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<u>Message</u> from the President

This past year has been one of significant transformation for Institute for Sustainable Communities. Through it all, ISC remained steadfast, celebrating the success of long-standing projects and sharing our knowledge products, including innovative guides and studies across our expanding network; preparing to launch a new, multi-million dollar project funded by historic federal climate investments after being named one of three national Environmental Justice Thriving Communities Technical Assistance Centers by the U.S. Environmental Protection Agency; all while ensuring that we refocus our commitment to internally fostering an inclusive, transparent environment to support employee wellbeing. As we look back, we see a year marked by new beginnings and sustainable growth. We're thrilled to share the exciting developments and strategic initiatives that have positioned us for an even brighter future.



Leadership Transition and Growth

In September 2023, I joined the team as the new president of ISC, after a rigorous national search. Prior to ISC, I have spent the past 15 years working at the intersection of community development, climate, and social enterprise, and hope to bring fresh perspectives and renewed energy to ISC. Currently, we are investing heavily in growing our programs, both in the U.S. and abroad, and enhancing our capabilities.

KEY AREAS OF FOCUS INCLUDE:

Delivering Global Impact through Locally-Led Projects

The Mekong Sustainable Manufacturing Alliance, or "The Alliance," was brought to an end after its third year of continued partnering with local factories and engaging multinational brands to support the implementation of sustainability standards in the Mekong's multi-sector manufacturing region. This project wrapped up with a grounding breaking Sustainable Biomass Guidelines, an industry first.

Commitment to Staff Wellbeing

We recognize that our people are our greatest asset, and we are committed to creating an environment where they can thrive. Initiatives to invest in staff wellbeing include:

- Employee Engagement Programs: Enhancing our engagement initiatives to ensure employees feel valued and motivated.
- Work-Life Balance: Implementing policies that promote a healthy work-life balance, ensuring our team can sustain high levels of productivity and job satisfaction.
- Talent Development: Investing in training and development to ensure our staff is equipped with the latest skills and knowledge.

Renewed Effort in Impact Evaluation

A key priority this year has been to rethink how we have been sharing our impact. ISC has always shared insightful, enlightening stories, uplifting the communities which we work alongside. This past year, we committed to hiring an Director of Monitoring, Evaluation, and Learning to lead our impact evaluation efforts. Additionally, we began work to refine our metrics, which includes creating and implementing measurement and evaluation tools. We will continue to ramp up these efforts, to share the full impact of our work as we support communities battling the effects of climate change.

As we reflect on the past year, we are proud of our accomplishments and energized by the possibilities ahead. The successful wrap-up of major projects, our shift towards stronger impact evaluation, and exciting projects on the horizon all signal a new era of growth and innovation for the organization. With a renewed focus on leadership and talent development, we are poised to continue our journey towards supporting community resilience and sustainability.

Thank you for your continued support and partnership. Together, we look forward to a future filled with promise and potential.

pebecca Kadm



Program Highlights

U.S. Programs

Environmental Justice Thriving Communities Technical Assistance Centers

In 2023, ISC was named one of three national Environmental Justice Thriving Communities Technical Assistance Centers (EJ TCTACs) as part of a U.S. Environmental Protection Agency (EPA) and Department of Energy (DOE) joint initiative.

<u>The EJ TCTAC program</u> was created with funds from the 2022 Inflation Reduction Act, as part of the Department of Transportation's (DOT) Thriving Communities Initiative, which provides technical assistance and capacity-building resources to disinvested communities throughout the country. The current funding period for the EJ TCTAC program is five years, ending in 2028.

The EPA, in partnership with the DOE, distributed \$177 million to designate 13 regional and three national EJ TCTACs. ISC received \$10 million in funding over five years to serve as a national TCTAC.

Along with two additional national EJ TCTACs, the National Indian Health Board (NIHB) and the International City/County Management Association (ICMA), ISC provides training, resources and technical assistance for both regional EJ TCTACs and disinvested communities across the country. ISC also engages with stakeholder groups through conferences, meetings, and other events to identify technical assistance needs and promote the available TCTAC technical resources and offerings.

Over the course of the 2023 fiscal year, ISC worked hard to establish a strong foundation for the TCTAC program by establishing relationships with NIHB and ICMA through regular meetings. We also worked closely with partners Atma Connect, who provides support with human-centered web design to develop online TCTAC platforms and resources, and the American Society of Adaptation Professionals, whose staff and network of environmental professionals expands the capacity of ISC's TCTAC to provide high-quality technical assistance. ISC onboarded staff for the TCTAC project, including Devin Jefferson, program officer; Craig Freeland, program officer; Patricio Saavedra, climate data analyst; and Sam Schipani, communications officer.



Advancing Equitable Building Decarbonization in Communities of Color

<u>The Advancing Equitable Building Decarbonization (AEBD)</u> project focuses on growing community capacity for reducing the climate emissions of buildings in communities of color. In partnership with funder CBRE, the project is a collaborative, multi-phase model for equitable decarbonization and energy efficiency. Additionally, AEBD is designed to increase the access to sustainability funding and financing instruments for Black and brown building owners.

In 2023, the project established leadership alliances in three cities across the United States—Oakland, CA; St. Louis, MO; and Philadelphia, PA. Through the alliances, the project will grow community capacity to reduce building emissions by providing resources, technical assistance, and growing a network within and across the three cities.

Each leadership alliance was developed in collaboration with anchor partners from each city. Anchor partners are community leaders doing justice-based work in each city, and are responsible for providing thought leadership and recruiting community-based organizations for the leadership alliance. Alliances consist of leaders of majority Black- and brown-led organizations, local community development financial institutions or funders, and those representing other key community institutions and with diverse lived experiences.

International Programs

Mekong Sustainable Manufacturing Alliance

In its third year, <u>the Mekong Sustainable Manufacturing Alliance</u>, or "The Alliance," continued partnering with local factories and engaging multinational brands to support the implementation of sustainability standards in the Mekong region's multi-sector manufacturing industry.

In 2023, rooftop solar systems totalling 4.5 megawatts were installed in the project region and are subsequently projected to avoid or reduce over nearly 70,000 tons of carbon dioxide equivalent (tCO2e) over the next 15 years. The tonnage is equivalent to emissions from burning 76 million pounds of coal.

In collaboration with leading global apparel brands, The Alliance created a groundbreaking tool for the industry: <u>the first Sustainable Biomass Guidelines</u>, and the accompanying <u>Sustainability Risk Assessment</u> <u>tool</u>. These resources will enable apparel factory suppliers in the Mekong region around the globe to improve sustainability in biomass sourcing as a means to phase out coal from global textile supply chains.

"It was a great experience working together to draft the guidelines, an important component of the garment sector's transition away from coal and other fossil fuels. The publicly available work can help to direct all stakeholders in the industry to make more informed choices with the lowest-possible environmental impact on their journey towards electrification," said Peter Ford, Programme Lead, Sustainability and Energy Efficiency, H&M Group.

In 2023, the Alliance delivered 46 training sessions on environmental and social topics, reaching 5,662 factory managers, technical staff, and workers – over 80% of whom are women – to adopt climate-smart and socially compliant technologies and practices that result in greener and safer production. As a result, a plurality manufacturers reported an improvement in their sustainability performance capacity.

The Alliance also developed 40 knowledge resources that directly reached 3,219 people plus an additional 22,709 people via ISC's social network, which published the knowledge resources.



Accelerating Clean Equitable Manufacturing Project

The Acelerating Clean Energy (ACE) Manufacturing Project is a unique initiative aimed at steering India towards gender equity and net-zero carbon emissions. By promoting the advancement of clean technologies, green manufacturing practices, and green job creation with state and local institutions, ACE has catalyzed greater support for more sustainable and gender-equitable decarboinization practices with small and midsize enterprises (SMEs) in sectors including chemical, automotive, and textile.

The ACE project has been instrumental in fostering sub-national ecosystems to accelerate cleantech adoption by SMEs, and a gender-equitable green workforce through a series of events and workshops. Notably, ACE co-organized a "Just Transitions" event at COP27, focusing on gender and indigenous peoples in climate action. ACE also partnered with the Centre for Environment Education and UNEP to showcase clean technologies for textile clusters in Surat, reaching over 1,000 SME owners and managers. Textile sector outreach included site visits and training clinics for textile dyeing units and Common Effluent Treatment Plants (CETPs) in Tiruppur and Ahmedabad (50+ units, 18 CETPs). Additionally, energy audits were performed to identify resource efficiency areas, incorporating discharge from 2,500+ SMEs in Ankleshwar and Naroda.

Demonstrating ISC's commitment to building a green-skilled workforce, the ACE project conducted a training series on net-zero manufacturing in the automotive sector, with a special focus on gender equity. It supported green skills awareness workshops across India, engaging over 5,000 young people, half of whom were women. The project also facilitated visits for 200+ technical and vocational students to automotive component manufacturing units in Gujarat and the National Capital Region and partnered with a multinational equipment manufacturer to train a batch of 25 women welders in India, all of whom found employment.

To ensure the initiative's scalability and sustainability, the ACE project held consultations on gender-equitable decarbonization, sensitizing policymakers and academics. The one-day Parivartan Summit took place on June 27, 2023, connecting SMEs, cleantech companies, investors, and policymakers. The summit enabled discussions on decarbonization, digitalization, and circularity with a focus on gender equity and technology transfer. The Cleantech Connect Directory was launched to link SMEs with clean technology suppliers, and regular meetings with textile cluster stakeholders raised awareness about carbon credit markets.

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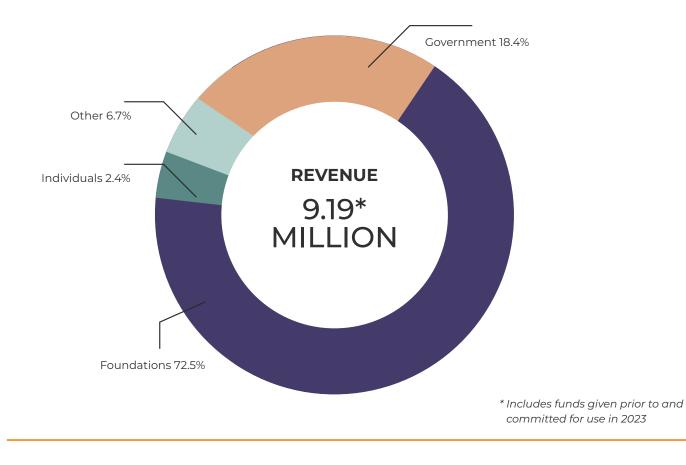
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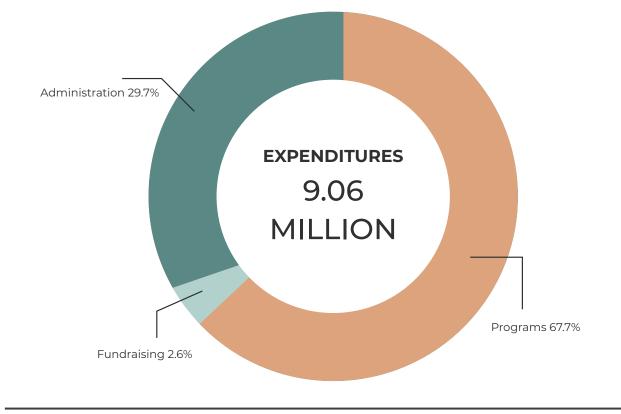


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2023 Financials

October 1, 2022 - September 30, 2023







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