



Doing the Right Thing can lead to a Good Thing!

Using Sustainability Certification to Differentiate

Let's define Environmental Sustainability

- “The ability to meet the needs of the present without compromising the ability of future generations to meet their own needs.” – *The United Nations World Commission on Environment and Development*
- “The capacity to improve the quality of human life while living within the carrying capacity of the Earth's supporting eco-systems.” – *The International Union for Conservation of Nature*



What is *Our* Definition of Corporate Environmental Sustainability?

- “Maximize performance and return...without compromising the environment or future generations...via continual improvement of awareness, health, operation and efficiency of the organization...and promotion of sustainability certification and performance achievements and successes to all internal and external stakeholders.” – *Edenark Group*
- Profit / Planet / People / Promotion



What are we going to talk about?

- The four legs of the stool – sustainability certification / carbon neutrality / ESG / Net Zero
- Why should you consider sustainability certification?
- How do you pick a program?



Who is this talk for?

- A SME (small to mid-sized enterprise)
- Under 500 employees and/or US\$1B in sales...at location
- As examples, Chase is over \$1B, but its branches are not; McDonald's is over \$1B but its restaurants are not. This is a business certification, not a building certification.
- In EU/Asia, this would be 250 employees / US\$100 million
- 99% of all global businesses
- 67% of global employment



Key Question for you as you absorb this presentation?

- Given that 25% of all consumers (the Innovators) have already made purchase decisions based on sustainability
- Given that 20% - 43% of all consumers (the Early Adopters) are currently willing to move their purchases and loyalty if they find a legitimate (ie, certified) sustainable option
- Given that the Early Majority comes next (followed by the Late Majority and Laggards)
- Which group will you align with? Do you want to be ahead of your competitive peers and take market share? Or do you want to be behind your competitive peers and surrender market share?



The Four Legs of the Stool

- Driven by consumer demand, client demand, investor demand, employee demand and government regulations, organizations will need to become certified sustainable....then add a carbon neutrality plan, an ESG plan and, ultimately, a Net Zero plan (these four legs can be spread out over years)
- As example, in the US, HR1187 has passed the House and is sitting with the Senate – This will require public organizations, governments, AND THEIR SUPPLY CHAIN VENDORS, to become sustainable and have an ESG program
- As example, the SEC is now requiring carbon reporting, impacting YOU, as a vendor
- Per industry experts, “This makes every non-ISO-based sustainability certification system obsolete.”



You Want to Build Your Program Properly

- Sustainability Certification comes first. It has the greatest ROI benefit for your company and, if you select the proper program, it will serve as the foundation for the other three, and training for your staff
- Carbon Neutrality comes next – an easy addition to the sustainability certification foundation. This can be done years after becoming certified sustainable
- ESG is third – this will add a degree of complexity, but with the right foundation, it is easy to add the S and G. If you start with ESG, it will be far harder for you and you will be under more scrutiny. Don't start with ESG
- Net Zero is last – this requires assistance from parties outside your company



You Want a Complete, Legitimate Program

- The ISO 14001 is the foundational standard used globally for data verification. It is the standard the world respects
- The 14001 is bigger than all the other global standards added up – 56% of the world's largest 79,000 businesses use the 14001. No other standard even has 5%
- The UN and SEC use the ISO 14001
- No other standard satisfies all four legs of the stool – With the 14001 as your foundational sustainability certification standard, you can, cost effectively, build your carbon neutrality, ESG and Net Zero plans...when you are ready to do so

The Edenark Group ISO 14001 Program

- Top sustainability certification program for SMEs
- Allows client to become certified sustainable and either simultaneously or later, build your carbon neutrality, ESG and Net Zero plans
- Only program that focused on the revenue side of the P&L – superior ROI
- Only program that also incorporates employee performance enhancement
- Priced for SMEs



Why Should An Organization Become Certified Sustainable?

- It is the right thing to do
- Significant brand benefit – 71% of all consumers are willing to change brands due to confirmation of sustainability
- Your costs will go down
- Your cost of money will go down
- Consumers are demanding it - +80% of consumers look for sustainability when making a purchase
- Your clients require it – large organizations are mandated to select a certified sustainable company if bidding
- Government regulations are requiring it
- Employees demand it and employee performance will improve
- Possibly the top competitive differentiation tool; leading to significant sales gains
- Certified sustainable companies are growing 75% - 20x faster than their non-certified peers



Let's start with a question - What does a SME need most?

- Per studies, the #1 thing ALL businesses (not just SMEs) need is competitive differentiation

ie, being seen as different/better than peers in a way that motivates the customer to buy from you versus the other guy



Why is competitive differentiation harder for SMEs?

- Large companies are marketing-centric
They have the \$\$\$s to create branding
- SMEs are more sales-centric
More dependent on face-to-face selling
More personal / direct



But what has the internet done?

- The internet is a platform for consumers to review you without your active input

Go/no decisions are being made before you get a face-to-face

- Covid has accelerated this



What is the #1 thing consumers are searching for?

- Answer - Sustainability Certification
- Per Google, corporate sustainability searches are up 800%
- 87% of consumers want your company to be sustainable
- 71% of consumers will move their business to a sustainable company
- 25% of consumers (the early adaptors) have already changed vendors due to sustainability. The next 20 - 43% (early majority) is happening now
- Explosive interest in carbon neutrality, ESG and Net Zero
- +\$2 trillion in consumer spending LOOKING for sustainable companies



Why not hang a “We are sustainable!” sign?

- It would do more harm than good
- +70% of consumers disbelieve a company that makes claims that are not verified/certified by a legitimate 3rd party
- +70% of consumers believe a company that makes claims that are verified/certified by legitimate 3rd party



How are 'certified' sustainable companies performing v non-certified peers?

- Companies that are certified sustainable via a globally-recognized standard, and promote same...compared to their non-certified competitive peers
 - +75% overall growth (NY/Stern says 7x / Symbola says 20x)
 - +67% investor ROI
 - +24% Net Income
 - +15% sales gains
 - +11% EBITDA



So is Sustainability Certification Worth Considering?

- Yes!

9 out of 10 consumers want you to be certified sustainable

7 of 10 consumers will move their business

Significant low hanging fruit

Most big companies are already promoting their sustainability

New concept for SMEs

Bigger opportunity for an SME to stand out

Results are compelling

You get rewarded for doing a good thing



What now?

- If corporate environmental sustainability is worth considering, where do we start and what do we do?



Let's first revisit certification

- “Why do we need a certification at all? Why can't we just pursue sustainability internally?”
- If you know what to do and do everything right....
 - You will help the environment
 - You will not maximize brand image, revenues or profits
 - You will not lead others, as there is nothing to replicate



To Maximize Benefit of Corporate Environmental Sustainability

- Find a program that offers these 8 components

Employee performance / health enhancement

Certify the business not the box

3rd party audit

Use global standard

Promotion of the certification

Continual improvement

Annual update

Price



Employee Performance / Health Enhancement

- Sustainability is not just about energy savings or ‘Greening Up’, it is about people
- For most businesses, the employees are one of the biggest costs, one of the biggest risks (mistakes, insurance, law suits) and one of the biggest opportunities (new ideas, collaboration, product knowledge)
- Every organization suffers from the Big 5 – insomnia, stress, anxiety, physical pain, mental acuity
- You are losing 5% of your corporate profit/year to the Big 5
- It takes a lot of LEDs to make up for one worker comp or workplace violence case
- Make sure your program has a ‘people piece’ that addresses employee performance, health and happiness



Certify the Business not the Box

- People care about things that involve people
- Most building (ie, 'Box') certifications, like LEED, only care about building energy
- Building certifications are expensive and hard to market (poor ROI)
- You want to say, “Buy more of my product because we are a certified sustainable business”
- You do not get much value from, “Buy more of my product because we are in an energy efficient building”
- You want the certification on your business, not the building your business is in



3rd Party Audit

- Oversight delivers credibility and trust
- From passing your driving test, to getting your college diploma, to passing a bar exam, we use 3rd parties to ensure compliance
- There are many sustainability programs that deliver a certification based on your 'word'.....and your payment
- Don't do it!
- Make sure the program you choose uses a 3rd party to validate your work



Use a Respected and Integrated Global Standard

- The sustainability industry is maturing and coalescing around the ISO 14001
- The UN has created its SDGs (17 sustainability development goals)
- The EU is starting to tie lending to sustainability
- The SEC is starting to look at sustainability, carbon neutrality and ESG (Environment, Social, Governance) claims

- Don't pick a program that is not globally respected by, and integrated with, the world leadership groups; and that does not have the ability to integrate sustainability, carbon neutrality and ESG

- No reason to spend the time and money, then find you are not following the same programs and protocols that the leadership groups have adopted



Promotion of the Certification

- Historically, sustainability has been a cost-side play
- Most programs and providers have been 100% trained and focused on cost-side measures – energy reduction, carbon reduction, waste reduction, water reduction, travel reduction (ie, engineering)
- But we know consumers are searching for certified sustainable companies
- If you don't talk about being certified sustainable they will never know you are (ie, marketing)
- You want a program provider that is built to do the cost-side work AND the revenue-side work; and helps you promote your certification



Continual Improvement

- Sustainability is not finite. It requires long-term commitment
- But.....change is hard for all of us
- If the bar is set too high, we can get frustrated and give up
- You want a program that lets you come as you are
 - Allows you to proceed at a pace that suits your organization
 - Focuses on fun for staff
 - Success is based on continual improvement



Annual Update

- Current = credible
- Sustainability is not finite; we need to continually improve
- You don't want a program that does not have a date attached to its certification
- You want to continually improve, see your success, and annually update your certification to show you are current and credible in your actions



Cost

- We could have started with cost, but you want the above 7 components at a price you can afford
- Our cost, designed for SMEs, is roughly 5-10% of other programs – we deliver the top program in the world at a fraction of the historical cost
- Cost includes
 - The certification
 - Improvements to qualify for the certification (client may choose to do more)
 - The 3rd party audit



Your Biggest Fears

- Change
- Getting up to speed (confident enough to make a decision)
- Staff time



Good News!

- Our program meets all 8 of the criteria (including being affordable!)
- The review process is easy and painless
- Changes can be modest and gradual
- Staff involvement can be minimal
- It can be fun and very beneficial
- If done right, promotion can get in front of certification (ie, you can promote the *pursuit of the certification* which helps with differentiation and getting revenues ahead of costs)

- We are happy to help





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