Practical Sustainability

Engaging Customers and Employees

Dr. Matthew Gardner
Director
Sustainserv, Inc.
Boston - Zurich

April 26, 2012
Sustainserv – Boston and Zurich

Sustainserv is a management consulting firm specialized in helping leading companies develop their corporate sustainability strategies, programs and communications.

• Practical, solutions oriented, based on global best practices
• Quantitative and qualitative approaches to sustainability management
• Alignment with standards (GRI, CDP, UN Global Compact, ISO26000)
What is "Sustainability"?

- Society
- Environment
- Economy
Stakeholders of Sustainability

Regulation | Business | Market | People
What are customers seeing?
Consumer Interest in Sustainability - 2010

Figure 1
(% consumers within each country/region in NMI-defined consumer segment)

Key

LOHAS
NATURALITES
DRIFTERS
CONVENTIONALS
UNCONCERNEDS

Europe
U.S.
Canada
Japan

www.lohas.com, Consumers & Individual Action in the LOHAS Space: A Global Perspective
Ingredients of a Sustainable Company
Transparency
Measuring your Footprint
Best Western Green Hotels

Best Western properties in compliance with at least one of the national or international eco-labeling programs for the hotel industry will be able to display the eco-friendly icon on bestwestern.com and related web sites.

Look for this eco hotel icon when searching for an environmentally-friendly Best Western hotel.

- More than 80% of Best Western hotels in Sweden display the eco-friendly icon
- 25% of Best Western hotels in Great Britain display the eco-friendly icon

The icon means that the hotel is in compliance with one of the following approved eco-labeling programs:

**US/CANADA PROGRAMS:**
- AH&LA (11 minimum guidelines)>
- Audubon International Green Leaf>
- Energy Star>
- Green Globe>
- Green Key>
- Green Seal>
- LEED (USGBC)>
- Sustainable Travel International>

**INTERNATIONAL PROGRAMS:**
- Australia STAR Ratings>
- Qualmark Green (New Zealand)>
- Eco-label (Austria, France)
- Guia Quatro Rodas (Brazil)
- Green Leaf (China)
- The Green Key (Foundation Environmental Education, worldwide)>
- Green Tourism (Great Britain)
- LifeGate (Italy)
- Universidet del Caribe (Mexico)
- Nordic Eco-label (Norway, Sweden)
- Ecohotel (Portugal)
- Swiss Private Sector Energy Agency
- TR Ministry of Culture and Tourism (Turkey)
Supply Chain Management

Supplier Sustainability Assessment: 15 Questions for Suppliers

1. Have you measured your corporate greenhouse gas emissions?
2. Have you opted to report your greenhouse gas emissions to the Carbon Disclosure Project (CDP)?
3. What is your total annual greenhouse gas emissions reported in the most recent year measured?
4. Have you set publicly available greenhouse gas reduction targets? If yes, what are those targets?

Material Efficiency: Reducing Waste and Enhancing Quality
1. If measured, please report the total amount of solid waste generated from the facilities that produce your product(s) for Walmart for the most recent year measured.
2. Have you set publicly available solid waste reduction targets? If yes, what are those targets?
3. If measured, please report total water use from facilities that produce your product(s) for Walmart for the most recent year measured.
4. Have you set publicly available water use reduction targets? If yes, what are those targets?

Natural Resources: Producing High Quality, Responsibly Sourced Raw Materials
1. Have you established publicly available sustainability purchasing guidelines for your direct suppliers that address issues such as environmental compliance, employment practices and product/ingredient safety?
2. Have you obtained 3rd party certifications for any of the products that you sell to Walmart?

People and Community: Ensuring Responsible and Ethical Production
1. Do you know the location of 100 percent of the facilities that produce your product(s)?
2. Before beginning a business relationship with a manufacturing facility, do you evaluate the quality of, and capacity for, production?
3. Do you have a process for managing social compliance at the manufacturing level?
4. Do you work with your supply base to resolve issues found during social compliance evaluations and also document specific corrections and improvements?
5. Do you invest in community development activities in the markets you source from and/or operate within?
Community Engagement

The Community Engagement Model

- Individuals
- Groups
- Village or City
- School Districts
- State

Awareness, Preparation, Action, Reflection, Sustainability
Life Cycle Approach
Employee Engagement
Engaging Employees
Key Steps to Employee Engagement

- Aspiration
- Education and Communication
- Take Action
- Embed
- Evaluate
Aspiration:

- Regulation
- Business
- Market
- People
Educate and Communicate:

1. What is sustainability for your organization?
2. Why are we doing this?
3. What are the goals and objectives?
4. How can I/you help?
5. What’s in it for me?
Example: Interface

Interface

In This Section

The Interface Story
- Our Progress
- Our Challenges
- Get Engaged

Our Sustainability Journey – Mission Zero

Our journey started in 1994 with one person, our Founder and Chairman Ray Anderson. Ray challenged our then 21 year-old company to adopt a bold vision, one that required new thinking and a new model for business. We didn’t have a map, but Ray’s vision was a compass for our journey. As we progressed on our journey, a passion for sustainability took hold with our people and our company was transformed. We invite you to join us on this journey. Read on as we share our compass and our map.

Visit OUR PROGRESS for a chronicle of our journey past and future.
Example: Cisco

Environmental Sustainability

Connecting with Our Environment

A Climate-Conscious Business Model

Cisco CEO John Chambers talks about how the network can be used to achieve business processes that reduce a company's environmental impact. (Video – 3:01 min)
Take Action:

1. Green Teams
2. Volunteerism
3. Philanthropy
4. Seminars and Roundtables
5. Innovation processes
6. Awards and incentives
Timberland Global Stewards

• Launched in 2005
• Employees act as Ambassadors of CSR in their offices and countries
• Guide and inspire local innovation and impact
• Charged with increasing community-based collaboration in their regions.
• Communicate our CSR agenda and organize large-scale service projects and other CSR activities.
Community Outreach: Biogen Idec
Treasure Hunts at GE:

Over 200 treasure hunts = $150 million in savings opportunities
Embed:

- Sustainability aspects in recruiting and hiring
- Incentives and compensation guidelines
- Strategy and tactics have sustainability elements
- Corporate processes integrate sustainability
Evaluate:

![Environmental Impact Diagram](image)

- **Carbon**
  - Current Baseline: 993.93
  - Baseline: 1876.41

- **Energy**
  - Current Baseline: 12709.49
  - Baseline: 23254.20

- **Air**
  - Current Baseline: 4.95
  - Baseline: 12.18

- **Water**
  - Current Baseline: 0.40
  - Baseline: 0.47
Employee Engagement

Full engagement occurs at the alignment of maximum job satisfaction and maximum job contribution.
Sustainserv Process

**Understand**
- Sustainability Assessments
- Benchmarking
- Interviews/Focus Groups
- Materiality Assessment
- Carbon Footprints/LCA
- Supply Chain Analysis

**Implement**
- Strategy Development
- Key Performance Indicators
- Data Management
- Carbon Management
- Design for Environment
- Sustainable Supply Chain

**Manage and Communicate**
- Internal Communications
- Board/CEO Positions
- Brand Image
- CR Reporting (GRI)
- Environmental Reporting
- Website Concepts