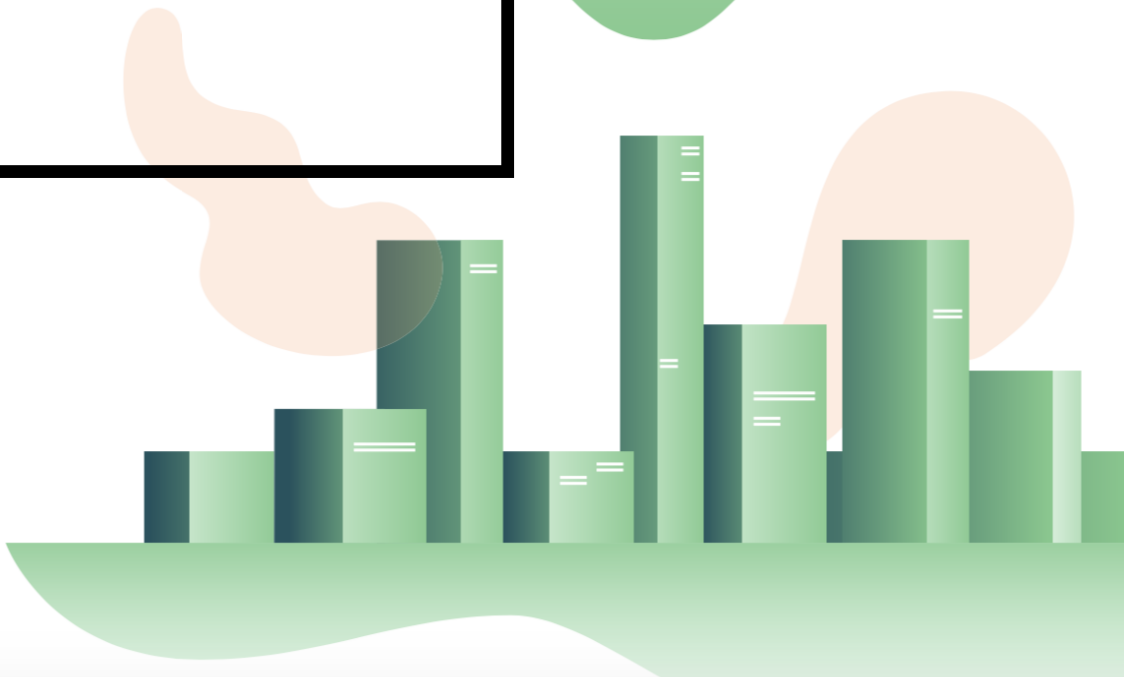


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**5 STEPS TO A  
BUSINESS  
SUSTAINABILITY  
PLAN**



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# EXECUTIVE SUMMARY

CLIMATE & SUSTAINABILITY ARE INCREASINGLY DISCUSSED TOPICS IN BUSINESS & SOCIETY...

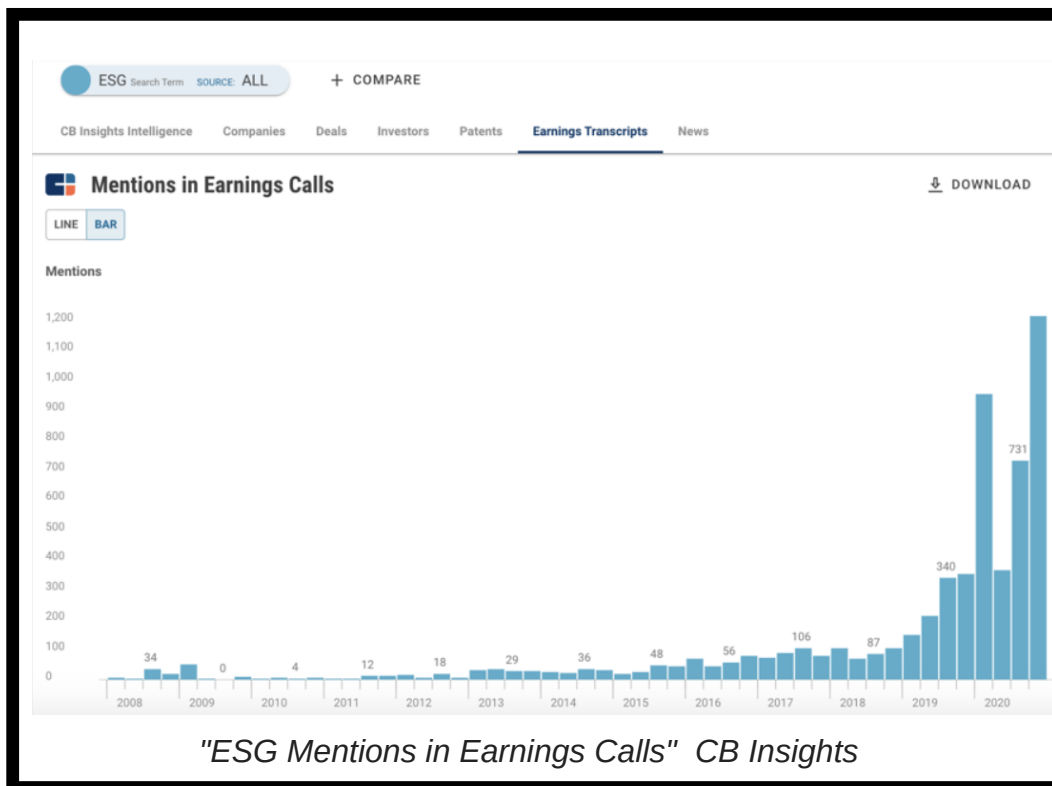


## BECAUSE OF THIS,

Each year, more businesses incorporate sustainability strategies to strengthen company brand and values, appeal to new customers/partners, and comply with investor preferences.

As consumers become more conscious and knowledgeable of their environmental impact, more companies are launched that are genuinely grounded in eco-friendly, sustainable principles. Established companies are also making commitments towards sustainable operations as part of a strategy to solidify long-term profitability, and mitigate the escalation of environmental risks. While there is a sense of alarm and urgency about the current state of Earth's climate, there is also optimism about the fact that companies are changing the paradigm.

Companies integrate sustainability strategies by implementing Environmental, Social, & Governance programs, commonly referred to as ESG. ESG programs have exploded in prominence since 2018, as evidenced by the graph to the right.



# A GUIDE TO SETTING BUSINESS SUSTAINABILITY GOALS

*Use this guide to set sustainability goals for your own company, and take steps towards a profitable, efficient and value-driven future.*

## 1. SET BIG GOALS FOR YOUR BUSINESS, NOT JUST INCREMENTAL

Historically, large companies have set goals like “Reduce carbon emissions by 30%.” These goals have great benefits for our planet, and tend to encourage businesses to do things like go solar and install energy efficient temperature control and lighting. These actions are essential, but they are generally quick and easy, and don’t encourage businesses to consider more fundamental and innovative improvements to their business model.

If you think big and audacious, you might set a goal that your operation will be carbon negative in 10 years, or that you will offset greenhouse gas emissions from your entire supply chain. These types of broad sweeping goals can seem intimidating, and often force you to question and rethink many aspects of your business. While it is important to implement incremental improvements, a few truly audacious goals can help motivate long-term sustainable change in your organization.

## 2. SET QUARTERLY MILESTONES TO SUPPORT BIG, LONG-TERM SUSTAINABILITY GOALS

In order to maintain progress towards your company's 'big' sustainability goals, it can be beneficial to implement incremental quarterly milestones. According to a study produced by Bain & Company, only 2% of companies achieve or exceed their long-term sustainability goals. A main reason that the vast majority of companies fail to achieve their sustainability goals isn't for lack of big inspiring goals, but due to a lack of execution once the goals are set. To consistently achieve sustainability goals, there must be accountability throughout the entire company, and processes to measure quarterly progress.

For instance, if your company sets a goal for carbon neutrality (net zero emissions), your first step may be to catalog all uses of fossil fuels for the company and group them into categories (i.e. buildings, automobiles, travel, etc). Once emissions categories are set and procedures outlined to quantify emissions from each category, quarterly milestones will make progress measurable and exciting each quarter.

### 3. SET GOALS WHICH ALIGN TO YOUR COMPANY'S STRATEGIC VISION AND VALUES

With the influx of attention into sustainability, there are many frameworks available to track your company's progress. Because of the myriad of options, it important to remember that each company is unique and should set goals which address activities central to their own business model. A framework which considers all portions of sustainability is summarized by the United Nations (UN) Sustainable Development Goals (SDGs). The UN SDGs include a wide variety of issues facing humanity (equality, climate, poverty, disease, etc.) and make it easy to set sustainability goals aligned with broader humanity's goals.

Assess your company's core operations, and select goals based on the SDGs most addressable through your business model.



United Nations Sustainable Development Goals (SDGs)

## 4. INCORPORATE YOUR COMPANY'S ENTIRE 'PRODUCT LIFECYCLE'

When setting sustainability and ESG goals, it is important to focus on the core activities your business uses to get your products to customers. However, after your core operations, it will be helpful to map out the activities that happen to your products and raw materials “upstream” and “downstream” from you.

For instance, General Mills, a multi-national food manufacturer, found that 60% of their environmental impact comes from 'upstream' activities (taking place when their raw materials are produced and manufactured). Other companies find that their largest negative impact is actually 'downstream' after the customer has consumed the product. For example, restaurants may find that their consumers are tossing food and packaging away as litter at an alarmingly high rate.

Incorporating a 'product lifecycle' approach gives clarity to the main activities that drive the bulk of your company's environmental impact. For most businesses, this is likely to be their raw materials, manufacturing processes, freight and logistics, packaging, and the end-of-life of their product. Considering the full impact of the product helps company's set goals and establish sustainability metrics to measure high-impact activities within the product's lifecycle. Once informed goals are set and tracked throughout the product lifecycle, sustainability will permeate throughout the organization and positively inform even small decisions.

## 5. METRICS: FIGURE OUT HOW TO MEASURE WHAT MATTERS

With sustainability, the business maxim applies, *you can't change what you can't measure*.

Measurement is one of the most difficult aspects of sustainability and achieving ambitious goals. Measurement is also a main reason companies shy away from setting goals, and dilute more substantial goals. For certain metrics, such as landfill diversion, recycled content, and energy consumption, measuring and tracking progress will be straightforward. That is not to say it is easy, but the path toward tracking is not a mystery.

If your company sets a goal of 30% reduction in energy consumption by 2025, you can compile monthly utility bills and calculate total reductions each year. You can also use a tool to quantify your energy use and provide monthly progress reporting. Other metrics can be more difficult, such as measuring greenhouse gas/carbon emissions (i.e. carbon footprint). There are tools such as the FreeWorld Sustainability Monitoring platform that can help you to calculate your company's 'baseline' emissions and identify the main drivers of your emissions. Once baselines are established, sustainability goals can be based on percentage reductions/increases in metrics which your company deems high-impact.

## **EXAMPLES OF SUSTAINABILITY GOALS :**

While each business is unique in the sustainability goals which are most important to its core operations, the metrics listed below are helpful when starting to explore opportunities to improve your company's sustainability:

**Energy Consumption (kWh):** Achieve reduction in the total energy used in operations of the company.

**Carbon Intensity:** Achieve X carbon emissions per product sold (i.e. 90% reduction in carbon emissions per product sold). Intensity metrics represent a 'per unit' measure of sustainability.

**Carbon Neutral (Net Zero Emissions):** Achieve net zero carbon emissions by reducing carbon emissions from operations and purchasing carbon 'credits' to offset any remaining emissions.

**Chemicals use:** Eliminate all chemicals of concern to health and environment across all products.

**100% certified organic:** Source only 100% organic and sustainably grown inputs and eliminate all nitrogen and phosphorus runoff that is typically associated with inputs.

**100% recycled:** 100% of non-food utilized by company / building (including products, warehouse supplies, office supplies, packaging, etc) is recycled with 50% post-consumer waste.

**Zero Waste:** Waste generated across supply chain (upstream and downstream) per product sold is cut by 90% and company is at 99% landfill diversion.

# CONCLUSION

In the coming years, businesses which set and achieve sustainability goals will drive higher margins, gain more loyal customers, and attract greater investments/partnerships from their ability to track and improve upon activities which help the world at large. Companies can use sustainability as a power for good, and establish deep company cultures which thrive on positive achievement and fulfillment.

If you are interested in learning more, or establishing free sustainability monitoring through the FreeWorld platform, [visit us at FreeWorldFinance.com](https://FreeWorldFinance.com)



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