The CSR and Sustainability Glossary

A Reference Guide for Newbies to read and Veterans to share

SUSTAINABILITY KNOWLEDGE GROUP

Sustainability Knowledge Group Publications

Sustainability Knowledge Group is a global advisory firm dedicated in creating value for businesses through strategic advisory and training solutions. In recognition of the importance of sustaining competitive advantage in today's marketplace, we support companies to develop strategies that minimise risks and demonstrate leadership.

Written by:
Aglaia Ntili

January 2015

Why a CSR and Sustainability Glossary?

The **CSR and Sustainability Glossary** is a simple, explanatory and helpful way to get acquainted with all the key terms surrounding Sustainability and CSR. It is a great educational and professional tool, which can be used to complement your knowledge of CSR and Sustainability.

We have developed this tool for everyone to use. With easy to understand terminology and links to portals, news sections, international organisations and guides, the **CSR and Sustainability Glossary** aims to give you an easy to grasp explanation of terms and their practical application in business. If you recently attended one of our training programs, this is a great complementary tool to help you fully comprehended the content and the practical application of Sustainability.

We realize the misconceptions that exist in the CSR and Sustainability field and through our training, advisory and coaching services we assist professionals and businesses to their journey towards sustainable business. This guide is the first step towards increasing awareness and establishing a common language in business. It is based on our long experience in Sustainability and CSR and the understanding of challenges and priorities that the implementation of Sustainability strategies and practices poses for all businesses.

Instead of wasting precious time on search engines, the **CSR and Sustainability Glossary** is an easy and fast way to understand specialised terminology. Although the terms included are the ones mostly used, our experience in training showed that they are also the most ambiguous!

The 1st Edition of the **CSR and Sustainability Glossary** is not exhaustive. To suggest terms to add in the 2nd Edition feel free to contact us at contact@sustainabilityknowledgegroup.com

Who is it for?

The **Sustainability and CSR Glossary** is an ideal tool for professionals wishing to embark on their journey to Sustainability and CSR. Whether you are familiar with some terms or this is the first time you come across them, the Glossary will help you clarify their meaning and their practical application. It is a great tool to help you understand what CSR is and what it is not. In short and as described on our cover, it is for Newbies and Veterans. For people just starting their CSR journey and for people who have realised that the quest for Sustainability has no end.

This **Glossary** is an excellent tool for professionals in various business functions who are interested in making a career change and for anyone who would consider themselves a book worm. The **Sustainability and CSR Glossary** is easy to use since all terms are listed in an alphabetical order.

Feel free to share this guide with anyone who you think would be interested in it or would benefit from it, with attribution to **Sustainability Knowledge Group**.

About the Author

Aglaia Ntili is the Managing Director of Sustainability Knowledge Group, providing Sustainability advisory and training services at international level, and the founder of CSR Coaching, supporting professionals in Corporate Responsibility and Sustainability.

With over 10 years' experience in the fields of Sustainability Strategy, Reporting, Training, CSR Programs, Stakeholder Engagement, SROI, Quality, Performance, Environmental Management and Systems Implementation, Aglaia has made important contributions as practitioner, trainer, coach and advisor.

She developed the Middle East and Greek version of the GRI G3.1, the Bridging Module and G4 Training for local providers and has trained over 400 professionals in GRI Reporting, Sustainability and CSR, in United Arab Emirates, Oman, Jordan, Qatar, Sudan, India, Japan, Belgium, Romania, UK and Greece.

Her CSR and Sustainability experience extends in Middle East, Europe, Africa and USA and has led diversified projects in sectors including: Construction, Consulting, Banking, FMCG, Education, Local Authorities, Oil and Gas, Telecommunications, Pharmaceuticals, Cosmetics, Technology, Shipping, Facility Management, Concessionaire, Leisure and NGOs at an international level.

Aglaia holds an MBA, an MSc in Total Quality Management & Business Excellence and a Degree in Business Administration. She is ISO9000 Lead Auditor, EFQM Accredited European Excellence Assessor, an IEMA, GRI and ILM approved trainer.

Aglaia is the founder of "Startegy", the President of the HAU Toastmasters club for public speaking and a Green Business Angel. She has presented business cases at the British Academy of Management (BAM) conference, the Institute for Small Business & Entrepreneurship (ISBE) Conference UK and a number of CSR conferences in Romania, India and Greece.

Table of Contents

Terms and Definitions

1. Accountability AA 1000 Series of Standards

AccountAbility's AA1000 series, launched in 1996, are principles-based standards to help organisations become more accountable, responsible and sustainable. They address issues affecting governance, business models and organizational strategy, as well as providing operational guidance on sustainability assurance and stakeholder engagement. The AA1000 standards are designed for the integrated thinking required by the low carbon and green economy, and support integrated reporting and assurance.

- The AA1000 AccountAbility Principles Standard (AA1000APS) provides a framework for an organisation to identify, prioritise and respond to its sustainability challenges. It
- The AA1000 Assurance Standard (AA1000AS) provides a methodology for assurance practitioners to evaluate the nature and extent to which an organisation adheres to the AccountAbility Principles.
- The AA1000 Stakeholder Engagement Standard (AA1000SES) provides a framework to help organisations ensure stakeholder engagement processes are purpose driven, robust and deliver results.

The standards are developed through a multi-stakeholder consultation process which ensures they are written for those they impact, not just those who may gain from them. They are used by a broad spectrum of organisations -- multinational businesses, small and medium enterprises, governments and civil societies.

Links:
AccountAbility: http://www.accountability.org/standards/index.html

2. Approved Training Programs

Everything starts with awareness about Sustainability! To incorporate Sustainability principles and practices in the business context, high quality training is a mandate.
Certified (or approved) training programs from an independent and recognised body assure your training investment. High quality external bodies assure that the training policy and procedures

address more than just the training content, they go beyond the delivery and guarantee the trainers' experience, skills and competencies, and address, among others, equal opportunities, marketing, communication. Approval from an external institute/body is the best way to assure the consistent quality of the content and structure of a training program. This alone adds value to the individual's career and to the business alike.

Global Reporting Initiative (GRI) provides training programs dedicated only to GRI reporting through approved local partners in specific geographical areas.

Institute of Leadership and Management (ILM) has approved the training programs of Sustainability Knowledge Group through a rigorous process and assured optimum quality and delivery. Approved Training programs include:

Links:
Global Reporting Initiative: https://www.globalreporting.org
Sustainability Knowledge Group: https://www.linkedin.com/pulse/article/20140921113932-8287795-how-to-choose-the-right-training-provider?trk=prof-post

3. Assurance

Reports that are externally assured provide more confidence, transparency and better insight to stakeholders like investors, suppliers on a company's operating practices.

GRI has identified key qualities of assurance providers for the external assurance of reports:

- Are independent from the organization and therefore able to reach and publish an objective and impartial opinion or conclusions on the report
- Are demonstrably competent in both the subject matter and assurance practices
- Apply quality control procedures to the assurance engagement
- Conduct the engagement in a manner that is systematic, documented, evidence-based, and characterized by defined procedures
- Assess whether the report provides a reasonable and balanced presentation of performance, taking into consideration the veracity of data in the report as well as the overall selection of content
- Assess the extent to which the report preparer has applied the Guidelines in the course of reaching its conclusions
- Issue a written report that is publicly available and includes an opinion or set of conclusions, a description of the responsibilities of the report preparer and the assurance provider, and a

summary of the work performed to explain the nature of the assurance conveyed by the assurance report.

The term Report Assurance is often used interchangeably with the term Report verification.

Assurance frameworks include:
1) AccountAbility, issued AA 1000 Assurance Standard (AA1000AS) which provides a comprehensive way of holding an organisation accountable for its management, performance, and reporting on sustainability issues by evaluating the adherence of an organisation to the AccountAbility Principles and the reliability of associated performance information. The Standard provides guidance founded on three key principles: completeness, materiality and responsiveness.

2) ISAE 3000, supported by the International Framework for Assurance Engagements (IAASB Framework), covers all aspects of an assurance engagement, including engagement acceptance, agreeing the terms of engagement, planning and performing the engagement, using the work of experts, obtaining evidence, considering subsequent events, documentation and preparing the external assurance report.

Links:
Global Reporting Initiative: https://www.globalreporting.org/reporting/report-services/external-assurance/Pages/default.aspx
International Federation of Accountants:
https://www.ifac.org/sites/default/files/publications/files/ISAE%203000%20Revised%20-%20for%20IAASB.pdf
AccountAbility: http://www.accountability.org/standards/aa1000as/index.html

4. Benchmarking

Sustainability Benchmarking is used to identify the company's sustainability performance, strengths, weaknesses and areas that need improvement. Benchmarking metrics used for the measurement of sustainability involve environmental, social and economic domains are evolving and can be based on a number of international sustainability frameworks and methodologies, depending on the needs of the company, the sector and international practices and can include GRI, ISO 26000, UNGC or tailor made frameworks.

Sustainability benchmarking highlights best practices, areas for improvement and contains valuable information for companies. It is a valuable tool for companies just starting to implement sustainability practices into their portfolios and for leaders alike.

Links:
Sustainability Knowledge Group: http://sustainabilityknowledgegroup.com/assessment-and-benchmarking/

5. Carbon Footprint

Carbon footprint is the total amount of greenhouse gases produced to directly and indirectly support human activities, caused by an organization, event, product or person, usually expressed in equivalent tons of carbon dioxide (CO2).

A company's/organization's carbon footprint can be measured by undertaking a Green House Gas (GHG) emissions assessment. Once carbon footprint is known, a strategy can be devised to reduce it. Carbon footprint strategy main steps include: measurement, goal setting for reduction, initiative selection, deployment, measurement and review.

Links:
Carbon trust: http://www.carbontrust.com/resources

6. Carbon Neutral

The phrase "Carbon neutral" was the New Oxford American Dictionary's Word Of The Year for 2006. "Carbon Neutral is not a static state but an engaged process". Being carbon neutral involves calculating your total climate-damaging carbon emissions, reducing them where possible, and then balancing your remaining emissions, often by purchasing

Basic steps to reduce carbon footprint and go carbon neutral:
1) Measure footprint by inventorying the greenhouse gas emissions generated within a defined boundary of their operations. 2) Develop targeted goals and strategies for reducing those emissions. 3) Net to zero the remaining annual emissions generated within the defined boundary by purchasing Offsets.

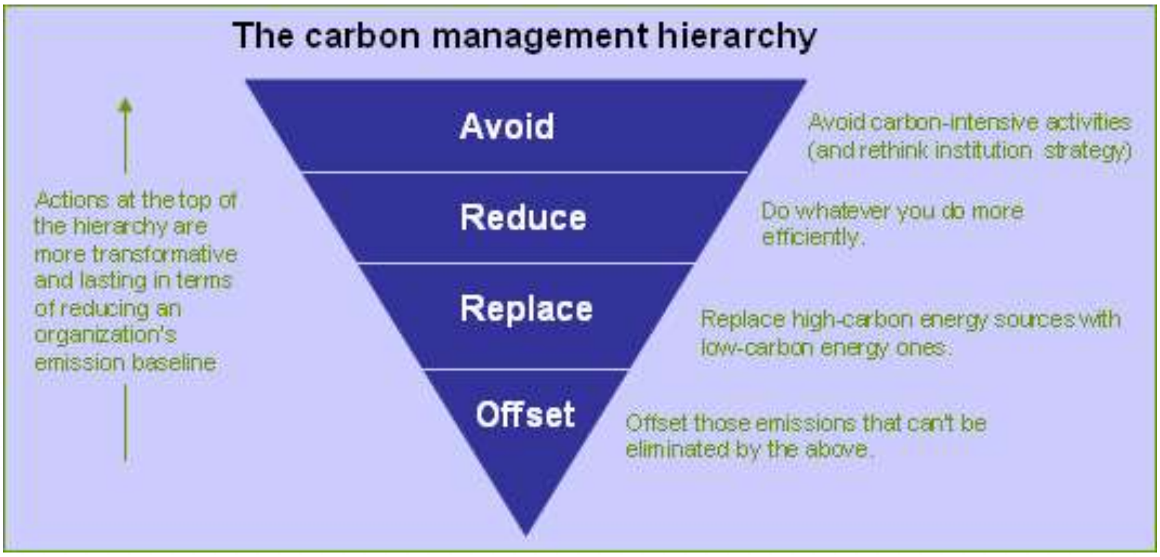
Links:
New Oxford American Dictionary: www.oxfordreference.com

Coro Strandberg: http://corostrandberg.com/wp-content/uploads/files/Going-Carbon-Neutral-Primer.pdf

7. Carbon Offsetting

Carbon offsetting is the funding of an activity outside of one's own organisation that reduces emissions elsewhere, by the same amount as the emissions that need to be offset. Carbon offsetting projects include Renewable Energy, Energy Efficiency, Waste Handling and Disposal, Land Use and Forests. Carbon offsetting can be successful only as a component of a company's holistic climate strategy

How Carbon offsetting works: The amount of climate-impacting emissions from an activity is calculated. You pay a specific amount of money for the calculated Green House Gas (GHG) emissions, which are invested in high quality carbon offset projects. In this way, the same amount of climate-impacting emissions that are generated by an activity in one place are saved somewhere else. Carbon offsetting is managed by carbon offsetting measures providers which adhere to strict, international criteria.



Links:

Gold Standard: http://www.goldstandard.org/wp-content/uploads/2012/09/Offset-Handbook-lo-res.pdf

My Climate: http://www.myclimate.org

8. Carbon Trading

The EU Emissions Trading System (EU ETS) is a cornerstone of the European Union's policy to combat climate change and its key tool for reducing industrial greenhouse gas emissions cost-effectively. The first - and still by far the biggest - international system for trading greenhouse gas emission allowances, the EU ETS covers more than 11,000 power stations and industrial plants in 31 countries, as well as airlines. It operates in the 28 EU countries and the three EEA-EFTA states (Iceland, Liechtenstein and Norway) and covers around 45% of the EU's greenhouse gas emissions

The EU ETS works on the 'cap and trade' principle. A 'cap', or limit, is set on the total amount of certain greenhouse gases that can be emitted by the factories, power plants and other installations in the system. The cap is reduced over time so that total emissions fall.

In 2020, emissions from sectors covered by the EU ETS will be 21% lower than in 2005. By 2030, the Commission proposes, they would be 43% lower.

Within the cap, companies receive or buy emission allowances which they can trade with one another as needed. They can also buy limited amounts of international credits from emission-saving projects around the world.

Links:
European Commission: http://ec.europa.eu/clima/policies/ets/index_en.htm
United Nations framework Convention on Climate Change:
http://unfccc.int/kyoto_protocol/mechanisms/emissions_trading/items/2731.php

9. Cause Related Marketing

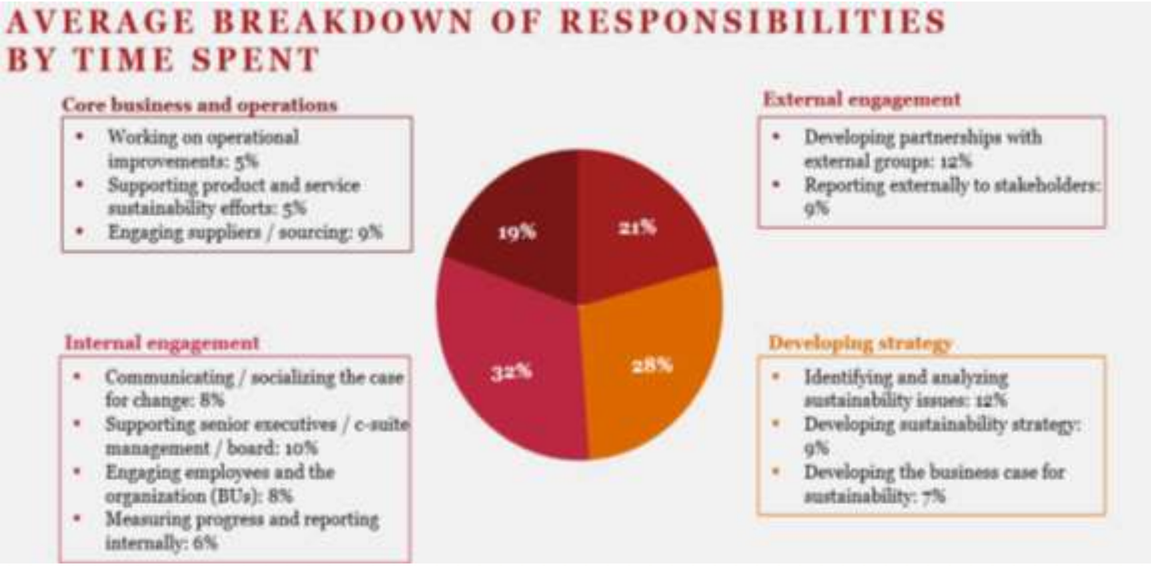
Cause Related Marketing refers to a commercial activity in which companies and non-profit organizations form alliances to market an image, product or service for mutual benefit. Some companies also extend their relationship with an organization or a cause beyond marketing, integrating it with other company activities, such as community involvement, employee volunteerism or corporate philanthropy.
American Express first used the phrase "cause-related marketing" in 1983 to describe its campaign to raise money for the Statue of Liberty’s restoration. American Express donated one cent to the restoration every time someone used its charge card. As a result, the number of new cardholders grew by 45 percent, and card usage increased by 28 percent.

Links:

Brand Channel: http://brandchannel.com/papers_review.asp?sp_id=583
Grand Space: http://www.grantspace.org/tools/Knowledge-Base/Funding-Resources/Corporations/cause-related-marketing

10. Chief Sustainability Officer (CSO)

The position of the Chief Sustainability officer (CSO) has been created at an increasing number of companies over the past few years. The organizational authority of the CSO is increasing, as organizations increase their commitment to sustainability moving from the Compliance to the Efficiency and then to the Innovation stage



www.pwc.com

According to AccountAbility, the most successful CSOs often have the following profile:

- 50% Business Leader: The ideal CSO should be an experienced executive with established business experience and an excellent track record of working with people at all levels of the organization. A CSO with proven business acumen will be able to influence and challenge senior management thinking and gain credibility on a wide range of complex and contentious issues.
- 25% Relationship Manager: The ideal CSO must have the people skills to inspire others to follow his or her lead, the communication skills to manage the stakeholder engagement process, and the ability to work with others to "get things done." The CSO should also be able to act as an ambassador to relevant external bodies that influence and shape the company's operating environment in broad CR and community matters.
- 25% Sustainability Expert: The ideal CSO should be able to set the sustainability strategy and assume responsibility for the overall sustainability performance management system. The CSO should have the technical expertise necessary to embed sustainability throughout the organization and demonstrate the business value of sustainability efforts.

Links:

Harvard Business School Working Knowledge: http://hbswk.hbs.edu/item/7583.html

PWC: http://www.pwc.com/en_US/us/corporate-sustainability-climate-change/assets/pwc-sustainability-executive-profile-and-progress.pdf

AccountAbility: http://www.accountability.org/about-us/news/accountability-1/the-rise-of-the-cso.html

Sustainability Knowledge Group:
http://sustainabilityknowledgegroup.com/cso-chief-sustainability-officer/

11. Code of Conduct

In its 2007 International Good Practice Guidance, "Defining and Developing an Effective Code of Conduct for Organizations", the International Federation of Accountants provided the following working definition:

"Principles, values, standards, or rules of behaviour that guide the decisions, procedures and systems of an organization in a way that (a) contributes to the welfare of its key stakeholders, and (b) respects the rights of all constituents affected by its operations."

A code of conduct is intended to be a central guide and reference for users in support of day-to-day decision making. It is meant to clarify an organization's mission, values and principles, linking them with standards of professional conduct. A code is an open disclosure of the way an organization operates. It provides visible guidelines for behaviour.

Links:

Business for Social Responsibility: http://www.bsr.org/en/about/bsr

International Federation of Accountants: www.ifac.org/

12. Corporate Governance

Corporate governance is the system by which business corporations are directed and controlled and refers to a number of principles adopted by a company, aiming to uphold its performance and the interests of its shareholders and all stakeholders.
"Corporate governance is the system by which companies are directed and controlled". Cadbury Report, 1992
"Corporate governance refers to the structures and processes for the direction and control of companies". International Finance Corporation (IFC)

The corporate governance structure specifies the distribution of rights and responsibilities among different participants in the organization, such as the Board, managers, shareholders and other stakeholders, and spells out the rules and procedures for making decisions on corporate affairs. In the broadest sense, which is increasingly widespread today, corporate governance is concerned with holding the balance between economic and social goals and between individual and communal goals. The governance framework is there to encourage the efficient use of resources and equally to require accountability for the stewardship of those resources. The aim is to align as nearly as possible the interests of individuals, corporations and society.

Links:
World CSR Day: http://www.worldcsrday.com/csr-sustainability_terms_&_concepts.html#worldday
Commonwealth Association for Corporate Governance:
http://www.ecgi.org/codes/documents/cacg_final.pdf
Commonwealth Association for Corporate Governance:
www.ecgi.org/codes/documents/cacg_final.pdf
Institute of Chartered Accountants in England and Wales (ICAEW): www.icaew.com/

13. Corporate Philanthropy

Corporate Philanthropy mirrors individual philanthropy and is about a corporation donating funds, time, or talent. It is done without any expectation of direct corporate gain (direct increases in revenue). It usually involves indirect gains (enhancing a company's brand, engaging employees, recognition, etc.) as social and business benefits are often long-term and intangible

Some of the common forms of corporate philanthropy are:

- Cash donations: including grants, donations, sponsorships
- In-kind donations: donating products, access to employee volunteer groups, use of company's facilities, property, services or any other non-monetary support

Corporate philanthropy focuses on the treating the symptom of a problem or issue instead of the cause.

Philanthropy	Sustainable Management

• Does not treat causes of the problems
• Not related to core business and "day to day" decision making
	• Is part of Business DNA
	• Is related to core business
	• Uses "day to day" management decisions to:
	  ○ Address social, economic and environmental issues coming from the organizations' operations
	  ○ Measure impact
	  ○ Improve business performance

14. Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) is a dynamic and evolving concept that currently does not have a universally accepted definition. Engaging in CSR requires considering contextual variables: national culture, geography, social and economic norms and contexts. CSR is often mistaken for Sustainability or Sustainable Development.

As there is no agreed definition of CSR the question arises as to what exactly can be considered to be corporate social responsibility. According to the EU Commission [(2002) 347 final:5], "CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their stakeholders on a voluntary basis" and no "one-size-fits-all" (European Commission 2013).

Other definitions include:

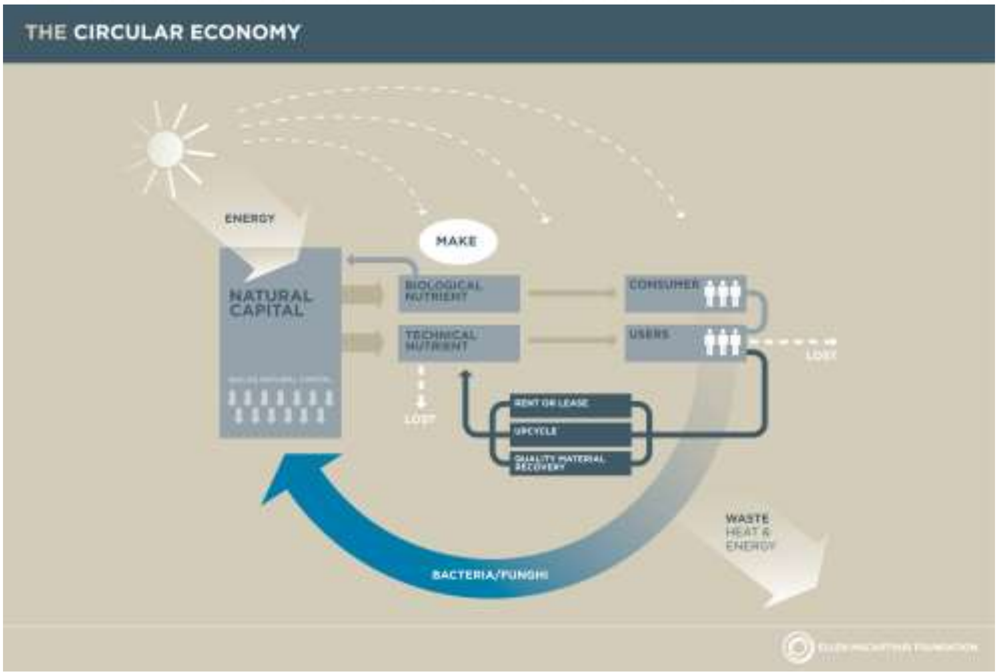
- The "voluntary commitment of businesses to include in their business practices, economic social and environmental activities beyond their legal obligations and are related to those that directly or indirectly are affected by their operations" HNCSR
- The "continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large", "the business contribution to sustainable economic development" World Business Council for Sustainable Development
- The"responsibility of enterprises for their impacts on society" European Commission

"We are now, more than ever, aware of the potentially negative impact of business on the environment, whether the nature or size of the business. There can be only positive results from developing sustainability-from benefiting your own bottom line to benefiting tomorrow's industry to benefiting the environment in which we all live" Tony Blair, UK Prime Minister, 2000.

15. Circular Economy

A circular economy is an industrial system that is restorative or regenerative by intention and design. It replaces the ‘end-of-life’ concept with restoration, shifts towards the use of renewable energy, eliminates the use of toxic chemicals, which impair reuse, and aims for the elimination of waste through the superior design of materials, products, systems, and, within this, business models. At its core, a circular economy aims to ‘design out’ waste.

The circulatory system has two cycles of materials. A biological cycle, in which residues materials flow safely back into the nature after using them. And a technical cycle, in which product (parts) are designed and marketed so they can be reused at a high quality level. As a result of this, the economic value remains preserved as far as possible. So the system is ecologically and economically seen as 'restorative'.



Links:
Ellen MacArthur Foundation: http://www.ellenmacarthurfoundation.org/circular-economy/circular-economy/the-circular-model-an-overview

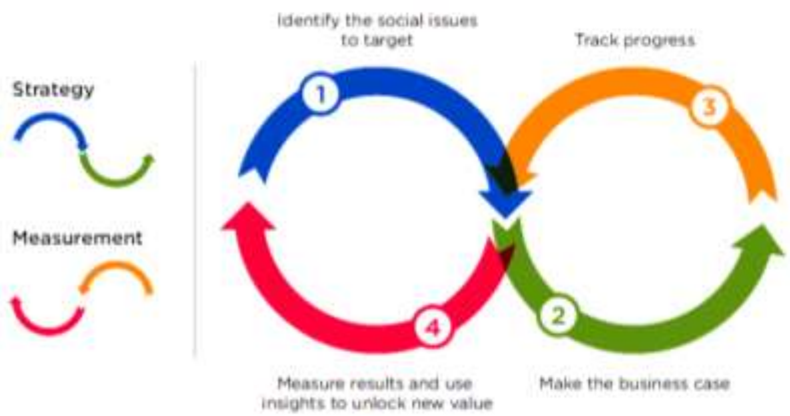
16. Creating Shared Value

Shared value is a management strategy focused on companies creating measurable business value by identifying and addressing social problems that intersect with their business. The shared value framework creates new opportunities for companies, civil society organizations, and governments to leverage the power of market-based competition in addressing social problems.

The concept was defined in the Harvard Business Review article "Creating Shared Value" (January/February 2011), by Professor Michael E. Porter and Mark R. Kramer. Creating shared value involves value creation for business that simultaneously yields more profit and greater social impact, resulting in powerful transformations and opportunities for growth and innovation in both business and society. Shared value focuses on the connections between societal and economic progress, and has the potential to unleash the next wave of global growth and competitive advantage. This article was the winner of the 2011 McKinsey Award. Published in Harvard Business Review, January/February 2011.

The authors identified three ways in which shared value can be created:

- Reconceiving products and markets
- Redefining productivity in the value chain
- Local cluster development



Shared value is not about redistributing value created through philanthropy or about including stakeholders' values in corporate decisions. Rather, shared value focuses on the creation of meaningful economic and social value – new benefits that exceed the costs for the business and society.

Creating Shared Value begins with the understanding that for our business to prosper over the long term, the communities we serve must also prosper. It explains how businesses can create competitive advantage, which in turn will deliver better returns for shareholders, through actions that substantially address a social or environmental challenge. As a company, we are best positioned to create shared value in three areas: nutrition, water and rural development.

Links:
Integrating Shared Value Strategy and Measurement: http://sharedvalue.org/about-shared-value
NESTLE: http://www.nestle.com/csv/what-is-csv
Harvard Business Review: http://hbr.org/2011/01/the-big-idea-creating-shared-value
GSG: http://www.fsg.org/Portals/0/Uploads/Documents/PDF/Creating_Shared_Value.pdf

17. Dow Jones Sustainability Indexes

Dow Jones Sustainability Indices were launched in 1999 and it is the first global sustainability benchmark.

The Dow Jones Sustainability™ Indices are maintained collaboratively by S&P Dow Jones Indices and RobecoSAM. Following a best-in-class approach, the indices measure the performance of the world's sustainability leaders. Companies are selected for the indices based on a comprehensive assessment of long-term economic, environmental and social criteria that account for general as well as industry-specific sustainability trends. Only firms that lead their industries based on this assessment are included in the indices. The indices are created and maintained according to a systematic methodology, allowing investors to appropriately benchmark sustainability-driven funds and derivatives over the long term.

The family includes global and regional broad market indices, subindices excluding alcohol, gambling, tobacco, armaments and firearms and/or adult entertainment, and global and regional blue-chip indices.

Links:
Dow Jones Sustainability™ Indices: www.sustainability-index.com.
Dow Jones Sustainability™ Indices: http://www.sustainability-indices.com/

18. Eco efficiency

The concept of eco-efficiency has been developed for the business level. The term 'eco-efficiency' evolved from the work of the World Business Council for Sustainable Development (WBCSD) in response to the first United Nations Earth Summit. A prominent definition comes from the WBCSD and describes how eco-efficiency is achieved: "eco-efficiency is reached by the delivery of competitively priced goods and services that satisfy human needs and bring quality of life, while progressively reducing ecological impacts and resource intensity throughout the life cycle, to a level in line with the earth's estimated carrying capacity". "An eco-efficient state is reached when economic activities are at a level "...at least in line with the earth's estimated carrying capacity". (WBCSD 1996)

In other words, to be eco-efficient is to add more value to a good or service while simultaneously decreasing adverse environmental impacts. The aim of environmentally sound management is to increase eco-efficiency by reducing the environmental impact while increasing the value of an enterprise.

Eco-efficiency analysis (EEA) is a tool for quantifying the relationship between economic value creation and environmental impacts, throughout the entire lifecycle of a product or service. EEA evaluates products and services by examining their environmental impact in proportion to their cost-effectiveness. It measures the environmental performance of an enterprise with respect to its financial performance.

Links:
Environmental Protection Agency: http://www.epa.gov/sustainability/analytics/eco-efficiency.htm
United Nations Conference on Trade and Development:
http://unctad.org/en/docs/iteipc20037_en.pdf
Division for Sustainable Development Department of Economic and Social Affairs United Nations:
http://sustainabledevelopment.un.org/content/documents/785eco.pdf

19. Ecolabelling

Ecolabelling is a voluntary method of environmental performance certification and labelling that is practised around the world. An ecolabel is a label which identifies overall, proven environmental preference of a product or service within a specific product/service category. In contrast to "green" symbols, or claim statements developed by manufacturers and service providers, the most credible labels are based on life cycle considerations; they are awarded by an impartial third-party in relation to certain products or services that are independently determined to meet transparent environmental leadership criteria.

As has been identified by the International Organization for Standardization (ISO), the overall goal of labels and declarations is: "...through communication of verifiable and accurate information, that is not misleading, on environmental aspects of products and services, to encourage the demand for and supply of those products and services that cause less stress on the environment, thereby stimulating the potential for market-driven continuous environmental improvement".

Ecolabeling has a number of major benefits:
1. Informing consumer choice
2. Promoting economic efficiency
3. Stimulating market development
4. Encouraging continuous improvement
5. Promoting certification
6. Assisting in monitoring

Links:
Global Ecolabelling Network: http://www.globalecolabelling.net/what_is_ecolabelling/index.htm
Ecolabel Index: http://www.ecolabelindex.com/
EU Ecolabel (EU Flower): http://ecolabelling.unep.fr/
EU Ecolabel (EU Flower): http://ec.europa.eu/environment/ecolabel/
International Institute of Sustainable Development:
https://www.iisd.org/business/markets/eco_label_benefits.aspx

20. Employee Volunteering

Employee volunteering is an effective and powerful way for businesses to invest in their people and local communities.

A company that makes its employees feel that their jobs fit into a mission that's bigger than them, bigger than the company itself even, and makes that mission not only important but fun – well, that's a company that's creating a culture not just for workers but for believers. Successful organizations understand that their employees are their best brand ambassadors, and passion turns workers who just punch in and punch out into advocates who fully embrace their jobs and feel excited to be part of the team.

Well-run volunteer and giving programs that aren't just after-hours, check-the-box adjunct activities but which frame the whole workplace culture are a breeding ground for passion. They're also a unique platform for skills and leadership building that offer superb professional growth opportunities.

According to CIPD ten key skills that volunteering can help build.

1. Community awareness
2. Confidence
3. Coaching and mentoring
4. Communication
5. Networking and relationship building
6. Team-building
7. Professional knowledge
8. Self-awareness and reinforcing skills
9. Workload management
10. Creativity

Links:
Business in the Community: http://www.bitc.org.uk/blog/post/ten-key-skills-volunteering-helps-build#sthash.Bobvo3Ta.dpuf
Chartered Institute of Personnel and Development: http://www.cipd.co.uk/binaries/volunteering-to-learn-employee-development-through-community-action_2014.pdf
Causecast: http://www.causecast.com/blog/employee-engagement-ideas-from-the-most-engaged-cities/

21. FTSE4Good Index

The FTSE4Good Index Series assesses the sustainability of market-listed companies. The FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. Transparent management and clearly-defined ESG criteria make FTSE4Good indices suitable tools to be used by a wide variety of market participants when creating or assessing responsible investment products.

The FTSE has 2 other responsible investment indices: the FTSE CDP Carbon Strategy Index Series (comprising UK companies only) and the FTSE Environmental Market Index Series.

FTSE4Good indices can be used in four main ways:

- **Financial products** - as tools in the creation of index-tracking investments, financial instruments or fund products focused on responsible investment.
- **Research** - to identify environmentally and socially responsible companies.

- **Reference** - as a transparent and evolving global ESG standard against which companies can assess their progress and achievement.
- **Benchmarking** - as a benchmark index to track the performance of responsible investment portfolios.

Links:
FTSE4Good Index Series: http://www.ftse.com/products/indices/FTSE4Good

22. Green House Gas (GHG) Emissions

Green House Gas (GAG) is a natural part of the atmosphere. It absorbs solar radiation and keeps the earth warm enough to support life. Human activities are responsible for almost all of the increase in greenhouse gases in the atmosphere, as over the past century, burning fossil fuels to produce energy, although deforestation, industrial processes, and some agricultural practices have released large amounts of carbon dioxide and other greenhouse gases into the atmosphere.

The Kyoto Protocol lists four Green House Gases – carbon dioxide CO2, methane CH4, nitrous oxide N2O and sulphur hexafluoride SF6 – and two groups of other greenhouse gases: Perfluorocarbons (PCFCs) and hydrofluorocarbons (HFCs). Carbon dioxide (CO_2), the most significant GHG directly affected by anthropogenic activity and is the main contributor to climate change.

The Green House Gas Protocol (GHG Protocol) is the most widely used international accounting tool for government and business leaders to understand, quantify, and manage greenhouse gas emissions. The GHG Protocol operates under the umbrella of the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI), with businesses, governments, and environmental groups around the world to build a new generation of credible and effective programs for tackling climate change.

Links:
Greenhouse Gas Protocol: http://www.ghgprotocol.org/
United States Environmental Protection Agency:
http://www.epa.gov/climatechange/ghgemissions/sources.html
Department of Environment and Primary Industries (DEPI), Victoria State Government:

http://www.climatechange.vic.gov.au/greenhouse-gas-emissions

23. Greenwashing

Green-wash is the act of misleading consumers regarding the environmental practices of a company or the environmental benefits of a product or service. It is misleading publicity or propaganda disseminated by an organization, etc., so as to present an environmentally responsible public image; a public image of environmental responsibility promulgated by or for an organization, etc., regarded as being unfounded or intentionally misleading. (OED)

Signs of Greenwashing:

- The ad misleads with words
- The ad misleads with visuals and/or graphics
- The add leaves out /masks important information, making the green claim sound better than it is
- The ad overstates or exaggerates how green the product/company/service actually is
- The ad makes a green claim that is vague or seemingly unprovable

Links:
Oxford English Dictionary: http://www.oed.com
Greenwashing Index: http://www.greenwashingindex.com
Sins of Greenwashing: http://sinsofgreenwashing.org
Sustainability Knowledge Group: http://sustainabilityknowledgegroup.com/blog/

24. Global Reporting Initiative (GRI)

The Global Reporting Initiative (GRI) is a leading international not-for-profit organization in the sustainability field. GRI promotes the use of sustainability reporting as a way for organizations to become more sustainable and contribute to sustainable development. GRI has pioneered and developed a comprehensive Sustainability Reporting Framework that is widely used around the world. GRI's mission is to make sustainability reporting standard practice for all companies and organizations.

Its Framework is a reporting system that provides metrics and methods for measuring and reporting sustainability-related impacts and performance. The GRI Framework enables greater organizational transparency and accountability. This can build stakeholders' trust in organizations, and lead to many other benefits. Thousands of organizations, of all sizes and sectors, use GRI's Framework to understand and communicate their sustainability performance. The Framework, sets out the Principles and Standard Disclosures organizations can use to report their economic, environmental, and social performance and impacts. The GRI Framework is freely available to the public.

Links:
Global Reporting Initiative: https://www.globalreporting.org/reporting/reporting-framework-overview

25. ILO Declaration on Fundamental Principles and Rights at Work

The ILO Declaration on Fundamental Principles and Rights at Work, adopted in 1998, is an expression of commitment by governments, employers' and workers' organizations to uphold basic human values - values that are vital to our social and economic lives. These principles and rights are:

- freedom of association and the effective recognition of the right to collective bargaining
- the elimination of all forms of forced or compulsory labour
- the effective abolition of child labour
- the elimination of discrimination in respect of employment and occupation

The ILO was created in 1919, as part of the Treaty of Versailles that ended World War I, to reflect the belief that universal and lasting peace can be accomplished only if it is based on social justice.

Links:
International Labour Organisation: http://www.ilo.org/global/about-the-ilo/history/lang--en/index.htm

26. Impact Assessment

Impact assessment, is the process of identifying the future consequences of a current or proposed action and is carried out to assess the consequences of individual projects, policies and programmes.

Environmental Impact Assessment (EIA) is a process of evaluating the likely environmental impacts of a proposed project or development, taking into account inter-related socio-economic, cultural and human-health impacts, both beneficial and adverse.

United Nations Environment Programme (UNEP) defines Environmental Impact Assessment (EIA) as a tool used to identify the environmental, social and economic impacts of a project prior to decision-making. It aims to predict environmental impacts at an early stage in project planning and design, find ways and means to reduce adverse impacts, shape projects to suit the local environment and present the predictions and options to decision-makers. By using EIA both environmental and economic benefits can be achieved, such as reduced cost and time of project implementation and design, avoided treatment/clean-up costs and impacts of laws and regulations.

B Impact Assessment is a free, confidential tool powered by B Lab, a non-profit organization dedicated to using the power of business as a force for good. To make it easy for all businesses to participate in this vision, the B Impact Assessment provides: A) Credible, comprehensive, transparent, and independent standards of social and environmental performance that allow businesses to assess their overall impact. B) Publicly available benchmarks on corporate impact that allow businesses to compare their impact. C) Practical, easy to use tools to help businesses improve their impact over time.

Links:
International Association for Impact Assessment: http://www.iaia.org/about/
The Convention on Biological Diversity: http://www.cbd.int
United Nations Environment Programme: www.unep.org/
B Impact Assessment: http://bimpactassessment.net/

27. Integrated Reporting

Integrated Reporting combines financial and non-financial information with a forward-looking perspective that's designed to help readers understand all the components of business value – and how they may
Integrated Reporting provides a basis for organisations to explain their business story more effectively to the capital markets

The International Integrated Reporting Council (IIRC) is a global coalition of regulators, investors, companies, standard setters, the accounting profession and NGOs. Together, this coalition shares the view that communication about value creation should be the next step in the evolution of corporate reporting.

Links:

KPMG:https://www.kpmg.com/ES/es/servicios/Advisory/RiskCompliance/IARCS/GlobalSustainabilityServices/Documents/Integrated-Reporting-issue2.pdf

EY: http://www.ey.com/Publication/vwLUAssets/EY-Integrated-reporting/$FILE/EY-Integrated-reporting.pdf

International Integrated Reporting Council: http://www.theiirc.org/the-iirc/

28. ISO 26000 Standard on Corporate Social Responsibility

ISO 26000 is a guidance standard on how business and organizations can operate in a socially responsible way. It helps clarify what social responsibility is, helps businesses and organizations translate principles into effective actions, and shares best practice on social responsibility. It is aimed at all types of organizations regardless of activity, size or location.

ISO 26000 defines 7 'core subjects':
1. Organizational governance
2. Human rights
3. Labour practices
4. The environment
5. Fair operating practices
6. Consumer issues
7. Community involvement and development

ISO 26000:2010 provides guidance rather than requirements, so it cannot be certified to unlike some other well-known ISO standards.

Links:
International Organization for Standardization: www.iso.org/iso/home/standards/iso26000.htm

29. Kyoto Protocol

The Kyoto Protocol is an international agreement linked to the United Nations Framework Convention on Climate Change, which commits its Parties by setting internationally binding emission reduction targets. The Kyoto Protocol was adopted in Kyoto, Japan, on 11 December 1997 and entered into force on 16 February 2005. The detailed rules for the implementation of the Protocol were adopted at COP 7 in Marrakesh, Morocco, in 2001, and are referred to as the "Marrakesh Accords." Its first commitment period started in 2008 and concluded in 2012. The second period is between 2012-2016.

The Kyoto Protocol is seen as an important first step towards a truly global emission reduction regime that will stabilize GHG emissions, and can provide the architecture for the future international agreement on climate change.
Recognizing that developed countries are principally responsible for the current high levels of GHG emissions in the atmosphere as a result of more than 150 years of industrial activity, the Protocol places a heavier burden on developed nations under the principle of "common but differentiated responsibilities.

The Kyoto mechanisms are:

- International Emissions Trading\
- Clean Development Mechanism (CDM)

- Joint implementation (JI)

Links:
United Nations Framework Convention on Climate Change:

http://unfccc.int/kyoto_protocol/items/2830.php

Video: The future I want (Ban Ki-moon):

http://www.youtube.com/watch?v=UDNDTThxjPY&feature=player_embedded

30. Life Cycle Assessment (LCA)

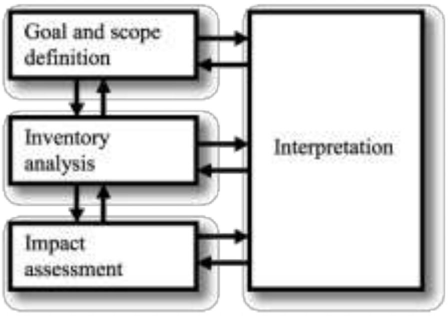
The term “life cycle” refers to the major activities in the course of the product’s life-span from its manufacture, use, and maintenance, to its final disposal, including the raw material acquisition required to manufacture the product. LCA is particularly useful because it attributes environmental burdens to specific processes.

The Life Cycle Assessment (LCA) process is a systematic, phased approach and consists of four components: a) goal definition and scoping, b) inventory analysis, c) impact assessment, and d) interpretation. LCA is a holistic tool encompassing all environmental exchanges (resources, energy, emissions, waste) occurring during all stages of the activities life cycle. This tool is most useful when applied on products or services for which the life-cycle concept and its stages are clearly defined.

Cradle-to-grave is the full Life Cycle Assessment from resource extraction ('cradle') to use phase and disposal phase ('grave').
Cradle-to-gate is an assessment of a *partial* product life cycle from resource extraction (*cradle*) to the factory gate (i.e., before it is transported to the consumer). The use phase and disposal phase of the product are omitted in this case.

By performing an LCA, analysts can:

- Develop a systematic evaluation of the environmental consequences associated with a given product.
- Analyze the environmental trade-offs associated with one or more specific products/processes to help gain stakeholder (state, community, etc.) acceptance for a planned action.
- Quantify environmental releases to air, water, and land in relation to each life cycle stage and/or major contributing process.
- Assist in identifying significant shifts in environmental impacts between life cycle stages and environmental media.
- Assess the human and ecological effects of material consumption and environmental releases to the local community, region, and world.
- Compare the health and ecological impacts between two or more rival products/processes or identify the impacts of a specific product or process.
- Identify impacts to one or more specific environmental areas of concern.



LCA Framework (Source: ISO 1997)

Links:

European Topic Centre on Sustainable Consumption and Production:
http://scp.eionet.europa.eu/themes/lca
Environmental Protection Agency:
http://www.epa.gov/nrmrl/std/lca/pdfs/chapter1_frontmatter_lca101.pdf
Wikipedia: http://en.wikipedia.org/wiki/Life-cycle_assessment

31. Materiality Assessment

The definition of materiality is of crucial importance in all discussions of disclosure. Understanding the materiality of ESG issues and how materiality changes with respect to particular industry sectors is critical for successful implementation of a minimum ESG reporting scheme.

Material issues are those issues that can make a major difference to an organisation's performance. Material topics for a reporting organization should include those topics that have a direct or indirect impact on an organization's ability to create, preserve or erode economic, environmental and social value for itself, its stakeholders and society at large.

With so many ESG topics to consider, organizations are often persuaded into pursuing pet programs that either generate quick returns or appease upper management but fail to address core business impacts. Material information provides the basis for stakeholders and management to make sound judgements about the things that matter to them, and take actions that influence the organisation's performance.

A high quality report is not a report that covers all possible issues. The practice of identifying and prioritising the sustainability issues that matter enables a company to make better decisions overall. A high quality report should cover information on the organization's significant economic, environmental and social impacts or impacts that would substantively influence assessments and decisions of internal and external stakeholders.

Links:
GRI: https://www.globalreporting.org/reporting/G3andG3-1/guidelines-online/TechnicalProtocol/Pages/MaterialityInTheContextOfTheGRIReportingFramework.aspx
AccountAbility: http://accountability.org/
Sustainability Accounting Standards Board: http://www.sasb.org/materiality/determining-materiality/
Sustainability Knowledge Group: http://sustainabilityknowledgegroup.com/materiality-assessment

32. Millennium Development Goals (MDGs)

The United Nations Millennium Development Goals (MDGs) are eight goals that all 191 UN Member States have agreed to try to achieve by the year 2015. The United Nations Millennium Declaration, signed in September 2000 commits world leaders to combat poverty, hunger, disease, illiteracy, environmental degradation, and discrimination against women. The MDGs are derived from this Declaration, and all have specific targets and indicators.

The Eight Millennium Development Goals are:

- to eradicate extreme poverty and hunger
- to achieve universal primary education
- to promote gender equality and empower women

- to reduce child mortality
- to improve maternal health
- to combat HIV/AIDS, malaria, and other diseases
- to ensure environmental sustainability
- to develop a global partnership for development

Three out of the eight millennium development targets – on poverty, slums and water– have been met ahead of the 2015 deadline, but much remains to be done. The future development framework – the Post-2015 agenda – should build on the lessons learned from working toward achieving the MDGs, which have been providing the structure for the UN's development activities since the Millennium Summit in 2000.

Links:
United Nations: http://www.un.org/millenniumgoals/
World health organisation: http://www.who.int/topics/millennium_development_goals/en/
United Nations Development Programme:
http://www.undp.org/content/undp/en/home/mdgoverview.html

33. Non-financial Reporting

Non-financial or sustainability reporting is the practice of measuring, disclosing and being accountable to internal and external stakeholders for organisational performance towards the goal of sustainable development. Non-financial reporting is vital for managing change towards a sustainable global economy by combining long-term profitability with social justice and environmental protection. It also helps monitoring undertakings' performance and their impact on society.

Key areas of non financial information include environmental issues, social/employee maters, human rights, anticorruption/bribery, corporate governance, supply chain impacts, company specific issues, sector specific issues.

Non-financial reporting is an enabling tool for business productivity and contributes to a smart and sustainable growth. Key drivers for non-financial reporting include demand from stakeholders, including investors, regulators and customers, peer pressure, as well local regulation and global trends.

Links:
EU Business: http://www.eubusiness.com/topics/finance/non-fin-info
Council of the European Union:
http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/intm/144945.pdf
EY: http://www.ey.com/
Sustainability Knowledge Group: http://sustainabilityknowledgegroup.com/blog/

34. Principles for Responsible Investment (PRI)

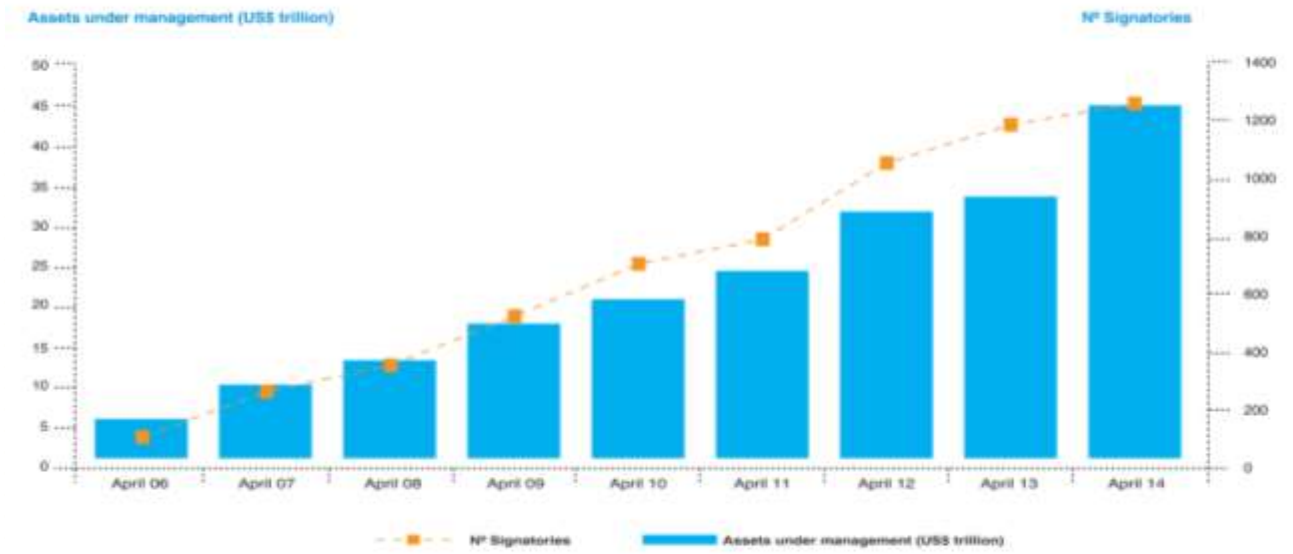
The United Nations-supported Principles for Responsible Investment (PRI) Initiative is an international network of investors working together to put the six Principles for Responsible Investment into practice. Its goal is to understand the implications of sustainability for investors and support signatories to incorporate these issues into their investment decision making and ownership practices.

Since its launch in 2006, the PRI Initiative has been instrumental in raising awareness about responsible investment among the global investment community, increasing the level of transparency around the activities and capabilities of its signatories and fostering collaboration between them, and supporting their engagements with companies and policymakers on ESG issues.

In implementing the Principles, signatories contribute to the development of a more sustainable global financial system.
The Principles are voluntary and aspirational.

Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes
Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices

Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest
Principle 4: We will promote acceptance and implementation of the Principles within the investment industry
Principle 5: We will work together to enhance our effectiveness in implementing the Principles
Principle 6: We will each report on our activities and progress towards implementing the Principles



Links:
Principles for Responsible Investment: www.unpri.org/

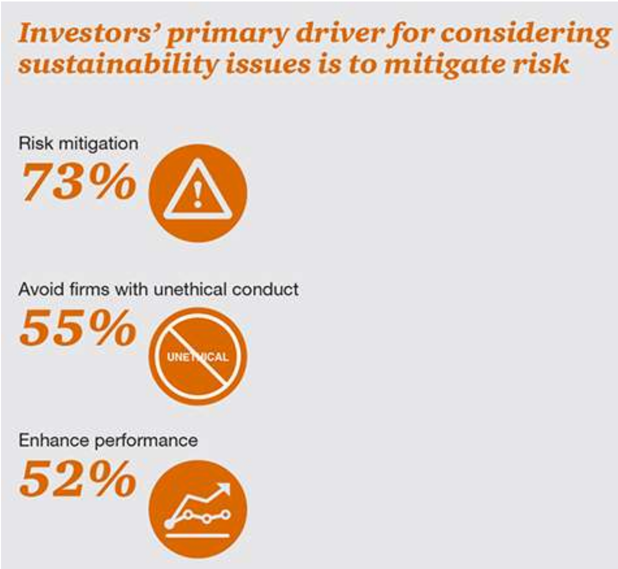
35. Socially Responsible Investment (SRI)

Socially Responsible Investment (SRI) is a form of investment that integrates environmental, social and governance (ESG) criteria into analysis processes and investment decisions, in addition to traditional financial criteria with the aim to generate long-term competitive financial returns and positive societal impact.

SRI comprises two major approaches with different underlying motivations and philosophies:

- Ethical funds
- Socially responsible funds

SRI investors comprise individuals, including average retail investors to very high net worth individuals and family offices, as well as institutions, such as universities, foundations, pension funds, non-profit organizations and religious institutions.



Links:

PWC: http://www.pwc.com/us/en/pwc-investor-resource-institute/publications/sustainability-goes-mainstream-investor-views.jhtml

The Forum for Sustainable and Responsible Investment: http://www.ussif.org/sribasics

Johannesburg Stock Exchange: https://www.jse.co.za

36. Social Return on Investment (SROI)

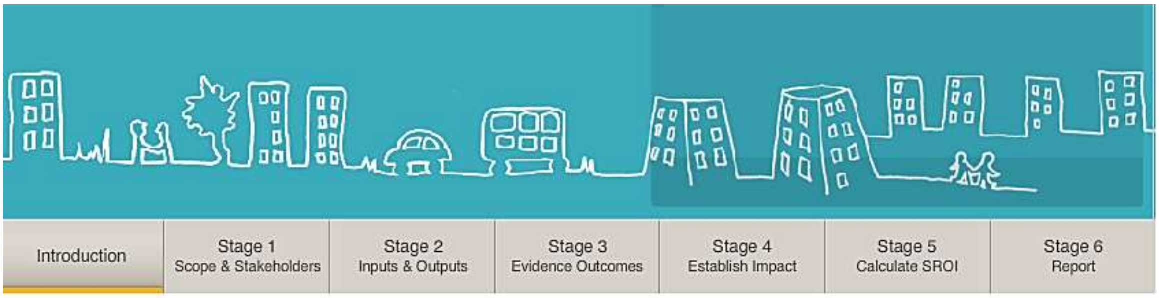
Social Return on Investment (SROI) is an approach to understanding and managing the value of the social, economic and environmental outcomes created by an activity or an organisation. It is based on a set of principles that are applied within a framework.

SROI is a set of principles used in a framework that values change that would otherwise be at-risk of being under-valued, misunderstood or ignored altogether. This occurs when the value of social, environmental and organizational change is not expressed in universally understood terms.

Principles	The six stages of an SROI analysis
Involve stakeholders	Establishing scope and identifying key stakeholders
Understand what changes	Mapping outcomes
Value the things that matter	Evidencing outcomes and giving them a value
Only include what is material	Establishing impact
Do not over-claim	Calculating the SROI
Be transparent	Reporting, using and embedding
Verify the result	

SROI offers the following benefits:

- Can help organisations understand what social value an activity creates
- Can help organisations manage its activities and relationships to maximise value
- Is part of stakeholder dialogue and assesses the degree to which activities are meeting stakeholder needs and expectations
- Puts social impact into 'return on investment', and demonstrate the social value of investment
- Offers new ways of defining agreement/contract outcomes by taking account of social and environmental impacts
- Can help management analyse what may happen if strategy is changed



Links:

The SROI Network: http://www.thesroinetwork.org

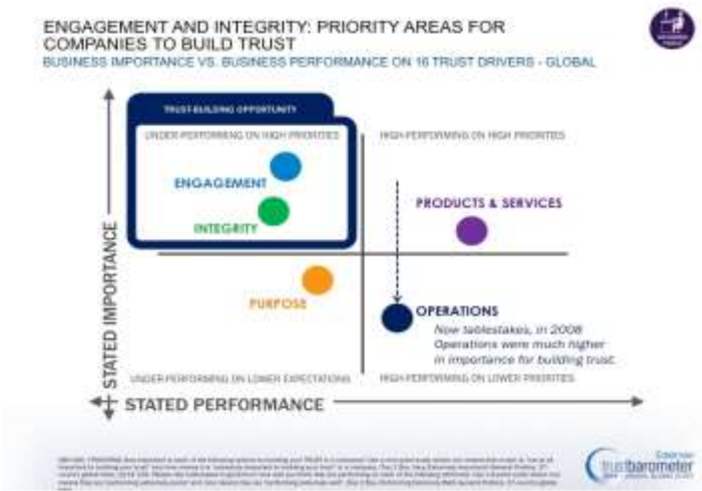
37. Stakeholder Engagement

Individuals, groups or organisations that are likely to be affected, directly or indirectly, by an activity, a programme or a particular arrangement of a company are stakeholders. Stakeholder examples include employees, customers, suppliers, shareholders, unions, NGOs, civil society, local authorities, etc.

Stakeholder Engagement occurs when a company engages in open, two way dialogue seeking understanding and solutions to issues of mutual concern. Stakeholder Engagement is not just a one-time activity, it is a commitment that requires continuous evolvement.

Stakeholder Engagement provides opportunities to further align your business practices with societal needs and expectations, helping to drive long-term sustainability and shareholder value. Stakeholder Engagement benefits include

- Informed decision-making as stakeholders groups possess a wealth of information
- Reduction of conflicts which can harm the implementation and success of projects
- Contribution to the transparency of public and private actions, due to actions being monitored by involved stakeholders
- Building trust between stakeholders, which can lead to lead to long-term partnerships



Links:

AA1000 Stakeholder Engagement Standard:
http://www.accountability.org/standards/aa1000ses/index.html

Business for Social Responsibility: http://www.bsr.org/en/topic/channel/reports/stakeholder-relations

CSReurope: http://www.csreurope.org/searchreports

Edelman: http://www.edelman.com/insights/intellectual-property/2014-edelman-trust-barometer/building-trust/

Sustainability Knowledge Group: http://sustainabilityknowledgegroup.com/blog/

38. Social Licence to Operate

Legal license to operate is granted by governments and regulatory bodies, however acquiring and maintaining the social license is not easy. The challenge in obtaining the social license is that there is no issuing organization or agency; it is a subjective concept.

Achieving social license entails earning public, community, and governments support. Achieving social license requires long term successful community engagement and is based on trust and mutually beneficial honouring partnerships.

Corporate behaviour and performance is not determined only by the obligations to comply with the law, but also by the pressures to demonstrate "beyond compliance" behaviour. Failure to meet minimum social expectations and respond to pressures has negative impacts on brand value reputation, projects, business opportunities, profitability and business survival.

39. Sustainable Buildings

Sustainable Buildings or Green Buildings are Green, or sustainable, building is the practice of creating and using healthier and more resource-efficient models of construction, renovation, operation, maintenance and demolition

Standards and Frameworks

Leadership in Energy and Environmental Design (LEED). The green building certification program is created by the United States Green Building Council (USGBC). The comprehensive rating system (based on prerequisites and points) takes a whole building approach factoring in community resources & public transit, site characteristics, water efficiency, energy efficiency, materials & resources, indoor environmental quality, awareness & education, and innovation.

Building Research Establishment Environmental Assessment Methodology (BREEAM). BREEAM sets the standard for best practice in sustainable building design, construction and operation and has become one of the most comprehensive and widely recognised measures of a building's environmental performance. Since it was first launched in 1990, has certified 250,000 buildings and over a million are registered for assessment. The measures used - to evaluate a building's specification, design, construction and use - represent a broad range of categories and criteria from energy to ecology. They include aspects related to energy and water use, the internal environment (health and well-being), pollution, transport, materials, waste, ecology and management processes

Estidama, which is the Arabic word for sustainability, is an initiative developed and promoted by the Abu Dhabi Urban Planning Council (UPC) Estidama arose from the need to properly plan, design, construct and operate sustainable developments with respect to the traditions. The program is a key aspect of the "Plan Abu Dhabi 2030" drive to build the city of Abu Dhabi according to innovative green standards. The framework seeks to assure that sustainability is continually addressed through four key pillars: environmental, economic, social and cultural. Estidama is a building design methodology for constructing and operating buildings and communities more sustainably. The program is not itself a green building rating system like LEED or BREEAM, but rather a collection of ideals that are imposed in an elective building code type of format. Within Estidama, however is a green building rating system called the Pearl Rating System that is utilized to evaluate sustainable building development practices in Abu Dhabi.

Links:

BREEAM: http://www.breeam.org/about.jsp?id=66
United States Green Building Council http://www.usgbc.org/leed
World Building Design Guide: http://www.wbdg.org/resources/gbs.php
Carboun: http://www.carboun.com
World Green Building Council: http://www.worldgbc.org/
http://www.epa.gov/greenbuilding/

40. Sustainable Cities

Sustainable cities are characterized by a green economy, healthy and happy communities, and smart infrastructure. They are biodiverse, low-carbon, resilient and resource-efficient. A sustainable city is characterized by holistic thinking with policy initiatives spanning across areas such as business; education; consumption; infrastructure; public services; transport; environment and nature.

Cities are hubs for ideas, commerce, culture, science, productivity, social development and much more. Cities can promote economically, socially and environmentally sustainable societies if we adopt a holistic approach to urban development that ensure universal access to basic services, housing and mobility. Urban planning, transport systems, water, sanitation, waste management, disaster risk reduction, access to information, education and capacity-building are all relevant issues to be addressed.

Interesting facts:

- Half of humanity – 3.5 billion people – live in cities today.
- By 2030, almost 60 per cent of the world's population will live in urban areas.

- The world's cities occupy just 2 per cent of the Earth's land, but account for 60-80 per cent of energy consumption and 75 per cent of carbon emissions.

Links:
Sustainable Development Knowledge Platform:
http://sustainabledevelopment.un.org/index.php?menu=1510
Sustainable Cities: http://www.sustainablecities.eu/pathways
Sustainable Cities Institute: http://www.sustainablecitiesinstitute.org/
ICLEI - Local Governments for Sustainability: http://www.iclei.org/our-activities/our-agendas/sustainable-city.html
Carboun: http://www.carboun.com

41. Sustainability

The word sustainability is derived from the Latin sustinere (tenere, which means to hold).
Sustainability: The ability or capacity of something to be maintained or to sustain itself, to support, or endure. If an activity is said to be sustainable, it should be able to continue forever.

Sustainability is a holistic business that involves simultaneous pursuit of economic prosperity, environmental quality and social equity and maintains balance between social, environmental, and economic growth.

Sustainability is commonly conceptualised as having three dimensions, often symbolised as overlapping circles: social, environmental, financial. Society, economy and the environment, as the three pillars of sustainability, pose three characteristics: independency, inter-relation/inter-connection, and equality.

Sustainability is often used as synonymous to Sustainable Development. However, this is not entirely right. Sustainability is the destination, an end-state, and sustainable development is a means of getting there.

Links:
Circular Ecology: http://www.circularecology.com/sustainability-and-sustainable-development.html#.VE0NrRYfSml

42. Sustainability Assessment

In sustainability, assessment and measurement are concepts that go hand in hand; but assessment and measurement each entail a different process. In the measurement process, variables related to sustainable development are identified and data are collected and analysed with technically appropriate methods. During the assessment process, the performance is compared against a standard for a criterion (or for a number of criteria). Assessments are practical undertakings in evaluation and decision making with expected participation by stakeholders. These exercises must be meaningful for all the parties involved. An evaluation instrument aimed at strengthening the integration of sustainable development across all areas of decision making. It assesses social, economic and environmental impacts of projects, reveals goals, promotes optimisation, and focuses on strategic planning.

Links:
Organisation for Economic Co-operation and Development:
http://www.oecd.org/greengrowth/39925248.pdf
B-Impact Assessment: http://bimpactassessment.net

43. Sustainability Key Performance Indicators (KPIs)

"You Can't Manage What You Don't Measure". As sustainability has become an integral part of how business is done, measuring sustainability is the way to improved and successful sustainability programs and strategies

Through Key Performance Indicators (KPIs) companies, organisations and institutions and Non Governmental organisations (NGOs) define and measure progress toward organizational goals and evaluate their success at organizational or/and activity level. Sustainability KPIs should give an actual appraisal of the corporate performance and provide a balanced illustration of environmental, social and economic aspects, progress and impacts.

Sustainability KPIs can be qualitative or quantitative measures that assess all aspects of triple bottom line, paying particular attention to the material issues and therefore choosing the right

KPIs can be a key ingredient to success. Sustainability reporting frameworks provide sets of indicators to assist reporters in their sustainability journey.

Links:
International Institute for Sustainable Development:
http://www.iisd.org/pdf/2012/measuring_performance_communtiy_indicators.pdf
http://www.deloitte.com/assets/Dcom-UnitedStates/Local%20Assets/Documents/us_cfo_kpis%20for%20sustainability_Nov202009.pdf

44. Sustainability Reporting

A sustainability report is a report published by a company or organization about the economic, environmental and social impacts caused by its everyday activities. A sustainability report presents the organization's values and governance model, and demonstrates the link between its strategy and its commitment to a sustainable global economy.

Sustainability reports are also called Corporate Social Responsibility (CSR), Environmental Social Governance (ESG), Sustainable Development reports, or Triple Bottom Line (TBL) reports. In conjunction with financial reports, are used by and stakeholders in evaluating the long term viability of a company, the activities and performance and the value they create to the community in which they operate.

Sustainability reporting is the process of disclosing the above information and can be done through a number of printed or online means.

Links:
GRI: https://www.globalreporting.org/information/about-gri/what-is-GRI/Pages/default.aspx
Corporate Register: http://www.corporateregister.com

45. Sustainability Strategy

A Sustainability strategy is a unique tool to manage sustainability risks and opportunities. A Sustainability strategy is holistic and addresses the following key pillars: orkplace, marketplace, society and environment.

"A coherent Sustainability strategy, based on integrity, sound values and a long-term approach can offer clear business benefits.
These cover:

- a better alignment of corporate goals with those of society;
- maintaining the company's reputation;
- securing its continued license to operate;
- and reducing its exposure to liabilities, risks and associated costs"

Björn Stigson, President, World Business Council for Sustainable Development (WBCSD)

46. Sustainable Development

Sustainable development: The development that meets the needs of the present without compromising the ability of future generations to meet their own needs. (Gro Brundtland, World Commission on Environment and Development (WCED), 1978). It implies responsible and proactive decision-making and innovation that minimizes negative impact

Formally known as the World Commission on Environment and Development (WCED), the Brundtland Commission officially dissolved in December 1987 after releasing Our Common Future, also known as the Brundtland Report, in October 1987, a document which coined, and defined the meaning of the term "Sustainable Development". Our Common Future won the University of Louisville Grawemeyer Award in 1991. The organization Center for Our Common Future was started in April 1988 to take the place of the Commission.

We hear about sustainable development, sustainable growth, sustainable economies, sustainable societies, and sustainable agriculture. Everything Is sustainable (Temple,1992)

Links:
Our Common Future, (Brundtland Report), 1987
MOOC, Jeffrey Sachs - The Age of Sustainable Development, Lecture 1, Chapter 1: https://www.youtube.com/watch?v=x7PTbo4ZSW0#t=83

47. Sustainable Development Goals

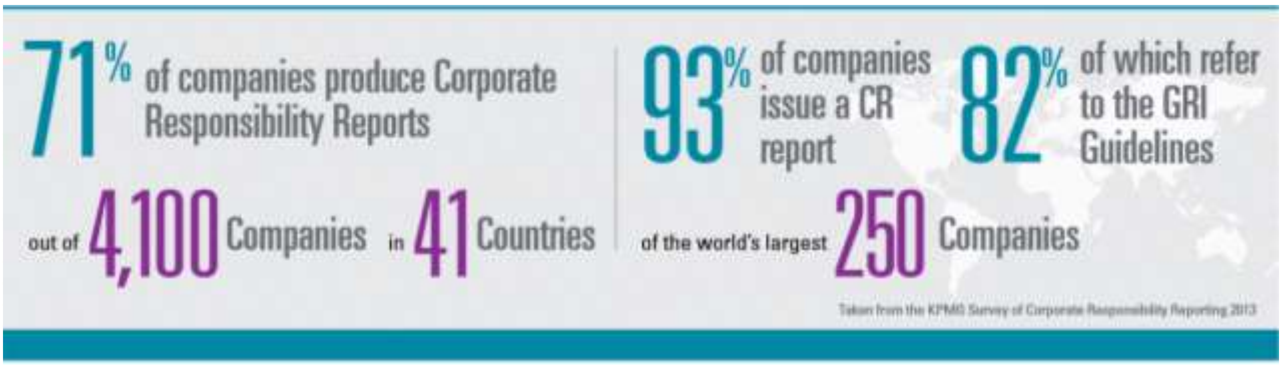
Sustainable Development Goals (SDGs) refer to an agreement of the United Nations Conference on Sustainable Development held in Rio de Janeiro in June 2012 (Rio+20), to develop a set of future international development goals and converge with the post 2015 development agenda.

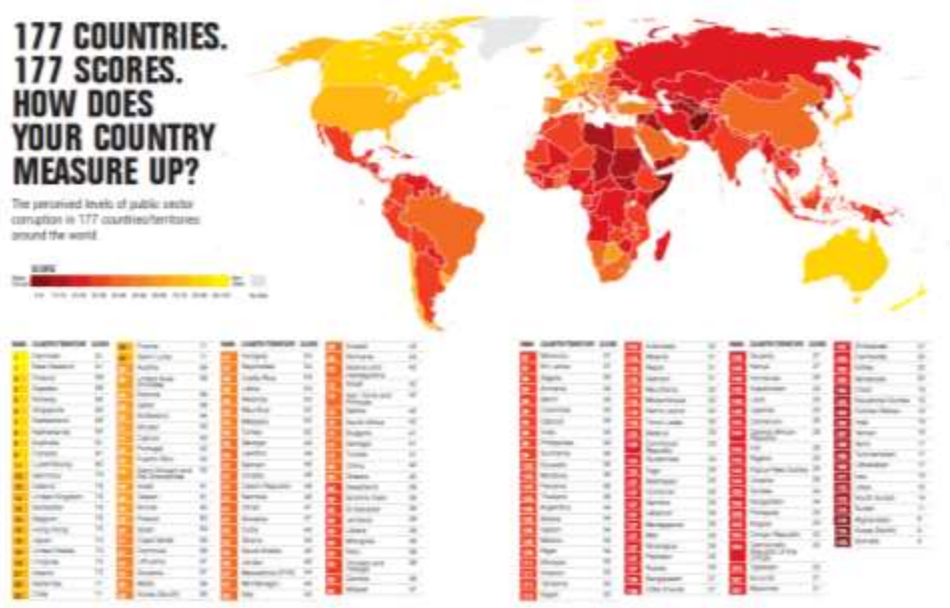
At Rio+20 - the UN Conference on Sustainable Development - countries agreed to establish an intergovernmental process to develop a set of "action-oriented, concise and easy to communicate" sustainable development goals (SDGs) to help drive the implementation of sustainable development. The Rio+20 outcome document, The Future We Want, also calls for the goals to be coherent with the United Nations development agenda beyond 2015. A 30-member Open Working Group (OWG) of the General Assembly is tasked with preparing a proposal on the SDGs.

Links:
United Nations Conference on Sustainable Development:
http://sustainabledevelopment.un.org/index.php?menu=1565

48. Transparency

The need for greater accountability is clear, and leaders cannot look the other way. But recognising the problem is only the first step – governments need to turn pledges into actions. All citizens deserve bribe-free services, and leaders that are answerable to the public, not to powerful friends.
Corruption is the abuse of entrusted power for private gain. It hurts everyone who depends on the integrity of people in a position of authority.





Many of these exchanges also participate in the Sustainable Stock Exchanges (SSE) initiative, which is a peer-to-peer learning platform for exploring how exchanges can work together with investors, regulators, and companies to enhance corporate transparency. Created by the United Nations (UN) in 2009, the SSE now includes 10 partner stock exchanges.

Following the creation of the SSE initiative, the Ceres' Investor Network on Climate Risk (INCR) formed the Investor Initiative for Sustainable Exchanges Working Group to support the SSE initiative, and to coordinate engagement with stock exchanges worldwide. Ceres and INCR, with input from global investors, developed the Investor Listing Standards Proposal: Recommendations for Stock Exchange Requirements on Corporate Sustainability Reporting, which was released in March 2014 and has now been submitted to the WFE for consideration and feedback

Links:
Transparency International: http://www.transparency.org/whatwedo

49. Transparency Rules on Social Responsibility

The Council of the European Union adopted on the 29th September a directive for the disclosure of non-financial and diversity information by certain large companies (47/14 and 13265/14 ADD 1 REV 1). The new measures are aimed at strengthening the company's transparency and accountability, while limiting any undue administrative burden, and ensuring a level playing field across the EU.

They will be incorporated into the directive on the annual financial statements and reports of certain types of undertakings, which was adopted on 26 June 2013.

The new provisions will be applicable to public interest entities over 500 employees. Some 6.000 public interest entities in the EU would fall under the scope of the directive. Non-financial reporting is vital for managing change towards a sustainable global economy by combining long-term profitability with social justice and environmental protection. It also helps monitoring undertakings' performance and their impact on society.
The directive provides the EU with the first legislation on non-financial information reporting.
Corporate Social Responsibility is an enabling tool for business productivity and contributes to a smart and sustainable growth. It is therefore intended to bring benefits not only to shareholders but also for stakeholders and citizens alike. Member states will have two years to incorporate the new provisions into domestic law, which will be applicable in 2017.

Links:
The full press release from the Council is available here:
http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/intm/144945.pdf

50. Triple Bottom Line

Triple bottom line (abbreviated as TBL or 3BL) is a framework with three parts: social, environmental (or ecological) and financial. These three divisions are also called the three Ps: people, planet and profit, or the "three pillars of sustainability". It aims to measure the financial, social and environmental performance of the corporation over a period of time. Only a company that produces a TBL is taking account of the full cost involved in doing business.

The triple bottom line was first fully explained by John Elkington in his 1997 book "Cannibals With Forks: The Triple Bottom Line of 21st Century Business". Traditionally, business success (or failure) is measured in terms of its economic performance. A business is considered to be successful if it has generated a sufficient financial return from its investments, financing activities and operating activities. The triple bottom line takes into account three criteria for assessing organisational performance; economic, social and environmental.

Links:
NSW Small Business Commissioner: http://toolkit.smallbiz.nsw.gov.au/part/17/84/363
http://www.economist.com/node/14301663

Elkington, J., “Cannibals with Forks: the Triple Bottom Line of 21st Century Business”, Capstone, 1997
http://www.ey.com/Publication/vwLUAssets/Seven_things_CEOs_boards_should_ask_about_climate_reporting/$FILE/Seven_things_CEOs_boards_should_ask_about_climate_reporting.pdf

51. United Nations Global Compact (UNGC)

Launched in July 2000, the UN Global Compact is a leadership platform for the development, implementation and disclosure of responsible and sustainable corporate policies and practices.

The UN Global Compact is the world’s largest corporate sustainability movement with 8,000 corporate signatories and 4,000 other stakeholder from 145 countries – representing nearly every industry sector and size, and hailing equally from developed and developing countries. In 2012 alone, 1,425 companies from over 100 countries joined the initiative.

The UN Global Compact is not a regulatory instrument, but rather a voluntary initiative that relies on public accountability, transparency and disclosure to complement regulation and to provide a space for innovation and collective action. The UN Global Compact works toward the vision of a sustainable and inclusive global economy which delivers lasting benefits to people, communities, and markets.

The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption:

Human Rights
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights
Principle 2: make sure that they are not complicit in human rights abuses

Labour
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
Principle 4: the elimination of all forms of forced and compulsory labour
Principle 5: the effective abolition of child labour
Principle 6: the elimination of discrimination in respect of employment and occupation

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges

Principle 8: undertake initiatives to promote greater environmental responsibility

Principle 9: encourage the development and diffusion of environmentally friendly technologies

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

Links:

United Nations Global Compact: https://www.unglobalcompact.org

52. Water Footprint

The water footprint is an indicator of freshwater use that looks at both direct and indirect water use of a consumer or producer. The Concept of "water footprint" was introduced by Hoekstra in 2002.

A water footprint is a comprehensive measure of freshwater consumption that connects consumptive water use to a certain place, time, and type of water resource. A water footprint can be calculated for almost anything – a product, a person, or a land area, by following accounting practices that have been standardized by the Water Footprint Network. The calculation for a water footprint includes the total amount of freshwater consumed along the supply chain of a product. A water footprint differs from the typical measure of water use, water withdrawals, because a water footprint only accounts for consumptive water use, which is water that becomes unavailable locally in the short term due to evaporation or quality decline.

A water footprint accounts separately for three types of freshwater consumption: (1) green water use, which is consumption from rainfall; (2) blue water use, which is consumption from groundwater or surface water; and (3) grey water use, which would be the dilution water required to reduce pollutant concentrations to acceptable values.

Links:

Water Footprint Network: http://www.waterfootprint.org/

EDIS (University of Florida): http://edis.ifas.ufl.edu/ae484

http://www.unep.or.jp/ietc/ws/news-apr10/S3_3_MrYoshihiroMizutani.pdf

Water Footprint Network Water Footprint Calculator:

http://www.waterfootprint.org/?page=cal/waterfootprintcalculator_indv

Opening remarks at 2014 Climate Summit

Good morning.

Thank you for coming to this unprecedented and important gathering today.
Looking at that film made me think of my childhood.
I grew up poor in war-torn Korea.
I dreamed of peace. I dreamed of prosperity. I dreamed of opportunity.
Sitting here today is, in so many ways, a dream come true.
But today the dreams of people throughout the world hang in the balance.
Climate change threatens hard-won peace, prosperity, and opportunity for billions of people.
Today we must set the world on a new course.
Climate change is the defining issue of our age.
It is defining our present.
Our response will define our future.
To ride this storm we need all hands on deck.
That is why we are here today.
We need a clear vision.
The human, environmental and financial cost of climate change is fast becoming unbearable.
We have never faced such a challenge.
Nor have we encountered such great opportunity.

A low-carbon, climate resilient future will be a better future.
Cleaner.
Healthier.
Fairer.
More stable.
Not for some, but for all.
There is only one thing in the way.
Us. We.
That is why I have asked you to be here today. Thank you for your leadership.
I am asking you to lead.

We must cut emissions.
Science says they must peak by 2020, and decline sharply thereafter.
By the end of this century we must be carbon neutral.
We must not emit more carbon than our planet can absorb.
No one is immune from climate change.
Not even these United Nations Headquarters, which were flooded during Super Storm Sandy.
We must invest in climate-resilient societies that protect all, especially the most vulnerable.
I ask all Governments to commit to a meaningful, universal climate agreement in Paris in 2015, and to do their fair share to limit global temperature rise to less than 2 degrees Celsius.

To do that, we must work together to mobilise money and move markets.
Let us invest in the climate solutions available to us today.
Economists have shown that this comes at minimal extra cost, while the benefits to our people and our planet are monumental.
We need all public finance institutions to step up to the challenge.
And we need to bring private finance from the sidelines.
We must begin to capitalize the Green Climate Fund.
And we must meet the broader 100 billion dollar-a-year pledge made in Copenhagen.
Let us also put a price on carbon.
There is no more powerful way to drive the market transformation we need.
All these actions demand collaboration, cooperation and coalitions -- today and all the way through to the Paris agreement next year.
The United Nations is doing its part.
We will be climate neutral by 2020.
All around the world, people around the world are acting.

Two days ago I was part of a massive people's climate march in New York, together with Mayor Bill de Blasio of New York City.
I was overwhelmed by the energy of the tens of thousands of people.
In cities around the world, hundreds of thousands of people called for action.
They demanded that leaders lead.
That is why we are here today.
We are not here to talk.
We are here to make history.
Today.

Thank you for your leadership. Thank you.

Secretary-General Ban Ki-moon, General Assembly, 23 September 2014, New York

SUSTAINABILITY KNOWLEDGE GROUP

www.sustainabilityknowledgegroup.com