DEVELOPMENT OF A SUSTAINABILITY BENCHMARKING TOOL FOR SMES

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INTRODUCTION

- **Sustainability reports** provide an overview of corporate sustainability performance (1,2)
- Existing reporting practices **lack necessary context** to assess a company's impact on social & environmental thresholds (3,4)
- However, it is vital to report on a company's impact on social & environmental thresholds to accurately assess sustainability performance (2,5)
- **Lack of tools** that allow for reporting on sustainability context (6).

→ **Need for a sustainability context-benchmarking tool** that enables companies to benchmark their sustainability performance against relevant thresholds.

RESEARCH QUESTION

What are the requirements and expectations of users and stakeholders of a sustainability context-benchmarking tool?

Stakeholders	Reasons for inclusion
Reporting Companies	- Ensure user-friendliness of the tool (7) - Take resource constraints into account (1,7-9) - Fulfil internal reporting needs (1,7,10)
Financial Stakeholders	- Incorporate sustainability into investment decisions (11,12) - Current reports don't meet requirements (11,12)
Governmental Stakeholders	- Need sustainability information to monitor the implementation of legislation (13-15) - Gain overview of sustainability efforts within their jurisdiction (16)
Supply Chain Partners	- Monitor sustainable supply chain practices (17,18) - Current reports don't meet requirements (17) - Need sustainability information to comply with legislation (7,19)

Design Choices	Theoretical Background	Results
Target Group	- Companies face different challenges during sustainability reporting depending on their size (20) - Sustainability reporting should be adapted to the local context and country (20,21)	- Small- and medium-sized companies - Dissonance about inclusion of other sizes
Scope & Depth of Reporting	- Which topics are covered at which level of detail (21,22) - Geographical scope which entities are included (23)	- All activities across the value chain - Phased approach to address data collection challenges
Maturity Levels	- Different maturity levels allow for less strict requirements, requiring less resources and expertise, at lower levels (24)	- Include to address differences in sustainability efforts and company size
Materiality Approach	- Mandatory list of material topics: enhances comparability (25) & reduces complexity (7,26) - Companies conduct own materiality assessment: only material information is included (25) & assessment provides valuable insights to company (11)	- Mandatory list of material topics increases comparability & reduces workload - Companies conducting own materiality assessment ensures data relevance
Sector-Specific Approach	- Sector-agnostic approach can lead to misleading disclosures (7,20,27) - Sector-specific approach is more difficult to design (7,28)	- Necessary but increase the complexity and feasibility of tool design

DISCUSSION

Four other considerations came forward from the results

- Trade-off between increased **transparency** and sustainability as **competitive advantage**
- Guarantee that **greenwashing** is not allowed
- Ensure **feasibility** for SMEs due to lack of resources & expertise
- Ensure a **clear additional purpose** for this tool to avoid adding another sustainability tool

LIMITATIONS & FURTHER RESEARCH

- **Limited generalizability**
  - Small sample size
  - Limited external stakeholder groups
  - Few financial stakeholders participated

→ Increase sample size & include more stakeholder groups

- Lack of official selection procedure → **sampling bias**
- Questionnaire was not administered anonymously → **social desirability bias**
- No opportunity to seek clarification or gain consensus

→ Conduct **focus groups** or use **Delphi method**

REFERENCES