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Sustainability Reporting

IPD guides for accessing European markets

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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**¹⁰.
- 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**⁹.

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)



- The United Nations Sustainable Development Goals (SDGs), have been **agreed upon and signed by 193 countries**⁸ 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**¹².
- **Sustainability reporting** itself can be a way to **show your efforts towards the SDGs**^{12,9}



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

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

Due to their **social, economic, and environmental responsibility** any institution, or **organization is accountable toward the local, regional, and global community.**

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**.

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**⁷. 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 community²**.
- 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 goals³.

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

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 performance³.

- 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 effectively⁵ and its consequential damage to the environment³.
- 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">• What is the % of non-renewable materials you use?• What is the % of recycled materials you use?• What measures do you take to reduce packaging waste?• What methods of recycling do you have?
Food waste	<ul style="list-style-type: none">• What is your waste disposal method by type of waste?• What measures do you take to reduce food waste?

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 organization⁴. 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">Do you regularly check the water consumption per guest?For which activities do you use water?What kind of water (tap, rain, dirt) do you use and for which purpose?Do you have regulations regarding how often to use water consuming facilities?
Water recycling	<ul style="list-style-type: none">Do you reuse water? For what?
Water pollution	<ul style="list-style-type: none">Do you have measures in place to prevent the pollution of wastewater?Do you use cleaning products with biodegradable ingredients?

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">Do you contribute financially to the local community?How much of your profit goes into community infrastructure?Do you engage the local community in your organization for example through employment?Do you buy local products and support local suppliers?
Training	<ul style="list-style-type: none">Do you provide or offer any kind of training to the local community?

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	<ul style="list-style-type: none"> • What is the average overtime per employee?
Employee satisfaction and engagement	<ul style="list-style-type: none"> • To what extent are your employees engaged in day-to-day business? • What percentage of your employees is included in the decision-making process of your company? • Turnover rate • Turnover, % = ((Number of employees who left company during the period) / (Average Number of Employees for the Period)) * 100%
Fair and decent wages	<ul style="list-style-type: none"> • Do the wages cover the costs of your employees' basic needs?
Contracts	<ul style="list-style-type: none"> • 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">• GSTC for Hotels• Travelife for Accommodation• TourCert
Tour Operators	<ul style="list-style-type: none">• GSTC for Tour Operators• Travelife for Tour Operators and Travel Agents• TourCert

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](#)

Useful links



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



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

²Bellantuono, 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).

³Brightest (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).

⁴Brightest (2023) “Sustainability Measurement - how to measure environmental performance, Brightest”. *Brightest, Inc.* Available at: <https://www.brightest.io/sustainability-measurement> (Accessed: November 25, 2022).

⁵Chang, 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).

⁶Danielsson, 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).

⁷Emerick, 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).

⁸Huynh, 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).

⁹ICAEW Insights (2021) “Sustainability reporting: Why should SMEs care?”. *ICAEW*. Available at: <https://www.icaew.com/insights/viewpoints-on-the-news/2021/Dec-2021/Sustainability-reporting-why-should-SMEs-care> (Accessed: November 24, 2022).

¹⁰Medel-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 (Accessed: November 22, 2022).

¹¹The 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).

¹²World Travel & Tourism Council (WTTTC) (2017) “Environmental, Social, & Governance Reporting in Travel & Tourism: 2. Outlook & Reporting Trends. All rights reserved.” rep. *World Travel & Tourism Council*. Available at: <https://wttc.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).

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