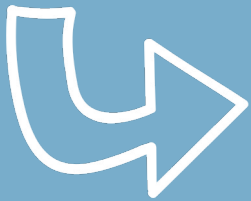


Sustainability Reporting Guide



How to **maximise business**
value and **stay sane**

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Introduction

A year is a long time in sustainability reporting – and the past 12 months have been particularly dramatic.

For a start, it's been tough to keep up with the regulatory back and forth. Then there's the need to balance the competing pressures of achieving compliance and stakeholder engagement – an output that ticks the first box is unlikely to be accessible to all audiences. And at the end of it all, reporting must still enhance business value, or why bother?

At Context, we appreciate it's hard. That's why we've pulled together this guide to help sustainability professionals navigate an evolving landscape. It explores the major trends and common challenges. Simple, practical advice offers a way forward whatever your level of reporting maturity.

Read on for our top tips to maximise the business value of your reporting and stay sane. If you're ready to dig deeper into effective reporting strategy and process, [please get in touch](#).

Sustainability reporting: why it matters

In the pressure to produce an accurate, comprehensive, compliant and beautifully designed report, it's easy to lose sight of why we do it. Yes, there's the regulatory imperative, but that's not the only reason. It has to make business sense – which it does in many ways.

Reporting is your shop window – showing how embedding sustainability in the business helps exploit opportunities and better manage business risk. It provides strategic clarity, not only by ensuring the focus is on the issues that matter most, but also encouraging the business to explain its environmental, social and governance (ESG) priorities in a way that is meaningful to stakeholders. It's a demonstration of the business's commitment to transparency and action – an organisation that is willing to share its progress and the setbacks it encounters on the way will likely be taking concrete steps to address its impacts and committed to continuous improvement.

All of this helps to build trust with stakeholders across the value chain, strengthen partnerships and support business objectives.

Effective reporting starts early with a detailed materiality assessment, setting out the issues that matter to the business, and refining the company strategy, targets and actions. Done right, the reporting process is a vital part of integrating sustainability within the business, connecting strategy with data and action. It engages the full business around a shared vision and narrative. Too many businesses treat reporting as a tick box exercise and fail to make the most of it.

Our guide is intended to help you maximise the business value of your reporting – whether it's your first sustainability report or you've been reporting for many years. We aim to provide inspiration whatever form your reporting takes – from standalone report to integrated financial and sustainability statement demonstrating how sustainability is fully embedded in your business strategy.

Team tip

*“Always keep sight of the ‘why’.
Having a clear purpose will help you
navigate the ocean of decisions
reporting throws your way.”*

What is sustainability reporting?

Sustainability reporting is the process of updating stakeholders – including customers, employees, suppliers, investors and regulators – on a company's sustainability strategy and progress.

It can take many forms, from a first brief summary of activities to a detailed statement and disclosures aligned to specific regulations or voluntary frameworks. It can be standalone or integrated with financial reporting. The style and format vary depending on the needs of the business and the maturity of its sustainability programme.

Throughout this guide, when we talk about 'sustainability reporting', we are referring to the full range of outputs that make up your reporting universe.

Please get in touch if you want to chat about the right form of communication for your business.

Rationale for sustainability reporting



Strengthen business outcomes

Gain strategic clarity

- Clarify vision, mission and priorities
- Demonstrate how sustainability is integrated into the business strategy

Assess performance

- Track and assess progress against targets
- Increase business visibility with detailed data
- Drive better decision-making with a holistic business view
- Identify learning and ongoing challenges, establish future business priorities and actions

Build business resilience

- Strengthen risk management and opportunity assessment, supported by a comprehensive materiality assessment
- Future-proof the business through robust governance
- Improve cost control and resource allocation based on strategic priorities



Engage stakeholders

Engage, attract and retain employees

- Enable teams to identify and celebrate shared successes
- Connect individual function and team objectives to strategic priorities
- Showcase sustainability credentials to current and future employees
- Demonstrate alignment of employee-employer values

Be a partner of choice

- Enhance brand reputation
- Provide a key source for customer-facing sustainability information, enabling quicker responses and easing business relationships

Attract and retain investors

- Demonstrate effective management of sustainability-related financial risks and opportunities
- Demonstrate long-term business viability
- Reinforce alignment with investor values and support investor due diligence



Satisfy external requirements

Meet relevant regulatory requirements across all areas of operation

- Reduce financial and reputational risk of non-compliance
- Future-proof the business and ease the compliance burden by transitioning reporting to meet evolving requirements ahead of deadlines

Update ESG raters and rankers

- Ensure more accurate ratings by providing transparency on company actions
- Ease ESG review process by reducing requirements for additional voluntary disclosures



Lead by example

Demonstrate leadership

- Establish strong competitive and strategic differentiation by demonstrating how the business goes above and beyond legal requirements
- Inspire action and accelerate change by demonstrating industry-leading thinking on critical sustainability challenges

Sustainability reporting in 2025: insights from the **frontline**

For sustainability teams, the past 12 months have brought new reporting challenges and reinforced others.

Regulatory requirements have shaped the approach, even for companies that are not – or not currently – in scope of mandatory reporting. Greater transparency means more data with all the trials and tribulations that brings in terms of collecting, processing and analysing information. Meanwhile, the political climate – in the US, but also other regions – has brought increased focus on how companies approach sustainability matters.

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1. Accommodating regulatory changes

Despite regulators hitting the pause button and calling for reporting requirements to be watered down, we've found that the EU Corporate Sustainability Reporting Directive (CSRD) looms large in our clients' decisions about what and how to report.

Almost 90% of companies facing a delay to mandatory reporting have indicated they will continue with their transition towards CSRD – albeit at a slower pace. And even those that are expected now to be out of scope of the regulations intend to finalise their double materiality assessment. It strengthens risk management and stakeholder engagement, as well as representing best practice and becoming a regulatory requirement beyond the EU (see [Why continue with double materiality](#)).



2. Aligning with multiple frameworks

While the tide has been shifting towards mandatory reporting over the past few years, companies have not abandoned the voluntary frameworks. Three-quarters of major companies report against a voluntary framework, with GRI being the most popular.

We know that combining regulatory requirements and voluntary initiatives brings challenges, so there must be clear business drivers for selecting multiple frameworks. It takes detailed analysis to understand the differences, enabling the business to meet all the requirements.

3. Planning for the transition

There is growing investor scepticism about sustainability progress, with 53% doubting an organisation's ability to meet its targets. Investors want to see targets backed up by solid plans, but many companies set their climate goals before they had a full climate transition plan. Clear plans accompanied by a detailed assessment of risks are increasingly essential in reporting to show the path ahead and reassure stakeholders. Transition planning is also a regulatory requirement in many regions – including currently under CSRD.

4. Telling your story

The EU Omnibus Simplification Package may reverse the trend towards more stringent reporting requirements, but for now the balance is in favour of compliance. This has brought new challenges for our clients to retain their unique voice and engage all stakeholders, while ensuring that they provide regulators with the information required.

5. Grappling with legal questions

Any change in reporting requirements takes adjustment, but for some of the organisations we work with, the transition to CSRD and other legislative frameworks is beset by legal questions. The incorporation of financial information into sustainability statements raises questions for some companies about additional liabilities for the company or its directors – for example, do sustainability statements have the same legal privilege as financial reports?

6. Making general rules industry-relevant

Europe's reporting regulations require extensive detail on issues that are common across businesses, such as climate change and employee rights. They do not capture sustainability topics that are more relevant to an individual business or sector – so-called entity-specific topics. Like GRI, the EU has decided to shelve sector-specific guidance for now, reigniting debate about how to handle entity-specific topics alongside cross-sector standards.

7. Framing sensitive issues

Shifting political and social opinions on specific topics such as diversity, equity and inclusion programmes has ushered in a wave of legal challenges.

Some companies have dropped their initiatives due to the backlash – though this calls into question the strength of their commitment to inclusivity. Others have maintained activities, but become more cautious about how they present programmes externally, or even gone silent on what they are doing. Our clients remain committed to improving diversity within their businesses and to reporting on progress. The challenge is how to update stakeholders effectively.

8. Reporting on what matters to stakeholders

Around 85% of the world's largest businesses depend on nature within their direct operations, though most do not consider it material. Some may decide there are more important sustainability topics to focus on. Others may have underplayed biodiversity in their assessment because the business impacts, risks and opportunities are poorly characterised and understood. Either way, the interconnectedness of business and nature continue to be under-reported and often underplayed. That said, stakeholders want to know what companies are doing to protect nature. This raises the question of how to ensure less complete data doesn't equate to lower levels of perceived importance. Consideration should also be given to where and how to incorporate non-material issues into sustainability reports, especially where these are topics experiencing high external scrutiny.

9. Maintaining & improving data quality

Broader reporting requirements mean more data to collect. Companies have been struggling to get hold of good data, with 57% saying data quality is their biggest reporting challenge and 88% putting it in the top three issues for their business. We're seeing this too, with clients increasingly looking for better ways to collect and manage their sustainability-related information.

10. Engaging the business in reporting

From climate action to human rights, and employee engagement to product design, reporting covers everything a company does. No sustainability team – however big (and we know many are very small) – can know what is going on in all of these areas. That necessitates working across functions to build a picture of sustainability progress.

The answer for 52% of companies is a cross-functional environmental, social and governance committee. We regularly talk to and support clients looking for ways to engage the wider business in sustainability reporting and action.

Team tip

“Get leadership buy-in early. This helps avoid U-turns close to publication that could risk weakening the report (and your mental health!).”



Why continue with double materiality

Double materiality has long been at the heart of leading companies' assessment and understanding of their strategic sustainability priorities. It also sits at the core of CSRD reporting requirements, prompting many companies to embark on their first double materiality assessment. Following the announcement of the EU Omnibus Simplification Package, businesses have been left wondering whether to shelve a project that might not be legally required for another two years – if at all.

The EU is not alone in requiring companies to consider the impacts on people and planet related to their business activities (inside-out) and the financial impacts of social and environmental issues on the company (outside-in). Considered the gold standard globally, double materiality is starting to become a regulatory requirement in jurisdictions beyond the EU, notably in China. We dig into this and more than 90 legislations and frameworks from around the world in our 'Regulatory cheat sheet' ([contact us to get your copy](#)).

As with reporting, deep diving into materiality brings greater benefits than regulatory alignment. It provides a holistic view of a business' risks and opportunities, helping to future-proof the business as the political and economic landscape evolves. By involving a broader spread of interested parties, it increases stakeholder engagement. It is also a vital tool to identify the issues that matter most, aligning business actions with stakeholder interests and ensuring everyone moves in the same direction.

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Team tip

“Great reporting starts with a clear sustainability strategy and a defined list of material topics, underpinned by commitments, measurable targets, and reliable data.”

Practical approaches to reporting challenges

For over 25 years, Context has partnered with companies to help them enhance their sustainability and integrated reporting – from assessing and reporting openly on the issues that are important to the business and its stakeholders to supporting navigation of an increasingly complex reporting landscape.

We help companies narrow down the best approach for dealing with their reporting challenges and encourage them to be more transparent about their progress.

Sustainability professionals still tend to sit in small, centralised teams, limiting opportunities for knowledge sharing. You probably can't just go to a sustainability colleague in another part of the business and ask them how they approached a particular challenge in the way that colleagues in large functions like sales and marketing do. At Context, we also appreciate that the small size of most teams makes it difficult for sustainability professionals to lift their eyes from the day job to see what other businesses are doing.

With that in mind, we've summarised the best practice we've seen from working with multiple clients on a range of sustainability reports – including mandatory statements, narrative reports and summaries designed to update specific stakeholder groups. We've divided our advice depending on the maturity of your reporting. In each area, we offer advice for those starting out, for those wanting to strengthen their approach, and for experienced reporters looking to cement their industry leadership.

Diagnosing your reporting pain points

The current trends in sustainability reporting summarised above will be familiar, however established your reporting programme – and potentially already affecting your organisation to a greater or lesser extent.

All these challenges can be addressed via various stages of the strategic planning and reporting process, but it's impossible to tackle them all in parallel. Success depends on identifying the business-critical issues and addressing them as a priority.

We have mapped each of the challenges against the key aspects of the reporting journey, enabling you to decide how to address issues and where to focus efforts. For example, if you are trying to determine how to adjust your reporting approach based on recent regulatory changes, start with reviewing your reporting strategy and then consider how it shapes your processes and data collection. Enhancing storytelling is a combination of reporting strategy and your approach to report content and structure.

At each stage, diagnostic questions help identify what you need to work on. Practical recommendations suggest a way forward.

Tactics to addressing reporting challenges through the key aspects of the reporting journey

	Reporting strategy (page 11)	Content & structure (page 13)	Data (page 16)	Reporting process (page 18)
Accommodating regulatory changes	●	●	●	●
Aligning with multiple frameworks	●	○	●	●
Planning for the transition	○	○	●	●
Telling your story	●	●	○	○
Grappling with new legal questions	●	○	●	●
Making general rules industry-relevant	●	○	●	●
Framing sensitive issues	○	●	○	○
Reporting on what matters to stakeholders	●	●	○	○
Maintaining and improving data quality	○	○	●	○
Engaging the business in reporting	●	○	○	●

Reporting strategy

Here are the key questions to ask as you review your sustainability reporting strategy. Assess each one on a scale like the one below, to reflect on how things are going:



- ❓ Does your reporting fulfil the needs of all key audiences?
- ❓ Does your reporting reflect your sustainability and business strategy?
- ❓ Does your reporting reflect your brand and unique approach to sustainability?
- ❓ Has your reporting generated the expected benefits for the business?

A sustainability report is your opportunity to update stakeholders on how the business thinks about, governs, and is addressing its social and environmental impacts. It also demonstrates how these are integrated into overall business strategy. As reporting becomes a mandatory requirement for more businesses, it's easy to lose sight of the business benefits behind these updates. There is also a tendency to focus on the needs of regulators over other stakeholders.

Our top tips to counter these issues are:



Understand the purpose and impact of reporting

While regulation is the driver for many, sustainability reporting delivers benefits beyond compliance, as we saw in the [Rationale for sustainability reporting](#) section. With regulatory requirements – particularly in Europe – in flux over the foreseeable future, it is critical for businesses to have a clear rationale for reporting.

► **Starting out.** Identify the primary business drivers for reporting (look back at [Rationale for sustainability reporting](#) for inspiration).

● **Evolving.** Assess your reporting against your primary business drivers (see [Rationale for sustainability reporting](#)), e.g. does it enable you to articulate and report against key risks and opportunities.

★ **Leading.** Conduct a gap analysis of your reporting to ensure that your business is reaping the benefit in all areas (see [Rationale for sustainability reporting](#)).



Get clarity on key stakeholder groups and their communication needs

A better understanding of your audience helps determine the tone, style and scope of communications. While it is easiest to start with a single output, as reporting maturity grows, it may be better to consider a differentiated communication strategy for each stakeholder group. This is particularly important where regulation mandates detailed disclosures that are less accessible to employees, customers and other stakeholders.

► **Starting out.** Map your key stakeholders across the value chain. Identify the issues of relevance to each group and ensure they are covered in your sustainability report.

● **Evolving.** Identify the best approach for communicating with each stakeholder group. Consider splitting your reporting output, e.g. a compliance-focused statement and a sustainability review.

★ **Leading.** Develop a multi-year vision detailing how your reporting evolves in line with stakeholder and business needs. Provide differentiated communications for each group based on information needs and media preferences, e.g. web, social media and video.



Bring your unique story to life

A carefully crafted sustainability narrative is essential to inspire action. It identifies the key issues and why they are important for your business. It also helps to show how your sustainability strategy is embedded within company activities. But it can be hard for your uniqueness to shine through in compliance-focused reporting. Determining the key messages helps to bring out your company story consistently in all outputs.

► **Starting out.** Map out the key sustainability messages for your business and explore how they fit with your company values and story.

● **Evolving.** Identify which key sustainability messages resonate most strongly with each stakeholder group.

★ **Leading.** Build a detailed message house tailored to each stakeholder group, ensuring key messages are reflected consistently throughout reporting and other sustainability communications.



Report content & structure

The following key questions will help you evaluate how well you are covering each of your material sustainability issues. Assess each one on a scale like the one below, to reflect on how things are going:



- ? Does the report cover all issues that are material to your business, taking account of positive and negative impacts, risks and opportunities?
- ? Is it easy for stakeholders to understand what progress you are making in key areas?
- ? Does the way you position issues accurately reflect your business' approach and progress?

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An effective sustainability report provides an overview of the business and its context.

It makes clear how progress towards the company's sustainability ambitions reduces risk and creates opportunities. The report complies with any mandatory reporting requirements. Ideally, it should also be engaging and accessible to all stakeholders. That's a lot to achieve in a single output, meaning that a suite of communications may be more appropriate (see [Reporting strategy](#)). Planning the content and structure in detail also helps.

Here are our top recommendations for great reporting.



Provide the full picture

Transparency breeds trust. Providing a clear picture of the actions a company is taking to address its material issues demonstrates a willingness to be held accountable for its impact. It also enables stakeholders to determine where a company is making progress – and where there is a need to accelerate efforts. Over time, this increases stakeholder confidence and company reputation.

► **Starting out.** Create a checklist, enabling you to track that you have covered all relevant E, S and G issues in your report, detailing your approach, target and progress in each area.

● **Evolving.** Build and include a detailed transition plan, showing investors that you have clearly mapped out the pathway to achieving your climate and nature targets.

★ **Leading.** Guided by your materiality assessment, decide how to cover issues that are important to stakeholders, but sit just under the threshold for materiality, e.g. via a dedicated section on the website.



Use frameworks effectively

Sustainability frameworks bring structure and consistency to reporting, setting out the most important disclosures in relation to each topic. They also drive greater transparency, encouraging businesses to cover more of the requirements within each set of guidelines. No framework is comprehensive, meaning companies often report to multiple standards.

► **Starting out.** Understand the frameworks that matter to your stakeholders and prioritise them. Use your chosen framework to build your reporting strategy, identifying the requirements you can meet now, and the work needed to align with others.

● **Evolving.** Review your current frameworks to ensure they remain appropriate as the business grows, and your reporting programme matures. Discontinue any that no longer meet business objectives, clearly explaining why in your report. Review data requirements under each of your chosen frameworks to identify the most granular requirements, setting the foundation for your data collection strategy ([see Data](#)).

★ **Leading.** As regulation evolves, map new requirements against existing frameworks to establish where and how to adjust your reporting approach and maximise efficiencies. Encourage greater transparency by collaborating on sector-specific reporting guidance and standards.



Focus on the structure and order of the content

Like a good story, a sustainability report needs a clear structure that guides stakeholders through all relevant environmental, social and governance (ESG) topics. This may be prescribed by regulation – for example, the CSRD requires the E, S and G to be covered in a defined sequence, though there is some flexibility to the order of topics within each area. If regulation is not a defining factor, it probably makes more sense to structure the report around the company's strategic pillars. In all cases, there should be comprehensive coverage of all material E, S and G topics.

► **Starting out.** Create a detailed outline setting out what will be covered in each section of the report, enabling you to check that all relevant E, S and G topics are fully covered.

● **Evolving.** Sense check your reporting structure for alignment with business and sustainability strategies, ensuring any red threads and strategic messaging come through clearly.

★ **Leading.** Consider a range of structures for different reporting or communication mechanisms matched to key stakeholder or audience needs.



Illustrate your story

Charts, graphics and case studies help bring a sustainability story to life, demonstrating what a commitment to climate action or health impact looks like in practice. With a greater focus on compliance, there appears to be less opportunity to integrate more creative and visually appealing elements into reporting. But using a mixture of text and visuals makes the reporting output more readable and creates collateral for use via other channels, which help tie your wider sustainability communications together.

► **Starting out.** Design for your audience, using charts, tables, graphics and other features to highlight the information of most interest to stakeholders.

● **Evolving.** Invest time in visualising your value chain. A powerful value chain graphic helps stakeholders to understand the business and importance of specific sustainability topics, making it a fundamental building block of your reporting.

★ **Leading.** Use case studies to demonstrate and reinforce the business benefits of sustainability initiatives. Colour-coding and signposting helps to differentiate them from more compliance-focused content and break up the report.



Focus on the business benefits

Sustainability initiatives, particularly in areas such as diversity, equity and inclusion, have come under fire over the past 12 months. The spotlight has been on investment in specific programmes and activities, not on the returns achieved, making it easy to question the business benefit. Reframing sensitive issues to focus on the business case for change is essential to reduce resistance.

► **Starting out.** Quantify and track the financial benefits of all initiatives – such as energy savings, waste reduction, and employee retention.

● **Evolving.** Clearly demonstrate how sustainability programmes are helping to mitigate risks, capitalise on opportunities, and increase business resilience.

★ **Leading.** Position sustainability as a competitive differentiator, highlighting how it is driving product innovation, differentiating your brand, or creating new revenue streams.



Sustainability data

These key questions help you isolate the factors affecting data quality. Assess each one on a scale like the one below, to reflect on how things are going:



- ❓ Does your sustainability data provide you with a comprehensive view of sustainability progress?
- ❓ Are there any data gaps you need to fill to achieve regulatory compliance and track business-relevant impacts?
- ❓ Is the data you publish sufficient to answer stakeholders' questions about your business?
- ❓ Is the way you collect data scalable and flexible enough to meet future reporting needs?

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A properly embedded sustainability strategy touches every part of the business, from procurement and materials sourcing to what happens after products or services are sold to customers. The amount of data to be gathered grows in parallel. For many companies, this throws up challenges relating to data collection, tracking and management – all of which affect data quality.

Key approaches for staying on top of sustainability data are:



Get to the bottom of the quality problem

Multiple factors affect the robustness, reliability, and utility of data, but we are quick to dismiss a dataset as 'bad' without truly questioning why. Improving data quality requires a forensic approach to assessing where the data is falling down and addressing challenges accordingly. There are five key characteristics to good data: accuracy, coverage, depth and completeness, access, and governance.

► **Starting out.** Establish your high-level data strategy, mapping out the data your organisation requires and prioritising data characteristics, e.g. whether coverage is more important than completeness.

● **Evolving.** Review your current data sets, identifying areas where there are quality concerns and determine what is affecting quality in each area.

★ **Leading.** Extend financial data management and audit processes to sustainability data, ensuring the same level of scrutiny is applied to both.



Systematically assess data challenges

Understanding the factors undermining data quality helps shape a differentiated data strategy that addresses specific challenges relating to accuracy, coverage, depth and completeness, access, and governance.

Team tip

“Don’t wait for or expect perfect data, just make sure you’re sharing methodology and assumptions, and being transparent about what’s left to do when it comes to gathering and improving the information that forms the foundation for your report.”

	Accuracy	Coverage	Depth & completeness	Access	Data governance
► Starting out.	Document methodology to understand what data are sourced directly and what are estimated. Don't forget to confirm your approach on the appropriate use of estimation.	Conduct a gap analysis to ensure you have data to track progress against each of your strategic sustainability targets.	Ensure stakeholders can understand progress over time by extending datasets to cover a minimum three-year period.	Engage internal stakeholders by providing them with regular updates on sustainability progress through team meetings, townhalls and other channels.	Agree core principles and processes for data collection.
● Evolving.	Explore the use of a sustainability data platform to collect and manage data, reducing accuracy challenges from manual processing.	Review current datasets against your chosen reporting frameworks to identify gaps in reporting coverage.	Review current datasets to ensure you are collecting data at the most granular level to meet requirements under your chosen or required reporting frameworks.	Map key functions to understand what sustainability data they need to improve decision-making and enable access.	Prepare for independent assurance of sustainability data by creating a governance framework documenting principles, processes, methodologies and data sources.
★ Leading.	Work with partners and suppliers to develop a consistent methodological approach to measuring supply chain impacts.	Establish a detailed data plan, identifying how to expand datasets as voluntary frameworks and regulation evolve.	Introduce regular training to raise employee awareness of the importance of quality sustainability data and engage them in supporting data collection.	Explore ways to put more data into the hands of individual functions, e.g. by using a sustainability data platform or building data dashboards.	Audit record-keeping and data management, including data sources, methodologies, and the rationale behind calculation of metrics to ensure full traceability.

Reporting process

Before updating your processes, ask these key questions to determine where there is room for improvement. Assess each one on a scale like the one below, to reflect on how things are going:



- ❓ Does your current reporting timeline and process deliver what you need?
- ❓ Is the report well-positioned for what lies ahead?
- ❓ Are all relevant functions involved in compiling report content, ensuring complete coverage of business activities?
- ❓ Has the report reached all your key stakeholder groups?

With requirements evolving constantly, there seems little scope for establishing a robust and repeatable process. It's tempting to believe that by keeping things fluid, the business is in a better position to accommodate whatever changes may be lurking around the next corner. But a clearly mapped-out process is the key to timely and efficient reporting that drives business value.

Here are our suggestions for an effective process:



Make time for planning

In any sustainability report, there's a lot of ground to cover, making effective project management essential. Careful planning ensures there's time to fully assess the reporting landscape and evolve your company's approach in response to changing frameworks and emerging regulations. It's also essential to be able to gather input from across the business, build a comprehensive and coherent story and meet reporting deadlines.

► **Starting out.** Start early and create a detailed project plan of the steps leading up to delivery of your report, from developing the outline through to publication. Getting input from across the business is time-consuming, so leave plenty of time for content gathering and review.

● **Evolving.** It's never too soon to plan for next year. Following publication, note what went well and what could be improved. Factor in future changes to frameworks and regulation, so there's time to build and collect any additional datasets.

★ **Leading.** Achieving and maintaining high levels of transparency requires information from across the business. Allow time in the plan for education and engagement, ensuring teams are fully briefed when you need their input.



Invest time to regularly review what matters

Assessing materiality is more than a tick box exercise – it defines the issues of importance that demand strategic attention. While detailed reporting requirements may evolve, companies will still be expected to reduce their most significant negative impacts and enhance the positive ones. Having a clear idea of what matters to the business provides much-needed focus within a shifting landscape.

► **Starting out.** Get a more granular view of materiality by looking at the impact of company activities on society and the environment, and how social and environmental issues could impact the company's future profitability.

● **Evolving.** Prepare for independent assurance by clearly documenting the process, assumptions, information sources and important changes at each stage of your materiality update.

★ **Leading.** Embed materiality by using assessment outcomes to inform wider corporate strategy reviews, risk management processes, and objective-setting.



Make the most of transition periods

Reporting requirements evolve continuously in response to shifting stakeholder expectations and new regulation. But big changes don't happen overnight – there is always a period of adjustment. Some businesses will always prefer to wait, only making changes to their reporting when they become mandatory. Making gradual modifications throughout the transition period reduces the impact of any change, eases preparation for new regulation and helps the business to bring stakeholders along on the journey. Incorporating more granular disclosure requirements ahead of regulatory deadlines increases transparency, enhancing trust and brand reputation.

► **Starting out.** Build a detailed timeline of future reporting requirements, enabling you to take a pragmatic view of the steps to compliance and prioritise actions. Critically review current reporting to identify areas of weakness, e.g. more limited coverage of social or governance matters than environmental issues.

● **Evolving.** Review the impact of regulatory requirements on individual business units to identify where requirements will impact specific regions in advance of the wider business, and to assess readiness. Benchmark your current report against future requirements to identify data and information gaps, informing your reporting strategy.

★ **Leading.** Build a cross-functional team to monitor the regulatory landscape, helping predict future requirements and emerging liabilities early. Review phase-in requirements and voluntary frameworks to identify where the business could increase transparency beyond core regulatory requirements.



Engage the business in reporting

Ensuring that reporting covers the full scope of the organisation's activities requires input from all functions. Effective engagement shows employees from across the business how sustainability is relevant to their job, as well as helping make report production easier. It can also support delivery and integration of your sustainability strategy by building knowledge and capacity across teams and functions.

► **Starting out.** Assign executive sponsorship, helping boost engagement around information gathering and data collection.

● **Evolving.** Create a briefing or training to raise awareness of sustainability reporting, including any regulatory requirements, helping employees to understand why you need their support.

★ **Leading.** Develop an engagement plan, detailing the reporting input required and the benefits of involvement tailored by function.



Pin down your distribution strategy

Sustainability reporting is designed to update key stakeholders on progress against your strategic goals. Producing a report is meaningless if it doesn't reach the people interested in hearing about company progress. Maximise the benefit of company reporting activities by ensuring there's a dedicated distribution strategy in place.

► **Starting out.** Work with marketing to understand which platforms your stakeholders use, e.g. website, social media, etc., and ensure you share your report across all relevant channels. Create a list of sustainability highlights to help employees across the business talk to their teams, suppliers and customers about progress.

● **Evolving.** Identify the updates of interest to each stakeholder group, helping plan the key messages to be highlighted in employee townhalls, customer communications and investor briefings. Update the website, company presentations and other outputs to ensure alignment of key messages across all communications.

★ **Leading.** Develop a series of supporting materials, e.g. summary reports, infographics and films, to communicate progress to specific stakeholder groups. Create collateral and briefings for sales and marketing teams on sustainability progress, enabling them to effectively communicate progress to customers.



Conclusion

For years, there has been a steady rise in sustainability reporting – driven by regulation and a growing trend for reporting frameworks. It has been easy for sustainability professionals to get swept up in this current and feel like they have to paddle at breakneck speed just to keep pace with broader and more stringent requirements. In the process, we lose sight of the wider impact and purpose of sustainability reporting.

The regulatory rollback signalled by a change of political regime in the US and announcement of the Omnibus Simplification Package in the EU seems like another challenge thrown into the mix. It certainly adds to the confusion.

But perhaps we've reached a welcome patch of slack water – a point where we can all take time to consult the map and confirm we are paddling in the right direction. We hope this guide provides you with some friendly advice to help with that. We also wanted to inspire you in the next phase of your sustainability reporting.

If you want a partner to support you on the journey, Context Group has over 25 years of sustainability strategy and reporting experience across a broad range of industries. Knowledgeable about the major sustainability reporting frameworks and with a proven track record of supporting clients with their reporting vision and strategy, we'd love to help.





Contact

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