



STRATEGIC  
SUSTAINABILITY  
CONSULTING

# 20 SUSTAINABILITY REPORT 12

## ABOUT THIS REPORT

This sustainability report covers 100% of Strategic Sustainability Consulting's seventh year of operations, from July 2011 to June 2012. Once again, we have used the Global Reporting Initiative's (GRI) G3 Guidelines as our reporting standard and as a guide for calculating our economic, environmental, and social impacts. Accordingly, we have reported on all core sustainability indicators (or explained why they were omitted), but have not gone through an external assurance process. We have not restated any information from previous Sustainability Reports.

As in past years, we have used the GRI Boundary Protocol and the associated GRI Reporting Principle in deciding what to include in this report. We decided that all work-related activities carried out by SSC staff are "material" and are thus included in our calculations. In accounting for work done through the SSC Consultant Network, we have included only our direct impacts (such as energy used to host online networking events) and not our indirect impacts (such as the energy used by each attendee). However, when members of the SSC Consultant Network are hired by SSC for a specific project, their activities for that period are considered material and are reported accordingly.

This report is published on the Strategic Sustainability Consulting website ([www.sustainabilityconsulting.com](http://www.sustainabilityconsulting.com)) and is freely available to the public. We hope that our stakeholders will take the opportunity to read it and give us feedback. If you have any questions or comments about this report, please contact Jennifer K. Woofter at 1-202-470-3248 or [jennifer@sustainabilityconsulting.com](mailto:jennifer@sustainabilityconsulting.com).

We are a company built on the principles of sustainability, and that includes a commitment to transparency and disclosure. Be sure to check out our previous sustainability reports to see how far we've come.



Sustainability Report  
2006



Upward Trajectory  
2007 Sustainability  
Report



Sustainable Growth  
2008



Sustainable Growth  
2009



Sustainable Growth  
2010



2011 Sustainability  
Report

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*"... bridging the gap between  
organizational values and  
operational performance."*

# Letter from the President



Jennifer Woofter  
President

Let me be honest with you, there is NEVER a good time to write a sustainability report. There is never a period of time where I say to myself, “You know what would be fun? Let’s put aside all of our client obligations, networking opportunities, and business development plans and spend some time rehashing the details of the previous year.”

But we do it. Every year, Strategic Sustainability Consulting commits to writing a sustainability report that analyzes the past and charts the future. We measure our performance against last year’s goals to see how close we came to achieving the lofty targets we set the year before. We struggle to make our report more relevant, engaging, and meaningful than the year before.

## WHY?

Because **sustainability reporting is a planning tool that guides our business strategy**. The process of compiling and analyzing the data, deciding on case studies, looking at trends, and developing goals for the coming year helps us hone and focus the direction we’re headed.

Because **sustainability reporting makes us pay attention to our promises**. It’s easy to make promises in the heat of the moment. But committing promises to paper in the form of specific targets that are publicly available is a whole different kind of incentive for achieving success. We pay careful attention to our goals throughout the year, knowing that we’ll be sharing the results with our stakeholders.

Because **sustainability reporting ties back to our mission**. When we opened our doors in 2005, our goal was to make sustainability consulting services relevant and available to all organizations—not just Fortune 500 companies and “built from the ground up eco-organizations”. Writing a sustainability report allows us to practice what we preach, and forces us to recommit to our vision: sustainability for every company (including our own!).

## YEAR IN REVIEW

The last year was incredibly rewarding. We continued our work with long-standing clients, helping them to take their sustainability programs to new heights. We also embarked on projects with two new large clients, which we hope will continue on for many years to come.

Financially speaking, 2012 was a solid year, and our revenue was up sharply from 2011. As we’ve mentioned before, fluctuations in revenue are generally not because of dramatic growth or contraction, but because clients tend to pay in several large checks that are distributed unevenly throughout the year. Still, we’re happy to report a healthy bank account that allows us to weather the sometimes turbulent world of small business.

From an environmental standpoint, 2012 was also a great year. We continued to hold steady at 15 tons of annual carbon emissions. Of course, looking at a number in isolation doesn’t tell us much, and we’ve taken a deeper look at what our carbon footprint means in context on page 12.

On the social side, we’ve continued to expand and deepen the SSC Consultant Network, our cadre of more than 900 sustainability professionals across the globe. In particular, I’m proud of the dozen or so colleagues that we now work with on an ongoing basis. To further advance our social performance, we’ve streamlined and simplified the consultant vetting and hiring process, and I look forward to reaping the benefits of those efforts in the year to come.

## LOOKING AHEAD

Over the next twelve months, I expect to further expand our administrative and project management staff at SSC. As we continue to provide expert sustainability consulting to our clients, delivering effective and cost-conscious services is one of the areas that set us apart from our competitors.

We will also be rolling out new products and services, including a Life Cycle Assessment (LCA) service specifically designed for small and mid-size firms. This new service will be incorporated into our package for Walmart suppliers, and we anticipate that it will be one of the most important things that Tier One suppliers to the big retailers look for when choosing a consulting partner.

We will also be keeping a close eye on sustainability standards and supplier questionnaires, as they rapidly evolve. In particular, we will be watching the release of the new G4 GRI Guidelines on Sustainability Reporting. To be honest, we’re not keen on where the draft version of G4 is heading (and so are sticking with the G3 Guidelines for the immediate future). Our priority will always be to focus our sustainability reporting (and the reporting practices of our clients) on what is most relevant and most material. We hope you agree, and see that reflected in this report.

Jennifer Woofter  
President

## OUR SUSTAINABILITY PERFORMANCE AT A GLANCE

ASPECTS	GOALS IN 2011	2012 STATUS	NOTE	2013 GOAL
Economic Impact	Establish template packages for SSC Consultant Network projects and partnerships to ensure consistent governance of projects, including a standard Master Services Agreement, mutual non-disclosure agreement, Code of Ethics, and eco-tracking document. Develop a partnership “dossier” that will allow us to more quickly and effectively identify sustainability professionals to collaborate with, and put this information on our website to facilitate the process of mutual evaluation.	Complete	We’ve revamped our partnership process, developed a more concise road map for collaboration, and finalized templates that allow us to quickly onboard new consultants.	Develop better outreach processes to connect and network with like-minded businesses.
Environmental Management	Our aim for 2012 is to generate a carbon footprint of 8.0 pounds of carbon per work hour or less, which is our average for the 2009-2011 period.	Complete	In 2012 we averaged 6.2 pounds of carbon emissions per work hour. See page 13.	Keep our carbon footprint at or below 7.5 pounds of carbon per work hour. See page 13.
Labor Practices	Launch “Social Media for Sustainability Professionals” online course to help members of the SSC Consultant Network leverage social media to promote their brands, improve collaboration, and shape the sustainability conversation. Participate in at least four web-based sustainability training events.	Complete	In January 2012, we launched the 8 week online, on-demand course with excellent results and feedback. We have continued to enhance the curriculum with periodic YouTube video clips.	Expand our administrative and project management staff.

## DURING THE 2011-2012 REPORTING PERIOD

WE WERE	WE SERVED	WE PROVIDED	WE ORGANIZED
Headquartered in the Washington, DC area	Small, Medium and Large Businesses	Sustainability Planning	900+ Sustainability Professionals in the SSC Consultant Network
Organized as a limited liability company	Walmart Suppliers	Green Audits	13 Active Personnel (employees, contractors, interns, volunteers)
A carbon-neutral company	Pension Funds	Carbon Footprint Analysis	
	Universities	Green Business Certification	
	Non-profit Organizations	Supply Chain Management	E-business model, without commercial office space
	Municipal Governments	Sustainability Reporting and Communications	
	Federal Agencies	Stakeholder Engagement	



## About Our Company

Strategic Sustainability Consulting (SSC) provides under-resourced organizations with the tools and expertise needed to manage their social and environmental impacts. Using a combination of traditional strategic planning techniques and cutting-edge sustainable development knowledge, we offer clients a highly customized approach to bridging the gap between organizational values and operational performance.

### RISKS AND OPPORTUNITIES

Currently, there are more than 100 different sustainability consultancies operating in the United States. That makes for a crowded marketplace, and one of our challenges is distinguishing ourselves to a client base that may not always know how to choose a good consultancy. We devote a significant amount of time and effort to branding—through our website, social media platforms, and in-person networking. We believe that we are well-positioned to differentiate ourselves from our competition.

We continue to see a trend towards mergers and acquisitions, with many of the boutique sustainability consulting firms being bought up by larger players. This is resulting in a bifurcation of the marketplace—with a very large number of freelancers and solopreneurs on the one side and a handful of very large consulting providers on the other. That leaves Strategic Sustainability Consulting somewhere in the middle—a place we love to be. Our hybrid business model provides the ultimate flexibility to respond quickly as market needs change. A small in-house team keeps our overhead expenses low, but we are able to ramp up quickly for larger projects by drawing on the wealth of expertise in our 900+ member SSC Consultant Network.

The flip side to a crowded marketplace is that there is great opportunity for “coopetition”. We partner with the best and the brightest in our industry—joining forces on client engagements, sharing best practices, and identifying new trends and innovations in sustainability. As clients become savvier about sustainability, they are better able to articulate their needs (beyond just “going green”) and we are better able to select engagements that get at the heart of what we do best.

## OUR KEY IMPACTS

At Strategic Sustainability Consulting, our biggest impact is in the services that we deliver to clients. Our aim is to be “net positive” in our work, outweighing any negative impacts caused by our operations with the positive results achieved by our clients.

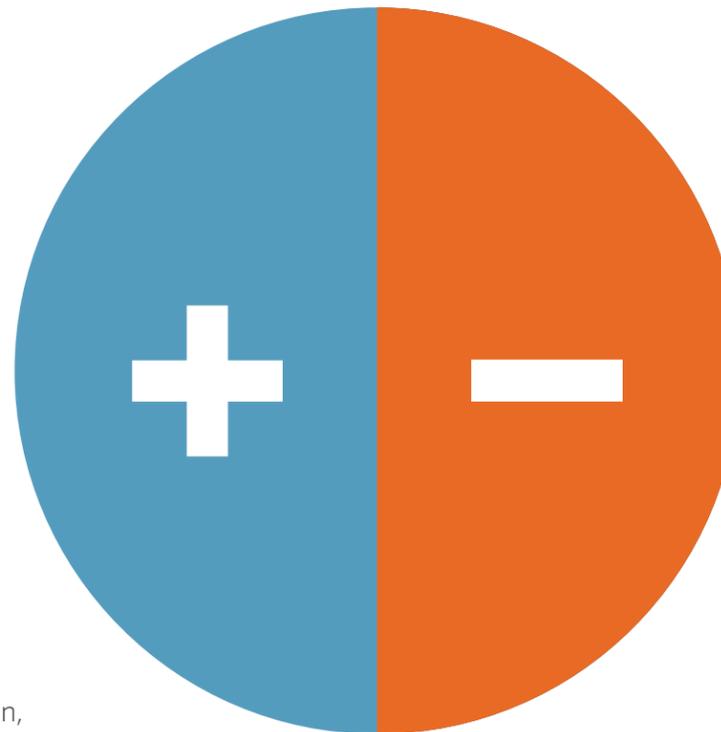
We acknowledge that our activities have impacts, even negative ones, for that reason we do our best to minimize those effects and operate in the way we teach our clients.

Our work allows clients to strategically plan for sustainability, minimizing risk, creating competitive advantage, and driving innovation. As a result, **clients grow stronger while reducing their carbon footprints.**

We help clients satisfy their most important customers (like Walmart!), there-by creating happy value chains. We also help clients look back into their supply chain, **ensuring that their vendors meet environmental and social expectations.**

Our work creates jobs for other sustainability consultants, as **we bring together experts to deliver the highest-quality services.**

The federal, state, and local taxes that we pay support public education, local infrastructure, and a social safety net.



Running a business generates emissions, from the computers we use to the HVAC systems that keep us warm. **We have, however, minimized our impact by organizing as an e-business (without commercial office space).**

Like all businesses, we generate waste. While this is quite minimal and can generally be recycled or composted, **we're conscious that some things still end up in the landfill.**

While the vast majority of our work is done remotely, we frequently travel to client sites, some of which are quite far flung. **This travel generates emissions, which we offset each year.**

# Governance, Commitments, and Engagement

Strategic Sustainability Consulting is vertically organized, with all decisions going through the president. As such, there are no separate governance structures responsible for setting strategy or organizational oversight. The company does, however, set aside several days every six months for financial and sustainability planning purposes, and SSC staff and associated consultants are invited to participate in the process.

## A VALUES-BASED GROWTH STRATEGY

Our growth strategy is determined by a careful balancing of priorities. Obviously, as a small company we are concerned about our own economic viability, but we are also careful to only choose growth opportunities that we believe are good for our clients, good for the environment, and good for society. In this pursuit, we are guided by the following values:

### Our Guiding Values

At Strategic Sustainability Consulting, we believe that corporate social responsibility is not just the “right” thing to do, but also makes good business sense. With the goal of long-term sustainable development in mind, we commit to:

**Integrity** – we go beyond mere compliance with the law and look for ways to be more honest, more accountable, and more transparent in everything we do.

**Positive Social Impact** – we offer products and services that make the world a better place, including pro-bono work to clients who would otherwise be unable to fund CSR initiatives.

**Environmental Responsibility** – we choose environmentally-friendly alternatives, encourage e-meetings, and offset our carbon emissions.

**Social Responsibility** – we endorse the Universal Declaration of Human Rights and strive to buy only from suppliers who respect ILO Conventions.

**Community Service** – we participate in the local community through volunteerism and charitable giving.

## EXTERNAL GUIDANCE

Additionally, we use the following external charters, standards, and guidelines in formulating our business strategy and decision-making processes:

- Universal Declaration of Human Rights
- ILO Standards on Labor Rights
- AA 1000 Accountability Series
- Global Reporting Initiative
- UN Global Compact

## STAKEHOLDER ENGAGEMENT

There are no norms for what makes a good “sustainability consultancy”. We think that values like integrity, honesty, and accountability are the foundation of good business—but don’t necessarily tell us how to add value to our clients, our communities, and our natural environment. The process of discovering this path to triple bottom line success requires reaching out in a collaborative way with our stakeholders, to explore how we can build Strategic Sustainability Consulting into a company that creates meaningful change in the world. During the reporting period, we engaged with:

Our clients – being a boutique consultancy, we work very closely with our clients—getting information at each step of the engagement process. In 2012, we developed a more formal process to collect feedback from clients at the end of an engagement. This allows us to more effectively improve our consulting process and create better case studies.

Our consultants – the SSC Consultant Network grew substantially over the past year, and we’ve carefully cultivated our relationship with this group of almost one thousand sustainability professionals through a variety of social media platforms. In 2012, we developed a suite of templates, tools, and systems to more effectively manage this amazing group of individuals—making it easier to find the right partners when we team up for client engagements.

Our local community – our involvement with the local Washington, DC community has ranged from simply attending networking happy hours to judging a local socially responsible business plan competition. In 2012, we continued our long-standing partnership with the William James Foundation ([www.williamjamesfoundation.org](http://www.williamjamesfoundation.org)), supporting entrepreneurs in their quest for sustainability-driven innovation

## MEMBERSHIPS AND ASSOCIATIONS



Corporation

ENERGY STAR

# Economic Impacts

Our company motto is “sustainability for every company” and we make it our mission to provide sustainability support for organizations of all shapes and sizes. The reality is, however, that not every company is able and willing to pay for sustainability consulting services. That means we have to be strategic about how we approach business.

## 2012 PERFORMANCE

We expect significant income and expense fluctuations in revenue from year to year. This is partly the nature of a small business, and also a reflection of our clients’ payment timelines. To minimize the administrative efforts of monthly billing, we tend to bill projects into two simple payments: a deposit and a final invoice. Those payments may be weeks or months, or even a year apart. While our workload remains fairly consistent, our revenue looks misleadingly bumpy. That said, we did have a good year in 2012, with modest growth and a healthy profit margin. Staff compensation, which includes payments to in-house staff, interns, and sub-contractors, remains our largest expense and we expect that to continue well into the future.

KEY FINANCIAL METRICS	(THOUSANDS OF \$ USD)
Revenues	\$270
Operating Costs	-\$75
Staff Compensation	-\$146
Retained Earnings	\$49

## REVENUE BREAKDOWN

We offer products and services at a variety of price points, and geared towards different audiences. See page 20 for more information about our products and services.

The vast majority of our white papers and recorded webinars are free, and suitable for organizations that need help on a specific issue or theme, but who lack a dedicated sustainability budget or executive leadership support to hire a sustainability consultant directly.

We also offer about two dozen on-demand training programs for sustainability consultants and organizations who want to tackle sustainability in a “do it yourself” manner. These programs include our Chief Sustainability Officer Masterclass (12-weeks), Green Auditor Certification (3 days), and How to Conduct a Waste Audit (1 hour).

The bulk of our revenue comes from work directly with clients—those organizations who hire SSC to help them develop and implement a sustainability strategy. That work includes sustainability assessments, stakeholder engagement, sustainable supply chain management, internal and external communications strategies, sustainability software implementation, and specific tasks like carbon footprinting, water footprinting, waste auditing, and sustainability reporting.

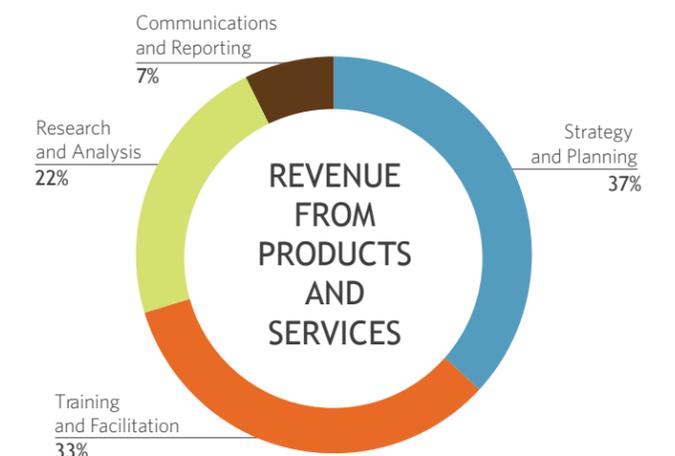
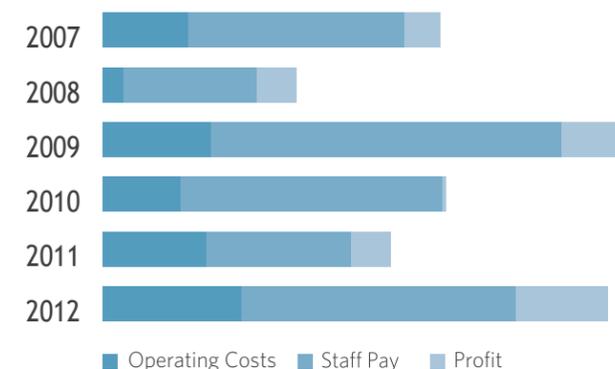
## LOOKING TO THE FUTURE

In the last two years, we fielded multiple inquiries about mergers and acquisitions, none of which were ultimately a good fit. We’re big believers in the value of specialized service providers who stick to what they’re good at. We don’t want to be part of a larger organization that tries to be all things to all people, nor do we want to be forced into taking on sub-optimal projects just to meet a sales goal.

We also continue to pass on potential client engagements that don’t feel “quite right” and refer prospects to others in the SSC Consultant Network. We do not account for those revenues in any formal way, but believe that our economic impact on the consulting industry far exceeds our direct revenues shown above.

In short, we’re currently focused on growing our business in a very careful, very cautious way. While we are able to quickly scale up for new projects, we are quite strict in the type of projects and client we partner with. This approach ensures that we are able to continue to deliver amazing, personalized services to each of our clients—both now, and as they continue that journey towards sustainability.

## HISTORICAL REVENUE





## Environment

Strategic Sustainability Consulting is designed so that our internal operations have the least possible impact on the environment. We don't have traditional office space - consultants work from home when they are not at client sites, and we use shared office space when needed. We use technology like video conferencing, web conferencing, and file sharing to stay connected and engaged with our network of consultants, clients, and colleagues. We don't have any paper marketing, but utilize our website and social media sites to promote our services. We have switched subscriptions, invoices, and paychecks to electronic versions— saving us postage and carbon. We run a near paperless organization.

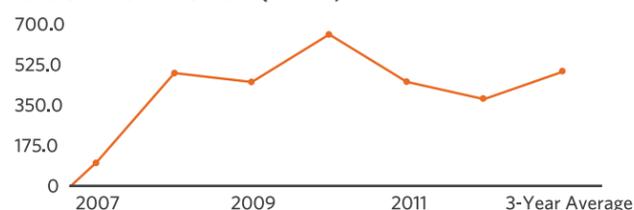
### ENERGY

Because we do not maintain separate commercial office space, we have a relatively small energy profile. As a general practice, we've implemented basic energy saving activities like turning out unneeded lights, setting computers to stand-by mode, and buying EnergyStar office equipment.

In calculating our carbon footprint, we have only accounted for electricity used to power our computers, based on an estimate of 75 watts per hour per computer, and have not considered the heating, air conditioning, and ventilation energy associated with our staff working from home, client locations, or coffee shops. In offsetting our carbon footprint, all 375 kWh of electricity

used during the reporting year were offset through the purchase of Renewable Energy Credits (RECs). (See page 34 for additional details.)

#### ELECTRICITY USED (KWH)

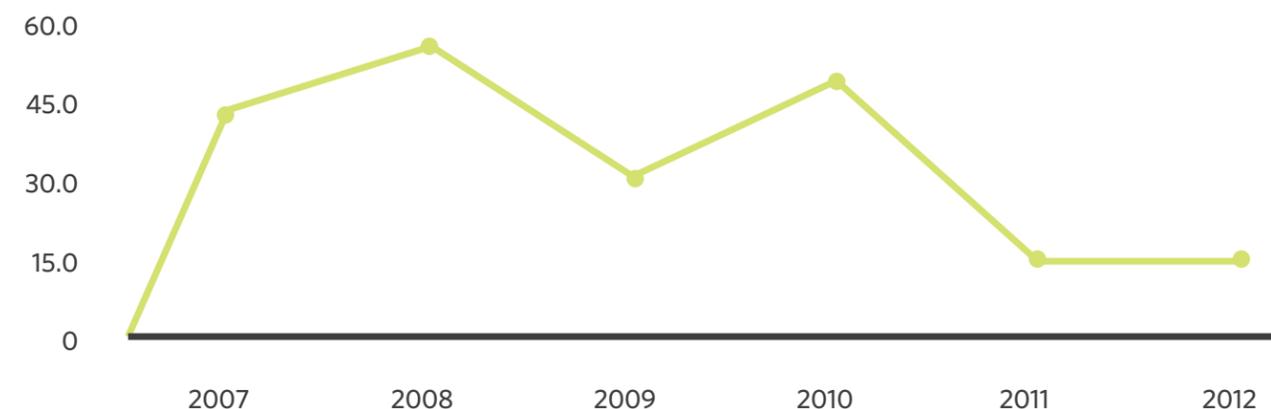


## OUR CARBON FOOTPRINT

When new clients call us, one of the things they want most is to understand their carbon footprint. And no wonder, an organization-wide carbon footprint is a great way to get a handle on your biggest environmental impacts and a great way to track your progress over time.

But simply running the numbers isn't enough. When we tell you that in 2012, SSC was responsible for 15.5 tons of CO<sub>2</sub>-e, what does that really mean? Is that terrible, or fabulous? Without additional information, you're missing context. So let's run through a couple of different ways to add context to your carbon footprint, using our own performance as a guide.

### TONS OF CARBON



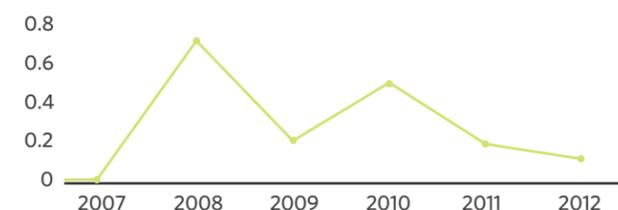
#### DIRECTION

Since we've been calculating our impacts for multiple years, you can see right away that we're headed in the right direction (towards zero carbon emissions). Ultimately, this is what you want to see.

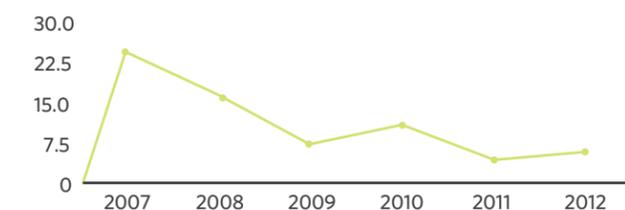
#### RELEVANCE

The problem with the graph above is that it doesn't account for changes to our business over time. What if we tripled our staff in 2008, or divested ourselves of major assets in 2011? Absolute emissions are important, but need to be accompanied by an analysis that also adjusts for staff and revenue changes. Here's how our carbon profile changes when we include adjusted emissions charts:

### TONS OF CARBON PER WORK-WEEK



### TONS OF CARBON PER \$ REVENUE



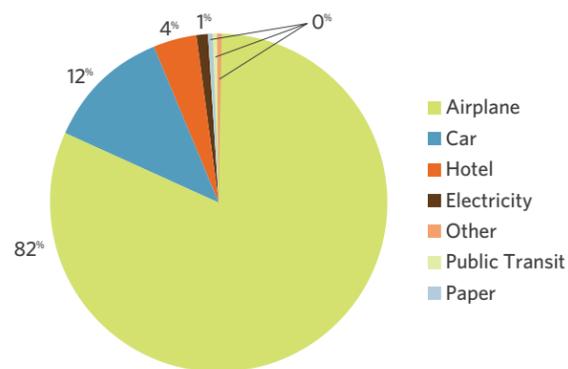
Based on these three views (absolute, work-hour, and \$-revenue), we can see that Strategic Sustainability Consultant's carbon footprint performance is headed in the right direction, but at different paces. So as we look to set goals for future carbon reduction, it is important to determine which one is the most relevant.

## SUBSTANCE

The reality, of course, is that carbon reduction trends are not linear. In fact, it is often far easier to achieve substantial reductions at the beginning of your sustainability journey, when “low hanging fruit” abound. Once you’ve tackled all of the basics, it gets a lot harder to eliminate those last few carbon sources. That’s why it’s not just enough to understand your total carbon emissions (on an absolute or an adjusted basis). You need to dive deeper and understand the activities that contribute to your carbon footprint and their relative significance.

## IMPACT CATEGORIES

### 2012 CARBON BREAKDOWN



From the above chart, you can see that our direct emissions are only about two percent of our total carbon footprint. The rest is comprised of “scope 3” emissions—indirect emissions that we produced through our activities, but occur from sources not owned or controlled by SSC. Examples of such activities include business travel, commuting, supply chain (procurement), waste and water.

For SSC, our most significant emissions driver is air travel, which accounts for 82 percent of our total carbon footprint. That would naturally point to reducing air travel as our best option for further lowering our carbon footprint. Unfortunately, it’s not so easy. When we looked closer at the numbers, it turned out that the 82 percent of our carbon footprint

from air travel came from only 10 trips. That’s less than one trip a month for our entire consulting operation. We think that is about as virtual as we can get, and don’t expect to cut down further on flights in the coming years.

## LOOKING AHEAD

At SSC, we believe that we’ve pretty much “bottomed out” on our carbon footprint. Our aim going forward is to be at or below our rolling 3-year average for carbon emissions per work-hour (which we believe is the most accurate lens through which to view our impacts).

## WASTE

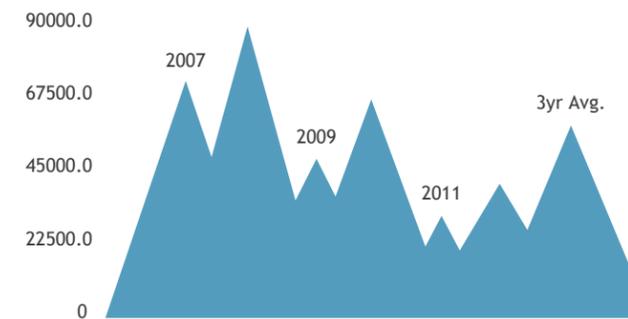
Back in 2008, we tracked every piece of waste that our staff generated. At the end of the year it only came to 15 pounds and it consisted mostly of junk mail and those ever-present forms sent by the IRS. Since then, we haven’t tracked our waste in a formal way. Instead, we focus on eliminating waste at the source—removing ourselves from mailing lists, opting not to pick up every brochure offered at conferences, and obtaining electronic copies of client documents rather than printouts. Last year we also purchased a new printer with duplex printing capabilities, so now the few documents that we do need to print each month are double-sided.

## WATER

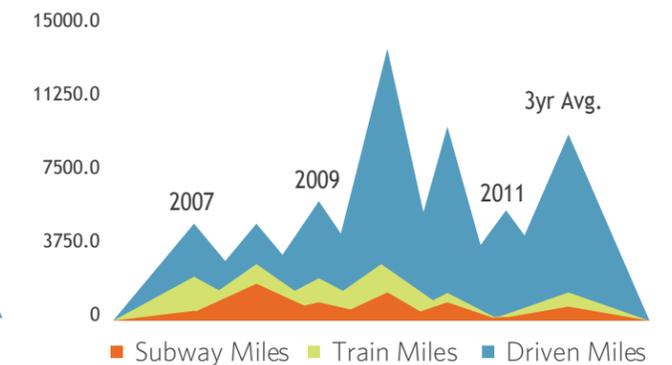
Like other consulting firms, our main water use is related to kitchen and bathroom needs. Without dedicated office space, our organizational water use is just too difficult to measure, and so we don’t formally track it. When possible, we make smart water decisions—such as choosing eco-friendly hotels (and opting to reuse towels and sheets more than once).

## TRANSPORTATION AND TRAVEL

### TRAVEL MILES BY AIR



### TRAVEL HISTORY



Our consultants spend the vast majority of their time behind computers, but we do need to meet clients face-to-face. That means we end up traveling quite regularly. To minimize the carbon emissions associated with our travel, we do the following things:

- When traveling locally, we try to use public transit whenever feasible. Our Herndon office (where SSC President Jennifer Woofter lives, and near where other in-house staff reside), is not accessible by subway. However, the DC metro expansion project is expected to provide two new subway stops in Herndon over the next few years.
- Rather than flying, we generally take ground transportation for trips of less than 300 miles. That means we can service clients from North Carolina to New York without hopping on an airplane.
- When flying longer distances, we opt for direct flights whenever possible. It’s easier on our consultants, and saves significant carbon along the way.
- We combine trips whenever possible, mixing client engagements with business networking events and conferences. Sometimes our consultants even tack on a couple of days of vacation to the end of their trip.

The reality is that business travel will continue to occur with some regularity, and that a few extra trips (particularly to international destinations) can dramatically influence our overall carbon footprint. While the amount of ground vs. air travel shifts from year to year, travel emissions as a whole consistently make up more than 80 percent of our total carbon footprint.

# Life Cycle of a Sustainability Consulting Project at SSC

This example is taken from an actual project conducted in 2012 with a major financial services company. While each engagement is different, this particular project reflects impacts common to most of our client work.

## 0. PROJECT SET-UP

We connect with the prospective client, develop a scope of work, assemble the team, and get the paperwork in order.



## 1. DATA COLLECTION, PEER BENCHMARKING, AND STAKEHOLDER INTERVIEW

We gather information on the client's operations and practices, interview key executives, conduct a peer benchmark against four competitors, and interview a handful of stakeholders about their attitudes and opinions of the client's sustainability performance to date.



## 2. MATERIALITY ASSESSMENT

Two consultants fly to the client's headquarters to present the initial findings to executives and to walk the sustainability working group through a materiality assessment workshop.



## 3. SUSTAINABILITY STRATEGY DEVELOPMENT

Working closely (but remotely) with the client, our team gets to work drafting a sustainability strategy based on four core priorities: employees, products and services, facilities and operations, and communications.



## 4. LEADERSHIP REVIEW

Two consultants fly back to the client's headquarters to spend several days refining the sustainability strategy, which is presented in a facilitated workshop to executive leadership.



## 5. COMMUNICATIONS PLAN

The team reconvenes (remotely) to finalize the sustainability plan and create a communications plan to roll out the new strategy internally and externally.



## 6. WRAP UP

The team submits the final deliverables, conducts a post-engagement debrief, and wraps up the final paperwork.



## TOTAL IMPACT



# Labor and Human Rights

One of the most innovative and exciting aspects of our business is the SSC Consultant Network. Rather than employ a small staff of sustainability generalists, we've instead opted to create a wide collaboration of sustainability specialists. As of June 2012, we had approximately 950 consultants in the network. These professionals have a wide range of experience—from new college graduates to seasoned experts—and cover issues from sustainable forestry management in Southeast Asia to green product innovation in the automotive industry. We're delighted to have access to these strategists, facilitators, process innovators, labor and human rights specialists, and governance gurus. In addition to being an inspiration to each other, these consultants also allow SSC to put together a world-class team for any client project under the sun.

OUR PEOPLE			
GENDER	2010	2011	2012
Women	17	13	10
Men	14	11	3
AGE	2010	2011	2012
Less than 35	28	19	10
Over 35	3	5	3
REGION	2010	2011	2012
US	30	22	13
Other	1	2	0

*\*For the purposes of this report, we have only included labor indicators for consultants and interns that were hired for specific projects. It does not include joint business development initiatives that did not result in a contractual engagement during the reporting period. Similarly, it does not include consultants in the SSC Consultant Network who participated in our general networking activities, but did not actually work for us during the reporting period.*

## WAGES AND BENEFITS

Compensation at SSC is divided between employees and independent contractors. In both cases, personnel are paid at approximately the average hourly wage for their job category (assistant, junior consultant, senior consultant, etc.) based on their experience within the sustainability consulting industry. Employees receive additional benefits from SSC, including:

- Contribution to an SEP IRA retirement plan equivalent to 25% of annual salary. This is for full- and part-time employees who have worked at SSC for at least three years.
- Paid time off (PTO) of up to 4 hours per month to volunteer at a local school or registered non-profit.

## DIVERSITY AND HARASSMENT

We value workforce inclusion and the unique contribution that each of our consultants brings to the SSC Consultant Network. We believe that we benefit from the different skills and experiences of consultants from a host of different backgrounds.

We prohibit discrimination based on race, color, religion, gender, sexual orientation, gender identity, age, national origin, citizenship status, veteran status, and disability. We have a strict policy against bullying and harassment, and believe that all consultants should be treated with fairness and respect and, in turn, should treat others in the same fashion. We do not tolerate degrading or humiliating jokes, slurs, intimidation or any harassing conduct toward others.

## HEALTH AND SAFETY

We expect all SSC personnel—whether part of our in-house staff or members of the SSC Consultant Network conducting work on our behalf—to act in a manner that protects the health and safety of themselves and those around them. For the vast majority of the time, when people are working from their home offices, that basically means “don’t trip over your slippers”.

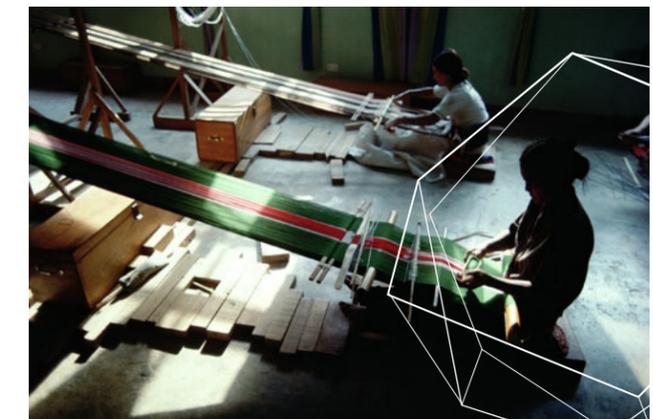
When we’re out at a job site with a client, however, health and safety takes on a whole new meaning. We’ve been in underground mines, blasting sites, seafood

canning plants, Chinese textile factories, and dryer sheet manufacturing facilities. Some of these places have been spotless and shiny, and others have had serious health and safety concerns. It is our policy to wear safety gear when appropriate, and to ask for a safety briefing before entering a potentially hazardous situation. Consultants are always free (and encouraged) to decline to enter a facility that they deem to be unsafe.

## HUMAN RIGHTS

As a professional services company operating primarily in the United States without full-time employees, we don’t have much of a human rights impact. Aside from publicly supporting international conventions and standards such as the Universal Declaration of Human Rights and the ILO Conventions on fair labor practices, the main way we promote respect for human rights is through our consulting services. We include a human rights screening component in our Supply Chain services, and help our clients identify fair trade options in their purchasing policy. We also help clients understand what a commitment to human rights standards (such as the UN Global Compact) means in principle, and in practice.

*“We... help clients understand what a commitment to human rights standards ... means in principle, and in practice.”*



# Products and Services

As a consulting company, our “product responsibility” is determined by the quality of the services we provide our clients. When we help a manufacturer create a sustainability plan, calculate a non-profit’s carbon footprint, or coach a social entrepreneur on how to succeed in the “green” marketplace—our success is directly related to our clients’ success.

## SUSTAINABILITY SERVICES

Sustainability is our business, so it makes sense to summarize our consulting services here. For readers who want to learn more, we encourage you to check out our website at [www.sustainabilityconsulting.com](http://www.sustainabilityconsulting.com) or contact us for a more personal conversation.

### SUSTAINABILITY ASSESSMENTS AND PLANNING

Most of our clients come to us at the early stages of their sustainability journey. They know they want to “go green” but need help getting there. This is our “sweet spot” – the thing we do best. We work with clients to develop a clearly articulated sustainability strategy that puts all the pieces together into a coherent, cost-effective, and engaging platform. From this strategy flows specific sustainability programs, actions, and tools—with associated key performance indicators (KPIs), milestones, and goals.

### STAKEHOLDER ENGAGEMENT AND PEER BENCHMARKING

Clients often want to know how they stack up in the eyes of their stakeholders. We provide services to help clients identify their most important stakeholders and understand and categorize stakeholders’ key expectations. For some clients, we also facilitate stakeholder panels, which provide independent feedback on client initiatives—like sustainability reports, new community giving programs, or supplier standards.

Many clients also want to see how they compare against their peers. We create sustainability profiles (using first- and third-party information) for the client and 5-7 of its peers. Looking at a variety of different issues, we’re able to quickly identify where the company is competitively positioned, and where it lags in the industry.

### SUSTAINABILITY REPORTING & COMMUNICATIONS

We help clients tell their sustainability story. Too often, organizations simply regurgitate a litany of all their social and environmental programs—adding charts and graphs wherever they have data. By helping clients first understand where they are today, what their key stakeholders care about, and what their sustainability roadmap looks like, we can clear away the clutter and focus on what really matters.

For clients who are at the beginning stages of their sustainability communications journey, we can help them develop an internal and external communications strategy, produce a sustainability report, and identify the best platforms (including social media) to engage with key audiences.

### CARBON AND ENERGY

We provide carbon footprinting services, including support for implementing sustainability software. This service is included in our SSC Green Audit product, as well as a stand-alone service for companies (particularly Walmart suppliers) who need to be able to report their carbon emissions from directly controlled operations as well as contract manufacturers in the supply chain.

We’ve partnered with Efficiency Exchange to provide on-the-ground energy auditing, training, and management services for our clients with operations in China. This relationship has proved to be an extremely valuable addition to our suite of services, and our Walmart suppliers find that they get a huge “bang for the buck” by working with a US-based company with trained personnel in China.

### WASTE AND WATER

We provide waste auditing and water footprinting for our clients—primarily for those companies in the Walmart supply chain who must report waste and water numbers in their operations and supply chain. In some cases, we also work with clients to identify waste reduction and water conservation opportunities, including new technology, new service providers, and optimization of production processes.

### SUSTAINABLE SUPPLY CHAINS

Most of our clients come to us with at least a few environmental programs already in place—like office recycling. Few, however, have established systems to encourage sustainable practices in their supply chains. That’s where we come in. We help clients establish vendor codes of conduct that set out clear expectations for environmental, labor, and human rights practices. Then, we create a system of vendor evaluation to ensure that those expectations are communicated and met throughout the vendor relationship. Finally, we work with clients to develop a streamlined system to collect select sustainability information from vendors, to help them understand and communicate their complete lifecycle impacts of their products and services.

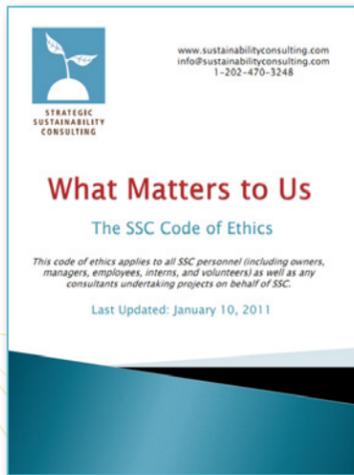
## ACCOUNTING FOR THE IMPACTS OF OUR SERVICES

We calculate and report our corporate-wide carbon footprint each year, but 2011 was the first time that we’ve also broken down our carbon impacts by client. Ultimately we also hope to include the carbon saving that our clients see as a result of our engagements, but that continues to be a work in progress. For now, our Eco-Scorecard provides a good indication of the carbon intensity of a particular project.

### ECO-SCORECARD

Project Description: Expand and improve a Walmart Supplier’s Sustainability Program

Electricity (kWh)	10.8
Miles Driven	398
Miles Flown	0
Hotel Nights	4
Co2-e (tons)	0.85



## OUR CODE OF ETHICS

In 2007, we formalized a Code of Ethics that applied to everyone working under the SSC banner. In 2011, we revised and expanded the Code, and published it on our website. All employees, contractors, interns, and volunteers agree in writing to abide by the code at the beginning of our relationship. The Code includes provisions on open communication, outside interests, privacy and confidentiality, equal employment opportunity, harassment, supply chain diversity, environmental responsibility, health and safety, gifts and entertainment, doing business with the government, company assets and intellectual property, charitable contributions, political activities, memberships on Boards and Committees, transparency, investigations, inspections and inquiries.

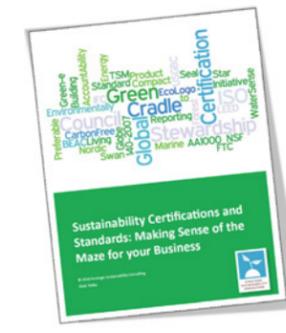
*“When we help a manufacturer create a sustainability plan . . . our success is directly related to our clients’ success.”*

# Spotlight On SSC Resources

We offer more than 100 different resources, including white papers, webinars, on-demand training, toolkits, quick tips, and e-books. Below is a list of our most frequently-downloaded resources.



10. Every Last Drop: Water and the Sustainable Business



11. Sustainability Certifications and Standards



12. Webinar: Flick the Switch: How to Change Employee Behavior



1. Become a Sustainability Champion



2. Choosing Sustainability Management Software for Your Business



3. Engaging Employees in the Company's Sustainability



13. Green Retrofitting 101



14. Webinar: Managing and Reporting Sustainability Metrics



15. Sustainability Change Management: We've Had the Green Audit...Now What?



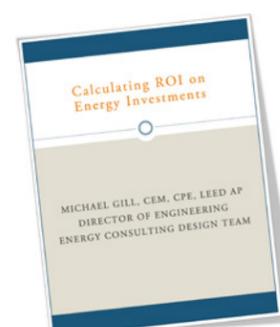
4. Reducing Your Organization's Carbon Footprint: Addressing Commuter-Related Emissions



5. Green Marketing: Think Before You Act



6. Food Network: A Plan for Comprehensive Restaurant Sustainability



16. Webinar: Calculating the ROI of Energy Efficiency



17. Cut the Wrap! Packaging Waste and Strategies for Mitigation and Reduction



18. The New Way to Shine: A Guide to Greening Your Cleaning



7. Sustainable Manufacturing: Comparing Lean, Six Sigma, and Total Quality Manufacturing



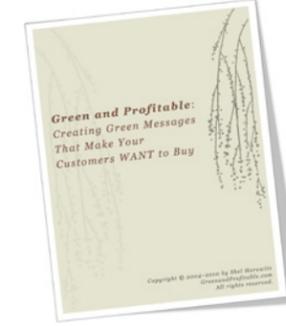
8. Webinar: Understanding the Walmart Supplier Sustainability Scorecard



9. Energy Efficient Lighting for Offices



19. Sustainability Reporting and SMEs: A Closer Look at the GRI



20. Webinar: Green and Profitable: Creating Green Messages

*“By helping clients first understand where they are today ... [we can] focus on what really matters .”*

## GRI Content Index

GRI INDICATOR	DESCRIPTION	OUR PERFORMANCE
EC1	Economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	See page 09.
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Our main financial risk from climate change is increasing energy costs associated with electricity and transportation (auto and airplane). As small business increasingly faces the realities of climate change, we see a business opportunity by offering strategies to improve efficiency and offset emissions.
EC3	Coverage of the organization's defined benefit plan obligations.	None.
EC4	Significant financial assistance received from government.	None.
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Our hourly billing rates range from \$20 for administrative tasks to \$200 for senior consultants.
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Our major discretionary expenses are for graphic design and legal advice, for which we use local companies.
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Our consulting network is designed to be national (and sometimes international). We don't have a policy specifying a preference for local vs. non-local hires.
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	None.
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	We donate approximately \$5,000 in pro-bono services to local groups each year.

GRI INDICATOR	DESCRIPTION	2009	2010	2011
EN1	Materials used by weight or volume.	We don't track specific material purchases by weight or volume, and believe that most of our purchasing impacts are mitigated by green purchasing (recycled paper, EnergyStar equipment, etc.).		
EN2	Percentage of materials used that are recycled input materials.	Our main material input is office paper, which is 100% PCW recycled content.		
EN3	Direct energy consumption by primary energy source.	None.		
EN4	Indirect energy consumption by primary source.	655 kWh of electricity	449 kWh of electricity	375 kWh of electricity
EN5	Energy saved due to conservation and efficiency improvements.	We have power-saving settings on our computers, but have not formally tracked the resulting energy savings.		
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Our Sustainability Assessment and Green Office Auditing services include energy efficiency and green energy components. We track the changing energy profiles of clients that conduct annual Green Audits.		
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	We've implemented basic energy saving activities (turning out unneeded lights, setting computers to stand-by mode, buying EnergyStar office equipment) but have not quantified those energy savings.		
EN8	Total water withdrawal by source.	Not tracked.		
EN9	Water sources significantly affected by withdrawal of water.	Not tracked.		
EN10	Percentage and total volume of water recycled and reused.	Not tracked.		
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	We don't have separate office space, but instead use our personal living space, client facilities, and the occasional coffee shop to conduct the majority of our business. Thus, we don't have specific land impacts, but try to encourage work in multi-use space—it keeps our overhead low and our environmental impact at a minimum.		
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Not tracked.		
EN13	Habitats protected or restored.	None.		
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	None.		
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not tracked.		
EN16	Total direct and indirect greenhouse gas emissions by weight.	49.4 tons of carbon	15.1 tons of carbon	15.5 tons of carbon

EN17	Other relevant indirect greenhouse gas emissions by weight.	The carbon footprint reported in EN16 includes greenhouse gas emissions resulting from our indirect impacts such as business travel.
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Using local SSC Green Auditors allowed us to cut our air travel emissions in half during the 2009 reporting period. From 2010 - 2012, all SSC Green Audits were conducted by local auditors who traveled less than 50 miles to client sites.
EN19	Emissions of ozone-depleting substances by weight.	None.
EN20	NOx, SOx, and other significant air emissions by type and weight.	None.
EN21	Total water discharge by quality and destination.	None.

GRI INDICATOR	DESCRIPTION	2009	2010	2011
EN22	Total weight of waste by type and disposal method.	Not tracked. (We separate out all paper for recycling, but used a significant portion for kindling in a high-efficiency wood stove over the winter months.)		
EN23	Total number and volume of significant spills.	None.		
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	None.		
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Not applicable.		
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	We are always seeking ways to improve the quality of our environmental services—including partnering with technical experts, collaboration with academics, and networking with relevant organizations.		
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Because we are a service-based company, we don't sell products per se. That said, all of our reports are printed on recycled paper or are delivered electronically.		
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	We incurred no environmental compliance penalties, nor do we anticipate any fines or sanctions in the future.		
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	See page 15 for information on our business travel impacts.		
EN30	Total environmental protection expenditures and investments by type.	We spent approximately \$850 in carbon offsets.	We spent approximately \$350 in carbon offsets.	We spent approximately \$350 in carbon offsets.

GRI INDICATOR	DESCRIPTION	PERFORMANCE FROM 2009-2011
LA1	Total workforce by employment type, employment contract, and region.	Page 18.
LA2	Total number and rate of employee turnover by age group, gender, and region.	Page 18.
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	In 2011, we introduced a SEP IRA retirement fund for employees, including part-time employees that have worked for SSC at least 3 years.
LA4	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	None.
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	None.
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	None.
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	None.
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	None.
LA9	Health and safety topics covered in formal agreements with trade unions.	Not applicable.
LA10	Average hours of training per year per employee by employee category.	Not tracked.
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Our in-house personnel are free to join any of our sustainability webinars for free, as a component of our professional development efforts.
LA12	Percentage of employees receiving regular performance and career development reviews.	All of our in-house personnel receive performance reviews at least annually, or at the end of their contract. (e.g. Summer interns)
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Not applicable - we have no separate governance bodies.
LA14	Ratio of basic salary of men to women by employee category.	Not applicable - individuals are paid on a project basis, depending on the scope of their involvement.

INDICATOR	DESCRIPTION	PERFORMANCE FROM 2009-2011
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening. (Core)	We do not have any significant investment agreements.
HR2	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening. (Core)	We screen our major suppliers (office supplies, computer hardware, and graphic design) for human rights issues—all meet our requirements.
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained. (Additional)	We make sure that our consultants are familiar with relevant human rights and labor agreements (such as the UNDHR), which are covered in our Code of Ethics.
HR4	Total number of incidents of discrimination and actions taken. (Core)	None—and we make a specific effort to work with diverse clients, consultants, and networks.
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights. (Core)	We explicitly support the right of workers to exercise freedom of association and collective bargaining, and encourage our clients to do the same.
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor. (Core)	In addition to supporting ILO provisions on child labor, our business model requires a highly skilled labor pool. Our auditing services also seek to ensure that no child labor occurs in our clients' supply chains.
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor. (Core)	In addition to supporting ILO provisions on forced/compulsory labor, we also encourage our clients to specifically prohibit the use of such labor throughout their supply chains.
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations. (Additional)	Not applicable - we do not have security personnel.
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken. (Additional)	None.

INDICATOR	DESCRIPTION	PERFORMANCE FROM 2008-2010
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	We're committed to focusing on the local community—working with local businesses, supporting local organizations, partnering with local universities, and contributing to local foundations that promote socially responsible business. Our ongoing goal is to derive 10% of revenues from DC-area clients.
SO2	Percentage and total number of business units analyzed for risks related to corruption.	None.
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	In 2007 we formalized a Code of Ethics which specifies our policies relating to bribery and corruption. All SSC consultants sign the Code of Ethics before commencing work with us.
SO4	Actions taken in response to incidents of corruption.	We haven't had any incidents of corruption, and no expectations of problems in the future.
SO5	Public policy positions and participation in public policy development and lobbying.	In 2009, we formally supported the Employee Free Choice Act (EFCA), which would grant workers greater rights to organize under collective bargaining agreements. In 2010 - 2012, we were not active in public policy or lobbying.
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	SSC does not make political contributions, nor will it do so in the future. Individual consultants, however, are encouraged to be active in the political process.
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	None.
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	None.

INDICATOR	DESCRIPTION	PERFORMANCE FROM 2008-2010
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Our Sustainability Assessment services include an examination of the organization's health and safety policies, programs, and performance.
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	None.
PR3	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements.	Although we don't have specific procedures for labeling, our policy is to be as transparent and accountable as possible. We encourage stakeholders to contact us with questions or concerns about information we disclose.
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	None.
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Because we work with clients on a project-by-project basis, we get very specific, immediate feedback.
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	We are in compliance with all marketing communications, and go above legal requirements by using international best practices like the Global Reporting Initiative (GRI) for sustainability reporting.
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	None.
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	None.
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	None.

# Our Commitment to Carbon Neutrality



*"We at SSC take our environmental impact very seriously..."*

At SSC we take our environmental impact very seriously, especially our carbon emissions. Despite having few carbon inputs (no commercial office space to heat and cool, and no commuting every day to work), we still have greenhouse gas (GhG) emissions. For this reporting year, our activities generated 15.5 tons of carbon. As in previous years, we have purchased the highest quality carbon offsets equal to 100% of our carbon impact. This effectively makes us a "carbon neutral" organization.

## NEW BEDFORD LANDFILL GAS-TO-ENERGY PROJECT

- Location: Greater New Bedford, Massachusetts
- Project type: Landfill Gas-to-Energy
- Standard: American Carbon Registry / Environmental Resources Trust's Monitoring, Reporting & Verification Protocol and the Chicago Climate Exchange
- Verification/Validation: First Environment, Inc.

## ENVIRONMENTAL BENEFITS

- Mitigates climate change
- Waste management
- Odor control and less localized air pollution
- Reduction of local water pollution

## COMMUNITY BENEFITS

- Locally sourced, renewable energy
- Development of new technologies and additional jobs created

## PROJECT DESCRIPTION

The New Bedford Landfill Gas-to-Energy Project is a gas-to-energy plant which produces approximately 3.3 megawatt hours (MWh) of clean electricity. This landfill gas, which includes methane and carbon dioxide, is collected from the landfill to fuel four reciprocating internal combustion engine-generators. With support from Carbonfund.org, the project not only produces power for the regional electricity grid, but also reduces the amount of methane released into our atmosphere.



