→ Laying the Groundwork

Mapping and implementing accountability tactics for transforming the built environment in Europe

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Autonomy Institute

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Autonomy Institute

The Autonomy Institute is an independent research organisation which creates data-driven tools and research for sustainable economic planning.

Laudes Foundation

Laudes Foundation is responding to the dual crises of inequality and climate change by supporting brave, innovative efforts that inspire and challenge industry to harness its power for good.

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Foreword

In the past five years, actors working with industry and policymakers to transform the built environment have identified what action needs to be taken, and produced tools to help in taking those actions, to mitigate climate change and reverse growing inequality. Despite decades of work on climate and adjacent issues of inequality, we are not making progress at the necessary pace. This demands a hard look at the tactics we are deploying for change - and all the talk of 'moving from commitments to action' needs to be grounded in the right tactics.

Frontrunner businesses have set an example of what regenerative and inclusive buildings for all could look like. At this moment of change, stronger accountability structures and approaches are needed to ensure that mainstream industry follows this ambition and that frontrunners gain recognition for their pioneering initiatives.

Accountability tactics can greatly influence the agendas and commitments of businesses and decision makers. These tactics range across a spectrum from collaborative to antagonistic, covering such diverse approaches as the development of new metrics, multi-stakeholder green coalitions, and activist-led protests against urban inequity and for environmental justice.

This research is intended to inspire action in what could be effective accountability tactics and approaches, as well as their success mechanisms, to address the dual crises of climate change and social inequality in the built environment. This report lays out a compendium of tactics that have influenced transformational change in other industries. The aim is to help the organisations working in the built environment, and willing to step up in accountability, in identifying which tactics would be the best suited to further the transition of the sector.

As a philanthropic funder, Laudes does not hold a position on the types of activity that should be conducted to hold other organisations accountable to the Paris Agreement, only that this accountability must happen in order for the Agreement to be upheld. This study was therefore funded to help outline the effectiveness of options available to actors within the ecosystem, and should not be considered as an instruction to undertake these activities.

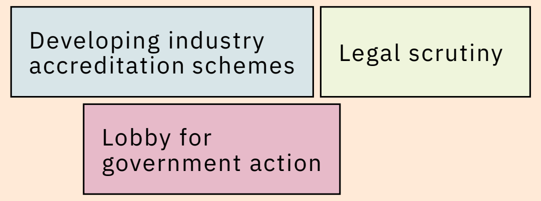
Report summary

This report describes how accountability tactics which have been used to address climate change and social inequality in other industries can be applied to the built environment sector. To this end it maps the actors, mechanisms and tactics that make up the accountability network to uncover their role and relevance in the built environment

Actors

This report has identified nine stakeholder groups which are relevant to climate and social accountability. These actors play distinct roles in the accountability process, and range from companies to media institutions, public sector bodies to trade unions.

Tactics



Tactics are activities undertaken by actors to achieve or contribute to accountability. They include desk-based actions, such as investigative journalism and information databases, as well as other activities such as consumer boycotts and new regulations.

Mechanisms

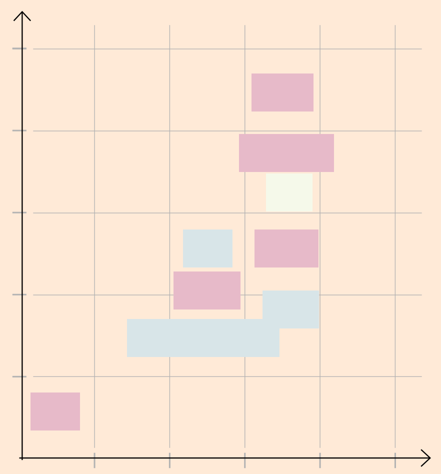
The 32 tactics we identified are grouped under three accountability mechanisms that can enforce change within the private, public and third sectors.

→ Transparency & disclosure initiatives are enablers for other tactic mechanisms. They provide the information landscape to make other tactics effective, and are therefore particularly important at the start of a process of industry transformation.

→ Reputation & self-governance initiatives include working towards internal policies and targets, and engaging with benchmarking. Their voluntary nature makes them less impactful with companies that are reluctant to change, but these initiatives can be implemented to encourage change leaders, and can inform sanctions & incentives.

→ Sanctions and incentives are the group of tactics affecting the bottom line of companies and other actors. They can be effective at any point but follow and are informed by the other mechanisms. For example, they have more impact when they are informed by accurate data via transparency & disclosure initiatives.

Relevance to the built environment



The transferability of tactics to the built environment sector is impacted by the sector's characteristics and points of leverage. In light of this, the 32 tactics have been ranked according to their chance of impact and ease of implementation. We found that the most transferable tactics to the sector, according to this framework, are trade union activity and capital providers reviewing investment portfolios and leveraging funds to lead to change.

Summary of findings: key tactics

The findings should help organisations operating in the built environment to identify which tactics would be best suited to enable transformational change within the sector.

Low-hanging fruit

Despite a lower chance of impact, these tactics were identified as occupying a space that allows experimentation and build confidence for organisations starting in the sector.

Track (disclosure)
Developing software to analyse data disclosed by companies or governments.

AGM activism / Investor pressure
Put more pressure on Capital providers, including asset managers, owners and insurance companies to encourage rapid industry action.

Tactics to prioritise

Participants in this research believed that the following tactics could be particularly valuable for holding the private sector accountable within the built environment:

Regulation / Lobby for government action
Implement embodied carbon legislation to address an important segment of built environment sector emissions.

Planning regulation
Provide stricter public procurement guidelines for built environment projects at national and municipal levels. This includes mechanisms to check that planning and procurement requirements have been implemented.

Legislate on disclosure / Lobby for disclosure
Increase the sector's transparency around its use of raw materials by regulating their use, legally or financially.

Developing stricter standards to join professional bodies
Update membership requirements for built environment professional bodies to ensure practitioners know about and are able to deliver sustainable projects.

Helping firms develop social/environmental roadmaps
Create tools to hold companies accountable to their climate and social commitments, such as following net zero roadmaps. This encourages companies to recognise the consequences of inaction.

→ About this report

How to use the report

Use the guide below to navigate this report; the mechanism studies provide an in-depth look into the tactic groupings. The rest of this chapter provides a brief overview of the Research questions and process.

Research questions

This study stems from a series of pragmatic questions. These focus on understanding the actors involved in accountability, the tactics they use and the relevance of these tactics to the built environment.

This commission began with three core research questions:

→ Who are the key actors within industry and policy transformation across social inequality, climate change and the built environment in Europe? How are they split between activists and organisations and how are they geographically spread?

→ What tactics and actions are these actors using to hold industries accountable? Are they moderate or aggressive? What are their success rates, and what are their dependencies?

→ How transferable and scalable are these tactics and actions? In what contexts can they apply and where are they used? What are the risks and threats involved in each?

From the literature review and an initial period of analysis, we developed a further set:

→ How do the three categories of accountability tactics, the mechanisms, relate to one another?

→ How are tactics relating to the information landscape - Transparency & disclosure - linked to the other mechanisms?

→ What mechanisms and tactics are used to achieve accountability within the built environment, and which in other industries?

Methodology: engagement practices

We held interviews with accountability organisations, engaged with representatives from across industries and analysed their tactics in detail.

To inform this commission, our research team conducted a secondary literature review and interviewed 31 individuals representing 24 different organisations across the accountability space.

These organisations were selected using the existing networks of the research and project teams and desk research to provide a breadth of perspectives on accountability both within and outside the built environment sector. Details on these interviews and an extended literature review can be found in the Annex. A list of the organisations we held interviews with is also included.

The analysis and conclusions contained within this report are based on this research. Given time and resource constraints, it is inevitable that there are gaps in the information underpinning this report. This includes, for example, accountability in sectors such as agriculture, energy and healthcare.

To mitigate this, we have based our analysis and conclusions wherever possible on direct feedback from interviewees, particularly when mentioned by multiple stakeholders.

Consequently, the list of tactics introduced in the report were all named in interviews, stakeholder meetings or the literature review. We cannot claim that this list is exhaustive, but it is comprehensive within the limitations of this project. We look forward to the list being expanded in future research iterations.

Beyond the quotes and case studies, the report does not signpost which organisations endorsed or contributed which ideas, as this was not feasible given the time constraints and scale of the report.

There are cases where our analysis is based on our interpretation of feedback from interviewees and the literature review. This includes the tactic transferability introduced on page 21. Where this occurs, this is flagged.

Our analysis was then tested internally and with external stakeholders for verification.

Abridged literature review

We reviewed existing literature on corporate accountability, focusing on climate and social goals, ethical standards, and stakeholder roles and tactics. A full version can be found in the annexes.

Understanding accountability

In this report, accountability is defined according to Carroll and Olegario as "being answerable to someone for something that matters," specifically climate and social goals. For businesses to be held accountable, their actions must be observable, monitored, evaluated, and face clear consequences for failure. Open Global Rights views business and human rights as a network of corporate accountability, involving civil society, consumers, capital providers, and government to hold companies accountable.

The private sector must adhere to a minimum standard of ethical practices. Falling below this standard into "ethically questionable" behaviors necessitates accountability to ensure remedy and prevent recurrence. The definition of this minimum standard and the nature of accountability will vary with context and stakeholder perspectives.

The report also categorises accountability tactics, outlining methods to hold companies responsible for their actions. These tactics include various approaches and strategies employed by different stakeholders to ensure businesses meet their ethical and social responsibilities.

> **"Accountability means being answerable to someone for something that matters."**
>
> *Carroll and Olegario*
> *Pathways to Corporate Accountability: Corporate Reputation and Its Alternatives*

Voluntary frameworks

Most international accountability frameworks focus on voluntary tactics, company self-governance, and reputation management. The UN Guiding Principles and OECD Guidelines emphasize state and private sector roles in protecting human rights and sustainable development, using regulations, non-judicial mechanisms, and public communication.

Civil society actors and philanthropic organisations support industry self-governance by developing sustainability standards and creating reputational benchmarks. Despite their benefits, these frameworks lack legal enforcement and often serve as public relations tools rather than effective accountability measures, prioritising investor interests over broader social impacts.

SOMO highlights the need for a robust international mechanism to measure objectives, monitor behaviour, and enforce accountability, criticising the weak language in existing frameworks.

Targeting the bottom line

Many frameworks and literature recognise the role of government intervention, regulation, and financial institutions in promoting corporate accountability for climate and social goals, termed “Sanctions & incentives.” Investment banks, pension funds, and shareholders influence corporate behaviour through their financial stakes. Companies align actions with investor expectations to avoid financial losses, such as through inadequate disclosure affecting ESG investment.

The UN Guiding Principles on Business and Human Rights call for state actions to govern private sector behaviour, highlighting the need for government intervention. Although these principles are voluntary, there is a push for a legally binding mechanism for human rights accountability. A UN working group has been developing a binding international treaty on business and human rights, with the 10th session in October 2024.

Karpoff and Dupont’s ‘Trust Triangle’ includes reputation, legal frameworks, and culture as parts of organisational accountability, each affecting financial outcomes.

Building the information landscape

Building the information landscape

Information is used by various actors to hold companies accountable, grouped under a ‘Transparency & disclosure’ mechanism. Access to knowledge supports accountability activities.

Literature shows voluntary transparency is ineffective, as companies may not disclose or may share misleading information, contributing to greenwashing and ‘social washing’.

Companies use strategies to divert attention, create confusion, and undermine credibility. Disinformation affects capital providers’ decisions on corporate responsibility. Disclosure is most effective when linked to legal or economic consequences.

Corporate secrecy reduces political accountability, enhancing private businesses’ power. Various platforms like Trase and Ecolex help stakeholders hold companies to social and environmental standards.

→ Introduction and context

Actors

We have identified and interviewed nine primary groups of actors involved in accountability processes. For detailed descriptions, see the Glossary of actors in the Annex.

Mechanisms

Accountability tactics have been grouped into three mechanisms, based on our analysis of the secondary literature (see pages 12 and 13), and the report contains a chapter dedicated to each.

Transparency & disclosure

Transparency & disclosure initiatives enable actors to hold the private sector accountable by ensuring relevant information is easily accessible. These inform and verify action in the other mechanisms.

Reputation & self-governance

Reputation & self-governance tactics involve voluntary action from companies. 'Self-governance' refers to the internal practices that companies apply voluntarily to demonstrate alignment to social and environmental goals. By 'reputation' we refer to the image every company must curate as part of its operations.

Sanctions & incentives

Sanctions & incentives can be effective at any point. They usually follow action in the other two areas, for instance adopting self-governance frameworks for legislation. Our interviews found that they are the most impactful mechanisms due to the material impact they can enact on a company's financial and legal situation.

Tactics

These tactics have been identified in this research as the primary activities organisations use to enact accountability. For descriptions see the Tactic glossary.

Actors and tactics: global summary

Diagram key

- Transparency & disclosure tactics
- Sanctions & incentives tactics
- Reputation & self-governance tactics

Academia & research
- Dissemination of research/findings
- Developing social/environmental industry standards
- Developing stricter standards to join prof. bodies

Corporate Responsibility
- Dissemination of research/findings
- Lobby for disclosure
- Track
- Developing social/environmental industry standards
- Developing industry accreditation schemes
- Legal scrutiny
- Exposing bad actors
- Helping firms develop social/ environmental roadmaps
- Lobby for government action
- Shining a light on best practice

Citizens and community groups
- Targeted protests
- Lobby for disclosure
- Legal scrutiny
- Community engagement
- Non-judicial grievance mechanisms
- Bringing forward strategic litigation cases
- Boycotts
- AGM activism
- Tenant union activity
- Lobby for government action

Workers and labour organisations
- Legal scrutiny
- Targeted protests
- Trade union activity

Companies
- Developing social/environmental industry standards
- Exemplifying leadership

Capital providers
- Portfolio review
- Shareholder activism
- Investor pressure
- Divestment/ investment

News & media
- Legal scrutiny
- Dissemination of research/findings
- Exposing bad actors
- Shining a light on best practice
- Helping firms develop social/ environmental roadmaps

Government
- Legislate on disclosure
- Government interest/consultation
- Taxation, fines, subsidies
- Regulation
- Planning regulation
- Public procurement guidelines

NGOs
- Dissemination of research/findings
- Lobby for disclosure
- Legal scrutiny
- Track
- Exposing bad actors
- Developing soc./env. industry standards
- Developing stricter standards to join prof. bodies
- Help develop soc./ env. roadmaps
- Non-judicial grievance mechanisms
- Lobby for government action
- Bringing forward strategic litigation cases

Tactics by actor

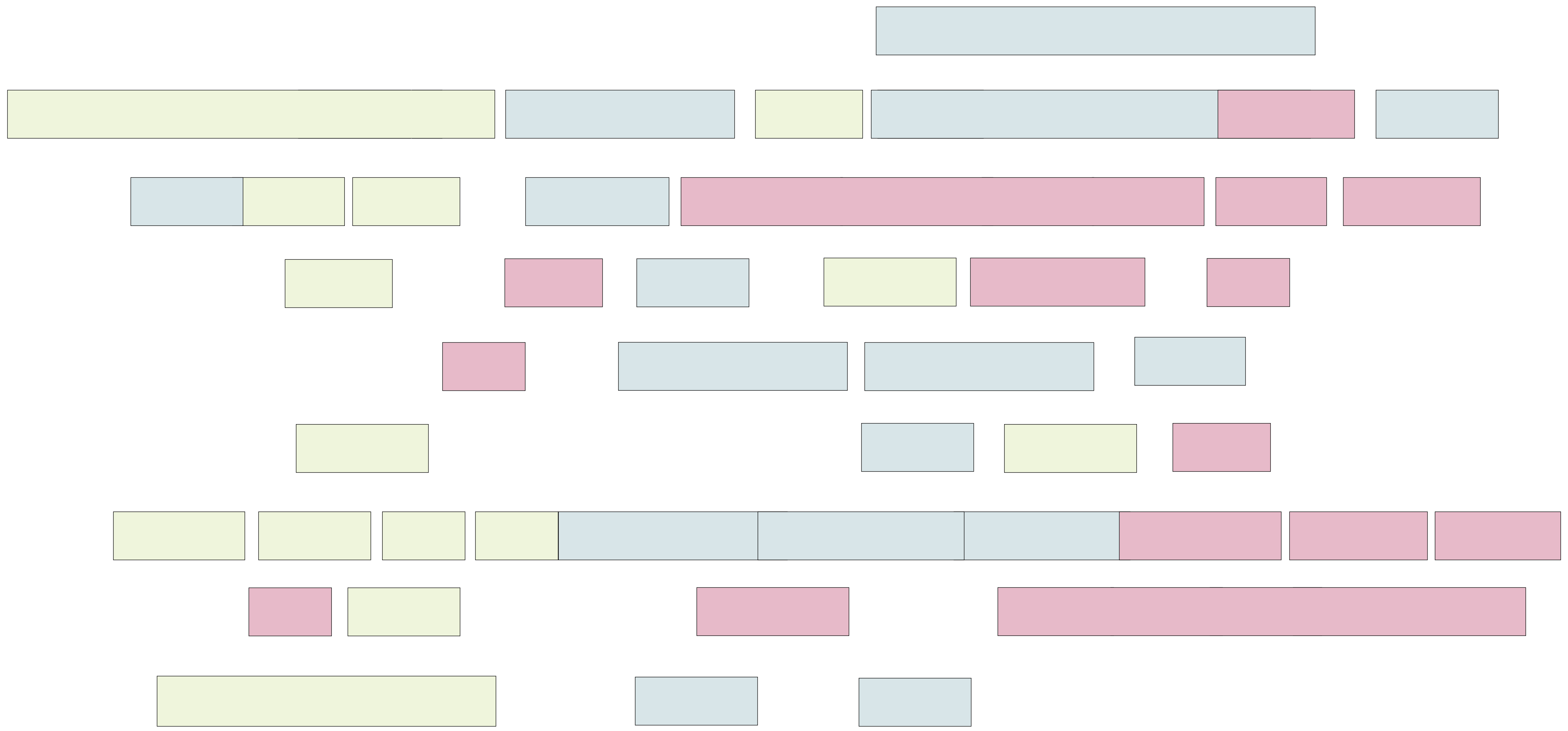
This summary provides an overview of the tactics available to each actor. The tactics are coded by mechanism (see diagram key, above) and give an indication of their place in the overall accountability process.

The diagram does not describe a chronology or sequencing of tactics, nor are the interactions between actors depicted here, as these will vary depending on the context.

To understand their dependencies and how they are deployed, a variety of scenarios based on case studies can be found throughout the report.

When is each mechanism most effective?

Highlighted below, the clustering of tactics shows the fragmented phasing in their deployment, with ‘transparency and disclosure’ tactics as key entry points in the accountability journey.



Transparency & disclosure tactics are often an effective starting point to intervene in accountability processes. These tactics provide a landscape of information that can legitimise other tactics or allow them to be more effective.

Reputation & self-governance can be deployed at any point in a process of industry transformation, but are useful precursors for more coercive forms of regulation. Given the slow-moving nature of regulation, these initiatives can be implemented to encourage change more swiftly, and can be used to inform Sanctions & incentives.

Sanctions & incentives are effective mechanisms at any stage, often following action in self-governance and transparency . Interviews indicate they are most impactful due to their effects on a company’s financial and legal status.

Accountability Landscape: key insights

Sanctions & incentives have the biggest material impact on companies. They do, however, have dependencies and rely on the other mechanisms to function:

→ Transparency & disclosure initiatives can both reveal the need for these sanctions and incentives as well as verify their enforcement.

→ Even the threat of sanctions & incentives can lead companies to comply with Reputation & self-governance initiatives; for example, a public policy consultation could lead to companies changing practices to preempt new investment requirements.

Transparency & disclosure initiatives are enablers for other accountability mechanisms. They provide the information to make other tactics effective, and are therefore a particularly effective set of tactics to use at the start of a process of industry transformation.

Reputation & self-governance initiatives can be deployed at any point in a process of industry transformation, but are less impactful when targeting industries or companies that are reluctant to change. Given the slow-moving nature of regulation, these initiatives can be implemented to encourage change more swiftly, and can be used to inform Sanctions & incentives tactics where companies are failing to self-regulate. Their voluntary nature, however, limits their effectiveness.

The majority of companies will not improve their environmental and social impacts on the basis of goodwill. While sector leaders can set the bar, and may be motivated by corporate social responsibility, most **companies require sticks and carrots** to meet minimum standards.

The **most pressing accountability issues** in the **built environment** sector, according to interviewees, include:

→ increasing the sector's accountability around its use of raw materials.

→ creating tools to hold companies accountable to their climate and social commitments.

→ updating membership requirements for built environment professional bodies.

→ introducing stricter Public procurement guidelines on built environment projects at national and municipal levels.

→ regulating embodied carbon emissions.

→ raising pressure on Capital providers to act on environmental, social, and governance (ESG) requirements.

Accountability in the built environment

Many of the tactics discussed in this report are already implemented to a degree within the sector. Additional resources, coordination and funding would help increase their scope and size, or help them expand across Europe. The term ‘transferable’ in this context refers to whether it is relevant or appropriate for a tactic to be deployed within the built environment. All tactics technically could be transferred, but we are considering which tactics *should* be transferred.

The chance that an action can have an impact and the ease of its implementation regularly came up in our industry interviews. Consequently, we ranked each tactic’s transferability into a new sector - the built environment - according to those two criteria.

The transferability of tactics to the built environment sector is impacted by:

→ the characteristics of the sector, including business-to-business focused industry dynamics, risk aversion due to high stakes and extended project lifecycles.

→ the points of leverage within the sector, such as the threat or expectation of new regulation, labour relationships and decisions to invest or divest.

In light of these factors, we ranked each tactic’s transferability to the sector according to two scores:

1. chance of impact – whether a tactic is likely to have traction in the built environment.

2. ease – the effort required to see the tactic implemented at scale in europe.

Tactics to prioritise include, for instance, the amendment of planning regulations and the development of stricter standards to join professional bodies. We also identified ‘low hanging fruit’ – tactics that organisations can deploy to start their work in the built environment. These include tracking public company data, as well as putting pressure on Capital providers through AGM activism.

Accountability mechanisms and the built environment

Transparency & disclosure

Given the relative sheltering of built environment organisations from the public eye, and the changing nature of public opinion in the internet age, transparency initiatives targeting the reputations of individual companies can have limited efficacy. However, providing a point of comparison between companies is valuable.

Built environment industry insiders point to the importance of Capital providers in shaping their business practices. Tailoring transparency tools to the needs of capital providers operating in the built environment space is instrumental to effecting change.

Regulation remains the main mechanism shaping industry behaviour – in the built environment and beyond. Regulation can introduce disclosure requirements, including within procurement contracts which are vital to the business model of many real estate and construction companies. Transparency initiatives can also target the introduction or stronger enforcement of social and environmental legislation.

Reputation & self-governance

Reputation and self-governance are already a developed area in the built environment. Green and ethical certifications like those developed by Green Building Councils around the world are well known and sophisticated. The sector's lack of interface with the general public limits the role of reputation as a vehicle for accountability.

However, as Capital providers prepare for sustainable investment, it is important to build awareness among companies of the financial implications associated with reputation.

The professional bodies that apply to workers in the built environment provide mostly guidance and recommendations when it comes to ethical and environmental standards, rather than a set of binding rules.

Sanctions & incentives

Regulation-related tactics can be effective in influencing built environment organisations, although this is highly dependent on the severity of the sanction or incentive.

The threat/promise of investment or divestment can be a significant influence on company behaviour. However the complexities of asset management and ownership within the built environment requires careful assessment of who may act against their interests when presented with one of these tactics.

Areas to prioritise: highlights from the interviews

Stakeholders participating in this research have emphasised several action areas that would be particularly valuable to contribute towards holding the private sector accountable within the economy of the built environment.

→ **Regulate** - legally or financially - the sector’s **use of raw materials** because of the industry’s reliance on resources and their contribution to the sector’s environmental and social footprints. This is linked to regulating embodied carbon.

→ **Tools** are needed **to hold companies accountable to their climate and social commitments**, such as following the implementation of net zero roadmaps. Without these, companies can sign up to initiatives with no consequences for inaction.

→ **Updating membership requirements** for built environment professional bodies ensures practitioners are knowledgeable about and able to deliver sustainable architecture/engineering/construction projects.

→ There is an opportunity for **stricter Public procurement guidelines on built environment projects** at national and municipal levels, including on embodied carbon. This includes mechanisms to check the implementation of planning and procurement requirements.

→ The introduction of **embodied carbon legislation** would address an important segment of built environment sector emissions. A social equivalent, e.g. data on whether embodied carbon can be affordably controlled in residential contexts would also be valuable.

→ Putting more **pressure on Capital providers** - including asset managers, asset owners and insurance companies - in relation to social and climate issues could lead to rapid industry action.

→ Understanding accountability

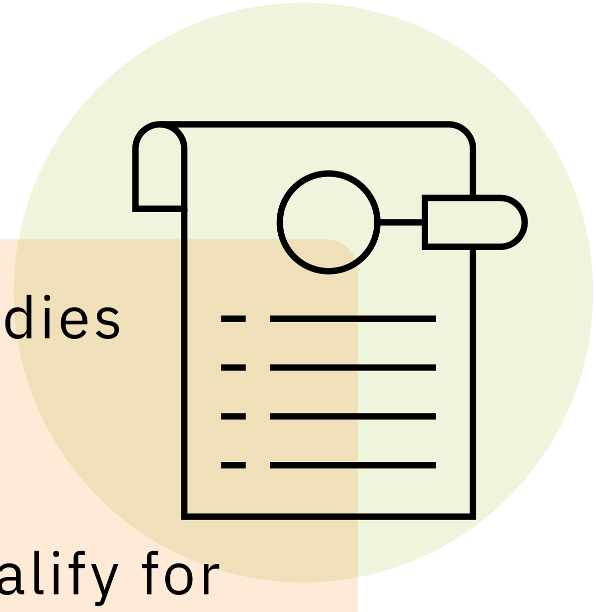
Transparency & disclosure

Transparency & disclosure initiatives enable actors to hold the private sector accountable by ensuring that relevant information is easily available to all.

With information accessible and understandable, actors can develop resources and tools to target the reputation or financial bottom line of a company, or to lobby for regulatory change. These initiatives have a role to play throughout industry transformation, focusing on best practice, worst offenders, regulatory violations and industry standards.

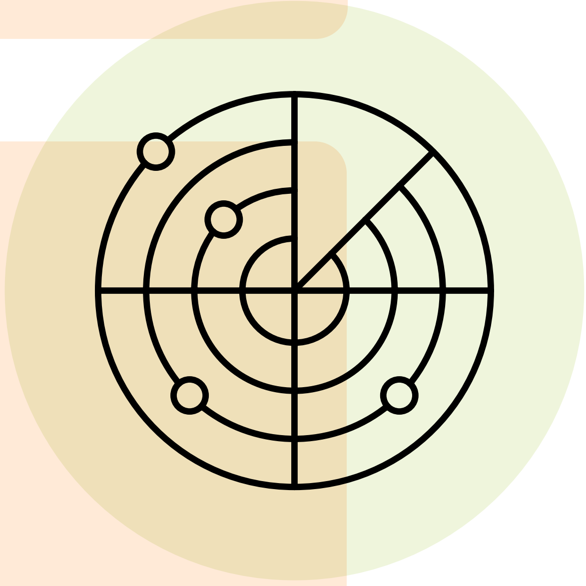
→ Track (disclosure)	→ Track (ESG performance)
→ Lobby for disclosure	→ Track (implementation of commitments and compliance)
→ Lobby for disclosure	→ Legislate on disclosure
→ Legal scrutiny	→ Dissemination of research/findings

There are two primary forms of transparency & disclosure initiatives:



Reporting requirements - Regulatory bodies and membership organisations, like the UN Principles of Responsible Investment (UNPRI), mandate that signatories disclose specific internal practices to qualify for membership, including:

- → Environmental impact assessments
- → Social governance and ethics policies
- → Corporate governance structures
- → Financial and investment transparency reports.



Trackers and databases to monitor the activity, emissions, social impact of different actors. Including

- → commodity and supply chain trackers
- → compliance trackers
- → transparency databases
- → ESG performance trackers.

Reputation & self-governance

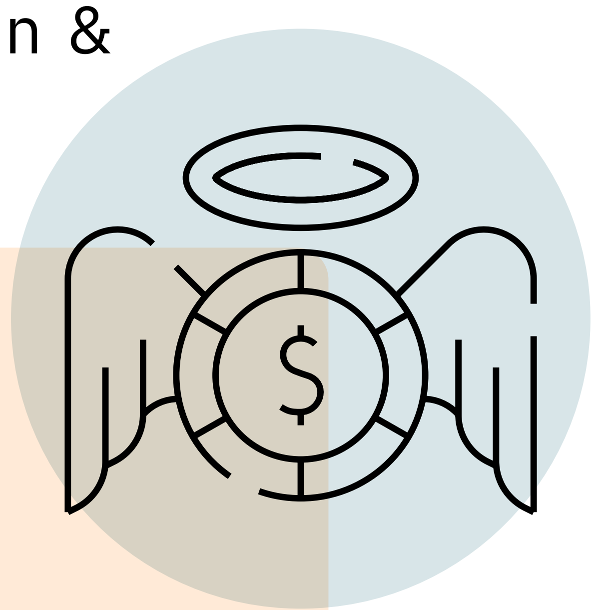
Reputation & self-governance initiatives can provide a snapshot of the status quo of accountability in an industry and provide insight into where action is needed.

They have a mutually informative relationships with Transparency & disclosure initiatives, and provide evidence and frameworks for implementing Sanctions & incentives. Companies self-regulate based on the financial and regulatory risks of not doing so.

There are also legacy and values-based motivations for the private sector to respond to Reputation & self-governance initiatives. Family-owned and socially-oriented businesses are often invested in values and their legacies.

→ Investor pressure
→ Shining a light on best practice
→ Exposing bad actors
→ AGM activism
→ Community engagement
→ Targeted protests
→ Developing stricter standards to join professional bodies
→ Helping firms develop social/environmental roadmaps
→ Developing social/environmental industry standards
→ Exemplifying leadership

There are two main forms of Reputation & self-governance initiatives:

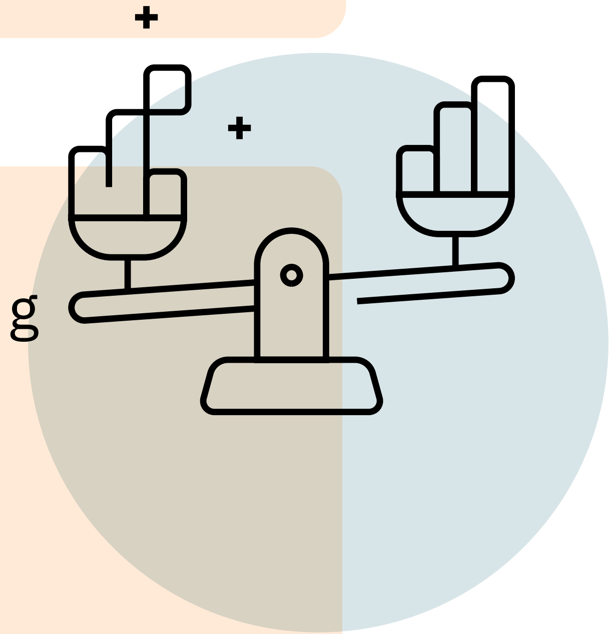


Policies, targets or responses to pressure:

→ targets – e.g. paying all employees a living wage by 2030

→ standards – e.g. monitoring forced labour within their supply chain

→ roadmaps – e.g. path to net zero by 2035



Engagement with benchmarking, where businesses collaborate with benchmarking organisations to:

→ Inform their score

→ Improve their performance

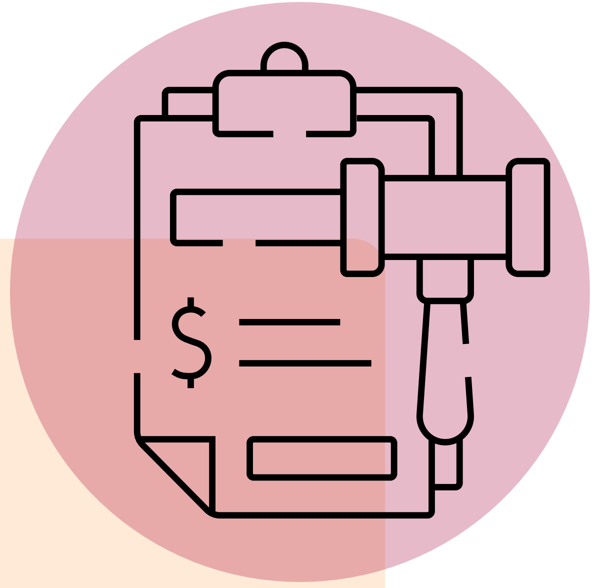
Sanctions & incentives

Sanctions & incentives encompass any activity which affects a company's bottom line, positively or negatively.

They offer an effective route to driving industry change because industry change because the private sector is ultimately dependent on revenues and regulatory frameworks.

A high level of technical, regulatory and contextual understanding is vital to deliver these tactics effectively. Their integration with information from Transparency & disclosure and Reputation & self-governance initiatives is therefore key.

- → Portfolio review
- → Taxation, fines, subsidies
- → Boycotts
- → Divestment/ investment
- → Trade union activity
- → Shareholder activism
- → Tenant union activity
- → Non-judicial grievance mechanisms
- → Regulation
- → Planning regulation
- → Lobby for government action
- → Public procurement guidelines
- → Bringing forward strategic litigation cases
- → Government interest/consultation



Sanctions, negatively affect a company via direct financial losses or the cost of resources, for instance:

→ government or institutional fines

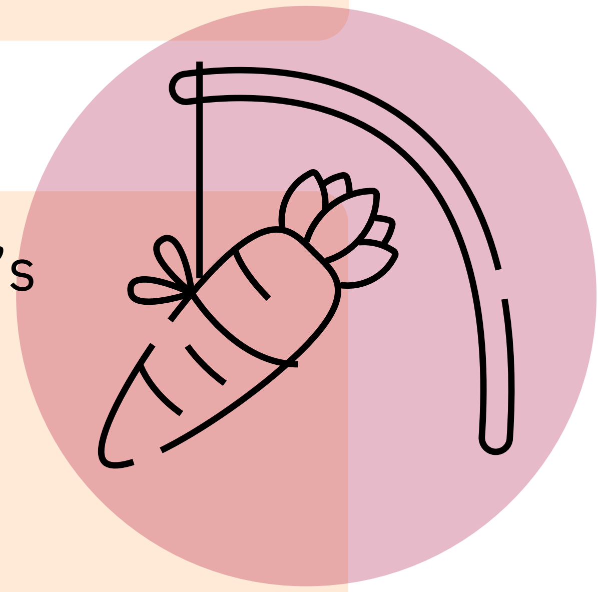
→ divestment and shareholder action

→ non-judicial grievance mechanisms

→ workers' strikes

→ consumer boycotts

→ strategic litigation cases.



Incentives, positively impact a company's financial performance, for instance via:

→ government or institutional subsidies

→ investments

→ public contracts.

Conditions for success

These are common conditions for success we have identified across the three mechanisms.

Mechanisms for participation

Involving affected communities in tactical decisions, especially at the local level, makes use of direct experience as a tool for change. Participation also increases buy-in, builds worker agency, and legitimises demands.

For companies, engagement is crucial to investment, which increasingly depends on factors like benchmarking scores, demonstrating ESG action to access to capital or grants. Similarly company participation in public consultations can support a better informed regulatory environment.

Cross-sectoral movements

Organisations are often at risk of duplicating efforts. Changemakers should concentrate on providing coordination across a sector. Good partnerships with government, investors, industry, communities and trade bodies are important to ground tactics and their impacts in the realities of industry.

Measuring what matters

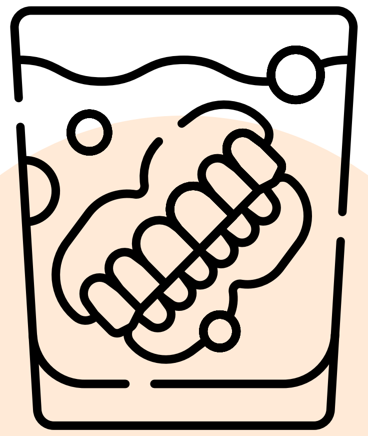
Lack of regulatory enforcement limits impact. The voluntary nature of Reputation & self-governance initiatives makes it hard to hold industry accountable to the standards it has set itself.

Framing social issues as part of a just transition can help drive both community and environmental goals further than if each were taken in isolation.

Technical knowledge and expertise is required to guide companies when they are setting standards and managing reputations, and also to track their delivery of commitments.

Challenges and limitations

These are the common challenges and limitations we have identified across the mechanisms.

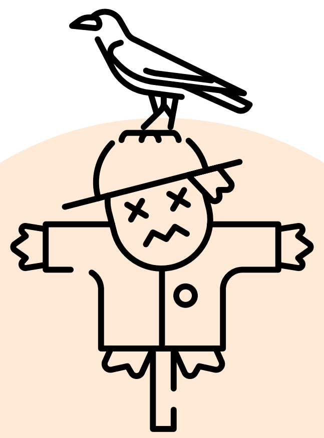


Insufficient rules with teeth

Fines and legal challenges for poor conduct are seen as part of doing business. The consequences companies face for breaching legislation are insufficient to lead to change.

There is a lack of ambitious regulatory systems. For example, there is limited regulation enforcing non-judicial grievance mechanisms, and many planning systems across Europe do not guarantee enforcement of their policies. Global economic systems and supply chains require international frameworks. In the absence of regulatory enforcement, Reputation & self-governance initiatives cannot hold industry accountable to adequate standards.

Regulations can create malicious compliance, with firms doing the bare minimum or finding ways of avoiding action without legal consequences.



Inaction remains an option

Companies need to be invested, either financially or reputationally, in the information being disclosed or benchmarked. If sharing the information will not impact the organisation, no change will come. It can be challenging to get Capital providers and companies to see the financial advantage of addressing social issues in particular.

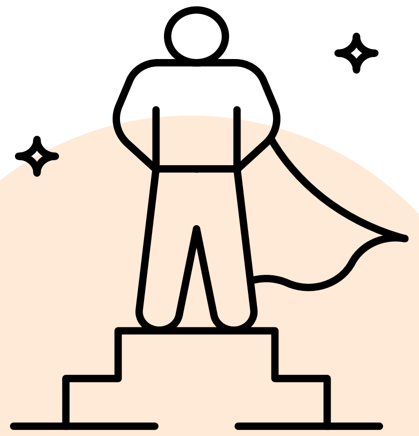
Amongst the noise of our information landscape, 'naming and shaming' campaigns can be lost among other news, making the impact on reputation limited.

Measures implemented on the basis of member consensus can be weak and ineffective, due to the need for buy-in from organisations with a vested interest against accountability.

It's hard to measure what matters

Access to, and the quality of, information is often limited. The information needed may not be in the public domain, not be intended for transparency and traceability, or is published years after collection due to regulatory disclosure requirements. Companies are also increasingly willing to disclose commitments, but reluctant to share data on what they are doing in practice. This creates information gaps.

The sector has a complicated structure. The variety of business and employment types makes benchmarking frontrunners against stagglers challenging, and makes unionising challenging in numerous sectors.



Tough to make the most of role models leading the change

Rapid industry changes make individual targeting tough. In certain sectors, rapid industry changes lead to a turnover of brands and companies who sit in the limelight. There is insufficient funding and resources to track and benchmark companies, implementation of self-governance standards.

There are technical and cost barriers to setting standards. Non-government organisations(NGOs) and Corporate responsibility organisations require resources and expertise to set targets, roadmaps and standards for companies to utilise. It can therefore become too costly or complex for companies to meet social or environmental targets.

Accountability organisation: Good Jobs First

Good Jobs First is a not-for-profit corporate accountability resource centre, promoting private sector and government accountability in economic development incentives and corporate misconduct generally. It manages Subsidy Tracker and Violation Tracker, which aggregate company-specific data on federal, state, and local development subsidies and on private sector regulatory and legal violations. As Tax Break Tracker, it also aggregates data on local government revenue losses caused by subsidies. Its data, and the campaigns/research that have utilised, have resulted in additional disclosure requirements, incentive safeguards such as clawbacks, and incentive cuts and caps.

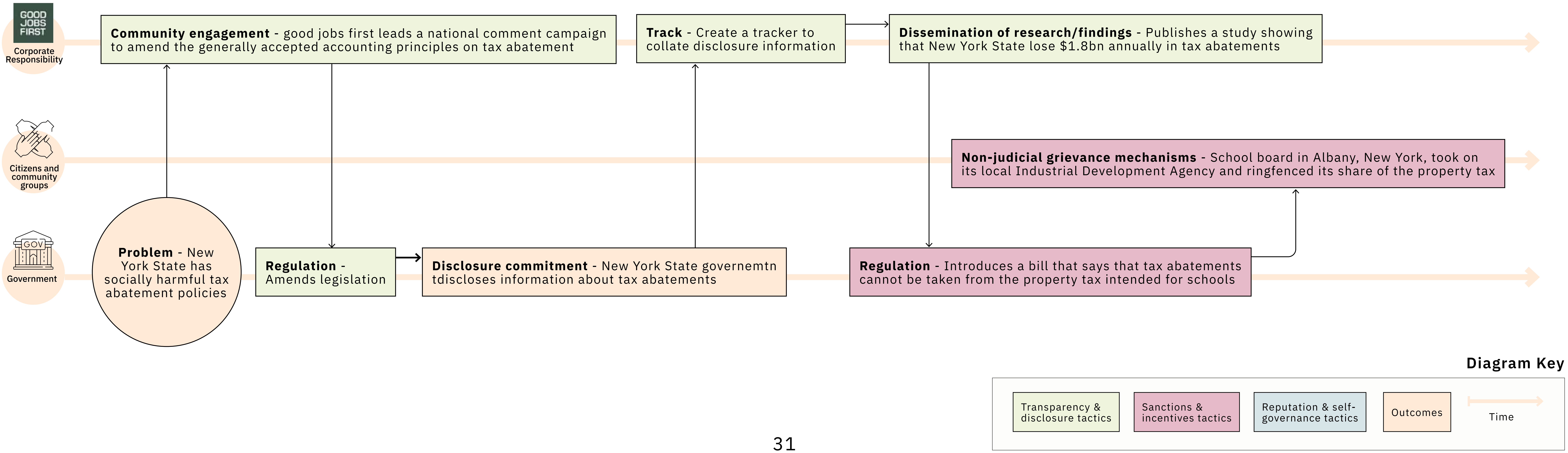
Size	< 10 employees
Actor type	Corporate accountability organisation
Location	Washington, DC
Sector	Cross-sectoral climate and human rights corporate accountability

Case Study: Tax Break Tracker

Over 26 years, Good Jobs First has used Transparency & disclosure tactics - including investigative research, support for constituency-based groups that lobby, databases, and strategic organising advice, including communications - to achieve regulatory change regarding tax abatements and the loss of funding for public services. See the process and tactics involved in this case study on the following page.

Good Jobs First: accountability journey

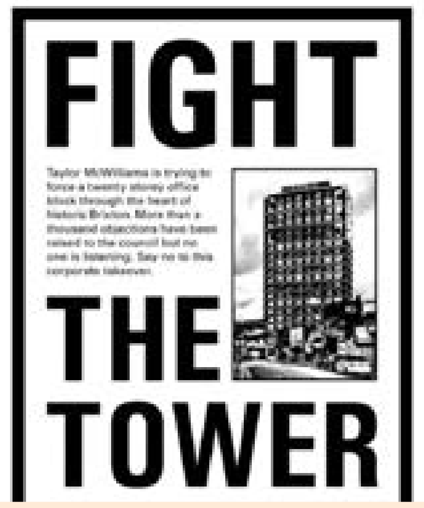
The diagram below depicts the sequence of events, tactics and actors involved in the deployment of Good Jobs First's work tracking and influencing tax abatements for companies.



Accountability organisation: Save Nour

Save Nour is a local anti-gentrification campaign group based in Brixton, in the London borough of Lambeth. It is made up of residents who have been campaigning against evictions of local businesses in Brixton and the construction of a 20-storey office tower in the centre of the area.

Size	c. 20 active volunteers
Actor type	Citizens and community groups
Location	London, UK
Sector	Built environment sector - grassroots campaign organisations

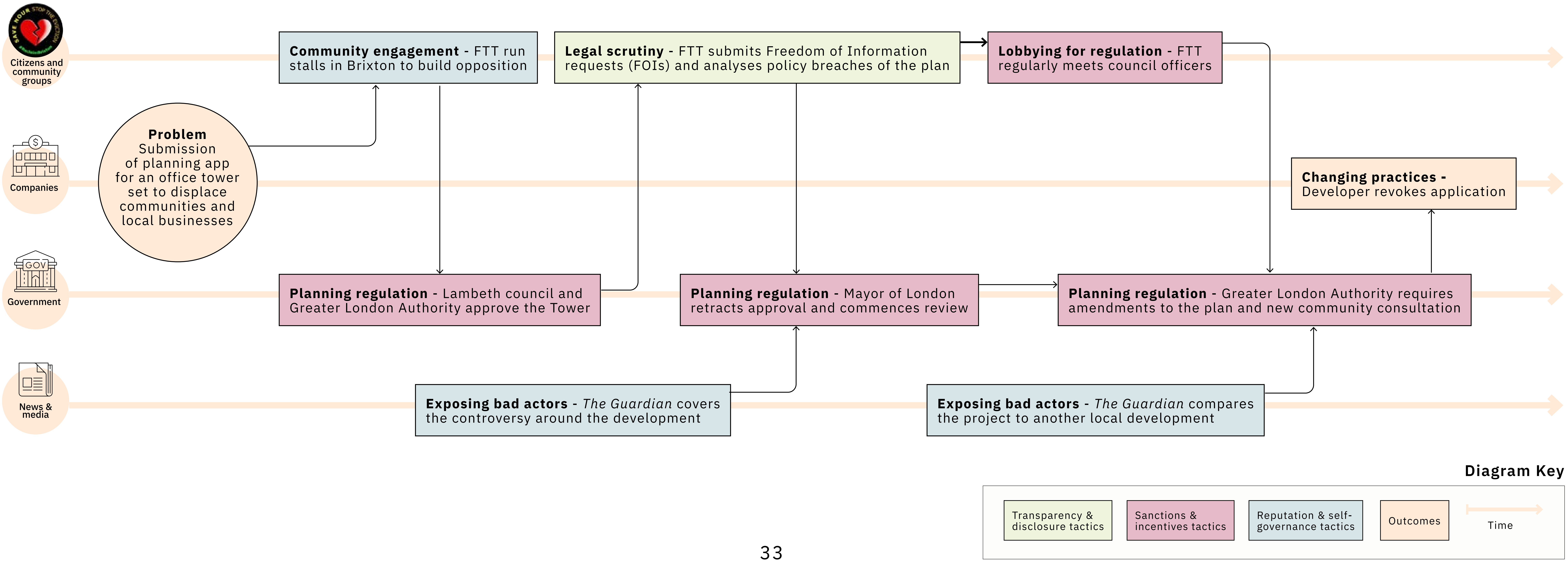


Case Study: Fight The Tower

Save Nour ran a three-year campaign called Fight the Tower to prevent the construction of a 20-storey office tower in the middle of Brixton. The tower was approved by local government in London despite breaches of local planning policy, a lack of community consultation, negative environmental impacts, displacement of local businesses, damage to local heritage assets, and only 14% of jobs within the development forecast to go to Lambeth residents. The tactics and outcome of the campaign are outlined in the case study below.

Save Nour: accountability journey

The diagram below depicts the sequence of events, tactics and actors involved in Save Nour's Fight the Tower (FTT) campaign.



Accountability organisation: Fashion Revolution

Fashion Revolution is a global not-for-profit organisation that campaigns for the reform of the fashion industry, with a particular focus on greater transparency in the fashion supply chain. It is the world’s largest fashion activism movement, including designers, academics, writers, policymakers, retailers, workers and consumers.

FASHION REVOLUTION

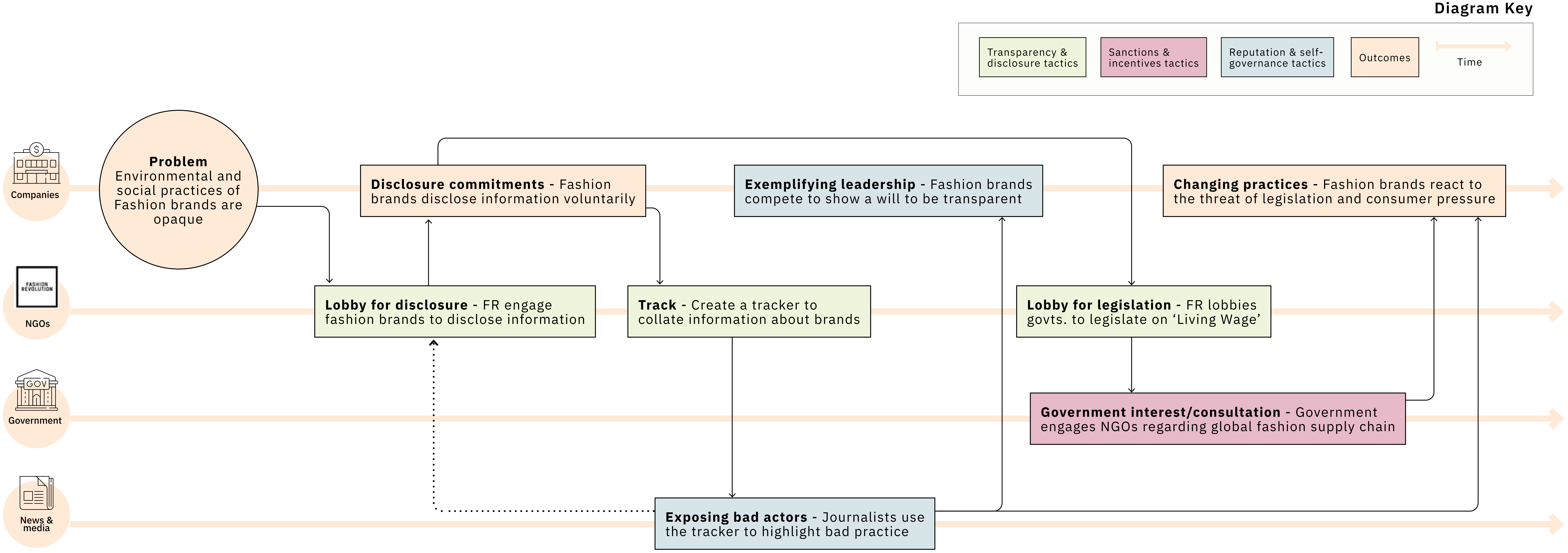
Size	11-50 staff
Actor type	Corporate accountability organisation
Location	HQ in London, international
Sector	Fashion - corporate accountability

Case Study: Fashion Transparency Index (FTI)

Annually, Fashion Revolution publishes the Fashion Transparency Index (FTI). Fashion Revolution engages with brands to identify what information they disclose on their environmental and social practices and publishes the results in a database and report. The FTI benchmarks brands’ transparency, and is used by journalists, researchers and capital providers. Fashion Revolution also lobbies government for stronger regulation on the fashion industry, in relation to workers’ pay and conditions and environmental standards. The iterative process of Fashion Revolution’s work is outlined on the following page.

Fashion Revolution: accountability journey

The diagram below depicts the sequence of events, tactics and actors involved in Fashion Revolution's ongoing work for fashion companies' supply chain transparency.



→ Cultivating accountability in the built environment

Overview

Compared to other sectors of the economy, the built environment (BE) remains largely unaccountable to the demands put forward by climate and social justice advocates. This is due to the specific characteristics of development and construction – its life cycles, geographies and ownership structures. This chapter asks which accountability tactics should be adapted to the built environment, plotting the ‘transferability’ of each according to the categories of ‘chance of impact’ – whether a tactic is likely to have traction in the built environment – and of ‘ease’ – the effort required to see the tactic implemented at scale in Europe.

The sector’s characteristics will be outlined, pointing to potential points of leverage for accountability projects. This will be followed by a summary of the tactics that could be effectively applied to this context.

Many of the tactics discussed in this chapter are already implemented to a degree within the sector. Additional resources, coordination and funding would help increase their scope and size, or help them to expand across Europe.

When we use the term ‘transferable’ in this context, we are referring to whether it is relevant or appropriate for a tactic to be deployed within the built environment. All tactics technically could be transferred, but we are considering which *should* be transferred.

Types of built environment organisation

Each accountability mechanism has slightly different applications to each type of built environment organisation, as outlined in the table on the next page.

- Suppliers
- Property developers
- Builders and contractors
- Advisers, consultants and brokers
- Architects, engineers, designers and planners
- Industry and professional associations
- Facilities operation and maintenance
- Building and infrastructure owners
- Building users

Built environment: organisations and related mechanisms

Characteristics → / Type of built environment organisation ↓	Transparency and disclosure	Reputation and self-governance	Sanctions and incentives
Suppliers	Pivotal in supply chain transparency; scrutinisation of sourcing practices.	Engage in self-regulation for sustainability and ethical practices.	Subject to sanctions for non-compliance; incentivised for best practices adherence.
Property developers	Key in disclosing project impacts; carry out environmental assessments and compliance.	Voluntary adoption of higher standards to distinguish in the market.	Influenced by planning regulations and potential sanctions for non-compliance.
Advisers, consultants and brokers	Facilitate dissemination of best practices and compliance information.	Promote self-governance standards within the industry.	Advice can steer clients towardss compliance and benefit from incentives.
Architects, engineers, designers and planners	Ensure projects meet sustainability and compliance standards from design phase.	Professional reputation and adherence to best practices are significant.	Professional accreditation and market competitiveness as sanction/ incentive mechanisms.
Builders and contractors	Central to compliance and reporting on construction practices.	Reputation for quality and compliance impacts marketability.	Affected by building regulations and incentives for sustainability targets.
Industry and professional associations	Aggregate and disseminate industry-wide data on performance and standards.	Set industry standards and promote self-regulation among members.	Certifications and accreditations incentivise adherence to standards.
Facilities operation and maintenance	Report on operational efficiencies, energy use, and sustainability in maintenance.	Operational excellence and sustainability practices enhance reputation.	Subject to incentives for reducing energy consumption and sustainability improvements.
Building and infrastructure owners	Responsible for disclosing building performance and sustainability initiatives.	Lead by example through sustainable practices and green infrastructure investment.	Subject to regulatory requirements; benefit from sustainable development incentives.
Consumer / user	Demand for transparency on the environmental and social impact of their built environment.	Preferences can drive demand for responsible practices among be actors.	Consumer choice acts as an incentive for be companies to adopt sustainable practices

Built environment sector: characteristics

Key characteristics distinguishing the built environment from other sectors.

Government sector dominance

The public sector's significant role as a customer in the built environment sector highlights complex interactions with government bodies, influencing project scope and execution.

Business-to-business - focused industry dynamics

The built environment is characterised by its predominant B2B dealings, which shape the industry's networking, contractual relationships, and project management strategies.

Risk aversion due to high stakes

Due to the high capital and risk involvement in BE projects, the industry tends towards risk aversion and shows resistance to change, impacting innovation and adaptation.

Immobility and local value determinants

BE projects are fixed in location, tethering their fate and value closely to local socioeconomic dynamics, regulatory landscapes and environmental factors.

Dependency on material and market fluctuations

The sector's dependence on raw materials and commodity markets critically affects the cost, sustainability and feasibility of projects.

Uniqueness and customisation of projects

Each BE project is typically a one off, unique endeavour, requiring specialised planning, design and execution, in contrast to sectors with repetitive or standardised outputs.

Extended project lifecycles

Compared to industries with rapid production cycles, BE projects are distinguished by their extended production timelines, reflecting the complexity and scale of these undertakings.

Characteristic/Tactic Nexus

Characteristics → / Relevant Tactic ↓	The public sector is a major customer	Business-to-business-focused industry dynamics	Risk aversion due to high stakes	Dependency on material and market fluctuations	Uniqueness and customisation of projects	Extended project lifecycles
Public procurement and planning regulation	Companies will comply with public procurement guidelines and requirements.		Companies will comply with public procurement guidelines and requirements, including in relation to supply chains.			
Shareholder agms		Business-to-business dynamics means less public exposure for companies. Engagement at shareholder meetings can drive change internally.	Shareholders can advocate for risk management strategies that align with climate and social goals.			Long project lifecycles necessitate long-term thinking in shareholder decisions.
Threat/expectation of new regulation			Regulatory changes can incentivise the adoption of environmentally and socially responsible risk mitigation strategies.	Regulation can be used to steer material sourcing towardss more sustainable options.	Unique projects require flexible regulatory frameworks that adapt to their specific needs.	Regulations need to account for the long-term impacts and sustainability of projects.
Industry accreditation schemes	Companies can demonstrate their willingness to adhere to social and environmental concerns through voluntary schemes and securing public contracts.			Accreditation can set standards that reduce dependency on unsustainable materials.		
Labour relationships			Improving labour relations can help manage risks related to workforce stability and reputational damage.		The highly specific context of each project provides opportunities for unique alliances, agreements and forms of struggle that can build worker and community connections.	
Investment/portfolio reviews		Investor reviews can influence business-to-business dynamics, pushing for greener and more ethical investments.	Capital providers can influence risk management approaches to prioritise long-term sustainability.			Capital providers must consider the long-term viability and impact of projects in their portfolio reviews.

Transferability Scores: methodology

We have assigned different scores to each tactic according to its projected ease of implementation and impact on achieving accountability in the built environment. The methodology for this scoring emerges from a combination of sources.

The chance that an action can have an impact and the ease of its implementation regularly came up in our industry interviews. We think these are particularly useful metrics to evaluate tactics both for those seeking to take action in the built environment as well as those intending to fund them.

Accountability funders and practitioners should pay attention to whether the built environment is ‘ready’ for a certain tactic and should have a clear view of where different actions fit into an accountability strategy or timeline.

Each tactic was scored on the basis of insights drawn from the interviews conducted with accountability and built environment experts, who were asked to speak to the effectiveness of different sets of tactics.

Scorings were assigned on the basis of:

Interviews - when interviewees were asked axplicitly their opinion on the relevance of a given tactic to the BE.

Desk research - when case studies were examined via online desk research.

Independent assessment - for tactics that did not receive particular attention in interviews or in the literature, the team has drawn on its own experience and made educated inferences to work out scores.

Transferability scores: explanation

The following ranking framework assesses accountability tactics according to their chance of impact and ease.

Chance of impact (1-5): How effective will the tactic be when deployed in the built environment?

1. Limited impact: the tactic has minimal evidence of or argument for success in the built environment sector.
2. Niche relevance: useful in specific, limited contexts within the built environment sector but lacks broader applicability or proven success.
3. Moderate relevance: shows potential in certain areas or aspects of the built environment sector, but broader impact is yet to be demonstrated.
4. Considerable potential: demonstrates effectiveness in various contexts within the built environment sector, with good potential for wider implementation.
5. Proven in parts: successfully implemented in certain areas of the built environment sector, but requires scaling or wider adoption for full impact.

Easy (1-5): how much effort will deploying the tactic in the built environment require?

1. Extensive setup required: needs new organisational structures or major adaptations, as no existing models in be can support the tactic.
2. Considerable adaptation needed: practised in other sectors but requires significant modifications to be viable in the built environment sector.
3. Moderate effort and adaptation: some existing models or organisations in be can adopt the tactic with moderate changes and effort.
4. Limited adaptation required: already in practice within the built environment sector on a small scale or in limited locations, needing minimal adjustments for expansion.
5. Minor adaptation required: the tactic is already practised in the built environment sector on a small scale or in limited locations and can be expanded with minimal effort.

Transferability scores: examples

Tactic	Mechanism	Chance of impact (1-5) How effective will the tactic be if deployed in the built environment?	Chance of impact (explained)	Easy (1-5) How much effort will deploying the tactic in the built environment require?	Easy (explained)
Boycotts	S&i	1	The built environment has very few public-facing actors and would therefore feel a reduced impact from the threat of reputational damage.	1	Members of the public rarely understand themselves as 'consumers' of the sector's products and therefore are difficult to organise into a collective force.
Track (disclosure)	T&d	2	Available data on built environment material flows and carbon footprints is limited in scope and reach. A more precise picture would be an effective tool in the hands of regulators and activists.	4	These activities are already underway in the sector. Setting up tracking projects and organisations in this area would require limited adaptation and resources.
Divestment/investment	S&i	5	The costs and extended lifecycles that characterise the built environment mean that the sector relies on long-term investments and investor confidence.	4	There are already voluntary ESG investment frameworks in the sector with increasing uptake from Capital providers.

Tactic transferability I

Tactic	Mechanism	Chance of impact (1-5) How effective will the tactic be if deployed in the built environment?	Easy (1-5) How much effort will deploying the tactic in the built environment require?	Case study	Actors (tactic delivery)
Boycotts	S&i	1	1		Citizens and community groups
Dissemination of research/findings	T&d	2	2	Global Canopy publishing reports on Trase's commodity tracking	Academia & research; Corporate responsibility organisations; NGOs; News & media
Lobby for disclosure	T&d	2	2	Good Jobs First lobbying the Government Accounting Standards Board	NGOs; Citizens and community groups; Corporate responsibility organisations
Developing social/ environmental industry standards	T&d	2	3	SBTI's targets	Corporate responsibility organisations; NGOs
AGM activism	R&s	2	3	Insulate Britain organising AGM attendance	Citizens and community groups
Community engagement	R&s	2	3	Save Nour's community stalls	Citizens and community groups; Workers and labour organisations

Tactic transferability II

Tactic	Mechanism	Chance of impact (1-5) How effective will the tactic be if deployed in the built environment?	Easy (1-5) How much effort will deploying the tactic in the built environment require?	Case study	Actors (tactic delivery)
Lobby for government action	S&i	3	2	Stop Ecocide's campaign to criminalise harms to nature	Corporate responsibility organisations; Citizens and community groups; NGOs
Bringing forward strategic litigation cases	S&i	4	2	Global Witness, Client Earth and Corporate Accountability Lab	Corporate responsibility organisations; Citizens and community groups; NGOs
Developing stricter standards for joining professional bodies	S&i	2	4	IStructE's new environmental standards	Corporate responsibility organisations; NGOs
Exposing bad actors	R&s	2	4	Journalists using Good Jobs First's data; Fashion Revolution's report indices	Corporate responsibility organisations; News & media; NGOs
Government interest/ consultation	S&i	3	3	Greater London Authority's interest in Save Nour's campaign	Government
Helping firms develop social/environmental policies and roadmaps	R&s	3	3	Forest 500 and Fashion Revolution's company engagement	Corporate responsibility organisations; Companies; NGOs
Industry accreditation schemes	R&s	3	3	UNPRI's membership scheme, Finland GBC Building Life project	Corporate responsibility organisations; Government; NGOs

Tactic transferability III

Tactic	Mechanism	Chance of impact (1-5)	Easy (1-5)	Case study	Actors (tactic delivery)
Non-judicial grievance mechanisms	S&i	3	3	Bwi's ifas with construction companies	NGOs; Workers and labour organisations
Shining a light on best practice	R&s	2	4	Institute for structural engineers highlighting good practice in publications	Corporate responsibility organisations; NGOs; Academia & research; News & media
Targeted protests	R&s	3	3	Greenpeace gas terminal protest	Citizens and community groups; NGOs
Track (implementation of commitments)	T&d	3	3	Goodjobsfirst	Corporate re-sponsibility or-ganisations; NGOs
Tenant union activity	S&i	3	3	London renters union rent strikes	Citizens and com-munity groups
Track (disclosure)	T&d	2	4	Forest 500 and trase	Corporate responsibility organisations; NGOs; Academia & research; Government
Track (esg performance)	T&d	3	3	Sbti's targets, unpri's reporting requirements	Corporate responsibility organisations; NGOs; Academia & research
Track (implementation of commitments)	T&d	3	3	Goodjobsfirst	Corporate responsibility organisations; NGOs

Tactic transferability IV

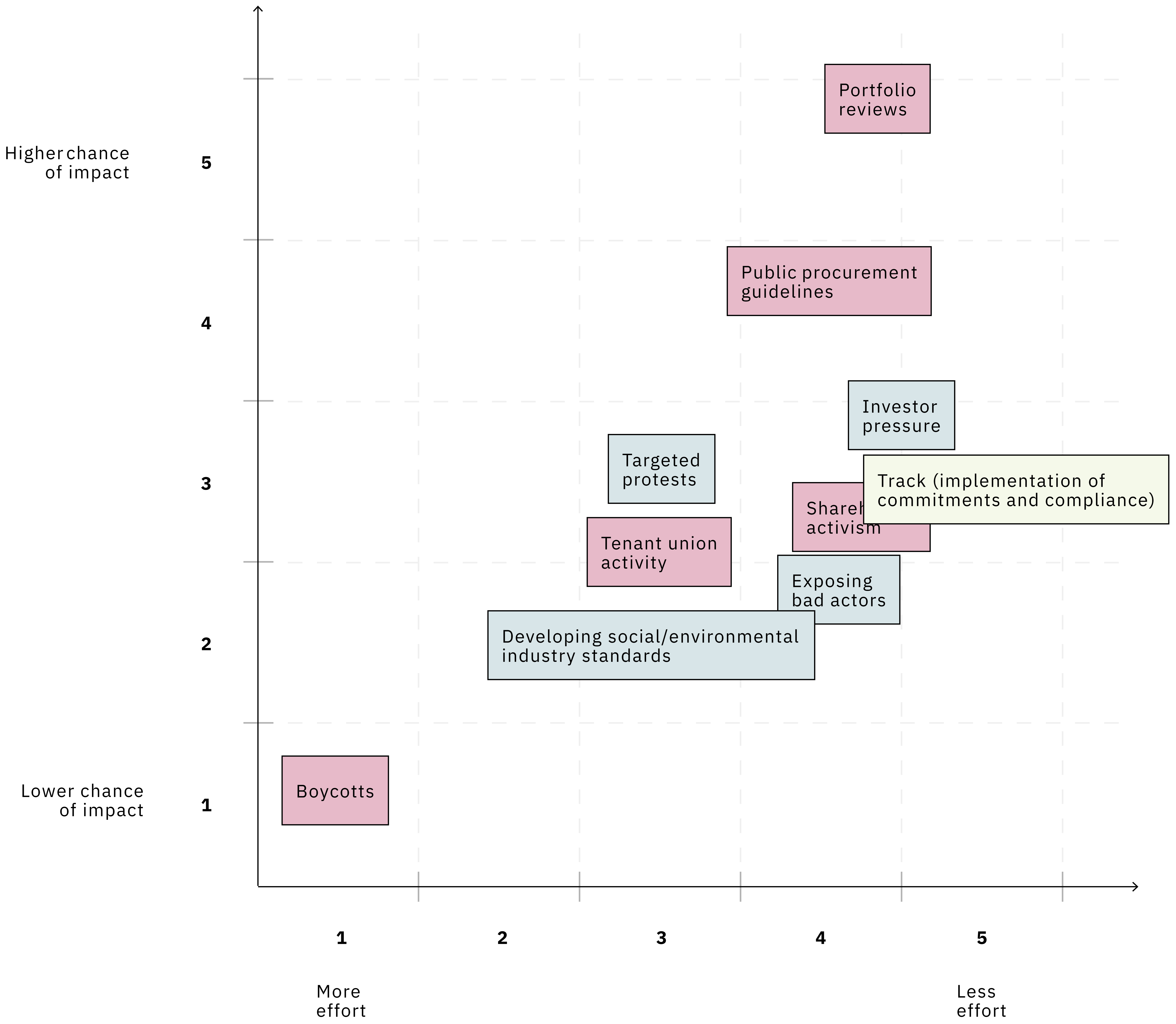
Tactic	Mechanism	Chance of impact (1-5)	Easy (1-5)	Case study	Actors (Tactic delivery)
Exemplifying leadership	R&s	2	5	Companies developing roadmaps with wgbc	Government
Legal scrutiny	T&d	3	4	Save nour's use of freedom of information requests	Corporate responsibility organisations; NGOs; Academia & research; Citizens and community groups
Shareholder activism	S&i	3	4	Shareaction targeting shareholder meetings	Capital Providers
Investor pressure	R&s	3	4	Members of the principles for responsible investment	Capital Providers
Legislate on disclosure	S&i	3	4	Eu due diligence directive	Government
Public procurement guidelines	S&i	3	4	Wgbc influencing city-level procurement guidelines	Government
Regulation	S&i	3	4	Eu due diligence directive	Government

Tactic transferability V

Tactic	Mechanism	Chance of impact (1-5)	Easy (1-5)	Case study	Actors (Tactic delivery)
Planning regulation	S&i	5	4		Government
Portfolio reviews	S&i	5	4	Shareaction’s campaigns	Capital Providers, Corporate responsibility
Taxation, fines, subsidies	S&i	5	4	Good jobs first’s work to reduce tax abatements	Government
Trade union activity	S&i	5	4	Bwi’s international negotiations	Workers and labour organisations
Divestment/investment	S&i	5	4	Capital providers using fashion revolution’s fti	Capital providers

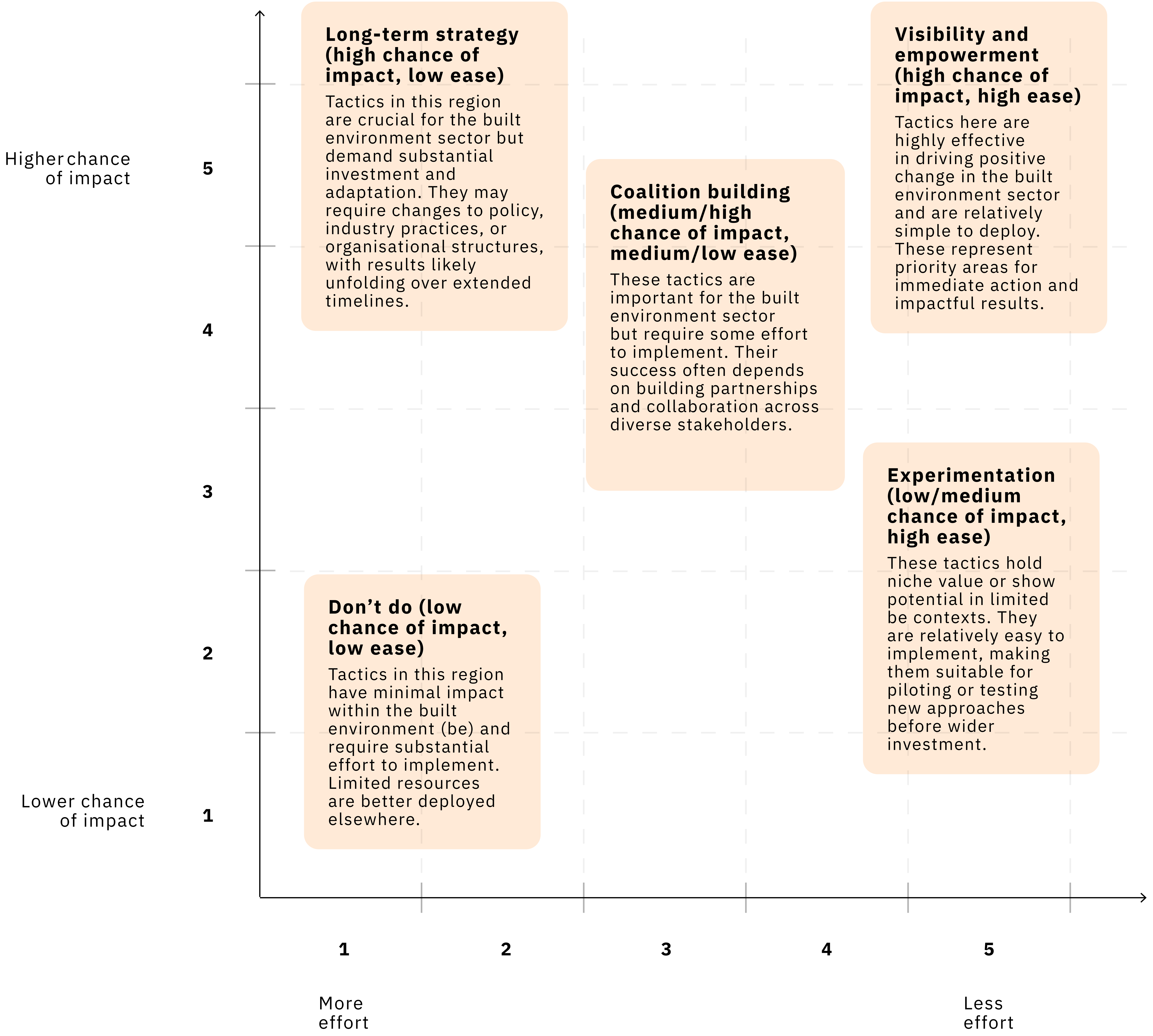
Ranking grid: tactics to prioritise

This grid is a visualisation of where a selection of the accountability tactics sits on the basis of their chance of impact and ease. The tactics on this page have been chosen to represent a range of transferability scores; for a complete breakdown, see the following pages.

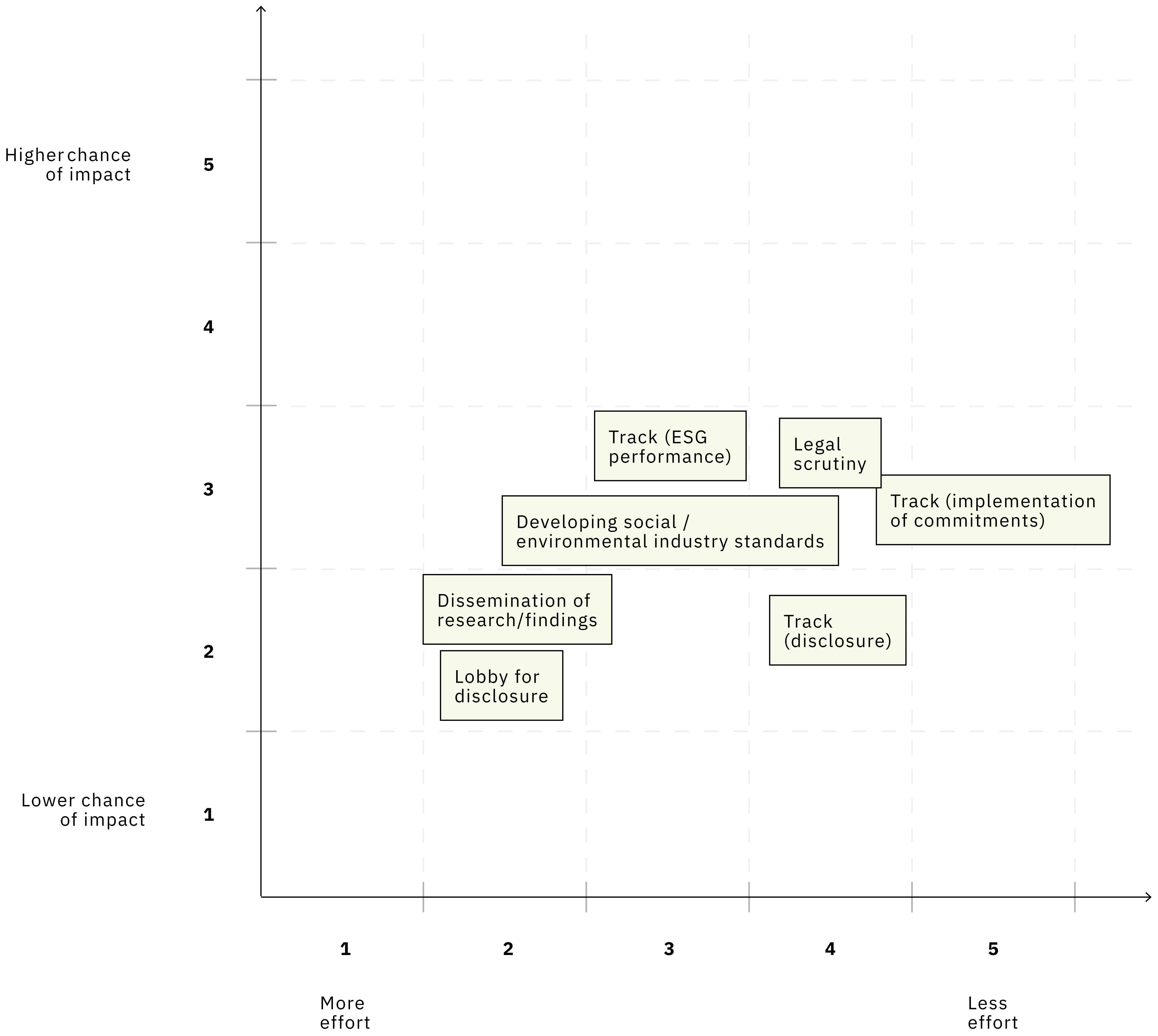


Understanding the ranking grid

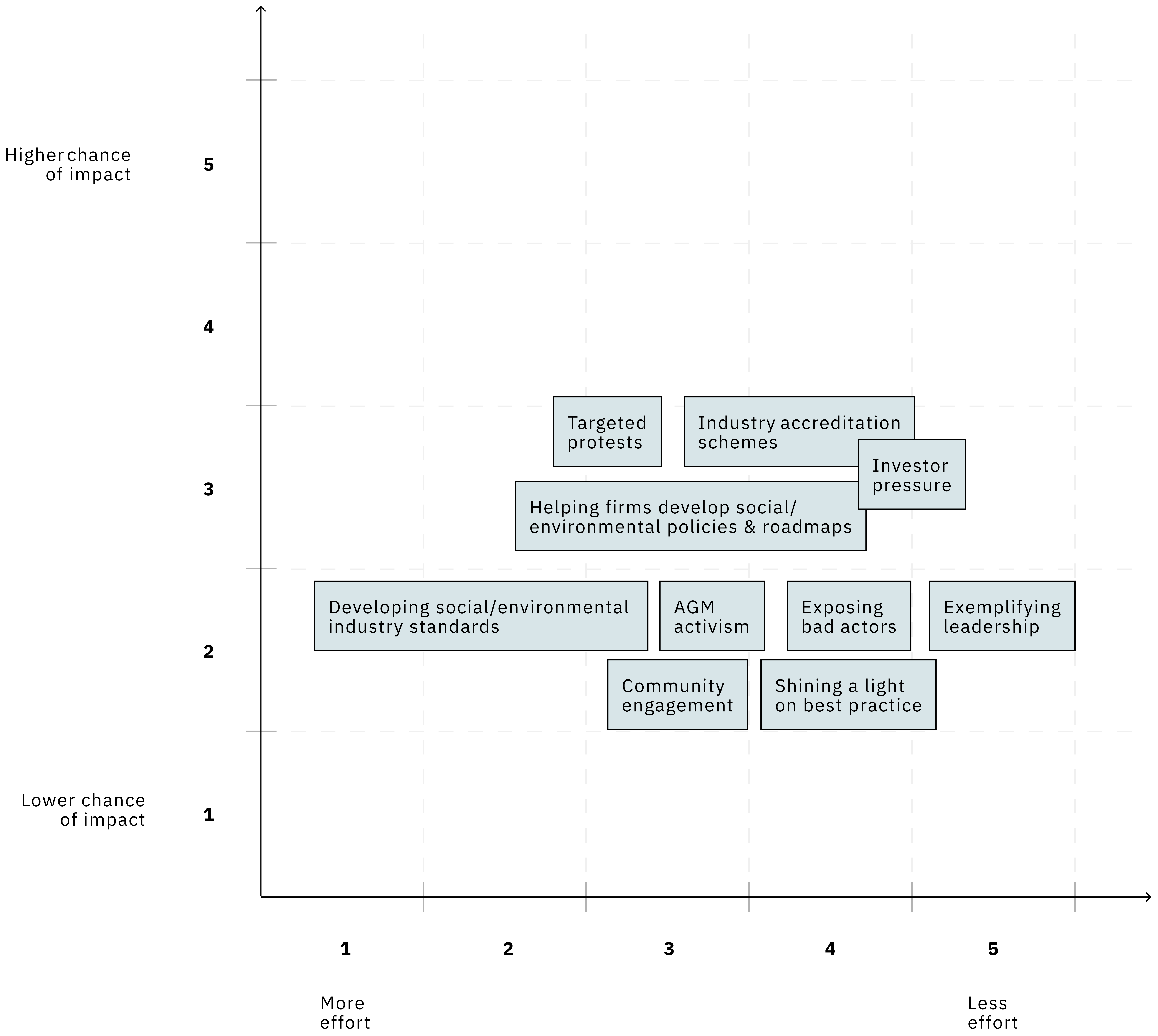
The regions of the ranking grid are outlined here to demonstrate how organisations working in the built environment can approach each tactic, based on their transferability scoring. This assessment provides guidance on which tactics should be approached, depending on an organisation's goal and stage of work. The regions are not prescriptive, and tactics may be sequenced and paired for different effects.



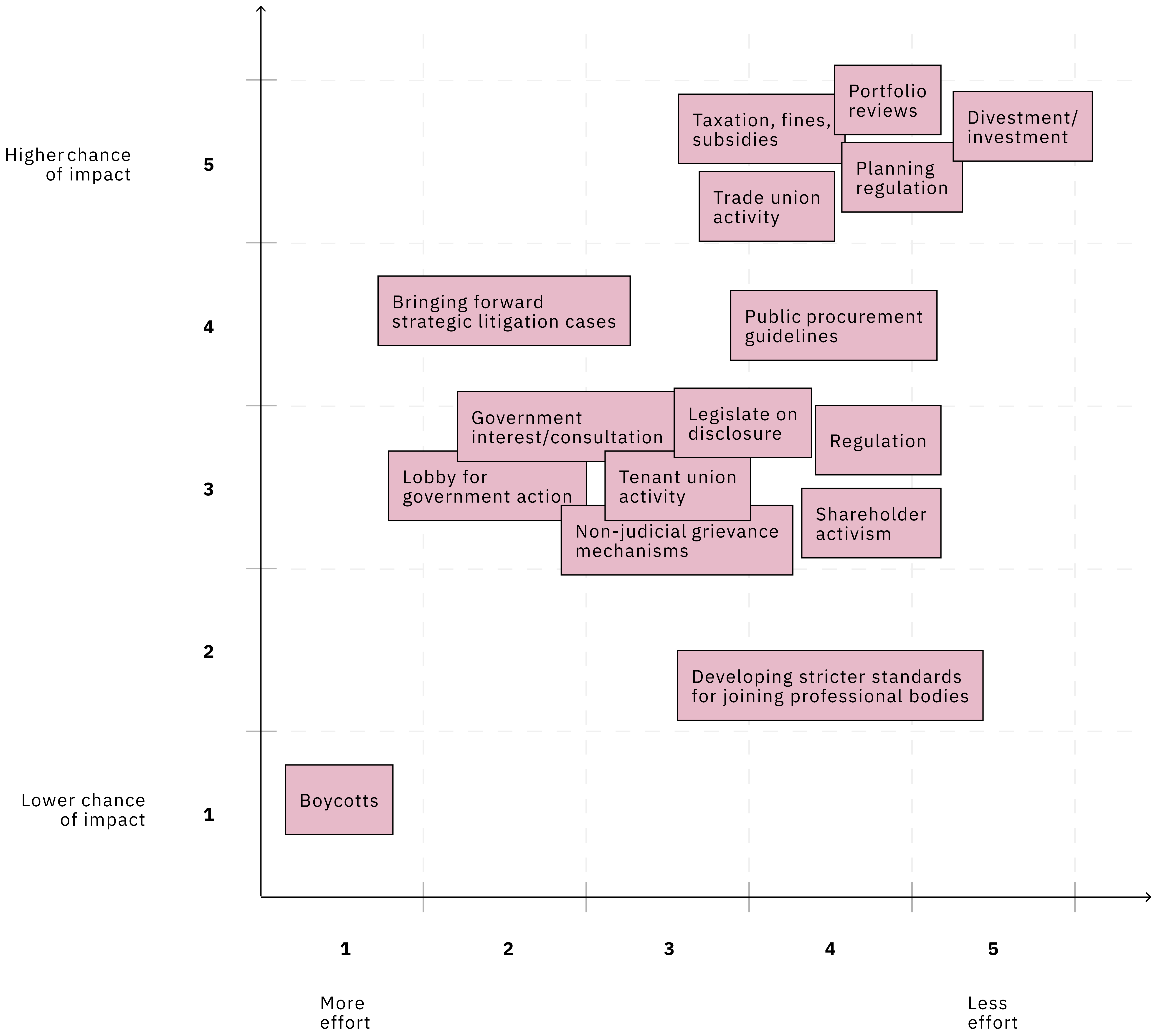
Ranking grid: tactics to prioritise in transparency & disclosure



Ranking grid: tactics to prioritise in reputation & self-governance



Ranking grid: tactics to prioritise in sanctions & incentives



→ In depth: transparency & disclosure

Overview

Defining transparency & disclosure in accountability

Transparency & disclosure initiatives enable actors to hold the private sector accountable by creating a favourable range of informations. Transparency is the first step towardss understanding what is happening - who's doing what and where it's going wrong.

Organisations and regulators can then use that information to work towardss change.

Broadly speaking, Transparency & disclosure initiatives are employed inthe following activities:

→ **Finance** - transparency initiatives are increasingly used by Capital providers to assess risk and direct investments. Many see transparency initiatives as precursors to regulation and, as such, a good indicator of risk in the future. Engaging with Transparency & disclosure initiatives can also provide a business advantage for companies.

→ **Reputation** - transparency initiatives can become tools for journalists, campaign groups and individuals to make companies accountable to a range of social and environmental standards, praising industry leaders and critiquing stagglers.

Transparency & disclosure

Example Organisations: Transparency & disclosure

Organisation	Good jobs first	Global canopy	Fashion revolution	Principles for responsible investment	Task force on climate-related financial disclosures
Output or project of interest	Tax break tracker	Trase	Fashion transparency index (fti)	———	———
Impact	Action holding the state accountable for losses in service funding due to corporate tax breaks	Supply chain data that brings transparency to the companies and consumer markets driving deforestation	Brands increasingly disclose more information on their ethical/ climate impacts	Signatories must meet minimum responsible investment standards and disclose information to prove it	Uk regulation requiring all large publicly listed companies to disclose climate-related financial information
Industry change	Incoming legislation empowering actors to respond to losses in service funding	Reputational damage to defra. Greater scrutiny of companies importing commodities tied to deforestation	Benchmarking leads to: 1. self-improvement 2. investor pressure 3. business advantage	5000+ Capital providers are signed up - it has become an industry standard	Targeting publicly-listed companies creates industry precedent for private companies.
Key success factors	Mechanisms for participation Influence policymakers Cross-sectoral movements	Cross-sectoral partnerships Influence policymakers	Cross-sectoral partnerships Influence policymakers Mechanisms for participation	Cross-sectoral partnerships Mechanisms for participation	Mechanisms for participationinfluence policymakers
Links to other tactics	Labour, citizen and community group campaigns, investigative journalism	Investigative journalism and ngo campaigns	Investor pressure, ngo campaigns, self-governance, investigative journalism	Companies self-governing and investor pressure	Companies self-governing and regulation
Funding	In 2024: 60% philanthropy, 22% trade unions, 18% data licensing	Philanthropy and government agency funding	Philanthropy	Predominantly funded by membership fees	Initiated by the fsb, funded by the bank for international settlements.

Case study organisation: Global Canopy

Global Canopy is a data-driven not-for-profit organisation based in the UK. It focuses on transparency and accountability in relation to the natural environment, including supply chain transparency of key commodities, deforestation and natural related finance.

Size	50 - 200 employees
Actor type	Corporate accountability organisation
Location	Oxford, UK
Sector	Cross-sectoral climate - corporate accountability

Project of interest: Trase

One of Global Canopy's programmes, Trase, combines publicly available data on deforestation, commodity production and trade to bring transparency to the companies and consumer markets driving tropical deforestation. Their data is used by journalists and NGOs to target specific industries and countries for their role in deforestation. It has been used by the EU and other governments to inform deforestation policies, and has been used in a litigation case against a private sector organisation.

Who’s involved?

In our engagements, most organisations involved in Transparency & disclosure initiatives were NGOs and Corporate responsibility organisations. However, partnerships and collaborations with all actor groups are core to Transparency & disclosure work.

- NGOs
- Citizens and community groups
- Companies
- News & media
- Corporate responsibility organisations
- Capital providers
- Government

> “Selectively, we’ve had some terrific engagement [on the issue of tax abatements] with faith based groups...with organised labour, with the teachers...the landscape of activism on this issue is just extremely varied state by state, as to who’s stepped up and who’s got capacity.”
>
> *Representative of Good Jobs First*

Who's the audience?

Once a reputation or self-governance tactic has been decided upon - coordinated by an NGO or Corporate responsibility organisation - the core audience is the company itself, as well as citizens, governments and Capital providers.

Policymakers can use the information to enforce existing regulations or be encouraged to introduce new or updated legislation.

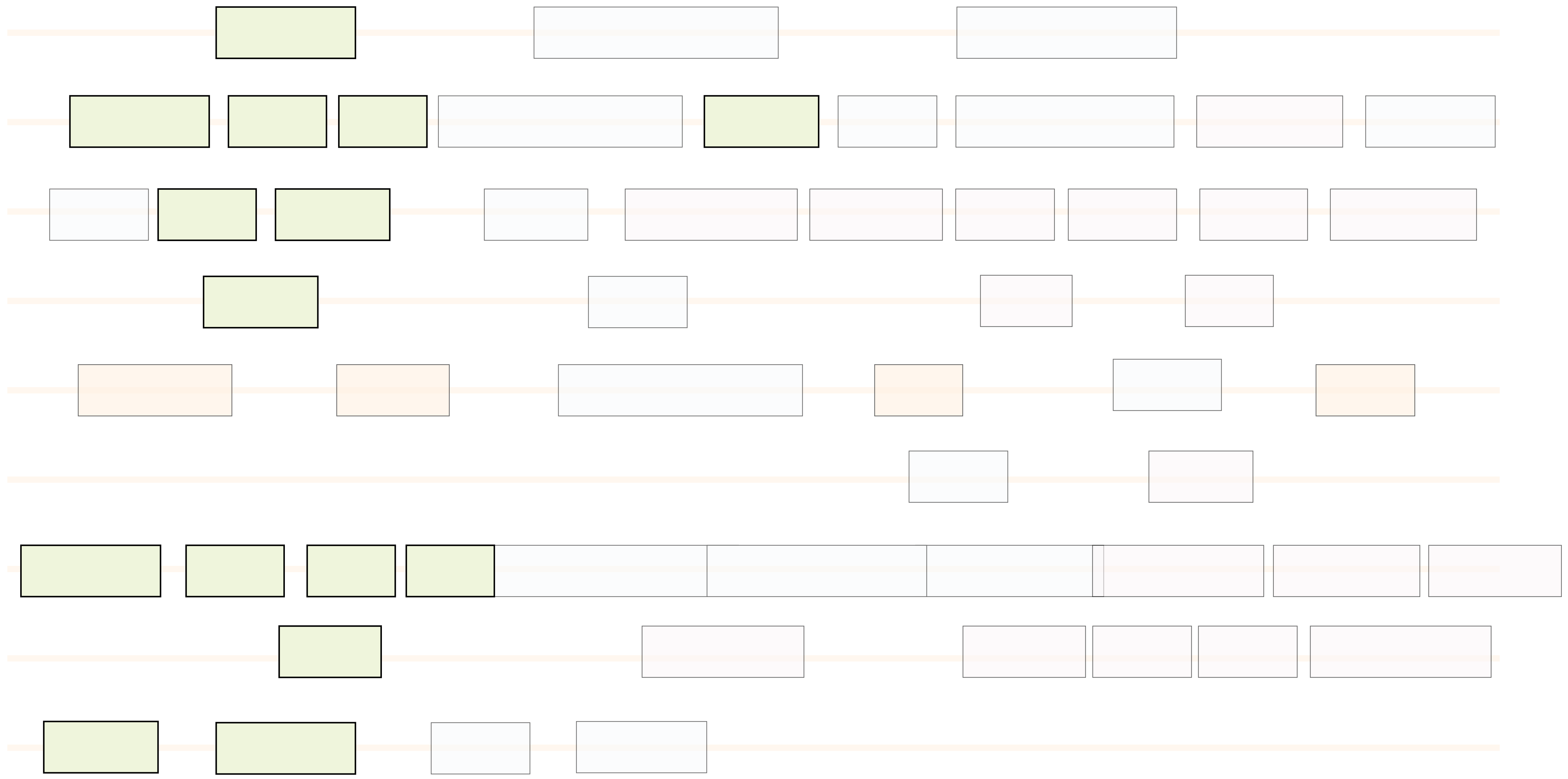
Investors and banks can use the information to mitigate Financial risk in their portfolio, divesting from companies that flout regulation or are not adhering to social and environmental standards.

Citizens can use the insights to inform their choices as consumers, influence their peers or take legal action. All this can create reputational damage, Financial gains or lead to Financial losses for a company.

The place of transparency in the accountability journey

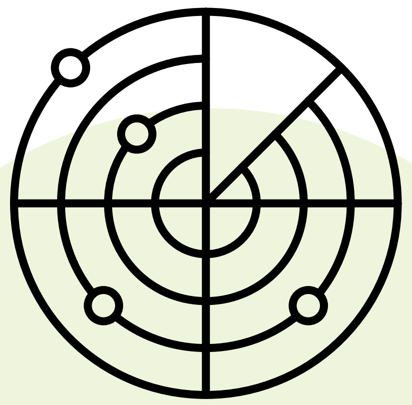
Transparency and disclosure are most effective when **deployed as precursors in a process of accountability** (this clustering is highlighted below with darker rectangles). These initiatives can positively or negatively impact a company’s financial and regulatory performance.

Many interviewees have pointed out that Transparency and disclosure are key, even after regulation has been rolled out for a certain topic, to ensure compliance.



> “Transparency and disclosure is a methodology through which you can identify whether there’s a stick or a carrot that’s needed or useful.”
>
> *Representative from Corporate Accountability Lab*

Types of transparency & disclosure tactic



Trackers & databases

These initiatives, developed by Trase, Good Jobs First and Fashion Revolution, analyse and publish information disclosed by governments or companies. This information is then used by journalists, NGOs, community groups and regulators to target companies, provide evidence for campaigns and contribute to public or private action. There are specific initiatives that encourage and enable companies to disclose standardised, accessible data for use.

Reporting requirements

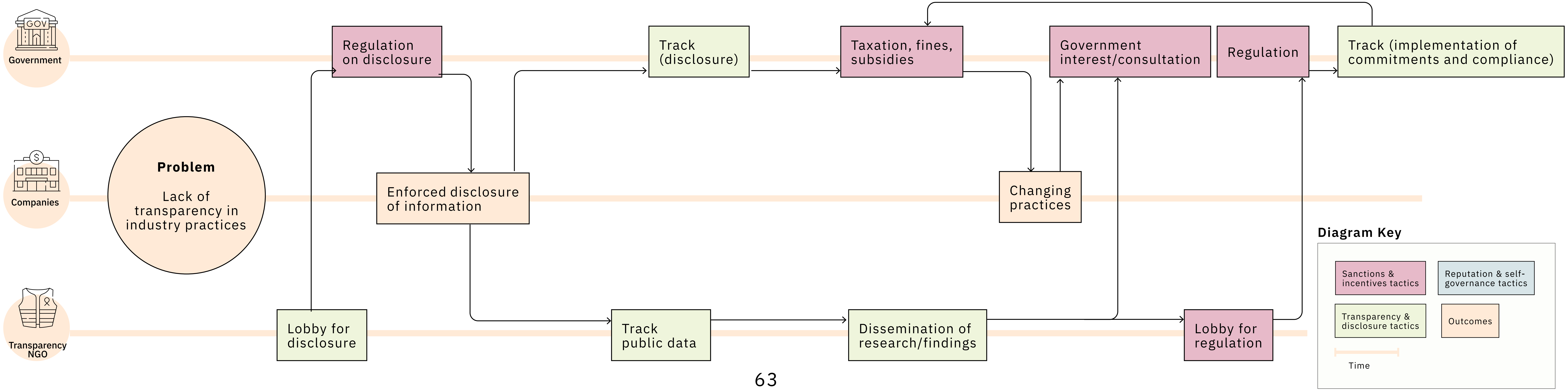
Set by Membership organisations such as the UN Principles of Responsible Investment (UNPRI), require signatories to make public information on certain internal practices in order to join.

Transparency & disclosure: hypothetical tactic scenario 1

Disclosure requirements influence regulatory outcomes and transparency initiatives can provide evidence to improve enforcement.

"Particularly if you are a PLC [public limited company], more and more often our shareholders are asking for real evidence, so they want to see you doing very well in the reporting requirements [for the] Task Force for climate disclosures, Task Force of Nature disclosures...When those come out, then shareholders are asking for information...I must have filled out 10 to 15 investor benchmarks a year to provide information."

Representative of a major construction company

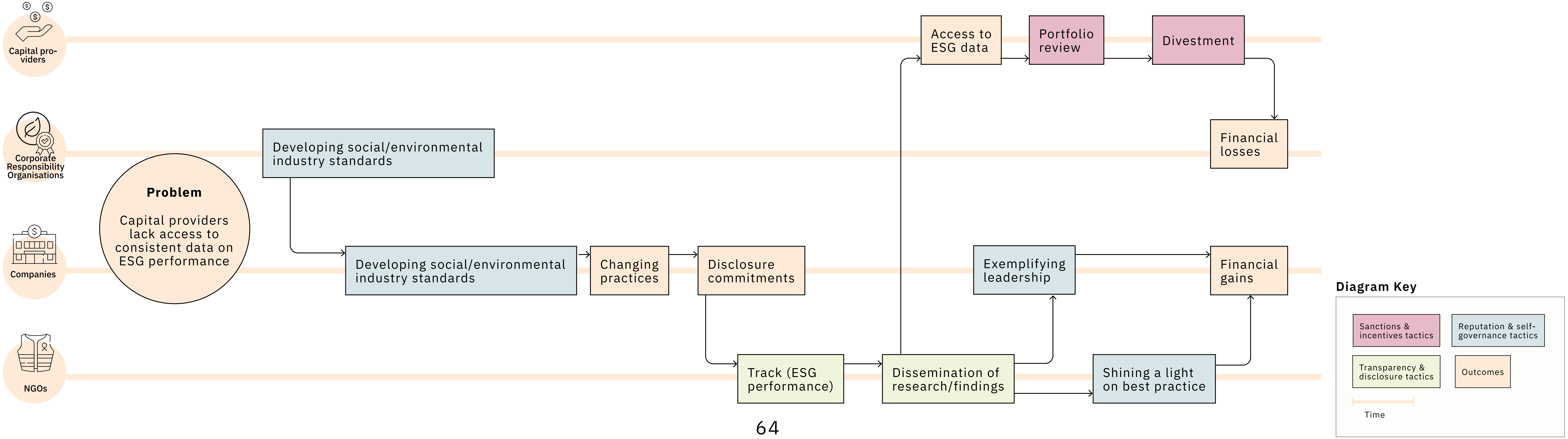


Transparency & disclosure: hypothetical tactic scenario 2

Transparency information can create reputational risk or damage sufficient to make companies change their climate and social practices. A good standing in trackers and ranking systems can also be used by companies to stand out to capital providers and consumers. Whether under pressure from regulators or from increasingly aware shareholders, financial institutions and actors pay close attention to evidence of social and environmental impact.

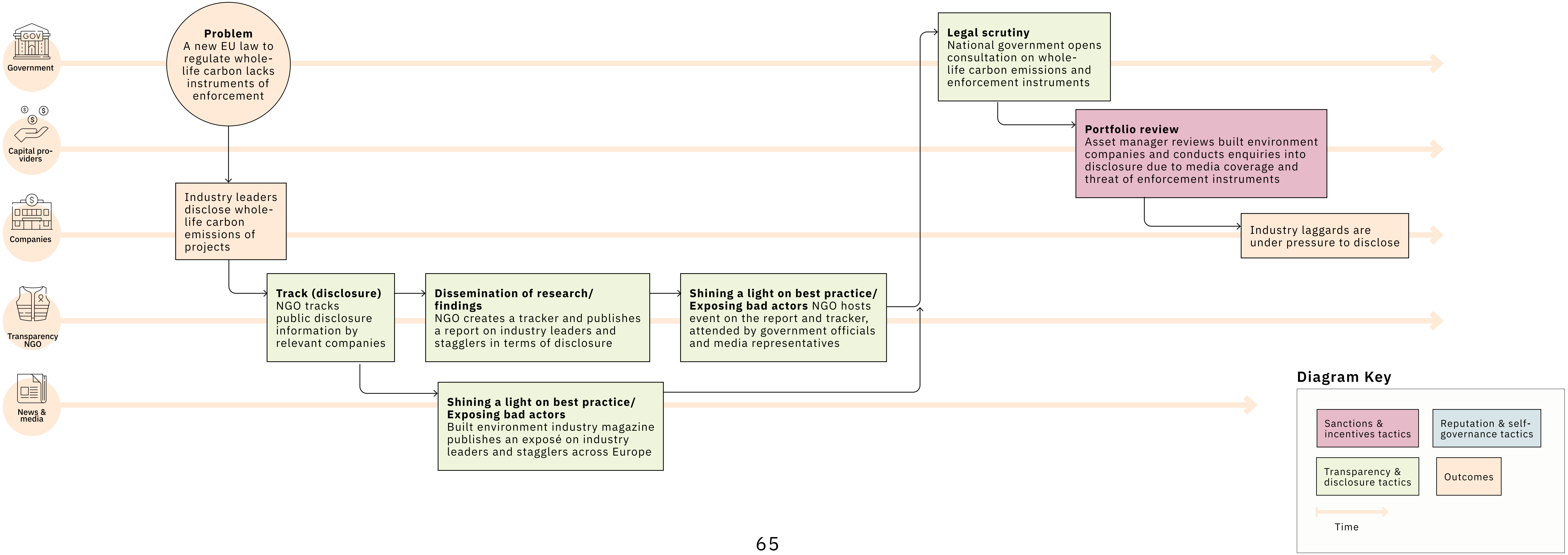
"Investors have come into the space a bit more...they weren't present in our space for a really long time. For the past five years they have popped up and made commitments, so we're interested in them as a form of leverage...We see that in their droves [they] access our data, we will see 10 email addresses from one financial institution accessing [it] in one day...so we know that they look at the FTI [Fasion Transparency Index]"

Representative from Fashion Revolution



How relevant is this work to the built environment?

This graphic shows a speculative scenario involving a new EU-wide law requiring companies to disclose the whole-life carbon emissions of residential construction projects. However, the new law lacks enforcement instruments.



Key takeaways and initial recommendations

Transparency & disclosure initiatives are a key step towards enabling more direct accountability actions. By making information accessible and understandable, actors can use these resources and tools to target the reputation or financial bottom line of a company, or lobby for regulatory change. These initiatives have a role to play throughout industry transformation, focusing on best practice, worst offenders, regulatory violations and industry standards.

→ Given the relative sheltering of built environment organisations from the public eye, and the changing nature of public opinion in the internet age, **transparency initiatives** targeting the reputations of individual companies can have limited efficacy. However, **providing a point of comparison between companies is valuable**.

→ **Built environment** industry insiders point to the importance of Capital providers in shaping their business practices. **Tailoring transparency** tools to the needs of capital providers operating in the built environment space is instrumental to affecting change.

→ **Regulation** remains the main mechanism shaping industry behaviour in the built environment and beyond. Regulation can introduce disclosure requirements, including within procurement contracts, which are vital to the business model of many real estate and construction companies. **Transparency initiatives can also target the introduction or stronger enforcement of social and environmental legislation**.

Future trends

Based on this research, we have identified the following opportunities in the future for Transparency & disclosure initiatives:

Additional **Transparency & disclosure regulation may be introduced** at a national and European level relating to construction commodities, emissions and social impacts.

Trade unions may introduce greater integration of **disclosed data in their negotiations** with employers.

Asset managers may introduce greater **integration of disclosed data in their ESG investment** decisions.

Examples of these future trends currently manifesting in the sector include:

EU Corporate Sustainability Reporting Directive (2023) mandates modernising, **strengthening** and expanding of **social and environmental reporting** requirements for large **public-interest companies**.

EU Corporate Sustainability Due Diligence Directive (2024) create **obligations for EU and international companies of a certain size** and in certain sectors to mitigate their negative impact on human rights and the environment.

Recent years have seen the growth of **research teams inside major union organisations**, such as BWI in Europe and Unite in the UK, which gather information on specific companies and find ways to leverage their behaviour beyond withdrawing labour.

→ In depth: reputation and self-governance

Overview

Defining reputation and self-governance in accountability.

Reputation & self-governance tactics facilitate voluntary action from companies. They are often precursors or follow-ups to other mechanisms. They often take place in order to pre-empt and avoid or achieve Sanctions & incentives. They often also may follow Transparency & disclosure initiatives, having been informed by them.

However, there are also moral and values-based motivations for the private sector to respond to Reputation & self-governance initiatives. Family-owned and socially-orientated businesses are often invested in values and their legacies.

In the private sector, protecting your reputation and voluntarily implementing social and environmental policies can support your financial stability, indicating to Capital providers that you are a reliable and ethical company in the age of ESG.

Reputation & self-governance may preempt regulation, to minimise costs and consequences later.

Example Organisations: Reputation & self-governance

Organisation	Science Based Targets (SBT)	World Benchmarking Alliance	Corporate Human Rights Benchmark	Global Canopy	Fashion Revolution
Output or project of interest	Cement sector case study	2023 Food and Agriculture Benchmark	2023 Corporate Human Rights Benchmark	Forest 500	Fashion Transparency Index (FTI)
Impact	Roughly 20% of the cement industry is covered by SBTi commitments or targets	350 most influential food and agriculture companies benchmarked on environmental, nutritional and social impact	(Housed in WBA since 2020) 110 apparel and extractives companies assessed on corporate respect for human rights over time	Identifying and assessing the 500 companies and financial institutions most exposed to deforestation risk on publicly available policies, encouraging greater transparency	Brands increasingly disclose more information on their ethical/ climate impacts
Industry change	Sector is well set up for emissions accounting, so good potential for broader sector uptake	Biannual benchmarking and improvements among industry, increasing shareholder and consumer awareness	Well established benchmark, founded in 2013 and on its sixth iteration. Consistent track of changes.	Annual benchmarking on transparency and progress, encouraging improvements among industry, increasing shareholder awareness	Benchmarking leads to: 1) self-improvement 2) investor pressure
Key success factors	Cross-sectoral partnerships Mechanisms for participation Measuring what matters	Cross-sectoral partnerships Mechanisms for participation Measuring what matters	Cross-sectoral partnerships Mechanisms for participation Measuring what matters	Cross-sectoral partnerships Mechanisms for participation Measuring what matters	Cross-sectoral partnerships Mechanisms for participation Measuring what matters
Links to other tactics	Shareholder leverage, asset manager pressure, NGO campaigns, investigative journalism	Shareholder leverage, asset manager pressure, investigative journalism, NGO campaigns	Shareholder leverage, asset manager pressure, investigative journalism, NGO campaigns	Shareholder leverage, investigative journalism, NGO campaigns	Investor pressure, NGO campaigns, disclosure, investigative journalism
Funding	Philanthropy and service fees	Philanthropy and government agency funding	Philanthropy and government agency funding	Philanthropy and government agency funding	Philanthropy

Case study organisation: World Benchmarking Alliance

The World Benchmarking Alliance (WBA) is a global Transparency & disclosure not-for-profit organisation. It develops benchmarks across many sectors to compare companies' performance on the United Nations' Sustainable Development Goals. It aims to incentivise business change towardss more sustainable activities.

World Benchmarking Alliance

Size	50 - 200 employees
Actor type	NGO
Location	Amsterdam, the Netherlands
Sector	Cross-sectoral climate & human rights - corporate accountability

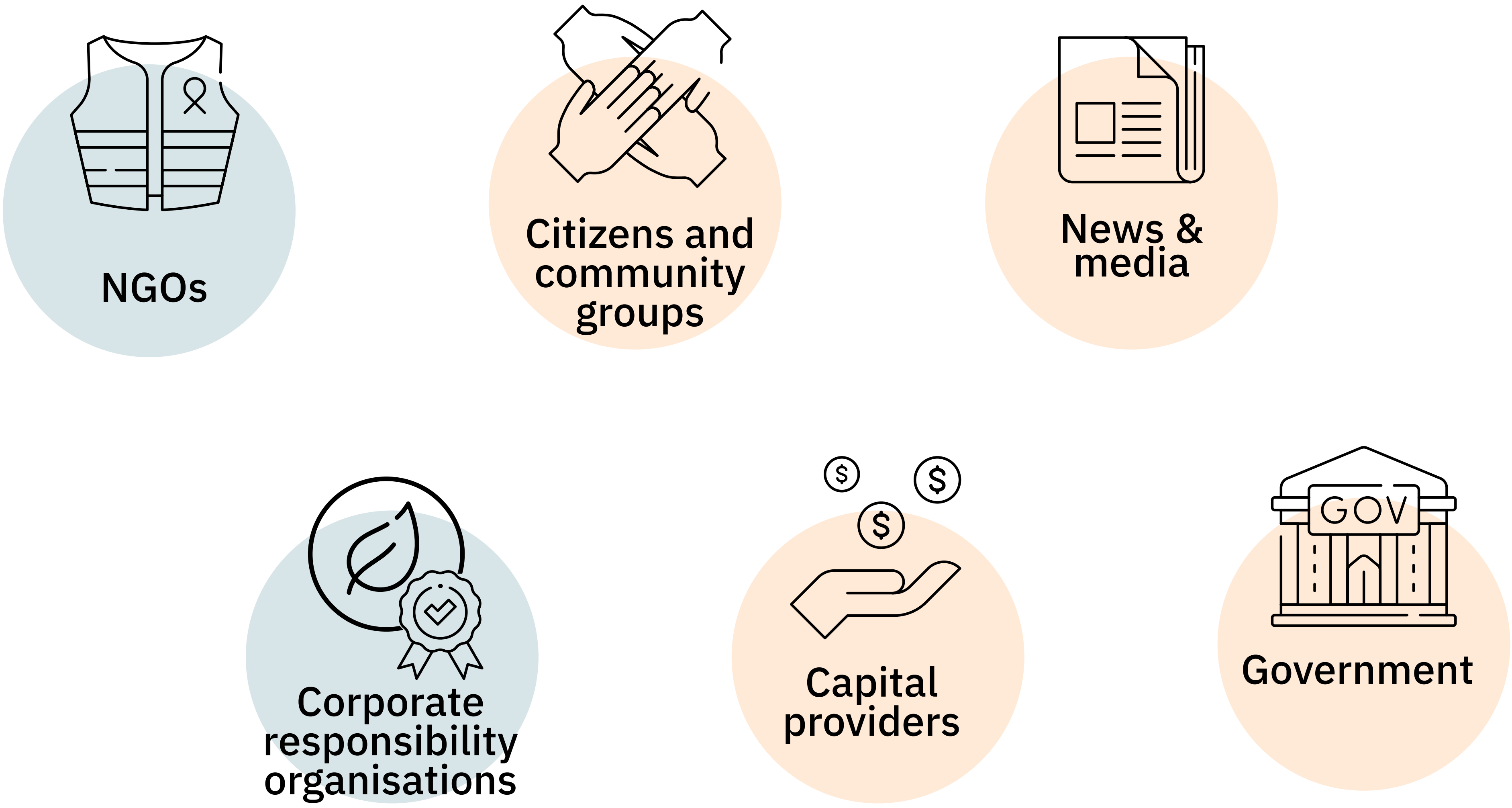
Food and Agriculture Benchmark

Project of interest: 2023 Food and Agriculture Benchmark

Within the food and agricultural sector, the World Benchmarking Alliance publishes a biannual report benchmarking the 350 most influential food and agriculture companies on their environmental, nutritional and social impact. These reports are used by companies, capital providers, journalists, regulators and NGOs to identify industry leaders and stagglers. In addition to potential investment, divestment and regulation, companies face reputational benefit or damage and are supported to make changes to their practices.

Who’s involved?

In our engagements, most organisations involved in Reputation & self-governance initiatives were NGOs and Corporate responsibility organisations. However, partnerships and collaborations with government, Capital providers, citizens and community groups, and the media were central to these tactics.



> “European companies in the built environment...Many want to do the right thing, in regard to environmental protection because of their system of values. They believe in the importance of environmental protection. But others give priority to the principle that they are exposed, and they don’t want to have a bad reputation. So in many [cases] they do the right thing because of reputation. Of course they don’t want the sanctions, the monitoring - the inspection in Europe is much stronger than in other continents.”
>
> *Edmundo De Werna Magalhaes, Built environment labour rights academic*

Who’s the audience?

Once a reputation or self-governance tactic has been decided upon - coordinated by an NGO or Corporate responsibility organisation - the core audience is the company itself, as well as citizens, governments and Capital providers.

Companies react to or implement the Reputation & self-governance initiative, going beyond the minimum.

Policymakers can use the information to assess the status of industry and understand whether self-governance is sufficient.

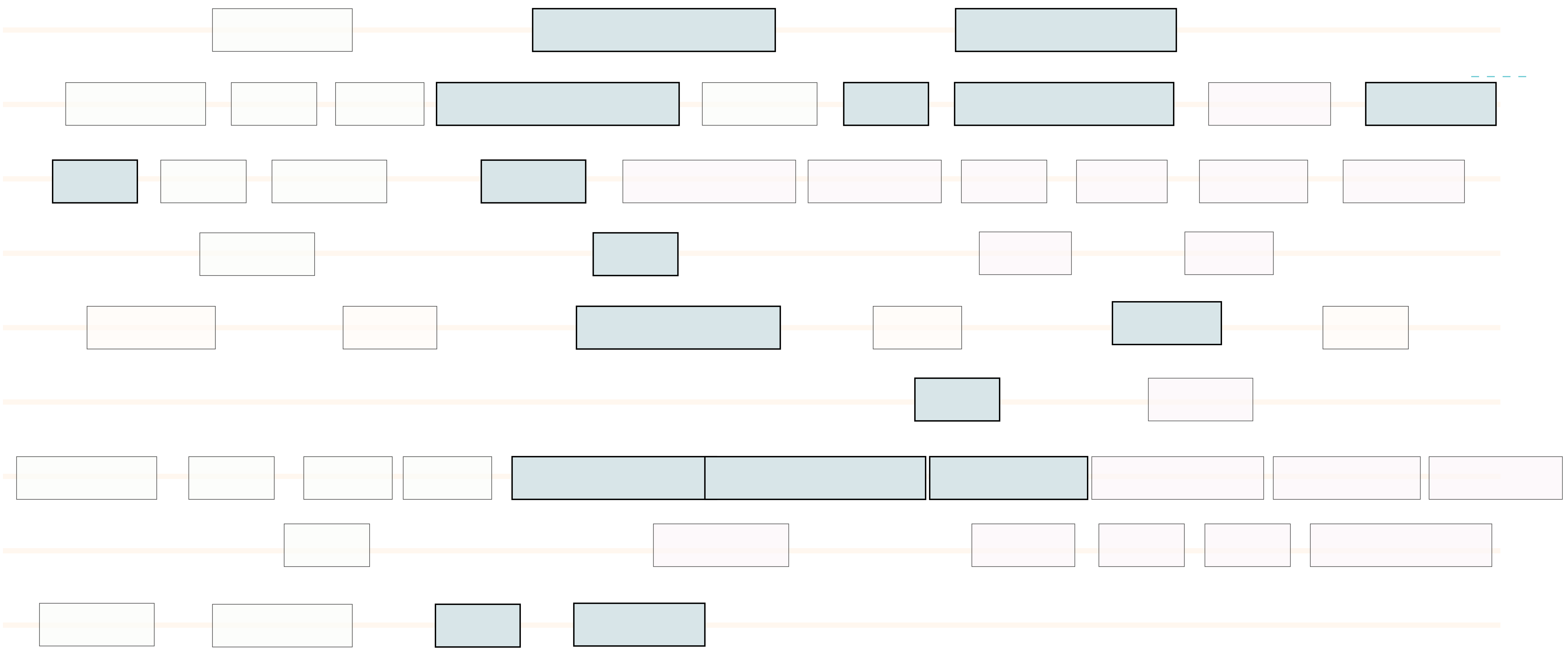
Investors and banks can use the reputational & self-governance information to guide their investment choices - divesting from companies that are not adhering to social and environmental standards.

Citizens can respond to reputational changes by changing their choices as consumers or influencing their peers. They can also organise into groups that are able of putting pressure on government and politicians.

The place of reputation & self-governance in the accountability journey

Reputation & self-governance initiatives are often precursors or follow-ups to other mechanisms (this clustering is highlighted below with darker rectangles), particularly in relation to financial or regulatory risks.

1. They inform Sanctions & incentives, and Transparency & disclosure initiatives.
2. They preempt Sanctions & incentives.
3. They are informed by and follow Transparency & disclosure tactics.



"[When] we've launched the [Forest 500] report, we try and engage with as many companies and institutions that we've assessed as possible... if they get back in touch with questions, we will arrange a call to discuss that with them and provide recommendations on how they can improve their approach to these issues... that engagement is frequently positive, I would say. The majority of those that we assess are very open to our feedback to our assessment... they really want to know more about that and improve."

Representative from Global Canopy's Forest 500

Types of Reputation & Self-Governance Initiatives

Voluntary policies or targets

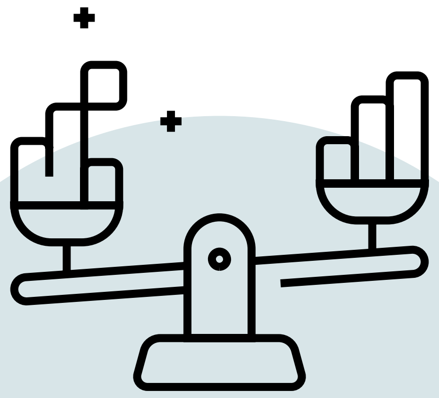
These initiatives involve a company either internally, or in collaboration with a third party, making voluntary commitments to social and climate goals.

This includes:

→ targets – e.g. paying all employees a living wage by 2030

→ standards – e.g. monitoring forced labour within a supply chain

→ roadmaps – e.g. path to net zero by 2035.



Engagement with benchmarking

These tactics involve companies engaging with an organisation conducting benchmarking activities. Closely tied to transparency and incentives, this process sees a business actively contributing to and collaborating with a benchmarking organisation to:

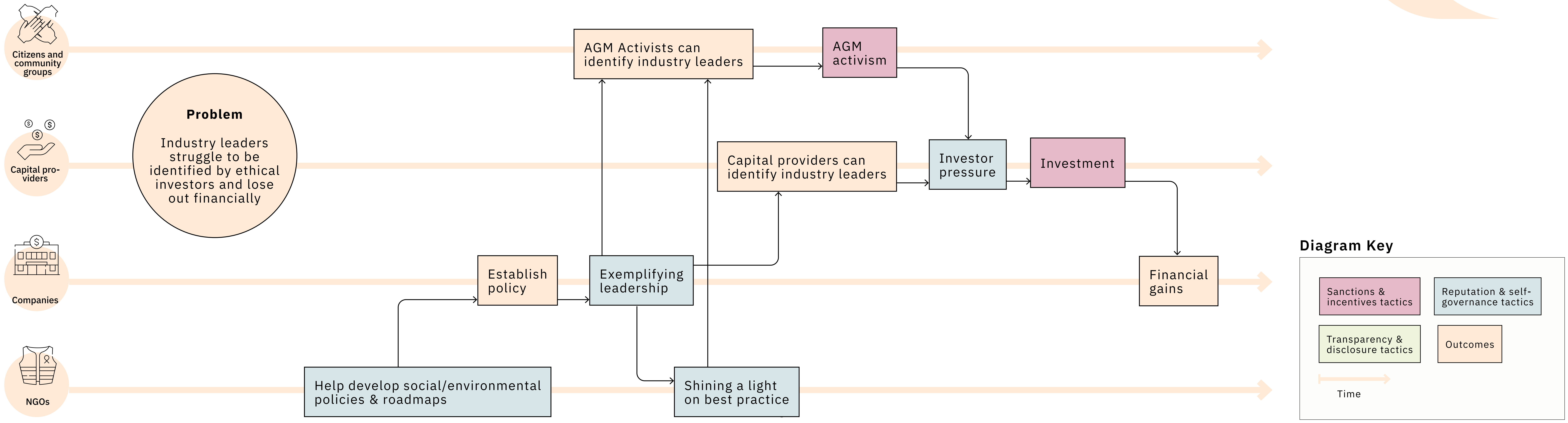
1. inform their score
2. improve their performance

Reputation & self-governance: hypothetical tactic scenario 1

Capital providers can look to reputation & self-governance initiatives of a built environment company to guide investment choices.

"[Our work] is a bit more than just transparency and reputation... it's about, in the most simple, crudest terms, influencing the cost of capital for them, but there are a lot of steps before you get to influencing cost of capital".

Representative from ShareAction

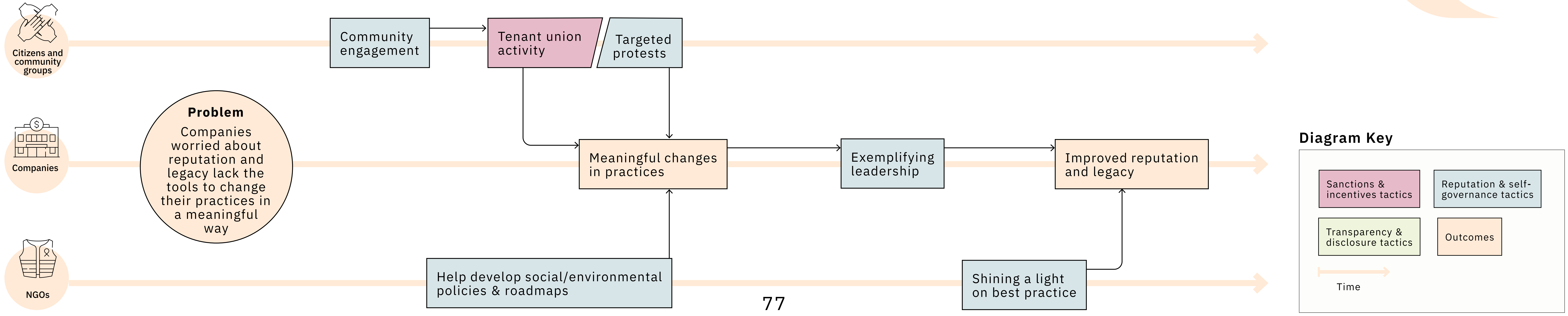


Reputation & self-governance: hypothetical tactic Scenario 2

An organisation's Reputation & self-governance is not only valuable in relation to finances and regulation. Moral and values-based arguments, particularly for socially-oriented and family-owned businesses, hold a great deal of importance.

"When we escalated at...a chemicals producer over the summer this year, it actually generated quite a bit of media interest in the country where they are based, and that drove the company into engaging with us because, even though they are not a household name in terms of the products, they are a household name in terms of [being] a big employer there. And the company cares about its reputation and didn't like being called into question... Fundamentally, it's easier if they are a consumer brand, it's much easier to whip up a news story, but... we've seen that it's not impossible to get some influence even if it's not a consumer company."

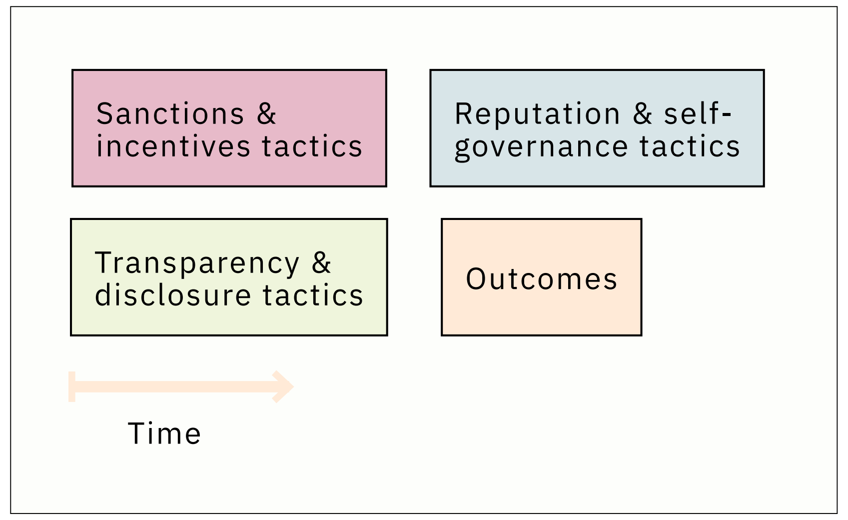
Representative from ShareAction

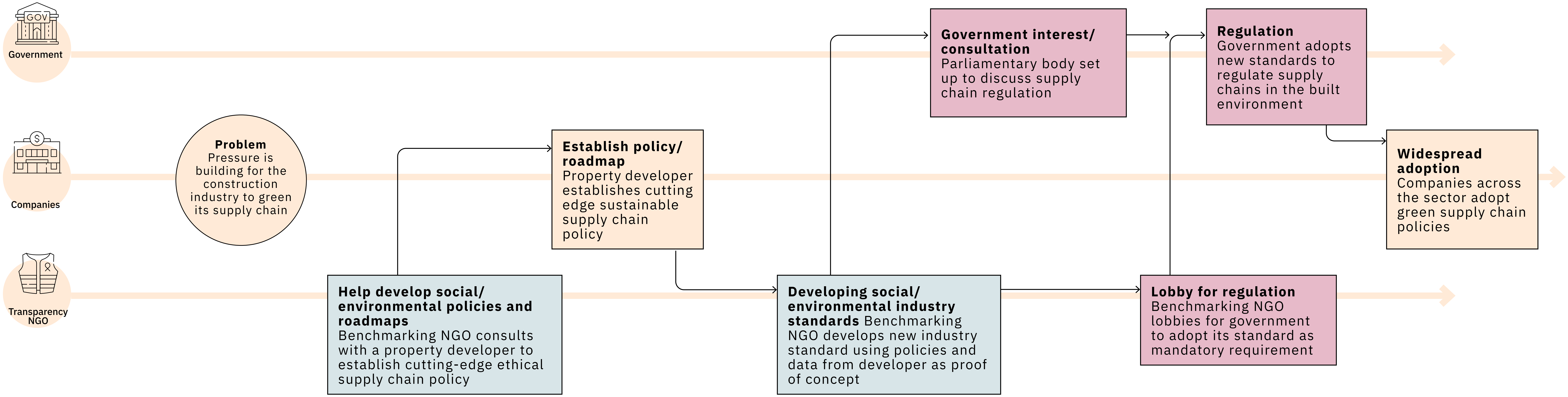


How relevant is this work to the built environment?

A hypothetical example of how voluntary efforts of built environment companies and independent benchmarking organisations could form the basis for improvements in supply chain regulation.

Diagram Key





Key takeaways and initial recommendations

In the absence of Sanctions & incentives, Reputation & self-governance initiatives are useful tools. These initiatives have a mutually informative relationship with Transparency & disclosure initiatives, and provide evidence for implementing Sanctions & incentives.

Companies are supported to self-regulate via cooperation with NGOs and Corporate responsibility organisations to develop targets, standards, benchmarks and roadmaps. They do so based on the financial and regulatory risks and benefits associated with each.

→ **Linking a company's reputation to the potential risks and benefits** can create tangible motivation for an organisation to self-regulate along social and climate goals.

→ The **status of an industry's self-governance**, including the implementation of internal standards and targets, can provide insight into where regulation is most needed.

→ **Building awareness** among companies of the financial benefits and risks associated with Reputation & self-governance is valuable, due to **the importance of Capital providers** in shaping their business practices.

Future trends

Based on this research, we have identified the following opportunities in the future for Reputation & self-governance initiatives:

Public campaigns may **bring BE companies more into the public eye**, drawing popular and political attention to their environmental and social behaviour.

More companies may sign up to industry targets and benchmarks, self-governing in acknowledgement of long-term environmental risks.

Examples of these future trends currently manifesting in the sector include:

SBTi is **expanding its sector-specific targets into new industries**, such as financial institutions.

Targeted local campaigns, such as Save Nour/ Fight The Tower, can win public support, **Influence policymakers and lead to change from private developers.**

→ In depth: sanctions & incentives

Overview

Defining ‘Sanctions & incentives’ in accountability

Sanctions & incentives encompass any activity which affects a company’s bottom line, positively or negatively.

They are the most effective route to affecting industry change because the private sector is ultimately dependent on revenues and regulatory frameworks.

They are best implemented when informed by Transparency & disclosure, and the actions an organisation has already taken - or not - in relation to its reputation and self-governance.

Public sector bodies can sanction companies via fines, revoking public contracts, denying planning permission, etc. They can also incentivise companies through subsidies, tax breaks, etc.

Capital providers like investors and banks can sanction companies through divestment, shareholder action, grievance mechanisms, etc. They can incentivise companies by investing in them.

NGOs can coordinate sanctions like consumer boycotts, worker strikes, protests that damage a company’s reputation and bottom line. Companies with good reputations may see Financial gains from increased consumer support.

Sanctions & incentives case studies

Organisation	ShareAction	accountability counsel	Corporate Accountability Lab	Save Nour Stop the Eviction	BWI	Future Fashion Factory	France Rénov'
Case study	Healthy Markets Initiative	Non-judicial Grievance Mechanisms	Combating forced labour in supply chains	Save Nour Fight the Tower	International Framework Agreement with BESIX	Sustainable fashion R&D funding round	2020 - 2026 French national heat pump grant scheme
Impact	60% of UK supermarkets set healthy food targets	Collected 1,811 community complaints and supported 132 communities	Brands increasingly disclose more information on their ethical/climate impacts	Companies must meet minimum investment standards and disclose information to prove it	Inspections at Qatari construction sites led to improvements for workers including cooling gear and cool rest areas.	12 SMEs received £3.3m (€ 3.8m) for sustainable fashion innovation projects.	Household grants enabled the creation of 32,000 jobs in the industry.
Industry change	45 asset owners and managers committed to healthy food targets	Nearly 150 investor-level mechanisms put in place creating more tools to deliver remedies	Enforcement of the law to disincentivise other actors	New precedent for meaningful Community engagement in London on planning processes for tall buildings/offices	Industry precedent set, enabling accountability of multinationals	Delivered state-backed financial incentives for small-scale sustainable innovations	Citizens and companies incentivised to invest in renewable heat sources
Key success factors	Mechanisms for participation Policymakers step up Measuring what matters	Cross-sectoral partnerships Mechanisms for participation Measuring what matters	Cross-sectoral partnerships Policymakers step up Measuring what matters	Cross-sectoral partnerships Mechanisms for participation Policymakers step up	Mechanisms for participation Measuring what matters Policymakers step up	Mechanisms for participation Policymakers step up	Mechanisms for participation Policymakers step up
Links to other tactics	Shareholder leverage, asset manager pressure	Global coalition of civil society organisations, investigative journalism	Government sanctions, media coverage	Coalition of civil society organisations, investigative journalism	Governance mechanisms, investigative journalism	Shareholder leverage, media coverage	Shareholder leverage, asset manager pressure, media coverage
Funding	Primarily Philanthropy grants	Primarily philanthropy grants	Primarily philanthropy grants	Primarily philanthropy grants	Trade union contributions	UKRI and academic research council	Government agency

Case study organisation: Building and Wood Workers' International (BWI)

The Building and Wood Workers' International (BWI) is the global federation of trade unions in the construction, building materials, wood and forestry industries. It runs global advocacy and campaigns, including media work and capacity building, and negotiate on workers' issues with multinational companies to achieve agreements across international supply chains.

Size	50 - 200 employees
Actor type	Workers and labour organisations
Location	HQ in Geneva, international
Sector	Built environment - trade unions


13. Resolution concerning the International Framework Agreements relating to workers' representatives

Submitted by:

Belgium: CSC Bâtiment – Industrie & Energie, Centrale Générale FGTB
France: FO, FNSCBA CGT, FNCB-CFDT
Italy: Filca CISL, Fillea CGIL, Feneal-UIL

Case Study: International Framework Agreements (IFAs)

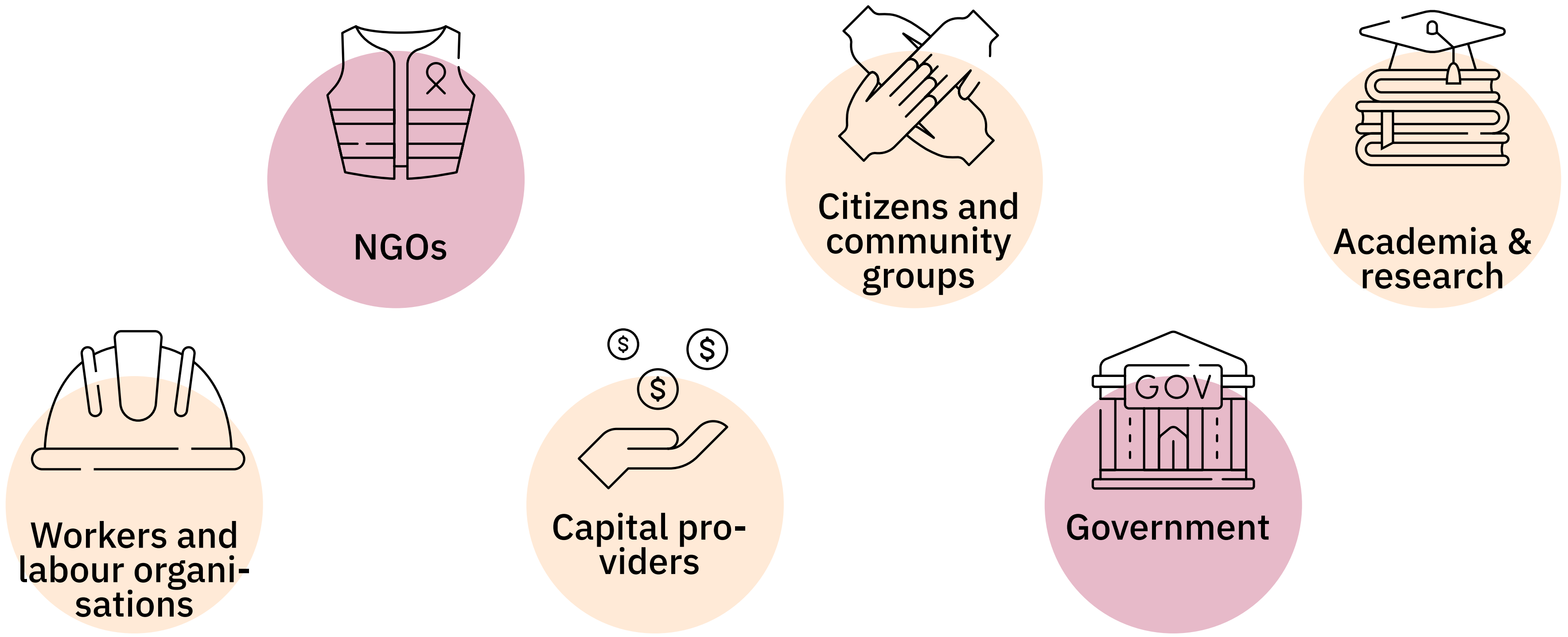
One tool the BWI uses to hold the private sector accountable are International Framework Agreements (IFAs) to hold the provate sector accountable . These are voluntary, non-binding documents whereby the trade union and the company sets out obligations; they are based in goodwill and do not provide a right for workers to strike. In its IFA with BESIX, the BWI's inspections between 2017 - 2019 at Qatari construction sites led to improvements for workers, including cooling gear & cool rest areas. BWI and its affiliates are now exploring opportunities to add provisions for a just transition in this IFA.

Who's involved?

In our engagements, most organisations involved in coordinating and delivering Sanctions & incentives were NGOs, Capital providers, workers' organisations, Citizens and community groups, activists and government.

"We prioritise working with communities who can speak with a collective, democratic voice, like indigenous communities, or organised labour. We start with interviews with the people most impacted, and then develop strategies using a worker-driven and community-centred lens."

Representative from Corporate Accountability Lab



Who's the audience?

Once a sanction or incentive has been decided upon - coordinated by an NGO or community group - the core audiences are the companies themselves and the Capital providers. The organisation enacting the initiative will focus solely on the recipient(s) of the sanction or incentive.

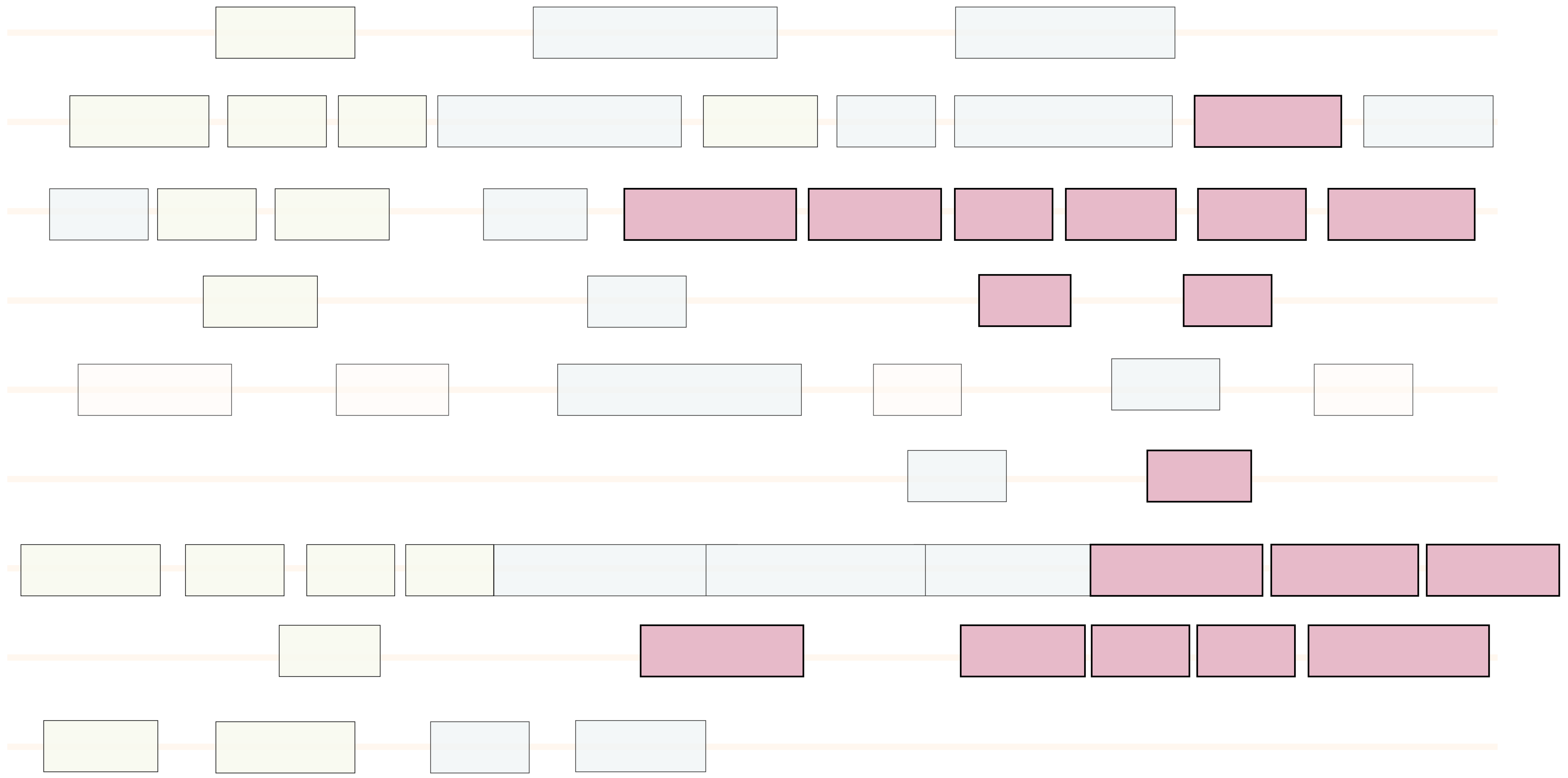
Companies receive the sanction or incentive.

Investors and banks take note of companies being sanctioned or receiving grants as markers of either best practice and risky behaviour. Capital providers can also be subject to government Sanctions and incentives themselves.

The place of sanctions & incentives in the accountability journey

Sanctions & incentives are the most effective route to affecting industry change because the private sector is ultimately dependent on revenues.

They are best implemented when informed by Transparency & disclosure, and by the actions an organisation has already taken - or not - in relation to its reputation and self-governance (this clustering is highlighted below with the darker, pink rectangles).



"Why do companies set targets? Because they have pressure from their clients or from their supply chain or from their investors... It is about reputation and it's the company's willingness act to act in the absence of legislation that would force them to act. We exist, almost because there isn't ambitious enough legislation in those places."

Representative from SBTi

Types of sanctions & incentives

Sanctions

Sanctions are interventions that negatively impact the financial performance of a company, via direct Financial losses or the cost of resources. These include:

→ government or institutional fines
→ divestment
→ shareholder action
→ non-judicial grievance mechanisms
→ workers' strikes
→ civil court proceedings
→ criminal court proceedings
→ consumer boycotts.

Incentives

Incentives are tactics which will positively impact the financial performance of a company. These are usually via direct financial or resource benefits.

These includes:

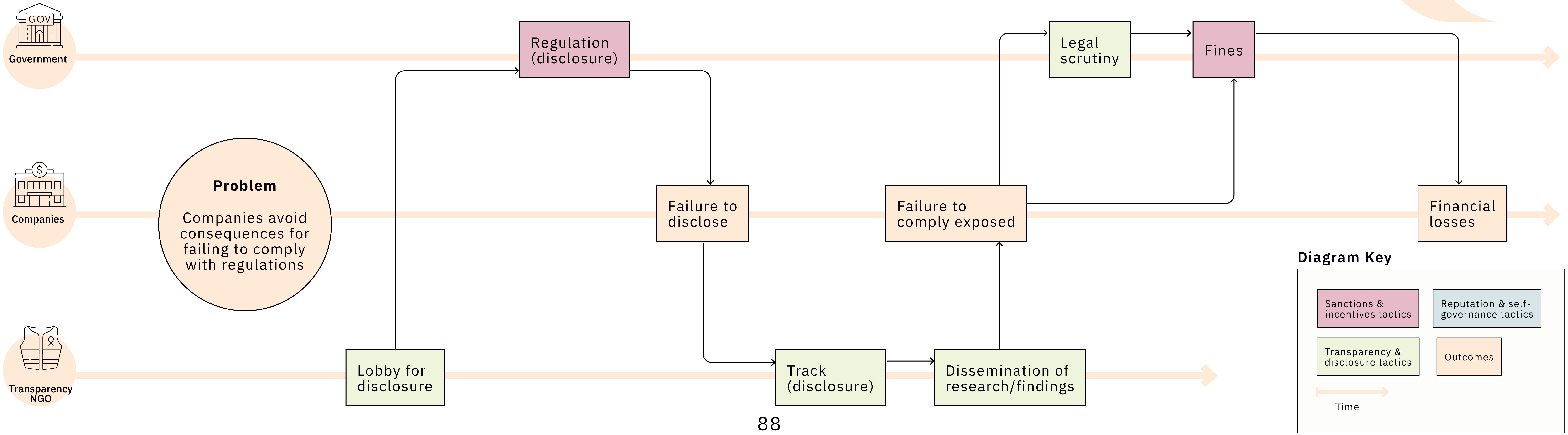
→ government or institutional subsidies
→ investments
→ public contracts
→ worker retention.

Sanctions & incentives: hypothetical tactic scenario 1

The enforcement of regulation, via fines, subsidies, loss of public contracts or litigation, is a prime example of Sanctions & incentives. This includes non-judicial grievance mechanisms.

“Investors or any other institution are allergic to accountability, and I don’t see that necessarily changing. ...Where the most opportunity and movement might be is really focusing on the remedies that could come from these [non-judicial grievance mechanism] processes, now that we have... approximately 150 existing investor level mechanisms...Here we’re seeing some results already; communities and their advocates can use grievance mechanisms to push investors to deliver remedy.”

Representative from Accountability Counsel

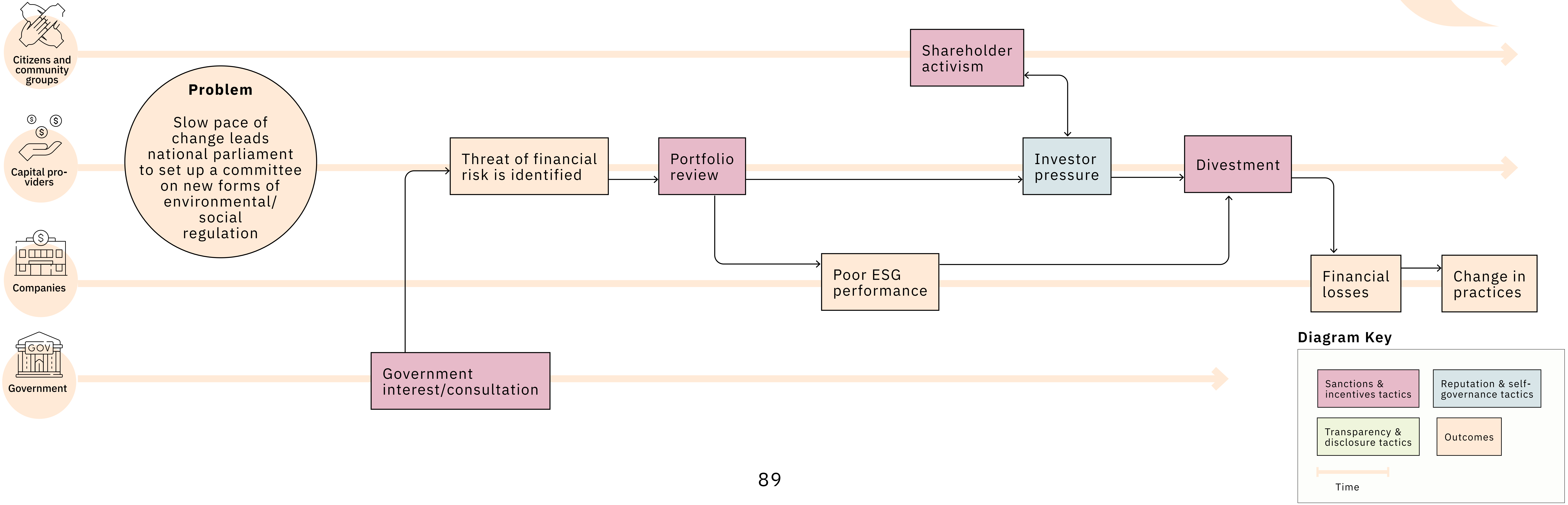


Sanctions & incentives: hypothetical tactic scenario 2

Capital providers, including asset owners, asset managers and organisations such as accelerators, can be instrumental in guiding company behaviour. This generally involves the threat of divestment or the promise of investment.

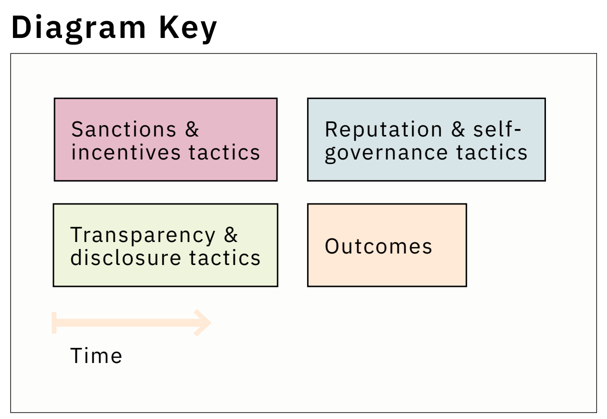
"[In] collaborative initiatives we work with investors to engage with companies in the real economy...we convene coalitions of investors, asset owners and asset managers, big and small to engage with companies on topics like decarbonisation of high emitting sectors, like low pay and inequality in the workplace or population health."

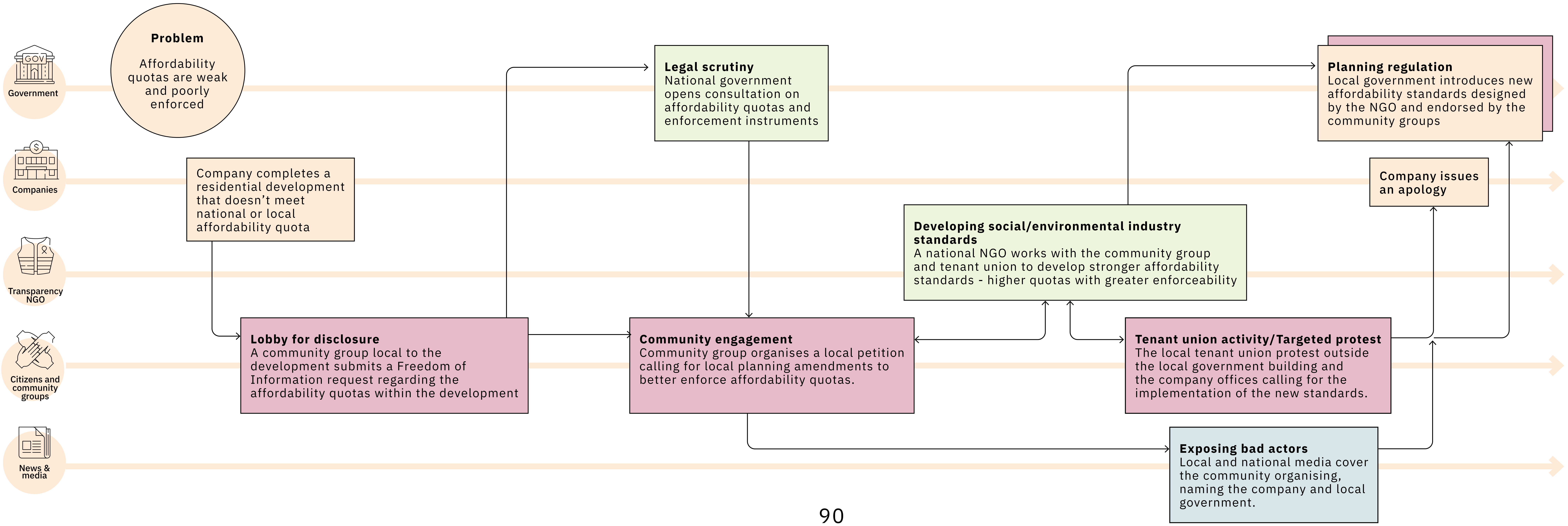
Representative from ShareAction



How relevant is this work to the built environment?

A speculative scenario whereby the national affordability quotas within housing developments are low and poorly enforced, leading to civil society action





Key takeaways and initial recommendations

Due to their impact on a company's bottom line, Sanctions & incentives can be highly effective in achieving accountability among the private sector. The questions centre on:

→ identifying where and who to target.

→ leveraging and building a company's understanding of risk.

Consequently, a high level of technical, regulatory and contextual understanding is vital for these tactics' effective delivery. Their integration with data made available through Transparency & disclosure initiatives and the frameworks set up by Reputation & self-governance tactics is therefore key.

→ Depending on the severity of the sanction or incentive, **regulation-related tactics can be effective in influencing built environment organisations**. Currently, fines are the strongest consequence companies face but are often regarded as a part of doing business. Individuals within firms also face little to no personal accountability.

→ The threat/promise of investment or divestment can be a significant influence on company behaviour. However **the complexities of asset management and ownership within the built environment requires careful assessment** of who may make an ill-advised decision when presented with one of these tactics. For example, actors may appear in multiple places: investor coalitions targeting real estate investment trusts may be part of both groups, or large asset managers may be asked to target their subsidiaries.

Future trends

Based on this research, we have identified the following opportunities in the future for Sanctions & incentives:

Additional regulation may be introduced at a national and European level relating to **construction commodities, emissions and social impacts**.

EU **Corporate Sustainability Due Diligence Directive** (2024) mandates obligations for EU and international companies of a certain size and in certain sectors to mitigate their negative impact on human rights and the environment.

Asset managers may place **greater importance on corporate ESG** in their investment decisions.

Examples of these future trends currently manifesting in the sector include:

Trade unions may introduce **more bargaining requirements** relating to companies' environmental behaviour.

BWI's **International Framework Agreements** with multinational construction and energy companies (a growing number since the first IFA with IKEA in 1998).

EU Corporate Sustainability Reporting Directive (2023) - modernisation, strengthening and **expansion of social and environment reporting** requirements for large public-interest companies with more than 500 employees.

→ Annexes

Methodology: literature review and interviews

Autonomy conducted a desk-based literature review of accountability literature. This consisted of using search engines, academic research databases and resources provided by the Laudes Foundation. Our research team read and analysed the literature, extracting relevant insights on the theory and practice of accountability.

A long-list of organisations working in the accountability space was drawn up by the research and project teams, based on existing knowledge and networks and desk research. 40 of those organisations were selected for interviews, and 24 responded to our outreach

We conducted 31 interviews. Interview candidates were emailed with a short explanation of the project and an invitation to a 45-minute meeting to talk about their work on accountability. Interviewees were from a range of organisations and industries, which are listed on the next two pages.

The interviews were semi-structured, and run by one or two members of Autonomy's research team. Slides introduced the project and the research framework, followed by a semi-structured conversation. We asked questions on the following themes:

→ An overview of the interviewee's work and the work of their organisation

→ An assessment of what form accountability takes in their work

→ Their engagement with different actors

→ Accountability case studies

→ Success factors and challenges

→ Transferability to the built environment

Methodology: organisations

The list of organisations we interviewed representatives from is as follows:

- → AECOM
- → Accountability Counsel
- → ARUP (Foresight Team)
- → Building & Wood Workers International
- → Corporate Accountability Lab
- → EIT Climate-KIC
- → Fashion Revolution
- → Forest500 / Global Canopy/TRASE
- → Institute for Structural Engineers
- → Insulate Britain
- → It's Material
- → London Southbank University
- → Save Nour/Fight the Tower
- → Science-Based Targets initiative (SBTi)
- → ShareAction
- → Stop Ecocide
- → The Shift
- → The World Green Building Council & Finnish
- → TUC
- → UN Principles for Responsible Investment
- → Unit 38
- → Violation Tracker/Good Jobs First

2 of the representatives we spoke to did not wish for their organisations to be named in the report

Methodology: industries

Throughout this research, Autonomy engaged with organisations from 15 fields:

1. Built environment - architects and engineers
2. Built environment - NGOs
3. Built environment - trade unions
4. Built environment - grassroots campaign organisations
5. Built environment - large construction firms
6. Built environment - membership body
7. Fashion - funder
8. Fashion - corporate accountability team
9. Cross-sectoral climate - grassroots campaign organisations
10. Cross-sectoral climate - corporate accountability team
11. Cross-sectoral human rights - transparency team
12. Cross-sectoral human rights - corporate accountability team
13. Financial sector - NGO
14. Financial sector - member organisation
15. Research and academia

Methodology: tactics

Throughout this research, Autonomy identified and analysed 32 different accountability tactics. They are listed alphabetically below, and a glossary organised by mechanism.

→ AGM activism

→ Boycotts

→ Bringing forward litigation cases

→ Community engagement

→ Developing social/environmental industry standards

→ Developing stricter standards to join professional bodies

→ Dissemination of research/findings

→ Divestment/investment

→ Exemplifying leadership

→ Exposing bad actors

→ Government interest/consultation

→ Helping firms develop social/environmental policies and roadmaps

→ Industry accreditation schemes

→ Investor pressure

→ Legal scrutiny

→ Legislate on disclosure

→ Lobby for disclosure

→ Lobby for government action

→ New Public procurement guidelines

→ Non-judicial grievance mechanisms

→ Planning regulation

→ Portfolio review

→ Regulate

→ Shareholder activism

→ Shining a light on best practice

→ Targeted protests

→ Taxation, fines, subsidies

→ Tenant union activity

→ Track (compliance)

→ Track (ESG performance)

→ Track (implementation of commitments)

→ Trade union activity

Literature review

Understanding accountability

In this report, we define accountability in line with Carroll and Olegario's interpretation of the term: "accountability means being answerable to someone for something that matters".[1] Specifically the "something that matters" in this report are climate and social goals, and to successfully hold business accountable, they must be "capable of being observed, monitored and evaluated…and there must be clear consequences for failure".[2]

Open Global Rights understands business and human rights "as a web of corporate accountability", identifying the varying roles civil society, consumers, capital providers, and government play to hold companies to account.[3]

The private sector must be measured, in this context, against a minimum floor of practices. If companies go below this floor, into "ethically questionable" behaviours, they should be held accountable for their actions enabling remedy and prevent further such behaviour.[4] How this floor is defined and what accountability looks like will vary depending on the context and stakeholders involved.

1 C. E. Carroll and R. Olegario (2020) 'Pathways to Corporate Accountability: Corporate Reputation and Its Alternatives', in Thematic Symposium: Pathways to Corporate Accountability – Corporate Reputation and Its Alternatives, Journal of Business Ethics, 163:2, pp. 173-181 (p.174).

2 Ibid, p.174.

3 J. Bauer (2020) 'Seeing business and human rights as a web of corporate accountability', Open Global Rights (available at: https://www.openglobalrights.org/seeing-business-and-human-rights-as-a-web-of-corporate-accountability/)

4 S. Waddock (2004), 'Creating Corporate Accountability: Foundational Principles to Make Corporate Citizenship Real', Journal of Business Ethics, 50:4, pp. 313-327, (p.315).

Voluntary frameworks - Reputation & self-governance

The majority of international accountability frameworks, and much literature, focus on accountability tactics that are voluntary, involve company self-governance, and relate to an organisation's reputation.

For example, the UN Guiding Principles of Business and Human Rights focuses on the role of the state and the private sector when protecting human rights impacted by business activity. State activity in the Guidelines includes regulation, fines, procurement policies and non-judicial grievance mechanisms. Business activities include policy commitments, due diligence processes, processes to enable remediation and public communication about these internal processes and policies.[5]

The OECD Guidelines for Multinational Enterprises on Responsible Business Conduct are recommendations from governments to multinational businesses to address problems private businesses create relating to sustainable development. They also create National Contact Points for Responsible Business Conduct, which "promote awareness and uptake of the Guidelines" and "contribute to resolution of issues". These are non-legal mediation bodies.[6]

5 United Nations Human Rights Council (2011), 'Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework', United Nations.

6 OECD (2023), 'OECD Guidelines for Multinational Enterprises on Responsible Business Conduct', OECD Publishing, Paris.

Neither of these frameworks are legally enforceable on their own. These voluntary guidelines and frameworks have limitations. They provide a set of valuable guidelines relating to activities that Governments can carry out which impact a company's financial standing in one way or another (which we categorise as 'Sanctions & incentives') and the publication and use of information relating to company performance and behaviour (which we name 'Transparency & disclosure'. They can provide a useful baseline from which legally enforceable or financially costly tactics can be based at the country-level, and the OECD Guidelines call on enterprises to "treat the risk of causing or contributing to gross human rights abuses as a legal compliance issue".[7]

Outside of international governmental organisations, civil society actors such as Impact Management Platform develop Systems Maps to collate and visualise available resources for measuring and managing environmental and social impacts, supporting industry to self-govern.[8] Various philanthropic organisations have supported the development of sustainability-related standards within the corporate sector, which support the self-governance of companies and create reputational standards to be met and maintained.[9] Proponents of 'legitimacy theory', which argues that firms maintain their legitimacy by aligning with societal values and norms, including in terms of environmental activities, support the idea that peer pressure among firms is sufficient to create action towards climate and social targets.[10]

7 G. W. Coombe (1980) 'Multinational Codes of Conduct and Corporate Accountability: New Opportunities for Corporate Counsel', The Business Lawyer, 36:1, pp. 11-43; United Nations Human Rights Council, 'Guiding Principles', p.25.
8 See: Impact Management Platform (available at: https://impactmanagementplatform.org/system-map/)
9 See: Camargo, M.C. et al (2023) 'The Role of Private Philanthropy in Sustainability Standards Harmonization: A Case Study', Sustainability, 15:13, pp.1-15 (available at: https://www.mdpi.com/2071-1050/15/13/10635)
10 P. Velte (2023), 'Determinants and Financial Consequences of Environmental Performance and Reporting: A Literature Review of European Archival Research', Journal of Environmental Management, 340:1; K. M. Taylor et al (2021), 'Activist Engagement and Industry-Level change: Adoption of New Practices by Observing Firms', Industrial Marketing Management, 92:1, pp.295-306.

However, ultimately these directions and frameworks are all voluntary and have no international legal resource (falling into the mechanism we have named "Reputation & self-governance"). Some types of voluntary disclosure are little more than a public relations exercise for companies, "issued to manage public perceptions, to respond to public pressure".[11] Commitments like ESG frameworks can often exclude the impacts companies have on citizens and community groups, with a disproportionate focus on investor-level interests.[12]

The need for an international mechanism to measure whether objectives are met, monitor behaviour and enact accountability in the case of transgressions has been outlined by SOMO. SOMO has also criticised the language used in these international frameworks as being too weak to be effective.[13]

Targeting the bottom line - Sanctions & incentives

Many frameworks and secondary literature also acknowledge the role of government intervention and regulation, and the power of financial institutions, in changing private sector behaviour to be accountable to climate and social goals. As mentioned above, we have categorised these tactics in a mechanism called Sanctions & incentives.

11 W. Laufer (2003), 'Social Accountability and Corporate Greenwashing', Journal of Business Ethics 43:3, pp. 253-261 (p.255).
12 SOMO (2024), 'Advocating Climate Justice and a Fair Energy Transition'.
13 SOMO (2011), 'Response to the Draft Guiding Principles for the Protect, Respect and Remedy Framework'.

Capital providers - investment banks, pension funds, shareholders - all hold power over the behaviour of the companies they do or could have financial stakes in.[14] Corporations are often dependent on funding from these stakeholders, and will therefore modify their behaviour in alignment with their expectations and demands. For example, choosing not to disclose a set of information may lead to investors with an ESG screening process to not invest, creating financial losses.[15]

As discussed, the UN's Guiding Principles of Business and Human Rights calls for state action to govern private sector behaviour. Whilst these are voluntary principles, they acknowledge the power of government action to create corporate accountability. Actors, including SOMO, have called for a legally binding mechanism to hold businesses accountable to human rights.[16] Since 2014, an open intergovernmental working group at the UN level has existed to develop a "a binding international treaty on business and human rights" due to the acknowledgement that soft voluntary guidelines are insufficient to prevent human rights abuses by businesses.[17] Their 10th session is taking place in October 2024.[18]

Karpoff and Dupont address the two groupings outlined above in their 'Trust Triangle'. They have a three-part framework for organisational accountability: reputation, legal and regulatory framework, and culture, arguing that "All three legs have first order effects on a wide range of financial outcomes".

14 E. J. Weiss (1979), 'Disclosure and Corporate Accountability', The Business Lawyer, 34:1, pp.575-603.
15 Laufer, 'Social Accountability'.
16 SOMO (2024), 'Human Rights Due Diligence'.
17 I Zamfir, (2018), 'Towards a Binding International Treaty on Business and Human Rights', Briefing for the European Parliament Research Service.
18 See: Business & Human Rights Resource Centre, "Binding Treat", available at: https://www.business-humanrights.org/en/big-issues/binding-treaty/

In our analysis, we have used these examples from the literature to group approaches to accountability into two categories: "Sanctions & incentives", consisting of the legal and regulatory framework (in addition to financial pressures); and "Reputation & self-governance" - consisting of reputation and culture, as we argue that the personal, moral, religious and societal values contribute to self-governance and are tightly linked to a company maintaining its reputation.

Outside of these groups above, a certain amount of literature focusing on the information landscape surrounding accountability. We have identified this as a third approach, or mechanism.

Building the information landscape - Transparency & disclosure

Left out of much of these analyses and frameworks is how information is used, from disclosures and other publicly available information, by various actors to hold companies to account. We have grouped these tactics within a 'Transparency & disclosure' mechanism.

Information is essential for enacting accountability. Access to knowledge supports informed activities of accountability actors.

Literature and civil society repeatedly demonstrate that increasing transparency from a voluntary standpoint, that is neither required by law nor acted upon if the content does not stand up to social or environmental standards, is ineffective. This is due to companies either choosing not to disclose or sharing information that is unrepresentative and contributes towards greenwashing and 'social washing'.[19]

19 The ESG Report, "What is Social Washing?", available at: https://esgthereport.com/what-is-social-washing; Laufer 'Social Accountability'.

Companies "engage in complex strategies…to shift the focus and attention away from the firm, create confusion, undermine credibility...and deceptively posture firm objectives, commitments, and accomplishments".[20] When disinformation is published to repair public reputations, capital providers' ability to make meaningful decisions about corporate responsibility practices are negatively impacted.[21] Consequently, disclosure is most effective when it is linked to "some definable legal or economic consequence".[22]

How information is used is therefore crucial. There are "political implications of the near monopoly of information": corporate secrecy reduces political accountability and increases the political power of private businesses.[23]

There is a plethora of transparency and traceability platforms in various sectors, for use by relevant stakeholders to hold industry accountable to specific environmental and social standards. This includes Trase, Ecolex and the Science-Based Targets Initiative.[24] Transparency & disclosure mechanisms help to prevent companies from distracting, obfuscating and constructing deniability to avoid accountability.[25]

20 Ibid, p.255.
21 Ibid.
22 Weiss, 'Disclosure', p.600.
23 Nadel - ADD
24 See: Trase (available at: https://www.trase.earth/); Ecolex (available at: https://www.ecolex.org/); SBTi (available at: https://sciencebasedtargets.org/).
25 See: Mind the Gap Consortium (2020) (comprising eleven civil society organisations – ACIDH, Afrewatch, Al Haq, Cividep, Conectas, ECCJ, Inkrispena, Poder, PremiCongo, SOMO and SRI).

Based on this literature review, three primary mechanisms of industry accountability have emerged, which we have named Sanctions & incentives, Reputation & self-governance and Transparency & disclosure. These were used as to inform our stakeholder engagements and build the foundation of our analysis.

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Glossary of actors

Tactic	Definition
Academia and research	Organisations or individuals undertaking specialised academic or policy research
Capital providers	Organisations that provide investment and financial flows to organisations
Citizens and community groups	Individuals or groups organising to take action on a personal, local or community level
Companies	Private sector organisations, operating for profit
Corporate responsibility organisations	Organisations that support and advise other organisations on their impact on society and the environment
Government	Public sector organisations on the international, national, regional and local level
News and media	Organisations or individuals that work to disseminate information to the public
NGOs	A not-for-profit organisation that operates independently of government, typically to address a social or political issue
Workers and labour organisations	Individuals working for wages and organisations that represent these individuals

Glossary of tactics: transparency & disclosure

Tactic	Definition
Legal scrutiny	Investigation or examination of a situation using legal means, to access or verify information
Lobby for disclosure	Political or private pressure for increased disclosure of information
Track (compliance)	Software or a publication that uses data (public or disclosed by companies) to track firms' compliance with regulation
Track (ESG performance)	Software or a publication that uses data (public or disclosed by companies) to track firms' ESG performance
Track (implementation of commitments)	Software or a publication that uses data (public or disclosed by companies) to track the implementation of firms' social and environmental commitments

Glossary of tactics: reputation & self-governance

Tactic	Definition
AGM Activism	Citizens, community groups or NGOs attending and raising issues at company annual general meetings
Community engagement	Events and activities within a community to draw attention to and change industry practices
Developing social/environmental industry standards	New standards with a higher environmental or social baseline for industry practice
Developing stricter standards to join professional bodies	New standards with a higher environmental or social baseline for practitioners to join professional bodies
Exemplifying leadership	Firms demonstrating leadership in their social and environmental practices
Exposing bad actors	Publishing information on companies that are performing poorly on environmental and social practices
Helping firms develop social/environmental roadmaps & policies	Supporting companies to develop realistic plans to implement better social and environmental practice
Industry accreditation schemes	Awards or certificates verifying a company’s adherence to industry-relevant environmental or social criteria
Investor pressure	Enquiries about or requests for change to, company practice from a capital provider
Shining a light on best practice	Publishing information on companies that are performing well on environmental and social practices

Glossary of tactics: sanctions & incentives I

Tactic	Definition
Bringing forward strategic litigation cases	A legal case brought to a court by citizens, community groups, workers, NGOs or other stakeholders with the intention of creating societal change
Boycotts	Protesting by withdrawing from commercial or social relations with an organisation
Divestment/investment	Commitment or withdrawal of money with the intention of making or protecting a profit
Government interest/consultation	Public sector activity to gather information on a project or organisation
Legislate on disclosure	Introducting a policy or regulation that requires organisations to disclose specific information
Lobby for government action	A range of activities that puts pressure on or aims to influence government to take action on a particular issue (e.g. petition, meeting with a policymaker, political information event)
Non-judicial grievance mechanisms	A formal, non-legal complaint process that can be used by individuals/workers/communities/civil society organisations that are being negatively affected by certain business activities
Planning regulation	Introducting a policy or legislation relating to the modification of the built environment
Portfolio review	Capital provider reviewing their investment portfolio with the intention of making a change (Divestment/investment)

Glossary of tactics: sanctions & incentives II

Tactic	Definition
Public procurement guidelines	Policies, rules and/or criteria that govern the awards of public contracts to external organisations
Regulation	Introducting or modifiying a policy or legislation by the public sector
Shareholder activism	Citizens using their influence as shareholders (individually or collectively) to call for social/environmental change
Targeted protests	Protests targeting a particular organisation or issue (e.g. sit-in, march, picket)
Taxation, fines, subsidies	Financial tools used by the public sector to incentivise or disincentivise private and third sector activity
Tenant union activity	Action taken by tenants' unions (e.g. rent strike, protests)
Trade union activity	Activity taken by trade unions, including collective bargaining processes and industrial action

Glossary of abbreviations

Abbreviation	Definition
AGM	Annual General Meeting
B2B	Business to Business
BESIX	Belgian Six - Construction Group Based in Brussels
ESG	Environmental and Social Governance
FTI	Fashion Transparency Index
IFI	International Financial Institution
NGO	Non-Governmental Organisation
SBTi	Science-Based Targets Initiative
WBA	World Benchmarking Association
T&D	Transparency & Disclosure
R&S	Reputation & Self-governance
S&I	Santctions & Incentives