



SUSTAINABILITY  
REPORT 2013

**BSD**  
CONSULTING  
business. sustainability. development.

15  
YEARS

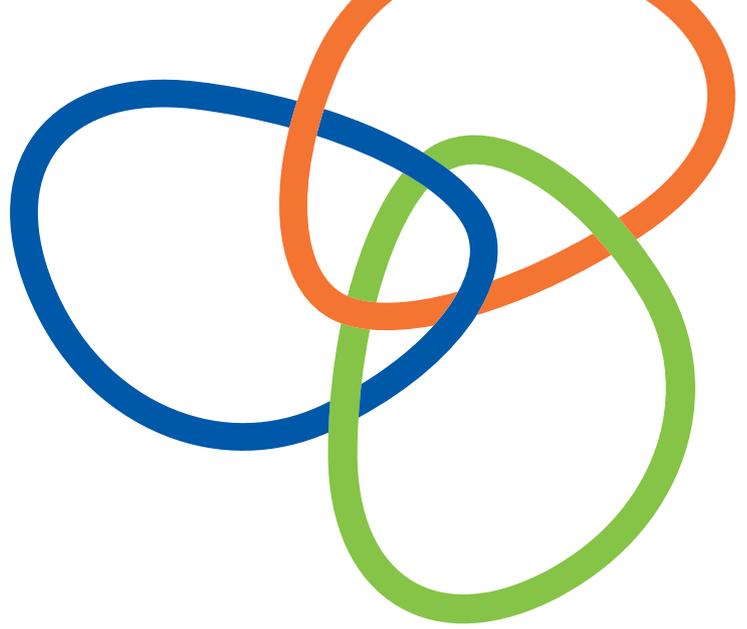
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**BSD**  
CONSULTING

business. sustainability. development.

We are a global network of consultancy firms providing **knowledge and solutions** for sustainable development.

**FOUR** CONTINENTS

**ELEVEN** COUNTRIES

**SEVENTY NINE** CONSULTANTS

**FIFTEEN** YEARS

**TWELVE** LANGUAGES

**ONE** PURPOSE

**pur·pose**

*noun* \ˈpər-pəz\

: the reason why something is done or used : the aim or intention of something

: the feeling of being determined to do or achieve something



Peter Teuscher, Felipe Arango and Beat Grüninger

## LETTER FROM THE PARTNERS

This report reflects upon our journey in sustainability consulting. After more than 15 years, BSD is now entering an important stage for development, yet we are still a young company in spirit and energy. After a phase of internal development and growth, we are ready to deliver our solutions and support to companies and organizations, across a wide range of sectors and countries, in tackling the challenges of sustainability.

This report is a special report in that it not only reflects our performance in 2013, but looks back on how it all began 15 years earlier. In 1998, the first BSD offices were founded in Brazil and Switzerland with the aim of building a bridge between the emerging ethical consumer market in Europe and the sustainable production sites in Latin America. The integration of these two worlds at the crossroad of business and sustainable development created a new field of action and, after having begun operations in Colombia, the BSD Group was officially founded in 2007 as a common clearing house for knowledge, methodologies and a unique approach to sustainability consulting.

Since then, more offices have joined the Group and today we work with 11 offices and over 70

consultants. All our consultants are enthusiasts for sustainability and try to create positive impact through their daily work. Impact has undoubtedly been effected by our capacity building activities, be it in customized client workshops or through our official trainings, such as the certified Global Reporting Initiative (GRI) training. BSD Consulting is a key training partner of the GRI, having been responsible for the development of local content for various countries and regions and having trained hundreds of participants in the art of disclosing the sustainability performance of their organizations.

We can indeed affirm that reporting is not an easy exercise, and we know that our own report will be exposed to many critical readers. After a first unpublished internal C-level report for the reporting period 2011, the BSD Group released this report publicly in order to put the spotlight on ourselves, not only to measure what we have done, but also to commemorate and define clear objectives for further improvements.

In this report, we endeavour to highlight our impact, trying to answer the question "in the end, what is our work in sustainability all about?" We know that there

may be no definite answers to this question, but our attempts to answer it left us motivated to continue the search. We believe that our work has effected change in the currency with which our clients measure their own success, moving from a focus on financial results only to that of economic, social and environmental practices.

However this report is not only focused on the impact our work achieves, but also on the sustainability of our operations. As signatories of the UN Global Compact, all BSD offices adhere to the 10 principles and try to demonstrate progress in implementing best practices on each of our ends: at both the global Group and the local office levels. With this report, we have also accounted for how we are implementing the principles. And in the 'Looking Ahead' sections we share how we want to respond in the coming two years (2014/2015) to our major gaps and challenges.

Creating impact is our driving force and we know that it demands not only enthusiasm, but innovative solutions, capacities and experience. These make up the backbone of BSD Consulting as we continue our journey and look forward to the next 15 years of exciting development.

# ABOUT THIS REPORT

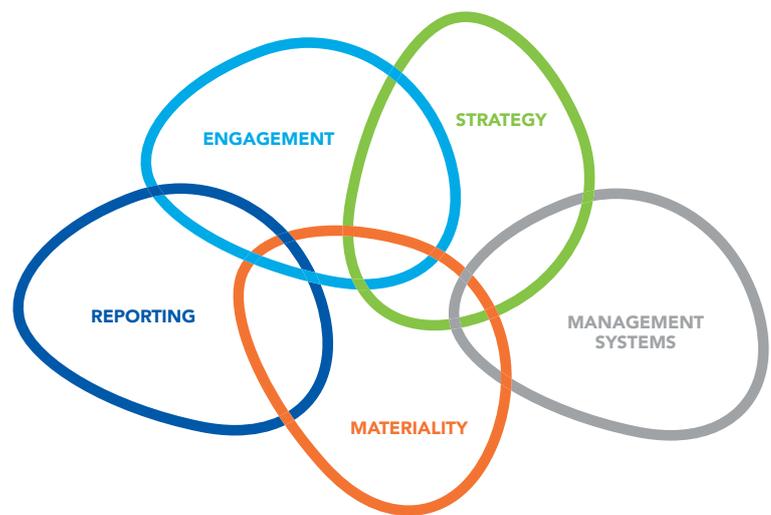
## OUR APPROACH TO SUSTAINABILITY REPORTING

We believe the sustainability reporting process poses a great opportunity for us to advance our internal planning, alignment and management, and to ensure that our performance and priorities are in line with stakeholder expectations.

The issues identified as material in this report respond to what we have learned through our engagement with key stakeholders in the past, and are deeply embedded in our strategic plan and management systems moving forward. The 'Looking Ahead' sections included throughout this report shed light on our commitments for 2014 and beyond.

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### OUR APPROACH TO REPORTING



## KEY STAKEHOLDERS

Defining our material issues means understanding our stakeholders' views. Material issues are not only those that create significant impact for

society, but also those that influence our stakeholders' decisions. From this standpoint, a process was initiated to map our main stakeholder groups,

which were then reviewed by the Sustainability Reporting Working Group and validated by the BSD Group Partners.

## OUR STAKEHOLDERS



Following this, we made use of our various existing stakeholder engagement channels to listen to these key stakeholders and to discuss their views. No external engagement was undertaken specifically as part of the report preparation process.

We have various methods of engagement with our key stakeholders that help us to identify issues relevant to them, build trust, spark collaboration and ultimately, drive innovation. For 2014, we have plans to implement a systematic engagement platform that consolidates the results of the engagement methods across our network.

## METHODS OF ENGAGEMENT WITH KEY STAKEHOLDERS

STAKEHOLDER	METHODS OF ENGAGEMENT
TALENT	Employee Engagement Survey
	Ethics program
	Internal collaborative platform
	Ongoing communication
	Materiality survey
CLIENTS	Client Feedback Survey
	Ongoing communications
SOCIETY	Social media
	Associations / Networks
	Events
SUPPLIERS	Ongoing communications

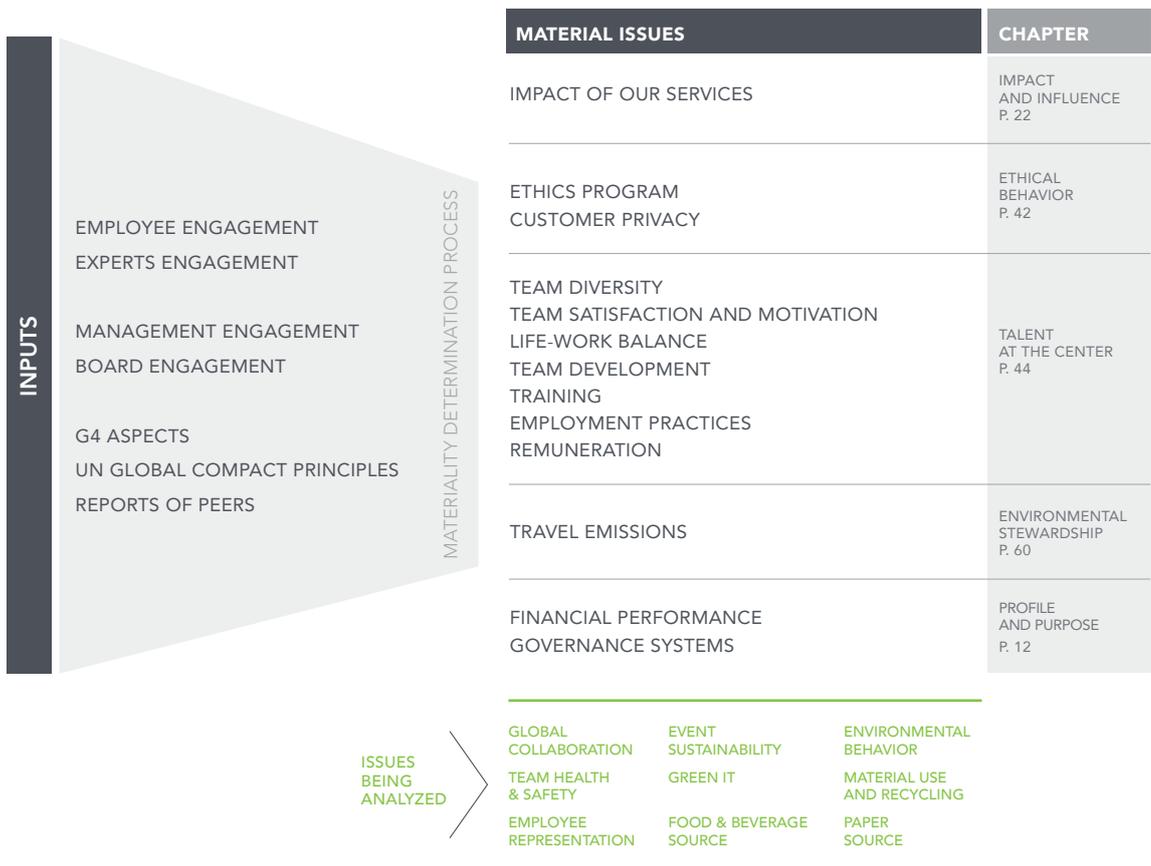
## KEY ISSUES

From the outset, it was clear that our most relevant impact revolved around our central purpose: to provide knowledge and solutions for sustainable development. Throughout the last couple of years, we also engaged our staff and management directors worldwide to identify additional material issues on which we should focus

our strategy, management and reporting. Examples from our peers, feedback to our previous reports, expert surveys conducted in 2011 and a revision of the GRI Guidelines and the UN Global Compact Principles were also used for our analysis. The following two diagrams show the results of our materiality determination process, which was validated by BSD Group Partners and managing directors.

The first diagram identifies inputs, defined material issues and where in this report the disclosures on management approach and performance per issue are located. It also highlights some of the issues that we explore for potential materiality in 2014. The second diagram positions these issues across our value chain, highlighting where they are more relevant.

## MATERIALITY PROCESS

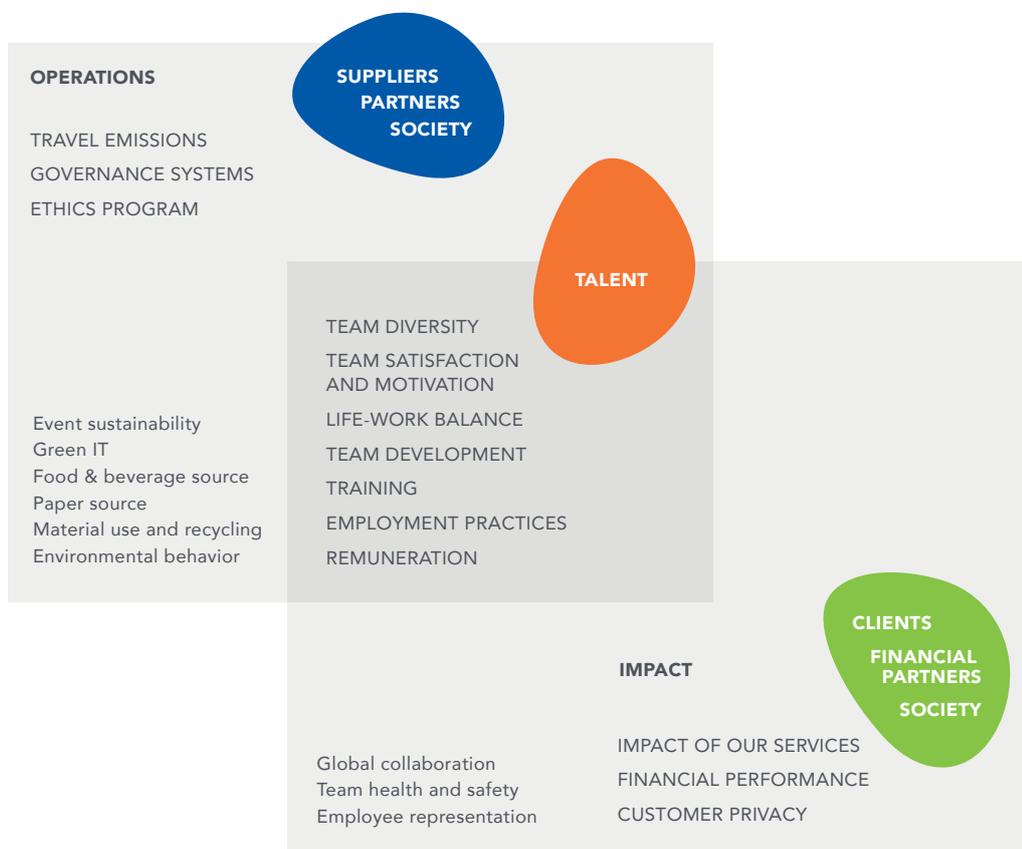


As a consulting company, BSD is a typical service provider characterized by a straightforward upstream supply chain related to office operations (e.g. minimal use of paper, energy, water). Human capital, BSD's talent, is the key resource for the company's operations. Therefore

most material issues are related to our talent. BSD also works with partners (on IT, design, editing, etc) as well as with external freelancers for project-specific support. In our downstream supply chain, we aim to positively impact our clients' business activities through improved

sustainable performance. The diverse nature of our clients means that our impact affects a broad range of stakeholders, such as clients' employees, suppliers and customers as well as society and financial partners.

## WHAT IS MATERIAL AND WHERE?



## PERIOD AND SCOPE

This publication covers the period of 1 January 2013 to 31 December 2013. The disclosed data is a consolidation of all the data of local offices in our network. Specific data for each local BSD operation is only presented for selected indicators.

## GUIDELINES AND ASSURANCE

This sustainability report was prepared in accordance with the Core (G4) requirements of the Global Reporting Initiative (GRI). It also serves as our Communication of Progress (COP) to the UN Global Compact, of which we are signatories.

The Group decided not to have this report externally assured. An internal control process has been realized in order to ensure compliance with GRI's G4 Core reporting requirements and the AA1000 Accountability Principles.

CHAPTER 1  
**PROFILE  
AND  
PURPOSE**



**“Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It contains within it two key concepts:**

- **the concept of ‘needs’, in particular the essential needs of the world’s poor, to which overriding priority should be given; and**
- **the idea of limitations imposed by the state of technology and social organization on the environment’s ability to meet present and future needs.”**

Our Common Future, published by the Brundtland Commission in 1987



## FOUNDING STORY

In the early 70s, a group of visionary women got together in Frauenfeld, Switzerland, to debate why a banana, which does not grow in Switzerland, was cheaper than an apple, which does. Little did they know that their conversation would inspire, 25 years later, the launch of what is today a leading sustainability management consulting firm, BSD Consulting - Business. Sustainability. Development.

These women, known as the Banana Women, created the gebana association in 1988 with the goal of improving the working conditions of the banana workers and their families, and to spark a fair trade movement for the banana sector.

Nearly a decade later, while visiting banana producers in Nicaragua and Costa Rica, Peter Teuscher, working at the time as the Secretary-General of gebana,

expressed disappointment, "after so many years of struggle, the working conditions of workers and producers had not improved substantially."

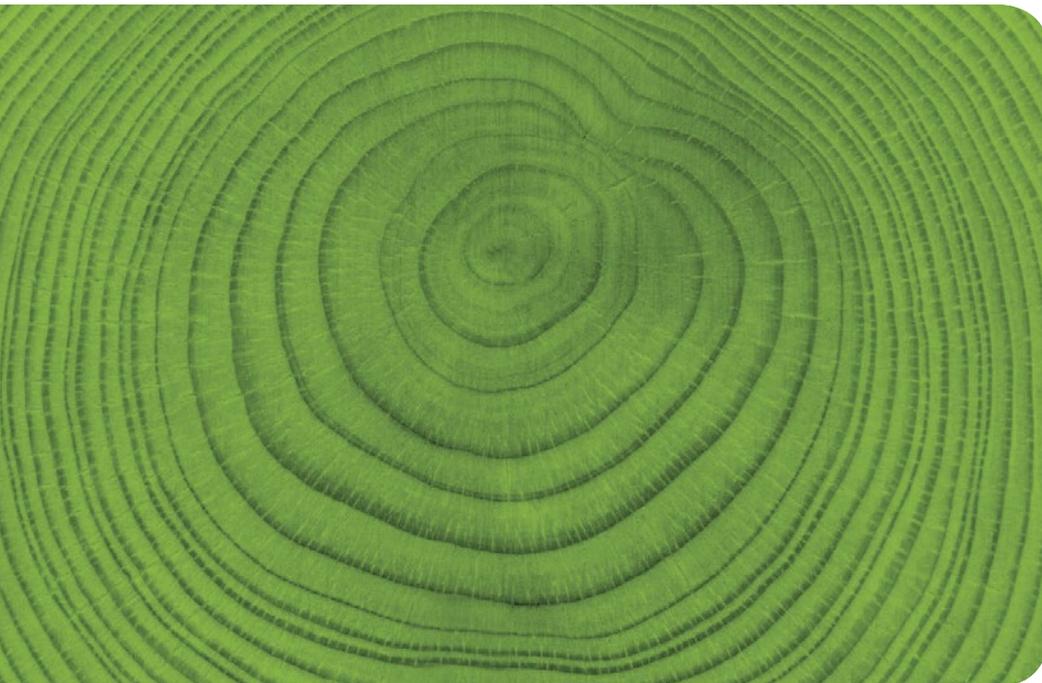
As gebana began to achieve its vision of adding further social, economic and environmental value to existing commodity supply chains, another awakening was taking place thousands of miles away, in the boondocks of Brazil.

During a visit to rural communities in Brazil, a UNICEF local officer suggested that it would be productive to direct investments for development into rural communities in order to prevent the migration of families with children to poor urban areas. "I thought, yes, this makes total sense," said Beat Grüninger, at the time, working as the Press Officer for the Swiss Committee for UNICEF and also as a Board

Member of gebana. "Peter and I began discussing possibilities of how to advance socio-economic development and fair trade, and the concept of BSD evolved around starting an ethical trade organization," said Beat. "The Banana Women's civil society movement influenced our idea of creating a business that they had initially dreamed of," he added.

In May 1998, in Switzerland, BSD - Business meets Social Development - was officially launched as an incubator for sustainable enterprises. Together, Peter and Beat spearheaded the transformation process of the NGO gebana into a company that would be able to produce, trade and distribute ethically sourced goods to conscious consumers. While Peter structured the management systems of gebana in Switzerland, Beat's focus in Brazil was to establish GMO-free supply chains of soybeans with small farmers.

As tools and services were developed and adapted, BSD gradually evolved in its early years to become a platform for solutions to address social issues in the supply chains of retailers, food and textile producers. In 2006, with Felipe Arango joining the team as partner, BSD expanded to Colombia and the BSD Group AG was founded. After launching the BSD Group and a well-structured licensing model, BSD began to expand its activities worldwide, aggregating another eight offices across four continents.





Meeting with banana producer cooperative in Paraná state

**“BSD set out to build a bridge between society’s growing concerns, development organizations and business operations. Traditional consultancies were not yet working in this field. Our value proposition focused on supporting companies to understand the new playing field, and to align their business models accordingly.”**

Peter Teuscher, Co-Founder BSD Consulting

## BUSINESS MEETS DEVELOPMENT

When BSD was launched in Switzerland in 1998, society demanded answers to the rising environmental risks and social inequalities in an increasingly globalized economic system. The growing disconnect between the approach of development agencies and the private sector urgently required new solutions. Society challenged existing business models and prominent NGOs highlighted these concerns worldwide. The debate about the role of businesses, the effectiveness of development

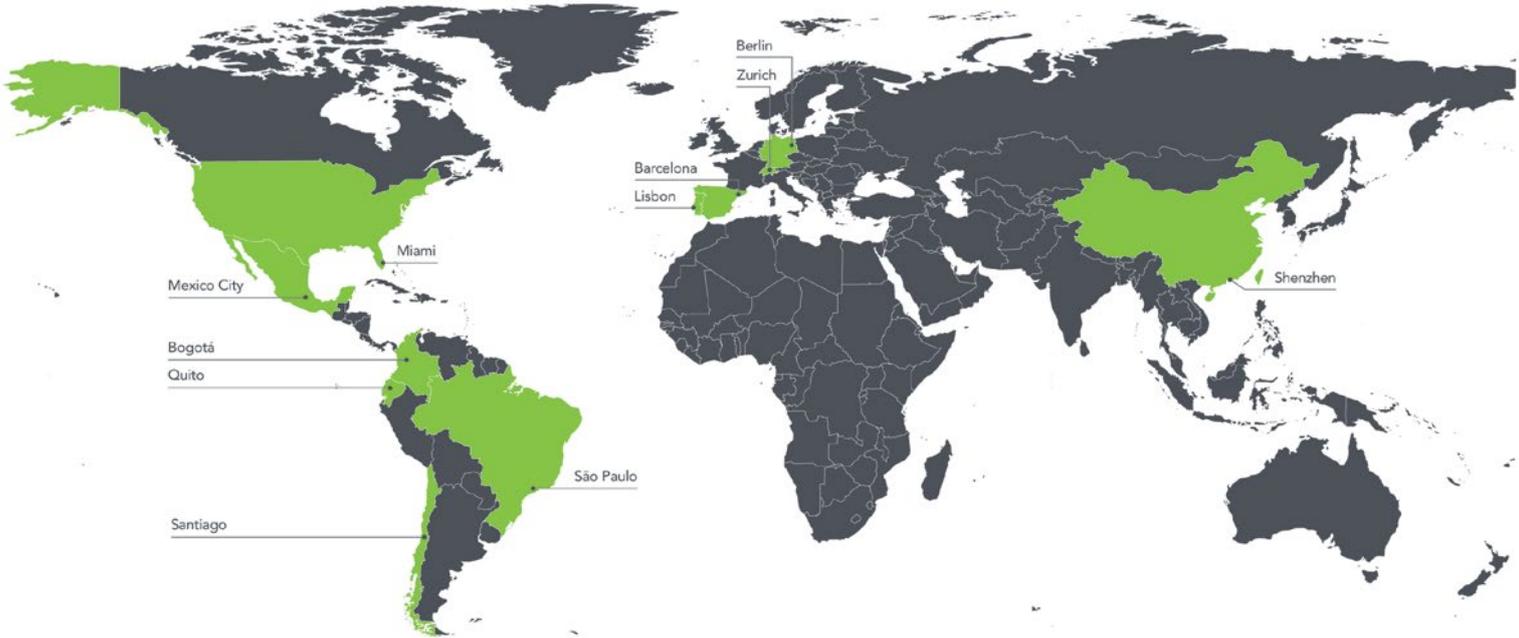
models, social norms, and the need for transparency in supply chains became more prominent. BSD was among the pioneers in offering solutions to merge business and development.

“This original vision has been maintained throughout our journey. Almost a decade after BSD was founded, we started searching for a new logo for our brand. The figure you see in our logo would appear to be an ‘impossible figure’, but it is there, it is possible. A dynamic interrelation and coexistence amongst business, sustainability and development” says Felipe Arango.

Today, the need to consolidate this symbiotic relationship is as relevant as ever. Concepts such as triple bottom line, inclusive business, business and human rights, public-private partnerships, sustainable supply chains and shared value have become mainstream, and our practice has consistently evolved to integrate these new frameworks.

## A GLOBAL NETWORK WITH LOCAL CAPACITIES

The graph below illustrates BSD's worldwide presence, with offices in four continents and eleven countries.



Many of the challenges we face are global in nature, but require solutions that are in line with local realities and capacities. BSD was conceived from the start as a collaborative network of international firms and professionals committed to advancing sustainable development.

Shortly after its foundation in Zurich in 1998, BSD expanded to Brazil. In 2006, we also expanded to Colombia and the BSD Group was founded, establishing a shared services structure focused on catalyzing the expansion of the network and adding value to local BSD offices (for example, through branding, knowledge management, tools, portfolios, partnerships, collaboration platforms and a shared strategic approach).

"I would say that when Felipe Arango joined us in Brazil and later launched a very successful operation in Colombia, it marked a key moment for the evolution of BSD and we decided the time had come to launch the BSD Group," says Peter. The brand also went through an important transformation shortly thereafter, changing its name from Business meets Social Development to Business Sustainability. Development.

Beat explains that "By the time we established the BSD Group, the concept of sustainability had become mainstream, taking us beyond the social realm and into the environmental and economic arenas."

Today, BSD Group has a physical presence in 11 countries and 4 continents, providing local global expertise. In 2013, the BSD Group generated a total net turnover of 5.1 million Swiss Francs. A good economic performance is what allows us to continue to follow our central purpose: to provide knowledge and solutions for sustainable development.

<i>In thousand CHF</i>	<b>2013</b>
Revenue	5,100
Operating costs	2,100
Employee wages and benefits	2,900
Payments to providers of capital	60
Payments to governments	120
Economic value retained	-80

**“The BSD network is increasingly becoming an international team of local experts with the shared mission to contribute to sustainable business development by promoting ethics, transparency and social responsibility while applying innovative practices in all consulting activities.”**

Annelies Poolman, Operations Manager, BSD Group

The BSD Group is managed by a Managing Director, elected by the Group Partners on an annual basis. Since its inauguration in 2007, the BSD Group has been managed by Peter Teuscher, who is dividing his responsibility with Beat Grüninger and Felipe Arango. The BSD Group hires a full-time Operations Manager

who supports the Partners and handles all the daily activities. Each local office is run by a Managing Director, who, in certain cases, is also the majority owner. BSD’s Managing Directors meet on an annual basis to define the company’s strategic direction as well as the degree of support and control exercised

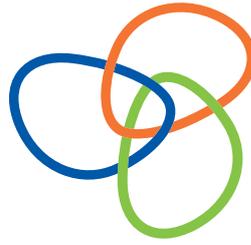
by the Group. As a result the Group’s Quality Manual is updated. This manual guides all the local offices on their (financial) planning, consulting practices, communications, internal knowledge sharing, data management, and states the (financial) reporting requirements to the BSD Group.

#### OUR ORGANIZATIONAL STRUCTURE



#### LOOKING AHEAD

We will explore possibilities for network expansion in Africa, India and other strategic locations. We will implement initiatives to increase international collaboration on project implementation and business development.

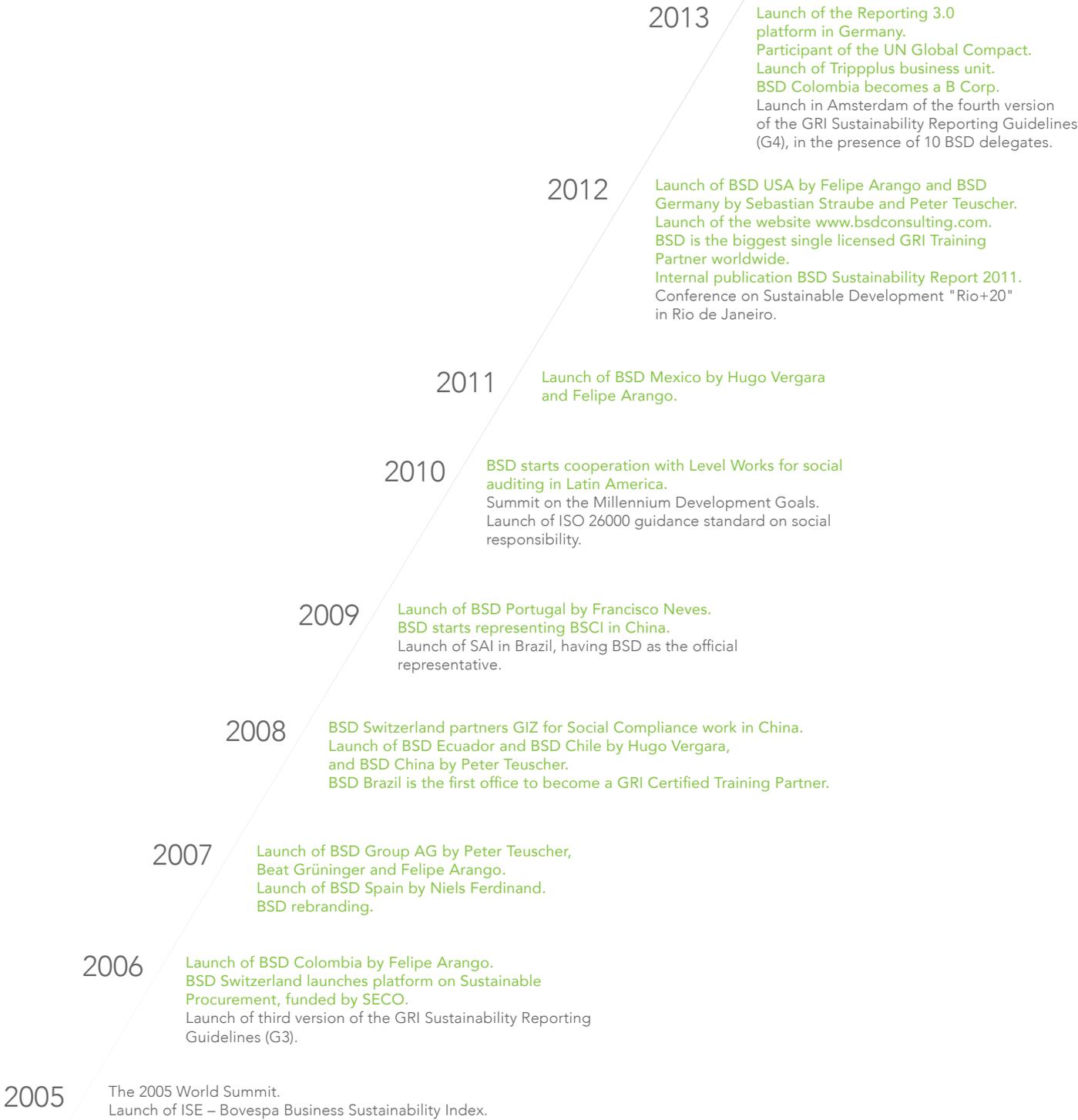


- 2004 BSD Brazil structures a methodology to apply the Ethos Indicators at Petrobras engineering units. BSD Brazil conducts the first SA8000 course for auditors.
- 2003 BSD Switzerland ends incubation of gebana. Peter Teuscher acts as director of the board of gebana. BSD Brazil implements a clean water project for rural communities in Parana, financed by the Swiss company Georg Fischer. Launch of the Business Social Compliance Initiative (BSCI). First edition of the AA1000 Assurance Standard is published.
- 2002 BSD Switzerland starts research cooperation with Zurich University of Applied Sciences ZHAW on Social Management Systems. BSD Brazil implements its first SA8000 (SESI-PR). BSD translates AA1000 into Portuguese. UN World Summit on Sustainable Development in Johannesburg. Foundation of the ISEAL Alliance. Second version of the GRI Guidelines issued.
- 2001 BSD Brazil conducts the first scoping study for AA1000 (SESI-SC). BSD Brazil gives its first corporate responsibility course (UNIRIO).
- 2000 BSD Switzerland and BSD Brazil get organic certification for the soybean chain of gebana and include The Body Shop as a partner and client. Adoption of the Millennium Development Goals. UN Global Compact is established. First version of the GRI Guidelines issued. First version of the Ethos indicators launched.
- 1999 BSD Brazil conducts the Fairtrade Labelling Organizations' (FLO) first social audit in orange production. BSD Switzerland implements its first social monitoring project. Dow Jones Sustainability Index launched. The Institute for Social and Ethical Accountability (ISEA - also known as AccountAbility) launches the AA1000.
- 1998 B&SD Business and Social Development Ltd. was founded in Switzerland and in Brazil. BSD Switzerland starts incubating fair trade company gebana ag. Ethos Institute for Businesses and Social Responsibility is founded in Brazil.
- 1997 BSD founding partners launch idea of creating the company based on first project for setting up a sustainable soybeans value chain between Brazil and Switzerland. Global Reporting Initiative (GRI) founded. Establishment of the Fairtrade Labelling Organizations International (FLO). Social Accountability International (SAI) launches the standard SA8000.

# OUR 15 YEAR JOURNEY

G4-3 , G4-15,  
G4-16

KEY MOMENTS BSD CONSULTING / GLOBAL SUSTAINABILITY MILESTONES



## OUR PERSONALITY

### Committed

Wholeheartedly dedicated to, and passionate about sustainable development. Driven by impact. Focused on results, systems, effective management, collective action and standards.

### Wide

Ability to engage and work with a diverse range of stakeholders.

### Innovative

Pioneering, creative, and aware.

### Capable

Experienced, resourced, and knowledgeable. We engage in design and implementation.

### Trusted

Ethical, coherent, and transparent.

### Friendly

Easy to relate to, approachable, open, empathic, humane, fun.

### Engaged

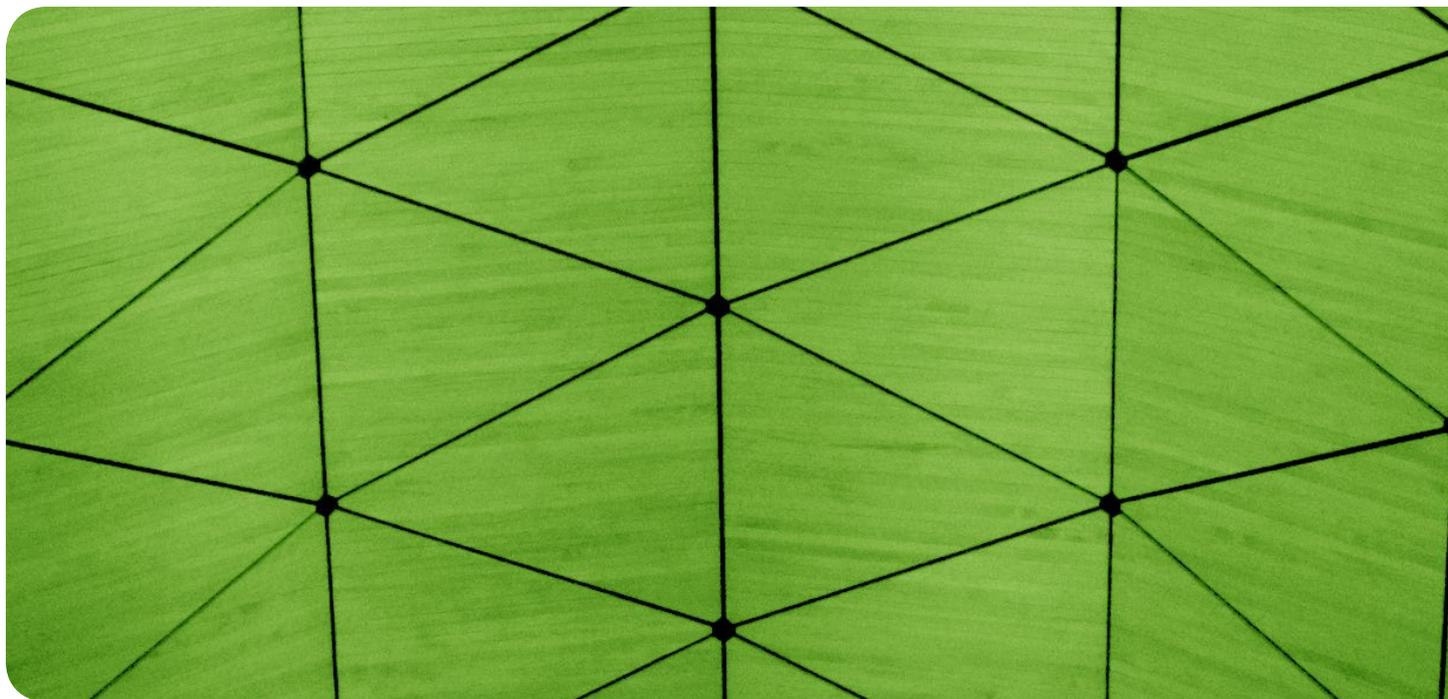
Active, informed, and part of a global collaborative network.



**“The most enjoyable thing for me working at BSD Consulting is the amazing working atmosphere: people respect each other, take care of each other; we work as a team through every target with passion and full support, and to share the joy of success of each task.”**

Maggie Wu, Senior Consultant, BSD China

## AN EVOLVING PLATFORM OF INNOVATIVE SOLUTIONS



### BSD SOLUTIONS

#### STRATEGY AND MANAGEMENT SYSTEMS

The sustainability agenda presents organizations with complex challenges, as well as opportunities to enhance competitiveness. We work with our clients and their stakeholders to identify, anticipate and understand key issues, and support the development of strategies, business models, systems, cultures and roadmaps towards sustainable management.

#### STAKEHOLDER ENGAGEMENT

Understanding stakeholder expectations and effectively engaging them is key to generating trust, knowledge, innovation and collaboration. We design stakeholder engagement plans, catalyze engagement and provide insights and analysis for roadmaps and alliances.

#### COMMUNICATIONS

Robust sustainability reporting processes are fundamental to advancing transparency, accountability and sustainable management. Effective communication strategies play a key role in reframing organizational cultures, establishing trust and enhancing collaboration. We create sustainability communication strategies within and among organizations and society and support sustainability reporting processes.



#### **SUSTAINABLE SUPPLY CHAIN MANAGEMENT**

Companies are increasingly expected to take responsibility for social and environmental issues in their supply chains. We analyze supply chains of private and public organizations to identify how they manage sustainability. The development of capacities, reliable relationships and systems is key for the establishment of sustainable supply chains. We work with suppliers towards innovation, fair labor conditions and environmental stewardship and help our clients to establish a risk-based procurement practice.

#### **CAPACITY BUILDING**

The rapidly changing landscape for corporate activities requires new individual, organizational and societal capacities. Our expert facilitators design workshops, events and trainings tailored to each client's situation, which is also guided by leading international sustainability standards.

#### **SUSTAINABLE INVESTMENTS**

We advise clients to create and improve social investment strategies. We offer due diligence and impact assessment services for ethical and impact-oriented investors.

#### **PROJECTS FOR SUSTAINABLE DEVELOPMENT**

We design, implement and evaluate projects for sustainable development. Some of our main fields of action include sustainable value chain development, human rights, rural livelihood, sustainable urbanism and social entrepreneurship.

#### **ASSURANCE**

With the aim of increasing the credibility of what a company wants to tell to its audience, external verification can contribute substantial value. We provide stakeholder-based assurance services for sustainability reports based on the Accountability's Assurance Standard principles of inclusivity, materiality and responsiveness.

BSD Solutions do not stem from one central brain. This is one of the advantages of our network approach: innovation takes place in nodes across the world and, in turn, the BSD Group systematizes

and expands it to the different offices. We are constantly creating and iterating to adapt our services to the changing societal and business landscapes.

Our solution portfolio has expanded significantly throughout the years as knowledge is generated, diverse talent joins our team and new paths are explored.

### ASSURANCE IN BRAZIL

The Brazilian market matured more rapidly than other markets in regards to sustainability reporting and because of that, Brazilian companies were early pioneers in exploring stakeholder-based assurance. BSD's long track record with Accountability and assurance standards has positioned BSD as a leading voice within the sustainability assurance community. Today, the BSD Brazil team conducts assurance processes for top companies such as Itaú Unibanco, Klabin, KPMG Brazil and Unilever.

### PROJECTS FOR SUSTAINABLE DEVELOPMENT IN COLOMBIA

As a conflict-stricken country, development organizations and UN agencies have a strong presence in Colombia. The BSD Colombia team

works hand-in-hand with these entities designing and implementing projects for local economic development, improved governance, and gender equality, among others.

### IMPACT INVESTMENT IN THE USA

The impact investment agenda has gained significant traction in the USA over the last several years. As a result, the BSD USA team has been a pioneer within our network in the development of solutions to align capital with social and environmental value creation.

### SWITZERLAND AND CHINA ON SUPPLY CHAINS

As a result of increased consumer awareness for decent labor conditions at supplier level, business and multi-stakeholder initiatives have been founded. Together with GIZ, and on behalf of a German retailer, the BSD Switzerland team set up a social compliance and supplier development program in China which led to the creation of BSD China in 2008.



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## LOOKING AHEAD

We will make advances in designing solutions focused on business model transformation, platform development and software tools for engagement, sustainability reporting and management.

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In 2013, the Sustainability Compass focused on clearly identifying the needs of procurers on the ground in order to be able to offer practical and useful tools for their use. As a result, the new “tools” section of the platform provides information per product group, specifically for public procurers to make it easier for them to integrate sustainability criteria into their buying procedures. Besides giving an overview of existing tools on the Swiss market, the Sustainability Compass develops its own factsheets whose objective is to be both informative and practical. The first factsheet was on textiles and the goal is to continue developing content for other product groups.

Through our constant discussions with buyers both in public institutions and companies, the Sustainability Compass gathered tremendous amount of information on the State of Sustainable Procurement in Switzerland which will be compiled into a report in 2014. This information also helps the team to precisely pinpoint the needs and continue to further develop the tools for procurers.

The Sustainability Compass is currently available in Switzerland and in Germany but it is our ambition for 2014 to further expand it and share our expertise with other interested countries around the world.

*\*Please note that the English version is a generic version as the Compass is a country-based tool. For a fully operational version, please visit the Swiss version only available in German at [www.kompass-nachhaltigkeit.ch](http://www.kompass-nachhaltigkeit.ch) and French at [www.boussole-durabilite.ch](http://www.boussole-durabilite.ch).*

CHAPTER 2  
**IMPACT  
AND  
INFLUENCE**





**“Value is created in the symbiotic relationship between business and sustainability: business is essential to the advancement of sustainable development, and sustainability, in turn, creates value for businesses.”**

Felipe Arango, Partner, BSD Consulting

## OUR APPROACH

Assessing the impact and influence we have had in advancing sustainable development over the last 15 years through the services we provide to our clients is no easy task, but is definitely at the core of our purpose. It is also, from our perspective, the most relevant issue when reporting about our performance. It is the reason why we are in business and the driving force behind the work of our team.

Quantitative measures around the impact of consulting projects we have been engaged with are not always attainable, and it is complex to define causality or methods to aggregate data. We have selected specific projects or lines of work for which quantitative impact data is available, and plan to strengthen impact assessment at the project level moving forward. Most importantly, we have prioritized five lines of work where we expect to have impact and influence.

Since the introduction of the Client Feedback Survey in 2013 we have systematically received responses from more than 30 clients who unanimously state great satisfaction with the work BSD's consultants have provided and that they would with great probability recommend BSD Consulting to other companies and organizations.

## PRIORITIZED LINES OF WORK WHERE WE EXPECT TO HAVE POSITIVE IMPACT AND INFLUENCE

- Merging strategy, systems and sustainability
- Bringing stakeholder perspectives to the table
- Building new frameworks and supporting the work of agenda-setters
- Advancing sustainable livelihoods for marginalized producers and workers
- Developing capacities for sustainable development

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### LOOKING AHEAD

We will improve the rollout of the client feedback survey across the network.

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## MERGING STRATEGY, SYSTEMS AND SUSTAINABILITY

For us, it is clear: sustainable development requires organizations, and corporations in particular, to integrate sustainability into their strategies and management systems. This sparks enormous transformational power, which in turn generates large-scale social, economic and environmental impacts. Additionally, alignment with greater societal pressure towards the adoption of sustainable practices has become a competitive imperative for organizations, as well as a powerful inspiration for differentiation and innovation.

For the past 15 years, and constantly building on the accumulated knowledge and experience of our team,

'coopetitors' and thought leaders, our focus at BSD has been to create impact by supporting organizations on their journey towards sustainability. This is an endless journey that requires constant reflection and innovation.

Driving change in organizational priorities, plans and behavior is however a complex challenge. Clients of different sizes, operating in diverse contexts and sectors, with varied organizational structures, and at different stages within the sustainability journey, approach BSD. We also see a broad spectrum of drivers that initiate or advance the journey, for example, compliance, managing risks, responding to crises, 'peer pressure', improving access to

capital or markets, strengthening reputation, achieving efficiencies, and long-term competitiveness. Short-term investor mindsets, vested interests and resistance to change can present systemic barriers to transformation.

Through continuous learning and adaptation, we evolve our thinking to overcome such barriers and we try to identify the best way of designing and implementing strategies for sustainable development – strategies that take into account the interests of stakeholders and adopt an understanding of value that includes social, economic and environmental issues – strategies that can also be implemented, monitored and continuously improved.

**"Value creation opportunities, risks and responsibilities are rapidly and fundamentally changing. Sustainable organizations understand their societal landscape, integrate 'the long term' into their thinking and align themselves towards clear priorities and goals."**

BSD Consulting, [www.bsdconsulting.com/solutions](http://www.bsdconsulting.com/solutions)

## WHAT HAS WORKED?

- Effectively framing and communicating the 'business case' for sustainability to key decision-makers.
- Designing clear roadmaps and performance objectives around material issues.
- Integrating sustainability roadmaps with strategic planning processes, balance-scorecards and incentive schemes.
- Designing robust management approaches and systems to align and monitor implementation.
- Engaging stakeholders in the design of strategic initiatives and the roll-out of partnerships for collective action.
- Using the sustainability reporting process as a tool to advance strategic planning, communication and monitoring.

## WHERE CAN WE IMPROVE?

- Integrating long-term thinking and scenario planning into strategy design.
- Providing tools for internal sustainability champions or social intrapreneurs to advocate 'the business case', gain license to experiment and establish effective partnerships beyond the organization's boundaries.
- Transforming business models.
- Going beyond the C-suite and executive teams, and engaging boards and shareholders.
- Building organizational cultures and engaging employees.
- Identifying client's commitment to strategic transformation early on, and implementing check-posts along the way.

**"While it's great news that 93% of CEOs say they understand sustainability's importance to their businesses - and significant numbers say they have already embedded the agenda in their organisations - you have to wonder whether most of them have any idea of the profound, transformative change that true sustainability will require of virtually every part of our global economy."**

John Elkington for the Guardian Professional Network, December 2010

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## LOOKING AHEAD

We plan to integrate the practice of Business Model Innovation through cooperation with specialized partner companies.

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## HIGHLIGHTS

### TRANSNATIONAL ORGANIZATIONS

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One major attribute of our work is the capacity to help transnational companies to bring their sustainability approach down to the local context. BSD works, for example, with global companies in the cement sector on local stakeholder engagement, translating a global approach into defined local steps. In turn, local stakeholder engagement is used as an input for the global company's materiality process, aggregating local stakeholder views to their strategy definition process. Again, BSD relies on the AA1000 Principles Inclusiveness, Materiality and Responsiveness.

### SMES AND SOCIAL ENTREPRENEURS

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In Brazil, we have a long term partnership with Sebrae (Brazilian Micro and Small Business Support Service), in which BSD provides support by defining market access links for small coffee producer cooperatives to the Fairtrade market. In several instances, BSD has supported visits by producers to their main market exhibitions in the United States. In 2013, a new project was initiated with the objective of including the producer cooperatives in a web-based market access tool which was developed by young entrepreneurs.

### NGOS AND DEVELOPMENT AGENCIES

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Since our foundation, we have been working with NGOs and international agencies to foster sustainable development. This experience gives us valuable insights into the challenges faced by developing countries and practical knowledge on the most effective methods to create sustainable impacts. We are well positioned to connect development initiatives with the business world, as we have done in Spain, for oil and gas company Repsol.

Repsol requested assistance from the BSD Spain team in identifying the most suitable NGOs and development agencies with whom they should create strategic alliances for the implementation of their global Corporate Responsibility Plan.

### GOVERNMENTS

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For several years the BSD Switzerland team has been working with governmental initiatives relating to sustainable public procurement, taking advantage of knowledge gained during development of the Sustainability Compass. In Colombia, BSD worked alongside other organizations as well as governmental and private sector entities on the 'Reconciliación Colombia' initiative, which aims to provide a network for the integration of victims of regional conflicts (such as displaced people).



## BRINGING STAKEHOLDER PERSPECTIVES TO THE TABLE

From the outset, we at BSD have been guided by the belief that, not only should people affected by an organization's activities have the right to be heard, but that it is indeed in the interest of an organization to understand its stakeholders' expectations in order to help drive strategy, innovation and accountability.

Our team has acquired in-depth and extensive experience through working side-by-side with a broad range of stakeholders, including community leaders, worker union representatives, rural producers, activists, consumer advocates, journalists, social entrepreneurs, C-suite executives, suppliers (SMEs), regulators, investors, non-governmental organizations and sustainability experts, among others. It is precisely this capacity to understand stakeholder realities and expectations that

we have strived to leverage when advising organizations as they design strategies, programs and partnerships, and as they prioritize which material issues to address.

We have created a systematic approach to stakeholder engagement, which invites organizations to strategize around the purpose of engagement and to build on

**"Today's organizational challenges and the need to achieve sustainable development make it more important to engage both with previously ignored stakeholders, including the voiceless, and with more familiar stakeholders on new topics and in new ways."**

AA1000 Stakeholder Engagement Standard

stakeholder knowledge to align their operations with societal expectations. We have seen over the years many cases where the results of ad hoc engagement initiatives fail to be taken into account when key decisions are made, resulting in low levels of responsiveness to stakeholders. The links between effective stakeholder engagement systems, strategy, operational excellence, collective impact, trust and innovation continue to drive our efforts as we move forward in supporting corporations, public agencies and civil society organizations in their sustainability endeavors.

BSD has also played an important role in challenging organizations through our assurance process for sustainability reports, which aligns with the principles laid out in the AA1000AS and APS standards. This process involves evaluating the integration of stakeholder engagement, management systems and the reporting process.

## THE AA1000 PRINCIPLES

### Inclusivity

For an organization that accepts its accountability to those on whom it has an impact and who have an impact on it, inclusivity is the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability.

### Materiality

Materiality is determining the relevance and significance of an issue to an organization and its stakeholders. A material issue is an issue that will influence the decisions, actions and performance of an organization or its stakeholders.

### Responsiveness

Responsiveness is an organization's response to stakeholder issues that affect its sustainability performance and is realized through decisions, actions and performance, as well as communication with stakeholders.

Source: AA1000APS Accountability Principles Standard, 2008

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## LOOKING AHEAD

We plan to consolidate our service offering with new tools (e.g. software, social media) and methods for engagement.

We will explore approaches for organizations to assess the value generated for their stakeholders as a result of their activities.

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## SEA@ - STAKEHOLDER ENGAGEMENT APPLICATION

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SEA@ is an online Stakeholder Engagement Application. This online tool seeks to strategically engage a company's stakeholders by consolidating information and activities relating to stakeholders according to each area of the company. The tool is developed by the BSD Chile team in collaboration with Santiago-based IT company Ucorp. The tool was developed in 2013 and adapted to the needs of various organizations that started to work with it. The BSD Chile team provides training and supports their clients that are using the platform, to achieve the most valuable results. Based on the experience gained, BSD plans to introduce SEA@ to more prospective users in Chile and abroad as well as to further develop the platform, including improvement of the platform's management reporting function.

## SECTOR ENGAGEMENT FOR SUSTAINABLE INSURANCE

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The BSD Brazil team supported the National Council of Assurance Companies in Brazil to define its strategy for the adoption of the Principles of Sustainable Insurance (PSI). After a survey on the status of implementation of Sustainability Practices, a workshop involving relevant stakeholders was held which helped to define how the different aspects of the PSI could be approached and what would be a realistic agenda to set in order for the sector to advance its practices.

# BUILDING NEW FRAMEWORKS AND SUPPORTING THE WORK OF AGENDA-SETTERS

Reframing the economy is an imperative for a sustainable society. Old frameworks are failing us and many are broken. A globalized interdependent economy with unprecedented rates of change and pressing risks requires new institutions and governance models that can shape agendas towards social justice, environmental stewardship and sustainable economic livelihoods.

Over the last 15 years, BSD has played an active role in advancing the work and impact of organizations that build these emergent frameworks, with a focus on agenda-setters that are defining social norms and voluntary standards for sustainable development.

We are driven by their purpose and the possibilities of accelerating and inspiring

change as they pave the way for the formation of new global multi-stakeholder governance arrangements.

Their work has also served as a reference for the development of our consulting solutions and the alignment of our global team.

## OUR WORK WITH AGENDA SETTERS

- Designing strategies and systems (i.e. certification, impact assessment, support, information).
- Creating and upgrading standards.
- Engaging stakeholders to drive innovation, legitimacy and continuous improvement.
- Providing local operational and outreach capabilities.
- Developing capacities of employees and practitioners.
- Enhancing collaboration across sectors and initiatives.

The range of agenda-setters we have engaged with throughout our journey is wide, as are their purposes. The impact we have witnessed them achieve - disrupting sectors, shaping mindsets and policies, raising awareness, building consensus, transforming regions, building markets and providing knowledge - will continue to guide our work as we strengthen existing partnerships and continue to create new ones.

**“Business has to take account of its responsibilities to society in coming to decisions, but society has to accept its responsibilities for setting the standards against which those decisions are made.”**

Sir Adrian Cadbury, “Ethical Managers Make Their Own rules”, Harvard Business Review, 1987

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## LOOKING AHEAD

We will actively participate in standards revision processes and technical working groups. We will explore possibilities to consolidate our knowledge and training offerings within the framework of the 'BSD Academy'.

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## HIGHLIGHTS

BSD Consulting has engaged with various standards and independent certification systems in various ways including:

### GLOBAL REPORTING INITIATIVE (GRI)

We at BSD regard GRI as one of the most important organizations working to advance corporate transparency and sustainability today. GRI's Sustainability Reporting Guidelines are a crucial element to our core work with companies.

GRI has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. In order to advance this strategy, GRI certifies organizations as official training partners.

BSD and GRI embarked on our journey together over a decade ago as very young organizations. We have used the GRI Guidelines to support organizations with their sustainability reporting since our doors opened to our first clients in 2001. At BSD, we hold the view that the Guidelines should be omnipresent in all companies' sustainability strategies, as soon enough, society and businesses will no longer be able to make key decisions on where to invest, who to partner with and what products to consume, without a sustainability report.

Some of the highlights of BSD's journey with GRI include:

- Conducted the first certified training with UniEthos and FGV in Brazil, in 2008.
- Contributed to the G3 Guidelines with translations and consultations on a local level.
- Spearheaded various GRI Reporting processes for organizations across a diverse range of sectors.
- BSD is a GRI Certified Training Partner in Latin America, USA, China, Spain, Portugal, Switzerland, and Germany.
- BSD Consulting is GRI's official Data Partner for Spain, Austria, Germany, and Switzerland.

### SAI

SAI is a non-governmental, multi-stakeholder organization whose mission it is to advance the human rights of workers around the world by promoting ethical working conditions, labor rights, corporate social responsibility and social dialogue. BSD Consulting is the authorized representative of SAI in Brazil. BSD's Founding Partners, Beat and Peter, have been partners in the training and the promotion of the SA8000 from the outset.

### UNITED NATIONS GLOBAL COMPACT (UNGC)

BSD is fully engaged with the new agenda driven by the UNGC, which highlights the need for leadership and innovation from the private sector to establish partnerships that can advance some of the main items in the sustainability agenda such as biodiversity, women's empowerment, carbon disclosure, water management and human rights.

Our relationship with the UNGC takes place on several fronts:

- As of 17 July 2013 BSD Consulting, including all local offices, is participating in the UNGC and is therefore committed to the 10 UNGC Principles.
- In 2013 BSD Germany launched the Reporting 3.0 platform with the German UNGC Network.
- Together with the German UNGC Network, BSD Switzerland revised the website [kmu.kompass-nachhaltigkeit.de](http://kmu.kompass-nachhaltigkeit.de) and offers training on sustainable supplier management.



## ADVANCING SUSTAINABLE LIVELIHOODS FOR MARGINALIZED PRODUCERS AND WORKERS

Our global economic system has not been successful so far in offering sustainable livelihoods for millions of rural producers and workers worldwide. Value chains, markets and empowered communities offer great potential to change this reality.

Since inception, we have prioritized engaging with projects and clients working on:

- Designing and managing supply chains that take into account fair labor conditions, poverty alleviation, capacity development and environmental sustainability; all the while increasing competitiveness and generating long-term value.
- Strengthening the capacities of cooperatives, associations, SMEs, networks and leaders to advance sustainable livelihoods.
- Scaling-up new ventures and social enterprises that advance wellbeing in rural and marginalized urban communities.
- Designing financial solutions for sustainable value chains and communities.
- Leveraging new technologies for social and environmental development.

BSD's team has also focused on working with specific issues that affect rural and urban communities alike. Among them:

- Women's empowerment
- Youth leadership
- Access to finance
- Protecting the rights of indigenous and afro-descendant communities
- Peacebuilding and social tissue strengthening

**"We engage with farmer cooperatives, worker unions, NGOs, development agencies and high-level executives in corporations. We understand the realities, perspectives and expectations of a wide range of stakeholders. Our consultants know the field and the boardroom. This really sets us apart."**

Marcela Romero, Director, BSD Colombia

## HIGHLIGHTS

We work directly with rural organizations to advance their capacities, establish partnerships, strengthen management systems and improve their access to markets. Working in alliance with development agencies, foundations, corporations and public institutions, we have supported producer organizations from a diverse range of sectors and geographies.

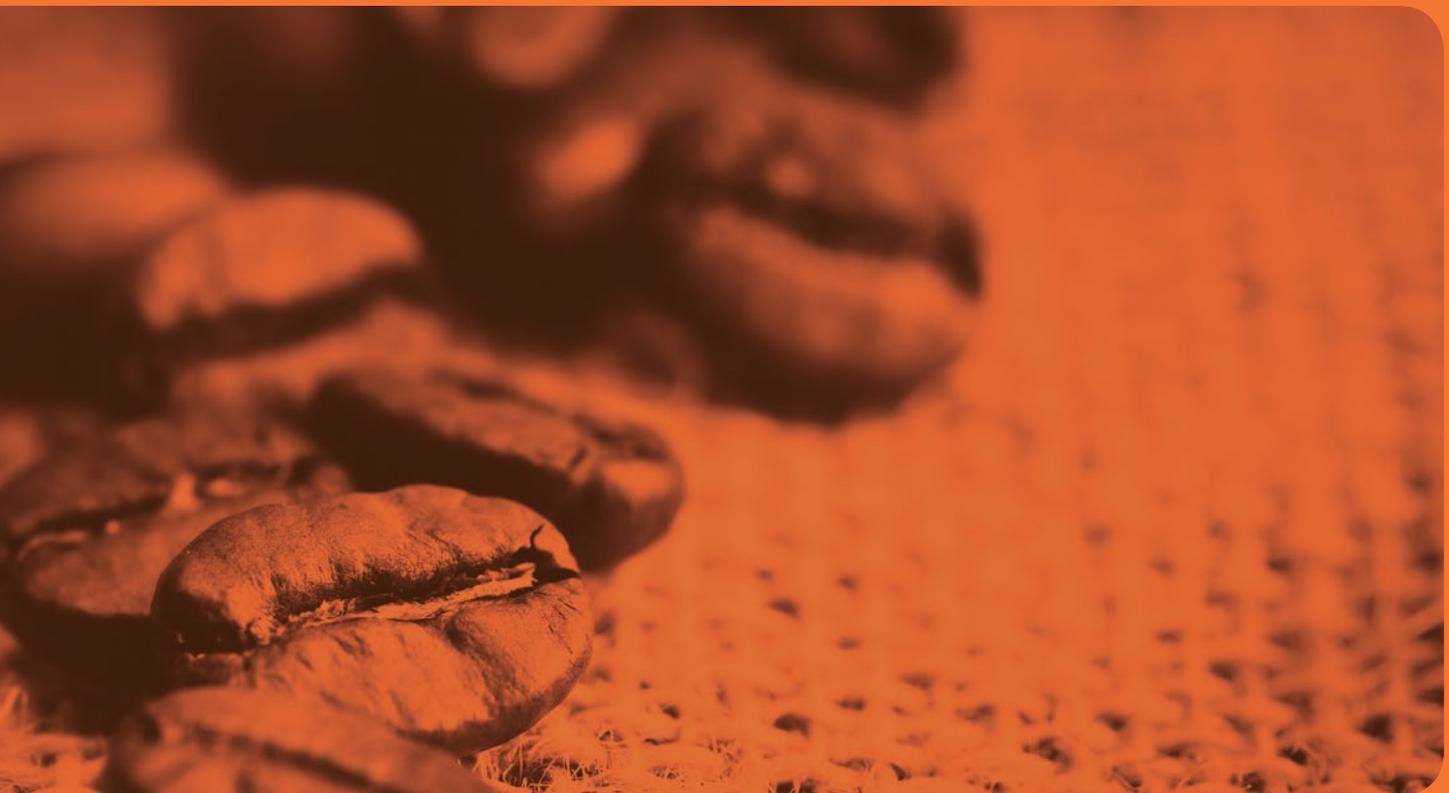
### GENERATING EMPLOYMENT IN QUIBDÓ

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The project is part of the program "African descent and indigenous people" of the non-profit organization ACDI/VOCA, that was planned in late 2012 with implementation commencing in early 2013. Its main objective is stated in its name: "Generating employment and increasing income for local enterprises in Quibdo from strengthening producer organizations". The project aims to increase income for local enterprises through strengthened internal capabilities made possible by development of and adherence to a sustainable management system.

The BSD Colombia team began the project with the identification of productive activities and local enterprises in the vulnerable areas, followed by measurement of the enterprise according to four different aspects, including market, leadership, performance and social impact. After filtering the potential of the identified enterprises, we generated an action plan tailored to each organization to start the strengthening of their capacities and to assist them to follow an ideal path to develop, and adhere to, a sustainable management system.

The project resulted in 80 enterprises identified as relevant, 14 organizations with action plans, 7 allied local institutions and more than 80 people of African descent involved.





## DEVELOPING CAPACITIES FOR SUSTAINABLE DEVELOPMENT

The magnitude of the cultural transformation required for a sustainable society and the accelerated rhythm at which change is taking place calls for a new critical mass of change agents equipped with knowledge and platforms. Our team has developed training programs, workshops, 'labs' and events focused on a diverse range of topics that include:

- Sustainable development and sustainability management (i.e. ISO 26000, SA8000, BSCI, Fairtrade)
- Sustainability reporting (i.e. Global Reporting Initiative - GRI, UN Global Compact COP, Reporting 3.0)
- Sustainable supply chains
- Stakeholder engagement (i.e. AA1000)
- Social entrepreneurship and social intrapreneurship
- Impact investing

**Since 2008, more than 50'000 people have participated in our training programs and courses**

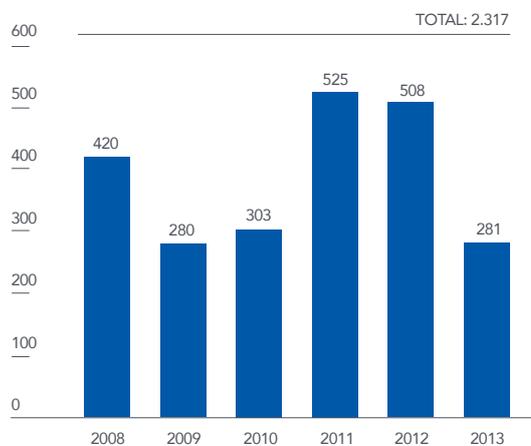
All BSD offices are GRI certified training partners. BSD also provides SA8000 Basic and Advanced Auditor courses in Brazil, Global Compact Trainings in Colombia and Germany, and BSCI workshops in Germany, Brazil, Chile, and China. We also deliver 'tailor-made' internal training programs for our clients, to ensure that organizational and leadership capacities are in place to implement and improve the solutions we design together.

### HIGHLIGHTS IN CAPACITY BUILDING

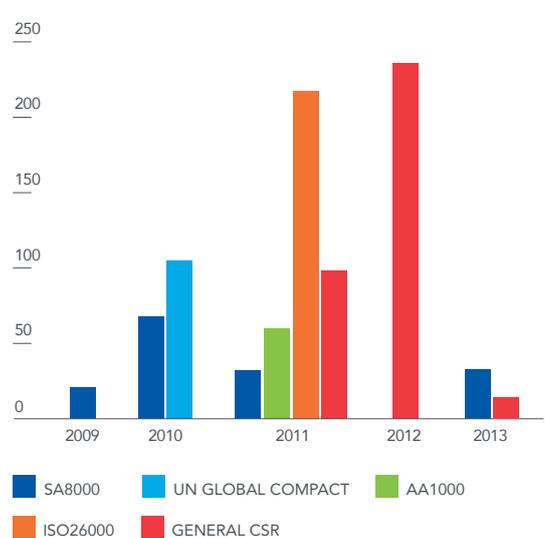
BSD Consulting is a certified training partner of the Global Reporting Initiative (GRI) in several territories, offering both in-house and open courses for company delegates. At the start of 2014, BSD trainers are certified to conduct GRI Trainings in:

- Brazil
- China
- Germany
- Hispanic Americas
- Portugal
- Spain
- Switzerland
- USA

GRI TRAINING GRADUATES SINCE 2008



TRAINING GRADUATES SINCE 2009





CHAPTER 3  
**ETHICAL  
BEHAVIOR**





**"We believe that economic success, the fundamental purpose of business, can be achieved with full commitment to sustainable development, corporate social responsibility and ethics. Our own practices reflect this long-term commitment and we expect the same from our stakeholders."**

BSD Business Principles

Our understanding of ethical behavior requires that our talent and directors do the right thing at all times. Ethical behavior is a core principle for BSD Consulting as an organization, and it makes no sense to try to advance our mission of sustainable development if we ourselves are not an example of ethical behavior.

Ethics is manifested throughout our values and brand attributes. Two of BSD's core institutional documents are the BSD Business Principles and the BSD Code of Practice, which embody our commitment to sustainable development. The Code of Practice outlines BSD's values as a set of general guidelines and requirements applicable to all employees and subcontractors in all activities. Our respect for people's rights starts with our own employees, but we know that through our clients - especially through those with a more complex and challenging

supply chain - our contribution to progress on human rights, including forced and child labor, can be regarded as relevant. The Code of Practice is available publicly in all BSD working languages and our clients are made familiar with it. The Code of Practice is also part of our new employee orientation. Our offices regularly discuss ethical issues during staff meetings and incorporate the Code's items into their daily work.

A major milestone in 2013 was the creation of the BSD Ethics Committee which started its work in early 2014. Members of the Committee are Linda Karrer, Giulia Cricenti, Marcela Romero, Beat Grüninger and Annelies Poolman. With the support of the Committee, the Code of Practice was revised and two new tools, the Client Integrity Management manual and the Ethics Decision Tree were developed and have been tested. Further tasks of the Committee are support

for training activities and the maintenance of the Ethics Complaint Channel that has been made available to all staff and stakeholders.

As an assurance provider and auditor, BSD abides by its own terms to guarantee independency of both its professionals and the company. Besides working on specific assignments, BSD does not permit itself to have any other commercial relationships or interests with a company it is assuring or auditing. This does not rule out the possibility that in the near future, an assurance client may become a consultancy client, but clear boundaries are drawn between the two different tasks.

We at BSD have also maintained high standards of ethical behavior in relation to customers' privacy, taking great pride that we have not received any substantiated complaints regarding breaches of customer privacy or losses of customer data.



## A CLOSER LOOK AT ETHICS

We at BSD work with clients to promote responsible, ethical and sustainable practices in business. We hold ourselves to the highest values of ethical behavior and integrity in our relationships with stakeholders, and choose to work with consultants, clients and stakeholders who are equally aligned to ethics and integrity.

Ethics plays a decisive role when it comes to choosing our clients and vice-versa. BSD's approach to ethics includes:

- Ensuring transparency.
- Working with critical sectors and complex clients while carefully distinguishing greenwashing/make-believe from genuine sustainability management and accountability.
- Taking a precautionary approach towards possible significant social and environmental impacts of our clients.
- Implementation of client feedback.
- Preserving our clients and the market, especially when it involves social auditing, evaluation and certifications.
- Employing caution when communicating information about its business sector clients.

At this point BSD Consulting does not exclude particular sectors from its suite of clients. Indeed, we are challenging ourselves by supporting some of the most high-impact sectors on the road to sustainable development, such as the extractive or chemicals industries. When deciding upon a professional engagement, we apply a decision making process supported by our Client Integrity Management manual. The application of the tools helps to make the right decision when critical factors need to be taken into account. BSD reserves its right to not work with clients who ultimately cannot demonstrate that they are committed to achieving sustainability goals.

The BSD Business Principles and Code of Practice can be downloaded at: [www.bsdconsulting.com/about](http://www.bsdconsulting.com/about)

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### LOOKING AHEAD

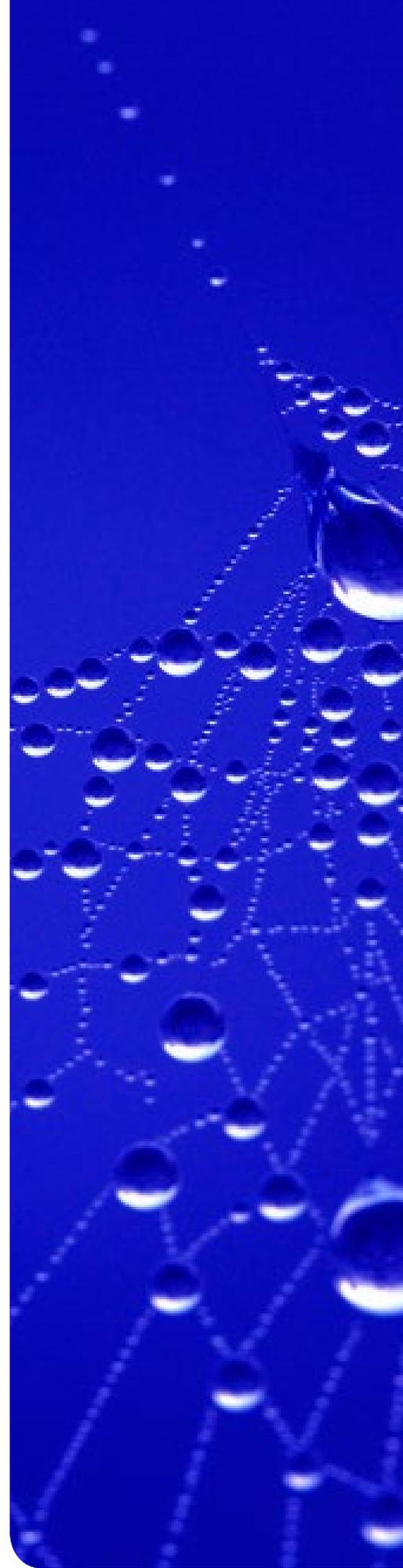
We will carry out training sessions and workshops on our Ethics Program in all BSD offices.

We will integrate our Ethics Program into our project management procedures.

We will analyze possibilities of expanding B Corp certification beyond the Colombia office.

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CHAPTER 4  
**TALENT  
AT THE CENTER**





"Diversity in country of origin, gender, ethnicity, age, language, and fields of study is important because we believe that it makes our teams and our work more innovative and creative."

Sebastian Straube, Director, BSD Germany

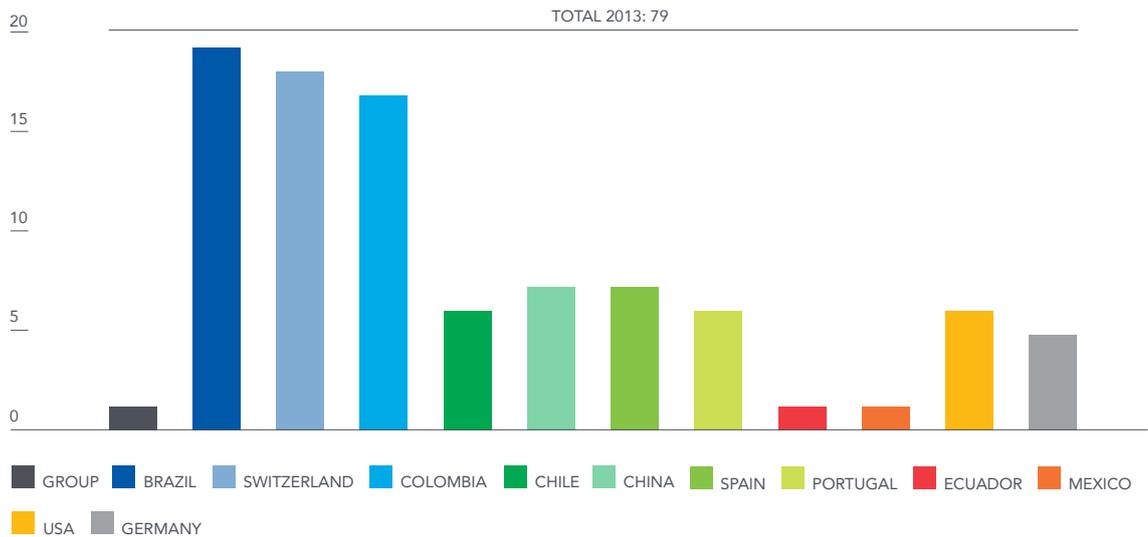
## TEAM PROFILE

Having well trained and knowledgeable staff is key for our work. Our talent is an important asset and therefore staff management is one of our main challenges. BSD aims to be recognized as a good and fair employer by encouraging diversity among its staff, supporting and promoting professional development of its employees,

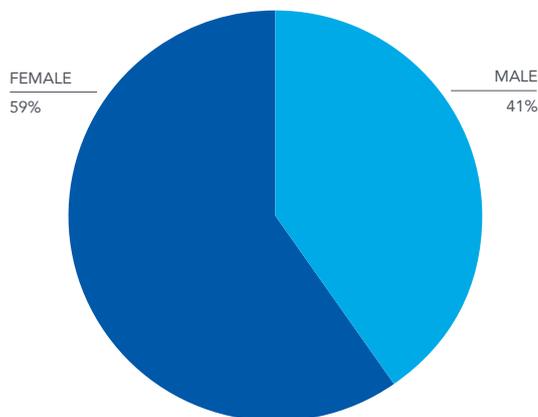
and guaranteeing a good life-work balance. We at BSD consider diversity as a source of innovation and are proud of how this is reflected in our current composition. It is very international with a total of 79 staff members comprised of 12 nationalities located across 11 countries, and speaking 12 languages. We also consider gender diversity when

hiring, and currently employ a greater number of female talent than male on the consultant level, yet are still seeking to achieve an improved gender balance on a leadership level. Being a rather young company, the turnover rate of around 33% is high and a concern that is going to be addressed through a more solid staff management approach.

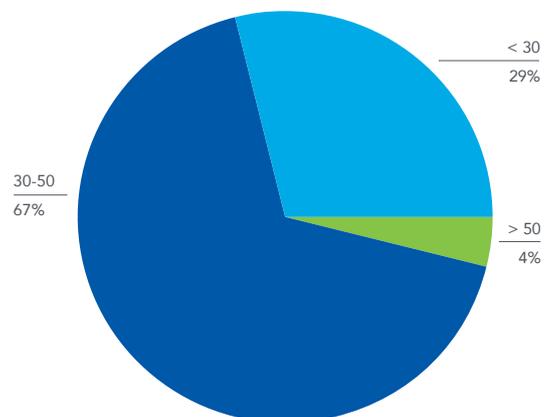
### TOTAL TALENT BY OFFICE 2013



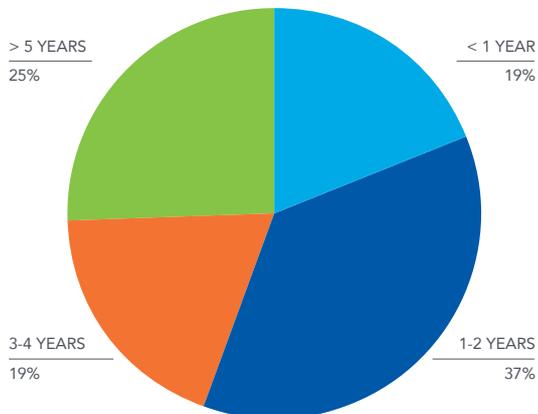
### TOTAL TALENT 2013 BY GENDER



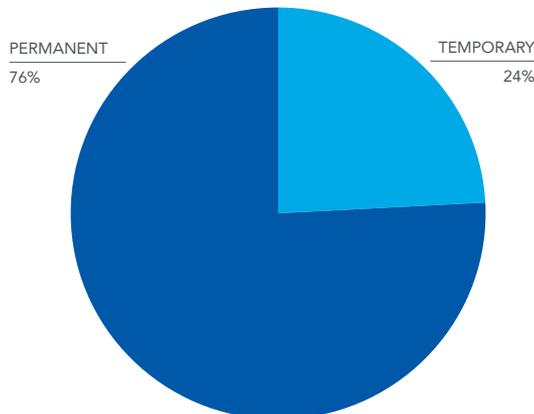
### TOTAL TALENT 2013 BY AGE GROUP



TOTAL TALENT 2013 BY NUMBER OF YEARS WITH BSD CONSULTING



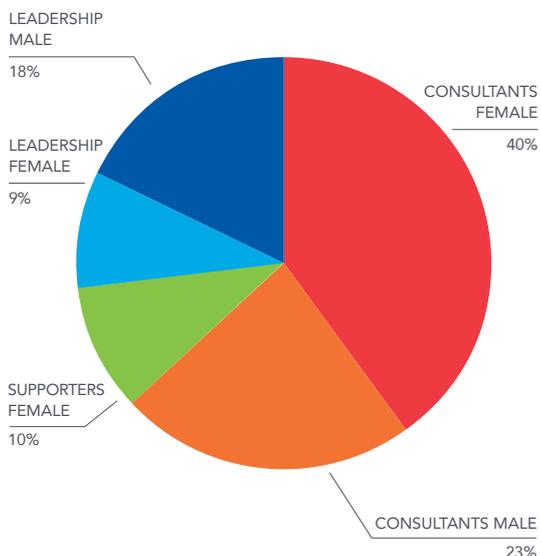
TOTAL TALENT 2013 BY CONTRACT TYPE



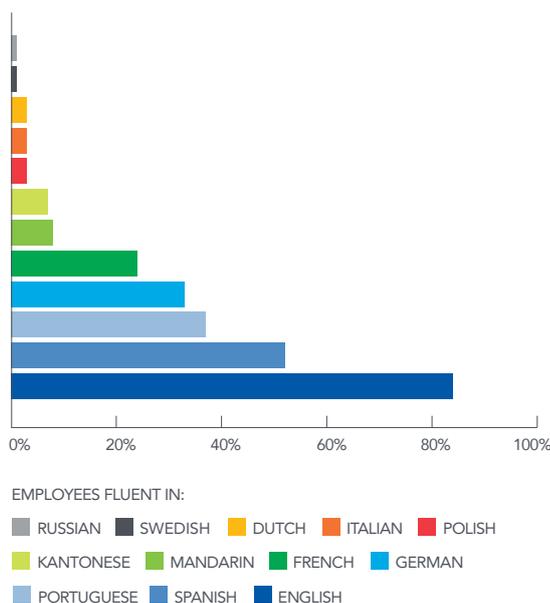
**"You can find a supportive culture everywhere at BSD Consulting, and it hardly feels hierarchical. I am proud to have been working as a consultant since 2009 on the high quality supply chain development projects happening in China. I am very appreciative of BSD for giving me many career development opportunities over the years."**

Daniel Chen, Project Manager, BSD China

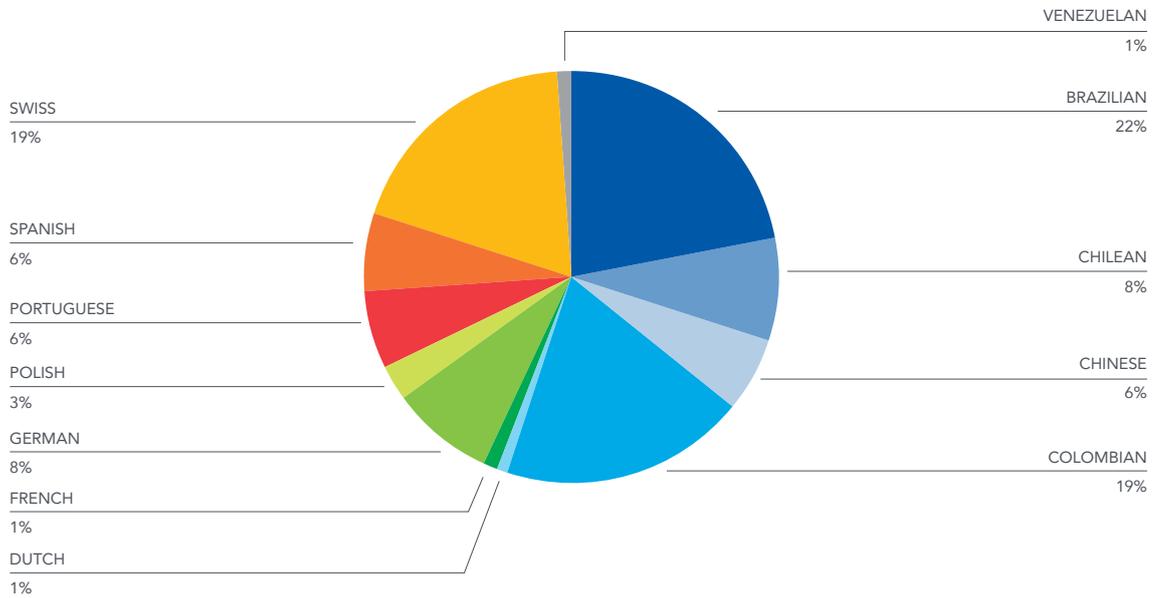
TOTAL TALENT 2013 BY LEVEL AND GENDER



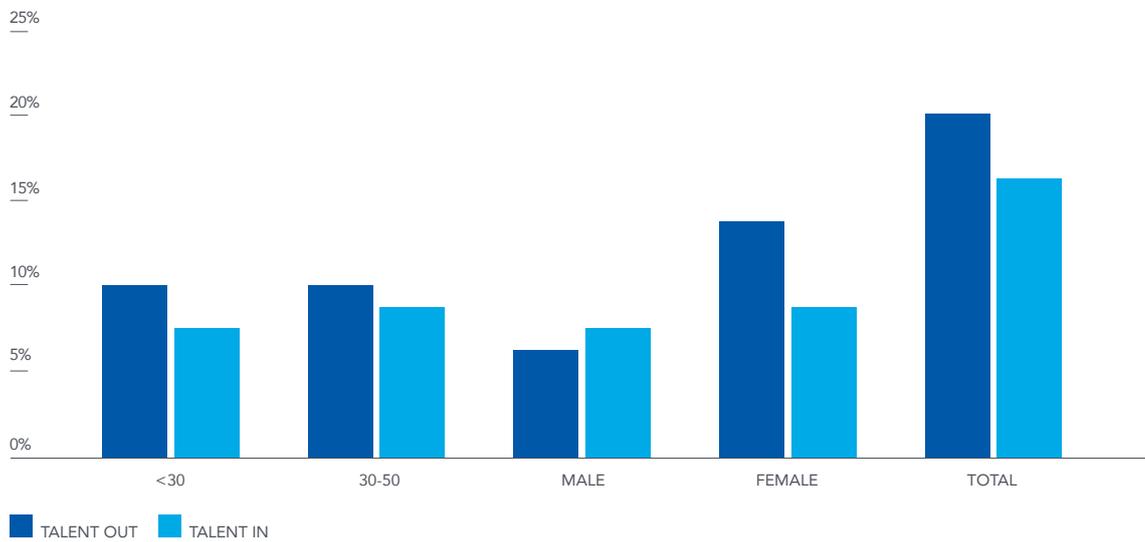
TOTAL TALENT 2013 LANGUAGES EXPERTISE



**TOTAL TALENT 2013 BY NATIONALITIES**



**TALENT IN & OUT 2013, BY AGE GROUP AND GENDER**



# EMPLOYEE SATISFACTION & MOTIVATION

Motivated and talented professionals are key assets for us and guarantee that the organization can fulfill its mission. The consultants are agents of change for companies and organizations. Our talented professionals share common values, and our mission is shared by all engaged in our work across the different offices.

Purpose, well being, and life-work balance are central for all of us. We are and will remain a network of small firms. We have small teams but big challenges. Project-based peaks can demand much of each employee. We face these challenges as they arise but continue to respect a healthy balance of work and private life.

We have and promote an open working culture. We organize work in a way that fits the needs of both the clients and our local talent. We believe in trust and empowerment. We are entrepreneurs and committed to a common mission.

Our annual employee feedback survey was started in 2013. The survey was sent to all employees and permanent freelancers in November 2013 and 41 employees responded. Respondents were both men and women in all age categories and from all offices. More than half of the respondents have been working at BSD since 2010, as well as a few respondents who have been with the company for 7 or 8 years. We are now working

to address the outcomes of the survey and are committed to making the necessary improvements at a local level.

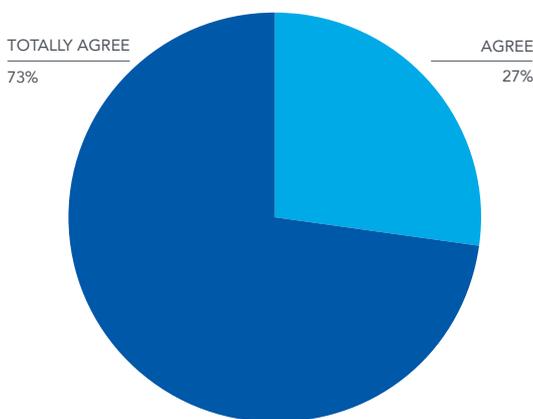
Almost all (90-95%) of employees that responded to the survey are content with their work and feel a sense of both local identity as well as a connection to BSD Consulting as a whole. They find that their work levels are manageable and that there are sufficient possibilities for further development. They are happy with the culture of the organization and appreciate their local leadership and management.

Many (75-90%) are also happy with the collaboration and teamwork as well as with the

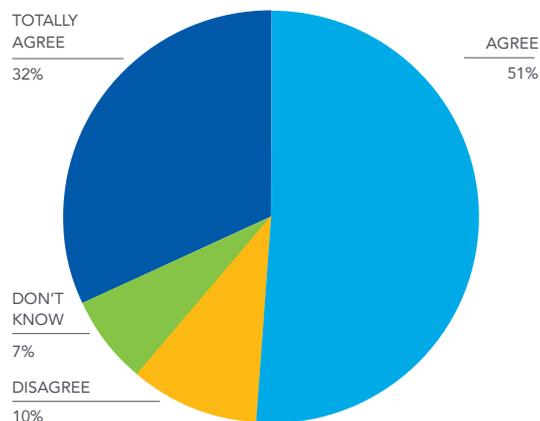
**“We try to change the world by supporting organizations to improve and enjoy doing it.”**

Sebastián Pérez Peláez, Consultant, BSD Colombia

**I AM PROUD TO WORK FOR BSD CONSULTING**



**I FEEL CONNECTED TO BSD CONSULTING GLOBALLY**



**“Working at BSD has proven to be a very rewarding experience in human terms, both because of the team, as well as the clients. Working specifically in Stakeholder Engagement, I often get to see and reach the best of people, which will hopefully contribute to a more sustainable future.”**

Susana Valente, Freelance consultant, BSD Portugal

internal communications and information-sharing.

Fewer (60-70%) appreciate their level of remuneration and their career-advancement prospects

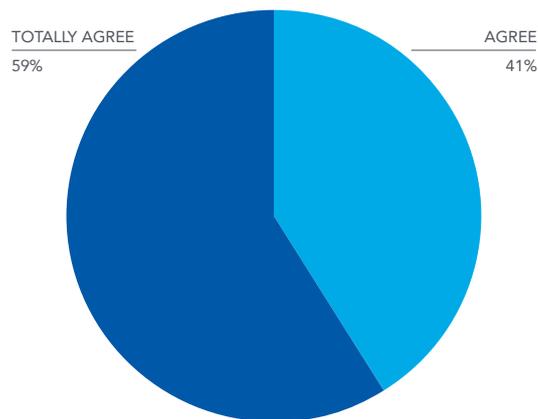
within the organization.

The physical infrastructure of the workplace does not always meet employees' needs. The responsiveness of BSD leadership to the survey feedback is

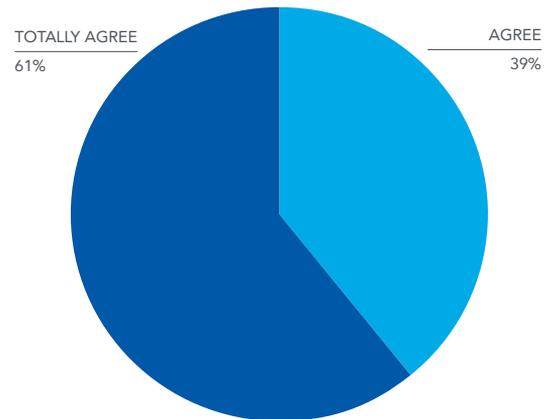
fundamental in moving forward.

The management teams at BSD's local offices will review their own results and develop an improvement plan accordingly.

#### I FEEL CONNECTED TO BSD CONSULTING LOCALLY



#### I AM HAPPY WITH THE CULTURE WITHIN MY LOCAL TEAM



#### WHAT MAKES YOU EXCITED ABOUT BSD?

GOOD RELATIONSHIP WITH COLLEAGUES • WORKING IN DIFFERENT SECTORS • SUSTAINABILITY IS CORE BUSINESS  
 BSD'S VALUES AND BELIEFS • DIVERSITY OF PROJECTS • LOTS OF EXPERIENCE AND CREATIVITY IN THE TEAM  
 DELIVER PROFESSIONAL SERVICES • BSD'S GROWTH • FUTURE ORIENTATION • INTERACTION WITH DIVERSE GROUPS  
 ALWAYS LEARNING • MAKING AN IMPACT • FLEXIBILITY • INTERESTING ALLIANCES • CONSTANTLY CHALLENGING  
 GLOBAL NETWORK • RECOGNITION • LONG-TERM CLIENT RELATIONS • GOING TO THE CORE • PERSONAL ENGAGEMENTS  
 INDIVIDUAL SOLUTIONS • VALUABLE AND MEANINGFUL WORK • GOOD TEAM SPIRIT • GLOBALLY CONNECTED  
 GOOD WORK ATMOSPHERE • LOTS OF FREEDOM AND RESPONSIBILITY

#### LOOKING AHEAD

We will follow up on the results of the employee feedback survey and the development of action plans at the local level.

We will design initiatives to increase employees' sense of identification with BSD as a global network.

## LIFE-WORK BALANCE

A good life-work balance is material at BSD as we hire people of great value and want to ensure a sound balance between work and free time. At the same time, we are results-focused and want to guarantee that staff can perform their jobs to the best of their ability.

Half of the offices allow flexible working hours, so that employees

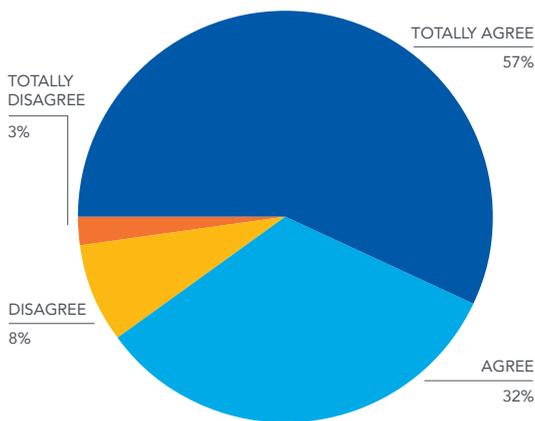
can best schedule their working time in relation to their personal needs. This is helpful for many BSD employees who have young children, requiring them to carry out daycare/school drop offs and pick ups as well as bedtime routines in the evenings. Another agreement seen in many offices is that business trips can be scheduled in a manner that avoids employee travel in the evening or on Sundays, which is also in accordance with many client policies.

Local teams also engage in activities together. Most teams have a joint dinner at least once a year, to which spouses are also invited. In addition, team outings with social and outdoor activities are organized on an ad hoc basis in some offices.

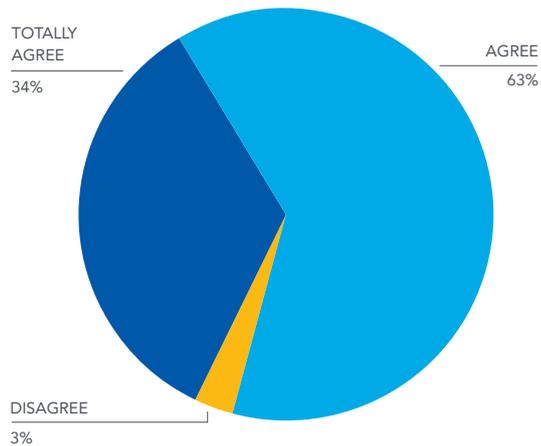
**"Living and working in such a big and busy city as São Paulo can be hectic, so we are lucky our employer gives us flexibility so that we can plan our own time, as long as we do our work, of course."**

Marco Perez, Consultant, BSD Brazil

I AM SATISFIED WITH MY LIFE-WORK BALANCE



I AM SATISFIED WITH HOW I CAN ORGANIZE MY WORK



**"Working under the BSD umbrella makes me believe my daily contributions will make some difference to someone's life, somewhere. I'm proud of this."**

Dolores He, Administration Manager, BSD China

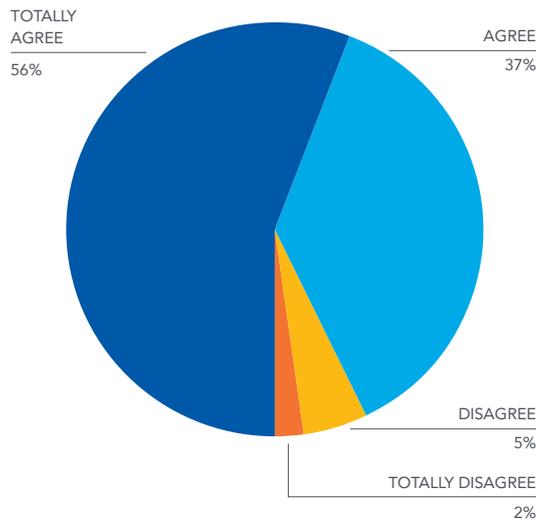
We are proud that some 90% of the employees are satisfied with their life-work balance. They say they can flexibly plan their

holidays and find that the number of hours of overtime work is acceptable.

We are analyzing at a local level the existing gaps revealed by the survey and will develop solutions wherever possible.

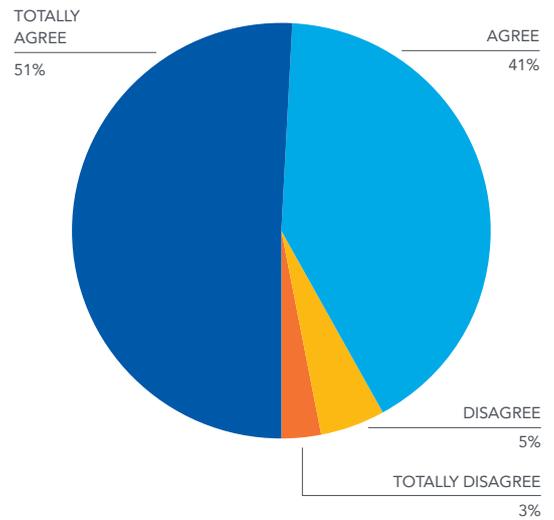
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### I CAN FLEXIBLY PLAN MY HOLIDAYS AND DAYS OFF



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### MY HOURS OF OVERTIME ARE ACCEPTABLE



**“Working at BSD is very good for me, because I can always take care of my responsibilities as mother and employee without compromising any duty.”**

Kátia Prates, Office Manager, BSD Brazil

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## LOOKING AHEAD

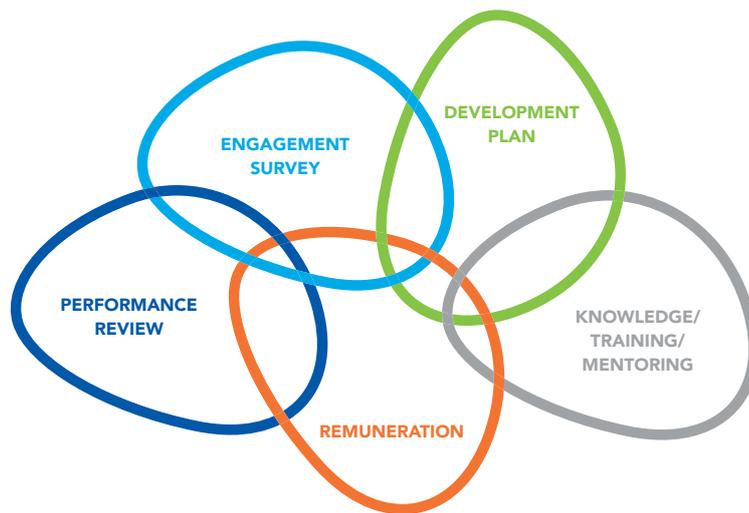
We will collect examples of best practices of life-work balance from within our network.

---

# TEAM DEVELOPMENT

The development of our talent is key to the organization. We see performance reviews and capacity building for the consultants as integral elements of talent development. It is our strong, well-trained and knowledgeable staff that attracts our clients. We understand that we would not have this impact if we do not continue to attract, develop and retain the best talent. In order to do this, we make sure that knowledge flows around the organization and that we continue to provide personal and development opportunities to our staff.

## OUR VIEW ON TALENT DEVELOPMENT

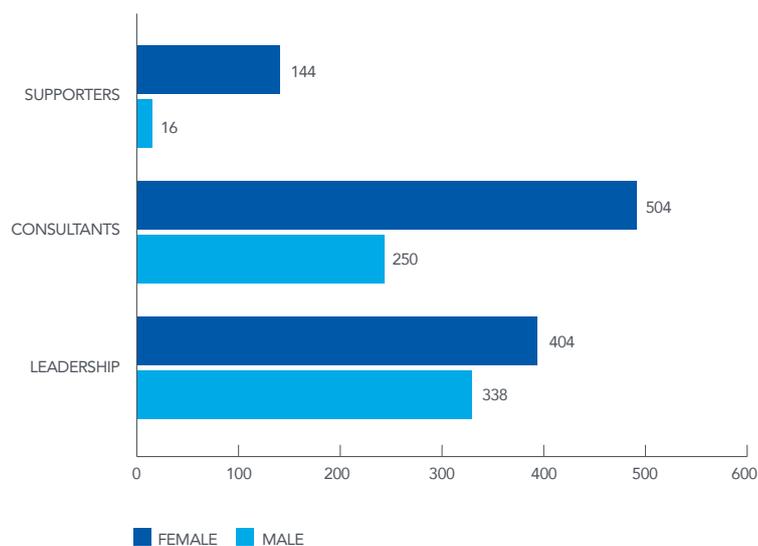


## TRAINING

We try to leverage as much as possible our GRI Certified Training Partner capacities to give trainings to our own consultants. Indeed, it is common practice that our new consultants are registered and trained in our own certified GRI courses as part of their introduction to the organization.

BSD's employees are also offered training to learn about the standards and other specific topics that our consultancy work is focused on. We also try to ensure that our employees are up to date with the latest developments in relevant fields, providing access to academic literature, sector-specific studies, publications from agenda-setters, as well as invitations to attend relevant gatherings and congresses.

## TOTAL NUMBER OF TRAINING HOURS BY LEVEL AND GENDER



**“The work environment at BSD Consulting is very inspiring. Not only do we gain new knowledge in the context of our projects, but we also learn a lot from each other, through informal discussions during coffee breaks or through more institutionalized forms for knowledge sharing such as our bi-weekly lunch presentations.”**

Maria Stoll, Consultant, BSD Switzerland

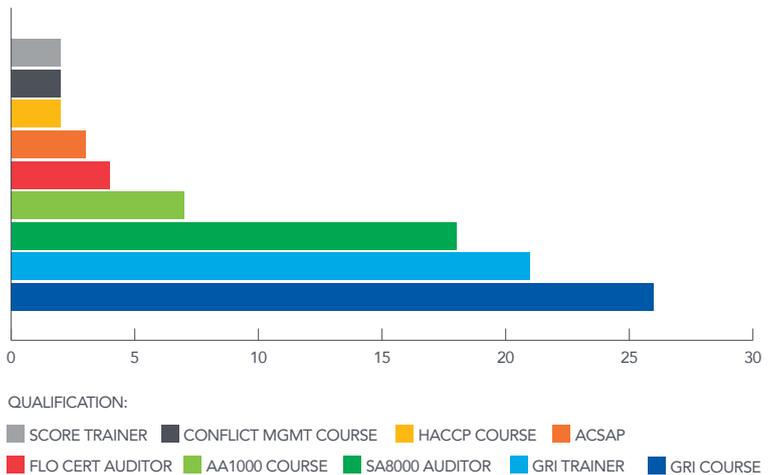
*High number of training hours for leadership is based on the participation of leadership in the 2013 GRI conference.*

**AVERAGE NUMBER OF TRAINING HOURS BROKEN DOWN PER LEVEL AND GENDER**



*This graph shows the number of consultants that passed specific courses relating to standards, auditing or management practices.*

**TOTAL TALENT 2013 QUALIFICATIONS**



**LOOKING AHEAD**

We will improve systems for managing and reporting on local training activities.  
 We will develop a systematic approach to sharing knowledge and developing the capacities of our team.

## KNOWLEDGE SHARING

Since 2010, BSD has circulated an internal newsletter that allows its talent to share news with both local and overseas colleagues. This newsletter ensures that any news that is published externally on our website and through social media is shared internally first.

In 2013 BSD also launched an online platform called 'The River', which functions both as a discussion and Q&A platform. It is an informal and easy tool for asking questions to the entire organization. The questions asked are diverse, reflecting the diversity of our projects and our consultants' needs. Colleagues can quickly respond to a question and share their expertise to help out one another.



**“Due to its international projection, its contacts with the most important sustainability frameworks and its specialization in sustainability issues, I have found in BSD Consulting Spain the best place to develop my skills and contribute to the common good.”**

Juan Villamayor, Freelance consultant, BSD Spain

**CAREER PATH**

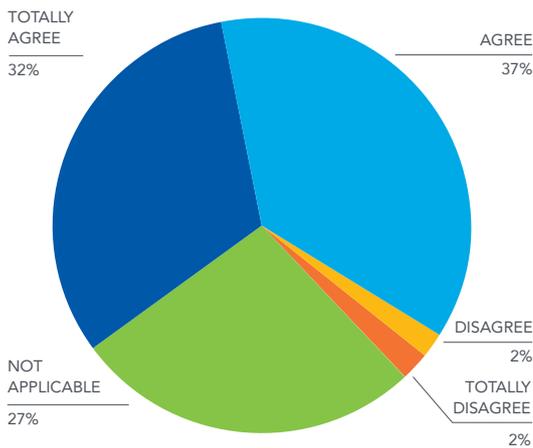
We understand that clarity in career development is a huge source for motivation, especially for our young consultants. We acknowledge that we need to improve on this aspect of talent-management and are

consolidating positions at BSD Group as well as at local levels.

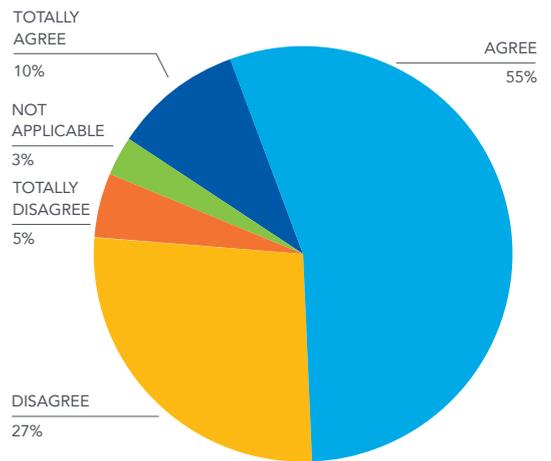
Some offices have a structured career development review process in place, however not all staff have had formal

performance reviews nor have had the chance to create a personal career development plan with their superiors. It is one of BSD's priorities to guarantee a clear development path to all employees.

**THE WAY THE LATEST PERFORMANCE AND DEVELOPMENT REVIEW TOOK PLACE WAS GOOD**



**I HAVE SUFFICIENT INTERNAL CAREER DEVELOPMENT POSSIBILITIES**



**“I was happy that BSD Colombia gave me the opportunity to do a course in Finance and Accounting in 2013.”**

Adiela Fajardo, Financial Coordinator, BSD Colombia

**LOOKING AHEAD**

We will encourage all offices to implement a career development review process.

## EMPLOYMENT PRACTICES

### BENEFITS

We provide benefits to our employees that are at a minimum aligned with local regulations but when possible try to offer social conditions that are better than average. All local BSD offices follow local legislation

and market customs with regard to extra-remuneration employee benefits. The larger offices are more advanced and have more financial leeway to provide benefits for their employees. There is no global employee-

benefit plan in place, however local offices are encouraged to go beyond the law in this respect. The following table illustrates the benefits provided to employees in many of our offices that go beyond legal requirements.

### BENEFITS PROVIDED TO EMPLOYEES (ABOVE LAW REQUIREMENTS), PER OFFICE

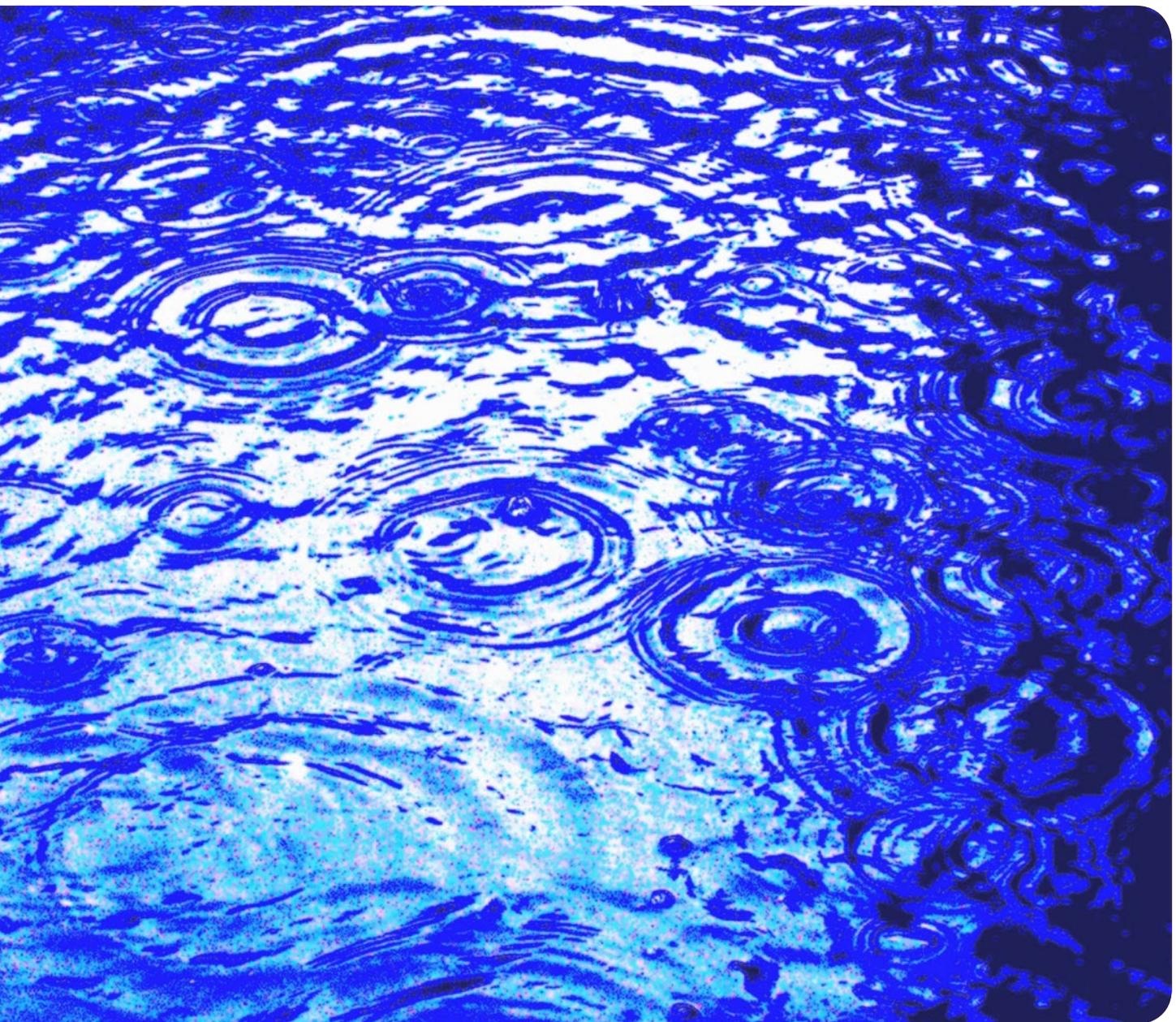
BENEFITS / EMPLOYEE CONTRACT TYPE*	COMMUTING COMPENSATION	LIFE INSURANCE	HEALTH CARE AND/OR DENTAL INSURANCE	PARENTAL LEAVE	OTHER FINANCIAL INCENTIVES
PERMANENT EMPLOYEES WITH FULL-TIME CONTRACT					
PERMANENT EMPLOYEES WITH PART-TIME CONTRACT					
FREELANCERS UNDER PERMANENT CONTRACT					
TEMPORARY EMPLOYEES WITH FULL-TIME CONTRACT					
TEMPORARY EMPLOYEES WITH PART-TIME CONTRACT					

 BRAZIL  CHILE  CHINA  COLOMBIA  SPAIN  SWITZERLAND  USA

\* BSD works with four different employment contracts, distinguishing between permanent and temporary as well as full-time and part-time contracts. In addition, freelance experts are hired to work on a permanent project-basis in a specific area of expertise but do not have a full-fledged employment contract.

**“Sustainability, as a movement, will require capacities to be developed at the individual, organizational and societal levels. Over the last decade we have established partnerships with networks, industry associations, development agencies and international standard-setters to strengthen the capacities of practitioners, managers, ‘intrapreneurs’, students and entrepreneurs around sustainable development.”**

Martin Stäheli, Head Sustainable Supply Chain Management, BSD Switzerland



The following table illustrates the return rates of BSD employees after parental leave.

#### RETURN TO WORK AND RETENTION RATES AFTER PARENTAL LEAVE, BY GENDER

	GENDER	#	%
NUMBER OF EMPLOYEES ENTITLED TO PARENTAL LEAVE IN 2013	MALE	3	
	FEMALE	6	
NUMBER OF EMPLOYEES THAT TOOK PARENTAL LEAVE IN 2013	MALE	2	67%
	FEMALE	6	100%
NUMBER OF EMPLOYEES THAT RETURN(ED) TO WORK AFTER PARENTAL LEAVE ENDED	MALE	2	100%
	FEMALE	4	67%

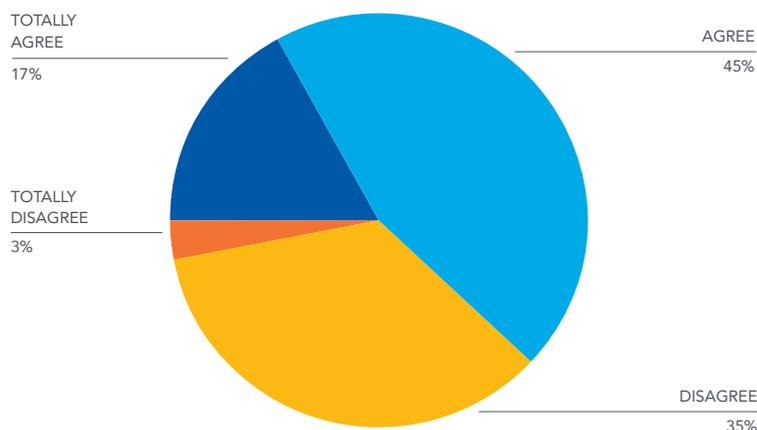
#### REMUNERATION

Salaries for BSD employees fall within normal market range, but are not of outstanding values

due to the nature of being a smaller company. BSD tries to compensate by offering a very

decent life-work balance and flexible work culture. However, it is indeed working to improve salary levels whenever possible, based on a solid professional development path and remuneration system.

#### I AM SATISFIED WITH MY WAGE



We are strong believers of the freedom of association, as well as the right to collective bargaining. Regardless of that, the only employees at BSD covered under a bargaining agreement are working in Brazil, as trade union affiliation is mandatory here.

#### LOOKING AHEAD

We will collect examples of best practice revenue sharing and employee participation from within our network.

CHAPTER 5  
**ENVIRONMENTAL  
STEWARDSHIP**





**"The environmental dimension of sustainability concerns the organization's impact on living and non-living natural systems, including land, air, water and ecosystems."**

Specific Standard Disclosures, G4, Global Reporting Initiative

As a consultancy, BSD does not have a large environmental impact. There is no environmental policy in place at the global level, nor at most of the local offices. However the Code of Practice defines BSD's commitment to work in an environmentally friendly manner, and through dialogue, BSD staff in all offices promote environmental awareness through their activities.

BSD mainly provides its services at a local level utilizing local staff, however some business travel is required of certain staff. This business travel is regarded as the only material negative environmental impact generated by the organization.

We are continuously exploring tools like video conferencing as well as online collaborative platforms with clients to limit travel but still personal presence can sometimes be irreplaceable. BSD consultants are encouraged to travel by train when it is a viable option, such as in Europe.

### BUSINESS TRAVEL

Despite the emissions caused by our travels it should be said that the emissions could have been much higher. BSD works with local people. We do not fly consultants from one place to another for a project. For example, if we have a project in multiple locations we work together with the local teams to implement the project.

This is the first year that we have calculated our emissions. We have only reviewed our air travel.

The total mileage is calculated over total global revenue, and per employee. The volume of our travel is not significant in absolute terms, but we think this is material to set an example and follow best practice.

BSD's total emissions for 2013 resulting from air travel correspond to the emissions that an international congress with several dozen participants would cause. Given the fact that China and Brazil have continental extensions, the travel activity is intense, but not exaggerated.

### MILEAGE, EMISSIONS, PER EMPLOYEE AND PER REVENUE



**TOTAL DISTANCE**  
760.000 Km



**TOTAL EMISSIONS**  
200.000 Kg CO<sub>2</sub>



**EMISSIONS PER EMPLOYEE**  
2.500 Kg CO<sub>2</sub>



**EMISSIONS PER CHF REVENUE**  
0.039 Kg CO<sub>2</sub>

### LOOKING AHEAD

We will improve our systems for travel data collection and reporting. We will explore the best options for emissions compensation.



## GRI CONTENT INDEX

GENERAL STANDARD DISCLOSURES			
GENERAL STANDARD DISCLOSURES		PAGE NUMBER	EXTERNAL ASSURANCE
STRATEGY AND ANALYSIS			
G4-1	Provide a statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	3	No
ORGANIZATIONAL PROFILE			
G4-3	Report the name of the organization.	15	No
G4-4	Report the primary brands, products, and services.	17, 18	No
G4-5	Report the location of the organization's headquarters.	72	No
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	12, 13	No
G4-7	Report the nature of ownership and legal form.	70	No
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	5, 12, 43	No
G4-9	Report the scale of the organization, including: <ul style="list-style-type: none"> <li>• Total number of employees</li> <li>• Total number of operations</li> <li>• Net sales</li> <li>• Total capitalization broken down in terms of debt and equity</li> <li>• Quantity of products or services provided</li> </ul>	12, 38, 46	No
G4-10	a. Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. Report any significant variations in employment numbers.	46, 47	No
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	59	No
G4-12	Describe the organization's supply chain.	7	No
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain, including: <ul style="list-style-type: none"> <li>• Changes in the location of, or changes in, operations, including facility openings, closings, and expansions</li> <li>• Changes in the share capital structure and other capital formation, maintenance, and alteration operations</li> <li>• Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination</li> </ul>	There were no significant changes during the reporting period.	No
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	43	No

GENERAL STANDARD DISCLOSURES		PAGE NUMBER	EXTERNAL ASSURANCE
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	15	No
G4-16	List memberships of associations and national or international advocacy organizations in which the organization: <ul style="list-style-type: none"> <li>• Holds a position on the governance body</li> <li>• Participates in projects or committees</li> <li>• Provides substantive funding beyond routine membership dues</li> <li>• Views membership as strategic.</li> </ul>	15, 33, 34	No
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
G4-17	a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	13	No
G4-18	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	6	No
G4-19	List all the material Aspects identified in the process for defining report content.	6	No
G4-20	For each material Aspect, report the Aspect Boundary within the organization, as follows: <ul style="list-style-type: none"> <li>• Report whether the Aspect is material within the organization</li> <li>• If the Aspect is not material for all entities within the organization (as described in G4-17), select one of the following two approaches and report either: <ul style="list-style-type: none"> <li>– The list of entities or groups of entities included in G4-17 for which the Aspect is not material or</li> <li>– The list of entities or groups of entities included in G4-17 for which the Aspects is material</li> </ul> </li> <li>• Report any specific limitation regarding the Aspect Boundary within the organization</li> </ul>	7	No
G4-21	For each material Aspect, report the Aspect Boundary outside the organization, as follows: <ul style="list-style-type: none"> <li>• Report whether the Aspect is material outside of the organization</li> <li>• If the Aspect is material outside of the organization, identify the entities, groups of entities or elements for which the Aspect is material. In addition, describe the geographical location where the Aspect is material for the entities identified</li> <li>• Report any specific limitation regarding the Aspect Boundary outside the organization</li> </ul>	7	No
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	This is BSD's first published sustainability report	No
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	This is BSD's first published sustainability report	No

GENERAL STANDARD DISCLOSURES		PAGE NUMBER	EXTERNAL ASSURANCE
<b>STAKEHOLDER ENGAGEMENT</b>			
G4-24	Provide a list of stakeholder groups engaged by the organization.	5	No
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	5	No
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	5	No
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	6	No
<b>REPORT PROFILE</b>			
G4-28	Reporting period for information provided.	7	No
G4-29	Date of most recent previous report.	This is BSD's first published sustainability report	No
G4-30	Reporting cycle.	Annual cycle	No
G4-31	Provide the contact point for questions regarding the report or its contents.	72	No
G4-32	a. Report the 'in accordance' option the organization has chosen. b. Report the GRI Content Index for the chosen option. c. Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines.	7, 64-68	No
G4-33	a. Report the organization's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. c. Report the relationship between the organization and the assurance providers. d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.	7	No
<b>GOVERNANCE</b>			
G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	13	No
<b>ETHICS AND INTEGRITY</b>			
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	42, 43	No
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	42	No
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	42	No

SPECIFIC STANDARD DISCLOSURES						
DMA AND INDICATORS		PAGE NUMBER	IDENTIFIED OMISSION(S)	REASON(S) FOR OMISSION(S)	EXPLANATION FOR OMISSION(S)	EXTERNAL ASSURANCE
<b>ECONOMIC</b>						
MATERIAL ASPECT: ECONOMIC PERFORMANCE						
G4-DMA	Generic DMA	12, 13				No
G4-EC1	Direct economic value generated and distributed.	12				No
<b>ENVIRONMENTAL</b>						
MATERIAL ASPECT: EMISSIONS						
G4-DMA	Generic DMA	62				No
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3).	62				No
MATERIAL ASPECT: TRANSPORT						
G4-DMA	Generic DMA	62				No
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce.	62				No
<b>SOCIAL</b>						
LABOR PRACTICES AND DECENT WORK						
MATERIAL ASPECT: EMPLOYMENT						
G4-DMA	Generic DMA	46, 57				No
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region.	48	Total numbers and a geographical breakdown are not disclosed.		We believe that the level of detail provided is adequate and allows our stakeholders to make their assessments and decisions.	No
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	57				No

DMA AND INDICATORS		PAGE NUMBER	IDENTIFIED OMISSION(S)	REASON(S) FOR OMISSION(S)	EXPLANATION FOR OMISSION(S)	EXTERNAL ASSURANCE
G4-LA3	Return to work and retention rates after parental leave, by gender.	59				No
MATERIAL ASPECT: TRAINING AND EDUCATION						
G4-DMA	Generic DMA	53, 56				No
G4-LA9	Average hours of training per year per employee by gender, and by employee category.	54				No
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	56	The percentage of total employees is not reported.	Not available	We are still implementing career development review processes in several of our offices. Information will be reported in two years.	No
SOCIETY						
MATERIAL ASPECT: ANTI-CORRUPTION						
G4-DMA	Generic DMA	42				No
G4-SO4	Communication and training on anti-corruption policies and procedures.	42	The number and percentage of people to which the BSD Code of Practice has been communicated or that have received training is not reported.	Not available	We are implementing ethics trainings and workshops at local level, in the follow-up of the establishment of the BSD Ethics Committee. Information will be reported next year.	No
PRODUCT RESPONSIBILITY						
MATERIAL ASPECT: PRODUCT AND SERVICE LABELING						
G4-DMA	Generic DMA	24				No
G4-PR5	Results of surveys measuring customer satisfaction.	24				No
MATERIAL ASPECT: CUSTOMER PRIVACY						
G4-DMA	Generic DMA	42				No
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	42				No

## UN GLOBAL COMPACT CONTENT INDEX

		PAGE NUMBER
STATEMENT OF CONTINUED SUPPORT BY THE CEO		
	Letter from the Partners	3
HUMAN RIGHTS PRINCIPLES		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	42
Principle 2	Businesses should make sure that they are not complicit in human rights abuses.	42
LABOUR PRINCIPLES		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	59
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labour.	42
Principle 5	Business should uphold the effective abolition of child labour.	42
Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	46, 47
ENVIRONMENTAL PRINCIPLES		
Principle 7	Businesses should support a precautionary approach to environmental challenges;	43, 62
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility.	62
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	62
ANTI-CORRUPTION PRINCIPLES		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	42

## ACRONYMS & GLOSSARY

### AA1000

AccountAbility's standard framework providing guidance to companies requesting assurance or exploring stakeholder engagement processes.

Source: [www.accountability.org](http://www.accountability.org)

### Assurance

External verification of data and management processes.

### BSCI

The Business Social Compliance Initiative (BSCI) is the leading business-driven initiative for companies committed to improving working conditions in the global supply chain.

Source: [www.bsci-intl.org](http://www.bsci-intl.org)

### BSD Group

BSD Group AG (the legal form in Switzerland is Aktiengesellschaft (AG), which is a limited company) is the holding company of all the local BSD offices. It is responsible for all functions, processes, and infrastructure that is not proprietary to one of these offices.

### CSR

Corporate Social Responsibility

### C-suite

The highest-level executives in for-profit corporations are usually called "C-level" or part of the "C-suite", referring to the "C" with which their corporate titles start.

### FGV

The Fundação Getulio Vargas (FGV) is an institution in Brazil offering higher education and conducting academic research.

Source: [www.fgv.br](http://www.fgv.br)

### Greenwashing

Greenwashing is a form of communication that is deceptively used to promote the perception that an organization's aims and policies are environmentally friendly.

### G4

The GRI G4 Sustainability Reporting Guidelines offer Reporting Principles, Standard Disclosures and an Implementation Manual for the preparation of sustainability reports by organizations, regardless of their size, sector or location. The Guidelines also offer an international reference for all those interested in the disclosure of governance approach and of the environmental, social and economic performance and impacts of organizations.

Source: [www.globalreporting.org](http://www.globalreporting.org)

### GRI Certified Training Partner

GRI Certified Training Partners are organizations all over the world that are certified by the Global Reporting Initiative (GRI) to provide training courses and modules on sustainability reporting.

Source: [www.globalreporting.org](http://www.globalreporting.org)

### Impact investing

Impact investing is defined as the placement of capital with the intent to create benefits beyond financial return.

Source: "A Framework for Action: Social Enterprise & Impact Investing", UN Global Compact, June 2012

### Intrapreneurs

People that are at the forefront of social change and build a better business from the inside out of the leading company they work for.

Source:

[www.changemakers.com/intrapreneurs](http://www.changemakers.com/intrapreneurs)

### ISEAL Alliance

ISEAL is a non-governmental organisation whose mission is to strengthen sustainability standards systems for the benefit of people and the environment. Its membership is open to all multi-stakeholder sustainability standards and accreditation bodies that demonstrate their ability to meet the ISEAL Codes of Good Practice and accompanying requirements, and commit to learning and improving.

Source: [www.isealliance.org](http://www.isealliance.org)

### ISO 26000

A standard of the International Organization for Standardization (ISO) that provides guidance on how businesses and organizations can operate in a socially responsible way.

### Material issues

Issues that reflect the organization's significant economic, environmental, and social impacts, or that would substantively influence the assessment and decisions of stakeholders.

Source: [www.globalreporting.org](http://www.globalreporting.org)

### NGO

Non-Governmental Organization

### Procurement

Procurement is the act of buying goods or services from an external source.

### SA8000

The international SA8000 norm is an auditable social certification standard for decent workplaces based on international workplace norms of International Labour Organisation (ILO) conventions, the Universal

Declaration of Human Rights and the UN Convention on the Rights of the Child. This standard is the benchmark against which companies and factories measure their social performance.

#### **SAI**

SAI is a non-governmental, multi-stakeholder organization whose mission it is to advance the human rights of workers around the world by eliminating sweatshops and by promoting ethical working conditions, labor rights, corporate social responsibility and social dialogue.

Source: [www.sa-intl.org](http://www.sa-intl.org)

#### **SECO**

The State Secretariat for Economic Affairs (SECO) is the Swiss Confederation's competence centre for all core issues relating to economic policy.

Source: [www.seco.admin.ch](http://www.seco.admin.ch)

#### **SMEs**

Small and medium enterprises

#### **Stakeholders**

Stakeholders are defined as entities or individuals that can reasonably be expected to be significantly affected by the organization's activities, products, and services; and whose actions can reasonably be expected to affect the ability of the organization to successfully implement its strategies and achieve its objectives. This includes entities or individuals whose rights under law or international conventions provide them with legitimate claims vis-à-vis the organization.

Source:

<https://g4.globalreporting.org/introduction/glossary>

#### **UN Global Compact**

The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

Source: [www.unglobalcompact.org](http://www.unglobalcompact.org)

#### **UNICEF**

The United Nations Children's Fund (UNICEF) is the driving force that helps build a world where the rights of every child are realized and is active in more than 190 countries and territories.

Source: [www.unicef.org](http://www.unicef.org)

#### **UniEthos**

UniEthos is a nonprofit organization in Brazil that provides advisory and executive educational services to companies in order to develop sustainability in their business.

Source: [www.siteuniethos.org.br](http://www.siteuniethos.org.br)

## IMPRESSUM

This report is elaborated by BSD Consulting, under the coordination of the BSD Group and published in August 2014.

We would like to thank everyone at BSD Consulting for providing input and for sharing suggestions for improvement.

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