Hybrid Analysis

Integrated Sustainability Analysis (ISA) builds on existing audit approaches, and extends these in order to achieve completeness and consistency. Audit approaches and the ISA method address different aspects of TBL assessment in a complementary way. Building on a TBL audit specific to an organisation, ISA’s macro-economic input-output analysis (IOA) covers the entire ‘background’ economy. The Global Reporting Initiative’s Sustainability Reporting Guidelines for example, take an audit approach. The guidelines contain a range of specific (micro) indicators that provide good reporting scope or breadth. In order to make any audit manageable a boundary is set. This boundary usually limits the audit to immediate on-site impacts that are deemed to be within the control of the reporting entity. Using the audit approach alone can lead to inconsistencies within and between assessments because boundaries can be arbitrary and inconsistent (see Information Sheet 2). This issue has been addressed by researchers from the University of Sydney, who have developed a quantitative TBL model based on macro-economic IOA. The model complements any audit approach in that it includes the full upstream supply chain, thus providing reporting depth to complement the breadth of the audit, and consistency of reporting because there is no cut-off point or imposed boundary.

We can summarise the different approaches to TBL assessment and reporting using the notion of assessment breadth and depth. Both approaches have merit and work best in combination: a practice known as hybrid analysis.

Figure: A simple comparison between bounded audit approaches with large indicator breadth, compared with input-output approaches with depth from macro indicators extending through the full supply chain (economy). Some indicators in these sets (illustrative only here) are common to both approaches.