

Sustainability DIY

ESRS

Journey 4



The background features a dark teal gradient. At the top, there are two stylized cloud shapes in light blue and teal. On the right side, there are several large, overlapping leaf shapes in various shades of green and teal. At the bottom, there are stylized hills or ground shapes in purple and teal, with some circular patterns and a small plant-like shape on the left.

DIY your sustainability report in accordance to the European Sustainability Reporting Standards (ESRS)

Journey 4

Report writing and communication

Disclaimer: This resource has been developed by Sustain Labs Paris & Microsoft to support the use of ESRS for sustainability reporting. It is not an initiative of EFRAG or EU Commission or endorsed by these parties.

Structure your sustainability report for maximum impact

A well-structured sustainability report enhances the accessibility and impact of your sustainability efforts. To maximize the impact, be sure to include the following:¹

Executive summary

Begin with a concise summary highlighting key achievements, challenges, and future goals. It serves as a quick overview for stakeholders.

A theme

Choose the “key message” that your organization wants to convey in the current year. Choose the theme of your sustainability report accordingly.

Chapters

Unravel the “theme” that you have chosen through the chapters of the report. Structure the report such that each chapter incrementally tells a story that ultimately builds up to your key message.

Double materiality

The chapters can be based on your material topics or the double materiality assessment can be a separate chapter placed at the beginning of the report.

Cross-references

Ensure that the cross-references across disclosures, EU laws, and Application References, mandated by the ESRS, are well integrated within the report.

Clear content

Use visuals like charts and graphs for clarity.

Targets and progress

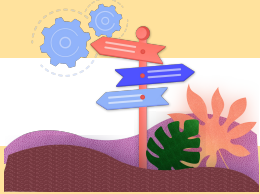
Include measurable goals and track your progress over time. If data is available, demonstrating your organization’s sustainability performance over time is preferred.

1 - EFRAG. (2022, November). *[Draft] ESRS 1 General requirements*. (pg. 20-21)

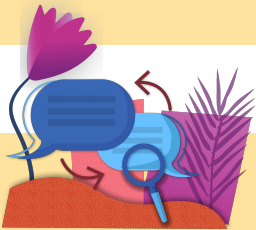
Keep your eye on the ball



Double materiality is at the heart of the ESRS. Make sure you conduct double materiality assessment thoroughly.²



ESRS provides organizations guidance to report on both mandatory and non-mandatory disclosures. Identify the disclosures that are mandatory for your organization.³



ESRS provides guidance to integrate cross-references of disclosures, EU laws, and Application References. Understand and integrate these cross-references in your sustainability report.⁴

2 - EFRAG. (2022, November). *[Draft] ESRS 1 General requirements*. (pg. 9-13)

3 - European Commission. (2021, April 21). *Proposal for a Directive of the European Parliament and of the Council amending Directive 2013/34/EU, Directive 2004/109/EC, Directive 2006/43/EC and Regulation (EU) No 537/2014, as regards corporate sustainability reporting*. (pg. 5)

4 - EFRAG. (2022, November). *[Draft] ESRS 1 General requirements*. (pg. 28-34)

How to reference a section of the management report into the sustainability statements⁵

Management report

1. Strategy and business (ESRS 2 SBM -1 paragraph 36)
 - 1.1 Strategy, business model, market position and value chain
... (separate elements of information clearly identified as addressing the ESRS 2 SBM-1) ...
 - 1.2

Sustainability statements

1. General information

Disclosures incorporated by reference

The following information is incorporated by reference to other parts of the management report:

1. Market position, strategy, business model(s), and value chain - (ESRS 2 SBM-1 paragraph 36)
2. ...

2. Environmental information

3. Social information

4. Governance information



How to structure sustainability statements?⁶

Management report

Analysis of the development and performance of the undertaking's business and its position

Description of the principal risks and uncertainties

The undertaking's likely future developments

Corporate governance statement

Sustainability statements

1. General information

(draft) ESRS 2 General Disclosures

- Specific topical DR from (draft) topical ESRS
- Additional DR from (draft) sector specific

2. Environmental information

(draft) ESRS E1 Climate change

- Impact, risk and opportunity management and Metrics and targets DR from (draft) ESRS E1
- Additional DR from (draft) sector specific ESRS
- Potential additional entity specific information

(draft) ESRS E2 Pollution

- Impact, risk and opportunity management and Metrics and targets DR from (draft) ESRS E2
- Additional DR from (draft) sector specific ESRS
- Potential additional entity specific information

(draft) ESRS ES Resource Use and Circular Economy

- Impact, risk and opportunity management and Metrics and targets DR from (draft) ESRS E5
- Additional DR from (draft) sector specific ESRS
- Potential additional entity specific

How to structure sustainability statements? (contd.)⁶

Management report

Analysis of the development and performance of the undertaking's business and its

Description of the principal risks and uncertainties

The undertaking's likely future developments

Corporate governance statement

Sustainability statements

3. Social information

[draft] ESRS S1 Own workforce

- Impact, risk and opportunity management and Metrics and targets DR from [draft] ESRS 51
- Additional DR from [draft] sector specific ESRS
- Potential additional entity specific information

[draft] ESRS S2 Workers in the value chain

- Impact, risk and opportunity management and Metrics and targets DR from [draft] ESRS 52
- Additional DR from [draft] sector specific ESRS
- Potential additional entity specific information

[draft] ESRS S4 Consumers and end-users

- Impact, risk and opportunity management and Metrics and targets DR from [draft] ESRS S4
- Additional DR from [draft] sector specific ESRS
- Potential additional entity specific

4. Governance information

[draft] ESRS G1 Business Conduct

- Impact, risk and opportunity management and Metrics and targets DR from [draft] ESRS G1
- Additional DR from [draft] sector specific ESRS
- Potential additional entity specific information

6 - EFRAG. (2022, November). *[Draft] ESRS 1 General requirements*. (pg. 42)

Example of the structure of sustainability statements⁷

Part of the management report	[draft] ESRS codification	Title of [draft] ESRS
1. General information	[draft] ESRS 2	General disclosures, including information provided under the Application Requirements of [draft] topical ESRS listed in [draft] ESRS 2 Appendix D.
2. Environmental information	[draft] ESRS E1	Climate change
	[draft] ESRS E2	Pollution
	[draft] ESRS E3	Water and marine resources
	[draft] ESRS E4	Biodiversity and ecosystems
	[draft] ESRS E5	Resource use and circular economy

Example of the structure of sustainability statements (contd.)⁷

Part of the management report	[draft] ESRS codification	Title of [draft] ESRS
3. Social information	[draft] ESRS S1	Own workforce
	[draft] ESRS S2	Workers in the value chain
	[draft] ESRS S3	Affected communities
	[draft] ESRS S4	Consumers and end-users
4. Governance information	[draft] ESRS G1	Business conduct

Write a clear and concise narrative

Effective communication in sustainability reporting relies on clear and concise narratives:⁸



Plain language

Avoid jargon and technical terms. Use plain language to make the report accessible to a broader audience.



Data interpretation

Explain the significance of data and trends. Provide context to help readers understand the numbers.



Visual aids

Utilize visuals such as charts, infographics, and images to support the narrative. Visuals simplify complex information.



Storytelling

Craft compelling stories around your sustainability journey. Stories engage readers emotionally and help them connect with your mission.

Transparency

Address challenges and setbacks alongside successes. Transparency builds trust with stakeholders.

Tips for engaging stakeholders through effective communication⁹

The information reported using the ESRS Standards can be made accessible in electronic or paper-based formats across several electronic and physical locations, driven by the needs of organization's stakeholders.

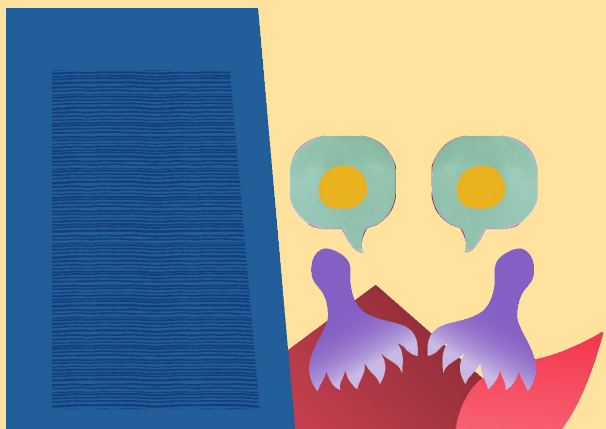
Tailored messages: Customize messages for different stakeholder groups. Share information that is relevant to their interests and concerns.

Interactive formats: Consider digital reports, webinars, and social media campaigns to engage interactively with stakeholders. Encourage feedback and dialogue.

Feedback channels: Create channels for stakeholders to provide input and ask questions. Respond promptly and transparently to inquiries.

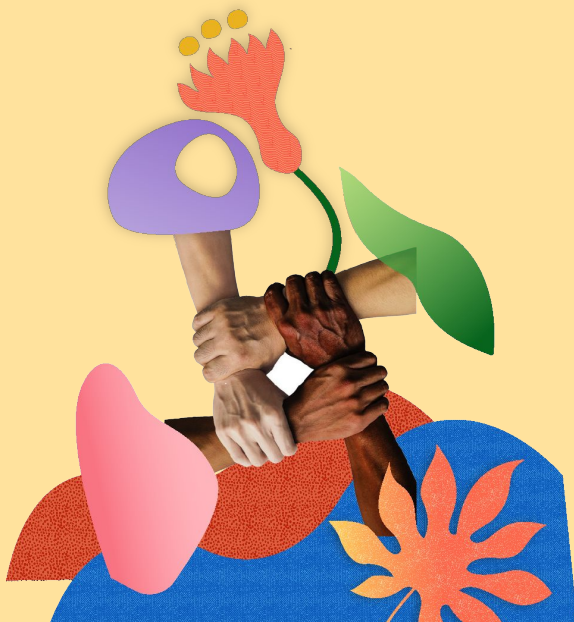
Storytelling workshops: Conduct workshops or webinars on storytelling techniques for employees involved in report writing. This empowers them to communicate effectively.

Continuous engagement: Sustainability reporting is not a one-time event. Maintain ongoing communication throughout the year to keep stakeholders informed and engaged.



Adapting your sustainability report to diverse cultural contexts¹⁰

Consider cultural sensitivity in reporting



Understand and respect cultural differences.

Analyze potential cultural sensitivities and how they might impact data interpretation.

Certain topics or metrics may be perceived differently in various cultures. How will you deal with this?

Adapting your sustainability report to diverse cultural contexts¹¹

Language is key



The choice of language (primarily English) plays a significant role in reporting, considering the in-built challenges of translation and interpretation from other languages.

Use inclusive and universally understood language whenever possible.

Adapting your sustainability report to diverse cultural contexts¹²



Regional priorities and materiality

- Material issues may vary based on geographical location.
- It would be helpful to identify region-specific sustainability priorities.

Stakeholder engagement strategies

- There could be cultural variations in stakeholder expectations.
- Look for ways to promote effective engagement with stakeholders from diverse cultural backgrounds.
- Highlight the value of local partnerships and collaborations in the reporting process.

Regulatory compliance across borders

- Address differences in sustainability regulations and reporting requirements globally.
- Consult resources for staying updated on regional reporting standards.
- Take guidance on navigating legal and regulatory landscapes in different cultural contexts.

Resources and templates for practical use

The ESRS Sustainability DIY tool, specifically designed for practitioners working on preparing a sustainability report in accordance to the ESRS standards for their organization, will help you identify data and allocate tasks to appropriate departments in your organization to gather the required data.¹³

Microsoft Compliance Manager¹⁴

View the CSRD template in **Microsoft Purview Compliance Manager** to understand and explore the draft ESRS disclosure requirements. In the Compliance Manager, you can select a topic and view its controls, disclosure requirements as well as the description of the disclosure. For more information on Compliance Manager, please [click here](#).

13 - EFRAG. (2022, November). *[Draft] ESRS 1 General requirements*. (pg. 5-8)

14 - Microsoft. (2023, July 24). *CSRD template (preview) in Purview Compliance Manager*. Microsoft Cloud for Sustainability | Microsoft Learn. <https://learn.microsoft.com/en-us/industry/sustainability/purview-compliance-manager-report-csrd>