

# EdgeBusiness

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# Corporate Accountability

*Sustainability reports help put green efforts into perspective*

By David DeWitte

Maybe the term “sustainability report” sounds a little too warm and fuzzy for your company’s brass-tacks style of business.

Perhaps it just sounds too expensive and time-consuming.

Why do some companies do them, anyway?

Instead of being a waste of resources, companies that prepare annual sustainability reports say, they’re a way to identify waste.

Instead of being warm and fuzzy, they say, the reports can cast a cold, hard light on some practices that could come back to haunt companies in the future.

Some of the biggest and best employers in the Corridor publish sustainability reports. They include PepsiCo (Quaker Oats), H.J. Heinz

(Quality Chef Foods), General Mills, Procter & Gamble and, most recently, Frontier Natural Products Cooperative of Norway.

Frontier’s first foray into corporate sustainability reporting offers a glimpse into the costs and benefits of publishing a sustainability report.

Here is what The Edge learned from Kathy Larson, vice president of sustainability for Frontier, who led the efforts to pull together the organization’s 2007 sustainability report.



Kathy Larson

#### THE REASONS

Frontier’s member-owners include retailers and retail cooperatives in the natural products industry, who are keenly aware of the differences between sustainable business practices and practices that accelerate the decline in the health of the planet, Larson said. They want to do business with companies that are serious in their commitment to a sustainable planet. A published report helps them gauge that commitment.

“They still weren’t asking us for a sustainability report, but I think that in three years, they would be,” Larson said.

To illustrate the point, Larson said sustainability was probably the hottest topic at the recent Natural Products Expo West in Anaheim, Calif., where she spoke on a panel about sustainability reporting.

#### GETTING STARTED

For a template to prepare its sustainability report, Frontier went to the Global Reporting Initiative. The international organization believes that reporting of a company’s social and environmental record is just as important as the reporting of its financial performance. It has created the reporting framework, which provides guidance on how companies can disclose their sustainability performance.

Sustainability Report 2007  
Frontier Natural Products Co-op



Frontier also reviewed sustainability reports by many corporations thought to be leaders in sustainability, Larson said.

"There were all kinds of places where I'd see something they were doing, and say "Great idea!" Larson said.

The Global Reporting Initiative's reporting framework seemed extensive for an organization the size of Frontier, Larson said, but provided a good template to begin with. Seeing what large corporations included in their sustainability reports also was a little daunting because they covered so much.

"It's really important not to be daunted," Larson said. "If you can't do it all, just do what you can."

**THE PROCESS**

Because Frontier was preparing its first sustainability report, Larson said a lot of work went into documenting what Frontier was already doing in areas ranging from sustainable sourcing to waste reduction and energy efficiency. It also meant setting up sustainability goals for the next three years.



Tony Bedard

The work took the

best part of a year and involved inputs from most every department, Larson said. The concentrated work of putting all the facts and numbers into a report took just a few months, including a fair amount of work on weekends when Larson could concentrate on the task.

**COMMUNICATING IT**

Because of all the information in the report, Frontier made sure to publish a concise eight-page summary with introductory messages from Larson and Frontier CEO Tony Bedard. Bedard emphasized that the report will give the co-op's employees, managers and boards the information they need to excel at its sustainability initiatives.

By issuing a public report, Bedard said, Frontier hopes to challenge itself to greater levels of improvement, and derive feedback from members and other stakeholders.

The report is 39 pages. In addition to the more predictable topics such as packing materials, travel and energy, it includes sections on wages, benefits, employee turnover and philanthropy.

**THE VALUE**

For Frontier, part of the value of issuing a sustainability report was to get a comprehensive picture of the company's impacts on its community and on the environment.

"It has been real helpful internally for giving us a picture of what we can do, and a real good mirror in terms of what we have done," Larson said.

Larson said the report provides a context for Frontier to begin changing the way it thinks, and the company now will begin setting further three- to five-year goals.

"We've collected a lot of data to help us get to these three- to five-year goals," Larson said.

For instance, the co-op has documented the amount of trash its waste reduction efforts are keeping out of the landfills, establishing a baseline for improvements.

The potential areas for change are enormous, Larson said.

**THE COST**

The cost of preparing the report was mainly staff time, Larson said, but the cooperative did not hire additional staff to prepare the report and did estimate the project's expense.

Larson said it was initially sobering to learn that some large corporations spent \$250,000 or more on their sustainability reports. Frontier's investment was nowhere near that amount.

The effort required was sufficient that Larson said Frontier will probably limit such reports to every other year, at least initially. It will issue interim progress reports on key areas.

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