Employee Engagement & Sustainability

Paul Narog, Manager, Environmental Operations



NAEM Web Seminar

November 17, 2009



3M Company Profile

- Founded in 1902 and headquartered in St. Paul, MN
- Global diversified industrial focused on R&D and Manufacturing



- Sales: \$25.3 billion (>60% international)
- R&D and Related Expenditures: \$1.4 billion
- *Employees: 79,000*
- 3M one of 30 companies in Dow Jones Industrial Average





Six Market Leading Businesses



Providing over 50,000 products to multiple industries across the globe



Everybody wants to have an engaged workforce because it can forge a path to competitive advantage.

Yet ask five different people to define engagement and you'll likely get five different answers, or better yet ask 5 vendors....



What is 3M's Definition of Engagement?

en•gage•ment (in gājd/ měnt)

"an individual's sense of purpose and focused energy, evident to others in the display of personal initiative, effort and persistence directed toward <u>organizational goals</u>."

It is all about alignment



Corporate Values

- Act with uncompromising <u>honesty and integrity</u> in everything we do
- Satisfy our customers with <u>innovative technology</u> and superior <u>quality</u>, <u>value and service</u>
- Provide our investors an attractive return through <u>sustainable</u>, <u>global</u> <u>growth</u>
- Respect our <u>social and physical environment</u> around the world
- Value and develop our <u>employees' diverse talents</u>, initiative and leadership
- Earn the admiration of all those associated with 3M worldwide



Corporate values form the foundation for our sustainability principles



Sustainability Principles

Economic Protection Success

Social Responsibility

Economic Success

Build lasting customer relationships by developing differentiated, practical and ingenious solutions to their sustainability challenges

Environmental Protection

Provide practical and effective solutions and products to address environmental challenges for ourselves and our customers

Social Responsibility

Engage key stakeholders in dialogue and take action to improve 3M's sustainability performance

These principles are foundation for our employee engagement efforts



Why Build Employee Engagement Strategy **Around Sustainability?**

Increasing interest from key customers in 3M's sustainability performance and products

- Growing ecological & societal challenges
 - Threat to business continuity
 - Opportunity for business growth
- New recruits place a premium on "sustainable" companies
- Employees want to connect their personal values with their professional endeavors











Employees Are Engaged By...

- Leaders who inspire confidence about the future
- Managers who respect and recognize employees and provide educational development opportunities
- Exciting, meaningful work that challenges employees
- Organizations that demonstrate a genuine responsibility to their employees and communities



Leadership Support for Sustainability

CEO-Led Commitment



Long before the concept of sustainability came to the forefront of corporate consciousness, 3M served as a leader for reducing its impact on the environment while conserving resources through its breakthrough Pollution Prevention Pays (3P) program. What began as a pioneering concept over 30 years ago continues today because sustainability is integral to 3M's values. The company's commitment to the highest standards of ethical business conduct and consistent practices worldwide are helping 3M meet the needs of society today while allowing the people of future generations to meet their needs.

Over the next few years 3M will continue to build on its world-leading progress by reducing volatile air emissions by an additional 25 percent, improving energy efficiency by 20 percent, and reducing waste by 20 percent. In addition, 3M will continue to address global climate change and greenhouse gas emissions. The company has already exceeded its goal to reduce absolute greenhouse gas emissions by 50 percent from a 1990 base year.

In recognition of 3M's commitment to sustainability, the company is consistently included in the Dow Jones Sustainability Index, which tracks the performance of the leading sustainability-driven companies worldwide.

3M proved long ago that a company can be competitive and profitable and also a responsible citizen. We will continue to demonstrate that principle through our actions.

Gwbundy

- A legacy of 3M's culture
- Engaging employees and bringing innovative solutions to customers today
- Critical to our future



Developing the Potential of Employees

- Continuous learning environment
- Accelerated development program for leaders
- Active mentoring program
- Outside learning opportunities



- Enhance employees personal commitment
- Encourage identification of 3M growth opportunities





Sustainability Educational Resources

- 3M.com/Sustainability (external)
 - 2009 3M Sustainability Report
 - 3M Environmental Solutions Catalogs
- 3M Sustainability Center (internal)
 - Environmental Marketing Claim Guidance
 - Sustainability Key Messages & Tools
- Sustainability Speaker Series
 - External Speakers on Societal and Ecological Challenges
 - Internal Speakers on Links Between Sustainability and 3M R&D Progress and Business Strategy







Providing Meaningful Work That Supports Both 3M & Society

- Enable employees to innovate around sustainable processes products & approaches
- Build pride & positive energy around concepts employees really care about
- Support employees in making a personal commitment to sustainability

Product Solutions



Taking Care of the Environment

Community Giving & Volunteerism



Taking Care of Our Communities



Dr. Joe Ling; The Father of Pollution Prevention Launched 3M's Pollution Prevention Pays (3P) Program in 1975



"Pollution is ... unused raw material. By reducing the amount of pollution, ... [3M can] save money both on pollution control and on raw materials the next time around. It's a win-win situation."

3M's 3P Results (aggregate first year savings only)

- Over 2.9 billion pounds of pollution prevented
- Over \$1.2 Billion saved



3P at Work

Red Dot Resting Electrode Waste Reduction Project

- Reduced waste by redesigning electrode
 - Re-configured the electrodes on the card
 - Reduced silver and adhesive coating weight
 - Reduced electrode size
- Prevented 11.8 tons of waste and saved \$917,763 each year



RDR Electrodes are adhesive electrodes used in electrocardiogram (EKG) applications



Product Life Cycle Management:

3M's Pathway to Product Sustainability

- Focus on broader impact of products & processes over full life cycle
 - From development and manufacturing through distribution
 - Continuing with customer use, reuse and disposal
- Key component of 3M's formal New Product Introduction process

Life Cycle Management Process

Life Cycle Stage	Material	R&D	Manufacturing Operations	Customer Needs	
Impact	Acquisition	Operations		Use	Disposal
Environment					
Energy / Resources					
Health					
Safety					



Life Cycle Management at Work Novec™ 1230 Fire Protection Fluid

- Next-generation halon alternative
 - Fire protection in sensitive rooms
 (e.g. computers, libraries, museums)
- Superior performance, safer and better for the environment
 - Zero ozone depletion potential
 - 5-day atmospheric lifetime
 - A global warming potential of 1 (compared to alternative with GWPs of 1,300-12,000)



3M[™] Novec[™] 1230 prevented more CO₂ equivalent emissions by our customers than 3M's total emissions in 2008









Enabling Growth and Sustainable Solutions for Customers

- Renewable Energy
- Energy Management
- 'Green' Buildings
- 'Green' Consumer Products
- New Sustainable Technologies
 - Renewable Resource Monomers
 - Renewable Materials
 - Renewable Resource Polymer Processing



3M™ Window Film



Solutions for Wind Energy



3M[™] Filtrete[™] Brand





3M[™] Cool Roofing Granules



 $3M^{\mathsf{TM}} ACCR$



Supporting Employees Personal Commitment to Sustainability

- Employee Volunteer Program since 1953
 - Volunteer Match
 - 3M's Science Training Encouragement Program
 - 3M Visiting Wizards -- half a million students have been educated and entertained since 1985



- United Way, 2008 U.S. Results
 - \$4,820,989 in pledges
 - A record 11,835 volunteer hours





3M Poland



3M Poland "Green Week" program

Program Objectives:

- Enhancing <u>3M image</u> (Employment Brand) as a socially responsible company
- Creating positive impact on Employees Engagement and work atmosphere
- Ecological education including 3M best practices
- Increasing environmental awareness among Employees how to be personally engaged



Monday to Friday activities

MONDAY - RECYCLE!

- Presentation of the film: The Inconvenient Truth Global Warming Documentary Movie
- Collect used paper, cans ect to gather money in return. donate the money to local ZOO
- Mailing recycling!

THURSDAY – GO ON FOOT

- Quiz "Eco-knowledge" on the base of 3M materials and mailing
- Voting and selecting the best Eco-film
- Event "Exchange or forward ": bring your old books or any products you are not going to use and exchange for other products you might use.
- Mailing go on foot. Economic driving.

TUESDAY - SAVE

- Contest "Eco-film" (ecological films recorded on mobile phones)
 award the best film employees voting
- Presentation of 3M ecological and sustainability projects
- Calculate the energy you use! mailing

FRIDAY - MAKE IT GREEN

- Day without a car (bicycle, car sharing) – small awards for those who arrive first to work on bicycle
- Seat trees, sow grass
- Bicycle race options:
 - for each km 3M pays 1 PLN and donates the money to local ZOO
 - training bike on the site.
- Mailing Green Office!

WEDNESDAY - SWITCH OFF

- Take back event a small gift for employees
- Contest "Green eco-photo" (awards: books, calendar with ecological advices), exhibition of best works
- Clean your office (one hour desk cleaning)
- Mailing switch off!









Providing Employees Opportunities to Connect with Company-wide External Sustainability Partnerships

Climate Leaders **US EPA & DOE** Design for the Environment Safer Detergents Stewardship Initiative **ENERGY STAR** Save Energy Now More than \$5.5 million donated over the last few years to The Nature protect more than 70,000 acres of wildlife in Minnesota, Texas, and Brazil (Earth Day 2009 Employee Match) Protecting nature. Preserving life." Harvard Partnering with the Center for Health and the Global Environment to improve environmental education in the Medical **United States** School **Disaster Relief** \$4.7 million to support tsunami relief efforts in Asia and Corporate Matching **Africa** Funds to Employee \$14 million to support relief from hurricanes Katrina & Rita **Donations**

Key Learnings and Recommendations

- Sustainability Resonates as Vehicle for Employee Engagement Globally
 - Must link efforts directly to values, goals and principles articulated by executive leadership
 - Be sure to include both <u>professional and personal</u> actions
- Most Successful When Truly Cross-Functional
 - <u>Inside Company</u> EHS, Marketing, R&D, Manufacturing, Sourcing, HR, Community Affairs, etc.
 - <u>External Stakeholders</u> Customers, Businesses, Governments, Academia, NGO's and Communities
- Make Real Through Tools & Best Practice Sharing

www.3m.com/Sustainability





Creating a Culture of Environmental Consciousness & Action

Lawren Cooper PepsiCo NAEM Web Seminar November 17, 2009

PepsiCo's Sustainability Vision



PepsiCo's responsibility is to protect our natural resources and operate in a way that minimizes our environmental footprint, with the goal of reaching a net-neutral impact.





"Sustainability is one of PepsiCo's most important business imperatives."

Indra K. Nooyi
Chairman and CEO
PepsiCo

PepsiCo Green promotes environmental sustainability with employees



Mission: To help drive PepsiCo's Performance with Purpose by engaging employees and collaborating to promote Environmental Sustainability at work and in their communities

Vision: Create an impassioned employee environmental sustainability movement across our locations

- Raise Awareness of Environmental Sustainability and our efforts and plans behind it across the globe
- Incite Action by developing and executing eco-friendly practices and programs in all locations
- <u>Institutionalize</u> environmental sustainability at work and ultimately incorporate it at home and the community

Founded in 2007, we have already achieved key milestones



- PepsiCo Green was founded in Chicago in 2007
- Chicago team grew from 5 to 70 volunteers in just one year
- PepsiCo Green has been adopted across US and Latin America locations
- Coordinated Earth Day Events across US in 2009
- Unified website and logo

PepsiCo Green Chicago started small in 2007



America Recycle's Day Event

- Interactive Lobby exhibits helped drive awareness & incite action
- Internal Communication drove awareness for the event
- PepsiCo Green branded mugs and recycling tips were distributed to over 1700 associates
- 250 people participated in the raffle
- Ongoing Improvements
 - Increased recycling stations
 - Phasing in biodegradable materials in the cafeteria
 - Upgrading double-sided printing capabilities
 - Eliminating Styrofoam from the building







And grew to a 70-person volunteer team in 2008



- Increased recycling by 10%, reduced energy use by 22% and reduced paper use by 30% for a cost savings of ~\$65K!
- Enabled LEED Silver Certification at the Chicago Plaza
- Raised awareness by conducting 15 employee education events with over 300 participants
- Created and opened a Sustainability Center
- Supported efforts at locations outside the Chicago Plaza





Other 2008 Accomplishments



- Transitioned to biodegradable cafeteria materials
 - Elimination of Styrofoam
 - Some floors eliminated cups altogether
- Earth Day Community Service Event 50 employees cleaned and greened a local park
- Launched the PepsiCo Green Chicago website
- Conducted PepsiCo Green Chicago New Hire training and gave all new employees a mug
- IT changes
 - Upgraded printers for double sided printing
 - Installed enhanced projectors in the large conference rooms with instructions
 - Increased recycled content in all paper
 - Installed flat screens in the lobby and eliminated posters





LEED certification required employee action & change





Plaza floor competition encouraged behavior change

Our actions have raised awareness & changed behavior

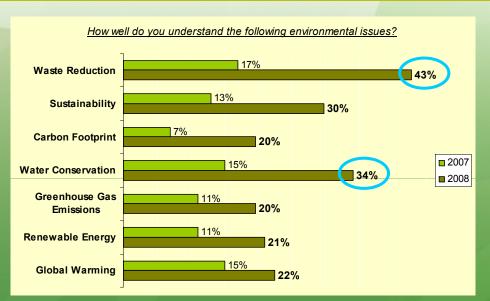


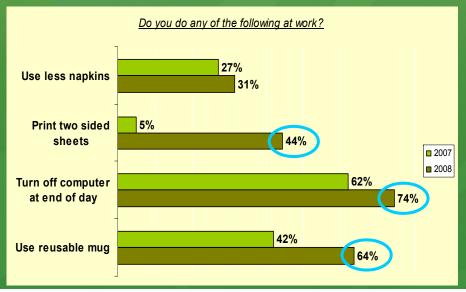
- Chicago employee survey results

- 2008 scale collapsed to enable

comparison to 2007

- Top box results "Agree Completely"







Our success in 2008 helped shaped 2009 goals



2009 Goals

Extend

'08 initiatives to reduce resource use & increase recycling in the Plaza



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Expand

PepsiCo Green across QTG plants & locations



Enable

a PepsiCo
Green team to
foster crossdivisional
collaboration
and coordination



 $\mathbb{N}/$

Elevate

employees to reach the next level



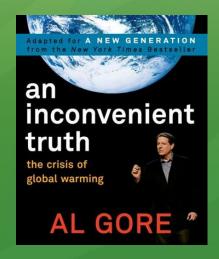
2009 Accomplishments



- Unified web-site
- Coordinated with multiple sites on Earth Day and America Recycle's Day
- Created and promoted a toolkit
- Regular movie screenings
- Sustainability Pledge



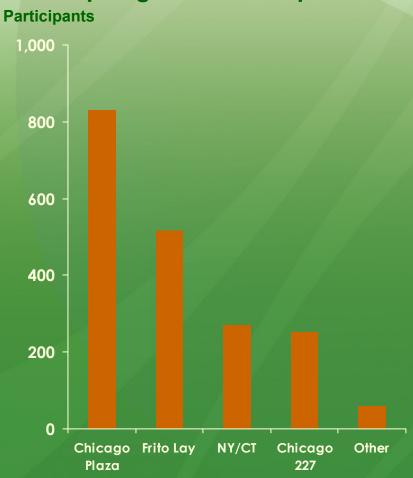




Sustainability Pledge Participation



Nearly 2,000 people made pledges across PepsiCo



What: Challenge employees to take a personal pledge to make a specific environmental sustainability change at work or at home.

Benefits: Brings environmental sustainability down to a personal level and motivates employees to continue to be green and find more ways for improvement.

Chicago Plaza Specific Results



Actions people already take to "go green"

- Turn down my thermostat at night or when I'm away from home (79%)
- Wash my clothes in cold or warm water rather than hot (73%)
- Turn off water when brushing my teeth (65%)
- Take my car to a car wash rather than washing at home (65%)
- Use re-usable mugs, dishes and silverware at work
 (61%)

Top actions people pledged to take to "be greener"

- Turn off computer monitor when away from desk for more than 5 minutes; turn of computer when away from desk for more than 2 hours (51%)
- Unplug all electronic charges when not in use (49%)
- Recycle all old cell phones and electronics (48%)
- Reduce shower time / install low flow shower head (45%)

Maintaining the Momentum



Have sent monthly tips emails to 50% of people who opted-in

- July: Locally grown / organic foods
- August: Reducing water usage
- September: Reducing paper usage
- October: Reducing electricity usage
- November: Recycling, to coordinate with America Recycles Day

Leveraging tips content to drive traffic to PGC website

- Short teaser on current month's topic to be included in the Communicator
- Full content to be included on PepsiCo Green Chicago website

Future Plans



- Reach out to sites across the world to coordinate on big events and share best practices
- Build upon existing website and toolkit
- Create a quarterly newsletter
- Viral spread of enthusiasm and commitment
- New hire green training expanded across the US and globe





Why we have been successful



- Established an organizational structure
- Found an executive sponsor
- Created an AOP and budget
- Full calendar of events
- Established roles and responsibilities
- Annual survey



January	February	March June	
April	May		
July	August	September	
1000	-		
October	November	December	



Team Structure Example



Steering Committee Executive Sponsor, Co-Chairs

- > Set vision and strategy
- > Gain management alignment
- > Act as advisors to initiative leads
- > Liaison with employees groups at location
- » Budget & e-mail management

Employee Education & Programming

This sub-team coordinates presentations to raise awareness of environmental sustainability

Annual Events

This sub-team
plans events for
Earth Day in
April and
America
Recycles Day in
November

Information & Communication

This sub-team sends messages out to the organization about upcoming events and works on infrastructure changes such as installing recycling bins (in coordination with the facility manager)

Community

This sub-team plans community outreach events

Ambassadors

This sub-team is composed of representatives from either different floors or functions of the organization who encourage sustainable practices in their area

- Each area has a sub-team leader that manages that team
- · All sub-teams coordinate and collaborate with each other

How to get started



- Find a co-sponsor or a passionate environmentalist to help lead the effort
- Assess the current sustainability practices at your site
- Gain local leadership support
- Solicit volunteers and schedule a kick-off meeting
- Develop goals or a strategy
- Clarify roles and responsibilities
- Track and record progress
- Publicize your efforts
- Have fun!





Thank You!