



# Measuring, Analyzing & Reporting Sustainability Performance

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*PCC Natural Markets*

Organicology Sustainable Business Intensive 2/10/11



# PCC at a glance ...

## *Fresh – Local – Organic*

- Founded in 1953
- Largest consumer owned and operated natural foods retailer in the U.S.
- Certified Organic retailer
- \$150 million in annual sales
- 9 Greater Seattle locations
- 770 full and part-time employees





## **PCC Natural Markets OPT - Operations Planning Team**

**Marketing and  
Membership**

**Human  
Resources**

**CEO - Chief  
Executive  
Officer**

**Merchandising**

**Store  
Development**

**Information  
Technology**

**CFO - Chief  
Financial  
Officer**

**Public  
Affairs**

**Sustainability**



# Global and Ends Policies

- **Global Ends:** PCC exists to create a cooperative, sustainable environment for our members and patrons in which the natural and organic supply chains thrive.
- **Ends-A:** PCC members and patrons will have access to high quality, healthful food that is fairly priced.
- **Ends-B:** PCC membership is a respected and valued choice.
- **Ends-C:** PCC has a local focus.
- **Ends-D:** PCC members and patrons are well educated in matters of healthful foods, healthy sustainable living, and the cooperative business model.
- **Ends-E:** An inherent part of PCC's business is the balance of economic, social and environmental responsibilities.



# PCC's Sustainability Matrix

- Started in 2004
- Revised every year
- Metrics categorized according to PCC's Triple Bottom Line
  1. **Economic Vitality**: Measurements of economic benefits generated by PCC and distributed to PCC stakeholders (customers, members, employees) and the community.
  2. **Social Responsibility**: Measurements of the impact of PCC programs and practices on the health and well-being of PCC stakeholders and the community.
  3. **Environmental Responsibility**: Measurements of the impact of PCC's business operations and product offering on the environment.



# conomic Responsibility ... Metrics

- **Financial Performance**
  - *Sales, Net earnings, Customer count*
- **Customer Satisfaction**
  - *Sales retention, Product pricing*
- **Member Impact**
  - *Member benefits*
- **Employee Impact**
  - *Financial benefits*
- **Community Impact**
  - *Financial, in-kind support*





# Social Responsibility ... Metrics

- **Product Responsibility**
  - *Fairly-traded products,  
Public policies*
- **Labor Practices**
  - *Health and safety, Opportunity,  
Training and education*
- **Consumer Education**
  - *PCC Cooks, PCC Kid Picks,  
PCC publications and events*





# Environmental Responsibility ... Metrics

- **Energy Use**
  - *Electricity (kWhs, per sq. ft.)*
  - *Natural Gas (Therms, per sq. ft.)*
- **Water Consumption**
  - *Gallons used, gallons harvested*
- **Waste Reduction**
  - *Donated/Recycled Items (lbs.)*
  - *Compostable material (Cubic yds.)*
- **Product Reuse**
  - *Shopping Bags, Packaging (# of items)*
- **Organic Products**
  - *Sales by category*





# PCC and FTSLA Metrics

## **PCC** - *Triple Bottom Line*

## **FTSLA** - *11 Declaration Areas*

*Economic vitality*

*Governance*

*Social responsibility*

*Consumer education  
Labor*

*Environmental  
responsibility*

*Organic  
Distribution and sourcing  
Energy in facilities  
Climate change  
Water  
Waste  
Packaging  
Animal care*



# Sustainability Metrics ... Data Collection

- **Current system**

- *Annual reporting*
- *Data collected in January/February*
- *Data reported as part of Ends Policies Compliance Report each March*
  - *Narrative*
  - *Sustainability Matrix*



# Sustainability Matrix

## ECONOMIC VITALITY

**Indicator criteria:** Measurements of economic benefits generated by PCC and distributed to PCC stakeholders (customers, members, employees, producers, manufacturers, suppliers, or the community).

CATEGORY	ENDS	INDICATOR	METRIC	2010	% chg.	2009	2008	2007	2006
Financial performance	Global	Net Earnings	\$ Net earnings						
			Net earnings-% of sales						
		Sales	Total Sales						
			% Change vs. prior year						
			\$ Av. sales per week						
		Customer Count	# Total						
			% Change vs. prior year						
			# Av. customer count per week						
			\$ Average purchase						



# Sustainability Metrics ... Data Disclosure

- **Internal**

- *PCC Board of Trustees*
- *PCC's management team*

- **External**

- *PCC Green section of Web site*
- *FTSLA annual report*
- *Media inquiries, award applications*





## Sustainability Reporting ... Needs and Challenges

*“ We are confronted with  
insurmountable  
opportunities.”*

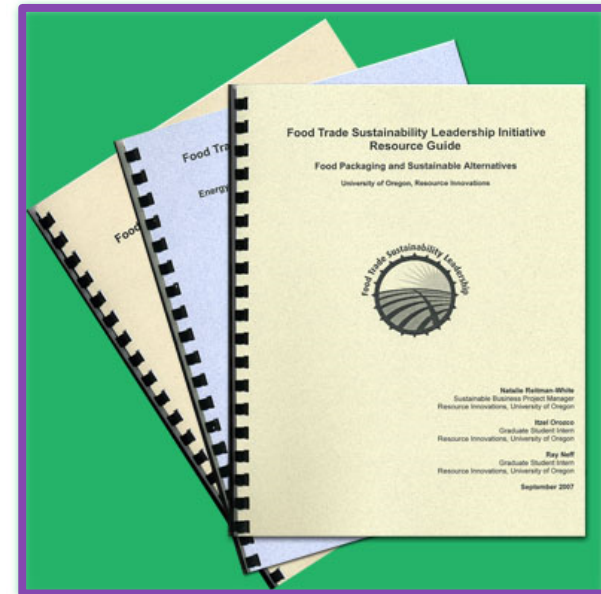
*- Walt Kelly  
“Pogo” comic strip*



# Sustainability Reporting ... Needs and Challenges

## • Needs

- *Periodic reality checks*
  - *What do you really want to measure and monitor and why?*
- *Clear definitions and expectations*
  - *Units of measurement*
  - *Time frame*
  - *Locations*
- *Authority and access to data*
- *Firm schedule and deadlines*
- *Digestible organization and explanation of data*





# Sustainability Reporting ... Needs and Challenges

## • Challenges

- *Other organizational priorities*
- *Misunderstandings about - or lack of - data requested, collected, and reported.*
- *Changes in data collection methodologies from year to year*
- *Data sensitivity*



# Sustainability Reporting ... Benefits/Outcomes

- **Significant savings**
  - *Lower energy costs*
  - *Lower supply costs*
- **Preferred retailer/employer**
  - *Added value for shoppers*
  - *Staff loyalty and pride*
- **Positive press**
  - *Go-to resource for reputable media*
  - *Recognition for leadership and accomplishments.*
- **Securing future business**
  - *Protecting organic food supply*





# TSLA Member Reporting ... Benefits/Outcomes/

- **Internal: Raising the bar for PCC**

- *Expand/refine/restatement PCC metrics to align with FTSLA metrics.*
- *Learn new ways to inspire, explain and support sustainable practices.*

- **External: Making a contribution**

- *Add to the collective knowledge and experience of other organizations in the natural foods industry.*





# Awards and Recognition

**2011 Green Grocer** – *Progressive Grocer* magazine

**2010 Favorite Green Collar Company** – *NW Jobs.com*,  
*People's Picks Awards*

**2010 Best Green Business Award** – *The Redmond Reporter*

**2009 Green Washington Award** — **Retail category** –  
*Seattle Business* magazine

**2008 Sustainability Excellence Award** – *Supermarket News*

**First-ever LEED Gold certified grocer store** – 2007

**Best Workplace for Recycling and Waste Reduction** –  
2007 -2010



PCC

SINCE  
1953

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NATURAL MARKETS