

Communicating on sustainability issues: a three-part course for SMEs



About the course

This course supports SMEs to meaningfully show the important and complementary ways they are acting responsibly and contributing to the Sustainable Development Goals (SDGs). For example:

- How they are tackling their impacts on people, the planet and prosperity that are connected to their activities as part of doing business in a complex world;
- How assessing their impacts is the basis for figuring out risks and opportunities;
- That they are building a sustainable business and contributing to sustainable development.

Course structure

Part 1: Introduction to sustainability and communication methods

Part 2: Determine your company's sustainability issues

Part 3: Important information to communicate.

Why take the course

The course help SMEs to communicate meaningfully on sustainability issues connected to their business (bearing in mind that no organization has a perfect story to tell). It recognizes the importance of being profitable and sustainable. Specifically, the course helps SMEs to identify:

- Why they should actively communicate on their sustainability issues;
- Whom they should communicate information to and how best to do so;
- How to realize the benefits of telling their story openly;
- How to determine their sustainability issues; and crucially,
- What information they need to disclose.

Who is the course for?

It is aimed at small and medium-sized enterprises in any sector / geography that are starting to communicate on sustainability issues and those that wish to improve their communication.

Disclaimer: *This course draws on examples of effective communication by companies. It is not intended as a certification tool.*



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Part 1: Introduction to sustainability and communication methods



A. What are sustainability issues and the SDGs?

Sustainable development is defined by the UN as development that meets the needs of the present without compromising the ability of future generations to meet their own needs. When hearing words like “sustainability” or “sustainable development”, people tend to think of environmental issues, such as renewable energy or carbon emissions. However, sustainability also covers a much wider range of issues affecting people, planet and prosperity. Examples include human rights issues, such as child labour or rights of indigenous peoples, procurement practices or biodiversity.

Our world is changing at breakneck speed. One major sustainability challenge is the rapid growth of the global population, which is increasing demand for goods and services. In principle, this is good for business. However, the challenge for Governments, business and society is to meet this growing demand despite the depletion of our available natural resources.

We all make positive and negative contributions to sustainable development through our activities and relationships, so we all have a role to play in achieving a sustainable future.

Governments are no longer considered solely responsible for building and maintaining sustainable societies; corporate actors and the private sector also have an important role to play. This approach is anchored in the UN’s Sustainable Development Goals, which were launched in 2015.

What are the Sustainability Development Goals?



The Sustainable Development Goals (SDGs) are an intergovernmental set of 17 aspirational goals, incorporating 169 targets. The SDGs call for worldwide action by governments, business and civil society to end poverty and create a life of dignity and opportunity for all, within the boundaries of our planet. The SDGs cover a wide spectrum of topics relevant to companies that help to connect business strategies with global

priorities. The SDGs provide a vision of a sustainable future and propose actionable targets for today's major sustainability challenges, including:

- Poverty
- Climate change
- Water scarcity
- Food insecurity
- Waste and pollution
- Inequality
- Human and labour rights
- Urbanization
- Corruption.

Such issues are large and complex. They involve a host of actors including governments, global citizens, civil society, international and regional institutions and financiers. They also involve business – but how can your company get its head around these enormous challenges?

Ice-breaker activity: How do sustainability issues relate to you?

Take a few minutes to think about how some of the sustainability issues mentioned above are related to:

1. You, as an individual, and your family
2. Your company
3. Your company's operational environment

Note down your thoughts.

B. Why and how to communicate on these sustainability issues?

Why communicate on sustainability issues?



SMEs form the backbone of national economies and a key part of global value chains. Individually, SMEs have relatively small environmental and social impacts. However, their collective impacts are significant.

According to the World Bank, SMEs contribute significantly to GDP and play a crucial role in creating employment.

SMEs are, therefore, very important players in both global and local economies; they can encourage responsible consumer behaviour and forge partnerships with stakeholders affected by their activities.

The business case

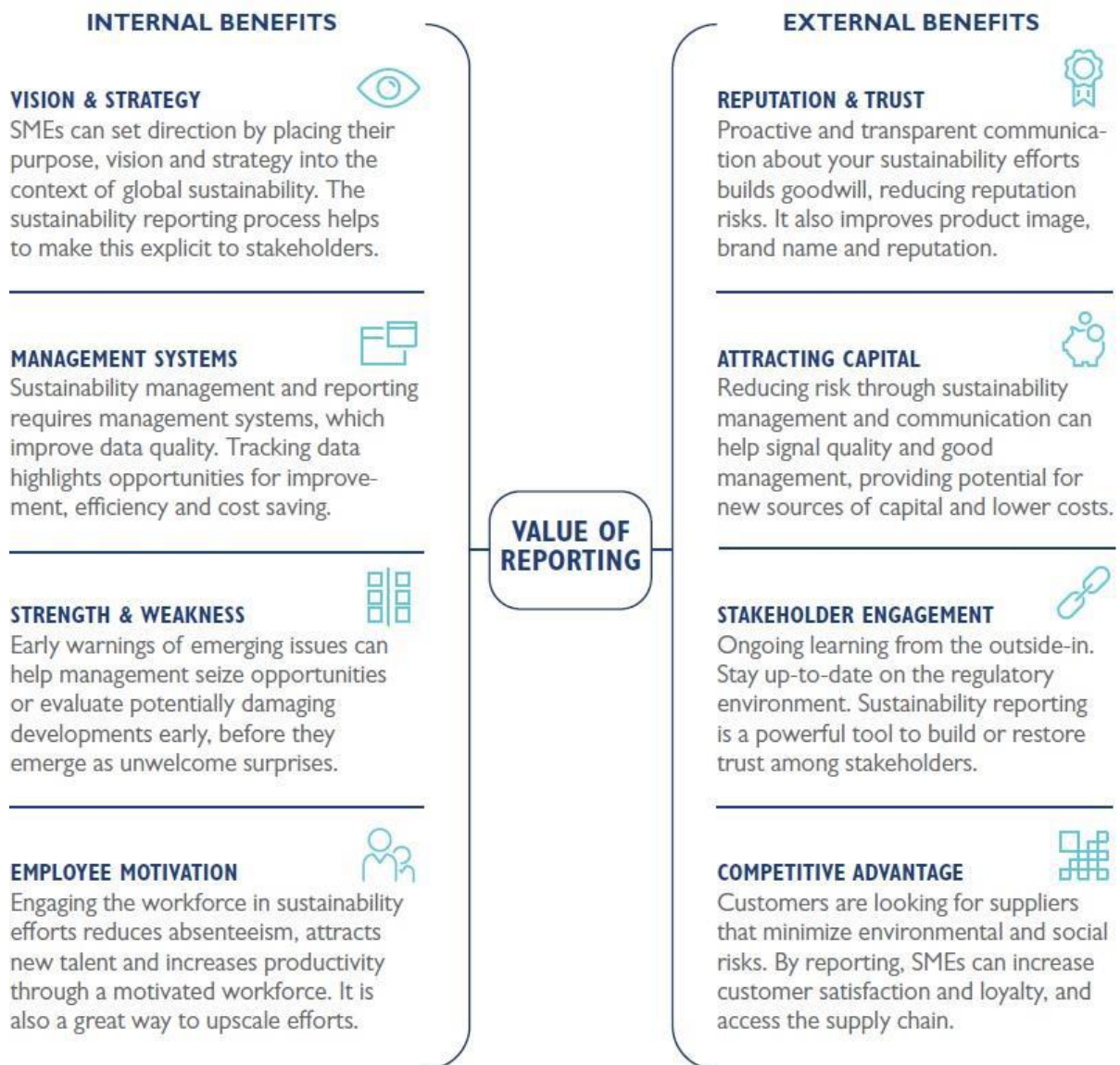
Know and show: a company should *know* the risks to people, the planet and prosperity that are connected to its business. It should also *show* how it is addressing these risks to make a positive contribution to sustainable development.

Advantages of communicating publicly:

- Allows the company to review the effectiveness of its policies, systems and performance. Also allows the company to identify ways to further manage risks and contribute positively to people, the planet and prosperity.
- Allows the company to comply with terms of contracts on disclosure (i.e: buyer audits and supplier codes of conduct).
- Presents a number of business opportunities:
 - An improved profile (brand awareness);
 - Enhances reputation and trust;
 - Helps attract and retain the best staff;
 - Strengthens existing business relationships;
 - More commercial gains;
 - Access to new markets;
 - Retaining and attracting access to capital; and
 - Provides the potential to develop new and innovative products and services.



The value of communicating and reporting



Click to read: [Small Business, Big Impact: SME sustainability reporting from vision to action](#)

How do you communicate meaningfully? Some nuts & bolts

Communication tools

- Company reports (i.e: annual report – useful for investors and specialists);
- Company website and online/social media tools;
- Internal newsletters;
- Team meetings;
- Consumer communication (information in stores or on products);
- Responding to requests for information such as audits, buyer codes of conducts, and ad-hoc enquiries;
- Responding to visits by a buyer;
- Formal/informal lines of communication with workers and suppliers (i.e: works councils, workers' committees, face-to-face meetings, and public forums);
- Storyboards, cartoons or plays (i.e: for members of local community where there is low literacy or other communication barriers. It's also important to consider cultural context and seek advice of local organizations).



Style

- Start with clear narrative text to concisely explain the foundations for the communication;
- Add key performance indicators, tables, graphics (with key messages and statistics), graphs, photos/images to complement the text.

Frequency

- Communicate / respond in a timely manner to realize the advantages of communicating on sustainability issues;
- Demonstrate progress over time (i.e: continuous communication/reporting that builds on what was previously said);
- As a general rule, companies are encouraged to report every year, especially to communicate their progress in managing their priority sustainability issues.



Stakeholders

Consulting with and communicating information on sustainability issues to various stakeholders is a critical piece of work.

Engaging with colleagues, partners and external stakeholders allows companies to identify and respond to their biggest risks and impacts.

It is crucial to have senior management engagement throughout the process. While communicating does not need to be expensive, consideration should also be given to possible costs such as staff time, convening meetings, report layout and printing.

Various stakeholders can be engaged through different means. For example:

Stakeholders	Examples of information they may wish to know or provide	Examples of engagement approaches
Staff, employees and workers	Equal pay for equal work, health & safety practices, policies on overtime, inclusion and diversity, etc.	Surveys, meetings, trainings, works councils, etc.
Business partners (suppliers, contractors, joint venture partners)	Product safety, procurement practices, hiring practices and labour conditions, waste and water management, energy consumption, etc.	Meetings, calls, trainings, surveys, contracts, reports, etc.
Trade Unions	Collective bargaining, freedom of association, etc.	Works councils, workers' committees, etc.
NGOs	Labour conditions, impacts on local communities, waste and other environmental impacts, inequality, corruption, remediation, etc.	Reports, meetings, news stories, campaigns, multi-stakeholder initiatives (MSIs), etc.
Local communities	Approach to Free Prior and Informed Consent (FPIC) with regards to rights of indigenous peoples, operational level grievance mechanisms, environmental impact at local level, etc.	Storyboards, cartoons or plays, meetings or public forums, etc.
Customers and consumers	Product safety, labour conditions, waste management including recycling, etc.	Labelling, certification (where appropriate), company reports, news stories, etc.
Law-makers, regulators and local authorities	Financial information, compliance with local laws, etc.	Annual reports, compliance reports meetings, etc.
Investors, shareholders and financiers	Financial information, compliance with local laws, risk management (environmental, social, economic, labour etc.)	Annual reports, compliance reports, meetings, news stories, shareholder resolutions, etc.
Media	Companies' response to any significant risks and major impacts, etc.	Press release, interviews, annual reports, etc.

Part 2: Determine your company's sustainability issues



There are three broad ways in which a company can impact on people, the planet and prosperity:

1. Companies can *cause* impacts. For example, if workers are injured due to unsafe working conditions, or if a company pollutes a river because of its poor waste management (in some parts of the world, this can also particularly harm women and girls who may be responsible for water collection in the community).
2. Companies can *contribute* to sustainability impacts. For example, companies can contribute negatively if their purchasing practices result in the supplier forcing its workers into unpaid overtime to meet the order. Alternatively, a company can contribute positively through the development and supply of critical medicines and health services.
3. Finally, sustainability impacts can be *directly linked* to a company's operations, products or services by their business relationships. For example, if child labour is used in the making of one of its products.

Acting responsibly in today's world means:

- Looking primarily at risks to people and the planet not just risks to business.
- Understanding and addressing how a company impacts on people, the planet and prosperity when it *makes* its profits above philanthropy-style activities when a company *spends* its profits.

How to determine your company's sustainability issues

Step 1: Look at the company's core business functions, systems, operations, business partners and operating contexts and the wider value chain.

Step 2: Identify whom to consult with in order to determine the company's sustainability issues. Understand why, how and when to engage with those people.



Step 3: Identify and assess which sustainability issues relate to those different business functions, systems, operations, partners and operating contexts, and how. Practical suggestions:

- Consult with affected individuals and experts (stakeholders).
- Look at previous communication efforts as context.
- Look at what your peers – operating in the same sector/geography – are doing/saying.
- Look at trends and other external reports (NGOs) and media stories.

Step 4: Create a prioritized list of the company's biggest sustainability issues based on how great/severe the risk and impact is to people, the planet and prosperity.

Exercise: Start listing your company's activities and related sustainability impacts.

<u>Activity</u>	<u>Sustainability impact(s)</u>
a.	
b.	
c.	
d.	

Exercise: Consider how to engage with your stakeholders to receive their inputs on sustainability issues.

<u>Stakeholder</u>	<u>Communication method</u>	<u>Inputs</u>
a.		
b.		
c.		
d.		
e.		
f.		
g.		
h.		

Part 3: Important information to communicate



Below are five key bits of information that should be communicated to allow others to understand what the company does and how it meaningfully identifies and addresses its sustainability issues. How you choose to present this information depends on whether you are communicating informally or reporting formally.

i. Your company information. Describe:

- What your company is/does;
- Where it is headquartered and where it operates;
- Its top governance structure;
- Its values, ethics codes, and commitments;
- Which standards, benchmarks, and tools it follows, and relevant partnerships/collaboration;
- How many people it employs: breakdown by region, gender etc.;
- Affected stakeholders: workers/employees, affected communities, customers, business partners (suppliers, contractors etc.), industry bodies, trade unions, NGOs, shareholders, financiers, government, regulators, etc.

ii. Describe what your company's priority sustainability issues are (i.e: those based on how severe the risk and impact is to people, the planet and shared prosperity) across its operations and value chain.

iii. Describe how your company identified its sustainability issues.

iv. Describe with whom (internally and externally) and how the company engages key stakeholders on sustainability issues.

v. Describe your company's management of its sustainability issues:

- Start with narrative text (it's the foundation of communication and ensures context). This can be strengthened by including targets and efforts to measure progress, performance indicators (KPIs) and graphics (where relevant).
- Information to communicate:
 - How the company prioritizes which risks and impacts to tackle first, based on how severe they are to people, the planet and prosperity;
 - What policies your company has to address its sustainability issues;
 - Who (which functions) inside the company leads on managing risks;
 - What the company is doing in concrete practical terms to prevent and mitigate impacts and achieve positive outcomes;
 - How the company responds if incidents nevertheless occur;
 - How it knows if its efforts are working;
 - Any significant changes since the previous communication effort/report.

Reminder: See information on “How to communicate meaningfully: some nuts & bolts”.

Supporting information

Useful documents

- Small Business Big Impact - [SME Sustainability Reporting: From vision to action](#)

Useful links

- International Organisation of Employers ([IOE](#))
- Global Reporting Initiative ([GRI](#)) and [GRI Sustainability Reporting Standards](#)
- Sustainable Development Goals ([SDGs](#))
- UN Guiding Principles on Business & Human Rights ([UNGPs](#)) and [UNGPs Reporting Framework](#)
- UN Global Compact ([10 principles](#))
- Integrated Reporting ([IIRC](#))
- Carbon Disclosure Project ([CDP](#))
- [How the EU is implementing the SDGs in its development policy](#)

