Green Project Management.

The GPM® P5™ Standard for Sustainability in Project Management

Version 3.1

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GPM Global

Version 3.1

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About GPM

In today's world, sustainability is no longer a buzzword but a necessity. As we grapple with the challenges of climate change, ethical behavior, and social responsibility, businesses need to embrace sustainable practices. Organizations prioritizing sustainability will have a competitive edge in the marketplace and will contribute to a better future for all.

Green Project Management (GPM) understands this responsibility well and has been at the forefront of promoting global citizenship through sustainable project management initiatives since 2009. We believe that both public and private sector entities can be agents of positive change and can actively create a more sustainable world.

To help achieve this goal, GPM has released the latest version of its *P5 Standard* — an internationally recognized standard for sustainable project management. This new release aligns with leading ESG disclosure frameworks and sustainability reporting standards making it easier for project managers worldwide to create shared value while tackling global issues. By placing sustainability at the heart of project management, GPM aims to drive sustainable development as a central part of every project.

The previous version of the *P5 Standard* was downloaded over 600,000 times and used in nearly every country worldwide. This new release aims to provide even better guidance and more insights that will lead to more sustainable projects and a brighter future for all.

As you embark on your journey as a project manager or seek ways to make your business more sustainable, let this book guide you. The road ahead may be challenging, but we can create a better world with GPM's expertise and commitment to sustainability.

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Foreword

There are many sustainability challenges facing the world today. One major challenge is climate change, which is caused by the emission of greenhouse gases such as carbon dioxide and methane into the atmosphere. These gases trap heat and cause the Earth's temperature to rise, leading to a range of negative impacts such as more frequent and severe natural disasters, loss of biodiversity, and rising sea levels.

Another significant challenge is the depletion of natural resources such as water, forests, and minerals. This can lead to environmental degradation and loss of habitat for many species as well as conflicts over access to these limited resources.

In addition, there is a growing problem of plastic pollution as plastic waste accumulates in the environment and in our oceans. This can harm wildlife and have negative impacts on human health.

Poverty is a major sustainability challenge as it can lead to inadequate access to clean water, healthcare, education, and other basic necessities. These secondary effects tend to perpetuate the cycle of poverty and hinder efforts to address other sustainability issues.

Food security is another serious concern as the global population is expected to continue growing in the coming decades. Ensuring that there is enough food for everyone will require sustainable agriculture practices and efficient distribution systems.

Finally, the loss of biodiversity is a major sustainability challenge as it can lead to the collapse of ecosystems and have negative impacts on human well-being. Protecting and preserving biodiversity is essential for maintaining the balance of the natural world.

These are all human problems that only humans can solve.

Jennifer Tharp, Chair
Board of Directors
Project Management Institute

Introduction

As we look to the future, the importance of sustainability, climate action, ethical behavior, social responsibility, and transparent supply chains continues to grow. In response, the demand for sustainable business practices has also increased.

At GPM, we believe that it is our responsibility to promote global citizenship through the advancement of sustainable initiatives.

As the leading organization in the field of project management, we have a unique opportunity to address the challenges facing humanity. Since 2009, we have been at the forefront of this effort, with our *P5 Standard* being downloaded over 600,000 times and utilized in nearly every country in the world.

Our latest release of the *P5 Standard* aligns with the UN's Sustainable Development Goals, providing project managers with a focus on creating shared value in order to tackle global issues.

This standard has been designed to put practical tools in the hands of global changemakers so that we can address these problems head-on and create a world in which we all can thrive for generations to come.

We are committed to making sustainable development a central part of project management and placing projects at the heart of sustainability. We hope that the enhancements in this release will provide even greater guidance and insights that will lead to more sustainable projects and a brighter future for all.

Sincerely,

Dr. Joel B. Carboni
Founder, GPM Global

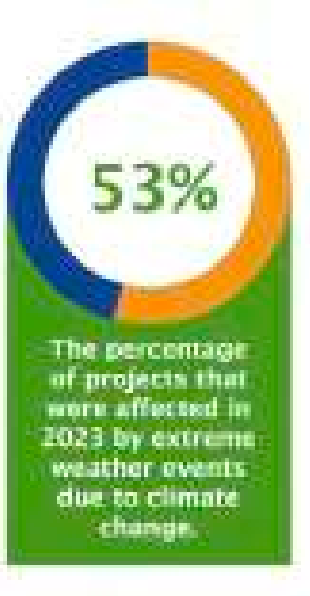
1 Sustainability and Project Management

GPM's recent study, *Insights on Sustainable Project Management,* found that among the over one thousand executives surveyed, 96% believe that projects and project management are integral to sustainable development. 100% of these same executives believe that project managers should understand how important sustainability is to their project.

As a project manager, it is important to consider sustainability when setting goals and objectives for your project. This can include establishing targets for reducing energy consumption and waste as well as using materials that are environmentally friendly.

To further support sustainability, you can incorporate it into all of your project activities by identifying ways to mitigate any negative impacts of the project. For example, you could use renewable energy sources to support a software development project or design a Net Zero high-rise office tower.

To track progress towards sustainability goals, you can use sustainability metrics and regularly assess areas where improvements can be made. Engaging stakeholders (customers, employees, suppliers, etc.) in the sustainability efforts of your project can also be helpful in building support and encouraging more sustainable practices.



Finally, it is critical to communicate the sustainability impacts of the project and its product as they relate to the environment and the society. This can help to raise awareness and inspire others to take action.

Starting in 2019, 71% of the 30,000 respondents to our research reported that the *GPM P5 Standard for Sustainability in Project Management* improved sustainability in their projects. Of the project managers who actively used P5 in their projects, 95% were able to realize increased sustainability benefits. In 2022, the number of respondents increased to by 3,300 and the percentage of project managers who saw tangible benefits of putting the standard into practice increased to 83%.

This is especially important as we found that 53% of projects in 2023 were impacted by climate change related extreme weather events, up from 38% in 2021. We expect this trend to continue.

1.1 The Evolution of Project Management Focus

Dr. Martin Barnes introduced the concept of the *Iron Triangle* (also called the *Triple Constraint*) in the 1960s. For many years, the idea of "on time, within budget, and according to spec" was the mantra of project managers everywhere.

In 1994, John Elkington identified another set of considerations when he coined the term *Triple Bottom Line* (3BL) in his book *Cannibals with Forks*. His argument was that companies should be preparing three different (and quite separate) bottom lines for cost accounting:

- **Profit** — the first bottom line is the traditional measure of financial performance — how responsible has the organization been in terms of assuring its competitive prosperity?
- **People** — the second bottom line is the measure of the organization's social account — how socially responsible has it been in terms of its impact on the quality of life of the individuals it affects?
- **Planet** — the third bottom line is the measure of the organization's environmental account — how environmentally responsible has it been in terms of its impact on natural ecosystems?

More recently, with approaches such as *Projects in a Controlled Environment* (PRINCE2), *Managing Successful Programmes* (MSP), and GPM's own *PRojects integrating Sustainable Methods* (PRiSM), there has been an increased focus on risk management and the delivery of value and benefits.

When we combine these perspectives, we end up with a **new** view of project management as illustrated on the right of Figure 1. P5 has been designed to support this view.

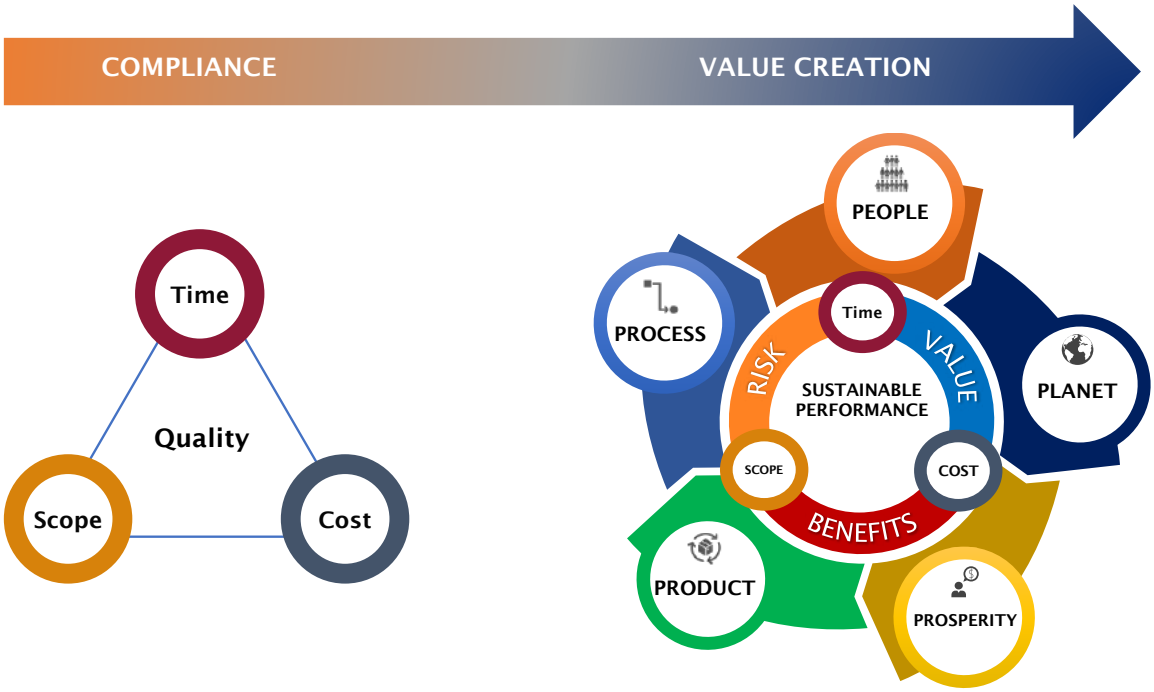


Figure 1 — Evolution of Project Management Focus

1.2 The Sustainable Development Goals

The initial release of the *P5 Standard* was based on the *UN Global Compact Ten Principles* and the Global Reporting Initiative (GRI) *Standards*. In this version, as in version 2.0, we have mapped our standard to the UN Sustainable Development Goals (SDGs) documented in the *2030 Agenda for Sustainable Development*. Throughout this standard, there are callout boxes that provide examples of how the P5 elements support specific SDG goals and targets.

With 17 goals and 169 targets, there are many connections and combinations that are possible in any given project. In this standard, we have outlined several. For the complete mapping, see Annex 4.

Figure 2 — The Sustainable Development Goals

For more on the SDGs, visit https://sustainabledevelopment.un.org/sdgs

1.3 Professionalization in Project Management

For a number of years *professionalization* has been a key area of interest for those operating in the project management discipline. There has been an increasing desire for project management to be recognized as a profession, to have more status, and for project managers to be considered the equal of other professionals such as engineers, architects, or accountants. But with professionalization comes responsibility and the expectations to act ethically and for betterment of society.

GPM's position is that for project managers to be recognized as professionals, they must embrace sustainability. Our *P5 Standard* provides the foundation for this change.

2 An Introduction to the P5 Standard

According to the International Standards Organization (ISO), standards can be described "as a formula that describes the best way of doing something." It could be about making a product, managing a process, delivering a service, or supplying materials — standards cover a huge range of activities.

Standards are the distilled wisdom of people with expertise in their subject matter and who know the needs of the organizations they represent. These people may be manufacturers, sellers, buyers, customers, trade associations, users, or regulators. Their standards may address:

- Quality management to help work more efficiently and reduce product failures.
- Environmental management to help reduce environmental impacts, reduce waste, and be more sustainable.
- Health and safety to help reduce accidents in the workplace.
- Energy management to help cut energy consumption.
- Food safety to help prevent food from being contaminated.
- Information Technology (IT) to help keep sensitive information secure.

Most standards are either *informative* or *normative*:

- **Informative Standards.** Provide guidance, best practices, and recommendations on various topics related to management systems, processes, products, services, and technologies. While compliance with informative standards is not mandatory, they can be useful for organizations seeking to improve their operations or meet stakeholder expectations.
- **Normative Standards.** Provide requirements, specifications, and guidelines that organizations must comply with to achieve certification or compliance.

The *P5 Standard* is primarily *informative*, although it is also *normative* in that it provides the basis for GPM's programs for the certification of individuals.

This *P5 Standard* provides guidance on what to measure and how to integrate P5 into project activities. It can also be used by sustainability professionals to include projects in their reporting by expanding on the triple bottom line of People, Planet, and Prosperity by adding consideration of Product and Processes impacts. Thus P5 stands for Product, Process, People, Planet, and Prosperity.

2.1 The P5 Ontology

Figure 3 is the P5 *Ontology*. An *ontology* is a set of concepts and categories in a subject area that shows their properties and the relationships among them. An ontology helps to manage complexity by organizing the available information in a coherent way.

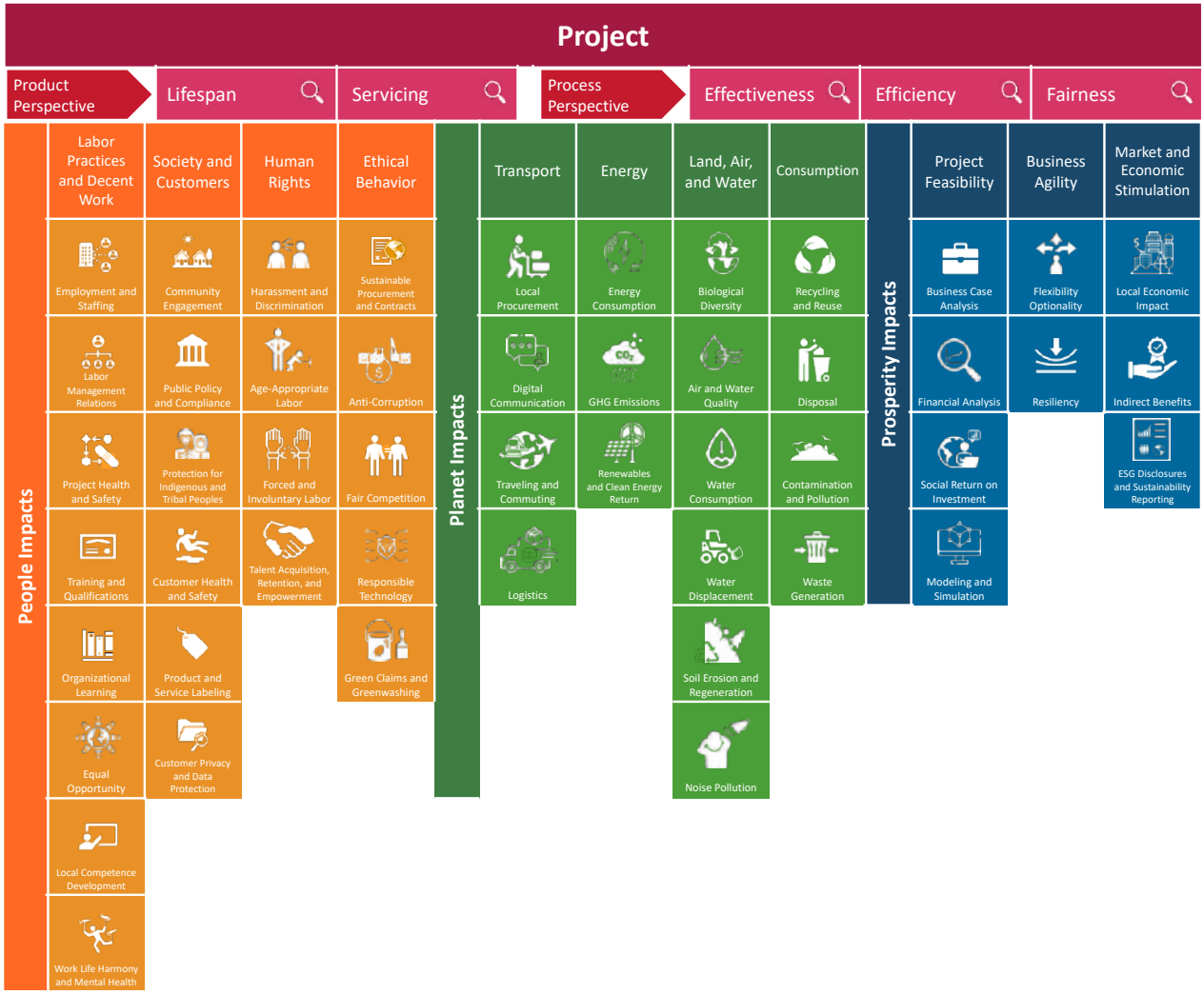


Figure 3 — The P5 Ontology

2.2 P5 Categories, Subcategories, and Elements

The P5 ontology has three categories for classification—People, Planet, and Prosperity. Each category is further broken down into subcategories and elements.

Sections 3, 4, and 5 provide guidance on what the project team should do to support each element as well as what sustainable outcomes the team may be able to achieve. Where relevant, a mapping to a related SDG target has been provided.

P5 elements comprise aspects of project governance that should support and enhance organizational governance in accordance with the sustainability goals, targets, and commitments adopted by the sponsoring organization(s).

2.3 P5 Perspectives and Lenses

The impacts that a project's activities, results, and outcomes have on people, the planet, and prosperity all come as a result of decisions made about product characteristics and project management practices.

P5 analyzes these impacts using two perspectives and five lenses. The two perspectives are:

- **Product impacts** based on the project's results and outcomes
- **Process impacts** based on the project management processes used to manage project activities

Each perspective is evaluated using a focus lens:

- **Lifespan** and **servicing** for the product perspective
- **Efficiency**, **effectiveness**, and **fairness** for the process perspective

All five lenses are essential for fully understanding the sustainability impacts of a project as they help to reveal impacts that might otherwise be missed. Figure 4 illustrates possible impacts identified using each lens for a single P5 element. Sections 2.4 and 2.5 elaborate on how to use the five P5 lenses.

Project = NetZero ice cream factory
Element = Local Procurement (4.1.1)

	Lens	Impact Description
Product Perspective	Lifespan	At present, no local suppliers of renewable energy able to meet even a portion of the factory's need for 200Mw of electricity.
	Servicing	No local suppliers to support ongoing maintenance of equipment once the factory is operational.
Process Perspective	Efficiency	NetZero requirements create need for sophisticated scheduling.
	Effectiveness	Will need to source power from the grid during construction.
	Fairness	Preferred suppliers do not have a local presence.

Figure 4 — Illustrative Product and Process Impacts

Note that not every element will have impacts using all five lenses. However, all five should always be considered to avoid missing possibly significant impacts.

2.4 P5 Impact Lenses for Product

A *product* may be a physical item (a building, a car, a vaccine), a service (a consulting report, a departmental reorganization, a training course), or another type of asset (a research report, a feasibility study). The results of a project are one or more products and are used to build capabilities that deliver outcomes that provide benefits to one or more stakeholders.

The P5 impact lenses address impacts throughout the product life cycle. Products commonly have a life cycle with five stages:

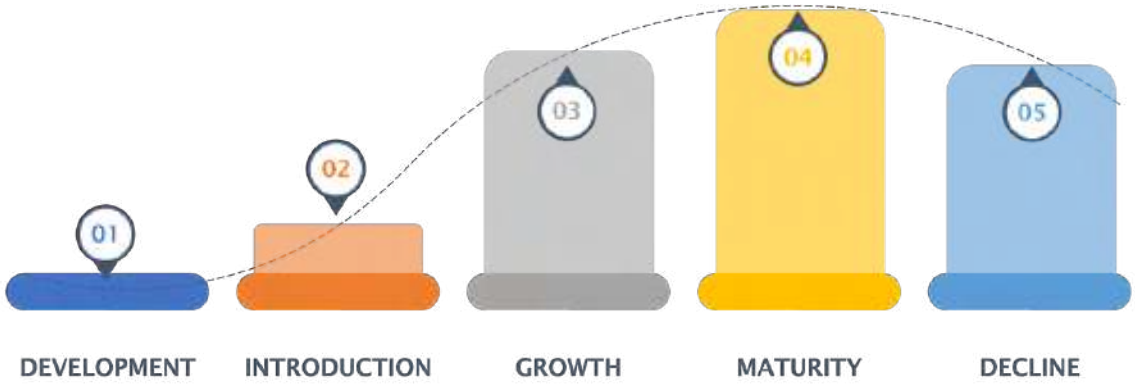


Figure 5 — Typical Product Life cycle

01. **Development** — this includes the research and development activities before a product is introduced to the market.
02. **Introduction** — the product is introduced to the market; sales growth is slow to moderate.
03. **Growth** — the product gains visibility; the rate of sales growth increases.
04. **Maturity** — the product is established; sales growth stabilizes.
05. **Decline** — the market becomes saturated or shrinks; sales growth decreases.

Most people associate projects with the development stage, but in fact, most products will be supported by multiple projects over the course of their product life cycle. For example:

- A hotel might have many maintenance and upgrade projects during its useful life.
- A passenger vehicle is generally updated annually with new features; each new version is created through one or more projects.
- Computer software is updated regularly with bug fixes and new features; each release is generally supported by one or more projects.

2.4.1 Product Lifespan

The **product lifespan** lens examines P5 elements to evaluate the sustainability of the project product over its useful life. By using this lens, the project team can identify areas where improvements should be made to enhance the overall sustainability of the project product.

For example, the team may discover that certain materials used in production are not sustainable or that the packaging creates unnecessary waste. By making changes to address these issues (such as switching to more eco-friendly materials or reducing packaging size) the team can make more informed decisions about how to create products with a smaller environmental impact and fewer negative social consequences.

When applying the *product lifespan* lens, the project team should:

- Evaluate the quantity and types of materials and chemicals used in the design and manufacture of physical items.
- Explore options for reuse, recovery, repurposing, or recycling whenever possible.
- Consider product lifespan costs (development, distribution, operation, and disposal).
- Apply design principles that support sustainability throughout the project life cycle.
- Actively search for materials and products that do not harm people or the planet.
- Develop product designs that emit fewer greenhouse gases.
- Hold the project value chain (see Section 2.6) to the same standards.

2.4.2 Product Servicing

The **product servicing lens** examines P5 elements to evaluate the sustainability of servicing activities for the product during its useful life. By using this lens, the project team can identify areas where improvements should be made to enhance the overall sustainability of the project product's servicing and maintenance activities.

For example, the team may discover that certain parts are difficult to replace or repair leading to waste when the entire product needs to be replaced. By designing products with easily replaceable or repairable parts, the team can reduce waste and extend the useful life of the product.

Additionally, the project team may identify areas where improvements can be made in terms of energy requirements during product usage or emissions generated during distribution. By improving energy efficiency or using more sustainable transportation methods for distribution, the team can improve the overall sustainability of product servicing.

When applying the *product servicing* lens, the project team should:

- Review new technologies for their potential to make servicing activities more sustainable.
- Avoid making unreasonable, misleading, or deceptive claims about the product's serviceability.
- Consider servicing costs throughout the product lifecycle (development, distribution, operation, and disposal).
- Make conscious choices about energy required to service the product.
- Design and build the project product with servicing in mind.
- Hold the project value chain (see Section 2.6) to the same standards.

2.5 P5 Impact Lenses for Process

According to the ISO 9000 series of standards, a process is "a set of interrelated or interacting activities that transforms inputs into outputs." These interrelated or interacting activities apply *mechanisms* to *inputs* to generate *outputs* while subject to *constraints* as illustrated below in Figure 6.

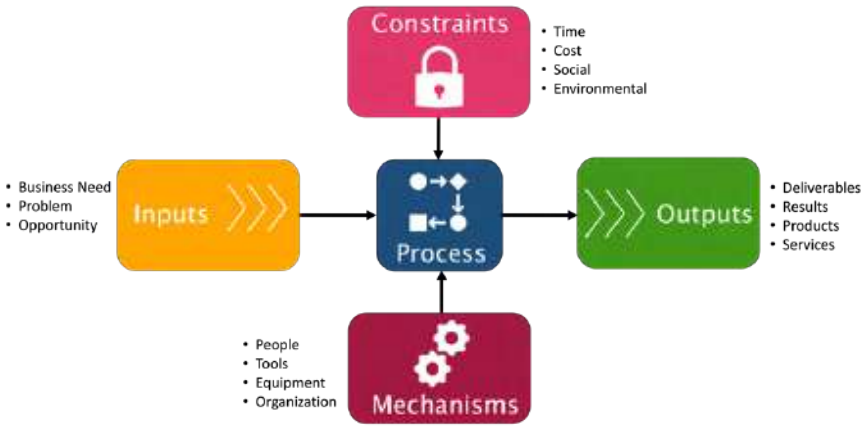


Figure 6 — Process Components

Processes used in projects can be categorized into three major types:

- **Project-management-oriented processes** which are concerned with identifying, describing, and organizing the work of the project.
- **Product-oriented processes** which are concerned with specifying and creating the project product (physical item, service, or other asset).
- **Support-oriented processes** which provide relevant and valuable support to the other processes in disciplines such as logistics, finance, accounting, and safety.

The impacts of the project-management-oriented processes are covered in this section. The impacts of product-oriented processes are covered above in Section 2.4. Support-oriented processes that are performed by project team members are considered in this section. Support-oriented processes performed by suppliers or by others within the sponsoring organization(s) should be considered as part of the project's value chain.

Process impacts are often difficult to identify since they may be imposed on the project from outside.

From a P5 perspective, project management processes that do not consider sustainability factors would be viewed as inadequate. While such approaches may be effective in achieving traditional objectives such as cost, time, and scope, they fail to take into account the long-term impact of the project on the environment and society. It is crucial for the project team to adopt an approach that considers sustainability factors alongside traditional objectives when managing projects.

2.5.1 Efficiency of Project Processes

The **process efficiency** lens examines the P5 elements to evaluate whether a project's processes are designed to use resources optimally. It involves assessing project processes against industry benchmarks and best-practice frameworks to determine their efficiency.

For example, the team may discover that its scheduling practices do not adequately address resource constraints or that its reporting procedures create many reports that aren't used. By addressing these weaknesses, the project can save time and money while being more sustainable as well.

When applying the *process efficiency* lens, the project team should:

- Seek to optimize the efficiency of the processes used in the project.
- Assess the efficiency of the project's processes against industry benchmarks and best-practice frameworks.

2.5.2 Effectiveness of Project Processes

The **process effectiveness** lens examines the P5 elements to evaluate whether a project's processes are designed to use resources effectively. It involves assessing project processes against industry benchmarks and best-practice frameworks to determine their efficiency. The project team can use this lens to identify areas that need improvement to enhance overall performance.

For example, the team may discover that its risk management practices do not adequately identify sustainability risks or that it is unable to support sustainability report for the sponsoring organizations(s). By addressing these weaknesses, the project can reduce sustainability impacts and increase stakeholder satisfaction as well.

When applying the *process effectiveness* lens, the project team should:

- Seek to optimize the effectiveness of the processes used in the project.
- Assess the effectiveness of the project's processes against industry benchmarks and *best-practice* frameworks.

2.5.3 Fairness of Project Processes

The **process fairness** lens examines the P5 elements to evaluate whether all affected individuals are treated fairly and with respect. Affected individuals includes project team members, customers, suppliers, and other project stakeholders.

Fairness does not mean treating everyone exactly the same — it means taking into account individual differences and circumstances to ensure that everyone is treated equitably. For example, providing accommodations for individuals with disabilities or offering flexible work arrangements for employees with caregiving responsibilities can promote fairness without treating everyone exactly the same.

By using this lens, the project team can promote talent acquisition, retention, and empowerment. It can identify potential biases in policies and practices and take steps to address them. This leads to a more inclusive workplace where all individuals feel valued and respected.

Moreover, promoting fairness in the project also helps build trust among stakeholders. When people feel they are being treated fairly, they are more likely to engage positively with the project and support its goals. This ultimately leads to better outcomes for the sponsoring organization(s).

When applying the *process fairness* lens, the project team should:

- Ensure transparency and openness while delivering the project.
- Be fair to customers, suppliers, and other stakeholders at all times.

2.6 Value Chains

A **value chain** is the series of activities that an organization undertakes to create and deliver a product or service to its customers, from its initial design to its arrival at the customer's door. The chain includes both upstream activities (performed by suppliers) and downstream activities (performed in the distribution channels).

Important — the project's value chain includes all the activities, processes, and functions necessary to deliver a project sustainably. The recommended practices in the *P5 Standard* should be extended to suppliers, partners, and other stakeholders who contribute to the project.

2.7 Projects, Programs, and Portfolios

P5 is explicitly focused on *projects*. Most projects will be part of one or more *programs* and one or more *portfolios*. Although there may be some differences in how sustainability impacts are identified and responded to at the program or portfolio level, the vast majority of the contents of P5 can be applied *as is* by simply changing the word *project* to *program* or *portfolio*.

Thus the *P5 Standard* itself, the P5 Impact Analysis (see Section 7.1), and the Sustainability Management Plan (see Section 7.2) can all be used in each of these domains to provide significant value and benefits.

2.8 P5 and Other International Sustainability Standards

The main purpose of P5 is to identify potential impacts to sustainability, both positive and negative, that can be analyzed and presented to management to support informed decisions and effective resource allocation.

The *P5 Standard* supports the alignment of projects with organizational goals for sustainability by focusing on the potential impacts of the project's activities, results, and outcomes.

P5 brings internationally recognized standards, accords, and treatises to the forefront of project management. It has direct ties to, but is not limited to, the following:

- United Nations Universal Declaration of Human Rights
- International Covenant on Civil and Political Rights (ICCPR)
- International Covenant on Economic, Social, and Cultural Rights (ICESCR)
- Convention on the Elimination of all Forms of Discrimination against Women (CEDAW)
- ILO Declaration on Fundamental Principles and Rights at Work
- The 2030 Agenda for Sustainable Development
- UN Sustainable Development Goals (SDGs)
- Sustainable Accounting Standards Board (SASB) Standards
- SA8000:2014 Standard (Social Accountability International)
- Ten Principles of the United Nations Global Compact
- Global Reporting Initiative (GRI) Standards

Project Managers should be familiar with these documents as they are often updated. The ILO Declaration on Fundamental Principles and Rights at Work for example was amended in 2022.

3 People Impacts

The people (social) category of sustainability concerns the impacts that a project's activities and results may have on individuals, society, and communities. The focus of the people category is on operating ethically and maintaining mutually beneficial relationships with employees, customers, suppliers, supply chains, and the wider community in general.

The people category contains the following subcategories:

- Labor practices and decent work
- Society and customers
- Human rights
- Ethical behavior

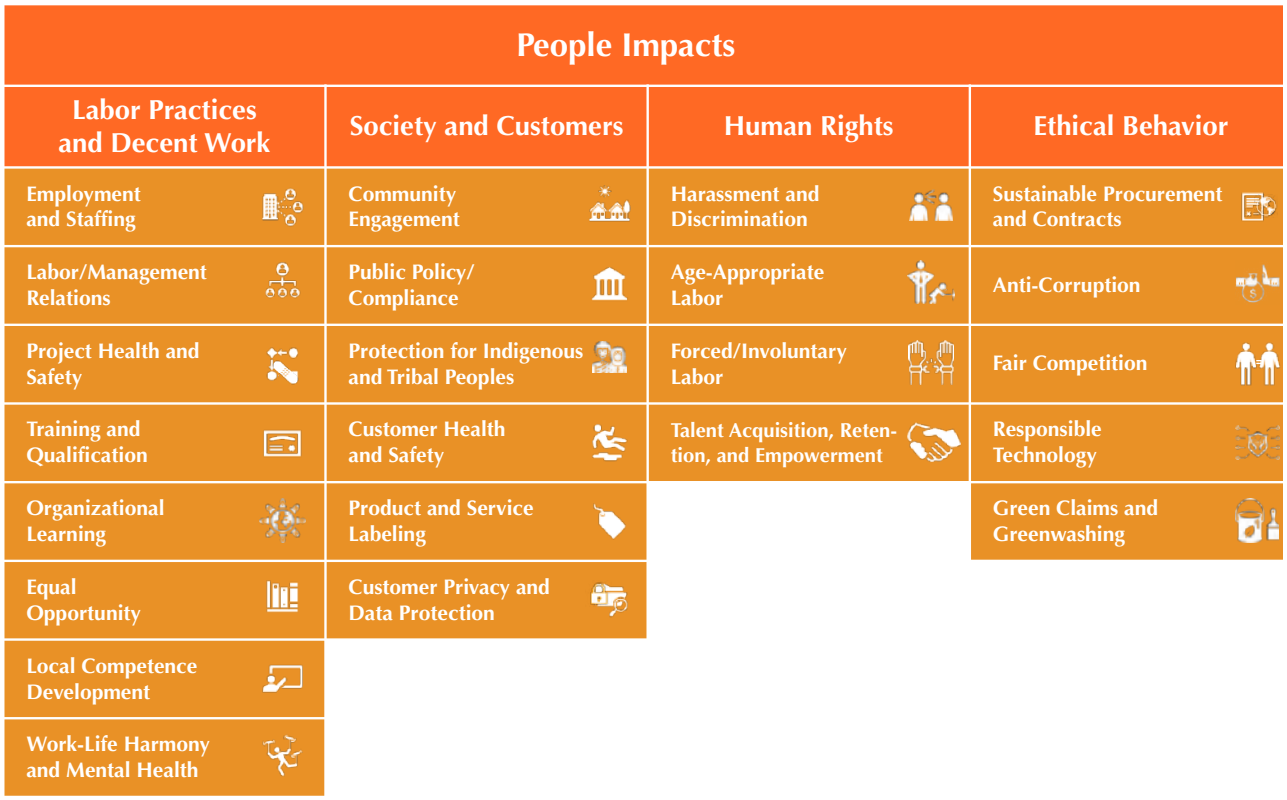
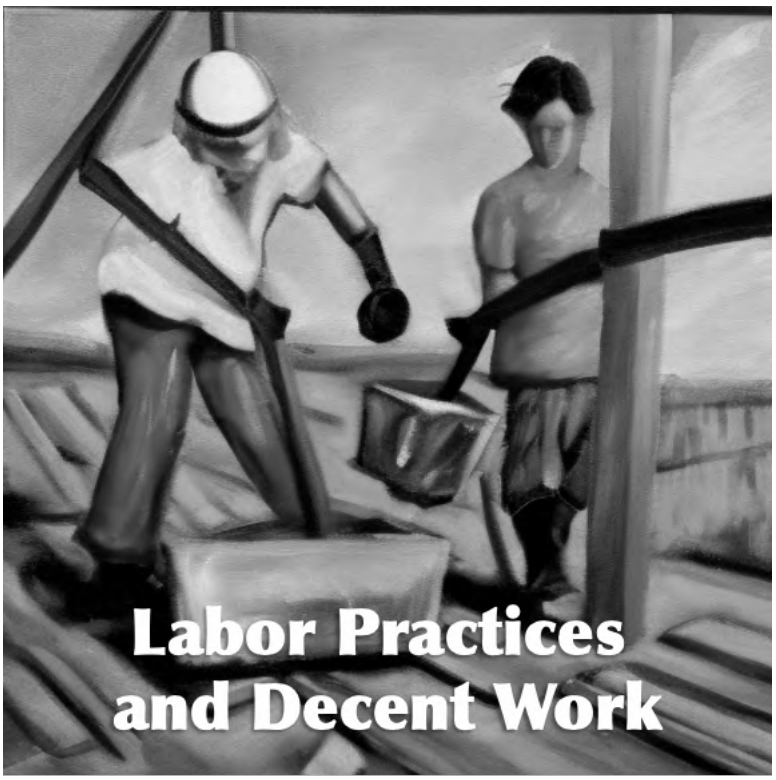


Figure 7 — People Impacts



3.1 Labor Practices and Decent Work

Labor practices and decent work are essential for the protection of workers' health and rights.

Labor practices should be focused on fostering a healthy and productive workforce that ultimately contributes to a sustainable future. Decent work involves fair wages, safe working conditions, and opportunities to grow. It also involves efforts such as collective bargaining and proper resource allocation. Additionally, organizations should strive to provide equitable working conditions regardless of gender, ethnicity, or other factors.

This subcategory deals with the project's relationships with its workers. It covers:

- Employment and staffing
- Labor/management relations
- Project health and safety
- Training and qualification
- Organizational learning
- Equal opportunity
- Local competence development
- Work-life harmony and mental health

3.1.1 Employment and Staffing

This element covers the policies, procedures, and practices needed to support the individuals who will be a part of the project organization. It deals with both supervisory staff such as a project steering committee or project board as well as all members of the project team, including contractors.

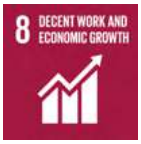
Employment and staffing *is the process of obtaining the personnel needed to carry out the project. It includes identifying the skills required for successful completion of the project, recruiting potential individuals (internally or externally), managing their time and performance, training them when needed, and compensating them accordingly.*

The project team should:

- Invest in training and development programs for project team members to improve their skills and increase their job security.
- Encourage flexible work arrangements such as telecommuting and part-time work.
- Implement fair pay/livable wages and benefits policies to attract and retain high-quality workers.
- Foster a positive and inclusive workplace culture that values and respects all team members.
- Diversify its workforce by recruiting from underrepresented groups.

Improved employment and staffing helps to achieve the following sustainable project outcomes:

- Increased job security for employees due to job stability and secure wages.
- Improved long-term economic growth since workforce productivity increases with improved working conditions.
- Increased motivation, improved morale, and reduced turnover.
- Reduced labor costs due to better resource management, fewer labor disputes, and decreased turnover rates.



Supports SDG 8, Target 5*. "By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value"*

3.1.2 Labor/Management Relations

This element covers the policies, procedures, and practices needed to ensure an effective working relationship across all levels of the project organization.

Labor/management relations *in the project context means building trust, understanding, and cooperation among project and other managers, organizational staff, and project team members. It involves respecting each other's opinions, resolving conflicts proactively, communicating clearly, and ensuring that everyone is aware of their roles and responsibilities.*

The project team should:

- Recognize and support both legal and human rights for everyone involved in the project.
- Define and implement approaches for addressing disputes.
- Regardless of position or rank in the company, treat all workers fairly.
- Be consistently constructive when providing feedback.
- Be open to learning from all members of the team.

Better labor/management relations help to achieve the following sustainable project outcomes:

- Increased productivity from a team that is engaged and motivated in their work.
- A positive work environment with improved team morale and satisfaction.
- Reduced turnover and lower costs for recruiting and training new personnel.

Supports SDG 10, Target 4. *"Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality"*

3.1.3 Project Health and Safety

This element covers the policies, procedures, and practices needed to ensure the health and safety of the project team.

Project health and safety *is the practice of creating safe working conditions for personnel involved in the project. It involves implementing measures such as hazard assessment, risk management, training, enforcement, and investigation. Its main goal is to ensure that workers are not exposed to any unnecessary risks while performing their work.*

The project team should:

- Identify and comply with relevant health and safety laws and regulations.
- Identify and evaluate options for controlling hazards.
- Develop plans to protect workers during emergencies and other nonroutine activities.
- Ensure that workers are given the necessary equipment, clothing, and training to carry out their work safely.
- Establish clear procedures for reporting incidents and near-misses.
- Investigate the causes of incidents and near-misses.
- Promptly inform workers about any changes to health and safety practices.
- Conduct regular risk assessments and inspections of the work environment to ensure it is safe at all times.
- Provide workers with appropriate training on health and safety procedures to ensure that they are aware of risks associated with any activities they are involved in.

Enhanced project health and safety helps to achieve the following sustainable project outcomes:

- A safe, secure, and healthy workplace for the project team.
- Minimal lost time and minimal costs from workplace illnesses and injuries.
- Avoidance of fines and penalties for breaches of health and safety laws and regulations.

Supports SDG 3, Target d. *"Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks"*

3.1.4 Training and Qualification

This element covers the policies, procedures, and practices needed to ensure that the project team members have the skills needed to carry out project activities.

Training and qualification *is the process of ensuring that project team members have the necessary skills to effectively complete their work. It involves providing instruction, assessing proficiency, monitoring performance, and offering guidance.*

The project team should:

- Identify skills required for the project.
- Identify skill gaps and development needs of project team members.
- Avoid placing project team members in roles they are not suited for.
- Sponsor training programs that enable project team members to learn new skills.
- Give project team members access to mentors who can offer advice and practical tips on how to improve their skills.
- Encourage project team members to collaborate with each other and share ideas for professional growth.
- Establish a system of rewards and recognition for those who improve their skills.

Improved training and qualification helps to achieve the following sustainable project outcomes:

- Enhanced engagement when project team members know they will have an opportunity to develop their skills.
- Improved productivity, efficiency, and creativity when project team members are able to apply their new skills to the work.
- Increased ability to attract qualified individuals looking for an organization where they can grow professionally.
- Better project performance through improved skills.

Supports SDG 4, Target 3. *"By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university"*

Supports SDG 4, Target 4. *"By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship"*

3.1.5 Organizational Learning

This element covers the policies, procedures, and practices needed to support both knowledge management and knowledge creation throughout the project.

Organizational learning *is a form of knowledge management in which organizational components and individual employees are encouraged to capture, share, and apply their knowledge. This enables the organization to adapt and improve its processes, products, and services over time.*

The project team should:

- Incorporate lessons learned from past projects into the current project.
- Capture lessons learned during the project and share them throughout the organization.
- Engage with stakeholders during the project to promote organizational learning.
- Establish clear processes for knowledge sharing.
- Invest in the appropriate technologies to facilitate knowledge capture, storage, and retrieval.
- Encourage collaboration with other organizational units to foster a culture of open communication and learning.
- Create conditions that motivate employees to share new insights, experiences, and ideas.
- Endeavor to provide project team members with access to the right information at the right time to make better decisions faster.

Organizational learning helps to achieve the following sustainable project outcomes:

- Enhanced capabilities throughout the organization.
- Increased efficiency and effectiveness in projects.
- Creation of an organizational body of knowledge that can be used to improve results.
- Increased efficiency and cost savings by avoiding past mistakes.
- More informed decision-making based on insights from previous projects.

	Supports SDG 16, Target 6. *"Develop effective, accountable and transparent institutions at all levels"* ***Supports SDG 16, Target 7.*** *"Ensure responsive, inclusive, participatory and representative decision-making at all levels"*

3.1.6 Equal Opportunity

This element covers the policies, procedures, and practices needed to ensure that all workers, both team members and contractors, are provided equal opportunities.

Equal opportunity *is the practice of providing individuals with access to jobs, opportunities, and responsibilities based on their qualifications regardless of gender, race, age, or other characteristics. It seeks to eliminate any type of discrimination in the workplace and to ensure that all team members are treated fairly and given an equal chance to participate in an appropriate way.*

The project team should:

- Provide equal opportunity for all based on skill.
- Show zero-tolerance for bias based on gender, race, age, or other characteristics.
- Provide accommodations for individuals with disabilities.
- Ensure a transparent and fair performance evaluation process.
- Provide space for open dialogue to better understand different perspectives and experiences.
- Create an environment of trust where everyone is respected and valued.

Support for equal opportunity helps to achieve the following sustainable project outcomes:

- Reduced turnover and better employee engagement.
- Improved organizational morale and productivity.
- Enhanced creativity and innovation from diverse perspectives.
- Increased trust between employees and employers.
- Greater access to a diverse talent pool.

Supports SDG 10, Target 3. *"Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard"*

3.1.7 Local Competence Development

This element covers the policies, procedures, and practices needed to increase the likelihood that the skills needed to complete the project will be available no matter where the project is located.

Local competence development *is the process of fostering and expanding skills, knowledge, and expertise in the localities in which the project operates. It can involve providing training or education to local individuals, as well as encouraging collaboration and the sharing of resources between the project organization and local organizations or local individuals.*

The project team should:

- Consider the abilities of local organizations and individuals when planning project staffing.
- Use local labor whenever possible.
- Leverage local practices and culture to improve efficiency.
- Incorporate local employment targets in supplier contracts.

Development of local competence helps to achieve the following sustainable project outcomes:

- New and improved skills in the local area.
- More sustainable access to a qualified workforce.
- Increased productivity, quality, and efficiency from project workers.
- Enhanced innovation opportunities from collaborating with local experts.
- Economic growth and wider social inclusion in the local area.

Supports SDG 4, Target 7. *"By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development"*

3.1.8 Work-Life Harmony and Mental Health

This element covers the policies, procedures, and practices needed to ensure that project workers are able to achieve both personal and professional goals while protecting and promoting mental health for persons in high stress positions.

Work-life harmony and mental health *refers to the ability of individuals to strike a balance between their professional goals and commitments within their personal lives. This involves taking regular breaks from work, developing healthy work habits, and engaging in activities that bring a sense of joy and contentment.*

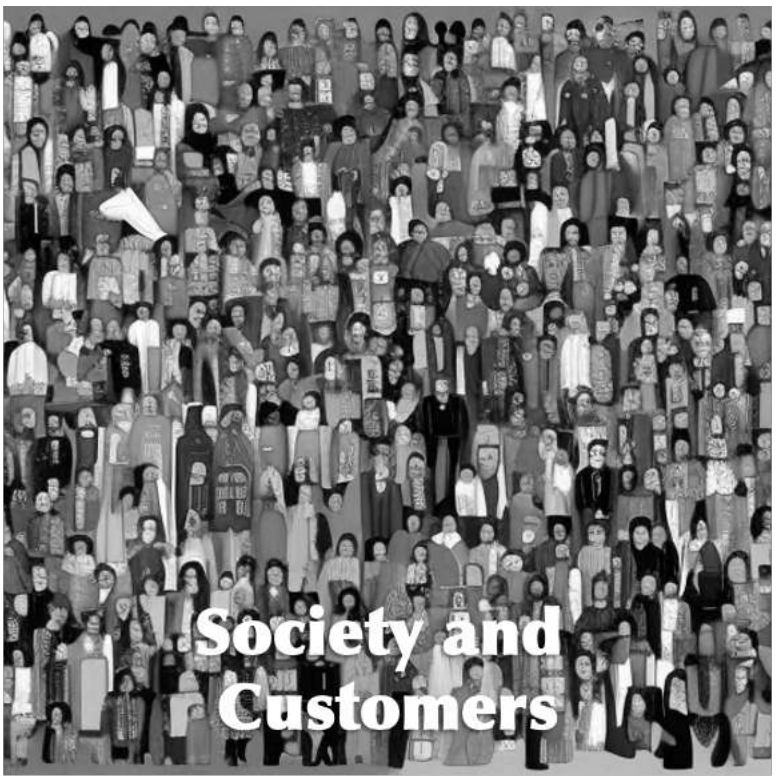
The project team should:

- Employ flexible work schedules so that project workers can better manage their life and project commitments.
- Offer paid time off (typically at least annual vacations and statutory holidays) for full-time employees to help them maintain a good balance between their job responsibilities and their personal life.
- Provide remote working options to support mental health and wellbeing.
- Assess, and then mitigate or remove, workplace risks to mental health.
- Support workers with mental health conditions to participate and thrive in work.
- Watch for, and then address, unexpected or worrisome changes in the behavior or habits of project workers.

Better work-life harmony and improved mental health help to achieve the following sustainable project outcomes:

- More productive project workers.
- Increased motivation, improved morale, and reduced turnover.
- Project team members who are better equipped to handle difficult situations and stressors.

Supports SDG 3, Target d. *"Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks"*



3.2 Society and Customers

Projects must address how their stakeholders, particularly society and customers, are affected by project activities and project results.

Society should be considered throughout the project to ensure that the project meets the expectations of those affected by the project. In particular, this includes those living in the vicinity of the project's activities. Customer needs must be met in a responsible manner. Projects should always strive to not only benefit society and the project's customers but also to have a net positive impact on people's lives.

This subcategory deals with the project's interactions with society and with the customers who will make use of the project's results. It covers:

- Community engagement
- Public policy and compliance
- Protection for indigenous and tribal peoples
- Customer health and safety
- Product and service labeling
- Customer privacy and data protection

3.2.1 Community Engagement

This element covers the policies, procedures, and practices needed to ensure support for the project's activities and results from any affected communities.

Community engagement *is the practice of treating local residents as stakeholders in the project. This is essential as it ensures that local needs and perspectives are taken into consideration when taking any action that affects the community. It also requires a two-way exchange of information and ideas between the project team and the community to make the project more effective, efficient, and beneficial for all involved.*

The project team should:

- Actively engage with the local community to gain support and ensure that community voices are heard.
- Develop a clear and consistent message tailored to the people impacted by the project.
- Be open and honest about proposed impacts and actively address any concerns voiced by the community.
- Be open and honest about proposed changes within the project and actively engage the community in conversations about potential impacts.
- Take part in events such as town halls or media interviews to share information about project activities.

Community engagement helps to achieve the following sustainable project outcomes:

- Better brand reputation by virtue of better relationships with the people affected by the project.
- Improved public relations when the community trusts the individuals speaking for the project.
- Enhanced brand visibility through involvement in community events.

Supports SDG 11, Target a. *"Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning"*

3.2.2 Public Policy and Compliance

This element covers the policies, procedures, and practices needed to ensure that the project complies with relevant laws and regulations.

Public policy and compliance *includes the steps taken by the project team to ensure that the project complies with all relevant laws and regulations. This involves researching relevant laws and regulations, understanding their implications for the project, and taking necessary steps to make sure these laws and regulations are respected throughout the project's duration.*

The project team should:

- Keep abreast of changes to relevant laws and regulations.
- Review existing procedures and processes for compliance and update them as needed.
- Encourage all workers to comply with both the letter and the spirit of relevant laws and regulations.
- Actively monitor project activities to ensure compliance with relevant laws and regulations.

Public policy and compliance helps to achieve the following sustainable project outcomes:

- Ensures that project objectives are achieved within the boundaries of legal requirements.
- Improved brand reputation through visible compliance with legal requirements.
- Lower risk by reducing the potential for violations of public policy.

Supports SDG 10, Target 4. *"Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality"*

3.2.3 Protection for Indigenous and Tribal Peoples

This element covers the policies, procedures, and practices needed to ensure that the project protects the rights of affected indigenous and tribal peoples to enjoy and practice their cultures, customs, religions, and languages.

Protection for indigenous and tribal peoples *includes the measures taken to ensure the rights and wellbeing of affected populations over the course of the project. This includes protection of their culture, land use rights, language, religion, and other forms of recognition.*

The project team should:

- Prevent any action which might deprive affected indigenous or tribal peoples of their cultural values or ethnic identities.
- Involve affected indigenous and tribal leaders in the planning process to help ensure that any potential impacts of the project on them are taken into account.
- Respect the right of affected indigenous and tribal peoples to autonomy over their lands and resources, and give them meaningful input into decisions that may impact them.
- Provide affected indigenous and tribal peoples with timely, accurate information about proposed project activities that may affect their interests.
- Apply the guidance for local competence development (section 3.1.7) to indigenous and tribal peoples.

Protection for indigenous and tribal peoples helps to achieve the following sustainable project outcomes:

- Improved relationships with affected local communities.
- Reduced environmental impact when indigenous and tribal knowledge helps identify potential environmental impacts and develop mitigation strategies.
- Enhanced brand reputation and greater public support by demonstrating respect for and consideration of indigenous and tribal peoples.

Supports SDG 11, Target 4. *"Strengthen efforts to protect and safeguard the world's cultural and natural heritage"*

3.2.4 Customer Health and Safety

This element covers the policies, procedures, and practices needed to ensure the health and safety of the customers (individuals and organizations) who will use the project's results.

Customer health and safety *includes the measures taken to ensure the physical and mental wellbeing of the end users of the project's results. This includes providing information about risks and hazards, proper customer handling during the project, and adherence to relevant safety standards, protocols, laws, and regulations.*

The project team should:

- Comply with relevant standards, protocols, laws, and regulations that apply to customer health and safety.
- Ensure that the design of the project results minimize potential health and safety hazards to customers.
- Establish measures such as safety inspections and emergency plans to help prevent accidents involving visitors to the project's working areas.

Better customer health and safety helps to achieve the following sustainable project outcomes:

- Reduced complaints and increased customer satisfaction.
- Reduced risk of liability claims in the event of an incident.
- Improved brand reputation by demonstrating a commitment to customer health and safety.

Supports SDG 3, Target d. *"Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks"*

3.2.5 Product and Service Labeling

This element covers the policies, procedures, and practices needed to ensure that the project's results are labeled correctly as to content, sourcing, safe use, disposal, and any other factors that may have an effect on society or customers.

Product and service labeling *includes procedures used to ensure that goods and services are accurately labeled according to legal and ethical standards. This includes properly disclosing potential risks, hazards, and side effects associated with the use of products and services as well as providing appropriate information about the origins of these products and services.*

The project team should:

- Use eco-friendly or biodegradable materials for labeling.
- Use digital labeling or QR (Quick Response) codes to reduce the need for physical labeling.
- Use recognized, standard symbols to communicate environmentally friendly or environmentally hazardous features.
- Label products with accurate information regarding health and safety risks so that customers can make informed decisions.
- Provide information on the product's end-of-life disposal options.
- Consider the entire life cycle of the product or service when designing the labeling.
- Provide evidence for any claims of being "environmentally friendly" or "sustainable."

Improved product and service labeling helps to achieve the following sustainable project outcomes:

- Enhanced brand reputation and trust.
- Increased purchases by customers of environmentally friendly products and services.

Supports SDG 12, Target 8. *"By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature"*

3.2.6 Customer Privacy and Data Protection

This element covers the policies, procedures, and practices for avoiding the loss or compromise of customer information during or after the project.

Customer privacy and data protection *encompasses the measures taken to safeguard customer data such as personal information or financial details. It includes providing secure storage facilities and encryption technologies, implementing appropriate access controls and authentication procedures, and ensuring compliance with relevant laws and regulations.*

The project team should:

- Obtain explicit consent for any data collection or usage.
- Implement robust security measures and regularly monitor and audit systems.
- Train project team members and others with access to customer data on data privacy and security best practices.
- Limit access to sensitive data.
- Stay current with the latest threats and vulnerabilities and comply with all applicable data protection and privacy laws and regulations.
- Verify the adequacy of any third-party service providers and replace those with inadequate controls.

Improved customer privacy and data protection helps to achieve the following sustainable project outcomes:

- Improved customer trust.
- Improved brand reputation, performance, and competitiveness by demonstrating a commitment to data security and privacy.
- Less negative publicity and fewer legal disputes.

Supports SDG 16, Target 10. *"Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements"*

Supports SDG 17, Target 10. *"Promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the World Trade Organization, including through the conclusion of negotiations under its Doha Development Agenda"*

3.3 Human Rights

Projects should have a strong foundation in upholding human rights, both within their own organization and with regard to external stakeholders.

Human rights includes satisfying basic needs such as food, clean water, housing, education, and healthcare. It also involves ensuring that these needs are provided on an equitable basis regardless of gender, race, age, or other characteristics. Projects should strive to create an environment where everyone is treated with dignity and respect and given agency over their lives. Human rights must be taken into consideration throughout the project life cycle to ensure fairness and equity for all involved.

This subcategory addresses the rights inherent to all human beings regardless of gender, race, age, or other characteristics. It covers:

- Harassment and discrimination
- Age-appropriate labor
- Forced and involuntary labor
- Talent acquisition, retention, and empowerment

3.3.1 Harassment and Discrimination

This element covers the policies, procedures, and practices needed to ensure that the project does not discriminate or harass on the basis of race, color, national or ethnic origin, age, religion, disability, sex, sexual orientation, gender identity and expression, veteran status, pregnancy status, or any other characteristic protected under applicable law.

Harassment and discrimination *involves the measures adopted to ensure a safe, respectful, and non-discriminatory workplace environment. This includes developing policies that protect employees from unjust treatment, creating an inclusive environment, implementing effective reporting procedures for instances of inappropriate behavior, and providing sufficient training for management on how to handle such issues.*

The project team should:

- Implement a zero-tolerance policy against harassment and discrimination.
- Create a culture that promotes respect and inclusion.
- Provide regular training for all project workers on the laws, regulations, and policies that prohibit harassment and discrimination.
- Encourage project staff to report incidents and have a process to investigate and address any reported incidents promptly and impartially.
- Hold suppliers and their supply chains to the same standard.

Effective harassment and discrimination practices help to achieve the following sustainable project outcomes:

- Reduced exposure to lawsuits and claims.
- Reduced turnover and lower hiring costs.
- Improved productivity and morale.

Supports SDG 10, Target 2 *"Empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status"*

Supports SDG 5, Target 1. *"End all forms of discrimination against all women and girls everywhere"*

3.3.2 Age-Appropriate Labor

This element covers the policies, procedures, and practices needed to ensure that children are not exploited by the project's activities. This goes beyond simple observation of minimum age requirements and includes prohibiting work that deprives children of their childhood, interferes with their potential and their dignity, or that is harmful to their physical and mental development.

Age-appropriate labor *means ensuring that children are not put in dangerous or exploitative situations while still allowing them to develop essential job skills. It is used to describe work suitable for a person's skill level and maturity.*

The project team should:

- Provide support for the ILO *Convention Concerning Minimum Age for Admission to Employment*.
- Ensure that all workers are at or above the minimum age required by law.
- Prevent children from being put into situations that might harm their health or general well-being.
- Protect the human rights, including the right to an education, of any child workers.
- Verify that all labor in their value chain is age appropriate and hold any third parties accountable for violations.

Using only age-appropriate labor helps to achieve the following sustainable project outcomes:

- Protection for the rights of minors who may be more vulnerable to exploitation.
- Safe and healthy working conditions for all project workers.
- Reduced exposure to lawsuits and claims.
- Enhanced brand reputation.

Supports SDG 8, Target 7. *"Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms"*

Supports SDG 16, Target 2. *"End abuse, exploitation, trafficking and all forms of violence against and torture of children"*

3.3.3 Forced and Involuntary Labor

This element covers the policies, procedures, and practices needed to ensure that all project activities are performed by willing workers.

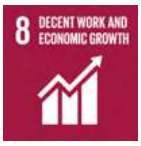
Forced and involuntary labor *means any work or service that is extracted from a person under the menace of punitive action against themselves or their families. It includes work where the payment is below subsistence levels, or where the payment is in goods which are not desirable. Forced and involuntary labor can take many forms including human trafficking, debt bondage, enslavement, and unjustly long working hours.*

The project team should:

- Provide support for the ILO *Forced Labour Convention*.
- Adhere to labor protection laws and regulations including those that prohibit or criminalize any form of forced or involuntary labor.
- Use clearly-defined and rigorous recruitment and selection procedures to ensure that no project workers are subject to deceptive recruiting or intimidation.
- Establish a safe grievance procedure to facilitate reporting of evidence of forced or involuntary labor.
- Periodically verify that suppliers and contractors are in compliance with ILO standards.
- Develop transparent policies ensuring fair wages and safe working conditions for everyone.

Support for forced and involuntary labor practices helps to achieve the following sustainable project outcomes:

- Protection of vulnerable workers from exploitation, abuse, and human trafficking.
- Increased worker engagement, trust, and loyalty by respecting their basic rights.
- Better compliance with labor laws.
- Improved brand reputation and consumer confidence.



Supports SDG 8, Target 7*. "Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms"*

3.3.4 Talent Acquisition, Retention, and Empowerment

This element covers the policies, procedures, and practices needed to attract, retain, and empower talent while fostering an environment where individuals are valued, growth is supported, opportunities are accessible, and teams are equipped to thrive.

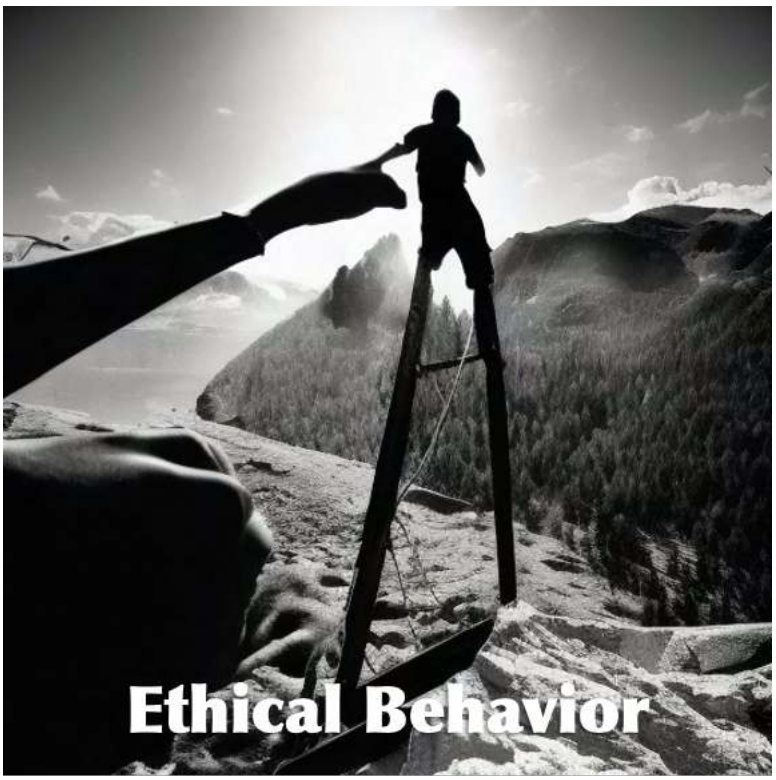
Talent acquisition, retention, and empowerment *is the commitment to attracting, developing, and retaining needed talent while fostering a workplace that adapts to evolving needs, encourages collaboration, and provides access to growth opportunities.*

The project team should:

- Ensure hiring, promotion, and compensation based on skills, contribution, and potential.
- Empower broad participation in decision making, ensuring that diverse expertise and perspectives contribute to project success.
- Regularly assess and enhance worker satisfaction, well-being, and career development opportunities.
- Provide mentorship opportunities, career advancement pathways, and leadership training.
- Support ongoing learning initiatives that equip teams with adaptive skills and cross-functional expertise.
- Ensure fair access and opportunity-based growth.

Support for talent acquisition, retention, and empowerment helps to achieve the following sustainable project outcomes:

- Increased productivity by cultivating an environment of collaboration and trust.
- Enhanced decision making capabilities by integrating different perspectives.
- Improved employee engagement and morale through feeling valued.
- More effective recruitment strategies that attract strong talent.
- Higher customer satisfaction rates due to a heightened sense of connection and loyalty.
- Improved public image leading to increased brand recognition and market share.



3.4 Ethical Behavior

Projects should adhere to ethical principles such as respect for human rights, fairness, transparency, and accountability.

Ethical considerations should be taken into account when performing project activities or making decisions which might have a negative impact on society or those involved in the project. Stakeholders must be given a voice in decisions that affect them, and they must be treated with respect throughout the project. By taking ethical considerations seriously, projects can ensure that their objectives are achieved in a responsible manner.

This subcategory deals with the need to recognize that conscious leadership in support of a higher purpose provides the foundation for successful projects and stronger organizations. It covers:

- Sustainable procurement practices and contracts
- Anti-corruption
- Fair competition
- Responsible technology
- Green claims and greenwashing

3.4.1 Sustainable Procurement Practices and Contracts

This element covers the policies, procedures, and practices needed to supply the project with sustainably purchased resources.

Sustainable procurement practices and contracts *includes practices for obtaining goods, raw materials, and services that take into account environmental, economic, and social impacts. It means contracting for resources in an ethical manner. It requires establishing agreements which adhere to environmental, social, and human rights standards.*

The project team should:

- Include the environmental, economic, and social impact of the product or service as a factor in all purchasing decisions.
- Evaluate the environmental and social performance of all suppliers.
- Prioritize products and services with reputable sustainability certifications such as Energy Star, Forest Stewardship Council (FSC), and Leadership in Energy and Environmental Design (LEED).
- Encourage the use of eco-efficient products and services that use less energy, less water, have a longer life span, and are made from recycled or reused materials.
- Train relevant project workers on sustainable procurement.
- Pay suppliers in accordance with their contracts and hold them to the same standards and practices for sustainable procurement used by the project.

Sustainable procurement practices and contracts can help to achieve the following sustainable project outcomes:

- Cost savings through the use of more energy- and resource-efficient products and services.
- Reduced waste and increased recycling.
- Enhanced brand image making it more attractive to customers and investors who prioritize sustainability.
- Increased innovation as suppliers are encouraged to develop more sustainable products and services.

Supports SDG 12, Target 7. *"Promote public procurement practices that are sustainable, in accordance with national policies and priorities"*

3.4.2 Anti-Corruption

This element covers the policies, procedures, and practices needed to avoid all forms of corruption including extortion and bribery.

Anti-corruption *is the practice of rejecting both offers of and requests for gifts, payments, or other forms of benefits in order to influence the activities, results, or outcomes of the project. It involves making sure that the project is free of unethical practices such as bribery, money laundering, fraud, and embezzlement.*

The project team should:

- Implement comprehensive anti-corruption policies
- Establish a rigorous vetting process for suppliers.
- Develop clear procedures for preventing bribery and detecting suspicious activity.
- Train project team members about how to prevent, detect, and report corruption.
- Set up anonymous reporting mechanisms to minimize fear of retribution or censure.
- Inform individuals and communities affected by the project about their rights and how to contest or report potential corruption.
- Monitor contractual activities to ensure compliance with regulations and standards set out in the agreements.
- Make project financial information available for review by organizational management and regulators alike.

Eliminating bribery and corruption helps to achieve the following sustainable project outcomes:

- Improved relationships with stakeholders.
- Increased trust from customers, partners, and other members of the public.
- Reduced risk of legal and financial repercussions for unethical behavior.
- Goodwill towards both the project and the sponsoring organization(s) as they demonstrate a commitment to transparency and integrity.

Supports SDG 16, Target 5. *"Substantially reduce corruption and bribery in all their forms"*

Supports SDG 16, Target 6. *"Develop effective, accountable and transparent institutions at all levels"*

3.4.3 Fair Competition

This element covers the policies, procedures, and practices needed to ensure that the project does not participate in anticompetitive behavior, especially any which might result in legal action.

Fair competition *is the practice of ensuring that all parties wanting to provide products or services to the project have an equal opportunity to compete and win. It requires taking measures to ensure that no individual party has an unfair advantage due to size, wealth, influence, or any other factor. This includes enforcing laws and regulations against anticompetitive behavior such as price-fixing and market manipulation. Additionally, fair competition calls for creating transparent processes for bidding and contract awards to ensure fair opportunities for businesses of all sizes and types.*

The project team should:

- Refuse to participate in collusive purchasing activities such as bid-rigging.
- Refuse to participate in price-fixing agreements.
- Implement clear and transparent bidding and selection processes for all products and services.
- Establish selection criteria prior to issuing any Request for Proposal, Request for Bid, or Request for Quotation.
- Establish selection criteria that do not provide an unfair advantage for certain suppliers.
- Make sure all prospective suppliers have access to the same information about project requirements, timelines, and expectations.

Support for fair competition helps to achieve the following sustainable project outcomes:

- Improved trust in the sponsoring organization as it demonstrates a commitment to fairness and integrity.
- Reduced risk of legal repercussions for violations related to procurement activities.
- More competitive prices and schedules as a result of transparent processes.

Supports SDG 16, Target 5. *"Substantially reduce corruption and bribery in all their forms"*

Supports SDG 16, Target 6. *"Develop effective, accountable and transparent institutions at all levels"*

3.4.4 Responsible Technology

This element covers the policies, procedures, and practices for the use of technology in a manner that respects the rights and dignity of the individuals and communities affected by it.

Responsible technology *is the practice of taking into account ethical, legal, and social implications when running projects that involve new or emerging technologies. This includes developing and adhering to frameworks and policies related to data privacy, intellectual property rights, and environmental impact. Responsible technology also requires ensuring that technology is used in a safe and responsible manner.*

The project team should:

- Guide the development and deployment of technology in the project using guidelines grounded in fairness, transparency, accountability, and social responsibility.
- Provide appropriate training to project workers on the ethical implications of any work with Artificial Intelligence (AI) and ensure that any data sets used to train AI systems are representative and valid for purpose.
- Develop mechanisms to manage and respond to risks associated with using AI technologies in the project product or services.
- Develop mechanisms to detect and address potential bias in algorithms or data sources used to generate insights or drive decisions.
- Use green computing solutions and renewable energy sources whenever possible.

Responsible use of technology helps to achieve the following sustainable project outcomes:

- Reduced discrimination by making technology accessible to all users.
- More successful and sustainable products and services that are trusted users.
- Better decision-making and outcomes.
- Development and implementation of solutions that help protect biodiversity and regenerate degraded ecosystems.

Supports SDG 17, Target 7. *"Promote the development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries on favorable terms, including on concessional and preferential terms, as mutually agreed"*

3.4.5 Green Claims and Greenwashing

This element covers the policies, procedures, and practices to ensure accurate green claims and prevent greenwashing.

Green claims *are statements made by an organization to indicate that a product or service has been designed and produced in a manner that is considered environmentally responsible. These claims typically relate to the organization's efforts to reduce its environmental impact such as using recycled materials, renewable energy sources, and efficient production processes.*

Greenwashing *is the practice of making false or misleading claims in order to mislead consumers into believing that a product or service is more environmentally friendly than it actually is. This can be done through deceptive language, exaggerations, or omitting relevant information about an organization's true environmental practices.*

The project team should:

- Tell the truth about the project's environmental impacts.
- Have a zero-tolerance policy for greenwashing.
- Verify suppliers' environmental practices and replace suppliers with invalid green claims.
- Provide accurate information in support of ESG disclosures and sustainability reports.

Making accurate green claims and preventing greenwashing helps to achieve the following sustainable project outcomes:

- Reduced environmental impact.
- Increased public trust in their brand.
- Improved public image of the sponsoring organization(s).
- Support for an eco-friendlier marketplace.
- Reduced costs to defend against false advertising claims.

Supports SDG 12, Target 6. *"Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle"*

4 Planet Impacts

The planet (environmental) category of sustainability concerns the impacts that a project's activities and results may have on living and non-living natural systems. These systems include land, air, and water as well as the flora, fauna, and people that live in them. The focus of the planet category is on preserving, restoring, and improving these natural systems.

The planet (environmental) category contains the following subcategories:

- Transport
- Energy
- Land, Air, and Water
- Consumption

While these subcategories are detailed as part of the environmental category, most have social and economic impacts that may need to be accounted for in those categories.

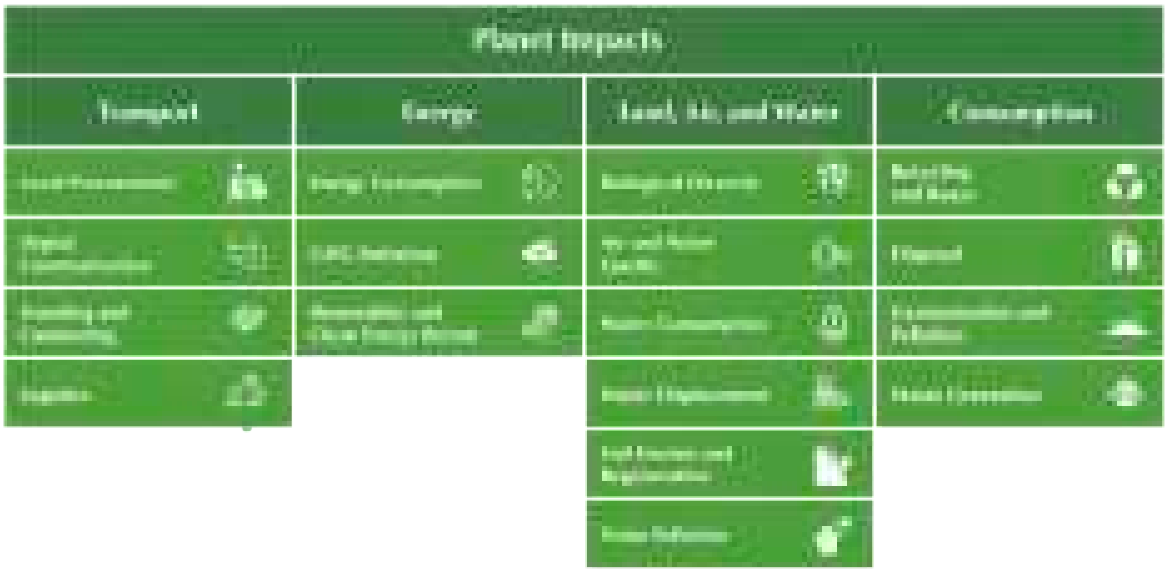


Figure 8 — Planet Impacts

4.1 Transport

Many, if not most, projects need to move people, goods, and information from one place to another. Sustainable transport is essential to minimize the impact of these activities on society and the environment.

Sustainable transport can help reduce pollution, traffic congestion, and energy consumption. It can promote better public health by providing safe and healthy mobility options. Sustainable transport can be achieved through the development or expansion of public transportation networks and the implementation of technologies such as electric vehicles, autonomous cars, and bike sharing. It can also be supported by simpler improvements such as walking and cycling paths.

This subcategory deals with how to make a project's transport activities more sustainable. It covers:

- Local procurement
- Digital communication
- Traveling and commuting
- Logistics

4.1.1 Local Procurement

This element covers the policies, procedures, and practices needed to procure products and services from local suppliers.

Local procurement *is the practice of purchasing products and services from local suppliers.*

The project team should:

- Develop a procurement strategy that prioritizes the purchase of products and services from local suppliers.
- Build relationships with local suppliers who use sustainable practices and environmentally friendly products.
- Use sustainable procurement practices (see element 3.4.1) with local suppliers.

Local procurement helps to achieve the following sustainable project outcomes:

- Stronger support for the local economy.
- Reduced transportation costs and lower greenhouse gas (GHG) emissions.
- Reduced inventories and shorter delivery times.

Supports SDG 12, Target 7. *"Promote public procurement practices that are sustainable, in accordance with national policies and priorities"*

4.1.2 Digital Communication

This element covers the policies, procedures, and practices needed to reduce the consumption of nonrenewable resources by using technology for project communications.

Digital communication *is the use of digital tools and platforms to communicate about the project. These tools can include websites, email newsletters, social media accounts, messaging applications, and other digital communication channels.*

The project team should:

- Meet virtually whenever possible.
- Use digital documents whenever possible.
- Use green hosting platforms to support digital infrastructure.

Digital communication helps to achieve the following sustainable project outcomes:

- Time and cost savings from reduced travel.
- Enhanced hiring through access to a wider population of candidates.
- Reduced stress from long-distance travel and extended periods away from home.
- Reduced GHG emissions from less physical transportation.

Supports SDG 9, Target c. *"Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries"*

4.1.3 Traveling and Commuting

This element covers the policies, procedures, and practices needed to limit unnecessary travel and ensure that the use of travel-related activities have minimal environmental impact.

Traveling and commuting *is the movement of project-related personnel between different locations. Traveling and commuting may include getting to the project site, attending off-site meetings, conducting off-site presentations, collecting data, and providing off-site support*

The project team should:

- Allow project team members and staff to work remotely as much as possible.
- Use non-standard work schedules such as flexible hours and four-day weeks when feasible.
- Use local suppliers during business trips instead of shipping items from the project location.
- Limit unnecessary travel.

Reduced traveling and commuting helps to achieve the following sustainable project outcomes:

- Improved productivity and team member engagement.
- Time and cost savings from reduced travel.
- Reduced need for vehicle support infrastructure such as parking lots.
- Reduced GHG emissions from transportation.

Supports SDG 12, Target 2. *"By 2030, achieve the sustainable management and efficient use of natural resources"*

Supports SDG 13. *"Take urgent action to combat climate change and its impacts"*

4.1.4 Logistics

This element covers the policies, procedures, and practices needed to ensure environmentally friendly transportation of items to and from the project.

Logistics *is the planning and execution of activities related to transporting goods, raw materials, and services for use by the project. Logistics includes activities such as scheduling transportation, estimating costs, coordinating personnel, and making sure that all necessary procedures are completed on time.*

The project team should:

- Use bulk purchasing arrangements to reduce the frequency of shipping.
- Prioritize suppliers based on their commitment to sustainability practices.
- Include the carbon emissions from logistics in the project's footprint.
- When possible, source green options such as rail or sea over other options such as air.
- Use reusable packaging materials such as paperboard, plant based plastic alternatives, and cardboard boxes instead of single-use plastics when transporting items.
- Implement real-time tracking to detect delays quickly and avoid additional costs associated with re-shipping.

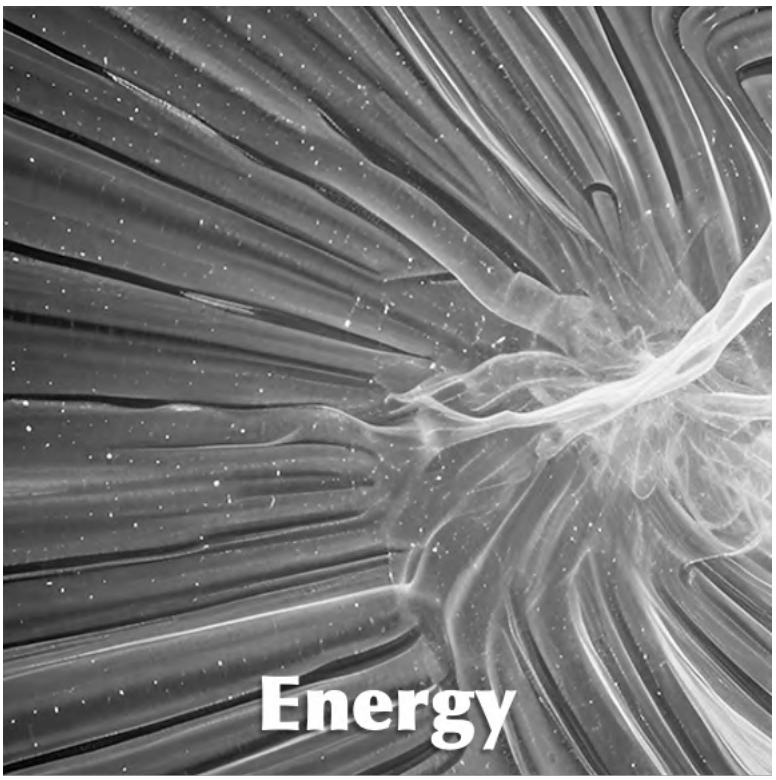
Better logistics helps to achieve the following sustainable project outcomes:

- Reduced emissions.
- Lower energy costs.
- Improved customer service.
- Reduced waste and increased profits from more efficient operations.

Supports SDG 12, Target 2. *"By 2030, achieve the sustainable management and efficient use of natural resources"*

Supports SDG 12, Target 5. *"By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse"*

Supports SDG 13. *"Take urgent action to combat climate change and its impacts"*



4.2 Energy

Projects are major consumers of energy. Sustainable projects must be mindful of the impact their activities have on the planet.

Projects should strive to use clean, renewable sources of energy in order to reduce greenhouse gas (GHG) emissions and help mitigate the effects of climate change. Solar, wind, and geothermal are all renewable energy sources that can be used to power project activities. Implementing technologies such as LED lighting or battery storage can help make sure that the project uses energy in an optimal manner.

This subcategory addresses how the project manages its use of energy. It covers:

- Energy consumption
- Greenhouse gas emissions
- Renewables and clean energy return

4.2.1 Energy Consumption

This element covers the policies, procedures, and practices needed to minimize the amount of energy consumed by the project's activities and results.

Energy consumption *is the amount of energy used by the project throughout its duration and the result during its lifespan. It encompasses all aspects of energy use from office lighting to the energy required for transportation.*

The project team should:

- Actively seek to minimize the project product's post-project energy consumption including distribution, operation, and disposal.
- Develop an energy management plan that considers all relevant energy sources.
- Use renewable energy sources whenever possible.
- Apply design principles that prioritize energy efficiency.
- Use energy efficient products and equipment.
- Unplug electronics when they are not in use.

Reducing energy consumption helps to achieve the following sustainable project outcomes:

- Reduced energy costs.
- Reduced carbon footprint.
- Visible support for eco-friendly standards.
- Improved air quality in the workplace or office environment.

Supports SDG 7, Target 2. *"By 2030, increase substantially the share of renewable energy in the global energy mix"*

Supports SDG 12, Target 2. *"By 2030, achieve the sustainable management and efficient use of natural resources"*

Supports SDG 13. *"Take urgent action to combat climate change and its impacts"*

4.2.2 Greenhouse Gas Emissions

This element covers the policies, procedures, and practices needed to minimize the amount of greenhouse gas (GHG) emissions caused by project activities and by the use of the project product.

Greenhouse gas emissions *are gases (mostly carbon dioxide and methane) released into the atmosphere as a direct result of activities associated with the project. This includes emissions as a direct result of project energy consumption as well as emissions from transport of procured goods, raw materials, and services. It also includes GHG emissions caused by the distribution, operation, and disposal of the project product.*

The project team should:

- Manage, track, and report the carbon footprint of the project activities.
- Make a reasonable effort to estimate the carbon footprint of the project product in use.
- Develop product designs that emit less GHG.
- Seek to identify and secure offset for residual GHG emissions.
- Use renewable energy whenever possible to reduce reliance on fossil fuels.
- Regularly monitor and evaluate progress towards goals for reduced emissions.

Reduction of GHG emissions helps to achieve the following sustainable project outcomes:

- Improved health for project team members, the local community, and other stakeholders.
- Reduced emissions both during the project and over the useful life of the product.
- Reduced reliance on fossil fuels.
- Increased public perception of the project and the sponsoring organizations(s) as being environmentally responsible.

Supports SDG 12, Target 2. *"By 2030, achieve the sustainable management and efficient use of natural resources"*

Supports SDG 12, Target 6. *"Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle"*

Supports SDG 13 *"Take urgent action to combat climate change and its impacts"*

4.2.3 Renewables and Clean Energy Return

This element covers the policies, procedures, and practices needed to minimize the use of non-renewable energy sources and to maximize the amount of renewable energy generated by the project's activities or product.

***Renewable energy**, also called alternative energy, is energy generated from sources that are replenished at a faster rate than they are consumed. These sources include solar, wind, water, and geothermal power.*

***Clean energy return (CER)** refers to the amount of renewable energy generated by the project or the project product that is in excess of the amount needed. CER is normally returned to the grid for use by others.*

The project team should:

- Utilize renewable energy sources such as solar, wind, water, and geothermal.
- Integrate energy conservation methods into project activities.
- Implement policies and procedures to ensure compliance with CER requirements.

The use of renewable energy and clean energy return help to achieve the following sustainable project outcomes:

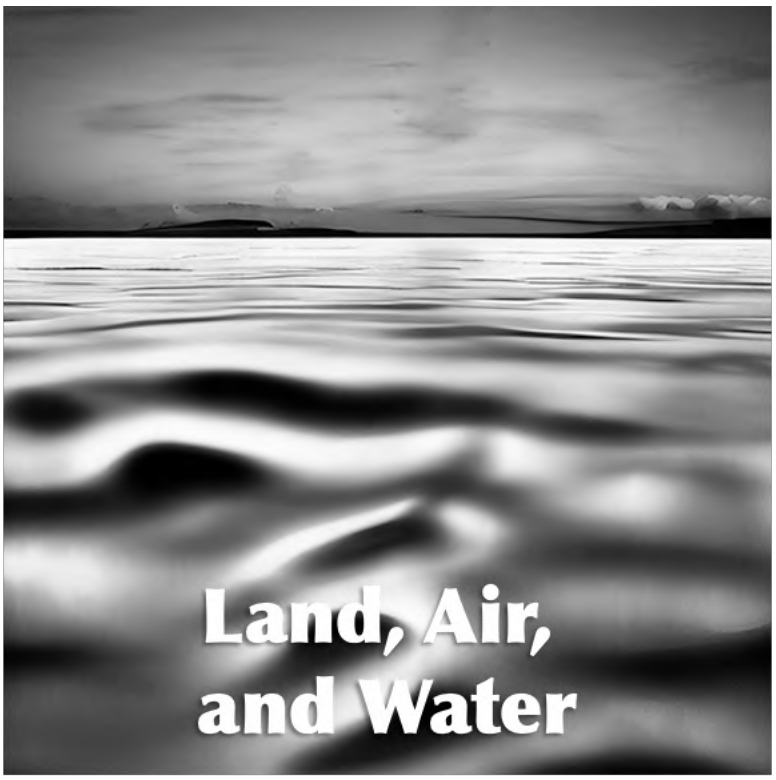
- Lower demand for non-renewable energy by the return to the power grid of project-generated energy.
- Secondary energy sources provided to the local community.

Supports SDG 7, Target 2. *"By 2030, increase substantially the share of renewable energy in the global energy mix"*

Supports SDG 12, Target 2. *"By 2030, achieve the sustainable management and efficient use of natural resources"*

Supports SDG 12, Target 6. *"Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle"*

Supports SDG 13. *"Take urgent action to combat climate change and its impacts"*



4.3 Land, Air, and Water

Protecting land, air, and water is essential for any project seeking to be successful.

Projects should strive to minimize their negative impacts on the environment by avoiding activities that could lead to deforestation, habitat destruction, and pollution of both land and water sources. Additionally, projects should seek to reduce emissions of greenhouse gases in order to protect the atmosphere from furthering to advance climate change.

This subcategory deals with the project's use of land, air, and water resources. It covers:

- Biological diversity
- Air and water quality
- Water consumption
- Water displacement
- Soil erosion and regeneration
- Noise pollution

4.3.1 Biological Diversity

This element covers the policies, procedures, and practices needed to protect living organisms from damage by the project's activities or results. Living organisms include flora and fauna in both terrestrial and aquatic ecosystems as well as the ecosystems themselves.

***Biological diversity**, also known as biodiversity, refers to the variety of life forms on Earth. It includes all ecosystems and all species of plants, animals, bacteria, fungi, and microorganisms that make up a particular environment or habitat. It also includes all genetic variations of those species.*

The project team should:

- Identify and comply with any relevant laws and regulations.
- Work to achieve a net positive impact (NPI) by ensuring that any negative impacts from the project or its product are outweighed by biodiversity gains.
- Incorporate data-driven strategies for monitoring resource usage and predicting sustainable trends in affected natural ecosystems.
- Where possible, establish living systems and regenerative land management practices to promote sustainable agriculture and forestry practices, and support the diversity of species.
- When pest management is needed, prioritize natural predators over chemical pesticides.
- Take action to preserve affected habitats and species.
- Use renewable energy sources to limit the project's impact on natural ecosystems.
- Allocate budget to restore natural ecosystems affected by the project.
- Seek out opportunities to collaborate with local communities, academic institutions, and other organizations to advance regenerative development and biodiversity conservation.

Protection of biological diversity helps to achieve the following sustainable project outcomes:

- Healthy ecosystems that provide food, fiber, medicines, and other natural resources.
- Better access to land and other natural resources in the future.
- Improved reputation among regulators and within the communities that the project affects.
- Continued availability of ecosystem services such as atmospheric regulation, nutrient cycling, and pollination.
- Enhanced protection of beneficial species, biodiversity, and human health.

Supports SDG 14, Target 2. *"Sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans"*

Supports SDG 15, Target 5. *"Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and protect and prevent the extinction of threatened species"*

Supports SDG 15, Target a. *"Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems"*

4.3.2 Air and Water Quality

This element covers the policies, procedures, and practices needed to minimize the impacts of the project's activities and product on air and water quality.

Air and water quality *involves measures of contamination in air and water sources.*

The project team should:

- Establish air and water quality standards and monitor compliance with them.
- Use alternative energy sources to reduce GHG emissions from burning fossil fuels.
- Where relevant, implement control technologies such as filtration, scrubbing, and oxidation to reduce pollutants in the environment.
- Develop efficient wastewater treatment systems for managing sewage and industrial waste.
- Conserve water resources through rainwater harvesting systems, efficient irrigation techniques, and using alternative sources of water where available.
- Educate stakeholders about the importance of air and water quality.
- Create incentives for suppliers to use sustainable practices that protect air and water quality.

Increased awareness of air and water quality helps to achieve the following sustainable project outcomes:

- Cleaner air and water for the protection of and use by humans, plants, and animals.
- Reduced water pollution and erosion from contaminated sites.
- Enhanced sustainability of development projects by reducing damage to ecosystems.
- Lower consumption of natural resources.
- Increased public awareness about environmental issues and encouraging community participation in environmental stewardship initiatives.
- Strengthened public trust of the sponsoring organization(s).

Supports SDG 3, Target 9. *"By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination"*

Supports SDG 15, Target 1. *"Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements"*

4.3.3 Water Consumption

This element covers the policies, procedures, and practices needed to minimize the amount of water used by the project.

Water consumption *is the usage of water during project activities. Although construction, manufacturing, and agricultural projects are probably the major users of water, all projects use water to some extent.*

The project team should:

- Establish water consumption and conservation goals to ensure the project is using sustainable amounts of water.
- Monitor and measure water consumption to ensure conservation goals are met and to aid in identifying areas for improvement.
- Reduce water use through practices such as water recycling and leak detection.
- Extend its use of water saving technologies and techniques during times of shortage.
- Promote responsible water management within communities affected by project activities.
- Educate stakeholders about the importance of responsible water usage.

Reducing water consumption helps to achieve the following sustainable project outcomes:

- Reduced water costs.
- Decreased risk of contamination from runoff or overuse.
- Increased public trust in the sponsoring organization(s) through transparent approaches to conservation, monitoring, and measurement.
- Enhanced reputation for responsible behavior which can lead to future business opportunities.
- Increased public engagement to encourage responsible water management and raise awareness of the importance of conservation.

Supports SDG 6, Target 4. *"Substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity"*

4.3.4 Water Displacement

This element covers the policies, procedures, and practices needed to manage situations where the project introduces water into different locations.

Water displacement *is the practice of diverting water sources that have been disrupted by the project away from areas that are prone to flooding and contamination. Methods include dam construction, rerouting flowing water, building artificial wetlands, landscaping with rain gardens, and installing flood barriers. Water displacement is mostly an issue with construction, manufacturing, and agricultural projects.*

The project team should:

- Develop a clear understanding of the affected bodies of water and water flows before implementing water displacement.
- Designate a qualified team within the project to manage, monitor, and evaluate the effects of displacement on a regular basis.
- Promptly address any adverse effects that do occur.
- Maintain transparency with stakeholders about the project's water displacement activities.
- Ensure that precipitation runoff from any project site does not contaminate water supplies or cause other adverse effects.

Improved management of water displacement helps to achieve the following sustainable project outcomes:

- Prevention of water-related diseases and insect infestations.
- Prevents erosion, landslides, and flooding.
- Increased public trust in the sponsoring organization(s) through transparent approaches to water displacement.
- Enhanced reputation for responsible behavior which can lead to future business opportunities.

Supports SDG 6, Target b. *"Support and strengthen the participation of local communities in improving water and sanitation management"*

4.3.5 Soil Erosion and Regeneration

This element covers the policies, procedures, and practices needed for the project to minimize soil erosion and maximize regeneration.

Soil erosion *is the loss of topsoil due to human activities such as construction, road building, or agricultural practices. It can be exacerbated by changes in the natural land cover and can have significant negative effects on local ecosystems. As with water displacement, soil erosion is mostly an issue with construction, manufacturing, and agricultural projects.*

Regenerative design *is a practice that draws on an understanding of how ecosystems function so that the project will regenerate resources rather than depleting them.*

The project team should:

- Avoid sensitive areas such as wetlands and endangered species habitats.
- Minimize disturbances to existing land cover by utilizing development techniques that cause minimal disruption and damage.
- Establish conservation buffers around project work sites.
- Protect soil resources by incorporating the principles of ecology and economics into decision-making processes around how to best use, manage, and conserve soil.
- Engage local communities in decisions about soil management.
- Plant native species in development projects to help restore natural ecosystems.

Improved soil management and regenerative practices helps to achieve the following sustainable project outcomes:

- Enhanced biodiversity by promoting natural regeneration of the ecosystem.
- Improved public health from reduced contamination of water supplies.
- Increased sense of ownership and responsibility for the land within the local community.

Supports SDG 15, Target 5. *"Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and protect and prevent the extinction of threatened species"*

Supports SDG 15, Target a. *"Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems"*

4.3.6 Noise Pollution

This element covers the policies, procedures, and practices needed to minimize noise pollution from the project.

Noise pollution *is the creation of excessive, unpleasant, or disruptive sounds that can diminish quality of life. Noise pollution can be caused by activities such as blasting, heavy vehicle traffic, traffic jams, and operation of machinery or equipment.*

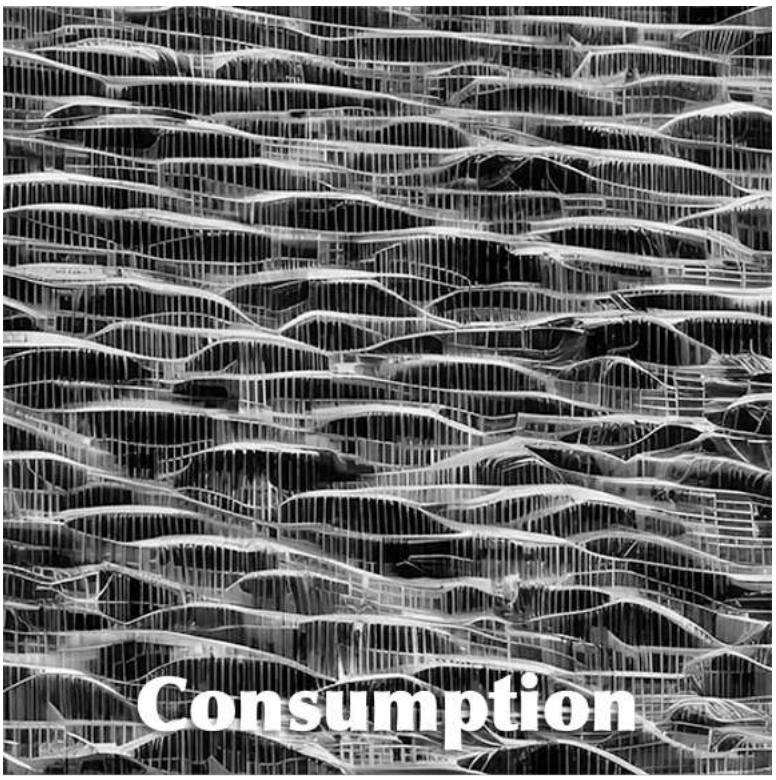
The project team should:

- Schedule noisy work during hours when fewer people are likely to be disturbed.
- Use noise barriers, such as fencing or walls, to block sound from reaching nearby residents or businesses.
- Use quieter equipment and tools such as electric rather than gas-powered items.
- Keep underwater noise at safe levels for marine life.
- Train workers on proper noise control techniques such as maintaining and repairing equipment regularly.
- Monitor noise levels regularly and make adjustments as necessary.
- Provide affected residents and businesses with information about the project's noise mitigation efforts.
- Establish a complaint protocol for residents and businesses affected by project-related noise.

Managing noise pollution helps to achieve the following sustainable project outcomes:

- Protection of natural habitats by reducing human-generated noise.
- Enhanced productivity by creating a quieter work environment.
- Improved health and well-being for residents and project workers by reducing stress and sleep disturbances.
- Enhanced relationship with the local community.

Supports SDG 11, Target 6. *"By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management"*



4.4 Consumption

Preventing overconsumption is essential for a project to be sustainable.

Projects should strive to reduce their usage of natural resources in order to avoid depleting the planet's finite resources and to minimize their contribution to global climate change. Reusing materials, investing in energy efficient technologies, and designing systems that use fewer resources are all actions projects can take to reduce their environmental impact.

This subcategory deals with how the project uses materials and supplies in its activities. It covers:

- Recycling and reuse
- Disposal
- Contamination and pollution
- Waste generation

4.4.1 Recycling and Reuse

This element covers the policies, procedures, and practices needed to maximize recycling and reuse by the project.

Recycling *involves transforming a waste item into a useful one. Items that can be recycled run the gamut from plastic water bottles to computers to electrical generators.*

Reuse *involves using the same item again and again or finding a new purpose for it.*

The project team should:

- Make use of recycled and responsibly sourced supplies and materials whenever possible.
- Promote recycling and reuse within the project.
- Ensure that its recycling and reuse practices have a net positive impact (NPI) on the environment.
- Use returnable containers for parts delivery whenever possible.
- Seek out and participate in circular economy programs.
- Reduce the amount of in-bound and out-bound packaging wherever possible.
- Perform regular maintenance on vehicles, tools, and equipment to minimize the need for replacements.

Recycling and reuse helps to achieve the following sustainable project outcomes:

- Reduced impact on natural resources by lowering the need for raw materials.
- Enhanced brand reputation by promoting the use of responsibly sourced supplies and materials.
- Reduced disposal costs by minimizing waste.
- Reduced quantities of hazardous and other waste entering the environment.
- Reduced greenhouse gas emissions.

Supports SDG 12, Target 5. *"By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse"*

Supports SDG 12, Target 6. *"Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle"*

4.4.2 Disposal

This element covers the policies, procedures, and practices needed to ensure proper disposal of unneeded items during the project as well as proper end-of-life disposal for the project product.

Disposal of goods and materials *is the practice of getting rid of items that are no longer needed or wanted for the project. This includes disposing of both hazardous and non-hazardous waste in accordance with relevant laws and regulations.*

Disposal of assets *is the process of getting rid of an item which has reached the end of its useful life. This includes everything from consumer electronics to public infrastructure such as roads and bridges. Generally, assets should not be disposed of until they are no longer fit for use.*

For goods and materials, the project team should:

- Practice responsible disposal methods through reuse, composting, or recycling.
- Ensure that hazardous materials are stored and disposed of in accordance with relevant laws and regulations.
- Recycle materials, such as metal and plastic components, for use in other products.
- Track all materials leaving the project site to ensure they are disposed of safely and legally.

For assets, the project team should:

- Include the cost and impact of disposal as part of the business case.
- Design and build the project product with disposal in mind.
- Donate or resell the items rather than discarding them directly into the landfill.
- Use certified electronic waste recycling programs to ensure proper disposal of these items.
- Reuse and repurpose older equipment whenever possible.

Responsible disposal helps to achieve the following sustainable project outcomes:

- Reduced environmental damage from uncontrolled disposal.
- Cost-savings from reusing, reselling, or recycling items instead of purchasing new ones.
- Increased goodwill with customers and communities through eco-friendly practices.
- More efficient use of assets by ensuring that their useful life is considered.
- A healthier, safer work environment for employees.
- Minimized waste.

Supports SDG 12, Target 5. *"By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse"*

Supports SDG 12, Target 6. *"Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle"*

4.4.3 Contamination and Pollution

This element covers the policies, procedures, and practices needed to minimize the contamination and pollution of air, water, or soil through the introduction of foreign or unwanted substances.

Contamination and pollution *is the release of waste materials or hazardous substances into the environment. It will almost always have a negative impact on ecosystems and human health. Contamination and pollution most often occurs due to neglectful practices in manufacturing, construction, agriculture, and related industries that generate waste materials or hazardous chemicals, but it can also occur in other projects that do a poor job of disposal (see 4.4.2).*

The project team should:

- Implement proper waste management procedures such as segregating hazardous waste and recycling materials.
- Comply with all relevant laws and regulations for handling and storing hazardous materials.
- Install safety features, such as ventilation systems or gas monitoring equipment, to reduce emissions of pollutants.
- Regularly inspect facilities for signs of damage or wear-and-tear that may lead to leaks or environmental harm.
- Use renewable energy sources whenever possible to reduce GHG emissions.
- Recognize that the suggested practices in several other elements (e.g., Disposal, Energy Consumption, and Local Procurement among others) can help minimize contamination and pollution.

Reduced contamination and pollution helps to achieve the following sustainable project outcomes:

- Helps to prevent environmental damage and protect human health.
- Increased goodwill with customers and communities through eco-friendly practices.
- A healthier, safer work environment for employees.
- Increased public trust in the sponsoring organization(s) through transparent approaches to waste management.
- Enhanced reputation for responsible behavior which can lead to future business opportunities.

Supports SDG 12, Target 4. *"Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment"*

4.4.4 Waste Generation

This element covers the policies, procedures, and practices needed to minimize the amount of waste generated by the project.

Waste generation *is the creation of any excess or unneeded materials or byproducts during the project. This includes everything from leftover supplies and materials to wasted energy.*

The project team should:

- Create a comprehensive plan helps to reduce waste generation by setting clear and achievable goals.
- Educate team members and other staff on proper waste management practices.
- Monitor waste generation during the project and update practices as needed to ensure meeting the project's waste generation goals.
- Reduce packaging materials such as plastic wrap and excess cardboard to cut down on waste generation.
- Optimize energy use to minimize the need for additional energy.
- In construction, incorporate green building principles.

Limiting waste generation helps to achieve the following sustainable project outcomes:

- Cost savings through less waste disposal and lower energy costs.
- Reduced GHG emissions.
- Improved health and safety for those involved with the project.
- Increased public awareness of proper waste management techniques.

Supports SDG 12, Target 5. *"By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse"*

5 Prosperity Impacts

The prosperity (economic) category of sustainability concerns the impacts that a project's activities and results may have on the finances of the project's stakeholders. The focus of the prosperity category is on maximizing positive returns for as many stakeholders as possible.

The prosperity category contains the following subcategories:

- Social Return on Investment
- Business agility
- Economic stimulation

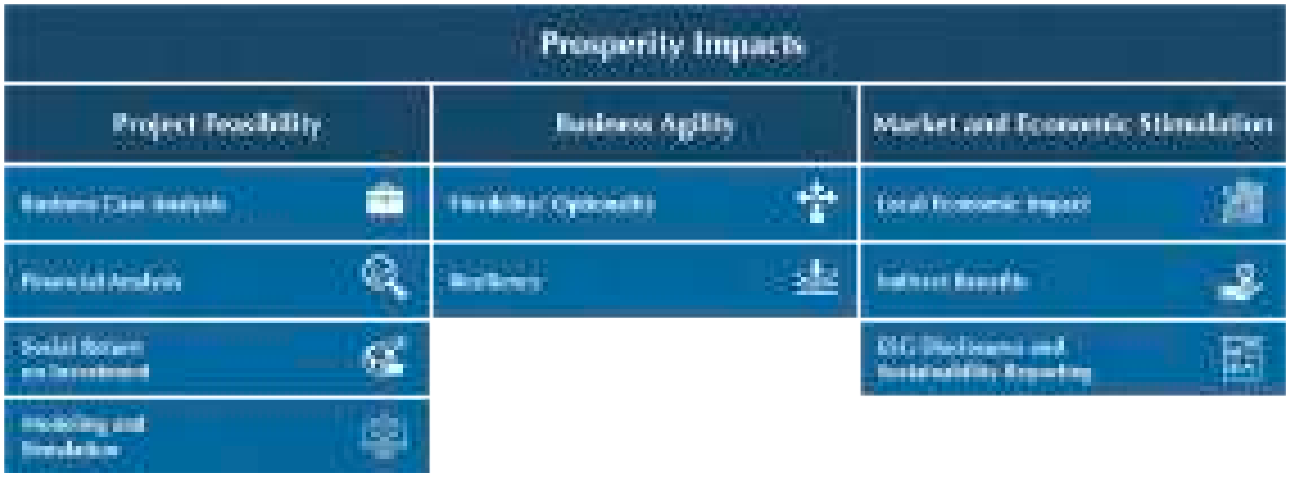
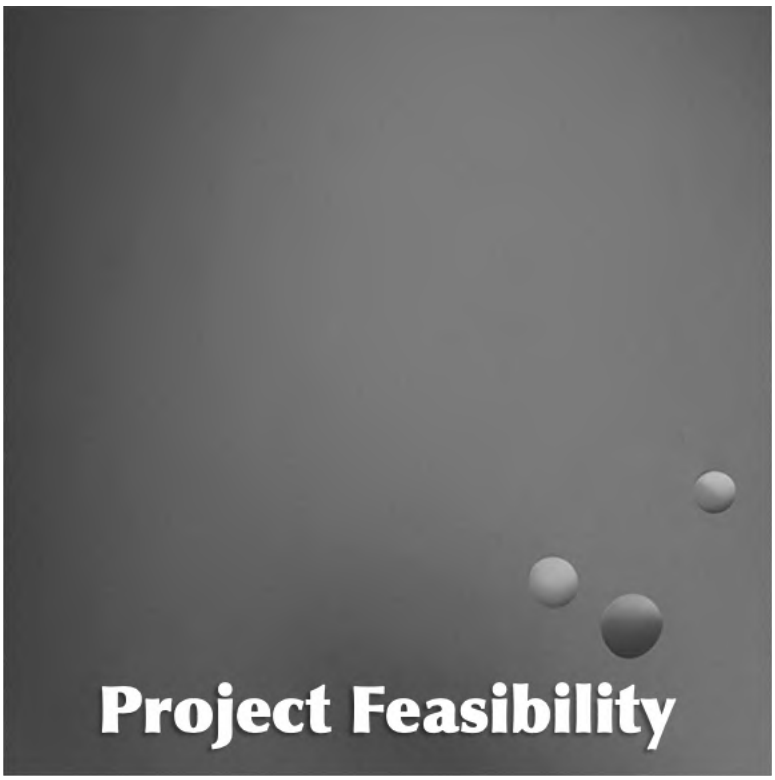


Figure 9 — Prosperity Impacts



5.1 Project Feasibility

Every project should deliver benefits in excess of its costs. Any project that fails to do so is inherently unsustainable because it is consuming resources that could be expended more effectively elsewhere.

Project feasibility includes technical, practical, legal, and financial feasibility. Technical feasibility means that it is physically possible, or at least appears reasonably possible within an acceptable timeframe, to complete the project and produce a desirable result. Practical feasibility means that the sponsoring organization(s) has, or can obtain, the people, goods, raw materials, and other needed resources to complete the project without compromising its operational effectiveness. Legal feasibility means that the project can be completed without violating any applicable laws or regulations. Financial feasibility means that funding can be obtained for the project, and that completion of the project will provide a positive return.

Project feasibility is often assessed well in advance of the actual approval to start the project. This means that the project team must regularly reevaluate the project to ensure that it remains feasible.

This subcategory deals with how to identify and evaluate the benefits and costs of a project. It covers:

- Business case analysis
- Financial analysis
- Social return on investment (SROI)
- Modeling and simulation

5.1.1 Business Case Analysis

This element covers the policies, procedures, and practices needed to support useful business case analysis.

Business case analysis *is the process of developing a business case that provides justification for the initiation or continuation of the project. It involves analyzing the underpinning logic of funding the project. This requires identifying the expected benefits and dis-benefits, likely costs and revenues, staffing requirements, major risks, schedule alternatives, and stakeholder impacts associated with a proposed project.*

The project team should:

- Clearly articulate the expected outcome(s) of the project to justify why it should be done.
- Recognize the challenges described in Annex 2 regarding inputs to the business case analysis.
- Identify, analyze, and assess a range of potential solutions for delivering the desired outcomes in a sustainable way.
- Calculate the costs associated with each option as well as any expected benefits or dis-benefits from undertaking the project.
- Identify resource and staffing requirements to deliver the project result.
- Select the most appropriate option by evaluating its advantages over other options.
- Monitor project progress against clearly defined cost and schedule targets to identify variances which may require revisions to the project's business case.
- Inform management of the sponsoring organization(s) promptly if the business case is no longer valid.

Constructive business case analysis helps to achieve the following sustainable project outcomes:

- Better project selection decisions by identifying projects with the highest potential Return on Investment (ROI) and/or Social Return on Investment (SROI).
- Fewer wasted resources by focusing on projects with the best chance of success.
- Improved decision-making throughout the project by providing clear performance metrics.
- Enhanced stakeholder support by using an evidence-based approach to understanding the impact of the project.

Supports SDG 1, Target a. *"Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions"*

5.1.2 Financial Analysis

This element covers the policies, procedures, and practices needed to support useful financial analysis of the project.

Financial analysis *is the process of evaluating the project from a monetary perspective. Typically, it is used to analyze whether the project warrants initial or additional funding.*

The project team should:

- Recognize the challenges described in Annex 2 regarding the inputs to financial analysis.
- Ensure that benefits can be both measured and realized by the sponsoring organization(s).
- Understand that expected benefits are forecasts, not guarantees, and that they may be realized over many years.
- Ensure that benefits and costs are assigned to the same periods.
- Account for the possible effects of inflation, deflation, and exchange rate variances.
- Discount future cash flows to their present value.
- Use multiple metrics (BCR, ROI, and IRR as described in Annex 2) to get a clear picture of the project's financial state.

Realistic financial analysis helps to achieve the following sustainable project outcomes:

- Better support for the long term viability of the sponsoring organization(s).
- More accurate justification for the project.
- Improved awareness and acceptance of project costs and benefits.
- Increased recognition of the importance of cradle-to-cradle analysis.
- More informed financial decisions.

Supports SDG 1, Target b. *"Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions"*

5.1.3 Social Return on Investment

This element covers the policies, procedures, and practices needed to ensure that the evaluation of the project's feasibility includes consideration of environmental and social returns.

Social return on investment *(SROI) is a framework for measuring and accounting for project results and outcomes by including social and environmental costs and benefits along with the traditional economic ones. It is based on the idea that projects create value in ways other than just financial returns. For example, a community development project may create value by improving the health and well-being of residents, reducing crime, and increasing social cohesion.*

SROI is calculated using the following formula:

SROI = (Financial and Non-financial Benefits – Financial and Non-financial Costs) / Financial and Non-financial Costs

The project team should:

- Establish key performance indicators for SROI.
- Recognize the challenges described in Annex 2 regarding the inputs to SROI calculations.
- Avoid exaggerating benefits or downplaying costs.
- Account for the possible effects of inflation, deflation, and exchange rate variances.
- Discount future cash flows to their present value.
- Ensure that benefits can be both measured and realized.
- Monitor project progress against clearly defined targets to identify variances which may require revisions to the forecast SROI.
- Inform management of the sponsoring organization(s) promptly if the SROI is no longer positive.

Using SROI helps to achieve the following sustainable project outcomes:

- Better project selection decisions by identifying projects with the highest expected SROI.
- Improved decision-making throughout the project by providing clear performance metrics.
- Enhanced stakeholder support by using an evidence-based approach to understanding the social value of the project.

Supports SDG 17. *"Strengthen the means of implementation and revitalize the global partnership for sustainable development"*

5.1.4 Modeling and Simulation

This element covers the policies, procedures, and practices needed to evaluate project feasibility in the face of uncertainty and multiple interdependent variables.

Modeling *is the creation of a physical, mathematical, or logical representation of the project using representative characteristics of the project.*

Simulation *is the use of a model to understand the potential effects of alternative conditions and choices given uncertainty in the input variables. It can be especially useful in the project context where project characteristics often interact in unpredictable ways.*

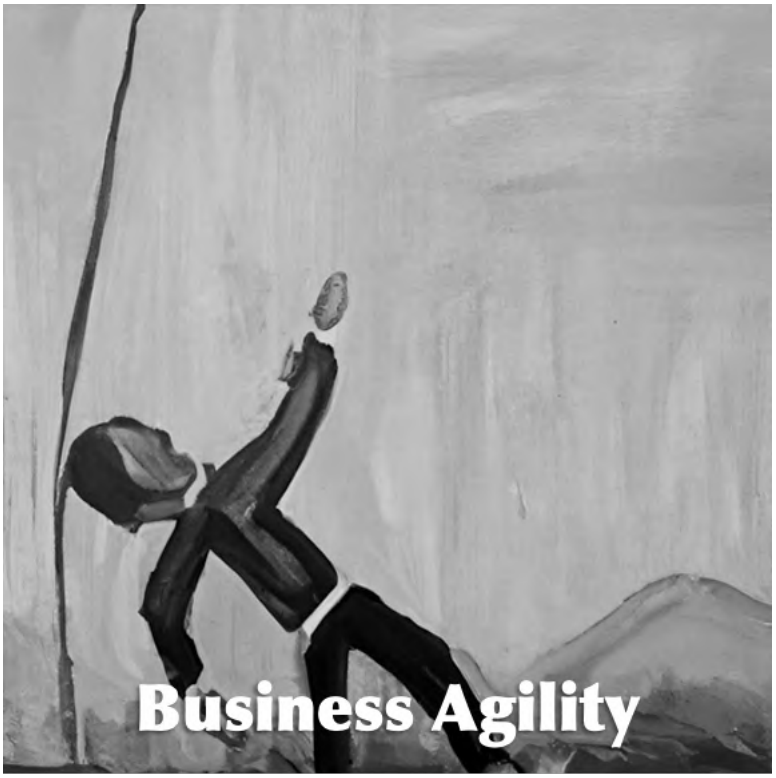
The project team should:

- Recognize the challenges described in Annex 2 regarding the inputs used to create the model and the values used to run a simulation.
- Avoid exaggerating benefits or downplaying costs.
- Identify, analyze, and assess a range of potential solutions for delivering the desired outcomes in a sustainable way.
- Understand the strengths and weaknesses of the models and simulation techniques it uses.
- Use modeling and simulation whenever possible.

Using modeling and simulation helps to achieve the following sustainable project outcomes:

- Better project selection decisions through improved understanding of likely results and outcomes.
- Fewer wasted resources by focusing on projects with the best chance of success.
- Enhanced risk management plans and better mitigation choices.
- Reduced costs, increased efficiency, and improved outcomes by virtue of a better understanding of the project.

Supports SDG 1, Target b. *"Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions"*



5.2 Business Agility

Business agility is essential for any organization to succeed in today's rapidly changing world.

Projects must be able to adapt quickly to market changes and new stakeholder demands if they want to deliver desirable and useful results. The ability to pivot quickly and respond with innovative solutions for the project will provide stronger support for its supporting organization(s). A fundamental characteristic of business agility is to be *data-driven* by organizing and examining internal and external data sources to enhance decision making.

This subcategory covers the ability of the project to adapt in response to the changes that inevitably occur. It covers:

- Flexibility/optionality
- Resiliency

5.2.1 Flexibility/Optionality

This element covers the policies, procedures, and practices needed to evaluate and manage competing interests within the project. Competing interests arise primarily from stakeholders with differing expectations but can also be caused by the challenge of trying to simultaneously optimize project characteristics such as sustainability, scope, cost, schedule, quality, and staffing.

Flexibility *is the ability to adjust to changing circumstances or situations. It requires the capacity to modify plans or approaches when faced with unexpected challenges.*

Optionality *means having multiple solutions or choices available. It means the project is not constrained by a single approach. Optionality means that the project is capable of supporting different outcomes with different results without having to start over.*

The project team should:

- Minimize interdependencies within the project to maximize the ability to respond to unanticipated events.
- Keep project activities as small and as brief as possible to maximize the project's ability to respond to changes.
- Be open to new ideas or approaches regardless of the source.
- Be prepared to take advantage of unexpected opportunities or previously unknown solutions.
- Recognize that changes are inevitable in virtually all projects and plan accordingly.
- Look for opportunities to adjust requirements to achieve a higher degree of sustainability.
- Apply *value analysis* or similar techniques to meet requirements without sacrificing sustainability.

Increased flexibility/optionality helps to achieve the following sustainable project outcomes:

- Higher chance of success.
- Identification of additional opportunities to improve sustainability.
- Superior benefits realization.

Supports SDG 17. *"Strengthen the means of implementation and revitalize the global partnership for sustainable development"*

5.2.2 Resiliency

This element covers the policies, procedures, and practices needed to ensure the project's ability to recover from unexpected disruptions.

Resiliency *is the ability of the project to recover from or adjust easily to adverse conditions such as extreme market fluctuations, political or economic instability, natural disasters, or health emergencies. Resiliency does not make problems go away: it means having the ability to cope with them despite the unexpected stress.*

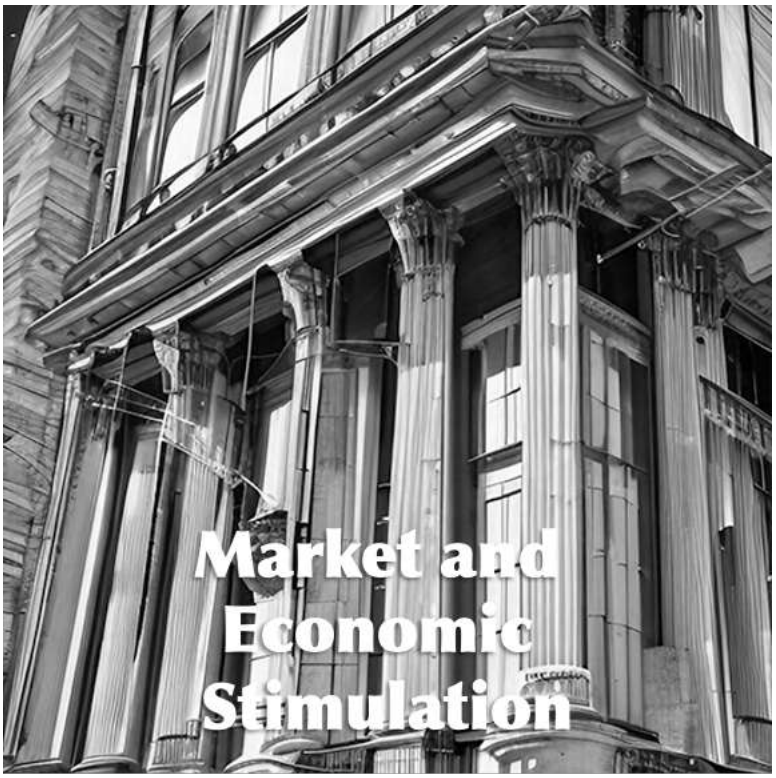
The project team should:

- Identify critical functions and processes and the resources required to support them.
- Develop and implement a project continuity plan to ensure that project work can continue.
- Test the project continuity plan periodically throughout the project and update the continuity plan as needed.

Resiliency helps to achieve the following sustainable project outcomes:

- Lower probability of losing the resources invested in the project prior to the disaster.
- Increased ability to respond to extreme events.
- Increased stakeholder support for the project team.

Supports SDG 1, Target b. *"Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions"*



5.3 Market and Economic Stimulation

Sustainable projects can create value for their sponsors and customers by offering innovative products and services that are environmentally friendly and that drive their markets to be more sustainable.

Projects provide essential resources and infrastructure to spur innovation, create jobs, and drive economic growth. In addition, they can help stimulate local businesses and communities, which can lead to increased spending power and improved quality of life. Projects also have a significant impact on sustainability. If managed properly, they can reduce waste and emissions as well as improve resource efficiency. Ultimately, projects are vital for achieving long-term economic success for both businesses and individuals alike.

This subcategory deals with the market and economic effects that may occur as a result of the project's activities. It covers:

- Local economic impact
- Indirect benefits
- ESG disclosures and sustainability reporting

5.3.1 Local Economic Impact

This element covers the policies, procedures, and practices needed to manage the project's impact on the local economy.

Local economic impact *includes the direct and indirect effects the project has on the economy of its local area. This can include job creation, increased spending in the local economy, or increased regional development.*

The project team should:

- Ensure that projects have a direct, measurable impact on the local economy.
- Support the growth of the local economy by engaging in partnerships with local organizations.
- Develop initiatives that support sustainability while also driving positive economic outcomes in the local area.
- Create educational opportunities related to the project or its effects on the local community.

Creating a positive local economic impact from the project helps to achieve the following sustainable project outcomes:

- More opportunities for local employment.
- Direct economic benefit from money spent in the local economy.
- Improved standard of living for individuals who reside in the local community.
- Increased tax revenue for the local community to support services and infrastructure.
- Improved quality of life for members of the local community by providing additional resources and opportunities for growth.

Supports SDG 1, Target 4. *"By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance"*

5.3.2 Indirect Benefits

This element covers the policies, procedures, and practices needed to identify and increase benefits that may not appear in the business case but that may still materialize as a consequence of the project.

Indirect benefits *are the positive impacts that go beyond the immediate outcomes of the project and may not always be immediately visible. These benefits can include improved quality of life, increased economic activity in the local area, and environmental improvements such as cleaner air or water.*

The project team should:

- Recognize the challenges described in Annex 2 when quantifying indirect benefits.
- Avoid overestimating indirect benefits.
- Regularly review its estimates of indirect benefits for changes.
- Include indirect benefits in the project's value chain in its calculations.

Recognition of the importance of indirect benefits helps to achieve the following sustainable project outcomes:

- Added justification for the value and benefits of the project.
- Enhanced support for similar projects in the future.

Supports SDG 1, Target a. *"Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions"*

5.3.3 ESG Disclosures and Sustainability Reporting

This element covers the policies, practices, and procedures needed to ensure that the project supports relevant environmental, social, and governance (ESG) disclosures and sustainability reporting.

ESG disclosures *are information about an organization's performance and practices related to environmental, social, and governance issues. Information from the project is used as input to the ESG disclosures of the sponsoring organization(s).*

Sustainability reporting *provides information about an organization's policies, practices, and performance related to sustainability. It covers a wide range of topics such as energy efficiency, carbon emissions, resource conservation, human rights, labor practices, and community engagement. Information from the project is used as input to the sustainability reporting of the sponsoring organization(s).*

Note: Section 6 provides implementation guidance for ESG disclosures and sustainability reporting for projects using the *P5 Standard* as the basis.

The project team should:

- Obtain a copy of the sustainability objectives of the sponsoring organization(s) and distribute this information within the project.
- Perform a P5 Impact Analysis (P5IA) during the initial phase of each project and maintain it throughout the project's life cycle (see Section 7.1).
- Develop a Sustainability Management Plan (SMP) from the P5IA and maintain it as part of the project plan (see Section 7.2).
- Work with the office or function in the sponsoring organization(s) to determine the materiality of the P5IA and SMP contents for ESG disclosures and sustainability reporting.
- Provide relevant information in support of ESG disclosures and sustainability reporting by its sponsoring organization(s).

Support for ESG disclosures and sustainability reporting helps to achieve the following sustainable project outcomes:

- Increased assurance that the project's sustainability performance supports the sustainability goals of the sponsoring organization(s).
- More accurate reporting by the sponsoring organization(s) of their progress in achieving sustainability goals.

Supports SDG 17. *"Strengthen the means of implementation and revitalize the global partnership for sustainable development"*

6 ESG Disclosures and Sustainability Reports

6.1 ESG Disclosures

An ESG (Environmental, Social, and Governance) disclosure is a document that provides information on a company's performance and practices related to environmental, social, and governance issues. The document typically focuses on providing financial and investment-related information on an organization's performance in these areas.

ESG disclosures often include information on an organization's governance practices such as its board composition, executive pay, and whistleblower policies. ESG disclosures are used by investors and other stakeholders to assess an organization's performance in these areas and to make investment decisions.

6.2 Sustainability Reports

A sustainability report is a document that provides information on an organization's policies, practices, and performance related to sustainability issues. It is a comprehensive document that covers topics such as energy efficiency, carbon emissions, resource conservation, human rights, labor practices, and community engagement.

Sustainability reports often measure the organization's performance using data and metrics such as emissions per unit of production, water usage, and employee turnover rates. The reports also include the organization's goals and targets for future sustainability performance.

Additionally, sustainability reports often align with international non-financial reporting guidelines such as the Global Reporting Initiative (GRI) or guidance from the Sustainability Accounting Standards Board (SASB) to provide a standardized framework for reporting. Sustainability reports are an important tool for organizations to communicate their sustainability performance to stakeholders and are often used to provide transparency and accountability.

6.3 Materiality

Materiality is a concept introduced in the U.S. Securities Act of 1933 to describe information that, if known, is important for an investor to consider before making a decision regarding a security investment. Since the 1940s, the Securities and Exchange Commission (SEC) has further defined material information in relation to financial statements as "those matters as to which an average prudent investor ought reasonably to be informed." This definition was clarified by former U.S. Supreme Court Justice Thurgood Marshall who stated that an item is material if there is "a substantial likelihood that a reasonable investor would consider the information important in deciding how to vote or make an investment decision."

Projects are also important for investors when it comes to considering materiality. Investors take into consideration the projects an organization undertakes when making decisions about where to invest. Projects can provide important information about an organization's strategy, growth potential, competitive advantages, and financial health. As a result, investors may consider project-related information to be material when deciding how to vote or make an investment decision.

6.4 Key Differences Between ESG Disclosures and Sustainability Reports

An ESG disclosure and a sustainability report are both used to provide information on an organization's performance and practices related to sustainability, but they have a different focus.

An ESG disclosure focuses on providing *financial and investment-related information* for investors on how sustainability issues affect the organization's financial performance. This is referred to as an outside-in perspective since the organization is disclosing due to external requirements.

A sustainability report focuses on providing detailed information on an organization's policies, practices, and goals for its stakeholders and the organization's *impact on people and the environment*. This is referred to as an inside-out approach as the organization is voluntarily reporting to stakeholders. Figure 10 depicts the difference.

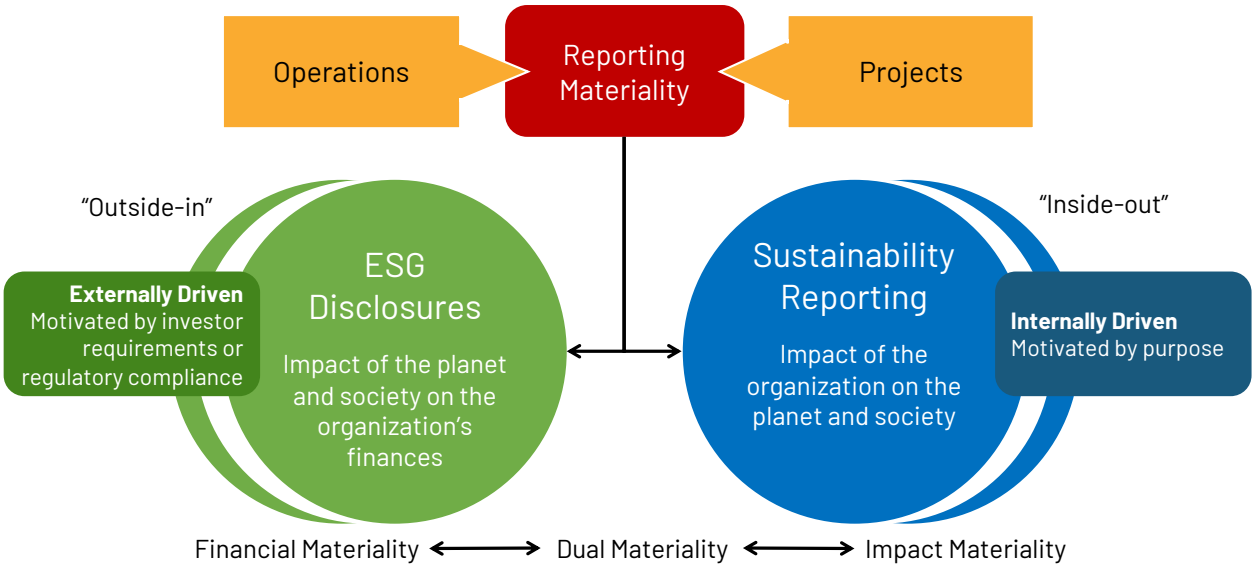


Figure 10 — Dual Materiality Principle

Investors today are increasingly embracing the concept of *dual materiality*, which involves considering both the financial and societal/environmental impacts of an organization's activities. This is done through disclosure requirements that allow investors to gain insight into how firms are managing ESG risks and opportunities. By understanding these risks, investors can make more informed decisions about where to put their money.

In 2019, the European Union introduced rules requiring certain large companies to disclose their social and environmental practices in line with dual materiality principles. This recognizes that an organization's effects on the world, beyond its bottom line, is important and should be shared with investors.

6.5 Utilizing P5 in ESG Disclosures and Sustainability Reporting

The *P5 Standard* addresses sustainability performance and impacts from a project. It provides useful inputs to support the organization's ESG disclosures as well as its GRI, UNGC (UN Global Compact), and other sustainability reports.

Most guidance on reporting requires that the organization determine material topics starting with identifying actual and potential impacts as a first step. In practice, a P5 Impact Analysis accomplishes this for the project.

The second step is to disclose material topics by listing them out and explaining how they are managed. By including the P5 Impact Analysis (P5IA) outcomes in a Sustainability Management Plan (SMP), the project will have identified individual impacts, scored their severity, identified causes and outcomes, and documented recommendations to mitigate.

A P5IA template and SMP template are available for free and can be downloaded from the GPM webpage at <https://www.greenprojectmanagement.org/p5>. Instructions for use are included within the templates.

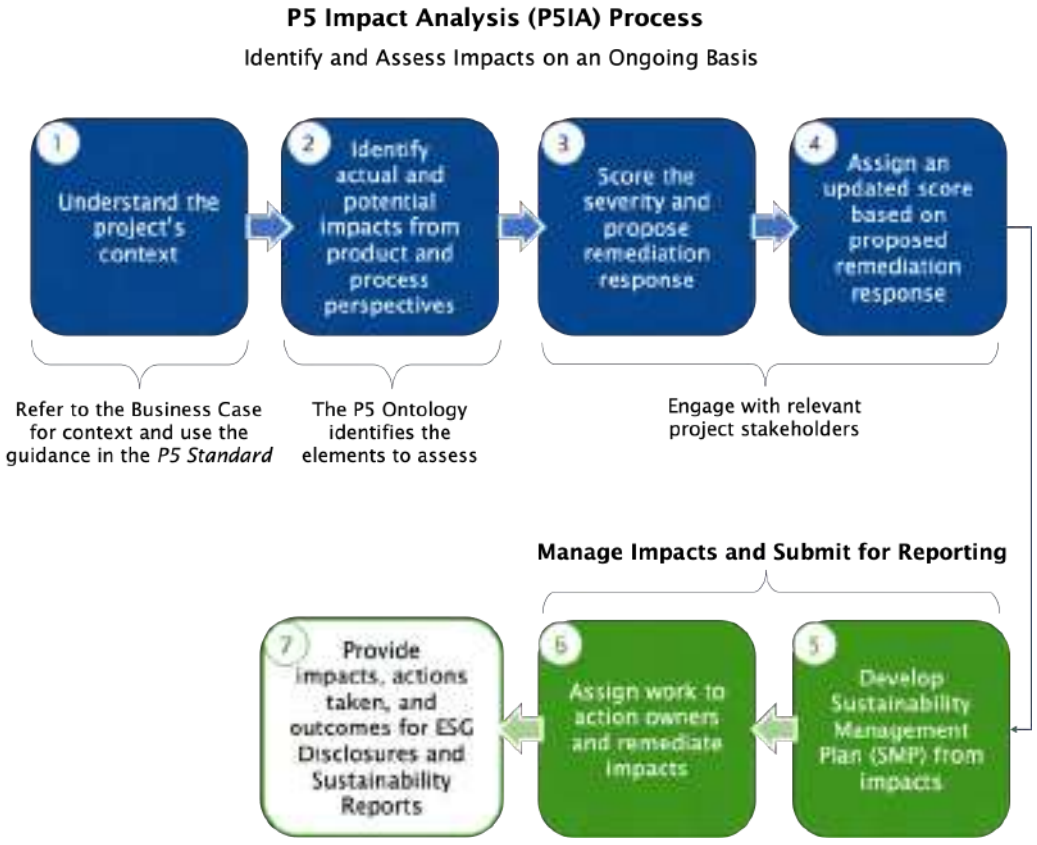


Figure 11 — Project Sustainability Impacts to Reporting/Disclosure Materiality

6.6 Mapping P5 Elements to Reporting Standards

The elements listed in Figure 12 (below) are used in ESG disclosures to provide investors with standardized information about an organization's sustainability performance across a range of areas that are material to its business model or operations.

There are many different ESG frameworks that companies and investors can use to assess and report on their sustainability performance. Some of the most widely recognized frameworks include:

1. Global Reporting Initiative (GRI)
2. Sustainability Accounting Standards Board (SASB)
3. Task Force on Climate-Related Financial Disclosures (TCFD)
4. Carbon Disclosure Project (CDP)
5. United Nations Sustainable Development Goals (SDGs)

In addition to these five frameworks, there are also industry-specific standards and guidelines that organizations may follow depending on their sector or region. For example, the International Council on Mining and Metals (ICMM) has developed a set of sustainability principles for the mining industry, while the European Union has established a taxonomy for sustainable finance.

Overall, the number of ESG frameworks is constantly evolving as stakeholders continue to develop new standards and guidelines for measuring and reporting sustainability performance.

In a review of 40 ESG frameworks, the elements in Figure 12 are some of the most common and P5 is relevant to all but three which are areas of organizational governance and policy.

Typical Elements for ESG Disclosures and Sustainability Reporting	Addressed in P5?
Governance:	
Board structure and independence	–
Executive compensation	–
Audit and risk oversight	Yes
Anti-corruption policies	Yes
Political contributions	–
Environmental:	
Greenhouse gas emissions and energy use	Yes
Waste management	Yes
Water usage and conservation	Yes
Biodiversity protection	Yes
Pollution prevention and control	Yes
Climate change risks	Yes
Social:	
Employee health and safety	Yes
Diversity and inclusion policies	Yes
Human rights protections in the supply chain	Yes
Community engagement initiatives	Yes
Data privacy policies and security measures	Yes
Ethics:	
Compliance with laws and regulations related to corruption or bribery	Yes
Fair competition	Yes
Respect for intellectual property rights	Yes
Respect for personal data privacy -Consumer protection measures	Yes
Human capital management:	Yes
Talent attraction & retention strategies	Yes
Employee engagement & motivation	Yes
Leadership development programs	Yes

Figure 12 — ESG Disclosure Elements addressed in P5

7 Additional P5 Applications

This section describes some of the more common uses of the *P5 Standard for Sustainability in Project Management*.

7.1 P5 Impact Analysis

A P5 Impact Analysis (P5IA) is used to define and prioritize sustainability impacts to:

- Improve the project's expected benefits.
- Increase positive impacts and reduce negative impacts to society, the environment, and the project's value.
- Contribute to the sponsoring organization's sustainability goals.

A P5IA gives key decision makers actionable information to justify changes to the project in socially, environmentally, and fiscally responsible ways.

7.1.1 P5IA Mechanics

In general, a P5IA should be completed as early in the project as possible. In GPM's PRiSM (PRojects integrating Sustainable Methods) project life cycle, it is done in the Discovery Phase. In addition, the P5IA should be updated regularly throughout the project to ensure that the information is current, correct, and useful.

To perform a P5 Impact Analysis, the project team must understand the business case, the project requirements, and the organization's sustainability goals. Lessons learned from previous projects can also provide useful input.

To perform a P5IA, the project team should generally follow the following steps:

- Identify internal and external events which may occur during the project or during the useful life of the project product for each of the elements described in Sections 3, 4, and 5.
- Describe the cause(s) of the event and the potential sustainability impacts of each.
- Rate the impacts based on the magnitude of their effect on sustainability.
- Identify possible responses to each event to minimize the impact of negative events and maximize the impact of positive events.
- Re-rate the impacts based on the assumption that the response is implemented.

7.1.2 Assigning Items to Elements

Some of the P5 elements overlap. For example, when manufacturing a laptop, the impact of toxic chemicals might be included under project health and safety or contamination and pollution. Where it is placed in the P5IA is not as important as ensuring that the impact is identified and responded to. In fact, it may be useful to record such an item in multiple locations to ensure proper visibility.

7.1.3 Format

GPM offers a template to support preparation of a P5 Impact Analysis. The template is free and can be downloaded from the GPM webpage at <https://www.greenprojectmanagement.org/p5>.

Instructions for use are included within the template.

7.2 Sustainability Management Plan

A Sustainability Management Plan (SMP) describes how sustainability will be addressed during a project. P5 has an integral role in developing an SMP as P5 identifies the subjects to be addressed. An SMP should generally include:

- Purpose
- Approach
- Roles and Responsibilities
- Budget
- Key Performance Indicators for Sustainability
- Impact of Scope Exclusions on Sustainability
- Reviews and Reporting
- P5 Impact Analysis

GPM offers a template to support preparation of an SMP. The template is free and can be downloaded from the GPM webpage at <https://www.greenprojectmanagement.org/p5>.

Instructions for use are included within the template.

7.3 Project Status Reporting

Project status reports are used to monitor a project's progress toward delivering its expected results and promised benefits. P5 can be used to ensure that the impact on sustainability is included in that monitoring. For example, changes in P5IA ratings at the subcategory level would provide a useful overview.

7.4 Project Closure

When a project is completed, P5 can provide useful information to support lessons learned about sustainability. This includes:

- The effectiveness (or ineffectiveness) of measures taken in response to sustainability impacts.

- Sustainability issues that arose during the project that could not be addressed or resolved and the reasons why.
- Areas to focus on in future projects or in similar projects that are in process.

Annex 1
Recommended Reading

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Annex 2
Feasibility Analysis Metrics

This annex provides additional information in support of the Project Feasibility subcategory.

When funding a project, the expectation is that the project will generate more value than it consumes. Value includes monetary returns as well as non-monetary returns such as regulatory compliance and increased sustainability. The metrics described within this annex are widely accepted approaches to evaluating that expectation.

The use of feasibility analysis metrics for projects can be complicated by several factors:

- All of these calculations normally use single values as inputs, while numbers for projects are almost always ranges, and often large ranges. This means that feasibility analysis for projects should almost always be probabilistic rather than deterministic.
- The inputs used in the calculations must include all project costs, all expected benefits, and all expected dis-benefits to minimize the potential for inaccurate guidance. For example, many project budgets do not include fully-loaded salaries and thus understate the project's cost.
- The inputs used must be updated regularly throughout the project, and the calculations must be redone with the new values. The updated results must be considered when deciding whether or not to continue the project.
- There is no "one best" metric. It is possible for one metric to show that Project A should be funded and for another to show that it should not be.

A2.1 Direct Financial Benefits

Direct financial benefits *are gains that are derived from project activities or project results.*

For projects done under contract, direct financial benefits are generally limited to the payments received for project work. For most other projects, direct financial benefits come from the use or sale of the project product.

Estimates of direct financial benefits should reflect *present value* as described in Section A4.3.

A2.2 Benefit-Cost Ratio

Benefit-cost ratio *(BCR) is a metric used to evaluate the relationship between the benefits and costs of a project. The higher the BCR the higher the value of the investment in the project.*

BCR is calculated using the following formula:

BCR = Benefits / Costs

Benefits are usually limited to direct financial benefits (see A2.1), and costs are usually limited to actual, out-of-pocket costs to complete the project. Dis-benefits may be deducted from benefits or added to costs. If indirect benefits are included in benefits, indirect costs must also be included in costs.

Both figures should reflect *present value* as described Section A2.3.

The inverse of a BCR is a cost-benefit ratio (CBR).

A2.3 Present Value

Present value *(PV) is the current value of a future amount of money given a specified rate of return. It reflects the fact that a future amount is worth less than the same amount today.*

In financial terms, the future amount is discounted (reduced) by the expected rate of return to determine the present value. Typically, the expected rate of return is the interest rate that would be earned if the money were invested instead of being expended on the project.

Present value is calculated using the flowing formula:

$$PV = \text{Future value} / (1 + r)^n$$

where: Future value = the amount that is expected in the future
r = the expected rate of return
n = number of periods until the future value is received

Since projects often extend over multiple periods, **net present value** (NPV) is more commonly used rather than simple present value. NPV is the sum of the present values for each period where each period's future value is the net cash flow for that period.

Present value is *not* related in any way to Planned Value (PV) which is used in earned value management.

A2.4 Return on Investment

Return on investment *(ROI) is a performance measure used to evaluate the financial return from the money expended on a project. The higher the ROI the higher the value of the investment in the project.*

As with the benefit-cost ration, dis-benefits may be deducted from benefits or added to costs.

ROI is calculated using the following formula:

$$ROI = (\text{Direct Financial Benefits} - \text{Project Costs}) / \text{Project Costs}$$

ROI is normally expressed as a percentage: if the raw calculation results in a value of 0.32, the ROI is expressed as 32%. Both costs and benefits should reflect *present value* as described in Section A4.3.

A2.5 Internal Rate of Return

Internal rate of return *(IRR) is the annual rate of interest that could theoretically be earned by investing the project's cash flows in an alternative investment.*

If a project's IRR is higher than the return offered by other alternatives (e.g., other projects, stock purchases, bank accounts), the project is considered to be a good investment.

IRR is calculated by solving the following formula:

$$0 = CF_0 + \frac{CF_1}{(1+IRR)} + \frac{CF_2}{(1+IRR)^2} + \frac{CF_3}{(1+IRR)^3} + \ldots + \frac{CF_n}{(1+IRR)^n}$$

where CF_0 = the initial outlay and CF_1, CF_2 CF_3 … CF_n = cash flows for each period.

Annex 3
Glossary of Key Terms

Age-appropriate labor means ensuring that children are not put in dangerous or exploitative situations while still allowing them to develop essential job skills. It is used to describe work suitable for a person's skill level and maturity.

Air and water quality involves measures of contamination in air and water sources.

Anti-corruption is the practice of rejecting both offers of and requests for gifts, payments, or other forms of benefits in order to influence the activities, results, or outcomes of the project. It involves making sure that the project is free of unethical practices such as bribery, money laundering, fraud, and embezzlement.

Biological diversity, also known as biodiversity, refers to the variety of life forms on Earth. It includes all ecosystems and all species of plants, animals, bacteria, fungi, and microorganisms that make up a particular environment or habitat. It also includes all genetic variations of those species.

Business case analysis is the process of developing a business case that provides justification for the initiation or continuation of the project. It involves analyzing the underpinning logic of funding the project. This requires identifying the expected benefits and dis-benefits, likely costs and revenues, staffing requirements, major risks, schedule alternatives, and stakeholder impacts associated with a proposed project.

Clean energy return (CER) refers to the amount of renewable energy generated by the project or the project product that is in excess of the amount needed. CER is normally returned to the grid for use by others.

Community engagement is the practice of treating local residents as stakeholders in the project. This is essential as it ensures that local needs and perspectives are taken into consideration when taking any action that affects the community. It also requires a two-way exchange of information and ideas between the project team and the community to make the project more effective, efficient, and beneficial for all involved.

Contamination and pollution is the release of waste materials or hazardous substances into the environment. It will almost always have a negative impact on ecosystems and human health. Contamination and pollution most often occurs due to neglectful practices in manufacturing, construction, agriculture, and related industries that generate waste materials or hazardous chemicals, but it can also occur in other projects that do a poor job of disposal (see 4.4.2).

Customer health and safety includes the measures taken to ensure the physical and mental wellbeing of the end users of the project's results. This includes providing information about risks and hazards, proper customer handling during the project, and adherence to relevant safety standards, protocols, laws, and regulations.

Customer privacy and data protection encompasses the measures taken to safeguard customer data such as personal information or financial details. It includes providing secure storage facilities and encryption technologies, implementing appropriate access controls and authentication procedures, and ensuring compliance with relevant laws and regulations.

Digital communication is the use of digital tools and platforms to communicate about the project. These tools can include websites, email newsletters, social media accounts, messaging applications, and other digital communication channels.

Disposal of assets is the process of getting rid of an item which has reached the end of its useful life. This includes everything from consumer electronics to public infrastructure such as roads and bridges. Generally, assets should not be disposed of until they are no longer fit for use.

Disposal of goods and materials is the practice of getting rid of items that are no longer needed or wanted for the project. This includes disposing of both hazardous and non-hazardous waste in accordance with relevant laws and regulations.

Employment and staffing is the process of obtaining the personnel needed to carry out the project. It includes identifying the skills required for successful completion of the project, recruiting potential individuals (internally or externally), managing their time and performance, training them when needed, and compensating them accordingly.

Energy consumption is the amount of energy used by the project throughout its duration. It encompasses all aspects of energy use from office lighting to the energy required for transportation.

Equal opportunity is the practice of providing individuals with access to jobs, opportunities, and responsibilities based on their qualifications regardless of gender, race, age, or other characteristics. It seeks to eliminate any type of discrimination in the workplace and to ensure that all team members are treated fairly and given an equal chance to participate in an appropriate way.

ESG disclosures are information about an organization's performance and practices related to environmental, social, and governance issues. Information from the project is used as input to the ESG disclosures of the sponsoring organization(s).

Fair competition is the practice of ensuring that all parties wanting to provide products or services to the project have an equal opportunity to compete and win. It requires taking measures to ensure that no individual party has an unfair advantage due to size, wealth, influence, or any other factor. This includes enforcing laws and regulations against anticompetitive behavior such as price-fixing and market manipulation. Additionally, fair competition calls for creating transparent processes for bidding and contract awards to ensure fair opportunities for businesses of all sizes and types.

Financial analysis is the process of evaluating the project from a monetary perspective. Typically, it is used to analyze whether the project warrants initial or additional funding.

Flexibility is the ability to adjust to changing circumstances or situations. It requires the capacity to modify plans or approaches when faced with unexpected challenges.

Forced and involuntary labor means any work or service that is extracted from a person under the menace of punitive action against themselves or their families. It includes work where the payment is below subsistence levels, or where the payment is in goods which are not desirable. Forced and involuntary labor can take many forms including human trafficking, debt bondage, enslavement, and unjustly long working hours.

Green claims are statements made by an organization to indicate that a product or service has been designed and produced in a manner that is considered environmentally responsible. These claims typically relate to the organization's efforts to reduce its environmental impact such as using recycled materials, renewable energy sources, and efficient production processes.

Green Project Management see *Sustainable Project Management*.

Greenhouse gas emissions are gases (mostly carbon dioxide and methane) released into the atmosphere as a direct result of activities associated with the project. This includes emissions as a direct result of project energy consumption as well as emissions from transport of procured goods, raw materials, and services. It also includes GHG emissions caused by the distribution, operation, and disposal of the project product.

Greenwashing is the practice of making false or misleading claims in order to mislead consumers into believing that a product or service is more environmentally friendly than it actually is. This can be done through deceptive language, exaggerations, or omitting relevant information about an organization's true environmental practices.

Harassment and discrimination involves the measures adopted to ensure a safe, respectful, and non-discriminatory workplace environment. This includes developing policies that protect employees from unjust treatment, creating an inclusive environment, implementing effective reporting procedures for instances of inappropriate behavior, and providing sufficient training for management on how to handle such issues.

Indirect benefits are the positive impacts that go beyond the immediate outcomes of the project and may not always be immediately visible. These benefits can include improved quality of life, increased economic activity in the local area, and environmental improvements such as cleaner air or water.

Labor/management relations in the project context means building trust, understanding, and cooperation among project and other managers, organizational staff, and project team members. It involves respecting each other's opinions, resolving conflicts proactively, communicating clearly, and ensuring that everyone is aware of their roles and responsibilities.

Local competence development is the process of fostering and expanding skills, knowledge, and expertise in the localities in which the project operates. It can involve providing training or education to local individuals, as well as encouraging collaboration and the sharing of resources between the project organization and local organizations or local individuals.

Local economic impact includes the direct and indirect effects the project has on the economy of its local area. This can include job creation, increased spending in the local economy, or increased regional development.

Local procurement is the practice of purchasing products and services from local suppliers.

Logistics is the planning and execution of activities related to transporting goods, raw materials, and services for use by the project. Logistics includes activities such as scheduling transportation, estimating costs, coordinating personnel, and making sure that all necessary procedures are completed on time.

Modeling is the creation of a physical, mathematical, or logical representation of the project using representative characteristics of the project.

Noise pollution is the creation of excessive, unpleasant, or disruptive sounds that can diminish quality of life. Noise pollution can be caused by activities such as blasting, heavy vehicle traffic, traffic jams, and operation of machinery or equipment.

Optionality means having multiple solutions or choices available. It means the project is not constrained by a single approach. Optionality means that the project is capable of supporting different outcomes with different results without having to start over.

Organizational learning is a form of knowledge management in which organizational components and individual employees are encouraged to capture, share, and apply their knowledge. This enables the organization to adapt and improve its processes, products, and services over time.

Product and service labeling includes procedures used to ensure that goods and services are accurately labeled according to legal and ethical standards. This includes properly disclosing potential risks, hazards, and side effects associated with the use of products and services as well as providing appropriate information about the origins of these products and services.

Program is a set of interrelated projects and activities.

Program management is the application of knowledge, skills, tools, and techniques to planning, organizing, directing, leading, and controlling a program. It involves coordinating the work of the program to deliver benefits that could not be achieved by managing the work separately.

Project health and safety is the practice of creating safe working conditions for personnel involved in the project. It involves implementing measures such as hazard assessment, risk management, training, enforcement, and investigation. Its main goal is to ensure that workers are not exposed to any unnecessary risks while performing their work.

Project is an investment that requires a set of coordinated activities performed over a finite period of time to accomplish a unique result in support of a desired outcome.

Project management is the application of knowledge, skills, tools, and techniques to planning, organizing, directing, leading, and controlling a project in order to maximize the chances of meeting the success criteria. See also *Green Project Management*.

Project portfolio is a collection of projects and programs that an organization has undertaken or plans to undertake. It represents the overall investment of time, resources, and money in various initiatives aimed at achieving specific objectives.

Project portfolio management is an approach to managing a portfolio in a coordinated way. It involves identifying, prioritizing, and selecting the best projects or programs to undertake based on their alignment with the organization's goals and objectives.

Protection for indigenous and tribal peoples includes the measures taken to ensure the rights and wellbeing of affected populations over the course of the project. This includes protection of their culture, land use rights, language, religion, and other forms of recognition.

Public policy and compliance includes the steps taken by the project team to ensure that the project complies with all relevant laws and regulations. This involves researching relevant laws and regulations, understanding their implications for the project, and taking necessary steps to make sure these laws and regulations are respected throughout the project’s duration.

Recycling involves transforming a waste item into a useful one. Items that can be recycled run the gamut from plastic water bottles to computers to electrical generators.

Regenerative design is a practice that draws on an understanding of how ecosystems function so that the project will regenerate resources rather than depleting them.

Regenerative development is an approach to sustainable development that goes beyond minimizing harm and tries to actively restore and renew natural systems. It seeks to create self-sustaining communities that generate more resources than they consume and to thereby enhance the well-being of all living things.

Renewable energy, also called alternative energy, is energy generated from sources that are replenished at a faster rate than they are consumed. These sources include solar, wind, water, and geothermal power.

Resiliency is the ability of the project to recover from or adjust easily to adverse conditions such as extreme market fluctuations, political or economic instability, natural disasters, or health emergencies. Resiliency does not make problems go away: it means having the ability to cope with them despite the unexpected stress.

Responsible technology is the practice of taking into account ethical, legal, and social implications when running projects that involve new or emerging technologies. This includes developing and adhering to frameworks and policies related to data privacy, intellectual property rights, environmental impact, diversity, and inclusion. Responsible technology also requires ensuring that technology is used in a safe and responsible manner.

Reuse involves using the same item again and again or finding a new purpose for it.

Simulation is the use of a model to understand the potential effects of alternative conditions and choices given uncertainty in the input variables. It can be especially useful in the project context where project characteristics often interact in unpredictable ways.

Social return on investment (SROI) is a framework for measuring and accounting for project results and outcomes by including social and environmental costs and benefits along with the traditional economic ones. It is based on the idea that projects create value in ways other than just financial returns. For example, a community development project may create value by improving the health and well-being of residents, reducing crime, and increasing social cohesion.

Soil erosion is the loss of topsoil due to human activities such as construction, road building, or agricultural practices. It can be exacerbated by changes in the natural land cover and can have significant negative effects on local ecosystems. As with water displacement, soil erosion is mostly an issue with construction, manufacturing, and agricultural projects.

Sustainability is the ability of a system, process, or activity to continue indefinitely without depleting natural resources or causing significant harm to the environment. It involves balancing economic, social, and environmental considerations to ensure that current needs are met without compromising the ability of future generations to meet their own needs.

Sustainability reporting provides information about an organization's policies, practices, and performance related to sustainability. It covers a wide range of topics such as energy efficiency, carbon emissions, resource conservation, human rights, labor practices, and community engagement. Information from the project is used as input to the sustainability reporting of the sponsoring organization(s).

Sustainable development is an approach to economic growth and development that seeks to meet the needs of the present generation without compromising the ability of future generations to meet their own needs. It aims to balance environmental, social, and economic concerns in order to achieve a healthy and prosperous society that can continue into the future.

Sustainable procurement practices and contracts includes practices for obtaining goods, raw materials, and services that take into account environmental, economic, and social impacts. It means contracting for resources in an ethical manner. It requires establishing agreements which adhere to environmental, social, and human rights standards.

Sustainable Project is a *project* characterized by its ability to create long-term value for its stakeholders while minimizing negative impacts on the environment and society.

Sustainable Project Management is the application of methods, tools, and techniques to achieve a stated objective while considering the project product's entire life cycle to ensure a net positive environmental, social, and economic impact.

Talent acquisition, retention, and empowerment is the commitment to attracting, developing, and retaining needed talent while fostering a workplace that adapts to evolving needs, encourages collaboration, and provides access to growth opportunities.

Training and qualification is the process of ensuring that project team members have the necessary skills to effectively complete their work. It involves providing instruction, assessing proficiency, monitoring performance, and offering guidance.

Traveling and commuting is the movement of project-related personnel between different locations. Traveling and commuting may include getting to the project site, attending off-site meetings, conducting off-site presentations, collecting data, and providing off-site support

Value chain is the series of activities that an organization undertakes to create and deliver a product or service to its customers, from its initial design to its arrival at the customer's door. The chain includes both upstream activities (performed by suppliers) and downstream activities (performed in the distribution channels).

Waste generation is the creation of any excess or unneeded materials or byproducts during the project. This includes everything from leftover supplies and materials to wasted energy.

Water consumption is the usage of water during project activities. Although construction, manufacturing, and agricultural projects are probably the major users of water, all projects use water to some extent.

Water displacement is the practice of diverting water sources that have been disrupted by the project away from areas that are prone to flooding and contamination. Methods include dam construction, rerouting flowing water, building artificial wetlands, landscaping with rain gardens, and installing flood barriers. Water displacement is mostly an issue with construction, manufacturing, and agricultural projects.

Work-life harmony and mental health refers to the ability of individuals to strike a balance between their professional goals and commitments within their personal lives. This involves taking regular breaks from work, developing healthy work habits, and engaging in activities that bring a sense of joy and contentment.

Annex 4
P5 Mapping to the SDGs

The United Nations Sustainable Development Goals (SDGs) are interconnected, with progress in one goal often depending on progress made in others. When mapping P5 to the SDGs Goals and targets, an impact on one often has a direct impact on a second.

Here are some of the most common linkages between each SDG:

1. No Poverty (SDG 1) and Zero Hunger (SDG 2): These two goals are closely aligned as poverty and hunger are often intertwined. Reducing poverty can help to alleviate hunger by increasing access to food and resources.

2. Affordable and Clean Energy (SDG 7) and Climate Action (SDG 13): Access to affordable and clean energy is critical for reducing greenhouse gas emissions and mitigating the impacts of climate change.

3. Quality Education (SDG 4) and Gender Equality (SDG 5): Improving access to education for girls can help to promote gender equality by empowering women with knowledge and skills that can lead to greater economic opportunities.

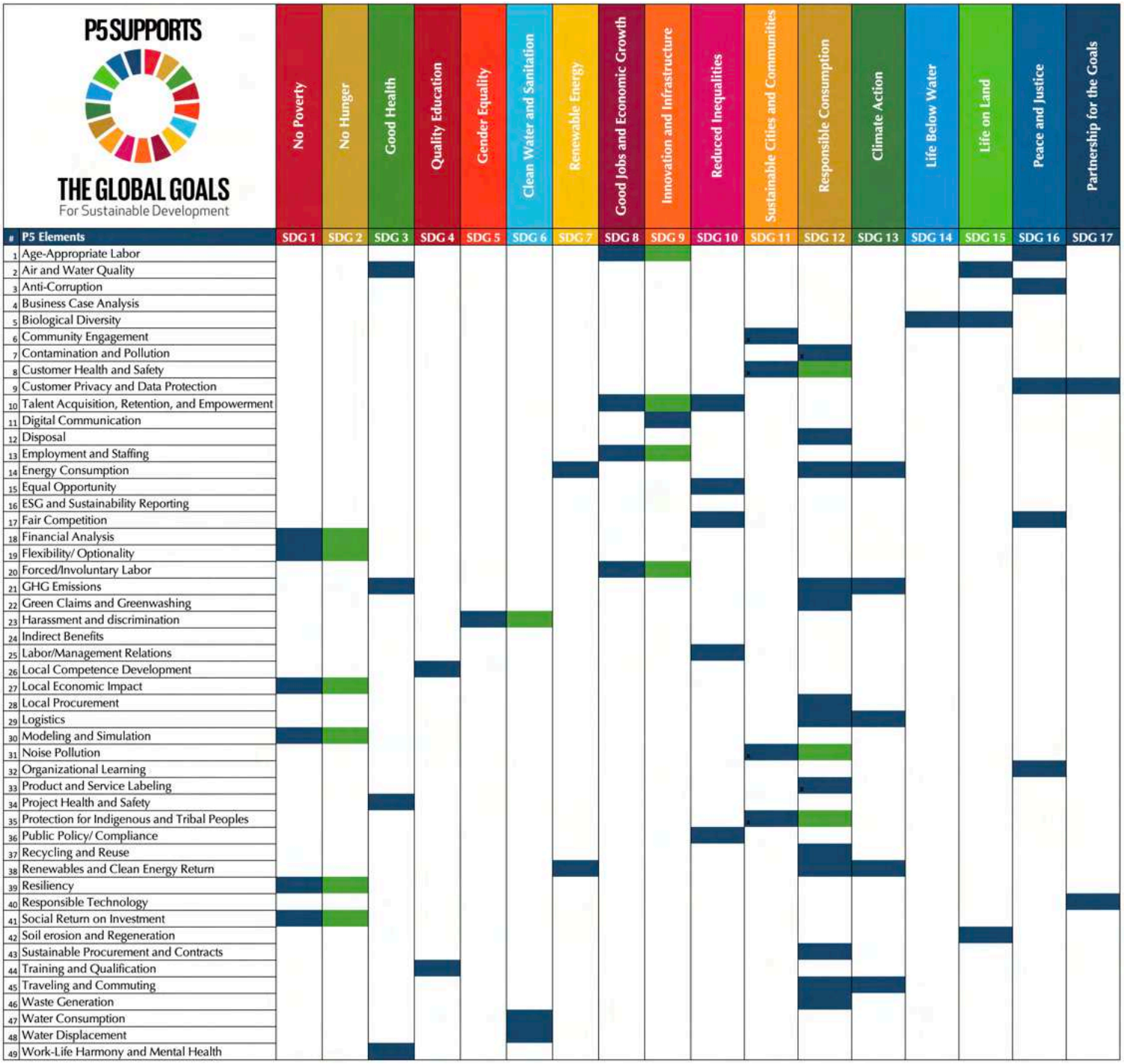
4. Decent Work and Economic Growth (SDG 8) and Industry, Innovation, and Infrastructure (SDG 9): Investments in infrastructure, innovation, and industry can create new job opportunities and drive economic growth.

5. Sustainable Cities and Communities (SDG 11) and Responsible Consumption and Production (SDG 12): Promoting sustainable consumption patterns can help reduce waste levels in cities while improving quality of life for residents.

6. Life Below Water (SDG 14) and Life On Land (SDG 15): Protecting marine ecosystems is essential for maintaining biodiversity on land as many species rely on these ecosystems for their survival.

Overall, understanding the linkages between SDGs is critical for developing integrated solutions that address multiple sustainability challenges at once.

The mapping below lists P5 Elements (in alphabetical order) and maps them to the SDGs. Their direct impacts are shown in blue and their secondary impacts in green. Clearly, the *P5 Standard* has a significant impact on the SDGs.


P5 SUPPORTS
THE GLOBAL GOALS
For Sustainable Development
No Poverty
No Hunger
Good Health
Quality Education
Gender Equality
Clean Water and Sanitation
Renewable Energy
Good Jobs and Economic Growth
Innovation and Infrastructure
Reduced Inequalities
Sustainable Cities and Communities
Responsible Consumption
Climate Action
Life Below Water
Life on Land
Peace and Justice
Partnership for the Goals
P5 Elements
SDG 1
SDG 2
SDG 3
SDG 4
SDG 5
SDG 6
SDG 7
SDG 8
SDG 9
SDG 10
SDG 11
SDG 12
SDG 13
SDG 14
SDG 15
SDG 16
SDG 17
1 Age-Appropriate Labor
2 Air and Water Quality
3 Anti-Corruption
4 Business Case Analysis
5 Biological Diversity
6 Community Engagement
7 Contamination and Pollution
8 Customer Health and Safety
9 Customer Privacy and Data Protection
10 Talent Acquisition, Retention, and Empowerment
11 Digital Communication
12 Disposal
13 Employment and Staffing
14 Energy Consumption
15 Equal Opportunity
16 ESG and Sustainability Reporting
17 Fair Competition
18 Financial Analysis
19 Flexibility/ Optionality
20 Forced/Involuntary Labor
21 GHG Emissions
22 Green Claims and Greenwashing
23 Harassment and discrimination
24 Indirect Benefits
25 Labor/Management Relations
26 Local Competence Development
27 Local Economic Impact
28 Local Procurement
29 Logistics
30 Modeling and Simulation
31 Noise Pollution
32 Organizational Learning
33 Product and Service Labeling
34 Project Health and Safety
35 Protection for Indigenous and Tribal Peoples
36 Public Policy/ Compliance
37 Recycling and Reuse
38 Renewables and Clean Energy Return
39 Resiliency
40 Responsible Technology
41 Social Return on Investment
42 Soil erosion and Regeneration
43 Sustainable Procurement and Contracts
44 Training and Qualification
45 Traveling and Commuting
46 Waste Generation
47 Water Consumption
48 Water Displacement
49 Work-Life Harmony and Mental Health

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