



GENERAL SECTION

Sustainability: Where We Are, Where We're Going

Some of you who just read that headline are no doubt thinking, "Oh no, not *another* article about sustainability." And some of you are thinking, "What is sustainability?" The rest of you probably fall somewhere in between. Such is the nature of the sustainability issue.

For the uninitiated, sustainability is a relatively new (at least in the United States) concept and one that is surprisingly hard to describe in brief. Essentially, the concept stems from the realization that there is a limit to both the amount of natural resources the planet can provide and the waste and emissions it can absorb. In order to be *sustainable* in the long term, companies that require natural resources and/or create waste will need to make fundamental changes.

Currently, debates relative to the sustainability theory are centered on three broad areas:

1. How a company can move from simple environmental compliance to true sustainability;
2. How to report its sustainability efforts to its many stakeholders (employees, shareholders, general public, etc.); and
3. How stakeholders can verify the information contained in those reports.

IS YOUR COMPANY SUSTAINABLE?

Embracing sustainability goes beyond mere compliance with EPA regulations. The jumping off point for sustainability comes when a company realizes that sustainability can be profitable. Where is your company on this continuum?

Reporting on Sustainability Efforts

As the public becomes more sophisticated on the sustainability issue, they will become more insistent on knowing where companies stand and their goals for the future. Currently, sustainability reports run the gamut from public relations treatises to in-depth dissertations...and everywhere in between. What should your company report, and how? What do the stakeholders want and need to know? Why is this such a big issue? Could this impact your future vendor relations and sales?

Verifying Sustainability Reports

When you read the financial report for a company, you can be sure that the information contained in it was gathered and assembled according to well-established accounting guidelines, and therefore can be secure in the knowledge that the information is relevant and accurate. When you read a sustainability report, however, you have no such guarantee. There are various movements afoot to change that. Where do they stand?

In subsequent issues of the Edge, we will be addressing these and other topics relative to sustainability. Our view is somewhat unique in that John Payne, our Firm's president and founder, has been chosen by the American Institute of Certified Public Accountants (AICPA) to serve as the sole technical engineering advisor on a task force charged with addressing the issue of sustainability report verification. In the meantime, feel free to call us at (513) 489-2255 or toll free at (800) 229-1443 or e-mail John Payne at jlp@paynefirm.com.