

Toward A Shared & Durable Prosperity

2019 Integrated Annual Report



ecotone
software consulting



Certified



Corporation

Toward A Shared & Durable Prosperity

2019 Integrated Annual Report



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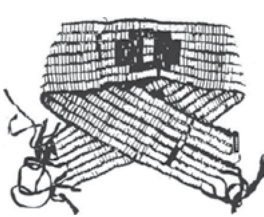
Source Data: bit.ly/2019-Source-Data

Tableau Visualizations: bit.ly/2019Visualizations

Land Acknowledgement

The sacred land on which we operate (downtown Toronto) has been the site of human activity for 15,000 years. This land is the territory of the Anishinabek, Haudenosaunee, Wendat (Wyandot), and most recently the Mississaugas of the New Credit. The territory was the subject of the Dish With One Spoon Wampum Belt Covenant, an agreement between the Iroquois Confederacy and the Ojibwe and allied nations to peaceably share and care for the resources around the Great Lakes. Ontario is covered by 46 treaties and other agreements.

Today, the meeting place of Tkaronto is the home to indigenous people from across Turtle Island. We are all treaty peoples and our intersecting communities are comprised of those native to this land, Indigenous people from other territories, as well as settlers who have come here by choice, force, or otherwise a result of colonialism and imperialism. We are grateful for the opportunity to work on this land and with its original caretakers. We believe First Nations people have been practicing sustainability for thousands of years and we have much to learn from them.



Dish With One Spoon Wampum Belt.
Royal Ontario Museum.

Photo Credit: <http://www.indiantime.net/story/2010/08/05/culture/the-dish-with-one-spoon/7510.html>

Source: Wikipedia, https://en.wikipedia.org/wiki/Dish_With_One_Spoon

We include this land acknowledgement in the spirit of reconciliation and allyship with the First Nations people of Canada who stewarded this land for thousands of years and continue to do so, and who must be part of our shared future.



Executive Summary

Year In Review

As I write this, the world is in the grips of the Covid-19 pandemic with some countries already emerging relatively unscathed, while others are being ravaged by it. While much of the content of this report predates the novel coronavirus, it does seem like the world has completely changed in a very short time.

Welcome to the 2019 Integrated Report for Ecotone Software. As we continue to use the <Integrated Reporting> framework, we are excited to share how Ecotone generated value through the six capitals: financial, manufactured, intellectual, human, social, and environmental in 2019.

We continue to integrate the Sustainable Development Goals into our reporting. We are very enthusiastic to join the growing trend among businesses measuring their impact against the SDGs.

Ecotone was very pleased with the work we did with our clients to help bring a sustainability lens to their technology projects.

Once again, our approach to business demonstrates a clear connection between strategy and value creation that is good for people, planet and profit.

Operational Summary

As a Certified B Corporation, Ecotone uses business as a force for good. We strive to create value for all our stakeholders and are part of a global community that is building a shared and durable prosperity.

In 2019, Ecotone maintained two client projects resulting in an increased billable revenue over 2018, resulting in an 65% increase in net income. From a natural capital perspective, Ecotone did not meet the 5% reduction targets for CO2 emissions, but by purchasing green

power from Bullfrog Power we have more than offset our carbon footprint! We increased our pro bono and volunteer time directed toward environmental initiatives which will add to the positive impact on the environment.

We leveraged our new CRM system to help better manage our business development activities and improve the visibility of our sales pipeline. We also benefited from our implementation of Wave Accounting—resulting in great time-savings that translated into operational efficiencies.

With the help of our marketing partners [Hobé Hosokawa Marketing](#), we undertook a refresh of our marketing assets including company brochure and a revamp of the Ecotone website.

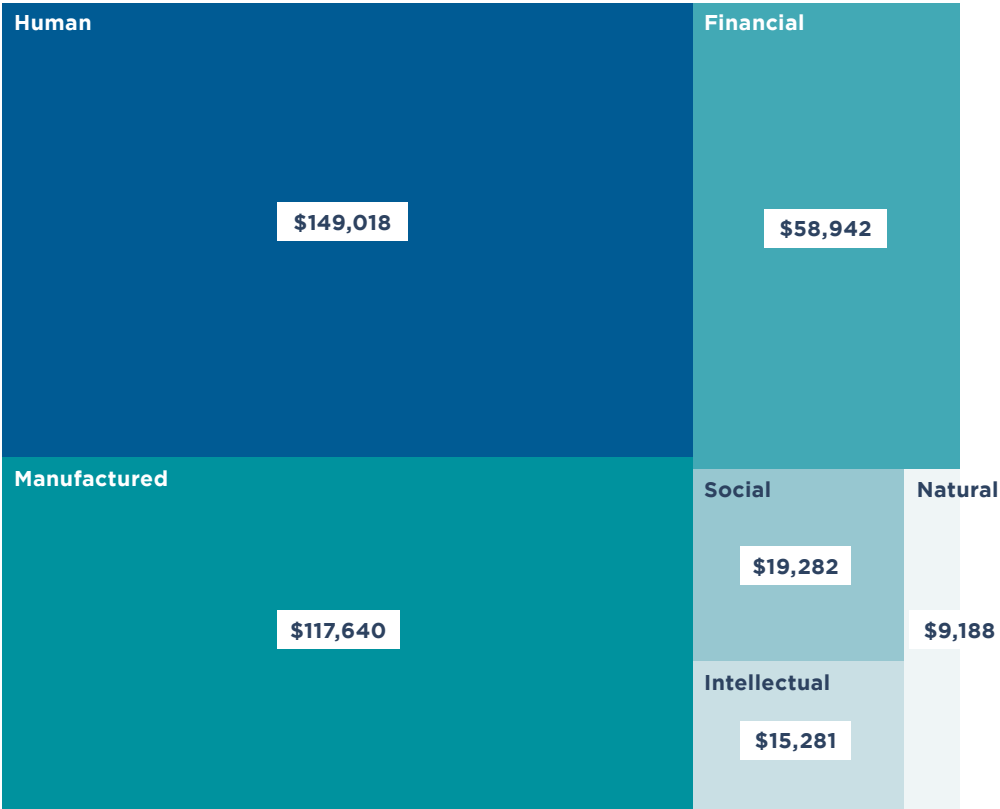
Project Profiles

A brief snapshot of a couple of our client projects in 2019

- For a large Ontario-based construction firm, Ecotone helped improve processes and functioning of the Human Resources and Payroll modules. The system was used to manage the construction of a high profile transit project in a large suburb of Toronto.
- For a social enterprise, Ecotone helped implement a Customer Relationship Management (CRM) system. Though a relatively small organization (approximately \$10 million in revenue), they have the complexities that accompany multiple lines of business. The CRM system was designed to meet the needs of a diverse user community.

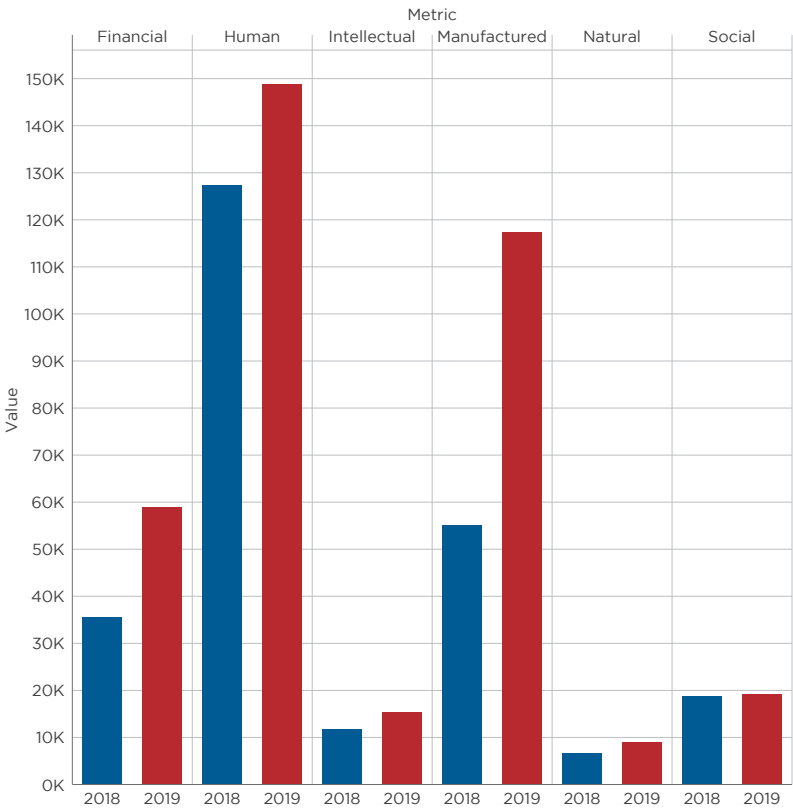
Performance At a Glance

Change in the Six Capitals



This tree diagram shows the relative change in size of the six capitals in 2019. Each box represents the increase in that capital from the prior year.
Source: Ecotone business systems

Six Capitals—Yearly Comparison



Comparison in the change in the six capital versus prior year.
Source: Ecotone business systems

A note on monetary values

All monetary information provided within this report is in Canadian Dollars (\$).

Acknowledgement

We owe a huge debt of gratitude to our clients who continue to place their faith in us, our Board of Directors for their continuous support and guidance, and our stakeholders who keep us true to our mission.

Toward A Shared & Durable Prosperity

The theme of this year's report is, Toward A Shared & Durable Prosperity. By this, we mean that there is value in both the work we do as a company, and the personal relationships we build, in order to enable our communities to flourish and protect the world that we call home. It's not just about ethical business practices, but also about living life in line with a certain code of conduct, for the betterment of society—the balance between people, profit, and planet.

To this end, we wanted to take this opportunity to look closer at the “people” part of the equation, and share the stories of five individuals that we have come to know through collaboration within the social good space either professionally or personally. Each has a unique story to tell, and we believe has enriched our lives and work, as a result of having come to know them.



Building A Better Future From the Rubble Of Personal Tragedy

Interview with Sandra Lester, Sustainable Design Consultant

Sandra Leigh Lester is Founder & CEO of affectingchange, helping nonprofits, NGO's and corporations discover ways to use design to create more energy-efficient healthy and resilient buildings.

Sandra is a sustainable design guru who has created many game-changing projects that have set precedents and have won, in total, over seventy-five awards. In her spare time she advocates for climate change solutions, and was a volunteer Community Engagement Leader for Project Neutral.

When did you realize your passion for climate change?

I came to realize that the severe weather events predicted by climate change scientists really trigger me on a post-traumatic stress level. When I was eleven years old, a quarter of my city got wiped out by a tornado. It was Woodstock, Ontario, 1979. Within minutes I went from baking cookies at my friend's house, without a care in the world, to helping my parents do whatever they could in a decimated war zone.

I didn't realize until later on that buildings were designed in response to climate.

This became more apparent to me when I went to Australia as an exchange student. Before I had travelled only to similar climates as my own. Australia had a very different climate but similar colonial culture. So they had took the same architectural inspiration and putting this in a different climate.

I came back to Canada, and decided to study architecture. From there I went full out on the extreme of designing in response to climate. In 1994, my thesis as an architectural student was designing a manned mission to Mars.

Since then, my life has taken me in a variety of directions. In my twenties, I headed back to Australia, where I took on the position of Art Director for an ad agency. I also went into interiors and graphics, corporate interiors and project management. I moved back in 1999, and that's when I really got into creating green interiors.

Fast forward to 2010, when I started up my own sustainable design consulting practice. I am now working on projects across Canada, the States, and overseas.



How were you first introduced to Andrew Simpson and his company Ecotone?

Andrew's daughter and my son were in the same grade at a local school together. I met Andrew when the kids were quite young and I knew him from the neighbourhood. I also kept bumping into him at green events. We ended up chatting about green things happening in the city.

Andrew was looking for people with various backgrounds to sit on his company's board, and he explained that my area of speciality would be a good fit. And so I joined.

What drew you to Ecotone and it's area of speciality?

What I found in my years of sustainable design and buildings is that we have all the technologies we need in order to create net zero buildings right now. What's stopping us are the decision-making and financial systems that are in place. I found that the data Andrew would be gathering for his company clients allows them to make better



decisions. Making those decisions from a place of power for the long term, instead of the typical corporate short term decision-making.

I see Andrew's work as being the role of empowerment for corporate leaders. Andrew enables these leaders to take the data he provides to create more sustainable buildings, taking into account carbon footprint, and corporate social responsibility. Companies are then willing to invest in buildings that are beyond current code requirements, which is really what's needed if we are going to keep the climate to less than six to eight degrees of warming.

On a personal level, I know Andrew is very passionate and dedicated about what he does both professionally and as a volunteer for several organizations. He is also incredibly supportive of both individuals and colleagues. For instance, on the side, I run a non profit called Cleantech Innovation Centre and Andrew lends his time as a Board member.

I would say, I can always count on Andrew to come through on whatever he sets his mind to—he's a wonderful ally and a good friend.



More about **affectingchange**

Established in 2010, we help nonprofits, NGO's and corporations discover ways to use design to create more energy-efficient healthy and resilient buildings. We work alongside architects and their design team acting as an impartial advisor.

We are experts in passive design that will reduce your heating and cooling loads and save your capital costs. Our initiatives for corporate clients have a payback of nine years or less.

Indoor environmental quality and design for wellbeing are our other area of expertise. Use our strategies to create workspaces that will attract talent and make them more productive.

We have been enabling companies like yours to create award-winning facilities. Hire us and discover the *affectingchange* difference. We have a network of experts that can help you and we look forward to working with you.

For more info go to:
<https://affectingchange.com/>

Let's All Do Our Part To Protect Toronto's Ravines

Interview with **Catherine Berka, Toronto Ravines Advocate**

Cathy Berka is a true advocate for Toronto's ravines. She has worked with the University of Toronto, multiple residents associations, and advocated for funding from Toronto's City Council.

When did you first become interested in the Toronto Ravines?

I became interested in the Ravines six years ago. It all started with two students from the University of Toronto coming to my door and asking for access to the ravine where we live. They were doing a study at the time, and happy to have me tag along to see what they were doing. I was totally enthralled with the study and decided to get involved. I guess that was the beginning of it all.

When the study was completed, I was quite alarmed to find that we had lost roughly 40% of our native tree species in the ravines. Norway Maple, which is a very aggressive, invasive non-native had taken over, growing from 10% to 40% since 1977. This further fuelled my passion to make a difference.

I started working with the U of T group, [Toronto Ravine Revitalization Science](#),



helping to fundraise for research, which allowed more interns to work the following summer. We also expanded the study from one person to five students. And every year we've had at least that many students working in the field doing various studies on the state of our ravines.

I was then put in contact with some of our residents associations, who were also interested in ravine work. I am in South Rosedale, and they were from Deer Park and Moore Park. From this, we created a mid-town ravines group.



Currently we have eight residents associations in that group. From this, in partnership with U of T, we have also formed Seeds To Saplings (S2S), which is all about growing native trees at our schools. We are now up to nine schools where students are getting involved in their eco-clubs and part of their science curriculums. And we hope to expand that programme all over the City of Toronto.

What's exciting is that kids have a lot of energy and taste for climate change and mitigating global warming. So we aim to have this programme in every school, where they can be actively growing native trees.

How did you first meet Andrew?

The first time I met Andrew was at the Faculty of Forestry at U of T. Andrew was there doing a native tree growing session. Then a year later, we met again at the Toronto Botanical Garden Symposium. My organization had done a presentation on having a conservancy in Toronto to manage the ravines, much like they do in New York City.

Andrew shot me an email after and said he'd like to get involved. So, as luck would have it, we needed some work done around finding out what other conservancies exist in Canada, and Andrew took up the mantle. From there he was on the bandwagon!

Moving forward, Andrew was an avid player in carving out what our messaging

should be. We were presenting to the City of Toronto Executive Committee at the time, and Andrew was pivotal in terms of the level of detail we should be offering them. And after our presentations at City Hall, they passed seventeen motions regarding ravine restoration and management.

This built momentum in our cause, with people willing to get involved in stewardship in both the private and public sector. So instead of waiting for the city to move on the multiple motions, we decided to get the ball rolling ourselves. This involved first writing a manual in order to accelerate, facilitate, and get even more people involved. As well as having more autonomous stewardship.

I am so pleased to say that we now have twenty four stewards and seven students working on this project during the summer months.

Further to this, Andrew then suggested we have a web-based portal. He saw this before anyone else did. The portal could be used, for instance, in recruiting stewards and documenting other associated details. Andrew is currently researching other communities that may be willing to share their technology. We are very excited to see this rolled out.

What is your hope for the future?

I think the major issue that we have is awareness and education about the ravines. What we're trying to educate

people about is that the ecological health of the ravines is at a serious tipping point, and that invasive species have aggressively come to dominate. Because ravines represent a huge proportion of the biodiversity in our city, as well as our tree canopy and our land, it's very important real estate to look after.

People believe that our ravines are going to be there forever, which is just not the case. We need to allocate more money and energy behind protecting that space.

It comes down to people getting involved, removing invasives and growing native trees. Everyone can grow a native tree, even if you don't have a backyard; you can grow it in a milk bin on your balcony. It's that simple. Let's all do our part to protect Toronto's ravines.

More about Toronto Ravine Revitalization Science

"We are Forestry at Daniels, at the University of Toronto, located at the St. George campus in the heart of Downtown Toronto. We love ravines because they are the biodiversity hotspots in urban areas. We launched Toronto Ravine Revitalization Science to assess and restore the biodiversity and ecological integrity in the Toronto ravines."

Guiding Organizational Changemakers Through Digital Transformation

Interview with Chris Henry, Cyber Security Consultant & Wellness Coach



Chris Henry began his journey over 25 years ago, working in global organizations recognized for caring cultures, including Four Seasons Hotels and Resorts and Grant Thornton. As an Executive Advisor and Life/Rhythmic Diet Wellness Coach he works with Management Teams, Boards, entrepreneurs, organizations and individuals to reach their Rhythmic Potential within themselves, with their partners and with their customers.

Chris also brings this expertise, approach, and an extensive knowledge in cyber security to guide organizations to create secure online community platforms that support the activities and impact of their membership.



Toward A
Shared &
Durable
Prosperity

How did you come to work with Andrew Simpson and the Centre for Social Innovation (CSI)?

Andrew and I mainly worked closely together on the Customer Relationship Management System (CRM) in use by CSI and Social Innovation Canada. Andrew created and implemented the specifications of what was needed in order to see the first phase customisations for the Partnerships team come to fruition. This phase included customizing the CRM with the fundraising workflow, milestones, reporting and data structures needed by the Partnerships team.

What was truly exciting for us was working with them to see how the CRM could support and truly benefit their efforts in raising funds for the various people and planet programs and initiatives they deliver. As a reporting system, the CRM would help build the foundation needed to track the pursuit of gifts from private, public and corporate sources.

A lot of the work Andrew focused on was configuring Salesforce in terms of reporting and workflows so the “in process” status of new, annual and won applications could be easily determined. A component to this was developing the Stewardship Workflow that tracks ongoing activities in order to remain current and connected to CSI givers.

What was it like working with Andrew as a fellow consultant?

Both Andrew and I were consultants working with CSI, and so there was commonality, with a shared understanding and approach. We both recognized the need to keep the project moving toward its end goal of launching the new CRM, while providing guidance for CSI through each of the different stages.

I would say that, in this respect, Andrew was always willing to go the extra mile for the client, which really impressed me. He never shied away from seeking out all the answers to questions being asked, even if he didn't know the answer initially. He was a pleasure to work with.

What is next for you?

Right now I am focusing my time in the area of wellness for organizations and individuals. With organizations this takes into account revenue, operations, cyber security, and digital wellness.

It's about what I call, the *new conscious economy*, helping organizations be more responsible and mindful in their actions. Thinking about resilience, people, and nature; as well as taking into account sustainability.

I now do a lot of work through [craftsight wellness community](#), which is an initiative I created to shine a spotlight

on what I term, Creators of Wellness. In essence, craftsight.com is a social enterprise platform to help establish the new #ConsciousEconomy where we work together #curatingwellness and #enablingchoice for one another by finding, sharing and rating #wellness foods, products, services, creators and experiences.

I have also been expanding my Rhythmic Diet Wellness Coaching. This focuses on guiding others in preparing for, and bouncing back from, life traumas by igniting their Rythmic Potential using Tibetan, Chinese, Energy and Sound Medicine principles. . I currently run these and other wellness events through the craftsight connected circle live shows <https://craftsight.eventbrite.com>.

Although times are tough for many small businesses and consulting agencies right now, I feel hopeful that we can support each other through this time in an inclusive, caring, and meaningful way.



Creating Systems & Processes that Inspire Innovation

Interview with Halyna Zalucky, Founding Member of The Roots Collaborative

Halyna Zalucky is a passionate advocate for the balance between environment, social, economic, and personal well-being. Halyna met Andrew Simpson through her work with The Roots Collaborative, as they helped shape the genesis of the organization to what it is today, and provide leadership and guidance for communities and businesses to incorporate new and innovative business models.

Why is sustainability so important to you?

I believe that sustainability is a way of being and living more mindfully. I feel that I have been on a journey through my life in order to figure out what that looks like.

But I would say the inspiration came from my studies in Migration Theory in Belgium, where the three pillars of environment, society, economy became more apparent to me. My interests then shifted to enforced displacement, and research into environmental degradation due to climate change. It was when I returned home that I found the Centre for Social Innovation (CSI), and began my journey with the Roots Collaborative.

What is The Roots Collaborative?

Essentially it is a not for profit cooperative where a group of sustainability professionals come together to work on projects that promote well-being—in the environmental sphere, social sphere, and economic well-being. We also have a fourth pillar, which is our own personal well-being. This includes our mental, emotional, and physical health. It was very organic how the organization unfolded, and felt like the next logical step in the evolution of how we understand sustainability.

How has Andrew, and his knowledge of business, impacted the organization?

Andrew has been with the organization since the very beginning. He really helped design, develop, and co-create our organization in a very unique way. I truly value his input and approach. He is a very reflective person. He will sit back in a meeting, take in what's going on, and then has a tempered and insightful response to what's being debated or proposed, which elevates the discussion.

As CEO of Ecotone, Andrew gravitated towards more the business development piece, as head of our business development working group. He took the lead in designing our strategy and process around working as a team and making sure we provide a quality service, whether we are serving the community



or a business. He has always been a proponent of tapping into our shared wisdom, in order to create systems & processes that inspire innovation.

As a B Corp, Andrew also possesses a specific knowledge set, how companies can move from being more profit oriented to more open and aware of how they impact the environment and society, and striving toward improving that impact.

Through Ecotone, he is expanding his work around sustainability reporting, which as an organization, we very much value, because it's such a huge piece of

the puzzle to give companies the tools to reflect on their own internal policies and practices and be able to report on those.

He also brings a broader understanding of new and innovative business models, which I think there is currently a huge trend towards. So, not the status quo of hierarchical organizations but much more collaborative and inclusive.

What projects has your organization initiated?

We've run several seminars on the theme of the business case for sustainability,

showing how this line of thinking is a wise business decision.

We've also worked on community projects, such as the Home Energy Savings Initiative, around building infrastructure, energy efficiency and conservation. That project focused on homes, educating homeowners and renters on how they can reduce their energy through simple means.

Currently, we are focusing on the notion of resilience, and fusing this with sustainability. This is becoming increasingly relevant. This encompasses resilient finance, infrastructure, human resources, business models, and supply chains.

I know that Andrew's business, Ecotone, is all about moving forward in a way that is inclusive and caring towards society and towards the environment, so that it is a shared space. Andrew has always recognized that what we do now, in that shared space, has an impact on our future.

We always need to recognize that our actions have an impact, so that we can sustain ourselves as organizations, as people, and as a society.



More About The Roots Collaborative

Our group consists of a diverse membership of social entrepreneurs who are working collaboratively to share their expertise in the areas of governance, social and environmental impact, and personal wellbeing. We engage with communities, companies and not for profit organizations. Our mission is to tap into our collective wisdom to create systems and processes that inspire innovation.

Our Three Cs

CONNECTION

We take a holistic approach to our work. To us, sustainability involves not only economic, social and environmental stability, but is dependent on our personal wellbeing. All are connected.

COLLABORATION

We collaborate with our clients and partners to tackle complex problems and find lasting solutions.

CO-OPERATION

We are a Co-operative and thus both practice and preach the value of democracy. We work to co-create solutions with our clients and ensure all voices within an organization are heard and valued.

For more info:
<https://therootscollaborative.com/>



Volunteers Are The Heartbeat Of Evergreen

Interview with Christine Martin, Former Director of Volunteers at Evergreen

Christine Martin has known Andrew Simpson for over fifteen years through their connection to Evergreen Brick Works. They share a mutual passion for sustainability and the power of mobilizing passionate individuals to affect positive change.

What has been your own journey with sustainability?

I've always been passionate about nature and cities. I first ran the Toronto Botanical Gardens' volunteer program, and then subsequently Evergreen. I was actually a volunteer myself until about twelve years ago, when I assumed the role of director for that department.

What drew you to volunteerism specifically?

It's funny because my background in university was biochemistry, but I really love working with people and I'm kind of an organizational geek. I also enjoy big picture thinking, as well as fine detail strategy. I had also been doing volunteer management in the refugee sector, so my skill set was perfect for Evergreen at the time. I believe that volunteers play a

crucial role in supporting organizations' work — they are really the heartbeat, and that's truly what I love about it.

Name a couple of Evergreen initiatives that you would highlight?

In the past four years one project at Evergreen that was extremely pivotal was helping get the Don River Valley Park project off the ground. That was a brand new initiative.

It was really exciting, allowing volunteers to contribute to the whole program design. We wanted to draw on their expertise to bring this project to life. We had a core group of twenty to thirty people working on this at any given time, and then every four to six months, we would refresh the team. They would help us bring kids and families into the valley to lead walks, to have festivals and celebrations, and develop educational programs.

The second goes back to when I first met Andrew, when we were figuring out how to mobilize members to try and get a farmer's market and children's programs happening. We did a lot of testing and

modelling, and this subsequently grew into what became one of the biggest markets in the city.

When did you first meet Andrew?

I first met Andrew when we were both volunteers fifteen years ago, in the Brick Works design stage. We were helping research some of the social enterprise pieces, looking at for instance in a retail setting, what kinds of things would help drive sustainability. Andrew was leading some of that community outreach.

I remember Andrew was also one of the core members who worked on Saturdays

at the market, early, early in the morning. And he's continued to help with that for years. It's amazing.

How did Andrew contribute to Evergreen?

What stands out for me is Andrew's sense of dedication. He is really committed. He also helps mentor other people, because he has so much experience and knowledge. He's that person you can depend on.



In recent years, he has been a great resource and asset to draw upon in terms of his knowledge in the sustainability sector, drawing upon that knowledge for special projects and thinking about the site itself, low waste programs, or future cities work.

What is your next chapter?

I've been pursuing a Masters of Design at OCAD, the Strategic Foresight &

Innovation Program, for the past two and half years. It became obvious to me that I needed to move on in order to focus on finishing that. My hope of course is that this will allow the opportunities to look at new things.

Eventually, I would enjoy working for a small social good organization or consultancy, where I can contribute strategic thinking, possibly with a focus on city building and civic engagement.



About Evergreen: Evergreen is helping make cities flourish.

Cities that are low carbon, inclusive to all and sustainable at their core. Cities to live, move, work, play, learn and thrive in.

Since 1991, we've been facilitating change. Working with other city builders to convene, collaborate and catalyze ideas into action. Our teams connect with many stakeholders to lead with a mindset focused on solutions. We collaborate to develop innovative ideas and catalyze change by testing solutions, developing prototypes and scaling projects.

Through our award-winning suite of programs, we have actively engaged Canadians in creating and sustaining healthy urban environments in our schools, our public spaces, in housing and transit systems, and communities themselves.

Flourishing cities start here—at a site, in a neighbourhood, on the ground—where spaces become great places, and have a real and lasting impact, creating a better world for all.

Volunteering at Evergreen

Evergreen's volunteers are vital to make our cities flourish. They are city builders who support a host of projects and programs at Evergreen Brick Works (Toronto) and across the country (primarily Metro Vancouver).

Through volunteering, you can take action and make your city better:

- Learn, grow and share your expertise and skills
- Get active, connect with nature and improve your health
- Build connections and be part of an amazing team
- Have fun while giving back
- Our volunteers will receive training and learning opportunities, regular communications, ongoing support and appreciation. Volunteers have opportunities to provide input and to grow, with opportunities for leadership roles.

Website: <https://www.evergreen.ca/>



A man with glasses and a goatee, wearing a green t-shirt, stands in a pond with his hands on his hips. The background is a lush green landscape with trees and a clear sky. The water in the pond reflects the surrounding greenery.

Integrated Report Alignment With Best Practices Through Reporting

- A. Purpose and Stakeholders
- B. Governance
- C. Business model
- D. Risks & Opportunities
- E. Strategy & Resources
- F. Performance
- G. Outlook
- H. Basis of presentation

A Purpose and Stakeholders

Ecotone Software Consulting is a boutique software and sustainability consulting company. Our extensive enterprise software experience enables clients to effectively inventory and automate data in their corporate systems. We empower our customers to create action-based reporting that is fundamentally tied to their corporate strategy.

We create value by bringing the integrated reporting lens to Enterprise Resource Planning and Customer Relationship Management projects. Our expertise in sustainability strategy, business model design and sustainability reporting further enhances these projects to highlight purpose-based goals for our clients.

Our Mission

Enable clients to achieve their sustainability goals by leveraging people, process and technology. We strive toward a net zero environmental footprint from our operations and work to make a positive contribution to our communities in which we live and work.

Our Vision

A world where everyone can achieve their human potential while supporting a flourishing planet.

Our Values

- **Collaboration:** We believe that a collaborative approach between business, civil society and governments is required to address the societal challenge of climate change.
- **Innovation:** By embracing technological innovation, we can create value in each of the six capitals.
- **Diversity and inclusion:** We must include everyone on the journey regardless of their gender identity, sexual orientation, race, class, religion, physical or mental ability.

Target Markets

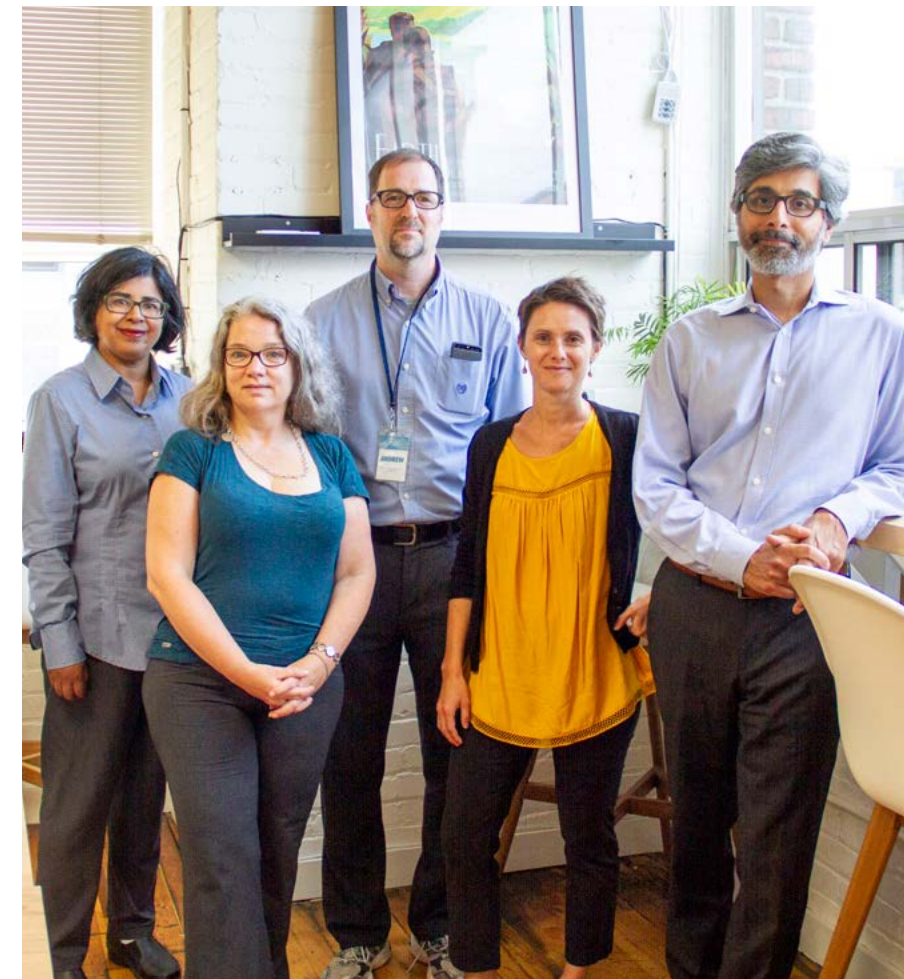
As a purpose-driven company, we aspire to provide our services to like-minded organizations. As such, our target

markets are B Corps and values-aligned organizations that use business as a force for good. This includes innovative clean technology and real estate companies that are championing green building techniques.

Competitive Environment

Ecotone operates in a highly competitive environment, where large, well established consulting firms provide wide-ranging services and small firms offer niche skill sets. As such, our unique value proposition—combining technology with our sustainability perspective of enterprise software—enables Ecotone to stand out in a crowded market.

Our stakeholders include the owners of the business and our consultants who serve our customers to deliver our value proposition. Our suppliers, and the broader set of communities in which we operate and the environment are key stakeholders as we pursue our vision of a flourishing planet.



B Governance

Ecotone prides itself on having a gender-balanced Board, where each board member represents a stakeholder group. The Board continues to drive value in the short term through business development and marketing. In the medium term, the Board is responsible for ensuring that Ecotone continues to innovate while remaining true to the company's vision and mission.

The Ecotone Board of Directors is a mission-aligned brain trust at the heart of our governance strategy.

Remuneration policy: The owners strongly believe that compensation should be tied to financial success. As such, Ecotone continues to prioritize maintaining a positive financial position, ensuring that the company remains profitable and continues to have no debt.



Andrew Simpson

Founder and Principal Consultant,
Ecotone Software
Stakeholder group: Owners



Piali Roy

Owner, Ecotone Software and
Freelance Writer
Stakeholder group: Owners



Adam Silver

Managing Director, Farber Group
Stakeholder group: Customers



Kumail Karimjee

Principal, Karimjee Law
Stakeholder group: Customers



Sandra Lester

Green Building Consultant,
Affecting Change Inc.
*Stakeholder group: Sustainability
Professionals and academia*



Halyna Zalucky

Founder and Chief Collaboration Officer
(CCO), The Roots Collaborative
*Stakeholder group: Environmental NGOs
and community groups*

C Business Model

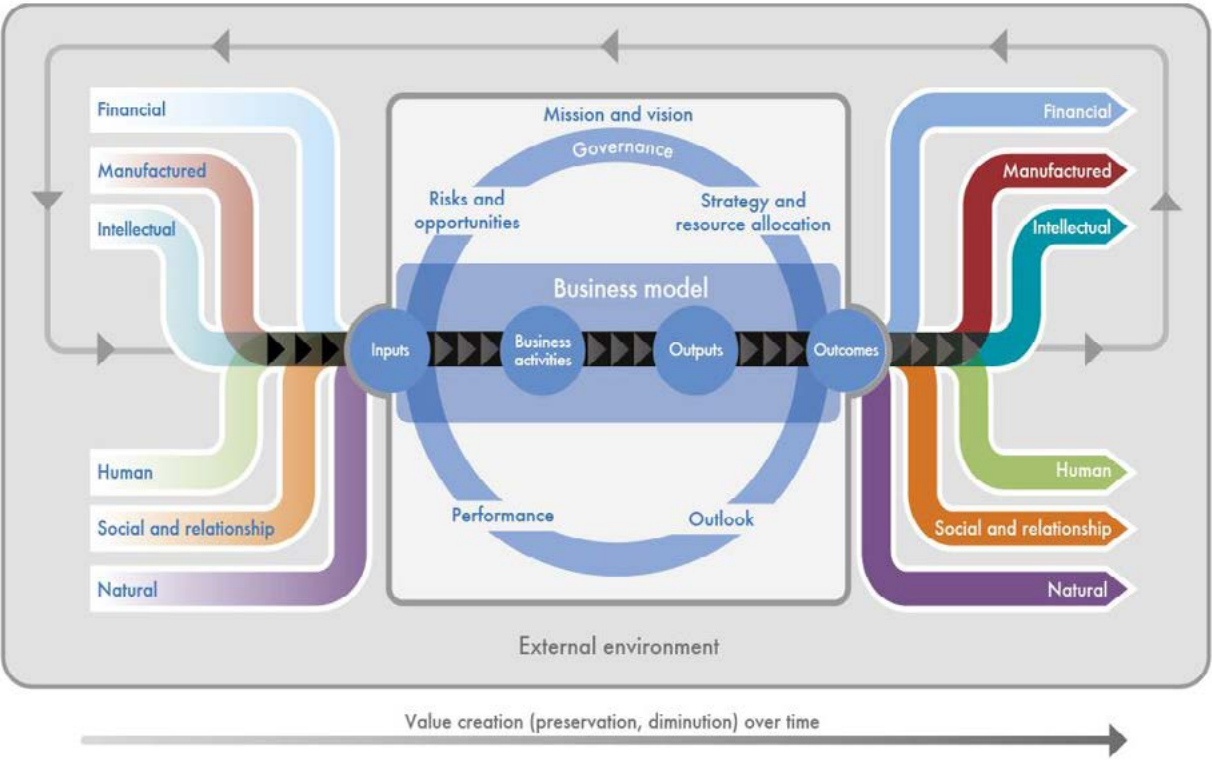
A business model tells the story of how a company creates value across the six capitals. Each capital provides an input, which is enhanced through a business’s activities, to generate outputs and outcomes. Outputs are goods

and services and outcomes are the transformation of the six capitals. The graphic below is a process flow chart that depicts how these transformations work inside an organization.

The six capitals—financial, manufactured, intellectual, human, natural, and social—provide resources that are transformed as we serve our customers. Outputs are the results of this transformative process which generates revenue, values-aligned reports, software tools and enhanced business models.

In addition, Ecotone’s business activity also produces several important outcomes. These are listed in the chart

below and each is associated with a specific capital impact. Ecotone has identified both the internal and external impacts that result from business activity as well as the corresponding positive and negative effects. We aim to be transparent with regard to the externalities of the business in an effort to limit and ultimately put an end to the negative effects traditional capitalism has had on society and the environment.



Graphic: Six capitals diagram (IIRC, “Consultation Draft of the International <IR> Framework,” April 2013.)

Outcomes	Positive	Negative
Internal	<ul style="list-style-type: none"> • Revenue & cash flow (financial) • Sustainability solutions (intellectual) • Owner fulfillment (social/human) • Contractors compensated (social/human) 	<ul style="list-style-type: none"> • Carbon emissions (natural) • E-waste (natural/social) • Paper waste
External	<ul style="list-style-type: none"> • Satisfied clients (social/ intellectual) • Tax responsibilities fulfilled (social) • Donations (social/natural) • Volunteer engagements (social/natural) • Pro-bono work (social/ intellectual) 	<ul style="list-style-type: none"> • Carbon emissions (natural) • Client negative externalities (natural and social)

D Risks and Opportunities

Risks

An environmental scan has determined that technology and changing regulations are the biggest risks facing Ecotone at this time.

Technology: Artificial Intelligence and Machine Learning is an example of how organizations are leveraging technology to drive efficiencies across their entire operations. When combined with emerging technologies like blockchain, sustainability consulting will need to pivot quite dramatically over the next few years to remain relevant. Ecotone recognizes this as a major risk to the human and intellectual capital of the organization. To address this risk, Ecotone prioritizes building strong relationships with clients while investing in the intellectual capital

of our consultants to maintain a working knowledge of the latest trends through skill development. Being active members of thought leadership groups like The Strongly Sustainable Business Model Group is part of our strategy to keep up to date with best practices.

Shifting Regulations: There is a general trend to increased climate risk reporting as evidenced by the emergence of The Task Force on Climate-Related Financial Disclosures (TCFD). However, there is still a plethora of reporting standards that is confusing to business; our role is to help clients focus on what will meet their strategic objectives. Ecotone continues to leverage its role in robust communities like the Center for Social Innovation where sustainability reporting and information needs continue to thrive.

Opportunities

Every risk is also an opportunity to innovate, problem solve and create new market offerings.

Technology: As a software-based company, Ecotone is well placed to take advantage of the opportunities that technological advances provide. By continuously scanning the emerging trends, Ecotone is working to remain aligned with promising tools and technologies that will serve to enhance our services and embed sustainability as the core value proposition.

Clean technology: As this sector continues to grow, Ecotone has identified several opportunities to provide companies with Customer Relationship Management tools. The tools will enable

clean tech firms to execute their sales and growth strategies while enhancing their overall environmental impact.

Voluntary reporting: As companies adopt voluntary reporting, Ecotone stands ready to provide sustainability reporting expertise to clients that are unfamiliar with the nuances of value-based reporting. Given the plethora of reporting standards, Ecotone's unique perspective will enable our clients to choose a standard that suits their business and reporting needs.

UN Sustainable Development Goals

(UN SDGs): As more industries align themselves with the UN SDGs, Ecotone will use the shared language of the goals to enhance value-based reporting and business model innovation.

E Strategy and Resources

Short, Medium and Long term Outlook

Ecotone provides consulting services that enable clients to turn enterprise data into sustainability solutions: including data mapping, dashboard development, KPI development, business model creation, and software implementation.

Our short term strategy is to partner with companies that have already developed these tools. This strategy reduces our risk by leveraging existing technology and allows us to focus on providing distinct sustainability solutions to our clients.

Our medium to long term strategy is to develop our own software tools that automate our service offerings. Building our own tools has the advantage of allowing us to leverage our intellectual and social capital while building a new revenue stream with high gross margins.

Ecotone will scale our solutions to a larger audience with the aim of enhancing value-based reporting for a variety of industries.

Marketing Strategy

B Corp community: Ecotone will continue to engage with the B Corp community to spread the word about the services we provide.

Integrated Reporting: As we evolve, we will also continue to issue Integrated Reports to share our achievements and outlook with our stakeholders.

Website: The Ecotone website will share dynamic content, and host webinars to engage the market on the benefits of action-based reporting.

Social media: By staying active on Twitter and LinkedIn, Ecotone will promote our services and unique perspective.

Innovation Strategy

Ecotone will continue to build intellectual capital in sustainability. Our innovations will always be rooted in best practises and science. As we grow, we will leverage our financial capital resources to ensure that our consultants continue to grow



their individual intellectual capital, while we invest in impact through our zero carbon portfolio.

Sustainability Strategy

Social and environmental considerations are embedded in all our thinking. We believe that by embedding the triple

bottom line approach in the way we do business, we better serve our target customers and differentiate ourselves from the competition. We are convinced that this system-thinking approach enhances our innovation strategy as it requires a balance between people, planet and profit.

INTEGRATED REPORTING <IR>

We are continuing to report using the International <IR> Framework established by the International Integrated Reporting Council (IIRC).

The International <IR> Framework recognizes that businesses have an impact beyond their four walls. As such, Ecotone will report on each of the following forms of capital, as prescribed by the Integrated Reporting Framework.

- 1. Financial capital:** Funds available for the production of goods & services; obtained through financing.
- 2. Manufactured:** physical objects available for use in the production of goods & services
- 3. Intellectual:** intellectual property, knowledge, systems, procedures and protocols
- 4. Human:** people's competencies and ability to implement a strategy
- 5. Social and relationship:** relationships with stakeholders; shared norms, values; brand reputation

6. Natural: renewable & non-renewable environmental assets that support goods & services to support the past, current and future performance of an organization

The <IR> Framework further recognizes that stocks of the six capitals are not fixed over time. Indeed, there is a constant flow between the capitals as they are increased, decreased or transformed.

At Ecotone, we want to share the experience and insight we gained in creating this report with our customers and integrate best practices into future reports. By repeating this process for the third time, we are reaping the benefits of improved data governance and systems that we have put in place over the last three years. These systems are reflected in the data sources listed beneath each data set.

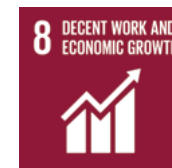
SUSTAINABLE DEVELOPMENT GOALS

We will continue to show how Ecotone's business contributes to the implementation of the UN Sustainable Development Goals.



Goal 5: Gender Equality:

Ecotone has a gender-balanced board. This ensures a diversity of perspectives in the way Ecotone does business.



Goal 8: Decent Work and Economic Growth:

Ecotone contributes to higher levels of prosperity by paying competitive wages to its staff and subcontractors.



Goal 9: Industry, Innovation, and Infrastructure:

Technology-based innovations enable clients to automate their sustainability reporting. Our taxes also contribute to the funding of infrastructure.



Goal 11: Sustainable Cities and Communities:

By providing services to the real estate, construction and cleantech sectors, Ecotone advances the growth of sustainable cities and communities. Our volunteer efforts also align with this goal.



Goal 12: Responsible Consumption and Production:

Ecotone actively seeks to work with local and independent suppliers, especially B Corps, whose values align with ours.



Goal 13: Climate Action:

Ecotone aims to have a net zero environmental footprint. Our water, natural gas and electricity consumption are all measured so we can work actively to lower them. Purchased carbon offsets to mitigate our impact.

This section of the report presents data that underscores Ecotone’s 2019 achievements. This data is organized according to the six capitals. We emphasize the interrelated nature of value creation as the metrics below may be classified under more than one form of capital.

Traditional Reporting

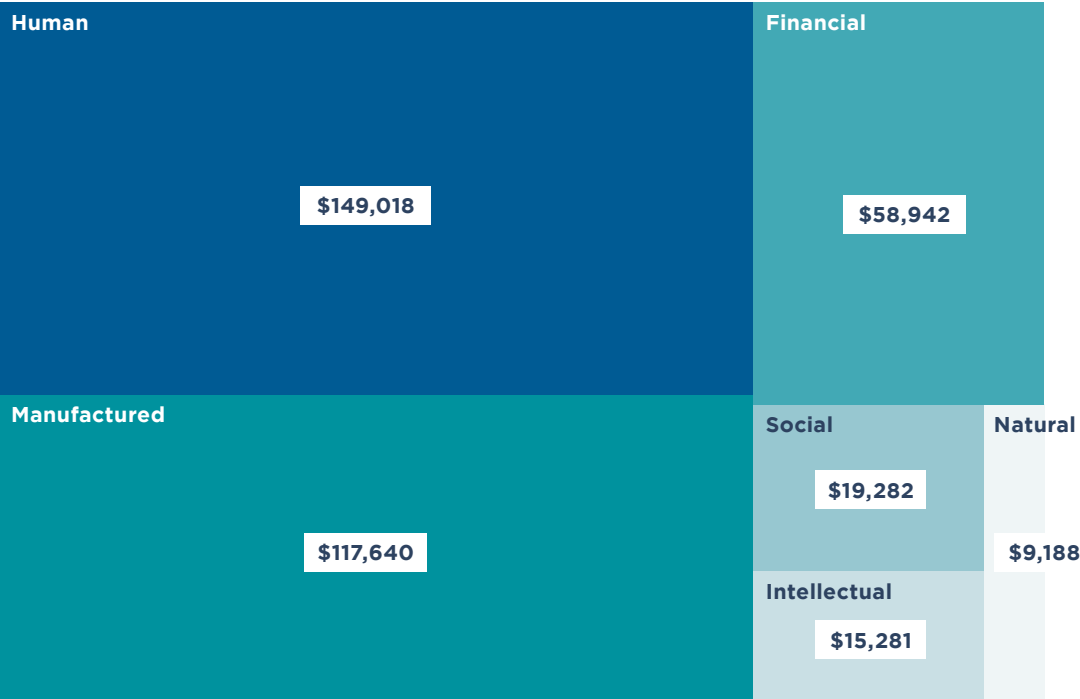
The first three capitals: manufactured, financial, and intellectual have traditionally been reported on a company’s balance sheet in the annual

report. These reports provide a basis for stakeholders to compare and evaluate the relative materiality of the data provided.

Beyond Traditional Reporting

As a sustainability-oriented organization, Ecotone also reports on the human, social and natural forms of capital as per the <IR> Framework. These data points provide context into the inputs, outputs and outcomes that illustrate Ecotone’s way of doing business while ensuring that we stay true to our vision.

Change in the Six Capitals



1
Financial Capital

Definition

The pool of funds that is available to an organization for use in the production of goods or the provision of services.

Financial Capital

(\$)	2019	2018	2017
Revenue (\$)	246,096	196,093	239,069
EBITDA (\$)	67,150	40,988	40,218
Net Income (\$)	58,942	35,660	34,465

SDG Alignment



Ecotone had a strong 2019 as we managed two client engagements—one large one small. Revenue was steady so we increased our net income while restoring salaries to more historic levels. This speaks to the need to have a steady pipeline of contracts going forward in order to avoid large fluctuations in revenue from year to year.

Strategic Connection: Financial capital enables the growth of all the other capitals. As such, Ecotone needs to maintain financial success in order to remain sustainable and provide valuable services to clients, support our communities and protect the environment.

2

Manufactured Capital

As a service company, Ecotone does not own or operate a building or heavy machinery. The only equipment used to provide services are the consultants’ personal computers. In lieu of traditional physical assets, we believe that our corporate taxes and company investments—which support public infrastructure—contribute to a broader manufactured capital input driving our operations.

Measurement: We measure our contribution to manufactured capital as follows: Taxes paid plus any increase in the value of our investment portfolio.

Definition

Manufactured physical objects (as distinct from natural objects) that are available to an organization for use in the production of goods or the provision of services, including buildings, equipment and public infrastructure.

Taxes Paid

Taxes Paid (\$)	2019	2018	2017
Payroll taxes	39,730	32,978	46,316
HST	22,678	17,957	21,898
Corporate Tax	8,208	5,334	5,753
Total Paid	70,616	56,270	73,967

Data source: Ecotone Financial Statements

Investment Portfolio

Portfolio (\$)	2019	2018	2017
CSI Bonds	40,000	30,000	30,000
Marketable Securities	220,919	183,895	185,000
Change from Prior Year	47,024	-1,105	20,000

Data source: Ecotone Financial Statements

By paying our fair share of taxes in Ontario, Canada, where we operate, Ecotone is supporting the foundation of a modern economy. Our taxes enable the government to expand and maintain a variety of public infrastructure including transit and roads and healthcare that our clients and contractors depend on.

Our investment portfolio is specifically designed to enhance the transition to a low-carbon economy. The marketable securities all consist of ETF-based funds that focus on clean energy, environmental services, water and allied industries. While it would make absolute sense to classify these investments under financial capital (as most companies do), we are demonstrating that our conscious investment strategy contributes to the transition to a low carbon economy. Likewise, our Center for Social Innovation (CSI) Community Bonds supported the purchase of two buildings that host an incredible community of social innovators who are putting people and planet first.

Strategic Connection: As a provider of enterprise software and sustainability services, Ecotone differentiates itself from competitors by working with value-aligned organizations. As such, investing in cleantech and low carbon companies through our portfolio is helping to create the kind of companies who will be most interested in our services.

SDG Alignment



Intellectual Capital



Definition

Organizational, knowledge-based intangibles, including intellectual property such as patents, copyrights, rights and licenses, as well as “organizational capital”, such as tacit knowledge, systems, procedures and protocols.

Measurement: Gains in intellectual capital are measured as follows: professional development hours @ \$100/hour plus any conference fees. While we recognize that this measurement vastly undervalues the increase in intellectual capital, we are using tangible metrics to illustrate the appreciation of capital. It must be noted that learnings made during client engagements are not counted here. Though this is something we’d like to measure in the future.

Intellectual Capital

	2019	2018	2017
Intellectual (\$)	15,281	11,700	4,250

Data sources: Time Tracking system, Accounting system

Every year, Ecotone staff participate in professional development and skill-building conferences. Each of these sessions provides a platform for expanding our network while also ensuring that consultants are up to date with the most recent innovations in Enterprise Software and Sustainability. We also measure our work with communities of practice like The Roots Collaborative (see Article) and the Strongly Sustainable Business Model Group.

Professional Development Sessions 2019:

- Ravine Summit (See Article on Toronto Ravines)
- B Corp Leadership Development Summit

Strategic Connection: As a service business, our work is based on the knowledge and domain expertise of our staff and contractors. As such, we strongly believe that continuous investment in skill building and professional development will enable us to better serve our clients and enhance our network.

SDG Alignment



Human Capital

Definition

People’s competencies, capabilities and their motivation to innovate.

Measurement: We have chosen salaries & benefits as a proxy measure of Ecotone’s human capital. This measurement reflects our strong belief that when people are paid a fair wage in exchange for their work, long term value is achieved by the business. This further ensures that the remaining five capitals are also sustained.

Human Capital

	2019	2018	2017
Salaries & Benefits (\$)	149,018	127,648	168,547

Data sources: Time Tracking system, Accounting system

Ecotone consultants are at the heart of everything that we do. Our consultants’ expertise and drive enable Ecotone to continuously provide meaningful services to our clients while building long-lasting relationships with our stakeholders.



Strategic Connection: Without human capital, there would be no Ecotone. We put our faith and trust in our consultants to create value for our clients, and in turn, they reward us by remaining motivated to innovate and promote sustainable business practises.

SDG Alignment



5 Social Capital

Definition

The institutions and relationships within and between communities, groups of stakeholders and other networks and the ability to share information to enhance the individual and collective well-being.

Ecotone is proud to support small businesses and independent contractors in our community. Through these relationships, we have built a supportive and engaged network of collaborators and friends.

Measurement: We undertook a detailed analysis of our expenses to determine where we supported independent suppliers. We have added these expenses to our volunteer hours to determine our total social capital output. This metric is a key aspect of the B Corp movement

to support local and independent businesses—especially women and minority-owned business. We do our best to support other B Corps and our fellow CSI members.

Independent Suppliers

	2019	2018	2017
Independent Suppliers (\$)	15,682	15,005	15,327

Data sources: Analysis from the accounting system and expense reports

Evergreen ([See related Article](#)) continued to be our largest volunteer commitment consisting of the weekend Farmer’s Market and the weekly stewardship group. We also actively participated in projects undertaken by The Roots Collaborative and supported the City of Toronto Community Stewardship Program as well as other informal community groups like Don’t Mess With

the Don. While environmentally focused, both efforts enable our consultants to be part of a community of people who want to recognize and enhance their relationship with the planet.

Volunteer Hours

	2019	2018	2017
Evergreen	101	102	83.5
Queen Street Solar Co-op	10	30	30
City of Toronto Stewardship	16	12.5	
Welcome HomeTO	2	8	15
Riverdale Refugee Lifeline			50
Various	15		
Total hours	144	152.5	178.5
Value (@\$25/hr)	3600	3812.5	4462.5

Strategic Connection: By supporting community organizations that have strong environmental mandates, Ecotone contributes to the development of a low carbon economy. This, in turn, has benefits for our clients and stakeholders. Additionally, by directing our spending to local companies we are building a more resilient economy and aligning with our Canadian B Corp community.

SDG Alignment



6

Natural Capital

Definition

All renewable and non-renewable environmental resources and processes that provide goods or services that support the past, current or future prosperity of an organization. It includes air, water, land, minerals, and forests; as well as biodiversity and ecosystem health.

Ecotone is a mission-aligned organization that works to enhance environmental and social sustainability. As such, measuring our environmental footprint is central to our mission and purpose.

Measurement: We have converted the energy from electricity and gas consumption used in the home office, as well as, at our CSI shared office into

tonnes of CO2e and then into dollars using a rate of \$100/tonne. Furthermore, we have also tracked our consultants' mode of travel and applied established emission factors to convert these emissions into CO2e. We are using CO2e as a proxy for the reduction in natural capital as climate change is caused by increased carbon emissions that result in irreversible damage to the planetary

system that supports life. As a service-oriented organization, Ecotone provides both cash donations to environmental not-for-profit organizations and in-kind / pro-bono services to similar organizations. This year we purchased enough green energy from Bullfrog Power (a fellow B Corp) to completely offset our direct emissions.

Emissions from Travel

Mode	Kilometres Travelled			CO2e			Change in CO2e
	2019	2018	2017	2019	2018	2017	
Car	105	2248	580	0.047	0.836	0.162	-94%
Public Transit	6701	4969	8845	0.050	0.037	0.066	35%
Bike	484	839	170	nil	nil	nil	
Air Travel-Client	0	0	4320	0	0	0.531	
Total				0.098	0.873	0.760	-89%

Data sources: Time Entry, Project Neutral, Emission Factors, Utility bills, Energy Star Portfolio Manager

Emissions from Operations

Home Office											
	Metered			GJ			CO2e			Change in CO2e	Target
	2019	2018	2017	2019	2018	2017	2019	2018	2017		
Electricity (KwH)	362.14	393.59	355.37	1.3	1.42	1.28	0.057	0.061	0.05	-6.25%	5% reduction—exceeded
Gas (M3)	197.3	196.7	169.3	7.52	7.38	6.67	0.33	0.32	0.29	4.34%	5% reduction—missed
Water (M3)	7.54	8.83	9.62								
Total (tonnes CO2e)							0.39	0.38	0.34	2.63%	5% reduction—missed

CSI											
	Metered			GJ			CO2e			Change in CO2e	Target
	2019	2018	2017	2019	2018	2017	2019	2018	2017		
Electricity (KwH)	2667.168	2540.16	2419.2	9.135	8.7	8.29	0.220	0.209	0.200	5.00%	
Gas (M3)	52.542	50.04	47.67	0.055	0.053	0.05	0.110	0.105	0.100	5.00%	
Total (tonnes CO2e)							0.33	0.31	0.30		

Data sources: Utility bills, Energy Star Portfolio Manager, CSI Staff. CSI was not able to provide a full set of 2019 data so we applied a 5% increase from 2018 figures.

As a small enterprise, Ecotone’s carbon footprint is quite small when compared to the other capitals. This is not surprising given that we are a service-based company. Even though our impact may be considered negligible, we conduct comparisons to bigger industry players by using intensity-based metrics such as CO2e/employee or CO2e/unit of revenue. These are useful comparative metrics as there are many small enterprises such as Ecotone on the market. If each small business similarly emitted at a higher intensity when compared to their peers, then there is clearly work to be done in lowering our carbon emissions. However, the fact remains that there is a limit to energy saving within our existing buildings. Therefore, as of December 2017, Ecotone has collaborated with Bullfrog Power to fully offset our emissions. This has an added benefit of supporting more of the kinds of cleantech companies considered to be a target client for Ecotone services.

Carbon—Summary

	2019	2018	2017	Change
Total CO2E—All Sources	0.82	1.57	1.40	-47.82%
Carbon Offsets	-3.20	-3.20		
Net Carbon	-2.38	-1.63	1.40	
Comparisons				
Cost @ \$100/tonne	238.24	163.30	139.88	
Carbon/\$1million of Revenue	3.32	7.99	5.85	

Corporate Donations

	2019	2018	2017
Donations (\$)	6700	5000	5000
In-kind/Pro Bono Consulting (\$)	2250	1656	1000
Total (\$)	8950	6656	6000

Data source: Time Tracking system, Accounting system

Donations and in-kind contributions can also be considered as social capital. However, the majority of Ecotone donations are to the environmental sector. Ecotone is proud to support:



Strategic Connection: As sustainability reporting is a strategic product offering, Ecotone is proud to undertake the process of quantifying our own corporate carbon footprint and broader environmental footprint. The process has enabled us to better understand our clients’ requirements and provide well-informed recommendations. Furthermore, by supporting our community through donations to organizations with strong environmental mandates, we strongly believe we are contributing to the low carbon economy.

SDG Alignment



G Outlook: Action to Impact



We anticipate that 2020 will be a year of radical change as the world copes with the impact of Covid-19 on all aspects of society and business. We expect businesses will hunker down, which may mean a short term drop in focus on sustainability, but with a corresponding urgency around resilience which will require a pivot.

Strategic Partnerships: Ecotone will continue to look for additional strategic partnerships, especially around software solutions that support our sustainability reporting offerings. Ecotone will engage in collaborative relationships with industry consultants that have specific sustainability expertise that can bolster our core offerings.

Marketing: Ecotone will continue to leverage our B Corp status and engage with the community both for

collaborative opportunities and to attract potential clients to our services. We will look to joining other values-aligned networks like the Canadian Council for Aboriginal Business.

We will continue to integrate our sustainability solutions into our website as a marketing tool with a focus on active and dynamic reporting.

Upcoming Challenges: Ecotone expects business development to be highly uncertain, as we pivot our services offerings to the emerging demands and business adjusts to a new way of working post Covid.

Political Landscape: Governments around the world will be shifting their focus to rebuilding economies post Covid; there is already a strong movement

toward a “Just Recovery” with alignment to low carbon infrastructures, active transportation, circular economy, and local food which will align well with our mission and vision. There is a growing recognition that climate justice and the fight against systemic racism are inextricably linked; we will work to engage with these movements.

Overall we look forward to a year of incredible change, as people demand a just recovery and an end to long standing inequities and a deeper recognition of what we most cherish.

H Basis of Preparation

Materiality: Ecotone determined materiality by expressing impacts in dollar equivalents for each of the six capitals—financial, manufactured, intellectual, human, social, and natural. Every effort has been made to include all material impacts from operations.

This report was created using the <Integrated Reporting> guidelines published by the International Integrated Reporting Council.

Financial information was extracted from Ecotone Financial Statements prepared by our accounting firm using Canadian accounting standards. Non-financial data, including the carbon footprint, was derived from utility bills and converted into tonnes of CO₂e using established emission factors from Project Neutral and The United Nations.

Reporting boundaries were determined as those metrics that could be attributed to the business: this includes financial information including salaries and taxes paid. Scope 2 emissions from electricity consumption and scope 3 emissions from employee travel (on behalf of our clients) were also included in the corporate carbon footprint calculations.

A metric we have yet to report on is the impact our work has had on our clients' carbon footprint. This is an area we hope to quantify and report on in the near future.

This report has been reviewed and approved by our Board of Directors.



Financial Statements

December 31, 2019
(Unaudited—See Notice to Reader)



NOTICE TO READER

On the basis of information provided by management, we have compiled the balance sheet of Ecotone Software Consulting Inc. as at December 31, 2019 and the statements of earnings and retained earnings for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Sone Rovet Chasson LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario

April 16, 2020

Balance Sheet

As at December 31, 2019
(Unaudited—See Notice to Reader)

	2019	2018
Assets		
<i>Current</i>		
Cash	69,853	53,616
Marketable securities	164,448	159,994
Accounts receivable	13,979	17,894
	\$ 248,280	\$ 231,504
Investments	40,015	30,015
Property and equipment (note 1)	2,128	630
	\$ 290,423	\$ 262,149
Liabilities		
<i>Current</i>		
Accounts payable	7,532	1,886
Income taxes payable	3,951	1,292
Advances from shareholders	7,449	6,422
	\$ 18,932	\$ 9,600
Shareholders' equity		
Share capital	11	11
Retained earnings	271,480	252,538
	271,491	252,549
	\$ 290,423	\$ 262,149

Statement of Retained Earnings

Year Ended December 31, 2019
(Unaudited—See Notice to Reader)

	2019	2018
Balance at beginning of year	252,538	236,878
Net earnings for year	58,942	35,660
Dividends paid during year	(40,000)	(20,000)
Balance at end of year	\$ 271,480	\$ 252,538

Statement of Earnings

Year Ended December 31, 2019
(Unaudited—See Notice to Reader)

	2019	2018
Revenue		
Management and consulting fees	239,992	189,346
Investment income	6,104	6,747
	\$ 246,096	\$ 196,093
Expenses		
Advertising and promotion	5,860	3,022
Amortization	1,047	771
Automobile	311	1,605
Bank charges and interest	135	137
Donations	6,400	5,000
General and office	1,402	1,940
Insurance	3,524	4,339
Management salaries and benefits	149,018	127,648
Profession fees	5,400	4,725
Rent	2,519	2,911
Telephone	3,330	3,007
	\$ 178,946	\$ 155,105
Earnings before income taxes	67,150	40,988
Income taxes	8,208	5,328
Net earnings for year	\$ 58,942	\$ 35,660

Note to Financial Statements

Year Ended December 31, 2019
(Unaudited—See Notice to Reader)

1. Properly Equipment

	Cost	Accuulated Amortization	Net Book Value	
			2019	2018
Computer	\$ 6,722	\$ (4,594)	\$ 2,128	\$ 630

Contact Information

Andrew Simpson is a veteran software consultant and business analyst, having implemented several leading Enterprise Resource Planning and Customer Relationship Management packages over his 25-year career. Andrew has worked with software solutions from Oracle (J.D.Edwards), Microsoft Dynamics GP & CRM, and Salesforce.

Andrew has extensive experience designing and mapping business processes, writing technical specifications for custom modifications, developing and

executing test plans, report design and data conversion.

Always passionate about environmental issues, Ecotone brings together his twin passions around technology and sustainability. Andrew is an active volunteer in the Toronto community where he lives with his partner and their daughter.

Ecotone always welcomes feedback on our reports. Please feel free to contact us about anything in this report or to collaborate on future endeavours.



Andrew Simpson

Principal Consultant 416-706-6412
andrew@ecotonesoftware.com

Ecotone Software Consulting Inc.

@Centre for Social Innovation, Climate Ventures
192 Spadina Ave Toronto, ON, M5T 2C7
www.ecotonesoftware.com

