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# The Business Case for Environmental and Sustainability Employee Education





## ***Business & Environment Program***

### ***Mission Statement***

To increase the ability of business leaders to engage and educate employees to develop and meet sustainability goals.

### ***About the National Environmental Education Foundation***

The National Environmental Education Foundation (NEEF) provides knowledge to trusted professionals who, with their credibility, amplify messages to national audiences to solve everyday environmental problems. Together, we generate lasting positive change. NEEF works with professionals in health, education, public lands and the media to connect the environment to everyday choices and actions so the public can live well while protecting and enjoying the environment. Through our programs, such as Classroom Earth, National Public Lands Day, National Environmental Education Week, Earth Gauge® and our Pediatric Environmental History Initiative, we offer Americans knowledge to live by. To learn more, call (202) 833-2933 e-mail [business@neefusa.org](mailto:business@neefusa.org), or visit [www.neefusa.org](http://www.neefusa.org).

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# Executive Summary

Environmentally educated employees can improve a business' profitability and help it retain skilled workers, improve community relations and reach its sustainability goals.

The "business case" — that is, the quantification of opportunities and risks — for environmental and sustainability education might not yet be heavy on data. But anecdotes from around the world give clear indications that teaching employees to conserve, recycle, improve efficiency and reduce waste, among other actions, have benefits for employees, companies and communities.

In fact, the success stories from companies ranging from retail giant Walmart to a seven-person apparel company show similarities. Employees on the company's front lines are in the best position to identify and implement environmental and sustainability (E&S) practices. And those practices lead to numerous benefits.

This white paper, "The Business Case for Environmental and Sustainability Employee Education," provides examples of an emerging trend in the business community in employee engagement and education detailed in *The Engaged Organization*, a 2009 report published by the National Environmental Education Foundation's (NEEF) Business & Environment program.

A survey of more than 1,300 business professionals, conducted as part of that report, found that 65 percent of respondents see E&S knowledge as valuable, particularly in new hires while 78 percent said that knowledge would rise in importance over the next five years.

This publication takes a more in-depth look at specific examples where companies saved money, improved efficiency, built stronger customer relations — or succeeded in doing all three — through E&S education programs, presenting a compelling business case for knowledgeable employees.

- Lockheed Martin "Green Teams" have improved energy efficiency at company sites nationwide.<sup>1</sup> At one Arkansas facility, green teams have implemented software upgrades, reduced waste and improved plumbing. Better management of lighting and air conditioning led to more than \$200,000 in savings — as well as reduced CO<sub>2</sub> emissions by 2,332 metric tons.
- eBay's "Green Team" encouraged the company to build San Jose, California's largest commercial solar installation, reducing CO<sub>2</sub> emissions by over one million pounds a year and saving \$100,000 so far.
- McDonald's restaurants in Japan participates in the government's "Team Minus 6%" program to reduce CO<sub>2</sub> emissions by 2.2 pounds per person, per day, by offering a discount to consumers who registered to participate in the program. During the 2007 campaign, McDonald's restaurants and their employees helped raise the number of participants from 40,000 to 380,000, resulting in a reduction of over 3 million pounds of CO<sub>2</sub>.
- Employees at Citigroup, along with retail clients around the world, are working to reduce paper waste by educating and encouraging customers to switch to electronic statements rather than mailed paper ones.
- Baxter's participation in "World Environment Week" during early June 2009 proved successful in encouraging employee engagement and volunteerism. Employee-led projects in more than 70 locations included upgrading sales fleets to hybrid vehicles and visiting schools.

<sup>1</sup> Green Teams are defined as "self-organized, grassroots and cross-functional groups of employees who voluntarily come together to educate, inspire and empower employees around sustainability and to identify and implement specific solutions to help their organization operate in a more environmentally sustainable fashion" ([Green Teams Report](#)).



### **Best Practices**

Company case studies indicate that while there is no “one-size-fits-all” approach to E&S education, engaging employees at every level of the company is essential to successful initiatives. But educational programs must compete for resources, so building a strong business case for an E&S education program can be as important as building the program itself. Several themes have emerged from the case studies as best practices for making the business case for E&S education:

#### Corporate Strategy and Communications

- Link E&S education initiatives to key business objectives and frame them in terms of management risks and opportunities.
- Stress the shift in societal and stakeholder expectations. Sustainability is no longer just “nice to have” and employees are an important resource for addressing and benefiting from this shift.
- Take a top-down, bottom-up and sideways approach when engaging employees. A culture shift has to include everyone, not just those dedicated to sustainability.

#### Creating and Managing Programs

- Build momentum for the E&S actions by recognizing work that is already being done.
- Create E&S education pilot programs that require few resources and measure the impacts of the pilot to build the case for a larger program.
- Understand that each geographic region has its unique problems and opportunities.
- Complement education with incentives (e.g., bonuses and awards) to improve environmental performance.
- Regularly report back to employees on how their E&S actions are making a difference.

To strengthen the future business case for investment in employee E&S education and engagement, we encourage companies to measure and document the impacts of E&S education programs. For example, companies are beginning to:

1. Gather data by mining and adapting routine surveys of prospective, new and established employees, asking specific questions about E&S education and engagement, and establishing correlations between responses to the questions and outcomes such as satisfaction rates and acceptance of job offers.
2. Correlate measures of employee engagement to environmental results.
3. Correlate some measure of education (e.g. training hours) with results relative to operational efficiency improvements.
4. Survey customers on the extent to which their satisfaction is influenced by the environmental knowledge of the company’s customer service representatives.
5. Survey community members and other stakeholders to determine to what extent their perceptions of the company are influenced by employee engagement in environmental and sustainability activities.

## Introduction

Companies large and small are learning that sustainable business practices not only help the environment, but also improve profitability by supporting greater efficiency, reduced waste, less liability exposure, improved community relations and more. Good environmental and social stewardship is now moving front and center into fundamental business strategies.

Earlier work of the [National Environmental Education Foundation's](#) (NEEF) Business & Environment program identified employee engagement as a key enabler of successful environmental and sustainability strategies. In March 2009, NEEF published [The Engaged Organization](#) report. The report presents the results of a survey of more than 1,300 professionals interested in business and environmental issues, and documents eight case studies to gauge how leading companies approach internal environment and sustainability (E&S) employee education and engagement.

Every day, employees across an organization make decisions with far-reaching environmental and social consequences. Informed decisions about such routine matters as: procuring a corporate vehicle fleet; programming heating and cooling systems; adjusting energy settings on computers; commuting to work; and even purchasing paper, printers or kitchen equipment can reduce a company's environmental footprint and improve the bottom line. The insights and creativity of

employees are also vital to efforts to improve the bottom line by shifting toward more sustainable business models.

A critical factor in the successful adoption and implementation of sustainability strategies is the business case, also defined as the quantification of opportunities and risks. To build successful programs — whether top-down or bottom-up — managers must make a compelling case for the use of scarce financial resources and, just as important, management and employee attention.

**Sustainability practices within large companies can contribute to a profit increase of 38 percent.**

It can be difficult to separate the business case for employee involvement in sustainability programs from the justification for those programs themselves. Indeed, the two are interrelated. According to one of the few quantitative estimates of the value of sustainability, a study by Bob Willard published in 2002 states that sustainability practices within large companies can contribute to a profit increase of 38 percent when benefits are aggregated. The same study found that employee commitment to sustainability was a critical enabling factor contributing to this overarching profit increase. Other studies show that companies in the [Dow Jones Sustainability Index](#) outperform the general market, and [a report from Goldman Sachs](#) found leaders in environmental, social and governance (ESG) policies are also leading in stock performance by an average of 25 percent.

Carrie Freeman, a corporate sustainability strategist at Intel, noted in a [Green Teams](#) report, "When it comes to looking at ways to reduce our footprint, we very much see a direct correlation between reducing our costs and engaging our employees."



### **Methodology**

This white paper examines the business case for environmental and sustainability<sup>2</sup> (E&S) employee education and engagement. The “business case” is defined as both quantifiable measures of the business value for the sustainability program (e.g. money saved, energy use reduction, etc.) as well as less easily measurable assets such as reputation enhancement. Information in the white paper is primarily based on qualitative, anecdotal data and interviews, a review of company reports and Web sites

as well as media articles, books and recent reports from [Green Impact](#), [ICF International](#) (ICF) and [MIT Sloan Management Review](#).

The examples outlined in this white paper build on cases documented in *The Engaged Organization* report from Cisco, Clean Clothes, Hewlett-Packard (HP), Stonyfield and Walmart. Additional company case study examples from Baxter, Citigroup, Darden, eBay, IKEA, Intel, Lockheed Martin, Kimberly-Clark and Sodexo are also presented (see Appendix for a list of company profiles).

<sup>2</sup> While our primary focus is on environmental education, some companies include the environment as part of a broader sustainability or corporate social responsibility agenda. Thus, in *The Engaged Organization* report and this white paper, we use the term environmental and sustainability or E&S.

# Making the Business Case for E&S Education

## **Best Practices**

Company case studies indicate that while there is no “one-size-fits-all” approach to E&S education, engaging employees at every level of the company is essential to successful initiatives. But educational programs must compete for resources, so building a strong business case for an E&S education program can be as important as building the program itself. Several themes have emerged from the case studies as best practices for making the business case for E&S education:

### Corporate Strategy and Communications

- Link E&S education initiatives to key business objectives and frame them in terms of management risks and opportunities.
- Stress the shift in societal and stakeholder expectations. Sustainability is no longer just “nice to have” and employees are an important resource for addressing and benefiting from this shift.
- Take a top-down, bottom-up and sideways approach when engaging employees. A culture shift has to include everyone, not just those dedicated to sustainability.

### Creating and Managing Programs

- Build momentum for the E&S actions by recognizing work that is already being done.
- Create E&S education pilot programs that require few resources and measure the impacts of the pilot to build the case for a larger program.
- Understand that each geographic region has its unique problems and opportunities.
- Complement education with incentives (e.g., bonuses and awards) to improve environmental performance.
- Regularly report back to employees on how their E&S actions are making a difference.

**Stonyfield challenged its employees to save energy at the company’s facilities. Savings were tied to employee bonuses for all workers, providing additional motivation. The company achieved its annual goal, reducing company energy use (per ton of product) by over 22 percent.**

Below are examples that have been used to build the business case, organized by business benefits that have recurred in our case studies.

In building an E&S education program for a particular company, it may be helpful to identify which themes are most relevant to the company and use examples from those areas. It is also important to recognize that E&S education programs have multiple business benefits that cut across the themes discussed in this report. For example, Citigroup states, the business case for sustainability is to reduce risk, reduce expenses, increase revenue, deepen relationships with clients, enhance reputation and attract and retain the best employees.

### ***Business Benefit: Improving Operational Efficiency***

Perhaps the strongest — and best documented — argument for engaging employees in environmental practices is the connection between E&S education and increased operational efficiency. Front-line employees are often in the best position to identify inefficiencies and propose improvements. E&S education of employees can improve profitability by supporting greater efficiency through less waste, water and energy usage.



## EXAMPLES IN PRACTICE:

- In 2008, Stonyfield challenged its employees to save energy at the company's facilities. Savings were tied to employee bonuses for all workers, providing additional motivation. The company achieved its annual goal, reducing company energy use (per ton of product) by over 22 percent.
- [Lockheed Martin](#) has engaged employees in multiple functional areas to identify projects to reduce energy, waste going to landfills, and water from its operations. The "Green Teams" have realized energy savings at many sites throughout the company. In Camden, Ark., Lockheed Martin's Electronic Systems business area. Missiles and Fire Control division implemented an energy management system in their building that uses a software system to control lighting and air conditioning. The system led to more than \$200,000 in reduced costs annually and lowered demand for power, resulting in a savings of 2,332 metric tons of carbon dioxide (CO<sub>2</sub>). At the Electronic Systems business area in Orlando, Fla., lighting upgrades at the facility have saved more than \$300,000 and a reduced demand for power resulted in a savings of 2,511 metric tons of CO<sub>2</sub>. The Green Teams also achieved water and waste reductions of 21 percent and 17 percent respectively since 2007 through implementation of employee-led processes such as increasing recycling, repairing leaky pipes and

**Lockheed Martin's Information Technology "Green IT" team has implemented projects, which have eliminated the use of 1,700 computing servers, saving \$1.2 million, more than 11 million kilowatt-hours of electricity, and 7,000 metric tons of CO<sub>2</sub>.**

"All components of the Environmental Financial Statement are programs implemented by Baxter employees, and the more employees are engaged and educated on sustainability, the stronger the programs," said Ron Meissen, senior director for Sustainability, Corporate Environment, Health and Safety at Baxter.

reducing water used for landscaping. In the past two years, Lockheed Martin's Information Technology "Green IT" team has implemented projects, which have eliminated the use of 1,700 computing servers, saving \$1.2 million, more than 11 million kilowatt-hours of electricity, and 7,000 metric tons of CO<sub>2</sub>.

- Intel was able to reduce energy usage of air conditioners by raising temperatures by one degree at one of their offices and product assembly facilities. The initiative, which resulted in energy savings of approximately 6 megawatt-hours and \$400,000 energy costs in one year, was based on the recommendations and pilot testing performed by employees in order to ensure that the temperature increase would not impact product quality. Employees at the company have also built a computer system to look at the company's internal logistics. This tool provides improved information about the carbon footprint and associated savings of different logistical options so employees can choose better options.
- Through an [Environmental Financial Statement](#) (EFS), Baxter identified a link between the business case for E&S education and how employees relate to savings. Issued annually since 1993, the EFS displays how Baxter's initiatives — such as waste disposal, carbon offsets, remediation, recycling and water conservation — positively affect its bottom line. During 2008, the total environmental income, savings and cost avoidance realized from environmental initiatives implemented during the prior six years, including 2008, totaled \$91.9 million. "All components of the Environmental Financial Statement are programs implemented by Baxter employees, and the more employees are engaged and educated on sustainability, the stronger the programs," said Ron

Meissen, senior director for Sustainability, Corporate Environment, Health and Safety at Baxter. The company provides Environment, Health and Safety (EHS) employees with an Internet-based computer system to track energy and water use, and waste management. Using the system, EHS employees can set sustainability goals for facilities and measure their performance.

- In 2007, Baxter launched a “lean” energy program for its 63 principal manufacturing facilities. The program established four sets of energy efficiency standards – Prerequisite, Bronze, Silver and Gold – to be phased in from 2007 to 2010. Each category defines 25 to 30 requirements that a facility’s energy program should meet. In 2008, 17 locations met 100 percent of the Bronze-level requirements; several facilities are on target to achieve Silver and Gold status. Many of these programs are site-specific and certain employees have performance objectives tied to the program goals. For example, some vice presidents have performance objectives that are tied to specific savings.
- In 2000, Citigroup launched a comprehensive process to track, report, and manage its environmental footprint performance. The company developed a Web-based global environmental database to serve as a repository for data, and trained facilities managers worldwide to use the database so that the performance of its buildings could be tracked over the course of the year. This process involves input from over 400 staffers, who gather detailed data from more than 13,000 properties, encompassing over 80 million square feet of space. As a result, Citigroup has been able to reduce energy and emissions per square foot by over ten percent between 2005 and 2008. The database has also enabled Citigroup to set and track specific and verifiable absolute emissions reductions targets, including the corporate goal to reduce absolute emissions levels by ten percent by 2011 from a 2005 base year.
- eBay’s Green Team inspired the company to build San Jose’s largest commercial solar installation, saving the

## McDonald’s business in Japan participates in the Japanese government’s “Team Minus 6%” program to reduce CO<sub>2</sub> emissions by 2.2 pounds per person, per day, by offering a discount to consumers who registered to participate in the program.

company \$100,000 in annual energy costs and reducing CO<sub>2</sub> emissions by over a million pounds a year (excerpt from [Green Teams](#) report).

### **Business Benefit: Strengthening Customer Relations**

Customers — whether other businesses or ultimate consumers — are increasingly interested in the environmental profile of the products and services they purchase. Employees in sales and marketing and other customer-oriented positions need to be aware of the environmental attributes of their offerings and sufficiently literate in environmental issues to place those attributes in context. Companies that equip their employees to do this find that it strengthens their relationships with customers who have similar values and interests.

#### EXAMPLES IN PRACTICE:

- McDonald’s business in Japan participates in the Japanese government’s “Team Minus 6%” program to reduce CO<sub>2</sub> emissions by 2.2 pounds per person, per day, by offering a discount to consumers who registered to participate in the program. During the 2007 campaign, McDonald’s restaurants and their employees helped raise the number of participants from 40,000 to 380,000 and led to a 3 million pound reduction in CO<sub>2</sub>.
- Citigroup’s employees, in collaboration with retail clients around the world, are helping the company to address climate change and improve its bottom line.

In January 2007, the company launched “Project Green” to educate clients and let them choose to receive electronic statements instead of paper statements. By switching to e-statements, clients help reduce the materials and energy—and related greenhouse gas emissions—used to produce, print and mail paper statements. The program also allows Citigroup to save money on printing and mailing costs. To date, 30 countries have launched e-statement programs.

- Sodexo believes the key to moving from progress to performance in sustainability will be found in its expert network. In 2008, Sodexo launched the Sustainability Education and Expert Development (SEED) initiative to build collective insight across the organization that will lead to greater environmental performance and more effective engagement with the communities Sodexo serves. This group is led by Holly Fowler, senior director — Sustainability & Corporate Social Responsibility. Through SEED, food service and facilities management experts from hospitals to corporate offices to museums work together to share their experience with new technologies and practices. The community of practice pilot group of 60 leaders was launched in December of 2008 and will grow to several hundred during 2010. SEED members continually identify best practices for site-level eco-efficiencies and document success stories. For example, a cross-section of members recently performed an assessment at the Sharp Electronics headquarters, identifying 35 energy and water saving opportunities for their café. The SEED Group’s leader says that “Sodexo’s commitment to building sustainability awareness and educating its teams will allow 130,000 employees at 8,500 client sites across North America to drive broad, positive social and environmental change that touches business, schools, health care and government among other institutions.”
- IKEA uses a “train the trainers” approach to spread environmental awareness across the organization. Trainers chosen from each department attend a weeklong training course. The training modules

## At Intel, 4 percent of employees’ annual compensation is linked to environmental goals, and the company uses these goals as a platform for educating employees on environmental topics.

include basic environmental knowledge of IKEA’s environment program. The company then provides training to employees involved in product design and those who are in direct contact with the customers from the purchase, distribution and retail departments.

### **Business Benefit: Innovation**

Employee E&S education is also a source of innovation and savings resulting from development of new product and service lines as well as new technologies, materials or processes that reduce water, energy usage or harmful materials.

### EXAMPLES IN PRACTICE:

- Cisco encourages employees to think about alternatives before booking an airline ticket — the travel Web site reminds employees about remote collaboration options that are available in lieu of travel. Using the company’s WebEx technology — a Web-based remote meeting, conferencing and presentation program — to reduce travel directly reduces expenses and the company’s environmental footprint and makes employees experts on the use of a Cisco product.
- At Intel, 4 percent of employees’ annual variable compensation is linked to environmental goals, and the company uses these goals as a platform for educating employees on environmental topics. The company sets goals each year, including one in 2009 related to sustainable product innovation. Intel is working within the industry to develop a standardized energy efficiency product metric to be used for certification by national agencies. The

company emphasizes that while only a few employees work on product-related goals, everyone can help reduce the company's carbon footprint and associated energy usage. By setting the goals, communicating them to employees and providing incentives, all employees are encouraged to contribute ideas and actions. Intel employees are also figuring out how to create products that involve less or different chemical solutions, such as removing halogen, without affecting the quality of the product.

### **Business Benefit: Supply Chain Management**

Educating employees on sustainability practices throughout the supply chain can lead to greater efficiencies and help build collaboration to meet sustainability, quality and other goals. It can also strengthen relationships between a company and its suppliers by aligning values and objectives.

#### EXAMPLES IN PRACTICE:

- Darden Restaurants, the parent company of Red Lobster, Olive Garden and other restaurants, collaborated with the New England Aquarium to develop a Sustainable Seafood Dashboard for Darden's seafood buyers. The Dashboard offers an overview of the main environmental sustainability issues associated with selected seafood species and anticipated trends for the species. The Dashboard also notes social issues, if relevant. The information is intended to inform and inspire Darden's seafood buyers regarding sustainability issues and to encourage a two-way dialogue between Darden and the New England Aquarium to move forward on matters of seafood sustainability. Darden's seafood buyers were introduced to the tool through a day-long workshop with members of the New England Aquarium's conservation department.
- [Lockheed Martin](#) employees engage with suppliers to reduce incoming packaging, thus reducing waste. For example, the company worked with Dell to ship computers in multipacks of six (rather than in individual boxes), resulting in the reduction of packaging materials shipped to Lockheed Martin.

- Clean Clothes encouraged one supplier to switch from chlorine to hydrogen peroxide. The switch resulted in a reduced negative environmental impact and it saved the supplier money in the process.

### **Business Benefit: Strengthening Community Ties**

Companies need good relationships with various constituencies to maintain their license to operate, including neighbors, local communities, and regulators and officials at all levels of government. Leveraging employee interest in environmental and sustainability issues can provide a good basis for initiating and strengthening relationships with stakeholders and employees.

#### EXAMPLES IN PRACTICE:

- At Kimberly-Clark, the sustainability communities of practice (COP) have sold 5,252 Compact Fluorescent Light Bulbs (CFLs) onsite by partnering with local hardware stores and providing information on rebates and energy savings, resulting in a reduction in home energy usage by 226,836 kilowatt-hours and energy bills by \$25,685 during the first year alone. This is equivalent to a reduction in greenhouse gas emissions of 282 tons (118 tons of coal). At its Neenah, Wis. location, Kimberly-Clark donated plots of land that were converted into a community garden.
- Baxter participated in "World Environment Week" in June 2009 and provided support to employees who volunteered in the community. Baxter World Environment Week proved to be very successful in terms of employee engagement and volunteerism. Although the corporation set the tone, it was the grassroots movement that led to the greatest

**Losing and replacing a good employee costs companies between 70 percent and 200 percent of an employee's annual salary.**



community benefits. Baxter had 200 projects in 70 different locations. Each location had an innovative way to celebrate the week-planting trees, upgrading sales fleets to hybrid cars, cleaning up parks and visiting schools. According to the company, the freedom to be creative allowed for better employee engagement, education and actions that fit the communities' needs.

- [Lockheed Martin's](#) employees also focus on community outreach. Employees, for example, participate in "Rebuilding Together," a volunteer program in Montgomery County, Maryland to perform home renovation and repairs for people in need. The environmental health and safety team also keeps an eye out for improvements to help homeowners increase safety and energy efficiency. Lockheed Martin Aeronautics employees in Marietta, Ga., and Palmdale, Calif., help local schools start and maintain recycling programs. Employees in Fort Worth, Texas, organized a can recycling program to pay for construction of a Habitat for Humanity home. Lockheed Martin Space Systems employees in Colorado and California have participated in restoration and cleanup projects that have gathered as much as 23 tons of trash and recyclables in a year. Also, in Huntsville, Ala., employees pick up litter as volunteers for the city-sponsored "Operation Green Team."

### **Business Benefit: Attracting and Retaining Employees**

Competing successfully for top talent and retaining high-performing employees are critical factors in a company's success. After all, employee recruiting and turnover are costly. Losing and replacing a good employee costs companies between 70 percent and 200 percent of an employee's annual salary, according to [Engaged!](#). The findings of NEEF's *The Engaged Organization* report support the idea that E&S education is an increasingly important factor in attracting and retaining employees:

- Sixty-five percent of respondents see environment and sustainability (E&S) knowledge as valuable, particularly for new hires and 78 percent expect it

to increase in importance as a hiring factor within five years.

- Companies participating in the research also indicate that E&S education plays an important role in employee attraction and retention, particularly with a new generation of "Millennials" seeking jobs that are aligned with their personal values.

In a 2008 survey commissioned by [National Geographic](#) magazine, more than 80 percent of U.S. workers polled said they believe it is important to work for a company or organization that makes the environment a top priority. In 2009, many graduating Harvard MBAs signed an "[MBA oath](#)" showing their interest in working for companies that "strive to create sustainable economic, social and environmental prosperity worldwide."

In the [Green Teams](#) Report, Libby Reder, head of Environmental Initiatives at eBay, believes their Green Team is an important reason why some employees stay at the company, and according to their recruiters, it also helps them attract the best talent.

#### EXAMPLES IN PRACTICE:

- Intel's "Green Intel" intranet portal, environmental sustainability network and environmental excellence awards are beginning to yield benefits for the company. "Intel's employee engagement has resulted in increased employee loyalty, more company pride, and improved morale" said Carrie Freeman, sustainability strategist at the company. Intel managers expect that the next organizational health survey will show increased levels of employee pride and satisfaction with their work, which are good indicators for employee retention.

**Intel's employee engagement has resulted in increased employee loyalty, more company pride, and improved morale.**



- HP installed a 1.1-megawatt system of 6,256 SunPower solar panels at its San Diego facility. The system is projected to save the company \$750,000 during the next 15 years, while providing more than 10 percent of the facility's power. As part of its agreement with SunPower, HP started an employee program offering joint rebates to install solar electricity for their residences. The program links the company's initiatives to steps employees can take and provides a unique employee benefit not available at all companies.
- Walmart believes that its associates are critical in the company's efforts to become a more sustainable business. The Personal Sustainability Project (PSP) so far has engaged more than 500,000 associates in voluntary sustainability efforts, demonstrating measurable positive results in associates' lives and in the workplace.
- At Kimberly-Clark, employee engagement is one of four key elements comprising a sustainability program. Kimberly-Clark works with employees to set up specific sustainability programs through communities of practice (COPs), and to educate employees about the companies' environmental actions and impacts. This year the company implemented a new program, "Small Steps," to spur sustainability actions among employees, and to emphasize the impact of committing to one small action, personally. Nearly 2,000 people have signed up since the "Small Steps" program was launched in June 2009; the company goal was to have 10,000 employees involved in the program by the end of 2010. By taking a viral approach, the company believes that the cumulative business benefits of small employee actions (such as turning off computers at the end of each day) will be significant over time.



## Moving Ahead

Companies recognize that greening their products and operations is a source of value and that all employees must be engaged in the effort to ensure its success. The examples throughout the white paper reveal that environmentally educated employees can improve a business' bottom line and help it reach its sustainability goals.

We hope that the information provided in this report will help internal sustainability champions develop a convincing case for attention to and investment in employee E&S education.

**According to Citigroup, the business case for sustainability is to reduce risk, reduce expenses, increase revenue, deepen relationships with clients, enhance reputation and attract and retain the best employees.**

### ***Opportunities and Challenges***

According to a recent study, [The Business of Sustainability](#), by MIT Sloan Management Review and The Boston Consulting Group, the biggest drivers of corporate sustainability investments are government legislation, consumer concerns and employee interest in sustainability. Yet, the study also reveals that sustainability professionals find quantification of the business case difficult. Less than a third of survey respondents said that their companies have developed a clear business case for addressing sustainability and less than half said their organizations were pursuing basic sustainability strategies such as reducing or eliminating emissions, reducing toxicity or harmful chemicals, improving efficiency in packaging, or designing products or processes for reuse or recycling.

[The Business of Sustainability](#) and the examples throughout this white paper suggest that employee E&S education presents both an opportunity and a challenge. The opportunity lies in harnessing the motivation of employees to undertake sustainability actions through engagement and education. Employee motivation for incorporating sustainability actions at work and home vary and often extend beyond the pure business case. While reducing corporate costs and environmental footprint often go hand in hand, many employees participate in sustainability initiatives out of personal interest. Other employees are motivated by overarching sustainability goals, executive support or a corporate culture that stresses continuous improvement in all areas of operations, including sustainability performance.

The challenge lies in measuring the impact of E&S education programs on the bottom line; metrics are currently unavailable for most companies. Companies often find it difficult to turn qualitative, anecdotal data into quantitative measures that help to bolster the business case.



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There is a need for baseline surveys and measurement tools that assess the business value and impact of employee engagement. [Corporate mythology](#) regarding the business case for sustainability also persists which emphasizes that E&S education is a cost, both financially and in terms of staff time. In many companies, this mythology and lack of metrics reinforce one another preventing further investment in E&S education and sustainability initiatives more generally.

"I'm often asked, 'How can we get employees excited about sustainability?' I tend to find that employees are already excited and our job is really to unleash that potential and allow them to get involved."

— Kevin Moss, BT Americas Inc., at BSR Conference 2009

"We need to make [a set of measurable business performance indicators for] sustainability ... It could be the greatest program ever, but if it doesn't tie to performance, it's not going to continue."

— Christopher Corpuel, Hilton Worldwide, Inc., at BSR Conference 2009

### **Next Steps in Building the Business Case for E&S Education**

We encourage companies to take steps to better document connections between their current education initiatives and sources of business value. In addition, to strengthen the future business case for investment in employee E&S education and engagement, we have identified steps companies may take to measure the impacts of E&S education programs. For example, companies could:

1. Gather data by mining and adapting routine surveys of prospective, new and established employees, asking specific questions about E&S education and engagement, and establishing correlations between responses to the questions and outcomes such as satisfaction rates and acceptance of job offers.
2. Correlate measures of employee engagement to environmental results.
3. Correlate some measure of education (e.g. training hours) with results relative to operational efficiency improvements.
4. Survey customers on the extent to which their satisfaction is influenced by the environmental knowledge of the company's customer service representatives.
5. Survey community members and other stakeholders to determine to what extent their perceptions of the company are influenced by employee engagement in environmental and sustainability activities.



## Resources

Barron-Stark, Peter and Jane Flaherty, *Engaged! How Leaders Build Organizations Where Employees Love to Come to Work*. Bentley Press. 2009.

Baxter Environmental Financial Statement. Available at: [http://sustainability.baxter.com/EHS/2008\\_environmental\\_financial\\_statement.html](http://sustainability.baxter.com/EHS/2008_environmental_financial_statement.html)

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## Appendix: Company Profiles

<b>Company</b>	<b>Industry</b>	<b>Headquarters</b>	<b>Number of Employees</b>	<b>Total Revenue 09 (Fortune 500)</b>
Baxter International, Inc.	Medical Supplies	Deerfield, Illinois	48,500	\$12,348 billion
BT Group, plc.	Telecommunications	London, England	108,500	\$34,224 billion
Cisco Systems, Inc.	Information/ Communications Technology	San Jose, California	65,585	\$36.1 billion
Citigroup	Financial Services	New York, New York	326,900	\$112,372 billion
Clean Clothes, Inc.	Apparel	Ypsilanti, Michigan	7	\$1.2 million
Darden Restaurants	Food	Orlando, Florida	156,500	\$5.6 billion
eBay, Inc.	Auctions	San Jose, California	15,500	\$8.541 billion
Hewlett-Packard (HP) Company	IT, Computer Systems and Software	Palo Alto, California	321,000	\$118,364 billion
Hilton Worldwide, Inc.	Hospitality	McLean, Virginia	135,000	\$7,770 billion
IKEA, Inc.	Consumer Products/Retail	Delft, South Holland, Netherlands	127,800 (08)	\$31.8 billion (08)
Intel, Inc.	Semiconductors	Santa Clara, California	83,900	\$37,586 billion
Kimberly-Clark Corp.	Paper & Paper Products	Irving, Texas	53,000	\$19,415 billion
Lockheed Martin Corp.	Aerospace & Defense	Bethesda, Maryland	140,000	\$42.731 billion
McDonald's, Inc.	Food	Oak Brook, Illinois	390,000	\$23,522 billion
Sodexo, Inc.	Hospitality	Issy-les-Moulineaux, France	355,000	\$20.4 billion (08)
Stonyfield Farm, Inc.	Food	Londonderry, New Hampshire	500	\$340 million (08)
Walmart Stores, Inc.	Retail	Bentonville, Arkansas	2,100,000	\$405,607 billion



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