

HNC/HND Accounting



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The world is currently facing many global challenges which can have local, national, and international impacts. These impacts can be grouped into what are commonly referred to as 'the three pillars of sustainability'.

One pillar represents environmental stewardship, reflecting the need for responsible and conscientious management of Earth's natural resources and for the protection of the environment.

Another pillar represents social sustainability, referring to the ability of a society to maintain and enhance the well-being and quality of life. This involves creating an equitable and just society that promotes social cohesion, protects human rights, and ensures that everyone has access to basic needs and opportunities.

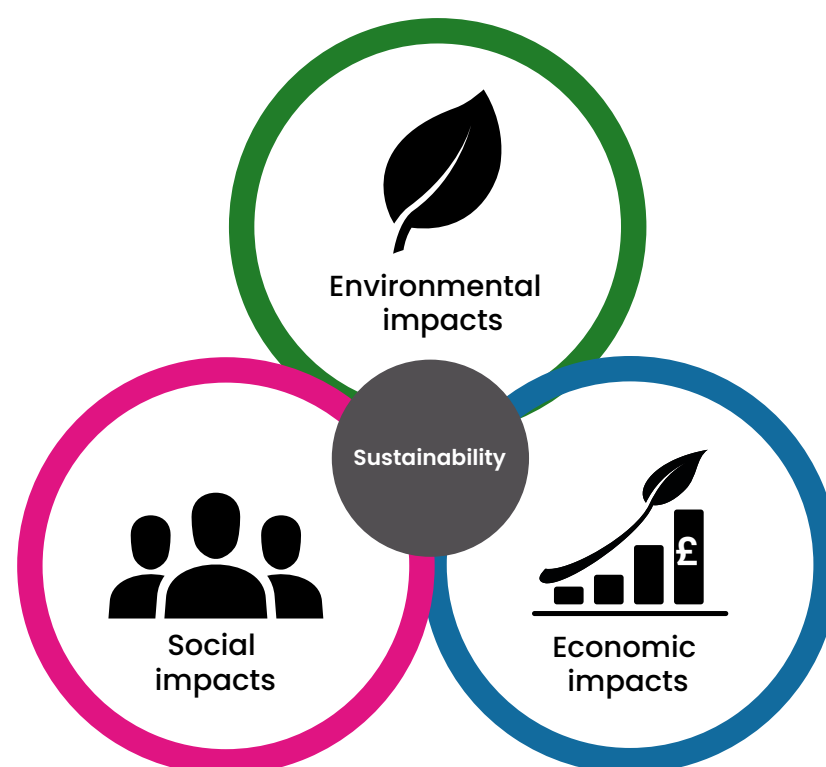
The final pillar represents economic sustainability, which involves balancing economic development with the preservation of natural resources, social well-being, and the needs of future generations.

All three pillars are of equal importance. Achieving sustainability requires collective action from individuals, businesses, governments, and organisations at local, national, and international levels. It involves making conscious choices and adopting practices that minimise negative impacts on the environment, promote social equity, and contribute to long-term economic sustainability.


To address global challenges and promote sustainability, the United Nations established the [2030 Agenda for Sustainable Development](#), a shared blueprint for people, planet, prosperity, peace, and partnership. At its heart is a set of 17 goals ([Sustainable Development Goals or SDGs](#)), which aim to stimulate action by 2030 in areas of critical importance for humanity and the planet. Behind each goal is a set of specific targets against which progress towards the individual goals can be monitored.

The infographic below displays a driver, its impacts and associated sustainable development goals linked to one aspect of accounting: the need for sustainability accounting standards, with a focus on materiality. Other key aspects of the standards include transparency and integration with financial reporting.

Sustainability accounting standards are frameworks that help organisations disclose information about their environmental, social, and governance (ESG) performance. These standards provide guidelines for how companies should report on sustainability issues that are material to their operations, which helps investors, regulators, and other stakeholders make informed decisions. They aim to enhance corporate accountability and help align business activities with broader societal goals, such as reducing environmental impact and improving social equity.



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Driver	Primary impact	Secondary impact	Associated SDGs
 <p>Sustainability accounting standards</p>	 <p>Materiality</p>	<p>Environment eg greenhouse gas emissions, air quality, energy management, water and wastewater management, hazardous materials management, ecological impacts</p> 	<p>12 – responsible consumption and production 13 – climate action</p>
		<p>Social capital eg human rights and community relations, customer privacy, data security, access and affordability, product quality and safety, customer welfare, selling practices and product labelling</p> 	<p>1 – no poverty 2 – zero hunger 3 – good health and well-being 4 – quality education 5 – gender equality 8 – decent work and economic growth 10 – reduced inequalities</p>
		<p>Human capital eg labour practices, employee health & safety, employee engagement, diversity and inclusion</p> 	<p>3 – good health and well-being 4 – quality education 5 – gender equality 8 – decent work and economic growth 9 – industry, innovation and infrastructure 10 – reduced inequalities</p>
		<p>Business model & innovation eg product design and life cycle management, business model resilience, supply chain management, materials sourcing and efficiency, physical impacts of climate change</p> 	<p>8 – decent work and economic growth 9 – industry, innovation and infrastructure 11 – sustainable cities and communities 12 – responsible consumption and production</p>
		<p>Leadership & governance eg business ethics, competitive behaviour, management of legal & regulatory environment, critical incident risk management, systemic risk management</p> 	<p>8 – decent work and economic growth 9 – industry, innovation and infrastructure 11 – sustainable cities and communities 12 – responsible consumption and production 16 – peace, justice and strong institutions</p>
			<p>Overarching 17 – partnerships for the goals</p>