Brexit means ‘fix it’

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New year, new format for the magazine, as we focus on two big issues every month. We kick off by looking at how companies should respond to the anti-globalisation backlash.

Martin Wright hears from sustainability thinkers that CSR has to refocus on issues that matter to ordinary people, like air pollution and the threat to jobs from automation. Marks and Spencer is one company that is ahead of the curve. Its Plan A sustainability scheme, now 10 years old, has a new campaign focused on local communities. In the US, April Streeter finds a growing localism agenda, with flourishing farmers’ markets and the booming B Corp movement. I interview CSR guru John Elkington about the need for businesses to step up amid the vacuum of political leadership and the radical new business models that will be required.

Our second briefing is about employee engagement. Maxine Perella looks at how science-based targets are helping companies engage workers in a battle to save energy, while Ellen Delisio reports on how US companies are moving beyond volunteering to engaging employees in their core missions.

You will find all the other regular features of the magazine, such as NGO Voices, Knight Vision, Deconstructing CSR, Weekly Watch and Cheat Sheet, and much more, online.
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Brexit means ‘fix it’

By Martin Wright

Companies have to listen to the roar of the left behind and tackle issues ordinary people care about, leading thinkers say

“The Labour Party is more at home talking about the issues that swirl about the Islington dinner party, [like] fair trade and climate change, [than those] which concern real working people in working class communities, like immigration and social mobility.”

With that scathing remark, the new populism blew a big fat raspberry in the face of the liberal sustainability consensus, so lovingly assembled over the past 25 years. The speaker was Paul Nuttall, the new leader of the UK Independence Party (Ukip), gunning for Labour voters in the party’s traditional heartlands. But it could easily have been any one of 2016’s other defiant insurgents – from Trump to Le Pen – riding a wave of popular anger, and channelling it at an array of progressive causes dear to the hearts of sustainability advocates, now derided as part of the liberal establishment.

For anyone in the sustainable and ethical business world, this was the equivalent of a slap in the face with a cold fish. Society was broken, said the insurgents, and sustainability wasn’t going to fix it. Indeed, in some eyes, it was even part of the wrecking ball.

The shock was palpable. After all, it had all been going so well. Sustainability had, over the last three decades, slid from fringe to centre. Every major corporation worth its salt had embraced it – at least in theory. Business had...
lobbied governments for tighter environmental regulations (something unthink-
able even 20 years ago) and governments had responded – culminating in
the triumph of the Paris climate accord. Of course, there were failures and
setbacks, but overall the assumption was
that sustainable business was on the side of
the angels – and the people. It was, surely,
part of the solution. Now, more or less out
of nowhere, it was being savaged as part of
the problem – just, ironically, at a time when
the latest scary climate statistics suggest it’s
needed more than ever.

**Sustainability’s limits**

So how can it best respond? Answers at the
moment are thin on the ground, but among
leading figures in the ethical business world,
some harsh introspection is under way. And
it starts by trying to understand the roots
of the anger that fuelled Brexit, Trump and
more besides – and the CSR world’s failure
to anticipate it.

Veteran campaigner Jonathon Porritt
identifies the failure of business to go
beyond mainstream sustainability issues as
part of the problem.

“There’s no doubting that corporate
sustainability practitioners have achieved a
great deal. But by and large they have stayed
within ‘safe’ limits – not really challenging the prevailing political and economic
status quo. Issues such as shareholder supremacy and fiduciary duties, taxation,
outsourcing and levels of pay (at the top and bottom end of the scale) have stayed
more or less untouched.”

This left them all too exposed when the tides of populist anger came
surging, Porritt says. “By avoiding some of those central failings of present
day capitalism, while at the same time pulling down astronomical salaries,
they’ve become directly identified with a system that is not only unsustainable,
but downright unfair.”

Ah yes, those salaries. As Bank of England Governor Mark Carney pointed
out, this has been the first “lost decade” in terms of wage growth since the
1860s, “when Karl Marx was scribbling in the British Library”. Lost, except, to
those at the top of the tree, who continue to receive pay packages out of all
New rules of engagement

The ethical business world must understand the root of the anger that fuelled Trump

proportion to the vast majority of their employees – or, in the eyes of those struggling to get by, to the value of their work. Wanda Wyporska of the Equality Trust recalls former City Minister Lord Myners’ comment that he would love to ask the notoriously well-paid advertising executive Martin Sorrell, “What do you do for £77m a year that you wouldn’t do for £76m?”

Technology over expertise

Inequality is one thing; insecurity another. You might cope with working for a pittance compared to your bosses, but not if they’ve just relocated your job to China (and earned a bonus in the process). Their rising tide certainly hasn’t floated your boat. “There’s a significant portion of the population whose boats have actually sunk,” says Jim Woods of the sustainability forum The Crowd, which staged an event on the “broken society” theme late last year.

Keith Clarke, former CEO of engineering consultancy WS Atkins, has seen the changes over a generation in business. “Post-war, the expectation was that tomorrow would be better. This year will be better than last year. My children will be better off than me. Now that’s all gone.”

He sums up the shift that has swept through the traditional industrial heartlands of Britain and the US. “Once upon a time, if you wanted to make knives, you made them in Sheffield. Because that’s where the knowledge base was, and so you probably had a factory there. Now I can make knives – or gearboxes, or whatever – anywhere I like, because technology has replaced the need for skilled, knowledgeable labour. I can buy the machinery, set up a factory in Shenzhen, five years later move it to Malaysia. I can move tech-
nology, and I can move knowledge.” He concludes: “The mobility of capital changed things, the mobility of knowledge is changing things a lot faster.”

And it’s hitting the middle classes for the first time, too. “I used to need, say, 20 middle managers. Now I don’t actually need any. I can do a whole lot more with data, so I just need a few IT people, a few salespeople, and the rest of you are a commodity. We’ve seen the commoditisation of the labour force in virtually every sector – and that’s where the technology is taking us.”

Location, location, location
The result of all this upheaval, says Sally Uren, chief executive of Forum for the Future, is “an incredible divide between the haves and the have nots”. And it’s not just a divide of wealth, but of geography, too. “London has been powering ahead. It’s the home of a metropolitan elite, it’s well connected, it’s full of opportunities. The same is true for the east and west coasts of the US. These are the places that voted overwhelmingly Remain, and Democrat.”

These are also the heartlands of the sustainability and ethical business world. And it’s a world away from those old industrial and rural heartlands. Their vote for Brexit and for Trump, says Uren, was “a roar from a whole demographic that feels left behind, left out. They are suffering from an inequality which is directly linked to their geographic location.”

She talks of Long Eaton, a small town in Derbyshire where she grew up. “The opportunities are just so few. A job in Costa Coffee attracts hundreds of applicants, most of them graduates.” The area voted heavily for Brexit. In it and other provincial British towns, says Uren, “You can see the metaphorical tumbleweed coming down the high street, which is just full of charity shops.”

Woods points to Great Yarmouth in Norfolk, once one of the country’s most prosperous harbour towns – “now awash with bookies and pound shops” – and a population resenting immigrants working for rock-bottom wages. It too backed Brexit by a massive majority.

This deep-seated divide helps explain why appeals to safeguard the economy by voting Remain fell on deaf ears. Stephen Kinnock, a strongly pro-European Labour MP, sums up the reaction of many who voted Leave:
New rules of engagement

“The issues that are top of the agenda for CSR, like climate change and resource efficiency, are nowhere near the top of the agenda for society,”

It’s an argument echoed by Helena Morrissey, until recently CEO of Newton Investment Management. She points to deep public cynicism over the fact that the architects of the 2008 financial crash appear to be still standing amidst the havoc they wreaked on ordinary people’s lives. Combined with rising inequality and rapid shifts in the skillsets required by employers, she says, this has helped create massive pressure points that neither government nor business is addressing. “Many people in leadership positions are either oblivious to this, or in complete denial.”

And, she could have added, so are many CSR professionals. Because, with very few exceptions, they too failed to spot the rising pressure around inequality on their own doorstep. Many agonising over the impact of globalisation in Ladakh or West Africa were blind to its impacts in Long Eaton or West Virginia. In that respect, Paul Nuttall is right. Sustainability wasn’t hitting home.

The business-society nexus

As Woods puts it: “The issues that are top of the agenda for CSR – like climate change, resource efficiency and so on – are nowhere near the top of the agenda for society, and we need to grasp that, and fast. The sustainability movement should be the guardians of the relationship between business and society. That’s a vital role. And that means we need to start looking at stuff like zero-hour contracts, the gig economy, automation – the really live issues. If [CSR professionals] fail to get their head around that, then they’re doing a disservice to their businesses and to society.”
Morrissey agrees: “It’s time for the CSR community to move centre stage. This should be their moment.” And it is in business’s self-interest more widely to do so. After all, as has often been said, you can’t have a successful business in a failing society.

Both Morrissey and Kinnock float the idea of more regulation: specifically, reforms to the Companies Act to compel business in general to play a more constructive role. Might that not be a touch heavy-handed? “I’m all for voluntary change,” says Morrissey, “but I’m a bit worn down by people saying one thing and doing another… I’ve lost count of the number of times I’ve been told by directors that, yes we had to go with the short-term outcome, accept the bid or whatever, even though it destroyed jobs or destroyed the community or wasn’t really good for the company, because we took legal advice and were told we were in danger of being sued by the shareholders.”

Kinnock goes further: “I’d like to insert a ‘balanced purpose’ clause into the Act, so you can’t incorporate a company unless you have a clear statement covering people, planet and profit.”

But progressive business and the sustainability movement can’t wait for government to catch up; they need to take action off their own bat. So where to begin?

With our ears, says Uren. “The signals were all there, but we weren’t listening properly. We need to do less articulating of what we think the problem is, and more going out and talking to people.” And the message that comes back is going to be different in different places, she adds. “What you need to do in London is different from what you need in the North; what you need in the Midwest is different from New York. Business needs to authentically connect with local communities, in ways it’s talked of doing before but has rarely done.”

**Marks and Spencer goes local**

One honourable exception in the UK, mentioned by several whom Ethical Corporation spoke to, is Marks and Spencer. The retailer has drawn plaudits for the depth and ambition of its Plan A initiative, led by its director of sustain-
able business, Mike Barry, who is a member of Ethical Corporation’s advisory board. He is one of the few who can claim to have spotted those signals before the 2016 earthquake.

“I’m not claiming foresight,” he says. “I never predicted Brexit. But about 18 months ago, we realised that something was happening. Something that risked business being seen as very remote from ordinary people’s lives.” And that applied to M&S’s sustainability work, too. “For 10 years, Plan A scored great successes in the fields of climate change, deforestation, oceans and so on,” says Barry. Now, he says, it’s making a significant shift – one which might just be a model for others to follow.

It’s going local. “We realised we had to make sustainability much more relevant to our customers in the communities in which they lived.” So each M&S store was charged with raising funds for nearby projects, with customers deciding how the money should be spent, donating surplus food to local charities, volunteering on community schemes, and so on. Its campaign, Spark Something Good, similarly put the emphasis on involving local people in local schemes.

But wait a minute. Isn’t there a danger this is just a reversion to the good/bad old days of corporate philanthropy – a wealthy patron bestowing his largesse on the grateful masses – rather than a grown-up sustainability strategy? Sally Uren doesn’t think so.

“This is a company asking, ‘Right, what assets do I have, and how do I use them in a way which drives resilient communities?’” Others could follow the lead, and it means going way beyond traditional sponsorship, she argues. “So, rather than just give money to the local school, how about investing in a new classroom that can be used in the evening by community groups, and maybe by entrepreneurs in the school holidays? Look for ways to join forces with local agencies, philanthropic outfits, governments – develop a blended funder model which delivers real resilience rather than just a new football kit for the local team or whatever.”
Transformative technology
This approach doesn’t mean neglecting wider sustainability work, says M&S’s Barry. “It’s not an ‘either/or’. The sustainability journey is a million small things building up to a big whole.” The epitome of this approach is M&S’s Community Energy Fund, which aims to boost the take-up of renewable electricity at a local level.

The potential for local energy – particularly wind power – is huge across Europe and the US. It doesn’t take too great a leap of faith to imagine that the “local power for local people” angle might eventually win round some of the green movement’s least likely allies – the Ukip Brexiteers, the Trumpists. All the more so, perhaps, if it can be part of a local manufacturing renaissance – and that needn’t mean the smokestacks of old. The rise of 3D printing and similar local manufacturing and milling techniques holds out the tantalising prospect of decentralised industry powered by distributed, renewable energy.

Democratising 3D
FabLabs (short for ‘Fabrication Laboratory’) originated in MIT’s Media Lab. They have now spread globally, from “usual suspect” spots such as East London to less likely locations, including Afghanistan, where they are running a successful city-wide wifi network. Their basic premise is beguiling: rather than rely on designers, factories, assemblers and finishers to produce something, do it all yourself. John Elkington of Volans enthuses over a visit to one such FabLab, the Machines Room in London’s Lime Wharf, where entrepreneurs are making everything from lampshades to furniture out of easily available plastic and paper waste.

For now, they still have something of the internet start-up excitement about them, reminiscent of the early days of the web in the 90s – a bunch of enthusiastic geeks with boundless optimism and a DIY ethos. But this could change fast as their potential catches on and their costs fall. “It’s not going to enable us to achieve mass import substitution overnight,” he says, “but as their costs spiral down, it’s starting to look very exciting.”
New rules of engagement

Beneath all the hype, 3D printing is a potentially transformative technology. Sustainability expert John Elkington, now with Volans, enthuses over the rise of the FabLabs, the network of digital fabrication workshops, typically combining 3D printers with cutters and milling machines and IT design and assembly.

Woods of The Crowd makes the case for prioritising investment in this nascent economy in the “left behind” areas. “You could do worse than look at the Brexit vote map. Take it as a proxy for popular disillusionment, and ask: how do we get things moving there? Community energy creates electricity but it also creates community, and that’s what these places desperately need.”

They also need jobs. “We have to ask what are the skills we will need in the future that we don’t have today,” says Uren. “Business needs to start thinking ‘how do we invest to create the new renewable energy technologists, the new Blockchain experts, the guys who will go round fixing 3D printers?’” She sees one point of light in Land Rover’s work investing in youth skills training around its base in the West Midlands.

But just what jobs will be out there? As automation kicks in, whole swathes of employment will disappear, and it’s not remotely clear what might replace them. The trend is independent of economic cycles, so it won’t get better in a boom. Indeed, the good times are likely to drive more automation, not less. As Elkington observes: “There is a nexus of innovations coming together – AI, machine learning, robotisation, self-designing robots which learn down generations – you jump to such a different level of productivity and controllability.” He points to recent studies suggesting that almost half of current white collar jobs are at risk – let alone the blue collar ones, from coal miners to truck drivers, that are already teetering on the brink. “An old economic order is coming apart,” he concludes. (See interview page 20)

Uren is blunter. “Automation could be more damaging to society than climate change. And nobody is talking about it. We’re entering into another massive shift; we need to grab hold of that and start making some smart choices, rather than sleep-walk into a society that I don’t think anyone wants.”

Faced with this looming transformation, major corporates are strikingly shy of talking about it, fearing negative PR, says Elkington. Instead, “it’s the innovators who are at the forefront [of this shift], people like Deep Mind [Google’s AI

M&S’s Mike Barry has led on the localism agenda

‘Automation could be more damaging to society than climate change. And nobody is talking about it’
arm], who are flagging up the need for someone to do some serious thinking on the implications of it all.”

**Left-field solutions**

One consequence could be an accelerated debate on the idea of a basic income, paid to all citizens, providing enough to live on irrespective of whether you have a job, or are entitled to particular benefits. It’s a simple solution, but one that could also be prohibitively expensive – though possibly less costly to society, ultimately, than having entire communities that are dependent on welfare because there is no prospect of jobs.

As Woods points out, the idea is gaining traction. Pilots are under way in various parts of the world, including Canada and the Netherlands. Elon Musk of Tesla is a fan, as is Obama, who predicts it’s 10 years away. Woods suggests government and business combine to stage pilots in some of the left behind areas of the UK.

Amidst the political upheaval caused by the Brexit vote, he says, now might be a good time to experiment with “some mad, left-field ideas. People voted for change, after all. They said the system isn’t working. So try new stuff. Mix it up.” As an example, he suggests a pilot in which business is excused from employment tax (in the form of national insurance contributions) in return for investing in local communities. “In an era of automation, robots go free and people get taxed. This is nuts!” It’s an echo of the sustainability world’s longstanding campaign to shift the fiscal burden from labour to resources: in other words, taxing what you don’t want (pollution) not what you do (jobs).

A basic income could even, potentially, be part of a new model of citizen engagement – one in which decision-making is devolved much
more directly to local communities. After all, one of the key factors in the “roar of the left behind”, as Uren put it, has been their sense of disenfranchisement: of having little or no say in the decisions that affect them.

And it’s here that sustainable business might have a lot to contribute. After all, it pioneered the concept of “stakeholder dialogue”, of giving local people a say in developments that affect them. Many businesses are already rooted in communities to a greater extent than politicians. And bold new experiments like Marks and Spencer’s local initiatives show that there’s both an ability within companies, and an appetite among their customers, for real community engagement.

Business alone can’t be the answer, of course. Fixing the “broken society” will need radical reform in politics too. But it might help make a start.

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**Rewiring politics**

One political remedy for growing populist discontent could be electoral reform, so that the composition of the legislature would more accurately reflect voters’ preferences. Its appeal is spreading in the Labour Party, says MEP Stephen Kinnock. One version was rejected in the UK in a referendum in 2011, but, as Kinnock points out, the voters saw that as a referendum on Nick Clegg, the Liberal Democrat leader who alienated many of his core supporters, along with the left more generally, by taking his party into coalition with the Conservatives.

But voting reform could just be the start. There is growing interest in more radical forms of devolution, in which citizens take decisions directly, rather than via elected representatives. This was, after all, how democracy started in the Athenian agoras. Experiments in “citizen juries” and similar initiatives are now under way in a wide range of locations from Estonia to California. Digital technology means there’s no need to come together in meetings – although there could be all sorts of social cohesion advantages in doing just that. It holds out the prospect of crowdsourcing legislation (currently being piloted in Finland and Brazil), too.

One crucial aspect is participatory budgeting, giving citizens a direct say in how money is spent - and in some cases raised - in their local areas. Early pilots in both Europe and the Americas have shown promise. One study in Brazil found that it doubled the number of children in primary education, reduced infant mortality by up to 20%, and sparked a 50% increase in tax revenues. (People are more likely to pay tax if they feel they’re in control over how it’s spent.)
US companies refuse to be blown off course

By April Streeter

With renewable energy booming and B Corps proliferating, America’s sustainability movement is determined to survive Trump

When US sustainability pundit Joel Makower looks at how sustainability is faring in the US, he sees plenty to cheer about: big companies such as 3M, AT&T, Avery Denison, Dow, PepsiCo, Pratt & Whitney and Walmart are all setting 2025 sustainability commitments and goals. “It’s been a banner year for sustainable business due to an acceleration of activity in companies … and an expanded landscape of opportunity,” Makower noted in his end-of-2016 commentary.

This month multinational consumer goods firm P&G announced plans to effectively eliminate all manufacturing waste from its global network of more than 100 production sites by 2020, eliminating or beneficially re-using about 650,000 metric tonnes of waste that would typically go to landfill.

In fact, it may be shaping up to be a golden period for US business in general. Investors have pushed the stock market upward with their belief that Donald Trump will boost economic growth via tax cuts and deregulation.

Ford Motor Co may have been thinking about these benefits when it switched from a plan to invest $1.6bn in an electric car factory in Mexico,
and instead will now expand e-car production, adding 700 jobs to its Detroit, Michigan hometown.

Ford said the change wasn’t due to pressure from the President-elect Donald Trump, who on the campaign trail said Ford’s plans to build a plant in Mexico were an “absolute disgrace”, but it was definitely a response to populist reaction against globalisation. Just days after Ford’s announcement, Fiat Chrysler announced that it would modernise two plants in the states of Ohio and Michigan to create up to 2,000 jobs.

**Staying the course**
Beyond the motor companies, however, the corporate response in the face of the problems that buoyed Trump to victory seems to be “stay the course”.

Many companies still expect that technology will pull America out of its major problems, though the impact could well be the reverse, with coming waves of automation threatening to displace massive amounts of workers rather than provide living wage employment. The driverless car and truck revolution, for example, is predicted to weaken demand for one of the best current jobs for less-educated while males: truck driving. There is evidence that automation will soften demand for knowledge-based jobs, too.

**Racing ahead with renewables**
On the other hand, there is evidence that America’s growing green economy is plugging some of the gaps, particularly when it comes to creating new jobs. Pundits such as Andrew Winston, author of The Big Pivot, say not even Trump’s promises to make the coal industry great again can stop the forward momentum of the US renewable energy revolution. The cost of both solar and wind has dropped so steadily over the last few years that they can now be competitive with fossil fuel generation.

The Advanced Energy Economy group (AEE) says 70 of 100 top US companies have renewable energy targets or goals, up from 60 two years ago, and 43% of the Fortune 500 have renewable energy goals. The trickle-down of this trend means solar photovoltaic installers and wind technicians are now two of the fastest-growing job categories in the country.
Eating local
America’s green economy is also thriving on another front. Community-supported agriculture in its various forms (including farmers’ markets and small start-up food businesses) is on the rise.

In Berea, Kentucky, a tiny town in the heart of coal country with a population of 14,000, food organisations such as the Community Farm Alliance and Grow Appalachia are committed to supporting the local entrepreneurism that can make up a diversified, local, business-friendly economy. Though 30% of Berea’s children live below the poverty line, Drew Elliott, president of the Berea Farmer’s Market, says 40% of the market shoppers use state welfare benefits to buy fresh and local.

John Bloom of San Francisco-based RSF Social Finance group says he believes financial support and investment, including partnership work and non-financial support in this type of local/regional “food hub”, is an important part of rebuilding economies like Berea’s. Bloom sees RSF’s work – which crosses over from strict investment and also enters the philanthropic realm (he dubs it an “integrated capital approach”) as the way that enterprises can solve complex social and environmental woes.

Rise of the B Corps
The other bright spot for the localism agenda is the galloping growth in the 10-year old B Corp movement. B Corps are for-profit companies that have to meet rigorous standards of social and environmental performance, accountability, and transparency to get certification. There are 200 different metrics, and certified B Corps must reach at least 80. In December a milestone was reached when the thousandth US B Corp received certification. Another 50,000 companies, while not yet certified B Corps, are using the free B Corp impact assessment tool to measure their sustainability actions.

Ben Anderson, whose title at B Corp is chief B keeper at parent organisation B Lab, says the rate of acceleration of companies taking on the B Corp value system is dramatic. “I call myself a practical optimist,” Anderson says. “There are approximately 37 million businesses in the US, so yes we’ve got a little way to go before every business is a B Corp. But we want to spark the widespread shift, and we are beginning to see positive signs that we are.”
These signs include the fact that large public companies such as Unilever (whose Ben & Jerry’s subsidiary is already a B Corp) are making plans to become certified, while institutional investors such as CalPERS support the model’s emphasis on a multi-stakeholder approach to business. Anderson adds that the idea of the benefit corporation has broad political appeal, even in the current polarised political climate. “With the B Corp movement, when we’ve passed benefit legislation in states, it’s bipartisan and appeals across the major parties. Everyone can get behind it.”

**Woolly thinking in Maine**

Tom Chapelle, CEO of the Ramblers Way wool apparel company, is optimistic that the American entrepreneurial spirit will produce more companies like his dedicated to meeting societal needs, including the creation of local jobs. He founded the successful Tom’s of Maine brand of natural personal care products with his wife Kate in 1970 and sold the business (with the stipulation that the sustainability-oriented company culture be retained) in 2006 for $100m to Colgate-Palmolive. Chapelle could have very comfortably retired, but he still had the desire to make change in the world. “What I really wanted to do,” he says, “was work with my family and start a business that would have social impact.” Chapelle formed Ramblers Way to manufacture 100% American-made ethical fashion.

He says it took being in business almost eight years to build a sustainable supply chain for raw wool within the US, with ethical ranchers in the states of Wyoming, Nevada, Montana, and Texas. And the company is still innovating in the manufacturing process: wool cloth is currently spun in South Carolina and knitted in North Carolina. Some of Ramblers Way textiles are certified by the Global Organic Textile Standard. Chapelle says the ripple effect of this approach has reached suppliers and customers and others in the apparel industry.

Chapelle said he was surprised recently at a convention of the American Apparel and Footwear Association to hear leaders in the apparel industry saying they considered it difficult and mysterious to pull off a “made in America” ethical supply chain.

He feels Ramblers Way’s approach has infinite promise for solving US problems. “As it grows, that’s where I see us making a difference every day.”
'Business has to be central to delivering the change we need'

By Terry Slavin

CSR’s leading thinker, John Elkington, wasn’t with global power brokers in Davos this month, but in Germany seeing how Bayer spin-off Covestro is innovating with natural alternatives to plastics

‘Trump could derail the post world war two global order, which is already under huge strain’
When I met with him just before Christmas, looking for his take on the political events of the past year, it was clear he didn’t see many silver linings. Trump and Brexit could represent huge setbacks for global progress, changing the world in ways that can’t be foreseen, Elkington says. He is particularly worried about the appointment of Exxon CEO Rex Tillerson as secretary of state, having once had Tillerson shout at him, over the heads of 300 bemused oil and gas executives in Norway, “That’s a goddamn lie”, when Elkington asserted that Exxon had lobbied against the existence of climate change. “If Trump is considering people like that, God help us,” Elkington says. “He could derail the post world war two global order, which is already under huge strain.”

Globalisation in reverse
The next 10 years, he says, will be off-the-scale challenging and dangerous. “I believe we may be seeing globalisation going into reverse. We will see protectionism build at a rate of knots, which is beyond anybody who has been working in this space for the past 30 or 40 years.”

History was always Elkington’s favourite subject, and he describes the era we have entered as a “U-bend in history”. “When you are in a U-bend all kinds of things go wobbly. The old order is coming apart faster than the new order is self-assembling. It is a time of maximum uncertainty. That’s when you get the likes of Donald Trump springing up, talking as if they know how the world can be saved, but very often doing it by trying to shore up old industries, for example coal.”

Amid the vacuum of political leadership, and the potential unravelling of environmental protections in the US and UK, the need for companies to lift their own game is acute. “There are moments when governments become so distracted they are simply incapable of taking an appropriate lead,” Elkington says. “Whether we like it or not, business has to step up and encourage governments to act and regulate where appropriate.”
He gives the example of climate change, which the insurance industry was early to flag up as a financial risk. But it is not only sectors that are on the front line of issues like climate change that have to step up. No sector is immune from the impact of disruptive new technologies such as artificial intelligence, machine learning and autonomous vehicles.

Root and branch reforms

“Some of these technologies have huge implications for how sustainability is done,” Elkington points out. This is highlighted by the World Economic Forum in its annual survey of global risks, saying technologies such as AI and robotics hold great potential to enhance global decarbonisation, but could just as easily exacerbate global risks if not governed sufficiently.

The problem is that with a few notable exceptions, the sustainability industry is not up to the task of getting on top of these new trends, which aren’t grasped by typical CSR analysis.

“The sustainability industry isn’t properly thinking through the negative impact of technologies such as drones and autonomous vehicles and geo-engineering,” Elkington says. “We aren’t doing in-depth analysis yet, or engaging with these embryonic industries ... And that worries me. [Sustainability] people are seen as the old order rather than being deeply helpful in shaping what’s coming next.”
They are needed because although artificial intelligence companies are coming into the sustainability space, many aren’t referencing important frameworks such as the Sustainable Development Goals, which Elkington sees as a radical agenda that is key to creating the new business models of the future.

He says the SDGs, with their radical agenda of ending hunger and poverty by 2030, won’t be achieved, as many people think, “by doing more of what we have been doing”.

Elkington outlined the “breakthrough business models” that will be needed to meet the SDGs in a paper he wrote last year for the Business and Sustainable Development Commission, a year-old initiative that wants to inspire companies to use the SDGs as a framework for growth. Its flagship report Better Business, Better World, which argues that sustainable business models could open economic opportunities worth at least $12 trillion and up to 380 million jobs by 2030, was launched at Davos, though he wasn’t at the launch event.

Elkington says that unlike business models that pursue incremental change, satisfied with 10% growth, “breakthrough” businesses are pursuing change at a rate of 10 times current progress. He describes the new models as “exponentially more social, lean, integrated and circular” (see an excerpt from the report here).

Progressive projects
“We aren’t just talking about integrated reporting or integrated supply chains,” Elkington says. “We are saying there is a growing need to link every element of the global system in ways we are not doing now. Most companies do reporting, but it stops with them. It goes to stakeholders and investors but it doesn’t have much influence on policy makers and regulators.”

Elkington has been trying to bridge this gap on numerous fronts: he heads up the Global Reporting Initiative’s year-old technology consortium, which is looking at how big data can be used to unlock sustainability information from individual CSR reports and make it freely available to help businesses

Trump has appointed Exxon CEO Rex Tillerson as secretary of state

The SDGs won’t be achieved by doing more of what we have been doing
and policymakers solve big global sustainability issues. The consortium, which involves HP, IBM, SAP and machine-learning analytics start-up Quid, was put on hold for three months while the GRI was without a CEO, but with Timothy Mohin due to take up the reins this month, Elkington has been assured it will get back on track.

He is on the advisory board of French supply chain data provider EcoVadis, which last month announced €30m in venture funding to step up CSR analysis using the latest innovations in machine-learning.

And alongside his work with the Business and Sustainable Development Commission, Volans has been working with the UN Global Compact’s LEAD group of 50 major companies from around the world, which describes itself as “uniquely positioned to inspire widespread uptake of sustainability solutions among businesses around the world”.

This year, in a gratifying sign that his “breakthrough business models” agenda is getting global traction, the LEAD members will have their annual meeting in New York branded a Breakthrough Summit.

The LEAD list includes the UK’s ARM Holdings and Unilever, L’Oreal, Accenture, Novo Nordisk, Total, Infosys, Aviva, Nestle, and Pirelli, but also the likes of Brazil’s Vale, involved in the Samarco mining disaster, and Russia’s Sakhalin Energy Investment Company – not companies ideally positioned to adopt radical new business models.

Asked about the apparent contradiction, Elkington says: “The idea is that this is a scouting mission. We come back and report what we find – and then take forward some of the companies that want to explore the new territories. There are risks involved for all concerned, of course, though being scalped is hopefully not one of them. And those who send out scouts can always choose to ignore them, as General Custer did.”

Covestro, which Elkington was visiting in Germany during the WEF meeting in Davos, is one of the companies that featured at LEAD’s last conference, at Cambridge in November. It is one of the anchor companies in Project Breakthrough, an online platform by the UN Global Compact and Volans,
showcasing the business leaders who are thinking beyond incremental sustainability. Others include Eric Rondolat, CEO of Philips Lighting, Patagonia’s Rick Ridgeway, Interface’s Jay Gould and Jim Woods of The Curve, an energy management spin-off from sustainability think tank the Crowd.

**Greatest challenge ahead**

It is clear that Elkington, although 67, has no plan to retire. On the contrary, he is rolling up his sleeves for the grand challenge of his career. He may have raised money for WWF at age 11, written 19 books, served on 70 corporate and NGO boards, co-founded three companies (Environmental Data Services, SustainAbility and Volans), and been garlanded with many awards, including Ethical Corporation’s lifetime achievement award last year, but all of that was just preparing him for what lies ahead, he says.

“In the last 12 to 18 months the nature and scale of what we have to do is becoming much clearer. The fact that business is going to be central to delivering the change we need is clearer to a lot of business leadership, certainly in the OECD world,” he says.

“At some level I really do think we have the potential to drive things in a new direction and very much faster than to date,” Elkington said. “But we need to work with different people and take risks that are off the scale.”

“We have the potential to drive things in a new direction and very much faster than to date”
Engaging employees

Unleashing the energy of targets

By Maxine Perella

BT, Land Securities, and Marks and Spencer are finding that initiatives such as Science Based Targets are helping them motivate workers in a bottom-up battle to save energy.

Interventions to change staff behaviour can deliver significant energy and carbon savings for companies, yet employee engagement remains an under-utilised asset when it comes to meeting corporate sustainability goals. A 2013 survey from the Carbon Trust found that just 23% of employees had been asked to help save energy at work by their managers, while only 22% felt confident that they knew what energy actions to take.

Back then, the Carbon Trust highlighted a £300m opportunity for British companies who could ignite low-carbon behaviour change, but a recent npower study puts this figure much higher – it estimates up to £860m of cost savings are now up for grabs, cutting business energy use by over 8,400 GWh.

These projections have added significance given that target-setting is growing increasingly sophisticated. Many companies are now adopting science-based targets, aligning their carbon emissions reductions with the latest climate science. Strategically this requires a longer-term approach and for many the development of new technologies and operational practices – something that deeper levels of staff engagement can catalyse.

Land Securities is one of the first companies to have its science-based target approved by the Science Based Targets Initiative. It has a 2030 target of
reducing the carbon intensity (kgCO2/m2) in the property it manages by 40% compared to a 2013/14 baseline, for at least two years. This will help pave the way for an even bigger ambition: an 80% carbon intensity reduction by 2050.

Land Securities’ head of sustainability, Caroline Hill, says staff engagement levels have been “phenomenal” since the new target was introduced. “It has really captured people’s attention,” she says. “Before we set our new target, I think energy management was seen as an operational issue that needed to be managed, and that was where it ended.

“Now we have a science-based target, it opens up some really interesting discussions on areas like acquisitions: what buildings we acquire will determine whether we hit that target or not. So if we buy a building that’s got a poor energy performance and we then don’t improve it, it’s going to affect our target. It’s made people think about carbon within the acquisition process in a way that they haven’t had to previously.”

Incentivising staff
In 2015, Land Securities also undertook a detailed sustainability materiality review in which energy and carbon emerged as the most significant material issues externally for the business. This has helped shaped both the company’s internal and external engagement drive, with positive results. As an example, Hill points to a recent pilot with service partner NG Bailey that led to a 9% fall in energy use at several of the property firm’s key London sites.

“Post-pilot, we’ve now expanded that work to all of our London sites and extended it within the six buildings we’d already started with,” says Hill. “We’ve reshaped our relationship with NG Bailey – whereas before their contract was all about maintenance of the mechanical equipment in the building, the contract has now changed to be more about energy performance.”

Another engagement focus has been to scale up knowledge transfer and capacity on sustainability issues throughout the organisation through a Sustainability Matters training programme. It consists of a generic e-learning course, compulsory for all staff, and more advanced face-to-face, role-specific training modules that reflect the three main areas of the business: efficient operations, smarter investments, and sustainable design and construction.
Staff are also incentivised to make a difference through bonus-related key performance indicators (KPIs). “We now have a group KPI related to energy management,” says Hill. “It relates to participation in the Sustainability Matters training programme, and also to the setting of detailed site-specific energy reduction plans for all of our larger assets, and getting approval for a proportion of measures identified in those plans to be taken forward.”

**Personal investment**

BT is currently reviewing its science-based targets, having already reached its global climate stabilisation intensity (CSI) target to reduce CO2e intensity by 80% by 2020 against a 1996 baseline. Scott Balloch, who heads up the company’s energy and environment unit, says any future targets will be aligned with the company’s Net Positive goal, which helps its customers reduce carbon emissions by at least three times the end-to-end carbon burden of running the business.

Balloch says science-based targets are one of the areas where he has seen real personal investment from staff. “Many of our employees are experts in what they do in terms of running our infrastructure and our operations. Those people on the ground who are operational experts can bring to the table really good strategic initiatives.”

He cites one example where BT’s power and cooling team developed a business case to replace energy-intensive air conditioning with 246 adiabatic cooling units, which are 85% less power-hungry. Another idea taken forward was to upgrade the company’s power infrastructure by installing 3,330 energy-efficient rectifier units and decommission more than 53,000 network assets that were no longer required. These types of projects have helped the company cut its energy use year-on-year since 2008.

“We are now running these large-scale transformational programmes that needed power and cooling experts to bring them to life,” says Balloch. “This wasn’t something that could have been brought about by the energy team,
85% of employees are taking action to reduce energy consumption for BT

because we’re not as educated as they are in operational terms of how things need to work.”

Employee collaboration

BT has long recognised it needs help from staff to manage its impacts, and has a far-reaching internal engagement programme. Since 2013, more than 1,700 employees from 13 countries have completed the company’s Energy Accredited Learning Pathway programme, and last year training was introduced for 30,000 engineers to help them manage some of the company’s biggest environmental risks, such as emissions, waste and fuel-handling. Since 2012, more than 12,700 people have signed up as energy champions to encourage colleagues to save energy.

Such investment appears to be paying off. According to Balloch a recent employee satisfaction survey found that 85% were taking action on at least a quarterly basis to reduce energy consumption for BT. That said, he admits it’s difficult to measure specific energy savings against behavioural change actions, especially if other interventions are being implemented, such as upgrades to building management systems.

“One of the challenges is to try and put a value on what you’re getting from that voluntary ground-up work, for example people switching off lights,” Balloch admits. “We’re very data-driven and we look at the meters on each of our buildings to look at how much energy we are consuming and what impact we’re having, but to separate out what those individuals are doing for some of the other strategic actions is difficult.”
Voluntary pledge platforms like Do Nation have the potential to help here, as each pledge to save carbon or energy can be monitored and quantified, enabling impact reports to be generated. Do Nation offers a pro-version for businesses and founder Hermione Taylor says more than 60 organisations have used it so far.

**Pride in sustainability**

Siemens Wind Power UK ran a year-long campaign on the platform, which engaged 9% of its staff, who raised 267 pledges in total, saving 19 tonnes of CO2 over the year to last January. These were mostly simple actions such as taking the stairs instead of the lift, switching off lights or cycling to work. While this particular campaign wasn’t specifically geared towards the workplace, a feedback questionnaire found that 64% of those who made pledges felt more aware of Siemens’s actions to tackle sustainability, and 74% said they felt “more proud” of what Siemens was doing.

“At a corporate level we have a vision towards going zero carbon – one of the big pieces of feedback from this project was that staff felt they were directly contributing to that goal,” says the company’s bid manager, Alex Fowler.

The project has since won recognition throughout Siemens plc, and the company is potentially looking to roll out a wider pledge campaign across the business in partnership with Do Nation. “Those discussions are at an early stage, but there is a definite interest in doing that,” says Fowler.

But it is not just enough to motivate employees. Technology plays a big role as well in meeting new energy efficiency targets.

Munish Datta, head of Plan A at Marks and Spencer (M&S), says staff’s behaviour change must work in synch with technology investment and the provision of understandable data usage if companies are to maximise their energy efficiency drives. One M&S Plan A target is to halve energy use by 2020 for UK stores, offices and distribution centres. To help achieve this, employees are given live access to energy usage for the buildings they occupy, and resources to help them manage and reduce their usage.

“Each M&S building has a tailored energy efficiency target created from analysing years of usage data, their performance against comparable stores
and the energy efficiency technology investments they have received,” says Datta. “We estimate that a quarter of the energy efficiency carbon and financial benefits we gain are from engaging with our colleagues to adopt a more energy-efficient mind-set.”

**Pioneering technologies**
These activities are underpinned by an internal behaviour change campaign *Making Energy Matter*. The company’s annual energy efficiency targets also represent one of the metrics linked to staff bonus potential. M&S is now looking at taking more of an energy productivity approach, to increase the economic output from energy used.

Asked where staff can make a difference here, Datta replies: “We rely on the thousands of individual actions right across all of our building types to reduce our energy use. These can range from keeping refrigeration air flows free from stock so that they can continue to work efficiently, ensuring that HVAC controls are not altered manually, checking that all lighting that should be switched off during non-trading hours is switched off and using energy data for the store, office or warehouse one works in to probe and take actions to reduce usage.”

Covestro is one company that has prioritised the development of new technologies over employee engagement to deliver a step-change in energy use. The company, a spinout from Bayer’s $12.3 billion materials science division, is a signatory to the EP100 programme, and has set a stretching target to halve energy consumption per tonne of manufactured products by 2030 relative to a 2005 baseline when it was still part of Bayer. (See John Elkington interview, page 20.)

Covestro’s chief sustainability officer Richard Northcote says while every employee will be given the opportunity to contribute ideas to reduce energy consumption, the big wins so far have been from engineering breakthroughs in its production processes, which have contributed as much as 40% energy reduction in some areas.

“As yet we haven’t seen the same sort of contributions to energy conservation from employee engagement as we have from process developments ... but the smaller savings all add up.”
How RE100 helped HP put a sustainability stake in the ground

In November 2015, the venerable Hewlett-Packard Corporation, formed by David Packard and Bill Hewlett in a Palo Alto, California garage in 1939, split into two new companies: Hewlett Packard Enterprises and HP Inc.

The latter company, which is focused on the printing and personal computing market, has 50,000 employees and a $55bn market capitalisation. Nate Hurst, chief sustainability and social impact Officer at HP Inc, says making the 100% renewables goal in March 2016 was a good way for the new entity to put a sustainability stake in the ground.

While there’s no specific deadline for reaching 100%, the interim goal is 40% renewable usage by 2020. Membership in the RE100 organisation proved invaluable in the goal-setting process. “It was great to work with likeminded companies and share learnings from our peers in order to set the right targets to improve our operations,” Hurst says. “Collaboration with industry leaders helps build a collective strong voice that’s needed to drive a low-carbon economy.”

But one of the most unexpected and salutary benefits of making the pledge, Hurst says, was the reaction internally. Energy efficiency took on renewed importance, and employees responded with enthusiasm and suggestions.

“The commitment to the goal by top leadership became like a kind of North Star,” he says. “It has definitely changed the conversations between operations and facilities managers, and we also noticed right away how many employees were excited about seeing this goal.”

Hurst says this was important for morale, and also for cohesion and a feeling of pride in the new company. “I think there was some general uncertainty and this goal set a tone, saying we absolutely think pursuing 100% renewables is essential – internally, to our customers, and for the company that HP wants to be and is reinventing itself to be.”

Hurst says the 100% renewables goal also feeds into employees’ belief in HP’s commitment to a circular economy. He says the renewables goal bridged what might be considered facilities and operations ideas – efficiency, energy use, recycling – to internal design and innovation aims around reuse and products-as-services. “The momentum we got allows us all – existing HP engineers and new talent – to see our business as a connected ecosystem.”

April Streeter
Beyond volunteering

By Ellen R Delisio

Timberland, Patagonia, Intel, GE and Fossil Group are showing how US companies can engage workers in their core missions

Corporate social responsibility in the US has traditionally been about philanthropy, with employees encouraged to do volunteering on company time to “give something back” to local communities. But the approach of engaging employees to promote a company’s corporate sustainability strategy is starting to gain ground as US companies see the benefits of tapping into a valuable and under-used resource.

The improvement has been from a low base. Ceres, a non-profit group that promotes sustainability leadership, surveyed 613 of the largest publicly traded US companies on the issue in 2014 and found that only 40% of them (248), involved employees in sustainability issues, up from 30% in 2012. Of these, only 37 companies, or 6%, are systematically embedding sustainability in company-wide employee engagement, including those at the executive level.

“Engaging employees in a corporate sustainability mission is essential for success, but employees are often an under-utilised resource in a company’s development and implementation of sustainability programs and strategies,” notes the report. “It is often employees on the shop floor, loading dock, laboratory or store front who see first-hand the immediate impacts a company’s operations can have on the environment and community — whether it’s trucks...”
idling for hours or customers asking questions about the sustainability attributes of the product they are buying.”

The Ceres report says educating and inspiring employees to look for ways to improve operations, and providing them with the tools and opportunities to communicate their observations and ideas to management, is an essential first step.

Social media can be one of the most effective ways to generate employee engagement, according to a study by WeSpire, a technology company dedicated to employee engagement with sustainability. WeSpire worked with 30 companies over two years to discover how employee engagement spreads. By utilising social networks inside a company to spread sustainability messages, instead of the “death by Powerpoint lecture” approach, WeSpire discovered that employee engagement could grow exponentially.

Corporate social responsibility also complements another hot concept: purpose-driven work, which often ties into professional fulfillment for workers. Susan Hunt Stevens, founder of WeSpire, says employees increasingly want jobs that have purpose and meaning. “They expect their employers to have sustainability programmes, and they expect their company to make the world a better place.” So which are leading US companies in employee engagement?

**Patagonia**

The founders of Patagonia, the 30-year-old manufacturer and seller of outdoor equipment and clothing (and lately food), found that by making safeguarding the environment a core goal, employee engagement was seamlessly embedded into the company’s fibre and embraced by employees.

This is helped by the fact that Patagonia’s mission statement (build the best product, cause no unnecessary harm and use business to inspire and implement solutions to the environmental crisis) attracts workers who are already committed to sustainable practices before they join the company, says Rick Ridgeway, vice-president of public engagement.
At one GE sit employee ideas for monitoring and controls on the heating and cooling system generated more than $1m in saving

“We live and breathe that mission,” says Ridgeway. “People here use that mission to guide them in making short- and long-term decisions. So when employees come in, they are mission-aligned and deeply and fully engaged.”

Patagonia supports more than 800 NGOs around the world and employees are permitted to take up to two months’ paid leave to volunteer with them. The company also donates 1% of its annual sales to support environmental organisations.

Its recent expansion into food, under the brand extension Patagonia Provisions, offers products not just produced sustainably, but also regeneratively, meaning the farms practice ways to build soil health.

Patagonia plans to continue to grow each year in “a very organic way”, says Ridgeway, and as it grows and its influence increases, it expects to continue to look for new ways to implement its mission.

Timberland
US footwear and clothing company Timberland has found success by putting each department in charge of its sustainability goals. “The key way [to embed sustainability into corporate culture] is having different business units accountable for CSR goals,” says Atlanta McIlwraith, senior manager of community engagement. “We’ve been challenged by our president to map CSR to key business objectives. That has shifted my role from being an influencer to an adviser; when business units own goals, they are accountable for them.”

When recruiting workers, applicants frequently ask about Timberland’s Path of Service programme, which allows employees to participate in a community project for up to 40 paid hours a year, adds McIlwaith. This allows them to engage in whatever issues they feel most passionate about.

“We reward and recognise people who are champions of sustainability, people who introduce new ideas, saved energy and reward people who used all 40 volunteer hours,” she adds. “The Path of Service is a key way to empower them to make a difference; it definitely inspires them to find more ways to get engaged …. I think of all of the things we do as a company, the interest of people in doing meaningful work is having an impact.”
One early challenge was increasing global participation in sustainability from head office. “We had a team in New Hampshire responsible for influencing all over the world,” McIlwaith says. Now the company has appointed global stewards to drive service and CSR programmes wherever they are located and make the projects local.

Intel
Software giant Intel has a comprehensive employee engagement programme that focuses on three “buckets”: learn, act, share. The company provides resources to employees to help them integrate sustainability into business decision-making and links employee compensation to sustainability performance benchmarks. Through the Sustainability in Action Programme, employees who have proposals for worthy projects can apply for funding, says Suzanne Fallender, director of corporate responsibility.

In 2015 SIA projects included installing a solar-powered water pump at a national park in Sri Lanka and developing engineering kits to teach kids in Arizona about alternative energy. Intel also presents environmental excellence awards to employees who help reduce the company’s environmental impact.

Last year Intel saved about $43m from these projects, Fallender notes. Intel also helps employees learn firsthand how its technology can be applied to solve environmental problems. “We send teams overseas to install technology, to see it has positive social and environmental impact.” She says this also helps them get a better understanding of their company.

“We’re excited that we’re going through a big transformation, calling it a virtuous cycle of growth,” notes Fallender. “We’re working with employees to work through the internet of things, using technology for smart heating,
lighting and air conditioning and sensors that turn lights on and off. It’s a huge part of the overall strategy of the company and we’re using it for our own sustainability practices.”

**GE**

GE has started incorporating employee sustainability-related training into situations relevant to people’s jobs. Training is offered on effectively integrating volunteerism into the employee experience, but other sessions focus on sustainability-related skills for specific sectors and work areas, a spokesman said. Among the hands-on experiences offered are “eco-treasure hunts”, where environmental, health and safety teams work with employees from other parts of GE to find energy- and water-efficiency opportunities at the company itself and at customer sites.

Ecomagination, GE’s business strategy to improve economic and environmental outcomes for customers and corporate operations, stresses brain-storming and innovation from employees while GE’s EcoAwards scheme recognises efforts that significantly reduce energy use, greenhouse gas (GHG) emissions, water use and materials consumption.

In 2015, GE opened up nominations for the EcoAwards program to functions across its value chain. From among 90-plus nominations, 18 teams were recognised and last year’s top winner was a digital industrialization initiative at a site in Greenville, South Carolina, where monitoring and controls on the heating and cooling system has generated more than $1 million in savings since 2013, according to the company.

**Fossil Group**

Fossil Group, which manufactures and sells watches, leather goods, connected devices and other accessories, is consolidating existing volunteer programmes into its comprehensive sustainability programme. In 2015, the company worked with BSR, a sustainability consultant, to align its strategy with the Global Reporting Index and identify its most relevant sustainability issues.

“We are new to developing a formal sustainability programme. We are in the midst of putting together our 2020 goals and employee engagement is
one of the core topics,” says Robert ter Kuile, vice president, global head of sustainability, for Fossil Group. The company plans to complete the goals by the end of this year or early 2017.

“Formalising what the goals look like is a huge piece in developing the roadmap, aligning it with our initiatives and engaging with all of our employees,” Ter Kuile adds. “We’ve been successful at the retail marketing level, so this will be an important next step to broaden our efforts. Also, we are trying to remain flexible, which is one of the challenges when you have goals; they can inherently limit you.

“We’ll be talking about what it looks like in terms of employee engagement and impact. We do have numerous programmes now, involving local green teams with recycling champions.” Members of green teams are volunteers with common interests who are helping employees adopt more sustainable lifestyles.

Employees at Fossil stores in the US central region competed recently to see who could collect the most plastic bottles for recycling, venturing into communities to engage schools and community groups. Almost 70,000 plastic bottles were retrieved, says Ter Kuile. “We have a bag made from recycled plastic bottles that is sold in our outlet stores.”

Part of engaging employees is making the company’s operations more sustainable. Fossil’s product development team is working on ways to manufacture and ship products more efficiently, and the company has been able to increase the density of products per pallet and package by 40-50%, reducing the number of containers coming from China. “We’re equipping them with tools and resources so they can apply it to the way they do things,” notes Ter Kuile. “We’re helping people to be more efficient and impactful in their jobs and be more successful. It also just happens to be sustainable.”

The next step is to show Fossil employees how they can contribute, no matter what department they are in. “We’re going to speak their language and meet them where they are and make sustainability goals applicable to their business,” explains Ter Kuile. “Whatever they are doing is material. Folks have to see it is applicable to their jobs and they can make a major difference, not just on the business, but have a positive impact. Just because you are not part of the sustainability team, doesn’t mean you can’t be sustainable and have a positive impact.”
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