Sustainability frameworks: Their purpose and how they can bring value to your organization

Sustainability frameworks have become common practice among organizations aiming at disclosing their contribution to sustainable development and enhancing credibility with stakeholders. Sustainability frameworks aid companies in selecting and implementing sustainability initiatives by developing and applying a sustainability strategy to achieve, among others, competitive advantage and leverage efficient business operations. Moreover, numerous research (CFA Institute, IFC, PRI and ICGN etc.) showcase that investors are not only interested in the financial performance of organisations, but also in their social and environmental impacts and sustainability frameworks have been developed to help organizations manage these issues and consequently attract investments. Still, no matter how familiar organizations are with sustainability frameworks, the spectrum of sustainability frameworks can be confusing and can make communicating sustainability information a difficult task to undertake. However, knowing the main purpose of each framework will allow organizations to easily decide which one of them to use for disclosing their sustainability performance and impacts.

But what is the main purpose of each sustainability framework? We provide here an overview of most frequently used sustainability frameworks in order to demystify the sustainability landscape.

Key Frameworks

Global Reporting Initiatives (GRI)
The Global Reporting Initiative (GRI) is an independent international organization that has pioneered sustainability reporting since 1997. The GRI is the most widely used framework for sustainability reporting. The 2017 KPMG survey on Corporate Responsibility Reporting revealed that 75% of the G250 and 63% of the N100 who report are using GRI’s framework. The GRI standards are designed to help organizations communicate their impacts on the society, environment and economy.

Links: https://www.globalreporting.org/Pages/default.aspx

Sustainability Accounting Standards Board (SASB)
SASB standards were established in 2011 using the definition of “materiality” applied under the U.S. federal securities laws. SASB standards are industry-specific standards aiming at covering solely information that is financially material at the organization level. These standards are developed for 79 industries in 11 sectors and can be used by all public companies. However, the standards apply to U.S. and non-U.S. companies that access capital in the U.S. markets and are subject to SEC reporting requirements.

Link: https://www.sasb.org/
## Carbon Disclosure Project (CDP)
CDP framework is solely concentrated on the environment. Since 2002, CDP has been supporting organizations to disclose their environmental impacts. The purpose of CDP framework is to encourage organizations to manage, measure and reduce their impact on the environment while providing high quality information to the market. Moreover, it was designed to bring environmental information and business impacts into mainstream financial reporting.
Link: [https://www.cdp.net/en](https://www.cdp.net/en)

## ISO26000
ISO26000 standards were released in 2010 and were developed by groups of experts and national delegations from all over the world. They are designed to provide guidance on how companies and organizations can operate in a socially responsible way and they contribute to all three aspects of sustainable development-society, environment and economy.
Link: [https://www.iso.org/iso-26000-social-responsibility.html](https://www.iso.org/iso-26000-social-responsibility.html)

## The International Integrated Reporting Council (IIRC)
The IIRC was established in 2011. The primary purpose of an integrated report is to explain to providers of financial capital how an organization creates value over time. IIRC focuses on the organization’s both short-term and long-term value creation process based on financial, manufactured, intellectual, human, social and relationship, and natural capital.
Link: [http://integratedreporting.org/the-iirc/](http://integratedreporting.org/the-iirc/)

## United Nations Global Compact (UNGC)
The UN Global Compact was launched in 2000 and represents a platform for the development, implementation and disclosure of responsible and sustainable corporate policies and practices. The UN Global Compact is the 10 principles-based framework that asks from organizations to embrace and enact a set of core values in the areas of human rights, labour, environment and anti-corruption.
Link: [https://www.unglobalcompact.org/](https://www.unglobalcompact.org/)

## Sustainable Development Goals (SDGs)
SDGs refer to the initiative passed by the United Nations in 2015 and present the foundation of 2030 Agenda. The SDGs framework comprises 17 specific goals and is aimed to end poverty, protect the planet and ensure prosperity for all by 2030. These 17 Goals follow and build on the Millennium Development Goals, while including new areas such as climate change, economic inequality, innovation, sustainable consumption, peace and justice, among other priorities. The SDGs provide a great source of inspiration in setting internal goals and strategies.

## AccountAbility AA 1000 Series of Standards
AccountAbility's AA1000 series were launched in 1996 and are principles-based standards aimed in helping organisations become more accountable, responsible and sustainable. These standards address issues affecting governance, business models and organizational strategy and provide operational guidance on sustainability assurance and stakeholder engagement. AccountAbility AA 1000 Series are composed of:
- The AA1000 AccountAbility Principles Standard (AA1000APS)
- The AA1000 Assurance Standard (AA1000AS)
- The AA1000 Stakeholder Engagement Standard (AA1000SES)
Links: [http://www.accountability.org/standards/](http://www.accountability.org/standards/)
[https://sustainabilityknowledgegroup.com/external-assurance/](https://sustainabilityknowledgegroup.com/external-assurance/)
Although all the above-mentioned frameworks seem to largely differ one from the other, the reality is that they have the same goal to support better corporate decision-making and long-term value creation through transparency. Their common mission proves that they are not competing, and they are not mutually exclusive. However, one fundamental difference among these frameworks is reflected in the way they define materiality. By identifying their most material (key) economic, environmental and social aspects, and linking them to their core operations, mission and strategy, they can determine the choice of framework. In addition, the selection of a suitable framework is influenced by an organization’s geographical location, its size and core activity, as well as by its maturity and maturity of its competitors and industry peers. Moreover, the rise of strict regulations and tight legislation concerning sustainable development are one of the crucial factors for selection of a specific framework.

Over the past decade, Sustainability Knowledge Group experts have been supporting companies and organizations in selecting suitable frameworks to disclose sustainability information in a concise and coherent way and incorporating these frameworks into their internal structures and overall strategies. We have a proven track record of helping our clients grow as they align their operations and processes with sustainability priorities and framework requirements.

How to identify the most suitable sustainability frameworks for your organization?

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Sustainability Knowledge Group is a global advisory firm dedicated to creating value, through strategic CSR and sustainability solutions. Sustainability Knowledge Group supports companies to develop, manage and measure effective tailor-made Sustainability and CSR programs which address social and environmental challenges while promoting corporate strategy. Sustainability Knowledge Group offers training, coaching and advisory solutions grounded in international theory and successful application, and focuses on proven methodologies that bring tangible results, measurable impact and create better businesses.

If you would like to know more about how to lead in sustainability, utilize proven tools and gain new skills, contact Sustainability Knowledge Group at: contact@sustainabilityknowledgegroup.com.