

What makes a trustworthy ESG report?

如何建立可信的環境、社會及管治 (ESG) 報告

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As specialists in Environmental, Social and Governance (“ESG”) reporting, we often find ourselves pondering the ultimate question in our line of work. How can you report your ESG efforts to convince institutional investors about the long-term sustainability of your strategy, employees to feel proud to be the representative of your business, and the public to acknowledge the societal value of your company's presence? Assuming you have run a stellar year full of concrete ESG results, here are the five areas we believe you should address, in order to craft a sustainability report that builds trust with your stakeholders.

1. CONVEY PURPOSE AND DIRECTION

Make sure your efforts are well-thought-out can go a long way to inspire trust.

Be sure to explain how your CSR efforts align with your mission, values and guiding principles - things you likely already have as part of your corporate identity. Having defined values and clear purpose signals maturity, commitment, and consistency – signs that you will not lose sight of what you stand for, even when life throws you one curveball after the next.

Addressing your values at the executive level is a good sign that they're not just lip service; that there's actual leadership commitment to reinforce these values throughout the organisation itself. Lenovo's CEO Yang Yuanqing certainly seems to understand the importance of values and commitments. In his executive letter, he clearly mentioned how Lenovo's entire workforce are united by the credo of “We do what we say, we own what we do, we wow our customers.”

2. DEMONSTRATE RELEVANCE

No matter how well thought through your CSR efforts are, it is meaningful only to those most affected by your business - your stakeholders. The goal is therefore not simply to inspire trust, but to build trust with the right people. That is why materiality assessments and stakeholder engagements have to be done carefully and meaningfully. From a reporting point of view, clearly demonstrating alignment between your efforts



and the concerns of your stakeholders goes a long way to show that you have carefully mull over the specific nature of your business impacts.

Another useful means to demonstrate the relevance of your sustainability efforts is aligning them with international norms. For that purpose, the United Nations Sustainable Development Goals (“SDGs”) are as universal as it gets. They establish a common language to address the biggest global concerns. Speaking that common language helps readers understand the broader relevance and context of your sustainability efforts.

3. BE TRANSPARENT

The more relevant information you voluntarily disclose, the more truthful your report would be. Include plenty of supplementary information explaining your data, figures, and conclusions and couple that with external assurance to make a trustworthy report.

But perhaps the most important indicator of transparency, and also the most difficult step for many to take, is the willingness to talk about your successes AND shortcomings. After all, no one is perfect. There is always room for improvement. In other words, acknowledging both the good and the bad goes a long way toward humanizing your efforts and acknowledging specific problems to be solved, otherwise your narrative would just seem biased and frankly, “too good to be true”.

4. ENSURE ACCESSIBILITY

The last thing you'd want is for your readers to be frustrated by a poorly presented report. If your report is difficult to find, or its contents and structure are hard to follow, then it is difficult to for your report to have

substance nor impact.

Use simple and concise language throughout, avoid overly complex sentences. Make supplementary information as well as relevant contacts easily found via direct web links. And structure the report so that different stakeholders can quickly find sections of information that's relevant to their unique concerns. Such is exactly what MTR has done in its report. Written not only in a language and format that is easily understood, the report is presented via a dedicated report microsite and interactive PDF file that makes finding information from different sections and topics a breeze. To top it off, the report includes supplementary “Did you know?” sections that provide further explanation about important relevant information, such as how their business model works, and even an overview of the ISO 14001 standard that they adhere to. They have made it simple enough that even a beginner in sustainability reporting can quickly grasp its contents.

5. HARNESS THE POWER OF STORYTELLING

Storytelling is of course extensively used in marketing and advertising, and it is entirely possible to harness the power of storytelling in the narrative of your sustainability report. Now the million-dollar question: What makes a good story?

Take the MTR report as an example. They reckon telling the story of their stakeholders is a powerful means to establish compassion for the value that MTR brings to society. In its latest sustainability report, MTR included links to 10 “stories”, each telling the tale of an ordinary passenger with ordinary

struggles, whose life has benefited from MTR's services. These stories, although hardly extraordinary, can be easily related to many Hong Kongers. The inclusion of stakeholder voices humanizes the MTR report that few others have attempted.

Conclusion

Your sustainability report is a valuable opportunity to tell your company's story, open a window to make a good impression and engage your stakeholders during your sustainability journey. Make it count. 

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即 是作為環境、社會及管治報告的筆者，亦經常就終極問題深思：如何匯報企業在環境、社會及管治方面的努力，令機構投資者相信策略的長遠可持續性、令僱員以作為公司業務代表為榮，以及令公眾人士認同企業為社會帶來的價值？假設公司在環境、社會及管治方面的努力成績斐然，以下五個範疇應可助你有效報告成果，獲得眾多持份者的信任。

1. 目的及方向明確

確保策略經過深思熟慮，才可贏取信任。

闡明企業社會責任的努力跟公司宗旨、價值觀及指引原則相符。價值觀明確及目標清晰顯示公司思慮周全、盡職及貫徹，這些都顯示公司即使面對挑戰亦仍會秉承宗旨。

由管理層作出對企業價值的承諾，可增加持份者的信心。聯想集團行政總裁楊元慶肯定瞭解企業價值和承諾的重要性。他清楚說明聯想集團以一則信條將整個工作團隊團結起來，就是：「說到做到，盡心盡力，成就客戶」。

2. 反映一脈相承

公司在企業社會責任方面的努力，對受公司業務影響的人（持份者）影響最深。因此，並非單單只需贏取信任，而是需與適當對象建立信任，小心詳細評估持份者的重要性及讓持份者參與。從報告的角度來看，清楚展現公司的努力以配合持份者的關注，可顯示公司周詳思考過對業務性質的影響。

另一個顯示公司的永續努力一脈相聯的方法是將之跟國際標準聯繫起來，聯合國的永續發展目標性質普及全球，故最適合不過。對比這個全球最高共同基礎，有助讀者瞭解公司的永續努力跟大局的相聯性和意義。

3. 保持透明度

主動披露愈多相關資訊，報告便愈真確。故應補充資訊說明數據、數字及結論，並借助第三者保證令報告更值得信賴。

反映透明度的另一最重要指標，是願意暢談成功之餘還要談論自己的缺點，這亦是很多公司最難辦到的。畢竟，沒有人是完美的，總會有些地方需要改進。換言之，能夠承認好與壞可將公司的努力人性化。公司需承認某些問題還須改進，否則報告可能流於偏頗。

4. 簡白易明

最後，公司不會希望報告呈列失當。如果報告雜亂無章或內容及結構缺乏系統，便難望報告呈現出重要性或影響力。

整個報告的用詞必須簡單扼要，避免過份複雜的句子，並可運用補充資訊及透過網絡連結直接引領往容易找到的相關內容。結構設計應能讓不同持份者能迅速找到自身關注事項的欄目以瞭解相關資訊。港鐵的報告便做到以上各點。港鐵的報告以簡單易明的文字和格式編寫，並設立報告專用微型網站以PDF格式互動檔案呈示，尋找不同欄目和議題的資訊易如反掌。此外，報告還包括補充部分，進一步詳細說明重要的相關資訊，例如港鐵的業務模式及ISO 14001標準。報告讓未接觸過可持續發展報告的人亦能迅速掌握內容。

5. 故事的力量

行銷和廣告經常利用故事觸動人心。故事亦可運用在公司的可持續發展報告，但怎樣才算好的故事。

以港鐵的報告為例。港鐵認為持份者的故事能有力令人認同港鐵為社會締造的價值。港鐵在最新一期可持續發展報告提供連結引領往十則故事，每則故事述說一位面對尋常問題的普通乘客因港鐵的服務而在生活中受惠。這些雖屬日常故事，卻能引起不少香港人的共鳴。加入持份者的聲音為港鐵的報告增添人性，亦鮮有其他公司嘗試過。

結論

可持續發展報告是展述公司故事的好機會，可令人留下良好印象，讓持份者參與公司的可持續發展旅程，不妨多花心思。 

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