

Valuing Sustainability Initiatives

Situational Dilemma

Organizations measure their environmental and social activities largely on a qualitative basis. Interest in measuring the business value of sustainability portfolios has increased significantly over the past several years:

- Evolving Disclosure Requirements
- C-Level Awareness – Shareholder Value
- Reduced Environmental Footprint

As we all know management and stakeholders no longer want to speculate about the true worth and significance of sustainability initiatives. They want data that enable an organization's total sustainability activities to become part of its business planning, providing data-driven support for both the company's growth and the most focused and effective sustainability initiatives.

Analytical Tools

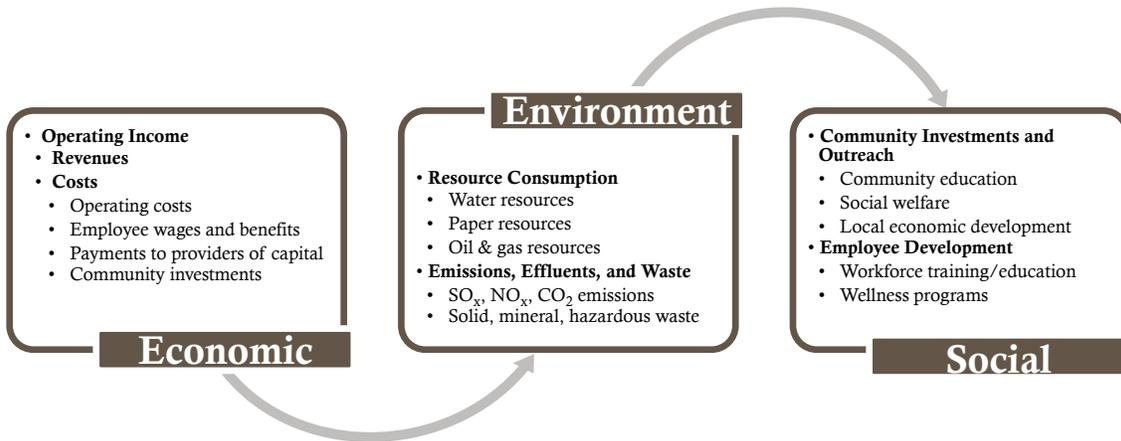
Tools are being developed to help organizations reassess their sustainability efforts in relationship to their business vision, including management of their environmental impact to reduce risks and costs, and potential improvements in employee and social responsibility investments for more synergy and greater return on the investments.

Data from these tools are expressed in a common currency for analytical and communication purposes. The output of these tools:

- Provides directional guidance to identify and to compare the sustainability activities that are best aligned with an organization's stakeholders, operations, corporate strategy, and core values.
- Establishes a foundation for the internal and external communication of sustainability activities as integral to a firm's financial welfare.

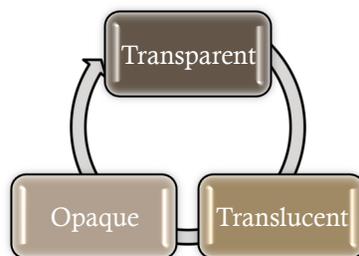
- Provides a scale for assessing the value of sustainability activities relative to societal benefits.

The typical categories of information incorporated into the analyses include economic, environmental, and social costs and investments as depicted in the figure below.



Transparency

Stakeholders are demanding the highest level of transparency* it may be time to consider valuing sustainability initiatives and include as part of your communications program.



Contact Information

For additional information about valuing sustainability initiatives, see www.obbagencyconsulting.com.

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* Clear as Crystal? Corporate Environmental Transparency, Risk Management Bulletin, April 2002.