

## **Aligning Projects to the United Nations Global Compact and the Global Reporting Initiative: Monitoring the Impact of Project Processes and Products on People, the Planet, and Profitability**

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Organizations are increasingly making project management a part of their day-to-day strategy, and projects contribute to organizational success, project management therefore should be linked to organizational strategy.

It was stated in the Project Management Institute's (PMI's) Pulse of the Profession Report that only 54% of organizations understand the value of project management. James Brown of DuPont Pioneer's Project Management Office was quoted in the publication stating that "There are companies out there spending millions of dollars on projects and programs that leadership doesn't know about. Project management brings consistent transparency and enables leadership to ask, 'If this isn't strategic, why are we doing it?'"

While there is an upswing in the alignment with projects and organizational strategy, with 76% of individuals who contributed to the study reporting that the gap is narrowing, corporate social responsibility is still far beyond reach.

Our research indicates that organizations who report to the Global Reporting Initiative (GRI), the non-profit organization that provides all companies and organizations with a comprehensive sustainability reporting framework, are light on product centered reporting.

A quick search on LinkedIn for "project manager" and "program manager" at Illinois based Abbot labs for example yielded a total of 105 individuals. If you look at Abbot's GRI report on their [website](#) you will see it is very comprehensive.

### **In the reporting category for products, they have listed:**

- Initiatives to mitigate environmental impacts of products and services and extent of impact mitigation (core)
- Percentage of products sold and their packaging materials that are reclaimed by category
- Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations (additional)

If project managers are not educated on how to mitigate environmental impacts or even have tools to do so, how are organizations measuring product sustainability? The answer is packaging. Even before I clicked on the link to see how they are addressing sustainability from a product perspective, I was certain that supply chains and distribution were at the core. Here is how Abbot reports product sustainability.

- Reducing the environmental impact of our product packaging while keeping our products safe and effective
- Working with our supply chain to evaluate chemicals of interest
- Reducing pharmaceutical residuals in water

We are not out to pick on Abbot, simply to show the correlation between organizational strategy, sustainability reporting, and project management in large organizations. Abbot is not alone. The majority of organizations that do sustainability reporting follow this path. Is it accurate? If product sustainability is measured from the time it is shrink-wrapped to the time it hits the shelf, then yes. In order to truly report how sustainable a product is, the project to develop it must also be a factor in reporting. The question is how, or maybe it should be why?

GRI's Product Responsibility Indicator Set addresses the effects of products and services management on customers and users. Organizations are expected to exercise due care in the design of their products and services to ensure they are fit for their intended use and do not pose unintended hazards to health and safety. The reporting indicators are primarily structured in pairs, with a Core Indicator seeking disclosure on the processes in place to address the aspect, and an additional Indicator to report on degree of compliance.

The management process that plans, executes, and controls the product before it hits the shelves needs to be part of the equation.

TABLE 1: CATEGORIES AND ASPECTS IN THE GUIDELINES				
<b>Category</b>	<b>Economic</b>		<b>Environmental</b>	
Aspects <sup>III</sup>	<ul style="list-style-type: none"> <li>▪ Economic Performance</li> <li>▪ Market Presence</li> <li>▪ Indirect Economic Impacts</li> <li>▪ Procurement Practices</li> </ul>		<ul style="list-style-type: none"> <li>▪ Materials</li> <li>▪ Energy</li> <li>▪ Water</li> <li>▪ Biodiversity</li> <li>▪ Emissions</li> <li>▪ Effluents and Waste</li> <li>▪ Products and Services</li> <li>▪ Compliance</li> <li>▪ Transport</li> <li>▪ Overall</li> <li>▪ Supplier Environmental Assessment</li> <li>▪ Environmental Grievance Mechanisms</li> </ul>	
<b>Category</b>	<b>Social</b>			
<b>Sub-Categories</b>	<b>Labor Practices and Decent Work</b>	<b>Human Rights</b>	<b>Society</b>	<b>Product Responsibility</b>
Aspects <sup>III</sup>	<ul style="list-style-type: none"> <li>▪ Employment</li> <li>▪ Labor/Management Relations</li> <li>▪ Occupational Health and Safety</li> <li>▪ Training and Education</li> <li>▪ Diversity and Equal Opportunity</li> <li>▪ Equal Remuneration for Women and Men</li> <li>▪ Supplier Assessment for Labor Practices</li> <li>▪ Labor Practices Grievance Mechanisms</li> </ul>	<ul style="list-style-type: none"> <li>▪ Investment</li> <li>▪ Non-discrimination</li> <li>▪ Freedom of Association and Collective Bargaining</li> <li>▪ Child Labor</li> <li>▪ Forced or Compulsory Labor</li> <li>▪ Security Practices</li> <li>▪ Indigenous Rights</li> <li>▪ Assessment</li> <li>▪ Supplier Human Rights Assessment</li> <li>▪ Human Rights Grievance Mechanisms</li> </ul>	<ul style="list-style-type: none"> <li>▪ Local Communities</li> <li>▪ Anti-corruption</li> <li>▪ Public Policy</li> <li>▪ Anti-competitive Behavior</li> <li>▪ Compliance</li> <li>▪ Supplier Assessment for Impacts on Society</li> <li>▪ Grievance Mechanisms for Impacts on Society</li> </ul>	<ul style="list-style-type: none"> <li>▪ Customer Health and Safety</li> <li>▪ Product and Service Labeling</li> <li>▪ Marketing Communications</li> <li>▪ Customer Privacy</li> <li>▪ Compliance</li> </ul>

Figure 1 the GRI Categories and Aspects for Reporting

The table in figure 1 is from the 2013 G4 release for GRI reporting. The final category “Product Responsibility” includes Customer Health and Safety, Product Labeling, Marketing Communications, Customer Privacy, and Compliance. A more complete approach to sustainability reporting would take into account lifespan and servicing as well as the efficiency and maturity of the product’s design and build process.

When we designed the P5 model, it was with this issue as well as the Ten Principles of the United Nations Global Compact (UNGC) in the areas of Human Rights, Labour, the Environment, and Anti-Corruption.

Figure 2: GPM's P5 Elements mapped to GRI Elements and UN Global Compact Ten Principles

P5 Categories, Sub Categories and Elements			GRI G4 Element Alignment	UN Global Compact Ten Principles	
Project Product and Process Impacts	Economic Sustainability	Return on Investment	Direct financial Benefits Net Present Value	Economic Performance	
		Business Agility	Flexibility/ Optionality in the Project Increased business flexibility	Market Presence	
			Local Economic Impact Indirect Benefits	Indirect Economic Impacts	
	Environmental Sustainability	Transport	Local Procurement Digital Communication Traveling Transport	Procurement Practices  Transport	Businesses Should Encourage the development and diffusion of environmentally
		Water	Water Consumption Water Table Impact (Quality/Quantity)	Water	Businesses should undertake initiatives to promote greater environmental responsibility
		Energy	Energy Used Clean Energy Return Emission / Co2 from Energy Used	Energy  Emissions	Businesses should support a precautionary approach to environmental challenges
		Waste	Recycling Disposal Reusability Incorporated energy Waste		Undertake initiatives to promote greater environmental responsibility
	Social Sustainability	Labor Practices	Employment Labor Management Relations Health and Safety Training and Education Organizational Learning Diversity and Equal Opportunity	Employment  Labor / Management Relations Occupational Health and Safety Training and Education  Diversity and Equal Opportunity	Businesses should uphold the elimination of all forms of forced and compulsory labour
		Human Rights	Non-Discrimination	Equal Remuneration for Men and Women	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. Businesses should uphold the elimination of discrimination in respect of employment and occupation
			Freedom of Association	Freedom of Association and Collective Bargaining	
			Child Labor	Child Labor	Businesses should uphold the effective abolition of child labour
			Forced and Compulsory Labor	Forced and Compulsory Labor	Businesses should make sure they are not complicit in human rights abuses
		Society and Customers	Community Support Public Policy of Compliance Customer Health and Safety Products and Services Labeling Market Communications and Advertising Customer Privacy	Local Communities Compliance Customer Health and Safety Products and Services Labeling Market Communications Customer Privacy	
		Ethical Behavior	Investment and Procurement Practices Bribery and Corruption	Supplier Environmental Assessments Anti-Corruption	Businesses should support and respect the protection of internationally proclaimed human rights. Businesses should work against corruption in all its forms, including extortion and bribery.
	Anti-Competition Behavior	Anti-Competition Behavior			

By using each of the [P5](#) elements as options for Key Performance Indicators, planning for them, and reporting on them in your project communications, product sustainability can be addressed at the project level and GRI reporting can be performed from a true cradle to cradle perspective.

A PRiSM P5 impact analysis is a method for Project Managers to integrate *project sustainability-related information* with the organizational sustainability reports, which according to the GRI G4 release, “will be centered on matters that are really critical in order to achieve the organization’s goals and manage its impact on society.

Sustainability is, and will increasingly be, central to the change that companies, markets and society will be navigating”.

Performing a [PRiSM P5](#) Impact analysis to measure your projects product or service from objective/efforts and lifespan/servicing perspectives and from a process standpoint based on maturity of process & resource efficiency. The outputs include baseline sustainability scoring for the project, risk identification, and sustainability objective establishment. These outputs are what drive the project in a sustainable manner and what ultimately contribute to the GRI and UNGC reporting.

With the goal to promote the benefits of aligning project management and organizational strategy, the linking project level sustainability to GRI and UNGC reporting is key. Adopting sustainable practices as a part of project governance will it also ensure that the area of the organization that is responsible for delivering change is conscious of the sustainability strategic objectives and of reporting process and can support the organizational goals on a larger scale.

GRI G4 states “Sustainability reporting is fundamental to an organization’s integrated thinking and reporting process in providing input into the organization’s identification of its material issues, its strategic objectives, and the assessment of its ability to achieve those objectives and create value over time”.

Sustainability, it can be said, starts with project management.

Sources:

1. [http://www.pmi.org/Knowledge-Center/~media/PDF/PMNetwork/PMI\\_Pulse2013\\_Web-Exclusive.ashx](http://www.pmi.org/Knowledge-Center/~media/PDF/PMNetwork/PMI_Pulse2013_Web-Exclusive.ashx)
2. <http://www.abbott.com/citizenship/reporting/gri.htm>
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5. <http://www.greenprojectmanagement.org/p5>

## About the Authors



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Joel Carboni is the President and founder of GPM Global (Green Project Management®), a project management professional development organization focused on decoupling socio-environmental degradation and economic vitality. He has over 15 years' experience in project and program management having worked in both the private and public sectors for organizations such as Accenture, Chase, Harris Bank, and Local Government.

He is the architect of the PRiSM project delivery methodology and co-author of the GPM Reference Guide to Sustainability in Project Management and authored training programs for Green Project Management that are currently offered in over 60 countries through professional training organizations and Universities.

Joel has been recognized for his work with to promote peace, culture, and education around the world and is the recipient of both the Liberty and Humanitarian awards from the SGI and is a contributor to the UN Global Compact's 2013 Leaders' Summit. He serves as the Director of Standards for the asapm (IPMA-USA), is on the Executive Board for a regional science center and serves on the Executive Board for government led technology coalition focused on empowering youth to engage in science, technology, engineering, and mathematics. Joel can be reached at [joel.carboni@greenprojectmanagement.org](mailto:joel.carboni@greenprojectmanagement.org)



**Monica Gonzalez**



Mónica González is an Industrial Engineer, Master in Business Administration and has two International Certifications, Project Management Professional (PMP®) of the Project Management Institute and Green Project Manager (GPM®) of GPM Global. She has over 25 years of experience in

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In the past 13 years, she has worked as a Project Manager, involved with developing, establishing, implementation and maintenance of Organizational (and Integrated) Management Systems according to the International Management Standards, like [ISO 9001 \(Quality Management Systems – Requirements\)](#), [ISO 14001 \(Environmental Management Systems – Requirements\)](#), [ISO 26000 \(Guidance on Social Responsibility\)](#), [OHSAS 18001 \(Occupational Health and Safety Standard\)](#) and the Argentinean Resolution ENRE 057/2003 Public Safety for Electric Power Transmission in High and Medium Voltage.

From 2002 to 2004, she was part of Communication Committee and Environmental and Sustainable Development Committee of [Electricité de France \(EDF\)](#) Branch America along with colleagues from France, Brazil, Mexico and Argentina. As PMI member Monica is a founder of the [PMI Nuevo Cuyo Argentina Chapter](#), as a volunteer she serves as Marketing and Communications leader, issuing a monthly newsletter among others.

In addition to integrate the [PMI Global Sustainability Community of Practice](#) Council (May´2010-Dec´2012) and support [PMI Educational Foundation](#) as a Liaison in Nuevo Cuyo Chapter, she serves as a committee member for the [PC/ISO 236 Project Committee: Project Management](#); and for the [ISO/TC 258 – Technical Committee: Project, Program, Portfolio Management](#). From October 2012, [Mónica is a member of the GPM Global Executive Consortium](#). Currently, she is a Senior Project Manager and works as an independent contractor. Monica can be contacted at [monica@mgoconsultant.com.ar](mailto:monica@mgoconsultant.com.ar)