



<u>Sustainability</u> is top of mind for business leaders today. Consumers, investors and lawmakers alike now expect companies to prioritize sustainability efforts, from implementing energy efficient upgrades to supplementing fossil fuels with sustainable energy sources.

Creating a sustainability plan can help your company understand what environmental goals to pursue and document exactly how you will progress toward those goals. Below, we will explore the benefits of having a sustainability plan and walk through the steps to create one.

# What is a sustainability plan?

A **sustainability plan** documents a company's sustainability goals and specific plan of action to achieve those goals.

With an established plan in place, your company can more accurately measure its progress and change in environmental impact. Your plan can also help you meet environmental, social and governance (ESG) goals—demonstrating your commitment to being a good corporate steward.

In addition, as the current administration pursues more regulations around clean energy and a sustainable economy, establishing a sustainability plan can enable your company to more easily comply with current and future regulations.

## Benefits of a sustainability plan



**Reduce energy usage:** With a comprehensive sustainability plan, your company has the potential to increase efficiency and reduce your carbon footprint. Between replacing fossil fuels with renewable energy sources and implementing energy efficient updates to your infrastructure, your company can make measurable reductions to your energy usage.



Improve public health: Your sustainability goals can directly and positively impact the environment by improving air quality and reducing emissions. Implementing efficiency measures, such as improvements to your ventilation or air filtration systems, can help conserve resources and benefit public health and safety.



Attract eco-conscious consumers and investors: Increasingly, consumers and investors want to support businesses that are committed to corporate sustainability. By developing an actionable plan, you can make your business more attractive to the public and positively impact your bottom line.

## 4 steps to document your sustainability plan



### Understand what drives change

Before you can identify the right goals for your business, you must understand the different <u>types of sustainability efforts</u> and how each drives change. For example, to effectively reduce greenhouse gas emissions, companies must first be aware of the three classifications, or scopes, of emissions:

- ➤ **Scope 1 emissions** are direct emissions from sources such as on-site generation and natural gas use.
- ➤ **Scope 2 emissions** are indirect emissions associated with the generation of electricity consumed by a customer.
- ► **Scope 3 emissions** include indirect sources such as company travel or supply chain management.

With an understanding of these scopes, companies can better target their sustainability efforts, typically striving to achieve low carbon first, then moving to carbon neutral and finally, over the long term, reaching net zero.

To begin to lower your carbon footprint, you may look at supplementing fossil fuel usage with alternative energy sources — but not all sustainable energy sources are the same. Emission-free sources, for example, come from sources that do not emit greenhouse gasses, like solar, wind, nuclear, or hydro. Renewable energy, on the other hand, includes those emission-free sources, as well as energy that comes from sources that the earth can naturally replenish, like ethanol, biogas, or biomatter.

Reducing your carbon footprint or eventually reaching net carbon zero will likely require a combination of approaches, including implementing efficiency measures, replacing fossil fuels with renewable or emission-free energy sources, and taking advantage of renewable energy certificates (RECs). Understanding various sustainability efforts and how they can work together will provide you with a solid foundation for building an effective, successful sustainability plan.



#### Assess potential areas of improvement

Determining the most appropriate sustainability goals for your company starts with <u>assessing your current environmental footprint</u> and identifying potential areas for improvement.

To start, compare your business's sustainability performance with current mandates and standards, like the Clean Air Act and Clean Water Act. At a minimum, your company should be in compliance with any existing regulations.

Also take time to assess and research global environmental issues, such as global warming, depletion of natural resources, pollution, and energy and fuel crises. With a greater understanding of these concerns, you can more accurately determine if and how your business contributes to each issue—and how you can improve.

Next, you'll want to consider existing company objectives, like waste reduction or zero emissions. Your goals should be directly correlated with those objectives. Finally, ask for stakeholder input. Investors, business leaders, and even employees may have ideas on what initiatives are most important for the company to pursue.



## Create your plan

Once you have a better understanding of sustainability efforts and have pinpointed appropriate goals for your business, you can move to the next step: <u>creating your plan</u>.

Start by documenting baseline measurements of your emissions and carbon footprint. Consider using <u>analytics tools</u>, <u>like the Pear.ai platform</u>, which can help you monitor and streamline your business's utility data and reporting. The United States Environmental Protection Agency also offers a <u>greenhouse gas equivalencies calculator</u> to help you assess and understand your current emissions.

# Next, you should specify how you plan to meet your goals. This will likely involve a combination of efforts, such as:

- ▶ Updating company policies to align with your goals.
- ► Implementing energy efficiency upgrades that can help you reduce energy usage, like LED lights, HVAC updates or building automation.
- ► Supplementing or replacing fossil fuels with renewable and/or sustainable energy sources, such as solar, wind, hydro or geothermal.
- ▶ Purchasing RECs or carbon offsets to reduce your greenhouse gas impact.

For each of these initiatives, you'll want to document specific goals, outline the timeframe in which you plan to implement changes, and forecast results you expect to see.

As you use your sustainability plan to advance toward your goals, make sure to measure your progress along the way. This is why it's essential to begin your plan with baseline measurements. With a solid understanding of where you started, you can effectively calculate how far you've come.



#### Communicate your progress

Finally, regularly communicate your progress. Whether through press releases, website and social media updates, or a sustainability report, communicate the steps you've taken toward sustainability and the progress you've made toward your goals. This will help educate your audience, investors and other stakeholders so they understand exactly how you are prioritizing sustainability. Just be sure to thoroughly document efficiency improvements, such as upgrades to lighting or HVAC systems, so you can substantiate any public-facing claims.

Creating an effective sustainability plan requires your company to understand the most impactful drivers of change, assess your operations for areas of improvement, document your goals and plan of action, and regularly measure and communicate your progress.

If you need assistance in any phase of your plan, Constellation can help. For example, learn how you can make energy efficient upgrades in your facilities without any upfront capital through Constellation's <a href="Efficiency Made Easy program">Efficiency Made Easy program</a>. Constellation also offers renewable energy solutions such as <a href="Constellation Offsite Renewables">Constellation offsite Renewables</a> (CORe) and the ability to <a href="purchase RECs">purchase RECs</a>. Finally, Constellation makes it easy to track and analyze energy usage. See how the <a href="Pear.ai platform">Pear.ai platform</a> can help you monitor your progress on the way to a more sustainable future.