

MAKING THE PITCH: SELLING SUSTAINABILITY FROM *INSIDE* CORPORATE AMERICA

2012 Report of Sustainability Leaders
Case Studies

■ ■ **BY VOX Global**
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The Importance of Quantifiable Data

When John Gardner assumed the role of Chief Sustainability Officer at Novelis in 2011, the world's leading aluminum rolling company had been engaged in sustainability for many years, but largely in separate, uncoordinated initiatives. Gardner's appointment to CSO came as the result of a leadership decision to align and integrate sustainability further into the company's overall business strategy, and to have the 26-year company veteran oversee these efforts.

"Getting our whole leadership on board and aligning sustainability into our business strategy was our key moment," he says.

Attaining executive buy-in was one step in a long process of fully vetting the quantifiable results of sustainability initiatives. "For us to look at sustainability issues and then move things into our strategic arena, we need to be very data and fact-based. If we're going to make major investments or strategic changes in the way we're operating our business, we need to make the business case. And that needs data the same as any other business decision," Gardner observes.

While most corporate sustainability leaders will say as much about the importance of using data to quantify value and make the business case for sustainability, Gardner's efforts have perhaps been aided by Novelis' "slightly more flexible" approach towards the return on investment: "We are fortunate that our key sustainability drivers, for example increased recycling, make good business sense as well as reduce our environmental footprint. Having said that, we are willing to accept a slightly longer payback period on other projects that don't have an immediate return."

Quantifiable data is essential in making the business case for any social or environmental issue the company integrates into its business operations. Looking for opportunities, perhaps in creative ways, is also critical for success, such as taking advantage of government mandated carbon reductions and society's growing use of life cycle thinking. But it also informs the holistic, where priorities must include more than environmental concerns: "We will be investing a lot of money and time into sustainability. But like any other project it's got to have a payback, balancing [commercial, environmental and people issues]. We're not going to just spend money

just because it seems like a good idea, a nice thing to do. We need to make it the right thing to do and beneficial to the company as well as our customers and other stakeholders."

Combined with data analysis, communication and interpersonal skills are also needed to move these initiatives forward. One of Gardner's comments reinforces this combined need: "Trying to get people to think about sustainability, understand it, and then align our business strategy takes a lot of dialogue, discussion, and influencing skills. You can be very bright and smart on sustainability and the science, but if you can't convince people why it makes good business sense, your initiative will go nowhere. You can have all of the quantifiable data that exists, but you must be able to frame the initiative in the language the business leaders understand."

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John Gardner,
Chief Sustainability Officer,
Novelis



Insights Leading to Success

Unlike many of the other CSOs interviewed for this study, Linda Fisher was an external hire when DuPont appointed her as its first CSO—and the first CSO in any publicly traded company—in 2004. Fisher graduated with a

BA in history, and later obtained both an MBA and a JD. Before joining DuPont, Fisher was the Deputy Administrator for the U.S. Environmental Protection Agency (EPA).

Coming in from the outside, Fisher’s extensive subject matter expertise, culled over 12 years at the EPA, gave her credibility within the company as someone not only knowledgeable about environmental issues, but also as offering a unique perspective not found elsewhere in the company. Fisher’s subject matter expertise was important prior to joining DuPont, and she continues to believe it is important today.

Fisher has seen some of the businesses within DuPont face what she calls sustainability-related “crises” due to regulatory and market pressures from the government, NGOs and consumers. Fisher has dealt with these crises by using her knowledge from the EPA: “I can interpret, add vision and expertise. I can add insight as to what’s at the root of the problem ... The appreciation for the specific subject matter gives [me] stronger powers of persuasion.”

As with many of the other respondents, Fisher’s effectiveness is further enhanced by her ability to translate sustainability issues into the business-speak of her audience in order to effect change: “If you’re talking to a business or operations person, and you talk about productivity improvement, their eyes brighten up. They get excited. [If] you talk to them about making that same facility more sustainable, they might not get it. But what they are realizing more and more is that the two are really the same thing.”

“What I do a lot of is help interpret, help explain, help identify other voices that need to become a part of our conversation or that we need to understand,” Fisher says. And like any translator, Fisher must have a strong grasp of the two worlds she is trying to connect in order to effectively convey her message. With Fisher’s background in both environmental matters and business, she brings a unique perspective

to bear, and in her years at DuPont has continued to more deeply embed sustainability into business strategy and corporate culture. Every year, Fisher’s team conducts a sustainable growth review with each of DuPont’s 13 businesses. Prior to the review, they conduct a thorough analysis of the business’s environment, safety and health performance, product stewardship, product regulatory analysis, as well as a trends analysis. “From that trend analysis we’ll talk about what are the key issues and opportunities for that particular business unit... We really tailor these reviews to identify what are the key societal trends, challenges and issues facing that business.”

Thus, Fisher’s success is predicated on knowing the external trends facing the company and interpreting the risks and opportunities those trends provide in the language that the business will understand. Her goal is to embed sustainability into the business case and bottom line, while remaining connected to emerging sustainability trends and incorporating those into DuPont’s strategy to stay ahead of the curve.

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Linda Fisher
Chief Sustainability Officer,
DuPont



Function Lies in Public Affairs

For Beth Adcock Shiroishi, advancing sustainability at AT&T didn't come from a single, defined breakthrough moment. Rather, it came through a cumulative

process of building acceptance internally towards an environment conducive to change. This process—steady, cumulative, strategic—reflects how AT&T works on a broader scale. Reinforcing the ubiquitous emphasis on research and data to quantify the value of sustainability, Shiroishi commented, “We are a company that is very methodical. We research, we do a ton of analysis, and we really pay attention to the numbers and the research in formulating how we think about what we do.”

While this process might not immediately lead to sweeping, monumental changes, it lays the groundwork for proven pilot projects to expand into larger company-wide initiatives. And by integrating a culture of genuine credit and recognition for the employees that make it happen, new initiatives come with their own internal advocates: “I think having some early small wins builds an important foundation: a few pilots that went well, and making sure everyone involved in the effort is recognized inside the company, goes a long way inside our company. So while you're building your evidence base, you're also building your arsenal of success stories, and your champions. Now those people are turning into advocates for the cause.”

Integrating sustainability inside AT&T requires that the business case for any initiative is placed within the culture of the company. For example, the company's carbon footprint was not sold inside the business as being the “right thing to do” or that it was doing its part to combat global warming. Rather, it was sold as another way to identify energy consumption and place finite resources in the areas that would produce the greatest energy savings.

Not everyone sees the rewards of integrating sustainability right away. For Shiroishi, persuading otherwise skeptical business unit leaders requires being able to put yourself in their shoes and becoming a “corporate chameleon,” or “taking on the mentality of the person you are talking to; knowing what drives them and what kinds of experts and authorities they regularly consult and respect; and framing

sustainability in the context of their language from the get-go.” While this sometimes results in a slower pace of change, it creates a more long-lasting approach as the impacted business unit leaders truly understand the value to their part of the business and there is buy-in for the long term.

Beth and her team also know which external issues can help drive integration—particularly competitive and customer-driven issues. A deep understanding of the overall company's business priorities and customizing the business case for a specific business unit is necessary in order to assume that chameleon role. But even after mastering the language of a business unit, it might still take time to get skeptics to buy in to the idea. Shiroishi says, “I think you just really have to have this tenacity, but kind of a subtle tenacity: How do I approach this problem and go back time and time again until we get to success?”

A sense of flexibility and creativity also comes into play here: “The first time may be very direct, but that didn't work. Or they weren't ready to hear the message. So now, you think, ‘How do I go in through a different project, or through a different door? How do I keep coming back at it until we find the right door?’”

“I THINK of myself and my team as chameleons. Being able to think and communicate in the same fashion as a business unit we're working with is, for me, the most important skill set needed to be successful.”

Beth Adcock Shiroishi
VP of Sustainability
and Philanthropy, AT&T



The Three P's

Passion, persistence and patience are Bob Langert's, Vice President of Sustainability at McDonald's, mantra for integrating sustainability throughout the company.

In the 30 years that Langert has worked for McDonald's, he has used these three P's to drive sustainability initiatives within the company, ranging from establishing sustainable fish sourcing standards a decade ago to McDonald's current efforts to phase out the use of gestation crates by its pork suppliers. And while "stakeholder engagement" has become a trendy corporate management buzz word, McDonald's unique structure makes it all the more integral to Langert's work: "We are owned and operated by nearly 6,000 owner operators. We are 80 percent franchised-owned. We very much have a three-legged stool model of governance in our company. We are company people, owner operators and suppliers that have an equal stake in our future. So when it comes to sustainability, one of the biggest skills that you need is having the ability to discuss the issue from three different perspectives: company, owner/operator and supplier."

McDonald's decentralized structure reinforces more than most this survey's finding that sustainability leaders largely rely on non-direct reports to drive change through the company. Its franchising and governance structure also intensifies the need to understand and effectively communicate to an audience in order to rally diverse interests around a sustainability issue. Langert says that a large part of his role involves translating between outside groups and internal leadership. His three decades of experience, including six years in his current role, have taught him how to translate the concerns and issues of external groups, such as nonprofits and consumers, into the language that business management understands. Conversely, his experience has also taught him how to move external groups beyond mere rhetoric to having open discussions about realistic solutions.

Like many of the other sustainability leaders profiled in this report, leadership for Langert is less about his own subject matter expertise, and more about identifying the right people—both inside and outside the company—who can move an initiative forward, as well

as finding the intersection where both sides have shared interests. To this end, external groups and experts have an important role to play in areas where McDonald's does not necessarily have direct influence, such as best practices in animal agriculture. McDonald's is sometimes as much as four steps removed from the animals that provide meat for its Big Macs and McNuggets, making it challenging to have direct influence over the conditions in which these animals are raised.

In order for McDonald's to influence these conditions, it was important for Langert to choose an outside expert who could explain the science and situation in a way that resonated with management, and who had the respect with outside groups that were needed to implement a policy. Bringing in Dr. Temple Grandin, a renowned animal welfare expert, was the right person who helped forge an animal welfare program where none had existed before.

Selling people on the end result is at the heart of what Langert does: "It shapes everything I do. I want everybody I work with, when management says, 'What's the end result and the right thing to do?' they're able to articulate that very simply, and get people to buy into that."

KNOWING THE right outside experts to bring in who will appeal to the business – communicating the initiative in ways that all three legs of our business [McDonald's corporate, independent owner/operators and suppliers] will understand – and knowing which people inside the company to work with are keys to our success."

Bob Langert
VP of Sustainability
McDonald's



Passion, Knowledge, and Leadership

When Nixon Peabody LLP decided to implement a firm wide sustainability program five years ago, attorney Carolyn Kaplan was uniquely situated to take the lead,

thanks to an ideal alignment of expertise, personal interest, and timing. Recognizing the importance of sustainability to the firm’s operations and core business, firm management selected Kaplan to oversee the firm’s program—dubbed “Legally Green®.” Kaplan thereby became the first chief sustainability officer in a major U.S. law firm.

Kaplan credits her many years of practice as an attorney in the firm’s Energy and Environmental group as key to her being chosen for the position, noting that it provided her with a strong understanding of the firm’s operations, culture, and business—key areas of expertise management was seeking. “I was recognized as someone having the passion, substantive knowledge, and leadership skills necessary to serve as an internal champion for environmental causes. And as an experienced energy and environmental attorney, I had the requisite credibility and know-how to identify and communicate client-related issues in a manner that my colleagues could understand,” she says. Integrating this function requires that Kaplan build strong relationships across firm personnel, including both staff and attorneys. The makeup of the firm’s “Green Ops” steering committee illustrates her reliance on non-lawyers. This committee is made up of the chief administrative officer, director of purchasing, director of local IT operations, marketing personnel, and office administrators from various regional offices. “What’s been important for me is that I have a dedicated team to work with that brings a very diverse skill set to the table. It’s invaluable that I can tap into that.”

In addition to having a strong support team, Kaplan places great value on interpersonal skills. “I think this role is best served by someone who can communicate across diverse audiences. Driving this initiative across multiple offices requires the support of management, staff, and attorneys, each of whom has different interests and motivations.” On any given day, Kaplan might be demonstrating to a partner the link between

a strong internal sustainability program and a client’s core business, working with an office manager to implement a new sustainability procedure, or helping a secretary take advantage of energy savings opportunities. “As I work with people across the firm I need to be able to identify their concerns and tailor my message accordingly,” she says.

Ultimately, Kaplan leverages sustainability to deepen existing relationships with clients of the firm and increase revenue. “Lawyers are well versed at mitigating risk, but they can also bring value to their clients by identifying business opportunities. I work with my colleagues to perform preliminary sustainability materiality assessments, helping them to understand a client’s potential risks and opportunities and identify ways we might assist them to achieve their sustainability goals.”

According to Kaplan, at the end of the day, success in a sustainability role is less about the specific skill set that one brings to it, and more about the support that one can build around it: “It’s not the kind of position that you can do on your own, sitting at your desk behind a closed door. It’s a position that requires you to infiltrate sustainability throughout the entire organization and make it part of the culture. You don’t do that by yourself.”

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■ ■ Carolyn Kaplan
■ Counsel & Chief of Sustainability
Nixon Peabody, LLP ■ ■ ■



Aligning Within the Company

In 2010, Jennifer Silberman assumed her current role as the vice president of corporate responsibility at Hilton Worldwide, a conglomerate of more than 3,800 hotels. Prior to joining Hilton Worldwide, Silberman

was a corporate responsibility strategy and program development consultant at APCO Worldwide. Silberman is leading Hilton Worldwide through the process of building out Travel with Purpose, the company’s corporate responsibility strategy, and is working across all 10 of the company’s brands to create customized programs that support the global strategy. “People think that when you talk about what you’re doing in corporate responsibility, sustainability and business integration, it’s gaining external stakeholder engagement that’s important,” Silberman says. Yet for Silberman, alignment within the company is most important in integrating corporate responsibility initiatives into business, particularly as it relates to internal diplomacy and stakeholder relations.

As a consultant, Silberman advised her clients about the importance of internal engagement and gaining buy-in across an organization. But it wasn’t until she was actually in the VP role within a company that she recognized the true value of this strategy. In a large, diverse, and geographically-distributed organization such as Hilton Worldwide, she has to “engage, reengage, constantly update and constantly communicate.” Hospitality is a people business, and hotels rely on the enthusiasm and loyalty of team members to operate—engaging around a social purpose and corporate responsibility is no different. “People want to feel like they are part of the journey.”

Silberman places a heavy emphasis on communication to ensure people throughout Hilton Worldwide’s global operations are part of the company’s sustainability and corporate responsibility journey. “You can’t over-communicate enough,” she says. She uses multiple channels, including executive communications, the company intranet, newsletters and quarterly team meetings, to communicate Hilton Worldwide’s progress to a diverse group of executives and team members. Along the way, she has learned that broad communication tools alone do not always “cascade” the

message to all team members, and that various groups within the organization may require more personal follow-up. In this way, Silberman and her team play an important role in connecting stakeholders back to corporate responsibility and its integration into all levels of Hilton Worldwide’s business.

The emphasis on engaging internal stakeholders also emerges from Hilton Worldwide’s comprehensive view of corporate responsibility and sustainability. While people often think of corporate responsibility as philanthropy or community engagement, Silberman views it as an integral part of business that brings value back to both the company and society.

The initiatives under development will immediately engage team members and highlight the many cultures represented by Hilton Worldwide, therefore enhancing each brand’s purpose and the opportunity to engage guests and drive brand and business impact. It’s a “360 degree issue” that affects stakeholders from all levels of the company, and different audiences require customized communication and data. For example, when speaking to the executive management team, she relies on aligning with the company’s strategic priorities and quantifying values to make her case—providing hard data on topics including team member engagement, reducing energy use or producing less waste.

This type of quantitative data helps Silberman establish a tangible return on investment for the company’s corporate responsibility efforts. However, framing a corporate responsibility issue like child trafficking to hotel employees requires a different tack. Silberman and her team are currently strategizing on how to integrate human rights issues like this one into the training curriculum for everyone from managers to housekeepers.

“AT THE end of the day, you try to make the value of corporate responsibility relevant to the stakeholder group you are talking to.”

**Jennifer Silberman, VP
Corporate Responsibility
Hilton Worldwide**



The Levels of Sustainability

Kathrin Winkler took on the role of Vice President of Corporate Sustainability at EMC, a Fortune 500 informational technology company, in 2008 after several years in product management with the company.

For Winkler, driving sustainability initiatives at EMC begins with integrating sustainability into the corporate culture and beyond individual values.

“When something is embedded in a culture, it’s not necessary that every individual cares; it’s that they all know the organization, the community, and their peers do. Then it becomes integrated into how they approach their jobs every day,” she says. In this sense, EMC’s internal progress is heavily dependent upon employees in other business units with whom she has no direct reporting relationship.

Throughout her time at EMC, Winkler has seen increased awareness by rank and file employees of their company’s impact on the communities where they operate. In one instance, a group of engineers were overheard at the water cooler comparing modifications to their pickup trucks to reduce greenhouse gas emissions. She has also witnessed a greater sense of employee pride in the company’s initiatives, citing an example of a video on sustainable packaging going viral in the company, with various groups wanting to be a part of something similar.

Winkler describes these moments as having two distinct phases. The first phase is the development of a thorough understanding of the importance of sustainability through all levels of the organization. This step is critical in instilling the idea that pursuing sustainable initiatives adds value and contributes to the ongoing progress of the company. The second phase takes this understanding to another level: a full integration of sustainability into the values of a company. Winkler influences her colleagues to see sustainability as a pathway to their own success in addition to having its own objectives. Winkler pushes for sustainability to be seen not simply as a pathway to success, but as a tangible end result as well.

Yet she cautions that this is a continuing journey, and that culture is an ever-evolving process that requires persistence. Again the focus returns to interpersonal

skills, the abilities to influence people and to frame issues in a way that appeals to the goals of each internal audience. Winkler described herself as being “idealistic” before coming into her current position, believing that the good intentions behind an initiative would be reason enough for a company to implement them. However, she has learned that a good idea won’t stand alone, and that even when an initiative’s value has been quantified, one still needs strong interpersonal skills to convince people to try something new.

On that point, Winkler believes that patience, persistence and resilience are key skills for success for sustainability leaders. Within the corporate structure, one must continually instill sustainability into all sectors, working towards seamless integration within the organization. “Sustainability at the end of the day is about doing business in context of our surroundings ... and our job is to understand that context and relate it to business,” she says.

A SIGNIFICANT part of my role is translating those social and environmental issues that intersect with our business in ways senior management will appreciate. Showing how they can either provide a competitive edge or respond to a customer demand is critical for success.”

Kathrin Winkler
Vice President of Corporate Sustainability, EMC

About VOX Global

VOX Global is a strategic communications and public affairs firm with decades of experience navigating the intersection of business, media and society. Our [Sustainability Practice Group](#) helps position sustainability leaders and their companies for long-term success. We offer a wide range of services that provide companies with both a reputational and financial return on investment.

VOX Global is currently working with the [Center for Sustainability at Saint Louis University](#) to develop a unique executive training program that focuses on honing and sharpening the interpersonal skills needed for sustainability leaders to be successful.

About Weinreb Group Sustainability Recruiting

[Weinreb Group Sustainability Recruiting](#) is a niche executive search firm, specializing in corporate social responsibility and sustainability. Clients include Wal-Mart, Patagonia, Sears, Nestlé Waters and Levi Strauss & Co. Weinreb Group publishes reports regularly about the CSR profession, including [CSO Back Story](#), [How Chief Sustainability Officers Reached the C-Suite](#).

About Net Impact, Berkeley

Net Impact, Berkeley is an undergraduate chapter of Net Impact, sponsored by the Haas School of Business, which provides consulting services to organizations in order to gain real world experience as a complement to our education.