

# Sustainable Business Performance Measurement Tools and Reporting



ORGANICOLOGY CONFERENCE

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## Common questions:



- *What are the appropriate metrics to drive environmental and social performance?*
- *What are the best practices in the industry? What kinds of goals are my peers setting?*
- *How do I report on our progress, market our achievement and avoid “green-washing”?*

# Defining Success



- *If you don't know where you are going how will you know if you are making progress?*
- *What would my business/industry look like if it were aligned with the principles of sustainability?*

# Utilize Existing Frameworks and adapt to your business model



- “Meeting our needs with out compromising the ability of future generations to meet their needs” – U.N. Brundland Commission
- “Living within the limits of nature” – Mathis Wakernagel, *Ecological Footprint*
- “Sustainability fundamentally involves moving from a ‘take-make-waste production model’ to a ‘Borrow-use return approach” – William McDonough and Michael Braungart, *Cradle to Cradle*
- To achieve sustainability we must maintain healthy ‘stocks’ and ‘flows’ of ‘natural capital’, living of the ‘interest’ of nature not the ‘principle’. This means we must radically increase productivity in the use of natural resources, shift to biologically inspired production methods and materials, move toward service-and-flow business model, reinvest in natural capital resources. – Paul Hawkin and Emory Lovins, *Natural Capitalism*

## “Declaration of Sustainability in the Organic Food Trade”

### **Purpose:**

- To help define what achieving "sustainability" would look like in our trade. To provide a vision of where we want to go long term.
- Identified 11-tangible areas for action: Organic, Distribution, Energy, Climate Change, Water, Waste, Packaging, Labor, Animal Care, Consumer Education and Governance.
- 2 years vetting the language with the trade.

## Measure your social and environmental performance



- Many companies have values—care for and live light on the earth, zero waste, give back to our community, fair labor, health— but how do you demonstrate you are living them?
- Measurement is key to combating “greenwashing”
- Researched industry standard metrics (Global Reporting Initiative, Greenhouse Gas Protocol, etc) reviewed industry reports (i.e. Green mountain coffee, Clif Bar, etc)

# Take an incremental approach to data collection



- **Phase 1 – Provide a narrative describing your practices**

*For example: We regularly sort trash, recycling and compost.*

- **Phase 2 – Provide a narrative describing your practices and begin to measure aggregate performance.**

*For example: We produced 110 tons of waste in 2008.*

- **Phase 3 – Provide a narrative describing your practices and begin to measure specific performance.**

*For example: We recycled 60 tons of waste in 2008 of which 30% was polyurethane shrink wrap, 30% was of paper products (office paper and corrugate), 10% was glass, and 20% was miscellaneous.*

# Measure your social and environmental performance



|                     |  |
|---------------------|--|
| <b>TOTAL ENERGY</b> | <b>Provide a narrative describing energy practices and/or goals.</b>   |
|                     | <b>Provide a narrative documenting any efficiency practices or upgrades.</b>   |
|                     | <b>Does your company have a policy or guidelines in place regarding energy usage or renewable energy? If so, state the policy.</b>                     |
|                     | <b>Energy Saved Due to Conservation and Efficiency Upgrades in Facilities</b> –units by energy type.   |
| <b>ELECTRIC</b>     | <b>Annual Electric Usage</b><br>– kwh purchased; if possible include energy sources if possible including coal, nuclear, geothermal, wind, hydro, etc. |
| <b>NATURAL GAS</b>  | <b>Annual Natural Gas Purchased</b><br>- therms purchased.   |
| <b>PROPANE</b>      | <b>Annual Propane Purchased</b><br>–units purchased.   |
| <b>OTHER</b>        | <b>Annual Other Facility Power Purchased.</b>  |

# Measure your social and environmental performance



|                         |   |
|-------------------------|---|
| <b>RENEWABLE ENERGY</b> | <b>Renewable Electrical Power Produced Onsite</b><br>– renewable kwh (solar, wind) as a percentage of total electrical power.   |
|                         | <b>Renewable Gas Power Produced Onsite</b><br>– renewable (biogas from methane digester) therms as a percentage of total gas power.   |
|                         | <b>Green Power Purchases</b> – kwh of Renewable Energy Credits (REC) or “green power” (wind, solar) purchased from your utility providers as a percentage of total power.                                   |
|                         | <b>Provide a narrative of REC provider and program.</b>   |
| <b>EFFICIENCY</b>       | <b>Electricity Usage and Efficiency</b> -kwh per square foot of space.  |
|                         | <b>Electricity Usage and Efficiency</b><br>-kwh per pound of production.  |
|                         | <b>Total Facility Energy Consumed per unit of product</b><br>-total electricity, natural gas, propane, and other facility energy converted to BTU consumed per unit (case, pallet, unit, pound) of product. |

# Measure your social and environmental performance



|                               |   |
|-------------------------------|---|
| <b>EMPLOYEE<br/>COMMUTING</b> | <b>Provide a narrative describing employee commuting programs including rideshare, bicycle commuting, use of public transportation.</b> |
|                               | <b>Annual Commuting Miles of Workforce</b>  |
|                               | <b>Annual Emissions from Workforce Commuting</b><br>–tons of CO2 equivalents.   |
|                               | <b>CO2 Average Emissions per Worker</b><br>–tons of CO2 equivalents.  |
|                               | <b>Annual Corporate Air Travel Miles</b>  |
|                               | <b>Annual Emissions from Corporate Air travel Miles</b><br>–tons of CO2 equivalents.  |
|                               | <b>Annual Emissions from Employee Commuting Offset</b><br>–tons of CO2 offset. List emissions offset provider.                          |

# Use your data to set performance goals that are appropriate for your business



## Sustainability Scorecard 2007 ACHIEVEMENT OF SUSTAINABILITY PROJECTS 2007

|   | Supports<br>OGC<br>Sustainability |  | Self-<br>Rating | More<br>Info |
|---|-----------------------------------|--|-----------------|--------------|
| <u>What we said in 2006</u>   | <u>Goal</u>                       | <u>What we did in 2007</u>   |                 |              |
| Develop and implement plan to reduce trash by 50%.  | #2                                | The amount of trash hauled out of OGC's and facilities was cut in half by 3/31.  | √√√             | page 15      |
| Install onboard computers on tractors to increase MPG by 10%.   | #1                                | On board computers were installed on time on all trucks across OGC.  | √√              | page 12      |
| Test and install fuel heaters on tractors to enable trucks to run 99% biodiesel                           | #1                                | Fuel heaters installed on 4 tractors. Successfully ran 99% biodiesel fuel for 10 months. Recent corrosion issues.  | √√              | page 10      |
| Optimize route structure via training, software, and daily analysis to increase fleet utilization by 10%. | #1                                | The operations team completed the initial installation of Arc Logistics software by 9/30.  | √√√             | page 12      |
| Train staff in computer/phone procedures to conserve energy, and paper and minimize paper faxes.          | #2                                | Introduce e-fax at Kent and Eugene facilities by 6/30. Stalled due to complexity of implementation and pricing, employee concerns about feasibility. Intent to move forward with 5 out of 8 machines on e-fax by 1/08. | —               | page 15      |

## Regular reporting and transparency with stakeholders, employees, customers and community



- Internal reporting and regular review
- Benchmarking with peers
- Annual CSR or Sustainability Report
- Newsletters & Website
- Point of Purchase & Packaging

# Think and talk about “sustainability” as a journey



- “We realize that when doing business it may not be possible to reach 100% sustainability. However, we want to reduce our unsustainable practices to the absolute minimum and find ways of compensating for areas where we cannot achieve total sustainability.”

-Nature’s Path website

- “Moving toward Sustainability: Working to reduce our ecological footprint”

-Clif Bar newsletter

# Think and talk about “sustainability” as a journey



- “Sustainability is becoming a buzz word in our culture, but the more I learn the farther away I realize we are from dealing with the issues of pollution and waste creation, and resource reduction—that is a radicalizing realization and has driven the changes we have been making at Sokol Bloser. The following is a recap of our challenges and progress this year...”

-Sokol Bloser Sustainability Report 2005

## Moving from self assessment towards 3<sup>rd</sup> party verification



- Self assessment and reporting
- Voluntary industry benchmarking group (FTSLA, B Corp, BALLE, Co-op America, EPA climate registry)
- Third party audit (ISO 14000, Global Reporting Initiative)
- Certification for general sustainability practices or specific focus like organic, labor, green building, etc. (Oregon Tilth, Fair Deal, LEED, Forest Stewardship Council)



For more information, go to:

[www.ftsla.org](http://www.ftsla.org)

Natalie Reitman-White

[nwhite@organicgrown.com](mailto:nwhite@organicgrown.com)