

# Sustainability Reporting

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# The purpose of “IPD guides for accessing European markets - Sustainability Reporting”



This guide is a resource to help you and your company better understand the topic of “**sustainability reporting**”.

It is not a comprehensive guide to all sustainability reporting concerns in any industry, but it is a “**key issues**” **guide** to messages every international operating company should know about.

The guide takes you through **various steps before** creating a sustainability report, **steps to remember whilst writing** it and also what to do **when you have completed the report**. In addition, throughout the guide you will find some **internet links** to give you **additional input and details**.

# What is sustainability reporting?

- + Due to their **social, economic, and environmental responsibility** any institution, or **organization is accountable toward the local, regional, and global community**.
- + **Transparency** about the impact of organizations' activities is **becoming ever more important** to stakeholders, meaning that companies need to continuously communicate these activities and their results. One way to do so is by issuing a **sustainability report**. A report can **demonstrate an organization's values, how an organization is acting** in accordance with these values, what **its objectives** are and **how it is contributing to sustainable development**<sup>10</sup>.
- + A **report** does not only measure what you do but **also evaluates the impact** that your organization has **on an economic, environmental, and social level**. A **transparent communication** on these impacts will increase your **competitive advantage**, as the adherence to criteria of sustainability is becoming an **important selling point in tourism**.
- + By not considering sustainable activities, an organization may **risk the loss of interest of stakeholders** as well as a potential **threat to their reputation and competitive advantage**<sup>9</sup>.

*If you would like to read about some of the benefits of writing a sustainability report, follow this [link](#).*

# The United Nations Sustainable Development Goals (SDGs)



Fig. 1: The Sustainable Development Goals (UNICEF Georgia, 2023)

- + The United Nations Sustainable Development Goals (SDGs), have been **agreed upon and signed by 193 countries<sup>8</sup>** and are becoming a compass used by organizations globally as an **orientation on their impacts, efforts, and activities.**
- + The SDGs are used as a **guiding point** globally with individual companies' sustainability efforts contributing into this framework leading up to 2030. Companies increasingly refer to the SDGs in their **sustainability reports**, making transparent how they are positioning their goals, strategy, and commitments<sup>12</sup>.
- + Sustainability reporting itself can be a way to show your efforts towards the SDGs<sup>12</sup>.

For more *information* regarding *SDGs* follow this [link](#).

If you would like to get help with a *self-assessment tool* from the *SDG Action Manager* offered by the *nonprofit network B Lab*, you can find this via the following [link](#).

# 1. Formalities

The formalities are important for a sustainability report, as the report needs to be **easy to read and understand**. Therefore, it is very important to have an **organized layout** that guides readers through the report and enables a good understanding.

## Length

- + There is **no specific recommendation** regarding the length of the report. It is important that **all areas and factors** of your organization's sustainability efforts and activities are **covered**.

# 1. Formalities

## Frequency

- + You can choose **how often** you write a sustainability report. It is recommended to **regularly** write a report, **at least once per year** to ensure consistency and regular evaluation of your sustainability practices, and to monitor progress with regard to improving your sustainability indicators and impacts.
- + Making the **intervals too long** will make it more **difficult to analyze the impact of changes** that you apply in your management. At the same time, try not to write the report in **too short intervals** as this leaves **no ability for change or impact** to take place.
- + Choose the **intervals according to your organization's needs and activities**. However, it is also possible to write a report more often, such as **every quarter or every half a year**<sup>7</sup>. The report becomes an **important tool for your management**, as it constantly reminds you of necessary changes and improvements regarding your company's compliance with sustainability criteria.

## 2. Before writing the report

Before you begin to write the report, you must follow some steps, so that you have all the needed information for your report.

### Step 1: Identify your stakeholders

- + A **stakeholder** is **anyone** who is **affected by your organization**. There are many types of stakeholders, for example your **customers, investors, suppliers, employees and your local community**<sup>2</sup>.
- + It is important to identify your stakeholders to know what **decisions** you will need to make **as an organization, related to each stakeholder** identified.

*For more information on stakeholders follow this [link](#).*

## Step 2: Conduct a „materiality assessment“

A “**materiality assessment**” helps you to identify any **issues that affect your organizations day-to-day business**. An option for the assessment is to **collect feedback** from your stakeholders, to understand what issues they see as important.

- + Identify the **biggest sustainability issues** in your region and **how your organization already has or can have an impact on these issues**. What are your **key performance indicators (KPIs)**? These will help you with the decision making.

*For more information on KPIs follow this [link](#).*

- + When you have identified the **biggest sustainability issues** in your region, **identify the sustainability themes** that you need to **prioritize** and that are **most relevant** to your organization’s profile.

*For an easy-to-use CSR Risk Assessment, providing you with a list of possible issues for each country follow this [link](#).*



## Step 2: Conduct a „materiality assessment“

- + List your organization's **goals and objectives**. You need to understand what you want to achieve and the **impact you want to achieve** with your goals<sup>3</sup>.

*For more information on how to develop SMART goals follow this [link](#).*

- + You can also review this free e-learning course on “How to Measure and Manage your social impact” by following this [link](#).
- + For further reference you can also review and complete the **IPD-Learning module “Introduction to Sustainable Tourism & Certification”** by following this [link](#).

*For more information on “**materiality assessments**” follow this [link](#).*

### Step 3: Collect and record your data

- + It is very important to **collect and record the data** from the identified themes throughout the reporting period, to **compare the results with the previous reports** and **conclude if improvements were made**.
- + You may want to give the **responsibility of data collecting and recording to one or two employees**.
- + There are many **tools** you can use to collect and record your data. Some of the large tools are costly and require training. Therefore, you can start by using spreadsheets using **Microsoft excel, surveys (such as feedback forms) and documents**.

*Similarly, to your goals and objectives, the free e-learning course on “How to Measure and Manage your social impact” also provides some good tools and ideas. To access the course, follow this [link](#).*

*To get an understanding on various management software for small and medium sized companies follow this [link](#).*

## Regulations

- + **Regulations** are very important in your organization.
- + They ensure that **all employees are following the same guidelines**.
- + Having a **clear guideline** in your organization is a factor to **successful management**.
- + Also **mention the challenges** you face due to your municipal governance or other logistical challenges.  
Mentioning obstacles **indicates an awareness of the issue**.

## 3. Writing the Report

Now that you have compiled the data for your prioritized themes, you can **write the report**.

### Structure

- + Include a **table of contents**.
- + It is recommended to include an **executive summary** after your table of contents – this summarizes the **main points** of your report, which helps readers to get an idea for what the report will be about. Beginning with the second time you write your report, specific **emphasis on positive changes** since the last report could be mentioned in the summary.
- + The main part of the report can be **divided into sections**. Sections make it easier for the reader to understand the report.
- + Include a **short introduction** in the **beginning of each section**. It highlights what the section will be about.
- + **How** you structure your report is **your decision**. This guide just gives you an idea of how to structure your report.

*For more information on executive summaries follow this [link](#).*

## Step 1: Introduce the Management Team

- + Start the report with a **description of your organization's management team.**
- + Describe your **organization's structure** – who is responsible for what?
- + Description of **employees' role in sustainability activities.**

## Step 2: Financial and Economic Performance

- + Describe your **company's financial and economic performance.** This can be in the form of a summary – has there been an **increase in profit and turn-over?** Have you been **able to employ more people?**

### Step 3: Main part of the report

Write the **main part** of the report - the **sustainability activities** your **organization is implementing**. This section should include the **data you collected and recorded** before starting to write the report. It should be **detailed**, describing your sustainability performance<sup>3</sup>.

- + Outline the **key issues and impacts** that your organization experiences.
- + Make sure to include **environmental, social, and economic factors**.
- + This is where you go in-depth on the **most important activities, numbers, improvements, and plans for the next period** (quarterly/ annually etc.) for each activity.

*The following themes are only some suggestions that you can include in this section of the report based on the three dimensions of sustainability – environmental, social, and economic.*

# Environmental Themes

- + Include your **environmental policy** (if you have one) in your report.
- + The environmental policy describes your **objectives regarding the environment** and outlines what your intentions are.
- + It gives your organization a clear **guidance** of what aspects of **environmental management** to focus on.
- + If you need **resources** on how to develop an environmental policy, follow this [link](#).

# Some Examples – Environmental Themes

## Waste Management

- + Within the tourism sector, a lot of waste is produced, in terms of **packaging and material waste**, as well as **food waste** in the food and beverage departments. Waste has a negative impact on the environment, which makes it a **critical factor to manage waste** within your organization effectively<sup>5</sup> and its consequential damage to the environment<sup>3</sup>.
- + Record all **activities** your **organization is doing to reduce and manage waste**. It is possible to document your organization's waste management, by using a spreadsheet, for example using excel.

Some factors to consider when reporting on Waste Management	
Packaging waste	<ul style="list-style-type: none"><li>+ What is the % of non-renewable materials you use?</li><li>+ What is the % of recycled materials you use?</li><li>+ What measures do you take to reduce packaging waste?</li><li>+ What methods of recycling do you have?</li></ul>
Food waste	<ul style="list-style-type: none"><li>+ What is your waste disposal method by type of waste?</li><li>+ What measures do you take to reduce food waste?</li></ul>



# Some Examples – Environmental Themes

## Water Management

- + Water is **not a renewable resource** and is becoming **increasingly scarce**. Proper **water management** is not only **important** for the environment but can also **reduce operating costs** for your organization<sup>4</sup>. What are the **activities/ measures** you are implementing **to save water**?

*For more information on water management follow this [link](#).*

Some factors to consider when reporting on Water Management	
Water consumption	<ul style="list-style-type: none"><li>+ Do you regularly check the water consumption per guest?</li><li>+ For which activities do you use water?</li><li>+ What kind of water (tap, rain, dirt) do you use and for which purpose?</li><li>+ Do you have regulations regarding how often to use water consuming facilities?</li></ul>
Water recycling	<ul style="list-style-type: none"><li>+ Do you reuse water? For what?</li></ul>
Water pollution	<ul style="list-style-type: none"><li>+ Do you have measures in place to prevent the pollution of wastewater?</li><li>+ Do you use cleaning products with biodegradable ingredients?</li></ul>

# Some Examples – Environmental Themes

## Energy Use

- + Effective management of **energy use** helps your organization to **save energy costs**. Therefore, having **regulations** in place is very important.
- + You can **reduce** your contribution to **greenhouse gas emissions**, which contribute to climate change. This is beneficial to the image of your organization.

### Some factors to consider when reporting on Energy Use

#### Energy consumption

- + What do you use energy for?
- + Do you have clear guidelines, when to use high energy consuming sources?
- + Have you implemented any methods to save more energy?
- + Do you use any renewable energy sources (solar, wind, water)?
- + Energy consumption, kWh / year
- + % Energy saved due to implemented improvements
- + Do you use LED lighting?

# Some Examples – Social and Economic Themes



## Community Engagement

- + Engaging the community can **open jobs and generate income for the community**, contributing to **economic and social development**.

Some factors to consider when reporting on Community Engagement	
Economically	<ul style="list-style-type: none"><li>+ Do you contribute financially to the local community?</li><li>+ How much of your profit goes into community infrastructure?</li><li>+ Do you engage the local community in your organization for example through employment?</li><li>+ Do you buy local products and support local suppliers?</li></ul>
Training	<ul style="list-style-type: none"><li>+ Do you provide or offer any kind of training to the local community?</li></ul>

# Some Examples – Social and Economic Themes

## Employee Management

- + **Record** the working hours of your employees, you can do this, by keeping a time sheet to accurately **document** their working hours.
- + Effective timekeeping and **observing prescribed regulations** is extremely important for the well-being of your employees.

### Some factors to consider when reporting on Employee Management

Time Management	+ What is the average overtime per employee?
Employee satisfaction and engagement	<ul style="list-style-type: none"><li>+ To what extent are your employees engaged in day-to-day business?</li><li>+ What percentage of your employees is included in the decision-making process of your company?</li><li>+ Turnover rate</li></ul> $\text{Turnover, \%} = ((\text{Number of employees who left company during the period}) / (\text{Average Number of Employees for the Period})) * 100\%$
Fair and Decent Wages	+ Do the wages cover the costs of your employees' basic needs?
Contracts	+ Do your employees have a fixed contract to ensure work during off season?

# Certification Criteria Catalogues

- + This guide only outlines a few of the **topics you can include in your report**.
- + The topics might vary however, depending on which activities your organization is implementing.
- + Here you will find some useful **links** to different **certification programs' criteria catalogues**. They outline what is needed to apply for a certification and also provide further **sustainability themes** that may be relevant to you. Some certification application processes require you to have a **sustainability report**. Furthermore, a certification can provide you with further eligibility regarding your sustainability efforts.
- + The **TourCert** and **Travelife** certification also follow the **Global Sustainable Tourism Council (GSTC)** criteria, which you will find below.

Certification Criteria Catalogues	
Accommodation	<ul style="list-style-type: none"> <li>+ <a href="#">GSTC for Hotels</a></li> <li>+ <a href="#">Travelife for Accommodation</a></li> <li>+ <a href="#">TourCert</a></li> </ul>
Tour Operators	<ul style="list-style-type: none"> <li>+ <a href="#">GSTC for Tour Operators</a></li> <li>+ <a href="#">Travelife for Tour Operators and Travel Agents</a></li> <li>+ <a href="#">TourCert</a></li> </ul>

## Step 4: Conclusion

The final section is a **conclusion** of the report

- + **Outlook:** Description of **company's plans** for the future.
- + **Objectives, indicators and targets** for **sustainability improvement** for the next reporting period.

## Step 5: Appendices / Attachments

- + At the end of the report include **appendices**: this includes any **information on certification** (date of issuance / renewal date), **relevant data** or **supporting materials** (maps, graphs, charts or tables).

## 4. After writing the report

### Step 1: Review the Report

- + Read through the entire report again and ensure all information is accurate – avoid greenwashing! Greenwashing means that you say you are implementing efforts of sustainability, but your efforts do not have a real impact. In this case, the issue of sustainability is only used as a marketing factor.

*To read more about greenwashing follow this [link](#).*

- + Do a **grammar check** to make sure there are no mistakes.
- + **Share the report** with someone close to the organization and knowledgeable in sustainability to **proof-read** the report.

## Step 2: Publishing/ Sharing of the sustainability report

- + When you have completed writing your report and followed the steps above, you can **share the report for your stakeholders** to view, **for transparency** purposes.
- + You can **upload** your sustainability report to your **website**, visible for everyone who is visiting your website. If you already have a **separate sustainability section** on your website, you can add your report as a separate document to this page.



# Good Practice Example

- + Here is an **example** of the tourism organization - **Community Homestay Network, Nepal** - who has already written a report and have uploaded it to their website.
- + The example is called “**impact report**” instead of sustainability report. However, it entails all the relevant information about the various sustainability activities which the organization is implementing in their business model.

[CHN\\_Report\\_2021.pdf \(communityhomestay.com\)](#)

# Useful Links

## What is carbon offsetting?

- + [When does carbon offsetting make sense? – atmosfair](#)
- + An easy readable website with step-by-step explanations on carbon offsetting and what to take note of: [Carbon Offsets vs Carbon Credits: The 5 Rules of Carbon Offsetting - Green Business Bureau](#)

## Calculating the carbon footprint of your business

- + Carbon offsetting for tourism businesses wanting to contribute in offsetting initiatives: [Carbon Offsets for Businesses - Sustainable Travel International](#)
- + CARMACAL is a carbon footprint measurement tool for tour operators. To participate you can send an email to Travelife: [Travelife for Tour Operators and Travel Agents](#)
- + Carbon Accounting measurement: [Carbon Accounting 101 - Definition, Methods, Standards & Frameworks \(brightest.io\)](#)

## Finding Carbon Offset Projects

- + Before finding a potential project, it is important to check the project is verified
- + It is important to know in what kind of project you would like to invest in. Here is a list of some offsetting projects from atmosfair: [Project overview – atmosfair](#)
- + [Carbon Offsetting Projects | EcoAct Project Developers \(eco-act.com\)](#)
- + [Positive Planet | Verified Carbon Reduction and Offsetting Projects](#)
- + Once carbon footprint is calculated and known: [carbonfootprint.com - Carbon Offset Projects](#)

## Examples of tourism companies and their offsetting measures

- + [Carbon Management | Intrepid Travel DE](#) / [Carbon Neutral Travel: How Intrepid Offset Your Trips | Intrepid Travel Blog](#)
- + **A guide by Intrepid:** an easy to follow action plan reduction and offsetting for tourism businesses: [Carbon Management | Intrepid Travel DE](#) / [Guide to Decarbonise Your Travel Business | Intrepid Travel DE](#)
- + **A guide by Gold Standard:** [GOLD STANDARD OFFSETTING GUIDE | The Gold Standard](#)

## Examples of tourism companies and their offsetting measures

- + [GRI - Services \(globalreporting.org\)](#)
- + [Sustainability Reporting - A Brightest Guide to Improving Performance](#)

Here there are several reporting standards for further reading you can look at, if you want to go deeper into your reporting based on global standards.

# Sources used for the guide

<sup>1</sup>**Figure 1:** UNICEF Georgia (2023) “The Sustainable Development Goals”. Available at: <https://www.unicef.org/georgia/sustainable-development-goals> (Accessed: January 09, 2023).

<sup>2</sup>Bellantuono, N., Pontrandolfo, P. and Scozzi, B. (2016) “Capturing the stakeholders’ view in sustainability reporting: A novel approach,” *Sustainability*, 8(4), p. 379. Available at: <https://doi.org/10.3390/su8040379>. (Accessed: November 24, 2022).

<sup>3</sup>Brightest (2021) “Sustainability Reporting - a brightest guide to improving performance, Brightest”. *Brightest, Inc.* Available at: <https://www.brightest.io/sustainability-reporting-guide> (Accessed: November 25, 2022).

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<sup>5</sup>Chang, M. (2021) “5 waste management methods you should know, Ethical Choice | For Sustainable Future”. *Ethical Choice | For Sustainable Future*. Available at: <https://myethicalchoice.com/en/journal/waste-management/waste-management-methods/> (Accessed: December 5, 2022).

<sup>6</sup>Danielsson, M. and Spuhler, D. (2019) “Reuse water within a business, SSWM”. Available at: <https://sswm.info/water-nutrient-cycle/water-use/hardwares/optimisation-water-use-industries/reuse-water-within-a-business> (Accessed: January 9, 2023).

<sup>7</sup>Emerick, D. (n.d.) “How to write a sustainability report - ESG: The report, ESG | The Report”. Available at: <https://www.esgthereport.com/what-is-esg/the-g-in-esg/how-to-write-a-sustainability-report/> (Accessed: November 25, 2022).

<sup>8</sup>Huynh, S. (n.d.) “What are sustainable development goals (sdgs)?”. *SDG ZONE*. Available at: <https://sdgzone.com/learn/what-are-the-sdgs/> (Accessed: 25 September 2023).

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<sup>10</sup>Medel-González, F. et al. (2011) “Reporting models for corporate sustainability in SMEs,” *Information Technologies in Environmental Engineering*, pp. 407–418. Available at: [https://www.researchgate.net/publication/226892845\\_Reporting\\_Models\\_for\\_Corporate\\_Sustainability\\_in\\_SMEs](https://www.researchgate.net/publication/226892845_Reporting_Models_for_Corporate_Sustainability_in_SMEs) (Accessed: November 22, 2022).

<sup>11</sup>The Federal Government (2023). “The New Supply Chain Act”. *The Press and Information Office of the Federal Government*. Available at: <https://www.bundesregierung.de/breg-en/service/archive/supply-chain-act-1872076> (Accessed: November 23, 2022).

<sup>12</sup>World Travel & Tourism Council (WTTC) (2017) “Environmental, Social, & Governance Reporting in Travel & Tourism: 2. Outlook & Reporting Trends. All rights reserved.” rep. *World Travel & Tourism Council*. Available at: <https://wtcc.org/Portals/0/Documents/Reports/2017/ESGs%20-%20Outlook%20and%20Reporting%20Trends%20-%202017.pdf?ver=2021-02-26-192648-697> (Accessed: September 25, 2023).

## Published by

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