

Employee Ownership Measures Up:

A Discussion Guide for Corporate Citizenship, Sustainability and Social Accounting

Ohio's Employee-Owned Network
Ohio Employee Ownership Center
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I. INTRODUCTION

Every employee owner worries about the bottom line. Are our products and services meeting our customers' needs? Are we being productive and innovative enough? Are we making a profit?

But, successful employee owners look beyond the here and now. They develop a vision for their future prosperity and make a commitment to goals and strategies that ensure their long-term sustainability.

Building a sustainable business means to make the best decisions possible for today and tomorrow. Sustainability means promoting the best outcomes for employee owners, the company's internal stakeholders, and for the company's external stakeholders, which include customers, suppliers, and the local community or society in general.

Sustainability means both "doing no harm" and "doing conscious good". It is often defined as "meeting the needs of the present generation without compromising the ability of future generations to meet their own needs." It is similar to the seventh generation philosophy of Native Americans who considered the effects of their actions on their descendants for seven generations. More recently, a UN-sponsored World Summit on Social Development in 1995 defined sustainability as "a framework for efforts to achieve a higher quality of life for all people".

Sustainability and business competitiveness

Sustainability also means innovation and "smart management", as shown by the Dow Jones Sustainability Index. "I believe that within the concepts of sustainable business lies our next growth opportunity as a company," wrote Lee Morgan, the CEO of The Antioch Company, in the introduction to their firm's 2005 Triple Bottom Line Report. "Sustainability is about recognizing that there is a relationship between three important assets: financial, social and environmental. It's about practices that can be sustained over an indefinite period of time – and, doing business in a way that is conscious of resources, communities and how support systems can spell success for businesses, communities and individuals."

Many businesses are starting to realize that sustainability enhances competitiveness. Here are some reasons why:

- There has been a significant shift in understanding over the last three decades of what creates lasting competitiveness of a business.
- Evidence is growing that a transition to a sustainable economy will help spur economic growth if focused on improving resource productivity
- Eco-innovation technologies make integrated approaches to sustainability economically viable
- Throughout the economy there are widespread untapped potential resource productivity improvements to be made through effective design
- Many costs of environmental externalities are still passed on to governments, so companies' long-term sustainable strategies provide multiple tax benefits

- An increasing number of investors and consumers give preferential choice to “sustainable, green and clean” companies which nurture and protect the world’s social and natural capital to promote the well-being of humanity and the planet
- Nature is a model in developing a more efficient “whole systems” approach. For example, there is no such thing as waste in nature.

Economic impact of sustainability

Companies look at their “triple bottom line,” or the impact of their business activities on people, the planet and profits. A “fourth bottom line” refers to the impacts of a company’s processes of governance and specifically the areas of ethics, transparency and accountability.

The economic impacts of sustainability are many, explains Holly Harlan, the Founder of Entrepreneurs for Sustainability (E4S) and include business formation, job creation, industry transformation, industrial symbiosis and industrial ecology. Industrial transformation, symbiosis and industrial ecology refers to establishing systems for resource reduction, reuse and recycling among businesses and communities. Implementing sustainability is about facilities, energy, processes, procurement, products, product design, markets, and company culture.

Harlan sees growth opportunities in deconstruction of old systems and transformation with new systems such as solar thermal technology. One example of deconstruction was the teardown of an old factory in which 80% of the materials were recycled and nothing went to the landfill. Another example is a northeast Ohio company which converts waste sugars and alcohols to ethanol fuel for vehicles.

Boundary of responsibility

Generally-held views about a company’s boundary of responsibility are changing. In the past, a company accounted only for the resources used in producing its products or services and the associated benefits or costs. For example, costs to clean up and renew the air and water used in production were external and not accounted for in a company’s cost of doing business. Today more companies are beginning to think about their “ecological footprint” which is the total environmental impact of their internal and external inputs and outputs.

The boundary of responsibility is more “cradle-to-grave.” This means that companies are beginning to think about the total environmental footprint or impact associated with the production, distribution, use and eventual disuse/disposal of their products or services.

Companies committed to sustainability are striving toward a “cradle-to-cradle” design for their products and services. One example is the carpet company that rents carpet in sections with a lifetime replacement/recycle service agreement so the customer avoids the future expense of disposing and replacing their carpet.

Common principles of sustainability in terms of people, planet, profit and governance include:

People Bottom Line:

- A commitment to increase human capital, i.e. people's knowledge and skills used at work which are assets of a business.
- A commitment to increase social capital, i.e. the network of relationships within a company and with external stakeholders which foster trust, innovation, and overall business success.
- Equal opportunity and sustainable community

Planet Bottom Line:

- Valuation of natural and environmental resources as inputs and outputs
- Conservation of bio-diversity and ecological integrity

Profit Bottom Line

- A commitment to best practices and continuous improvement
- Recognizing the connectedness of local and global communities

Governance Bottom Line

- Integration of environmental, social, human and economic goals in policies and activities
- High ethical standards to avoid conflicts of interest
- Dealing with risks and uncertainties in a transparent and systematic manner
- Financial integrity

There is no simple formula for defining sustainability, or corporate citizenship, and no standard set of measures. An overall sustainability or corporate citizenship strategy will synthesize your expectations of "good corporate citizenship" with your company's vision, mission, business goals, capabilities and resources.

How to Begin the Journey to Sustainability

Beginning the journey to greater sustainability is about learning. Lisa Abel, the Director of Quality and Corporate Social Responsibility at YSI Incorporated in Yellow Springs, Ohio offers these suggestions to small companies which are getting started:

- Management support is important. YSI started their journey toward sustainability after their CEO shared his vision of an environmental commitment for YSI with everyone at the company.
- Start with a team project. YSI's CEO asked for a team of employees to start company-wide efforts for recycling and energy savings.
- Determine the scope. After experiencing success with small projects, the company established a set of ambitious five-year strategic sustainability goals including the commitment to begin sustainability reporting, or what is often called "social accounting".
- Select the most relevant indicators. YSI joined with Ceres, a group with a commitment to the increased social and environmental consciousness of businesses through peer learning and support. Ceres helped YSI develop their sustainability reporting processes.
- Start reporting. YSI also joined the Global Reporting Initiative (GRI) a sustainability benchmarking organization used by hundreds of larger companies. The GRI reporting guidelines have helped them continually improve their social accounting processes.

The Conference Board, in their publication *The Measure of Success*, recommends the use of a planning approach for social accounting:

- **Step 1:** Determine where your company is. Compare your company to a selected benchmark, which offers a set of sustainability standards. Do a baseline assessment. Then document your findings so that others can review and understand them.
- **Step 2:** Determine where your company wants to be. This is a process of defining a set of goals for your company, based on where your company is now and where it wants to be in the future. This process sets the vision, direction, and goals which become the targets for success in the process. Have your company's financial manager involved because you need to look at your whole system.
- **Step 3:** Talk about what you want to measure, and why, and how. Set goals and measurements. Then integrate your strategic planning for sustainability with your company's broader strategic planning to facilitate alignment, understanding and acceptance.

This *Employee Ownership Measures Up* discussion guide for employee-owned firms can help you start to think about and discuss all the good things your company is doing already. This guide is designed to help in the following ways:

- Provides an introduction to triple bottom line and fourth bottom line reporting
- Lists questions for group discussion and learning in the areas of people, the planet, profits and governance
- Gives examples of non-financial and financial indicators, ways to measure and approaches for sustainability reporting
- Includes a list of resources for further reading and learning

II. Company Philosophy about Social Responsibility

Social responsibility usually refers to a company's philosophy of accountability to its stakeholders, i.e. its employees, shareholders, customers, suppliers, and the larger community for operating in an economically, environmentally and socially responsible manner through an overall commitment to continuous improvement.

ESOP companies are often frontrunners in creating a socially responsible culture which gives people permission to venture out beyond where others are. Many things that are considered financial costs to traditional businesses, such as employee education, health insurance and wealth creation, are seen as important employee benefits in ESOPs.

Discussion questions:

1. What is the mission and purpose of our company?
2. What is the best of what our company is?
3. What is the world calling our company to become?
4. What responsibilities does our company have to us, our families, the community where we work, and society at large?
5. What should be our company's ideals as to our social responsibility?
6. Do we believe it is important to pursue socially responsible initiatives when our competitors might not do so?
7. Does our company have a vision or mission for social responsibility? If yes, what are its key elements?

III. Board and Top Management Vision and Commitment

The Board of Directors provides oversight of the business and protects shareholder value. Do boards have a moral responsibility for their decision-making beyond the protection of value for shareholders?

Some boards would like to be more socially responsible but feel that the government or market forces constrains their ability to do so. Other boards are committed to socially responsible decision-making in a moral context of having a larger arena of responsibility in society.

Discussion questions:

1. Does our Board have responsibilities which go beyond earning the highest possible profits? If so, what are those responsibilities and how should they be balanced with the pursuit of profits?
2. How does our Board view its environmental, economic, and social responsibility? What really matters for the long-term success of our company?
3. Where does our industry stand on sustainability issues? What are the driving forces affecting sustainability in our industry? What is our company's position in relation to our industry-specific sustainability issues?
4. Is our company's reputation with customers, our community, and others impacted by our environmental and other practices?
5. Do our company by-laws address principles of citizenship, ethics, governance, and stewardship of people, the environment, and community?
6. Does our Board and top management discuss strategies for managing environmental and social responsibilities as part of their planning for and oversight of our company?
7. Are there business opportunities our company might want to consider, which in turn solve or reduce economic, environmental, or social difficulties in our community?
8. Does our Board do a cost/benefit analysis of its current economic, environmental, or social policies?
9. Clean air and water are limited natural resources. Whose responsibility is it to protect air and water quality? Are current environmental regulations sufficient? How will future environmental regulations impact our business? Do we externalize any environmental costs now that we will be expected to internalize in the future?
10. Should we reduce our company's ecological footprint? How important is it for our company to adopt and perhaps innovate sustainable processes and eco-efficient technologies which reduce our use of limited natural resources? Will our efforts to use natural resources more efficiently offer competitive advantages, create new markets or generate greater wealth?

11. In terms of stewardship of resources, is our company organized in such a way to make the most effective use possible of its financial, physical and human resources?
12. Whose responsible at the corporate level for social responsibility?
13. Is the building of social capital, the bonds between employees and the bridges between employees and stakeholders sufficient to foster trust, learning, collaboration and innovation, a concern which our Board should address?
14. What problems, pressures, and needs exist now which might make further study of our company's approach to citizenship and social responsibility worthwhile?
15. What is our CEO's philosophy about ways our company can assure sustainability?

IV. People Bottom Line

A. Social Capital: Trust, Creativity, Innovation

Social capital refers to the relationships among employees within a business and between employees and external stakeholders such as its communities, suppliers, customers, regulators and other stakeholders. Elements such as trust, communication processes, culture, creativity and values are directly associated with social capital.

Businesses benefit from high levels of trust in many ways. Social interactions and trust foster a spirit of creativity and promote organization learning and innovation. Social capital increases people's skills, increases the organization's collective knowledge, and increases the organization's ability to innovate and thrive.

Discussion questions:

1. What elements of our company's culture and values support the building of social capital?
2. How do we promote trusting relationships among employees which encourages employees to share knowledge and learn from each other?
3. How do we promote relationships with our suppliers, marketplace, customers, competitors, potential strategic partners, government, and in the community which encourages sharing of knowledge and information about our industry in order to stay competitive and keep abreast of changes that impact our business?
4. How do we, as an organization, learn new skills, bring new competencies and knowledge into our organization, and increase our collective knowledge?
5. How do we promote creativity, teamwork and innovation?
6. What systems and processes do we have in place to build and maintain social capital?

IV. People Bottom Line

B. Human Capital : Education and Development

Performance is the result of ability and motivation. Workplace strategies which develop knowledgeable and motivated workers promote better firm performance. Such “high road” work practices include training; performance-based compensation; profit-sharing; employee involvement in continual process and quality improvement; interface with customers; job security; and opportunities for advancement.

Research studies have shown that visionary companies, those firms with a strong commitment to core values, perform better because everyone has a personal commitment to company goals. The creation of systems for greater teamwork also helps to develop a learning culture which improves performance. Employees are more productive if they feel a commitment to the company, believe in what they are doing, and believe it is good for the world.

Many firms strive to develop work processes and relationships that meet employees’ personal needs for meaningful work, that empower employees to participate in decision making and that encourage teamwork.

Discussion questions:

1. In what ways does our company’s vision and mission motivate employees and foster employee commitment?
2. In what ways are our human resource policies and practices an integral part of our business strategies?
3. In what ways do our employee recruitment and hiring practices promote a culture of ownership and sustainability?
4. Is there comprehensive company-wide analysis of training and staffing needs at all levels for tomorrow’s knowledge and skill needs?
5. Do we have a process for mentoring leaders?
6. Does our company pay a living wage? Is the difference between management and employees’ pay reasonable?
7. Does our company offer performance-based compensation, such as profit-sharing; incentive pay; pay-for-performance; and bonus plans?
8. Do we provide an orientation of new hires to our company, our business and our ownership culture?
9. Do we provide education for employees on employee ownership; business financial basics; skills for teamwork and team problem-solving; and work-related skills training?
10. Do we listen to what people want to do with their lives?
11. Is the training budget adequate?
12. Do we evaluate the results of training?

13. Do we offer tuition reimbursement?
14. Do we make full use made of knowledge within our organization through multi-level task forces and teams?
15. In what ways do employee-owners have opportunities for advancement?
16. Do we have a process for performance-based management, performance appraisals and coaching?
17. In what ways do employees have a say in their work; to make suggestions and contribute ideas for improvements in their work area; and to participate in autonomous work groups?
18. What processes are available to keep everyone informed about goals and results, and other workplace concerns and issues and decisions affecting their work?
19. To what lengths does our company go to preserve jobs when we experience downturns?
20. Is retraining practiced in times of transition?
21. Do we provide a supportive work environment:
 - Do we respect employees' roles as workers and family members?
 - In what ways does our company routinely integrate all our employees' diverse backgrounds, lifestyles and beliefs into our company's culture and practices?
 - How do we honor each of our desires to have meaningful lives? How do we provide a helping hand when times are tough?
22. Do we offer family-friendly benefits and practices? Some examples are adoption assistance; domestic partner benefits; flex-time; daycare; on-site credit union, cafeteria, or tax preparation; scholarships; financial/retirement planning; support for home ownership; english language classes; or wellness programs

IV. People Bottom Line

C. Workplace Health and Safety

Managers and employees in all areas of your company's operations cannot afford to overlook safety and health issues. The improvement of workplace health and safety are important goals which employee owners and managers can work on together as a first step in building an ownership culture.

Discussion questions:

1. Do we report our first aid statistics on a monthly basis to identify safety issues as they arise?
2. Do we evaluate our business practices to assure that risks are minimized for worker health and safety?
3. Do we have a system of policies and practices for safety and health management?
4. Do we have a Safety Manager to ensure that consistent safety policies and procedures are implemented?
5. Do we have a Safety Committee for employee involvement and responsibility to maintain the safety program?
6. Do we conduct regular, annual employee-owned safety training which meets OSHA standards and requirements?
7. Do we collect safety statistics to help identify unsafe conditions and long term health issues?
8. Do we perform safety audits of first aid readiness, heating, ventilation, ergonomics, noise, and office design?
9. What kinds of savings do we realize from creating a safer work environment?
10. In what ways do we promote employee health and a healthier work environment?
11. What kinds of savings do we realize from creating a healthier work environment?

IV. People Bottom Line

D. Community Support

The way in which your business is operated has a greater impact on your community than probably any amount of community leadership, service, and philanthropic support which your company provides. But local and global leadership, service and support of others does make a valuable contribution and is an important way companies express their social mission.

Discussion questions:

2. Have we developed a mission or policies on community involvement and contributions?
3. Do we have a committee that sets policies, makes decisions and gives grants?
4. Do we have a policy of contributing a percentage of pre-tax profits to charitable causes?
5. Do we provide leadership of community service and improvement efforts?
6. Do we make non-cash contributions (equipment, land, products, supplies) to community efforts?
7. Do we sponsor a corporate foundation?
8. In what ways do we encourage, recognize or support employee-owners' involvement in the community? Some examples: employee-directed contributions with employer match; paid time for employees' community volunteer work; and, education of employees in social justice concerns
9. Do we support economic development, i.e. the growth of local business and jobs, within our local community? Some examples: provide entry-level job training; offer internships to students; purchase from local vendors
10. What are the benefits of our company's community support activities, i.e. building goodwill, reputation; ease in attracting, developing, retaining and motivating people?

V. Planet Bottom Line

A. The Environment

The era of inexpensive energy is over. Energy prices are rising. Environmental efficiency will be where the money is. Improvements offer very practical business benefits. Waste, energy, and pollution will become increasingly costly. Companies will engage in environmental accounting to generate, analyze and use environmental information to improve their environmental and economic performance. Through environmental accounting a company can make a link between environmental and financial performance, get environmental sustainability embedded within an organization's culture, and provide decision makers with information to help reduce costs, risks and add value.

But why go green? Some possible reasons are lower operating costs, increased profit margins, reduced oversight by regulators, and increased customer satisfaction. Huge costs are associated with waste and pollution and huge savings are possible with lower waste, lower energy use and lower emissions. Shrinking your company's environmental footprint, which is the damage to the environment caused by company activities and operations, is often a new frontier for competitive opportunities.

Leading the way are businesses which better manage and control their internal environmental costs of waste management and energy consumption. Being aware of environmental costs and benefits and exposure to environmental problems can assist company management in strategic planning and reduce exposure to future environmental risks and liabilities. Without adequate systems to identify and account for such costs, it is unlikely companies can meet stringent regulatory environment and expectations.

First movers have the advantage. Holly Harlan of Entrepreneurs for Sustainability identifies seven directions or goals which businesses need to consider: eliminate waste; benign emissions; renewable energy; resource-efficient transportation; sensitize stakeholders; and, redesign commerce.

Environmental impacts occur at two levels. Direct or first-level impacts arise from environmental usage or damage that the company was directly responsible for and has the greatest ability to control. Indirect or second-level impacts are those which occur through the parts produced for your company by your suppliers and/or the usage of your company's products. One example of an indirect impact is the amount of electricity consumed by producers of subcomponents for your products and by customers using your products.

The quality of a company's environmental management is seen as an indicator of the overall quality of its management. The Dow Jones Sustainability Index is an example of a tool used by analysts as a way to measure corporate environmental management.

Discussion questions:

1. Does our company have a vision for protecting the environment?
2. Do we integrate an environmental ethic into our philosophies, mission statement, employee handbooks, accounting systems, and stakeholder relationships?
3. Who is accountable for environmental compliance at our company?
4. Do we study any present and future pollution problems facing the business? Is there monitoring of any emerging legal, technical, and social standards within our community or industry?
5. Do we have policies for environmental protection, such as written policy statements of our environmental constraints, specific goals or benchmarks?
6. Have we integrated environmental protection concerns and cost/benefits in any of our decisions about product design; maintenance systems; marketing programs; accounting; advertising; purchasing; or public relations? Do we consider the environment in the cost/benefit analysis of new products or packaging?
7. Do we have a system for continual improvement of environmental problems such as teams, an independent advisory group, a bonus on environmental performance, or a measuring system for environmental impacts?
8. Have we retrofitted our lighting to use compact fluorescent lightbulbs?
9. Do we meet the EPA's Energy Star standards for existing or new construction and equipment?
10. Are we exploring the use of solar thermal or electric (photovoltaics) systems?
11. Do we promote reuse of waste materials?
12. Do we conduct a systematic analysis of environmental inputs and outputs designed to identify opportunities to reduce costs and improve environmental performance? Do we audit our environmental usage and costs to plan for future savings?
13. Do we report on environmental protection improvements?
14. Do we go beyond regulatory compliance in environmental areas?
15. Are managers evaluated on their business unit's environmental performance?
16. Do we measure our eco-efficiency, the ratio of our resource use to the production of goods and services?
17. Do we practice full cost accounting, and do our prices reflect the full environmental cost flowing through the production and consumption chain?
18. How is our company involved in recycling? Do we have a concern for process, by-product and waste recycling? Do we use the wastes or by-products from one area as an input for another area? Are we mindful of the concept of industrial ecology which uses the waste or by-products from any stage of production as raw materials or products for someone or something else?
19. Do we work on reducing waste in wrapping, bagging and taping?
20. Do we do life-cycle assessments of our products or processes, i.e. do we measure what's called the cradle-to-grave environmental impact from inception through manufacturing, sale, use and disposal of our products?

21. Do we have a policy of purchasing environmentally-friendly products and services? Do we promote the use of any alternative fuels? Do we look for ways to source products with organic materials?
22. How are we involved in conservation? Do we get lower rates for using less energy? Do we recapture and reuse wastewater? Examples:
 - stewardship: using stairs instead of elevators; turning off lights and equipment when not in use
 - low-flow toilets and plumbing
 - less business travel: videoconferencing; teleconferencing
 - reduced office space: telecommuting, email
 - insulation, super-windows,
 - energy-efficient lighting, task lighting,
 - energy efficient pumps, pipe systems, transformers, right-sized fans and HVAC systems, energy efficient appliances, office equipment and lighting,
 - energy substitutions: increasing off-peak electrical usage, off-the-grid process redesign, on-site power generation, mini-generators powered by heat from manufacturing processes; process redesign; selling excess energy back to the grid; passive solar heating; wind energy; solar energy; fuel cells;
23. Do we have a concern about reducing our carbon emissions or to be carbon neutral; i.e. to invest in carbon offsets that absorb as much carbon dioxide as our company contributes to global warming? Do we monetize our emissions reductions through emissions credits.

Planet Bottom Line

B. Supply Chain Relationships and Responsibilities

In today's interconnected world, companies work more closely together with the stakeholders in their supply chain, including suppliers, subcontractors, distributors, marketers, retailers, and shippers to develop information and logistical technologies which streamline and support better supply chain management. At the same time, a variety of social and sustainability issues often including worker safety, environmental protection, factory conditions, overtime wages, child labor and human rights are creating new and often contractual complexities and requirements between purchasers and vendors.

Your company's long-term health requires stable business relationships with suppliers that are economically healthy and ethically responsible with whom to do business. While some companies impose their sustainability requirements on their suppliers and have auditing programs as a condition of contracting, or self-certification commitments, it is difficult to enforce suppliers who are intent on evading the rules. The International SA-8000 standards provide an audit process for assessing supplier compliance with human rights considerations

Examine your supplier code of conduct or contracts to see what requirements are already in place and whether it makes sense to make any changes or improvements. Your company, or your customers, could be held responsible for any illegal or irresponsible actions of users of your products. If a product bears your company's logo, your company is responsible for its creation, distribution, sale and, in some cases, its disposal.

Companies are starting to "green" their supply chain, a concept that can reap a great variety of benefits. Look for sustainability issues that resonate with your suppliers and customers. Here are some examples:

- You can reduce landfill fees by reducing the solid wastes in shipments from your suppliers
- You can partner with a supplier to make improvements. One example is the partnership between Nike and Delta Airlines. Nike uses Delta as their exclusive supplier for employee travel and Delta offsets all carbon associated with Nike employees' flights. Delta has created offsets by increasing fuel efficiency, by purchasing carbon reductions elsewhere, and by planting trees (Savitz, 2006, p.165).

Your company can promote a healthier economy by purchasing from local suppliers instead of offshore suppliers; by purchasing from suppliers that train and employ low-income people; or by purchasing from socially conscious or minority vendors. One employee-owned firm in Ohio promotes employee ownership throughout its business network as a way to compete successfully with overseas competitors.

Discussion questions:

1. What could our suppliers and other stakeholders do that would make our operations more sustainable or boost the sustainability of our products?
2. Do we currently partner with our suppliers, customers, or shippers to make improvements?
3. Do we audit our suppliers' compliance to standards of labor, safety and environmental protection?
4. Does our company respect the dignity of customers? Are our products and services represented honestly to customers?
5. Do our products have undesirable side effects that we can reduce? Do we take responsibility when our products become a public hazard?
6. Can our products be made easier to reuse or recycle? Can we productively use anything our customers discard?
7. Do we know how to tackle an environmental or social issue that might be confounding to our customers?
8. Is customer service a priority? Are we consistent in meeting customer product expectations and commitments?
9. What promises do we make to customers? Do our promises identify what we can deliver? Do employee owners understand the promise our company is making to the marketplace?
10. Is accountability close to the point of delivery? Are employee owners closest to the customer empowered to make promises to customers and to make decisions in order to deliver the promises and provide customer satisfaction?
11. When our company fails a customer, how fast do we move to make amends? Do we make changes in response to customer needs and feedback?
12. Do our customers have environmental, social or economic needs we can fulfill or concerns we can address?

VII. Profit Bottom Line

A. Profitability and Prosperity

The most socially responsible thing a business can do is to make a profit for its stakeholders. Profit, in employee-owned firms, is a means to achieve meaningful work, job security, and the future prosperity of employee-owners. The CEO of one Ohio employee-owned firm described an employee-owned company as a quasi public trust; his role was to manage the company effectively for its current and future employee-owners.

Discussion questions:

1. What is the purpose of our business? What does success mean at our company? What does it mean to be profitable?
2. In what ways are we promoting our future prosperity as a business? Are we growing the value of our company?
3. Are we investing in research and development, new technology and equipment, and new products and services?
4. In what ways are we promoting our future prosperity, as employee owners? Do we have a deferred stock ownership, profit-sharing, or bonus plans? What types of retirement plans do we offer?
5. Do we pay dividends?
6. In what ways do we promote the prosperity of our non-US employees? Do they participate in any deferred stock ownership, profit-sharing or bonus plans?
7. In what ways do we promote job security for employee-owners?
8. In what ways do we promote home ownership among employee-owners?
9. In what ways do we promote financial literacy and financial planning in order to help employee-owners make wise savings and investment decisions to increase their net worth?

Profit Bottom Line

B. Economic Impacts in Community and Society

Economic development within a local community is about increasing the ability of that locale to attract or retain more income than it loses, either by exporting more goods and services than it imports or by recirculation of its income locally. One measure of the strength of a local economy is the number of times the same dollar changes hands.

A company's economic bottom line looks at the impact of a company's activities within the communities which it serves and the larger society, i.e. the resources used and generated by its operations and who benefits from these resources. The economic footprint of an individual company is positive when it serves as an engine for growth in jobs, wages, and capital investment within the local economy and when its activities raise the standard of living within the local community.

Direct economic impacts involve the direct impact a company has on its economic stakeholders, those who have a direct financial interest in the company, such as its suppliers, employees, managers, shareholders, government and the community. How is the company's cash distributed among different stakeholders? For example, what percentage of company income goes to employees, suppliers, capital improvements and expansions, local government, or donations?

Indirect impacts might include the multiplier effects of each additional export-producing job (one which produces goods or services sold outside the local community) or by the additional income generated by exporting goods or services.

Discussion questions:

1. What is the direct impact of our company's operations on the community seen from an economic point of view? Some examples of direct economic impacts:

Benefits to customers of our company's products and services

Number of export industry or basic industry jobs which produce and sell goods that bring in new income from outside the area

Number of service or local industry jobs which produce or sell goods that circulate existing income in the area

Wages and benefits

Investment in new plants and equipment

Investment in employee education and development that increases the level of education and skills within the community

Purchases of materials, supplies and services locally, from local vendors and lenders, which enhances local supply chain

Company-paid taxes for local government services and schools, water and sewer usage fees, emergency service fees, infrastructure

Employee-paid taxes to local governments

Employee home ownership within a community

Contribution of company's goods and service to a higher quality of life

Employee income spent locally as consumers

Donations of money, time and talent to serve the community

Retiree income spent locally and paid in taxes

2. What is the indirect impact of our company's operations on the community seen from an economic point of view? Some examples of indirect economic impacts:

indirect impact of jobs for suppliers of our materials and services locally

employees spending locally which creates jobs in other local businesses

income earned through the business which is used to create new income

contribution to welfare of local communities, global communities, and the public sector

pricing strategy as way to provide help and benefits to customers

company contribution to social welfare and quality of life.

3. Are we increasing the prosperity for the communities where we operate?

4. Do we invest in socially responsible investment funds? Many investment firms offer socially responsible mutual funds which screen for corporate policies on the environment, quality, employee relations, and hiring women and minorities. The Domini Social Index, for example, tracks hundreds of clean companies.

VII. Fourth Bottom Line: Governance

Good governance is about establishing standards and practices which ensure the financial integrity and ethical performance of an organization. Standards of good governance in public firms often include the independence of board members, avoidance of conflicts of interest, transparency in sharing information, fiscal responsibility, fairness to all shareholders, and appropriate compensation of top executives.

In employee-owned firms, good governance is often about pass-through voting to ESOP participants for board election and shareholder issues; employee representation on the board; ESOP fiduciary training for directors; appropriate oversight in the board's ESOP fiduciary responsibilities and relationship with the ESOP trustee; board-level commitment to building an ownership culture; and, effective communication channels and information sharing on board decisions.

Many employee-owned firms make a commitment to transparency and communicate frequently, openly and honestly with employee-owners on strategic plans, financial information, and status of the business. Also, many employee-owned firms establish communication channels for board members and employee-owners.

Discussion questions:

1. How does our company define good governance?
2. What standards or policies do we have to ensure good governance?
3. Do we have a Code of Ethics or Code of Business Conduct which establishes standards for financial integrity, conflicts of interest, and confidential information?
4. Who has responsibility for oversight of ethics and compliance efforts?
 13. How do we ensure the qualifications and independence of board members? Do we have written descriptions of the responsibilities of board members?
 14. How do we educate new board members about the ESOP and ESOP fiduciary responsibilities?
 15. Do we have structures and processes which promote good governance?
 16. What are the benefits of our governance structure or approach?
 17. What committees are involved in governance? Do we have written descriptions of the responsibilities of board committees?
 18. How do we involve employee-owners in governance?
 19. How should the leaders of our company take into account the viewpoints and concerns of internal and external stakeholders?
 20. Who should have a say about the fate of our company?
 21. Do we have policies and practices to promote transparency and open communication?
 22. How do we share information about board decisions, financial performance, business goals and strategies, and key customers?

VIII. Getting Started with Social Accounting

Social accounting is about establishing a system for describing your company's philosophy and commitment and reporting on a broader range of costs and benefits of your company's activities to a broader range of stakeholders. So it's more about accountability than accounting.

The Global Reporting Initiative (GRI) is an international effort to develop globally applicable sustainability reporting guidelines for voluntary use by organizations reporting on the economic, environmental and social dimensions of their activities, products and services. Since it started in 1997, the GRI has worked to design a common framework for reporting by business organizations. This framework, called the GRI Guidelines, promotes comparability between reporting organizations; includes Reporting Principles and Practices which promote rigor and reliability in reporting; provides a framework for structuring a GRI Report; and offers additional guidelines.

Measuring your firm's success in terms of environmental and social citizenship is often more complicated than measuring general business success. There is no simple formula for defining social accountability and no standard set of measures. Some measures may be quite precise but not very meaningful. Some measures may be important to your company or society yet are impossible to quantify.

There are three types of possibly relevant measurements, including measures of activities or inputs that lead to goal achievement; measures of results or outputs of goal achievement; and measures of the value of the results. When measuring the value of results, consensus and transparency are essential. If consensus is achieved upfront and results are shared, value can be inputted to the results, even if not precisely measured.

Measurements can accomplish one of these three goals: tell you whether or not your company's goal is achieved; communicate your achievements to employees, customers, suppliers or your community; and assess the value of your results to your company, your community or to society

Performance Measurement Tools: measures how well your company's efforts meet your goals or conform to standards

Comparative Measurement Tools: benchmarking your company's efforts to others; highlighting best practices, or ranking your company to an index or standard. Benchmarking around issues of common interest provides useful insights into what works and what does not work, and how companies compare with one another. Excellent benchmarking organizations include the Global Reporting Initiative which provides an international standard for reporting on environmental performance and sustainability and has 100 questions for comparability.

Results Measurement Tools: assess how well your company converted inputs and resources into activities and impacts; and are useful as a diagnostic for analyzing the strengths and weaknesses of your efforts and determining where to allocate resources.

This process sets the vision and direction, and the goals, and the results which become the targeted success of the citizenship process.

In addition to goals, you need tactics for achieving goals, i.e. the actions, timing, and interim targets. Once your company's goals and strategies are developed, then talk about what you want to measure, and why and how

Factors in selecting a measurement:

Is the measure appropriate for its purpose?

Is it consistent with internal and external accepted measurement approaches? Is it appropriate for its audience? Is it clear? Can it be manipulated to disguise nonperformance? Does it stifle creativity and innovation? Does it help you learn from failure to achieve the goal?

Employee commitment is enhanced when goals are clear, relevant, meaningful and employees are involved in setting them. Do employees know what is expected of them and of your company to meet goals and be successful? How do employees see the relevance of their work goals to business success? How are employees connecting their personal values with company values? How are employees involved in goal-setting and goal-achievement?

Ways to Report Company Philosophy about Social Responsibility

CEO Statement: The GRI Guidelines suggest inclusion of a CEO Statement in the Report which contains these elements:

- highlights of report content and commitment to targets
- declaration of commitment to economic, environmental and social goals by company leadership
- acknowledge successes and failures
- performance against benchmarks, previous years' performance, targets, and industry sector norms
- major challenges for your company and its business sector in sustainability reporting

Ways to Report on Board and Top Management Vision and Commitment

Letter from the Chair, President, and CEO included in the report

Use as an introduction or executive Summary

Include a description of vision and Strategy

Ways to Report on the People Bottom Line

A. Ways to measure Social Capital

Length and quality of relationships with suppliers and clients

Employee share ownership

Employee retention rates
 Brand Reputation/Brand value
 Company's Reputation as a place to work
 Level and scope of local community engagement
 Time spent on innovation
 Investments in R&D
 Number/ratio of project ideas accepted/rejected
 New products as percentage of total turnover
 Staff serving on committees of local organizations
 Percentage of staff who have worked for competitors

B. Ways to measure Human Capital:

Compare company wages to prevailing regional scales
 Cost of hiring: cost of recruiting; screening; doing interviews; making offers and hiring; costs of training new person to be productive
 Turnover: Cost of losing a good employee: costs of losing a good employees: lost productivity, pay, benefits administration, separation, lost knowledge, experience and contacts; cost of lost customer revenue
 Tenure
 Recruitment of minorities
 Percentage of minority employee owners compared to regional and state averages
 Minorities in leadership compared to percentage of minorities employed at company
 Percentage of women employee owners compared to regional and state averages
 Women in leadership compared to percentage of women in the organization
 Employees ability to improve company results
 Promotion policies: equitable, understood and effective
 Home ownership measure for employees
 Build wealth for employees

C. Ways to measure Health and Safety

Develop and describe goals for safety performance
 Develop and describe measures of goal success: Benchmarking; Compliance with regulations;
 Employee retention; Savings from safer work environment

Describe targets for safety performance improvements
 - Examples: reduce accident rates from x% to y% in year Z

Develop measure of success in reaching targets:
 - Actual rates
 - Changes in medical costs and insurance rates

Examples of process inputs: safety training; incident reporting

- Report annual hours of safety training, number of employees trained, and hours of training per participant.

Measure of cost of process inputs:

- Examples: employee contact rates; incremental costs; increased feedback; number of interactions; cost in time committed

Describe levels of responsibility for safety, safety program management, safety committees, safety training, policies and standards.

Create an Incident Report Table which tracks areas of OSHA Compliance, including Reportable Cases, Recordable Cases, Lost time/Days away from work, and Deaths

Track OSHA recordable incident rates, D.A.R.T. (Days Away, Restriction, and Transfer) rates Compare with national incident and D.A.R.T. rates for companies within our industry and use to develop injury reduction goals and measure progress toward these goals.

Monitor worker compensation modification experience rate or Mod. Rate which is a measure of the ability to maintain a safe work environment.

Savings from safer work environment:

Health insurance

Wellness programs

Savings from improved health of employees

Savings from healthier work environment

D. Ways to measure Community Support

Company policies, practices and committees

Criteria for selection of community support

Employee-owner involvement in selection of projects for support

Numbers of persons, families, or communities served

Employee volunteer hours

Value of monetary and in-kind contributions

Benefits of community support: to employees and their families; to the company; to customers; to the direct recipients of the support

Likely impacts of community support

Amount of support needed by those served vs. amount contributed by your company vs. amount contributed by others

Ways to Report on the Planet Bottom Line

A. Ways to measure environment

Six domains of environmental accounting:

- Energy and material accounting
- Environmental-related financial management
- Life cycle assessment
- Life cycle cost assessment
- Environmental impact assessment
- Environmental external assessment

ISO 14000 (environmental management systems) certification

Teams

goals

measuring environmental impacts

energy and material accounting

environmental-related financial management

life cycle assessment

life cycle cost assessment

environmental impact assessment

Do an energy audit:

Energy Efficiency Benchmarking and Measuring:

- Ohio's Office of Energy Efficiency, 1-866-728-6749 or www.odod.state.oh.us/cdd/oe
- Compare your energy use to similar businesses using the Ohio Small Business Energy Saver at www.business.ohio.gov
- For small businesses with \$150,000 or less in annual energy bills, see the Ohio Small Business Energy Saver at www.business.ohio.gov for a tool to help reduce energy waste and hold costs down.
- Industrial Best Practices for improvement in motors, steam, compressed air, combined heat and power, and process heat; see www.oit.doe.gov/bestpractices/

Energy Reduction:

- For project financing to reduce energy costs, manage energy use; or install renewable energy technologies, see Ohio's Energy Loan Fund at <http://www.odod.state.oh.us/cdd/oe/> or call 1-866-SAV-NRGY. Provides loans at below-market rates for businesses through participating banks
- Conversion Facilities Tax Exemption, at www.odod.state.oh.us/cdd/oe/c_i_cfe.htm
For qualified facilities for energy conversion and efficiency improvements.

- For large businesses, see Envinta One-2-Five, an energy management tool at www.odod.state.oh.us/cdd/oe/EnVinta.htm

Reuse:

- Ohio Materials Exchange matches companies seeking to dispose of unwanted usable materials with companies that need them. See www.aor-omex.org

Renewable energy:

- Ohio Wind Working Group promotes the manufacture of wind turbines and components; see www.ohiowind.org
- The Ohio Wind Power Map shows potential wind energy sites and estimates wind turbine performance, see www.windexplorer.com
- Fuel Cell Initiative at www.odod.ohio.gov/tech/program.htm#ThirdFrontierFuelCellProgram
Brings partners together to promote fuel cell innovations.
- Ohio Clean Energy Business Association promotes solar, wind, biomass, fuel cells, low-impact hydro and hydrogen derived from water or biomass.. See greenenergyohio.org/page.cfm?pagelid=263

Example: Case Western Reserve University's Energy Management Plan: tracking of steam, electricity, and water use to look for ways to promote savings and have generated these energy conservation projects:.

#1: Lighting projects are the easiest and fastest way to reduce energy costs

- turn off excess lighting
- retrofit with compact fluorescent lighting

#2: High efficiency motors

#3: Capital maintenance plan: energy efficient HVAC; heat recovery systems; air barriers; individual heating/cooling systems; reduce system use through motion sensors; native species landscaping

#4: Chillers

#5: Energy efficient windows and reflective roofs

#6: Duct cleaning

Environmental Cost Accounting is concerned with 1) internal environmental-related expenditures (those already incurred within a company's accounting system but often lost in

general overhead) and 2) external cost accounting (the internalization of environmental externalities}

Internal environmental cost accounting:

1. What are the internal environmental costs at our company? Typically these include costs of monitoring emissions, licenses and permits, insurance for hazardous chemicals, fines, environmental operations, and environmental components of capital spending
2. What are the environmental savings at our company? Typically these savings come from recycling, waste reduction, energy conservation, and other eco-efficiencies.
3. Does our environmental performance enhance our brand value and reputation, ability to attract and retain the best people, higher productivity from a motivated and inspired workforce, access to new markets and maintenance of existing markets?

External environmental cost accounting;

The rationale is that the long-term future sustainability of each individual company is limited to its ability to continuously improve their performance. The bottom line is that all economic value flows from products and services provided by the environment (natural capital) and people (human capital) and these resources are limited and should be sustained, i.e. protected and increased for future generations of employee-owners.

Two levels of impacts:

Direct or first-level impacts that the company was directly responsible for and had greatest ability to control

Second-level impacts: from consumption of electricity by producers of subcomponents or customers using our products, for example.

Identify the most significant environmental impacts resulting from company activities and operations

Estimate and determine what a sustainable level of emissions and impacts and relevant targets

Valuation of these impacts

Develop a set of environmental accounts incorporating these values and estimation of your company's sustainability costs and environmentally sustainable profits.

Energy: direct energy usage

Indirect energy usage

Renewable energy sources

Energy consumption footprint

Water: usage, wastage

Impacts on ground and surface water resources

Biodiversity: Environmental impacts on terrestrial, freshwater and marine environments

Emissions: Greenhouse gas emissions; Use of ozone-depleting substances

Suppliers: environmental compliance

Compliance: incidence of fines and other breaches of compliance with codes/regulations at all levels

Companies account for the depreciation of manufactured capital to ensure that productive capacity is maintained but no account is made for the degradation of critical natural capital, including oceans, forests, mountains, and plains that provide raw material inputs, resources and flows of energy into our production processes and other ecosystem services including an atmosphere, a stable climate, and a protective ozone layer. For example a forest supplies timber as well as other ecosystem services including water storage, soil stability, habitat for wildlife, and regulation of the atmosphere and climate.

What are the potential external environmental costs at our company? Sustainability cost estimates are valued on the basis of their avoidance costs (what you need to spend in order to avoid the impacts) or their restoration costs (restore the environmental damage caused by unavoidable activities). Costs are based on market-based prices as far as possible. Costs represent the cost of achieving a given improvement in environmental quality based on current, available technology.

Can identify where a company is in terms of its environmental impacts, determine appropriate sustainability targets to aim for, help identify cost-effective ways to close the sustainability gap and provide an indicator of a company's progress towards environmental sustainability.

B. Ways to measure Supply Chain Relationships

Quality of products

Quality of customer service

Product safety record

Responsible management of defective or harmful products

Avoidance of inherently harmful products

Pricing policies and practices

Honest, accurate and responsible advertising and product labeling

Are price points transparent?

Purchasing from local suppliers to boost local economy

Purchasing from minority suppliers, socially conscious suppliers and suppliers that train and employ low-income people

No sweatshops

Good wages and benefits of suppliers

Ways to Report the Profit Bottom Line

A. Ways to measure Profitability and Prosperity

Measures of financial returns: pre-tax profits, return on assets, stock price, return on equity, sales growth, earnings-to-assets ratio

Measures of profitability (sustained earnings growth over a 5-year period): average earnings per share, average return on assets

Tangible returns: increased sales, reduced energy costs, higher stock price, increased employee retention, fewer product defects

Intangible returns: higher customer loyalty, improved employee morale, increased goodwill

Employee-owner wealth creation:

1. Home ownership
2. Employee-owner 401(k) contributions
3. Net worth

B. Ways to measure Economic Impacts in Community and Society

GRI proposes “integrated reporting”:

- 1) systematic indicators link their economic, social and environmental contribution to the regional level example: company wages vs. prevailing regional scales
- 2) cross-cutting indicators: bridge across categories (example: facility emissions and local health conditions)

size: households, percentage of local workforce; retail; wholesale trade

inputs: water, electric, gas, government services, fire, police,

outputs: charity, state and local taxes, number of employees, salaries and wages, training and development

Primary stakeholders: owners, employees, customers, suppliers

Secondary stakeholders: communities, government

What is the impact of a company’s operations on the community seen from an economic point of view?

Impact of company employment: percentage of company employment to total working population in the community

Investing in new plants and equipment

Income employees earn and use: total gross wages and salaries paid to households as percentage of total income in the community.

The company taxes paid as percentage of total tax revenues/budget of the local government

Contribution of income tax from employees to the local government and percentage of the total tax revenues of the local government

Investments made by the company in employee education and training/building a skills base make an economic contribution beyond the company by building productive capacity in society.

Picture of the economic footprint of the company. Framework for analyzing the company’s impact on the creation of economic wealth and on the economic stakeholders that benefit from

its activities. Focus on how the economic status of the stakeholder changes as a result of the organization's activities.

Attempt to understand, manage, and communicate economic impacts of corporate activities to explore positive environmental and social outcomes. Reporting on economic indicators gives a picture of the status of operations and knowledge on whether the company conducts business in ways that supports its vision.

The GRI focus is on how the economic status of the stakeholder changes as a result of company activities. Direct impacts are employing people's skills in creating goods and services and investing in new plants and equipment, i.e. the direct impacts on economic stakeholders who have a direct financial interest in the company profit from company activities, such as suppliers, employees, managers, shareholders, and the public sector. Indirect impacts refer to the multiplier effect of company operations through society, i.e. how income earned through the business is used to create new income.

The GRI framework helps companies measure and report the economic performance in terms of financial wealth created, defined by where income is earned; examine the direct and indirect impacts of company wealth on selected stakeholders; and address the economic impacts of the consumption of the company's products and services from a general economic perspective.

Direct impact:

What are the benefits to customers of your company's products and services?

How company's cash received is distributed across different stakeholders in terms of percentage to employees, suppliers, to capital improvements and expansions, to local government and to donations?

What is the impact of a company's operations on the community seen from an economic point of view?

Impact of company employment: percentage of company employment to total working population in the community

Investing in new plants and equipment

Income employees earn and use: total gross wages and salaries paid to households as percentage of total income in the community.

The company taxes paid as percentage of total tax revenues/budget of the local government

Contribution of income tax from employees to the local government and percentage of the total tax revenues of the local government

Investments made by the company in employee education and training/building a skills base make an economic contribution beyond the company by building productive capacity in society.

materials, supplies and services which the company purchases locally enhance the local supply chain

Number of homes owned by employees in the community

Contribution of company's goods and service to a higher quality of life.

Employee income spent locally, multiplier within local economy as consumers.

Retiree income paid in taxes and spent locally.

Indirect economic impacts refer to the multiplier effect of company operations on the local community and society and consequences of these benefits to customers on their quality of life and that of their family.

- One example is the employment multiplier which is the total number of jobs resulting from one export job; often about 2:1 or 3:1.
- Another example is the income multiplier that measures the change in local income that results from a change in local production stimulated by outside, independent demand. For the U.S. economy, about two-thirds of additional production income becomes disposable income for households; about one-fourth goes to taxes; and companies retain about one-twelfth as earnings. The income multiplier for the U.S. is 2.5 where consumers spend their money for U.S. goods and services.

The CERES and the GRI Social Indicators establish benchmarks goals and guidance in these areas:

Labor practices and decent work (employee relations, health and safety, training, diversity)

Human rights (nondiscrimination, unions, child and force labor, disciplinary and security practices, indigenous peoples)

Society (community, bribery, political contributions, pricing)

Product responsibility (customer safety, advertising, privacy)

Ways to Report the Fourth Bottom Line: Governance

Policies, Organization and Management Systems: The GRI recommends providing an overview of your governance structure and management systems which are in place to implement its vision. Suggested elements include:

- mission and values statements, codes of ethics, code of business conduct, and policy statements
- charters, codes or voluntary initiatives to which your company subscribes
- structures and responsibilities of board of directors, management team, key staff, committees, and councils for oversight or implementation of policies

Examples: Your company's Code of Ethics; Company values; Board committees and their roles such as audit committee, compensation committee, nominating/governance committee, ESOP advisory groups and People resources

IX. Resources and Further Reading

The Antioch Company: www.antioch.com. 2005 Triple Bottom Line Report

Cal/PERS: Since 2000, uses a 7-factor scoring system to identify emerging market countries in which to invest.

CECP: The Committee to Encourage Corporate Philanthropy, a national forum of business CEOs and Chairpersons focused on corporate philanthropy. www.corphilanthropy.org

Ceres: www.ceres.org A coalition of non-profits, investors and companies who work to improve the social, economic, and environmental performance of all organizations. Provides a set of goals for corporate environmental excellence which are used as a basis for annual audits and public disclosures

The Conference Board, Inc. publications: see www.conference-board.org or call 212-759-0900

Conversion Facilities Tax Exemption, at www.odod.state.oh.us/cdd/oeec/c_i_cfe.htm for qualified facilities for energy conversion and efficiency improvements.

Domini 400 Social Index: includes 400 companies screened for social responsibility criteria. The DSI website provides summary profiles on the DSI companies; tracks 400 “clean” companies.

Dow Jones Sustainability Index, a prominent global index based on annual sustainability assessment process among the 2500 largest companies in the Dow Jones Global Index

Entrepreneurs for Sustainability: A diverse network of leaders who are building a sustainable economy in Northeast Ohio and share a belief that sustainability principles are drivers for new business opportunities and tools to improve our quality of life. See listings of their workshops for business leaders and certification programs for purchasing managers. www.e4s.org
Contacts: Holly Harlan, Stephanie Strong

Envinta for large businesses, see One-2-Five, an energy management tool at www.odod.state.oh.us/cdd/oeec/EnVinta.htm

The FTSE4Good Index: identifies companies that meet globally recognized CR standards

Fuel Cell Initiative: www.odod.ohio.gov/tech/program.htm#ThirdFrontierFuelCellProgram brings partners together to promote fuel cell innovations

Great Workplaces: Sharing Our Successes: A website for Ohio’s Employee-Owned Network members and others which highlights what employee-owned businesses in Ohio are doing and other resources for learning. See www.kent.edu/oeoc

GreenBiz.com: a business toolbox offering a wealth of hands-on help for companies

GRI: Global Reporting Initiative: indicators of sustainability and social impact; the standard which is widely accepted as a baseline for corporate citizenship reporting
www.globalreporting.org

INC's Entrepreneur of the Year Awards, category for social responsibility

ISO 14001: a technical certification process for continuous improvement in corporate environmental management

The Karlsberger Companies: www.karlsberger.com

KLD (Kinder, Lydenberg, Domini) and Co. publishes profiles and reviews of companies' SR policies

Ohio Clean Energy Business Association promotes solar, wind, biomass, fuel cells, low-impact hydro and hydrogen derived from water or biomass. See greenenergyohio.org

Ohio Employee Ownership Center. *Taking Ownership of Safety: Case studies of the safety management process at five Ohio employee-owned companies.* Ohio Employee Ownership Center, Kent State University, 1999.

Ohio's Energy Loan Fund for project financing to reduce energy costs, manage energy use; or install renewable energy technologies, see at <http://www.odod.state.oh.us/cdd/oe/> or call 1-866-SAV-NRGY. Provides loans at below-market rates for businesses through participating banks

Ohio Materials Exchange matches companies seeking to dispose of unwanted usable materials with companies that need them. See www.aor-omex.org

Ohio's Office of Energy Efficiency, 1-866-728-6749 or www.odod.state.oh.us/cdd/oe/

Ohio Small Business Energy Saver for small businesses with \$150,000 or less in annual energy bills, see www.business.ohio.gov for a tool to compare your energy use to similar businesses and for help reduce energy waste and hold costs down.

The Ohio Wind Power Map shows potential wind energy sites and estimates wind turbine performance, see www.windexplorer.com

Ohio Wind Working Group promotes the manufacture of wind turbines and components; see www.ohiowind.org

SA-8000: standards for workplace norms developed by Social Accountability

Savitz, Andrew. *The Triple Bottom Line: how today's best-run companies are achieving economic, social, and environmental success - and how you can too.* Jossey-Bass, John Wiley & Sons, Inc., 2006.

SustainAbility, www.sustainability.com offers an evaluation of core citizenship business objectives and strategies which generate long-term sustainable value. See www.sustainability.com/business-case/keyconclusions.asp

YSI Incorporated: www.YSI.com Sustainability Reports