



Making Progress Towards Sustainability and How you Measure it.

Rob Sinclair

Background

- ▶ A group of like minded, multi-talented individuals;
- ▶ 10 years in the organic food industry;
- ▶ 20 plus collective years of sustainability experience;
- ▶ Help companies use systems thinking to ignite dreams;
- ▶ How you do anything is how you do everything;
- ▶ Collaborative change.

Goals of Today

- ▶ Talk about my experiences;
- ▶ Getting away from colors - let's talk transparency;
- ▶ Frame sustainability for SME's;
- ▶ Talk about some use and uses of KPI;
- ▶ Steps in developing KPI (more what than how);
- ▶ Have fun!

Who's doing what...

- ▶ How many of you are using a metric(s) to measure a goal or initiative in your company?
- ▶ How many of you are in the process or have done an environmental footprint or assessment?
- ▶ How many of you have done a sustainability report?

What is Sustainability?

Sustainability – Sustainable Development (SD)
Environmental, Social, Governance (ESG)
Corporate Social Responsibility (CSR)
Corporate Responsibility (CR)
Triple Bottom Line (TBL) – 3Es – 3Ps

Economy - Profits

Growth, Jobs, Taxes
Products
Services



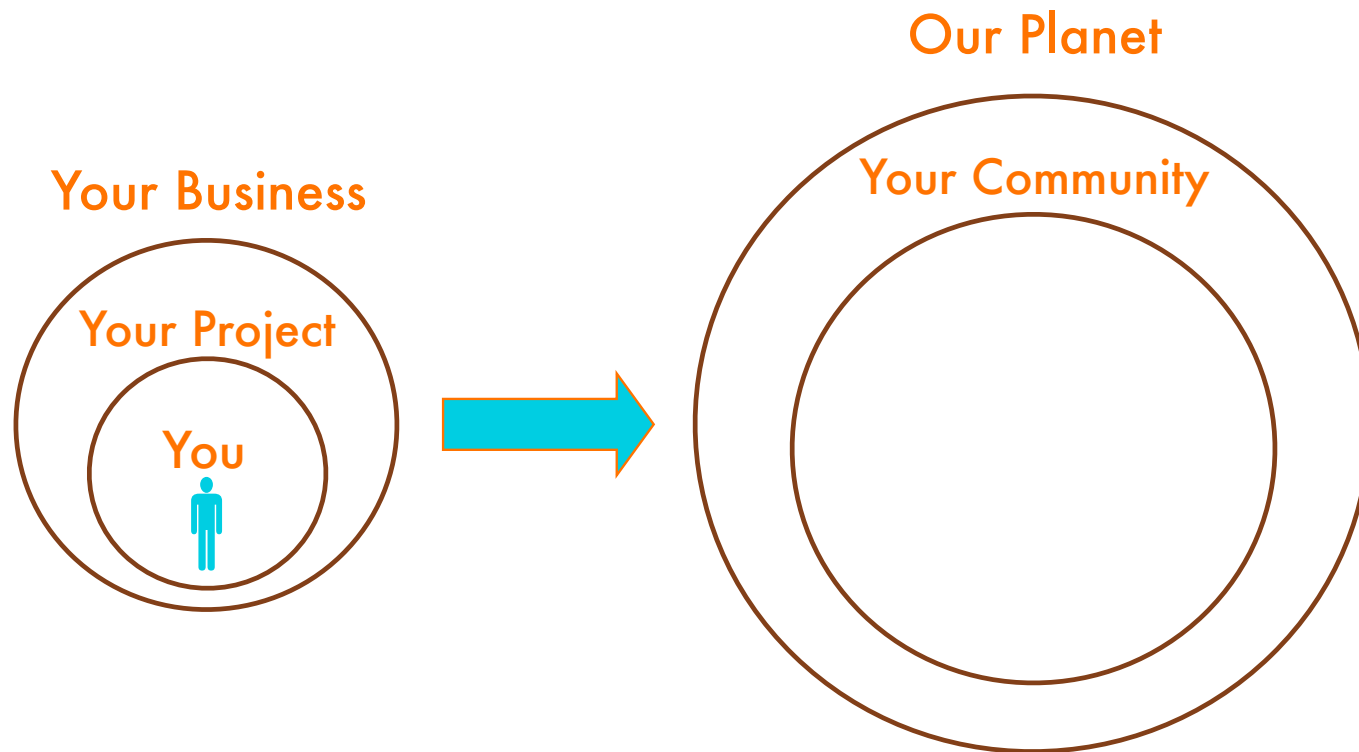
Equity - People

Employees
Community / Culture
World

Environment - Planet

Eco-efficiencies
Eco-effectiveness
Restorative

Sustainability as a Niche



Sustainability as the Core



Secondary Research

- Tesco
- Starbucks
- Seventh Generation
- Green Mountain Coffee Roasters
- Cliff Bar
- The Global Reporting Initiative (GRI)
- Kettle Brand
- The Centre for Sustainable Innovation
- Whole Foods
- Vancity
- Unilever
- WiserBusiness Taxonomy
- The Body Shop
- Walmart
- Guayaki

What we found...

LESS IS MORE!



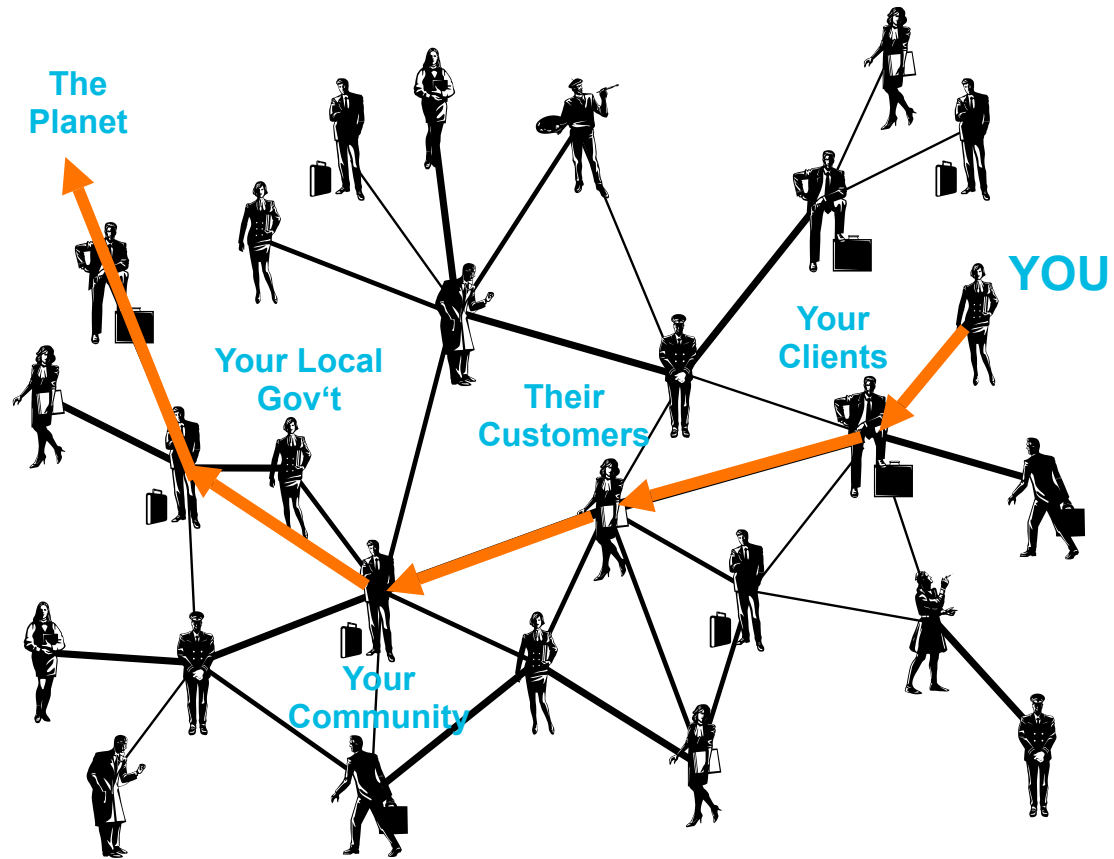
What Doesn't Work?

- ▶ Trying to go at it alone;
- ▶ Going for the home-run;
- ▶ Getting bogged down in the details;
- ▶ Trying to measure every little thing.

What works?

- ▶ Look at your organization as a whole;
- ▶ Consult with an outside advisor;
- ▶ Think big, start small;
- ▶ Tie KPI to your corporate vision;
- ▶ Engage with stakeholders for feedback;
- ▶ Learn from the process and not be so attached to the outcome;
- ▶ Collaborate!

What is your connection?



Challenges

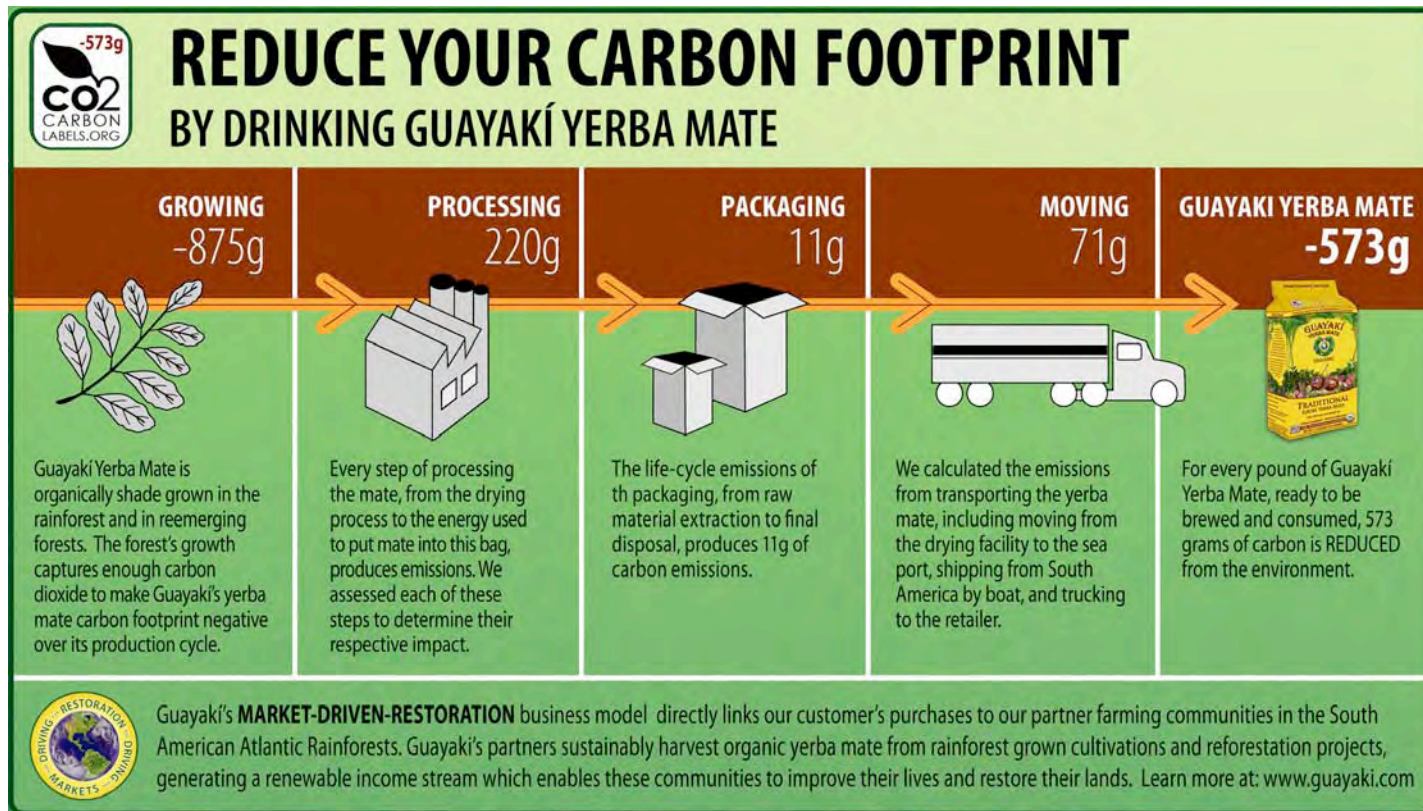
- A mass of options;
- Murkiness on use and usefulness;
- Data mapping;
- Implementation - follow-up and accountability (dash-boards);
- Stakeholder engagement;
- Knowing when is enough is enough.

What is a KPI?

A Key Performance Indicator (KPI) typically measures the outcome or result intended by the key objective that is aligned to an overarching vision

Key Objective	KPI	Metrics
Reduce GHG emissions along value chain	<ul style="list-style-type: none">• Energy cost reduction relative to growth;• GHG emissions;	<ul style="list-style-type: none">• GHG emissions from relevant value chain stages, expressed per sales revenue

Carbon Product Footprinting



Use and uses of a KPI?

- ▶ learning - produce understanding and insights;
- ▶ decision-making - generate insights to support decision-making;
- ▶ accountability - provide information to judge performance;
- ▶ demonstration - convince or reassure stakeholders about organization's performance and trends.

Use and Uses

Table 2. EXAMPLES OF USES AND USERS OF METRICS

Uses of Metrics	Management	Operations	Financial	Environment Health Safety	Research and Development	Human Resources	Public Relations	Investor Relations
Learning • Benchmark Internally	✓			✓				
• Evaluate Alternatives		✓		✓	✓			
Decision-Making • Identify Improvement Options		✓		✓	✓	✓		
Accountability • Report to Stakeholders	✓		✓				✓	✓
• Track Performance		✓		✓		✓		
Demonstration • Build the Business Case	✓		✓	✓	✓			✓
• Promote SD	✓			✓			✓	

* Source GEMI Metrics navigator pdf 2007

Some Examples

Social Indicators

- Work life balance
- Employee gender diversity
- World BLU
- B-Corp
- Community giving
- Local farm empowerment
- Living salary
- Empowering Indigenous peoples

Environmental Indicators

- Work life balance
- Employee gender diversity
- GHG Protocol
- Carbon Labels
- % of organic ingredients
- % of reduction in shrink-wrap
- % Plastic reduction
- Gallons of composting

The Process



BUILD METRICS AND SET TARGETS

Material Issue(s) Material issue(s) addressed by the key objective	GHG emissions, energy use and use of alternative energy	
Key Objective A selected key objective	Reduce GHG emissions along value chain	
KPIs Description of the measure(s) of performance toward a key objective(s)	GHG emissions	Energy reduction relative to growth
Use and Users	Multiple users	Multiple users
Metric Definitions Measurements that further define and support the KPI – The ‘how-to’ of KPI	GHG emissions from relevant value chain stages, expressed per sales revenue	Energy use per sales revenue
Metric Boundary	Farming, transportation, heat & power generation, company’s operations	Company’s operations and transportation
Reporting Level	Business Unit	Business Unit
Formula	Sum of GHG emissions from each value chain stages (CO2- equiv/yr) per US\$ sales	Annual energy use (MJ/year) per US\$ sales
Protocols & Assumptions	<ul style="list-style-type: none"> - GHG from farming (upstream): Estimate using US average for conventional and organic pea farming - GHG from incoming transportation and from distribution: Estimate from logistics data using WBCSD guidelines for calculating GHG from transportation - GHG from heat and power generation: Calculate from electricity and steam use at facilities and GHG emission factors from suppliers - Non-CO2 GHG emissions converted into CO2 equivalents following IPCC 20-year horizon - Sales revenue: follow financial accounting calculation 	<ul style="list-style-type: none"> - Energy use calculated as fuel equivalence (in MJ) - For purchased electricity and steam, report as the equivalence of fuel required to generate and deliver the energy Sales revenue: follow nancial accounting calculation
Data Sources	See calculation protocols & assumptions above	Utility data; transportation records GHG emissions along value chain
Frequency	Annual	Quarterly
Target	Reduce 30 percent in 5 years	Reduce 10 percent in 5 years

Consider the Entire System



Thank you

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