

*During the TBLI Conference I had a chance to attend a workshop about Transparency: Improving comparability of responsible investment products and harmonizing reporting tools. After this great panel moderated by Jonas Ahlen attendees got a very good insight on how companies should work on analysing data, sustainable reports they collect and use it as their competitive advantage. I had a pleasure to interview one of the panellists George Sallfeldt from Morningstar Sweden and get an overview and some of his thoughts about collecting and analysing data, how trustworthy information is these days and rising awareness of customers.*

**J: Since we talked about transparency and collecting data for analysing companies in that field, starting from the consumer perspective, how do we, consumers or people who are actually collecting that data to analyse it for us, do we know that this information provided by the companies is actually trustworthy. A lot of companies tell us that they are all about CSR, transparency, compliance but how do we actually know if the companies are actually doing that since we don't have to think for too long to find examples of companies who lied about (Volkswagen very recent).**

G: I think it's a good question historically going back ten, fifth teen, twenty or thirty years you couldn't trust the data you can trust today and why is that, there is several reasons, today information that is manipulated is compared much more to other type of information of a similar kind, it will stick out much more, it will be questioned much more whereas before you would do that manually. Also just the sheer infrastructure of technology and information technology leaks the correct information out. So the potential impact of trying to contain something as emissions as example you mentioned that would have been much easier thirty years ago than it is today. Companies today are so scrutinised and investigated and analysed both by standardized data metrics that they have to fill out all the time by organisations, by governments and the data collection methods have become much more sophisticated so it's not perfect but it's fairly accurate. If you look at it in an aggregate level most things would have been taken out if it's too strange because we have all these computers that would show any this is an inconsistency here and this can't be right

**J: Yes, it wouldn't make sense**

G: Yes, it doesn't make sense so I would think that you can trust the data more today but I would still say it's not perfect and you need to use common sense or at least several sources.

**J: I feel like companies are still very afraid of realising too much information about themselves as if something goes wrong it turns into a weak point and we have to try to convince them that collecting the data and working with it and showing it to the public can be turned into advantage as the more information we give the more we get back as well and the more information we have the more accurate our analysis are and how can we make managers believe that?**

G: I think there are several reasons why companies don't want to give information. It doesn't necessarily have to be that the companies want to hide something. It can be cost. Because if you start reporting on something you have to, also makes the whole organisation to produce this information, you have to have whole organisation answering question and follow up questions and further more details have to be produced over time and this doesn't drive business necessarily right? There is this inherent and quite logical reason why managers and companies don't want to be stuck in the situation of producing data for data's sake. Now on the other hand I think the demand for data especially for investors and consumers is growing so it's a bit of a pull effect. They will naturally have the break out, but if you turn it around and if you think about company, you have companies that didn't communicate anything at all one hundred years ago and they wanted to be on a stock exchange, so the stock exchange put in some rules, they had to do it because people cannot buy the shares they don't know

**J: And that's the point we want to know what are we investing in!**

G: Yes! So thing will develop over time based on the need of the market and that's why I think it is natural that managers will kind of have a break on unless it's a business driving information but you have to be aware that people will ask questions to whatever information you release.

**J: People ask questions because consumers get more aware these days and they want to know what is the product about but also a bit more what is an actual company about what are they actually doing not only in a financial manner but also environmental and sustainable**

G: Consumers behaviours change and you don't know how will they change. If somebody had asked you ten years ago would you pay a 1000 \$ for a gadget that you can put photos with? "NO, no way! 1000 \$?! Why?!" And I don't know if you have heard this anecdote that I said during TBLI Conference workshop about the phones produced using child labour, today people don't want to buy these kind of products, because the mentality of consumers changed and reason making informed choices is not a trend, it won't go away.

**J: I completely agree and just to finish I think that consumers already took a big step to change their mentality and now managers have to put much more effort in order to change their mentality and stop looking just for a profit, but also invest in projects that make money but also do good.**

G: Yes I think the business cycles are the cycles of return, and the next generation of managers and investors will understand that there are values that you can build and generate values from past quarter not next quarter.

Jowita Michniowska, Interviewer: TBLI Conference Student Worker