

Commission on Sustainability Data
Minutes of Friday 14th June 2024 Meeting
Seminar Room, Kellogg College Oxford

Present:

Commission Members: Prof Jonathan Michie (Chair), Prof Jim Davies, Dr Alice Evatt, Dr Stuart Jenkins, Dr Nigel Mehdi, Dr Ana Nacvalovaite, Dr Bryn Roberts, Mr Ian Robertson, Prof Kadriye Bakirci (Commission Researcher & Administrator)

Working Group Members: Mr Anders Knox (via Teams), Ms Cindy Rose, Mr Mazi Zarrehparvar

Presenters: Jacob Thomä, Daniel Perera, Peter Neubeck (all via Teams)

College Members: Mr Max Danby, Mr Gary Walker

Apologies: Prof Niki Trigoni

1. Welcome and Introductions

The Chair noted that the meeting was being recorded, and introduced those present:

Commission and Working Group Members:

- i. Professor Jonathan Michie, President, Kellogg College; 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, Professor of Law
- iii. Professor Jim Davies, 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, Oxford University Net Zero Fellow and Kellogg College Research Fellow
- v. Dr Stuart Jenkins, Oxford University Net Zero Fellow, and Kellogg College Research Fellow
- vi. Mr Anders Knox, Convenor of the Software and Operations Working Group, Strategic Partner Director, Avalara
- vii. Dr Nigel Mehdi, Chair of the Audit and Assurance Working Group, Fellow, Kellogg College, Departmental Lecturer in Sustainable Urban Development and Course Director for the DPhil in Sustainable Urban Development, Department for Continuing Education, and Visiting Lecturer, Software Engineering Programme, Department of Computer Science, Programme Director for the UAE National AI Programme
- viii. Dr Ana Nacvalovaite, Research Fellow, Kellogg College
- ix. Dr Bryn Roberts, Bynum Tudor Fellow, Kellogg College, and Global Head of Data & Analytics, Roche Pharmaceuticals
- x. Mr Ian Robertson, Vice President, Director & Portfolio Manager at Odium Brown Limited
- xi. Mr Mazi Zarrehparvar, Convenor of the Finance Working Group

College Members in attendance:

- i. Mr Max Danby, IT Officer, Kellogg College
- ii. Mr Gary Walker, Finance Bursar, Kellogg College

The Chair noted that the three main agenda items were:

- 1. to receive an update from Cindy Rose and Anders Knox
- 2. to discuss with Jacob Thomä ‘footprinting’ and ‘profiling’ transactions, and data security
- 3. to receive a presentation from Daniel Perera and Peter Neubeck (both from Kurma Partners) on encouraging companies to report ESG metrics

1. Minutes of Previous Meeting

The minutes of the previous meeting were approved as a correct record.

As matters arising, it was reported that:

- i. Ban Ki-moon had spoken warmly of the work of the Commission in his talk at College following his involvement in the previous Commission meeting earlier in the day, including the Commission meeting that he had attended; and
- ii. Simon Sadinsky, Executive Director for Education at the King’s Foundation [previously the Prince’s Foundation] would be introducing members of the Sustainable Markets Initiative to the work of the Commission.

2. Update from Cindy Rose and Anders Knox

Cindy and Anders reported on the Responsible Investment Association conference, where the attendees seemed impressed by the work of the Sustainability Data Commission. The next step is to obtain comprehensive datasets from companies and other organisations; efforts continue to secure such partners willing to share transactional data, a critical step towards broader adoption across various software applications. While initial responses have been positive, the focus now shifts to leveraging the CSD's network to encourage more companies and other organisations to participate, and to establish the necessary precedents for future collaborations.

3. Presentation from Jacob Thomä on ‘footprinting’ and ‘profiling’ transactions, and data security

Jacob addressed the current state of the data landscape, focusing on two main approaches to data collection: the top-down reporting approach and the bottom-up assessment approach. The top-down reporting approach involves companies disclosing a limited set of variables, either due to regulatory requirements or voluntary initiatives. Notable examples include the CDP and surveys by ESG data providers like FTSE, S&P, and MSCI. Companies may use internal transactional data to estimate their carbon footprints, such as aggregating business travel expenses. The bottom-up assessment approach treats companies as a sum of their parts, evaluating specific transactions or assets. The stock perspective focuses on emissions from assets rather than individual transactions, often used for environmental impact assessments. Asset-level data initiatives, such as those by Oxford and various commercial providers (e.g., Rystad, CAPA), collect detailed data across industries.

Jacob also highlighted the increasing trend of sustainability data collection from consumer activities, like Uber rides and mobile phone tracking, and discussed potential advantages and

challenges of transaction-based sustainability accounting: Transaction-based approaches face issues due to the chaotic nature of corporate accounts and the lack of detailed transaction lines. Technological advancements, such as AI and improved data processing, are making these challenges easier to overcome. Co-benefits of this approach include potential cost savings and efficiency gains for businesses. Jacob emphasised the need for a nuanced understanding of these approaches.

4. Presentation from Daniel Perera and Peter Neubeck

[presentation available on the Commission webpage at:

<https://www.kellogg.ox.ac.uk/kellogg-centres/centre-for-mutual-and-co-owned-business/commission-on-sustainability-data/meetings/>

Mazi introduced the presentation, on the role of venture capitalists (VCs) within the finance sector, focusing on their influence on economic growth through innovation and their responsibility towards ESG reporting. VCs are crucial in identifying, fostering, and scaling innovations; beyond funding, VCs influence their portfolio companies, encouraging best practices that can extend to broader industry norms.

Daniel Parera reported that Kurma Partners was part of the Eurazeo group, which adheres to the Oplus program which outlines essential ESG criteria across global, environmental, social, and governance dimensions. They evaluate potential investments based on these criteria and monitor progress over time, using a structured framework akin to tracking Olympic medals for achievements and adverse impacts.

Peter Neubeck reported on the implementation of sustainability practices in small biotech companies. There were commendable efforts in areas like carbon neutrality, with some companies implementing policies to reduce travel and promote virtual meetings.

5. Discussion

Following Jacob Thomä's presentation, the need to approach transactional data not just as a ledger of actions but as a framework to extract meaningful insights was discussed, including pitfalls such as insufficient data sets used in credit card data examples.

The complementarity of contract data alongside transaction data was raised, noting that contracts provide nuanced details essential for risk assessment and understanding economic relationships. A counterpoint was made, suggesting that transactions can be viewed as simplified contracts, facilitating a global framework that automates allocation processes.

The focus on transactional data was reinforced due to its relevance in addressing specific investment needs, particularly in achieving net-zero goals. The potential for using verified data to drive various analyses including tax evaluations, pay gap assessments, and carbon footprint calculations was discussed. Challenges identified included data standardisation, particularly for services and price variations across transactions.

Environmental tracking capabilities were highlighted, referencing Ecoinvent as a valuable resource for product and service footprints. Challenges in applying lifecycle analysis to transactional data due to variations in product quantities and service types were noted. The discussion expanded to social impact considerations, acknowledging the complexity of

identifying and quantifying impacts like labour sourcing and human rights in transactional contexts.

The conclusion emphasised the importance of developing tools to make transactional data accessible and actionable, foreseeing its potential adoption by governments and various sectors.

The need for incremental progress, starting with centralised data logging and verification processes to manage data scope effectively, was underscored.

Following the presentation introduced by Mazi Zarrehparvar, from Daniel Perera and Peter Neubeck, the importance of transparency and continual improvement across their portfolio was mentioned, acknowledging varying requirements based on company maturity and geographical location.

A question was posed about implementing useful information systems in early and late-stage companies. Discussion followed on the role of board members in influencing company agendas toward comprehensive ESG reporting and management systems.

Emphasis was placed on the initial lack of monitoring systems in early-stage companies, making any form of ESG reporting a new and necessary step. Despite initial challenges, the openness of such companies to adopt systems that facilitate ESG tracking was highlighted.

There was some discussion of the Commission organising a conference or workshop to gather various stakeholders. This might dovetail with a media launch event for the Commission's first Report.

An update was provided on the "Right Here, Right Now" initiative launched at the Glasgow COP, aiming to convene global plenary events on climate change and human rights and potential collaborations with universities and climate-focused groups were discussed.

6. Next Steps

The meeting concluded with a review of next steps, the most urgent being to identify companies and other organisations for pilot studies:

- i. It was hoped that the company that had been the first pilot, which had been put on hold, might resume;
- ii. It was agreed that Kellogg College would participate as a pilot organisation;
- iii. Ian Robertson would review the companies that he works with, to see if any might be able and willing;
- iv. Bryn Roberts would consider whether any discrete sections of Roche might be suitable;
- v. Anders and Cindy would continue to pursue the various leads that had emerged from their presentations;
- vi. Jonathan would check with Niki whether her company might be appropriate.

It was agreed that following the pilots, then larger companies and organisations would be appropriate, and within the public sector this would include universities, hospitals, and local government authorities, and for these it would be worth approaching Oxford University (or possibly just Oxford University Press), the Oxford University Hospitals NHS Trust, and

Oxford City Council and Oxfordshire County Council. However, it would also be good to have a geographical spread, across countries.

The next meeting should also consider a timeline for the Commission's first Report, and logistics for a media launch event; we should also explore opportunities for conferences/workshops, and the possibility of one of these dovetailing with the launch of the first Report.

7. Date of Next Meeting

Commission members would be polled to find a suitable date for the next Commission meeting, sometime in September or October 2024.