

Doughnut for Urban Development team, October 2023

Dear Urban Development Practitioner,

We hope that by this point you've ready Doughnut for Urban Development: A Manual. You believe in the vision of the Doughnut and are ready to apply core principles to an urban development or a building project. With this letter we hope to provide a starting point to help align the project team with the new measures and frameworks you will need to include as part of your project definition.

Doughnut for Urban Development is brand new. As such, this document is a work in progress which we hope to iterate once we've had a chance to put the Manual into practice. We put forth suggestions for how to integrate project targets into project tenders, a code of conduct and a due diligence process. Please see this as a starting point from which you can build on.

We look forward to hearing about the implementation in your urban development work.

Sincerely,

Doughnut for Urban Development team

A holistic approach to urban development

Doughnut for Urban Development challenges traditional construction practices and processes. It asks developers to expand the scope of their social and ecological responsibility beyond the building site (local lens), to include the off-site impact (global lens). In most cases, the most problematic social and ecological impacts of urban developments happen off-site where building materials are sourced and manufactured. To fully embrace Doughnut thinking we must engage in new impact assessment processes that move beyond existing regulatory frameworks and sustainability certification schemes to include the global lens. As such, developers who aim to apply Doughnut thinking in their building projects will need new frameworks, new ways of distributing financial budgets, new project goals, and quite possibly new roles and experts engaged in the project.

Urban development is inherently complicated and reliant on strong collaboration. It is therefore essential that all partners (developers, investors, residents or other stakeholders, architects, engineers, project managers, contractors, surveyors, environmental consultants such as ecologists, urban planners, sustainability consultants, material producers, social impact experts) are aligned on the goals and values embedded in the project. While the project owner or developer has limited control regarding the sourcing of materials and business engagement between contractors and subcontractors, we maintain that you must take responsibility for these financial and material exchanges none the less. It is therefore recommended that before engaging in a new project, the developers conduct a workshop with all collaborators directly involved. This will serve to align collaborators around the project goals, vision, and embedded values. Beyond value alignment, there are frameworks that can facilitate open and transparent decision-making such as holistic goal

setting, transparent reporting, early tendering processes, creation of a code of conduct and investing in due diligence processes.

Holistic goal setting

Ecological Ceiling

Doughnut for Urban Development outlines specific, measurable targets for scaling building impacts within the limits of our planet. This is done by applying absolute sustainability science, which works to allocate specific shares of the planet's finite resources, from a global level down to the building level. To deeply understand this process and determine the right targets for your project you will need to read Chapter 4 – 'Urban Development within Planetary Boundaries' of the manual. This approach to applying absolute targets to a building project is new, and challenges the relative, incremental approach that is more commonplace in the building industry. Chapter 4 defines carbon budgets and biodiversity targets. These targets should be clearly defined for a building project and integrated into the project's tender documents. To date, we do not have urban development projects that are constructed within the finite limits of the planet. As such, it's important reconcile with this challenge and set ambitious goals, even if we aren't sure how to reach them.

The ecological ceiling of the Doughnut for Urban Development includes 48 impact areas to help steer the project towards safe operating space for humanity. Impact area *E13 Carbon budget*, *E14 Impact assessment*, *E15 Transparent reporting* are essential impact areas that deal with scaling the carbon emissions of the project within planetary limits. Likewise, *E37 Set biodiversity targets*, *E38 Impact assessment*, and *E39 Transparent reporting* are essential impact areas that deal with scaling the biodiversity impact of the project within planetary limits. All the other 42 impact areas of the ecological ceiling of the Doughnut for Urban Development can be seen as design methods and principles to stay within the absolute limits set by *E13 Carbon budget* and *E37 Set biodiversity targets*. These two targets should guide every project decision and must be included in the contractual framework(s) of the project.

Social Foundation

We acknowledge that the definition of specific social impacts will be intimately linked to the character, history, and context of the local community – there is no single “answer” that will be universally correct and completely exhaustive and there are no absolute targets for social impact assessment. The Social foundation of the Doughnut for Urban Development includes 24 local and 24 global impact areas, to which we provide example indicators. These indicators are suggestions for how you can begin capturing the impact of your projects through data collection and transparent reporting in a meaningful way. In a European context, this work will soon be mandatory activity dictated by the EU Taxonomy and Corporate Social Responsibility Directive (see more in the C-Level Management letter).

Based on our assessment of leading urban development frameworks, such as DGNB, LEED, BREEAM, WELL (to name a few), seldom deal with the global lens in a meaningful way. If we are to

meet the basic needs of all people within the physical limits of the planet, we need to engage in a new approach to distribute wealth, power, and resources in an equitable way. As such, we need to extend the same dignities to people along the global supply chain as we do to tenants in the buildings we create. What this means concretely is that if an action (say, forced labor) is not considered safe, desirable, or legal in the country you are building – you should not conduct business with contractors and subcontracts who benefit from those exploitive actions in faraway places.

To embrace the Doughnut, you must see yourself as a part of a global community and begin taking full responsibility for the impacts of urban development along the global supply chain. This is a challenge worth pursuing. In the following sections we define some measures which will help you begin this journey.

Transparent reporting

There is a saying that “we care about what we measure, and we measure what we care about.” If we begin measuring the full impact of our projects we can see where we are, where we need to go and at what speed we need to transition our construction practices.

Throughout Doughnut for Urban Development, we call for transparent reporting and transparent impact assessment. We believe this is fundamental to pushing the industry forward through shared learning and by holding collaborators accountable for the actions they take. At the same time, we need to use validated and standardized impact assessment (such as standard LCA methods) to be able to benchmark projects against each other.

In the spirit of collective action and knowledge commons, we encourage everyone working towards the goals outlined in the Manual to open source their project data. At a minimum, transparent reporting and transparent impact assessment should be a requirement between project partners and cemented into the contractual language of project tenders and code of conduct.

Early tendering process

Embedding building project goals in the early tendering process is critical for achieving project alignment with defined objectives. This involves setting clear project goals, pre-qualifying suppliers based on their ability to meet these goals, and specifying evaluation criteria in tender documents, all while fostering open communication channels and conducting pre-bid meetings. Additionally, it's essential to establish contractual commitments, create a transparent progress monitoring system and feedback loop to adapt to changing requirements.

Furthermore, integrating the right social and ecological project goals into the tendering process is pivotal for creating the right team of collaborators who can deliver on holistic, responsible construction. It entails defining sustainability objectives, emphasizing the importance of sustainability through specific, science-based criteria, and encouraging suppliers to propose holistic solutions that mind the social foundation and ecological ceiling. The process should also include rigorous evaluation criteria, contractual commitments (code of conduct), and regular monitoring

(due diligence). This will create the grounds for collaborative problem-solving and space to adjust throughout the project.

Code of Conduct

The code of conduct should act as a contractual agreement between collaborators on a building project. It can serve as a set of principles and guidelines that emphasize the responsibility to uphold the values presented in the Doughnut. In particular, it can assist ensure that the social-global aspects of the project are aligned with fundamental human rights – in accordance with international standards such as the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises on Responsible Business, and the ILO Declaration on Fundamental Principles and Rights at Work.

The code of conduct should extend to suppliers, contractors, and subcontractors, requiring them to align with ecologically and socially ethical principles to manage the adverse impacts on human rights, anti-corruption, and anti-bribery in their operations and those of their subsidiaries and affiliates. The code serves as the foundation for ongoing collaboration and performance improvement within the areas of responsible ecological, business, and employment practices.

Responsible ecological practices entail compliance with laws, reducing the carbon footprint, safe handling, and disposal of hazardous substances, and promoting sustainable resource management. Responsible business practices encompass compliance with laws, regulations, and ethical conduct, promoting integrity, professional standards, and safeguarding data and intellectual property while refraining from corrupt practices such as bribery and fraud. Responsible employment practices involve compliance with labor laws, promoting a safe and non-discriminatory workplace, respecting human rights, and ensuring fair wages and working conditions while rejecting forced labour and child labour.

Due Diligence Process

The code of conduct should be accompanied by a due diligence process to ensure the code of conduct is followed. This can be done in many ways such as conducting assessments through questionnaires, site and factory visits, financial audits, and working with trusted, third-party certified material producers. Maintain ongoing monitoring through collaborative work with suppliers to improve practices, require regular and transparent reporting, while ensuring legal compliance and code of conduct minimums.

Contractors and subcontractors are expected to self-monitor their compliance with the responsible practices outlined in the code of conduct document, which may involve self-assessment questionnaires or other forms of demonstrating adherence. In case of non-compliance, suppliers are urged to promptly inform project owners, propose remedies, and work collaboratively to resolve the breach. Failure to take corrective action within a reasonable timeframe could lead to contract suspension or termination. Project owners should also encourage reporting of any non-compliance with their own practices by creating a whistleblower program.