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substance **151**

2011

ANNUAL REPORT



In an age when everyone claims to be green or responsible, higher standards of accountability and transparency are the best way to separate the authentic companies from those that just pretend to be.

—JEFFREY HOLLENDER, FOUNDER, SEVENTH GENERATION

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BECOMING A BENEFIT LLC



We need a business model for companies that want to change the way that business thinks and acts in the world.

—JAMIE RASKIN, MD STATE SENATE

On May 19, 2011, Governor Martin O'Malley signed into law a bill that allows Maryland triple-bottom-line limited liability companies to be organized as Benefit LLCs. This law follows on the heels of the Benefit Corporation law that took effect last October, making Maryland the first state in the Union to recognize Benefit Corporation as a new corporate form that legally recognizes business entities with social and environmental missions.

On June 1, 2011, Substance151 became one of the first Benefit LLCs in Maryland and in the U.S. Becoming a Benefit LLC does not change fundamentally how we work or how we operate but it gives us a structured framework to report on our social and environmental impact, which in turn gives us the discipline to continue improving what we have already done to this point.

By being among the very first LLCs in the state, and in the country, to receive this designation, I believe Substance151 is playing a part in creating a movement: creating a stronger voice for businesses seeking to do well and to do good.

Ida Cheinman
Principal, Substance 151 Benefit LLC

100%

of the company is owned by individuals from previously excluded populations (women)

>50%

of our energy comes from renewable sources

1.5 TONS

of waste prevented from going to the landfill through our use of renewable energy for electricity use



Substance151 has made a commitment to uphold environmental stewardship through our business activity, education and community benefit. We continually work to incorporate more sustainable practices and methodologies into our daily operations.

OPERATIONS

Waste Reduction. Recycle all paper products, glass, metals, ink cartridges; reuse or recycle all packing materials; give away no longer used furniture. Use reusable items in the office instead of disposables; use filtered tap water instead of bottled water. Design marketing communication strategies, whether for clients or the firm itself, that rely less on print communications; use electronic communications for project management, scheduling and invoicing to reduce paper waste.

Responsible Energy Use. Use natural lighting and natural cooling whenever is possible; turn off computers and other office equipment whenever not in use; use energy saver settings on all computers and printers. When purchasing new appliances and office equipment preference is given to Energy Star® rated products. When replacing light bulbs and purchasing new light fixtures choose those with compact fluorescent bulbs (CFLs) and Energy Star® recessed lighting that use 70% less electricity. Our website is CO2Stats (www.co2stats.com) certified – this has allowed us to increase our site's operating efficiency by 56%. 50% of our electricity comes from a renewable energy program (wind power) and 50% is offset through renewable energy certificates (RECs).

Purchasing Policy. Preference is given to vendors and suppliers who are local (within 100 miles), whose products are sustainable and who exercise fair employment practices. Only use printers that are Forest Stewardship Council (FSC) certified and are local; specify papers that are FSC certified with the highest available level of recycled/PCW content; a preference given to process chlorine free, Carbon Neutral, Green Seal and Green-e certifications and paper mills that use renewable energy.

340 HOURS

donated to board/committee volunteering and pro-bono work

4 ORGANIZATIONS

with environmental and social missions are supported through board involvement, volunteering and pro-bono work

\$180

matched to support our colleagues and our team participating in charitable walks and runs



COMMUNITY

We contribute time and expertise by serving on boards and committees of organizations that improve our lives and benefit our communities. In 2011, Substance151 has supported the following organizations through professional services, volunteering and sponsorships: Chesapeake Sustainable Business Alliance (CSBA), Koolhof Earth, U.S. Green Building Council Maryland, and National Association of Women Business Owners (NAWBO) Baltimore Regional Chapter.

We engage in pro-bono work for nonprofits who would otherwise not have access to quality marketing and branding services. We also offer a discounted fee to sustainable and nonprofit organizations.

EDUCATION

We view each project through a "green lens" and engage in a dialogue about sustainable alternatives with each and every client. Present strategic alternatives and demonstrate economic benefits of more sustainable solutions.

We seek to understand the environmental impact of our firm, our clients and of each project we undertake.

We share sustainability best practices related to both operations as well as design.

We work to advance the understanding of environmental and social issues among the general public and other designers through speaking, writing and panel discussions.

IMPACT REPORT



SUBSTANCE151

Composite B Score: 84.9
B Consumer Report / Last update 05/29/11

	Points Earned	% Value
Accountability ★★★★★	7.0	70%
Governance	4.0	33%
Transparency	3.0	75%
Employees	15.0	33%
Compensation & Benefits	12.2	31%
Employee Ownership	n/a	n/a
Work Environment	2.8	55%
Customers ★★★	10.5	30%
Beneficial Products and Services	10.5	30%
Community	37.4	58%
Suppliers	7.5	75%
Local	14.6	73%
Diversity	6.0	33%
Charity/Service	9.3	55%
Environment ★★★★★	15.0	75%
Facilities	8.5	71%
Energy Usage	6.5	81%
Supply Chain	n/a	n/a
Manufacturing	n/a	n/a

ENVIRONMENTAL CALCULATOR — PRINTING

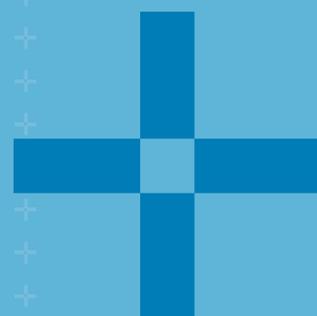


The savings below are achieved by increasing recycled fiber content in place of virgin fiber and carbon neutral paper production (projects 2 and 3 only). In addition we only use local, FSC certified printers.

PROJECT 1 PROJECT 2 PROJECT 3

One (1) tree was preserved for the future	—	Two (2) trees were preserved for the future
Two (2) lbs waterborne waste not created	One (1) lb waterborne waste not created	Seven (7) lbs waterborne waste not created
240 gallons wastewater flow saved	137 gallons wastewater flow saved	1,020 gallons wastewater flow saved
27 lbs of solid waste not generated	15 lbs of solid waste not generated	113 lbs of solid waste not generated
55 lbs net greenhouse gases prevented	30 lbs net greenhouse gases prevented	222 lbs net greenhouse gases prevented
399,840 BTUs energy not consumed	228,480 BTUs energy not consumed	1,700,000 BTUs energy not consumed
	73 lbs ghg emissions not generated	162 lbs ghg emissions not generated
	605 cubic feet natural gas unused equivalent of not driving 72 mi in an avg. car or planting 5 trees	1,351 cubic feet natural gas unused equivalent of not driving 161 mi in an avg. car or planting 11 trees

LOOKING FORWARD TO 2012



OPERATIONS

Continue to decrease energy consumption and associated green house gas emissions:

- Move to purchasing 100% renewable energy.
- Continue replacing incandescent lamps with fluorescent (including task lighting) in non-dimmer controlled areas.
- Use low mercury and energy efficient lamps, energy efficient and Energy Star rated equipment and appliances for all new purchases.
- Calculate and purchase carbon offsets for business travel and daily commute – where it cannot be further reduced.

COMMUNITY AND EDUCATION

At least 1% of our billable time should be devoted to pro-bono services where branding/marketing/design can make a difference. This includes providing leadership, knowledge, time and technical expertise to nonprofit organizations and initiatives that benefit the environment and underserved communities.

More fully engage all team members in their contribution to the overall company sustainability goals.

Provide opportunities for professional and personal growth, as well as encourage knowledge sharing through speaking engagements, education panels and mentoring.



substance**151**

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