



2022 Annual Integrated Report



View from the Willard family cottage

Table of Contents

| | |
|--|----|
| <u>Executive Summary</u> | 2 |
| <u>Purpose and Business Model</u> | 3 |
| <u>Governance</u> | 4 |
| <u>Risks and Opportunities</u> | 5 |
| <u>Strategy and Resource Allocation</u> | 6 |
| <u>Performance</u> | 7 |
| <u>Outlook</u> | 14 |
| <u>In Closing ...</u> | 14 |
| <u>Basis of Preparation and Presentation</u> | 15 |
| <u>Bob Willard Bio</u> | 16 |

Executive Summary

We're making progress. My suite of a dozen free, open-source, essential resources for sustainability champions is now complete. I upgraded and refreshed seven of them, especially those related to sustainable procurement and net-zero procurement. I provided four quarterly updates for subscribers of the Master Slide Decks. My86 talks influenced current and future leaders, and urged them toward more sustainable, net-zero business models.

The need for urgent action on climate change drove my continued push for net-zero procurement as a market force mobilizing the business community in the race to net-zero. As a board member of the Sustainable Procurement Purchasing Council (SPLC), I continued to refine a sustainable procurement assessment tool. I also joined the Canadian Business for Social Responsibility (CBSR) core faculty for its new [Sustainable Procurement Fellowship](#). Four of my 2022 [blogs](#) were on net-zero procurement. I entered Canada's Net-Zero Challenge and met with Canadian government officials on net-zero proposals.

SA earned sufficient financial capital to continue fulfilling its purpose. As a social enterprise, SA supports and amplifies others' worthy efforts: the equivalent of 217% of profits were donated to socially and/or environmentally beneficial efforts in 2022.

Onward!



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

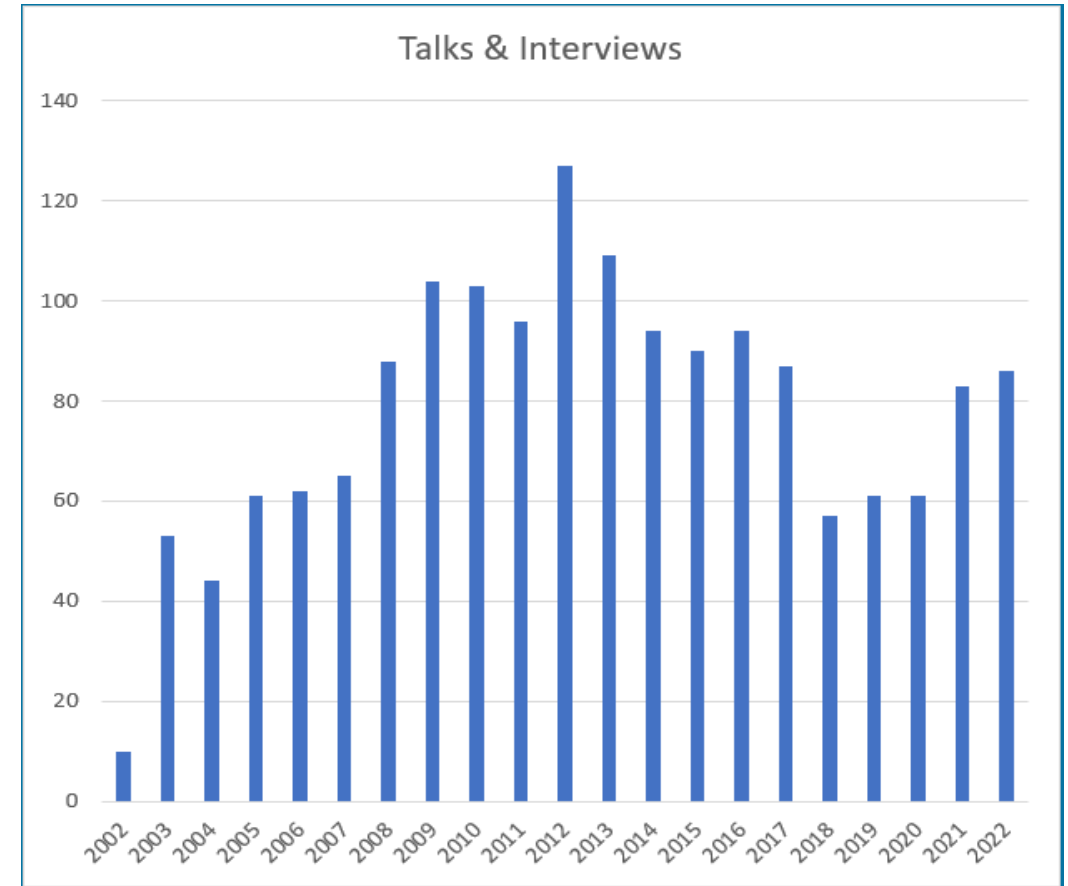


Figure 1: Over 1,500 talks and interviews in 20 years. See the complete log [here](#).

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, Mother Nature (a.k.a. the environment) and society-at-large (a.k.a. Future Generations).

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

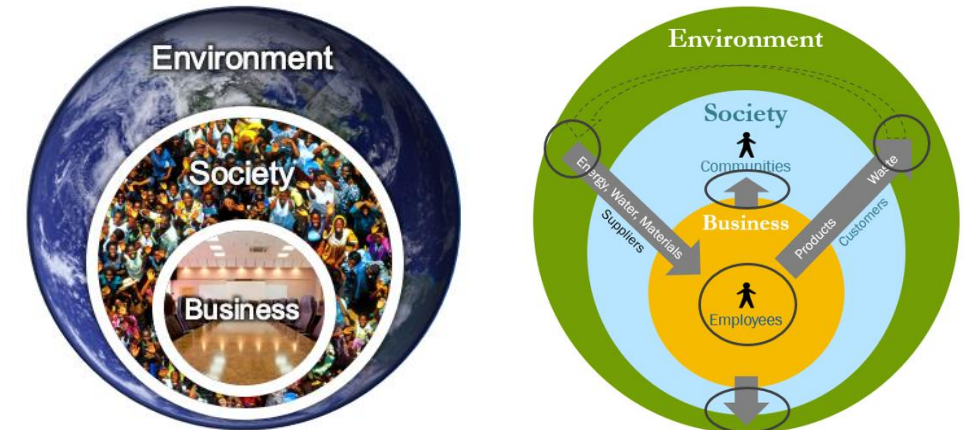


Figure 2: Nested Interdependencies model and the SA Business Model

This report includes SA’s performance at the five impact points circled in the business model in Figure 2. It assesses how close SA is to causing no harm, and even being restorative, at the five environmental, employee and community impact points.

Governance

Sole proprietorships 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, research, and 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 20 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.

Figure 3 shows SA's score on the Governance question in the Basic Sustainability Assessment Tool (BSAT). A score of 100% is as good as it gets. Sustainability Advantage walks the talk on the G in ESG (environmental, social and governance).

| Governance and Management | | | | |
|--|---|----------------------------------|-----------------------|-----------------------|
| Sustainable organizations embed sustainability considerations into their governance and management systems. | | Click on one choice. | | |
| | | No | Partially | Yes |
| Our multi-stakeholder purpose / vision / mission / values reflect providing value for all stakeholders. | | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Organization purpose | Our purpose is to ensure future generations have the opportunity for at least the quality of life that we have enjoyed. | | | |
| Organization vision | Our vision is a sustainable world, in which people and businesses flourish within nature's limits. | | | |
| Organization mission | Our mission is to provide resources to sustainability champions to help accelerate our sustainability journey. | | | |
| Organization values | Trustworthiness (ethics, integrity, and honesty) and Respect (fairness and compassion) | | | |
| CEO compensation is linked to the organization's performance on environmental and social issues. | | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Equity-deserving populations are represented in senior management positions. | | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Sustainability considerations are embedded in policies, practices, processes and systems . | | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Sustainability-related risks and opportunities are included in our strategic planning . | | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Our disclosures / public reports include environmental and social performance results. | | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Our business model is resilient and agile, and acknowledges sustainability dependencies. | | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Sustainability-related innovation is prioritized in the design and delivery of our products and services . | | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Score on governance | | 100% | | |

Figure 3: Governance worksheet, from [BSAT v10 – SA IR 2022](#)

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 Bob has. | Frame SA resources to show how they support companies' multi-stakeholder purposes and promote action on climate change . |
| 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 with others to pressure corporations and governments to fulfill their purposes by attaining the SDGs by 2030. Advocate for Net-Zero Procurement and Sustainable Procurement , as market forces driving companies to sustainable, decarbonized, resilient business models.. |
| 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. | Ensure Excel versions of all tools remain freely available . Explore making online versions of SA resources available. Partner with organizations that can help distribute, deploy and steward SA resources. |
| Bob's eventual demise. | 100% sooner or later | Fatal. SA goes when Bob goes. | SA will be dead; long live SA resources. Work to ensure SA resources continue to be available for sustainability champions. They are already listed on SHIFT and Embedding Project resources databases. |

Figure 4: SA risks and opportunities

Strategy and Resource Allocation

The adjacent Figure 5 is from the white paper, “[The 21st Century Sustainable Enterprise Force Field](#).” SA’s strategy is to leverage the “*Pressure from primary stakeholders*” helping force on the left. If company sustainability performance matters to primary stakeholders like customers / buyers, banks, and investors, it matters to companies that need their revenue or capital support. Therefore, SA’s short-term follow-the-money strategy is to:

1. Amplify the “Sustainable procurement” helping force, starting with Net-Zero Procurement. Encourage big buyers to use tools like SA’s free, open-source tools to integrate net-zero procurement into an organization’s current procurement process. Help purchasing organizations become market forces driving more sustainable practices in their supply chains.
2. Encourage primary stakeholders to pressure companies – large and small – to *disclose their sustainability performance* in order to earn favored treatment.
3. Provide companies with high-quality, SME-friendly tools so they can rigorously *self-assess their sustainability performance*, disclose it to the above primary stakeholders, and use the scores to guide their investments in projects that would improve their sustainability performance. The tools articulate sustainability performance in terms of the Sustainable Development Goals (SDGs) and/or non-financial capitals, as shown in the dashboards later in this report, for those who prefer those frameworks.

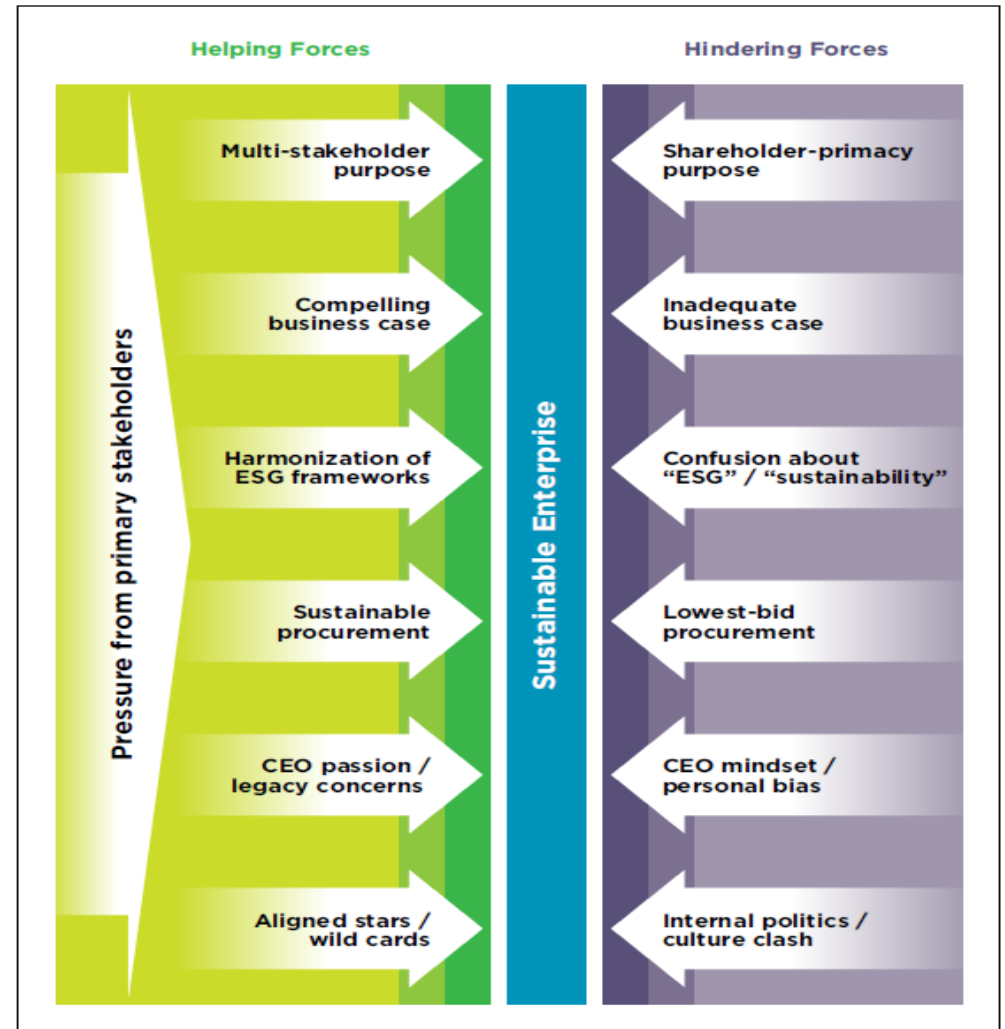


Figure 5: Figure from “[21st Century Sustainable Enterprise Force Field](#)” whitepaper

Performance

SA is (almost) a truly sustainable company and is 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](#) (BSAT), dashboards of performance at environment, employee and community impact points are shown using three sustainability frameworks:

1. Scores on core sustainability issues: governance, environment, employee, community. See Figure 6.
2. Scores on the Sustainable Development Goals (SDGs). See Figure 7.
3. Scores on non-financial capitals used in Integrated Reporting <IR>. See Figure 8.

The detail behind these calculations and scores is available in this [copy of BSAT](#) used to self-assess SA's sustainability performance.

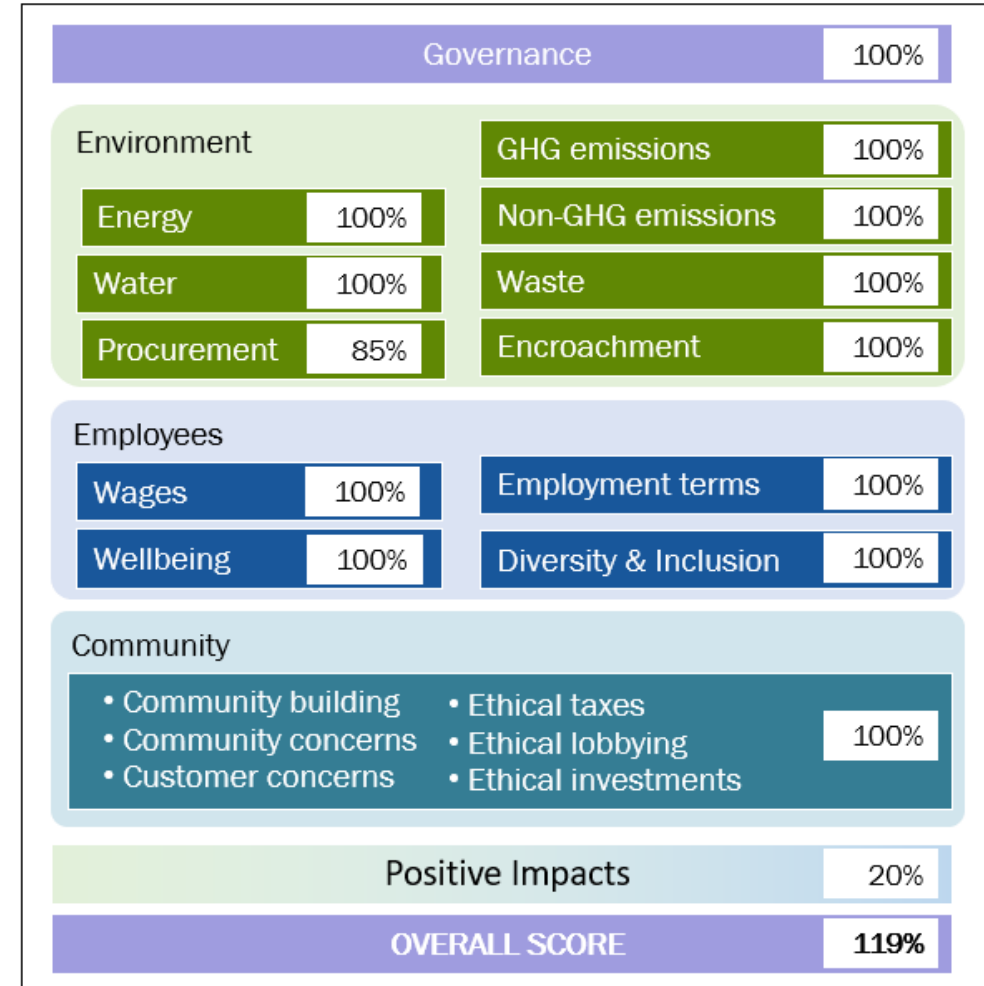


Figure 6: SA scores on sustainability issues, based on [BSAT v10 – SA IR 2022](#)

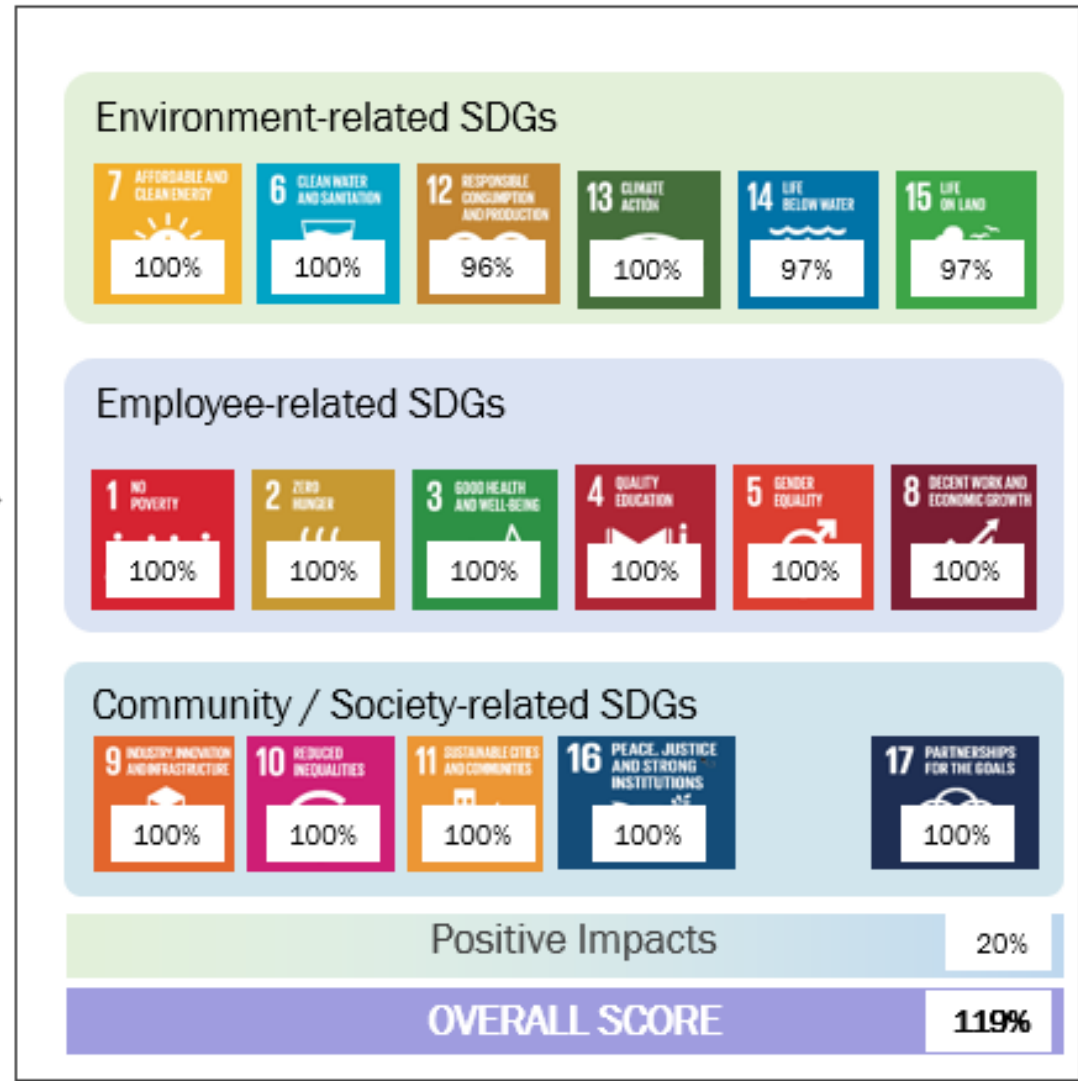
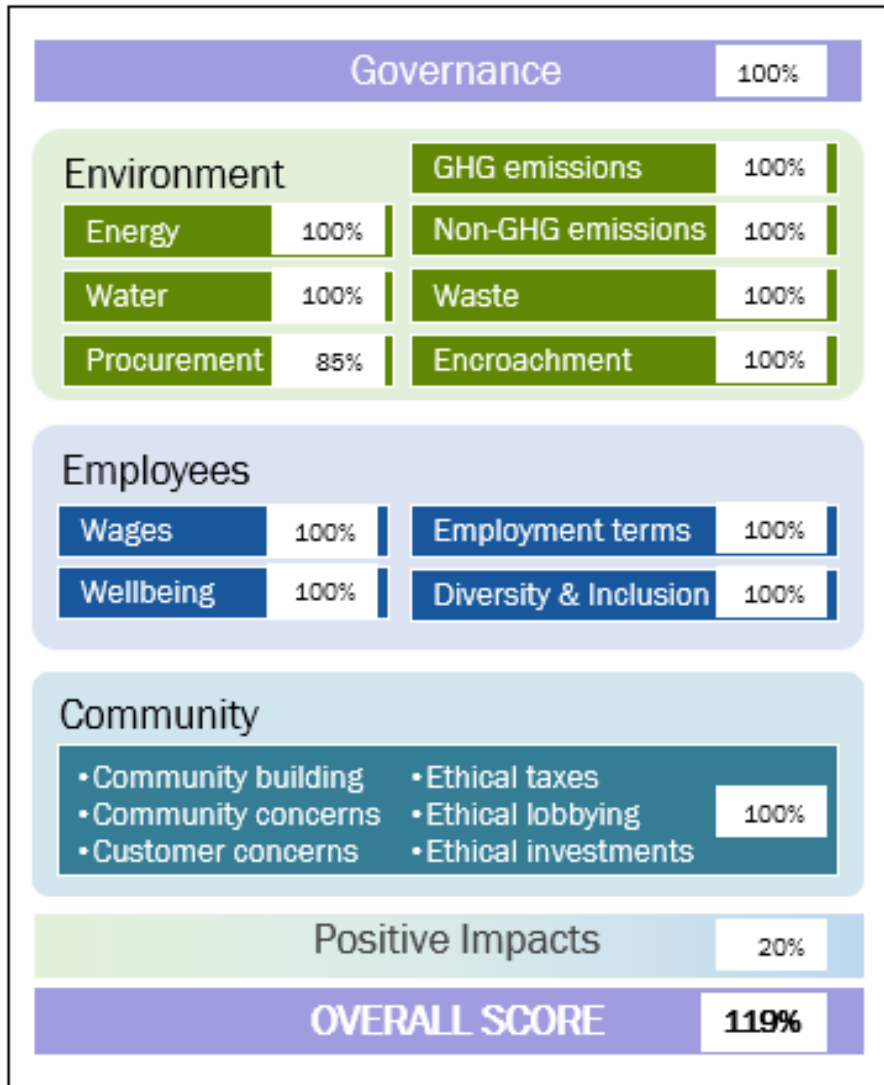


Figure 7: SA scores on core sustainability issues are used as proxies for scores on aligned, primary Sustainable Development Goals (SDGs), based on [BSAT v10 – SA IR 2022](#)

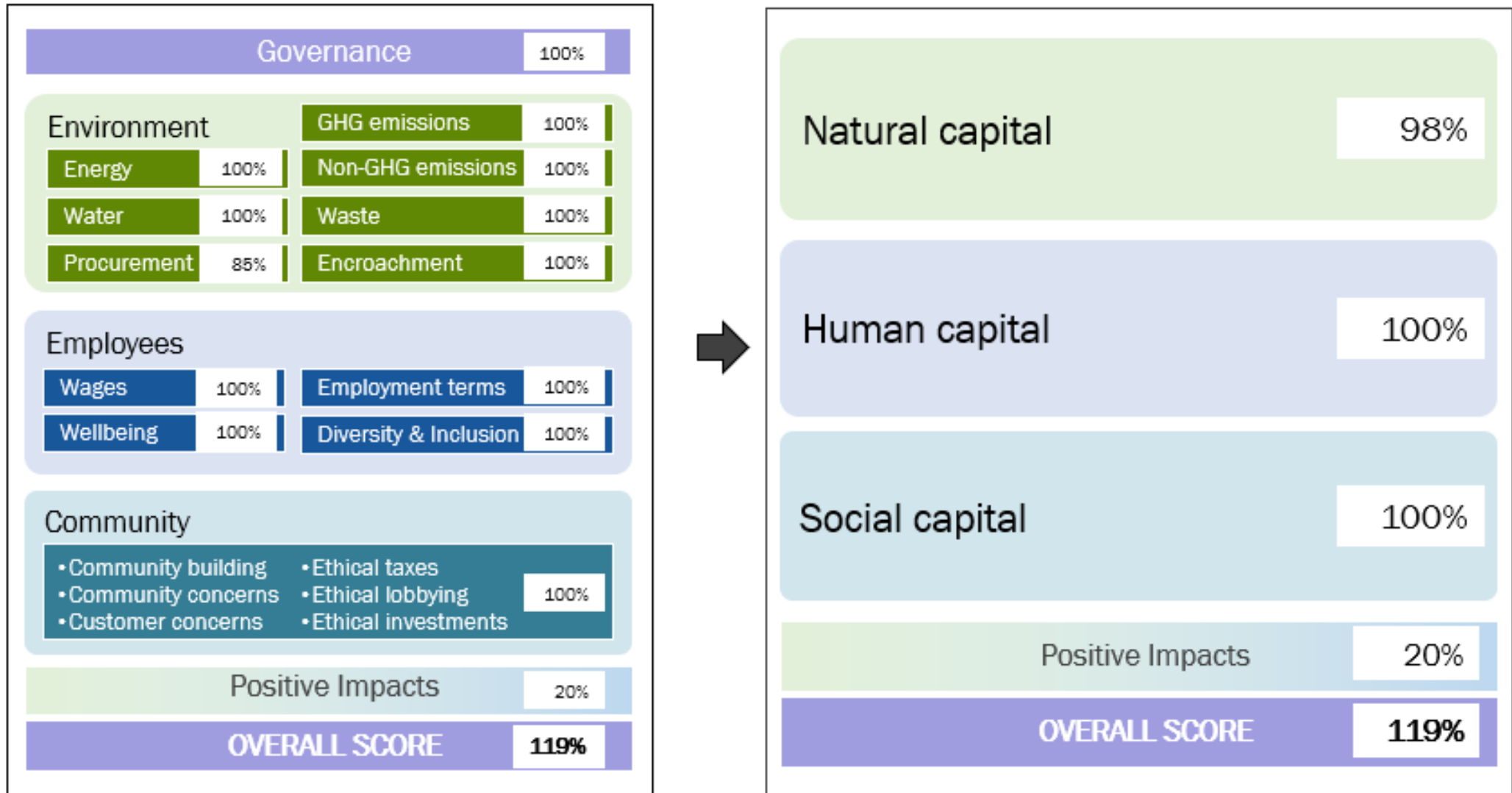


Figure 8: SA scores on core sustainability issues are used as proxies for scores on aligned, non-financial capitals (Natural, Human, and Social), based on [BSAT v10 – SA IR 2022](#)

Notes on impacts on capitals

Natural capital

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

*Progress on impact of **inputs** 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 its home-office operation.
- *Materials:* SA sells some of Bob's books from its home inventory. The books were published by [New Society Publishers](#) (NSP), a Certified B Corp in British Columbia, on FSC-certified paper. They are now all available from NSP only 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; there is no harmful waste or encroachment; and there are virtually no net *GHG emissions*. The following graph shows progress on SA's GHG reduction challenge over the last 18 years. Bob stopped flying in 2017 and bought a Nissan Leaf EV in 2019. The goal is net-zero GHGs. Done!

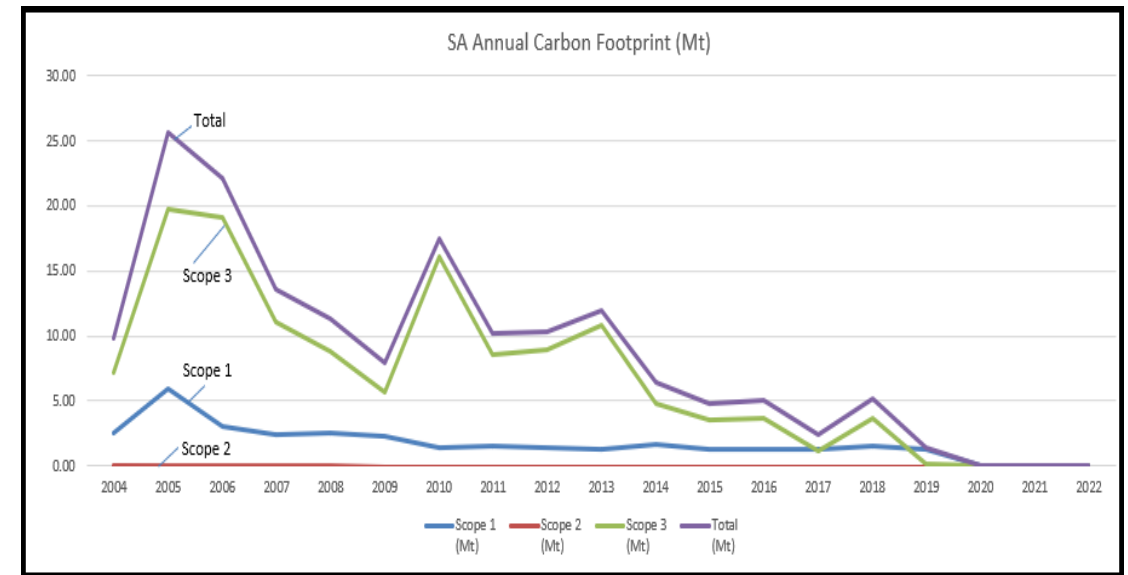


Figure 9: SA carbon footprint – journey to net-zero.

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

SA's [two-level fee schedule](#) encourages event organizers to opt for virtual talks delivered by 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. Given the acceptance of these approaches during COVID-19 restrictions, Bob's business model has worked out well.

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 negative impacts. SA earned 15 of its 20 bonus points for its Positive Impacts on the environment in the BSAT assessment.

SA began in 2002. By 2022, SA has conservatively influenced 50,000 - 100,000 sustainability champions through presentations, books, and its resource-rich website. That's leverage.

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.)

Overall, SA was **100%** successful in 2021 in not devaluing human capital / harming employees, because it has 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 and environmental wellbeing, especially as we all cope with pandemics, inflation, and the transition to renewable energy.

Positive contributions through 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. As will be seen next, SA donated the equivalent of 217% of its profits to environmental and social causes in 2021, far exceeding its policy requirement.

SA made monetary donations to charities and politicians (\$2.25K), and to non-charity NGOs and other worthy grassroots efforts (\$3.53K), as shown in Figures 10 and 11. SA also made in-kind donations (pro bono talks and books) with an estimated value of \$3.03K, as shown in Figure 12.

Social enterprises reinvest the majority of their profits into social, cultural or environmental efforts. The total value of SA monetary and in-kind donations was \$8.81K, which was **217%% of SA's profit of \$4.05K**. In 2022, SA maintained its "social enterprise" status.

| Monetary Donations – Registered Charities or Political Contributions | | Amount |
|---|--|----------------|
| Jan. 2 | Dianne Saxe - running for Green Party | \$350 |
| Feb. 28 | Covenant House | 125 |
| March 1 | Red Cross - Ukraine Humanitarian Crisis Appeal | 210 |
| April 30 | Green Party | 500 |
| July 16 | Friends for Life Bike Rally | 100 |
| Sept. 1 | Dianne Saxe - running for city councilor | 206 |
| Sept. 27 | Red Cross - Fiona damage in Maritimes | 150 |
| Nov. 12 | Movember | 100 |
| Dec. 31 | Ryan Turnbull - local Liberal MP campaign | 510 |
| Total Monetary Contributions to Charities or Political Parties | | \$2,252 |

Figure 10: SA monetary donations to registered charities or political parties

| Monetary Donations - Non-charity NGOs and other causes | | Amount |
|--|---|----------------|
| Feb. 7 | GreenPac - supports environmental champions | \$200 |
| Feb. 18 | 350.org | 100 |
| March 7 | Brad Zarnett - annual subscription to his newsletter | 250 |
| March 10 | (Student) - so she could take in Globe in Vancouver | 250 |
| March 30 | Greenpeace | 250 |
| April 27 | Council of Canadians | 250 |
| May 4 | (Friend) - support for pioneering sustainability analysis | 515 |
| May 6 | SCAN (Seniors for Climate Action Now) | 103 |
| May 17 | Rabble | 78 |
| July 18 | (B Corp) - support for Future Leaders Start a Business | 50 |
| Sept. 13 | StratLead - support for MSLS students in need | 680 |
| Sept. 29 | GreenPAC | 100 |
| Oct. 29 | 350.org - to support their climate change action | 50 |
| Oct. 29 | The Energy Mix | 100 |
| Nov. 7 | (Friend) - support for pioneering sustainability analysis | 515 |
| Nov. 15 | SCAN (Seniors for Climate Action Now) | 35 |
| Total Monetary Donations to Non-charity NGOs and worthy efforts | | \$3,526 |

Figure 11: SA monetary donations to non-charity NGOs and worthy efforts

| Value of Non-Monetary / In-Kind Donations | | | Amount |
|---|----|--|----------------|
| All year | 27 | Pro bono talks @ \$100 (lowest speaking fee) | \$2,700 |
| All year | 96 | e-Books / books donated | 334 |
| Total Non-Monetary Contributions | | | \$3,034 |

Figure 12: SA in-kind donations

Financial capital

| Income Statement | |
|---|------------------|
| Income | \$ Amount |
| Talks / Speaking fees | 14,767.89 |
| Master Slide Deck subscriptions | 13,650.78 |
| Consulting - Fleming College SDG Assessment Project | 7,676.80 |
| Book sales - sold by Bob at Talks | 447.28 |
| Books sales - royalties from publisher | 3,140.50 |
| Total Income | 39,683.25 |
| Cost of Goods Sold | 183.54 |
| Total Operating Expenses | 35,444.94 |
| Net Income / Profit | 4,054.78 |

Figure 13: SA 2022 Income Statement

Note that the amount of income and profit works for Bob's circumstance as an IBM retiree on a modest fixed pension. It's enough, and enables donations to other worthy causes, as discussed above.

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

Manufactured capital

SA uses home-office furnishings and equipment that were written off years ago. The value of SA's manufactured capital is \$0K.

Intellectual capital

SA's mission is to provide useful resources for sustainability champions so that they have the competence and confidence to accelerate our transformation to a sustainable world. SA creates intellectual capital: books, white papers, slides, workbooks, tool kits, frameworks, templates, and videos. Given that they are freely available under the Creative Commons "Attribution CC BY" license, 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, and continue to contribute to organizations and individuals working on environmental issues. 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 at a corporate rate, to indirectly support communities.

Financials: In 2021, the contract work significantly increased revenues over 2020. That work is mostly completed. Work on sustainable procurement in 2022 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. 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 (pandemics, food crisis); and a global economic crisis (the global depression and inflationary pressures). These 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

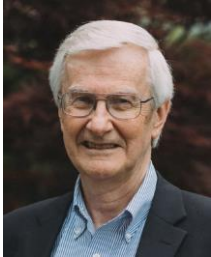
To earn the right to call itself an “integrated report,” this report honors the IIRC’s seven [Guiding Principles](#): for an integrated report.

- *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 16 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](#).

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

| Required Integrated Report <IR> 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 and has given over 1,500 talks to corporate, government, university, and NGO audiences. He creates and freely provides tools to help sustainability champions transform organization business models to be environmentally restorative and contribute to a more just and economically-inclusive society.

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.

During his 34-year IBM career, he held leadership positions in marketing, technical support, education, business management, and human resources. 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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