Building a Culture for Sustainability: People, Planet, and Profits in a New Green Economy

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**Agenda: Part 1:**

**Jeana Wirtenberg, Ph.D.**

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**Introduction and Background**
- Purpose
- Methods
- Who should read this book
- Key Features

**Building Bridges to a Sustainable Future: Understanding and Creating a Culture for Sustainability**
- The Context: *Urgent need for systemic and holistic change*
- Envisioning a Sustainable World, 2050
- Megatrends 2013-2050
- Building a Culture for Sustainability
- How do we get there?

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Two case studies from the book, each representing a chapter.

* **Alcatel-Lucent: Transforming Communications for the Twenty-First Century, Chapter 2.**
  
  *Presented by:*
  *Barry Dambach, Senior Director, Environmental, Health, and Safety and Sustainability, Alcatel-Lucent*

* **Church & Dwight: Product Stewardship for Sustainable Prosperity, Chapter 6.**
  
  *Presented by:*
  *Bob Coleman, Senior Manager, Office of Sustainable Development, Church & Dwight*
Conclusion: People, Planet, and Profits in a New Green Economy.

* Best Practices
* Critical Issues and Challenges that Must be Addressed
* Company Conundrums in Addressing Sustainability-Related Challenges
* Lessons Learned
* Essential Elements of a Culture for Sustainability
* Sustainability-Inspired Habits
* Recommendations
Purpose

To provide a practical guide to successfully building a culture for sustainability for firms of all types and sizes.

Jeana Wirtenberg, Ph.D.
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Part 1:
Jeana Wirtenberg, Ph.D.

Purpose

and at all stages...from those just starting their journey to sustainability to those who are seeking to accelerate and deepen their positive impacts on people, reduce their environmental footprint, and enhance their financial bottom line in the short, medium, and long-term.
Methods Used in Creating this Book

* ISE Corporate Partner Roundtable Series on “Creating a Culture for Sustainability” 2010-2011
* 70+ interviews conducted and transcribed in 2012-2013
* In-depth analysis of internal documents shared by companies
* Secondary research of documents, books, and articles in the public domain
Who Should Read This Book

- Business leaders and managers in every function
- Organization development professionals
- Human resource leaders and managers
- Consultants and practitioners
- Professors and students in business, human resources, and sustainability-related fields.
Key Features
* Best Practices
* Lessons Learned
* Sidebars with tips and examples
* Quotes and illustrations
* Frameworks and Tools
* Resources

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Building Bridges to a Sustainable Future: Understanding and Creating a Culture for Sustainability
Chapter 1.
The Context

Urgent need for systemic and holistic change

Global Risks Landscape 2013
“Enough ...for all ...forever”

African Delegation to Earth Summit II Rio +10, 2002

Envisioning a Sustainable World, 2050

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Core Sustainability Concepts

- Systems thinking
- Socio-economic justice
- Intergenerational responsibility

Enough ...  ... for all ...  ... forever.

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Megatrends 2013-2050

* Growth of the Middle Class
* A Resource Crunch
* Persistent inequality
* Major demographic changes
* Urbanization
* Growing human health vulnerability
* Growing connectivity
Increasing Population


World Population reached:
- 1 billion in 1804
- 2 billion in 1927 (123 years later)
- 3 billion in 1960 (33 years later)
- 4 billion in 1974 (14 years later)
- 5 billion in 1987 (13 years later)
- 6 billion in 1999 (12 years later)

Unless we reduce our growth rate soon, World Population will reach:
- 7 billion in 2013 (14 years later)
- 8 billion in 2028 (15 years later)
- 9 billion in 2054 (26 years later)

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* How do we get there?

* The good news, as evidenced in every chapter of this book, is that culture is *fungible*. It *can change*, and business leaders and managers can help shift the balance to *sustainable mindsets* and behaviors by influencing their own and other’s belief systems.

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How do we get there?

More good news is that companies don’t need to resort to top-down command and control, coercion, or even peer pressure. People already care about these issues.

Companies just need to offer the enabling environment, encouragement, and reinforcement for people to contribute what already resides within them.
Building a Culture for Sustainability

* Chapter 2. Alcoa: Connecting People to Communities
* Chapter 3. Alcatel-Lucent: Transforming Communications for the Twenty-First Century
* Chapter 4. BASF: Creating Chemistry for a Sustainable Future
* Chapter 5. Bureau Veritas: Leading by Example
* Chapter 6. Church & Dwight: Product Stewardship for Sustainable Prosperity
* Chapter 7. Ingersoll Rand: Integrating Sustainability into the Heartbeat of the Company
* Chapter 8. Pfizer: Growing Leaders through the Global Health Fellows Program
* Chapter 9. Sanofi: Putting the Patient First

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Alcatel-Lucent: Transforming Communications for the Twenty-First Century

Barry Dambach, Senior Director
Sustainability and EHS
Leave the beaten track occasionally and drive into the woods. You will be certain to find something that you have never seen before.

-Alexander Graham Bell
Defining Sustainability at Alcatel-Lucent

Building a Culture for Sustainability

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* Bell Labs: From Inventions to Breakthroughs for Sustainability

* Solar Technology
* Green Touch
* lightRadio™
* Getting Smart: Smart Grid, Smart House

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Thinking Differently About Networks

Brilliant Minds ... Leading Experts

- Optimized for energy
- Holistic Approach
- Multi-Discipline
- Equivalent Performance
* Demonstrate technologies in five years that lead to a 1000-fold improvement in energy efficiency
* Draw on expertise across the industry and around the world
* Open invitation to the entire industry
* Founding members are experts from world’s top institutions and operators
* Alcatel-Lucent’s Bell Labs is a founding member

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Bell Labs: From Inventions to Breakthroughs for Sustainability
Metro Cells place coverage and capacity where you need it

- ALC ATEL - LUCENT METRO CELLS
  - Incorporating lightRadio™
  - (-50% energy consumption)
*Getting Smart:*

*Bell Labs: From Inventions to Breakthroughs for Sustainability*
Bell Labs: From Inventions to Breakthroughs for Sustainability
What Does a Culture for Sustainability Look Like?

A culture for sustainability for Alcatel-Lucent means everybody can say our goal is digital inclusion. We’re going to connect the unconnected world. We’re going to make sure the 2 billion people with no access to communication services for health care, for life, for education, for learning have all that in the next 20 years.
For Alcatel-Lucent, a culture of and for sustainability is one in which not only do all employees “get it” but they also “implement it” top-down and bottom-up. In such a culture, employees include sustainability concepts in their daily routines in the office as well as at home.

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They incorporate sustainability thinking into every job function they perform, whether in procurement, facilities, product development, network design, marketing, finance, or Human Resources.
What Does a Culture for Sustainability Look Like?

Employees find meaning, passion, and inspiration in the company’s vision—“to realize the potential of a connected world.”

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How to Get There

* Creating a grand vision
* Making the business case: Sustainability is a business imperative
* Starting at the top
* Embedding sustainability in the organization’s DNA

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How to Get There (continued)

* Setting priorities and making commitments
* Communicating with authenticity and transparency
* Recognizing accomplishments and disclosing areas for improvement

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"SUSTAINABILITY IS AN INDUSTRY IMPERATIVE, AS WELL AS A COMPETITIVE ADVANTAGE."

Michel Combes
Alcatel-Lucent CEO
Customer satisfaction puts corporate sustainability at the heart of our business

**Sustainability Priorities**

**A Business Imperative**

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**Eco-sustainability**

Lead eco-sustainable innovation to provide energy efficient, environmentally sustainable networks and solutions that meet growing network demands

**Our people**

Create a diverse and highly skilled workforce able to meet our customer demands for reliable, quality service

**Digital inclusion**

Realize the potential of a connected world by developing and deploying affordable communication solutions for people everywhere, expanding their social and economic opportunities

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*FTSE4Good

**Dow Jones Sustainability Indices**

In Collaboration with RobecoSAM
Developing eco-sustainable networks
- Innovative products that contribute to environmentally responsible end-to-end networks and enhance network performance
- Holistic lifecycle approach (do more with less, from design to end of life)
- Breakthrough energy efficient solutions: lightRadio™, FP3, Extensible Routing System
- Bell Labs’ green research, involving scientists worldwide and collaborations with other companies, research institutes & universities

Enabling low carbon solutions
- Energy with smart grid technologies
- Efficient transportation and logistics
- Dematerialization
- Smart cities

Reducing our carbon footprint
- Carbon emissions tracking & reporting
- Reducing electricity consumption
- Reinforcing tele-working and commuting
- Dematerializing business travel
- Managing resources: protecting biodiversity, paper, water and waste management
- Raising employee awareness

LEVERAGING BELL LABS AND PLAYING A PROACTIVE ROLE GLOBALLY
DEVELOPING ECO-SUSTAINABLE NETWORKS

Holistic lifecycle approach

Development
End-of-life
Use and servicing
Distribution and installation
Packaging
Efficient Transport

Design for Environment
Product Stewardship
Smart Manufacturing
Eco Packaging

Efficient
Transport

Network Optimization
Alternative Energies
Energy Efficient Operation
Take-Back / Recycling / Reuse
Connecting with diversity of employees around the world

StrongHer

Hiring and working across generations

“ConnectEd” to youth

Work-life balance
* Best Practices

* "Engage": Maximizing Communication through Social Media

* Collaborating across Stakeholders and Industries
* Tying Sustainability to Innovation

* Integrating Sustainability Fully into Company Strategy
Challenges
*Challenges*

* Stuck in the Middle
* Competing Priorities: Too Much on My Plate
* Dealing with Short-Termism
* Demonstrating the Return on Investment
* Human Resources: Stepping Up as Advocate and Enabler of Change

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*Lessons Learned*
- Create a shared focus on solving a global problem—such as the dilemma of the digital divide.
- Make use of frameworks and tools that have already been proven and that work.
- For example, read and understand the Greenhouse Gas Protocol and become an expert in its use.
* Educate yourself and do your homework. There is no shortage of websites, books, magazines, articles. And most colleges have Sustainability 101 courses to start you off.

* Utilize Industry Associations
*Learn about the business. You need to understand business and customers before you can be credible in how you can make a difference in that company.

*Network. This is the best way to learn about sustainability within and across industries.
* Participate in Existing Frameworks and Global Standards
* Use Carbon-Accounting Tools
* Build Sustainability Metrics: Total Cost of Ownership

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Alcatel-Lucent participates in, uses, and recommends:

- Dow Jones Sustainability Index (DJSI)
- United Nations Global Compact
- Global Reporting Initiative (GRI)
- Carbon Disclosure Project (CDP)
- GeSI
- Greenhouse Gas Protocol (GGP)
- Life Cycle Analysis (LCA)
- World Resources Institute (WRI)

*Frameworks, Tools, and Resources:*
WE COLLABORATE AND DO BUSINESS ONLY WITH PARTNERS WHO SHARE AND SUPPORT OUR VALUES

1. Require
CLEAR SUSTAINABILITY REQUIREMENTS for suppliers integrated into contractual purchasing requirements, processes and exchanges with suppliers. Commit to the United Nations Global Compact, EICC Code of Conduct and activity-tailored EHS clauses.

2. Evaluate
SUPPLIERS SUSTAINABILITY PERFORMANCE on ethics, social and environment, health and safety and the management of their own supply chain through supplier risk assessments, EcoVadis management system rating and on-site audits.

3. Improve
SUPPLIERS SUSTAINABILITY PERFORMANCE Improve suppliers’ performance to satisfactory levels through dialogue around improvement plans addressing the weaknesses identified.
ABOUT ALCATEL-LUCENT (EURONEXT PARIS AND NYSE: ALU)

Alcatel-Lucent is at the forefront of global communications, providing products and innovations in IP and cloud networking, as well as ultra-broadband fixed and wireless access to service providers and their customers, enterprises and institutions throughout the world. Underpinning Alcatel-Lucent in driving the industrial transformation from voice telephony to high-speed digital delivery of data, video and information is Bell Labs, an integral part of Alcatel-Lucent and one of the world’s foremost technology research institutes, responsible for countless breakthroughs that have shaped the networking and communications industry. Alcatel-Lucent innovations have resulted in the company being recognized by Thomson Reuters as a Top 100 Global Innovator, as well as being named by MIT Technology Review as amongst 2012’s Top 50 “World’s Most Innovative Companies”. **Alcatel-Lucent has also been recognized for innovation in sustainability, being named Industry Group Leader for Technology Hardware & Equipment sector in the 2013 Dow Jones Sustainability Indices review for making global communications more sustainable, affordable and accessible, all in pursuit of the company’s mission to realize the potential of a connected world.**
* Get Started
* Define Sustainability for you - how links to your business
* Engage employees and your innovation engine
* Develop Business Case for Sustainability
* Set Objectives
* Organize to meet them
* Communicate Internally & Externally
* Keep Pushing

**Conclusion**

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Questions?
Church & Dwight: Product Stewardship for Sustainable Prosperity

Bob Coleman, Sr. Manager
Office of Sustainable Development
Arm & Hammer: A Heritage of Sustainability

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* It’s an Evolution Not a Revolution

* Building a Culture for Sustainability

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* What Does a Culture for Sustainability Look Like?

* It’s in the Mind-set
* Respecting and Learning from Failure
* Reporting the Bad with the Good

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*Best Practices

Celebrating Earth Day

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*Best Practices*

*Pay the Piggy*
*Best Practices*

Employee Giving Fund and Volunteerism

*Volunteer opportunities*

*Partnerships with NGOs*
*Best Practices*

*Management System Supporting Programs*

*Responsible Care*

*Product Care*

*Business Impact Matrix*
Best Practices

Product Stewardship

*Material Safety Data Sheet (MSDS) Ingredient Disclosure
*Full ingredient disclosure
*Animal-testing policy

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Best Practices

Reducing Waste, Energy, and Water

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Challenges, Tradeoffs, and Conundrums
* Challenges, Tradeoffs, and Conundrums

* Integrating Sustainability into a Successful Business

* Complex Supply Chain

* Being Sustainable versus Touting It

* Meeting Customers and Consumers Where They Are
Challenges, Tradeoffs, and Conundrums

* Consumer Perceptions that Green Costs More; Finding a Workable Tradeoff
* Tree Hugging, Cutting Edge, or Bleeding Edge?
* Altruism versus Meeting Market Expectations: “Rallied and Actively Prepared”
The Natural Question: Are Natural Ingredients Always Better?
*Lessons Learned*
* Lessons Learned

* Find out what’s important to your executive suite and make sure it resonates; make it relevant.

* Do the right thing. Have a conscious attitude toward products from conception (R&D) through commercialization.

* Use sound science to figure out the best ingredients to put into your products. Don’t take chances.

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* Lessons Learned
(continued)

* Be transparent: Report the bad with the good. Report what’s relevant to your business and what you can be accurate about.

* Find ways to work positively with regulators.

* Educate the consumer to help get past confusion in the marketplace.

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At any moment, the actual isn’t as important as the goal. It is the goal that gets everyone moving in the right direction.

* Build and leverage your network.

* Identify and address hot spots in the world. Discover what’s important to the world and how to address those needs.

* There’s no one silver bullet.

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Church & Dwight continues to support environmental, safety, sustainable development and product stewardship programs to enable the design and manufacture of products for healthier and more sustainable living.

Conclusion
Key areas of strategic focus

* Energy-, water-, and waste-reduction efforts at plants
* Environmental and safety support for plant startups
* Maintenance and continual improvement of all sustainability, environmental, safety, and training policies and programs

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* Key areas of strategic focus

* Expansion of Lean Six Sigma Programs
* Beyond regulatory compliance
* Product life-cycle and carbon footprint improvement in product development
* Participation in Sustainability Consortium

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*Questions?
Best Practices

* How to Think about, Use, and Leverage “Best Practices”
* People Initiatives
* Community Initiatives
* Customer Initiatives
* Planet Initiatives
* Supply Chain Initiatives
* Profit Initiatives

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Critical Issues and Challenges that Must be Addressed
Company Conundrums in Addressing Sustainability-Related Challenges

* People-Related Challenges
  * Changing Mind-Sets and Behavior
  * Filling the Pipeline from STEM Disciplines
  * Overwhelming Workloads and Competing Priorities
  * HR Needs to Step Up to the Plate
Company Conundrums in Addressing Sustainability-Related Challenges

- Planet
  - Consumer Perceptions that Green Costs More, and Finding a Workable Trade-Off
  - Being Sustainable versus Touting It
  - Tree Hugging, Cutting Edge, or Bleeding Edge?

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*Company Conundrums in Addressing Sustainability-Related Challenges*

*Profits*
* Measuring ROI of Sustainability Initiatives
* Dealing with Short-Termism
* Working with Different Measurement Systems and Methods around the Globe
*Lessons Learned: Stepping Stones on the Journey to Sustainability

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## Lessons Learned: Areas for Organizations to Consider

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What Does a Culture for Sustainability Look Like?
Essential Elements of a Culture for Sustainability

* **Sustainable Values**: sees organization in context of community, society, and earth
* **Sustainable Mind-Set**: systems thinking
* **Leadership for sustainability**: leads with purpose and authenticity
* **Visionary**: Envisions the future we want to create
* **Employee engagement**: builds agility and resiliency; engages imagination; fun
* **Multi-disciplinary**: Embeds sustainability throughout learning and development
* **Diversity, inclusion, social justice**: deep caring for all people
* **Wisdom**: emotional, social, and ecological intelligence

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* Silent Reflection
* Reframing, versatility
* Appreciative inquiry
* Mindfulness; presence
* Listening generously
* Both-and; ambicultural
* Being, satisfaction
* Caring; Compassion and service; partnership

* Involvement
* Positive leadership; humility
* Culture of abundance
* Gratitude
* Collaboration
* Self-organizing; emergent
* Balance (neither asceticism nor hedonism)

* Sustainability-Impacted Habits and Practices

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People, Planet, and Profits in a New Green Economy

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Phase I. **Discovery:** Conduct a comprehensive company or organization self-evaluation

Phase II. **Design your Future:** Co-create Your sustainability vision and desired Culture

Phase III. **Develop your Plan**

Phase IV. **Deploy your Plan**

*Create a Holistic Business Sustainability Roadmap and Plan*
Questions?
*Thank You!

Jeana Wirtenberg Ph.D.

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