

Clariant's Holistic Approach to Value Creation Through Integrated Reporting



Photo: Mutabor



Challenge

Making the leap from a conventional financial report to an innovative Integrated Report, which requires far wider company participation, dismantling silos, mining a completely new kind of data and a significant process shift.

Goal

Clariant is a leading global provider of specialty chemicals. Before 2016, the company annually released a traditional financial report and a sustainability report meeting the requirements of the Global Reporting Initiative (GRI) and the United Nations Global Compact (UNGC). In 2016, Clariant decided to embark on the ambitious goal of publishing an Integrated Report, which would reinforce its leadership position as a company committed to creating value across multiple dimensions. By producing an Integrated Report, Clariant wanted to communicate to stakeholders its commitment to profitability, resiliency and long-term value creation along six kinds of capital: financial, intellectual, manufactured, human, relationship and natural. To tell its story as a strong long-term investment, it took the innovative step to present its performance according to the Integrated Reporting framework, with the ultimate goal of ensuring agility, stability and sustainability.

Integrated reporting focuses on value creation through the lens of six kinds of capital: financial, intellectual, manufactured, human, relationship and natural.

Our Approach

In 2016, our objective was to help Clariant shift to an entirely new process of corporate reporting. With its first Integrated Report, Clariant committed a much greater share of its people to participate. What was previously the bastion primarily of finance, legal and communications became everyone's project. Initially transitioning the company to this new way of reporting – and new way of seeing itself – was a grand effort and required much greater input from more people than ever before. In this first year, we drafted a mock report based on previous annual and sustainability reports to:

- 1) learn what was already available and the gaps that would need to be closed for Integrated Reporting
- 2) identify relevant performance indicators beyond classic financial reporting
- 3) show Executive Management and the Board of Directors what an Integrated Report looks like and the differences to previous reporting

«The collaboration with Sustainerv was particularly valuable in the development of the business model, which is a guiding theme in the report. In addition, they were of great help to identify our current status – our achievements and our gaps – and to draw the right conclusions.»

Kai Rolker, Head of Group Communications at Clariant



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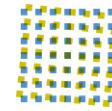
Since 2016, we have supported Clariant every year in increasingly bold and innovative ways, and have collaborated on greater degrees of storytelling and interactivity to continue pushing the boundaries of compelling presentations. Reporting need not be boring. The trick is to tease out the stories that are hidden in the data and locked in the minds of people, waiting to be discovered.

Each year, we start with the corporate communications team and expand outward into every department, where we learn about Clariant's yearly progress through data gathering, questionnaires and interviews. We provide guidance on the application of the Integrated Reporting framework to Clariant's specific context, develop an innovative reporting concept, run a robust data and information collection process, and offer extensive writing and editing services.

Clariant's integrated reporting is based on the framework developed by the [International Integrated Reporting Council](#), which promotes sustainable change through a holistic approach to corporate reporting that focuses on both financial and nonfinancial value creation.



Photo: Mutabor



Results

Most critically, having made the decision to publish annual Integrated Reports has enriched the company's attention to sustainability – both financial and non-financial. Company-wide participation in the reporting process has increased awareness of the six capitals in every corner of Clariant. By keeping the business model firmly at the core of the discussion, the reports emphasize how Clariant draws upon a multitude of resources to create added value for customers, employees, shareholders, and the environment. By providing insights into how the company's business model connects tangible and intangible factors, Clariant transparently communicates its holistic approach to sustainable value creation to investors and shareholders.

«By reorganizing reporting, Clariant shows courage for innovation. The company is taking on a pioneering role in Integrated Reporting in Switzerland and is setting a new benchmark in value reporting and design. Clariant's integrated report is groundbreaking and forward-looking.»

Roman Schneider, University of Zurich, in his laudatory awards speech remarks.

From an external perspective, Clariant's last four Integrated Reports have received numerous awards, with especially high marks from the Swiss Annual Report Rating Awards, which has assessed and ranked the annual reports of Swiss companies for the last 30 years. These awards are particularly relevant because they have a specific category and award for "value reporting." In the most recent year, Clariant's report competed against those of 240 other companies.



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2016: Integrated Report

→ 2nd Place Overall

2018: Where Why When Who What

→ Winner, Value Reporting

2017: All In One

→ Winner, Value Reporting

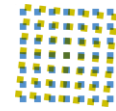
→ 1st Place Overall

2019: Here We Go

→ Winner, Value Reporting

→ Winner, Design

→ 2nd Place Overall



We are grateful to Claudia Kamensky and Joana-Isabel Kelp at Clariant, who have managed the company's Integrated Reporting initiatives, and the design and communication agencies Kammann Rossi, Mutabor and Nexxar for the inspiring collaboration over the last years.

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