

## Sustainability Advantage (SA) Governing Policies

As a sole proprietorship, Sustainability Advantage’s purpose, vision, mission, values and governing policies are aligned with those of its founder / owner, Bob Willard.

### ***Purpose***

*To ensure future generations have the opportunity for at least the quality of life that we have enjoyed.*

SA strives to maximize stakeholder wellbeing – all stakeholders, including contractors / suppliers, customers, communities, the environment and society-at-large. Because SA is a sole proprietorship, this purpose is personal. Bob is the 11<sup>th</sup> generation of Willard’s in North America. His purpose is to ensure the next 11 generations have the opportunity to enjoy as good, or better, quality of life on our finite planet.

### ***Vision***

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

This relates to the nested interdependencies model and [John Ehrenfeld](#)’s use of flourishing as a synonym for sustainable living. A sustainable world is defined by the Sustainable Development Goals (SDGs) and SA resources help companies assess how they are contributing to, or inhibiting, those goals.

### ***Mission***

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

SA resources enable sustainability champions to help organizations assess their sustainability performance, justify improvements in priority areas, and become a market force for improvements in suppliers’ sustainability performance. This uses the influence-the-influencers strategy to accomplish the vision through, and with, others. It also acknowledges the urgency of our quest for a sustainable society nested in a sustainable environment.

### ***Values***

These values underpin all policies.

- *Trustworthiness*—character (integrity, ethics, and honesty) and competence (quality and excellence)

This is from Steven Covey’s book, [Principle-Centered Leadership](#). For example, to trust auto mechanics with a car problem, you need to know that they will not rip you off *and* that they know how to fix your car. To build trust with stakeholders, they need to trust your motives and your capabilities.

- *Respect*—fairness and compassion

This the equivalent of 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 own sustainability performance.

## *Business Practices Policy / Code of Ethics<sup>1</sup> / Stakeholder Engagement*

Sustainability Advantage engages with all its stakeholders (government regulators, employees / contractors, customers, suppliers, the environment / Mother Nature, and community / society / Future Generations) in an ethical manner, consistent with its values of trustworthiness and respect.

- *Compliance with the spirit of all laws*, as well as the letter (e.g. no bribery, no fraud). Specifically:
  - SA does not engage in anti-competitive practices (e.g. unfair supplier treatment, price fixing).
  - SA does not spread dis-information (e.g. misrepresenting or failing to disclose information which could influence stakeholder decisions or wellbeing).
  - SA does not abuse trust (e.g. inappropriate use of personal data).
  - SA does not practice willful ignorance (e.g. neglecting to investigate, or continuing to use, supply chains in which human rights abuses are suspected).
  
- *Ethical treatment of surrogate employees / contractors*
  - SA aspires to Future-Fit Business Benchmark goals to protect and contribute to the well-being of the contractors as surrogate employees.
  - SA does not use or allow discrimination in the workplace. Everyone is entitled to equitable treatment and equal opportunity, irrespective of personal characteristics such as age, gender, sexual orientation, ethnicity, country of origin, or disability.
  - SA treats contractors as surrogate employees and monitors their working conditions to ensure that no discrimination occurs, however unintentional it may be.
  - SA pays contractors at least a living wage.
  - SA solicits feedback after engagements on ways to improve our working relationships, working conditions, and employment terms.
  
- *Ethical treatment of customers*
  - SA places high importance on customer satisfaction and good faith, quality, fair pricing and after-sales service in all customer dealings. Under-promise and over-deliver.
  - SA upholds a no-questions-asked customer warranty / money-back guarantee policy: If a customer is not satisfied with a talk or any SA resource, immediately refund their money and take corrective action to avoid this situation in the future.
  - SA welcomes customer feedback, either in person, via email, or via comments on the Sustainability Advantage home page blog. Concerns are acted upon in a timely manner, and the party that raised the concern is informed of the corrective action. Concerns are monitored and products and processes are improved, where necessary.

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<sup>1</sup> Many of the line items are based on suggestions in the [Action Guides](#) for the Future-Fit Business Benchmark.

- *Ethical treatment of suppliers*
  - SA gives preference to suppliers that are purpose driven and have beneficial environmental, social, and economic impacts – that is, social enterprises and B Corps.
  - SA gives preference to local suppliers.
  - SA gives preference to woman- or minority-owned suppliers.
  - SA insists on the highest standards of working conditions, health, safety & security, equal opportunity, diversity, employee benefits, non-discrimination, and non-harassment in supplier / contractor operations.
  - SA gives preference to products that are third party certified socially and / or environmentally responsible / green products – see Procurement Policy, below
  - SA promptly settles supplier bills, within five working days or less.
  - SA cooperates with suppliers to achieve quality and efficiency.
  - SA neither gives nor accepts bribery or excess hospitality in dealings with suppliers.
  
- *Ethical treatment of the environment / Mother Nature*
  - SA aspires to science-based goals for all sustainability issues and uses the Basic Sustainability Assessment Tool (BSAT) to monitor its annual impacts on the environment.
  - SA is landfill-free via municipal green box and blue box services.
  - SA disposes of hazardous waste (batteries, paint, electronic equipment, etc.) responsibly.
  - SA uses only environmentally friendly office supplies, soaps, and cleaners.
  
- ***Net-Zero GHG Policy***
  - SA is committed to science-based net-zero GHG targets.
  - By 2020, SA reduced its total (Scope 1, 2, and 3) absolute GHG emissions by 99.96% from a baseline year of 2005.
  - SA has an annual target of maintaining net-zero emissions, regardless of company growth.
  - SA uses a website host that is 100% powered by renewable energy (i.e., Hostgator)
  
- *Ethical treatment of the community / society / Future Generations*
  - SA aspires to science-based goals for all sustainability issues and uses the Basic Sustainability Assessment Tool (BSAT) to monitor its annual impacts on the community. Processes and mechanisms to manage stakeholder concerns about SA’s home-office impacts on the community will be put in place if / when any community impacts are identified.
  - SA supports local community programs directly and indirectly (e.g. through full payment of property taxes and income taxes—see Tax Policy)
  - SA donates to sustainability champions (i.e. contributes to individuals and organizations that are improving conditions in society—see Lobbying Policy)
  - SA volunteers in community service programs during company time.

- SA creates public facing partnerships with service / charitable organizations. It provides them with consistent and reliable volunteer / financial support.
- SA provides “sounding board” management / leadership coaching for nonprofit agencies and sustainability champions who request help in Bob’s areas of expertise.
- **“25% for People and Planet” policy:** Make monetary and in-kind donations valued at 25% or more of SA’s annual profit to worthy sustainability causes—registered charities, non-profit organizations and individuals who are helping to improve the well-being of people and the planet.

## ***Procurement Policy***<sup>2</sup>

SA is mutually accountable for the environmental and social impacts caused by the production and delivery of procured goods and services. SA has an ongoing commitment to anticipate, avoid and address negative impacts throughout its supply chains.

SA selects the best supplier option available for three types of goods and services.

1. Services that SA uses from time to time (e.g., consultants, contractors, taxis, flights and hotels for business travel).
2. General goods consumed in the course of day-to-day operations (e.g., office supplies).
3. Purchased or leased capital assets that support day-to-day activities (e.g., computer equipment, furniture),

SA performs a **hotspot assessment** applicable to the purchase or type of purchase, in order to:

- Identify areas of likely negative impact.
- Assess the risk characteristics associated with identified impacts, such as likelihood and severity.
- Do an informed prioritization of which impacts to address first.

SA takes **actions** to mitigate and eventually eliminate identified negative impacts. This includes the following:

- Eliminating reliance on goods or services which are **intrinsically unfit**. An “intrinsically unfit” good or service is one for which a likely, foreseeable and ongoing consequence of its use would be to cause or prolong a breach to one or more system conditions – and which no amount of influence from the company could prevent. Examples might include sourcing a raw material that can be obtained only through highly destructive extraction processes, or one which can only be found in regions of the world where forced labour is endemic.
- Choosing **more benign alternatives** when substitution is possible.
- Ensuring tangible **reductions to negative impacts** through the use of the company’s purchasing power and any other influence it can bring to bear.

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<sup>2</sup> This policy is based on guidance in [Sustainable Procurement Toolkit](#).

## *Tax Policy*

Governments require tax revenue to fund critical services upon which society and business depend. Companies have an obligation to be diligent in their approach to tax payments. Through taxation, Sustainability Advantage contributes to the infrastructure it utilizes and relies upon for its success and even its existence (e.g. transport networks, legal system, healthcare, education, public utilities). Paying right taxes and being a successful purpose-driven business are not at odds with each other.

As a certified B Corp and an aspiring future-fit<sup>3</sup> company, Sustainability Advantage is transparent in its tax reporting and seek ways to not only obey the letter of, but also the spirit of, local tax laws.

Specifically, Sustainability Advantage does the following:

- Pays its “right” taxes—income taxes, property taxes, and harmonized sales taxes (HST)—in the right place at the right time.
- Makes the nature of its business clear, either as part of its published financials or on an easily-identifiable company website. Include the company location address and all beneficial owners.
- Makes full financial statements freely available to the public.
- Declares profits in the jurisdiction where the revenue was realized.
- Does not use abusive tax avoidance schemes or structural approaches to minimize taxes through shell entities in low tax jurisdictions or other aggressive tax reduction vehicles.
- Describes the amount of taxes paid relative to the ‘headline’ corporate tax rate in the company’s jurisdiction. Provides a numerical reconciliation of its current tax charge to the amount that would be expected given the applicable rate and company profits. Provides a narrative explanation to give context for the differences between the expected and actual rate.
- When applicable, provides a note detailing deferred tax items giving precise descriptions for what they are, and stating clearly when such assets or liabilities are likely to have an impact on the company’s tax bill (or a statement that this is not known because it is expected to be more than five years after the balance sheet date).
- Assures the accuracy of the company’s tax reporting and assessment using an independent third party. Disclose the details of the assessment in the company’s financial statements or in a supplementary report.

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<sup>3</sup> This tax policy is based on criteria outlined in the Future-Fit Business Benchmark [Right Taxes Action Guide](#).

## ***Lobbying Policy***

This policy recognizes that any attempt to influence market dynamics in favour of the business must not in any way contribute to hindering progress toward a resilient, socially just, economically inclusive, and environmentally restorative society—that is, a resilient, future-fit society. This policy does not require Sustainability Advantage (SA) to proactively lobby or campaign *in favour* of those outcomes—which it does anyway as part of its business model—but rather to ensure that none of the company’s lobbying activities *undermine* them.

This policy covers any individual or organization that lobbies or campaigns on behalf of SA, and which Sustainability Advantage pays to support (e.g., through membership fees or donations), including but not limited to trade associations and lobbying firms, activist non-governmental organizations, charities, political candidates, parties, committees and campaigns.<sup>4</sup>

As a certified B Corp and an aspiring future-fit company, Sustainability Advantage does not lobby, or seek to influence, against sustainable outcomes and will disclose details of any lobbying contributions it makes. Specifically, the company does the following:

- Does not campaign for—nor support individuals or organizations who actively campaign for—policies that seek to put in place or preserve conditions that either directly or indirectly lead to outcomes that undermine society’s progress toward future-fitness (e.g., not contributing to any political campaign which actively seeks to promote the continued use of fossil fuels).
- Exercises due diligence before making contributions, ensuring it is well informed about the objectives or platforms and activities of prospective recipients. When a contribution recipient engages in multiple activities, where some activities are at odds with the company’s lobbying policy and others are aligned, SA formally alerts the recipient to the aspects of their platform which it does not support and for which its funding must not be used.
- Ensures that the due diligence process is performed at appropriate times, including before non-cash contributions are made, as well as for events that are not explicitly identified as ‘lobbying’ but are functionally equivalent.
- For each lobbying contribution / donation made, discloses recipient name(s); amount of contribution; date of contribution; and a summary of any concerns the company raised with the recipient about aspects of their platform or activities which it does not support.

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<sup>4</sup> This lobbying policy is based on criteria outlined in the Future-Fit Business Benchmark R2.0.4 [Lobbying Action Guide](#), March 2018.