

Sustainability Reporting

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What is Sustainability Reporting?

Through sustainability reporting, companies communicate their performance and impacts on a wide range of sustainability topics, spanning environmental, social and governance parameters. It enables companies to be more transparent about the risks and opportunities they face, giving stakeholders greater insight into performance beyond the bottom line.

Building and maintaining trust in businesses and governments is fundamental to creating a sustainable global economy and a thriving world. Every day, decisions are made by businesses and governments that have direct impacts on their stakeholders, such as decisions relating to financial institutions, labor organizations, civil society, citizens and the level of trust they have with them. These decisions are rarely based on financial information alone and often consider risks and opportunities related to a variety of short and long-term factors. Sustainability topics are increasingly integrated into these decision-making processes.

As companies across the world increasingly embrace sustainability reporting, a number of standards have emerged that enable a wide range of stakeholders to more effectively assess and compare sustainability reports. The most widely adopted framework is the [Global Reporting Initiative](#) Standards. It is related to other forms of non-financial reporting, including triple bottom line reporting, and [corporate social responsibility \(CSR\)](#) reporting.

Stakeholders play a crucial role in identifying non-financial risks and opportunities for organizations. The transparency gained by involving a range of stakeholders in decision-making processes not only leads to better decisions but also builds trust in businesses.

Drivers

Better reputation:

A 2011 survey on [corporate reputation](#) found that expanding transparency and reporting positive deeds were the two most important ways to build public trust in businesses. The 2013 Boston College Center for Corporate Citizenship and EY survey revealed that more than 50% of respondents issuing sustainability reports stated that these reports helped enhance their company's reputation.

Meeting the expectations of employees:

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Employees are a vital audience for sustainability reporting on sustainability. They are the primary audience for the presentation of the reporting, as it contributes to an increase in employee retention and loyalty. This, in turn, positively impacts the workforce as a whole, which ultimately can improve company performance.

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Improved access to capital:

Reporting firms rank highly for sustainability, and have Kaplan-Zingales Index scores that are 0.6 lower – indicating fewer capital constraints – than the scores for low-sustainability companies.

Increased efficiency and waste reduction:

Sustainability reporting helps make organizations' decision-making processes more efficient and, in turn, enables them to reduce risk across their supply chain. This process reduces waste, yielding significant cost savings.

Benefits of Sustainability Reporting:

Increases understanding of risks and opportunities;

Emphasizes the link between financial and non-financial performance;

Influences long-term management strategy, policy and business plans;

Streamlines processes, reducing costs and improving efficiency;

Benchmarks and assesses sustainability performance with respect to laws, norms, codes, performance standards and voluntary initiatives;

Helps companies avoid publicized environmental, social and governance failures;

Enables the comparison of performance internally and between organizations and sectors.

External Benefits Can Include:

Mitigating negative environmental, social and governance impacts, improving reputation and brand loyalty;

Enabling external stakeholders to understand the organization's true value, along with tangible and intangible assets;

Demonstrating how the organization influences and is influenced by expectations about sustainable development.

Examples of Sustainability Reports

Here is a collection of sustainability reports of different companies and organizations across various sectors and industries:

[HSBC](#)

[ING](#)

[Baxter](#)

[EDF Energy](#)

[Vodafone](#)

[Apple](#)

[Heathrow Airport](#)

[Network Rail](#)

[Shell](#)

[Statoil](#)