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**ACCOUNTING FOR NATURE:** Applying a financial approach to sustainability to enable your company to build resilience, drive long-term value creation and protect nature.

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# Accounting for Nature: A Questionnaire for Sustainability Champions



The purpose of this questionnaire is to help you learn about some of the key financial risks and opportunities that your company can face related to implementing (or choosing not to implement) sustainability initiatives at work. This information is key when it comes to making the business case for sustainability to your Senior Finance Leader.

## What is sustainability?

For the purposes of this questionnaire, sustainability is defined as: *“corporate activities that maintain or enhance the ability of a company to create value over the long term.”*<sup>1</sup> Sustainability encompasses consideration of *environmental, social and economic factors that are critical to an organization’s long term value creation.*

## When to complete the questionnaire:

By this point on your Accounting for Nature journey, you should have found a CPA in your finance department, or have been partnered with a CPA to act as a Finance Mentor to help you in completing this questionnaire. Does this sound like you? Then you’re ready to get started!

## How to complete the questionnaire:

1. For each question, review and answer it to the best of your ability.
2. Highlight your answer by selecting ‘Tools’, ‘Comment & Markup’, and ‘Highlight Text Tool’.
3. Click on the appropriate link to find more information.

## When you are finished:

1. Once you have completed the questionnaire, save it with your highlighted answers.
2. You are now able to use the questionnaire as a baseline for completing the Action Plan Template (found in the Accounting for Nature toolkit).
3. Open the Action Plan Template for instructions on next steps.

**Ready to go? Let’s get started!**

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<sup>1</sup> Definition taken from the Sustainability Accounting Standards Board (SASB) Conceptual Framework, Exposure Draft: April 2016.

**Q #1 Does your company have metrics that measure or monitor any of the following?**

a) Energy (hydro/gas)	<a href="#"><u>YES</u></a>	<a href="#"><u>NO</u></a>	<a href="#"><u>I DON'T KNOW</u></a>
b) Waste	<a href="#"><u>YES</u></a>	<a href="#"><u>NO</u></a>	<a href="#"><u>I DON'T KNOW</u></a>
c) Water	<a href="#"><u>YES</u></a>	<a href="#"><u>NO</u></a>	<a href="#"><u>I DON'T KNOW</u></a>

**Q #2 Does your company have metrics that measure or monitor any of the following?**

a) Charitable Donations	<a href="#"><u>YES</u></a>	<a href="#"><u>NO</u></a>	<a href="#"><u>I DON'T KNOW</u></a>
b) Employee Volunteering	<a href="#"><u>YES</u></a>	<a href="#"><u>NO</u></a>	<a href="#"><u>I DON'T KNOW</u></a>
c) Employee Turnover	<a href="#"><u>YES</u></a>	<a href="#"><u>NO</u></a>	<a href="#"><u>I DON'T KNOW</u></a>
d) Employee Satisfaction	<a href="#"><u>YES</u></a>	<a href="#"><u>NO</u></a>	<a href="#"><u>I DON'T KNOW</u></a>
e) Employee Productivity	<a href="#"><u>YES</u></a>	<a href="#"><u>NO</u></a>	<a href="#"><u>I DON'T KNOW</u></a>

<b>Q#3: Does your company sell any products that offer superior environmental and/or social attributes?</b>	<a href="#"><u>YES</u></a>	<a href="#"><u>NO</u></a>	<a href="#"><u>I DON'T KNOW</u></a>
<b>Q#4 Does your company have a sustainable / green procurement policy or guide?</b>	<a href="#"><u>YES</u></a>	<a href="#"><u>NO</u></a>	<a href="#"><u>I DON'T KNOW</u></a>
<b>Q#5 Does your company have a budget for sustainability-related initiatives or projects?</b>	<a href="#"><u>YES</u></a>	<a href="#"><u>NO</u></a>	<a href="#"><u>I DON'T KNOW</u></a>
<b>Q#6 Has your company set any environmental and/or other sustainability-related goals and targets?</b>	<a href="#"><u>YES</u></a>	<a href="#"><u>NO</u></a>	<a href="#"><u>I DON'T KNOW</u></a>

Q#7 Does your organization communicate to or engage employees on sustainability efforts?	<a href="#">YES</a>	<a href="#">NO</a>	<a href="#">I DON'T KNOW</a>
Q#8 Does your organization communicate to or engage customers, suppliers or other business partners on your sustainability efforts?	<a href="#">YES</a>	<a href="#">NO</a>	<a href="#">I DON'T KNOW</a>

**Q#9 - On a scale from 1 – 5, how much do you think the following stakeholders care about sustainability (1 being low in importance, 5 being extremely important)**

a) Customers	1	2	3	4	5	I DON'T KNOW
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[Learn more.](#)

b) Employees	1	2	3	4	5	I DON'T KNOW
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[Learn more.](#)

c) Suppliers	1	2	3	4	5	I DON'T KNOW
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[Learn more.](#)

d) Shareholders / Investors	1	2	3	4	5	I DON'T KNOW
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[Learn more.](#)

a) Government / Regulators	1	2	3	4	5	I DON'T KNOW
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[Learn more.](#)

**Thank you for completing the Accounting for Nature questionnaire!**

To take the next step on your journey, [see instructions on page 1.](#)





**YOUR RESPONSES: YOU ANSWERED YES.**

### Q#1A - Energy Consumption (Gas/Hydro)

#### You Answered YES.

Good! By having comprehensive information on what the organization spends on energy, your company is already well-equipped to create strategies that will reduce energy consumption and save on operating costs. Furthermore, reducing energy consumption can also reduce your company's risk of non-compliance to upcoming provincial and federal environmental legislation (such as carbon pricing).<sup>(1)</sup>

**DID YOU KNOW:** Since 2006, off-peak energy prices have increased by a whopping 163% while on-peak prices have increased by 71%, resulting a significant increase in operating costs for businesses.<sup>(2)</sup> There is a clear opportunity for cost savings initiatives which, according to Bob Willard (a sustainable business case expert), can result in as much as a 75% reduction in energy expenses through improved lighting, heating and cooling, IT, green buildings and many other projects.<sup>(3)</sup>

(1) [Environment and Climate Change Canada: Forward Regulatory Plan](#)

(2) [The Ontario Energy Board](#)

(3) The New Sustainability Advantage – Bob Willard (page 63)

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### Q#1B - Waste

#### You Answered YES.

Good! Having metrics around your company's waste practices is the first step to finding opportunities that will improve the cost effectiveness of your operations - and when it comes to waste reduction - the opportunities are significant. In addition to saving on waste removal fees, companies can save on the costs of unused materials that end up getting discarded (accounting for 60% of waste), the cost of processing the material before it was wasted (accounting for 20%), the cost of waste prevention and environmental management (10%) and the cost of end-of-pipe waste treatment and waste disposal (10%).<sup>(4)</sup> Thus if your company is currently only managing costs associated with waste disposal, consider approaching your Senior Finance Leader about significant opportunities to save money by better managing waste.<sup>(5)</sup>

(4) The New Sustainability Advantage – Bob Willard (page 68)

(5) [Living Planet @ Work – Waste Actions: Common Initiatives to Reduce Workplace Waste](#)

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## Q#1 C - Water

### You Answered YES.

Great! By measuring around your company's water consumption, you can find where your largest water impacts are, and establish effective solutions to reduce the costs associated with water use and management. Measuring your (and your supply chain's) water impact is also a good way to calculate your company's water risk <sup>(6)</sup> - including how your business' operations and reputation will be affected by water scarcity, pollution, changing regulations, and other important factors.

**DID YOU KNOW:** [WWF's Water Risk Filter](#) can help your business assess and quantify the impact of your business activity on the water supply, understand potential risks, and come up with ideas to mitigate this risk in the future.

(6) [Greenbiz: Why understanding the true value of water is smart business](#)

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## Q#2 A – Charitable Donations

### You Answered YES.

Great! Corporate philanthropy is a great way to engage employees around a cause they care about and increase customer loyalty, name recognition, enhanced reputation and brand awareness – leading to financial gain <sup>(7)</sup>. Furthermore, charitable giving may provide your organization with significant tax credits and other tax-related benefits that you may not have been aware of <sup>(8)</sup>.

(7) [Robinson Bradshaw](#)

(8) [Canada Revenue Agency](#) (see p. 52)

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## Q#2 B - Employee Volunteering

**You Answered YES.**

Great! Having an employee volunteer program can bring many benefits to a company, such as increased employee engagement, improved employee productivity, the development of leadership skills, an enhanced sense of camaraderie amongst staff, and improvement in the company's relationship with the community.<sup>(9)</sup> When you measure the key metrics related to your volunteer program, you are well-equipped determine the social impact that employees are having on the community, and the positive financial impact that employee volunteerism can have on the organization.

**Fun fact:** Hewlett Packard Enterprise's volunteer programs have clear employee engagement benefits. In 2014, participation in HPE volunteer events correlated to a 12% lift in motivation, a 14% increase in positive feelings about HP and a 13% rise in loyalty.<sup>(10)</sup>

(9) The New Sustainability Advantage – Bob Willard (p. 104)

(10) Hewlett Packard Enterprise Global Volunteer Survey. For more information, visit the [2014 Living Progress Report](#).

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## Q#2 C - Employee Turnover

**You Answered YES.**

Good! High employee turnover can become very costly for a company. By measuring key information related to employee turnover, your company will be able to address these challenges and bring the costs of turnover down.

**DID YOU KNOW:** On average, it is estimated that it costs businesses over 20% of a worker's salary to replace them. That means it can cost an organization approximately \$10,000 to replace a single employee with a salary of \$50,000!<sup>(11)</sup>

### **SUSTAINABILITY TIP:**

When companies support social and environmental issues, 91% of millennials have increased trust for the organization, and 89% experience enhanced company loyalty, making them less likely to leave the company.<sup>(12)</sup>

As a Sustainability Champion, knowing and communicating the costs of employee turnover to your Senior Finance Leader can provide you with a great business case to implement environmental employee engagement initiatives within your workplace, as you'll be able to demonstrate the direct financial impact that can be realized with a more engaged workforce!

(11) [Center for American Progress](#)

(12) [Huffington Post: Four Rules for Companies that Want to Engage the Millennial Generation](#)

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## Q# 2 D - Employee Satisfaction

You Answered YES.

That's great! Measuring the levels of employee satisfaction can help an organization determine current strengths and weaknesses of its employee engagement strategies, and create effective solutions to improve satisfaction in the workplace. Why should your Senior Finance Leader care about this? Higher employee satisfaction and employee engagement are related to valuable business outcomes, including higher productivity, reduced absenteeism, lower safety incidents, and higher profit.<sup>(13)</sup>

(13) [Gallup Report: The Relationship Between Engagement at Work and Organizational Outcomes](#)

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## Q#2 E - Employee Productivity

You Answered YES.

Great! Employee productivity is an important measurement of success because it will provide direct insight into employee performance, and will enable the company to make strategic decisions on how to save on costs associated with lost time and resources from unproductive employees – which can really add up. In fact, general distraction in the office can cost U.S. companies around \$650 billion per year!<sup>(14)</sup>

**SUSTAINABILITY TIP:** Investing in corporate social responsibility (CSR) initiatives is a great way to enhance employee productivity. According to CSR author and thought leader Bob Willard, companies that invest in company-wide sustainability initiatives can expect “a 2% increase in employee productivity from enhanced cross-departmental communications and a 2% increase in employee productivity from an improved work environment as a result of CSR”.<sup>(15)</sup>

(14) [CFO Daily news: The cash drain that's costing firms \\$650 billion per year](#)

(15) [Innovation, Science and Economic Development Canada](#)

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### Q#3 Does your company sell any products that offer superior environmental and/or social attributes?

**You Answered YES.**

Great! Offering environmentally conscious products and services is not only a great way to meet growing stakeholder needs around environmental responsibility, but it is a great way to become the business of choice for the increasing number of organizations and government agencies who have policies around the purchase of environmentally preferable products. Furthermore, producing environmentally conscious products (for example, ones that use less packaging or contain more environmentally preferable materials), can significantly reduce your company's costs throughout the product's lifecycle – from manufacturing to disposal. <sup>(16)</sup>

**DID YOU KNOW:** According to a global CSR study, 90% of global consumers would like to see more responsible products and services offered from companies! <sup>(17)</sup>

(16) [Inbound Logistics: Green Packaging: Waste Not, Want Not](#)

(17) [Cone Communications: Global CSR Study](#)

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### Q#4 Does your company have a sustainable / green procurement policy or guide?

**You Answered YES.**

Wonderful! Having a purchasing policy or guide can reduce risk to your company by ensuring that your suppliers are meeting and/or exceeding all current environmental and/or social legislation, which can help your organization adapt more easily to upcoming environmental legislation. Not to mention - purchasing products designed with the environment in mind can increase a company's reputation, and help save on costs by conserving energy, reducing waste, and reducing health and safety risks, to name a few. <sup>(18)</sup>

#### Real life example: HPE Apollo 8000

The HPE Apollo 8000 Computing System is 100% warm-water cooled, which eliminates the need for chillers, enabling ultra-low energy use, and allows companies to recycle the heat transferred to the water for facilities heat—providing further energy and operational cost savings. That drives both economic and environmental progress. For example, the U.S. National Renewable Energy Labs (NREL) leveraged the supercomputer's unique design to create one of the greenest data centers in the world. NREL expects to realize around \$1 million in annual energy savings and cost avoidance through efficiency improvements. Learn more [here](#).

(18) [Five Winds International: Green Procurement: Good Environmental Stories for North Americans](#)

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**Q#5 Does your company have a budget for sustainability-related initiatives or projects?**

**You Answered YES.**

Good! Investing in sustainability initiatives such as energy efficient lighting or HVAC improvements often has a low payback period, and a high return on investment. Furthermore, there are opportunities to take advantage of government grants for sustainability projects – further reducing the cost of the initiative and increasing return for the company.

**DID YOU KNOW:** By retrofitting the lighting systems in various campus buildings and installing heat recovery systems in two classrooms, the University of British Columbia was able to save \$2.2 million annually in reduced energy costs! <sup>(19)</sup>

(19) [BuySmart network: Guide to the Business Case & Benefits of Sustainability Purchasing](#)

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**Q#6 Has your company set any environmental and/or other sustainability-related goals and targets?**

**You Answered YES.**

Great! In order to reap the true benefits of implementing sustainability initiatives, organizations should set realistic and meaningful goals related to their sustainability performance (does this sound like your company's sustainability goals?). Having these specific, measurable, attainable, realistic, and time-bound (SMART, for short) goals can help employees understand the company's commitment to sustainability and even find ways to contribute to meet them. <sup>(20)</sup>

Do you know if your Senior Finance Leader was involved in setting these goals and targets? If not, you have the opportunity to review and revise the organization's sustainability-related goals with them and work towards achieving those goals. Living Planet @ Work can provide you with the tools and resources needed to support you in reducing your company's environmental impact.

(20) [Energy Advantage: The Importance of Goal-Setting in the World of Sustainability](#)

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**Q#7 Does your organization communicate to or engage employees on sustainability efforts?**

**You Answered YES.**

Good! When a company shares its CSR initiatives with employees, employees show more pride and commitment toward the organization, which can increase their overall engagement. In fact, according to a survey done by Sirota intelligence, “When employees are positive about their organization’s CSR commitment, employee engagement rises to 86%.”<sup>(21)</sup> How are you communicating your environmental progress? Are you using different channels like newsletters, e-mails and posters? Communicating to employees through a number of different channels will increase the chances of them seeing the information and wanting to learn more.

**DID YOU KNOW:** In a Towers Watson survey conducted over 12 months, results showed that companies with high levels of employee engagement improved 19% in operating income while companies with low levels of employee engagement declined 33% over the study period.<sup>(22)</sup>

(21) [Environmental Leader: Employee Engagement Drives Sustainability](#)

(22) [Towers Watson: Employee Engagement in Practice](#)

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**Q#8 Does the organization communicate to or engage customers, suppliers and other business partners on your sustainability efforts?**

**You Answered YES.**

Congratulations! Sharing your sustainability progress and initiatives externally can help the organization demonstrate its CSR commitment to stakeholders, who are increasingly considering the environmental performance of an organization when purchasing from, investing in, and even working for a company.

**DID YOU KNOW:** Nearly nine-in-10 (88%) expect companies to report on the progress of their CSR efforts, and nearly as many (86%) say if a company makes CSR commitments, it should be accountable for producing and communicating results.<sup>(23)</sup>

(23) [Cone Communications: Global CSR Study](#)

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**YOUR RESPONSES: YOU ANSWERED NO.**

## Q#1 A - Energy Consumption (gas/hydro)

**You Answered NO.**

Not measuring your company's energy consumption can put your organization at serious risk of failing to comply with current and upcoming environmental legislation,<sup>(1)</sup> including provincial, and potentially even national carbon pricing regulations. Furthermore, your company is probably missing out on significant energy reduction (and therefore cost-saving) opportunities.

**DID YOU KNOW:** Since 2006, off-peak energy prices have increased by a whopping 163% while on-peak prices have increased by 71%, resulting a significant increase in operating costs for businesses.<sup>(2)</sup> There is a clear opportunity for cost savings initiatives which, according to Bob Willard (a sustainable business case expert), can result a 75% reduction in energy expenses through improved lighting, heating and cooling, IT, green buildings and many other projects.<sup>(3)</sup>

(1) [Environment and Climate Change Canada: Forward Regulatory Plan](#)

(2) [The Ontario Energy Board](#)

(3) The New Sustainability Advantage – Bob Willard (page 63)

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## Q#1 B - Waste

**You Answered NO.**

Your company is probably missing out on significant opportunities to improve the cost effectiveness of your operations. For example, waste reduction can not only save on waste removal fees, but companies can also save on the costs of unused materials that end up getting discarded (accounting for 60% of waste), the costs of processing the material before it was wasted (accounting for 20%), the costs of waste prevention and environmental management (10%) and the costs of end-of-pipe waste treatment and waste disposal (10%).<sup>(4)</sup> Thus, if your company is currently only managing costs associated with waste disposal, consider approaching your Senior Finance Leader about significant opportunities to save money by better managing waste.<sup>(5)</sup>

(4) The New Sustainability Advantage – Bob Willard (page 68)

(5) [Living Planet @ Work – Waste Actions: Common Initiatives to Reduce Workplace Waste](#)

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## Q#1 C - Water

**You Answered NO.**

You may be facing certain water risks you hadn't previously considered, such as how your company's operational and supply chain costs will be affected by changing water supply, or how your company's image will be affected if you are using water in an unsustainable manner.<sup>(6)</sup>

**DID YOU KNOW:** [WWF's Water Risk Filter](#) can help your business assess and quantify the impact of your business activity on the water supply, understand potential risks, and come up with ideas to mitigate this risk in the future.

(6) [Greenbiz: Why understanding the true value of water is smart business](#)

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## Q#2 A – Charitable Donations

**You Answered NO.**

You might be missing out on some valuable opportunities. Corporate philanthropy can increase customer loyalty, name recognition, enhanced reputation and brand awareness – leading to financial gain <sup>(7)</sup>. Furthermore, charitable giving may provide your organization with significant tax credits and other tax-related benefits that you may not have been aware of <sup>(8)</sup>.

(7) [Robinson Bradshaw](#)

(8) [Canada Revenue Agency](#) (see p. 52)

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## Q#2 B - Employee Volunteering

You Answered NO.

If you have a volunteer program but are not measuring metrics around its success, you may be missing out on key opportunities to extract the highest return on investment for the program. Furthermore, not measuring key metrics related to your volunteering program makes your organization unable to communicate your results and experience the financial benefits that come with enhanced employee awareness and stakeholder perception of the company.

**SUSTAINABILITY TIP:** If you do not have an employee volunteer program, showcase your leadership and approach it with senior management! There are so many reasons why employee volunteering can benefit your company, including increased employee engagement, improved employee productivity, the development of employee leadership skills, an enhanced sense of camaraderie amongst staff, and improvement in the company's relationship with the community.<sup>(9)</sup>

Don't know where to start? [Try this resource](#).

**Fun fact:** Hewlett Packard Enterprise's volunteer programs have clear employee engagement benefits. In 2014, participation in HPE volunteer events correlated to a 12% lift in motivation, a 14% increase in positive feelings about HP and a 13% rise in loyalty.<sup>(10)</sup>

(9) The New Sustainability Advantage – Bob Willard (p. 104)

(10) Hewlett Packard Enterprise Global Volunteer Survey. For more information, visit the [2014 Living Progress Report](#).

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## Q#2 C - Employee Turnover

You Answered NO.

Employee turnover can be extremely expensive for an organization. Measuring information associated with employee turnover will allow your company to see just how much the bottom line is affected when turnover rates are high – and to take action on optimizing these rates.

**DID YOU KNOW:** On average, it is estimated that it costs businesses around 20% of a worker's salary to replace them. That means it can cost around \$10,000 to replace an employee with a salary of \$50,000!<sup>(11)</sup>

### SUSTAINABILITY TIP:

Engaging in CSR efforts is a great way to give employees can help companies reduce costly employee turnover. When companies support social and environmental issues, 91% of millennials have increased trust for the organization, and 89% experience enhanced company loyalty, making them less likely to leave the company.<sup>(12)</sup>

As a Sustainability Champion, knowing the costs of employee turnover can provide you with a great business case to implement environmental employee engagement initiatives within your workplace, as you'll be able to demonstrate the direct financial impact that can be realized with a more engaged workforce!

(11) [Center for American Progress](#)

(12) [Huffington Post: Four Rules for Companies that Want to Engage the Millennial Generation](#)

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## Q# 2 D - Employee Satisfaction

You Answered NO.

Why should your Senior Finance Leader start to measure employee satisfaction? Higher employee satisfaction and employee engagement are related to valuable business outcomes, including higher productivity, reduced absenteeism, lower safety incidents, and higher profit.<sup>(13)</sup> The only way to create strategic solutions around improving employee satisfaction is by measuring it first!

(13) [Gallup Report: The Relationship Between Engagement at Work and Organizational Outcomes](#)

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## Q#2 E - Employee Productivity

You Answered NO.

How much is your company losing over lost employee productivity? The answer could surprise you (and your senior executives!). In fact, general distraction in the office can cost U.S. companies around \$650 billion per year!<sup>(14)</sup> Employee productivity is an important measurement of organizational success because it will provide direct insight into employee performance, and will enable the company to make strategic decisions on how to save on costs associated with lost time and resources from unproductive employees.

**SUSTAINABILITY TIP:** Investing in CSR initiatives is a great way to enhance employee productivity. According to CSR author and thought leader Bob Willard, companies that invest in company-wide sustainability initiatives can expect “a 2% increase in employee productivity from enhanced cross-departmental communications and a 2% increase in employee productivity from an improved work environment as a result of CSR”.<sup>(15)</sup>

(14) [CFO Daily news: The cash drain that's costing firms \\$650 billion per year](#)

(15) [Innovation, Science and Economic Development Canada](#)

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## Q#3 Does your company sell any products that offer superior environmental and/or social attributes?

You Answered NO.

Your organization may be overlooked by prospective customers if it does not sell any green products or services, especially in an environment where organizations and government agencies are developing and strengthening their policies around the purchase of environmentally responsible products. Furthermore, you might be missing out on the cost-savings associated with producing environmentally conscious products (for example, ones that use less packaging or that contain less materials).<sup>(16)</sup>

**DID YOU KNOW:** According to a global CSR study, 90% of global consumers would like to see more responsible products and services offered from companies.<sup>(17)</sup>

(16) [Inbound Logistics: Green Packaging: Waste Not, Want Not](#)

(17) [Cone Communications: Global CSR Study](#)

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#### Q#4 Does your company have a sustainable / green procurement policy or guide?

**You Answered NO.**

Not having a purchasing policy or guide can increase risk to your company, as you may be purchasing from organizations that do not meet all current environmental and/or social legislation. Furthermore, it increases the risk of being less able to adapt to upcoming regulations (such as carbon pricing), potentially leading to unforeseen expenses and even loss of business to the more prepared competition. Not to mention – you could be losing out on the opportunity to save on the costs associated with environmentally preferable products such as energy conservation, waste reduction, and the reduction of health and safety risks, to name a few.<sup>(18)</sup>

#### Real life example: HPE Apollo 8000

The HPE Apollo 8000 Computing System is 100% warm-water cooled, which eliminates the need for chillers, enabling ultra-low energy use, and allows companies to recycle the heat transferred to the water for facilities heat—providing further energy and operational cost savings. That drives both economic and environmental progress. For example, the U.S. National Renewable Energy Labs (NREL) leveraged the supercomputer's unique design to create one of the greenest data centers in the world. NREL expects to realize around \$1 million in annual energy savings and cost avoidance through efficiency improvements. Learn more [here](#).

(18) [Five Winds International: Green Procurement: Good Environmental Stories for North Americans](#)

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#### Q#5 Does your company have a budget for sustainability-related initiatives or projects?

**You Answered NO.**

Not having a budget to invest in sustainability-related opportunities could cost the company money in the long run. For example, having a budget for replacing old, inefficient equipment such as energy inefficient lighting often has a low payback period, and a high return on investment. Furthermore, there are opportunities to take advantage of government grants and other subsidies for sustainability projects – further reducing the cost of the initiative, and increasing return for the company.

**DID YOU KNOW:** By retrofitting the lighting systems in various campus buildings and installing heat recovery systems in two classrooms, The University of British Columbia was able to save \$2.2 million annually in reduced energy costs!<sup>(19)</sup>

(19) [BuySmart network: Guide to the Business Case & Benefits of Sustainability Purchasing](#)

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**Q#6 Has your company set any environmental and/or other sustainability-related goals and targets?**

**You Answered NO.**

In order to reap the true benefits of implementing sustainability initiatives, organizations should set realistic and meaningful goals related to their sustainability performance. These goals should be specific, measurable, attainable, realistic, and time-bound (SMART, for short), and creating these goals can help employees understand the company's commitment to sustainability and find ways to helping the company achieve them.<sup>(20)</sup>

As a Sustainability Champion, you have the opportunity to demonstrate how creating sustainability goals and targets will not only reduce the company's environmental impact, but will provide significant value to the business! Living Planet @ Work can provide you with the tools and resources needed to support you in helping you build the business case to get that buy-in from your Senior Finance Leader.

(20) [Energy Advantage: The Importance of Goal-Setting in the World of Sustainability](#)

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**Q#7 Does your organization communicate to or engage employees on sustainability efforts?**

**You Answered NO.**

Your company could be missing out on great opportunities to engage employees. Whether it's sending a quick all-staff e-mail or creating a formal sustainability report, communicating a company's environmental results is an important way to educate and engage employees on the company's efforts, and can create a more engaged workforce. In fact, according to a survey done by Sirota intelligence, "When employees are positive about their organization's CSR commitment, employee engagement rises to 86%."<sup>(21)</sup>

**DID YOU KNOW:** In a Towers Watson survey conducted over 12 months, results showed that companies with high levels of employee engagement improved 19.2% in operating income while companies with low levels of employee engagement declined 32.7% over the study period.<sup>(22)</sup>

As a Sustainability Champion, it is a good idea to let your Senior Finance Leader know the benefits of measuring and communicating your company's sustainability efforts internally. If the company does not currently have any sustainability initiatives or efforts, you have a chance to build that business case (based on the information in this questionnaire) and engage your finance team around reducing the company's environmental impact!

(21) [Environmental Leader: Employee Engagement Drives Sustainability](#)

(22) [Towers Watson: Employee Engagement in Practice](#)

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**Q#8 Does the organization communicate its environmental progress and/or initiatives externally?**

**You Answered NO.**

As more stakeholders consider a company's CSR commitment when purchasing from, investing in, and even working for a company, they will have higher expectations of a company reporting on its environmental progress.

As a Sustainability Champion, it may be good to let your Senior Finance Leader know that measuring and communicating a company's sustainability impact externally can go a long way. If the company does not currently have any sustainability initiatives, you have a chance to build that business case (based on the information in this questionnaire) and engage your finance team around reducing the company's environmental impact.

**DID YOU KNOW:** Nearly nine-in-10 (88%) expect companies to report on the progress of their CSR efforts, and nearly as many (86%) say if a company makes CSR commitments, it should be accountable for producing and communicating results.<sup>(23)</sup>

(23) [Cone Communications: Global CSR Study](#)

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**YOUR RESPONSES: YOU ANSWERED I DON'T KNOW.**

## Q#1A - Energy Consumption (gas/hydro)

### You Answered I DON'T KNOW.

Not measuring your company's energy consumption can put your organization at serious risk of failing to comply with current and upcoming environmental legislation,<sup>(1)</sup> such as provincial (and potentially even national) carbon pricing regulations. Furthermore, you're probably missing out on significant energy reduction (and therefore cost-saving) opportunities.

**DID YOU KNOW:** Since 2006, off-peak energy prices have increased by a whopping 163% while on-peak prices have increased by 71%, resulting a significant increase in operating costs for businesses.<sup>(2)</sup> There is a clear opportunity for cost savings initiatives which, according to Bob Willard (a sustainable business case guru), can result a 75% reduction in energy expenses through improved lighting, heating and cooling, IT, green buildings and many other projects.<sup>(3)</sup>

(1) [Environment and Climate Change Canada: Forward Regulatory Plan](#)

(2) [The Ontario Energy Board](#)

(3) The New Sustainability Advantage – Bob Willard (page 63)

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## Q#1B - Waste

### You Answered I DON'T KNOW.

Your company is probably missing out on significant opportunities to improve the cost effectiveness of your operations. For example, waste reduction can not only save on waste removal fees, but companies can also save on the costs of unused materials that end up getting discarded (accounting for 60% of waste), the costs of processing the material before it was wasted (accounting for 20%), the costs of waste prevention and environmental management (10%) and the costs of end-of-pipe waste treatment and waste disposal (10%).<sup>(4)</sup> Thus, if your company is currently only managing costs associated with waste disposal, consider approaching your Senior Finance Leader about significant opportunities to save money by better managing waste.<sup>(5)</sup>

(4) The New Sustainability Advantage – Bob Willard (page 68)

(5) [Living Planet @ Work – Waste Actions: Common Initiatives to Reduce Workplace Waste](#)

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## Q#1C - Water

### You Answered I DON'T KNOW.

You may be facing certain water risks you hadn't previously considered, such as how your company's operational and supply chain costs will be affected by changing water supply, or how your company's image will be affected if you are using water in an unsustainable manner.<sup>(6)</sup>

**DID YOU KNOW:** [WWF's Water Risk Filter](#) can help your business assess and quantify the impact of your business activity on the water supply, understand potential risks, and come up with ideas to mitigate this risk in the future.

(6) [Greenbiz: Why understanding the true value of water is smart business](#)

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## Q#2 A – Charitable Donations

### You Answered I DON'T KNOW.

You might be missing out on some valuable opportunities. Corporate philanthropy can increase customer loyalty, name recognition, enhanced reputation and brand awareness – leading to financial gain <sup>(7)</sup>. Furthermore, charitable giving may provide your organization with significant tax credits and other tax-related benefits that you may not have been aware of <sup>(8)</sup>.

(7) [Robinson Bradshaw](#)

(8) [Canada Revenue Agency](#) (see p. 52)

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## Q#2 B - Employee Volunteering

You Answered I DON'T KNOW.

If you have a volunteer program but are not measuring metrics around its success, you may be missing out on key opportunities to extract the highest return on investment for the program. Furthermore, not measuring key metrics related to your volunteering program makes your organization unable to communicate your results and experience the financial benefits that come with enhanced employee awareness and stakeholder perception of the company.

**SUSTAINABILITY TIP:** If you do not have an employee volunteer program, showcase your leadership and approach it with senior management! There are so many reasons why employee volunteering can benefit your company, including increased employee engagement, improved employee productivity, the development of employee leadership skills, an enhanced sense of camaraderie amongst staff, and improvement in the company's relationship with the community.<sup>(9)</sup>

Don't know where to start? [Try this resource](#).

**Fun fact:** Hewlett Packard Enterprise's volunteer programs have clear employee engagement benefits. In 2014, participation in HPE volunteer events correlated to a 12% lift in motivation, a 14% increase in positive feelings about HP and a 13% rise in loyalty.<sup>(10)</sup>

(9) The New Sustainability Advantage – Bob Willard (p. 104)

(10) Hewlett Packard Enterprise Global Volunteer Survey. For more information, visit the [2014 Living Progress Report](#).

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## Q#2 C - Employee Turnover

You Answered I DON'T KNOW.

Employee turnover can be extremely expensive for an organization. Measuring information associated with employee turnover will allow your company to see just how much the bottom line is affected when turnover rates are high – and to take action on optimizing these rates.

**DID YOU KNOW:** On average, it is estimated that it costs businesses around 20% of a worker's salary to replace them. That means it can cost an organization approximately \$10,000 to replace an employee with a salary of \$50,000! <sup>(11)</sup>

### SUSTAINABILITY TIP:

Engaging in CSR efforts is a great way to help companies reduce costly employee turnover. When companies support social and environmental issues, 91% of millennials have increased trust for the organization, and 89% experience enhanced company loyalty, making them less likely to leave the company. <sup>(12)</sup>

As a Sustainability Champion, knowing the costs of employee turnover can provide you with a great business case to implement environmental employee engagement initiatives within your workplace, as you'll be able to demonstrate the direct financial impact that can be realized with a more engaged workforce!

(11) [Center for American Progress](#)

(12) [Huffington Post: Four Rules for Companies that Want to Engage the Millennial Generation](#)

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## Q# 2 D - Employee Satisfaction

You Answered I DON'T KNOW.

Why should your Senior Finance Leader start to measure employee satisfaction? Higher employee satisfaction and employee engagement are related to valuable business outcomes, including higher productivity, reduced absenteeism, lower safety incidents, and higher profit. <sup>(13)</sup> The only way to create strategic solutions around improving employee satisfaction is by measuring it first!

(13) [Gallup Report: The Relationship Between Engagement at Work and Organizational Outcomes](#)

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## Q#2 E - Employee Productivity

**You Answered I DON'T KNOW.**

How much is your company losing over lost employee productivity? The answer could surprise you (and your Senior Finance Leader). In fact, general distraction in the office can cost U.S. companies around \$650 billion per year!<sup>(14)</sup> Employee productivity is an important measurement of organizational success because it will provide direct insight into employee performance, and will enable the company to make strategic decisions on how to save on costs associated with lost time and resources from unproductive employees.

**SUSTAINABILITY TIP:** Investing in CSR initiatives is a great way to enhance employee productivity. According to CSR author and thought leader Bob Willard, companies that invest in company-wide sustainability initiatives can expect “a 2% increase in employee productivity from enhanced cross-departmental communications and a 2% increase in employee productivity from an improved work environment as a result of CSR”.<sup>(15)</sup>

(14) [CFO Daily news: The cash drain that's costing firms \\$650 billion per year](#)

(15) [Innovation, Science and Economic Development Canada](#)

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## Q#3 Does the company sell any products that offer superior environmental and/or social attributes?

**You Answered I DON'T KNOW.**

Your organization may be overlooked by prospective customers if it does not sell any green products or services, especially in an environment where organizations and government agencies are developing and strengthening their policies around the purchase of environmentally responsible products, and consumers are increasingly looking to buy more environmentally-responsible goods and services. Furthermore, you might be missing out on the cost-savings associated with producing environmentally conscious products (for example, ones that use less packaging or contain less materials).<sup>(16)</sup>

**DID YOU KNOW:** According to a global CSR study, 90% of global consumers would like to see more responsible products and services offered from companies.<sup>(17)</sup>

(16) [Inbound Logistics: Green Packaging: Waste Not, Want Not](#)

(17) [Cone Communications: Global CSR Study](#)

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#### **Q#4 Does your company have a sustainable / green procurement policy or guide?**

**You Answered I DON'T KNOW.**

Not having a purchasing policy or guide can increase risk to your company, as you may be purchasing from organizations that do not meet all current environmental and/or social legislation. Furthermore, it increases the risk of being less able to adapt to upcoming regulations (such as carbon pricing), potentially leading to unforeseen expenses and even loss of business to the more prepared competition. Not to mention – you could be losing out on the opportunity to save on the costs associated with environmentally preferable products such as energy conservation, waste reduction, and the reduction of health and safety risks, to name a few.<sup>(18)</sup>

#### **Real life example: HPE Apollo 8000**

The HPE Apollo 8000 Computing System is 100% warm-water cooled, which eliminates the need for chillers, enabling ultra-low energy use, and allows companies to recycle the heat transferred to the water for facilities heat—providing further energy and operational cost savings. That drives both economic and environmental progress. For example, the U.S. National Renewable Energy Labs (NREL) leveraged the supercomputer's unique design to create one of the greenest data centers in the world. NREL expects to realize around \$1 million in annual energy savings and cost avoidance through efficiency improvements. Learn more [here](#).

(18) [Five Winds International: Green Procurement: Good Environmental Stories for North Americans](#)

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#### **Q#5 Does your company have a budget for sustainability-related initiatives or projects?**

**You Answered I DON'T KNOW.**

Not having a budget to invest in sustainability-related opportunities could cost the company money in the long run. For example, having a budget for replacing old, inefficient equipment such as energy inefficient lighting often has a low payback period, and a high return on investment. Furthermore, there are opportunities to take advantage of government grants and other subsidies for sustainability projects – further reducing the cost of the initiative, and increasing return for the company.

**DID YOU KNOW:** By retrofitting the lighting systems in various campus buildings and installing heat recovery systems in two classrooms, The University of British Columbia was able to save \$2.2 million annually in reduced energy costs!<sup>(19)</sup>

(19) [BuySmart network: Guide to the Business Case & Benefits of Sustainability Purchasing](#)

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## Q#6 Has your company set any environmental and/or other sustainability-related goals and targets?

**You Answered I DON'T KNOW.**

In order to reap the true benefits of implementing sustainability initiatives, organizations should set realistic and meaningful goals related to their sustainability performance. These goals should be specific, measurable, attainable, realistic, and time-bound (SMART, for short), and creating these goals can help employees understand the company's commitment to sustainability and find ways to helping the company achieve them.<sup>(20)</sup>

As a Sustainability Champion, you have the opportunity to demonstrate how creating sustainability goals and targets will not only reduce the company's environmental impact, but will provide significant value to the business!

(20) [Energy Advantage: The Importance of Goal-Setting in the World of Sustainability](#)

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## Q#7 Does your organization communicate to or engage employees on sustainability efforts?

**You Answered I DON'T KNOW.**

Your company could be missing out on great opportunities to engage employees. Whether it's sending a quick all-staff e-mail or creating a formalized report, communicating a company's environmental results is an important way to educate and engage employees on the company's efforts, and can create a more engaged workforce. In fact, according to a survey done by Sirota intelligence, "When employees are positive about their organization's CSR commitment, employee engagement rises to 86%."<sup>(21)</sup>

**DID YOU KNOW:** In a Towers Watson survey conducted over 12 months, results showed that companies with high levels of employee engagement improved 19.2% in operating income while companies with low levels of employee engagement declined 32.7% over the study period.<sup>(22)</sup>

As a Sustainability Champion, it is a good idea to let your Senior Finance Leader know the benefits of measuring and communicating a company's sustainability efforts internally. If the company does not currently have any sustainability initiatives or efforts, you have a chance to build that business case (based on the information in this questionnaire) and engage your finance team around reducing the company's sustainability impact!

(21) [Environmental Leader: Employee Engagement Drives Sustainability](#)

(22) [Towers Watson: Employee Engagement in Practice](#)

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## Q#8 Does the organization communicate its environmental progress and/or initiatives externally?

**You Answered I DON'T KNOW.**

As more stakeholders consider a company's CSR commitment when purchasing from, investing in, and even working for a company, they will have higher expectations of a company reporting on its environmental progress.

As a Sustainability Champion, it may be good to let your Senior Finance Leader know that measuring and communicating a company's sustainability impact can go a long way. If the company does not currently have any sustainability initiatives, you have a chance to build that business case (based on the information in this questionnaire) and engage your finance team around reducing the company's environmental impact.

**DID YOU KNOW:** Nearly nine-in-10 (88%) expect companies to report on the progress of their CSR efforts, and nearly as many (86%) say if a company makes CSR commitments, it should be accountable for producing and communicating results.<sup>(23)</sup>

(23) [Cone Communications: Global CSR Study](#)

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## Q#9 – CUSTOMERS AND SUSTAINABILITY

What makes a satisfied customer? One that sees value from the transaction or exchange completed with another organization. Many customers measure the value of a company's product or service by looking at its price, quality, or performance.<sup>(25)</sup> However, there are additional factors that consumers consider in their purchases that your company may not be aware of. For example, corporate social responsibility is becoming increasingly important to consumers, and can even impact whether or not they purchase from your company. According to a global consumer survey, 90% of respondents would stop buying a company's products if learned that the company practices were irresponsible or deceptive. Furthermore, 89% of global consumers would buy a product with a social or environmental benefit if given the opportunity.<sup>(24)</sup>

When your company does not operate with the environment in mind, there is a clear risk of losing business to the increasingly educated and environmentally conscious customer. Therefore, it is important for organizations to have sustainability goals and targets in place to maximize customer value and satisfaction from your company's product or service.

**DID YOU KNOW:** Global consumers state they have a more positive image (93%), are more likely to trust (90%) and are more loyal to (88%) companies that support social and environmental issues.<sup>(25)</sup>

(24) [Management Study Guide: Factors Affecting Customer Satisfaction](#)

(25) [Cone Communications: Global CSR Study](#)

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## Q#9 – EMPLOYEES AND SUSTAINABILITY

It is currently estimated that around 70% of workers are disengaged in their jobs, meaning that they are less involved in, enthusiastic about, and committed to their workplace.<sup>(26)</sup> Disengaged employees are less productive, more likely to leave the organization, and as a result, can become costly for any company. One of the factors causing this disengagement is due to the growing expectation of many employees' (especially millennials) to work for a purpose, and not just a paycheck. Many millennials are not given this opportunity with their current employer.

Establishing a sustainability strategy and providing opportunities for employees to find purpose in their roles (such as through a company volunteer day or formally supporting a Green Team) can help employees find purpose at work and become more highly engaged as a result. Highly engaged employees are more satisfied with their work, and more committed to their company. According to PwC, this makes them 87% less likely to resign compared to their less engaged counterparts, reducing the costs of turnover and training of new employees.<sup>(27)</sup>

**DID YOU KNOW:** Higher employee satisfaction is also directly correlated with enhanced customer satisfaction within an organization.<sup>(28)</sup> Customer satisfaction is a critical factor in ensuring the satisfaction of shareholders, investors and business partners – and is also an important way to directly increase your company's bottom line!

(26) [Skilled Up: Signs of Employee Disengagement and What to do About it](#)

(27) [PwC: The Keys to Corporate Responsibility Employee Engagement](#)

(28) [Forbes: Employee Engagement: The Wonder Drug for Customer Satisfaction](#)

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## Q#9 – SUPPLIERS AND SUSTAINABILITY

There are clear economic benefits to working with your suppliers to develop a more transparent and sustainable supply chain. For example, by working together, companies throughout the supply chain can cut costs through finding efficiencies, help companies manage risk better, generate new sources of revenue and boost brand value.<sup>(29)</sup> This can create a stronger relationship throughout the entire value chain, and can help your company become more resilient in the face of potential external challenges (such as extreme weather conditions).

Furthermore, an increasing number of companies, including your company's customers, are starting to implement their own sustainability practices. As they do this, many will realize that some of the largest impacts lie in the supply chain. As a result, they may start to make requirements for suppliers stricter before deciding to purchase from you. By implementing a sustainability strategy, your company will be more resilient, and, better position to handle any changing requirements that current and prospect customers may establish when thinking about their own sustainable supply chain policies.



**DID YOU KNOW:** A leading beverage company saved in both fuel consumption and CO<sub>2</sub> emissions—more than 1.4 million liters in fuel in 2010 by working with other companies within its supply chain to boost the efficiency of its truck fleet!<sup>(29)</sup>

(29) [Accenture: Why a Sustainable Supply Chain is Good Business](#)

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## Q#9 – SHAREHOLDERS / INVESTORS AND SUSTAINABILITY

Sustainability is becoming an increasingly important consideration for potential investors when making financial commitments. In fact, according to an EY survey, of global CFOs, 66% of respondents received an increase in sustainability-related inquiries from investors and shareholders in the 12-month period prior to the survey.<sup>(30)</sup> This demonstrates the importance of measuring and setting sustainability goals and targets for your company.

Furthermore, some investors and shareholders are even prepared to divest in organizations with a record of poor sustainability performance. According to a global survey conducted by the Boston Consulting Group, more than half of investors who are fully informed about their organization's sustainability practices say their companies exclude or divest from businesses that have poor sustainability performance, once again relaying the importance of corporate social responsibility for shareholders and investors.

**DID YOU KNOW:** In 2014, according to the Forum for Sustainable and Responsible Investment (US SIF), \$1 of every \$6 invested was put into sustainability investment strategies — a jump of 76% since 2012.<sup>(31)</sup>

**Real-life Example:** BP's Deepwater Horizon oil spill disaster in the Gulf of Mexico cost BP and its investors a whopping \$54.6 billion!<sup>(32)</sup>

(30) [EY, Six Growing Trends in Corporate Sustainability](#)

(31) [Forum for Sustainable and Responsible Investment: Report on U.S. Sustainable, Responsible, and Impact Investing Trends 2014](#)

(32) [MIT Sloan Management Review: Investing for a Sustainable Future](#)

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## Q#9 – GOVERNMENT / REGULATORS AND SUSTAINABILITY

The government of Canada is committed to environmental goals related to greenhouse gas emissions, water quality, air pollution, and wildlife and ecosystem conservation. In order to achieve these goals, they will be taking action by developing strategies and drafting new environmental regulations. For example, the Federal Sustainable Development Strategy for Canada states that the government will be publishing draft regulations for greenhouse gas emissions from vehicles, moving industry from voluntary compliance to regulations, and strengthening the enforcement of environmental laws that protect ecosystems and important habitat.<sup>(33)</sup> What does this mean for your company?



If you are not currently monitoring or measuring your environmental impact, your business can be at risk of failing to comply with future regulations, causing harmful and costly environmental disasters, and/or damaging your brand's reputation. By adopting a more proactive (rather than reactive) approach to sustainability and assessing your

environmental impacts, your company can avoid expenditures associated with environmental damage, and minimize the costs associated with complying with future legislation and managing negative brand reputation.<sup>(34)</sup>

**DID YOU KNOW:** According to the McKinsey Sustainability & Resource Productivity report, the value at stake from regulation and reputational issues can be up to 70% of earnings before interest, taxes, depreciation and amortization (or [EBITDA](#)). In other words, it can significantly affect a company's operating performance.<sup>(35)</sup>

(33) [Environment and Climate Change Canada: Planning for a Sustainable Future](#)

(34) [International Institute for Sustainable Development: The Sustainable Development Journey](#)

(35) [McKinsey: Profits with purpose: How organizing for Sustainability can Benefit the Bottom Line](#)

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