



2020 Annual Integrated Report



**Sustainability
Advantage**

RESOURCES TO ACCELERATE OUR SUSTAINABILITY JOURNEY

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Executive Summary

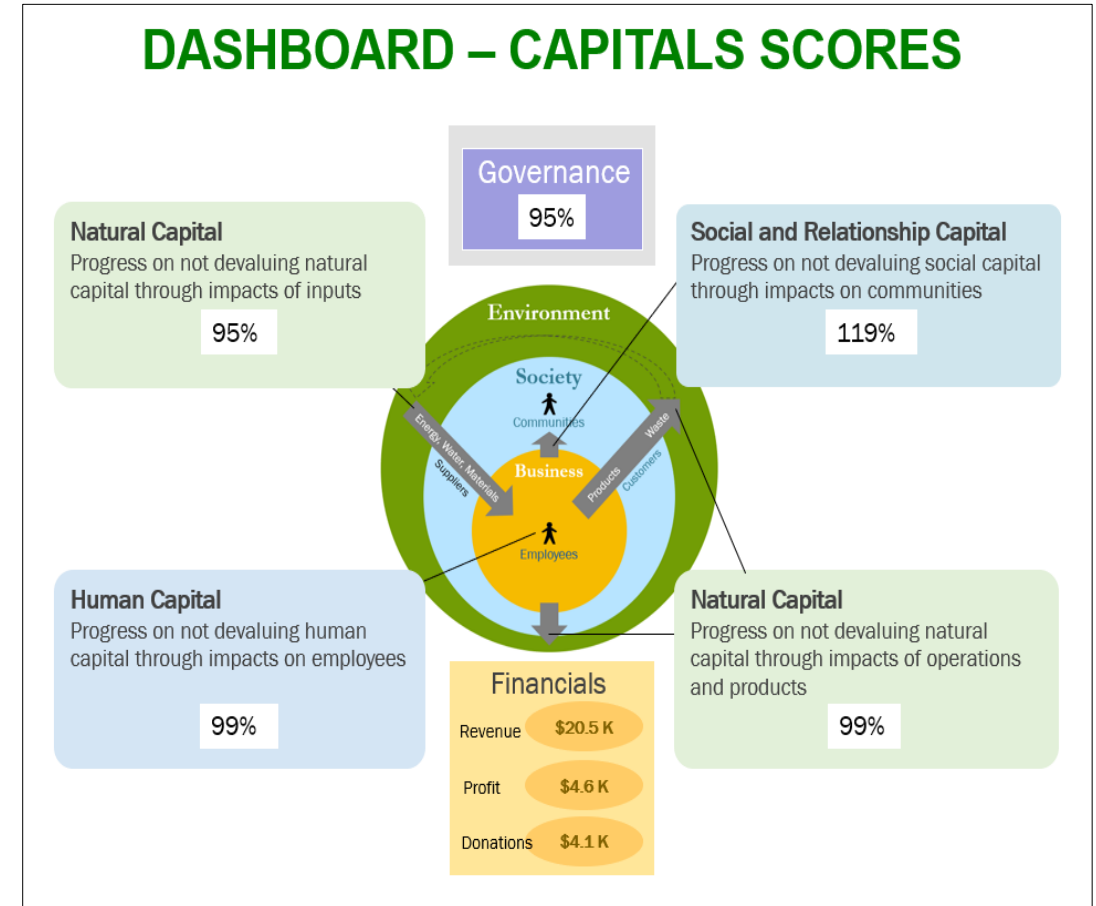
2020 was a good year for Sustainability Advantage (SA). Our no-fly business model, adopted in 2018, mitigated the impact of COVID-19 lockdowns. We made good progress on protecting and enhancing natural, human and social capitals that we impact, as shown by the scores in the adjacent dashboard. We also earned sufficient financial capital to continue fulfilling our purpose: to ensure future generations have the opportunity for at least the quality of life that we have enjoyed. That quality of life is symbolized by natural beauty surrounding the Willard family cottage, pictured on the covers of this report.

As an award-winning Certified B Corp, SA is laser-focused on achieving our vision: a sustainable world in which people and businesses flourish within nature's limits. SA provides free, open-source resources for sustainability champions so they can accelerate organizations' transition to more sustainable business models. As a social enterprise, SA also supports and amplifies others' worthy efforts: 89% of profits were donated to socially and/or environmentally beneficial efforts in 2020.

In 2020, we upgraded and refreshed all our resources, improved versions for small- and medium-size enterprises (SMEs), added tools to support sustainable procurement, wrote two white papers, and did 69 talks, all virtual after March.

Onward!

Bob Willard, Chief Sustainability Champion and Founder, Sustainability Advantage (SA)



Purpose and Business Model

As a sole proprietorship, Sustainability Advantage’s purpose, vision, mission and values are aligned with Bob’s.

Purpose

To ensure future generations have the opportunity for at least the quality of life that he has enjoyed. SA strives to maximize stakeholder wellbeing – all stakeholders, including contractors, customers, communities, the environment and society-at-large.

Vision

A sustainable world, in which people and businesses flourish within nature’s limits.

Mission

To provide resources to sustainability champions to help accelerate our sustainability journey, before it is too late.

Values

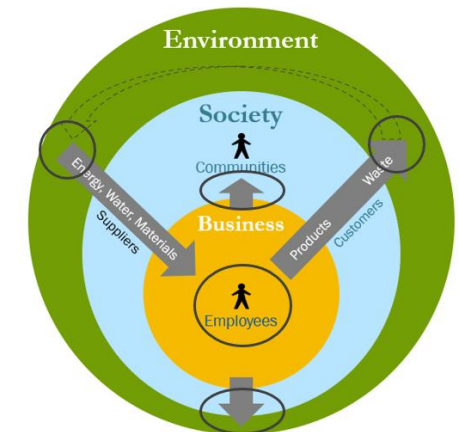
- *Trustworthiness* – character (integrity, ethics, honesty) and competence (quality, excellence).
- *Respect* – fairness and compassion. This is the Golden Rule for how to treat stakeholders. It includes leading by example and using SA’s tools to manage, track and assess SA’s performance.

Business Model

To fulfill our Purpose and accomplish our Mission, SA’s business model mirrors the “Nested Interdependencies” sustainability model.



Nesting Interdependencies
Sustainability Model



SA Business Model.

This report includes SA’s performance at the five impact points circled in our business model, above. It assesses how close SA is to causing no harm, and even being restorative, at our five environmental, employee and community touch points..

Governance

Sole proprietorships / social enterprises do not require boards of directors / trustees.

Nevertheless, SA has a virtual board: Bob. His business experience as a senior leader in IBM Canada, his studies and research and his faculty experience at the [Directors College](#) qualify him to self-govern SA. Bob also benefits from his experience on boards of eight like-minded non-governmental organizations (NGOs) over the last 18 years.

SA walks the talk on policies and practices for a truly sustainable social enterprise. Relevant [policies](#) and codes of ethics are incorporated into SA's governance.

The figure shows how we appropriately embed key sustainability considerations in SA's governance and management systems.

Sustainability considerations are embedded in Governance / Management systems		SA Equivalent
1. Company purpose / vision / mission	The purpose, vision and mission are <i>multi-stakeholder</i> focused, versus <i>shareholder</i> -centric, and consider the environment and society as special case stakeholders.	✓
2. Board and executive competencies	Board and executive competencies include sustainability-related competencies required for effective oversight.	✓
3. Director and executive duties:	Responsibility for sustainability-related issues is included in committee mandates, or their equivalent for a sole proprietor.	✓
4. Executive compensation	A significant amount of executive remuneration is conditional on attainment of sustainability-related targets.	✓
5. Risk management process	The risk management process includes consideration of direct and indirect risks that could arise if sustainability-related issues are not addressed.	✓
6. Strategic planning	Strategic planning and scenario planning processes include consideration of sustainability-related risks and opportunities.	✓
7. Major decision-making processes	The OpEx, CapEx, M&A and other strategic decisions include sustainability-related appraisal criteria.	✓
8. Disclosures / reports:	Disclosures and reports include non-financial performance on ESG issues.	✓
9. Business model includes all stakeholders	The business model canvas explicitly includes the environment, society-at-large and other stakeholders.	✓
10. R&D priorities	Research and development includes R&D on sustainability-related aspects of products and services.	✓

Risks and Opportunities

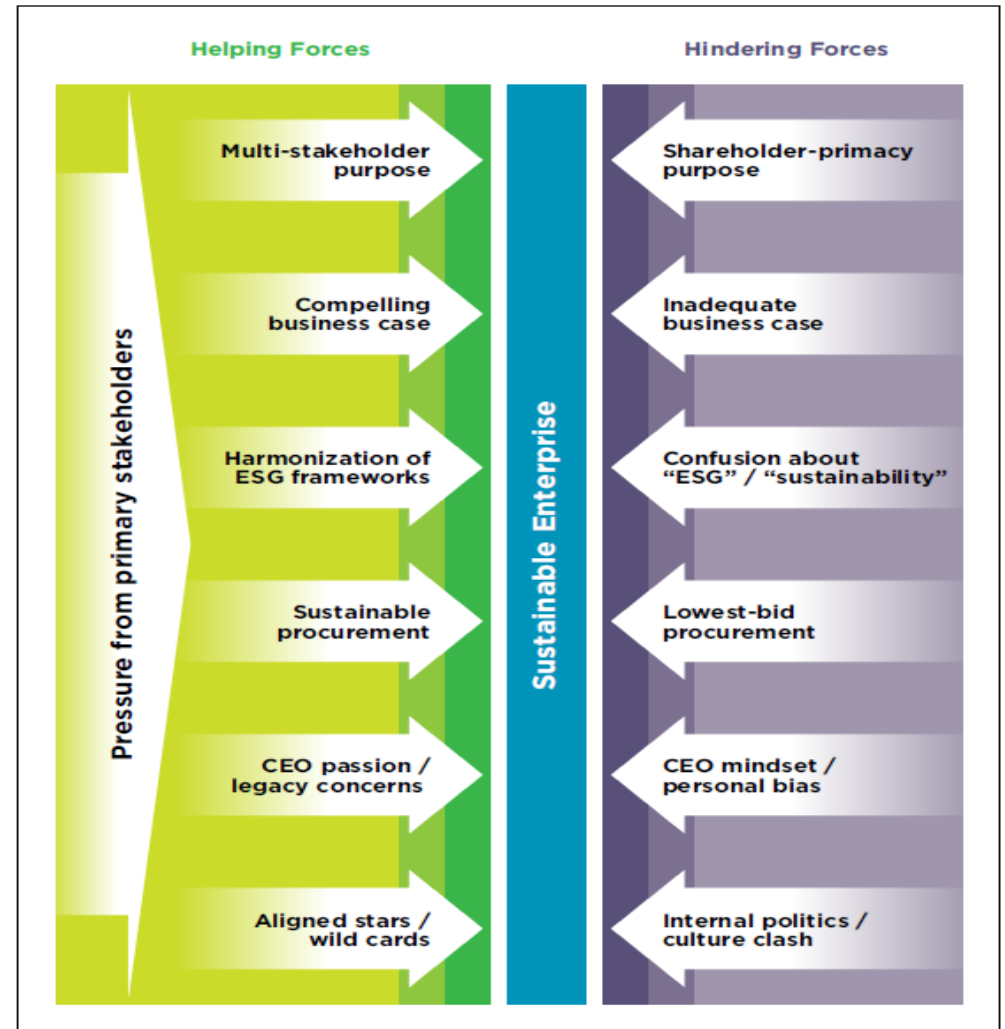
The most pressing medium- and long-term risks for SA are identified in the table below. The next section outlines strategies to overcome the threats and to pursue associated opportunities for SA.

Medium- and Long-Term Risks	Probability	Risk to SA	Associated Opportunity for SA
Runaway climate destabilization, pandemics and economic depression.	80%	Failed purpose: That is, failure to ensure future generations have the opportunity to enjoy at least the quality of life that he has.	Frame SA resources to show how they support companies' stakeholder-centric purposes .
Corporations and governments fail to act to mitigate and avoid the above crises.	80%	Failed vision: That is, failure to achieve a sustainable world in which people and businesses adopt an integrated mindset and flourish within nature's limits.	Work through others to pressure corporations and governments to fulfill their purposes by attaining the SDGs by 2030. Use sustainable public procurement as a market force to engage companies on sustainability / SDGs.
Sustainability champions are ineffective.	80%	Failed mission: That is, failure to provide essential resources to enough sustainability champions to help them accelerate our sustainability journey, before it's too late.	Develop and deploy more accessible online versions of SA resources . Partner with organizations that can help improve, distribute and deploy SA resources.
Bob's eventual demise.	100% sooner or later	Fatal. SA goes when Bob goes.	SA will be dead; long live our resources. There are no patent or copyright inhibitors to the continued availability of SA's free, open-source resources for sustainability champions. They are already listed on SHIFT and Embedding Project resources databases and would be hosted by them.

Strategy and Resource Allocation

The adjacent figure is from Bob's latest white paper, "The 21st Century Sustainable Enterprise Force Field." SA's strategy is to leverage the "Pressure from primary stakeholders" helping force. If company sustainability performance matters to primary stakeholders (banks, investors, customers and foundations), it matters to companies that need their support. Therefore, our short term strategy is to:

1. Encourage primary stakeholders to pressure companies – large and small – to *disclose their sustainability performance* in order to qualify for financial support (loans, investments, grants, and purchases).
2. Provide companies with high-quality, accessible tools so they can rigorously *self-assess their sustainability performance*, disclose it to the above primary stakeholders, and use the scores to guide improvements.
3. Amplify the "Sustainable procurement" helping force. Encourage big buyers to use SA's free, open-source tools to justify and implement a sustainable procurement process. Help them become a market force driving more sustainable practices in their supply chains.
4. Reassure companies that SA tools enable articulating sustainability performance in terms of the *Sustainable Development Goals (SDGs)* and/or *non-financial capitals*, as shown in the dashboards in this report, for those who prefer those frameworks.



21st Century Sustainable Enterprise Force Field

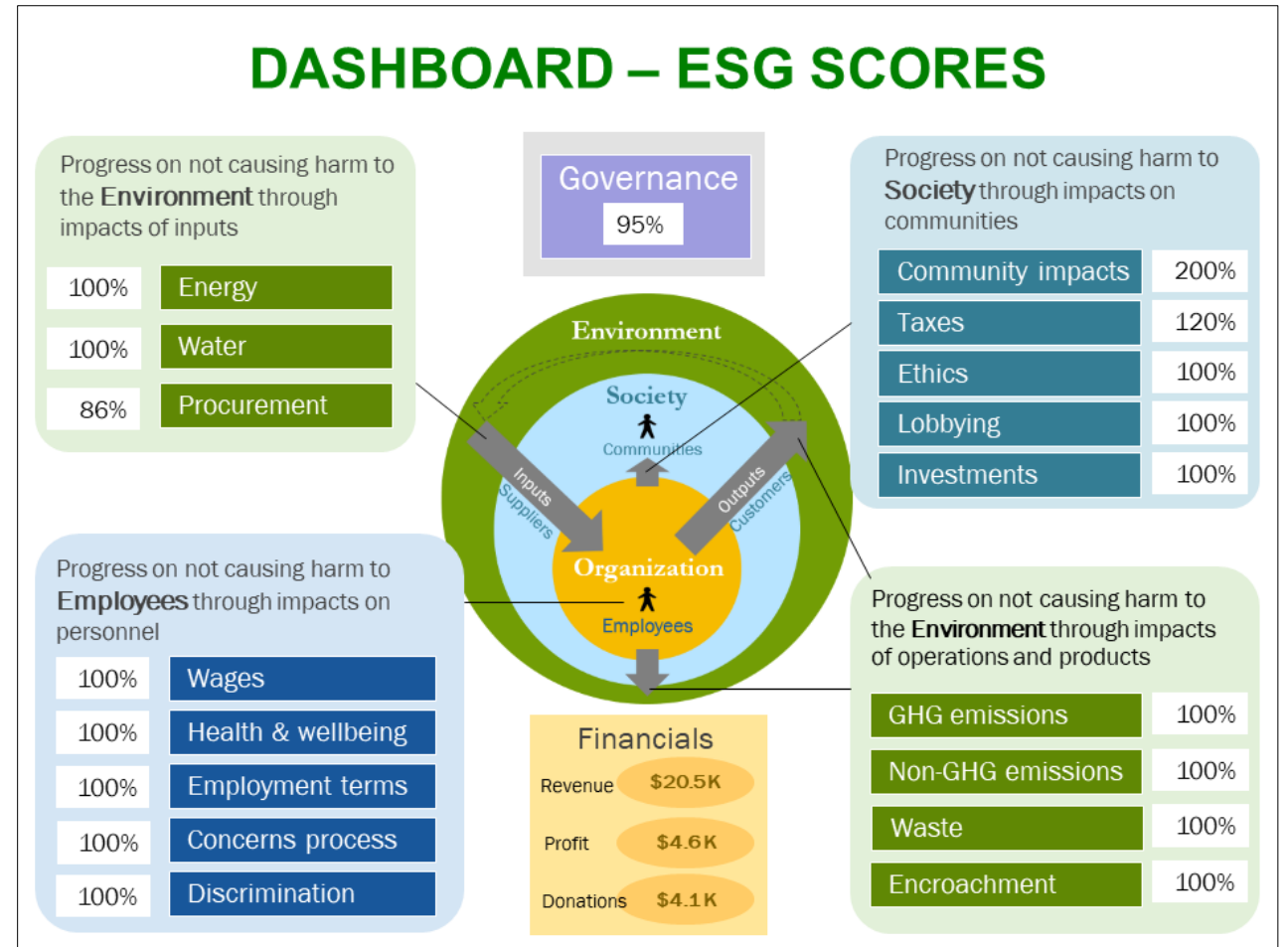
Performance

SA is (almost) a truly sustainable company and we are succeeding *because* of that, not in spite of it. SA is a successful business producing sustainable products and services, in a sustainable way, for sustainability champions. That's as integrated and sustainable as it gets.

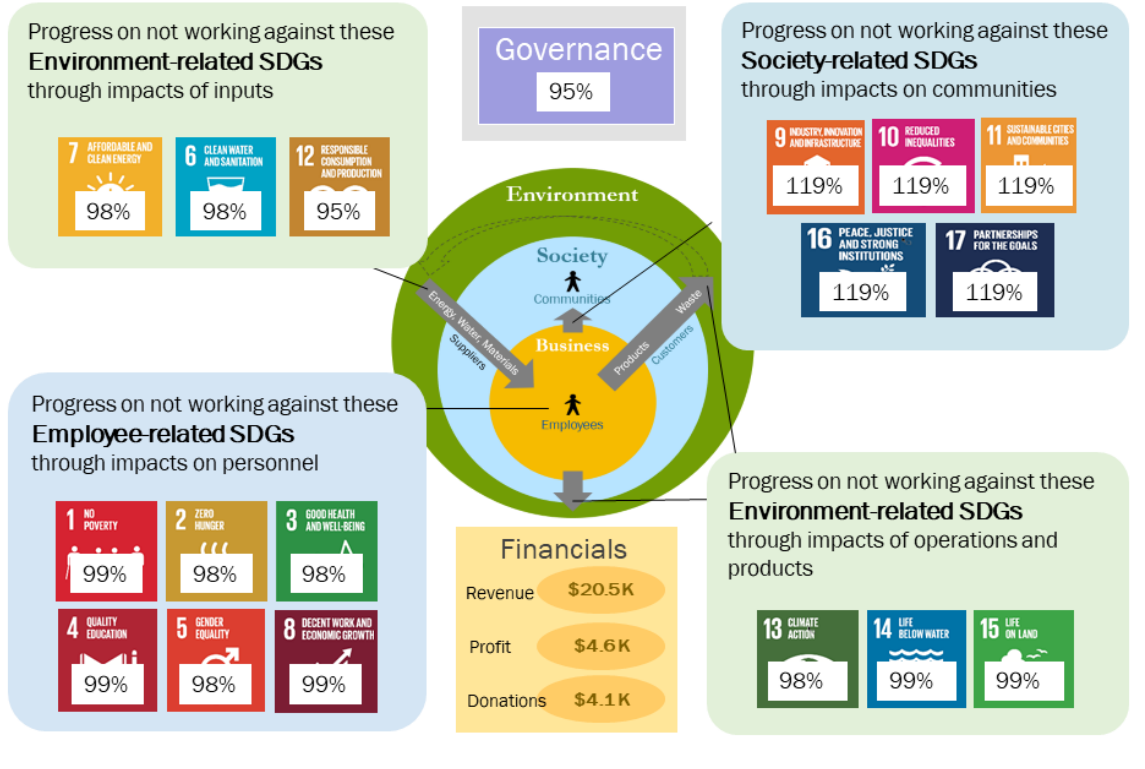
SA did well on all sustainable sustainability factors. Based on scores generated by the [Basic Sustainability Assessment Tool](#), dashboards of performance at environment, employee and community impact points are shown using three sustainability frameworks:

1. Scores on core ESG issues (environmental, employee, community, governance)
2. Scores on the Sustainable Development Goals (SDGs)
3. Scores on financial and non-financial capitals used in Integrated Reporting <IR>

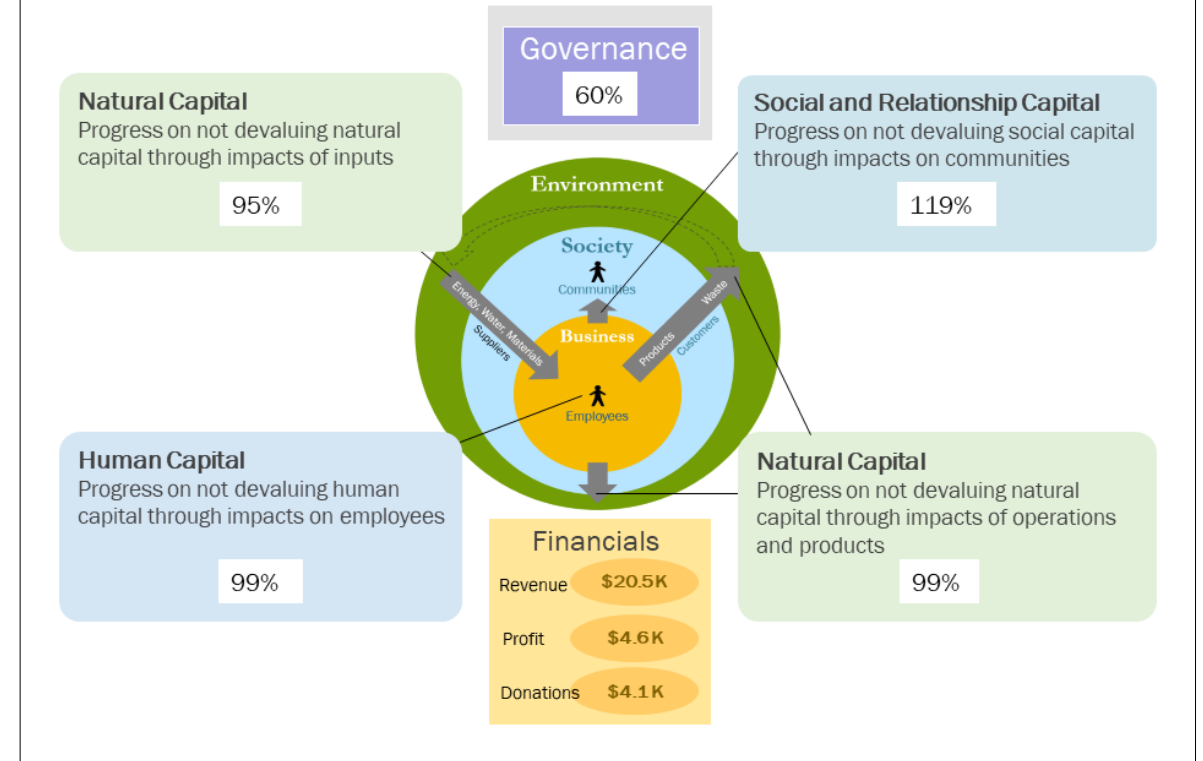
The detail behind these calculations and scores is available in this [SA-tailored version of the Basic Sustainability Assessment Tool](#).



DASHBOARD – SDG SCORES



DASHBOARD – CAPITALS SCORES



Notes on impacts on capitals

Natural capital

As illustrated in the business model figure, SA impacts the environment in three ways: through our inputs, through our operations and through our products' usage and end-of-life disposition. These notes add context to the scores on those impacts.

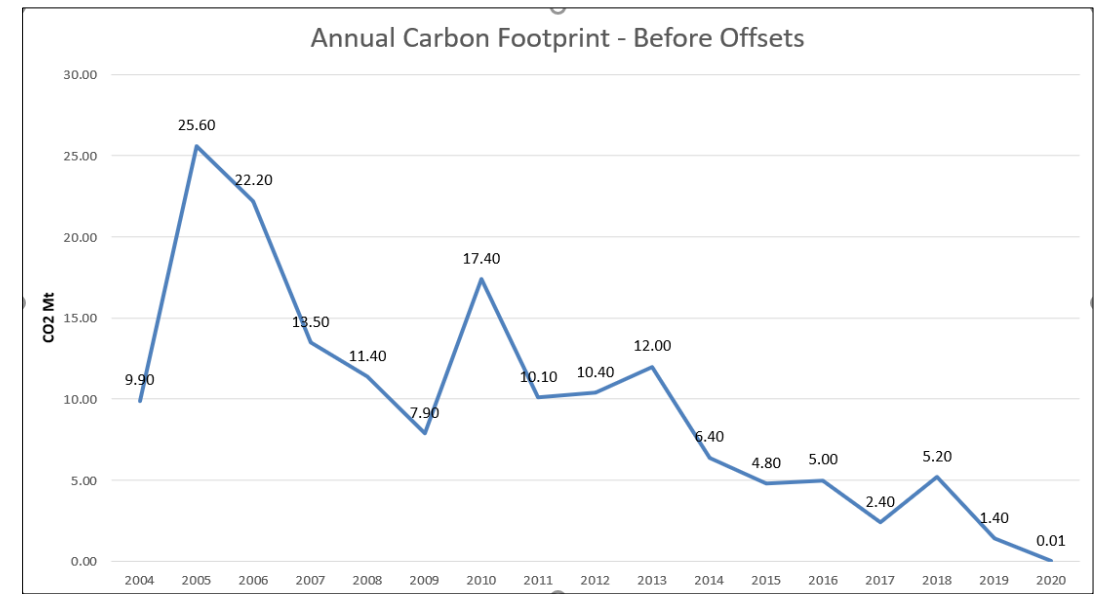
*Progress on **inputs'** impact on natural capital*

SA's inputs are primarily energy, books for resale, and office supplies.

- *Renewable energy:* SA uses only Bullfrog Power Green Electricity and Bullfrog Power Natural Gas in our home-office operation.
- *Materials:* SA sells some of Bob's books from our home inventory. The books are published by [New Society Publishers](#) (NSP), a Certified B Corp in British Columbia, on FSC-certified paper. They are all available from NSP as e-books.
- *Supplies:* All paper that SA purchases for office use is [Sugar Sheet](#) paper made from waste fibre generated from sugar cane processing. Bob's business cards and bulk handouts are printed on FSC-certified, post-consumer recycled paper by [Warren's Waterless](#), a green Bullfrog-powered printing company.

*Progress on **operation's** impact on natural capital*

SA's home office operation is very benign. There are no *harmful emissions* to air, land or water from SA home-office operations; there is no harmful waste or encroachment from SA home-office operations; and there are no net *GHG emissions* from the home office, after offsets. The following graph shows progress on SA's GHG reduction challenge over the last 15 years. Bob stopped flying in 2017 and bought a Nissan Leaf EV in 2019. The goal is zero GHGs. Done!



*Progress on **products and services** (resources and talks) impacts on natural capital*

The five-level fee schedule encourages event organizers to opt for talks delivered by videoconference or webinar technology, at a lower speaking fee. With a no-fly business model and a Nissan Leaf EV powered by renewable energy, the carbon footprint from business travel would be from rail or public transit. Bob used neither in 2020. Any rail travel associated with speaking engagements is entirely offset.

All resources are either electronic (Excel workbooks, Master Slide Decks, webinars, videos, white papers, e-books) or printed on FSC-certified paper (books from NSP).

*Progress on **contributing positively** to natural capital*

Beyond protecting the environment, SA indirectly positively impacts the environment by *enabling others* to reduce their own negative impacts and the negative impacts of those they influence. SA began in 2002. By 2020, we have conservatively influenced 50,000 - 100,000 sustainability champions through presentations, books, and our resource-rich website. Plus, in 2020, SA contributed 89% of our profits to organizations working on sustainability issues, as explained in the Social Capital section.

Human capital

SA does not have employees, per se. As the sole proprietor, Bob is not considered as an “employee,” but he is SA’s most critical human resource. (See the Bob Willard bio at the end of this report.)

SA performance on five Future-Fit Business Benchmark (FFBB) employee-related, cause-no-harm goals is a proxy for progress on not harming employees. Overall, SA was **100%** successful in 2020 in not devaluing human capital / harming employees, because we have none.

Social capital

Positive contributions through taxes: SA intentionally pays a little more tax as an unincorporated sole proprietorship than would be required by a corporate form. Governments need tax revenue to fund social wellbeing, especially as we all cope with the COVID-19 pandemic.

Positive contributions through monetary donations: SA has a “25% for People and Planet” policy. That is, SA donates at least 25% of SA’s annual profit to worthy sustainability champions: registered charities, non-profit organizations and individuals who are helping to improve the well-being of people and the planet.

In 2020, SA's profit was \$4.6K. SA made monetary and non-monetary donations of \$4.1K (89% of profits) to registered charities, to non-profit organizations without charitable status, and to other worthy causes. That does not include the value of 47 pro bono presentations and 333 copies of books and DVDs donated to students and event participants. Further, the socially responsible speaking fee structure provides talks at a half-price fee for NGOs, public sector, and higher education audiences, enabling them to benefit from the messages more freely.

The value of donations contributed to the assessed score of 119% on Social and Relationship capital. In the interests of transparency, here are the lists of 2020 donations.

Monetary Donations – Registered charities or political contributions		
Jan. 14	Canadian Horticultural Trades Association – GrandTrees Walk	250
Mar. 13	Canadian Centre for Policy Alternatives (CCPA)	250
April 9	Lakeridge Health	100
Sept. 26	Liberal Party, for local MP	408
Oct. 1	Environmnetal Defence	100
Oct. 5	Huntsville 2019-2021 Habitat project	100
Nov. 12	Movember	100
Nov. 14	Covenant House	100
Total Monetary Contributions to Registered Charities		1,408

Monetary Donations - Non-charity NGOs and other causes			
Feb. 25	Rabble	100	
Mar. 1	Sustainability Illustrated	577	
Mar. 13	Greenpeace	250	
March 21	Dogwood	100	
May 27	Council of Canadians	500	
June 11	Wellbeing Economy Alliance (WEAll)	100	
June 27	Willard House and Clock Shop	100	
August 23	StratLead	686	
August 24	Friends of the Earth	100	
August 25	Fair Vote Canada	100	
Sept. 17	Enviro-Stewards Safe Water Project	125	
Total Monetary Contributions to Non-Registered Organizations		2,738	
Total Monetary Contributions to Registered Charities and to worthy Non-Registered Organizations		4,146	
Value of Non-Monetary / In-Kind Donations			
All year	47	Pro bono talks @ \$500 (lowest speaking fee)	23,500
All year	333	Books and DVDs donated	3,229
Total Non-Monetary Contributions			26,729

These value-adding efforts by SA have helped earn our “Best for the World – *Overall*” distinction for Certified B Corps in 2019. The full B Impact Assessment evaluates a company’s environmental performance, employee relationships, diversity, involvement in the local community, the impact a company’s product or service has on those it serves, and more. To become a Best For The World – Overall honoree, a company must score in the top 10% of all 3,300 Certified B Corps across the category areas of the assessment. That was the sixth time that Sustainability Advantage received this honor since first becoming a Certified B Corp in 2012.



Sustainability Advantage also received the “Best For the World – *Community*” distinction for Certified B Corps in 2019. To earn this honor, a company must score in the top 10% of all 3,300 B Corps on the Community portion of the B Impact Assessment. This section evaluates a company’s supplier relations, diversity, involvement in the local community, and practices and policies around community service and charitable giving. That was the fifth time that Sustainability Advantage received this honor since first becoming a Certified B Corp in 2012.



Note: Best For The World 2020 awards were postponed until 2021. In the meantime, [B Lab says](#), “Previous Best for the World awardees are encouraged to continue to celebrate and showcase their distinction, citing the year and category in which you were awarded.”

Financial capital

Income Statement	\$
Talks for fee	7,100
Master Slide Decks subscriptions	10,556
Book sales	3,467
Cost of sustainability-related goods sold	(654)
Total business income	\$20,469.
Total expenses	\$15,828
Profit / Net income	\$4,641

Note that this amount of income and profit works for Bob’s circumstance as an IBM retiree on a modest fixed pension. It’s enough. If more were required, it would be provided through consulting and contract work. For example, income from two contracts in 2019 resulted in \$38.5K revenue, which enabled more support of worthy causes.

SA has no financial assets on our balance sheet and no liabilities.

Manufactured capital

Manufactured capital includes human-created physical objects that are available to an organization for use in activities and processes, including buildings, equipment, production-oriented equipment and tools. SA uses home-office furnishings and equipment that were written off years ago. The value of our manufactured capital is \$0K.

Intellectual capital

Intellectual capital includes intellectual property (e.g. patents, copyrights and licences) and “organizational capital” such as tacit knowledge, systems, procedures and protocols. Bob constantly creates intellectual capital: books, white papers, slides, workbooks, tool kits, frameworks, templates, and videos. They are freely available under the Creative Commons “Attribution CC BY” license.

This approach aligns with SA’s mission – to provide useful resources for sustainability champions so that they have the competence and confidence to accelerate our transformation to a sustainable world. Given that the resources are freely available and in the public domain, the value of SA’s intellectual capital to SA is deemed to be \$0K. The value of SA’s resources to their users would be best assessed by them.

Outlook

What is the 5-10 year outlook.? More of the same, and that's a good thing.

Environment: Continue to be 90% to 100% successful in not harming the environment in the three areas that SA's business model impacts it. Look for ways to be restorative, address climate change and contribute to related SDGs.

Communities: Continue to provide monetary donations of at least 25% of profit, and to pay income taxes at a sole-proprietor rate rather than a corporate rate.

Financials: In 2019, the contract work significantly increased revenues over 2018. That work is completed. Work on sustainable procurement in 2020 was unsponsored and pro-bono. In the coming years, participate in funded sustainable procurement-related projects that amplify that helping force, and others, in the 21st century sustainable enterprise force field.

Mission fulfillment: Continue to enhance the SA portfolio of free, open-source resources for sustainability champions. Look for projects that road-test them and use participant feedback to refine and improve their usability. Convert some Excel tools to online applications using Spreadsheet Converter. Add additional tools, as the need arises.

In Closing...

Human civilization faces three concurrent global crises: a global environmental crisis (climate change); a global social crisis (the COVID-19 pandemic); and a global economic crisis (the global depression). The crises cannot be addressed with traditional "back to business as usual" recovery strategies.

In these dark times, we all need to rise to the occasion and face the future positively and creatively. We have an unprecedented opportunity to rethink how our values and global institutions can reshape our socio-economic relationships. We can create a regenerative world that works for everyone or face a future that no longer works for anyone. We must all do our part to kickstart a future that benefits all citizens and stakeholders. The alternative is not acceptable.

Helping forces are becoming stronger. The transformation to sustainable enterprises is gaining momentum. SA will continue to provide world-class resources for sustainability champions who have the courage to lead in these unprecedented times.



Basis of Preparation and Presentation

Choice of report framework

To earn the right to call itself an “integrated report,” this report honors the IIRC’s seven [Guiding Principles](#): for an integrated report.

- *Strategic focus and future orientation*: See [Strategy](#) and [Outlook](#).
- *Connectivity of information*: See [Performance](#).
- *Stakeholder relationships*: See [Purpose and Business Model](#)
- *Materiality*: See [Performance](#)
- *Conciseness*: The report is only 15 pages long, not counting the covers. That’s two pages shorter than last year.
- *Reliability and completeness*: See [Performance](#) and the adjacent table.
- *Consistency and comparability*: All dashboards, models, and figures used in this report are available in the Sustainability Frameworks [Master Slide Deck](#). Performance scores are assessed using the free, open-source [Basic Sustainable Assessment Tool](#), that is based on B Lab’s [SDG Action Manager](#) and the [Future-Fit Business Benchmark](#).

This report includes the eight required elements of an <IR>.

Required Integrated Report Elements	Page #
<i>Organizational overview and external environment</i> : What the organization does and the circumstances in which it operates	2-3
<i>Governance</i> : How the organization’s governance structure supports its ability to create value in the short, medium and long term	4
<i>Business model</i> : The organization’s business model	3
<i>Risks and opportunities</i> : Specific risks and opportunities that affect the organization’s ability to create value over the short, medium and long term	5
<i>Strategy and resource allocation</i> : Where the organization wants to go and how it intends to get there	6
<i>Performance</i> : The extent to which the organization achieved its strategic objectives for the period and its outcomes relative to the SDGs	7-13
<i>Outlook</i> : Challenges and uncertainties that the organization is likely to encounter in pursuing its strategy, and the potential implications	14
<i>Basis of preparation and presentation</i> : How the organization determines and quantifies what matters, what to include in the integrated report	15

Bob Willard Bio



Bob is a leading expert on quantifying and selling the business value of corporate sustainability strategies. He has given over 1,300 presentations to corporate, government, university, and NGO audiences. Bob applies his business and leadership experience from his 34-year career at IBM Canada to engage the business community in proactively avoiding risks and capturing opportunities by using smart environmental, social, and governance (ESG) practices.

He has authored six books: *The Sustainability Advantage* (2002), *The Next Sustainability Wave* (2005), *The Sustainability Champion's Guidebook* (2009), *The New Sustainability Advantage* (2012), Release 1 of the *Future-Fit Business Benchmark* (co-authored, 2016), and the *Sustainability ROI Workbook* (2017). He has published two white papers: "7 Bold Strokes to Save our World" (2020) and "The 21st Century Sustainable Enterprise Force Field" (2021). His extensive Master Slide Decks and free, open-source toolkits, templates and videos provide comprehensive capacity-building resources for sustainability champions.

Bob serves on the Future-Fit Foundation board, the Sustainable Purchasing Leadership Council board, and the B Corp Standards Advisory Council. He previously served on the boards of Forum for the Future U.S. (3 years), The Natural Step (TNS) Canada (12 years), Learning for a Sustainable Future (3 years), and Durham Sustain Ability (6 years).

He was a citizen member of the Durham Region Roundtable on Climate Change (5 years) and served on the Global Initiative for Sustainability Ratings (GISR) Technical Review Committee (3 years).

He is currently on the faculty of the Director's College and serves on the Seneca College program advisory committee (PAC) for its Sustainable Business Management Certificate program. He previously served on PACs for sustainable business certificate programs at Algonquin College and Ryerson University. He was also on the core faculty for the Sustainable Enterprise Academy (SEA) and the Sustainability and Education Academy (SEdA) at York University.

He was one of five inaugural inductees into the International Society of Sustainability Professionals (ISSP) Hall of Fame in 2011, received Clean50 awards in 2015 and 2017, and has earned six "Best for the World - Overall" and five "Best for the World – Community" awards since becoming a Certified B Corp in 2012.

He is an ISSP Sustainability Excellence Professional, a Future-Fit Certified Professional and Accredited Partner, and received a PhD in sustainability from the University of Toronto in 2005.

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