

## CORPORATE CITIZENSHIP GLOSSARY

**B Corp** (Benefit Corporation): A title granted to companies that have been certified to meet rigorous standards of social and environmental performance, and have bylaws that take into account their impact on the environment, community, and employees.

**B Lab**: a nonprofit organization that offers certification to businesses to become “benefit corporations” which meet higher standards of corporate purpose, accountability, and transparency.

**BoP** (Base/Bottom of Pyramid): a term referring to the number of people at the base of the global economic pyramid (4 billion), whose incomes are below \$3,000 in local purchasing power.

**CDP** (Carbon Disclosure Project): an international, not-for-profit organization offering a worldwide system for companies and cities to measure, disclose, manage, and share vital environmental information.

**CFP** (Corporate Financial Performance): a term referring to a company’s overall financial health and ability to generate revenue.

**CGI** (Clinton Global Initiative): founded by former President Bill Clinton, this organization brings together global leaders to create and implement innovative solutions to the world’s most pressing challenges.

**CO<sub>2e</sub>** (Carbon Dioxide Equivalent): a measure used to compare the emissions from greenhouse gases based upon their global warming potential.

**CSP (Corporate Social Performance):** often used as a synonym for corporate social responsibility (CSR), CSP refers to a company's interaction with the community on economic, environmental, and social issues.

**CSR (Corporate Social Responsibility):** efforts by businesses to work with stakeholders to achieve improved economic, environmental, and social performance, sometimes known as the triple bottom line but also identified as corporate citizenship or sustainability.

**CVC (Corporate Volunteer Council):** local networks for companies to share effective practices and address community needs through workplace volunteering, many of which are affiliated with local community-based agencies (HandsOn Network, Volunteer Centers, and United Way).

**DJSI (Dow Jones Sustainability Index):** a family of indices managed by RobecoSam Indices and S&P Dow Jones that track the stock performance of companies according to economic, environmental, and social criteria, offering a measurement by which investors can judge the sustainability impact of their investment choices.

**EHS (Environmental, Health and Safety):** a traditional name for departments in organizations responsible for implementing and managing environmental and occupational health and safety programs.

**EICC (Electronic Industry Citizenship Coalition):** a partnership of the world's leading electronics companies working to improve efficiency and social, ethical, and environmental responsibility in the global supply chain.

**EMS (Environmental Management System):** a framework that assists companies in establishing control over operations in order

to lessen their environmental impacts and increase overall efficiency.

**ESG** (Environmental, Social, and Governance): a general term used to describe the three primary areas of import for companies focused on making their operations sustainable. These three performance dimensions are often highlighted and evaluated by companies in their sustainability reports.

**EVP** (Employee Volunteer Program): a type of program that aims to engage employees while helping the local community.

**FASB** (Financial Accounting Standards Board): a private, not-for-profit organization that develops the financial accounting standards for the private sector in the United States.

**FSC** (Forest Stewardship Council): an independent, nonprofit membership organization that protects forests by setting standards for responsible forest management under which forests and companies are certified.

**GAAP** (Generally Accepted Accounting Principles): a set of concepts developed by the Financial Accounting Standards Board that determine how organizations in the United States prepare, present, and report their financial statements.

**GASB** (Governmental Accounting Standards Board): an independent organization that establishes and improves standards of accounting and financial reporting for U.S. state and local governments.

**GHGs** (Greenhouse Gases): gases that trap heat in the atmosphere causing the greenhouse effect that supports life on earth, but that can have dangerous effects if their concentrations increase too much.

**GHG Protocol** (Greenhouse Gas Protocol): an international accounting tool for businesses and governmental organizations to track, calculate, and manage their greenhouse gas emissions. The protocol almost always serves as the benchmark for other greenhouse gas standards developed throughout the world.

**GIIN** (Global Impact Investing Network): a nonprofit organization that works to increase the scale and effectiveness of impact investments, which are investments made in companies, organizations, and funds with the purpose of creating positive social and environmental impact in addition to financial return.

**GIIRS** (Global Impact Investing Ratings System): a ratings system that measures the social and environmental impact of companies and funds. GIIRS likens its assessment system to that of Morningstar investment rankings and Capital IQ financial analytics.

**GISR** (Global Initiative for Sustainability Ratings): an initiative whose mission is to design a generally accepted ratings framework for assessing the sustainability performance of companies.

**GRI** (Global Reporting Initiative): a nonprofit organization that works toward a sustainable global economy by providing sustainability reporting assistance, specifically their widely known Sustainability Reporting Framework.

**GSA** (General Services Administration): a federal agency that provides and maintains buildings, acquires goods and services, and promotes administrative best practices and efficient operations for the U.S. government.

**HIP** (Human Impact and Profit): a measurement and management tool that quantifies the products, services, operations and management practices of sustainability and citizenship, and is used both by corporations and investors.

**IIRC** (International Integrated Reporting Council): an international coalition of regulators, investors, companies, standard setters, accounting professionals, and NGOs that seeks to create the most commonly used framework for corporate reporting. Their “integrated report” method encourages companies to consider all aspects of an organization in reporting (strategy, governance, performance, and prospects), to increase their value creation over the short, medium, and long term.

**ISO** (International Organization for Standardization): a Swiss based organization that brings together representatives from around the world to agree on voluntary international standards for products, services, and good practice, seeking to make businesses more effective and efficient.

**IRIS** (Impact Reporting and Investment Standards): established by the Global Impact Investing Network (see GIIN), these performance standards are used by impact investors to determine and evaluate the social, environmental, and financial success of impact investments and the impact investment industry at large.

**IVA** (Intangible Value Assessment): a tool that assesses companies’ financially material risks and opportunities arising from environmental, social, and governance factors.

**KPI** (Key Performance Indicator): areas of measurement by which companies can track their performance in relation to their business objectives, often utilizing target goals or ranges as benchmarks for future evaluation.

**L3C** (Low-profit Limited Liability Company): a company focusing principally on charitable or educational goals that may make a small profit, as long as making a profit is not the primary purpose of the organization. L3Cs are often considered hybrid organizations between nonprofit and for profit entities.

**LCA (Life Cycle Assessment):** a measurement of the potential environmental aspects and impacts of any organization, product, or service. This assessment evaluates every stage of development, allowing for a “cradle to grave” estimation of environmental effects.

**MDGs (Millennium Development Goals):** eight objectives officially established by the United Nations in 2000, from the eradication of extreme poverty, to the advancement of environmental sustainability, to halting the spread of HIV/AIDs; all to be met by a target date of 2015.

**NCA (Natural Capital Accounting):** a type of accounting that measures the indispensable resources and benefits essential for human survival and economic activity provided by the ecosystem. Natural capital is commonly divided into renewable resources (agricultural crops, vegetation, and wildlife) and nonrenewable resources (fossil fuels and mineral deposits).

**NGO (Nongovernmental Organization):** a not-for-profit group, principally independent from government, which is organized on a local, national, or international level to address issues in support of the public good.

**OECD (Organization for Economic Cooperation and Development):** a global organization of representatives from 34 member countries that meets to advance ideas and review progress in specific policy areas, such as economics, trade, science, employment, education, and financial markets.

**PRI (Principles for Responsible Investment):** the six principles of responsible investing supported by institutional investors who believe that environmental, social, and corporate governance issues can affect the performance of investment portfolios.

**SASB** (Sustainability Accounting Standards Board): a nonprofit organization engaged in the development and dissemination of industry-specific sustainability accounting standards in the United States.

**SDGs** (Sustainable Development Goals): The SDGs are the central UN platform for the follow-up and review of the 2030 Agenda for Sustainable Development adopted at the United Nations Sustainable Development Summit on 25 September 2015.

**SRI** (Socially Responsible Investing): values-based asset portfolio management.

**SROI** (Social Return on Investment): a method to quantify and monetize the social value created by an organization's programs, especially those in the nonprofit sector. This process was created by an American company, REDF, in the 1990s and is widely used today.

**SSRN** (Social Science Research Network): an organization devoted to the worldwide distribution of social science research, comprised of a number of specialized networks in each of the social sciences.

**TBL** (Triple Bottom Line): a term, created by SustainAbility founder John Elkington in the 1990s, encapsulating three particular assessment areas by which businesses and investors should measure value: economic, social, and environmental.

**UNGC** (United Nations Global Compact): a global initiative established in 2000 that provides a principle-based framework for businesses to adopt more sustainable and socially responsible policies in the areas of human rights, labor standards, anti-corruption, and the environment.

**UNPRI** (United Nations Principles of Responsible Investing): a United Nations supported initiative convening investors to put the six principles of responsible investing into practice through investment decision-making and ownership practices.