# **GET READY FOR 2021 WITH OUR LATEST** Sustainability Reporting Trends AND BEST **PRACTICES**

#### **FRAMEWORKS**

The latest on established and emerging frameworks – from SASB to the TCFD.

#### **STORYTELLING**

Sustainability takes centre stage with influencers, experiential marketing and more.

#### **SMART REPORTING**

See how top reporters are targeting the right audiences with the right information in new ways.

#### COVID-19

We look at how companies are managing to address one of today's most complex issues.

## THIS REPORT IS FOR YOU

The reporting landscape is always changing. We know that you don't always have the time to stay on top of it – but we do. We love it, we live it, and in this summary we have identified what you need to know as you build your reporting program for 2021.









#### SEVEN CORE RESEARCH TOPICS















#### **ABOUT OUR METHODOLOGY**

Our team reviews primary sustainability publications (including integrated reports) along with supporting materials. These include financial disclosures, summary reports and ESG data tables. We also review sustainability-focused content available on each company's corporate website and how companies promote sustainability on social media channels – which occasionally leads us to purpose-built microsites, sponsored editorial content, podcasts or other media. We track activities against contentand design-related metrics such as materiality, frameworks and format, and log findings into a database. The full data set allows us to identify trends and commonalities over time.

#### IN FULL TRANSPARENCY

Our primary goal is to identify and highlight the very best practices. Consequently, we highlight reports we did not design. It is not our intention to take credit for the work of others; rather, we seek to draw attention to excellence on the part of reporting companies (and their suppliers, when that applies). Equally, we do on occasion highlight our own clients. In full transparency, projects we consulted on are marked with the following icon:





# ON TRENDS: Q&A

At a recent event hosted by The World Business Council for Sustainable Development, Works Design's Director of Sustainability, Wesley Gee, spoke to WBCSD's Johanna Tähtinen on materiality, smart reporting and the future of sustainability communication.

# What have you seen as the biggest challenge regarding reporting on materiality and what can companies do about it?

Most companies are leaning quite heavily on only what is financially material (rather than materiality through a wider lens) by looking at the topics uncovered through the Sustainability Accounting Standards Board (SASB), mainly because it is easier to do and will please investor relations colleagues – but may actually alienate others.

There is an opportunity for companies to engage their own people and their most influential stakeholders (e.g., clients, partners, investors) to consider their priorities and expectations, and also to use this time to understand how they would like to be informed and engaged – so moving beyond objective survey/report information, and into strengthening ties.

Also, within a report, there are opportunities for companies to offer more context behind their findings – more than just a matrix and basic description of their methodology. For complex organizations, in particular, we've seen some of the stronger reports describe why specific topics were deemed material (from others' vantage points) and have described why some material topics are more important than others based on the regions where they operate or sectors they support.

# How can companies start tackling these questions and decide what formats and channels are the best?

Sometimes companies just need to act more collaboratively across their communications channels, which commonly involves corporate communications, investor relations,

community relations, internal comms and sustainability colleagues working to identify key audiences, understanding how they want to be informed/engaged (e.g., social media, report, webinar, website) and the topics that are of greatest interest with these groups. There is no silver bullet, but a combination of these tactics is always preferred.

Having a great plan at the beginning that acknowledges these audiences and their differences will result in a more thoughtful use of web, social and reporting. This is why we have many clients where we may develop a full report PDF that is complemented with a summary microsite, with easily shareable videos and illustrations, and a three to six month social calendar with assets that reach key audiences on specific topics rather than only a basic "Hey, read my report!" message. (Tip: Not many want to read your report but they may be very into how you're addressing specific issues, or your actions or goals in a specific region.) Also, we can learn so much these days with analytics - they can allow us to pivot quickly on topics and tactics.

# Where do you think the future of sustainability communication and reporting is going? What are some effective practices in digital strategy?

Companies need to be more intentional about how they reach key audiences. Fortunately, with social media we can reach many unique audiences and we can track the demographics of those who are responding to social and understand their behaviours. And while a lot of these analytics remain imperfect, they're getting better and will improve how we reach and respond to people in a customized way.

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## BY THE NUMBERS

The what, where and how of sustainability reporting tells us a story. In ways both big and small, the companies in our sample are taking steps to frame sustainability as material to investor decision making.

#### THE NAME GAME

And it isn't CSR anymore. What you do with that information is up to you, but companies are moving toward the notion of sustainability. Or, better yet, integration. These terms better serve the narrative of a company looking to navigate an uncertain future.



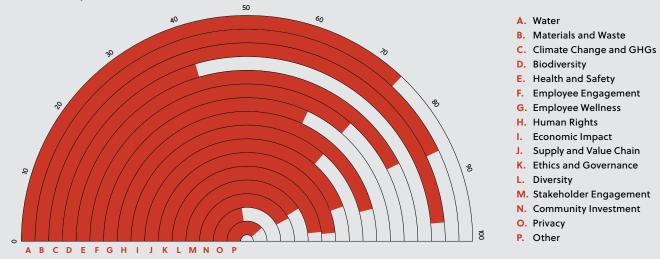
#### **BREAK IT DOWN**

Not everyone wants to read an entire report. But they may want to know how your company is addressing human rights, tailings or climate change – which happen to be inside your report. Slice, dice and deliver. Isolated ESG data is getting easier to find and use, and is often found in an analyst-centric section of a corporate website.



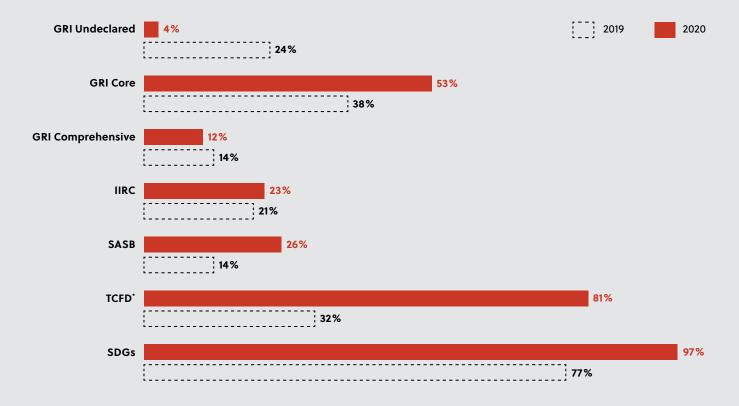
#### WHAT MATTERS MOST

Across all sectors, Ethics and Governance and Climate Change were the most common material issues. We were pleased to see this reflected in how our sample engaged with the TCFD recommendations – 64% of our sample provided a response (up significantly from 28% in 2019).



#### **GETTING ALIGNED**

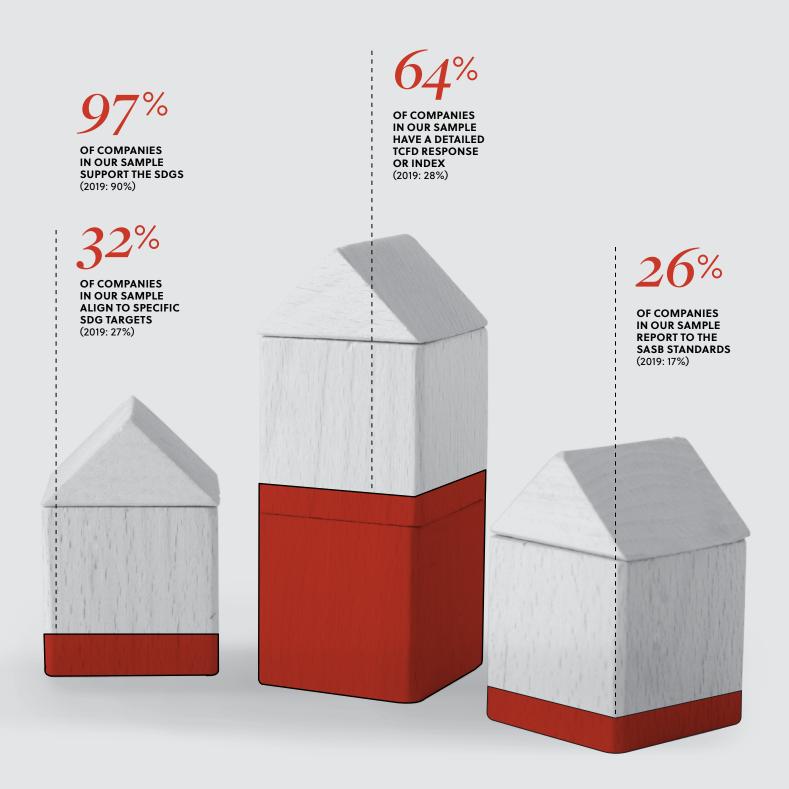
The standards landscape is complex, but consolidating based on direction from institutional investors. And we hear from many analysts, investors and ratings agencies that showing perfect and total alignment to specific standards is less important than disclosing the right performance data. Put more simply, we encourage companies to focus on essential elements from multiple standards that combine to meet their needs.



<sup>\*</sup> Includes companies that provided at least a general statement of support.

# **FRAMEWORKS**

Global reporting frameworks have existed for nearly 25 years and have significantly influenced sustainability reporting content. Now there are more of them, and they are really starting to matter.



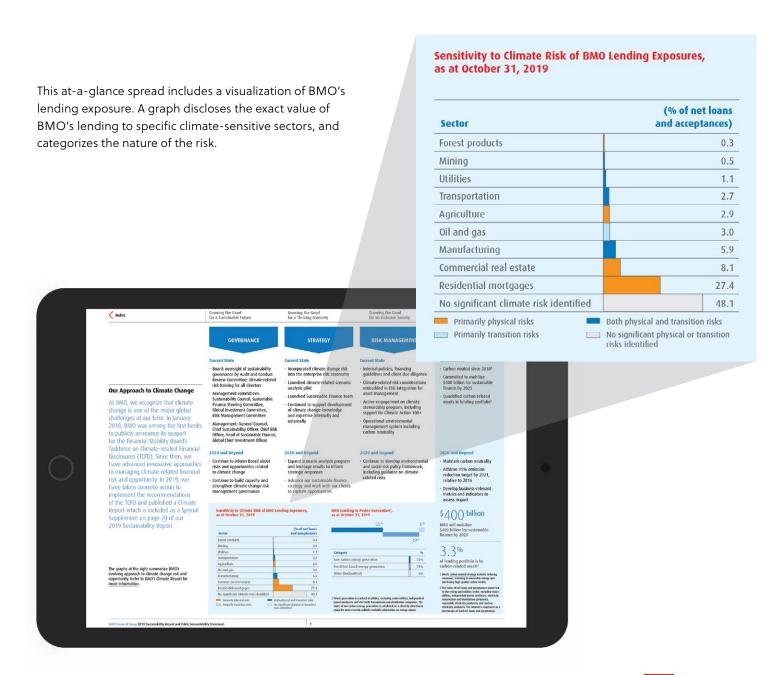
#### **HEINEKEN**

Heineken aligns its sustainable development focus areas with specific SDG targets, acknowledging its impacts, commitments and progress that show meaningful contribution toward 2030.



#### **BMO FINANCIAL GROUP**

In its 2019 Climate Report, BMO summarizes its long-form TCFD response. In a simple table, BMO provides context, describing what has been done to manage climate risk and identifying what is planned for the future.

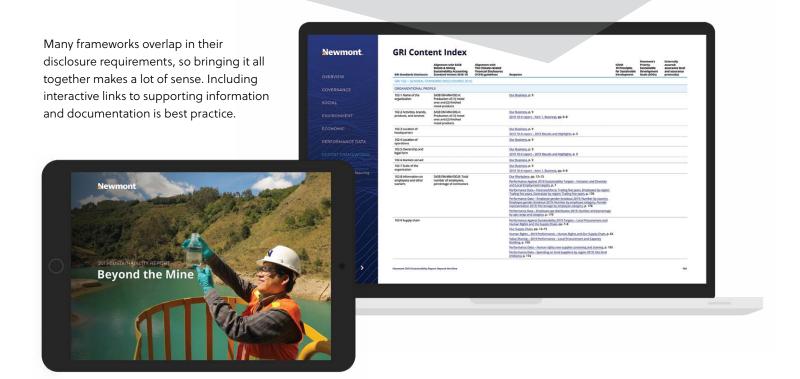




#### **NEWMONT**

Combining GRI, SASB, TCFD, ICMM and SDG disclosure in a single table? It can be done. Newmont includes this comprehensive table in its complete Beyond the Mine Report, and within a separate Index.

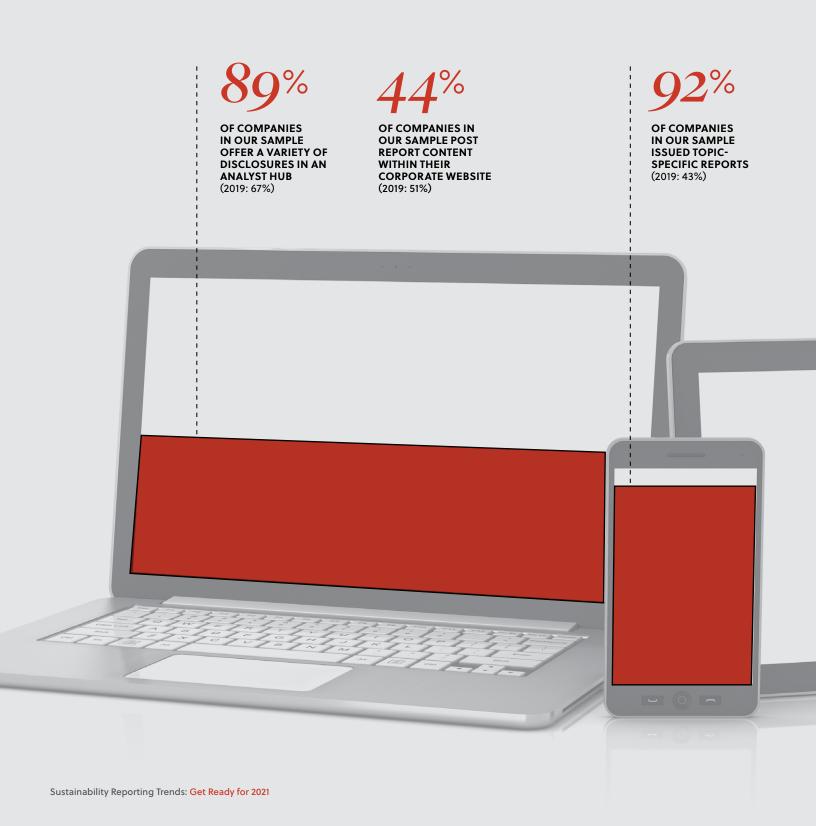






# **SMART REPORTING**

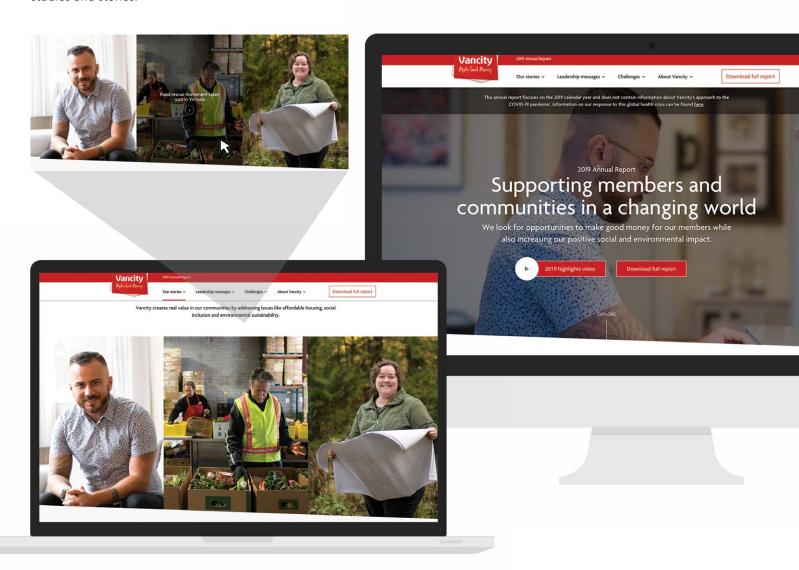
Leaders know what their audiences want, and how they want to be informed (or engaged). Knowing what works, and planning sustainability communication with targeted reporting tactics, pays dividends.



#### **VANCITY**

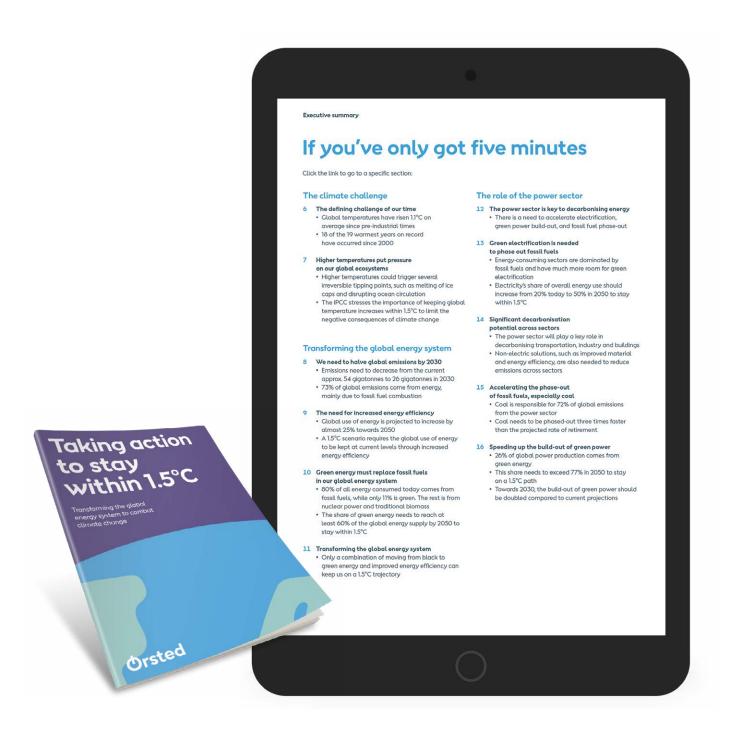
Vancity's online Annual Report opens with the most important information. A thematic statement anchors the report, and users are invited to view the newest annual highlights video. The option to download the full report is front and centre.

Further down the page, micro interactions include a hover effect that tells users about the available case studies and stories.



#### **ØRSTED**

The informal tone of this executive summary is inviting and relatable. We appreciate the playful narrative, which is sure to engage people who have a short attention span. Including links to each related section in the report leaves the door open for Ørsted to turn a semi-interested reader into someone more fully engaged.



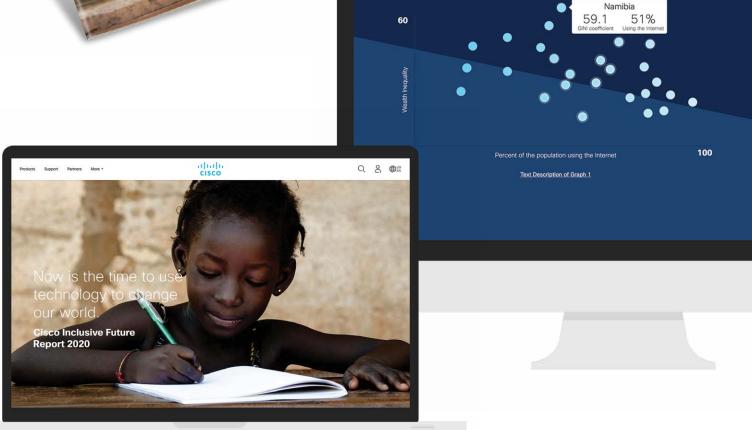
#### **CISCO**

Cisco's Inclusive Future Report is anchored by a microsite that uses interactive charts to visualize how Internet access drives wealth equality.



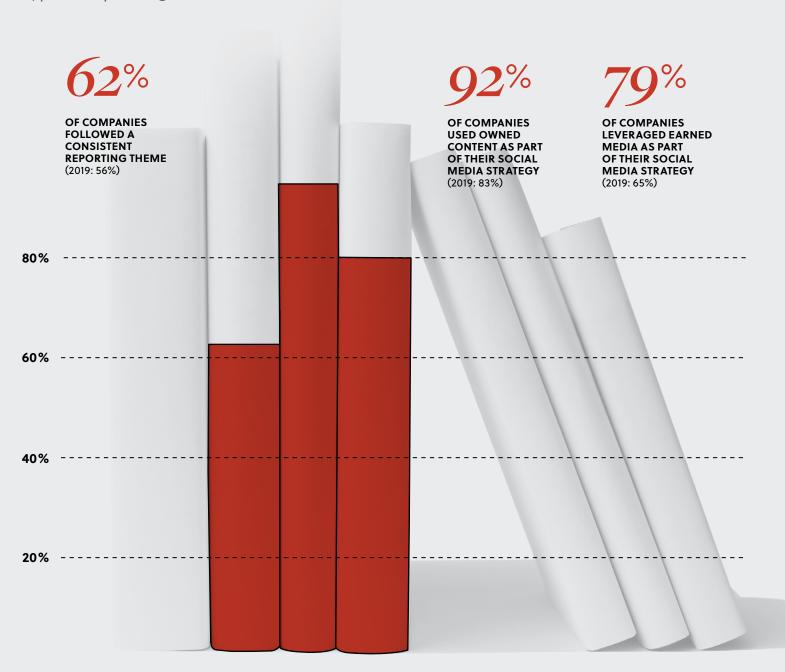
The goal of Cisco's Inclusive Future initiative is to better understand how technology impacts inclusiveness – the extent to which everyone is equally able to participate in all the advantages that our societies offer – on a global scale.

Where Internet usage is higher, inequality tends to be lower.



## **STORYTELLING**

Companies continue to leverage storytelling and invest in different formats and platforms. A compelling theme and supporting case studies give context and create connection to an organization's purpose and people. Amplifying your story in unexpected ways allows you to reach all stakeholders – especially those outside the ESG world – and extend your reach across the year, beyond the typical reporting window.



#### **GREATER TORONTO AIRPORTS AUTHORITY**

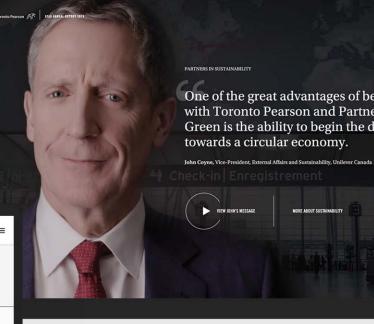
Pearson Airport relies on strong relationships to create value for all – within the airport, across the region and around the world. The theme of "Pearson Partners" highlights specific examples of the airport functioning as an integrated part of the region, while underscoring the warm, personal nature of the alliances.

GTAA embeds videos and quotes on its microsite allowing GTAA's leadership and commitments to shine. Links and tags allow stakeholders to explore topics of interest while a download menu makes available a traditional PDF devoid of graphics.





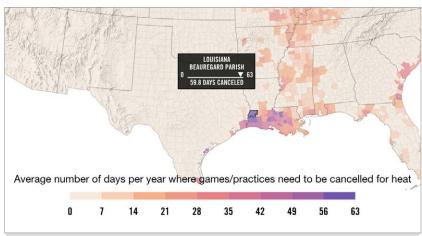




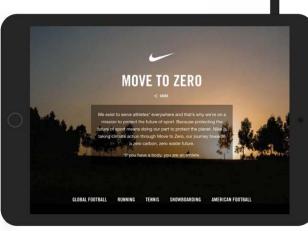
#### **NIKE**

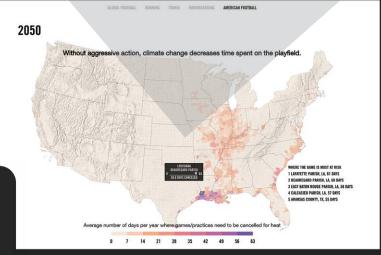
Move to Zero is a topic-specific microsite that connects sustainability strategy to purpose and business strategy. With a variety of sport-specific examples, Nike illustrates how climate change impacts the ability of athletes to train and compete.





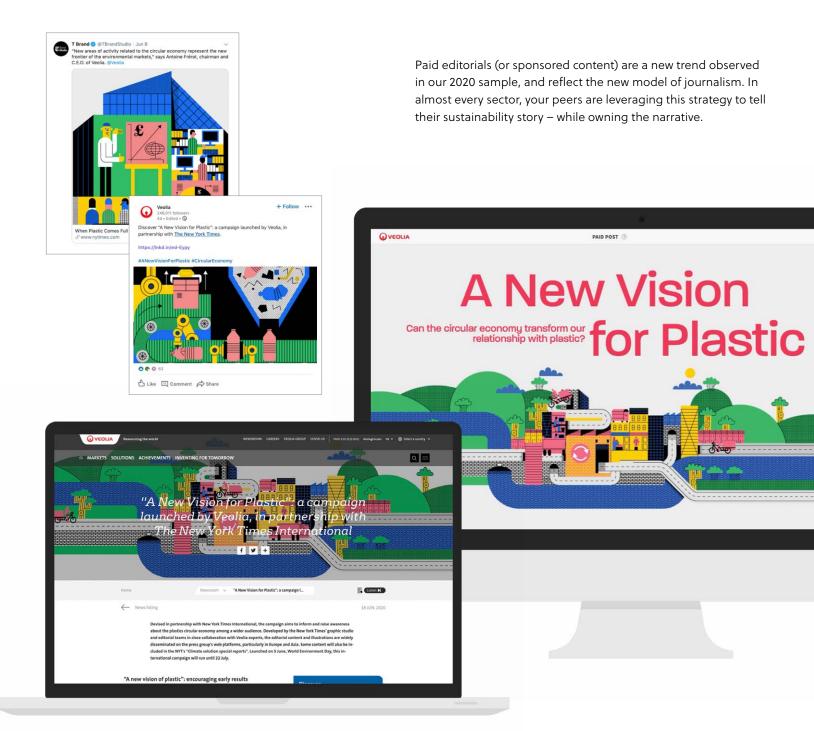
In a section about American football, an interactive heatmap details the average number of days that games and practices are cancelled due to extreme heat.





#### **VEOLIA**

A New Vision for Plastic is an interactive exploration of the circular economy. This sponsored content was produced in partnership with T-Media, the paid editorial division of the New York Times.



## COVID-19

The world is changing, and we see many businesses continuing to adapt with resilience and creativity. Sharing your evolving response to the pandemic, and your plans to future proof, offers critical insights into your leadership, risk management skills and your culture.

#### Q

How has your company adapted its sustainability communication and reporting during the pandemic?

"Following the release of our 2019 Annual Report we added a link on our homepage about our COVID response and how we support our community. We also created a website and podcast to showcase how Vancity and our community are responding and supporting each other, including profiles of programs and links to external resources: communitycentre.vancity.com."

**JULIA ROBBINS, VANCITY** 

#### Q

What are you rethinking for 2020/21?

"Contextualization will become increasingly important in our ESG communications. We also understand that our stakeholders will expect us to play an even greater role in educating, demonstrating awareness, and providing information on the issues that are facing our industry. This will all have to be reflected in our communications if we wish to fully assume our role as a good corporate citizen."

MARIE-EVE CHAPDELAINE, CASCADES INC.

"The pandemic will be a central theme in our upcoming report and we plan to offer *case studies* to describe how COVID-19 has impacted our strategy, priorities and/or the way we work with and support our customers."

**GABRIELA POLANCO-SORTO, MANULIFE** 

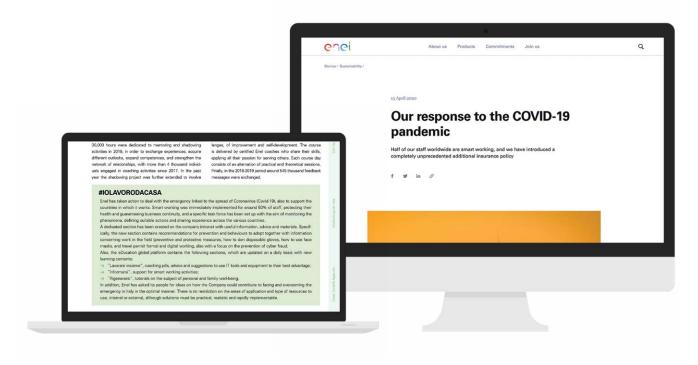
#### **WESTERN UNION**

In its 2019 ESG Report, the CEO of Western Union details the company's response to the COVID-19 pandemic. Strategic plans and initiatives – and some solutions already in place – are described throughout the report.



#### **ENEL**

Enel offers leadership insights along with specific case studies and risk management-related details within its 2019 sustainability report. A separate blog includes more timely updates on Enel's response to the COVID-19 pandemic.



## **CONTACT US**

#### **BOOK A PRESENTATION**

With a global, best in class sample and an extensive focus on topics ranging from the Sustainable Development Goals to digital strategy, we've identified significant shifts in sustainability communications. Contact us now to schedule a session.

#### **VISIT OUR WEBSITE**

Our studio does more than just sustainability. As experienced corporate communicators, we have a lot of industry knowledge to share. Let us share it with you. Check out our case studies and our blog (InScope), or sign up for our newsletter for all the latest insights.



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#### SUSTAINABILITY.WORKSDESIGN.COM

Works Design is an integrated design studio and communications agency with a focus on sustainability. We're a pioneer in sustainability and corporate responsibility communications. For over 20 years, we've helped companies deliver effective narratives and reporting by providing a unique setting where great design, subject matter expertise and sustainability strategy all intersect. Based in Toronto, we serve clients across Canada, the United States, Europe and Australia.

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