

Commission on Sustainability Data

Minutes of Friday 8 March 2024, 2 pm-5 pm Meeting

Mawby Room, Kellogg College Oxford

Present: Prof Jonathan Michie (Chair), Prof Kadriye Bakirci, Prof Jim Davies, Dr Alice Evatt, Dr Stuart Jenkins, Dr Nigel Mehdi, Dr Ana Nacvalovaite, Dr Bryn Roberts (by Zoom), Mr Ian Robertson, Prof Niki Trigoni

In attendance: Ms Ingrid Ackerman, Mr Max Danby, Mr Anders Knox, Ms Cindy Rose, Mr Gary Walker, Mr Mazi Zarrehparvar

1. Welcome and Introductions

The Chair welcomed everyone to the meeting, noted that the meeting was being recorded, and initiated a round of introductions of those present:

Commissioners:

- i. Professor Jonathan Michie, President, Kellogg College; Director, Centre for Mutual and Co-owned Business; Chair, Commission on Sustainability Data; Professor of Innovation and Knowledge Exchange
- ii. Professor Kadriye Bakirci, Research Fellow, Kellogg College; Administrator and Researcher, Commission on Sustainability Data, the Centre for Mutual and Coowned Business; Professor of Law
- iii. 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
- iv. Dr Alice Evatt, University Net Zero Fellow and Kellogg Research Fellow
- v. Dr Stuart Jenkins, University Net Zero Fellow and Kellogg Research Fellow
- vi. 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
- vii. Dr Ana Nacvalovaite, Research Fellow, Kellogg College
- viii. Dr Bryn Roberts, Bynum Tudor Fellow, Kellogg College, and Global Head of Data & Analytics, Roche Pharmaceuticals

- ix. 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
- x. Professor Niki Trigoni, Official Fellow, Kellogg College; Professor of Computer Science, Department of Computer Science

Others in attendance:

- i. Ms Ingrid Ackerman
- ii. Mr Max Danby, IT Officer, Kellogg College
- iii. Mr Anders Knox, Convenor of the Software and Operations Working Group, Strategic Partner Director, Avalara
- iv. Ms Cindy Rose, Member of the Finance Working Group
- v. Mr Gary Walker, Finance Bursar, Kellogg College
- vi. Mr Mazi Zarrehparvar, Convenor of the Finance Working Group, President and CEO of Kozar LLC

The Chair reported that the two main agenda items would be:

1. to receive a report from Anders Knox and Cindy Rose, and discuss, the case study the Commission was conducting [on a company whose identity was being kept confidential], where the company had agreed to make its operational data available; and
2. to receive a report from Stuart Jenkins and Alice Evatt, and discuss, Oxford Net Zero, and the relation of the Oxford Net Zero work to that of the Commission.

Both presentations are available on the Commission on Sustainability Data webpage at <https://www.kellogg.ox.ac.uk/kellogg-centres/centre-for-mutual-and-co-owned-business/commission-on-sustainability-data/meetings/>

The Chair also reported that former UN Secretary-General (2007-2016) Ban Ki-moon had been elected to a Kellogg Fellowship, and will be visiting the College on 2nd May 2024 to deliver a lecture, so the next meeting of the Commission will be held on that day, to enable Ban Ki-moon to attend.

2. Presentation by Anders Knox and Cindy Rose on the case study

The context was that sustainability claims made by companies are often hard to verify, with decisions to purchase from or invest in companies being made on the basis of estimated and

incomplete data. The Commission's goal is to make sustainability observable by standardising and auditing data. This operational data is generated by the software used by companies to conduct their operations, and can reveal a company's environmental impact. For this to work, major software companies must integrate systems that automatically log transactional data into private databases, ensuring data ownership and auditability. The establishment of a mutual sustainability entity to publish standardised table definitions was suggested. Companies would retain ownership of their data while ensuring its integrity through regular audits. It was concluded that collaboration across supply chains would be essential for the success of these efforts. This approach aims to make fraud expensive and promote transparency in reporting. It also sets the stage for AI-driven sustainability solutions. In conclusion, by standardising transactional data, sustainable practices across industries can be driven and a more transparent marketplace can be created.

In the case study company, various departments, including legal, were involved in discussions to define the scope of data access, ensuring compliance with GDPR. Travel and procurement data will be accessed initially, focusing on carbon-related aspects. Negotiations are ongoing regarding access requests, with the company recognising the project's value, with the following future actions planned:

- Encryption methods for data protection and protocols for data examination are being established.
- Efforts are being directed toward demonstrating data verifiability and engaging third-party providers to reconcile data with carbon emissions.
- Collaboration with beta customers, software companies, and carbon accounting vendors is ongoing to refine the project and ensure its success.

The discussion covered the following points related to software companies and transactional data standardisation:

- Discuss strategies to make transactional data consistent across software companies.
- Provide recommendations for companies and software firms.
- Address regulatory concerns about data collection.
- Involve both companies and consumers in data collection, especially regarding carbon footprint metrics.
- Ensure consistency among clients while dealing with standardisation challenges.
- Assess the market's interest in comprehensive transactional software.

- Analyse how software adoption affects internal workflows and data management.
- Examine how different sectors manage data.
- Evaluate if small to medium-sized enterprises can use transaction software.
- Look at the proposal by the UN and EU aimed at multinational corporations and small-scale enterprises.
- Offer flexible approaches for entities without transactional data.
- Study the reasons behind E-invoicing mandates and challenges faced by economies with informal sectors.
- Consider the financial impact of compliance and the involvement of external stakeholders.

3. Presentation by Stuart Jenkins and Alice Evattv on Oxford Net-Zero Initiative

The Oxford Net Zero (ONZ) Initiative is a multi-disciplinary effort housed within the School of Geography and the Environment (SoGE). Its primary focus is on addressing the urgent challenge of achieving global 'net zero' emissions to combat climate change. Emphasis was placed on the importance of research in understanding the physical credibility of net zero policies and regulations, as well as the market design required to achieve such outcomes.

A key point raised was the need for engagement with fossil fuel extractors to grasp their perspectives on the net zero transition and their role in market developments. Additionally, discussions highlighted the significance of addressing societal perceptions and obtaining social licenses for fossil fuel companies to transition towards net zero.

The vision of Oxford Net Zero was presented, emphasising a framework that integrates social, environmental, and sustainable development goals. Four key areas were identified: policy, advocacy, investment strategy, and technical understanding.

Commissioners discussed the necessity of compiling a list of required data for tracking net zero progress. There was agreement on the importance of having comprehensive metrics, including financial and technical aspects. Various metrics and tracking mechanisms were considered, with an emphasis on the need for transparency and comparability across companies. Commissioners acknowledged the complexity of defining metrics that accurately reflect environmental impact. The discussion touched on the challenge of accounting for positive environmental impacts and incentivising companies for actions that may not directly contribute to net zero targets but have significant environmental benefits.

Commissioners raised questions about how CEO and CMO incentives are linked to medium-term net-zero targets. There was recognition of the need for longer-term planning beyond immediate net zero goals. Corporate responsibility beyond achieving net zero was discussed, particularly in terms of advocacy and financial commitments. Commissioners highlighted the importance of setting quantitative guidelines for advocacy efforts. The role of computer science in climate solutions was addressed, with Commissioners recognising the need for greater integration of technology in tackling climate challenges.

4. Next Steps:

The Chair and Commissioners discussed next steps:

- Negotiate with the company regarding data access and encryption methods.
- Engage with beta customers and software companies to promote standardisation and support for the project.
- Further collaboration with external partners, including auditors and carbon accounting vendors, to refine the project and integrate datasets effectively.
- Further exploring regulatory aspects and data collection methods.
- Investigating methodologies for calculating carbon footprints.
- Assessing the market demand for transaction software.
- Continuing discussions on engaging private entities.
- Continuing efforts towards data standardisation and compliance.
- Assigning tasks for regulatory research and stakeholder engagement.
- Scheduling follow-up meetings to address remaining questions and plan implementation strategies.
- Assigning responsibilities for data analysis and carbon footprint calculations.
- Continue collaboration and communication on net zero initiatives.

The meeting concluded with a consensus on the progress made and the need for continued collaboration and effort to ensure the success of the project.

5. Dates of Next Meetings

The next Commission meeting is scheduled for **2nd May 2024**, most likely at 3 pm, with the former UN Secretary-General Ban Ki-moon attending. The Fifth Meeting is set for 14th June 2024.