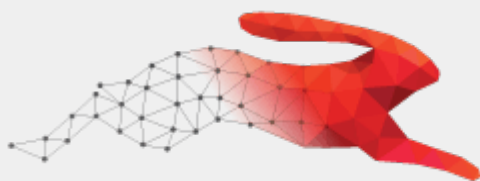


A guide to sustainability reporting to help build a framework for the future



Ignitec

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A guide to sustainability reporting to help build a framework for the future

Reading time 9 mins

Key Points

- A guide to sustainability reporting to help share and disclose performance on a wide range of sustainability topics
- This will help businesses to create a reporting framework that's transparent, credible, and authentic
- Will help companies get a headstart on future/anticipated Sustainable Disclosure Requirement (SDR) regulations and
- Best practice principles for creating an impactful sustainability report: materiality, transparency, stakeholder inclusiveness, authenticity, intuitive structure, meaningfulness, and comparability
- Choosing the suitable sustainability reporting standard for you will depend on the size and type of business, government compliance requirements (i.e. for publicly traded companies), organisational objectives, etc.
- B Corps is a certification standard rapidly gaining popularity. A free online assessment tool is an ideal starting point for small-medium to get an accurate overview of their impact and output over five key areas (governance, workers, community, environment, and customers)

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Our previous post covered why sustainability reporting is becoming increasingly crucial for companies seeking to improve their environmental performance. Before that, we published a guide for companies interested in investing in an environment, social, and governance (ESG) strategy, a [sustainability SWOT analysis template](#), and tips on [calculating and reducing](#) your product's carbon footprint and environmental impact. In this post, we've put together a guide to sustainability reporting to help bring everything together. Combined, these guides, templates, and insights will help you to:

1. Share and disclose your impact and performance on a wide range of sustainability topics
2. Identify where your risks are and use them as a catalyst for change that creates new business opportunities and innovative solutions
3. Attract investors
4. Increase operational efficiency
5. Ensure that all aspects of your business's supply chain are ethical
6. Build your brand image
7. Improve customer relations ([62% of customers globally are sustainability-driven](#) and prefer buying from companies that prioritise ESG)
8. Reduce wastage
9. Get a headstart on future/anticipated Sustainable Disclosure Requirement (SDR)

regulations

10. Arguably most importantly, help to protect the planet from current and future threats

Over the past 10 years, sustainability reporting has become the fastest-growing type of non-financial reporting. However, a lack of standardisation and diverse [sustainability reporting standards](#), industry initiatives, and global guidelines makes reporting a research-heavy, complex, and data-driven process. Our guide to sustainability reporting is by no means a definitive one. Still, it will lay the foundation for creating a report that will help you benefit from all the above advantages and serve you well in the long run.

Suggested articles

A sustainability SWOT analysis template to ignite your next product innovation

How to calculate and reduce your product's carbon footprint and environmental impact

How to calculate and reduce your product's carbon footprint and environmental impact

Best practices for an authentic and credible sustainability report

In addition to a lack of standardisation, sustainability reporting is voluntary for most small-medium-sized companies. This means that many select the criteria to report on (i.e. the ones that put them in a positive light) and ignore the ones where data might be complex to obtain (e.g. worker demographics in factories overseas). However, by following these [best practice principles](#), you'll be able to [create an authentic](#), transparent, and credible sustainability report.

Materiality

Have a clear idea of which sustainability issues are material or relevant to your business. Prioritise the topics that are the most important to your environmental, social, and governance (ESG) impact.

Transparency

Aside from collecting and compiling data, transparency requires you to put new information in the public domain. This is one area of sustainability reporting where organisational inertia and corner-cutting set in. Could disclosing information put the company under scrutiny and reflect poorly on the organisation or individuals? Could this information benefit the competition in some way?

True transparency requires context and parameters. So, for example, if you report that 50% of your energy comes from renewable resources, readers shouldn't have to ask what kind of renewable and over which time frame.

Stakeholder inclusiveness

Remember that your stakeholders (investors, employees, customers, shareholders, suppliers, government bodies) are the audience for whom this report is being created. In essence, they're individuals or entities who can have an impact or influence on your business, so their inclusion should be the unifying thread that weaves your report together:

- The content of your report will be defined by how materiality is evaluated in terms of stakeholder interests, expectations, and information
- Include in your sustainability report a stakeholder engagement section that showcases how different stakeholder groups are interacted with and what the results of that engagement are (e.g. customer surveys that resulted in a take-back policy for end-of-life products)
- Include in your report multiple sections that share information about different stakeholder groups

Authenticity

Credible reports acknowledge challenges and failures, provide context and communicate the next steps. Remember that sustainability and ESG best practices are a relatively recent area of importance for most businesses, and nobody expects a picture of perfection from the first sketch. Not getting it right is to be expected, but what you do to own up to and move forward from mistakes is what counts.

Intuitive structure

Organise your report in an easy and intuitive way for different stakeholders to find the section that relates to or interests them the most. [General Electric's 2022 Sustainability Report](#) is a perfect example of how an information-heavy and complex report can be organised in a way that's engaging and easy to navigate.

Meaningful

People – i.e. stakeholders – have become increasingly sceptical, sophisticated, and less likely to be loyal to companies that don't offer them any meaning. Your sustainability report is an opportunity to communicate authentically about the issues that matter to them: clear writing, straightforward infographics, engaging photography, a compelling narrative, and demonstrated commitment to shared values that keeps opportunities for continued dialogue open.

Comparability

Stakeholders should be able to compare performance over time, and to some extent, to other companies. To keep information comparable over time, you need to be consistent (i.e. regarding material topics and the methodologies used to collect data) – remembering to give context to any changes (e.g. priorities that change over time).

Choosing a sustainability reporting standard that's right for you

Deciding which sustainability reporting standard to use can be overwhelming as there are [over 500 different frameworks](#) to choose from based on the size of your company and your:

- Purpose and objectives
- Stakeholder expectations and needs
- Industry and sector
- Resources and capabilities
- Industry-specific metrics

For those new to sustainability reporting, this list of the [seven most commonly used reporting standards](#) will help you narrow your options down. One choice rapidly [gaining popularity is B Corps](#), as it's ideal for small-medium sized companies. Getting B Corps certified demonstrates how high your social and environmental performance is and communicates your commitment to performance, accountability, and transparency.

Although the certification process is rigorous, their [free impact assessment](#) tool is the ultimate guide to sustainability reporting. It enables you to:

- Answer questions about your company's practices and outputs across five categories: governance, workers, community, the environment, and customers
- Evaluate and compare your impact against other companies who have taken the B Impact Assessment. This allows you to see where you're outperforming others and where there's room for improvement
- Improve your impact by being able to identify, track, and learn about improvement opportunities and best practices

In addition, the [B Corps Directory](#) allows you to download reports for certified B Corporations, use them as a template and further guide to creating a sustainability report. This way, even if you decide not to go through the formal certification process, you will nevertheless have essential documentation and data collection practices to help you make informed decisions to improve your impact or share with stakeholders when needed.

Did you find our guide to sustainability reporting useful?

We hope so!

If you're looking to partner with a product design company that's as passionate about reducing environmental impact while improving the benefits to society as you are, get in touch. We have a proven track record of designing products with purpose and are diligently working towards our own goal of reaching Net Zero. Book a confidential and free conference call with us, and let's see how we can help you reach your goals sustainably!

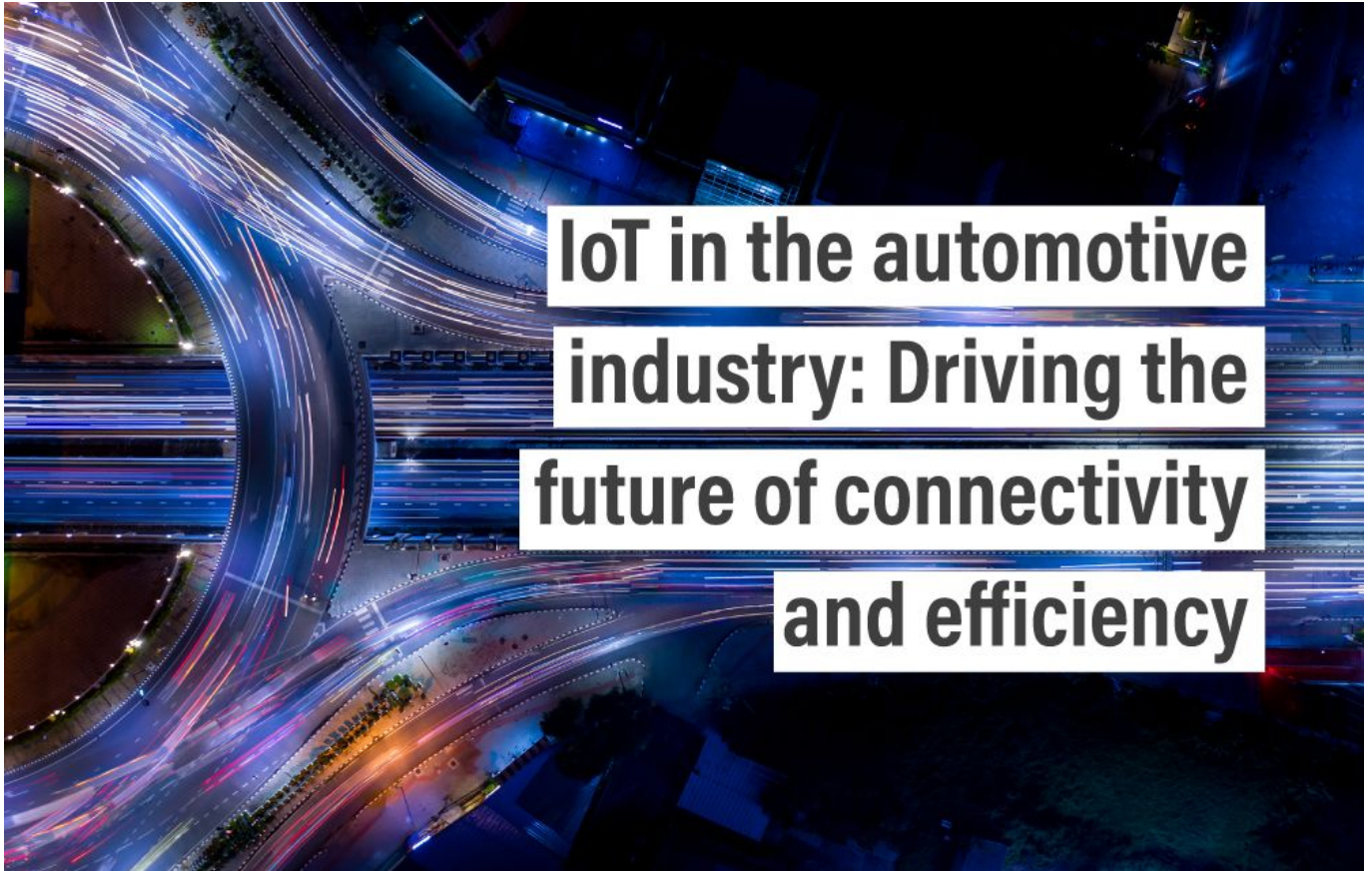
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