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Sustainability is building: Dr. Richard Westaway, researcher at IMS Consulting, asks “How well are UK construction companies communicating their progress towards sustainability?”



Dr. Richard Westaway

At a time when sustainability is rising rapidly up the agenda of the boardrooms of many UK construction companies, there remains considerable divergence in terms of what is being done and how it is being communicated to stakeholders. IMS Consulting's recent comprehensive benchmarking study provides an overview of how the UK's largest construction companies are addressing the challenges of sustainability, embracing the opportunities they provide and communicating their progress.

The benchmarking study assesses the sustainability communications of the UK's largest construction companies using a bespoke 'sustainability reporting scorecard'. Based on previous work by the US-based sustainability organisation CERES, it consisted of a set of criteria that represent good practice in three areas: leadership and governance, reporting framework, and information disclosure. Transparency and trust come from balanced reporting. The benchmarking results show that most UK construction companies have now embarked on a sustainability journey, but that those which score highest are those that are being most transparent about their planned destination, their journey so far and the route that lies ahead.

An essential concept

Companies need to find a balance between disclosing both good and bad performance, and their sustainability communications should discuss dilemmas and failures as well as successes. The benchmarking reveals that the largest UK construction companies do not (yet) always find this balance, and that a tendency remains to focus on the positive aspects, and omit or downplay negative ones. This is perhaps best illustrated by how case studies can be used by construction companies to 'cherry-pick' a

small number of projects that demonstrate particular sustainable aspects.

Construction companies, like any organisation, are faced with a wide range of potential sustainability topics. As opposed to financial reporting, which has long-established procedures and regulatory restrictions, the content of sustainability communications are much less defined. Hence materiality – defined by the Global Reporting Initiative (GRI) as the threshold at which an issue or indicator becomes sufficiently important that it should be reported – is an essential concept to understand how sustainability relates to core business strategy. Only by identifying the most relevant and significant sustainability issues can an organisation recognise the links between their strategic interests and their stakeholders' interests. Sustainability communications should reflect issues that are relevant to both.

Stakeholder engagement

Sustainability requires stakeholder engagement to be an integral part of the process. Since there is no single 'correct' way to approach sustainability, stakeholder approval needs to become a measure of success. The benchmarking results indicate that relatively few UK construction companies are using stakeholder engagement at a strategic level to help review their progress or guide future direction.

Although the benchmarking results suggest that UK construction companies are lagging behind sustainability leaders in other sectors, the research also uncovered plenty of examples of good practice from within the construction sector. This implies that many UK construction companies are

simply not communicating what they are doing as effectively as they could be.

Although most construction companies can provide plenty of evidence of actions and activities that contribute towards sustainability, relatively few provide a convincing narrative to 'join-up' these examples, or explain why or how they are relevant and important.

Sustainability communications

Sustainability, and the need to communicate progress, has forced organisations to re-evaluate how they understand and measure their performance. Although considerable work has been done to develop common non-financial reporting frameworks and performance indicators, there remains considerable inconsistency between how the UK's largest construction companies undertake sustainability communications. Differences include management responsibility, the processes used in their production, their scope and content, and the ways in which their content is delivered.

The benchmarking study gives valuable insight for companies and their stakeholders alike. For construction companies, it is a useful way of engaging in constructive dialogue about how and why progress towards sustainability should be communicated, providing a useful context for discussing and justifying the approach they have adopted. It can also help initiate improvements in sustainability communications by enabling poor performers to understand how they can do better and learn from those who already do.

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