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October 2018



The Win-Win-Win of the Sustainability Experience

Engaging employees in sustainability
for the business, for employees
and for society

SALTERBAXTER
An MSL Company

Why Experience Matters

It's no surprise that "experiences" have become the center point of nearly every social, political and economic interaction over the past two decades. Hands-on experience helps us absorb information, make connections and develop emotional attachments.



Olivia Sprinkel
Head of Salterbaxter
North America

Though previously unexplored, "experience" holds great potential for sustainability too, by helping employees make a more tangible and actionable connection to this work.

Over the past two decades, "experiences" have become the center point of nearly every social, political and economic interaction. With millennials leading the charge, consumers of all ages are choosing experiences over "stuff."

The idea that we're living in an "Experience Economy"—where the exchange of "experiences" outpaces that of goods and services—dates back at least as far as the 1990s. In 1998, B. Joseph Pine II and James H. Gilmore ushered us into this new age with their groundbreaking Harvard Business Review piece, Welcome to the Experience Economy (Harvard Business Review, July 1, 1998), and society hasn't looked back.

Since the 1990s, the trend of choosing experiences over goods has only accelerated, with generational shifts driving this change. As numerous news outlets have reported, millennials (those born between the 1980s and the mid-1990s) tend to value experiences, such as eating out, travel, live entertainment, etc. over "stuff" (e.g. cars, homes, etc.). As the largest spending cohort, the perspective of millennials has a huge ripple effect across the global economy (McKinsey). While experts continue to debate the reasons for this change, including factors such as a more holistic perspective on what leads to happiness, the growing importance of social media or an increasing fear of missing out, it seems clear that the focus on "experience" is here to stay.



Abisola Adekoya
Senior Consultant

Defining the Sustainability Experience

Most employees will need a great deal of flexibility and agency in order to define their own Sustainability Experience.

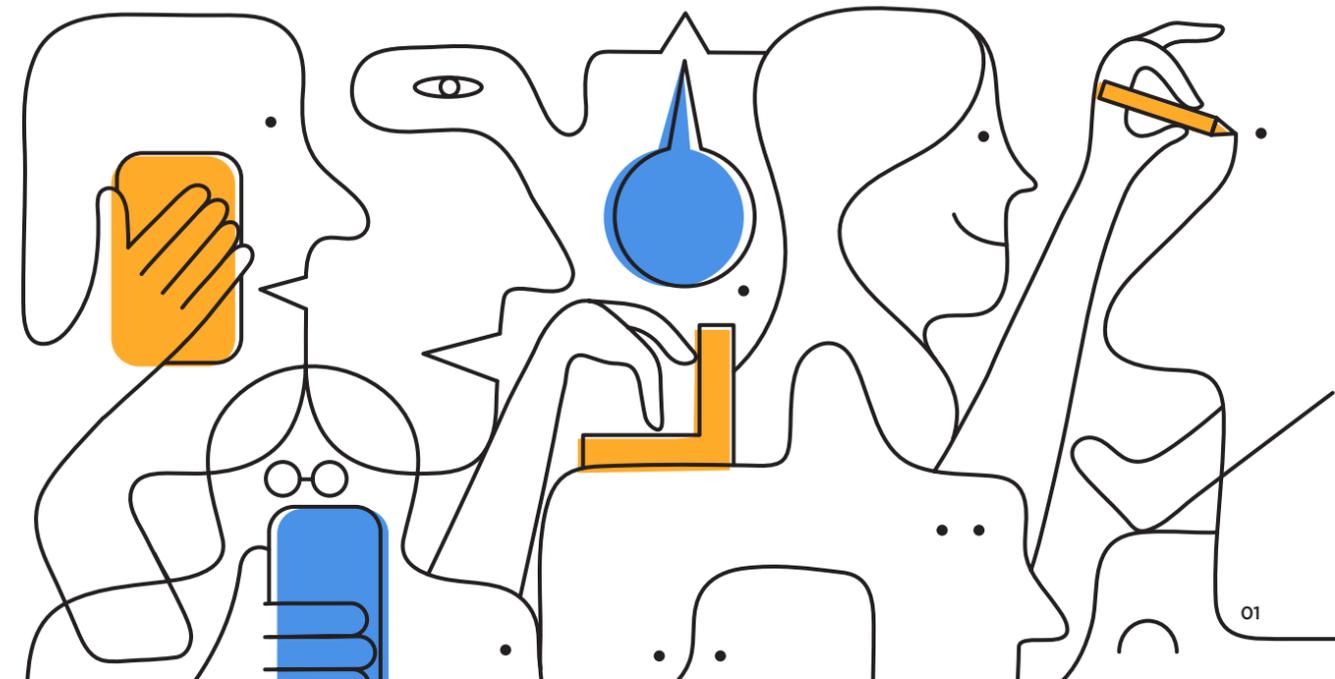
Most are familiar with "customer experience," which summarizes every interaction a consumer has with a company or "employee experience," which refers to every interaction an employee has with their employer, but the Sustainability Experience is a different beast all together.

Now, as sustainability has moved from a "nice to have" to a strategic imperative that must be integrated into every aspect of a company's core business practices, companies must move their employees from sustainability awareness to experience in order to meet increasingly ambitious goals and targets.

Rather than merely summing up every interaction an employee has with the sustainability strategy and activities of their employer, the Sustainability Experience is far more active.

We define Sustainability Experience as an opportunity for employees to explore, first-hand, what sustainability means to their company and to themselves, actively managing the sustainability metrics most relevant to their business function, identifying opportunities to improve performance and contributing to a culture of sustainability.

Most employees will need a great deal of flexibility and agency in order to define their own Sustainability Experience and internalize how their employers' overarching sustainability strategy and commitments intersect with their specific role. Establishing this connection helps employees to develop a sense of ownership over their organization's sustainability vision and work to improve their sustainability culture accordingly. As our examples from Danone and DSM will illustrate, undertaking such a holistic, experience-based approach to employee engagement around sustainability can reap a host of benefits for employers, employees and society.



The Challenge of Employee Engagement

Disengaged employees cost between

\$450bn



\$550bn annually

(The Engagement Institute)

Organizations' ability to address the issues of engagement and culture has dropped by

14%

2016-2017
(Deloitte)

There's an overwhelming body of evidence pointing to the importance of employee engagement:

Business Performance

Organizations with high employee engagement outperform those with low employee engagement by 202% (Business2Community). Conversely, disengaged employees cost organizations between \$450 and \$550 billion annually (The Engagement Institute).

Employee Retention

56% of disengaged and 73% of actively disengaged employees are looking for jobs or watching for opportunities, compared to 37% of engaged employees (Gallup).

Creativity and Innovation

59% of engaged employees say that their job brings out their most creative ideas and nurtures their innovation. Of the surveyed employees who were disengaged, only 0-3% said the same (Gallup Management).

Yet many, if not most, organizations struggle to adequately address the issue. Research from Deloitte shows that organizations' ability to address the issues of engagement and culture dropped by 14 percent between 2016 and 2017.

Leveraging Sustainability to Improve Employee Engagement

88%

of millennial employees report being more fulfilled at work when provided with a chance to have a positive impact on social and environmental issues (Cone Millennial Study)

Sustainability has been proven to positively impact employee engagement (High Meadows Institute). Numerous studies have found that employee participation in societal causes or in activities that help others increases engagement and performance (Wharton). Additionally, 88% of millennial employees report being more fulfilled at work when provided with a chance to have a positive impact on social and environmental issues (Cone Millennial Study).

Employee engagement programs often converge with sustainability through corporate philanthropy or volunteering activities (e.g. company organized nonskilled or skills-based volunteering/pro bono services, dollars for doers, payroll giving, matching gifts or paid volunteering days). While these activities can address relevant sustainability themes, there are more meaningful ways to integrate sustainability into employee engagement that would prove far more effective than the current approach.

The Benefits of a Sustainability Purpose

Strengthened bonds between business, employees and society.

3 Community Benefits

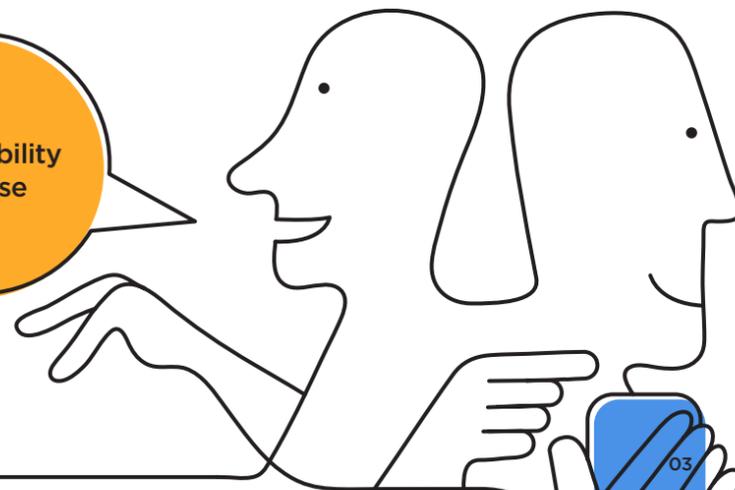
- Enhances contributions to society and the environment
- Leads to greater community investment
- Clarifies focus of community engagement

2 Employee Benefits

- Results in a deeper sense of purpose at work
- Encourages ownership over sustainability strategy
- Provides a line of sight into broader business operations and roles

1 Business Benefits

- Accelerates performance towards sustainability targets
- Fosters a culture of sustainability innovation
- Decentralizes management of sustainability metrics



How to Build a Sustainability Experience Program and Socialize the Concept

An effective communications rollout of your new Sustainability Experience program will help to win “hearts and minds” and potentially determine the program’s success.

As with most internal communications, socializing the Sustainability Experience concept requires a structured approach. When developing employee engagement strategies and plans with our clients, we complete the following phases in partnership.

1 Define your purpose

Purpose is an articulation of your business’ role in society and the impact you aim to have. It should define how your business expresses sustainability in a way that brings to life your brand values and is compelling for key audience groups. A well-articulated sustainability purpose, with corresponding goals and targets, is the foundation upon which the following steps are built.

2 Help employees to understand their sustainability impact

Every business function within your organization has a direct or indirect impact on sustainability performance and culture—though some are more apparent than others. Enable employees to experience their specific impact by facilitating team discussions on how each employee contributes to your organization’s overarching sustainability goals. At first, the conversations might only result in small steps, but eventually teams will gain confidence and begin to make more substantial operational and cultural shifts.

Socializing the concept

Educate: Define the Sustainability Experience concept, explaining how it works, what it means to your company, where it fits within your core business strategy and the competitive advantage it delivers.

Key Actions

- Train employees on key sustainability issues within your organization
- Develop a campaign identity (with a bespoke visual identity)
- Craft key messaging that covers the core program components

3 Measure progress and reward accordingly

A significant benefit of mapping sustainability performance to each business function is the ability to measure and track the corresponding metrics. Where applicable, add the most relevant sustainability metrics to each department or staff members’ Key Performance Indicators (KPIs). Doing so creates an opportunity to check-in on sustainability performance at regular intervals (as most organizations review employee performance against KPIs on an annual basis, if not more frequently) and creates a tangible connection between each employee and your organization’s overarching goals.

Case Study

Unilever has KPIs for every business unit as part of the company’s Sustainable Living Plan. This provides middle managers with a consistent set of incentives that facilitate implementation of the company’s award-winning sustainability program. Unilever has also recently announced its largest-ever listening exercise on the future of sustainable business. Over 40,000 employees will respond to the “Have Your Say” project, which will help determine Unilever’s future sustainability priorities.

4 Incentivize sustainability innovation

Once each employee feels connected to your company’s overarching sustainability strategy and commitments (through steps two and three), they are likely to begin uncovering new ways to improve sustainability performance or bring forward ideas they might have had for some time, but had no incentive to share. Incentives should be created that inspire employees to go above and beyond the sustainability KPIs for their role, in order to encourage the identification of new products or processes that support your organization’s sustainability performance.

Socializing the Concept

Motivate: Bring the concept of Sustainability Experience to life through dynamic and engaging communications assets that demonstrate how each employee contributes to your company’s broader purpose.

Key Actions

- Create videos, posters, fact sheets and social media content that gets employees’ attention and tells a lasting story
- Show a personal value—something employees can connect to
- Leverage existing internal advocates

5 Share best practices and experiences

While KPIs can effectively measure productivity, performance, and efficiency, they rarely facilitate the type of emotional connection that will ultimately keep employees motivated and committed to continued progress. To do this, it’s helpful to encourage employees to create a shared Sustainability Experience by celebrating successes and wins, exchanging best practices and stories. See page 07 for details on how DSM has used storytelling to drive employee engagement on sustainability.

Socializing the Concept

Activate: Empower employees to take action. Work in teams to help employees bring about change within your organization and outside of it through core business practices and meaningful, skills-based volunteering.

Key Actions

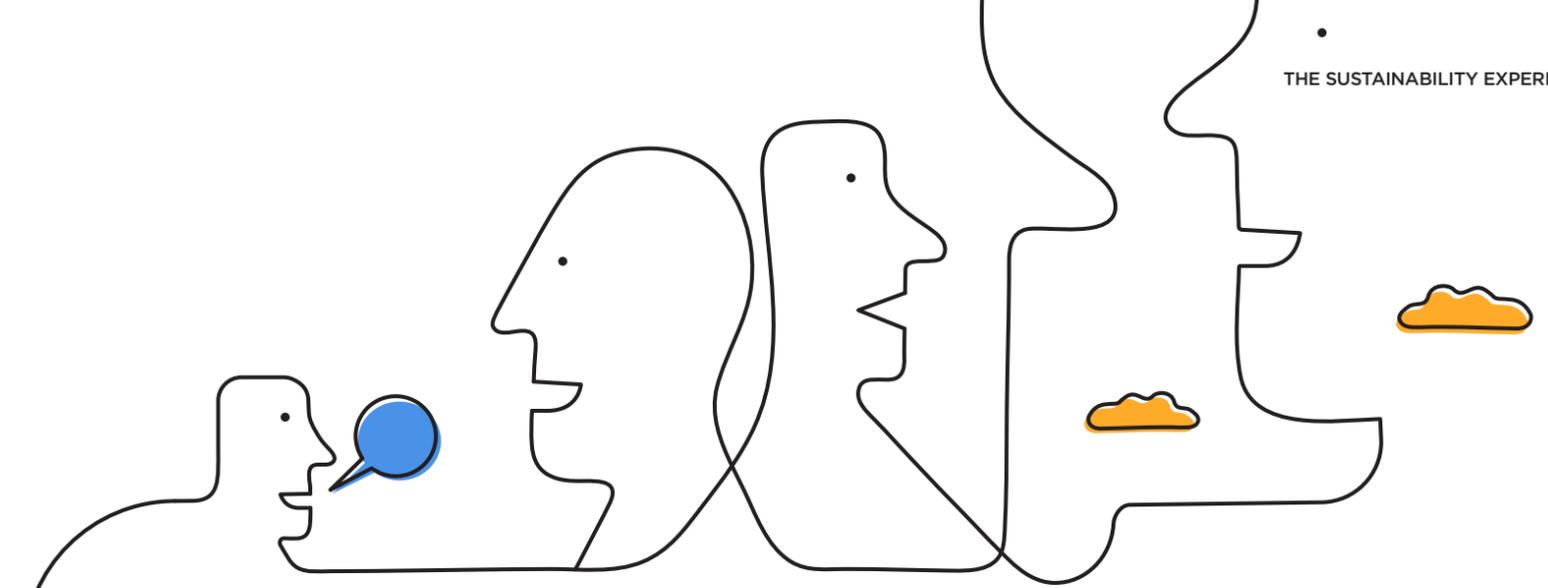
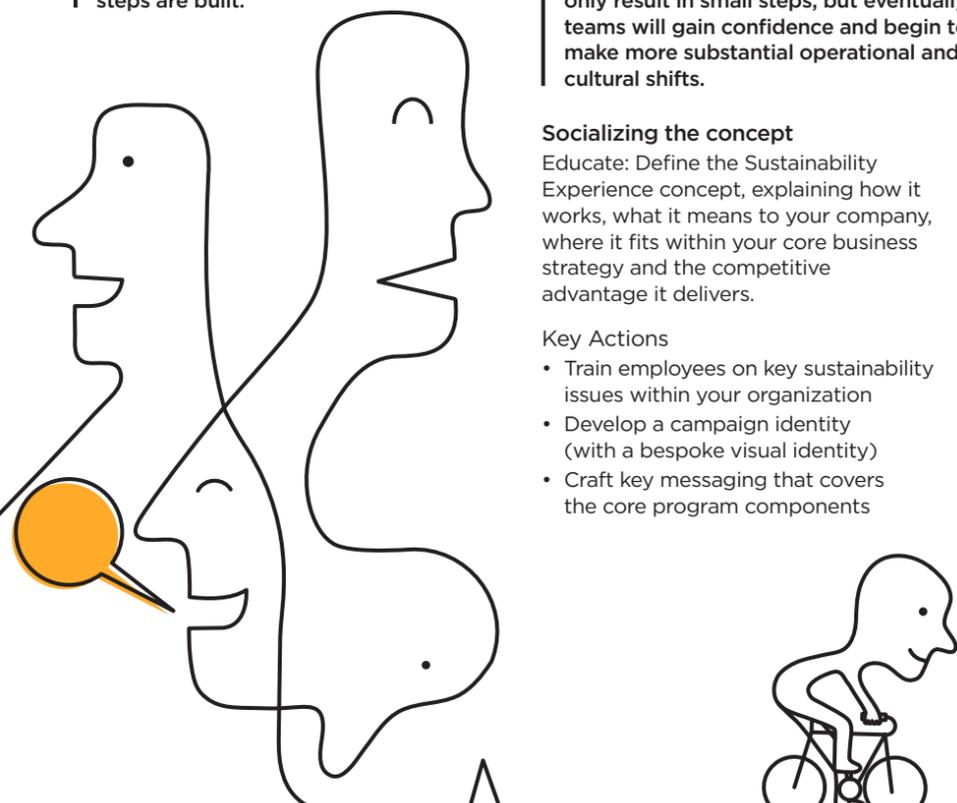
- Host an event to showcase performance, celebrate success and inspire ongoing action
- Create a digital or physical “Wall of Ideas & Achievements” to encourage employees to exchange stories and experiences
- Be practical, but fun

6 Facilitate meaningful volunteering

Volunteerism is already an important component of most organizations’ employee engagement programs. However, such programs often rely on ad hoc, unskilled volunteering efforts coordinated through the employer or encourage employees to volunteer independently (in exchange for charitable contributions—dollars for doers—or other incentives). While it might be easier to coordinate and secure employee participation for ad hoc, unskilled volunteering efforts, there is a significant down side. Such volunteering efforts have a much smaller impact on employee engagement than longer-term and skills-based volunteering. Longer-term and skills-based volunteering creates an underutilized but valuable opportunity to deepen community ties and engage employees with social and environmental sustainability issues they might not otherwise encounter on a day-to-day basis.

Case Study

Research conducted by the Australian Charities Fund found that workplace giving (defined as the philanthropic contributions of money—payroll giving, employer matching donations, workplace fundraising, employer grants—time, skills and in-kind support by employees and their employers), results in significantly more positive perceptions and motivations strongly associated with employee engagement.



How DSM's Employees "Do Something Meaningful" Every Day at Work



Hugh Welsh
President of DSM
North America

Olivia Sprinkel spoke with Hugh Welsh, President of DSM North America, about what the experience is like for DSM employees to work at a purpose-led company, and what the benefits are for employees, the business and society. DSM is a global science-based company active in health, nutrition and materials.

[OS — You speak about how DSM stands for "Do Something Meaningful." Why is this important?](#)

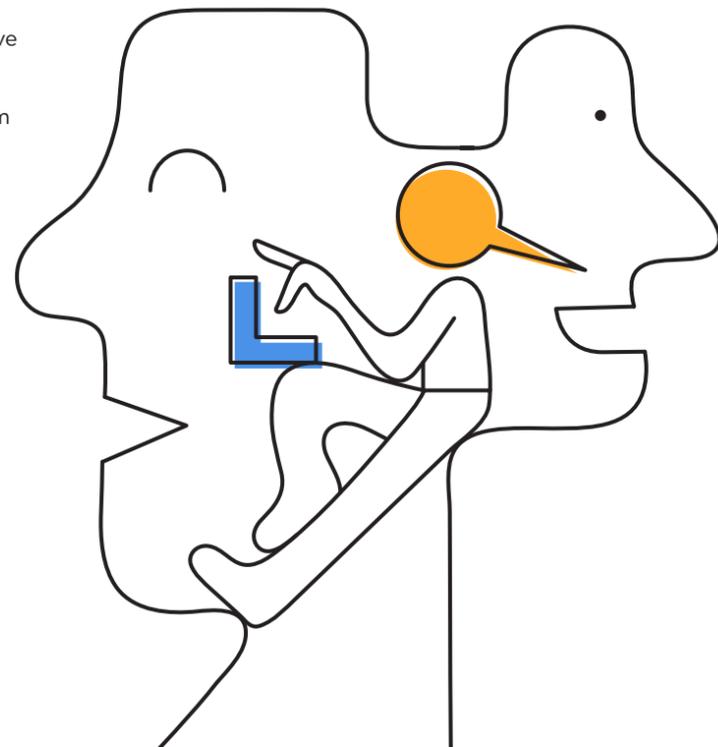
HW — Employees today want to work for some higher purpose. Being able to communicate with our 25,000 employees about how they can "do something meaningful" is important, more so even than compensation and career advancement. Employees will give 100% if they know and understand how the work they are doing contributes to the many initiatives and projects making the world a better place. It has to be more than a slogan, more than talking points. You have to provide employees with an authentic and substantive understanding of the meaning of the work you are asking them to carry out.

[OS — How do you provide that chance to engage?](#)

HW — We create a lot of energy and attention calling out what the societal challenges and opportunities are—around nutrition and climate change for example.

We need to provide everyone with the opportunity to participate in some way, to engage in the solutions we are executing; it can't just be 10 people in the company who do it, for example, working on a World Food Programme project. So we provide other opportunities to get involved. One example is the Partners in Food Solutions program, where we partner with General Mills, Cargill, Ardent Mills, Buhler and Hershey's. Employees work directly with food producers in sub-Saharan Africa, communicating with them through email and Skype. Employees can see how they are helping directly to provide safe nutritious food in Africa. We have a wide range of employee volunteer programs related to our business, from teaching STEM in high schools, to clean energy, to community nutrition programs.

It is also about trying to tie back to how everyone's role meaningfully contributes to the larger mission and vision, whether it is lawyers creating contracts for new partnerships or HR building out new Employee Value Proposition programs.



[OS — How is the bigger picture cascaded through the business so that people understand their role in achieving this?](#)

HW — The Managing Board of DSM organizes what we call a "corporate strategic dialogue" which results typically in a three-year strategic plan. Sustainability has been, and will continue to be, a core part of DSM's strategy.

This is not corporate rhetoric; this vision is reflected in the strategic plans of each operating business, production site and function. Half of the short-term incentive (annual bonus) and long-term incentive (equity) compensation of all DSM executives is based on achieving sustainability KPIs, so there is a good incentive there to achieve results. It also builds a lot of credibility with employees that sustainability is not just rhetoric, but tied to the remuneration of the leadership. As you might imagine, if these KPIs are in the incentives of executives, you can be sure that these translate into performance targets for employees as well.

[OS — Do you face any skepticism in the business about DSM's approach?](#)

HW — Any skepticism tends to come from new hires or from employees joining the business as a result of acquisitions. Sometimes they think "I've heard this before." They quickly learn that it is a little bit different at DSM. Employees are evangelical about sustainability and how it is truly tied to business strategy. It's not just something that happens once a year on Earth Day or International Women's Day. Employees come across this messaging and opportunities every day.

[OS — What channels do you use for communicating your messages?](#)

HW — We use the news center channels, which is like our internal LinkedIn. Stories are pushed out through businesses and regions and more often than not they have a link to purpose.

[OS — In the future, there will be no other key differentiator between companies apart from whether employees give everything of their imagination and creativity—or not.](#)

We use flat screens in hallways and buildings to show video messaging. This could be professional films to amateur iPhone videos produced by employees. It's an incredibly effective way to reach employees, and for them to hear stories from their own peers. We are increasingly experimenting with employee vlogging.

We also have town halls, lunch and learns, presentations and facilitated conversations. We pull in folks from the outside world to share the impact of what DSM is doing, which is so powerful. For example, we had Barbara Bush, President of Global Health Corps, explaining to our North American leadership how important DSM is in regions all over the world for public health equity. Her message was clear: your company is doing really important things, keep it up.

When we receive recognition such as being #2 among Fortune Magazines 50 Companies Changing the World, after JP Morgan at #1 and before Apple Computer at #3, this creates a lot of pride in the organization. Also, that our CEO, Feike Sijbesma, is recognized as one of Fortune's 50 greatest leaders, it shows that we do something different, we do something meaningful.

Digital and social media channels are important too. We use them to reach the outside world, but also to reach employees. I often think about how many folks I can reach every day and how to provide that example to other executives and employees.

[OS — And how do you encourage employees to share the message outside the company?](#)

HW — For us it is really important that employees want to and can share the good news about what we are doing. I teach a 4-hour course in storytelling. Stories are the way that people have communicated since cave walls and I want to give them the confidence to tell their own story.

And it is a great way to get people to share their and the company's higher purpose. I teach the art of storytelling, not just on stage and with a presentation, but also on Facebook, Twitter and LinkedIn, how to use video and blogs and demonstrate how they do something meaningful. It's incredibly important, not only for individuals' personal brand but the company brand—we are now going to have 25,000 ambassadors.

[OS — What would your advice be to other companies who want to be more purpose-led?](#)

HW — I would encourage other companies to move away from CSR-driven narratives and focus on helping employees to understand where they fit in. It is also important to tie back the company strategy to the SDGs, and help employees understand that this is something that is happening at their desks, not at the UN. It's crucial as well to understand that it is a really smart business strategy to work on solving the world's challenges. At DSM, last year we had one of the most successful financial years in our 116-year history, and our stock is near an all-time high. It's cliché, but going forward you're either part of the solution or part of the problem—and in a corporate, Darwinian sense, you either evolve and adapt or disappear. Companies that want to not only survive, but thrive, need to make themselves futureproof.

In the future, there will be no other key differentiator between companies apart from whether employees give everything of their imagination and creativity—or not. And to do this, they need to understand the importance and meaning of what they are doing. They need an opportunity to Do Something Meaningful.

Shaping the Company's Long-Term Agenda with all Employees at Danone



Anne Claire Berg
Culture and Engagement
Director, Danone

Integrating or embedding sustainability into their business is an ambition for many companies. Few have truly set out on this path, let alone achieved it. Danone is an example of a company who has taken this mission seriously. Since the 1970s, Danone has embarked on bringing together sustainability and business goals, recognizing that the responsibility of businesses doesn't stop at the factory gate.

The company vision is "One Planet, One Health." When we heard about Danone's new program, "One Person, One Voice, One Share," we immediately wanted to learn more. We were delighted to have the opportunity to speak with Anne Claire Berg, Danone Culture and Engagement Director, to dig deeper into what this means for the company and its people.

The premise of "One Person, One Voice, One Share" is radical, but shouldn't be. It provides the opportunity for every one of Danone's 100,000 employees to provide input on what the company—and by extension its people—need to do, in order to achieve the nine new 2030 goals that the company has set. The nine goals are business goals, and each goal is also aligned with one or more of the SDGs. Examples of the goals include "Offer superior food experiences and innovate, always" and "Preserve and renew the planet's resources."

The consultation provides for the involvement of all Danone people from factory floor to offices. The aim is to co-build the roadmap and milestones for each of the Danone 2030 goals and generate ownership of the company agenda by all employees. Anne Claire explained, "We believe that value will come from across the business, whatever business or role you are in. We are passionate about inclusion and diversity, and want to make sure that all voices are included."

In order to build this roadmap that will start a new annual strategic routine for Danone along with its 100,000+ people, there are three phases: 1) learning, 2) digital and face-to-face consultation and 3) shaping of the plans behind the nine company goals. Anne Claire walked us through each of these.

1 Learning

The aim of the learning phase is to ensure that Danone employees have enough information to build their own convictions about what is important to bring the company vision to life—both at a global and local level.

The learning phase was kicked off at the end of June on Danone Day. This is an annual event, where the whole company pauses and reflects on a particular theme.

This year the theme was about making the "One Planet, One Health" vision a reality and launching the learning platform. Danone employees have access to learning resources through a digital platform.

The platform has three focuses:

a) **Danone goals information:** what is at stake, what are Danone's current plans, and what needs are the goals answering?

b) **Training on planet and health related topics,** e.g. what's inside food, how is food produced and what is the future of food?

c) **Access to external trainings** with partners such as UNITAR, the education arm of the UN, Ellen MacArthur Foundation or FAO so that Danone employees can become experts on topics such as climate change, circular economy or food systems thanks to the resources that are made available to them by well-known organizations.

It includes a call to action for each Danoner to reflect and share what the future should look like for Danone.

There are also learning modules on "One Planet, One Health" related skills, in both long and short format. These cover topics from health through to waste and packaging.

2 Digital and face-to-face consultation

The purpose of the consultation is to get a better understanding of what Danone should deliver as part of its integrated Danone 2030 goals, what is working, what Danone needs to do to succeed or improve and what needs to be prioritized. It is taking place across all countries and in each country the management team will review the results and set up discussions to refine the local roadmap, providing extensive feedback to the team. All of the consultation is structured around the nine goals.

The consultation is taking place both online, through a digital consultation tool, and face-to-face. Employees can give their input anonymously if they want, but they can also volunteer to drive the agenda forward. To engage people in production sites, computers are available for the digital consultation, and there will also be live sessions in break rooms.

Asking Danone people to co-build the company's agenda in an inclusive and transparent way makes us really proud. We are moving forward with something that has never been done before.

As Anne Claire explains, "We want people to give us feedback not just as employees, but as citizens, consumers, family members, community partners."

Danone also uses Workplace, which is Facebook at Work. There are many synergies between this and the learning platform and the engagement platform. For example, there will be an email from the CEO inviting people to join the consultation that will also be shared on Workplace. And in order to ensure as much participation as possible, the engagement tool is in 36 languages.

3 Shaping the plans behind nine company goals

The aim is to have a full 2030 strategic roadmap with as many inputs as possible fully shaped by the end of 2019.

In order to increase ownership further beyond the consultation, Danone is also enabling people to actually own part of the company. Each employee will be given one share, which is a unique approach. Anne Claire says, "Feedback from Danone people has been really great, they are excited about it, it gives them a new understanding from being a shareholder." Danone is also going through the B Corp certification process at the moment. So far 30% of the company is covered by B Corp certification and Danone North America is the largest B Corp in the world.

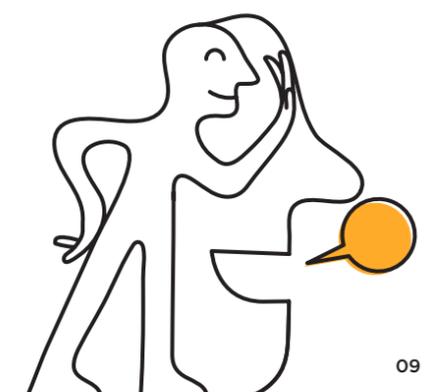
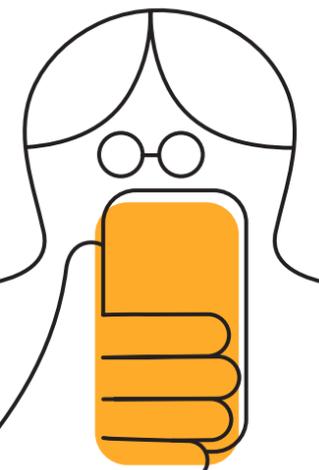
Embracing the food revolution as one company

So how does it feel? "It all feels very energizing. We really want to embrace the food revolution, and want everyone to be part of it, thanks to their convictions, insights and ideas. When you go to work, you want to understand the impact you will have to deliver your company's mission. Danone has always been passionate about bringing our dual project to life, delivering both economic success and social progress. "One Person, One Voice, One Share" builds on that commitment to think broadly and contribute to social change by involving each person in that project.

Asking Danone people to co-build the company's agenda in an inclusive and transparent way makes us really proud. We are moving forward with something that has never been done before."

And the reaction from shareholders has been very positive so far too. The plan was announced at the annual shareholders' meeting. If people are ready to go above and beyond, sharing their valuable insights to fuel the company strategy and plans, and are committed to the success of the company, this is good for shareholders as well.

Anne Claire sums up the goal of Danone's approach to creating an inclusive experience that builds from the power of many. "Let's face it: no one person has the answer anymore in this VUCA world of volatility, uncertainty, complexity and ambiguity. That's where big companies can have a tremendous competitive advantage—if they accept to trust their people to feed their strategic plans, they can tap into a huge collection of insights. Embracing the fact that good ideas do not have to come from the top, that business value is linked to local knowledge and insights, and that this power of togetherness is what can help companies impact and succeed is the way forward. I believe that "big" can be powerful because there are so many of us with our own convictions and dreams working together to achieve something greater than us. When you join a "big" company as an employee, you agree to join forces to make it happen "big" but you shouldn't lose your uniqueness. This is what "One Person, One Voice, One Share" is all about!"



Taking the Next Step

As corporate sustainability goals become increasingly ambitious, one team's dedication will not suffice. Success will require the collective action of every employee—from the boardroom to the back office.

Sustainability Experience helps to bridge the gap between an organization's sustainability commitment at the 60,000 ft. view and one leaky faucet on the plant floor or a cross-country business trip turned into a video conference. It makes sustainability feel more tangible and actionable. It makes sustainability everyone's job.

We've shared a number of strong examples of businesses that are already undertaking a more holistic, experience-based approach to employee engagement and sustainability. By doing so, they are improving their sustainability performance (and ultimately their bottom line), giving employees a greater sense of purpose and benefiting the communities in which they work.

If you are interested in creating a Sustainability Experience program in your organization, please get in touch and we would be happy to discuss.

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We are the leading international sustainability strategy and communications consultancy. We help companies and brands Step Up to the challenge of the changing relationship between business and society.

We combine strategy, insights and creativity to help business build purpose, deliver performance and drive transformation.

