

# DRIVING BEHAVIOR CHANGE

## Engaging Employees in Environmental Sustainability



Molly McElligott  
Program Manager  
Institute for Building Efficiency

### CONTRIBUTING AUTHORS

Melissa Donnelly  
Strategy Analyst  
Institute for Building Efficiency

Jennifer Layke  
Executive Director  
Institute for Building Efficiency

Clay Nesler  
Vice President  
Global Energy and Sustainability



# Acknowledgements

Thank you to the following individuals who contributed their time and energy to this project and who participated in background interviews and offered resources that helped create this report. We would like to give special recognition to the individuals from the American Council for an Energy Efficient Economy (ACEEE), Center for Climate and Energy Solutions (C2ES), Cool Choices, Environmental Defense Fund (EDF) and National Environmental Education Foundation (NEEF) who contributed their expertise and time to review and offer detailed feedback on this report. Also, special thanks to TD Bank and George Washington University for collaborating on the Sustainability Engagement Navigator pilot. Finally, we thank TD Bank, Caesars, SAP and Humana for the interviews, conversations and case studies that helped shape the report.

Amy Morsch, *C2ES*

Brad Peirce, *TD Bank*

Carol Watson, *NEEF*

Chris Riso, *EDF*

Christine Mueller, *SAP*

Derek Supple, *Johnson Controls*

Diana Glassman, *TD Bank*

Diane Wood, *NEEF*

Gwen Migita, *Caesars*

Jacquelynn Henke, *TD Bank*

Jim Sullivan, *SAP*

Jonathan McIntyre, *GSA*

Jonel Seon, *EDF*

John Davies, *GreenBiz*

Kathy Kuntz, *Cool Choices*

Katie Mandes, *C2ES*

Katy Mixter, *Citi*

Kevin Kelly, *GSA*

Krista Badiane, *NEEF*

Krista VanTassel, *Wells Fargo*

Leah Haygood, *NEEF*

Liz Maw, *Net Impact*

Lubna Ahmed, *George Washington University*

Marie Puybaraud, *Johnson Controls*

Mark Ellis, *George Washington University*

Meghan Chapple-Brown, *George Washington University*

Nick Iles, *Johnson Controls (Deutsche Bank)*

Nick Nosko, *Humana*

Noah Goldstein, *Lawrence Livermore*

Oussama Benkabbour, *TD Bank*

Rachel Parikh, *SAP*

Raj Shukla, *Cool Choices*

Ronda Chapman-Duer, *George Washington University*

Rosa Vichcales, *Humana*

Sara Healey, *TD Bank*

Shannon Ross, *George Washington University*

Susan Mazur-Stommen, *ACEEE*

*The views contained in this analysis are those of the authors alone and are not necessarily shared by individuals or organizations listed here.*

# Table of Contents

<i>Executive Summary</i> . . . . .	2
<i>Introduction</i> . . . . .	4
<b>Defining the Process to Engage Employees on Workplace Sustainability</b>	
Engagement Methods and Employee Actions . . . . .	9
Assessing and Prioritizing Engagement Methods and Employee Actions . . . . .	12
Creating an Implementation Roadmap. . . . .	14
Goal Setting, Metrics, and Benchmarking. . . . .	14
Implementation and Tracking . . . . .	17
Continuous Revision of Implementation Plan and Goals. . . . .	18
<b>Prioritizing and Roadmapping: Introducing the Sustainability Engagement Navigator</b>	
Engagement Methods and Employee Actions in the Navigator . . . . .	23
Using the Engagement Navigator: Recommended Process . . . . .	24
Outcomes. . . . .	26
Roadmap . . . . .	27
<b>Conclusion</b> . . . . .	29
<b>Appendix A: Cataloging Employee Engagement Practices</b>	
Engagement Methods. . . . .	33
Employee Activities . . . . .	33
Team Activities . . . . .	35
Communications . . . . .	38
Education. . . . .	39
Training . . . . .	41
Employee Actions. . . . .	41
Paper. . . . .	41
Recycling and Waste Reduction . . . . .	42
Food And Drink . . . . .	43
Energy . . . . .	44
Transportation . . . . .	44
Location. . . . .	46
<b>Appendix B: Organizational Case Studies</b>	
TD Bank Group. . . . .	51
Humana . . . . .	54
SAP . . . . .	57
Caesars . . . . .	61
Citi . . . . .	63

# Executive Summary

Employee participation in environmental sustainability can determine the ambition and achievement of a company's goals. Workplace behavior and practices may determine levels of resource consumption, and the workplace culture may be affected by narrow or broad inclusion of sustainability. Employee engagement also improves company reputation and helps attract and retain productive employees.<sup>1</sup> Understanding how to approach an employee engagement program focused on sustainability can be difficult due to the complexity of human behavior and issues around sustainability. This paper offers a process for building an engagement program, explores current metrics, and highlights best practices in employee sustainability engagement. It also describes the Johnson Controls' Sustainability Engagement Navigator, a tool that gathers employee feedback and prioritizes practices based on employee input on which practices they value and will likely embrace.

Efforts to drive sustainability engagement in the workplace fall into two main categories:

- **Engagement methods:** Communications and other mechanisms that deliver a message, help in information gathering, or educate and energize employees.
- **Employee actions:** Things employees can do to contribute to sustainability and reduce their own environmental impacts.

An effective employee engagement program follows five basic steps:

## 1 Assessing and Prioritizing Engagement Methods and Employee Actions

The diversity of an organizations' composition has a powerful impact on the success of a sustainability initiative. Gathering qualitative data about the organization's culture and leadership, as well as input from employees, will help inform the structure of a successful sustainability engagement program. The Sustainability Engagement

Navigator is a tool created by Johnson Controls to assess and prioritize engagement methods and employee actions, based on employee input. This tool, as well as the engagement methods and employee actions, are described in further detail in the paper along with examples from organizations that have implemented successful programs.

## 2 Creating an Implementation Roadmap

A program roadmap combines employee input and priorities with the input from key organizational stakeholders and segments the implementation plan into short-, medium- and long-term phases. Besides making sure the next steps are well thought out and feasible, this step fosters conversation among the key stakeholders.

## 3 Metrics, Goal Setting and Benchmarking

While it can be difficult to set quantitative metrics to track engagement activities, doing so is crucial. Metrics allow an organization to demonstrate the impact of engagement efforts against a baseline and measure progress toward chosen goals.

## 4 Implementation and Tracking

After the plan development resulting from the previous phases, implementation can begin. Communication must clearly convey the goals of the program, what employees are expected to do, and the impact resulting from their efforts. Communications should target diverse employee groups. Feedback to employees is extremely important; rewards and recognition keep excitement high. Continued tracking demonstrates progress towards the chosen goals, an important component to scale up and sustain stakeholder buy-in and employee participation.

## 5 Ongoing review and analysis of the implementation plan and goals

Once a program is in place, it is important to keep momentum going and people engaged.

Revising or adding new goals, especially those with broader impact, allows more resources to be allocated and the leadership base of the initiative to broaden. Involving a larger group, especially of opinion leaders, helps the initiative to endure and remain fresh.

### Conclusion

As they work to integrate sustainability throughout business practices, companies are engaging employees to participate. Likewise, employees expect their employers to be socially and environmentally responsible. The most effective organizations set goals, strategically assess the organization and employees to roll out the most suitable initiatives, provide platforms for employees to become empowered to participate and share ideas, and track and report progress. Input and leadership are critical to these efforts, as is employee engagement from the bottom up. Tapping ideas, building teams, and recognizing success in sustainability can translate into business benefits in environmental stewardship and in workplace satisfaction. Research and best practices captured in this report can assist organizations in implementing successful employee sustainability engagement programs.

### References

1. "Engaged Workplaces are Engines of Job Creation." Gallup Business Journal, October 8, 2013. [http://businessjournal.gallup.com/content/165233/engaged-workplaces-engines-job-creation.aspx?utm\\_source=WWW&utm\\_medium=csm&utm\\_campaign=syndication](http://businessjournal.gallup.com/content/165233/engaged-workplaces-engines-job-creation.aspx?utm_source=WWW&utm_medium=csm&utm_campaign=syndication)

## WORKPLACE SUSTAINABILITY: EMPLOYEE ENGAGEMENT

### BENEFITS :

Reduce costs, increase productivity, enhance brand reputation, attract & retain employees, and minimize waste

### VALUE :

93% of CEOs see sustainability as important to their company's success



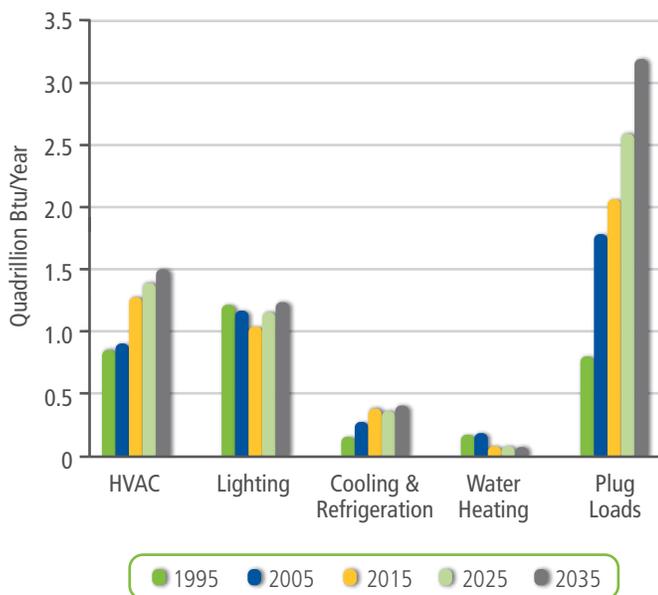
# Introduction

Corporate sustainability goals that focus on reducing business impact on climate change and the environment are common practice today. In fact, according to the Carbon Disclosure Project's 2013 S&P 500 Investor Questionnaire, 80 percent of companies reported that climate change issues are integrated into their overall business strategies – up from 35 percent just three years ago<sup>1</sup> – and 75 percent of the 334 respondents reported they have set environmental emissions targets.<sup>2</sup> Ninety-three percent of CEOs see sustainability as important to their companies' success, and 76 percent believe that embedding sustainability into the core business will drive revenue growth and new opportunities, according to a 2013 survey of more than 1,000 United Nations Global Compact member CEOs.<sup>3</sup> Sustainability practices in a corporate setting are increasingly essential to successful business practice.

## DEFINITIONS

- In the corporate setting, the term **“sustainability”** can be used to encompass environmental, social, and corporate governance issues, including human rights, labor, the environment, and anti-corruption, as outlined in the United Nations Global Compact's Ten Principles. (A New Era of Sustainability, Accenture). For the purposes of this report, we will use “sustainability” to refer to management and reduction of waste, water, energy, and GHG emissions.
- **Employee engagement programs** are initiatives that build employees' attachment to their workplaces and promote enthusiastic employee involvement in helping to achieve organizational goals. (Employee Engagement Survey, Brighter Planet, 2010)

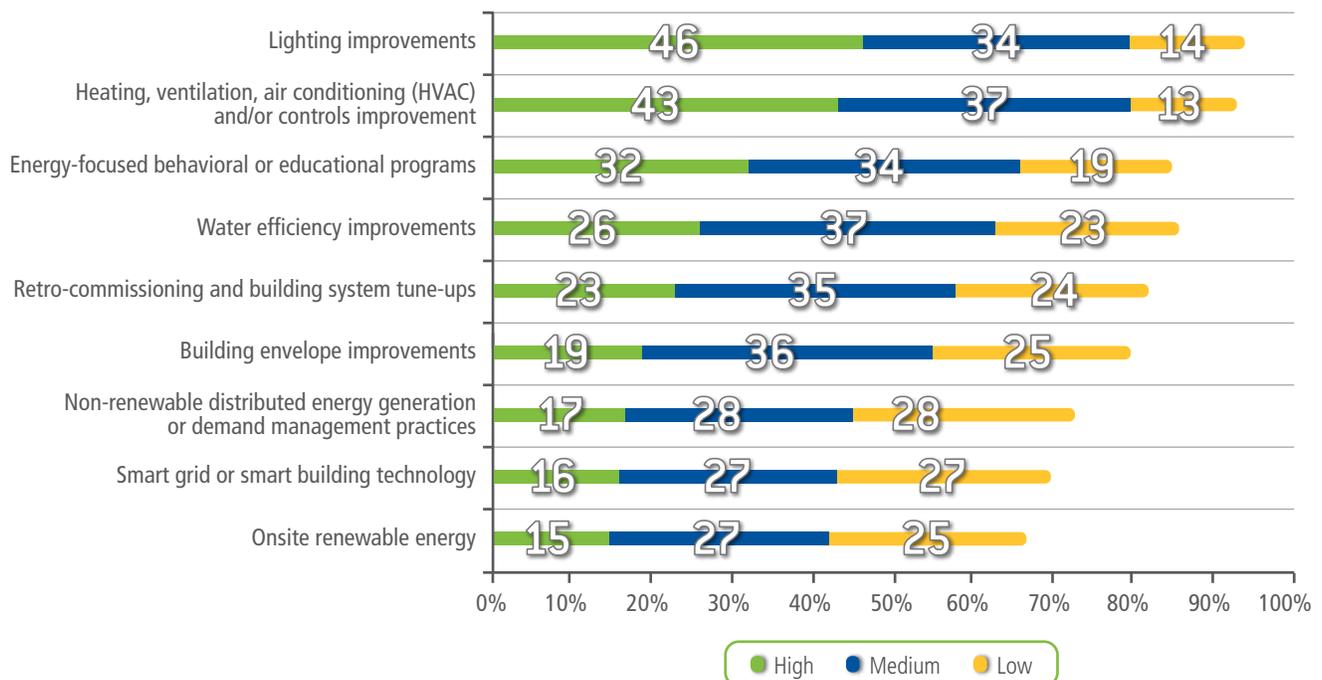
**Figure 1** Electricity Use Breakdown for Commercial Buildings



Source: U.S. Energy Information Administration

Increasingly, companies are turning to one of their greatest resources – the employees – to help attain sustainability goals. For example, energy reduction can be achieved by upgrading equipment, making facility-level changes, or changing the workspace. As a facility's equipment is upgraded, plug loads and electronics become a greater share of energy consumption. In a typical California office building, lights consume about 40 percent of total energy; heating, ventilation and air conditioning (HVAC) 25 percent; and plug loads 15 percent.<sup>4</sup> Integrated design teams today can reduce lighting and HVAC loads by 50 percent or more. Once this occurs, plug loads quickly balloon to 40 percent or more of the remaining building load and can no longer be ignored. Reducing those plug loads depends heavily on employee engagement. It may not be surprising, then, that “energy-focused behavioral or educational programs” were the third highest priority for investment in the next 12 months for North American organizations that participated in the 2013 Johnson Controls Energy Efficiency Indicator Survey, ranking just below lighting and HVAC improvements.<sup>5</sup>

**Figure 2** Future Energy Investment Plans Show Behavior and Education Programs as Priorities



Source: Johnson Controls Institute for Building Efficiency EEI Survey data (2013)

In addition to affecting sustainability goals, employee engagement programs enrich a company's brand and help confer competitive advantage. Strengthening brand, trust, and reputation is the biggest motivator for taking action on sustainability issues, as identified by 72 percent of CEOs surveyed.<sup>6</sup> In addition, studies have shown that organizations with more engaged employees have higher earnings per share than their competition.<sup>7</sup>

Employees also increasingly expect their employers to be socially and environmentally responsible. Employees who have the opportunity to make direct social and environmental impacts through their jobs report higher

satisfaction than those who don't – by a factor of 2:1.<sup>8</sup> Two-thirds of graduating university students reported that making a difference through their next job was a priority, and 45 percent said they would even take a pay cut to do so.<sup>9</sup> A study by Gallup Consulting (2010) concluded that companies with highly engaged employees have 18 percent higher productivity. Indeed, studies from Gallup and CEB Valtera have shown that companies with highly engaged workforces are 18 percent more effective, 15 percent more innovative, and 10 percent better at serving their customers than other companies.

In Brighter Planet's 2010 Employee Engagement Survey, more than 85 percent of respondents said their organizations promoted employee sustainability in some arena. However, in the same study, fewer than 15 percent said their employers had an employee sustainability engagement policy.<sup>10</sup> Without organized directives to structure employee sustainability efforts, engagement programs may lose vitality. Executives see the value, employees believe more can be done to engage them on environmental sustainability, and real business value is on the line. However, many companies are struggling to understand exactly how to engage employees to change behavior. Likewise, many employees may not feel empowered to change behavior in the workplace. This paper will address the difficult task of creating and maintaining a structured employee sustainability engagement program by describing a process, tools to help prioritize practices, and real-world examples to help organizations implement a sustainability engagement strategy.

## References

1. CDP S&P 500 Report 2011: Strategic Advantage Through Climate Change Action." Price Waterhouse Cooper, 2011 <https://www.cdproject.net/CDPResults/CDP-2011-SP500.pdf>
2. CDP S&P 500 Climate Change Report 2013: Investment, transformation and leadership. PriceWaterhouseCooper, 2013. <https://www.cdproject.net/CDPResults/CDP-SP500-climate-report-2013.pdf>
3. "Architects of a Better World: UN Global Compact-Accenture CEO Study on Sustainability 2013." Accenture and UN Global Compact, 2013 [http://www.accenture.com/Microsites/ungc-ceo-study/Documents/pdf/13-1739\\_UNGC%20report\\_Final\\_FSC3.pdf](http://www.accenture.com/Microsites/ungc-ceo-study/Documents/pdf/13-1739_UNGC%20report_Final_FSC3.pdf)
4. CEUS data for office buildings of any size in all climate zones in California.
5. Energy Efficiency Indicator Survey. Johnson Controls Institute for Building Efficiency, 2013.
6. Results are based on 1,055 individual responses to Brighter Planet's Employee Sustainability Engagement Survey, collected during November 2009.
7. "How Employee Engagement Drives Growth." Gallup Business Journal. June 20, 2013. <http://businessjournal.gallup.com/content/163130/employee-engagement-drives-growth.aspx>
8. "Talent Report: What Workers Want." Net Impact, 2012 [http://netimpact.org/docs/publications-docs/NetImpact\\_WhatWorkersWant2012.pdf](http://netimpact.org/docs/publications-docs/NetImpact_WhatWorkersWant2012.pdf)
9. Ibid.
10. "Employee Engagement Survey: An Analysis of the Extent and Nature of Employee Sustainability Programs." Brighter Planet. February 2010. <http://brighterplanet.com/research>

**Figure 3** Corporate Social Responsibility and Environmental Sustainability Impact Employee's Choice of Employers



Source: Net Impact, *What Workers Want* (2012)

# FIVE STEPS TO ENGAGING EMPLOYEES

**Employee ACCEPTANCE and COMMITMENT  
are NECESSARY for change to occur**

- 1 Assess Methods & Actions**
- 2 Create Roadmap**
- 3 Establish Metrics/Goals/Benchmarks**
- 4 Implement & Track**
- 5 Review & Revise**

**Create AWARENESS, EDUCATE, and ENGAGE  
Change BEHAVIOR and MINDS**



# Defining the Process to Engage Employees on Workplace Sustainability

In many organizations, transitioning employees to adopt sustainable behaviors requires a robust engagement effort, because behavior change is complex and employees' interests are diverse. Many organizations' sustainability engagement initiatives rely heavily on top-down programs or are based solely around efforts from a small subset of the employee population. However, the most effective initiatives demonstrate elements of both top-down company policies and clear employee-driven action.<sup>1</sup> Success over time requires that sustainability practices in a company have widespread adoption – creating a culture that recognizes formal and informal leadership in sustainability, and taps into the broad employee base. Organizations must therefore approach sustainability efforts with a clear methodology and implementation plan based on the unique composition of the company. Below we present a process to drive successful, long-lasting sustainability engagement initiatives with employees.

## Employee Engagement Methods and Actions

To frame the process of sustainability engagement, we will first look at specific actions and methods to drive sustainability in the workplace. These actions and methods were researched and compiled through corporate social responsibility (CSR) reports, online media including GreenBiz.com and Environmental Leader, and interviews with people who administer sustainability engagement programs. They are organized into two main categories:

- *Engagement Methods* – communication-based activities or platforms and tool-based mechanisms that deliver a message, assist in information gathering, or educate and engage employees.
- *Employee Actions* – actions employees can take to contribute to sustainability in the workplace and reduce their own impacts on the environment.

### Engagement Methods

The McKinsey & Company article, “*The Psychology of Change Management*,” highlights four conditions for changing mindsets:

- A purpose to believe in
- Reinforcement systems
- The skills required for change
- Consistent role models<sup>2</sup>

However, common barriers to successful employee engagement involve employees lacking just those things, such as a clear understanding of the purpose of sustainability in the workplace or visible consistency from the company on sustainability efforts.<sup>3</sup> Engagement methods are ways in which an organization can drive at accomplishing these conditions. For example, actions like team activities and communications offer a feeling of community belongingness to the effort and help tell a compelling story for action; employee acknowledgements reinforce and bolster behavior change; education and training foster the knowledge and skills required to permanently change behavior.

At the outset of a program, employees' *minds* may not change in order to change their *behavior*; this may require more time. Therefore, messaging to employee groups needs to be tailored appropriately to address the motivations and beliefs of a diverse audience, instead of telling them what they should think and believe. For example, polarization around environmental issues and climate change may affect how some employees relate to and participate in certain green activities.<sup>4</sup> Messaging that focuses on polarizing topics can actually alienate many people, so activities and messaging should be based on information about the unique organizational culture and employee composition.

**Table 1 Engagement Methods for Workplace Environmental Sustainability Programs**

Engagement Methods	
<b>Employee Acknowledgement</b>	Activities that engage and incentivize employees to consider sustainable choices. This includes employee discounts, rewards and recognition, personal sustainability planning, and pledges.
<b>Team Activities</b>	Activities employees can do together to promote sustainability in their workplaces and communities. This includes volunteerism, green teams or leaders, challenges and competitions, and fundraising campaigns.
<b>Communications</b>	Online communications and assessment tools that inform employees of sustainability initiatives and allow them to provide feedback or suggest new activities. Examples include websites, e-newsletters, feedback programs, and social media or knowledge-sharing networks.
<b>Education</b>	Opportunities for employees to learn more about sustainability. This includes tours, interactive kiosks, interactive games, and personal environmental footprinting tools.
<b>Training</b>	Opportunities for employees to learn about sustainability. This includes training in energy efficiency, water conservation, efficient driving and transportation, and waste, recycling and material use.

Source: Institute for Building Efficiency, Johnson Controls, Inc. (2013)



## Employee Actions

Employee practices around environmental sustainability can support a variety of organizational goals, from carbon reduction and water conservation to cost reduction and brand reputation. Various common workplace activities and outcomes can be the focus of an engagement strategy. Some practices require more commitment from employees, while others require more commitment from the organization; some require equal commitment from both.

To effectively manage the change to a more sustainable workplace, it is necessary to align organizational culture, role models and leaders, and the employee base.

Engagement methods then can be prioritized, and the organization can implement, track, and constantly re-evaluate a program. The process for alignment and implementation is as follows:

1. Assessing and prioritizing engagement methods and employee actions
2. Creating an implementation roadmap
3. Metrics, goal setting and benchmarking
4. Implementation and tracking
5. Continuous program revision

The following sections address each step.

**Table 2 Employee Actions for Workplace Environmental Sustainability Programs**

Engagement Actions	
<b>Paper</b>	Ways to improve management of paper as a resource include paperless paychecks, online communications, centralized printing stations, personal printing codes and printing expense reports, and double-sided printing defaults.
<b>Recycling</b>	Increased recycling can significantly reduce waste to landfill. Actions include an office products reuse or recycling area, centralized waste and recycling areas or containers, personal waste audits, and composting options.
<b>Food and Drink</b>	Food and drink containers have impacts on the environment. Employees can be engaged to choose reusable containers and utensils, use water coolers instead of buying bottled water, follow efficient dishwashing procedures, and compost organic waste.
<b>Energy</b>	Energy can be among an organization's largest operating expenses. Employees can contribute through energy-saving computer settings, office shut-down procedures, use of power strips for equipment that can be shut off when not in use, and participation in lighting reduction programs.
<b>Transportation</b>	Transportation to and from work produces GHG emissions and consumes energy. Employees can consider biking to work, carpooling, or taking public transportation.
<b>Location</b>	Increasingly, organizations allow employees options to reduce their environmental impact by choosing their work location: hoteling, hot-desking, telecommuting and video conferencing.

Source: Institute for Building Efficiency, Johnson Controls, Inc. (2013)

## 1 Assessing and Prioritizing Engagement Methods and Employee Actions

The diversity of an organization's employee base and its unique culture can have a powerful impact on the success or failure of a sustainability engagement program. Broad acceptance of employee sustainability initiatives depends on organizational characteristics such as management and governance structure, communication style, values, operational structure, risk management style, and the degree to which the organization fosters employee empowerment and innovation. In addition, people's willingness to adopt sustainable behavior relates to the diversity of personalities, work habits, communication methods and learning styles, as well as political philosophies, religious beliefs and attitudes on environmental messaging. Because of the unique composition of these elements from one organization to the next, it is important to assess the culture, leadership and employee opinions to inform a program approach.

### Assessing Organizational Culture

Studies have proven that aligning an organization's culture with a sustainability initiative will yield a more successful initiative, yet company culture is rarely considered in a systematic way during the development and implementation of sustainability engagement initiatives. Rather, decentralized, unilateral decision-making is common.<sup>5</sup> Although this approach may work with other decisions or company policies that aim to change the organization, culture change in the context of sustainability is different. That is because sustainability is part of a broad, external societal agenda, driven by forces beyond the organization's control, and whose benefits may not directly enhance value.<sup>6</sup> Significant collaboration and paradigm-breaking business models are required to design a sustainability engagement program that people will embrace. Time and resources spent on efforts that conflict with the culture may be more than a failed endeavor and a waste of money – they may derail

the overall excitement behind a sustainability effort and jeopardize future initiatives.

An evaluation of the organizational culture is an important first step to framing a sustainability initiative. Engagement program developers and implementers who understand the culture are best equipped to design elements that people will embrace. The following aspects should be understood and assessed in the context of sustainability and employee engagement:

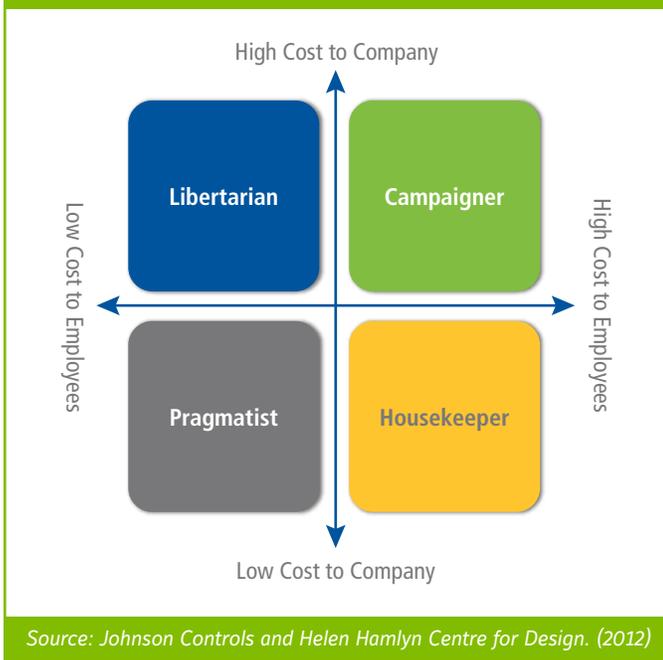
- Management styles
- Governance structure
- Operational structure
- Communication methods
- Core values
- Approach to risk management
- Personnel composition and diversity

The degree to which employer and employees feel responsible and willing to participate is a helpful measure by which to systematically evaluate a sustainability culture. Johnson Controls' Global Workplace Innovation group worked with the Helen Hamlyn Centre for Design at the Royal College of Art in London to study what makes an environmentally aware organization. The study showed that people have diverse opinions on what sustainability in the workplace should mean, based on perceptions of cost and benefits to themselves and the organization.<sup>7</sup> From these findings, the research team identified four basic workplace cultures based on people's views about their own and the organization's responsibilities. These are considered in terms of cost to the company and cost to the employee. All organizations have a blend of these four types of employees:

- **Pragmatists** who believe only initiatives that cost little or nothing to employees or the company can be viable.
- **Libertarians** who see sustainability as a company issue that should not impose costs on employees.

- **Housekeepers** who believe the company should not bear the cost and expect employees to make changes and carry the burden.
- **Campaigners** who believe the company and employees should take responsibility for sustainability and that each must take on some costs.

**Figure 4 Workplace Sustainability Cultures Paradigm**



It is important to understand the diverse sub-cultures of different locations, departments, or business areas. One tool to assess the organizational culture in the framework of the above employee types is the Johnson Controls Sustainability Cultures in the Workplace Survey, designed to assess the cultural composition of an organization. By understanding these cultures, the organization can create a relevant sustainability engagement program that best relates to diverse employees.

An initiative planned, implemented and communicated with company culture in mind can lead to empowered employees who change their behaviors and create lasting effects.

### Gathering Upper-Level Support and Reviewing Existing Group Initiatives

Support and buy-in from upper management is extremely important and will greatly increase the chance for success.<sup>8</sup> It falls to executive management to allocate support and resources to the initiative and to promote two-way communication with employees.

An employer should also identify any existing grassroots employee groups or leaders who are promoting sustainability in the organization and leverage their influence. These role models serve as levers for changing employees' mindsets and help keep initiatives going for the long term.<sup>9</sup>

### Gathering Employee Input

Many organizations rely heavily on executive management, green teams or green leaders to drive sustainability engagement. While certain changes are the responsibility of the organization (e.g., staff resources, capital) or a small group of enthusiastic achievers, a shift toward sustainability in the workplace requires more: employees who occupy the building must be engaged to relate to the effort and be a part of the change. A successful program empowers employees and includes the broader employee base.<sup>10</sup>

Forging sustainability engagement means carefully assessing employees' reasons (rational or irrational/emotional) for becoming engaged.<sup>11</sup> Employees may have varying degrees of interest in the outcome of that change and may resist it for various reasons. By understanding employees' attitudes and viewpoints, stakeholders can unpack the complex decision-making processes and inspirations for action and effectively promote positive behavior change. It is important to gauge employees' interest in the practices or activities before they are

prioritized or implemented; this may save a great deal of time, resources, effort and money.

It can be difficult to know exactly how to gather employee input and prioritize sustainability initiatives. In the next section entitled **Prioritizing and Roadmapping**, we present the Sustainability Engagement Navigator, which quickly assesses employees' interest in certain sustainability practices and asks how important they feel those practices are to the organization's sustainability.

Once the culture, leadership and employee perceptions are assessed, an organization can prioritize which practices to implement.

## 2 Creating an Implementation Roadmap

After the organizational culture and executive buy-in are assessed and input is gathered from employees, the next step is to obtain feedback from key organizational stakeholders responsible for implementing an engagement program. Besides making sure the next steps are well thought out and feasible, a valuable outcome of this step is to foster conversation among the key stakeholders. The next section, **Prioritizing and Roadmapping**, describes the Engagement Program Inventory tool for fostering internal dialogue on the program based on data and input from green teams, management and employees.

These stakeholders should assess the feasibility of the practices in light of:

- Organizational culture (described above)
- Corporate goals and materiality to the business
  - Evaluate corporate sustainability goals, public and internal, and consider how to advance them with an employee engagement program. Goals not necessarily sustainability-related should also be considered: engagement can affect goals such as employee retention, customer satisfaction, and product sales.

- Difficulty of implementation (work hours, capital, support, etc.)
  - The same type of initiative can be much more challenging to implement or sustain at one organization versus another, depending on factors like culture, the type of organization, support and physical location. Therefore, the relative difficulty of implementation needs to be established and weighed.

Once these criteria are assessed and overlaid with the employee priorities, the organization can place the practices in short-, medium- and long-term categories. Roadmaps can project plans out over several years, using different engagement methods for different sustainability actions (see the next section, **Prioritizing and Roadmapping**).

## 3 Goal Setting, Metrics, and Benchmarking

An implementation roadmap helps organizations develop or revise their approaches to employee engagement in sustainability programs. The next phase establishes parameters and methods to track the practices that have been implemented. While a lack of research in this area can make it difficult to arrive at quantitative metrics to track engagement activities,<sup>12</sup> metrics are crucial to demonstrating success and providing feedback to stakeholders and employees after implementation. Constant feedback, communication and knowledge sharing are keys to behavior change<sup>13</sup> and can overcome barriers to sustainability engagement.<sup>14</sup>

### Before Establishing Metrics: Goal Setting

To begin tracking and quantifying the results of engagement activities, an organization must step back and understand the high-level goals – public and internal – as they pertain to environmental sustainability. Because “sustainability” is broad, even when focused on environment alone, a program must be clear and realistic

**Figure 5** Different Goals Will Have an Impact on Tracking Metrics



Source: Institute for Building Efficiency, Johnson Controls, Inc. (2013)

in its targets, especially in the beginning. At the start, high-level goals will help shape a feasible program that leads to small wins and sustains morale over time. Then the program can be continuously refined, more challenging goals set, and more specific metrics established. Appendix B presents case studies with examples of how organizations linked environmental sustainability goals to employee engagement projects.

### Evaluation Criteria for Sustainability Employee Engagement Programs

Clear, measurable metrics help both the employees and the organization gauge success. There are many possible tracking metrics, including:

- Employee participation
- Employee education and awareness
- Financial savings

- Environmental/sustainability impact
- Employee benefits
- Corporate benefits
- Operational improvement/productivity

Many organizations successfully track participation and employee education and awareness. However, it is challenging to measure and track other outcomes, such as cost savings, environmental impact and productivity, because it is difficult to separate the impacts of employee behaviors from factors such as facility improvements and occupancy shifts. Ideas for tracking and separating the impact of employee actions for these outcomes are discussed below.

### EMPLOYEE PARTICIPATION

Participation levels – or the numbers who have committed to participate in sustainability initiatives – are commonly tracked. This is a relatively straightforward way to track success and can be accomplished through means such as:

- Surveys that gather information on what employees are doing or will do
- Registration numbers on social media sites
- Quantifying employee commitments or pledges
- Attendance levels at related activities

Quality of participation can be tracked, as the non-profit Center for Carbon and Energy Solutions' (C2ES) "Make an Impact" program regularly does, by looking at amount of time on websites, comments through social media, and quotes on employee satisfaction.

Tracking participation can help feed into the tracking of other metrics, such as energy reduction, GHG reduction or resource conservation. This is done by comparing the number of people taking part in an activity, comparing that to a baseline, and calculating overall reductions in consumption, as discussed on the next page.

### EMPLOYEE EDUCATION AND AWARENESS

A good way to measure the success of certain practices is to understand to what degree the employees know about them and why they are being implemented. Highly engaged employees clearly understand the organization's sustainability vision and can easily explain it to others.<sup>15</sup> This can be tracked by surveys or questionnaires that assess employees' awareness and knowledge about the activities.

For example, **TD Bank** uses a survey to track employee confidence when discussing environmental issues with customers. Similarly, **Caesars** tracks changes in employees' awareness and engagement by measuring the number of hours volunteered for the company's CodeGreen activities and by taking employee opinion surveys. **Cool Choices**, a Wisconsin-based program that aims to help businesses engage employees to reduce energy use and increase sustainability through a social game platform, administers pre- and post-game surveys to monitor the education and awareness of sustainability practices people gained by participating.

### COST SAVINGS

Cost savings can be tracked by comparing the amount spent on items such as energy, office products, waste hauling and water consumption before and after the engagement program. Cost savings due to employee behavior change can be tricky to quantify, as other metrics can also affect financial savings. It is thus important to determine clear parameters of what impacts to track and establish baselines. For example, one innovative feature of **SAP's** 2012 Integrated Report is a tool that illustrates the connections between financial and non-financial performance. The company calculated that a 1 percent increase or decrease in employee retention leads to a financial impact of 62 million euros for the company.

### ENVIRONMENTAL SUSTAINABILITY IMPACT

Environmental impacts can be measured in various ways, depending on the activity and resources affected.

**Reducing Resource Consumption:** Many practices can be linked to saving resources due to the avoidance of consumption. Examples include water, energy, GHG emissions, paper and fuel. These can be tracked by comparing consumption of a baseline case versus after the engagement project. For example, reductions in material consumption, such as paper products or one-use food and drink containers, can be tracked by monitoring purchasing rates before and after an engagement initiative.

- *Energy Reduction:* It can be difficult to determine the contribution of employee behavior to energy reduction because factors such as facility improvement measures, changes in occupancy, and weather fluctuations also contribute. Typically, savings should exceed 10 percent of baseline energy usage (based on utility bill information) if the savings are to be counted confidently.<sup>16</sup> Since this is difficult to establish, one way to estimate energy reduction from behavior change is to calculate a reduction number for one person adopting a given behavior. The overall energy reduction can then be calculated from figures for participation. Each activity should be measured separately, so that if some employees are doing more than one activity, the calculations can capture all the reductions.
- *GHG Emissions Reduction:* Many sustainable employee practices help reduce GHG emissions. For example, the practices in the "Transportation" and "Location" categories introduced above directly affect GHG emissions by reducing or eliminating travel. The overall GHG reduction is calculated by measuring participation and comparing to the baseline.

**Waste Reduction/Diversion:** Specific practices involving waste reduction, recycling, waste elimination and resource conservation are measured by tracking recycling rates and amounts (weight or volume) of overall waste produced and comparing to baseline amounts. These activities may also save money and reduce GHG emissions by avoiding waste hauling.



## EMPLOYEE BENEFITS

Satisfaction with the organization is often used to understand whether employee engagement is having a positive effect. Caution should be taken in how “satisfaction” is established and depicted, as employee engagement may not directly correlate to employee satisfaction, depending on how the person perceives the engagement activities. Therefore, as parameters to track this metric, it is important to look at the components of employee engagement: how employees feel they support organizational strategy, goals and values; whether they care about the future of the company; the degree to which they feel a sense of belonging to the organization; their level of organizational pride; and their personal motivation and accomplishment in their role.<sup>17</sup>

For example, **TD Bank** tracks employees’ pride in the organization to correlate to its environmental efforts and engagement levels: A survey showed a boost in pride after the engagement program began. Caesars also found that employee involvement in CodeGreen activities correlated with higher scores in seven key job satisfaction measures, including pride, supervisor satisfaction, willingness to recommend, overall satisfaction, ethical leadership, loyalty and discretionary effort.<sup>18</sup> **SAP**’s “employee engagement index” is defined as a score for the level of employee commitment, pride and loyalty, as well as the employees’ feeling of being advocates for their company.

## CORPORATE BENEFITS—EMPLOYEE ATTRACTION, RETENTION AND PRODUCTIVITY

As discussed earlier, studies have shown that many employees carefully choose employers based on sustainability performance and leadership.<sup>19</sup> A beneficial means to track the success of a sustainability engagement program is to analyze employee attraction and retention, though this metric is best tracked and analyzed over a long period. The organization’s human resource department can help gather such information.

## After Establishing Metrics: Benchmarking and Pilot Implementation

Without robust historical information to serve as a baseline, changes in environmental metrics cannot be observed. This means reliable data against which to compare future outcomes and track impacts is crucial. Successfully attributing changes to an engagement program requires comparing against an internal baseline over time, paired with a test and control group to compare pre- and post-implementation results.<sup>20</sup> The length of the benchmarking period depends on what is being tracked. Some metrics can be tracked before implementation for a relatively short period to obtain benchmarks, while others, such as energy reduction, may require longer periods.

A straightforward way to begin an engagement initiative is to run a pilot program deployed for test and control groups at controlled locations. Metrics are tracked for a set period to assess whether the metrics make sense and are feasible to track, and whether the program is having the desired impact on goals. Pilot programs can test approaches, help gain buy-in from management, demonstrate success, and allow the organization to roll out a program more easily, more efficiently and more broadly.<sup>21</sup> For example, **TD Bank** used a pilot program to track the impact of its engagement program on several metrics for a set period. The results showed that the chosen metrics were indeed being positively affected and that the metrics were appropriate for measuring progress.

## 4 Implementation and Tracking

After reviewing the culture, prioritizing activities, establishing implementation plans and setting goals and benchmarks, the engagement program should be ready to launch. Several elements are essential for a successful implementation. A pilot program before full-scale implementation may be a good way for an organization to understand the feasibility of implementing engagement

methods and employee practices, to see if the tracking metrics make sense, or to understand whether changes are needed.

### Communicate the Requested Actions to Employees

An important piece of the deployment is to communicate the program to the employee base. A best practice is to tap into the different motivations of employees, as described above. The communication plan should target diverse segments or groups of employees. For example, office-based employees may best be reached by signage or in-person presentations. Field-based employees might be better served by mobile communications. Diverse forms of communication will help target a wide array of employees in the ways best suited to their needs.<sup>22</sup>

### Phased Implementation Based on Roadmap

Many companies find that segmenting a program into short-, medium- and long-term phases helps them launch successfully and keep momentum going. For example, **Caesars'** CodeGreen program began in 2007, focusing for the first six months on quick wins through employee-driven energy reduction. The second phase focused on recycling, offering employees training on the different waste streams and how to recycle. The third phase focused on competition among employees, building on the practices put in place in the first two phases. Employees were given established targets for green performance, and their progress was tracked with dashboards and scorecards.

### Tracking

After implementation, continued tracking is needed to demonstrate the impact of the initiatives on the chosen goals. The before-and-after data allows the organization to understand where progress is being made and what areas need improvement. Besides informing organizational stakeholders, tracking gives employees consistent feedback. Tracking can be done by creating a scorecard that organizes all of the goals and measurement metrics in one place.

### Reporting

Feedback on the program's impact to the employees is extremely important to lasting sustainability engagement.<sup>23</sup> Visible, "buzz-worthy" rewards and recognition are ideal ways to keep excitement high and create anticipation for further rewards.

### Policy Formation and Organizational Commitment

Before or during implementation, it helps to establish policies that reflect the requested changes, as this provides structure and accountability.<sup>24</sup> Integration of sustainability into elements of the mission, values and other formal statements sends a clear message about the organization's commitment to sustainability and fosters accountability to work toward the goals.<sup>25</sup> An organization's actions around sustainability will resonate with employees; if employees are to participate, the organization must publicly commit to goals, allocate resources, and constantly check for adherence to the commitments.<sup>26</sup> Employees who clearly understand the vision behind the initiative will be more engaged.<sup>27</sup>

Studies have also found that consistency is crucial to employees' perceptions of the company's commitment: consistency between what the company does internally and externally, and between what the company says it will do and actually does. Inconsistencies often undermine companies' efforts.<sup>28</sup>

## 5 Continuous Revision of Implementation Plan and Goals

Once a program has been implemented, it is important to maintain momentum and keep people engaged. According to Gwen Migita, Vice President of Sustainability and Community Affairs at Caesars, the biggest challenge is making the CodeGreen program stick, keeping passion up, and keeping the communication and activities fresh and exciting. Through linkage with overall goals such as employee retention, customer retention, brand value, and

profitability, CodeGreen fits the broader business strategy, helping to expand the program to new regions and reinforce its mission.

Revising or adding new goals, especially those with broader impact, allows for more resources to be allocated over time and the leadership base of the initiative to broaden. Involving a larger group, especially of opinion leaders in the organization, helps the initiative to endure and remain fresh. Companies may evolve structurally or culturally, and people may change their views as their circumstances change, such as when they assume new roles or responsibilities. It is important to re-evaluate the culture so that the organizations' diversity and composition remain well represented.

By tracking different metrics, an organization can determine where opportunities for improvement lie, where to make changes, and what mistakes to learn from.

## References

1. Reyna, Emily, Jake Hiller and Chris Riso (Environmental Defense Fund) and Jason Jay (MIT Sloan School of Management). "The Virtuous Cycle of Organizational Energy Efficiency: A Fresh Approach to Dismantling Barriers." 2012 ACEEE Summer Study on Energy Efficiency in Buildings. <http://www.aceee.org/files/proceedings/2012/data/papers/0193-000332.pdf>
2. Lawson, Emily and Colin Price. "Psychology of Change Management." McKinsey & Company, 2003. [http://www.mckinsey.com/insights/organization/the\\_psychology\\_of\\_change\\_management](http://www.mckinsey.com/insights/organization/the_psychology_of_change_management)
3. Myerson, Jeremy (Helen Hamlyn Centre for Design) and Dr. M. Puybaraud (Johnson Controls). "Sustainable Cultures: Creating Greener Workplaces for All." Institute for Building Efficiency, 2012. <http://www.institutebe.com/InstituteBE/media/Library/Resources/Existing%20Building%20Retrofits/Issue-Brief-Sustainable-Cultures.pdf>
4. Gromet, D. M., Kunreuther, H., & Larrick, R. P. "Political ideology affects energy efficiency attitudes and choices." Proceedings of the National Academy of Sciences, April 2013
5. Abbett, Coldham and Whisnant. "Organizational Culture and the Success of Corporate Sustainability Initiatives: An Empirical Analysis Using the Competing Values Framework." 2010. [http://www.erb.umich.edu/Research/Student-Research/2010/Culture\\_Sustainability\\_FINAL.pdf](http://www.erb.umich.edu/Research/Student-Research/2010/Culture_Sustainability_FINAL.pdf)



6. Bertels, Dr. Stephanie, L. Papania and D. Papania. "Embedding Sustainability in Organizational Culture: A Systematic Review of the Body of Knowledge." Network for Business Sustainability, 2010.
7. Myerson, Jeremy (Helen Hamlyn Centre for Design) and Dr. M. Puybaraud (Johnson Controls). "Sustainable Cultures: Creating Greener Workplaces for All." Institute for Building Efficiency, 2012. <http://www.institutebe.com/InstituteBE/media/Library/Resources/Existing%20Building%20Retrofits/Issue-Brief-Sustainable-Cultures.pdf>
8. Bin, Shui. "Greening Work Styles: An Analysis of Energy Behavior Programs in the Workplace." American Council for an Energy Efficient Economy, 2012. <http://aceee.org/research-report/b121>
9. Lawson, Emily and Colin Price. "Psychology of Change Management." McKinsey & Company, 2003. [http://www.mckinsey.com/insights/organization/the\\_psychology\\_of\\_change\\_management](http://www.mckinsey.com/insights/organization/the_psychology_of_change_management)
10. Mercy, Andy. "Empowering Employees to Lead the Way to Sustainability." Stanford Social Innovation Review, 2011. [http://www.ssireview.org/blog/entry/empowering\\_employees\\_to\\_lead\\_the\\_way\\_to\\_sustainability](http://www.ssireview.org/blog/entry/empowering_employees_to_lead_the_way_to_sustainability)
11. "Working Today: Understanding What Drives Employee Engagement." Towers Perrin, 2003. [http://www.towersperrin.com/tp/getwebcachedoc?webc=hrs/usa/2003/200309/talent\\_2003.pdf](http://www.towersperrin.com/tp/getwebcachedoc?webc=hrs/usa/2003/200309/talent_2003.pdf)
12. Skumatz, L. "Measuring the Impacts of Behavior Change Programs: Filling in the Blanks." Economic Research Associates, Inc. <http://www.aceee.org/files/proceedings/2012/data/papers/0193-000123.pdf>
13. Murtagh, T (2011). Sustainability Focused Organisational Learning: The Influence of a Market Based Policy Instrument. *Earth & Environment*: 7, 260-284.
14. Myerson, Jeremy (Helen Hamlyn Centre for Design) and Dr. M. Puybaraud (Johnson Controls). "Sustainable Cultures: Creating Greener Workplaces for All." Institute for Building Efficiency, 2012. <http://www.institutebe.com/InstituteBE/media/Library/Resources/Existing%20Building%20Retrofits/Issue-Brief-Sustainable-Cultures.pdf>
15. Morris, James. "You're talking to employees about sustainability wrong." GreenBiz, 2013. <http://www.greenbiz.com/blog/2013/08/06/talking-employees-wrong>
16. International Performance M&V Protocol: Concepts and Options for Determining Energy and Water Savings, Vol 1. EVO 10000-1:2009. Efficiency Valuation Organization. 2009.
17. "Working Today: Understanding What Drives Employee Engagement." Towers Perrin, 2003. [http://www.towersperrin.com/tp/getwebcachedoc?webc=hrs/usa/2003/200309/talent\\_2003.pdf](http://www.towersperrin.com/tp/getwebcachedoc?webc=hrs/usa/2003/200309/talent_2003.pdf)
18. Caesars Entertainment Sustainability Report 2012. <http://www.caesars.com/images/PDFs/caesars-sustain-report-2012.pdf>
19. "Talent Report: What Workers Want." Net Impact, 2012. [http://netimpact.org/docs/publications-docs/NetImpact\\_WhatWorkersWant2012.pdf](http://netimpact.org/docs/publications-docs/NetImpact_WhatWorkersWant2012.pdf)
20. Skumatz, L. "Measuring the Impacts of Behavior Change Programs: Filling in the Blanks." Economic Research Associates, Inc. <http://www.aceee.org/files/proceedings/2012/data/papers/0193-000123.pdf>
21. Bin, Shui. "Greening Work Styles: An Analysis of Energy Behavior Programs in the Workplace." American Council for an Energy Efficient Economy, 2012. <http://aceee.org/research-report/b121>
22. "Engaging Employees on Sustainability: 25 Innovative Approaches." Verdantix, October 2012.
23. Bin, Shui. "Greening Work Styles: An Analysis of Energy Behavior Programs in the Workplace." American Council for an Energy Efficient Economy, 2012. <http://aceee.org/research-report/b121>
24. Bertels, Dr. Stephanie, L. Papania and D. Papania. "Embedding Sustainability in Organizational Culture: A Systematic Review of the Body of Knowledge." Network for Business Sustainability, 2010.
25. Ibid.
26. Ibid.
27. Morris, James. "You're talking to employees about sustainability wrong." GreenBiz, 2013. <http://www.greenbiz.com/blog/2013/08/06/talking-employees-wrong>
28. Myerson, Jeremy (Helen Hamlyn Centre for Design) and Dr. M. Puybaraud (Johnson Controls). "Sustainable Cultures: Creating Greener Workplaces for All." Institute for Building Efficiency, 2012. <http://www.institutebe.com/InstituteBE/media/Library/Resources/Existing%20Building%20Retrofits/Issue-Brief-Sustainable-Cultures.pdf>

# ENGAGEMENT NAVIGATOR

The Navigator ranks  
Engagement Practices by  
**Importance and Likelihood**  
of Engagement



Navigator results are used to plot a

**ROADMAP to SUSTAINABILITY**

that accounts for **Corporate Culture**  
and sets goals that are **Feasible**



# Prioritizing and Roadmapping: Introducing the Sustainability Engagement Navigator

The Johnson Controls Sustainability Engagement Navigator is a tool to gather employee feedback and help prioritize environmental sustainability engagement practices in the workplace. It is designed to provide input to planning and decision-making for the establishment or renewal of engagement programs. The tool provides insight into which practices employees value and will be likely to embrace. It connects broader employee populations with decision-making processes around employee engagement. Armed with executive and employee input, program owners can develop a roadmap for the most effective practices to engage employees and change workplace sustainability behavior.

## 1 Engagement Methods and Employee Actions in the Navigator

The Sustainability Engagement Navigator (<http://solutionsnavigator.com/solutionsnavigator/engagementnavigator/v2/welcome.php>) is organized to address workplace-specific practices that relate to environmental sustainability and employee engagement. The Institute for Building Efficiency reviewed current best practices in workplace environmental sustainability engagement methods and employee actions and formulated a structured list of practices. This list is not intended to be exhaustive. These practices promote the organization's environmental sustainability goals through employee actions and engage employees in sustainability initiatives, goals and achievements.

**Table 3** Organization of Engagement Methods

Engagement Methods				
Employee Acknowledgement	Team Activities	Communications	Education	Training
Employee Discounts	Employee Volunteerism	Sustainability Website	Sustainability/Green Building Tours	Energy Efficiency Training
Employee Rewards/Recognition	Green Teams and/or Green Leaders	E-newsletter	Interactive Kiosks	Water Conservation Training
Personal Sustainability Plan	Challenges and Competitions	Sustainability Program Feedback	Interactive Games	Efficient Driving/Transportation Training
Personal Pledges	Fundraising Campaign	Social Media and Knowledge Sharing Network	Personal Environmental Footprinting Tools	Waste, Recycling and Material Use Training

Source: Institute for Building Efficiency, Johnson Controls, Inc. (2013)

The tool is organized around two general categories: engagement methods and employee actions, as described in more detail in the previous section.

Engagement methods are ways in which an organization can drive behavior change, either aiding the transfer of information or helping connect people with the message at hand.

Employee actions are practices in which employees can participate to further environmental sustainability goals. Some employee actions require substantial support from the organization, while others depend heavily on the employee.

The employee actions in tandem with the engagement methods will facilitate learning and behavior change.

## 2 Using the Engagement Navigator: Recommended Process

The Sustainability Engagement Navigator works best with a diverse cross-section of employees, providing a broad perspective of the employee base. Employees read each practice and definition and assess how important the practice is to the sustainability of the workplace, and how likely they would participate in such an activity.

The **importance** of each sustainability engagement practice depends on its potential to:

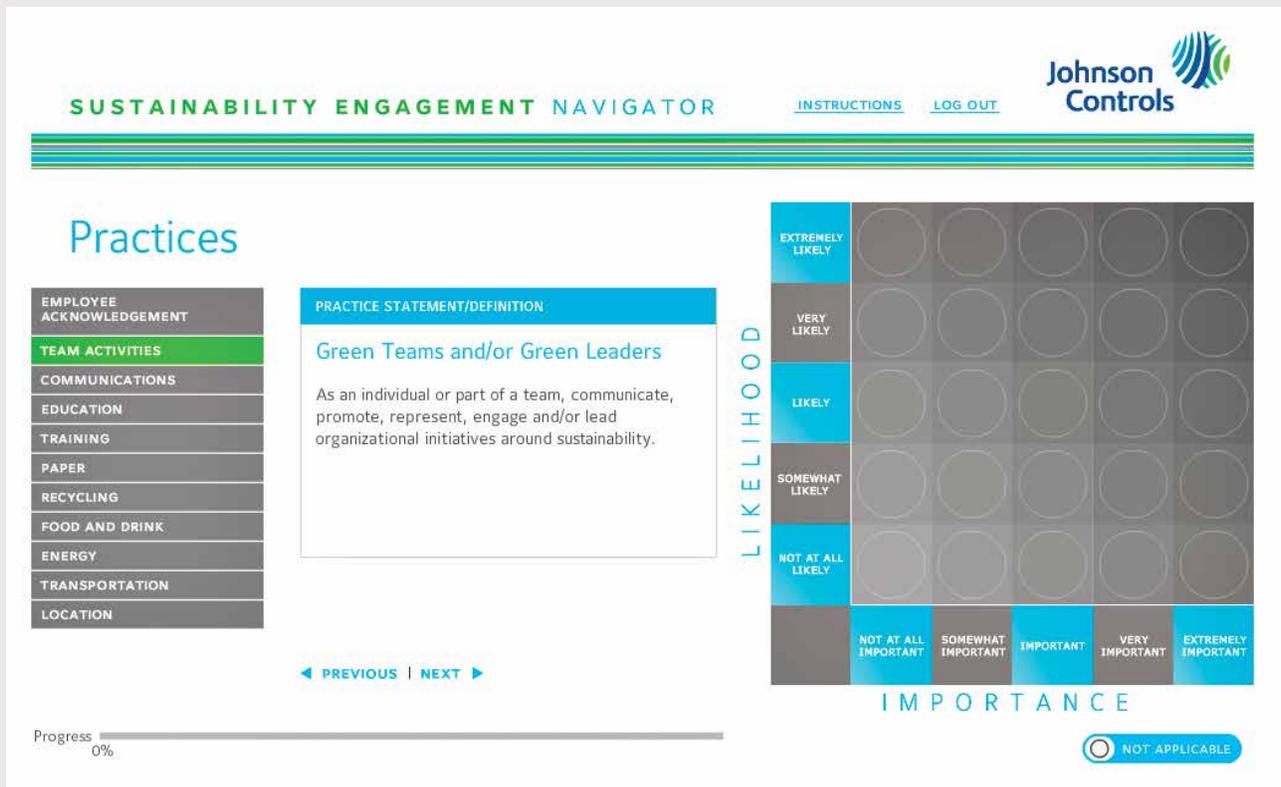
- Positively affect sustainability at the participants' workplace
- Have a significant impact on sustainability root issues

**Table 4 Organization of Engagement Actions**

Employee Actions					
Paper	Recycling	Food & Drink	Energy	Transportation	Location
Paperless Paychecks and Company Information	Office Products Reuse/Recycling Area	Reusable Food and Drink Containers and Utensils	Energy Saving Computer Settings	Bike to Work	Hoteling and Hot Desking
Centralized Printing	Centralized Waste and Recycling Areas/ Containers	Dishwasher Use	Personal Area/Office Shut-Down Procedures	Carpooling	Telecommuting
Personal Printing Code and Expense Report	Waste Audits	Purified Water	Power Strip Use	Public Transportation	Virtual Meetings
Double-sided Printing	Composting	Sustainable and/or Local Food	Lighting Reduction Program		

Source: Institute for Building Efficiency, Johnson Controls, Inc. (2013)

Figure 6 Sustainability Engagement Navigator Tool Interface



Source: Institute for Building Efficiency, Johnson Controls, Inc. (2013)  
<http://solutionsnavigator.com/solutionsnavigator/engagementnavigator/v2/welcome.php>

The **likelihood** of employees embracing each sustainability engagement practice depends on having the requisite:

- Capability to participate
- Readiness to participate
- Willingness to participate

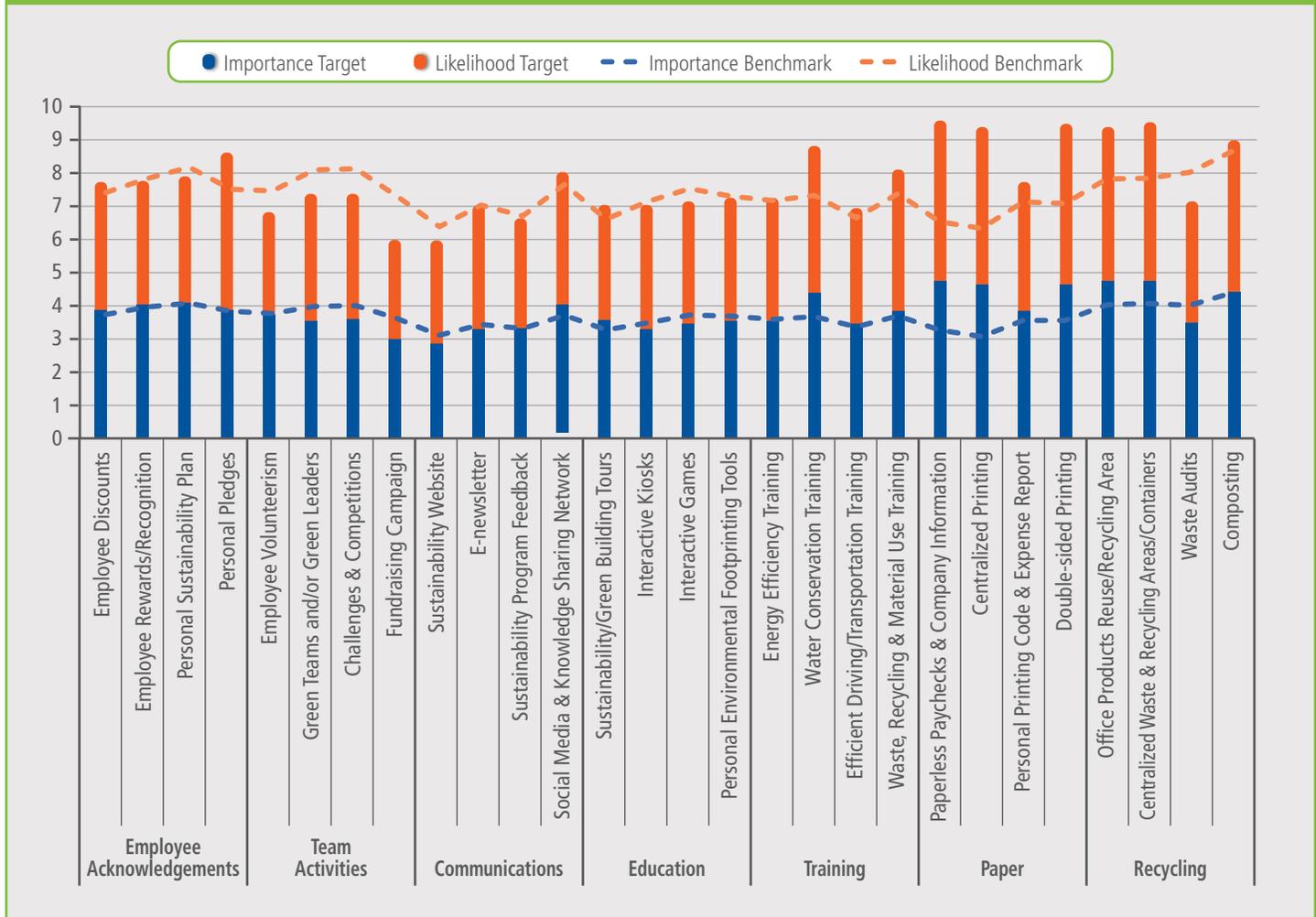
The Sustainability Engagement Navigator has a 5 x 5 grid “game-board” interface. Employees place their “game pieces” in one of 25 locations, indicating a rating of where the two metrics line up for that particular statement. The two axes range from “not at all important” to “extremely important” and from “not at all likely” to “extremely likely.”

### 3 Outcomes

By assessing each engagement method and employee action against the two metrics, an efficient yet robust outcome is achieved. The report outputs are based on the aggregate total of "likelihood" plus "importance," focusing on practices that are important and have a high likelihood of participation – things that will be easiest to implement or most successful when implemented.

The practice statements in the tool are standardized and remain the same regardless of the organization. Because of this, the information collected through the assessment can be used to benchmark datasets against other participant bases, such as similar organizations in a particular market segment, or other departments or locations within the same organization. This helps the organization understand where commonalities or differences lie and offers yet another facet of information when approaching next steps and roadmap creation. In

Figure 7 Example Output from Sustainability Engagement Navigator Results



Source: Institute for Building Efficiency, Johnson Controls, Inc. (2013)

addition, an organization can revisit the Sustainability Engagement Navigator assessment after an engagement program has been implemented and benchmark itself, using the data from an earlier assessment.

## 4 Roadmap

The Sustainability Engagement Navigator results alone provide a rich insight into practices to implement by prioritizing them based on the employees' input. An organization can garner even more information by having key stakeholders responsible for the implementation of the practices interviewed separately, using the Engagement Program Inventory (EPI). Using the EPI, the stakeholders assess the same practice list as in the Sustainability Engagement Navigator, but also evaluate:

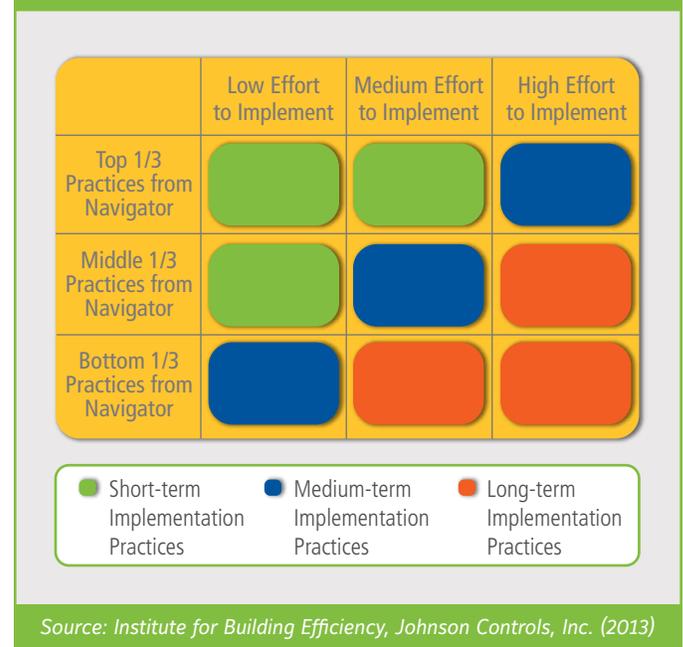
- Which practices have been implemented successfully, implemented unsuccessfully, or never implemented.
- For practices that have been implemented, the effort required to implement them (high, medium or low).

"Effort" frames not only the functional feasibility and difficulty of the practice (resources, time, capital, etc.) but also the feasibility of working within the confines of the culture and corporate goals. For the practices never implemented, the stakeholder group offers an educated opinion of the perceived difficulty or effort required to implement the practice. This information is based on perceptions and is qualitative, so as to garner information quickly from those responsible for execution.

The results of the Sustainability Engagement Navigator are overlaid with the EPI results to compare the practices or activities that have been implemented successfully or unsuccessfully, or not implemented at all, and map them against the employee perceptions of the activities' importance and the likelihood they would participate. This, along with the overall perception of the effort required to implement the practices, helps further prioritize

practices to implement, revive or discontinue. The data gathered and the outputs produced help bridge the gap between the unique organizational culture and employee perceptions of sustainability, with the end goal of improving metrics around sustainability.

**Figure 8 Implementation Roadmap**



All practices implemented unsuccessfully or never implemented are grouped into the appropriate category of priority from the Sustainability Engagement Navigator results (employee feedback) and the implementation effort (owners' feedback), as shown on the matrix above.

Depending on where a particular practice falls within the matrix, it is given a goal for short-, medium- or long-term implementation. This quickly and efficiently uses the employees' priorities and the insight from those who are knowledgeable about the inner workings of the company to realistically implement the practices and create a phased roadmap for implementation.

The practices marked as successfully implemented from the EPI need to be verified as indeed having been implemented to the full extent and tracked. These practices should be examined to ensure that:

- They are communicated to the employees
- Metrics are established to track the success of the practice
- The practice is tracked with key performance indicators (KPIs) and documented

The short-, medium- and long-term time frame may vary depending on the organization and many other factors, such as budget, resource availability and stakeholder support. A short-term item may be something implemented within one to six months, medium-term may be six to 12 months, and long-term may be 12 to 24 months. In addition, organizations that feel strongly that a certain practice should be implemented in a certain time frame may wish to move that practice into a different category. For example, if the executive stakeholders feel strongly that green teams should be implemented

at a location, despite a low score from the employees via the Sustainability Engagement Navigator, that may be something to address in the short term. Certain practices such as this may have overall low likelihoods of participation, but may have high impacts regardless. This would be assessed on a case-by-case basis.

In addition, discussion may be needed to assess the reasons behind practices that have been implemented unsuccessfully, whether they are considered priorities, and how to change the method of execution and performance in the future. For example, if the aggregated employee results indicate that a carpooling program is highly important and employees are extremely likely to participate, but a program of this nature has already failed, the organization may want to look further into why it failed and evaluate options to improve employees' perceptions.

After prioritizing engagement practices from employee input and creating the implementation roadmap, an organization can set goals for the program, and metrics to track progress toward those goals, as discussed in the previous section.

## Conclusion

Sustainability is increasingly important to business strategy and public image; employees are needed to help drive integration of sustainability throughout business practices. Many organizations recognize employee interest and importance, and have begun implementing activities, yet have not considered a strategic engagement planning process for their organizations. Today's practices often rest on the leadership and efforts of a handful of dedicated and motivated leaders and champions. For long term changes associated with business practice, sustainability in the workplace must move beyond the 20% of individuals who are the strongest champions and reach the other 80% of the employees. This expanded engagement strategy requires new approaches – and bottom up input on the priorities and interests of those who have not been as active.

Human behavior is complicated and the methods and metrics by which to measure behavior change are not yet well defined. In addition, engagement activities are dynamic: companies evolve, technology advances, and social norms change. In "Driving Behavior Change" we have set forth a process and a tool to help organizations grapple with these challenges and implement and maintain a sustainability engagement program in the workplace.

By following a clear methodology and employing tools that offer succinct but rich information, companies can establish a clear path and goals to

implement and sustain an engagement program. Using tools like the Sustainability Engagement Navigator and the Engagement Program Inventory can help an organization gain input from leadership and employees alike to tailor a program that fits the unique organizational composition.

Research on employee culture and behavior in the workplace continues to grow. The appendices present examples of organizations that have successfully implemented engagement programs by employing clear processes and tools to fit their cultures, structures, and business goals. They also define and explain engagement methods and employee actions that organizations can adapt and implement.

The materials documented here share current strategy and document changes occurring in employee engagement. Top down and bottom up approaches documented in this report are combined in strategic planning efforts suggested as a critical component to long term success. The establishment of impact metrics and a continuous improvement culture can allow for ongoing updating. Organizational culture is dynamic—each workforce will look for employee engagement to be meaningful to core values and engage individuals who may have differing views of their role and the role of the organization in promoting sustainability.





# ENGAGEMENT METHODS

*[Company Driven]*



**Employee Acknowledgement**



**Team Activities**



**Communications**



**Education**



**Training**

# EMPLOYEE ACTIONS

*[Employee Driven]*



**Paper**



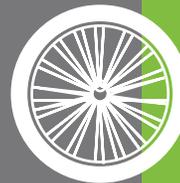
**Recycling**



**Food & Drink**



**Energy**



**Transportation**



**Location**



# Appendix A: Cataloging Employee Engagement Practices

The engagement methods and employee actions referenced throughout this report provide a framework for developing strategies and environmental sustainability programs that help produce environmental and organizational benefits and foster a culture of engagement and innovation. We review organizational culture, input mechanisms, prioritization tools and strategies, and the tracking and assessment of results.

In this appendix, we define each engagement method and employee action and discuss ways these actions engage employees on environmental sustainability. Short case study examples help elucidate the practice and give practical applications. Employee engagement practices on sustainability in the workplace were researched through company corporate social responsibility reports, in online media including GreenBiz.com and Environmental Leader, and from interviews with people from organizations running sustainability engagement programs. As described earlier in the report, we segment the catalog into two main categories:

- *Engagement Methods* – communication-based activities or platforms and tool-based mechanisms that deliver a message, assist in information gathering, or educate and engage employees.
- *Employee Actions* – actions employees can take to contribute positively to the sustainability of their workplace and the environment.

## Engagement Methods

### 1 Employee Acknowledgement

Within this category of engagement, employees are incentivized to consider making sustainable choices in the workplace through receiving employee discounts and rewards and recognition, completing personal sustainability planning, and committing to pledges.



**Employee Discounts** – company-issued discounts on local, sustainable and/or energy efficient products for work and personal life. Such discounts can reinforce environmentally friendly behavior outside the workplace. For example, some organizations give employees discounts or stipends on public transportation or energy efficient products to encourage purchasing eco-friendly alternatives.<sup>1</sup>

**Employee Rewards/Recognition** – forms of positive feedback, such as prizes or awards, for behavior that has a positive impact on the organization's sustainability goals. These recognitions help keep employee morale high and reinforce progress towards goals, especially when employees may perceive sustainability actions as additions to their job functions. There are two main drivers for sustainable action: moral obligation and self-serving (or "what's in it for me") reasoning. A series of Towers Watson studies on employee engagement and incentives revealed that 65 percent of employees were seeking more frequent communication about reward and benefit programs.<sup>2</sup>

Caesars recognized that involvement in its CodeGreen program meant adding to employees' job functions, or that some employees did not identify with an environmental message without further information and training. Employee rewards were key to promoting the program and continuing its success. Caesars employees are rewarded based on set targets for green performance. Caesars is also starting a "Carbon Cakes" celebration this fall in which employees across the company celebrate the success of CodeGreen in exceeding the goal of carbon emissions reduction.

**Personal Sustainability Plan** – individual sustainability plans with personal goals or commitments to reduce environmental impact in the workplace. Such plans link the employee’s sustainability performance or pledges to job descriptions, yearly goals and compensation. Companies have found this establishes a sense of responsibility for habits that influence areas such as energy consumption, waste generation, and water use. For example, Intel has integrated sustainability into employee and executive compensation by linking the sustainability metrics and goals to employee bonuses.<sup>3</sup> In addition, organizations such as Procter & Gamble and the U.S. Postal Service are making sustainability part of job performance, specifically providing targeted learning solutions to help employees understand how key sustainability principles apply to their specific job functions and how they can participate in behaviors that contribute to the organization’s sustainability strategy.<sup>4</sup>

While examples of sustainability-based compensation are fairly limited and most focus on executive management, there is a general consensus that linking compensation to sustainability goals can improve companies’ environmental

and social performance, but only if they find a way to measure progress using relevant and specific metrics that align with corporate strategies.<sup>5</sup>

**Pledges** – commitments employees make to uphold company sustainability goals or targets by adopting certain sustainable behaviors. Pledges have been found to increase the likelihood that people will observe a commitment, especially when the pledge is made public.<sup>6</sup> Organizations often use pledges to increase participation in activities, and to track participation.

In the U.S., the TD Environment group of TD Bank developed **The Green Pledge** to jump-start the Head stage of “The 4Hs of Environmental Engagement<sup>SM</sup>” – Head. Heart. Hands. Horn.<sup>SM</sup> methodology. TD uses “The 4Hs of Environmental Engagement<sup>SM</sup>” to drive its environmental employee engagement effort. This methodology comprises a virtuous circle that stand for: Head – awareness and knowledge; Heart – a powerful emotional connection; Hands – action and volunteerism; Horn – pride in sharing accomplishments with peers and customers.

To build awareness, employees were asked to commit to six simple actions consistent with TD’s greenhouse gas and paper reduction initiatives. Results were made visible via a scorecard to senior executives, where healthy competition amongst business groups was encouraged. Within the two-month challenge, more than 10,000 U.S. employees (40 percent) had taken **The Green Pledge**.



## 2 Team Activities



Team activities engage groups of employees to promote sustainability initiatives in the workplaces and in the community. They include volunteerism, participating in a green team or becoming a green leader, competing in challenges and competitions, and taking part in fundraising campaigns.

**Employee Volunteerism** – commitments to volunteer for sustainability-related causes or events, either one time or ongoing, company-wide or individual. Volunteering for a cause of this nature educates employees on sustainability actions they can take and engages them in supporting sustainability initiatives in their communities. They may bring lessons learned back to the office and reinforce behavior change there.

Caesars' CodeGreen program has a community affairs focus, mainly driven by employee volunteerism. Caesars has more than 600 employee HERO events a year. These include signature events in environment, one of which is a collaboration with National Park Trust (NPT). Caesars encourages employees to volunteer for the NPT Kids to Parks Day, an effort to inspire children to get outside and explore parks in their communities. Caesars Foundation, also in partnership with NPT, sponsors the Buddy Bison program: classroom field trips that target at-risk schools to connect them with public lands and support educators and students with curriculum. Caesars found that, based on a 2011 survey, employees who participate in community volunteerism have higher levels of engagement and satisfaction at work.<sup>7</sup>

Wells Fargo has a strong commitment to employee volunteerism for environmental organizations. For example, since 2005, the company has participated in GRID Alternatives, a California-based non-profit that installs solar electric systems for low-income families. Krista Van Tassel, vice president and environmental affairs business initiatives manager, stated, "The GRID model really helps bring the concept of green energy and its benefits to lower-income communities to life for our team members, while our investment in and work with GRID demonstrates in real time Wells Fargo's corporate values."<sup>8</sup>



**Green Teams and Green Leaders** communicate, promote, represent, engage and lead organizational initiatives around sustainability and are a common attribute to successful sustainability engagement programs. With a demonstrated interest in sustainability, people on green teams are advocates for company initiatives and can be strong sources of ideas for new initiatives and ways to improve existing efforts. In addition, organizations with numerous locations can benefit from local green teams that help preserve and respect local opportunities for improvement. These teams have become a mainstay of employee engagement programs and often lead the charge. The Green Teams report by GreenBiz and the President of Green Impact is a beneficial resource for establishing and maintaining green teams.<sup>9</sup>

SAP leverages over 100 sustainability champions throughout its organization to support and communicate to other employees about sustainability initiatives within the workplace. The champions represent different regions and lines of business. They dedicate 10 percent of their work time to promoting sustainability through local initiatives, such as education sessions, sharing best practices, organizing events, and many other ways of engaging employees around the broad topic of sustainability. They act as role models and tailor sustainability to local needs and interests, as well as highlight local issues that require attention at a global level.

In Canada, TD has numerous Green Teams spread across various business lines in its corporate offices. The Green Teams are voluntarily led by Green Team Leaders, who assemble a group of passionate colleagues as members of the Green Team. These Green Teams organize consistent meetings (bi-weekly, monthly, etc.), recommend and implement practical environmental initiatives in their workspaces, and promote green thinking to fellow employees, ultimately motivating everyone to reduce their environmental impact. And, in each one of TD's 1,200 Canadian branches, a Green Coordinator acts as a "point person" for environmental initiatives and campaigns. The Green Coordinator is the branch expert on TD's environmental commitments and achievements and is able to share TD's green stories with colleagues and customers.

In the U.S., TD Environment co-created a Green Leaders program with senior executives from its largest business—Retail Banking. The Green Leader program is a leadership structure designed to raise environmental awareness, commitment, and pride. It strategically aligns environmental enthusiasm with business objectives, drives results, and provides an outlet to recognize and reward talent and share success stories. The program is designed to engage customers, build brand awareness, provide stretch leadership opportunities, and help reduce controllable costs, such as energy and paper procurement.

At Citi, each local Green Team establishes a governance structure through team bylaws and forms an official advisory relationship with seniors from real estate services, human resources, and a business on site in order to be recognized within the formal network. This structure ensures that teams have on-site support to back their activities, and stronger governance processes to help them survive if key leaders relocate or leave the firm.

Employee culture varies strongly between different sites and regions and can strongly influence the nature of a successful Green Team engagement. For this reason, Citi green team leaders are given great flexibility in choosing their governance structure and primary initiatives, allowing employees to manage and implement practices they think will succeed at their locations. For example, a Green Team in Warren, N.J., with large population that works remotely, has a focus on helping employees

reduce their environmental impacts at home, while the team in New York City has a stronger focus on in-person educational events and volunteer opportunities. All teams then work together to support global initiatives like Citi Earth Week.

The Corporate Sustainability unit, which coordinates the efforts, continues to build the program based on team feedback. Originally focused on developing a toolkit that helps teams get started, they now provide ongoing environmental and governance training for members and leaders and are working to strengthen the connections between team participation and employee professional development. Additionally, they host a website where Green Team leaders post their challenges and share documentation and best practices. Finally, they host bi-monthly calls where leaders share information and resources on various aspects of team management.

**Challenges and Competitions** – peer-to-peer events involving sustainability goals, where the more “green” team or individual wins prizes, rewards or public recognition. Challenges and competitions can provide feedback to employees on how they compare to their peers in energy use, waste generated and other measures. They create a friendly dynamic between offices or individual employees that encourage behavior changes and changes in perceived social norms.<sup>10</sup>

Portland, Ore., office competing against each other, using an online dashboard and energy monitoring software to see which floor could reduce its plug load energy the most over two weeks. The competition reduced plug load energy use by 14 percent.<sup>11</sup>

**Fundraising Campaigns** – organized efforts at the workplace to raise money for a sustainability cause. A fundraising campaign allows employees to become engaged in sustainability and fosters a connection with a cause, especially for those who have no previous exposure to environmental issues.

### 3 Communications



Communications are engagement methods that use media and feedback tools to connect employees. Tools include websites, e-newsletters, feedback programs, and social media or knowledge sharing networks. Communicating sustainability issues and initiatives to employees is extremely important and can make or break a company's initiative, but often it is not done effectively. For example, a 2010 Brighter Planet Employee Engagement Survey found that 27 percent of respondents did not know whether their employer had an employee engagement policy on sustainability, and 32 percent said their company never shared sustainability goals and strategies with employees.<sup>12</sup>

**Sustainability Website** – a company-run website with information on items like sustainability, environmental issues, green building initiatives, tips to “go green,” and how to be involved in sustainability initiatives.

Citi's internal website is a one-stop resource for information on sustainability at Citi. It includes information on the company's sustainability strategy, the Green Team network, ways employees can be more environmentally friendly at home, and internal sustainability news.

**E-newsletter** – an electronic publication with sustainability updates, articles, feature stories on employee sustainability “wins,” and other informative material. A newsletter is another information-rich method to communicate with and engage employees in the workplace and can be distributed in tandem with existing electronic or email-based newsletters.

**Sustainability Program Feedback** – an employee survey to assess the effectiveness of sustainability engagement initiatives and to obtain feedback on existing or new ideas. Giving employees feedback on the progress and impact of their efforts is important to a sustainability engagement program, as is offering them a chance to provide feedback to management. Surveying employees on sustainability practices in the workplace can allow the employer to assess whether communication on engagement programs has been effective.

Citi ensures that the employee engagement program maintains a two-way dialogue through a Green Employee Survey. The annual survey gathers feedback from the workforce on Citi's environmental sustainability program and performance. In 2012, more than 96 percent of responding employees said environmental issues were important to them personally, and 93 percent indicated that Citi has a responsibility to protect the environment.

At Caesar's, an employee opinion survey is distributed to judge overall awareness of CodeGreen efforts and participation in the activities. It also gathers information on specific properties' performance related to employee engagement and sustainability. These surveys are also given to guests to help understand their awareness of the CodeGreen messaging and the perceived importance of the programs. The surveys also serve as benchmarks that help establish goals for each property going forward.

**Social Media/Knowledge Sharing Network** – a web-based forum or virtual community for employees to exchange ideas, offer feedback and suggestions on company sustainability initiatives, and share information through external sites like Facebook, Pinterest, and Twitter, or internal portals or platforms. There are many ways to use social media for sustainability causes, such as crowdsourcing ideas, communicating initiatives, and creating a community atmosphere to drive enthusiasm.<sup>13</sup> In addition, social media have been linked to more effective sustainability engagement programs, allowing organizations to reach wide audiences while still allowing personal connections with the issues. This increases awareness of the initiatives, enables companies to recognize those who participate, and is easily tracked and measured.<sup>14</sup>

TD's web-based, internal engagement tools are an example of shared cross-border infrastructure. TD Green Nation is a web-based tool that allows employees to pledge and accomplish green acts in the workplace, at home, or through volunteering in the community. Environment at TD and the GreenNetwork are online communities on TD's internal social media platform that encourage employees to engage in direct conversations about sustainability and share best practices. The GreenNetwork cuts across all employee levels and lines of business. Ten percent of employees have joined The GreenNetwork, comprised of people who want to do even more for the environment. They are provided with additional ideas, information and opportunities to engage with each other.

## 4 Education

Employee education as it relates to environmental sustainability is a crucial piece of an engagement program.<sup>15</sup> Opportunities to learn more about sustainability, including tours, interactive kiosks, interactive games, and personal environmental footprinting tools, are ways for employees to be engaged, learn new skills and discover tangible benefits for themselves and the company.

**Sustainability/Green Building Tours** – real-world examples of best practices through tours of green buildings. On-site tours of an organization's green building can educate building occupants and local community members on green building technologies and how they can be optimized. Off-site tours can teach employees about sustainability features and environmental management to translate to their own workplaces and show them how to make more sustainable choices in purchasing, energy consumption, and waste management.



**Interactive Kiosks and Dashboards** – web-based, interactive touch-screens featuring energy consumption, green building features, social media interaction, and other educational information for occupants around sustainability. Information displays can be important in engaging employees and a community as a whole in a campaign or cause. Interactive kiosks can display information about building energy use in real time. If placed in communal areas, like the lobby or near elevators, building users can view the information throughout the day as they pass through, allowing for discussion as employees meet. Interactive kiosks are also important tools to communicate with visitors who may be interested in the sustainable aspects of the building design. Dashboards allow for information display as well, but are usually accessible via an employee’s computer. Dashboards are easy to read with a real-time user interface that shows the metrics being tracked. Dashboards are meant to enable instantaneous and informed decision-making.

At the Johnson Controls Corporate Headquarters LEED Platinum campus, an interactive kiosk in the common area is easily accessible to employees. Energy consumption data, information on the amount of renewable energy generation, water-saving features, and other environmental sustainability elements are showcased, helping employees learn what it means to work in a green building.

**Interactive Games** – games that challenge employees to adopt new practices and to learn more about sustainability, green building and their personal environmental impact. Employees discover new skills, experience decision-making in different scenarios, and learn consequences for actions in a non-threatening and fun way.



According to Cool Choices, a well-designed, game-based approach can deliver results that are deeper and broader than traditional information-and-incentive-based approaches.<sup>16</sup> Cool Choices works on the principle of games to incentivize employees who may not otherwise take part in sustainability engagement practices. Games encourage employee engagement and learning and offer a promising strategy for influencing behavior change.<sup>17</sup> A post-game survey administered with Miron Construction, a company that worked with Cool Choices to engage employees in 2011, showed that 90 percent of employees who took part in the game had learned something new, and 60 percent talked about sustainability at work during the game.<sup>18</sup>

**Personal Environmental Footprinting Tools** – web-based tools that estimate employees' footprints (water, carbon and others) and identify ways for them to reduce their impacts.

In much the same way companies measure waste production, energy and water consumption, and GHG emissions, employees can measure their impact in these areas, at home and at work. Several free online tools allow them to enter information on their day-to-day practices with waste, water, transportation and energy, estimate how much they use, and track reductions. Some tools offer suggestions and education on how to reduce one's footprint. They may include a social media aspect that allows employees to compare themselves to their colleagues and compete to be less wasteful and more efficient. With information gathered from these tools, employers can design incentives around certain practices and potentially track progress. Finally, an organization may use the information to contribute to overall corporate goals on sustainability.

## 5 Training

Opportunities for employees to receive education on sustainability represent another engagement method many organizations use successfully. Training sessions can be in person (guest speakers, workshops, seminars, formal coursework) or online and on demand.



Grant Ricketts, CEO and co-founder of Tripos Software, Inc., asserts that sustainability principles are not clear to many people, and that how it matters at work is even less obvious. Sustainability training programs, like those that have been successful at implementing safety or diversity principles at organizations, foster "knowledge transfer, giving rise to further innovation, efficiency and competitive insight."<sup>19</sup>

Training programs tell how to address sustainability topics in the workplace and educate employees on why sustainability is important to them and the company. Programs include:

- Energy Efficiency Training
- Water Conservation Training
- Efficient Driving/Transportation Training
- Waste, Recycling and Material Use Training

## Employee Actions

### 1 Paper



Each year in the United States alone, 70 million tons of paper is used<sup>20</sup> and the typical American office worker disposes of 100–200 pounds of paper each year.<sup>21</sup> About half the documents printed in a typical office are thrown away within 24 hours.<sup>22</sup> While recycling paper is a good option, avoiding unnecessary use of paper can reduce environmental effects such as forest loss, air and water pollution, and waste going to landfills,<sup>23</sup> not to mention the hefty costs for paper, ink and toner.<sup>24</sup> Within the workplace, there are many opportunities to improve the management of paper as a resource, including paperless paychecks and online communications, centralized printing stations, personal printing codes for employees and expense reports on printing, and double-sided printing defaults.

### Paperless Paychecks and Company Information –

giving employees the choice to receive company information, paychecks, and other correspondence in electronic format. Many organizations find this is an easy, cost-effective switch that dramatically reduces paper consumption and costs. The American Payroll Association estimates that 146 million Americans receive paychecks, equating to 3.5 billion paychecks per year. The association encourages companies to "go green" by administering electronic paychecks.<sup>25</sup>

**Centralized Printing** – using centrally located network printers instead of desk-side printers to discourage unnecessary printing. This also allows an organization to centralize its paper procurement, gives visibility into consumption and allows for better tracking, an important part of a paper reduction program.<sup>26</sup>

**Personal Printing Code and Expense Report** – assigning a code to employees that they must enter before printing. A statement reports to them consistently on the amount of paper they used. This practice gives visibility and accountability to employees' printing paper use, as many do not realize how much they print. It can also help an organization evaluate its paper use, provide a benchmark, and cut down on non-business-related printing.<sup>27</sup>

**Double Sided Printing** – switching personal computer settings to default to double-sided printing jobs. This is an easy and cost effective way to dramatically reduce paper used when printing documents. However, while about 67 percent of all copiers print double-sided, only about 15 percent of U.S. employees use this capability.<sup>28</sup>

## 2 Recycling and Waste Reduction



Increasing the percentage of waste recycled in the workplace can significantly reduce waste to landfill. Recycling and waste reduction can also save on hauling fees, conserve virgin resources, reduce GHG emissions, and prevent pollution.<sup>29</sup> Employee actions regarding recycling and waste reduction include: an office products reuse or recycling area, centralized waste and recycling areas or containers, personal waste audits for employees, and composting options.

**Office Products Reuse/Recycling Area** – accessible locations where employees can donate or take used office supplies and equipment, including electronics such as monitors and keyboards. Electronic waste contains toxic heavy metals that can leach into and pollute soil and

Humana's Sustainability team has partnered on several occasions with the Procurement department to organize S.H.A.R.E (Stop Holding and Recycle Everything) events, where associates bring unused or gently used office supplies to a central location. The items are then redistributed to other associates who need them for internal business use. The events lead to cost savings and waste reduction. Surplus supplies are donated to local charities.

water. An area that promotes recycling of these materials reduces waste that would otherwise be sent to landfills and prevents toxic pollution.<sup>30</sup>

**Centralized Waste and Recycling Areas/Containers** – many companies provide centralized waste and recycling receptacles, including areas for batteries, printer cartridges and CFL bulbs for employees and facilities staff. Centralized recycling and trash areas make it easier for employees to understand where different waste streams should be deposited, and thus increase the amounts recycled.<sup>31</sup>

**Waste Audit** – analysis of a building's waste stream, completed by employees at the building where the waste is generated, to investigate sources, composition, weight, volume, and destinations of the waste. Employees can help analyze waste streams and identify opportunities for recycling and waste reduction, while being engaged and educated.<sup>32</sup> The U.S. EPA WasteWise program offers assistance to organizations that wish to conduct waste audits with employees.

**Composting** – separating compostable food and other organic waste from other wastes and placing it in special receptacles. According to the EPA, organic waste makes up 20 to 30 percent of the waste stream.<sup>33</sup> Composting diverts this waste from landfills and prevents these materials from releasing methane, a more potent GHG than CO<sub>2</sub>.<sup>34</sup> In addition, composting potentially saves money by reducing waste hauling costs and reducing the need to buy mulch and fertilizer.<sup>35</sup>



All of Caesars' Las Vegas properties have established composting programs. For example, every restaurant and kitchen's organic waste at Caesars Palace is composted in partnership with the Food and Beverage department, diverting nearly 400 tons of food waste in two months during 2013.

### 3 Food and Drink

Food and drinks consumed by employees throughout the workday can impact the environment. Employees can be engaged to use reusable food and drink containers or utensils, use water coolers instead of buying bottled water, follow efficient dishwashing procedures, and purchase local or organic foods.

**Reusable Food and Drink Containers and Utensils** – supplying reusable drink containers, plates, utensils and water bottles to replace disposable items and bottled drinks.

To align operations with Humana's Healthy People strategy, the CSR team from the Desert Ridge, Ariz., office began an effort to eliminate disposable cups, plates and plastic ware from the office. All associates received reusable cups to replace the disposable Styrofoam cups used previously. This transition decreased the office's waste footprint and yielded a financial saving from no longer purchasing disposable kitchen goods.

**Dishwasher Use** – using dishwashers in common-area kitchens instead of hand-washing dishes and utensils. Dishwashers use far less water and energy than hand washing dishes.<sup>36</sup> In fact, studies have shown that a dishwasher uses half the energy, one-sixth of the water and less soap.<sup>37</sup> Investing in dishwashers and encouraging employees to use them can save significant energy and water.

**Purified Water** – water coolers or filtered water stations to fill reusable drink containers or water bottles instead of purchasing bottled water. The manufacturing of plastic water bottles has significant environmental impacts, including GHG emissions, air and water pollution, and plastic waste generation.<sup>38</sup> Offering employees an alternative to plastic water bottles can reduce the waste stream.

**Sustainable and/or Local Food** – ensuring sustainable food options (when available) in the workplace cafeteria. Sustainable options include organic, Rainforest Alliance Certified, Fair Trade, Marine Stewardship Council's Blue Eco-Label and locally produced foods. Food consumed at work can have significant impacts on air and water

pollution, GHG emissions, and employee health.<sup>39</sup> Offering sustainable, locally grown food can lessen those impacts.

GSK's Philadelphia office cafeteria provides fresh and local food options that feature produce grown on the building's green roof.<sup>40</sup>

## 4 Energy



Commercial buildings account for approximately 40 percent of global energy.<sup>41</sup> Energy use can be one of the largest operating expenses for organizations and, while technology improvements are helping to optimize building energy performance, the ways that building occupants manage and use building systems also affect building performance. The most technologically efficient building can underperform if its occupants use energy wastefully. For example, best performing buildings in the ENERGY STAR program actually have technology of similar efficiency (e.g., lighting, HVAC, building materials) to average and below-average performers. It is human behavior-related maintenance of these high-performing buildings that drives exceptional energy and GHG emissions performance. Employees can contribute to improved energy management in their workplaces through energy-saving computer settings, office shut-down procedures, using power strips for equipment that can be shut off when not in use, and participating in lighting reduction programs—all helping to reduce the building's plug load and save energy.

**Energy Saving Computer Settings** – changing personal computer settings to default to enter standby mode after inactivity and turning off screensavers. Using the power management settings on computers and monitors and automatically switching to sleep mode instead of using screen savers can significantly reduce energy consumption.<sup>42</sup>

**Personal Area/Office Shut-Down Procedures** – nightly practices employees can follow to consistently shut down office equipment, turn off lights, and unplug electronic devices when not in use. This reduces the energy used from “phantom loads” (the slow use of power drawn from outlets even when devices are turned off).



**Power Strip Use** – employees using a company-issued electric power strip at workstations or desktops to shut off office equipment when not in use. A power strip allows an employee to plug in all personal office electronics and easily turn them off at the end of the day.<sup>43</sup>

**Light Reduction Program** – employees opt in to reducing the overhead lighting by an agreed-upon percentage, which typically is unnoticeable but can save a great deal of energy day after day.

## 5 Transportation



Transportation to and from work can contribute to GHG emissions and energy use. Employees can bike to work, carpool or take public transportation to reduce environmental impacts.

**Bike-to-Work** – an effort by employees to use bicycles as the main form of transportation to and from work. Biking prevents GHG emissions from commuting. For an employer, a biking program can be successful if amenities such as bike racks or storage areas and shower facilities are provided, and if incentives are offered.<sup>44</sup> In addition, a bike-to-work program may work toward an employee health or corporate wellness program.

In January 2011, Humana became a sponsor of peopleforbikes.org. This national campaign of the Bikes Belong Foundation advances bike safety to increase participation and realize the public health benefits. The campaign asks people to sign a pledge in support of safer biking. Increased biking and other physical activities help reduce preventable diseases, thereby trimming healthcare costs. Humana supports this program because it makes a healthy lifestyle choice fun and supports its core business.



**Carpooling** – employees participate in an organized program that help employees coming from similar locations arrange carpools to the office, thus cutting down on GHG emissions.

In several countries, SAP employees benefit from a carpooling app called TwoGo, aimed at making carpooling easy and socially cool. Two SAP software developers came up with the idea. Now there are more than 9,000 registered SAP employees and the solution is even launched to SAP customers. At SAP headquarters in Walldorf, Germany, the first cross-company carpooling network has been started with eight neighboring companies and their employees. SAP employees win points by entering information about their commuting plans and preferences; the game matches them with drivers going where and when they need to get to work. The game has been credited with taking thousands of cars off the road while helping build social ties among employees. Since many of these vehicles were company cars, there are direct cost savings to SAP.

**Public Transportation** – using buses or trains to commute to and from work to reduce GHG emissions.

Since 2007, Humana has partnered with Louisville's Transit Authority of River City (TARC) to allow associates to ride city buses and trolleys for free. This program eases parking shortages, reduces air pollution, and provides associates with an alternative transportation option. TARC provides Humana with monthly program-usage information that allows them to track trends in usage and make improvements where needed. Humana conducts promotional activities throughout the year to boost ridership. Associates are provided with opportunities to use cost-saving calculators and trip-planning tools, as well as instructions for using mass transit, park-and-ride facilities at suburban locations, and riding bikes to a bus stop. Humana also holds periodic transit fairs in high-traffic areas of the downtown facilities, allowing associates to meet TARC representatives and learn more about the benefits of riding TARC.

## 6 Location



Increasingly, organizations offer employees options to reduce their environmental impact by avoiding travel, reducing greenhouse gas emissions and saving on transportation, lodging and fuel by telecommuting and video conferencing. In addition, employees can participate in desk hoteling and hot-desking to reduce energy use and GHGs from redundant workspaces.

**Hoteling and Hot Desking** – workers who spend less than 30 percent of their time in the office, or workers on alternating shifts, may share office spaces. A software tool enables them to reserve space in the office when needed. Many office buildings have workspaces or offices that are not regularly used, wasting energy on space conditioning. Sharing space cuts down on unnecessary energy use. In addition, shifting the mindset in the office to shared workspaces fosters remote work programs, cutting down on commutes.

Sabre Holdings transformed its workspace by shifting to an alternative, flexible space model that included hoteling of office space. The company found this reduced energy and water consumption, reduced commuting trips, and made more efficient use of office resources.<sup>45</sup>

**Telecommuting** – working remotely using web-based technology instead of commuting. Besides saving GHG emissions from avoided travel, employers save money through increased productivity, reduced facility operations and energy costs, lower absenteeism, and reduced turnover.<sup>46</sup>

**Virtual Meetings** – using video-, web- or telephone-based conferencing technology instead of physically traveling to meetings. Virtual meetings can eliminate travel while allowing employees to collaborate from remote locations, thereby avoiding the emissions of GHGs.

## References

1. "Renewable Energy Companies Prefer Green Employee Benefits." *Environmental Leader*, 2008. <http://www.environmentalleader.com/2008/01/10/renewable-energy-companies-prefer-green-employee-benefits/>
2. Modney, M. "Sustainability: What's in it for me? Creating a cycle of employee engagement with incentives." *Greenconomypost.com*
3. Fallender, Suzanne (Intel) interviewed by Nina Kruschwitz. "Integrating Sustainability Into Strategy, Governance and Employee Engagement." *MIT Sloane Management Review*, April 10, 2012. [http://sloanreview.mit.edu/article/integrating-sustainability-into-strategy-governance-and-employee-engagement/?use\\_credit=23d6c2965508b167da9c4bdcef3a2aa3](http://sloanreview.mit.edu/article/integrating-sustainability-into-strategy-governance-and-employee-engagement/?use_credit=23d6c2965508b167da9c4bdcef3a2aa3)
4. Ricketts, Grant. "Why getting serious about sustainability needs to start with training." *GreenBiz*, April 2013. <http://www.greenbiz.com/blog/2013/04/29/why-getting-serious-about-sustainability-needs-start-training?page=0%2C1>
5. Singer, Thomas. "Linking Executive Compensation to Sustainability Performance." *The Conference Board*, May 2012. [http://comunicarseweb.com.ar/download.php?tipo=acrobat&view=1&dato=1339073125\\_Linking\\_Executive\\_Compensation\\_to\\_Sustainability\\_Performance.pdf](http://comunicarseweb.com.ar/download.php?tipo=acrobat&view=1&dato=1339073125_Linking_Executive_Compensation_to_Sustainability_Performance.pdf)
6. Bin, Shui. "Greening Work Styles: An Analysis of Energy Behavior Programs in the Workplace." *American Council for an Energy Efficient Economy*, 2012. <http://aceee.org/research-report/b121>
7. *Caesars Entertainment Sustainability Report*, 2012. <http://www.caesars.com/images/PDFs/caesars-sustainability-report-2012.pdf>
8. Van Tassel, K. "How Wells Fargo puts corporate, employee values into action." *GreenBiz*, February 2013. <http://www.greenbiz.com/news/2013/02/13/how-wells-fargo-puts-corporate-employee-values-action>
9. Fleischer, Deborah (Green Impact). "Green Teams: Engaging Employees in Sustainability." *GreenBiz*, November 2009.
10. Bin, Shui. "Greening Work Styles: An Analysis of Energy Behavior Programs in the Workplace." *American Council for an Energy Efficient Economy*, 2012. <http://aceee.org/research-report/b121>
11. Buhl, Amber. "Kickboxing for kilowatts: How competition cut office energy use." *GreenBiz*, June 2012. <http://www.greenbiz.com/blog/2012/06/26/kickboxing-kilowatts-competition-cut-energy-use>
12. "Employee Engagement Survey: An Analysis of the Extent and Nature of Employee Sustainability Programs." *Brighter Planet*, February 2010. <http://brighterplanet.com/research>
13. "Social media: A new tactic for corporate sustainability?" *Triplepundit.com*, April 2012. <http://www.triplepundit.com/2012/04/social-media-new-tactic-corporate-sustainability/>
14. Stevens, Susan Hunt. "Sustainability, Employees and Social Media: 4 Keys to Success." *GreenBiz*, December 2011. <http://www.greenbiz.com/blog/2011/12/14/sustainability-employees-and-social-media-4-keys-success>
15. "The Business Case for Environmental and Sustainability Employee Education." *National Environmental Education Foundation*, February 2010. [http://www.neefusa.org/BusinessEnv/white\\_paper\\_feb2010.pdf](http://www.neefusa.org/BusinessEnv/white_paper_feb2010.pdf)
16. Kuntz, K. and R. Shukla (Cool Choices) and I. Bensch (Energy Center of Wisconsin). "How Many Points for That? A Game-Based Approach to Environmental Sustainability." <http://www.aceee.org/files/proceedings/2012/data/papers/0193-000221.pdf>
17. *Ibid.*
18. Bensch, Ingo (Energy Center of Wisconsin). "Summary of the first round of interviews." July 18, 2011 Memo. [http://www.coolchoicesnetwork.org/wp-content/uploads/2011/07/ECW\\_July-18-2011\\_Memo.pdf](http://www.coolchoicesnetwork.org/wp-content/uploads/2011/07/ECW_July-18-2011_Memo.pdf)
19. Ricketts, Grant. "Why getting serious about sustainability needs to start with training." *GreenBiz*, April 2013. <http://www.greenbiz.com/blog/2013/04/29/why-getting-serious-about-sustainability-needs-start-training?page=0%2C1>
20. "Recycling Facts and Figures." *U.S. Environmental Protection Agency*. <http://www.epa.gov/wastes/conservation/materials/paper/faqs.htm#sources>
21. Sarantis, Heather. "Business Guide to Paper Reduction: A Step by Step Plan to Save Money by Saving Paper." *Forest Ethics*, 2002. <http://sustainability.tufts.edu/wp-content/uploads/BusinessGuidetoPaperReduction.pdf>
22. "Paperless Express: A Paper Use Reduction Guide for Your Business." *StopWaste.org*, 2009. <http://stopwaste.org/docs/paperlessguide.pdf>
23. Sarantis, Heather. "Business Guide to Paper Reduction: A Step by Step Plan to Save Money by Saving Paper." *Forest Ethics*, 2002. <http://sustainability.tufts.edu/wp-content/uploads/BusinessGuidetoPaperReduction.pdf>

24. "Paperless Express: A Paper Use Reduction Guide for Your Business." StopWaste.org, 2009. <http://stopwaste.org/docs/paperlessguide.pdf>
25. "Go Green with Your Green." American Payroll Association. <http://www.americanpayroll.org/GoGreenWithYourGreen/>
26. Sarantis, Heather. "Business Guide to Paper Reduction: A Step by Step Plan to Save Money by Saving Paper." Forest Ethics, 2002. <http://sustainability.tufts.edu/wp-content/uploads/BusinessGuidetoPaperReduction.pdf>
27. Ibid.
28. "Paperless Express: A Paper Use Reduction Guide for Your Business." StopWaste.org, 2009. <http://stopwaste.org/docs/paperlessguide.pdf>
29. "Recycling Basics." U.S. Environmental Protection Agency. <http://www2.epa.gov/recycle/recycling-basics>
30. "Proper Disposal of Batteries, Electronics, and Hazardous Waste." NRDC Smarter Business: Greening Advisor. <http://www.nrdc.org/enterprise/greeningadvisor/wm-disposal.asp>
31. "Recycling at Events: A Guide to Recycling Waste at Any Event." Recycling Advocates, 2001. <http://www.recyclingadvocates.org/sites/default/files/pubs/events.pdf>
32. "Waste Audits." NRDC Smarter Business: Greening Advisor <http://www.nrdc.org/enterprise/greeningadvisor/wm-audits.asp>
33. "Backyard Composting: It's Only Natural." U.S. Environmental Protection Agency. <http://www.epa.gov/waste/conserve/tools/greenscapes/pubs/compost-guide.pdf>
34. "Reducing Food Waste for Businesses." U.S. Environmental Protection Agency. <http://www.epa.gov/epawaste/conserve/foodwaste/>
35. "Composting." NRDC Smarter Business: Greening Advisor <http://www.nrdc.org/enterprise/greeningadvisor/wm-composting.asp>
36. "Dishwasher vs. Hand Washing Dishes." EPA Energy Star. [http://www.energystar.gov/index.cfm?c=dishwash.pr\\_handwash\\_dishwash](http://www.energystar.gov/index.cfm?c=dishwash.pr_handwash_dishwash)
37. "Dishwasher vs. Handwashing: the Winner." Treehugger, 2005. <http://www.treehugger.com/kitchen-design/dishwasher-vs-handwashing-the-winner.html>
38. "Food and Beverage." NRDC Smarter Business: Greening Advisor <http://www.nrdc.org/enterprise/greeningadvisor/food-beverage.asp>
39. Ibid.
40. Searer, Stephen. "Inside GlaxoSmithKline's Sustainable and Healthy Philadelphia Offices." Office Snapshots, 2013. <http://officesnapshots.com/2013/04/25/inside-glaxosmithklines-sustainable-and-healthy-philadelphia-offices/>
41. WBCSD. "Transforming the Market." Energy Efficiency in Buildings. 2010
42. "Tips: Home Office and Electronics." Energy.gov, 2012. <http://energy.gov/energysaver/articles/tips-home-office-and-electronics>
43. Ibid.
44. Dorsey, Caitlin. "Ten Ways to Make Your Business Bike Friendly." GreenBiz, April 2010. <http://www.greenbiz.com/blog/2010/04/30/ten-ways-make-your-business-bike-friendly>.
45. "Sustainable Business Transformation through Workspace Innovation." A Sabre Holdings Case Study. [http://www.sabre.com/files/Sustainable\\_Business\\_Transformation\\_Through\\_Workspace\\_Innovation\\_full.pdf](http://www.sabre.com/files/Sustainable_Business_Transformation_Through_Workspace_Innovation_full.pdf)
46. Lister, Katie. "Workshifting Benefits: The Bottom Line." GreenBiz, 2010. <http://www.greenbiz.com/sites/default/files/Workshifting%20Benefits-The%20Bottom%20Line.pdf>

# BEST PRACTICES



## Employee Acknowledgement

*Discounts, Rewards/Recognition, Personal Plans and Pledges*



## Team Activities

*Volunteerism, Green Teams and Leaders, Challenges, Fundraising*



## Communications

*Sustainability Website, e-Newsletter, Feedback Surveys, Social Media/Sharing Network*



## Education

*Sustainability/Green Building Tours, Interactive Kiosks and Dashboards, Interactive Gaming, Personal Environmental Footprinting*



## Training

*Energy Efficiency, Water Conservation, Efficient Driving, Transportation Options, Waste Recycling and Material Use*



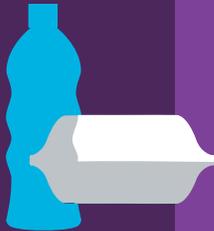
## Paper

*Paperless Paychecks, Centralized Printing, Personalized Printing Code, Double-sided Printing*



## Recycling

*Office Products Reuse/Recycling Area, Centralized Waste and Recycling Areas/Containers, Waste Audit, Composting*



## Food & Drink

*Reusable Food and Drink Containers and Utensils, Dishwasher Use, Purified Water, Sustainable and/or Local Food*



## Energy

*Energy Saving Computer Settings, Personal Area/Office Shut-Down Procedures, Power Strip Use, Light Reduction Program*



## Transportation

*Bike-to-Work, Carpooling, Public Transportation*



## Location

*Hoteling and Hot Desking, Telecommuting, Virtual Meetings*

# Appendix B: Organizational Case Studies

## TD Bank Group

### Company Profile

With more than 2,400 branches and more than 1,300 stores from Maine to Florida and the remainder in Canada, TD Bank Group (TD) is one of the largest North American-based banks.

### Environmental Sustainability at TD

TD aims to be as green as its logo. It works to reduce its environmental impact by embedding the environment throughout its business through four key pillars:

- Reducing its environmental footprint
- Developing green products and services
- Responsible financing
- Engaging employees and customers in the environment

TD is proud to have created the first net zero energy retail branch that produces more energy than it consumes, and was the first large North American bank to become carbon neutral. TD's commitment to building only energy-efficient and LEED-designed (Leadership in Energy and Environmental Design) stores will help TD reach its goal of cutting carbon emissions by one metric ton per employee by 2015. Through its TD Forests ([www.tdforests.com](http://www.tdforests.com)) initiative, the bank brings together programs to reduce paper use, protect and grow forest areas in its North American footprint, and support the local parks and open spaces that strengthen communities.

### Environmental Sustainability Engagement Structure

TD is working with employees and communities to build awareness and make an impact. TD says its employees are its biggest environmental advocates. Not only do they identify opportunities to reduce the company's environmental footprint, they also raise awareness of TD's environmental programs with Customers. TD uses a framework called "The 4Hs of Environmental

Engagement<sup>SM</sup> – Head.Heart.Hand.Horn.<sup>SM</sup>" to drive its environmental employee engagement effort. The 4Hs of Environmental Engagement<sup>SM</sup> are a virtuous circle that stand for:

- Head – awareness and knowledge
- Heart – a powerful emotional connection
- Hands – action and volunteerism
- Horn – word of mouth



The framework is applied to different audiences within the bank. It is used to set priorities and organize tactics by audience into a coherent program. TD's environmental employee engagement programs share common global goals and infrastructure, but are executed differently in different countries to reflect local business cultures. TD's business units across the enterprise are responsible for implementing the environmental strategy within their units.

TD's CEO, Mike Pedersen, along with the Chief Environment Officer and the TD Environment team, are responsible for developing enterprise-wide environmental strategy, setting environmental performance standards and targets, and reporting on performance. TD's U.S. Green Council, comprised of senior leaders across the bank, works with TD Environment to provide leadership, advice, and guidance to help embed the company's environmental strategy across all lines of business. (Similar processes exist for the bank beyond the U.S.). Other groups and responsibility that support TD's engagement structure are:

- **TD Environment:** TD Environment spearheads the program by providing training and content such as green tips, weekly communications and contests.
- **Executive Sponsor:** Each region has a senior executive who is responsible for kicking off the program, appointing Green Leaders, leading by example, and celebrating success within the region.

- **Green Leader:** Green Leaders act as the point persons for specific sub-regions, and are chosen based on their ability to lead and influence their people. They are responsible for identifying and developing Store Ambassadors, leading by example, and eventually selecting and training their successors.
- **Store Ambassador:** Store Ambassadors are high-potential talent. They are responsible for leading, communicating, and driving awareness, pride, commitment and results at the Store Level.

TD's **Green** Network cuts across all employee levels and lines of business. Ten percent of employees have joined The **Green** Network. It is comprised of people who want to do even more for the environment. They are provided with additional ideas, information and opportunities to engage with each other.

### Corporate Environmental Sustainability Goals

As an environmental leader, TD concentrates its environmental efforts around three pillars where it can drive the greatest results – reducing carbon emissions and energy consumption, paper-use reduction, and forest conservation – to foster and maintain a culture of environmental awareness within the bank.

### Environmental Sustainability Engagement in Action

#### PAPER REDUCTION

Reducing paper is a win for the environment, a win for TD Customers and a win for business. TD is committed to finding effective ways to provide Customers with information while minimizing paper. TD is raising awareness of the responsible use of paper and supports sustainable forest management certification programs. Its commitments include a 20 percent reduction in paper usage by 2015 compared to a 2010 baseline. TD Forests Program was developed to embed a paper reduction perspective across all aspects of the business and aims to:

- Reduce the amount of paper used and ensure the paper purchased is from sustainably managed forests.
- Grow the area of protected natural forest ecosystems across North America. TD has partnered with The Nature Conservancy to protect critical forests equivalent to the amount of paper used. By the end of 2013, they expect to protect 12 critical North American forests.

#### RECYCLING

Thirty percent of the office-based paper waste stream is managed through participation in the Boise® Closed Loop

## Corporate Environmental Sustainability Goals

GHG Emissions	Energy	Waste	Paper
In 2010, TD became the first North American-based financial institution to achieve carbon-neutral status. Now, it has set an aggressive goal to further reduce its carbon footprint by one tonne per employee by 2015.	At least 20% of emissions from electricity will be offset with renewable energy credits.  At least 50% of carbon offsets will be developed through impact investing projects.	Create targets to improve recycling rate of non-paper waste in US above 58%.	Reduce paper by 20% by 2015 relative to a 2010 baseline.  Maintain a minimum 30% post-consumer content for office paper procurement.

System™, a paper recycling program that diverts paper waste from landfills and reuses it in the production of recycled office paper. This initiative diverts 1,500 metric tons of TD office paper waste from landfill every year.

### VOLUNTEERISM

TD Tree Days is a bank-wide program through which employee volunteers, along with their families, friends and others, plant trees in their local communities. In 2013, 46,000 trees were planted through TD Tree Days. More information about this program can be found at <http://www.tdtreedays.com/en-us>.

In addition, TD supports many local organizations throughout its footprint where employees can volunteer their time.

### ONLINE MEDIA

TD's web-based, internal engagement tools are an example of shared cross-border infrastructure. TD Green Nation is a web-based tool that allows employees to pledge and accomplish green acts in the workplace, at home or through volunteering in the community. Environment at TD and the Green Network are online communities on TD's internal social media platform that encourage employees to engage in direct conversations about sustainability and share best practices.



Source: TD Bank

### GREEN TEAMS

In Canada, TD has numerous Green Teams spread across various business lines in its corporate offices. The Green Teams are voluntarily led by Green Team Leaders, which assemble a group of passionate colleagues as members of the Green Team. These Green Teams organize consistent meetings (bi-weekly, monthly, etc.), recommend and implement practical environmental initiatives in their workspaces, and promote green thinking to fellow employees, ultimately motivating everyone to reduce their environmental impact. And, in each one of TD's 1,200 Canadian branches, a Green Coordinator acts as a "point person" for environmental initiatives and campaigns. The Green Coordinator is the branch expert on TD's environmental commitments and achievements and is able to share TD's green stories with colleagues and customers.

In the US, TD Environment developed **The Green Pledge** to jumpstart the Head stage of The 4Hs of Environmental Engagement<sup>SM</sup>. To build awareness, employees were asked to commit to six simple actions consistent with TD's greenhouse gas and paper reduction initiatives. Results were made visible via a scorecard to senior executives where healthy competition among business groups was encouraged. Within the two-month challenge, over 10,000 U.S. employees (40 percent) had taken **The Green Pledge**.

To accelerate The 4Hs of Environmental Engagement<sup>SM</sup> in its largest business, TD Environment in the U.S. co-created a Green Leaders program with senior executives from its largest business, Retail. The Green Leaders program is a Leadership structure designed to raise environmental awareness, commitment, and pride. It strategically aligns environmental enthusiasm with business objectives and drives results, and it provides an outlet to recognize and reward talent and share success stories. This program provides new avenues to engage Customers and build brand awareness, provides stretch leadership opportunities, and helps reduce controllable costs such as energy, and paper procurement.

### What's Next for TD Bank?

TD will continue working **The 4Hs of Environmental Engagement<sup>SM</sup>** to enable Employees to be environmental leaders and build the better bank. Important mechanisms include deepening feedback loops, including by using insight gleaned by participating in the Johnson Controls Sustainability Engagement Navigator pilot, and continuing to build out mechanisms for engaged employees to connect with each other at an ever-deeper level.



## Humana

### Company Profile

For more than 50 years, Humana has provided a diverse portfolio of health and well-being services. Headquartered in Louisville, Ky., Humana ranks among the nation's largest publicly traded healthcare companies. It is a large employer with nearly 50,000 associates in over 1,000 locations across 49 U.S. states and Puerto Rico.

### Corporate Social Responsibility at Humana

Three areas of focus of Humana's CSR efforts are *Healthy People*, *Healthy Planet*, and *Healthy Performance*. Through the Healthy People pillar, Humana engages its associates, members, and the communities it serves to live healthier lives. The Humana Foundation, the philanthropic arm of the organization, is an integral component of *Healthy People*. *Healthy Planet* and reflects the company's commitment to environmental sustainability, with an emphasis on efforts to minimize its environmental footprint. *Healthy Performance* captures the commitment to ethical practices in the pursuit of business excellence. Adoption of these three building blocks has allowed Humana to create an enterprise-wide support structure for CSR and identify opportunities to collaborate throughout the company to better achieve its business goals.

### Sustainability Engagement Structure

Humana has started focusing on tracking metrics, reporting on progress, continuing to engage senior management in CSR decisions and broadening opportunities for associate participation. Humana associates are CSR ambassadors, and they work to integrate even more social responsibility and sustainability into their everyday work. Formal groups of associates have been appointed to create programs that help their

colleagues rethink their routines in hopes of helping Humana achieve its CSR and sustainability goals:

1. The CSR Stewards team is made up of nearly 20 cross-functional senior executives operating as part of a consortium, acting as ambassadors for CSR work in individual business units and connecting CSR to their teams' work, driving social responsibility to be more intentional and integrated.
2. The CSR Council includes nearly two dozen cross-functional associates of varied levels of management who operate as part of a consortium, acting as ambassadors for CSR work and driving social responsibility to be more intentional and integrated.
3. The Environmental Sustainability team is dedicated to creating and improving the well-being of Humana's workspaces while minimizing environmental impact. The team is responsible for planning, coordinating, and implementing Humana's operational environmental policies to drive efficiencies while engaging associates in achieving these goals.

4. Well-being Champions, a program that began as a benefits enrollment assistance program and has grown into an all-encompassing well-being resource. Champions are located in the majority of Humana's sites and the group connects monthly through conference calls. There are formalized communications between Champions and their HR program sponsors on a regular basis. Individual Champions have management support at their locations to spend time on well-being related initiatives. Because the Well-being Champion program was already established and integrated into the corporate structure at a grassroots level, Humana has leveraged this group to expand its scope to include sustainability.

Humana's *Healthy Planet* partnerships and programs focus where the greatest impact can be made: the buildings and operations of facilities – ranging from offices to clinics to data centers – and the engagement of its associates in environmentally conscious behaviors.

### Corporate Environmental Sustainability Goals

GHG Emissions	Energy	Waste	Water	Procurement
Reduce greenhouse gas emissions by 10% (from 2009's baseline consumption)	Reduce annual energy consumption by 10% (from 2009's baseline consumption) across the portfolio of owned properties	Obtain a 40% diversion rate across properties where the company directly controls recycle and waste services.	Humana is assessing future related goals for water conservation.	Humana is assessing the impacts of its supply chain to identify collaborative sustainability objectives.

### Corporate Environmental Sustainability Goals

Humana aims to decrease its environmental impact while improving the health of its business. The company seeks to:

1. Reduce its carbon footprint;
2. Minimize energy and water usage;
3. Decrease waste generated in operations; and
4. Integrate sustainability into procurement policies.

Humana engages associates to help achieve its goals. Simple activities like turning off lights when leaving an office, powering down one's computer at night, and riding a bike or taking the bus to work all contribute to a healthier planet.

### Sustainability Engagement in Action

#### PUBLIC TRANSPORTATION AND CYCLING PROGRAMS

Since 2007, Humana has partnered with Louisville's Transit Authority of River City (TARC) to allow associates to ride city buses and trolleys for free. This program eases parking shortages, reduces air pollution, and provides associates with an alternative transportation option. TARC provides Humana with monthly program-usage information that allows them to track trends in usage and make improvements where needed. Humana conducts promotional activities throughout the year to boost ridership. Associates are provided with opportunities to use cost-saving calculators and trip-planning tools, as well as instructions for using mass transit, park-and-ride facilities at suburban locations, and for riding bikes to a bus stop. Humana also holds periodic transit fairs in high-traffic areas of the downtown facilities, allowing associates to meet TARC representatives and learn more about the benefits of riding TARC.

In January 2011, Humana became a sponsor of [peopleforbikes.org](http://peopleforbikes.org). This national campaign of the Bikes Belong Foundation advances bike safety to increase participation and realize the public health benefits. The campaign asks people to sign a pledge in support of safer



biking. Increased biking and other physical activities help reduce preventable diseases, thereby trimming healthcare costs. Humana supports this program because it makes a healthy lifestyle choice fun and supports its core business.

#### RECYCLE AND REUSE INITIATIVE FOR OFFICE SUPPLIES

Humana's Sustainability team has partnered on several occasions with the Procurement department to organize S.H.A.R.E. (Stop Holding and Recycle Everything) events, where associates bring unused or gently used office supplies to a central location. The items are then redistributed to other associates who need them for internal business use. The events lead to cost savings and waste reduction. Surplus supplies are donated to local charities.

#### REUSABLE FOOD & DRINK CONTAINERS & UTENSILS

To align operations with Humana's Healthy People strategy, the CSR team from the Desert Ridge, Ariz., office began an effort to eliminate disposable cups, plates, and plastic ware from the office. All associates received reusable cups to replace the disposable Styrofoam cups used previously. This transition decreased the office's waste footprint and yielded a financial saving from no longer purchasing disposable kitchen goods.

#### REDUCE PAPER CONSUMPTION

Humana's Sustainability team partnered again with Procurement and other groups to challenge associates

to reassess their paper usage through a campaign called Rethink Paper. The top 10 facilities where paper usage was highest for the company were enlisted in the Rethink Paper challenge beginning in the fall of 2012. Initial results show a 40 percent decrease in paper usage across all of those locations. The challenge lasts through the end of 2013.

### EMPLOYEE GARDEN

Seventy-five associates from the Green Bay, Wis., office are involved in a Humana associate garden that began in October 2010. The garden is located on the grounds of Humana's Green Bay facility that houses more than 2,500 associates. From the garden's 16 individual plots, each roughly the size of a mid-sized car, have come rich summer harvests, including almost 30 pounds of produce and herbs delivered to Golden House, a Green Bay nonprofit organization that supports victims of domestic violence. The families of the garden-tending associates also enjoy the fruits of their labor.

"Having the garden here provides a place to find serenity during the day, to see what other people are growing, to learn new planting techniques, to meet associates you normally wouldn't have the opportunity to meet and to engage in a healthy activity promoting healthy lifestyles," says Sarah Nanna, a learning consultant team lead at Humana's National Education & Policy Development group. She helped organize the garden project and serves as its chief volunteer.

### What's Next for Humana?

Humana is proud to have a lot of smart, passionate, and green-conscious associates; it's something the company intentionally cultivates by providing these associates with opportunities to make an impact and inspire each other to be sustainable. To that end, the company will continue to encourage associates to participate in CSR campaigns like Rethink Paper and to join and start CSR teams in their locations.

## SAP

### Company Profile

Headquartered in Walldorf, Germany, with locations in more than 130 countries, SAP AG is the world leader in enterprise software and software-related services. SAP's vision is to help the world run better and improve people's lives. Innovation and sustainability are core to the business – from solutions to operations to social investments. SAP was founded in 1972 and now has more than 248,500 customers in over 188 countries. The SAP Group includes subsidiaries in every major country and employs more than 65,500 people.

### Sustainability at SAP

SAP recognizes that the demands of a fast-changing world, such as a growing population, constrained resources and an increasing social divide, require companies to pay increasing attention to prudent management of resources and sustainable business models. Around the globe, there is an ever-growing need for people, organizations, institutions, and the world itself, to run better. In a better-run world, businesses will anticipate and respond to sweeping changes, using knowledge as the key to competitiveness, profitability, and customer empowerment. Governments will be more responsive to their citizens and more transparent in their operations. Consumers will know more about the products they buy, so they can make decisions that fit their lifestyles and their values. And the environment will become a key factor in decision-making.

In 2013, SAP aims to increase the indicator for customer success by eight percentage points and the employee engagement index to 82 percent (2012: 79 percent), all while minimizing its environmental impact and positively impacting society. These goals, which are corporate objectives for SAP, affirm the company's focus on innovation and sustainability and help deliver its vision and mission. The employee engagement index is defined

as a score for the level of employee commitment, pride, and loyalty, as well as the feeling of employees of being advocates for their company.

SAP has a strong commitment to achieving a sustainable world, seeking to minimize its own environmental footprint and positively impact the communities in which it works. In 2012, for example, 60 percent of the electricity consumed by SAP came from renewable sources. SAP also reduced its greenhouse gas emissions in 2012 despite strong business growth and has reduced emissions by 19 percent since 2007. And, employees delivered more than 130,000 hours of volunteering in the communities in which SAP operates.

### Sustainability Engagement Structure

At SAP, corporate, local offices, and employee champions for sustainability all work together to integrate sustainability into company culture, job functions, and decision-making. SAP's sustainability team coordinates with the facilities team, HR and IT to implement solutions that help SAP to achieve its environmental and social goals. SAP engages its employees to consider sustainability solutions in its customer facing product development. The company also leverages grassroots sustainability champions and role models at all levels of the company to support internal initiatives to make a more sustainable workplace.

### Corporate Environmental Sustainability Goals

Driven by the belief that sustainable business practices start with transparency and accountability, SAP began publishing an annual sustainability report in 2008. SAP has made progress since then, releasing its first Integrated Report for 2012. The new format combines yearly financial and sustainability reports for greater insight into SAP's overall performance.

SAP's goal is to reduce its total greenhouse gas emissions to levels of the year 2000 by 2020. This target includes direct emissions from operations (scopes 1 and 2), as well as indirect (scope 3) emissions, such as those stemming

from business travel and employee commuting. In addition to this long-term goal, SAP sets annual targets. In 2012, total emissions decreased slightly to 485 kilotons (2011: 490 kilotons) despite significant growth in business (revenue from software and software related services increased 17 percent). Nonetheless, SAP narrowly missed its target to reduce emissions to 480 kilotons.

SAP also tracks emissions per employee and emissions per euro revenue. SAP reduced its carbon emissions per employee by more than 10 percent in 2012.

SAP measures total energy consumed, which includes all energy that the company produces or purchases (scope 1 and scope 2 emissions sources). Total energy consumption remained stable at approximately 860 gigawatt-hours in 2012 compared to 2011. This is especially noteworthy given that SAP experienced business growth during this time. Efficiency also improved. For example, although SAP has significantly expanded its employee base and thus the number of company cars, the corporate car fleet is not using proportionately more fuel because it has become more efficient, with less energy consumed per car. As a result, energy consumption decreased from 15.7 megawatt-hours per employee in 2011 to 14.0 megawatt-hours per employee in 2012.

SAP continues to expand its use of renewable energy, both to decrease reliance on fossil fuels and nuclear power and to support an emerging market that is crucial for both SAP and its customers. At the end of 2012, approximately 60 percent of total electricity consumption stemmed from renewable sources, up from 47 percent in 2011.

## Corporate Environmental Sustainability Goals

### GHG Emissions

Reduce total greenhouse gas emissions to levels of the year 2000 by 2020.

## Sustainability Engagement in Action

### MEASURING PROGRESS

SAP conducts an annual employee survey globally, in which it includes questions on what sustainability means to its employees. Ninety-one percent of survey respondents responded that it is important that the company pursues sustainability, but only 68 percent of respondents say they actively contribute to sustainability at the company. SAP believes that one of the keys to engaging employees on sustainability in the workplace is identifying its importance to employee job functions and integrating it in a way that people see how sustainability helps them to better meet their goals. Sustainability must be tied back to the core of what SAP does and how it creates value as a business. One of the innovative features of SAP's 2012 Integrated Report ([www.sapintegratedreport.com](http://www.sapintegratedreport.com)) is a tool that illustrates the connections between financial and non-financial performance. SAP understands that a full picture of a company's performance must include its social, environmental, and economic impacts. Part of engaging people includes helping them to understand that these realms are intrinsically linked. Actions taken in one area affect another. SAP continues to assess the impact of these different KPIs on each other – for example, they calculated that a 1 percent increase or decrease in employee retention leads to a financial impact of 62 million euros for the company.

### EMPLOYEE AWARENESS

Engaging employees around sustainability includes encouraging collaboration across different lines of business and highlighting shared goals. SAP's sustainability team works closely with other departments such as facilities management, IT, HR, and other corporate functions, to embed sustainable thinking in the lines of business as well as to co-sponsor joint events and activities for employees, such as Bike to Work Week, IT Recycling Days, Diversity Week, and Health Days.

SAP offers an experiential sustainability workshop to employees. These are facilitated by internal sustainability experts and provide a forum for awareness, inspiration, brainstorming and accountability to drive sustainability more deeply into the organization.

### SUSTAINABILITY CHAMPIONS

SAP leverages over 100 sustainability champions throughout its organization to support and communicate to other employees about sustainability initiatives within the workplace. The champions represent different regions and lines of business. They dedicate 10 percent of their work time to promoting sustainability through local initiatives, such as education sessions, sharing best practices, organizing events, and many other ways of engaging employees around the broad topic of sustainability. They act as role models and they tailor sustainability to local needs and interests, as well as highlight local issues that require attention at a global level.



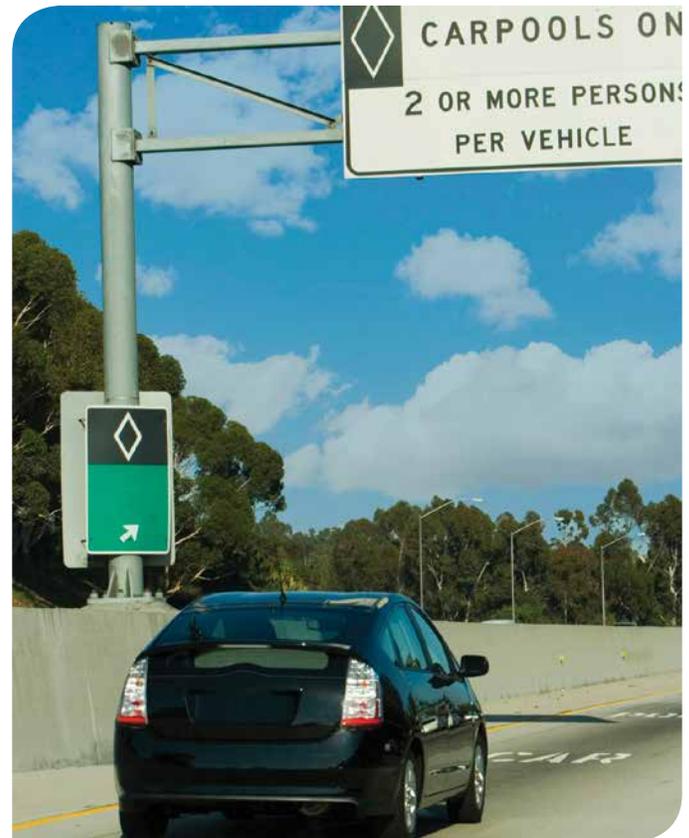
## SOCIAL INVESTMENT AND VOLUNTEERING

SAP strives to have a positive impact in the communities in which the company operates and offers volunteering opportunities to employees. SAP makes strategic social investments that leverage employees' expertise, lay the foundation for a healthy business environment, and help ensure a sustainable future for society, customers, and the company. The two major focus areas, education and entrepreneurship, build a pipeline of talent and create economic opportunity, spurring job creation and the demand for IT services. SAP calls on their talent, technology, and capital to multiply their impact, and they work in company-sponsored programs to foster change for the long term.

In 2012, SAP activated more than 130,000 employee volunteer hours. This was done through a continuum of volunteer engagement: from traditional volunteer experiences, to skills based and international corporate volunteering. The month of October is SAP's Global Month of Service, where employees all around the world participate in local community service projects, such as mentoring high school students in underserved communities, planting organic gardens, and technology classes for young people with autism.

## CARPPOOLING

In several countries, SAP employees benefit from a carpooling app called TwoGo, aimed at making carpooling easy and socially cool. Two SAP software developers came up with the idea. Now there are more than 9000 registered SAP employees, and the solution is even launched to SAP customers. At SAP headquarters in Walldorf, Germany, the first cross-company carpooling network has been started with eight neighboring companies and their employees. SAP employees win points by entering information about their commuting plans and preferences; the game matches them with drivers going where and when they need to get to work. The game has been credited with taking thousands of



cars off the road while helping build social ties among employees. Since many of these vehicles were company cars, there are direct cost savings to SAP.

## What's Next for SAP?

SAP strives to help all employees understand how sustainability is relevant to their role at SAP so that they can actively contribute to making SAP a role model for sustainable, purpose-driven organization. The company understands that its commitment to sustainability helps to attract and retain the brightest and best talent across the globe. By giving employees visibility into the company's performance on social, environmental and financial measures, these aspects can be factored into people's decision making. SAP implements its sustainable business solutions internally with a view to productizing those tools that have led to its own success, so that customers may also reap the benefits.

## Caesars

### Company Profile

Caesars Entertainment Corporation is the world's most geographically diversified casino-entertainment company. Since its beginning in Reno, Nev., more than 75 years ago, Caesars has grown through development of new resorts, expansions and acquisitions, and now operates casinos on four continents. The company's resorts operate primarily under the Harrah's®, Caesars® and Horseshoe® brand names. Caesars also owns the World Series of Poker® and the London Clubs International family of casinos. Caesars Entertainment is focused on building loyalty and value with its guests through a unique combination of great service, excellent products, unsurpassed distribution, operational excellence and technology leadership. Caesars is committed to environmental sustainability and energy conservation and recognizes the importance of being a responsible steward of the environment.<sup>1</sup>

### Corporate Social Responsibility at Caesars

The driving principle behind Caesars corporate responsibility is its Code of Commitment: a four-pillar commitment that governs the conduct of the business in regards to employees, customers, communities, and environment. This is the platform upon which the company's CodeGreen sustainability engagement program is based.

### Sustainability Engagement Structure

CodeGreen is the sustainability engagement strategy for Caesars, which is structured into three pillars that shape the program: stakeholder communication and engagement, core environmental performance, and organizational commitment and alignment.

In 2007 when the economy began to decline, many employees began using sustainability to cut costs, from efforts such as reducing energy consumption and waste to recycling vegetable oil and reducing vehicle transportation.

Executives noticed the practices that were taking place by the local employees, and realized that organizational alignment was needed to ensure the field was in line with upper management. CodeGreen began in 2007 shortly thereafter, with the first 6 months of the program focusing on quick wins through employee-driven energy reduction. After that, the second phase was focused on recycling, offering employees training on the different waste streams and how to recycle. The third phase of the program focused on competition among employees, building upon the practices put in place during the first two phases. Employees were given established targets for green performance and were able to track their progress with dashboards and scorecards.



Over time, this structure has focused on engaging internal stakeholders to customers, the local communities at which facilities are located and external partners to ultimately make Caesars a leader in sustainability. CodeGreen is now integrated into Caesars internal audit system, where practices such as hotel guest room audits for housekeeping procedures included checks to ensure energy efficiency, recycling, water efficiency and guest sustainability messaging were upheld.

According to Gwen Migita, Vice President of Sustainability and Community Affairs, the biggest challenge is making the CodeGreen program stick, keeping passion for the program up, and ensuring the communication and activities stay fresh and exciting. By further aligning and linking CodeGreen with the overall goals such as

employee retention, customer retention, brand value, and profitability, the CodeGreen strategy fits into broader business strategy; this will help expand the program to new regions and to employee technology to reinforce the program's mission.

### Corporate Environmental Sustainability Goals

At a high level, Caesars management wanted to reduce consumption of water and carbon-based energy while increasing the company's recycling efforts and encouraging employee and guest engagement. All targets have been achieved.

### Sustainability Engagement in Action

#### EMPLOYEE VOLUNTEERISM

Caesars' CodeGreen program has a community affairs focus, mainly driven by employee volunteerism. Caesars has more than 600 employee HERO events a year. These include signature events in environment, one of which is a collaboration with National Park Trust (NPT). Caesars encourages employees to volunteer for the NPT Kids to Parks Day, an effort to inspire children to get outside and explore parks in their communities. Caesars Foundation, also in partnership with NPT, sponsors the Buddy Bison program: classroom field trips that target at-risk schools to connect them with public lands and support educators and students with curriculum. Caesars found that, based on a 2011 survey, employees who participate in community

volunteerism have higher levels of engagement and satisfaction at work.<sup>2</sup>

#### SURVEYING

An employee opinion survey is distributed to judge overall awareness of the CodeGreen efforts and participation in the activities, as well as to gain information on a specific property's performance as it relates to employee engagement and sustainability. These surveys are also given to guests to help understand their awareness of the CodeGreen messaging and perceived importance of the programs. The surveys serve as benchmarks that help to establish goals for each property going forward.

#### GREEN TEAM/LEADERS

Under CodeGreen, each Caesars resort location is directed to have a green team – consisting of formal responsibilities from eight functions – that is responsible for meeting property targets, implementing a portion of the company-wide strategy each month, guiding the sustainability programs at the local level, and disseminating information and education to colleagues at the location.

#### COMPOSTING

All of Caesars' Las Vegas properties have established composting programs. For example, every restaurant and kitchen at Caesars Palace is composted in partnership with

## Corporate Environmental Sustainability Goals

GHG Emissions	Energy	Waste	Paper
Achieve 10% absolute reduction in GHG emissions from domestic properties from 2007 to 2013.	Reduce energy use per square foot by 20% from 2007 to 2015.	Divert 25% of domestic waste from landfills by 2014.	Reduce water usage 10% per square foot from 2008 to 2015.

the entire Food and Beverage department, diverting nearly 400 tons of food waste in two months during 2013.

#### REWARDS & RECOGNITION

Because Caesars recognized that CodeGreen meant adding onto employees' job function, or that some employees did not identify with an "environmental" message without further information and training, employee rewards were key to promoting the program and continuing its success. Employees are rewarded based on set targets for green performance. Caesars is also starting a "Carbon Cakes" celebration this fall in which employees across the company celebrate the success of CodeGreen in exceeding the goal of carbon emissions reduction.

## Citi

---

### Company Profile

Citi provides consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, transaction services, and wealth management. Citi has approximately 200 million customer accounts and does business in more than 160 countries and jurisdictions. With 253,000 employees working in just under 12,000 facilities, Citi's reach spans the globe.

### Corporate Social Responsibility at Citi

Citi has a long history of championing corporate social responsibility, or corporate citizenship, internally and externally. Citi focuses its citizenship efforts in three core areas that align with its business objectives and reflect the main interests of stakeholders: promoting financial inclusion, advancing environmental sustainability and valuing employees. These citizenship priorities are underpinned by Citi's commitment to four key principles across its operations: ingenuity, leadership, common purpose and responsible finance.

Citi supports its citizenship priorities with products and services, and through lending, investing and the expertise of its people. Citi's efforts are complemented by the Citi Foundation's strategic giving. Citi measures its performance in each of its social and environmental priority areas. Citi has been reporting publicly on its citizenship performance every year since 2000, and has been listed on the Dow Jones Sustainability Index for as many years.

### Sustainability Engagement Structure

Citi integrates environmental sustainability into its core business practices to generate value for clients, customers, communities and shareholders. It has a growing portfolio of green buildings and a comprehensive set of environmental and social risk policies, and it plays a leading role in identifying and financing new environment-based opportunities, such as renewable energy and energy efficiency. Citi's Environmental Sustainability approach is to 1) reduce its operational footprint, 2) actively manage environmental and social risks associated with client transactions, and 3) finance environmental business opportunities. These efforts are fundamentally tied to Citi's overall business strategy. Aligning Citi's environmental and business goals enables the company to take a more comprehensive and holistic approach when anticipating and tackling challenges faced by clients.

Citi's integrated sustainability program allows for most initiatives to be owned and driven by individuals within its businesses, such as Operations, Risk and the Institutional Clients Group. Centrally coordinated by the Corporate Sustainability unit, the program is informed by an Environmental and Social Policy Review Committee and an EMEA Climate Council, and reports progress to the firm's board biannually.



## Corporate Environmental Sustainability Goals

By reducing its environmental impact, Citi builds credibility and trust with employees, clients, and the communities where it operates. Its operational focus is to reduce greenhouse gas (GHG) emissions through efficiencies. The company invests in more efficient equipment; improves the performance of existing equipment through 'smart' building management; and carries out special projects to reduce emissions. In addition to realizing energy efficiencies, Citi purchases renewable energy to support its LEED (Leadership in Energy and Environmental Design) Green Building Program and further champion clean energy alternatives to power operations. In June 2012, Citi became the world's first financial institution to have 200 LEED-certified projects.

When measuring its environmental footprint, Citi takes into account energy use, fuel consumption, water use and waste (generated, recycled and electronic). The company analyzes this data to optimize performance in facilities and reports on approximately 12,000 sites globally, from skyscrapers to data centers and automated teller machines. Almost all of Citi's GHG emissions are indirect (Scope 2), emitted during the generation of the electricity purchased.

## Sustainability Engagement in Action

### GREEN TEAMS

Green teams have been a part of Citi for many years. Recently Citi has worked to formalize the green team program based on employee feedback that they would like to connect with other teams around the world. Green Teams must now establish a governance structure within team bylaws, and have advisors from real estate services, human resources, and a business on-site to be recognized within the formal network. This structure ensures that teams have on-site support to back their activities, and stronger governance processes to help the teams survive if key leaders relocate or leave the firm.

Employee culture varies strongly between different sites and regions and can strongly influence the nature of successful engagement. For this reason, Citi green team leaders are given great flexibility in choosing their governance structure and primary initiatives, allowing employees to manage and implement practices that they think will be successful at their specific location. For example, a Green Team in Warren, N.J., with a largely a remote population, has a stronger focus on helping employees reduce their environmental impacts at home. Teams then work together to support global initiatives like Citi Earth Week.

## Corporate Environmental Sustainability Goals

GHG Emissions	Energy	Waste	Water	Green Buildings
25% reduction in absolute GHG emissions	20% energy efficiency gains where we have direct control of operations.	40% reduction in waste to landfill	20% reduction in water usage	15% of global real estate portfolio to be LEED certified

15% of global real estate portfolio to be LEED certified

The Corporate Sustainability unit, which coordinates the efforts, continues to build the program based on team feedback. Originally focusing on developing a toolkit that helps teams get started, the members now provide on-going environmental and governance training for members and leaders and are working to strengthen the connections between team participation and employee professional development. Additionally, they host a website for Green Team leaders to post their challenges and share documentation and best practices. Finally, they host bimonthly calls for leaders to share information and resources on various aspects of team management.

#### EVENTS – EARTH WEEK

Citi has been hosting Earth Week since 2005. It is a corporate-wide effort to raise awareness of environmental issues and what Citi is doing to respond, and to engage employees in these efforts. The company uses Earth Week to raise awareness and recognize the various sustainability initiatives at Citi through a variety of global and local communications (supported by a communications toolkit), and encourage internal environmental leaders to engage their colleagues in local environmentally focused events. Citi also recognizes that it is critical to receive support and buy-in from the top of the organization to build momentum behind a successful employee engagement program. Therefore, a letter from Citi's CEO also went out to all employees, followed by notes from several senior individuals recognizing the environmental achievements of Citi's various businesses and regions.

#### WEBSITE

Citi's internal website is a one-stop resource for information on sustainability at Citi. It includes information on Citi's sustainability strategy, the Green Team network, ways employees can be more environmentally friendly at home, and internal sustainability news. Citi also circulates a monthly e-newsletter on sustainability initiatives going on around the company.

#### EMPLOYEE QUESTIONNAIRE

Citi ensures that the employee engagement program maintains a two-way dialogue through a green employee survey. The annual Green Employee Survey gathers feedback from our workforce on Citi's environmental sustainability program and performance. In 2012, more than 96 percent of responding employees said that environmental issues are important to them personally, and 93 percent of responses indicated that Citi has a responsibility to protect the environment.

#### What's Next for Citi?

Currently Citi is developing its three-year strategy, focusing on the three main environmental program areas: operations, risk and financing opportunities. In terms of employee engagement, Citi would like to expand the geographic reach and percentage of employees involved in its programs. The environmental engagement programs provide excellent opportunities for employees to work across businesses, engage in meaningful work, and help move Citi, as an institution, toward greater environmental responsibility. Long-term, Citi would like to see a greater variety of employees applying environmental sustainability principles to their daily work and discussions with clients.

#### References

1. "Company Information." Caesars Entertainment. <http://www.totalrewards.com/corporate/>
2. "Caesars Entertainment Sustainability Report 2012." <http://www.caesars.com/images/PDFs/caesars-sustainability-report-2012.pdf>

---

The Institute for Building Efficiency is an initiative of Johnson Controls providing information and analysis of technologies, policies, and practices for efficient, high performance buildings and smart energy systems around the world. The Institute leverages the company's 125 years of global experience providing energy efficient solutions for buildings to support and complement the efforts of nonprofit organizations and industry associations. The Institute focuses on practical solutions that are innovative, cost-effective and scalable.

If you are interested in contacting the authors, or engaging with the Institute for Building Efficiency, please email us at: [InstituteforBE@jci.com](mailto:InstituteforBE@jci.com).

institute  
for **building**  
**efficiency**  
an initiative of Johnson Controls