



Introduction to Environmental Sustainability

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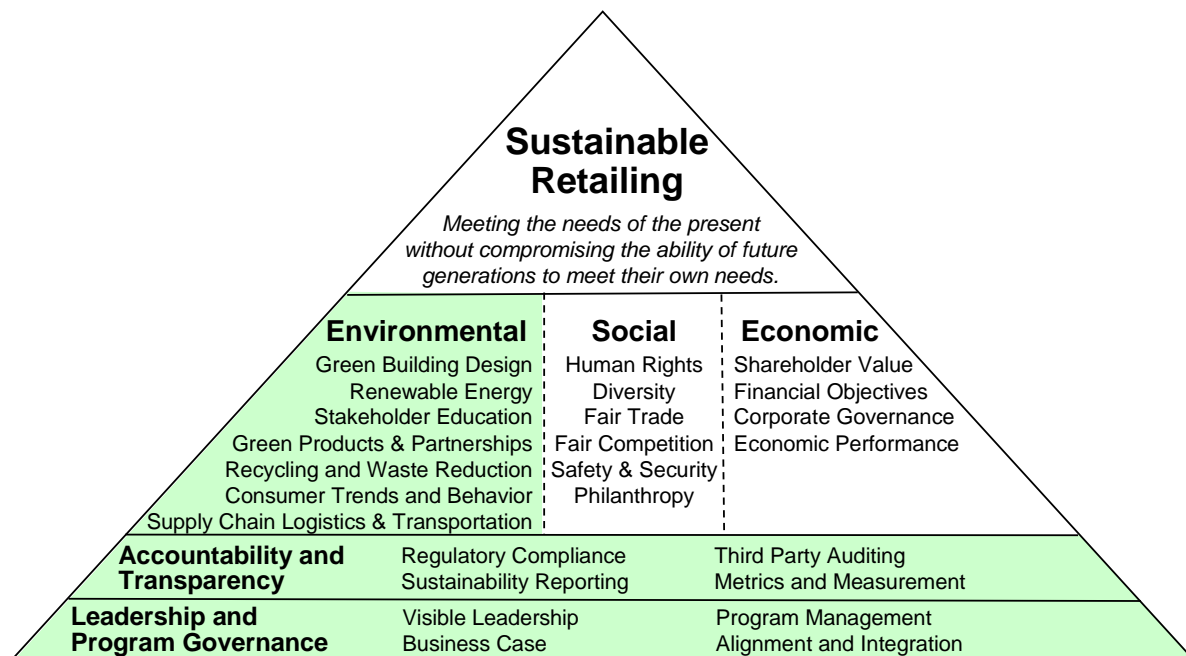
Introduction

Many companies are taking up the charge to decrease their impact on the environment. It is a multi-dimensional effort to balance what is best for the planet and what is best for the business. As consumer awareness and regulatory constraints increase, the focus becomes not just the “right thing to do”, but also the “best thing to do”.

This document is designed and written with a businessperson’s view, with a focus on the bottom-line impact wherever possible. It is meant to provide a good base knowledge of carbon footprint measurement and the broader scope of environmental sustainability. One that truly recognizes the need to achieve measurable changes and increases to ROI as a result of efforts put into place. It will provide some suggestions that can impact the bottom line, whether directly or indirectly. The guide provides tools and resources to get you on a “green path” and help you assess your progress. It contains descriptions and definitions to get you and your teams familiar with terminology, what and how to measure, suggestions for planning change and areas that you can impact. The view is there are two shades of green that you can work to achieve. Green is the color of a healthy planet and green is the color of a healthy balance sheet.

Combining this guide with a tracking dashboard and carbon footprint will provide you an interactive solution to monitor and analyze your carbon footprint and usage rates over time. It is a critical part of anything you do that you first establish where you are now. Without that base, you cannot do reporting, compare yourself to others or track the impact of your changes

The diagram below shows how many factors contribute to a truly sustainable business.



Why make the sustainability changes?

It is not just about how your business operations impact the Earth. It is about bottom line savings and improvements to the company as a whole. Two quick examples of big impacts found from the basic act of measuring and reviewing the current state.

- A major retailer discovered that one of its locations had a water usage substantially higher than that of the next highest location. After some research it was discovered that the location was being charged for the usage of the entire strip mall.
- A retailer saw little improvement from the addition of timers for lights and HVAC. Investing in a brief walkthrough after hours discovered a bad relay switch, literally a few dollars to fix. They showed large savings in a few short months.

When it all comes down to it, the most important factor to a continued business is money. Making the decision to be as green as possible has the potential to have a great positive impact to the long and short term bottom line. Reviewing current state and understanding exactly where energy and resource costs lie can often point out areas to immediately address.

- Government regulations – Current and new government initiatives are focusing on the reduction of carbon emissions and the switch to cleaner fuels.
- Rebates and Incentives – There are rebates, incentives and even some loans/ grants available for businesses making “green” changes.
- Saving money – Many actions result in cost savings, either long or short term.
- Consumer Image – Leading by example, showing customers you care about the future and their costs.
- Planet health – Everything done in a business process impacts the planet. The actions of today impact the lifestyles of the future.

Key Definitions

Here are some of the key terms used throughout the guide and in the world of environmental sustainability. It is certainly not all inclusive and you may hear other terms that are similar. You may even be familiar with many of them already. These definitions are from a compilation of sources and developed from experience with the terminology. You may see other definitions that vary slightly based on the industry involved in writing them.

- **Sustainability** – Fulfilling the needs of the present without compromising the needs of the future. It can be applied to a variety of levels of what is measured and how. True environmental sustainability goes beyond a carbon footprint and usually includes water and waste.
- **Carbon Footprint** – The total GHG (see below) impact on the environment that includes, but may not be limited to, electricity, natural gas, propane, diesel, jet fuel and refrigerants (see below).
- **Greenwashing** – The deceptive use of environmentally friendly claims to generate a pro-environmental image with customers and stakeholders.
- **Life Cycle Approach** – Reviewing the entire life cycle of goods and services when making all decisions related to them. This includes production of materials to elimination of waste at the end of the product life.
- **Triple Bottom Line Reporting** - A newer term. It refers to a concept of measuring a business's success based on the three Ps – People, Planet and Profit.
- **Corporate Social Responsibility** – A self regulatory process built into the business model to encapsulate actions and financial activity related to objectives regarding a broad scope of work from environmental to humanitarian.
- **Green House Gas (GHG)** – Gases in the atmosphere that prevent the dissipating of heat from the Earth's surface. These include carbon dioxide, methane and nitrous oxide.
- **CO₂** – Carbon Dioxide. A GHG that occurs naturally and as a result of burning fossil fuels.
- **CH₄** – Methane. A GHG produced through anaerobic (without oxygen) decomposition of waste in landfills, animal digestion, decomposition of animal wastes, production and distribution of natural gas and oil, coal production, and incomplete fossil fuel combustion.
- **N₂O** – Nitrous Oxide. A powerful GHG produced as a result of fossil fuel combustion.
- **Refrigerants GHG** – Emissions from the use of refrigerants such as HVAC, chillers and refrigerators. The emissions are based on the type and capacity of the unit.
- **Fossil Fuels** – A hydrocarbon deposit such as oil, natural gas or coal that is derived from the remains of ancient plant and animal life.
- **Baseline Emissions** – A benchmark to measure against. This should be one year of total usage and emissions for the purpose of knowing the starting point and measuring improvements.
- **Cradle to Cradle** – A material or product that is recycled into a new product at the end of its life. This is a design philosophy for goods.
- **Carbon Offsets** – A credit from another business's project that results in less GHGs in the atmosphere than would otherwise happen. These are bought and sold through a number of sources. The seller benefits from funds that make projects viable. The buyer benefits can be two-fold: they can mitigate their own GHGs and it may be less expensive to buy offsets than to make major changes.
- **Climate Registry Guidelines** – Most of this document refers to the Climate Registry as a guide for the calculations of emissions. There are other agencies, but the calculations are very similar.
- **Cap and Trade** – An emissions trading plan. Caps are set for maximum emissions and businesses can auction or "trade" their permits to heavier emitters.

- **LEED Certification** - The Leadership in Energy and Environmental Design (LEED) green building rating system, developed by the U.S. Green Building Council (USGBC), provides certification standards for environmentally sustainable construction. These standards take into account energy and water efficiency, CO2 emissions reduction, improved indoor environmental quality, and responsible raw material sourcing.
- **KWh** – The most common measure for electricity to account for the use of electricity over time (kilowatt hour).
- **Therm** – A common unit for measuring the energy content of natural gas usage. One therm = 100,000 BTUs (British Thermal Units).
- **Metric Ton (tonne)** – A measure equal to 1,000 kilograms or 2,204.6 pounds. It is the unit of measure for GHG emissions.
- **EGrid** – A number assigned to different areas of the country based on the main type of process used to produce electricity for the area. These regions are assigned factors that are applied to the component calculations for carbon footprints.
- **Climate Zone** – Areas of the country that are assigned based on the average temperature for those regions. This can be one factor used in normalizing usage for organizations with nationwide presence.
- **Post Consumer Recycled Content** – Materials that have been recovered from the use of another consumer product for use in a new product.
- **Renewable Energy** – Energy created from sources that cannot be depleted: wind, solar, ocean, biomass and geothermal.
- **Greywater** – This is water generated from activities such as laundry, dishwashing and bathing that can be use for things like irrigation. It differs from other waste water in that it does not contain human waste, so it can be directly used.

The 3(?) Rs

We have all heard the mantra “reduce, reuse, recycle”. They are the main components of any environmental conversation. However, the Global Development Research Center takes the Rs much further.

- **RECLAIM:** Improve, get back and/or make operational once again, wasted or degraded resources - for example, in the case of degraded or unusable land or derelict buildings.
- **RECONSIDER:** Used in relation to sustainable living: reconsider the need for a wasteful living lifestyle, the overuse of resources and redundant materials—in order to have a minimum impact on the environment.
- **RECOVER:** Salvage or recoup the usefulness of a resource. Also bring a resource back to its original or improved functioning state.
- **REGULATE:** Control and restrict resource use with prescribed rules and norms - particularly in the case of non-renewable resources. It can also include the management and monitoring of such resources to prevent misuse and degradation.
- **RELINQUISH/RENOUNCE:** Relinquishing or renouncing refers to giving up the use of certain goods or services that produce a negative environmental impact. Sometimes it may also mean the giving up of a personal ‘convenience’ for the good of the environment.
- **REPAIR:** Quite simply, machines and technologies that are in a bad condition or in a state of deterioration (uses more resources and emits more waste than normal) need to be repaired to make it more efficient with less environmental impacts.
- **REPLACE:** In some cases, resource crunching, wasteful goods and technologies have to be replaced by more appropriate and productive alternatives that are less energy intensive too.
- **RESTORE:** Reinstall and return to the environment the resources that were taken from it. Restoring also refers to the return of resources to its natural state.
- **RESTRICT:** Curtail and control the indiscriminate and wasteful use of natural resources. It can also mean the confinement of resources use within levels below which it can be regenerated and regulated.
- **RECONDITION:** An example of recycling - to disassemble and clean products recovered in factories and reassemble them after changing some parts. Quality assurance is processed as required and reconditioned products and units are shipped to the market as the same products and units as those recovered.

Source - http://www.gdrc.org/sustbiz/green/doc-proc_guidelines.html

Some Challenges Faced In Measurement and Reporting

As with any newer initiative that has been governed by guidelines and many contributors there are challenges faced when trying to establish measurements and reporting. Especially anything shared with the outside world, whether consumers or competitors. This will certainly not cover all of the issues that may be faced, but keeping these in mind as things get going will have a positive impact on the final results.

- **What to measure** – Likely one of the biggest things to consider. The approach can be as minimal as in house business operations to the broadest scope of looking at how suppliers create goods and what the consumer does with waste. For the purpose of government regulations, rebates and potential refunds, definitions may be different for those submissions. In general it focuses on the usage involved in the production and delivery of goods and overall business operations.
- **Finding “what is great”** – Because this initiative is still newer to the retail world (especially in the United States) finding “best in class” is challenging. In particular those metrics that can appropriately compare different retail industries. For example apparel retailers may have a much different footprint than electronics retailers.
- **Actually obtaining the data** – this can sometimes be a challenge based on the service providers and the way billing is received. For example, billing may only occur quarterly or may be consolidated for regions. The granularity of reporting may be impacted based on what data is available. It is critical to get some history to establish as a baseline. It is recommended (and even required for many regulations) that at least 12 months of history is needed to establish that baseline.
- **Differing definitions** – you may find some differences in what is used in calculating both carbon footprint and environmental impact. Find a regulatory organization and use those measurements, or find a good carbon footprint calculator that is used by other retailers. Consistency in reporting is crucial to comparative reporting.
- **ROI** – some initiatives will initially cost money to implement. This may be the biggest obstacle in getting a green initiative going. Do the research to find the potential rebates and credits for change. Don’t forget the power of marketing the changes to the consumer.

Before You Start on Your Green Path

A few important pieces of information are needed before you begin your journey.

One main directive is to use the Climate Registry Guidelines to determine carbon footprint information. You can use their guidelines to determine what level of scope and type of measurement is best for your company. The Climate Registry, as denoted on their website *“is a nonprofit organization that provides meaningful information to reduce greenhouse gas emissions. The Climate Registry establishes consistent, transparent standards throughout North America for businesses and governments to calculate, verify and publicly report their carbon footprints in a single, unified registry.”*¹ When discussing calculations, these guidelines are used throughout this document.

Your Carbon Footprint is the amount of GHG (Green House Gas) emissions caused directly (and depending on scope, indirectly) by any individual, business, product or event. It is about the energy used to operate the business or just live our lives. Green House Gases impact the environment because they can trap excess heat in the atmosphere. The diagram (figure 1) below demonstrates the basic flow of production and usage to create the footprint. Detail of the calculation is covered later in the document.

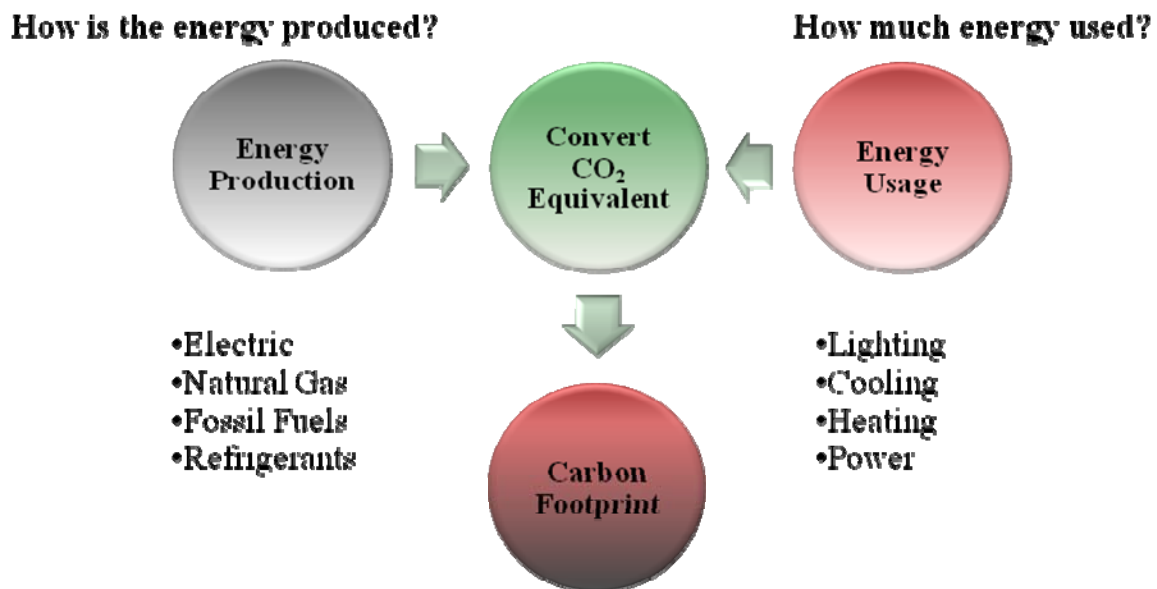


Figure 1

In addition to the Carbon Footprint, Environmental Sustainability focuses on all contributors to sustainability. This includes: water usage and waste/ recycle ratios and ways to improve both.

Think about the entire business when starting the review and planning for change process. Here are just a few of the areas to get you started. Some areas will have varying impacts and ease of implementation. Don't be afraid to look at any area and discover the gems of change that can be found.

- Operations – purchasing, packaging, shipping and delivery of goods and services. This can include how you source your goods, the design of products and packaging and how the goods are routed to the consumer. You can take this a step further by partnering with suppliers to improve the full product life cycle. The broader the scope of change, the more impact you can have on planet and profit. Many companies have established guidelines and scorecards for suppliers that must be met for continued business.
- Facilities – company location activity, including energy management, supplies and recycling. This would include “greening” your office, from paper usage to the types of printers and other office machines used and purchased.
- Human resources – personal sustainability plan and solutions your employees can implement. Studies show more powerful results from a team that feels fully engaged in the process.
- Marketing – advertising, merchandising and community support. The messages you send can impact how the community behaves as well.

Focus on ideas and initiatives that will achieve a positive ROI for your business. When looking at the bottom line impact, there are three main categories that initiatives will fall into. Consider these categories to bucket your ideas.



- Relatively quick dollar savings for your business. These items will show how the changes will result in rapid and visible improvements.



- TCO. Total Cost of Ownership. These items are related to the full life cycle of products, decisions and actions. They may initially be an additional investment, but will result in long term benefits in the life cycle stream.



- People/ Planet. These items are more focused on the benefit to the environment and the people in it. The ROI may not be purely financial, but social.

Your Plan

Many of the pieces needed for a comprehensive plan are already in place at your business. It is a matter of collective the resources and information into a “Green Path” that is easy to measure, easy to repeat and easy to follow. In this section we will discuss:

- The steps needed to develop a great plan.
- Scorecards and Reporting possibilities.
- Goal setting.

Developing Your Plan

A well developed plan is the key ingredient to a successful sustainability effort. Following these critical steps creates a solid foundation to build a practice that can benefit profit and planet. Whether your business is a team of 1 or 100,000, the basics still apply.

- **“Keep it simple”** – Sustainability can be a fairly complex idea and implementation. It is important to keep everything in a universal language.
- **Get everyone involved on some level** – Accountability and participation go a long way to accomplishing goals. Let everyone know their actions matter to the end result.
- **You cannot improve what you cannot or do not measure** – Make sure to have a way to measure success.

Step 1: Determine Partners and Roles

Depending on the size of your company, this could mean all employees, or leaders of select areas of the organization. For many larger companies, the areas of Real Estate and Facilities Management are the key players. However, determine what is best for your business.

The important attributes of the team are members who are:

- **Decision Influencers** – They have the authority to make decisions or influence leaders.
- **Action Oriented** – People who are willing to work to get the job done.
- **Strategic Thinkers** – People who can look at the big picture and how each component plays a role in it.
- **Good Communicators** – People who can spread the word of the plan to teams.
- **Key Players** – Include everyone who will be directly impacted by decisions or required actions.
- **Impartial Leader** – You need someone who can “break ties” and keep the flow going. Whether you choose a partnership with an outside group or find this resource internally, it is the building block for success.
- **Flexible** – This is a new initiative. People may have to step outside the exact definition of current job responsibilities to achieve success.

Once the team is selected, gain alignment on the roles of each member. Each of your activities may have a different responsibility grid. This is more determining the overall roles of each member.

- **Marketing** – Who is your lead “PR” person for internal and external advertising of your plan? This person may develop brochures, create press releases, set up events etc.
- **Measurement** – Who will lead all reporting and measurement of current state and progress of initiatives?
- **Project Manager** – Who will lead the cause to keep everyone on track, report overall initiative progress and needs?
- **Voice of the committee** – Who will be the main voice for the group, talking to both upper management and “the masses”?
- **Project leads** – Who will lead the actual projects? This may be every member in some capacity. As you develop the individual activities, leads will naturally fall into place.

In addition to the team members, quickly determine a few other key players in getting the company on the path to green.

- **Company Decision Maker** – Who makes the final decision on budget and actions of the business?
- **Executors** – Who are the people who will “get things done”? This is the group of people needed to perform activities resulting from the plan. They may be internal or external resources (consultants, building contractors etc.).
- **Stakeholders** – Determine who will “care” about the changes made. Tailor communications, activities and reporting to those stakeholders to gain consensus and optimize impact.

Step 2: Determine Current State

You need a baseline, a starting point, a level setting of where you are. You cannot know how well you are doing if you have nothing to compare to. Knowing your starting point leads to discussions and decisions around where you want to go. It can help you find the areas of focus and determine what is within reach.

This is likely the most important and potentially the most challenging step in your plan development. Gathering the required data to populate a sustainability scorecard is possible for every business. Not easy – but possible. Data may be scattered across functions, databases, systems and users, but once gathered, it can be cleansed and used for internal and voluntary external reports. Expect to discover data integrity issues. Expect your data to be incongruent, with gaps and errors that will only come to light through this exercise. Until data can be cleansed and quality assurance steps are put in place for future data capture, create data normalization rules to help you alleviate the issue of poor historical data quality. It is recommended to have one year of data to create the baseline and at least one additional year to begin to recognize trends and patterns.

The following checklist can serve as your guide for creating sustainability reporting. Many items can be estimated using averages until you can get more granular data and still lead to good business decisions and reporting. The Climate Registry also provides standardized guidelines for data estimation. Some of these are not required for a good carbon footprint or sustainability measure. The most important metrics for a carbon footprint are noted with Scope 1. A sustainability measure can add in water, waste and recycle.

- Measure Type– Environmental category.
- Carbon/Environmental Metric – The measurement to be used for environmental reporting.
- Financial Metric – The measurement basis for financial reporting.
- Granularity – The lowest hierarchy level required.
- Frequency – The lowest level of reporting frequency required.
- Difficulty – an estimation of the relative difficulty to find and collect the data in most cases.
- Scope – A standard requirement level based on Climate Registry definitions of primary and secondary control of emission creation.

A brief explanation of the Scope section is listed here. For a more detailed description see the Climate Registry Guidelines documentation on their website.

- Scope 1 is all direct GHG emissions, so anything the results from your business activity and is within your ownership or control.
- Scope 2 is indirect emission associated with the consumption of power sources, so the emissions from your local power plant.
- Scope 3 is anything else not covered in 1 or 2, so upstream or downstream impacts like a supplier's production processes or a consumer's disposal of goods after use.

Measure Type	Carbon/Environmental Metric	Financial Metric	Granularity	Frequency	Difficulty	Scope
For Carbon Emission Reporting						
Electricity	KWH (kilowatt hours) used	\$ per KWH ¹	by facility	monthly	Easy	Scope 1
Natural Gas	Therms Used	\$ per Therm	by facility	monthly	Easy	Scope 1
Fuel Usage - for owned or capital leased fleet						
Jet	Miles flown or gallons purchased	\$ per Gallon	by cost center or facility	monthly	Medium	Scope 1
Gasoline	Miles driven or gallons purchased	\$ per Gallon	by cost center or facility	monthly	Medium	Scope 1
Diesel	Miles driven or gallons purchased	\$ per Gallon	by cost center or facility	monthly	Medium	Scope 1
Propane	Usage estimate or gallons purchased	\$ per Gallon	by facility	monthly	Medium	Scope 1
Refrigerants	lbs used by reffridgerant type	\$ per Lb	by facility	monthly	Medium	Scope 1
Fuel Usage - for non-company controlled suppliers, employees, etc						
Jet	Airline miles flown	Total \$ for Airlines	by cost center or facility	monthly	Medium	Scope 2 or 3
Gasoline	Miles driven or gallons purchased	Total \$ for Gasoline	by cost center or facility	monthly	Medium	Scope 2 or 3
Diesel	Miles driven or gallons purchased	Total \$ for Diesel	by cost center or facility	monthly	Medium	Scope 2 or 3
Propane	Usage estimate or gallons purchased	Total \$ for Propone	by cost center or facility	monthly	Medium	Scope 2 or 3
<i>Offsetting Charges:</i>						
Internally sourced Renewable energy						
Electricity	KWH produced	\$ per KWH ¹	by facility	monthly	Easy	Scope 1
For Environmental Impact Reporting						
Water	Gallons or kilogallons used	\$ per gallon or kilogallon ²	by facility	monthly	Easy	N/A
Solid Waste	Pounds or tons	\$ per ton	by facility	monthly	Easy	N/A
<i>Offsetting Charges:</i>						
Recycling	Pounds or tons	\$ per ton	by facility	monthly	Medium	N/A
Cardboard	Pounds or tons	\$ per ton	by facility	monthly	Medium	N/A
PET	Pounds or tons	\$ per ton	by facility	monthly	Medium	N/A
Compost	Pounds or tons	\$ per ton	by facility	monthly	Medium	N/A
Gray Water	Gallons or kilogallons reclaimed	\$ per gallon or kilogallon ²	by facility	monthly	Medium	N/A
¹ Internal sourced renewable energy offsets purchased energy at a 1:1 cost ratio						
² Gray water gallons offset usage of fresh water at a 1:1 cost ratio						
N/A Environmental impact metrics are not covered by the Climate Registry scope standards						

In addition to the metrics above, other required information for complete reporting are site attributes. This allows you to summarize reports at the district or region level or so that similar facilities can be grouped together – like distribution centers or store prototypes. The facilities attributes must also include zip codes for the purpose of using Egrids (areas based on the type of energy used to create power), as different Egrids have different emissions factors. For example, stores that are serviced by coal-fired energy producers will have higher emissions than stores that are serviced by nuclear generated energy producers. Zip codes are also used to group stores into similar climate zones for reporting purposes. Store statuses are also critical to accurate measurement so that stores that are under construction, closed or under landlord operation can be appropriately included or excluded from measurement over time.

Another critical facilities attribute to include is selling space in square feet. This is important for normalizing the reporting to a constant for more accurate measurement and reporting. For example, a healthy retailer who is opening more stores than it is closing will, by definition, see its GHG emission increase quarter after quarter. However, when measurements are taken as GHG emissions per square foot, the retailer can truly see if it is improving or degrading its energy efficiency and usage. Other normalizing attributes that can be associated with the data model include Total Revenue (metrics are reported in per \$000's revenue), Employee (metrics are reported in per employee), Total Square Footage (metrics are reported in per SF), etc. Multiple views are important to report total usage and to look at information in a way that equalizes other factors.

Step 3: Create a Theme/ Missions and Vision

Just as a successful business needs a theme or message to send, your sustainability plan needs one too. Themes create the framework for communication, advertising and overall goal setting. Having an overarching theme keeps the team on track, each suggested activity can be scrutinized with “Does that fit our theme?” and will help with goal setting. Your theme should be creative, send a clear message and be easy to remember. A brief brainstorming session usually results in a few great ideas to vote on. It is critical that your theme fits with your business, your goals and your customers.

Here are a few examples:

- HP touts “Eco-Solutions” for products and IT processes.
- Dell created “Dell Earth™” to label their environmental efforts. They focus on products, packaging and passing savings to consumers.
- Kohl’s theme is “Kohl’s Green Scene™”. The focus is on emissions reduction and building design.
- McDonald’s has a Global Environmental Commitment focusing on Energy Efficiency, Sustainable Packaging and Green Restaurant Design.
- Starbucks theme is “Starbucks’ Shared Planet™” focusing on ethical sourcing, environmental stewardship and community involvement.
- Wal*Mart creates a newsletter called S*MART that focuses on efforts made to change suppliers and packaging.

Define your mission and vision for your environmental sustainability plan. Your mission and vision are not the detailed activities, but the overall scope of your plan. This will guide the individual activities; they create the foundation for ideas. A few examples are:

- Waste Reduction
- Environmental Education
- Energy Efficiency
- Employee Personal Sustainability Plans

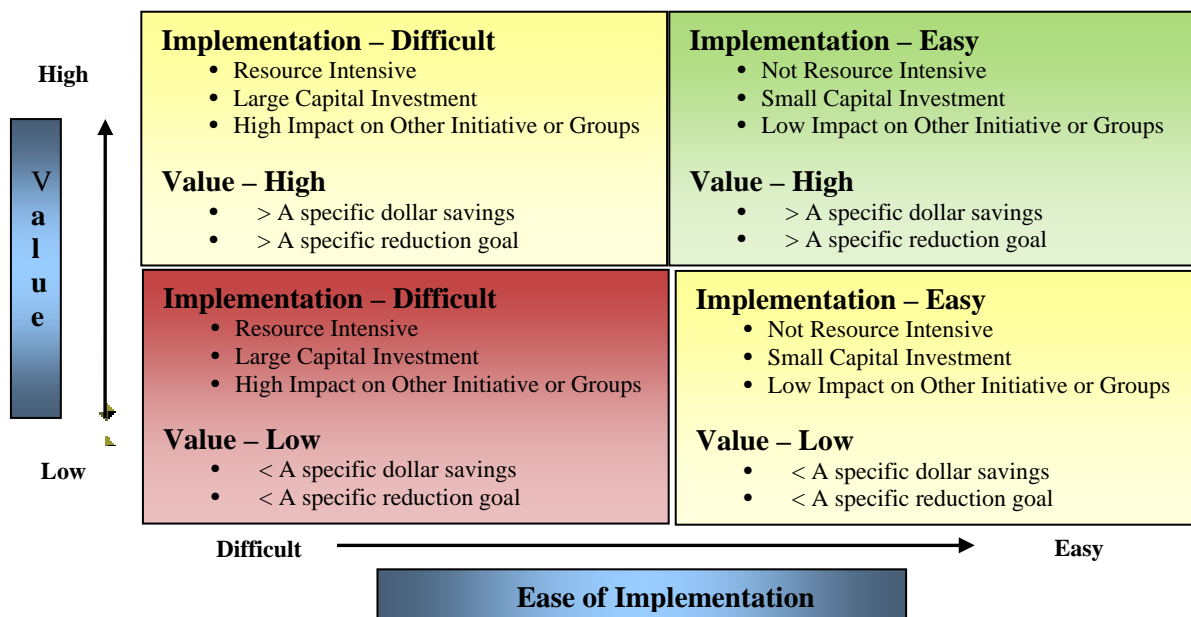
Set overall guidelines for what you want to accomplish and the areas of focus. Considerations in this area include:

- Regulations – are there any legal requirements that must be met?
- Resources – consider what resources you have, capital and human capacity.
- Customer – what level of concern and awareness does your customer have around the environment? Take care to not focus on the “green” consumer, but educate all about the importance of change.
- Company goals – environmental goals should enhance and support overall company goals.

Step 4: Determine Your Projects/ Activities

All activities should fit clearly in one of your overarching goals determined in Step 3. Follow these crucial guidelines and you will be on your way to an actionable plan.

- **Brainstorm about each major area.** Take ideas from many sources and categorize them. Focus on the “no idea is a bad idea” to start. Let everyone have a voice and consider all topics.
- **Group, categorize and combine ideas.** Some items will naturally combine. Think about who will be handling the projects and how activities may flow together.
- **Narrow the ideas down to a challenging yet achievable list.** Table ideas that fall out of scope/ mission or vision. An important role of the meeting leader is to communicate that a tabled idea is not a bad one.
- **Perform a Value Targeting exercise for each idea.** Value Targeting is a way of categorizing each proposed activity into one of four buckets based on ease of difficulty and potential benefit. See the figure below for the grid. The goal is to determine which activities make the biggest impact. You will divide activities into “quick hits” (things you can do in a short time that will make a difference), longer term projects and tabled projects (those you decide are too much effort for the benefit).
 - You will want to focus on the activities that fall in the green box (upper right) first, then the yellow boxes (upper left and lower right). Most likely you will table those that fall into the red box (lower left).



- **Detail and assign the selected activities.** Once you chose the activities, you need to put them into an action plan.
 - Determine **how** you will accomplish the activity. Create the steps necessary and the resources needed.
 - Decide **when** you will have it complete. Successful goals need an end point.
 - Define the **measure** of success/completion. This can be a financial savings, a usage reduction or change in behaviors.
 - Track the **cost/benefit** of the activity.
 - Assign **who** is responsible for the activity. You should take this one step further and use RACI (Responsible, Accountable, Consult, Inform) assignments. There is an explanation of RACI at the end of this document.

Step 5: Communicate Your Plan

Spread the word about your goals. By now, a great deal of effort has gone into creating the plan. Let the teams, your stakeholders and your customers know about it.

- **Internally:** Plan an event to announce the initiatives. Let everyone know they are part of the change and generate some excitement around the benefits. One idea is to give everyone a sapling to plant in honor of the new environmental initiatives for the company. Try to tie the event to your overall theme.
- **Externally:** Add the overall goals to your website. Create a newsletter for press and customers about your plans and progress.

Take care to avoid “greenwashing” in your communications. TerraChoice coins the Six Sins of Greenwashing™² to categorize the errors. Avoid these and you will be in good light.

- **Sin of the Hidden Trade-Off** – The Sin of the Hidden Trade-off is committed by suggesting a product is “green” based on a single environmental attribute (the recycled content of paper, for example) or an unreasonably narrow set of attributes (recycled content and chlorine free bleaching) without attention to other important, or perhaps more important, environmental issues (such as energy, global warming, water, and forestry impacts of paper). Such claims are not usually false, but are used to paint a “greener” picture of the product than a more complete environmental analysis would support.
- **Sin of No Proof** – Any environmental claim that cannot be substantiated by easily accessible supporting information, or by a reliable third-party certification, commits the Sin of No Proof. (For this research, we determined there to be ‘no proof’ if supporting evidence was not accessible at either the point of purchase or at the product website.)
- **Sin of Vagueness** – The Sin of Vagueness is committed by every claim that is so poorly defined or broad that its real meaning is likely to be misunderstood by the intended consumer.
- **Sin of Irrelevance** – The Sin of Irrelevance is committed by making an environmental claim that may be truthful but is unimportant and unhelpful for consumers seeking environmentally preferable products. It is irrelevant and therefore distracts the consumer from finding a truly greener option.
- **Sin of Lesser of Two Evils** – These are “green” claims that may be true within the product category, but that risk distracting the consumer from the greater environmental impacts of the category as a whole.
- **Sin of Fibbing** – The Sin of Fibbing is committed by making environmental claims that are simply false.

The “Six Sins of Greenwashing™”

Scorecards and Reporting

This is critical on two levels. First, as discussed in the “Developing Your Plan” section, reports and scorecards provide the baseline, the “where am I starting” of your sustainability. Second, they provide a view of how you are tracking to goals, what improvements are occurring, whether your actions are translating into impacts.

There are endless ways to track and individual areas may create custom tools to record progress for each activity. However, the best way to be consistent and equal is to have a set of reports and scorecards for everyone to use. These should be standard reports that are being viewed by management and any outside sources. This data and the definitions used can be complicated and consistent reporting is key to sending the same message all the time.

For overall energy reporting, follow the same guidelines as explained in Step 2 of “Developing Your Plan”. There are tools out there to help you measure and get a good starting point. Many do not have the feature of including area of the country etc. and are not overly viable for looking at each site separately, but they can show you a good idea of where you are. The exact calculations are not included in this document as that becomes an education process in itself.

Add views for presentations to top management and the public. Think about delivering a strong message that will hit home when delivered. Communicate usage or improvements in terms that will translate well. Make statements like:

“The improvement in route management is equivalent to removing 5,000 cars from the roads annually.”

“Our current water usage would fill our headquarters building 100 times.”

Consider normalizing data for reporting you are using internally and to compare to like businesses (many reporting agencies will not allow for normalization when providing official data). Definitely keep looking at total usage, but normalizing allows you to more evenly compare sites. A facility that is 20,000 square feet is likely to have a much higher usage than one of 5,000, but if you look at the data in a per square foot manor, a true comparison can be done. You could also create groupings based on the activities at a facility (for example some sites may have products that need refrigeration while others do not). Think of it in the same terms as you may group stores to determine performance.

For tracking of individual projects you have chosen, create a scorecard. A scorecard is a quick view of the progress of a project. It is often coded “red, yellow and green” to show where you are and what is on track. It should include all of the major activities and milestones as well as who is responsible for each activity.

A Caution: One challenge will be counting the benefits from individual actions. In many cases, there is an overlap from activities. Be careful to not double count. Tracking activities in related groups will reduce this issue.

Goal Setting

SMART Goals

Everyone will benefit from goals and objectives if they are SMART. SMART, is the instrument to apply in setting your goals and objectives.

What's so smart about SMART? Why has this acronym become part of the vocabulary of project planning and performance management?

Objectives that are SMART (Specific, Measurable, Aligned, Realistic/Relevant, and Time-bound) are likely to be achieved. When generic, off-the shelf objectives get the SMART treatment, they emerge as targets that engage focus, action, feedback and learning. These targets assist development of individual work plans, and also provide a guidance system for supervisor-staff performance review discussions.

How Do You Write a SMART Objective Statement?

First, you must decide exactly what you expect to create, and how you will recognize it when it comes to be. Now put it in words: "Our Internet Marketing system produces a minimum of \$3500 per month in product sales by 31 July 2009, with a quarterly increase of at least 5% thereafter." The Specific, Measurable, and Time-bound aspects are built into one short declaration.

Will it happen? Much depends on whether your objective is aligned with things that really matter to you (and your organization), and whether you can commit the resources to bring it about. In individuals and in organizations, resource distribution often reflects past priorities and requirements. As you develop your SMART objective, step back and compare proposed results with existing commitments in the larger organization or systems you serve. This broader perspective can help you decide if:

1. Your proposed result is consistent with and directly relevant to larger strategic goals and desired outcomes, and
2. Your proposed result has such great pay-off potential that it is worth the resource investment it requires.

Taking on a new initiative usually means that something else must go. If you discover that current investments are not producing the gains you had hoped for, you know where you can harvest resources for endeavors you believe will be more fruitful.

Now that your objective embodies the "Alignment" and "Realistic/Relevant" aspects of SMART, you are ready to use it as a target for work plans.

SMART Goal Framework

Write down the goals you want to reach. Look at each goal and **evaluate** it. Make any changes necessary to ensure it meets the criteria for a **SMART goal**:

- S** = Specific
- M** = Measurable
- A** = Attainable
- R** = Realistic
- T** = Timely

Specific

Goals should be straightforward and emphasize what you want to happen. Specifics focus our efforts and clearly define what we are going to do. This is the What, Why and How of the SMART model.

WHAT are you going to do? Use action words such as direct, organize, coordinate, and develop.

WHY is this important to do at this time? What do you want to ultimately accomplish?

HOW are you going to do it?

Ensure the goals are specific, clear and easy to interpret. Instead of setting a goal to reduce energy costs, set a goal to reduce electricity spend by 2% in 6 months.

Measurable

If you can't measure it, you can't manage it. In the broadest sense, the goal statement is a measure for the project; if the goal is accomplished, there is success. However, short-term or step measurements can be built in by creating a goal with measurable progress.

Establish concrete criteria for measuring progress toward each goal you set. Measuring progress keeps you on track, demonstrates forward motion and provides the exhilaration of achievement that spurs you on to continued effort required to reach your goals.

Attainable

When you identify goals that are most important to your business, you begin to figure out ways you can make them happen. You develop and foster the attitudes, abilities, skills, and financial capacity to reach them. You begin seeing previously overlooked opportunities to bring yourself closer to the achievement of your goals.

Goals that are too far out of reach may prove to be overly challenging to pursue in the long run. You may start with the best of intentions, but if the resources are not available to get the job done, the goal is doomed to fail. A SMART goal stretches your resources to the extent that it can still be done, but it will need a solid commitment of time and effort.

Realistic

This is not a synonym for "easy." Realistic, in this case, means "do-able." It means that the learning curve is not a vertical slope; that the skills needed to do the work are available; that the project fits with the overall strategy and goals of the organization. A realistic project may push the skills and knowledge of the people working on it but it shouldn't break them.

Devise a plan or a way of getting there which makes the goal realistic. The goal needs to be realistic and timely. Set goals that take effort! Too difficult and you set the stage for failure, but too easy does not promote growth. Set the bar high enough for a satisfying achievement!

Timely

Set a timeframe for the goal: next week, in three months, by fiscal year end. An end point gives you a clear target to work towards. If you don't set a time, the commitment is too vague. Without a time limit, there's no urgency to start taking action now. Time must be measurable, attainable and realistic.

RACI and Project Scorecard

RACI

There are several other forms of this with additional letter assignments, but here is the basic one. This is a matrix that can be used to determine who will be involved in a project and to what degree. This process can help you make sure you have included all appropriate participants, you have given the tasks to “someone” and you know who is to be held accountable. For small projects this can be a very quick process. For larger ones it may take a little time, but it is well invested.

Responsible – This is the group or individual that will actually be doing the tasks involved.

Accountable – This person “owns” the work. All sign offs and follow through fall under this person. There is only one “A” in each task.

Consulted – This is the group or individual that may be asked to give advice or important input.

Informed – This is the group or individual that need to know what is going on with a project.

What you want to do is look at the tasks involved in a project and make the decisions on who all the players are and what role they need to play. Make an effort to group like tasks and activities where you can. Think about what other areas will be impacted by either the result of or the activities needed to do the work. For example, if staff is needed from your data group to develop the metrics, make sure all areas know of the new limitation on resources.

There are a number of great resources on the web to get you more detail and samples of this process.

¹ <http://www.theclimateregistry.org>

² http://www.terrachoice.com/files/6_sins.pdf