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The Naming and Classification of Sustainability Topics in the Context of Impact Management

An analytical review

The Impact Management Platform (the "Platform") is a collaboration between the leading providers of sustainability standards and guidance that are coordinating efforts to mainstream the practice of impact management.

As of the time of publication, the Platform Partners comprise:

B Lab; Capitals Coalition; CDP; Global Impact Investing Network (GIIN); Global Reporting Initiative (GRI); GSG Impact; International Finance Corporation (IFC); International Foundation for Valuing Impacts (IFVI); International Organization for Standardization (ISO); Organisation for Economic Co-operation and Development (OECD); Principles for Responsible Investment (PRI); Social Value International; Taskforce on Nature-related Financial Disclosures (TNFD); United Nations Department of Economic and Social Affairs (UN DESA); United Nations Development Progamme (UNDP); United Nations Global Compact (UNGC); United Nations Environment Programme Finance Initiative (UNEP FI); World Benchmarking Alliance (WBA); with the IFRS Foundation as Observer.

The views and opinions expressed do not necessarily represent those of the Platform Partners.

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While this paper reflects a collective effort, the views and opinions expressed do not necessarily represent those of the participating institutions and their representatives.

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Acronyms and abbreviations

CDP	Carbon Disclosure Project
DEAL	Doughnut Economic Action Lab
EFRAG	European Financial Reporting Advisory Group
ENCORE	Exploring Natural Capital Opportunities, Risks and Exposure
ESG	Environmental, Social and Governance
ESRS	European Sustainability Reporting Standards
GIIN	Global Impact Investing Network
GRI	Global Reporting Initiative
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards Foundation
IFVI	International Foundation for Valuing Impacts
ILO	International Labour Organisation
IMP	Impact Management Platform
ISSB	International Sustainability Standards Board
LSEG	London Stock Exchange Group
MNE	Multinational Enterprises
MSCI	Morgan Stanley Capital International
OECD	Organisation for Economic Cooperation and Development
PRI	Principles for Responsible Investment
SASB	Sustainability Accounting Standards Board Standards
SDG	Sustainable Development Goal
TNFD	Taskforce on Nature-related Financial Disclosures
UNDP	United Nations Development Programme
UNGC	United Nations Global Compact
UNEP FI	United Nations Environment Programme Finance Initiative
UNCTAD	UN Trade and Development
UNOHCHR	Office of the United Nations High Commissioner for Human Rights
UNRISD	United Nations Research Institute for Sustainable Development
UNSD	United Nations Statistics Division
WBA	World Benchmarking Alliance

Executive summary

This paper examines the naming and classification of sustainability topics in sustainability-related resources, exploring the variations that emerge across widely used international frameworks. A review of 33 public and commercial sustainability-related standards, frameworks and guidance reveals significant differences in how sustainability topics are named and categorised. These differences can have implications for the practice of impact management.

The review highlights that there is no standardised approach to naming sustainability topics. Different resources use varying terminology to describe similar concepts. The naming and classification of sustainability topics often results in a mix of conceptually different items, such as drivers, objects, and subjects of impact within the same framework, which can impede the clarity and precision required for effective impact management. Different constructs or approaches to sustainability, such as human rights, well-being, and capital are also at times applied inconsistently or simplistically, leading to misunderstandings about their scope and relevance.

Variations and inconsistencies in the use of terminology have consequences for the practice of impact management. They may hinder market actors from obtaining a holistic understanding of their sustainability impacts and make it difficult to connect different impact management resources. This lack of clarity and coherence also limits the ability of businesses, investors and financial institutions to implement the necessary actions and policies to effectively manage their impacts. Moreover, inconsistencies between resources can create barriers to interoperability, complicating efforts to align private sector practices with public sector sustainability objectives.

The paper concludes by offering some recommendations aimed at standard-setters and providers of impact management resources to improve the coherence and interoperability of impact management resources:

- **To individually consider conceptual coherence when reviewing and revising sustainability topic classifications:** By striving for greater clarity in the classification and naming of sustainability topics, leading providers of impact management resources can better guide practitioners in conducting robust and holistic impact management.

- **To collectively work towards achieving greater connectivity across resources, including across resources with different functions and audiences:** Fostering collaboration among resource providers can improve connectivity between resources with different functions and audiences, enhancing the overall coherence of the sustainability landscape.

- **To collectively work to refine the understanding of less well documented domains and topics:** Continued work is necessary to refine the understanding of emerging and less-documented sustainability topics, ensuring that impact management frameworks remain comprehensive and responsive to new challenges.

Through these efforts, the impact management community can work to create a more coherent and integrated system that supports organisations in effectively addressing sustainability challenges.

This paper is accompanied by a detailed mapping of the sustainability topics found across the set of resources reviewed, referred to as a Structured Inventory. This mapping documents each of the sustainability topic items, making a conceptual distinction between sources, drivers, objects, and subjects of impacts, as well as risks and opportunities. Items are also classified as corresponding to one of five high-level groups. The inventory allows standard-setters, but also practitioners, to better understand the landscape of topics and may be used in the future as a reference for discussions on improving connectivity across different types of standards, frameworks, guidance and tools.

> If your organisation is interested in supporting this work, please get in touch with us: **info@impactmanagementplatform.org**

1. Introduction

The proliferation of standards, frameworks and other resources that provide guidance to manage sustainability-related impacts, risks and opportunities is an on-going challenge for market actors. The sheer volume of resources, their differing approaches and methodologies, variations in the use of concepts and terminology, contrasts with the bandwidth of users—individuals working in companies, investors and financial institutions.

One of the objectives of the Impact Management Platform is to drive clarity and to foster a more coherent ecosystem of standards, frameworks and other resources for managing sustainability-related impacts. Through a dedicated working group on sustainability topics, the Platform has sought to explore the specific question of the naming and classification of sustainability topics. The findings of this working group are presented in this paper.

This paper starts by making a number of observations about the way in which sustainability-related resources name and classify sustainability topics. It examines how existing nomenclatures and classifications differ using existing definitions laid out by the Impact Management Platform in its Key Terms and Concepts, and provides some explanations for why such variations may occur. The paper then presents some of the potential consequences of conceptual inconsistency and variations across resources. It concludes by making some suggestions for improving the coherence of classifications.

The paper is accompanied by a mapping of the sustainability topics used in sustainability-related resources, referred to as a **structured inventory**, which can be used by partners of the platform and others to better understand differences in nomenclatures and classifications across resources. The methodology behind creating the Structured Inventory is laid out in Annex I of this paper.

Naming and classifying sustainability topics

As part of the resources they provide, sustainability related standard-setters make (more or less deliberate) choices on how they refer to and organise the different sustainability issues and topics (also referred to as themes, issues, or dimensions). In this paper, the nomenclature of sustainability topics refers to the names or terms used to refer to an issue set, such as labour management, workforce, water, health or water quality. Classifications are the structures by which a resource organises a set of sustainability topics, including by the use of hierarchies and (implicit or explicit) structuring rules. Such classifications often define the actual structure of their resources.

Table 1 below shows examples of the topics and issues as named and classified in a management framework, a disclosure framework, and a rating tool, respectively.

Table 1: Examples of categories and sub-categories in sustainability-related resources

	UNEP FI Impact methodology and resources (example of a management framework)	IFRS SASB Standards and Materiality Finder (example of a disclosure framework)	S&P Global ESG Scores (example of a benchmarking framework)
Highest level categories	Natural environment	Environment	Environmental
	Social	Social capital	Social
	Socio-economic	Human capital	Governance
		Business model & innovation	
		Leadership & governance	
Sub-categories (Examples)	Climate stability	GHG emissions	Climate strategy
	Biodiversity & ecosystems	Air quality	Energy
	Integrity & security of person	Energy management	Packaging
	Health & safety	Human rights & community relations	Water
	Availability, accessibility, affordability, quality of resources & services	Product quality & safety	Health & nutrition
	Livelihood	Employee health & safety	Human rights
	Equality & justice	Labor practices	Policy influence
	Strong institutions, peace & stability	Business ethics	Tax strategy
	Healthy economies	Competitive behaviour	Business ethics
	Infrastructure	Critical incident risk management	Innovation management
	Socio-economic convergence	Systemic risk management	Supply chain management

Relevance to impact management

Sustainability-related frameworks and resources cater to different aspects or steps of impact management. As pointed out above, the naming and classification of sustainability topics is often a necessary structural feature of many different types of sustainability management resources.

Impact management starts with the identification of potential impacts, sometimes also referred to as materiality assessment. A number of tools, (e.g. the ENCORE mappings and the UNEP FI Impact Mappings and Tools) are designed specifically to guide practitioners into understanding the various possible impacts associated with their organisation, as a starting point to managing these impacts. Such tools use classifications of sustainability topics to guide practitioners in the identification process.

The classification of topics is also relevant to subsequent steps of impact management, such as the assessment and measurement of impacts, guided by measurement methodologies such as the OECD's Framework on Measuring the Non-financial Performance of Firms. Naming and classification also guide what impacts companies report on through disclosure standards and frameworks (e.g. the GRI Standards), and the topics relative to which investors and other stakeholders might benchmark and rate organisations' sustainability practice and performance based on benchmarks and ratings (e.g. B Corp Certification and the WBA's benchmarks).

Figure 1 below illustrates the relevance of topic naming and classification of sustainability topics to the different Actions of Impact Management as defined by the Impact Management Platform.
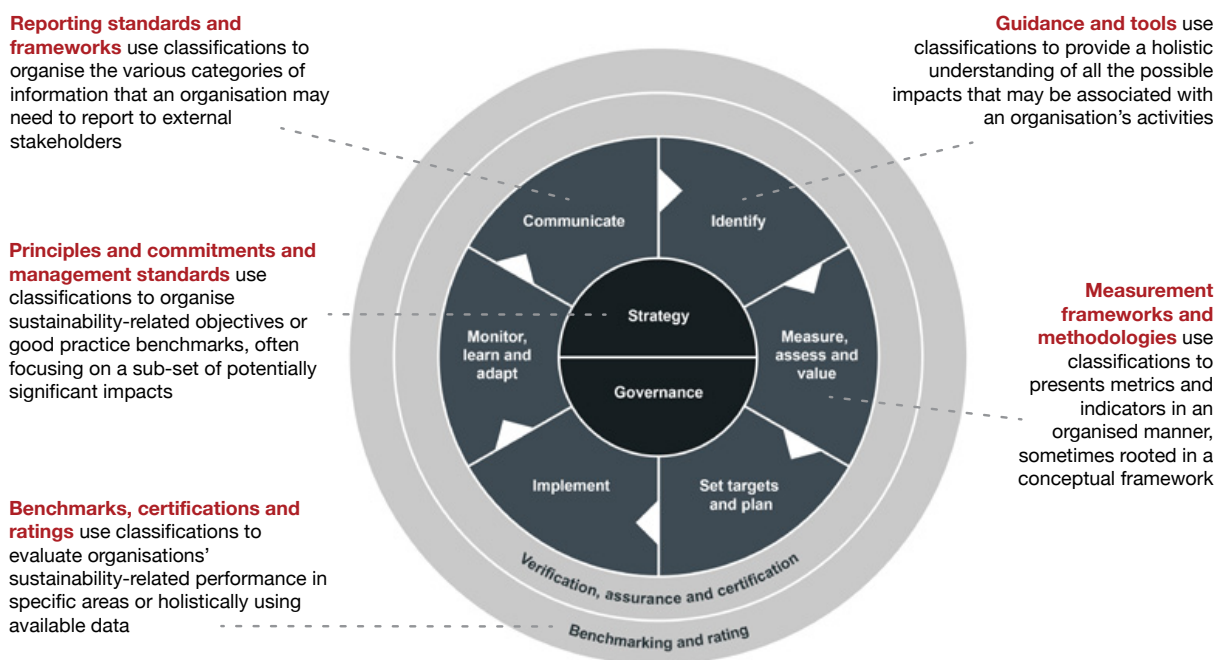

Figure 1: Uses of classifications of sustainability topics across resources catering to different Actions of Impact Management

2. Observations on naming and classification choices

This section presents several observations made about the naming and classification choices of various sustainability-related resources. These observations are the result of a review of a set of 33 widely used international resources for the management and disclosure of sustainability issues, where resources refer to standards, frameworks, guidance, and tools, among others. This review includes a mapping of sustainability topics found in these resources, which is described in **Annex I** of this paper.

The starting point of identifying relevant resources is the set of resources developed by partners of the Platform, most of which represent international public goods resources for the management of sustainability impacts. However, the review also includes a selected number of commercial ESG rating frameworks, with the objective of also illustrating differences between publicly and privately developed tools and frameworks. These primarily focus on the management of sustainability-related risks and opportunities. A few international governmental and academic frameworks for measuring sustainable development and well-being at the macro level are also included. All resources covered in the review contain some kind of classification system for sustainability issues.

The review makes the following main observations about the naming and classification of sustainability topics:

- Variations in the naming choices of sustainability topics across resources
- Variations in conceptual choices when classifying topics, both within and between resources
- Variations in terminology that are reflective of specific constructs and approaches to sustainability

Variations in naming choices across resources

Comparing the terminology used to describe sustainability topics across the resources reviewed reveals that there are numerous variations in the specific naming of sustainability topics. Such variations include:

- **Different terms used for similar or adjacent concepts**, e.g. "diversity and equal opportunity" vs. "workforce and diversity" vs. "diversity, equity and inclusion".
- **Different groupings of topics**, e.g. "air and climate" vs. "air quality" and "climate change" or "health and safety" vs. "health and wellness".
- **Different levels of specificity of topics**, e.g. "climate change" vs. "climate change adaptation".

Such differences in the naming of items may refer to substantive differences in the scope and content covered by such items, but they may also refer to highly overlapping issues. As further illustration, see the following two examples of terminologies that were identified related to the broad topics of equality, inequality, diversity, inclusion, and health, mental health, and wellness (Table 2).

Table 2: Lists of terms found in this review related to Equality and inequality and Health, mental health and wellness

Equality, inequality, diversity, inclusion	Health, mental health, wellness
Social inclusion	Good health and well-being
Equality & justice	Health
Equality of opportunity and treatment	Health & safety
Equal treatment and opportunities for all	Health & wellness
Reduced inequalities	Health, wellness & safety
Diversity	Customer health and safety
Diversity and inclusion	Employee health & safety
Diversity and equal opportunity	Occupational health and safety
Diversity, equity & inclusion	
Workforce diversity	
Workforce & diversity	
Employee engagement, diversity & inclusion	
Social inclusion and community impact	
Social inclusion of consumers and/or end-users	

Variations in conceptual choices within and between resources

At a more structural level, a review of the classification of sustainability issues reveals more fundamental differences, as well as, at times, the use of conceptually different terminology within classifications. Sustainability topics and issues can be described from multiple perspectives, ranging from the issue itself, the source of a sustainability issue the specific driver of the issue, or the object of the issue. Box 1 illustrates how the definitions of key terms and concepts by the Impact Management Platform can be used to provide conceptual clarity on the nature of the terminology used.

Box 1. Using the key terms and concepts of the IMP to provide clarity on the nature of items

The partners of the Impact Management Platform previously developed a set of key terms and concepts to help explain terms associated with impact management. These conceptually distinguish between four elements associated with impacts and the impact pathway:

Objects: whoever or whatever is affected by an organisation's actions, specifically (groups of) people and (components of) the natural environment

Subjects: specific issues that are important to people and the natural environment, which may also be thought of as the outcomes that are relevant to the objects of impact. They represent all the things that are important to people and the natural environment.

Drivers: The inputs, activities and outputs of organisations that intentionally or unintentionally cause or contribute to impacts

Sources: In the context of impact management, enterprises, investors and financial institutions (in short, "organisations") can be thought of as the sources of impact.
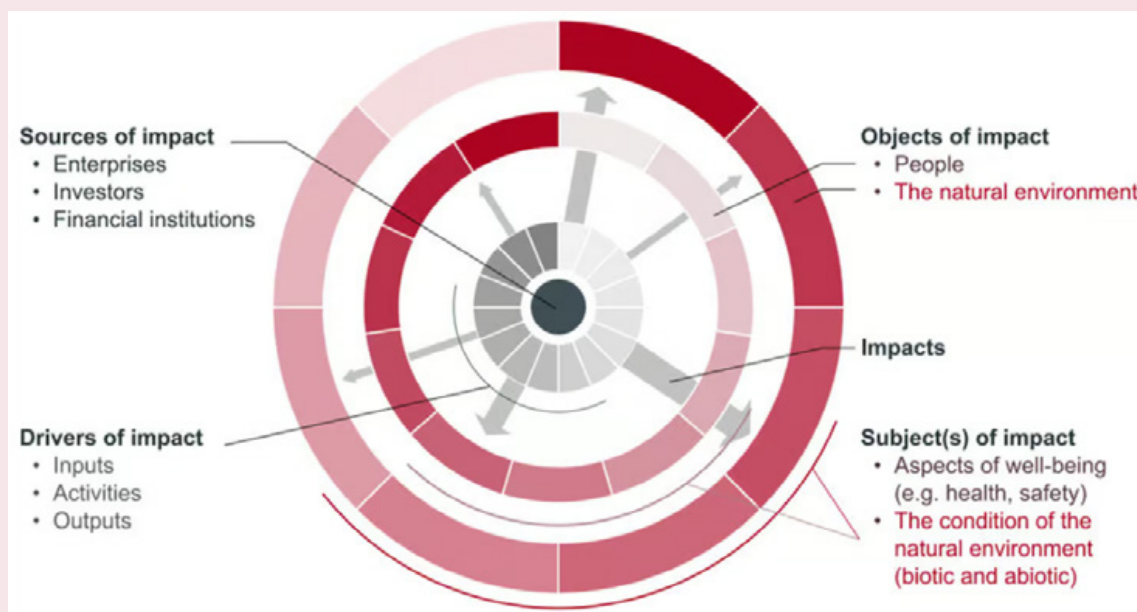
Figure 2: Key elements associated with impacts

Reviewing sustainability-related resources by applying this conceptual framework reveals that sustainability-related resources name and classify by mixing items that relate, respectively, to the objects, drivers, subjects and sources of impacts. Thus some terms (e.g. workforce training, supplier assessments, safety management) describe the inputs, actions and outputs of business actions, i.e. the drivers of impacts, while others capture who or what is affected (e.g. consumers, workers, or waterbodies, oceans), i.e. the

objects of the impacts, and yet others pertain to nature of the aspect that is affected (e.g. water quality, health, or job security), i.e. the subjects of impact. Finally, some terms describe the source/ of the impact (e.g. sectoral items such as sustainable agriculture).

Across the resources covered in this review, very different ways of structuring classifications can be found. An assessment of the structure of sustainability-related resources covered in this review is provided in the table in **Annex II**. Three specific examples help illustrate this:

The SASB Standards' categorisation of issue categories in its Materiality Finder represents a clear mix of subjects (e.g. air quality, employee health and safety) and drivers (energy management, selling practices and product labelling). The conceptual distinctions between categories are not always fully clear. For example, labour practices can, in theory, be a driver of employee health & safety and employee engagement, diversity & inclusion, yet these are presented as separate categories (Table 3).

Table 3: Excerpt from SASB Standards' Issue Categories

Environment	*Object*	Social capital	Dependency	Human capital	*Dependency*
GHG emissions	*Driver*	Human rights & community relations	*Subject + object*	Labour practices	*Driver*
Air Quality	*Object + Subject*	Customer privacy	*Object + subject*	Employee health & safety	*Object + Subject*
Energy Management	*Driver*	Data security	*Subject*	Empl. engagement, diversity & inclusion	*Object + Subject*
Waste & wastewater management	*Driver*	Access & affordability	*Driver*		
Waste & hazardous. materials mgmt.	*Driver*	Product quality & safety	*Driver*		
Ecological impacts	*Driver*	Customer welfare	*Object + subject*		
		Selling practices & product labelling	*Driver*		

Note: Some categories refer to both the object of interest and the subject of interest (e.g. "Customer privacy"), whereas others only refer to the subject of interest without specifying the object (e.g. "Data security"). In the latter case, it is not evident what groups of affected stakeholders are covered under the categorisation of "data security" (e.g. consumers; employees; others).

Source: IFRS Foundation, SASB Standards Materiality Finder

Another example is the categorisation of disclosures in the **European Commission's European Sustainability Reporting Standards (ESRS)** developed by EFRAG (Table 4). In the social domain, the ESRS employ a consistent categorisation along the lines of four types of people-related 'objects': own workforce; workers in the value chain; affected communities; consumers and end-users, with lower-level categories referring to drivers and subjects, thereby delineating organisations' activities, practices and policies and their impacts across groups of affected stakeholders. In the environmental domain, the ESRS employs a mix of drivers, objects and subjects as higher level categories. Here, there is somewhat less consistency, given that pollution and circular economy are possibly drivers of certain subjects, such as biodiversity and ecosystems.

Table 4: ESRS' higher-level categories

Environment	*Object*	Social	Object	Governance	*Driver*
Climate change	*Subject*	Own workforce	Object	Business conduct	Driver
Pollution	*Driver*	Workers in the value chain	Object	Lower-level categories	*Mix of objects, drivers, subjects*
Water and marine resources	*Driver*	Affected communities	Object		
Biodiversity and ecosystems	*Subject + object*	Consumers and end-users	Object		
Circular economy	*Subject + object*	Lower-level categories	*Mix of drivers, subjects*		
Lower-level categories	*Mix of objects, drivers, subjects*				

Source: European Commission (2023), Commission Delegated Regulation (EU) 2023/2772 Annex I:
European Sustainability Reporting Standards

As a third example, the IFC's Performance Standards, a management rather than a disclosure standard, primarily uses terms that are reflective of impact drivers to organise its standards, but it also contains some categories that represent objects and subjects, such as Indigenous Peoples and Cultural heritage (Table 5).

Table 5: IFC Performance Standards

Performance standards	
Assessment and management of environmental and social risks and impacts	*Driver*
Labor and working conditions	*Driver*
Resource efficiency and pollution prevention	*Driver*
Community health, safety and security	*Object + subject*
Land acquisition and involuntary resettlement	*Driver*
Biodiversity conservation and sustainable management of living natural resources	*Driver*
Indigenous Peoples	*Object*
Cultural heritage	*Subject*

Source: International Finance Corporation (2012), IFC Performance Standards

Variations in the use of specific constructs and approaches to sustainability

Another variation of note concerns differences in the use of what may be referred to as specific "constructs" or approaches to sustainability-related issues, in particular, the constructs of rights, well-being and capitals. These constructs can be seen as "lenses" through which organisations can approach sustainability topics (Table 6).

Resources built around specific constructs such as these inevitably present terminology and classification specificities, since they have a distinct starting point. Human rights and well-being both are concerned with the state individuals find themselves in the present and consider a set of topics that are relevant in this regard. In the case of human rights, these concern a minimum level of outcomes to which all individuals are entitled. Capitals management, conversely, has a rooting in a form of economic theory, and considers the various forms of capital that are needed to enable micro and macro-economic value creation and (at least as it is defined by the international statistical community), with the goal of sustaining long-term human well-being.

However, in sustainability-related resources, these constructs are at times **conflated with individual sustainability topics** or even with specific objects. For example, human capital is sometimes conflated solely with issues that pertain to a company's workforce, whereas human rights are sometimes confused with issues solely related to workers in

the value chain—which are in both cases false interpretations as human rights and human capital are constructs that can be used with respect to all stakeholder groups.

These constructs are also sometimes **falsely interpreted or presented in a narrow sense**. For example, human rights are sometimes presented as referring to a subset of companies' most significant adverse impacts, such as forced labour or child labour, when companies have a positive duty to respect human rights that spans a much larger range of facets of people's well-being. The construct of well-being is equally sometimes presented as an individual sustainability topic, when international frameworks such as the OECD Well-being Framework suggest that well-being is a multi-dimensional construct.

Table 6: Cross-cutting constructs through which sustainability issues are approached

	Rights	**Well-being**	**Capitals**
What?	Rights are an entitlement to a minimum level, or normative threshold, of what it takes for any human being to enjoy a decent life of basic dignity and equality	Well-being is a concept that captures individuals' state of being in the present	Capitals are a concept that captures human, social, natural and economic resources from the perspective of their capacity to store value and generate benefits to society over time
Type of approach	A rights approach focuses on ensuring human entitlements through legal means and by embedding a respect for rights in organisational and political processes	A well-being approach focuses on measuring and managing for a set of multi-dimensional outcomes through an iterative and evidence-based process	A capitals approach focuses on recognising the value of capitals and embedding these in decision-making
Source frameworks	Embedded in international human rights law, including ILO labour rights standards, which provide the reference point for the international standards for responsible business conduct	National and international frameworks such as the OECD Well-being Framework	Embedded within the notion of sustainable development, the OECD Well-being Framework, and used in business frameworks such as the Natural Capital Protocol and Human and Social Capital Protocol and Integrated Reporting Framework

3. Explanations for differences in the naming and classification of sustainability topics

There are a variety of explanations for differences and conceptual inconsistencies in the naming and classification of sustainability topics in sustainability-related resources.

To start, there are **functional reasons** that explain the different choices that are made by different resources. Resources serve different functions, and these variations may rightfully produce different nomenclature decisions. For example, resources that operate as standards for good conduct may logically focus on drivers (which include activities, practices and policies), and therefore may well be organised as a set of categories of drivers. Resources that provide guidance on measurement or disclosure may well prescribe a mix of metrics on both drivers and outcomes, and, depending on their emphasis, may decide to organise their classification around one or the other.

In addition, as noted above, sustainability-related resources may be aligned with different purposes or objectives, including by employing an approach rooted in the construct of rights, capitals or well-being. To illustrate how nomenclature choices differ depending on their purpose and approach, resources with a rights lens will logically frame sustainability topics in relation to the (conceptual) thresholds that the rights embody, such as decent work, which reflects a conceptual threshold in relation to work and employment.

The **process** from which the naming and classification of topics emerge is also a possible source of variation and conceptual incoherence. Sustainability-related resources are often developed in multi-stakeholder processes, with businesses, investors, representatives of affected stakeholders, and academics. This means that these resources are often the result of a compromise in which conceptual clarity is not necessarily the primary factor of consideration.

The nomenclature of sustainability issues can also be informed by the dominant way in which market actors refer to a certain issue. Depending on the issue, **market actors** may be oriented towards terminology that captures a driver, a subject, or an object, with or without a specific lens. For example, diversity, equity and inclusion has become a prominent way to refer to a combination of policies, practices and outcomes related to (usually) workforce diversity, equity and inclusion, but the grouping of terms and the way it is used is not always associated with a commonly agreed set of actions or outcomes, and it is not always clear whether the term is used to refer to a set of practices or a set of outcomes, or both.

4. Consequences of variations in the naming and classification of sustainability topics

The observations made in this review regarding the naming and classification of sustainability topics reflect conceptual inconsistencies within resources, as well as significant variation in nomenclature between resources. These can significantly affect the practice of impact management as well has hinder its mainstreaming, specifically by:

- Impeding robust and holistic impact management
- Complicating the interoperability between impact management resources

Variations and inconsistencies can impede robust and holistic impact management

Impact management requires a holistic understanding of potential impact. The IMP's actions of impact management suggest that impact management starts with organisations understanding the sustainability topics that likely to be associated with the organisation. Insufficient coverage of the breadth of potential impact topics in impact management resources can impede a holistic identification process. Equally, resources that provide guidance, standards or tools on actions of impact management other than identification may also generate blind spots if they do not reflect the breadth of possible impacts.

A holistic understanding of impacts also necessitates a robust understanding of impact pathways, the sequence that links organisations' actions with their effects on people and the natural environment. Misunderstanding these pathways can ultimately lead to misdiagnosing the necessary actions, and to organisations implementing activities, policies and practices that do not result in the required outcomes and impacts, and unintended consequences.

For example, consider in Figure 3 below, in Case A, a scenario where a resource provides guidance on a sub-set of drivers of a given outcome, but leaves out others, which may potentially be highly significant in shaping a given outcome. Or, conversely, in Case B, a scenario where not all the possible subjects are covered by a given resource, and which, as a result, may underestimate positive impacts, or underestimate negative impacts and lead to unintended consequences.
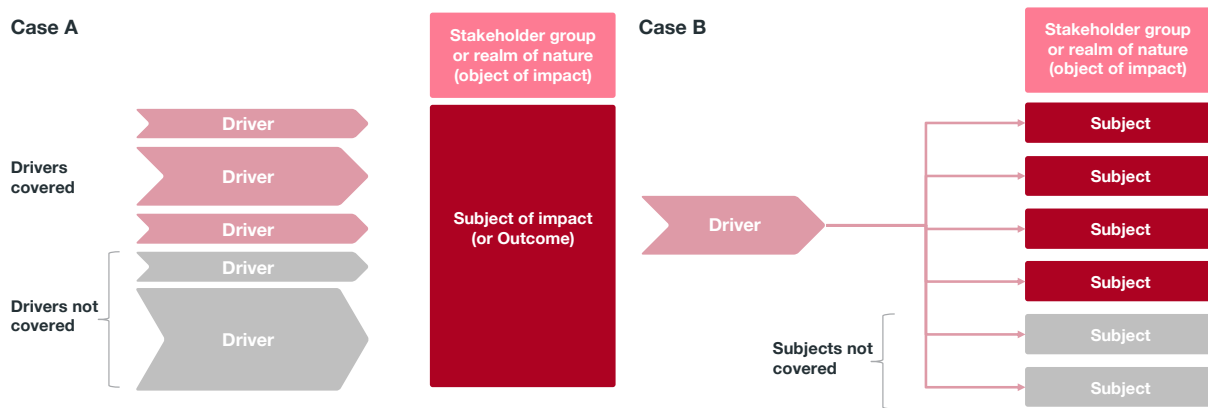
Figure 3: Robust impact management necessitates a complete understanding of impact pathways

Relatedly, conflating terminology reflective of specific constructs such as human rights, well-being, or capitals with individual sustainability topics risks impeding holistic impact management because these constructs are not discrete and mutually exclusive categories of drivers, objects or subjects, each sharing overlaps with other issues. When resources refer to broad constructs but only cover a subset of issues within them, this, too, may limit the breadth of potential impacts. As an example, resources that cover the construct "human rights" but that only cover a subset of potential adverse human rights impacts, such as forced labour, neglect the multi-dimensionality of the construct of human rights and potentially associated impacts.

Variations can complicate the interoperability between impact management resources

Lack of consistency around objects, subjects and drivers covered and variations in nomenclatures may also impede connectivity between resources with different functions, notably between those that provide standards, guidance and tools on the management of sustainability impacts and those focusing on sustainability reporting standards and frameworks. Two resources may provide guidance on the management, measurement, disclosure or benchmarking of similar topics, yet the naming and classification of these items may not make it fully clear what drivers and subjects are covered.

For example, Figure 4 illustrates a hypothetical example of two resources that have the exact same scope, but use two different high-level terms, namely Biodiversity and Circular economy respectively, to denote these. Such differences may impede the smooth navigation between resources.
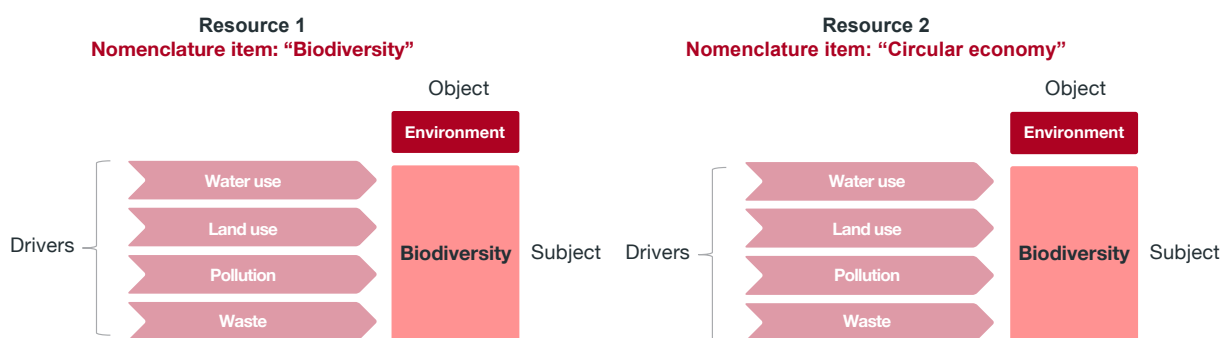
Figure 4: A hypothetical example of nomenclatures impeding interoperability

Conversely, resources using identical or similar names may capture different sets of drivers or subjects. For example, in the case of the example in Figure 5, below, a resource with a category entitled "employee health and safety" may consider a much narrower set of drivers than in another resource that employs the term "employee health".
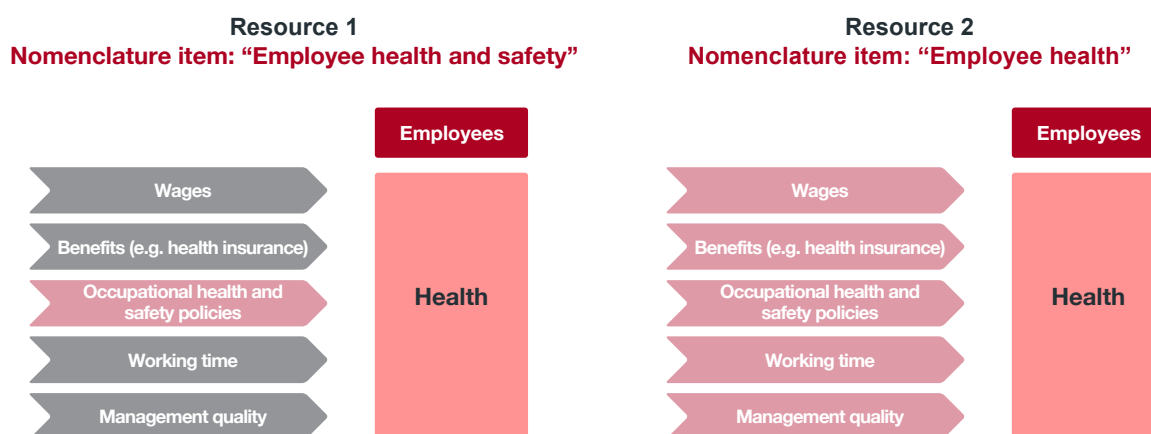
Figure 5: A hypothetical example of nomenclatures impeding interoperability

A further specific example of interoperability challenges derives from the conflation of using terminology reflective of specific constructs as if they were single sustainability topics per se. While human rights and well-being are fundamentally broad concepts, some organisations may focus on a sub-set of elements within these, therefore contributing to misunderstanding around what these terms mean. This may in turn hamper connectivity between resources that employ these terms in different ways.

Moreover, variations in nomenclatures between private sector and public sector resources also prevents businesses, investors and financial institutions from aligning with governmental objectives and prevent a common language to speak about solutions. ESG ratings and other commercial resources that use terminology reflective of market practice miss an opportunity to build bridges with governments and ensure coherence across private and public actions and advance common goals.

5. Conclusion and recommendations

This paper and the accompanying structured inventory represent a first review and provides a stepping stone for future bilateral and collective efforts to improve the naming and classifications of sustainability topics. The present review reveals important differences across resources and identifies some key conceptual considerations in relation to naming and classifying sustainability issues that are material to impact management and the mainstreaming of the practice.

Currently, the sustainability-related resources reviewed do not appear to consider sustainability topics in a way that is fully consistently structured around drivers, objects and subjects and that is at the same time comprehensive in its coverage of sustainability issues. While recognising the many reasons why impact management differ in classifying and naming sustainability topics, there is clear scope for improvement, both in striving to make impact management resources more internally consistent, as well as in further supporting interoperability.

Recommendations

On the basis of this review, therefore, leading providers of international impact management and other sustainability-related resources may consider the following:

1. **To individually consider conceptual coherence when reviewing and revising sustainability topic classifications and nomenclature:** Individual impact management resources can make steps to structure their topic naming and classifications in a more conceptually consistent way around drivers, objects or subjects, in order to provide clarity. Being clear about what the resource does—in the case of a management standard: what exactly it provides guidance on; in the case of a measurement methodology or benchmark: what exactly is being measured—and reflecting this in the resource's nomenclature ensures that resources and their contents are appropriately understood and allows practitioners to understand the scope and purpose of each resource. Achieving greater conceptual coherence is also a first step towards improved interoperability and connectivity across impact management resources. By building in clarity on whether categories contain guidance, metrics, or other content related to practice (i.e. drivers) or performance (i.e. subjects or outcomes), resources can more easily be linked up.

2. **To collectively work towards achieving greater connectivity across resources, including across resources with different functions and audiences:** Leading international providers of impact management resources can also coordinate the evolution of their standards, frameworks and resources in a way that aligns nomenclature and classification of sustainability topics. This does not mean that every resource needs to have the same classification or cover every sustainability-related issue, but rather that resources align with a commonly agreed overarching structure. This can help organisations and practitioners better understand what terms correspond to those in another.

   Collaboration between organisations is particularly relevant to ensure connectivity between resources with different functions—to improve connectivity between, for example, management, reporting, and benchmarking oriented resources—and that cater to difference audiences—to improve connectivity between resources that cater, for example, to businesses and investors, or public and private sector, respectively.

3. **To collectively work to refine the understanding of less well documented domains and topics:** The structured inventory, a vast collection of sustainability topics found across sustainability-related resources, shows that a conceptually coherent overarching structure for sustainability topics is possible. The structured inventory is likely not 'complete', as new topics emerge on the radar of organisations on an ongoing basis. This inventory is therefore strictly an inventory, as opposed to a systematic or evidence-driven mapping of relevant impact drivers, objects, or subjects. Leading providers of international public goods standards and resources can work together to improve an understanding of less well documented domains and topics and, as such, ensure holistic impact management.

6. Annex I: A structured inventory of sustainability topics in sustainability management resources

The observations made in this paper have demonstrated the need to further examine the classification and naming of sustainability topics across sustainability-related resources. To facilitate this, the present review is accompanied by a comprehensive mapping of sustainability topic items found in sustainability-related resources.

This mapping, referred to here as the structured inventory, can act as a resource for providers of sustainability-related resources as well as for practitioners in navigating the different ways in which they name and classify sustainability topics.

Based on the preliminary observations made, the structured inventory was built around the following five key steps, which are explained in this section:

1. Selection of resources and identification of core characteristics
2. Extracting and documenting sustainability topic items
3. Classification based on the nature of the term
4. Clustering of items in five high-level categories
5. Further clustering of related items in sub-categories

In the resulting structured inventory, the terms used by sustainability management resources to designate different sustainability topics are categorised according to whether they refer to sources, drivers, objects, and subjects of impact, or risks and opportunities. In addition, each item is categorised in one of five high-level categories, namely governance, strategy and management; economy; society & institutions; people; and the natural environment. Figure 6 depicts the organising features of the structured inventory.
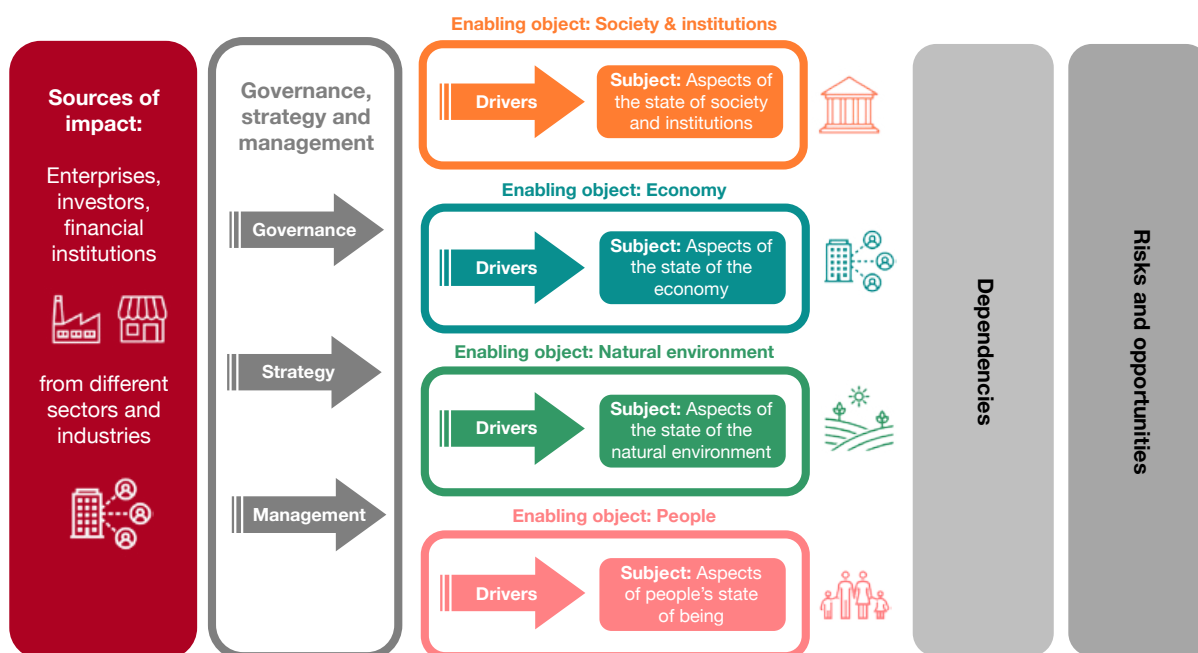
Figure 6: Schematic of the organisation of the structured inventory

6.1 Selection of resources and identification of core characteristics

The universe of sustainability-related resources in the structured inventory contains impact management resources hosted by IMP Partners that have a clearly distinguishable classification and nomenclature of sustainability topics. In addition, it includes a selection of prominent international commercial ESG ratings, mainly focused on screening sustainability-related risks, in order to be able to compare and contrast the terms embedded in public goods resources with those of commercial providers. The list of resources included in the structured inventory can be found in Annex II.

Each resource was categorised based on a number of characteristics, in order to provide an understanding of the terminology used for different purposes. At the level of the resource the following considerations are taken into account:

- **Source type:** Captures the resource is produced by a governmental or inter-governmental entity; a standard-setting organisation; a business or investor association; a service provider; or a non-governmental organisation or academic institutions.

- **Resource type:** Reflects the type of resource, classified in one of six categories: principles and commitments; management standards; measurement frameworks and methodologies; reporting standards; guidance and tools; benchmarks, certifications and ratings.

- **Voluntary or mandatory resource:** Denotes whether the resource is a voluntary instrument, a policy recommendation (e.g. the OECD MNE Guidelines) or a mandatory instrument embedded in laws and regulation (e.g. the European Sustainability Reporting Standards).

- **Target audience:** Captures the intended user of the resource, or, in the case of certifications, benchmarks and rating, the type of entity that is evaluated.

- **Primary function:** Distinguishes resources by four different impact management-related functions: management, disclosure, benchmarking and rating, and verification, assurance and certification.

- **Materiality perspective:** Captures whether the resource's primary aim is to support organisations in managing sustainability-related impacts, or sustainability-related financial risks and opportunities, or both.

6.2 Extracting and documenting sustainability topic items

To build the structured inventory, all distinctive sustainability topic items were extracted from each of the resources. Individual items here refer to the various sustainability topics found in classifications, such as environment, labour management, or product quality and safety. In some resources, classifications are clearly signposted as frameworks or classifications (e.g. GIIN's IRIS+ Framework or UNEP FI's Impact Radar), and items are referred to as "topics", "dimensions", "categories", etc. In others, classifications are more implicit, and are woven into the structure of the resource. This is, for example, the case for GRI's Standards, where individual reporting standards (e.G. Tax; materials; employment) implicitly act as categorising elements, or the IFC Performance Standards, where each performance standard (e.g. labour and working conditions) covers a specific issue.

In the extraction process, the hierarchy of items is retained, meaning that these are grouped as either higher level, middle level, lower level, or (when necessary) lowest level items. In the analysis and mappings, retaining the hierarchy of the resources aids in understanding the relationship between different items within resources.

6.3 Classification based on the nature of the term

In a second step, items are distinguished by whether the sustainability topic item reflects one of the four conceptual categories introduced earlier in this paper: sources, objects, drivers, subjects (Table 7). The majority of items either represent objects, drivers and subjects.

Table 7: Categories of types of items included in the structured inventory

Nature of the sustainability topic item					
Sources	**Objects**	**Drivers**	**Subjects**	**Dependencies**	**Risks and opportunities**
(Groups of) enterprises, investors and financial institutions; sectors of the economy	Whoever or whatever is affected by an organisation's actions, specifically people and the natural environment	The inputs, activities and outputs of organisations that intentionally or unintentionally cause or contribute to impacts	Specific issues that are important to the object of impact, which also may be thought of as relevant outcomes	The environmental, social or economic resources that societies and organisations rely on to function	Risks and opportunities for enterprises, investors and financial institutions

In addition, some resources include items that reflect either sustainability-related dependencies (e.g. dependencies on ecosystem services; natural capital) or risks and opportunities (e.g. physical climate risks; product liability). These are also included in the mapping, with the acknowledgement that these do not refer strictly to impact management but to the management of sustainability-related financial risks and opportunities. A subset of items are composites and are reflective of two different categories (e.g. Workforce & diversity—an object and a subject; biodiversity & land use—a subject and a driver). In these cases, the item is included twice in the Structured Inventory, in both categories.

6.4   Clustering of items in five high-level categories

The process of mapping items reveals that each item can be further categorised into five high-level categories that in all but one case relates to the object of impact the item pertains to (Table 8). The majority of items are reflective of either drivers, subjects or objects related to four overarching objects of impact, namely society & institutions; the economy; people; and the natural environment. Within these, the latter two are considered by partners of the IMP to be the ultimate end-stakeholders of concern. In addition to these four high-level groupings, a subset of items relates to organisations' governance, strategy and management approach, and are object-agnostic.

Table 8: Five high-level categories

Governance, Strategy and Management	Object-agnostic terms pertaining to Governance, Strategy and Management	
Society & Institutions	Terms specifically relevant to the enabling object of Society & Institutions	
Economy	Terms specifically relevant to the enabling object of the Economy	
People	Terms specifically relevant to the end-object People	
Natural environment	Terms specifically relevant to the end-object Natural environment	
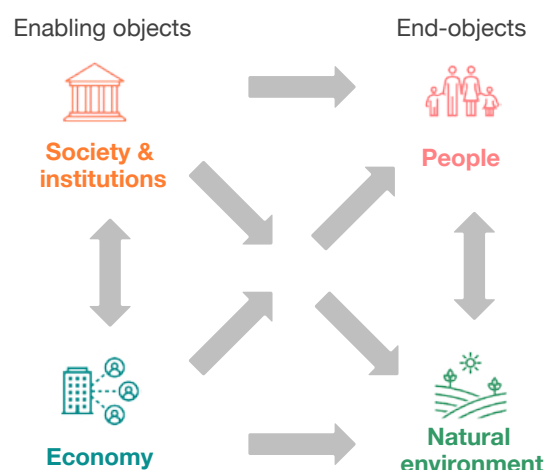
Note: The figure on the right displays the relationship between what may be thought of as 'enabling objects': society & institutions, and the economy; and the 'end-objects' of impact: people and the natural environment; and the relationship between them.

6.5 Further clustering of related items in sub-categories

Finally, the structured inventory groups clusters of conceptually linked or adjacent concepts. Items are grouped to form conceptually distinct categories, where granularity is determined primarily as a result of the presence of items in sustainability-related resources.

Again, where an item may be placed in multiple different clusters, it is listed twice. For example, health and safety can arguably be grouped together with other items that are associated with health, as well as with items that are associated with safety and security of person.

The clusters of sustainability topics identified in this mapping are presented in Table 9. What follows is a set of observations related to clusters of objects, subjects and drivers found in the structured inventory.

Clusters of objects

People-related terms distinguish between specific population groups, such as children, or Indigenous groups, as well as different stakeholder groups, typically: employees, workforce; workers in the value chain, consumers, customers, and end-users, and communities. In resources that classify people-related objects, these four categories seem to recur frequently.

As for the natural environment, in addition to overarching items that capture nature and the natural environment in a broad sense there appear to be four clusters of relevant realms of nature: water, waterbodies, oceans, and freshwater; land and soil; air; and atmosphere. Some resources separate freshwater and oceans in two distinct categories of waterbodies. Spanning these abiotic objects are items related to ecosystems, habitats and species, all grouped in a single separate cluster of ecosystems. Climate is also included as a separate, transversal object that spans a number of different objects and systems.

Within society and institutions, one cluster can be found with items related to society in a broad sense, and a second cluster can be identified of items that relate to Institutions as a (sub-)object, which can act as an intermediary in channelling business impacts on people and the natural environment. Similarly, a few items can be found in relation to the economy, and a few items can be identified in relation to the (sub)-object of Infrastructure, which may be considered a component of the economy.

Table 9: Clusters of sustainability topics in the Structured Inventory

Governance, strategy and management

Governance	Strategy	Management
Governance	Strategy	Management
Corporate governance	Strategy	Management approach
Business conduct and ethics		Stakeholder management
		Reporting and transparency

	Finance and accounting
	Accounting
	Reporting and transparency

Society & Institutions

Drivers	Objects	Subjects
Business processes, policies and systems	Social	Aspects of the state of society & institutions
Corporate systems and data management	Social	State of institutions
Anti-bribery; anti-corruption		Peace and conflict
Finance and accounting	Society & Institutions	
Investment	Society	
Taxation	Institutions	
Research and development		
Research and development		
External engagement		
Advocacy; lobbying; political engagement		
Philantropy		

Economy

Drivers	Objects	Subjects
Provision of products and services	Economy	Aspects of the state of the economy
Anti-competitive practices	Economy	State of the economy
Finance and accounting	Infrastructure	Convergence
Investment		
Value added		

People

Drivers	Objects	Subjects
Governance	Social	Aspects of the state of people
Ownership	Social	Individual liberty; freedom
Operations and the production process		Safety; integrity and security of person
Land use and physical community presence	People and population groups	Availability, access, affordability and quality of goods and services
Physical working environment	People	Health; mental health
Organisational culture	Population groups	Income and wealth
Labour and human resource management		Employment
Procurement	Stakeholder groups	Job quality
Procurement and supply chain management	Communities	Knowledge and skills
Provision of products and services	Consumers; customers; end-users	Voice; representation; civic engagement
Provision of products and services	Employees; workforce	Cultural identity; cultural heritage
Product development	Workers in the value chain	Access to justice
Consumer protection; marketing; sale		Environmental quality
Business processes, policies and systems		Social support; social connections
Training and skills development		
Occupational health and safety policies		Equality; inequality
Corporate systems and data management		Equality; inequality
Anti-crime policy & measures		Equality; inequality: Gender
Finance and accounting		Equality; inequality: Race and ethnicity
Investment		Equality; inequality: Age
External engagement		Equality; inequality: Disability
Philantropy		Equality; inequality: Other

	Constructs
	Well-being
	Human rights

Natural environment

Drivers	Objects	Subjects
Strategy	Natural environment	Aspects of the state of the natural environment
Strategy	Nature; natural environment	State of the atmosphere; climate stability; climate change
Operations and the production process		Water stress and water quality
Resource use and reuse	Realms of nature	Soil quality
Water use and management	Water; waterbodies; oceans; freshwater	Air quality
Marine resource use and management	Land; soil	Biodiversity; state and extent of ecosystems; habitats; species
Energy & fuel use	Air	Animal welfare
Land use and management	Atmosphere	
Waste management & pollution		
Emission of GHGs	Climate	
Procurement	Climate	
Procurement and supply chain management		
Provision of products and services	Ecosystems	
Product development	Ecosystems; habitats; species	
Business processes, policies and systems		
Environmental management and conservation		
Climate change mitigation and adaptation		
Circularity		
Management of invasive alien species		
Research and development		
Research and development		
Finance and accounting		
Investment		

Clusters of subjects

As regards impacts on people, the subjects of impact are both multi-dimensional and multitude. Identified groups of items relate to people's Income and wealth; employment; job quality; health, among others. A large cluster captures items related to the availability, access, affordability and quality of products and services, which may range from energy to information services to education. These items can be considered both drivers and subjects. Access to health care, which companies can help facilitate, for instance, is a driver of health, and conceptually distinct from the state of people's health, an outcome. In an effort to provide conceptual clarity, the structured inventory reflects this distinction.

A distinction is also made between clusters that represent specific aspects of people's state of being (such as health), and the aforementioned lenses or constructs that are used to consider a number of subjects transversally, as is the case for the constructs of well-being, human rights, and capitals. As noted earlier, each of these constructs do not represent individual topics but rather lenses through which a range of issues can be seen, and these clusters are as such marked as representing cross-cutting constructs rather than individual topics.

As regards impacts on the natural environment, sustainability-related resources do not define subjects quite as granularly as when they relate to people. Clusters of items form around climate stability/climate change; biodiversity and the state and extent of ecosystems and species, as well as air quality; water stress and water quality; and soil quality.

Clusters of drivers

In order to cluster items related to drivers in a way that delivers discrete, mutually exclusive categories, the structured inventory groups the inputs, activities and outputs of organisations that intentionally or unintentionally cause or contribute to impacts in alignment with broad business functions in a way that encompasses both the commercial or operational drivers of (negative and positive) impacts, as well as those activities, policies and practices that are implemented to modulate such impacts. The following high-level categories of business functions are identified, which align closely to the functions identified in the implement action in the IMP's Actions of Impact Management:

Table 10: High-level categories of business functions

Governance	Organisational oversight, accountability and the approach to business conduct that is taken by the organisation's leadership
Strategy	Business strategy, purpose, and business model, including any sustainability-related objectives
Management	The overall process by which the organisation manages impacts and risks related to people and the natural environment
Operations and the production process	Activities and processes emanating from the organisation's core functions

Procurement	Activities and processes associated with the sourcing and procurement of goods and services that serve as inputs for the organisation's
Provision of products and services	The design, development and delivery of products and services and the associated presence of the organisation in the market of goods and services
Business processes, policies and systems	Processes, policies and systems that are designed to align core business activities with strategic objectives
Finance and accounting	Allocation of capital, engagement with investees, and associated functions such as accounting, reporting and financial management
Research and development	In-house research and development activities
External engagement	Engagement with external stakeholders, including with policy makers, communities, and society at large

Clarity on drivers is important in order to provide a comprehensive understanding of the potential causes and potential solutions to negative impacts and identify possible additional sources of positive impacts. It is important to point out that the term impact drivers is an umbrella category that includes core commercial processes (e.g. marketing and labelling) as well as practices that are aimed to generate positive impacts (e.g. training). They also reflect both inputs (e.g. raw material sourcing), activities (e.g. waste management), and outputs (e.g. emissions; healthy foods; wages).

Identifying clusters of items in the driver category presents challenges related to the different level of granularity of different items. For people-related impact drivers, some sustainability-related resources employ high level terms (e.g. labour practices), whereas others relate to specific activities, such as wage-setting (e.g. adequate wages). The structured inventory clusters some of these granular activities together under the header of labour and human resource management, but it is important to remember that there is a broader spectrum of granular activities and drivers, and that some of these are potentially not fully covered by the present mapping, and some drivers may not yet be on the radar of sustainability-related resources at all.

People-related drivers are at times specific to a subset of categories of affected stakeholders: in the case of labour and human resource management, this refers to employees and workers in the value chain. In the case of procurement, the relevant objects are workers in the value chain and communities. The development of products and services, and consumer protection, marketing and sale, are relevant to consumers, and community investment and engagement to (affected) communities.

As regards impact drivers related to the natural environment, items typically reflect the usage of inputs and outputs that are part of the production process. Items related to the use of inputs include resource use and reuse and circularity; water use and management; energy use and management; land use and management. Items related to outflows are typically less object-specific, and can be grouped under a cluster of items related to waste management and pollution and the emission of GHGs, which can be considered a specific form of pollution that is relevant to the subject of climate change.

Annex II: List of resources included in the review

Source	Resource name	Functional focus	Target audience	Value perspective
Principles and commitments				
OECD	OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (OECD MNE Guidelines)	Management	All	Impact
ILO	ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policies (ILO MNE Declaration)	Management	All	Impact
PRI	Principles for Responsible Investment	Management	All	Both
UNEP FI	UNEP FI Principles for Responsible Banking	Management	All	Impact
UNGC	UN Global Compact 10 principles	Management	All	Impact
UNOHCHR	UN Guiding Principles on Business and Human Rights	Management	All	Impact
Management Standards				
IFC	IFC Performance Standards	Management	Corporates	Impact
ISO	ISO Standards	Management	All	Both
Measurement frameworks and methodologies				
IFC	IFC ESG Performance Indicators	Management	All	Impact

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IFVI	IFVI Impact Accounting Methodologies	Management	Corporates	Impact
OECD	Measuring the Non-Financial Performance of Firms through the lens of the OECD Well-being Framework	Management	Corporates	Impact
UNRISD	UN Sustainable Development Performance Indicators	Management	Corporates	Impact
WEF	Measuring Stakeholder Capitalism: Towards Common Metrics	Management	Corporates	Impact
Guidance and Tools				
CDP	CDP's Disclosure System	Disclosure	All	Both
GIIN	IRIS+ Thematic Taxonomy	Management	Impact investors	Impact
UNEP FI	Impact Radar (PRB and UNEP FI Impact Protocol)	Management	I&Fis	Impact
Disclosure standards and frameworks				
GRI	GRI Sustainability Reporting Standards	Disclosure	All	Impact
EU EFRAG	ESRS Standards	Disclosure	Corporates	Impact
IFRS	IFRS Sustainability Standards	Disclosure	All	Financial risks and opportunities
IFRS	SASB Standards	Disclosure	All	Financial risks and opportunities
TNFD	TNFD Framework	Disclosure	All	Both
UNCTAD	Core SDG Indicators for Entity Reporting	Disclosure	Corporates	Impact
Benchmarks, certifications and ratings				
B Lab	B Corp Certification and Impact Assessment	Practice and Benchmarking	Social enterprises	Impact
Bloomberg	Bloomberg ESG ratings	Benchmarking	All	Financial risks and opportunities
LSEG	FTSE Russel ESG Scores	Benchmarking	All	Financial risks and opportunities

MSCI	MSCI ESG Ratings	Benchmarking	All	Financial risks and opportunities
S&P	S&P Global ESG Scores	Benchmarking	All	Financial risks and opportunities
Sustainalytics	Sustainalytics Impact Ratings	Benchmarking	All	Impact
WBA	WBA Benchmarks	Benchmarking	All	Impact
Intergovernmental and academic frameworks on human rights, sustainable development and well-being				
DEAL	Doughnut economics framework	Practice	All	Impact
OECD	OECD Well-being Framework	Practice	All	Impact
UN	Sustainable Development Goals	Practice	All	Impact
UN OHCHR	International Bill of Rights	Practice	All	Impact

IMPACT
MANAGEMENT
PLATFORM

The Impact Management Platform is a collaboration between the leading providers of sustainability standards and guidance that are coordinating efforts to mainstream the practice of impact management.

These Partners are working together to identify opportunities to consolidate existing sustainability resources, collectively address gaps, and coordinate with policymakers and regulators.

November 2024