Creating a Successful Sustainability Plan

What is it? How do I get one?

Webinar: June 29, 2011
Webinar outline

- Plans: an emerging phenomenon
- What do we mean by a Sustainability Plan?
- What’s the value to the business?
- Why not all Plans are equal
- What does leadership look like?
Presenters

Megan DeYoung – Director, United States
Megan manages Corporate Citizenship’s US practice. She works with clients to develop and implement environmental and social strategies and to communicate their initiatives to internal and external stakeholders. She has worked with many global companies including Abbott, Hershey’s, The McGraw Hill Companies, and Unilever.

Richard Hardyment – Senior Consultant, Corporate Citizenship
Richard is a Senior Consultant and a key contributor to the Steps to Sustainable Success research. He leads on Corporate Citizenship’s work on Sustainability Plans and has worked with companies such as Unilever and SABMiller. Other clients have included Coca-Cola Enterprises (Europe) and Kraft Foods. Prior to joining Corporate Citizenship, he was a Senior Strategic Advisor at Forum for the Future where he specialized in identifying long-term risks and opportunities for businesses from sustainability. He has an MA from the University of Cambridge and an MBA from Imperial College, London.
Corporate Citizenship work across the spectrum of corporate responsibility and sustainability activity

- Corporate Citizenship is a corporate responsibility management consulting company with offices in the US and UK
- Since 1997, we have advised leading, global corporations on how to enhance and align their citizenship and traditional business activities to create strategic business value
- We have a team of 30 and experience in 40 countries
- We are one of the most awarded and trusted reporting consultants worldwide, working on 135 reports for more than a decade with FTSE 100 and S&P 500 companies
- We are global market leaders for assurance
- We have developed strategy for 11 FTSE 100 and 5 DJSI Super Sector leaders
- We helped businesses invest $2.2 billion in local communities in 2010

“They have a real understanding of the issues in diverse countries around the world”
- Unilever
Plans: an emerging phenomenon

PepsiCo

Unilever

Kraft

Wal-Mart

InterfaceFLOR

GE

Coca-Cola

Marks & Spencers (UK)
Steps to Sustainable Success Research

- *Steps to Sustainable Success* – thought leadership research examining the emergence of Sustainability Plans
- Based upon working with a number of clients on Plans as well as a review of Fortune Global 500 and FTSE100 plans and best practice guidance
- Companies assessed using publicly available information
- An emerging idea – the next step on the corporate responsibility journey?
What is a Sustainability Plan?

Typical plans:

- **Address a range of impacts**, covering the most important economic, environmental and social impacts
- **Set targets**, with long-term goals alongside concrete interim targets
- **Link to a business strategy** or commercial goal
- **Look beyond core operations** to include supply chain, distribution and customers
- **Communicate** and **engage** effectively – reporting progress along the way
- **Have an identity or brand** – that sets the plan apart from other corporate communications
What’s not a Plan?

A “CR Framework“:

- Ad hoc initiatives
- Built up incrementally
- Priorities change regularly
- Reported annually (or less frequently), often with changing themes, designs and branding
What’s the value to the business?

The value of CR and sustainability:
- Eco-efficiency savings; better management of risk; attract, motivate and retain staff; inspire innovation; build reputation

What can a Plan add?
- Provide a reference point for business decision-making
- Identify new business opportunities – growth markets; innovate new products and services
- Inspire and refresh – create a vision of your ambition
- Engage:
  - Internally to rally support around a theme and set of goals
  - Externally in an original and engaging way to stakeholders e.g. suppliers; customers
  - Engagement may be essential to meet the goals
Not all Plans are equal...

Good plans need **content** and **credibility** as well as effective **communications**

- **Many Plans reach step 3**
- **Most companies are in steps 1 & 2**
- **Leading-edge, best practice**
- **Fifth Step**
  - Holistic Plan that tasks the business with creating a more sustainable world
  - Focus is broad, covering all operations and stakeholders

- **Fourth Step**
  - Externally engaged Sustainability Plan across the value chain.
  - Integrated into business with strong social, economic and environmental strands.
  - Focus starts to widen to more issues and other stakeholders

- **Third Step**
  - Coherent and internally embedded Plan that reaches out to work with others

- **Second Step**
  - Strategic "business case" approach with partial measurements in place

- **First Step**
  - Disparate activities and reactive interventions
Corporate Citizenship has developed an assessment tool that provides a detailed mapping of plans across ten strands and five steps.

Based upon our own experience, review of Fortune 500 and FTSE100 plans and best practice guidance.

The toolkit is designed to assess progress and identify areas for further development of a sustainability plan or strategy.

### Plans assessment tool

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<td>Material impacts</td>
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<td>Targets, performance &amp; value chain</td>
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<td>Business partners: suppliers, distributors</td>
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<td>Communication &amp; reporting</td>
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## Mapping Plans – snapshot of summary output

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Strategy and commercial integration example

- Linking the sustainability plan to the business – with an explicit commercial goal
- Example: PepsiCo

Source: PepsiCo, Performance with a Purpose
Targets, performance and value chain example

- We are seeing a move towards both long-term and shorter (interim) targets – some plans set targets across their value chain

- **Example: Walmart** – focuses on environmental goals: 100% renewable energy; zero waste

- Set new goal in February 2010 “to eliminate 20 million metric tons of greenhouse gas (GHG) emissions from our global supply chain by the end of 2015”

- Value chain includes “raw material extraction, product manufacturing, transportation, customer use and product end-of-life”

*Source: Walmart 2011 Global Responsibility Report*
Targets, performance and value chain example

**IMPROVING HEALTH AND WELL-BEING**
By 2020 we will help more than a billion people take action to improve their health and well-being.

**HEALTH AND HYGIENE**
By 2020 we will help more than a billion people to improve their hygiene habits and we will bring safe drinking water to 500 million people. This will help reduce the incidence of life-threatening diseases like diarrhoea.

**NUTRITION**
We will continually work to improve the taste and nutritional quality of all our products. By 2020 we will double the proportion of our portfolio that meets the highest nutritional standards, based on globally recognised dietary guidelines. This will help hundreds of millions of people to achieve a healthier diet.

**REDUCING ENVIRONMENTAL IMPACT**
By 2020 our goal is to halve the environmental footprint of the making and use of our products as we grow our business.

**GREENHOUSE GASES**
Halve the greenhouse gas impact of our products across the lifecycle by 2020.*

**WATER**
Halve the water associated with the consumer use of our products by 2020.*

**WASTE**
Halve the waste associated with the disposal of our products by 2020.*

**SUSTAINABLE SOURCING**
By 2020 we will source 100% of our agricultural raw materials sustainably.

**ENHANCING LIVELIHOODS**
By 2020 we will enhance the livelihoods of hundreds of thousands of people as we grow our business.

**BETTER LIVELIHOODS**
By 2020 we will link more than 500,000 smallholder farmers and small-scale distributors into our supply chain.

Source: Unilever Sustainable Living Plan, November 2010
Steps to developing a Plan

**Assessment**
- Internal assessment and external benchmark

**Buy-in**
- Gain internal buy-in, particularly with the Board

**Content**
- Materiality assessment
- Internal and external engagement
- “Stress testing”

**Communication**
- Brand your Plan
- Launch
- Tell your story

**Next Steps**
- Implement
- Embed
- Update
Contacts

For further information please contact:

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