



P2 and the Stock Market

Burton Hamner

President,

Cleaner Production International LLC

Seattle, Washington



Summary

- ◆ Socially Responsible Investment (SRI) is a major and growing force in markets
- ◆ Positive Corporate Social Responsibility (CSR) criteria including P2 are increasingly valued by SRI fund managers
- ◆ Corporations that want to attract SRI funds need to communicate their CSR/P2 performance
- ◆ CSR indexes that include P2 performance can motivate some corporations to improve P2



Why This Approach?

- ◆ Profit-minded investors are credible – it's their own money on the line
- ◆ Socially responsible investment (SRI) is booming and now many indexes and funds spell out how they define CSR sustainability
- ◆ These definitions are specific, this is not warm fuzzy stuff
- ◆ Observation of the market's demand is more credible than any one person's ideas about sustainability
 - Don't ask me about sustainability, ask Dow Jones!



What is Socially Responsible Investment?

- ◆ Socially Responsible Investment (SRI) is the fastest growing area of investment – over \$ 2 Trillion invested
- ◆ Over 200 investment funds use social, environmental and other sustainability criteria
- ◆ The biggest investment funds in the world – pension and institutional funds – are increasingly required to be “socially responsible” investors
- ◆ There are over 35 indexes of socially responsible companies
- ◆ Socially responsible companies attract investors



What Do SRI Managers Want?

Various combinations of:

- ◆ Avoid undesirable sectors (tobacco, nuclear, weapons, etc.)
- ◆ Leadership in policies, practices and results
 - Financial
 - Social
 - Environmental
- ◆ Reports that meet global standards for content and clarity
- ◆ Products and services that support sustainable development

Survey of SRI Criteria from Europe



Positive criteria	% of funds
Environmental policy, codes, management systems (including certified schemes), environmental assessment	64%
Products beneficial for the environment and quality of life	58%
Environmental processes and performances (inputs and outputs)	55%
Customers & Suppliers, product safety, advertisement, competition issues	52%
Employees, working conditions, family friendly policies, industrial relations and unions, training	48%
Environmental and social reporting, accountability and transparency	48%
Provision of Environmental services and technologies	48%
Social policy, codes and management systems including certified schemes	45%
Good relationships with communities and citizenship	39%
Environmental technical innovations (recycling, preventive measures, eco-design ...)	36%
Corporate governance	24%
Good records and practices on diversity and minorities	24%
Preventive measures to avoid human rights violations	24%

Source Avanzi/Siri Group in cooperation with CSR Europe, 2002



Snapshots of SRI: Market Indexes

- ◆ Global – 9 Indexes
- ◆ Regional – 12 Indexes
- ◆ National – 16 Indexes

Examples:

- Dow Jones Sustainability Indexes
- Financial Times Stock Exchange 4GOOD Indexes

Regional or National Index Locations





Dow Jones Sustainability Indexes

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Welcome to the Dow Jones Sustainability Indexes



Launched in 1999, the Dow Jones Sustainability Indexes are the first global indexes tracking the financial performance of the leading sustainability-driven companies worldwide. Based on the cooperation of Dow Jones Indexes, STOXX Limited and SAM they provide asset managers with reliable and objective benchmarks to manage sustainability portfolios. Currently over 50 DJSI licenses are held by asset managers in 14 countries to manage a variety of financial products including active and passive funds, certificates and segregated accounts. In total, these licensees presently manage 3 billion EUR based on the DJSI.

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Example:

Dow Jones Sustainability Index Criteria



Economic

- Corporate Governance
- Customer Relationship Management
- Financial Robustness
- Investor Relations
- Risk & Crisis Management
- Scorecards / Measurement Systems
- Strategic Planning
- Supply Chain Management
- Industry-Specific Criteria

Environmental

- Environmental Management
- Environmental Performance
- Industry-Specific Criteria

Social

- Employee Satisfaction
- External Stakeholders
- Human Capital Indicators
- Management Attention to Human Resources
- Organizational Learning
- Public Reporting
- Remuneration, Benefits, Flexible Work
- Workforce Capabilities
- Industry-Specific Criteria

DJSI USA Members



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Devices Inc.**

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**NiSource Inc.
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Inc**

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Time Warner Inc.

**Unisys Corp.
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Service Inc.
United
Technologies
Corp.
UnitedHealth
Group Inc.
Visteon Corp.**



Snapshots of SRI: Private Equity Funds

- ◆ 700+ mutual funds use SRI practices
- ◆ At least 50 SRI mutual funds invest globally
 - They are NOT so focused on compliance
- ◆ The largest SRI fund companies each manage \$1 billion or more in assets
 - Significant operations revenues support market research on CSR and SRI, and expansion globally
- ◆ Almost all SRI funds publish some information about their SRI criteria and investment strategies
- ◆ Market Performance of SRI sector is *competitive* with major indexes of funds



Snapshots of SRI: Institutional Funds

◆ Public Pension Funds

- Public pension funds in several European countries and some US states are required to have SRI policies. Voluntary SRI is increasing.
- SRI is increasingly linked to governance and public policy for pension fund management

◆ Private Institutional Funds

- SRI is perceived as good risk management
- Recognition that SRI a) does not impose a cost and b) can increase the returns



Performance Indicators for Corporate Social Responsibility

- ◆ All SRI funds, indexes and research firms use specific indicators to identify “responsible” companies
- ◆ Indicators categories include
 - “Triple Bottom Line”: Economic, environmental, social
 - Products and services
 - Actual operational performance
 - Management systems
 - Indicators from public standards



The Research Challenge

- ◆ How to organize all these criteria?
 - No one can cope with so many (258 criteria from the indexes alone)
- ◆ How to explain them in a framework for actual implementation?
 - Indicators alone are not enough
 - They must be linked to business value
 - They need support systems for implementation such as Environmental Management Accounting



Research Summary

1. The criteria used by all the market indexes of “responsible” companies were collected
2. Semantic analysis organized them by concepts
3. Frequency analysis organized them by popularity
4. The “core criteria” for CSR from the indexes were compared to the criteria used by SRI mutual funds (real investors)

We found out what the financial markets want in CSR – how do professional investors now define a “responsible” company



Data Sources

- ◆ 13 separate indexes of “responsible” companies
- ◆ Examples
 - Dow Jones Sustainability Index
 - FTSE 4Good
 - KLD, Calvert, Ethibel, Ethical Index, etc.
 - Includes indexes from South Africa, Canada, Japan
- ◆ 258 total criteria that they publicize for selecting companies for their indexes
- ◆ Over 100 mutual funds that publish their criteria for responsibility



Analysis Approach

**200+ “Sustainability”
Concepts from SRI Indexes**

Semantic Clusters

Frequency Analysis

Market Comparison

*Investment advisors
are talking about
sustainability*

*What are they
talking about?*

*How often do they
talk about it?*

*Do they really
represent the
market?*

Database of Criteria



Microsoft Excel - Criteria Database.xls

Archivo Edición Ver Insertar Formato Herramientas Datos Ventana ?

Arial 10 N K S

G4 =

	A	B	C	D	E	F	G
1							
2			Exclusions TBL		Criteria	BSC	Baldrin
3	Index name	Dow Jones Sustainability Index					
4	Owners	Dow Jones & Company	Economic		Codes of Conduct / Compliance / Co		
5	Advisors	Sustainability Asset Management			Corporate Governance	f	
6	Source population	Dow Jones Global Index			Customer Relationship Management	s	
7	Firms	350			Financial Robustness*	f	
8	Sector exclusion	0			Investor Relations	s	
9	Pos. Criteria	22			Risk & Crisis Management	o	
10	URL	www.sustainability-indexes.com			Scorecards / Measurement Systems	o	
11	launch	Sep-99			Strategic Planning	s	
12					Industry Specific Criteria	o	
13				Environment	Environmental Policy / Management	s	
14					Environmental Performance	o	
15					Environmental Reporting*	s	
16					Industry Specific Criteria		
17				Social	Corporate Citizenship/ Philanthropy	s	
18					Stakeholders Engagement	s	
19					Labor Practice Indicators	s	
20					Human Capital Development	l	
21					Knowledge Management/ Organizati	l	
22					Social Reporting*	s	
23					Talent Attraction & Retention	l	
24					Standards for Suppliers	s	

Indx Det Sort Datasites Funds Peru DJSI codes Codes

Research Findings

Frequency	Sustainability Criteria	Frequency	Sustainability Criteria
9x = 75%	Health and safety	4x = 33%	Communication Discrimination Legal compliance
8x = 67%	Corporate governance CSR performance reporting Labor and union relations Pollution prevention	3x = 25%	Contracts Codes of ethics Animal relations Risk management Environmental performance Relations to suppliers Energy sources
6x = 50%	Training and education Quality Compensation Diversity	2x = 17%	Leadership and incentives Management Non-executive director remuneration Conduct of business Sustainability assessment Rights Management Profit sharing Family support Product safety Recycling EMS
5x = 42%	Innovation Benefits Human rights		



Does This Reflect Real Investors?

- ◆ We studied the prospectus information for SRI funds with over \$50 million under management
- ◆ All the most common SRI index criteria are found in this population
- ◆ Only a few had most of the SRI criteria from the indexes
- ◆ So, we conclude that the most common index criteria are a pretty good representation of real SRI fund managers' criteria – maybe even “overkill”



How Do Corporations Talk About This Stuff?

- ◆ There are now international guidelines and standards for CSR reporting, and even for auditing of CSR reports
- ◆ The Global Reporting Initiative is the leading standard setter
- ◆ Increasing numbers of organizations now evaluate and rate CSR reports



GRI Criteria for CSR

17/05/2005

	CATEGORY	ASPECT
ECONOMIC	Direct Economic Impacts	Customers Suppliers Employees Providers of capital Public sector
ENVIRONMENTAL	Environmental	Materials Energy Water Biodiversity Emissions, effluents, and waste Suppliers Products and services Compliance Transport Overall
SOCIAL	Labour Practices and Decent Work	Employment Labour/management relations Health and safety Training and education Diversity and opportunity
	Human Rights	Strategy and management Non-discrimination Freedom of association and collective bargaining Child labour Forced and compulsory labour Disciplinary practices Security practices Indigenous rights
	Society	Community Bribery and corruption Political contributions Competition and pricing
	Product Responsibility	Customer health and safety Products and services Advertising Respect for privacy



Organisations Using the GRI Guidelines

[New Search](#)

Record(s) found: 661

Organisation	Country	Sector	OS	Details
3M	United States of America	Conglomerates	<input type="checkbox"/>	→
ABB Ltd.	Switzerland	Equipment	<input checked="" type="checkbox"/>	→
Abbott Laboratories	United States of America	Health care products	<input type="checkbox"/>	→
Abengoa	Spain	Equipment	<input type="checkbox"/>	→
Abertis	Spain	Logistics	<input type="checkbox"/>	→
ABN AMRO Bank N.V.	Netherlands	Financial services	<input checked="" type="checkbox"/>	→
Absa	South Africa	Financial services	<input type="checkbox"/>	→
Acea S.p.A.	Italy	Energy utilities	<input type="checkbox"/>	→
Adam Opel AG	Germany	Automotive	<input type="checkbox"/>	→
Adecco Group	Switzerland	Commercial services	<input type="checkbox"/>	→
adidas-Salomon	Germany	Textiles and apparel	<input type="checkbox"/>	→
Advanced Micro Devices (AMD)	United States of America	Technology hardware	<input type="checkbox"/>	→
Advantest	Japan	Equipment	<input type="checkbox"/>	→
AECI	South Africa	Chemicals	<input type="checkbox"/>	→

Legend

OS

The organisation is a GRI Organisational Stakeholders. Read more about OS [here](#).

Details

→ Reports details are available. Click for more information

→ Reports details are not available yet. Click to visit the organisation website.

This database is updated weekly. Please visit again soon.

[More about those statistics.](#)

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[SRI World Group and Sunrise Advisors Partner to Offer OneReport in Japan](#)

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SRI and the Pacific NW

- ◆ Several SRI funds located in region
- ◆ Numerous SRI advisors
- ◆ Lots of attention to CSR, especially in resource conservation and pollution reduction
- ◆ 4 NW USA corporations using GRI guidelines for CSR reports:
 - Microsoft, Intel, Weyerhaeuser, Shorebank
- ◆ Recent attempt to require state pension funds to disclose their approach to evaluating CSR in investments
- ◆ Big push in Canada / BC to evaluate capital markets and sustainable development



Do NW Corporations Report CSR?

- ◆ Our sample population: The Seattle Times NW 100 “leading corporations”
- ◆ Random sample of 30
- ◆ Inspected websites for CSR info
 - Health and safety / employee welfare, Governance, CSR reporting, pollution prevention
- ◆ Rated CSR disclosure and sorted the sample

Sampled Corporations



microHelix

Cray

West Coast Bancorp

TRM

Loudeye

Todd Shipyards

Extended Systems

Willamette Valley Vineyards

Expeditors International

Nordstrom

Pyramid Breweries

Microvision

Nike

Tektronix

Pope Resources L.P.

Advanced Digital Information Corp.

Columbia Sportswear

Potlatch

ImageX

Nautilus Group

Aptimus

Shurgard Storage Centers

Western Wireless

Banner Bank

Cell Therapeutics

Onvia.com

American Pacific Bank

CenterSpan Communications

Bsquare

Fog Cutter Capital Group



<u>CORPORATION</u>	<u>H&S</u>	<u>Governance</u>	<u>Reptg</u>	<u>P2</u>	<u>Training</u>	<u>Total</u>
Nike	3	3	3	3	3	15
Tektronix	3	1	2	3	1	10
Todd Shipyards	2	1	1	3	1	8
West Coast Bancorp	1	1	1	0	2	5
Pope Resources L.P.	0	1	1	2	0	4
Columbia Sportswear	0	1	1	0	0	2
Potlatch	0	1	1	0	0	2
Loudeye	0	1	0	0	0	1
Extended Systems	0	1	0	0	0	1
microHelix	0	1	0	0	0	1
Nordstrom	0	1	0	0	0	1
Pyramid Breweries	0	1	0	0	0	1
Microvision	0	1	0	0	0	1
Advanced Digital Information Corp.	0	1	0	0	0	1
ImageX	0	1	0	0	0	1
Nautilus Group	0	1	0	0	0	1
Aptimus	0	1	0	0	0	1
Shurgard Storage Centers	0	1	0	0	0	1
Western Wireless	0	1	0	0	0	1
Banner Bank	0	1	0	0	0	1
Cell Therapeutics	0	1	0	0	0	1
Onvia.com	0	1	0	0	0	1
American Pacific Bank	0	1	0	0	0	1
CenterSpan Communications	0	1	0	0	0	1
Bsquare	0	1	0	0	0	1
Fog Cutter Capital Group	0	1	0	0	0	1
Cray	0	0	0	0	0	0
TRM	0	0	0	0	0	0
Willamette Valley Vineyards	0	0	0	0	0	0
Expeditors International	0	0	0	0	0	0



NW Corporation Results

- ◆ Sample: 30 random corporations out of 174 (17%) from the “NW 100” index of the Seattle Times
- ◆ Only 7 of the 30 had anything to say about CSR on their websites
- ◆ Only 1 (Nike) covered the range of CSR topics of concern to responsible investors
- ◆ Not a good sign – no reason for responsible investors to consider our region



So What?

- ◆ Investment managers are slowly but steadily starting to value CSR and P2
- ◆ Business execs consider them to be credible messengers about what is important to business
- ◆ Corporations that do not communicate CSR and P2 performance will be cut from consideration by increasing numbers of investors
- ◆ Rating / indexes of CSR performance, targeted to investors, clearly gets executive attention
- ◆ There is a global network of organizations ready to help



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What Can the P2 Crew Do?

- ◆ Show companies how investors are recognizing responsible behavior
- ◆ Keep studying what are the specific CSR and P2 elements that correlate with stock value
- ◆ Consider developing local / regional indexes of companies with good performance on CSR and P2
- ◆ In Canada, the NRTEE initiative on Capital Mkts and Sustainable Development



Finance Beyond Stocks: BANKS

- ◆ Retail, investment and project banking in Europe has advanced its green practices significantly
- ◆ New guidelines for social and environmental performance management in financial institutions
- ◆ Developed BY banks FOR banks – the right messengers
- ◆ Training programs available



The Equator Principles | A framework for banks to manage environmental and social issues in pro - Microsoft Internet Explorer p

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A framework for banks to manage environmental and social issues in project financing

HOME THE PRINCIPLES FREQUENTLY ASKED QUESTIONS CONTACT BECOME AN ADOPTING BANK

Equator News Coverage

- [Financial Times, 7 April 2003](#)
- [Financial Times, 9 April 2003](#)
- [The Wall Street Journal, 4 June 2003](#)
- [Financial Times, 4 June 2003](#)
- [IFC Head's Remarks at Equator Principles Press Conference, 4 June 2003](#)
- [CNN, 4 June 2003 \(transcript\)](#)
- [Agence France Presse, 5 June 2003](#)
- [International Herald Tribune, 5 June 2003](#)
- [Australian Financial Review, 5 June 2003](#)
- [The Times of India, 5 June 2003](#)
- [The Peninsula, Qatar, 5 June](#)

Mizuho Adopts the Equator Principles

TOKYO, 27 October 2003 — Mizuho Corporate Bank, Ltd. has become the first Japanese bank to adopt the Equator Principles. This brings the total number of banks adopting the Equator Principles to 18, and the number of countries represented to 11. In a press release, Mizuho said it will apply high environmental and social standards for its project finance business in order to carry out its social obligations to promote both economic development, and environmental and social preservation. As an international financial institution, Mizuho wishes to contribute to the establishment of international environmental and social standards. Mizuho extends loans to 70% of listed Japanese companies and serves as the main lender to 40% of them.

[Full text of press release](#)

Dealogic Says Equator Banks Arranged 74% of Project Bank Loans in 2002 and 78% Year to Date in 2003

LONDON, 27 October 2003 — London-based Dealogic ProjectWare, which produces statistics and analysis of the project finance market, has calculated that the 18 banks which have now adopted the Equator Principles arranged \$43 billion of project loans in 2002, and that the 18 banks arranged 74% of project loan market volume in 2002. This year to date through October 28, the 18 banks have accounted for 78% of the project loan market, according to Dealogic. For further information on project finance league tables, visit www.dealogic.com.

Standard Chartered Adopts the Equator Principles

LONDON, 8 October 2003 — Standard Chartered has announced its adoption of the Equator Principles. Standard Chartered becomes the seventeenth bank to adopt the Equator

Banks Which Have Adopted the Equator Principles

- [ABN AMRO Bank, N.V.](#)
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World Bank/IFC Links



Guidelines on Environmental Management and Reporting for the Financial Services Sector

A practical toolkit

Environmental management and reporting involves identifying, understanding, controlling and communicating environmental impacts, risks and opportunities.

These Guidelines on Environmental Management and Reporting provide an implementation toolkit that seeks to enable wider and more consistent engagement in environmental management and reporting across the sector.

Building upon the experience of many financial services organisations, the Guidelines highlight why environmental management and reporting is an important part of corporate governance.

The Guidelines identify the business activities that create key environmental issues for the sector. It gives step-by-step guidance for developing management processes such that environmental risk can be avoided, governance standards met and business opportunity realised.

These Guidelines are the first step and they will evolve as market and legislative demands develop to address new challenges. It may be appropriate, in time, to expand the Guidelines to include social and ethical governance and sustainability.

Developed by the FORGE Group

These Guidelines have been prepared by the FORGE Group - a consortium of some of the UK's leading financial service organisations. The consortium consists of representatives from The Abbey National Bank, Barclays, CGNU, Lloyds TSB Bank, Prudential, The Royal Bank of Scotland and Royal & Sun Alliance. Development of the Guidelines was led by CGNU and consulting support was provided by PricewaterhouseCoopers. The Guidelines also incorporate input from a wider selection of financial and non-financial sector organisations that participated in a stakeholder dialogue process. The UK Department of Trade and Industry sponsored development of the guidance with support from the Department of the Environment, Transport and the Regions. The Association of British Insurers (ABI) support the development of these Guidelines and British Bankers Association (BBA) recognise the Guidelines as an important step.



Measuring Sustainability

A Framework for Private Sector Investments

CHAPTER TWO

Improving Corporate Governance and Environmental and Social Sustainability in Financial Transactions

The development of the framework reflects a logical evolution of IFC's role and builds on IFC's experience in ensuring the financial and economic sustainability of its investments. It brings much-needed clarity to our investment teams about the types of positive impacts and "public goods" we seek to support and achieve in partnership with our clients. We can also use the framework to measure the number of transactions supported by IFC that demonstrate significant positive environmental, social, or governance effects—an important indicator of our own corporate performance. In the past, the contribution of our clients and our added value in this area have not necessarily been recognized or credited because we had no analytical framework for measuring and aggregating these development contributions other than financial results and economic rates of return.

With this new quantitative tool, we can go beyond simply telling stories about nonquantified outcomes, and we can link the framework to IFC's internal evaluation systems to provide incentives for a more proactive approach to sustainable development.

Defining "High Impact"

Public goods stemming from environmental, social, and governance elements can occur in a number of different areas. The framework covers three broad areas, broken down into eight factors as follows:

Management commitment and governance

- Factor 1: Environmental management, social development commitment, and capacity
- Factor 2: Corporate governance
- Factor 3: Accountability and transparency

Environment

- Factor 4: Eco-efficiency and environmental footprint
- Factor 5: Environmental performance of products and services

Socioeconomic development

- Factor 6: Local economic growth and partnerships
- Factor 7: Community development
- Factor 8: Health, safety, and welfare of the labor force



Environmental Bankers Association
510 King Street, Suite 410, Alexandria, Virginia 22314 USA
Phone 703/549-0977 Fax 703/548-5945 eba@envirobank.org
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Fairman Consulting
www.fairmanconsulting.com
Dallas, TX

FINOVA Capital
www.finova.com
Phoenix, AZ

FleetBoston Financial Corp.
www.fleet.com
Boston, MA

FirstSearch Technology Corp.
www.nedmt.com
Dedham, MA

GaiaTech, Inc.
Atlanta, GA

Goulston & Storrs,
Boston, MA



United Nations Environment Programme
Division of Technology, Industry and Economics

Profiting from Cleaner Production

Introductory and skill development training courses

Training courses

Executive courses

Booklet

Checklists

Within the framework of a global project implemented in 1999-2002 UNEP DTIE has developed and delivered introductory and skill development training courses on Cleaner Production financing in five developing countries. In these five countries (Guatemala, Nicaragua, Honduras, El Salvador and Costa Rica) skills courses were also held for persons selected to present these courses. In addition, workshops were held to discuss the results of the courses.

Based on the experience gained in adapting and delivering the courses in the five countries, short courses have been designed for use in other countries. In the following, the material for the four countries is available on the CD-ROM. For more information, visit www.uneptie.org/pc/cp to support this material.

Set menus:

CP1- Introduction to Cleaner Production Concepts and Practices

CP2- Introduction to Capital Budgeting and Funding of Projects

CP3- Profiting from Cleaner Production

CP4- The Cleaner Production Investment Process

A la carte:

Training courses clustered by topic

Where to go for further information

How to use this CD-ROM

CD-ROM

How to use this CD-ROM



E2/FINANCE - EXAMPLE [-] [□] [X]

System Edit Help

Cost Inventory | Investment Costs | Operating Costs | Analysis

Project Investment occurs at end of year

FoodFirm Base Case 0

[New...] [Copy...] [Delete] [New...] [Copy...] [Delete]

Process **Cost Category**

ALL PROCESSES ALL CATEGORIES

[Rename...]

- Non-Process/Other
- Purchased Equipment
- Batch P/W Separator
- Boilers
- Cogeneration System
- Compressors
- Delivery
- Delivery vehicles
- HVAC/building envelope
- Hand Pump
- Heat recovery/containment

» = Item included in current project
Double-click to change status

Show/Edit

- Investment Cost List
- Operating Cost List

[Make Changes to Cost Lists...]

Show:

- Tailored List and Other Included Items
- Complete List

[Report]



P2 Finance.xls [Read-Only]

Return to Top Calc Help Print ...

DEFAULT PARAMETERS

Analysis Name: Facility Example Diffusion Dialysis System 9/1/97 Default-pg1

Global Parameters

P2/FINANCE uses the Inflation Rate, Discount Rate, and Income Tax Rate entered here for calculations on the Tax Deduction Schedule, Incremental Cash Flow Analysis, and Incremental Profitability Analysis sheets.

Inflation reflects the overall rate at which you expect prices to increase. For cases in which this Inflation Rate does not fully capture expected price changes, P2/FINANCE allows you to define an additional Escalation Rate for each Annual Operating Cost category.

Inflation Rate

The Discount Rate accounts for the fact that there is an opportunity cost to using money -- if you choose to invest in one project, you lose the opportunity to gain a return on another investment. Many companies use their weighted average cost of capital as a Discount Rate. For more information on Discount Rate and its relationship to inflation, see the on-line help.

Discount Rate

State and local income taxes are deductible from the taxable income used to calculate federal taxes. Enter your Local, State, and Federal Income Tax Rates below, and P2/FINANCE will calculate an Aggregate Income Tax Rate.

Local Income Tax Rate
State Income Tax Rate
Federal Income Tax Rate

Aggregate Income Tax Rate

The Default Parameters entered by the user in this section can be applied to the entire project file by pressing the button below. Do not press this button unless you are sure that you want these values to apply to the entire project file!

Scenario Parameters

P2/FINANCE allows you to create two alternative financial analysis scenarios, which represent different investment options you are considering. You can also create a baseline scenario, which contains data on your current "business-as-usual" operations. On the Incremental Cash Flow Analysis and the Incremental Profitability Analysis sheets, the Alternative Scenarios are compared to the Base Scenario, i.e., P2/FINANCE calculates incremental cash flows and profitability.

The Investment Year and Lifetime entered here are used as defaults for both Initial Investment Costs and Annual Operating Costs. P2/FINANCE assumes that investments occur AT THE END OF THE INVESTMENT YEAR, so the default Start Year for Annual Operating Costs is Investment Year + 1. The most common Investment Year will be Year 0, i.e., most Initial Investment Costs are incurred at the very beginning of the project lifetime.

Alternative Scenario 1

Name

Inv. Year Lifetime

Start Year End Year

Project Title | **Default Parameters** | Initial Investment | Annual Operating | Scenario Summ



P2 and Banks

- ◆ P2 is a natural fit for bankers: It reduces costs and risks for clients
- ◆ But bankers can't get past "pollution"
- ◆ "Sustainable business" has more traction
- ◆ P2 programs can team with banks to help their clients
- ◆ Consider offering awareness seminars to bankers to introduce the latest banker tools



Pacific NorthWest
Economic Region



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*The **Pacific NorthWest Economic Region (PNWER)** is a Public-Private Partnership consisting of the American states and Canadian*

Welcome to the



Pacific NorthWest Economic Region



14th Annual Summit

Save the Date for PNWER's
14th Annual Summit
July 11- 14, 2004 in Victoria!

Seattle is hosting a NAFTA@10
conference on April 26th. For more
information, [click here!](#)

PNWER's Winter Meeting and Energy
Forum successfully concluded in
Portland, Oregon, November 20-22.

To see presentations and bios of speakers, go
to the Energy Forum agenda or Winter Meeting
agenda. [Click here](#) for media coverage.

Congratulations to
Vancouver on Making a 

NEWS ROUND-UP

PRESENTATIONS



(click to enlarge)

2003 Newsletter
Winter
Newsletter

BSE in Alberta

The latest report on the Mad Cow Ca
the Alberta Government
UPDATE



PNW Sustainable Finance Initiative

- ◆ Introduce best practices on sustainable banking and investment to the region
- ◆ Focus on benchmarking and competitive advantage within the sector
- ◆ Encourage sustainability in pension policy and bank lending, esp industrial clients and green mortgages
- ◆ Partner with UNEP, IFC, NRTEE
- ◆ Kickoff planned in October in Seattle



More Info?

- ◆ Visit www.CleanerProduction.Com
 - / Tools / Reporting
 - / Sectors / Finance
- ◆ Burt Hamner,
 - wbhamner@cleanerproduction.com