Using Sustainability to Enhance Business Performance and Resiliency
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
Types of Sustainability Initiatives

ASPIRE TO
Mission & Core Values

SHOULD DO
Ethics & Sustainability Initiatives

MUST DO
Compliance

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

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
ENVIROMENTAL

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**

- **Environmental Activities**
  - 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

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

COMPLIANCE RISK ASSESSMENTS PRESENT BUSINESS OPPORTUNITIES
Social Activities – Should Do
Social Activities – Aspirational

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