ERP systems were primarily designed to optimize for better, faster, and cheaper operations, but they now need to adapt to the imperative of sustainability.

Once standardised sustainability data is available for companies, their accurate carbon footprint can be assessed. Currently there is an absence of indisputable regulations, and a lack of a standardised approach to assess companies. The current system also presents limitations in scalability, as it struggles to accommodate more than 10,000 companies effectively. A fundamental challenge is the inability to comprehensively address sustainability without the active participation of supply chains. Present day analysis relies solely on averages, which may not provide an accurate representation of individual companies' sustainability efforts. Therefore, the topic of aligning sustainability reporting with established financial reporting standards like IFRS was explored, with a focus on evaluating the potential benefits and scope of such alignment. This move could offer a pathway toward resolving the existing gaps in sustainability reporting and regulation.

The Chair summarised the key outputs from this discussion. Software companies need to ask companies they support and service to permit their transactional data to be made available as appropriate for auditing; and there would need to be some agreement around standardised protocols. Software companies could collaborate by establishing working groups tasked with the standardisation of protocols and finalising the specific methods for approaching the companies they support and service. It would be advisable to involve the major players within each market, as they have the influence and expertise necessary for this task. To facilitate the formation of such working groups, Commissioners would leverage their respective networks and connections, fostering collaboration and cooperation among stakeholders in this endeavour.

4. **Future Work Plan**

The Commission discussed and agreed on the following work plan:
- Publish a report within the next 12 months, most likely in July or August 2024. This report will have three main goals:
    - Identify the problems and potential solutions.
    - Present a research and implementation plan for moving forward.
    - Report on consultations, interviews, Commission discussions, and conclusions.
- A schedule of future meetings as follows:
    - December 2023: Review the gathered evidence and possibly hear presentations.
    - February 2024: Review additional evidence and outline the report.
    - April 2024: Review more evidence and discuss a draft report.
    - June 2024: Review further evidence and finalise the report.
- After the final report is published in summer 2024, seek funding for the next phase of research and implementation.
- Avalara has pledged $100k, which will cover the expenses of a Commission Administrator and other necessary costs for completing the outlined work plan.
- The Commission also discussed the possibility of seeking additional funding for more ambitious research on sustainability data. This could include:
    - Establishing multiple Working Groups and an International Advisory Board
    - Hiring a Research Officer
    - Organising expert discussion groups
    - Advancing the "next stage of research and implementation" as previously described

5. **Date of Next Meeting**
It was agreed to hold the next meeting at Kellogg College on **Friday 8th December 2023**.

6. **Any Other Business**
Gary Walker to share the PowerPoint presentation by Mr Anders Knox.