

08 sustainable GROWTH



REPORT PARAMETERS



This sustainability report covers 100% of Strategic Sustainability Consulting's third year of operations, from July 2007 to June 2008. Once again, we have used the Global Reporting Initiative's G3 Guidelines as our reporting standard and as a guide for calculating our economic, environmental, and social impacts. Accordingly, the 2008 SSC Sustainability Report meets GRI's Application Level A, which indicates that we have reported on all core sustainability indicators (*or explained why they were omitted*), but have not gone through an external assurance process. We have not restated any information from previous Sustainability Reports.

As in past years, we have used the GRI Boundary Protocol and the associated GRI Reporting Principle in deciding what to include in this report. We decided that all work-related activities carried out by SSC staff are "material" and are thus included in our calculations. In accounting for work done through the SSC Consultant Network, we have included only our direct impacts (*such as energy used to host monthly online networking events*) and not our indirect impacts (*such as the energy used by each attendee*). However, when members of the SSC Consultant Network are hired by SSC for a specific project, their activities for that period are considered material and are reported accordingly.

This report is published on the Strategic Sustainability Consulting website and is freely available to the public. We hope that our stakeholders will take the opportunity to read it and give us feedback. *If you have any questions or comments about this report, please contact Jennifer K. Woofter at 1-202-470-3248 or jennifer@sustainabilityconsulting.com.*

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OUR SUSTAINABILITY PERFORMANCE AT A GLANCE

Aspects	Goals in 2007	Status in 2008	Note
Economic Impact	Restructure as a limited liability company	Completed	SSC reorganized from a sole proprietorship to a limited liability corporation (LLC) in early 2008.
	Reach out to local community – derive 10% of revenues from Washington, DC-area clients	Completed	Approximately 32% of SSC’s consulting income came from local clients in the Washington, DC area.
<i>2009 Goal: Develop a system for tracking the economic impact of our services at the client level.</i>			
Environmental Management	Reduce miles driven	Completed	Despite more than doubling our work-hours, we drove 109 (3%) fewer miles than last year. Our train-miles increased 403 miles (45%). Our subway-miles increased 721 miles (1,030%).
	Increase public transit use	Completed	
<i>2009 Goal: No increase in air miles or car miles. No increase in carbon footprint.</i>			
Labor Practices	Develop a certification system that ranks consultants by skill and issue-area expertise	Completed	In 2007-8, we implemented a database that tracks our consultants’ skills and expertise. We also introduced a certification system to train and certify Green Auditors in SSC’s methodology.
<i>2009 Goal: Increase number of Certified SSC Green Auditors so that at least 50% of SSC Green Audits are conducted by local consultants.</i>			

MESSAGE FROM THE PRESIDENT

the world is
EMBRACING
sustainability



As I write this introduction to SSC’s third annual Sustainability Report, I’m struck by how much has changed since we opened our doors in 2005. Our company has seen dramatic year-on-year growth, and we now work with clients and provide services far beyond our original modest intentions. At the same time, the sustainability consulting industry has come into its own. Our consultants, colleagues, and competitors are changing the way business is done, and there are very few skeptics left who can deny the value of “going green”. And in a much broader sense, the world is embracing sustainability—from climate change to clean tech to community engagement strategies—people everywhere are waking up to the realization that sustainability is not a separate feel-good initiative, but an issue that is at the heart of our survival.

All is not sunshine and roses, however. Society is facing a serious financial crisis, and this coming year will be a test of the business world’s commitment to the principles of sustainability. We have already seen prospective clients pull back, saying “it’s just not the right time” to tackle sustainability. We couldn’t disagree more. It’s when things get tough that sustainability really matters, and addressing environmental and social impacts is not just good for polar bears and soup kitchens—it’s good for your bottom line.

With that thought in mind, I’m challenged to look critically at SSC’s own sustainability impacts. In some ways, we have far exceeded my expectations. Our Green Office Audit methodology has proven wildly successful, and more than 20 clients have gone through our audit process, measuring their carbon footprints and creating a prioritized list of action items to tackle. These clients discover that understanding their key impacts is a critical first step in improving sustainability performance, and we couldn’t be happier to help them approach the issue from a strategic viewpoint.

We've also further developed the SSC Consultant Network, our association of 275+ independent sustainability professionals. Their collective expertise in virtually every facet of sustainability has allowed us to provide specialized services to a wide variety of clients, and to offer unique value to the rest of the industry. In the coming year, we seek to build upon that wealth of knowledge and enthusiasm—helping the members of our network share information and best practices with each other. In the end, we believe that collaboration will benefit everyone involved in the transition to a sustainable society.

Our positive impact for our clients and the industry, however, do not erase the negative impacts of our business. As we expected, our carbon footprint has continued to grow in terms of absolute emissions, although it declined when adjusted for our growth (*see the Environment section for more details*). Although we have increased our use of public transit, and offset all of our carbon emissions, there are still lots of opportunities to reduce our overall impact. In the coming year, we will be pursuing a two-pronged approach of 1) promoting non-car transit options and 2) developing a core group of Certified SSC Green Auditors across the United States who can provide SSC services to their local communities and reduce the need for air travel. Our target is a reduction in our absolute carbon emissions beginning in 2009. Check back next year to see if we accomplish our goal!

Jennifer K. Wosler

July 2008



ORGANIZATIONAL PROFILE

Strategic Sustainability Consulting (SSC) provides under-resourced organizations with the tools and expertise needed to manage their social and environmental impacts. Using a combination of traditional strategic planning techniques and cutting-edge sustainable development knowledge, we offer clients a highly customized approach to bridging the gap between organizational values and operational performance.

DURING THE 2007-2008 REPORTING PERIOD...

We were...	Headquartered in Bethesda, MD (a Washington, DC suburb) Reorganized as a limited liability company A carbon-neutral company
We served...	6 Small and Medium Size Companies 3 Large Companies 6 Non-Profit Organizations 176 Webinar Participants
We provided...	Sustainability Planning, Green Office Audits, Carbon Footprint Analysis, Supply Chain Management, Sustainability Reporting and Communications, and Stakeholder Engagement
We were organized...	275+ Sustainability Professionals in the SSC Consultant Network 25 Interns/Volunteers A mix of e-business and shared office space
We traveled to...	United States, Canada, South Africa
We were recognized...	Top Ten Rankings in the CorporateRegister.com Sustainability Reporting Awards (Best First Time Report, Best SME Report) Citation from Maryland State for Helping to Green the Business Community Profiled in Washington Post ("Sustainability Consultant Takes Her Expertise to Market") Quoted in Entrepreneur Magazine, Deliver Magazine, and SustainLane

OUR SUSTAINABILITY ASSESSMENT SUMMARY

*(main impacts are designated with *)*

OUR STAKEHOLDERS

SSC Clients*
SSC Network Consultants*
Local Community
Sustainability and CSR Networks

OUR ECONOMIC IMPACTS

Competitive Pricing of Services*
Cost Savings Suggestions to Clients*
Pro-bono Services
Taxes*

OUR ENVIRONMENTAL IMPACTS

Environmental Benefits for Clients*
Transportation to/from Client Locations*
Energy Use
Waste/Recycling*

OUR SOCIAL IMPACTS

Social/Community Services to Clients *
Economic Value Distributed to Consultants*
Labor/Human Rights in Supply Chain*

MAJOR STRENGTHS

Network of Sustainability/
CSR Consultants and Experts*
Market Niche
Business Structure
(Low Overhead, Ability to Work Remotely)

MAJOR WEAKNESSES

Not Enough Time for
Business Development*
No Formalized Marketing Strategy*
Administrative Tasks of a Growing
Company Take Time

MAJOR OPPORTUNITIES

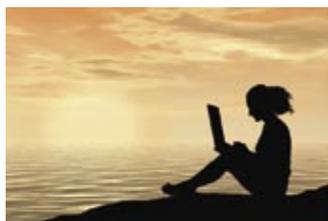
Licensing our Methodology*
Local SMEs as Potential Clients*
Repeat Client Engagements*
Expanding Internationally

MAJOR CHALLENGES

Overall Business Environment –
Pending Economic Crisis*
Burgeoning Sustainability Consulting
Industry—how should SSC compete?

GOVERNANCE, COMMITMENTS, AND

our growth strategy is determined by a careful balancing of PRIORITIES



Strategic Sustainability Consulting is vertically organized, with all decisions going through the president. As such, there are no separate governance structures responsible for setting strategy or organizational oversight. The company does, however, set aside several days every six months for financial and sustainability planning purposes, and SSC staff and associated consultants are invited to participate in the process.

A Values-Based Growth Strategy

Our growth strategy is determined by a careful balancing of priorities. Obviously, as a relatively new company we are concerned about our own economic viability, but we are also careful to only choose growth opportunities that we believe are good for our clients, good for the environment, and good for society. In this pursuit, we are guided by the following values:

OUR GUIDING VALUES

At Strategic Sustainability Consulting, we believe that corporate social responsibility is not just the “right” thing to do, but also makes good business sense. With the goal of long-term sustainable development in mind, we commit to:

Integrity – we go beyond mere compliance with the law and look for ways to be more honest, more accountable, and more transparent in everything we do.

Positive Social Impact – we offer products and services that make the world a better place, including pro-bono work to clients who would otherwise be unable to fund CSR initiatives.

Environmental Responsibility – we choose environmentally-friendly alternatives, encourage e-meetings, and offset our carbon emissions.

Social Responsibility – we endorse the Universal Declaration of Human Rights and strive to buy only from suppliers who respect ILO Conventions.

Community Service – we participate in the local community through volunteerism and charitable giving.

External Guidance

Additionally, we use the following external charters, standards, and guidelines in formulating our business strategy and decision-making processes:

Universal Declaration of Human Rights
ILO Standards on Labor Rights
AA 1000 Accountability Series

Global Reporting Initiative
UN Global Compact

ENGAGEMENT

Memberships and Associations

Sustainable Business Network of Washington (SBNOW)

Clean Energy Partnership

US EPA and US DOT “Best Workplace for Commuters”

EPA EnergyStar Small Business Partner

DC Net Impact Professional Chapter

Co-Op America

Stakeholder Engagement

As a relatively new company in an emerging industry, there are no norms for what makes a good “sustainability consultancy”. We think that values like integrity, honesty, and accountability are the foundation of good business—but don’t necessarily tell us how to add value to our clients, our communities, and our natural environment. The process of discovering this path to triple bottom line success requires reaching out in a collaborative way with our stakeholders, to explore how we can build Strategic Sustainability Consulting into a company that creates meaningful change in the world. During the reporting period, we engaged with:

Our clients – being a boutique consultancy, we work very closely with our clients—getting feedback at each step of the engagement process. We also solicit feedback from our webinar participants, to tell us what’s going well and where we can improve. *(See the Product Responsibility section for those results.)*

Our consultants – the SSC Consultant Network grew substantially over the past year, and we’ve carefully cultivated our relationship with this group of 275+ sustainability professionals. *(See sidebar for more information.)*

Our local community – we are involved with the local Washington, DC community primarily through memberships in the DC Net Impact (Professional Chapter) and the Sustainable Business Network of Washington (SB NOW). Our involvement has ranged from simply attending networking happy hours to judging a local socially responsible business plan competition. *(See the Economic section for more information.)*

SSC CONSULTANT NETWORK HIGHLIGHTS

Below are a few of the topics discussed over the past year at SSC Consultant Network web conferences.

SUSTAINABILITY TOOLS AND STANDARDS

Are you familiar with the new WBCSD Water Tool? What about the AA1000 Stakeholder Engagement Standards? What do you need to know about LEED, UN Global Compact, and ISO 14001? We’ll share info on the tools and standards that we’re finding most helpful, and discuss how best to use these standards with clients.

SUSTAINABILITY FRAMEWORKS

The Five Capitals (Natural Capitalism, The Natural Step (TNS), The 12 Features of a Sustainable Society (Forum for the Future))—we’ll talk about different concepts of sustainability and how they can be used to help clients understand and plan for their key social and environmental impacts.

CHALLENGES IN SUSTAINABILITY CONSULTING

January is a great time to tackle problems that came up the previous year. As we usher in the third year of the SSC Consultant Network, let’s take some time to share our most challenging dilemmas with the group. Who knows? Within this insightful bunch might be the answer to your problem!

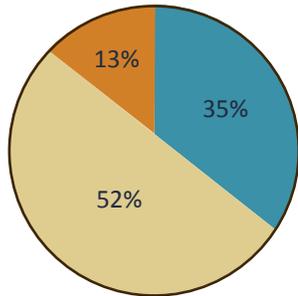
REGULATORY AND LEGAL ASPECTS OF SUSTAINABILITY

Carbon taxes, Kyoto Protocol, green building codes, green travel requirements for government employees...what new rules and regulations are going to affect the sustainability consulting market? Come prepared to talk about 2-3 issues on this topic—and get ready to learn from your peers!

WALKING OUR TALK

Does your consultancy produce an annual sustainability report? Are you offsetting your carbon? Are you respecting human rights in your supply chain? Although we’re offering sustainability advice to clients, how many of us actually practice what we preach? This month we’ll talk about the “right” level of transparency for sustainability consultancies.

MANAGEMENT APPROACH AND



- Operating Costs
- Employee Compensation
- Taxes

KEY FINANCIAL METRICS (thousands of \$ USD)

Revenues	\$142
Operating Costs	- \$50
Employee Compensation	- \$75
Taxes	- \$19
Retained Earnings	- \$2

Economic

Getting a new company off the ground is always a challenging adventure—both terrifying and thrilling. During the past three years, we’ve protected our economic information by not publicly disclosing revenues, operating costs, or employee compensation. We said that it was proprietary and confidential—and truth be told there was some internal sensitivity around the income we could report.

Now, however, the time is ripe for economic transparency. After all, we tell our clients that sustainability must be tied into the financial strategy of your organization in order to effectively plan for long-term success. So with a mind to examining the link between our economic, environmental, and social impacts, we’ve presented selected financial data in this report.

Measuring our direct economic impacts is a relatively simple process—tracking the financial impacts of the services we provide to clients is not. In the coming year we will be looking specifically at how best to measure the economic savings and increased revenue that clients experience as a result of our work with them. It’s going to be tough—but extraordinarily important. Check back next year to see the fruits of our labor!

OUR COMMUNITY GIVING

Our community giving program centers on our support for the William James Foundation’s annual Socially Responsible Business Plan Competition. For three years in a row we’ve acted as a judge in the competition, providing extensive feedback to participants on the structure and content of their plans. We’ve also acted as an in-kind sponsor, donating ten hours of sustainability consulting services to one of the winners.

This year we also sponsored Tennis for Nature, a charity tennis tournament held in Herndon, VA. Fifty-six players were cheered on by over 400 spectators to raise money for two environmental organizations: Defenders of Wildlife and Alaska Wilderness League. In the end, the event raised a grand total of over \$32,000. These funds will help to protect the gray wolf population of the Northern Rockies, support polar bears in Alaska, and improve and protect the habitat of gopher tortoises in Florida. Now, that’s an ACE for the environment!

PERFORMANCE INDICATORS

GRI INDICATOR	DESCRIPTION: ECONOMIC	OUR PERFORMANCE FROM 2005 – 2008
EC1	Economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	In past years, we haven't disclosed economic data. Beginning this year, we are providing select financial metrics (<i>see page 10</i>).
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Our main financial risk from climate change is increasing energy costs associated with electricity and transportation (auto and airplane). As small business increasingly faces the realities of climate change, we see a business opportunity by offering strategies to improve efficiency and offset emissions.
EC3	Coverage of the organization's defined benefit plan obligations.	None.
EC4	Significant financial assistance received from government.	None.
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	We do not have any employees, as all work is done via independent contractors through the SSC Consultant Network. For the most part, our consultant services are designed to bill at \$50 - \$150 an hour.
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Our major discretionary expenses are for graphic design and web development services, for which we use local companies.
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Our consulting network is designed to be national (and sometimes international). We don't have a policy specifying a preference for local vs. non-local hires.
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	None.
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	We donate approximately \$5,000 in pro-bono services to local groups each year.



SSC is an e-business, without designated office space for much of the year. For the first time, however, we have rented shared office space at Space 88 in downtown Silver Spring, MD. This collaborative work environment provides professional meeting space when we need it, but doesn't sit empty when we're off conducting onsite client work. It's a great fit for us—and an example of where what's good for our financial bottom line is also good for the environment.

Environment

Over the past year, our business grew significantly. That growth meant more consultants and interns, more clients (*some of them very far away*), and more environmental impact.

Carbon Footprint – Although our business grew by 87% (*as measured by work-hours*), our carbon footprint grew by only 28%. While any growth in greenhouse gas emissions is obviously a concern, we are pleased to see that we are able to grow in an efficient way—getting more work for less carbon. Once again, we've gone carbon neutral and offset all 55.2 tons of carbon, effectively making us a “carbon neutral” organization (*see page 20 for more information*).

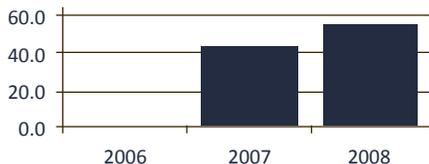
Office Infrastructure – We continue to operate on an e-business model, which prevented approximately 13,800 commuting miles (*based on the national commuting average of 11.1 miles each way*)—and 5.4 tons of carbon. This summer we also took advantage of a shared office space for periodic face-to-face meetings with interns and consultants. This model allows us to maintain a low overhead—good for our finances and good for the environment. (*See side bar for more information.*)

Business Travel – Travel to-and-from client sites continues to be our most significant environmental impact. Air travel alone constitutes 95% of our carbon footprint. Although we did dramatically increase our use of public transportation alternatives for local business travel and decrease the number of miles driven by car, our air travel continued to increase. (*See next page for more information.*)

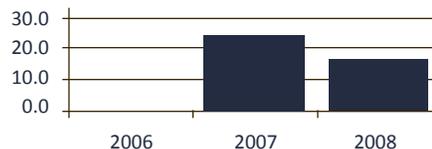
As with many service-based companies, we think it's critical to have “face time” with our clients—and in the past that's meant a lot of air travel. In the coming year, we will be further modifying our business model to rely on a network of local SSC-certified Green Auditors. We think that this move will help us to curb our carbon footprint, and our goal is a stabilization of air miles in 2009.

Note: In calculating our carbon footprint, we have only accounted for electricity used to power our computers, based on an estimate of 75 watts per hour per computer—since we don't maintain regular office space.

Tons of Carbon

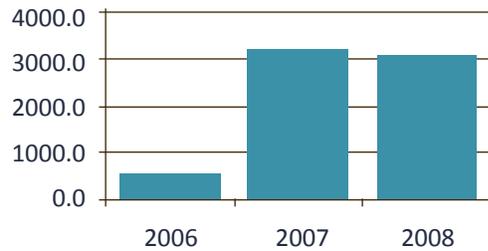


Pounds of Carbon per Work-Hour

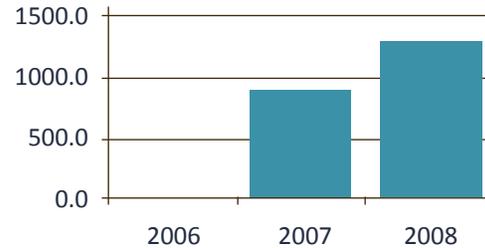


KEY ENVIRONMENTAL METRICS

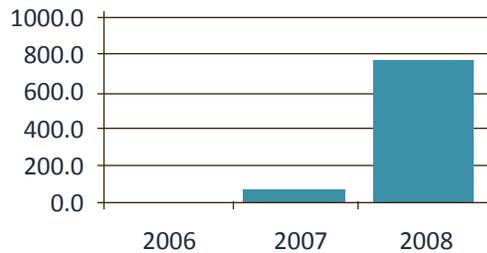
Miles Driven



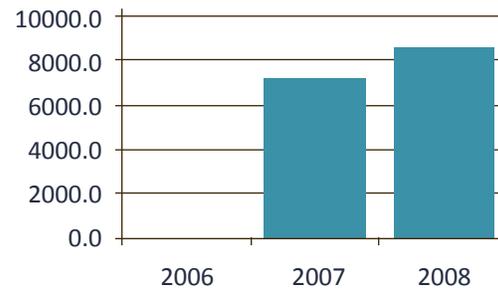
Miles by Train



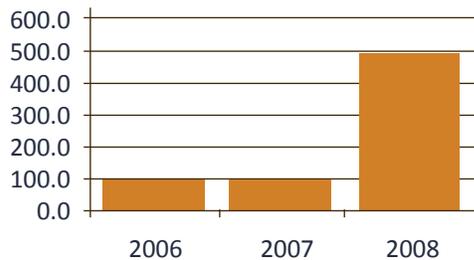
Miles by Subway



Miles Flown



Electricity Used (KwH)



Why did our electricity jump so much from 2007 to 2008? Mostly because the number of work hours increased so dramatically. More people = more electricity needed to power our computers. We think it will probably level off next year.

GRI INDICATOR	DESCRIPTION: ENVIRONMENT	2006	2007	2008
EN1	Materials used by weight or volume.	During the 2006-2007 reporting period we purchased approximately \$500 worth of office supplies (mainly paper products and ink cartridges), as well as approximately \$2,500 worth of marketing collateral (letterhead, folders, business cards, etc.). In 2008, we decided that this category is of minimal environmental impact to our business and is generally mitigated with our green purchasing programs. We do not plan to track our materials for the coming year.		
EN2	Percentage of materials used that are recycled input materials.	Not tracked.	Our office paper (our main material) was 30% PCW recycled content.	In 2008, we upgraded to office paper that is 100% PCW recycled content.
EN3	Direct energy consumption by primary energy source.	None.		
EN4	Indirect energy consumption by primary source.	104 Kwh of electricity	104.1 Kwh of electricity	487.9 Kwh of electricity
EN5	Energy saved due to conservation and efficiency improvements.	We have power-saving settings on our computers, but have not formally tracked the resulting energy savings.		
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Our Sustainability Assessment and Green Office Auditing services include energy efficiency and green energy components. In the coming years, we will be tracking the results of those services by surveying our clients' changing energy profiles.		
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	We've implemented basic energy saving activities (turning out unneeded lights, setting computers to stand-by mode, buying EnergyStar office equipment) but have not quantified those energy savings.		
EN8	Total water withdrawal by source.	Not tracked.		
EN9	Water sources significantly affected by withdrawal of water.	Not tracked.		
EN10	Percentage and total volume of water recycled and reused.	Not tracked.		
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	We don't have separate office space, but instead use our personal living space, collaborative work space (<i>see side box</i>) and the occasional coffee shop to conduct the majority of our business. Thus, we don't have specific land impacts, but try to encourage work in multi-use space—it keeps our overhead low and our environmental impact at a minimum.		
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Not tracked.		
EN13	Habitats protected or restored.	None.		
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	None.		

GRI INDICATOR	DESCRIPTION: ENVIRONMENT	2006	2007	2008
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not tracked.		
EN16	Total direct and indirect greenhouse gas emissions by weight.	0.4 tons of carbon	43.1 tons of carbon	55.2 tons of carbon
EN17	Other relevant indirect greenhouse gas emissions by weight.	The carbon footprint reported in EN16 (<i>above</i>) includes greenhouse gas emissions resulting from our indirect impacts such as business travel.		
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	In 2008, we introduced the SSC Green Auditor Certification, a training program that allows us to contract local auditors to perform SSC Green Audit. We believe that will significantly reduce our air miles—and thus our carbon footprint—in the years to come.		
EN19	Emissions of ozone-depleting substances by weight.	None.		
EN20	NOx, SOx, and other significant air emissions by type and weight.	None.		
EN21	Total water discharge by quality and destination.	None.		
EN22	Total weight of waste by type and disposal method.	Not tracked.	16.4 lbs paper, 100% recycled	26.5 lbs paper, 100% recycled
EN23	Total number and volume of significant spills.	None.		
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	None.		
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Not applicable.		
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	We are always seeking ways to improve the quality of our environmental services—including partnering with technical experts, collaboration with academics, and networking with relevant organizations.		
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Because we are a service-based company, we don't sell products per se. That said, all of our reports are printed on recycled paper or are delivered electronically.		
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	We incurred no environmental compliance penalties, nor do we anticipate any fines or sanctions in the future.		
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	See page 11 for information on our business travel impacts.		
EN30	Total environmental protection expenditures and investments by type.	We spent approximately \$20 in carbon offsets.	We spent approximately \$600 in carbon offsets.	We spent approximately \$850 in carbon offsets.

OUR PEOPLE*

Gender	2006	2007	2008
Women	2	7	19
Men	1	4	5
Age	2006	2007	2008
< 35	2	6	22
> 35	1	5	2
Region	2006	2007	2008
US	3	10	23
Other	0	1**	1***

* For the purposes of this report, we have only included labor indicators for consultants and interns that were hired for specific projects. It does not include joint business development initiatives that did not result in a contractual engagement during the reporting period. Similarly, it does not include consultants in the SSC Consultant Network who participated in our general networking activities, but did not actually work for us during the reporting period.

** Japan *** Canada

Labor Practices and Decent Work

One of the most innovative and exciting aspects of our business is the SSC Consultant Network. Rather than employ a small staff of sustainability generalists, we've instead opted to create a wide collaboration of sustainability specialists. As of June 2008, we had more than 275 consultants in the network. These professionals have a wide range of experience—from new college graduates to seasoned experts—and cover issues from sustainable forestry management in Southeast Asia to green product innovation in the automotive industry. We're delighted to have access to these strategists, facilitators, process innovators, labor and human rights specialists, and governance gurus. In addition to being an inspiration to each other, these consultants also allow SSC to put together a world-class team for any client project under the sun.

We've also continued to reap the benefits of our internship program. Three times a year (*coinciding with the fall, spring, and summer semesters*) we take on a handful of promising interns to help us with background research and analysis. They work approximately 20 hours a week on projects ranging from helping develop a client's sustainability action plan to calculating a company's carbon footprint, writing a white paper on sustainability standards for small business to developing a webinar on family-friendly workplaces. They get a taste of sustainability consulting, and we get to capitalize on their enthusiasm and dedication to the issues—a win-win for everyone involved.

The biggest change for the coming year will be the introduction of the SSC Green Auditor Certification. Because Green Audits have become such a core part of our business, we've decided to take our proprietary tools and methodology and create a formal certification program to train and license local auditors across the United States. By providing these professionals with the consistent and rigorous process we've developed over the past several years, they can deliver a high-quality Green Audit to their local small businesses and we can reduce the need to travel great distances to client sites. We'll be introducing this program in August 2009, and are excited to see how it impacts our sustainability profile—financial, environmental, and social—in the coming year!

GRI INDICATOR	DESCRIPTION: LABOR	PERFORMANCE FROM 2005-2008
LA1	Total workforce by employment type, employment contract, and region.	See table at left.
LA2	Total number and rate of employee turnover by age group, gender, and region.	See table at left.
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Not applicable.
LA4	Percentage of employees covered by collective bargaining agreements.	Not applicable.
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Not applicable.
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Not applicable.
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	None.
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	None.
LA9	Health and safety topics covered in formal agreements with trade unions. (Additional)	Not applicable – we do not have employees or have any involvement with trade unions.
LA10	Average hours of training per year per employee by employee category.	Not tracked – interns and consultants are free to participate in our webinars and web meetings, but we have not tracked their specific training efforts.
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Our interns are free to join any of our sustainability webinars for free, as a component of our professional development efforts. Members of our SSC Consultant Network are also encouraged to participate in our regular web meetings on a variety of professional topics (<i>see Governance section</i>).
LA12	Percentage of employees receiving regular performance and career development reviews.	All of our interns receive performance reviews at the conclusion of their internships.
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Not applicable – we have no separate governance bodies.
LA14	Ratio of basic salary of men to women by employee category.	Not applicable – individuals are paid on a project basis, depending on the scope of their involvement.



Human Rights

As a professional services company operating primarily in the United States with without full-time employees, we don't have much of a human rights impact. Aside from publicly supporting international conventions and standards such as the Universal Declaration of Human Rights and the ILO Conventions on fair labor practices, the main way we promote respect for human rights is through our consulting services. We include a human rights screening component in our Supply Chain services, and help our clients identify fair trade options in their purchasing policy. We also help clients understand what a commitment to human rights standards (*such as the UN Global Compact*) means in principle, and in practice.

GRI INDICATOR	DESCRIPTION: HUMAN RIGHTS	OUR PERFORMANCE FROM 2005 – 2008
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening. (Core)	We have not made any significant investment agreement.
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken. (Core)	We screened our major suppliers (office supplies, computer hardware, and graphic design) for human rights issues—all met our requirements.
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained. (Additional)	We make sure that our consultants are familiar with relevant human rights and labor agreements (such as the UDH), which are covered in our Code of Ethics.
HR4	Total number of incidents of discrimination and actions taken. (Core)	None—and we make a specific effort to work with diverse clients, consultants, and networks.
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights. (Core)	We explicitly support the right of workers to exercise freedom of association and collective bargaining, and encourage our clients to do the same.
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor. (Core)	In addition to supporting ILO provisions on child labor, our business model requires a highly skilled labor pool. Our auditing services also seek to ensure that no child labor occurs in our clients' supply chains.
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor. (Core)	In addition to supporting ILO provisions on forced/compulsory labor, we also encourage our clients to specifically prohibit the use of such labor throughout their supply chains.
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations. (Additional)	Not applicable – we do not have security personnel.
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken. (Additional)	None.

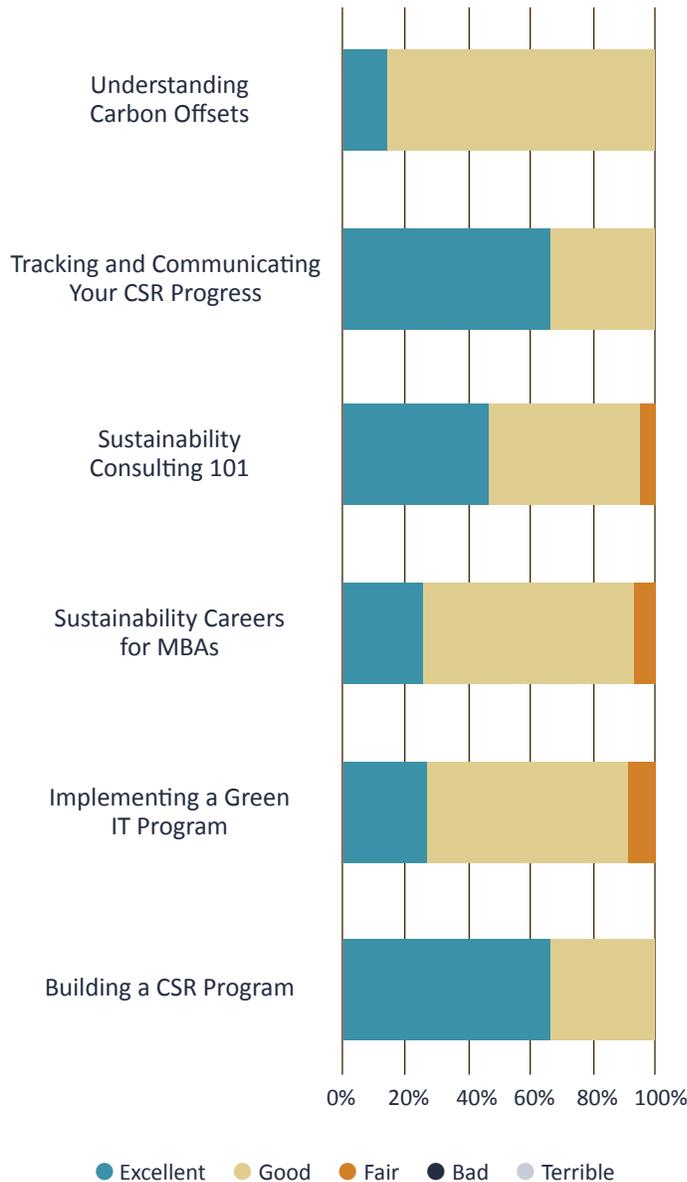
Society Performance

Over the past two years, we've worked to formalize our SSC Consultant Network. In 2007, we created a Code of Ethics, and in 2008 we developed a database that categorizes and ranks consultants on their skills and area of expertise. As we introduce a new SSC Green Auditor certification in the coming year, we will further refine our ability to ensure delivery of high-quality services by consultants committed to our values of integrity and accountability.



GRI INDICATOR	DESCRIPTION: SOCIETY PERFORMANCE	OUR PERFORMANCE FROM 2005 – 2008
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	We're committed to focusing on the local community—working with local businesses, supporting local organizations, partnering with local universities, and contributing to local foundations that promote socially responsible business. Our ongoing goal is to derive 10% of revenues from DC-area clients.
SO2	Percentage and total number of business units analyzed for risks related to corruption.	None.
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	In 2007 we formalized a Code of Ethics which specifies our policies relating to bribery and corruption. All SSC consultants sign the Code of Ethics before commencing work with us.
SO4	Actions taken in response to incidents of corruption.	We haven't had any incidents of corruption, and no expectations of problems in the future.
SO5	Public policy positions and participation in public policy development and lobbying. (Core)	SSC is a member of the Clean Energy Partnership, a non-partisan, not-for-profit business group that lobbies for more sustainable energy policies. In addition to our CEP membership, in 2007 we also provided input into a major US presidential candidate's energy platform. In 2008, we were not active in public policy or lobbying.
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	SSC does not make political contributions, nor will it do so in the future. Individual consultants, however, are encouraged to be active in the political process.
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	None.
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	None.

How Would You Rank Our Webinars?



Product Responsibility

As a consulting company, our “product responsibility” record is determined by the quality of the services we provide to our clients. When we help a small business create a sustainability plan, calculate a non-profit’s carbon footprint, or coach a social entrepreneur on how to succeed in the “green” marketplace—our success is directly related to our clients’ success. While it’s too soon to tell whether or not our work is changing the world, there are smaller indications that we’re on the right track. The majority of our organizational clients (*businesses, NGOs, associations*) have come back for a second (*or third*) engagement, and a significant number of our webinar participants have signed up for more sessions.

Looking to the future, we’re keen to measure the impact of our services from a sustainability perspective. The first step is to help our clients calculate the social and environmental benefits of working with us. Whether it’s reducing energy and water use, or improving employee satisfaction, we are working on ways to quantify the triple bottom line impacts of hiring a sustainability consultant. These numbers will speak to our efficiency, our “value add”, and will direct us to more strategically design our services to align with our clients’ needs.

GRI INDICATOR	DESCRIPTION: PRODUCT RESPONSIBILITY	PERFORMANCE FROM 2005-2008
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Our Sustainability Assessment services include an examination of the organization's health and safety policies, programs, and performance.
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	None.
PR3	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements.	Although we don't have specific procedures for labeling, our policy is to be as transparent and accountable as possible. We encourage stakeholders to contact us with questions or concerns about information we disclose.
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	None.
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Because we work with clients on a project-by-project basis, we get very specific, immediate feedback. To gauge the success of our webinars, we have a feedback survey (<i>see chart at left for results.</i>)
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	We are in compliance with all marketing communications, and go above legal requirements by using international best practices like the Global Reporting Initiative (GRI) for sustainability reporting.
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	None.
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	None.
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	None.

OUR CARBON NEUTRAL PLEDGE



We take very seriously our environmental impact, especially our carbon emissions. Despite having few carbon inputs (*no office space to heat and cool, no commuting every day to work*), we still have substantial greenhouse gas (GHG) emissions. For this reporting year, our activities generated 55.2 tons of carbon—95% of which came as a result of air travel to client sites. In the coming year, we will place a priority on engaging more local consultants to reduce the amount of air travel needed to deliver our services.

In the meantime, however, we remain committed to neutralizing our unavoidable carbon emissions. As in previous years, we have purchased the highest-quality carbon offsets equal to 100% of our carbon impact. This effectively makes us a “carbon neutral” organization.

2008 OFFSETS

Project Description

This year’s offsets come from a wind farm in China. The Muling Daimagou & Ganmianshi Wind Farm is in the Heilongjiang Province of North Eastern China, where Muling City has an abundant wind resource and is ideal for large-scale wind energy development. The project will deliver 130,000 MWh of clean energy each year to a coal intensive developing nation. In the process, it will also improve air quality and local livelihoods, and will help to create local employment opportunities for the assembly, installation, and operation of the wind turbines.

Certification

These offsets are Verified Emissions Reductions (VERs) and are certified using the ACM0002 standard developed by the Clean Energy Mechanism (CDM) as established by the Kyoto Protocol.

Offset Provider

We purchased these offsets from 3Degrees, a company based in San Francisco that is consistently recognized as one of the leading carbon offset providers. 3Degrees sources VERs that meet rigorous criteria for quality. VERs are sourced from specific projects that result in real, quantifiable, permanent and additional greenhouse gas emission reductions and are third-party verified against objective, credible and transparent standards.



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