

CONCEPTS

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SUSTAINABILITY REPORTING: WHAT IS JUST RIGHT FOR YOUR ORGANIZATION?

As the need to demonstrate sustainability continues to become more important for municipalities, companies, and institutions, voices demanding transparency and accountability are growing louder.

Disclosing sustainability planning efforts and results helps satisfy stakeholder demands for transparency. These efforts require a good deal of vision and strategy. Revealing too much or too little each has its own risks.

What do you do?
What protocols do you follow?
How do you spend your time and resources?

Aggressive sustainability reporting protocols are being used by a variety of organizations and becoming commonplace to frame communication with stakeholders. These standards focus on a customized mix of social, economic, and environmental metrics or indicators (triple bottom line). The selected metrics or indicators are intended to increase transparency so stakeholders have a better view of the organization's true performance and ability to stay healthy in the long term. These stakeholders include: a municipality's residents and business owners; a company's customers and shareholders; or an institution's patients, students, alumni, and faculty.

The benefits to an organization that tackles quality sustainability reporting are clear: it

allows them to demonstrate their interest in both the internal and external community; it builds trust and promotes transparency; and solicits feedback on performance from a diverse set of stakeholders.

As a practical matter, there is no need to tackle every sustainability-related issue on the horizon. An organization should focus on its core value issues, or core performance indicators, that are relevant to its operations and activities. Determining the "materiality" of each focus area allows an organization to use its limited resources to analyze the issues that will resonate with its stakeholders. For instance:

- A manufacturer could focus on improving the recycled content of its product instead of investing in selected high-cost, low-return alternative energy technology that does not support its core values.
- A city could evaluate and report on its "walkability," which measures how friendly an area is to walking, and includes a variety of indicators such as safety, access to businesses or schools, and connectivity to public green spaces.
- An institution might focus on the efficiency of how it delivers core services

with respect to economic and social considerations.

Determining the best sustainability reporting framework to adopt is dependent on your organization's structure and objectives for reporting. Common frameworks like the [Global Reporting Initiative \(GRI\)](#) are well-suited for a multinational corporation but may be too lengthy and complex for organizations like municipalities or small businesses. ICLEI – Local Governments for

AN ORGANIZATION SHOULD DEVELOP A RELEVANT FRAMEWORK BASED ON SUITABLE PROTOCOLS THAT IS CHALLENGING AND HELPS IT TO IDENTIFY, DELIVER, AND TRACK SUSTAINABLE OUTCOMES.

Sustainability offers a tool-kit and guidance to its municipal members. There are also sector-based frameworks that may be explored for universities, hospitals, and non-manufacturing

companies. Protocols should be looked upon as reference tools, not requirements. Because there are no mandatory or market-preferred protocols, an organization should develop a relevant framework based on suitable protocols that is challenging and helps it to identify, deliver, and track sustainable outcomes.

The major focus areas for measuring sustainability success include environmental, economic, and social.



Sustainability Planning in Practice

FTC&H is helping a diverse set of clients define sustainability plans and connect programs to their overall strategy. Our team of engineers and scientists are helping guide a collaborative sustainability planning process of selected counties and cities in Michigan. These projects help define and catalog the best planning practices and ultimately draw them together into a tool-kit for use by other communities. One of FTC&H's large industrial clients needed help developing greenhouse gas inventories for its global manufacturing operations. This simple project demonstrated how interconnected the energy consumption and environmental issues were. Management realized the need for more comprehensive sustainability planning, and they looked to FTC&H to provide support. Our integrated multidisciplinary teams developed programs to help the client satisfy its triple bottom line.

TABLE 1.

Examples of Key Indicators

Organization Type	Desired Outcome	Environmental	Economic	Social
Municipality	Reliable water services	Water consumption per capita	Cost of water supplied per capita	Number of annual boil water alerts
Industrial	Reduced energy in manufacturing operations	Greenhouse gas emissions, indexed to production	Energy costs	Greenhouse gas emissions avoided, in metric tons
Education	Green infrastructure	Stormwater managed onsite, gallons per year	Building energy index	Research dollars connected to green infrastructure
Health Care	Improved medical waste management	Waste generation, per patient	Cost of waste management, per patient	Community sharps program
Small Business	Business longevity	Life cycle assessment of products or services	Customer base diversity	Management transition

Many indicators fit into all categories depending on how they are defined by the organization and the metrics selected to define the baseline conditions and target outcomes. Examples of key metrics or indicators are in table 1.

It is most beneficial to include narrative and metrics for all three focus areas—social, economic, and environmental. How much emphasis is placed on each of the three areas will be guided by the organization. The environmental effects of some organization activities may be quite small and further reducing them would make little economic or social sense.

There is tremendous flexibility in how an organization can present its progress and results. Some organizations rely strictly on presenting goals and progress in the form of metrics. Others

present long case studies on programs developed specifically to improve the organization's sustainability.

MAJOR FOCUS AREAS FOR MEASURING SUSTAINABILITY SUCCESS INCLUDE ENVIRONMENTAL, ECONOMIC, AND SOCIAL.

It takes consistent evaluation and attention. As an organization moves forward through its sustainability planning and reporting activities, the qualitative naturally moves towards the quantitative. Complexity increases. The meaning of its efforts and results increases.

To avoid some of the pitfalls to sustainability reporting, an organization could hire a third party to verify the sustainability report. This may improve the credibility and transparency of the information

provided. The results of the external verification can help an organization reevaluate and strengthen its framework for future improvements.

CONCLUSION

Careful sustainability planning and reporting can enhance an organization's longevity and reputation. The key is to stay focused on sustainability practices and indicators related to core values. Start small. Establish goals that challenge the organization. Define and measure the key indicators early. Create a sensible path for the organization. Stay focused on the triple bottom line.

For more information regarding sustainable reporting, please contact Michele Buckler, P.E., LEED AP BD+C mjbuckler@ftch.com.

