# THE GREEN SEAT GUIDE:

Strategies for effective sustainability leadership

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*The Green Seat Guide* is fundamentally a synthesis of the teachings and guidance shared by a diverse and accomplished group of sustainability executives. NationSwell is in gratitude to the following individuals for the gift of their time, expertise, and wisdom in the development of this report:

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# Chapter 3

# Engaging internal stakeholders

Engaging internal stakeholders across all levels of the organization, from front-line employees to middle management to C-suite executives, ensures that sustainability becomes a shared responsibility. The C-suite and board play pivotal roles in shaping the vision and direction of an organization, while the broader workforce is essential for executing against those larger goals.

Synergy between leadership and employees can lead to innovative solutions, increased employee satisfaction, and a more robust response to the challenges of a rapidly changing landscape. Chapter 3 of *The Green Seat Guide* provides guidance on building a sustainability movement among the C-suite, board, and cross-enterprise employees.

Section 1: Business leadership

Section 2: Cross-enterprise employees



As you craft your <u>sustainability strategy</u> and <u>organize your team</u>, you will dedicate significant time to understanding the roadmap and resource requirements needed to achieve your company's sustainability vision. To execute this vision, ongoing support from business leadership will be essential.

Working with the C-suite is all about the value that you're adding, whether it's driving new revenue sources, reducing expenses associated with consumption, or managing reporting, where transparency is absolutely required.

FAITH TAYLOR Chief Global Citizenship and Sustainability Officer, Kyndryl

# Mapping and categorizing your key leadership stakeholders

# Identify and catalog your key leadership stakeholders to understand their roles, interests, and influence within the organization.

The stakeholder mapping process helps build and manage your influence within the organization. By identifying and understanding the leaders involved in advancing sustainability goals, you can tailor communication and engagement strategies to reflect each stakeholder's perspective and provide the most effective support to them.

To map leadership stakeholders, begin with these steps:

• Compile a comprehensive list of all leadership stakeholders: Begin by identifying senior-level stakeholders, including C-suite executives, department heads, and other influential leaders within the organization. This list should be as exhaustive as possible, encompassing all leaders who can impact or be impacted by your sustainability strategy.

- Evaluate functional importance: Identify the leaders who are most important because they oversee functional areas directly related to sustainability. These might include heads of operations, supply chain, human resources, or any department that plays a key role in implementing sustainable practices.
- Evaluate cultural importance: Identify the leaders who hold significant influence over organizational decision-making and culture. These individuals might not have direct responsibility for sustainability, but their support can be instrumental in driving organizational change.

# Understand individual levels of interest and capacity to devote to sustainability

Your stakeholder mapping exercise should also seek to understand the levels of interest and capacity to contribute to sustainability efforts among key leaders. By identifying these nuances, you can engage individuals more effectively and leverage relationships more efficiently.

Leaders generally fall into one of three personas regarding their level of existing interest and commitment:



**Strong champions**: These leaders are already deeply committed to the value of sustainability and will be your most dedicated allies. To harness their potential:

- Engage them in strategic discussions and decision-making processes to accelerate progress.
- Empower them to serve as ambassadors, promoting the importance of sustainability throughout the organization.

When our current CEO started three years ago, she shared her four enterprise priorities. One priority was to think and act sustainably. That was a very strong message – sustainability was part of our overall business strategy. Sustainability had always been important to our company, but now people realized that it was important for our CEO and the company to be a leader in sustainability. You need that kind of tone from the top to be successful as a CSO.

#### PETRA WICKLANDT

Chief Sustainability Officer, Merck KGaA, Darmstadt, Germany



**Supporters:** These individuals may not initially prioritize sustainability, but they can be meaningfully engaged when they understand it as part of their business responsibility. To engage them effectively, leaders should:

- Clearly communicate how sustainability initiatives align with their roles and contribute to broader business objectives.
- Involve them in targeted sustainability projects where their expertise can lead to tangible, impactful results.

Securing leadership buy-in starts with a clear vision: showing where the journey begins and boldly stating, 'If we're truly committed to the business and this mission, this is where we must start.' It's about digging deep to understand the driving forces behind the challenges and taking decisive steps to tackle the root causes head-on.

NISHANT ROY Chief Impact Officer, Chobani



**Skeptics and dissenters:** These individuals may present challenges to advancing sustainability efforts. Instead of dismissing or circumventing their concerns, leaders should:

- Address their concerns using data-driven arguments, success stories, and by showcasing the business value of sustainability efforts.
- Engage them in constructive dialogues to find common ground, gradually building their support through evidence and incremental successes.

# Assess essential collaborators

While stakeholder mapping helps you identify where leadership engagement opportunities reside, there is a cohort of functional leaders that are almost always essential for sustainability to succeed. As a baseline, establish relationships with the following key collaborators and ask these introductory questions to lay a solid foundation for ongoing rapport:

#### **CHIEF FINANCIAL OFFICER (CFO)**



#### ASK:

- How do you help drive revenue, manage costs, and set expectations as it relates to sustainability?
- What financial metrics or KPIs do you consider most important in evaluating the success of sustainability initiatives?

Having your sustainability officer report to your CFO is key because they have access to the entire ecosystem.

SHANNON SCHUYLER US Chief Purpose & Inclusion Officer, PwC

#### CHIEF LEGAL OFFICER



#### ASK:

- What are your primary concerns regarding sustainability risk, reputation, and compliance?
- How do you foresee emerging regulations impacting our sustainability strategies, and how can we proactively prepare for them?

#### CHIEF HUMAN RESOURCE OFFICER (CHRO)



#### ASK:

- How does sustainability relate to managing talent, implementing programs, and ensuring compliance with regulations related to issues like health, and safety?
- What strategies do you recommend for integrating sustainability into employee performance evaluations and professional development plans?

Your chief human resource officers are managing your talent, who are implementing everything. They're also managing risk, because there's now regulation around diversity and around health and safety.

FAITH TAYLOR Chief Sustainability Officer, Kyndryl

#### **CHIEF INNOVATION OFFICER (CIO)**



#### **ASK:**

- How should we leverage or mitigate emerging technology like AI to reduce energy costs and advance our company's emissions goals?
- How can we integrate sustainability considerations into our broader technology and innovation strategy, particularly regarding data management and digital infrastructure?

AI will drive both risks and opportunities. It has the potential to impact the majority of companies in reaching their net zero goals due to energy usage and associated emissions. A strategic relationship with your CIO and CFO will be critical to managing and mitigating the impact.

SHANNON SCHUYLER US Chief Purpose & Inclusion Officer, PwC

#### SUPPLY CHAIN MANAGEMENT



#### ASK:

- What are our major sustainability challenges and risks across our supply chain? How well do we know our suppliers' sustainability practices?
- What strategies do you suggest for improving transparency and accountability in our supply chain regarding sustainability?

#### **INVESTOR RELATIONS**



# ASK:

- How do you currently engage investors regarding our company's sustainability goals?
- What are the key sustainability metrics or narratives that resonate most with our investors, and how can we strengthen those communications?

Having a close tie with investor relations – and being able to hear directly from investors what's important to them – can catapult your ability to align and galvanize the organization around your sustainability agenda.

#### **MICHELLE FITZPATRICK**

VP & Chief Sustainability Officer, Graphic Packaging International

#### **COMPLIANCE OFFICER**

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#### ASK:

- What are our current processes for conducting internal audits related to sustainability?
- How are we preparing for upcoming regulatory changes, and what steps are we taking to ensure continuous compliance?

Your compliance officer is your best friend when you're trying to stand up new programs, because you can ask them to conduct an internal audit to assess the current state and identify improvement opportunities. Those actions get documented, and you can track the progress addressing them. Leveraging this business process provides a trusted, independent assessment to help drive change faster.

#### MICHELLE FITZPATRICK

VP & Chief Sustainability Officer, Graphic Packaging International

#### CONTROLLER



#### ASK:

• How can we enhance our financial reporting systems to better capture and report sustainability-related data?

The controller is really important because of the need to have all the right data controls in place for future SEC and CSRD compliance.

MICHELLE FITZPATRICK VP & Chief Sustainability Officer, Graphic Packaging International

#### HEAD OF GOVERNMENT AFFAIRS AND POLICY



#### ASK:

- How are we engaging with policymakers and regulators at the local, national, and international levels? How
  do we collaborate with industry associations, NGOs, and other stakeholders to advance our sustainability
  policy goals?
- What upcoming policy changes should we be aware of, and how can we position ourselves to influence and adapt to these changes?

Policy plays an instrumental role in sustainability, thus your Head of Govt Affairs should be a key stakeholder. They are most effectively positioned to share the companywide approach to supporting, advocating, rejecting, or none of the above to policies, regulations, legislations, etc., and how those can impact and influence your climate strategy. Don't go it alone.

SHANNON SCHUYLER US Chief Purpose & Inclusion Officer, PwC

TOOL J:Stakeholder mapping template

# Establish a regular cadence for updating your C-suite and board

A consistent routine for meeting with your C-suite and board helps maintain transparency and keep sustainability initiatives a priority across the organization.

To develop the right cadence of meetings, sustainability leaders should:

- Determine a consistent frequency for updates. Monthly or quarterly touchpoints, depending on your organization's needs and the pace of business change, help maintain a predictable and reliable communications rhythm.
- Integrate updates into leaders' calendars well in advance. Use recurring calendar invites to keep all relevant parties informed of the schedule.
- Develop a standardized agenda and template for the updates to promote consistency and completeness. This should include key performance indicators (KPIs), project statuses, financial updates, and other critical information.
- Include clear action items and follow-ups from previous updates. This approach promotes accountability and continuity, enabling leadership to track progress and make informed decisions based on the most current information.

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My boss, the head of the U.S. and Canada, is a part of the executive board which meets monthly on sustainability. There is a three-hour meeting where we review global progress gaps, do future casting and identify things we don't know how to do yet. I'm responsible for providing input on behalf of the U.S. and Canada into that conversation and making sure our voices are heard.

#### **MOLLY FOGARTY**

Head of Corporate Affairs and Sustainability, Nestlé North America

# Assess the specific tactical needs of leaders and teams

It's challenging to motivate individuals or teams to work toward a goal if they perceive it as unrealistic. To generate genuine commitment to sustainability efforts, meet with relevant collaborators to customize solutions that address their specific needs and constraints. By tailoring your approach, you help those people understand their unique roles in achieving sustainability goals while presenting yourself as an empathetic and pragmatic partner.

In my role as CSO, I strive to develop sustainability goals that are ambitious, bold, but realistic. Only with realistic goals can I get buy-in from colleagues in the business units where the sustainability transformation is taking place. I need to understand and respect their different challenges and hurdles in achieving these goals. And despite these different challenges, we need to find a common goal for the whole company. At the same time, CSOs need to keep pushing, otherwise you end up with the lowest common denominator and an unambitious goal.

**PETRA WICKLANDT** *Chief Sustainability Officer, Merck KGaA, Darmstadt, Germany* 

To understand these unique needs, sustainability leaders should:

- Schedule regular one-on-one meetings with cross-company leaders. These meetings facilitate open communication.
- Organize workshops and team-building activities that bring different leaders together to share their experiences. Dedicated time for cross-functional conversation promotes empathy and a deeper understanding of each leader's unique situation.

Most of my interactions happen directly with individual C-suite team members, specific to the business drivers and work needs for their organization. This helps us be more focused and efficient as we implement their specific sustainability initiatives.

MICHELLE FITZPATRICK VP & Chief Sustainability Officer, Graphic Packaging International If we get team members that come and say 'I can't get senior support for X, Y, and Z,' we always try to walk them through 'why not?' Why is that not the case? What else is on that executive's agenda? What else is within the business strategy? Can we seek alignment to core business strategy?

JON HIXSON Chief Sustainability Officer, Yum! Brands

#### Plug sustainability into meetings where gatekeepers and nodes of influence convene

Leadership stakeholders are obviously critical partners to sustainability, but direct engagement with those leaders is not the only way to keep on their radar. Many organizations have a layer of administrative professionals who wield significant influence over the agendas, prioritization, and time rationalization of senior decision-makers. Sustainability leaders and their teams are smart to identify and engage actively with these "nodes of influence" within their enterprise.

Getting in front of our administrative group has been hugely successful. Our CEO's assistant manages a network with every executive assistant in the company. I try to present to them once a quarter because I want them to know everything that is happening on my team so that when their leader asks a question about it, they know the answer already. Administrators drive the agenda of the team, and I get to know them just as much as I get to know my own team.

JENNIFER LIND Senior Director, Corporate Social Responsibility, Vizient

#### Harness the personal angle

Sustainability impacts individuals beyond the workplace. Every stakeholder brings their own knowledge, opinions, and lived experiences regarding sustainability, the environment, or climate change. These external influences cannot—and should not—be ignored. In fact, they can be leveraged to strengthen your efforts.

Focus on individual motivations to boost executive support by:

- Identifying personal or professional experiences related to sustainability, community service, or environmental stewardship. Use these insights to tailor your approach, connecting sustainability initiatives to leaders' personal values.
- Collaboratively developing personalized impact statements that demonstrate how an executive's support for sustainability can leave a lasting legacy within the organization. Regularly update these statements with achievements and new goals to reinforce their ongoing contribution.
- Identifying and engaging executives who are already passionate about sustainability to influence and encourage their peers. Create opportunities for these champions to share their perspectives and successes with others.
- Publicly recognizing and celebrating the contributions of executives to sustainability efforts. Extend this recognition beyond the organization, using their contributions to enhance both the company's reputation and the executive's personal brand in the sustainability space.
- Leading by example, demonstrating your commitment to sustainability through your actions and decisions. Acknowledge and celebrate the diverse reasons that drive your engagement in sustainability, whether they stem from environmental concerns, social justice, or economic benefits. Your intrinsic passion can serve as a powerful example for others to follow.

I know that everyone in our C-suite has a connection to our work. I just have to find what that connection is.

JENNIFER LIND Senior Director, Corporate Social Responsibility, Vizient Most CSOs have a personal conviction or purpose and are genuinely motivated by the work. That serves me well because my partners see me as authentic and a trusted person around what's the right thing to do. You're in the seat because you have that point of view. Sometimes what the CEO needs from me is to champion and create accountability for doing the hard things.

KATHLEEN TALBOT Chief Sustainability Officer, Reformation

# Communicating in terms that will resonate with - and activate - other leaders

# Tailor the the type and altitude of information you provide your C-suite versus your board

Given the distinct roles and oversight responsibilities of the C-suite and the board, adjust the presentation of information to suit each audience's specific needs and focus areas.

#### **C-suite**

The C-suite is responsible for detailed, day-to-day decision-making and strategic execution. They require in-depth information that directly influences their operational choices and the overall direction of the company. Your approach should be tailored to provide them with the actionable insights they need to effectively lead their respective teams in advancing your sustainability agenda.

#### Tailor your approach:

- Provide detailed, actionable insights: Offer the C-suite comprehensive data on sustainability both within and outside the company. This should include internal metrics, successes, and challenges, giving them a clear picture of where the company stands and what needs to be done to achieve its goals.
- Set clear, aligned goals: Establish specific sustainability goals and align them with actionable steps that each leader and their team can take. These goals should be directly linked to the company's broader objectives. Regularly refer to these goals in standing meetings to maintain focus and drive continuous progress.
- Emphasize accountability and execution: Equip C-suite leaders with the tools and information they need to implement sustainability initiatives effectively. Highlight how their decisions and leadership can directly impact the company's sustainability outcomes.

The board focuses on company oversight at a broader level. Their primary responsibilities include governance, long-term vision, risk management, and ensuring that the company's actions align with its values and shareholder interests. Because of this, the information presented to the board should be synthesized to highlight the primary risks, opportunities, and long-term implications of sustainability initiatives.

Tailor your approach:

- Synthesize information for strategic oversight: When presenting to the board, distill complex data into high-level insights that emphasize the near- and long-term impacts of sustainability on the company's value. Focus on how sustainability initiatives align with the company's mission, mitigate risks, and enhance long-term financial performance.
- Offer a comprehensive overview of the external stakeholder landscape: Present analyses of how external factors—such as climate change, biodiversity loss, deforestation, and social considerations—are influencing business decisions and shaping the market environment. Help the board understand the broader context in which the company operates and the risks and opportunities these factors present.
- Emphasize governance and risk management: Highlight how sustainability initiatives are integrated into the company's governance structures and how they help manage risks related to regulatory changes, market expectations, and stakeholder demands. Inform the board of the potential reputational and financial risks of not addressing these issues effectively.
- Facilitate strategic decision-making: Equip the board with the information they need to make informed decisions that guide the company's sustainability efforts in alignment with its long-term goals. This includes understanding how sustainability initiatives will impact shareholder value, stakeholder relations, and the company's overall market position.

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For the C-suite and board, it's two different conversations, and you tailor the material to their roles and remits. For example, in my quarterly board updates, I provide them a big-picture view of the external sustainability landscape and the different stakeholder considerations that inform our business strategy. I also include an information appendix in the board materials on a current evolving sustainability topic to support their continuing education. This helps the board consider multiple perspectives as part of their due diligence and oversight responsibilities.

#### **MICHELLE FITZPATRICK**

VP & Chief Sustainability Officer, Graphic Packaging International

# Speak in the language of the business

By translating sustainability into business-centric language, you're more likely to resonate with leaders less familiar with the technicalities and jargon of your field.

Sustainability leaders often find success when speaking about their work in the following ways:

- Highlight risk mitigation: Emphasize how sustainability initiatives can reduce potential risks, such as legal liabilities, operational disruptions due to climate change, market volatility, and regulatory compliance challenges.
- Demonstrate resilience: Show how sustainability efforts contribute to the company's ability to adapt to disruptions and maintain operations under various scenarios.
- Show cost reduction: Provide concrete data on cost savings achieved through sustainable practices, such as energy efficiency or waste reduction.
- Highlight productivity and efficiency gains: Demonstrate how sustainable operations can lead to improved efficiency and increased productivity, resulting in better resource utilization.
- Build brand reputation: Offer evidence of how sustainability initiatives enhance brand reputation, strengthen customer loyalty, and differentiate the company in the marketplace.
- Meet customer demands: Emphasize the growing customer expectations for sustainable practices and how meeting these demands can open up new growth opportunities.
- Relate to the macro environment: Connect sustainability efforts to external factors, such as evolving regulations, climate change, and societal expectations, to underscore their urgency and relevance.

By framing sustainability in terms of business value, you make it clear that these initiatives are not just ethical choices but strategic imperatives that contribute to the overall success and longevity of the organization.

You need to be able to talk the CFO's language and articulate the business value to the company. It's beyond the intangibles – it's showing how sustainability investments protect existing revenue and create future revenue, or reduce operating costs and preempt future costs.

MICHELLE FITZPATRICK VP & Chief Sustainability Officer, Graphic Packaging International Change the narrative. Save the technical language for those who do need to act on the tactical implications; for everyone else, focus on the common business language that resonates. For us, doing a TCFD report was a game changer. It focused specifically on risks and opportunities; two words senior leadership and the board use every day to talk about actions and investments that will help influence the success of the firm.

SHANNON SCHUYLER US Chief Purpose & Inclusion Officer, PwC



# Embedding accountability at the individual and group levels

Accountable leaders are key to ensuring ongoing commitment and progress toward sustainability goals.

With accountability and alignment, you can:

- Solidify leadership commitment: Support leaders in their dedication to sustainability initiatives by making them directly invested in your progress.
- Align strategic priorities and unify objectives: Clearly link sustainability goals with the organization's broader strategic priorities.
- Build transparency and trust: Enhance credibility by openly sharing progress and challenges, fostering trust among stakeholders.
- Keep stakeholders engaged: Maintain active engagement by demonstrating accountability and consistent progress toward sustainability targets.
- Manage and mitigate risk over time: Proactively address potential risks by embedding sustainability into the decision-making process.
- Create long-term value: Drive sustainable growth by integrating accountability into core business practices.
- Lead a company-wide culture shift: Instill a culture of sustainability across the organization by making accountability a fundamental part of everyday operations.

To achieve these goals, sustainability leaders name the following three practices as instrumental:

# Align sustainability goals with overall business KPIs

Embed sustainability within overall business KPIs, ideally those that C-suite are accountable for. This integration aligns sustainability with the company's strategic objectives, making sustainability core to the business.

Our commitments around increasing diverse workforces and our emissions commitment to being carbon neutral by 2030 are both business KPIs, which means every person across the business actually has to report against them. **BRIDGETTE MCADOO** Chief Sustainability Officer, Genesys

**KPIs in Chapter 1** 

Read more about sustainability

We have a formal sustainability scorecard process. My engagement team meets with all 60 of our directors on a biannual basis. They set goals that are integrated into the rest of our performance management structure that are specific to our climate positive and circular commitments. They are accountable for reporting out on those on a quarterly basis and that's tied to remuneration.

**KATHLEEN TALBOT** Chief Sustainability Officer, Reformation Reformation uses a sustainability scorecard to keep its approximately 60 directors on track with sustainability goals. To manage those relationships, the CSO hired an internal engagement specialist, who meets with these directors on a biannual basis to set goals, discover new opportunities to collaborate, and help further their knowledge and capacity-building.



TOOL I: Reformation's Director, Sustainability – Engagement job description

## Tie sustainability into compensation

According to 2023 disclosures, 75.8% of S&P 500 companies now incorporate ESG performance into their compensation design, a significant increase from 66.5% in 2021 (Harvard, 2024). The integration of ESG metrics into compensation varies widely by industry—for instance, 24% of information technology companies include environmental performance metrics in their executive incentive plans, compared to 80.2% of energy companies (Harvard, 2024).

To incorporate sustainability performance into executive pay for your company:

- Design compensation packages that include long-term incentives tied to sustainability achievements. This approach encourages executives to prioritize sustainable growth and development over short-term financial gains.
- Periodically review and adjust sustainability targets and compensation structures to reflect changing circumstances, emerging sustainability challenges, and evolving best practices.
- Recognize and reward executives who demonstrate exceptional leadership in sustainability. This could include public recognition, awards, or additional bonuses, reinforcing the importance of sustainability as a key component of executive performance.



Executive compensation is the primary driver [of accountability] – we've had that for the past three years. It's very important to embed in your compensation structure whatever you're driving toward sustainability. This ensures that leaders are cascading sustainability goals down into their teams. Our goals are public and we report against them annually.

HPE's executive compensation approach

Hewlett Packard Enterprise (HPE) <u>has implemented a unique approach to linking executive</u> pay with climate goals, focusing on reducing carbon emissions beyond direct operations. The company's three-year plan involves educating executives, having them develop personalized action plans, and tying their compensation to the execution of these plans, particularly targeting Scope 3 emissions. This strategy aims to give executives ownership of the process and a deeper understanding of their role in achieving sustainability goals.



#### **RELATED RESOURCE:**

Another way to drive leadership commitment to enterprise-wide initiatives is to incentivize business unit-level investment. At Johnson & Johnson, a centralized Business Match Fund provides dollar-for-dollar co-investment alongside business units that are pursuing health equity-related initiatives aligned with high-level organizational goals. The approach has applicability to a range of issues, including sustainability. To learn more about the Business Match Fund, read NationSwell's case study <u>here</u>.

There are numerous approaches for connecting executive compensation to ESG; for specific metrics and timelines, see in-depth analysis from the <u>Harvard Law School Forum on Corporate Governance</u> and <u>PwC</u>.

## Establish an executive-level sustainability committee

A senior-level committee helps to make sustainability an integrated part of cross-functional company activities. It provides a critical piece of infrastructure for organizing the joint deliberation and decision-making that's required to be successful.

When creating a committee, consider the following:

- Include your most important functional and cultural partners: Within your sustainability committee, include representatives from a wide range of departments, such as finance, operations, HR, and marketing. This brings a variety of perspectives to the table, leading to more comprehensive and innovative solutions that consider all aspects of the business.
- Set clear objectives and responsibilities: Define the committee's mission, goals, and individual responsibilities. Establish specific, measurable objectives that align with the organization's overall sustainability strategy. Regularly revisit these goals to ensure they remain relevant and ambitious.
- Hold regular meetings to discuss progress and challenges: Schedule consistent meetings to review progress, address challenges, and make necessary adjustments. These meetings should be structured to create open dialogue and encourage collaboration.

#### Sustainability board at Merck, KGaA, Darmstadt, Germany

Merck KGaA, Darmstadt, Germany has a sustainability board, as mandated by the executive board. This board includes C-suite leaders and is charged with steering the implementation of the company's sustainability strategy. The sustainability board meets once a month to review progress, check on challenges, and prepare decisions. As part of its sustainability board, Merck KGaA, Darmstadt, Germany <u>employs an external advisory panel</u> made up primarily of people from academia and NGOs. This group offers feedback and challenges to the corporate board, pushing them in new directions, even when it's uncomfortable.



For corporate sustainability to succeed over the long term, all levels of the organization must share in its ownership. Employees make decisions and take actions every day that impact an organization's ability to reach its targets. Collectively, a workforce can dramatically accelerate or decelerate your business's rate of change. But, engaging a complex and often dispersed employee population is no small challenge. Employees must be educated, activated, and made accountable in ways that are sensitive to their daily realities.

# Building employee awareness and knowledge about corporate sustainability

Employees' awareness of your company's sustainability strategy should begin with their introduction to the organization during the early part of their tenure.

To create a successful and impactful introduction for new employees, collaborate with HR and employee engagement partners to:



#### INTEGRATE SUSTAINABILITY INTO ONBOARDING:

Include an overview of corporate sustainability in your company's standard orientation and training programs for new hires. Start with basic information about climate change and why sustainability is good for business.



#### PROVIDE COMPREHENSIVE MATERIALS:

Equip new hires with resources that detail the company's specific sustainability goals, ongoing initiatives, and past achievements. This could include a sustainability handbook, case studies, or interactive content that highlights the impact of these efforts. These materials should be accessible and engaging, offering new employees a clear understanding of the company's sustainability journey and their role in carrying it forward.



#### CREATE OPPORTUNITIES FOR EARLY INVOLVEMENT:

Make it easy for new hires to get involved in sustainability initiatives from the start. Introduce them to volunteer opportunities, sustainability committees, or employee resource groups (ERGs).

We embed [sustainability] at every touchpoint. We work with the employee experience team, we work with the learning and development team, we work with people in operations and with sales to make sure employee-led action is a strategic priority for us.

#### **KIM DABBS**

Global Vice President, ESG and Social Innovation, Steelcase



**TOOL K:** Onboarding sustainability checklist

### Provide ongoing employee education opportunities

While introducing employees to sustainability during their onboarding is important, ongoing education drives durable engagement with the work. Companies with successful employee education programs highlight the following guidance:



#### MAINTAIN A BASELINE UNDERSTANDING:

Programs like <u>LVMH's Life Academy</u> and Liberty <u>Mutual's Climate Activation Program</u> provide regular opportunities to increase employees' climate awareness and embed sustainability knowledge into the business.



#### ORGANIZE REGULAR WORKSHOPS AND SEMINARS:

Schedule virtual and in-person events that explore various aspects of sustainability, from environmental impact to sustainable business practices.



#### INVITE INDUSTRY EXPERTS:

Bring in external experts and industry leaders to share insights on current sustainability trends and best practices. Guest speakers provide valuable perspectives and inspire employees to apply new ideas within the organization.



#### OFFER ONLINE LEARNING OPPORTUNITIES:

Provide employees with access to online sustainability courses and webinars. These can be tailored to different levels of expertise and interest, allowing employees to deepen their knowledge at their own pace.



#### INCLUDE EXECUTIVE VOICES:

Invite executives to share their personal commitment to sustainability through short, authentic videos. Videos can highlight why sustainability matters to them, how it aligns with the company's goals, and what actions they are personally taking.



#### CREATE A SUSTAINABILITY RESOURCE LIBRARY:

Develop and maintain a library of sustainability resources, including books, articles, videos, and case studies. This library should be easily accessible to all employees, serving as a go-to resource for learning and inspiration.

#### **Expedia Group Climate Training**

#### **Overview:**

Expedia Group developed an online, internal training for employees to better understand sustainability basics, the company's climate commitments, and the intersection of climate issues with their work. Notably, members of the C-suite feature in the training videos.

#### **Training outline:**

#### Section 1: Introduction

- Overview of greenhouse gas emissions
- Timeline of earth's temperature increase
- · Breakdown of travel emission's footprint
- · Climate change and its impact on business

#### Section 2: Net Zero Future

- What is Net Zero?
- Expedia Group's climate commitments and related strategies

Section 3: Powering sustainable Journeys

- · Expedia Group's role in encouraging travel suppliers to build climate-friendly offerings
- · Expedia Group's role in encouraging travelers to choose more sustainable options

#### Section 4: Our Shared Responsibility

· How employees can take part in the climate action at Expedia Group

#### **Driving participation:**

Training is voluntary, but employees are incentivized to participate and share their learnings. For those that share their favorite learnings through internal engagement channels and eligibility to win Expedia Group travel cash.

# Activating employees as key players in your sustainability journey

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When we originally launched our sustainability report and program, the theme was 'Join us on the Journey.' To emphasize the importance of sustainability, our CEO made it required reading for every employee. We stressed that integrating sustainability within our business is a team sport. We worked with our global leaders to create an internal sustainability council to help amplify it through the organization.

BRIDGETTE MCADOO Chief Sustainability Officer, Genesys

# Harness specialized employee groups

Sustainability employee resource groups (ERGs) and other specialized groups (occasionally dubbed "Green Teams") provide a scalable infrastructure for engaging employees who are passionate about environmental issues. These teams often involve employees with a wide range of prior expertise and from all levels of the enterprise.

ERGs help align company culture with environmental goals, build a sense of community, and drive positive impact across the organization. While many company ERGs focus on aspects of personal identity, a sustainability-focused ERG can provide an outlet for those who consider sustainability important to their identity or passion. A sustainability ERG can also work with other identity-based ERGs to find opportunities to collaborate on intersectional programming.

When developing a specialized group like a sustainability ERG, consider the following:

- Define the specific roles and responsibilities of the group at the outset. It is particularly helpful to clarify the roles of the specialized group relative to the full-time sustainability team so as to not create confusion or set unrealistic expectations for these voluntary groups...
- Provide clarity about how the group contributes to the company's overall sustainability strategy. Sustainability ERGs need to understand the value they create; emphasize the ways that their actions fit into the overall corporate strategy.

- Offer training programs and resources to sustainability ERGs to enhance their skills and effectiveness. Specialized groups, like other ERGs, can provide a forum for employees to develop their leadership, knowledge, and abilities related to environmental impact.
- Establish regular meetings and open communication channels between sustainability ERGs and the central sustainability team. In order to work toward one cohesive goal and strategy, full-time sustainability employees should be in regular communication with ERG leaders.

#### Expedia Group's Sustainable and Green Expedians (SAGE)

At Expedia Group, many employees are passionate about sustainability. Aditi Mohapatra, Vice President of Global Social Impact & Sustainability, has actively worked to harness that passion in service of the business needs of the social impact and sustainability team. SAGE ("Sustainable and Green Expedians"), the in-house employee resource group, existed before the sustainability team was fully built out. The group was initially involved in everything from employee engagement, to submitting GHG data, to sustainable traveler campaigns. As the formal sustainability program has matured, the roles of the central team and SAGE have become more differentiated: SAGE, with more than 1,800 active members globally, now drives employee engagement and environmental education, focusing on what individual employees can do to advance the company's environmental goals. SAGE also helps with regional needs, such in-office waste measurement, as they have members across more geographies than the central sustainability team. Meanwhile, Expedia Group's Social Impact and Sustainability team handles strategic decision making, climate action planning, emissions calculations, and other business operational needs. A member of the sustainability team conducts bi-weekly check-ins with SAGE, keeping lines of communication open between the two groups.

> SAGE is a champion and a megaphone for all the initiatives that we lead at the corporate level. These individuals sit in functions throughout the business and by being champions of our work, they help us permeate throughout the organization, while providing helpful and diverse insights in return.

#### **ADITI MOHAPATRA**

Vice President of Global Social Impact & Sustainability, Expedia Group

#### Innovation teams

For employees with a higher level of interest, capacity, and knowledge to support sustainability efforts, other organizing models may be more appealing. For example, a voluntary sustainability innovation team can create space for employees to help develop new tools or practices that accelerate sustainability progress. When structured appropriately, innovation teams can help corporations maintain a competitive edge and contribute positively to global sustainability efforts.

#### Kyndryl's Green Guild

Kyndryl has harnessed employee expertise and passion into a Green Guild. This specialized team has almost over 450 employees who develop innovative, technical sustainability solutions. Participation on the team is voluntary, but many employees write it into their job responsibilities to reflect the value of the team to their everyday work. Green Guild members work across a broad range of potential solutions – for example, a current team is working to find solutions to the energy-draining storage of old email archives and other forms of "dark data."

Having the people who are experts in our core products and services be a part of the solution for sustainability is critical – that to me is pragmatically operationalizing sustainability into the business.

FAITH TAYLOR Chief Global Citizenship and Sustainability Officer, Kyndryl

### Integrate sustainability into daily employee responsibilities

Many companies depend on their employees to execute sustainability initiatives in their daily work. When managed correctly, the integration of sustainability into routine job functions can strengthen employees' sense of job commitment, personal impact, and connectedness to overall corporate values.

#### Waste reduction at Starbucks

At Starbucks, baristas are <u>trained to accept reusable cups</u> from customers, including on mobile and drive-thru orders; additionally, each employee is given a reusable cup for their own drinks during their shifts. Through its <u>Hunger Relief</u> <u>efforts</u>, Starbucks donates unsold food from stores through FoodShare, a sustainable food rescue program. Through these and other waste reduction strategies, employees can easily see how their efforts contribute to making Starbucks more environmentally friendly.

Employees are very passionate about sustainability. It is very important for them to see how we are being more sustainable and have that show up as they're doing their daily jobs. If you're in the store and you're a barista, you see your personal involvement in the expansive personal cup program that we rolled out in January 2024. We trained employees on the new procedures for accepting personal cups, it's become part of their daily routine. Last year we expanded our food share pickup program to every store; people who are on the closing shift every day in the store are bagging up the unsold food and can see the impact they are having. When they experience that in their daily jobs they believe we are a more sustainable company.

MICHAEL KOBORI Chief Sustainability Officer, Starbucks

Read more about leveraging existing internal capabilities in Chapter 2

# Make it easy and appealing for employees to deepen their involvement

To extend employee engagement in sustainability beyond their routine job duties, use incentives and lower the barrier to entry by considering the following:

- Create easy opportunities for engagement: Make it simple for employees to get involved by organizing company-sponsored volunteer events, sustainability challenges, or team-based projects. Ensure these opportunities are accessible to all employees, regardless of their role or location, by offering a variety of in-person and virtual options.
- **Provide additional time off:** Offer extra paid time off (PTO) or volunteer time off (VTO) as a reward for employees who volunteer or lead sustainability projects. This could include a set number of hours or days dedicated specifically to volunteer work, either within the company's sustainability programs or in external community initiatives.

#### Employee platforms at PwC

PwC includes a portfolio of environmental and climate charities on its employee giving platform so that our people can easily find organizations that resonate with them. Employees can also nominate their own causes to be included and start crowdfunding campaigns. Other platforms also offer sustainability perspectives; PwC's travel portal, for example, shows the carbon intensity of flights. Individuals can use this information as they can make smarter sustainable decisions when choosing their own business travel. PwC Perks, the platform used for offering high volume group discounts to employees, includes environmental purchases like solar panels. Vizient celebrated [the volunteerism] anniversary by giving employees an extra, sixth paid day off to volunteer — and by providing support for forest restoration to the Arbor Day Foundation in partnership with the Bonneville Environmental Foundation in Oregon and Washington.

2024 ESG REPORT



#### Scenario:

In 2023, to honor <u>Vizient's</u> twentieth year of volunteer programming, the company planted one tree in honor of every employee. With almost 5,000 employees and trees to plant, Jennifer Lind, Senior Director, Corporate Social Responsibility, worked with nonprofit partner agencies to execute the work. To simultaneously maximize employee engagement in the tree planting initiative, Lind and the ESG team connected employee education initiatives to tree location selection using the <u>Vizient<sup>®</sup> Vulnerability Index<sup>™</sup></u> ("VVI").

#### Approach:

Prior to direct employee engagement with the tree planting initiative, the ESG team ran potential project areas through the VVI, a tool that "identifies social needs and obstacles to care in neighborhoods that may influence a person's overall health." The Index allows users to explore Social Drivers of Health at the neighborhood level across nine domains of social needs (economic, clean environment, transportation and more) and the overall vulnerability index for each census tract and ZIP code across the U.S. The VVI is run by the company's Data Informatics team, but use of the tool is encouraged throughout the company and beyond.

As Vizient expanded its tree planting initiative, the ESG team encouraged employees to engage in its operations through the VVI:

• Education: The ESG team rolled out short quizzes on Vizient's three sustainability impact pillars (People, Places, Planet). These quizzes educate employees on important Vizient happenings (e.g., updates on company policy or the release of the annual social impact report). While taking the quizzes is voluntary, they will be included alongside Vizient's traditional employee training, and teams can assign them as part of a learning journey.

• Incentives: Vizient will be incorporating employee choice into the selection of future tree plantings. As the company looks at tree planting locations based on VVI data and partner needs, Vizient will bring along employees either through an employee-wide vote or as part of the learning modules. This process will give employees more autonomy and involvement with the tree planting initiative, as well as familiarizing them with the VVI.

• Impact: Vizient exceeded its initial "one tree for every employee" goal, planting 5,703 trees for its nearly 5,000 employees. With this success in hand, Vizient will be continuing its tree planting initiatives and building upon the ways that employees can continue coming along in the journey through volunteerism, location nominations, and other methods.

As a company, we have integrated sustainability, social impact, and diversity, equity, and inclusion. The Equal Air Project is a perfect example of that – it has a through line across all three.

**GINA TESLA** VP, ESG, Coupa

#### Scenario:

In 2021, <u>Coupa</u> began working on volunteer projects related to clean air through a collaboration with Earthwatch and the Yale School of Public Health. Employees deployed air quality sensors across the Bay Area, where one of Coupa's flagship offices is located, to support ongoing research. What started out as an employee volunteerism opportunity has grown into a signature initiative for the company.

#### Approach:

- Relevant in-person volunteer opportunities: Coupa offers 40 hours of paid volunteer time off to employees for the causes they care most about. To connect them to clean air work, Coupa offered volunteer opportunities in partnership with Sustainable Silicon Valley to install air quality sensors across the Bay Area.
- Ongoing internal communications: To announce initial opportunities, Coupa hosted a company-wide webinar to inform employees about the initiative and its objectives. Once the Equal Air Project became a distinct initiative, employees were kept informed through intranet webinars, ESG reports, social media, and other external communications.
- Dedicated executive workshops: In September 2022, Coupa's CEO and executive team participated in a day-long workshop on air quality, facilitated by Yale and Earthwatch, to educate key leaders on the impact of air quality on different communities and explore Coupa's potential contributions. The results from the air quality sensors, which had been deployed for 8-12 weeks, were reviewed. Most executives lived in the area and could personally relate to the findings, increasing investment and interest in the project.
- Global Impact Week, with opportunities for all levels of employees: In October 2022, Coupa launched its inaugural Global Impact Week, "a week filled with opportunities to serve communities through volunteerism, giving, and open hearts and minds." (Coupa) During this week, the CEO and board of directors volunteered and developed strategies to mitigate air pollution alongside Equal Air Project partners.

#### Impact:

- Internal talent development: The Equal Air Project is one example of Coupa's skills based-volunteerism program, Purpose in Action, which is recognized within Coupa as a strong talent development program. The ESG team has begun to and will continue collaborating more closely with HR and talent development teams to integrate the program into leadership development efforts.
- Expansion of clean air projects: Building upon the initial Bay Area work, Coupa has supported other clean air projects. For example, an employee pro bono team in Michigan partnered with Just Air to donate their expertise and time, and another pro bono team in the Bay Area collaborated with Salesforce on a project for <u>Acterra</u>. These expansions ensure that employees can participate in the clean air initiative no matter where they are geographically located.
- External partnerships and education: With such enthusiasm internally, During Global Impact Week in 2023, Coupa hosted a group of DEI leaders from large companies, dedicating part of their time to volunteering with an environmental organization in the Bay Area, focusing on climate justice.

#### **Future steps:**

- With a track record of success, Coupa will collaborate with Thoma Bravo, <u>the company's new owner</u>, and its portfolio companies to expand sustainability and climate initiatives.
- · Continue volunteerism, pro bono work, and support for partner organizations.
- Engage more organizations, either as recipients or participants in pro bono or skills-based volunteerism.
- Work with additional partners to expand clean air initiatives and increase impact, including launching an Air Quality Collaborative in partnership with NationSwell to accelerate solutions that are working to provide better air quality to underserved communities and identify areas for accelerated and coordinated action
- Expand the Equal Air Project globally, with the recognition that air quality is a worldwide concern

## Communicate sustainability progress with your employees

Being transparent about your sustainability progress through internal and external communications engages and mobilizes employees. Transparency not only builds trust but also creates a sense of shared responsibility and collective purpose.

- Share sustainability progress regularly through internal newsletters, emails, and meetings. Consistent and reliable communication is key to sustaining interest in sustainability initiatives. Tailor these communications to different audiences within the organization to help the message resonate broadly.
- Use visual aids like infographics and dashboards to present data and progress clearly, making complex information more accessible and engaging.
- Extend transparency by sharing progress with a broader audience, including customers and stakeholders, via social media. This external communication reinforces the company's commitment to sustainability and helps build trust.
- Be honest about challenges and openly discuss how the company plans to address them.

### Dilemma sessions at Merck KGaA, Darmstadt, Germany

Merck KGaA, Darmstadt, Germany hosts "dilemma sessions" in which employees present a challenging sustainability scenario they've encountered along with their solution. Any employee can pitch a session to host, and attendance for others is voluntary. Dilemma sessions often focus on successes, but the company also encourages presentations that do not have traditionally successful outcomes.

We want to share the challenges we've had in making these changes because it doesn't matter if Reformation is more sustainable when the whole industry is not. We want to document what's possible, share real and tested solutions and real and tested missteps, and hopefully bring a lot of our suppliers and other brands along with us.

REFORMATION, THE SUSTAINABILITY REPORT, 2023

### **Recognize and communicate employee contributions**

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It's important to celebrate the work that employees are doing.

MICHAEL KOBORI Chief Sustainability Officer, Starbucks

Celebrating employee contributions to sustainability helps to reinforce the value of their efforts and create momentum-boosting feedback loops.

Research shows that recognition significantly impacts employee satisfaction and productivity. Employees who receive regular recognition are more than twice as likely to feel a strong sense of belonging and are 31% more productive than those who do not (<u>Gallup, 2024</u>).

Best practices for employee recognition include:

- Use internal communication channels such as newsletters, emails, and company meetings to share success stories and achievements.
- Encourage leaders across business units to personally recognize employees during meetings, one-on-ones, or through personalized messages.
- Establish awards for exceptional sustainability efforts, whether for individuals or for teams.
- Allow employees to nominate their colleagues for sustainability awards.
- Incorporate sustainability achievements into performance reviews and appraisals
- Dedicate a section of the company's annual sustainability report to employee efforts and impact.
- Share employees' sustainability initiatives on the company's social media and other external platforms.

#### **Starbucks' Greener Stores**

In 2018, Starbucks announced its "Greener Stores" framework, designed to accelerate the development of lowerimpact stores that achieve reductions in energy use, water usage ,and landfill waste. As of 2024, Starbucks Greener Stores practices have saved the company an estimated \$60 million in annual operating costs, including 30% water savings and 30% energy reduction compared to historic store practices. Today, there are over 6,000 certified Greener Stores. In 2024, Starbucks began recognizing one store in each of its six regions for excellence in sustainable innovation and environmental impact, with a goal of certifying 10,000 Greener Stores by 2025. Starbucks baristas who work at Greener Stores of the Year have shared their excitement upon receiving the award, remarking that it amplifies the difference they can make.

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Employees are the company's ambassadors. Having a culture where people are engaged and helping you to tell your story and implement your solutions is the most powerful thing a company can have. Strategically, you have to empower, inspire, educate, and train your employees. How you do that is through not only education, training, and awareness, but recognition. It doesn't always have to be monetary; it could be giving them exposure to people that they never would have had the opportunity to be with, or giving them opportunities to be recognized in terms of their own leadership teams and organizations. It's important to be able to tie that to financial performance where you can. People should be able to say, 'I was part of that cost reduction. I was part of that revenue increase. I was part of managing this risk,' so that they can see the link from what they're doing to the business. Then the company can see that link and it can be a continuous loop.

#### FAITH TAYLOR

Chief Sustainability Officer, Kyndryl

#### PwC Badge Programme

At PwC, employee learning systems are designed to benefit the professional growth of the individuals, the business, and its clients. To deepen critical knowledge in sustainability, PwC developed two specialized "badges" that employees can earn by completing a course of training.

- Business Impact Badge: This program involves approximately 20 hours of learning, focused on helping employees understand the risks and opportunities embedded in business decisions related to sustainability.
- Climate Impact Badge: This more in-depth program requires about 30 hours of study. It covers the science of climate change, the industries involved, PwC's role, and its connection to client businesses. This badge is particularly valuable for employees preparing to engage with clients on climate topics like net zero initiatives.

PwC uses a mixed approach to encourage participation in these badge courses. For some roles, such as those in consulting or assurance, these badges are required or strongly recommended. Additionally, the courses are available to any employee who wishes to participate voluntarily. PwC occasionally sets up office or team-based learning competitions.

Leadership plays a key role in promoting these programs. Global and territory leaders feature in training videos and communications, while the sustainability team collaborates with senior partners to send out course-related communications.

PwC badges signify a commitment to continuous learning. Employees can showcase earned badges on public profiles or leverage them when applying for new roles within the firm, offering various paths for career advancement. Created by the internal Learning & Development team, the badges are available in multiple languages and incorporate local regulatory insights. The sustainability badges represent a significant investment for PwC, reflecting the firm's global priorities.

#### Create feedback loops with employees

Employees are not only a critical source of energy to power your sustainability strategy forward, they're an invaluable source of feedback. How employees perceive your sustainability program – its strengths, its flaws, and their role within it – is knowledge that many sustainability leaders and talent leaders crave.

To understand employees' sentiment toward sustainability at your organization, and incorporate their feedback into planning, consider the following:

• Include targeted questions on sustainability in employee engagement surveys: Ask specific questions that measure perceptions, preferences, levels of personal investment, and more.

- Analyze survey data for new insights: This data could help shape your ongoing efforts to mobilize your workforce, and correlating the data with other measures of engagement could produce new insights into the relationship between corporate sustainability, productivity, satisfaction, and more. Thoroughly examine the survey responses to identify common themes, trends, and areas of concern.
- Communicate survey results and related action plans: Share generalized key findings and trends from the survey with employees, particularly when you are able to connect those findings with responsive initiatives and approaches.

# Use employee engagement metrics to continue making the business case

By measuring employees' engagement with – and sentiment toward – corporate sustainability initiatives, leaders also equip themselves with potentially powerful data to support their case for ongoing investment in the work. Specific ways to leverage employee data include:

- Monitoring participation rates: Track employee involvement in sustainability initiatives, training programs, and volunteer activities. High participation rates can indicate strong engagement and support for sustainability efforts.
- Collecting feedback on satisfaction and motivation: Gather data on employee satisfaction and motivation specifically related to sustainability initiatives. This feedback provides valuable insights into how these efforts impact employee morale and commitment.
- Highlighting correlations with productivity and retention: Analyze and showcase the relationship between employee engagement in sustainability and key indicators such as productivity and retention.

[Our people] have changed the discussion around sustainability to local and national leaders. They talk in a more sophisticated manner about the implications of long term financial investments around renewables that align with the CFO and the need to integrate financial and nonfinancial reporting to get a holistic sense of the progress of a company. They are very engaging about the long term financial implications of climate transition in addition to the societal impact. Our people are making a real difference in making sustainability a more common part of our vernacular.

SHANNON SCHUYLER US Chief Purpose & Inclusion Officer, PwC We are using the <u>Gallup Ql2® survey</u> to measure employee engagement. Not only do we track the progress of our employee engagement index score over time, but we also implement action plans to respond to key themes. Listening to our employees' perspectives is invaluable.

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#### **MICHELLE FITZPATRICK**

VP & Chief Sustainability Officer, Graphic Packaging International



#### TOOL L:

Employee-related data for making the case for sustainability



# TOOL I:

# Reformation's Director, Sustainability Engagement job description

Job Title: Director, Sustainability Engagement | Reports To: Chief Sustainability Officer

| Main functions & responsibilities: | <ul> <li>Own end-to-end strategy for the Sustainability Scorecard process and sustainability-focused continuous improvement efforts.</li> <li>Deliver and continue to optimize sustainability-related internal training and communications</li> <li>Develop and maintain sustainability-related purchasing policies, practices, and reporting including environmentally preferred and diversity standards</li> <li>Drive energy efficiency and transportation management programs for direct facilities and suppliers aligned with the Climate Positive roadmap</li> <li>Own sustainable operations manuals, training, and capacity building for Facilities and Retail field teams</li> <li>Drive cross-functional internal engagement (like Transportation Taskforce, Green Stores) to ensure we can deliver on roadmaps / progress in each scoped area</li> </ul> |
|------------------------------------|---|
| Skill requirements:                | <ul> <li>BA or Master's ideally with focus in environmental studies/engineering, or sustainability</li> <li>Minimum 5 years working in sustainability or related field</li> <li>LEED GA or equivalent a plus</li> <li>Strong project management, organizational, and time management skills, along with ability to manage multiple tasks and follow through on deadlines/projects simultaneously</li> <li>Self-motivation and self-starter skills, proactive</li> </ul>   |
| Who you are:                       | <ul> <li>Data-driven, but also careful to avoid analysis paralysis; realize that purpose of work is to help make better decisions that have an impact</li> <li>Strong problem solver with excellent organizational skills and ability to multitask in a fast-paced environment</li> <li>An excellent communicator, and someone who can make the complex simple for the non-expert, and engage a diverse group of stakeholders</li> <li>A bridge builder - someone who is passionate about bringing sustainability solutions to mass market, and engaging everyone along the way</li> </ul>  |



This tool is designed to help sustainability leaders identify and categorize key internal stakeholders.

| <b>Step 1:</b><br>Compile a<br>comprehensive<br>list of stakeholders                                  | Using the template provided below, create a list of all leadership stakeholders<br>within the organization.<br>This should include:<br>• C-suite executives (CEO, CFO, COO, etc.)<br>• Department heads (HR, Marketing, Operations, etc.)<br>• Influential employees (Employee resource group leaders, project managers, etc.)  |
|---|---|
| <b>Step 2:</b><br>Evaluate each<br>stakeholder's<br>role relevant to<br>sustainability                | <ul> <li>For each stakeholder, evaluate their role and how it relates to sustainability work</li> <li>Role in sustainability: Strategic, Operational, Support, etc.</li> <li>Alignment with responsibilities: High, Medium, Low</li> </ul>  |
| <b>Step 3:</b><br>Evaluate each<br>stakeholder's<br>initial level of<br>interest in<br>sustainability | Assess each stakeholder's functional importance based on their role and influence in relevant areas.<br>• Interest level: High, Medium, Low   |
| <b>Step 4:</b><br>Evaluate each<br>stakeholder's<br>functional<br>importance to<br>sustainability     | <ul> <li>Assess each stakeholder's functional importance based on their role and influence in relevant areas.</li> <li>High: Directly responsible for key sustainability areas (e.g., Operations, Supply Chain)</li> <li>Medium: Indirect influence on sustainability (e.g., HR, IT)</li> <li>Low: Limited or no direct impact on sustainability initiatives</li> </ul> |

| <b>Step 5:</b><br>Evaluate<br>stakeholo<br>cultural ir<br>to sustair | der's<br>nportance | organ<br>• H<br>• M | Evaluate each stakeholder's cultural importance based on their influence over<br>organizational decision-making and culture.<br>• High: Key decision-makers and influential leaders<br>• Medium: Influential within their departments or teams<br>• Low: Limited influence over broader organizational culture |                   |                                       |                          |                        |                  |  |  |
|--|--------------------|---------------------|--|-------------------|---------------------------------------|--------------------------|------------------------|------------------|--|--|
| <b>Step 6:</b><br>Make a plan for<br>engaging each<br>stakeholder    |                    |                     | Create a list of questions and come with rationale for engaging each stakeholder in sustainability   |                   |                                       |                          |                        |                  |  |  |
| Name   | Title              | Department          | Role in<br>Sustainability  | Interest<br>Level | Alignment<br>with<br>Responsibilities | Functional<br>Importance | Cultural<br>Importance | Key<br>Questions |  |  |
|  |                    |                     |  |                   |                                       |                          |                        |                  |  |  |
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|  |                    |                     |  |                   |                                       |                          |                        |                  |  |  |



To maximize interest and enthusiasm, it is important to begin introducing employees to the organization's sustainability work as early as possible. This tool provides an overview of common steps to complete when onboarding new employees.

| Sustainability<br>goals          | <ul> <li>Provide training on company's sustainability goals and initiatives and how progress is measured</li> <li>Share resources for further learning about sustainability</li> <li>Explain how individual roles contribute to these goals</li> </ul>   |
|----------------------------------|--|
| Sustainable<br>workplace culture | <ul> <li>Explain how they can get involved in sustainability initiatives</li> <li>Introduce the company's Green Team, sustainability committee, or employee resource group</li> <li>Highlight any sustainability-related volunteer opportunities</li> <li>Provide resources on how employees can contribute to local sustainability efforts</li> </ul> |
| Green office<br>practices        | <ul> <li>Explain recycling and waste reduction procedures</li> <li>Introduce energy-saving practices (e.g., turning off lights, equipment)</li> <li>Demonstrate proper use of any smart building technologies</li> <li>Discuss travel policies and sustainable travel options</li> </ul>   |
| Feedback<br>mechanism            | Set up a system for new hires to share sustainability ideas and feedback   |



TOOL L:

# Employee-related data for making the case for sustainability

A significant portion of Gen Z and millennials prioritize environmental concerns, with many changing jobs or industries due to these issues and extensively researching potential employers' environmental impact and policies before accepting job offers.

"69% of employed adults want their companies to invest in sustainability efforts, including reducing carbon, using renewable energy, and reducing waste. This sentiment is higher among surveyed employees between the ages of 18 and 34 years old, who showed a stronger interest in sustainability initiatives than respondents from older generations." (Deloitte Consumer Signals survey, 2023)

"Two in 10 Gen Zs (20%) and millennials (19%) have already changed jobs or industries due to environmental concerns and another 26% of Gen Zs and 23% of millennials plan to in the future." (Deloitte Gen Z and Millennial Survey 2024)

"When seeking a new employer a quarter of Gen Zs and millennials have already conducted research on the organization's environmental impact and policies before accepting a job from them and another third plan to do so in the future. And 72% of Gen Zs and 71% of millennials say environmental credentials and policies are important when considering a potential employer." (Deloitte Gen Z and Millennial Survey 2024)

IBM research found that "1 in 3 of those who changed jobs last year accepted a job with an employer they consider to be environmentally sustainable (35%) or socially responsible (40%). 1 in 3 (34%) accepted a job offer for a role where they can directly influence environmentally sustainable outcomes." (IBM, 2022)

69% of employees report that "having societal impact is a high expectation or deal breaker when considering a job" (Edelman Trust Barometer, 2023)

Thank you for engaging with this report.

NationSwell welcomes input on this research and invites you to reach out with questions, feedback, and suggestions for how we can further support your work. Please feel free to email us at Insights@nationswell.com.



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