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THE INCOME STATEMENT:

A manufacturing company would see the biggest savings from sustainability initiatives in its COGs expenses.

A services company would see most of the savings from sustainability initiatives in its SG&A expenses.

INCREASED REVENUE

- Creates higher B2C and B2B revenue
- ex. builds customer loyalty
- Green products generate revenue
- NEW revenue streams can be exploited
- ex. services and leases

*D62% of Canadian adults are willing to pay more for products packaged in sustainable materials, with 40% saying they would be open to paying up to 10% more*

REDUCED ENERGY EXPENSES

Educate employees to:
1. turn off lights
2. use stairs
3. use power save mode

DID YOU KNOW?
Reducing unnecessary energy use not only reduces costs, but also enhances public image & is eligible for government incentives.

REDUCED WASTE EXPENSES

unused materials + processing + waste prevention and environmental management + end-of-pipe waste and disposal = total waste expenses

Canadian plastic landfill waste has an estimated value of $8 billion

"The real waste is not the materials, it is the opportunity."

REDUCED MATERIAL EXPENSES

4 ways to reduce material expenses
- Dematerialization: reduce amount of material used
- Substitution: use cheaper sustainable materials
- Recycling onsite waste: reduce, reuse & recycle scrap materials
- Product take back: reuse & recycle materials from returned products

REDUCED WASTE EXPENSES

- what are materials?
  - raw materials
  - parts
  - finished goods
  - consumables
  - packaging
  - waste

INCREASED EMPLOYEE PRODUCTIVITY

Performance = Ability + Motivation

Sustainability strategies can:
- provide purpose & opportunity to do something meaningful
- produce pride & satisfaction to make meaningful contribution

"Companies with engaged employees experience 26% higher revenue per employee, 13% higher total returns to shareholders, and 50% higher market premium."

REDUCED TURNOVER EXPENSES

"The best people stay when they feel like valued contributors to company success, when their innovative ideas are solicited, when a profit-sharing scheme helps them reap personal benefits from their efforts to help the company do well, and when they are empowered, have career opportunities, and feel the company respects work-life balance issues. This is the G in ESG (environmental, social, governance)."

REDUCED RISK TO REVENUE AND EXPENSE

Strategic
The biggest risk to revenue is reputation, ex. reputation on water or waste management, ecosystem damages, or supplier reputation

Operational
Enhances an organization’s ability to be competitive in the market place, ex. generating renewable energy onsite mitigates energy price increases

Compliance
Design & closed loop systems to take back products, ex. setting up product collection & disposal can be cheaper than setting up after it has been dictated by regulations

Financial
Research has found a positive correlation between sustainability performance & financial results

*Adapted from the book The New Sustainability Advantage: Seven Business Case Benefits of a Triple Bottom Line by Bob Willard*