

Annual Reporting

A guide to reporting on sustainability in annual reports

This document provides practical guidance on how to include a sustainable development section in your annual report

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This guidance was prepared with the support of [WRM](#) and [NetPositive](#)

1. Introduction

1.1. Why is Sustainability Reporting Important?

Sustainability reporting enables organisations to assess, understand and communicate their environmental, social and economic performance. By collecting and analysing this information regularly, it ensures that change can be measured effectively against goals and targets. A successful sustainability report transparently communicates both the positive and negative impacts of performance and the resulting impact. Sustainability reporting is also:

- [A mandatory requirement](#) for NHS Trusts and CCGs as part of their annual report.
- [Supportive of the assurance process](#) for meeting legal, reputational and policy requirements.

1.2. Benefits

There are numerous benefits to sustainability reporting for your organisation. It helps you to:

- [Make informed decisions on future activity](#); by understanding the impact of your programme and giving you an accurate insight into risk and opportunity.
- [Engage staff and stakeholders in your sustainability agenda](#); by sharing success stories and thanking them for their contributions.
- [Influence long-term strategy and policy](#); by evidencing the triple bottom line benefit to sustainable development.
- [Improve your reputation](#); by highlighting progress and benchmarking and comparing against peer organisations.

To streamline and simplify the reporting process, the Sustainable Development Unit (SDU) has created a [standard template](#), tailored for NHS Trusts, Foundations Trusts and CCGs to report resource data, profile procurement spend and calculate CO₂e emissions.

1.3. Commissioner or Provider?

All NHS organisations are required to provide a sustainability report; and while the *process* for reporting (set out in *Section 2* below) is similar for both Commissioner and Provider, the *content* will differ as they direct efforts to the areas where they can make the biggest impact.

- [For CCGs](#), how they design and contract services, drive efficiency and influence sustainability across their supply chain will be the key focus.
- [For Trusts and other healthcare providers](#), their business operations, service delivery and procurement activity will be the key focus.

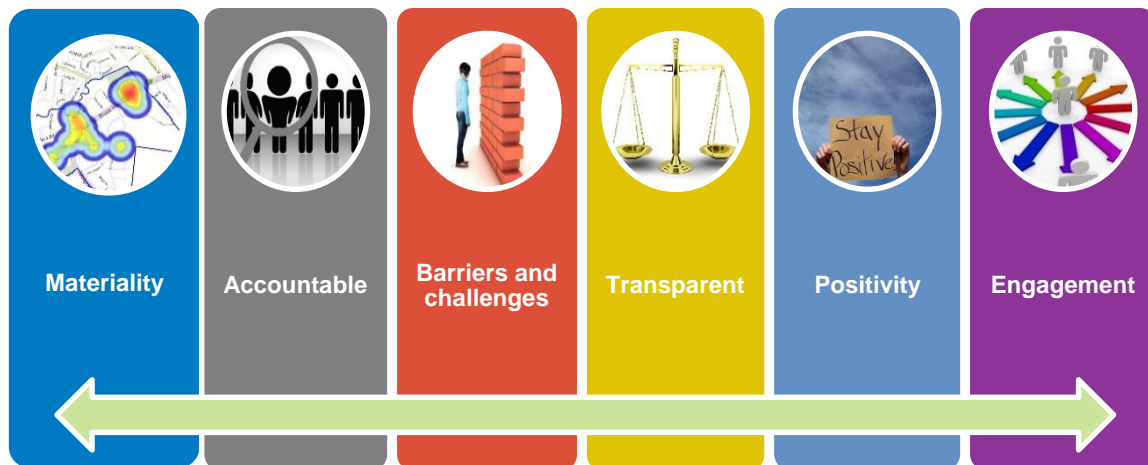
It is important however to highlight the link between the sustainability reporting of Commissioner and Provider. Reporting from CCGs can actively support and encourage providers, large and small, *and* their suppliers to improve resource efficiency, reduce environmental impacts and improves public health. Provider reports present the evidence that they have not only achieved their own goals, but those of their commissioners too.



Both approaches align with national expectations of the: NHS Constitution, Public Health Outcomes Framework, Public Service (Social Value) Act 2012, NHS Standard Contract (Clause 18) and increasingly in line with the expectations of the CQC.

2. Process

Whether Commissioner or Provider, there is a globally recognised process for developing a sustainability report – this has been adapted for health and care organisations.



2.1. Scene Setting & Accountability

Good governance structures are imperative to good sustainability reporting. It provides the reader with assurance that the organisation is taking this agenda seriously, and you should clearly set out who is the overall accountable officer for sustainable development, along with other key players in the delivery team. Include a paragraph here to 'set the scene' with your sustainability vision and objectives.

The rest of your report (below) should tell your story of whether or not these objectives have been met, or why they haven't - and how you intend to move forward.

2.2. A Materiality & Hotspot Approach

You are likely to have undertaken a number of work streams, projects and mini-projects throughout the year which make up your full sustainability programme; so how do you decide what to report on?

- A 'materiality' or 'hotspots' approach is where you report on activity identified as having the most significant sustainability impact both based on your organisational objectives (e.g. financial savings, improved patient experience) and environmental impacts (e.g. a CO₂e breakdown shows that energy and travel are the majority of your direct impact).

This focused approach enables you to set out a sustainability report that matches your major drivers, allows comparison and trends and clearly illustrate progress.



2.3. Engagement - Internal & External

As well as reporting on the material (linking to objectives) and hotspot (high impact areas) it will be important to identify and report on issues that are important to your stakeholder groups, for example; your staff, the Board, your members, the public. Engage with your key internal and external stakeholder groups and collaborate with them as you design your report layout and content. This will highlight to your stakeholders *their* importance in helping you to achieve your sustainable development goals.

2.4. Define Barriers & Challenges

Each organisation has their own unique barriers and challenges to sustainable progress. These limitations should be recognised in your report and supported by a solutions-based approach. For example; a common challenge many face is staff engagement in the sustainability agenda; to make it easier for staff to connect, you may have decided to take a '*one step at a time*' approach for the different messages and campaigns. Whilst this may have slowed the introduction to the overall programme, the benefit is that staff are not overwhelmed with new ideas and ways of working and the effect on change is long lasting.

2.5. The Value of Transparency

Good sustainability reporting is about presenting evidence, whether it appears positive or negative to the programme goals. A good report is balanced in the information it reports, which means celebrating success whilst critically analysing areas where performance is lower than expected. This constructive approach analyses 'why' the short term may not have worked, and supports a shift change where necessary to help you meet the long term goals.

Whilst it will be important to report on things that have not worked well this year, you should do so through a positive lens. Energy consumption may have decreased overall during the past year, whilst water consumption has increased. Reporting the data trends is important, but robust reporting comes from identifying the reasoning behind the trends.

For example, the installation of more efficient boilers may provide better energy efficiency, or water consumption may have increased from the development of a new building. Reasons for change provide tangible context that can be acted upon, resulting in a positive sustainability report. Managing the outcome by highlighting future plans to resolve issues is a straightforward way to bring positivity back into context.

Transparent reporting also enables risks and opportunities to be identified. Take an active approach to influencing change by detailing the relevance and implications of risks and opportunity to your organisation, and set out actions to maximise and mitigate accordingly.



2.6. A Positive Approach

Climate change can be a daunting subject. A focus on risks and threats could easily put sustainability into the “too hard” box. Keeping the language and style of your reporting positive and solutions focused, even when tackling difficult issues will help keep your audience engaged.

The SDU have created the [Route Map](#): a framework for action to help organisations develop a sustainable health system. The table below from the Route Map exemplifies the positive approach.

From	health and social care as institution led services based on needs	To	community focussed health and social care based on needs and assets
From	a predominantly medicalised approach	To	a more holistic approach that empowers individuals and communities
From	a focus on sickness	To	a focus on being well
From	professional centred	To	person centred
From	isolated and segregated	To	integrated and in partnership
From	buildings	To	healing environments
From	decision making based on today's finances alone	To	decision making that also accounts for current and future impacts on society and nature
From	single indicators and historical measurements	To	multiple balanced scorecard information in real time
From	sustainability as an add on	To	integration in culture, practice and training
From	waste and overuse of all resources	To	a balanced use of resources where waste becomes a resource
From	nobody's business	To	everyone's business



3. Sustainability Reporting Checklist

The following checklist is a guide for how to frame and shape your sustainability report.

Accountability

Sustainability vision & leadership statement <i>A guiding statement on sustainability with leadership endorsement</i>	
Accountable people <i>Outlining who is accountable for sustainability</i>	

Context

Examples & case studies <i>Support information with real examples</i>	
Benchmarking <i>Comparing performance internally (historical trends) and externally (similar organisations)</i>	
Survey results <i>Support information with data collected from key stakeholders (e.g. staff, public)</i>	
Stakeholder engagement <i>Outlining who key stakeholders are and the role they play in the sustainability agenda</i>	
Barriers & challenges <i>Reference to the unique obstacles faced in achieving sustainability goals</i>	

Foundations

Plans <i>The structure of sustainability agenda (e.g. travel, carbon management, SDMP)</i>	
Frameworks <i>Supporting programs for the local community (e.g. local frameworks, resilience)</i>	
Sustainability Integration <i>Examples of how sustainability is embedded into the organisation (e.g. models of care)</i>	
Future <i>Future plans and projections for achieving sustainable development goals.</i>	

Measurements

Targets <i>Resource use and reduction aims</i>	
Quantitative & qualitative measures <i>Numerical and narrative evidence</i>	
Trends <i>Showing change year on year</i>	
Progress on objectives <i>Putting measurements into context of aims</i>	
Indirect impacts <i>Accounting for indirect impacts of organisation (e.g. procurement)</i>	
Core reporting on material sections <i>Fulfilling minimum sustainability reporting obligations</i>	



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