Using Sustainability to Enhance Business Performance and Resiliency

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What is Sustainability?

**ENVIRONMENT**
- conserving natural resources and protecting environmental health

**SOCIAL**
- equal opportunity and protection in a safe and healthy environment

**GOVERNANCE**
- maximize long-term profitability and promote ethical economic growth

Sustainability is the intersection of these three components.
Types of Sustainability Initiatives

- Raw Material Extraction
- Supply Chain Activities
- Business Operations & Activities
- Distribution & Transportation
- Customer Use
- Disposal

ASPIRE TO
Mission & Core Values

SHOULD DO
Ethics & Sustainability Initiatives

MUST DO
Compliance

Sustainability takes place in all aspects of business.
Sustainability Creates Business Resiliency

- Analyze industry-specific sustainability topics, stakeholder concerns, business risks and opportunities, short- and long-term
- Engage with internal and external stakeholders with expertise on each issue to identify highest priority sustainability issues
- Set goals for each high-priority sustainability issues that align with the overall business strategy

Determining sustainability priorities secures business against risk
Ideal State 2050

- Lower Operating Costs
- Create Shared Value
- Increase Business Relevancy
- Attract Talent
- Spur Innovation
- Manage Risk

INCREMENTAL & LONG-TERM GOALS
ENVIRONMENTAL

conserving business-critical natural resources and protecting environmental health
Environmental Activities – Should Do

BEST PRACTICES FOR SMALL BUSINESSES

Set ambitious goals that reinforce your ideal state of business operations

Perform an energy audit and/or meet with an energy consultant

Replace machinery with high-efficiency alternatives

Consider fuel-efficiency in delivery vans and employee cars

Research state and federal incentives

Join initiatives that help you track progress and improve performance
Environmental Activities – Should Do

**OUR 2020 GO GREEN GOALS**

**REDUCE WATER USE BY**
- 30%

**REDUCE CARBON EMISSIONS BY**
- 35%

**REDUCE FACILITY ENERGY USE BY**
- 25%

**REDUCE TOTAL WASTE BY**
- 7%

**ANNUAL ENERGY AND WATER COST AVOIDANCE OF $26M COMPARED TO 2010**

- Irrigation smart metering project reduces water waste
- Cooling tower removal project saves 5 million gallons of water
- Over 5 MW capacity of on-site renewable generation
- 60+ energy-efficiency and carbon reduction projects
- 45,000+ pounds of e-waste recycled
- Site-based recycling programs: CHQ recycled over 70% of waste stream
Environmental Activities – Aspirational

AT&T
• Enable customer carbon savings 10x the footprint of their own operations by 2025

DELL
• Recycle and reuse 97% of nonhazardous solid waste
• Created the industry’s first certified closed-loop plastics supply chain

Adobe
• 100% renewable energy by 2035
• Reached carbon neutrality in 2013

ENVIRONMENTAL LEADERSHIP CREATES GLOBAL CHANGE
ensuring that all social groups impacted by the business have equal access to safety, opportunities, and human rights
Social Activities – Should Do

1. Use institutional frameworks & self-assessment tools to review business
2. Conduct industry, country, or community risk assessment
3. Research & solicit applicable stakeholder views
4. Incorporate findings & remediate adverse impacts
5. Create a human rights policy and management

COMPLIANCE RISK ASSESSMENTS PRESENT BUSINESS OPPORTUNITIES
Social Activities – Aspirational

- Collaborated with industry peers to create mandatory human rights training course
- Created supplier human rights training course

- Leverages strategic partnerships to increase social impact by improving quality of life for disadvantaged communities

- Microsoft Human Rights & Technology Center
- Impact-oriented strategic stakeholder engagement

IMPACT ASSESSMENTS IMPROVE BUSINESS PERFORMANCE
GOVERNANCE

planning for long-term profitability through ethical business practices and responsible growth
### Good Governance for Small Businesses

#### Top-Down Leadership
- Establish CEO and executive-endorsed policies
- Perform periodic risk assessments
- Establish regular executive communications

#### Formalized Processes
- Create and maintain organizational charts
- Hold monthly management meetings
- Hold formal employee performance evaluations
- Formalize Board and Executive team meetings

#### Documentation & Transparency
- Document and enforce job descriptions
- Publish an employee handbook
- Maintain a regular reporting schedule
Elements of an Effective Ethics Program

COMPANY VALUES
PROGRAM STRUCTURE & OVERSIGHT
RISK ASSESSMENT
POLICIES & PROCEDURES
CODE OF CONDUCT
TRAINING

COMMUNICATIONS
LEADERSHIP COMMITMENT
REPORTING MECHANISMS
INVESTIGATIONS & DISCLOSURES
DISCIPLINE & INCENTIVES
PROGRAM EVALUATION