Efficiency & Effectiveness: Restructuring Corporate Sustainability within an Undisclosed Company

Heidi Winner
Advised by Dr. Jay Golden

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Abstract

The Manager of Sustainability at an undisclosed company is responsible for integrating corporate responsibility into every branch of the business. However, as the sustainability department is located at the bottom of the company hierarchy, effective authority can be limited. Furthermore, the internal structure of the sustainability department is not organized for optimal productivity.

In order to determine the appropriate internal structure and level of leadership for the sustainability department, this analysis conducted staff interviews, a literature review, a questionnaire, and a comparative analysis of peers in the Fortune 500 and primary competitors. Results determined that for optimum competitiveness, the structure of the sustainability department within the company should include nine new staff members, offer two additional tiers of managerial levels, and advance the Manager of Sustainability position to a higher managerial position within the company.
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I. INTRODUCTION & BACKGROUND

A. Undisclosed Identity

The subject company will be referred to as Company X in an effort to protect its identity. Any proprietary information or information that could expose the identity of the subject has been withheld.

B. Introduction

An unusual relationship is forming at Company X. The Corporate Manager of Sustainability, a first line manager at the bottom of the company hierarchy, has monthly meetings with the Executive Vice President (VP) of the division and quarterly meetings with the Chief Executive Officer (CEO). In recent times corporate sustainability has become a priority for Company X, which operates in the electronics and software sector, but it has not always been this way. What is now the sustainability department (SD) at Company X was born out of the Environmental Health and Safety Department (EH&S) in the late 1990’s. Past initiatives of the SD were occasionally met with resistance (sometimes significant). Support for sustainability initiatives within upper to executive level management was often difficult to achieve. Now that sustainability has executive buy-in, leadership throughout the company has become more receptive to environmental initiatives. However, the corporate authority within the SD is inconsistent with its value to the company. The structure of the sustainability department at Company X is a vestige
of its past, and will not be able to deliver at its optimum potential unless it is given the authority and resources to become more efficient and effective.

C. Purpose & Scope

The purpose of this paper is to propose a structure for the sustainability department within Company X that will help increase its competitiveness within the industry. The scope of this analysis includes determining the best reporting structure, team composition, and the number of staff appropriate for the SD. Company acquisitions and budgeting logistics are outside the scope of this report. Additionally, over the course of this study the sustainability department within Company X continued to evolve. Therefore, the following analysis is based on the information available regarding the current needs of the department.

D. Drivers for Sustainability

For the purpose of this paper, the term sustainability is defined as reducing an agent’s negative environmental and social impact. The key drivers for sustainability within corporations include increasing competitiveness, reputation and brand value as customers support sustainability initiatives\(^i\). In turn, this increases the company’s consumer base and strengthens customer loyalty, while reducing costs, liability and risk\(^ii\). Furthermore, evidence shows that the newest generation of the workforce considers corporate social responsibility performance when selecting employers. Having the ability to advertise best in practice sustainability measures will help the company attract and retain the top talent\(^iii\).
The Sustainability Manager has identified the key sustainability drivers for Company X. Every day the SD receives questions from stakeholders such as customers, investors, and industry analysts regarding the sustainability performance of Company X. These stakeholders are typically looking to compare the company to competitors in order to determine which business to purchase from (customers), which company to recommend that others invest in (the investor community), and which company to recommend to other stakeholders (industry analysts). As a result, Company X must maintain competitiveness within the industry in order to earn the support of the aforementioned stakeholders. The effectiveness of the sustainability department is in part limited by budgetary restrictions, thus internal buy-in from employees at Company X to drive and subsidize environmental and social initiatives is imperative. Fortunately at Company X, momentum is growing among staff in support of sustainability efforts. With employees across the company putting pressure on Company X to improve sustainability performance, Company X is becoming increasingly competitive within its industry.
II. METHODS

A. Interviews

Within a two-month span, interviews with 14 SD staff were administered. The information collected included but was not limited to: position responsibilities, inter and intra-departmental communication, and opportunities for improvement within the position and department. Since the interview period, two of the employees left the company and two have been hired on. Per the request of Company X, only the interviews with remaining staff have been used in this analysis. The 12 interviews can be seen in Appendix 1. Additionally, each interviewee was given the option of sharing his or her ideal structure for the department. The nine structures can be seen in Appendix 2. The information captured in the interviews and structures were instrumental in the formulation of the recommended structure.

B. Literature Review

An extensive literature review was conducted regarding the variability, function and best practices within the structures of sustainability departments. As this is a relatively new topic of study, information is just beginning to materialize on the issue.

C. Corporate Sustainability Structure Questionnaire

In order to identify the successes and challenges of the sustainability departments within other companies, an extensive 25-question survey was
composed with the target audience being employees at corporate offices that contain sustainability departments. After receiving permission from the Duke University Institutional Review Board, the survey was mass distributed through listservs and relevant websites. It became clear that the questionnaire was too lengthy to yield a mass response, thus it was slimmed down to 12 questions. The survey received 14 responses, but one was omitted from this analysis as the organization type was outside of the scope of the survey. Results of the survey can be seen in Appendix 3.

D. Fortune 500 Analysis

In order to identify how peers within the electronics sector value sustainability, companies within relevant industries in the Fortune 500, year 2012 were researched to determine the authority of their head of sustainability position. Also researched were retailers of electronics within the Fortune 500, which represent a portion of Company X’s customers. As public information regarding internal corporate structures is limited, the data represents the information available and therefore may not be representative of current conditions.

E. Competitor Analysis

It is assumed that companies with executive-level sustainability positions invest more in sustainability efforts, and thus are more competitive in this area. In order to understand the competitiveness of Company X in regards to sustainability, top competitors were compared along a number of parameters.
III. COMPANY X SUSTAINABILITY DEPARTMENT: CURRENT STRUCTURE

A. Company Structure: Divisional & Matrix

Company X considers its structure to be categorized as both divisional and matrix. It is divisional in that specialized departments categorize employees by expertise and location. It is a matrix structure in that it boasts strong cross-functional teams (CFTs), in which employees from different departments meet periodically and work together toward a common goal.

B. Sustainability Department Current Structure

A depiction of the current structure of Company X's SD can be seen in Figure 1. The Manager of Sustainability is separated from the CEO by 3 VPs, though he has regular meetings with the Executive VP of the division and the CEO. Under the manager exist three teams: Sustainability, Product Sustainability, and Environmental Health & Safety Compliance (EH&S), each with a respective team lead. The team lead is not a formal management position; instead he or she is responsible for overseeing the day-to-day tasks of the team. In the structure, the staff number refers to the number of employees each team lead is responsible for. Company X has operations globally, and one staff member within the Global Shared Services Department is available to the Product Sustainability Team for remote support such as data entry.
C. Team Responsibilities

• **Sustainability**: The Sustainability Team compiles information from across the company to compose the annual Corporate Social Responsibility Report. It communicates the sustainability progress of Company X to stakeholders, including employees, the public, customers, investors, non-governmental organizations (NGOs) and industry analysts. Additionally, the Sustainability Team responds to sustainability-related questions on customer requests for proposals (RFPs), it organizes philanthropic partnerships with NGOs and customers, and conducts employee engagement educational seminars.

• **Product Sustainability**: The Product Sustainability team focuses product research and development activities on key product related sustainability initiatives. This work includes ensuring that products are designed to meet voluntary environmental certifications, such as Energy Star or Blue Angel. Though these certifications are not mandatory by law, they are mandatory for Company X to stay competitive and to be able to sell to many of their top customers. Additionally, this team handles worldwide product recycling logistics, and ensures that the materials used in products are compliant with a multitude of federal regulations including the directives of Registration Evaluation Authorization and Restriction of Chemicals (REACH) which limits the concentration of chemicals in the product as a whole, and the Restriction of Hazardous Substances (RoHs) which limits the concentration of chemicals in
each piece of the product. The team composes the Material Data Safety Sheets (MSDS), which inform the public of the chemicals within each product.

- **EH&S Compliance:** The EH&S Compliance Team is the center of environmental health and safety for the company headquarter facility and acts as an advisor to global EH&S teams within Company X. The team ensures that the company is in compliance with governmental regulations and international standards so that business is done in a legal and safe manner. The regulations include International Standards Organization (ISO) 14001, an environmental management system, Occupational Health and Safety Advisory Services (OHSAS) 18001, regarding health and safety, and the Toxic Substances Control Act (TSCA), which regulates the pollution and chemical waste from corporate facilities. The team also conducts EH&S audits, advises on ergonomics and manages recycling at the headquarter facility. Also included on the EH&S team is the environmental attorney, who has corporate oversight for global legal-based EH&S responsibilities including site-based remediation and facility corrective action plans.

**D. Departments of High Collaboration**

The work within the sustainability department is multifaceted and involves exchanging information with departments across the company. Below are the list of departments within Company X that the teams consult with the most. Not included
is the fact that each team in the SD communicates with its sister teams on a daily basis.

- **Sustainability Team**: Human Resources, Corporate Communications, Supplies, Marketing, Sales, Facilities, Product Development, Supply Chain, and Packaging.


- **EH&S Compliance Team**: Legal, Supply Based Management, Facilities, Accounting, and every department at the headquarter facility during the Audit Season.

**Figure 1.**

Company X Sustainability Department:

**Current Structure**

*The star marks the head of the Sustainability Department so that the position is easily identifiable in the recommended structure.*
IV. ANALYSIS RESULTS

A. Interviews: Problems with Current Structure

The key issues that emerged when SD staff discussed problems with the current structure included that the department is inefficient in that it lacks the appropriate head count to drive change with the momentum it desires, and that it is limited in its effectiveness by a lack of resources including technology and proficient data management systems. Overall, employees within the sustainability department at Company X feel that they have taken on the responsibilities of more than one position. Years ago the SD had more staff with fewer responsibilities than they have today. The SD lost staff in a succession of company-wide budget cuts and employees were left to absorb multiple positions. Now, as environmental initiatives and regulations amass, the workload continues to increase within all teams without the appropriate headcount to complete the work efficiently.

As a result of feeling strained to complete daily tasks, employees in the sustainability department believe that an increase in staff count could increase the potential of the department dramatically. Many have expertise that is currently not being utilized that could contribute to the company, and given more time and resources the staff could become more innovative in how they fulfill their responsibilities. Furthermore, the heavy workload constrains employees to focus on the short-term, making it difficult to monitor progress or to be retrospective. Finally, as the structure of the department has only one management position, employees are concerned that there is not a career path within the sustainability
department at Company X. The interview transcripts are available in full form in Appendix 1.

**B. Interviews: Ideal Structures**

During the interview process nine employees shared their recommended structures for the SD, which can be seen in Appendix 2. Each structure proposes a different number of employees for each of the three branches of the department, compiled in Table 1.

Table 1 lists the quantitative information regarding the recommended structure for each participant employee. The first column *Leadership Tiers* identifies the number of tiers within the structure that have management authority over others. Team leads were not considered as a formalized tier of leadership. Due to the many varying structures, rules were made for counting the recommended staff members within each team. Leadership devoted just to one team (such as managers in most cases) was counted as a member of that team. Leadership that oversaw more than one team (such as director, VP, and CSO positions) was tallied under the *Extra Leadership* column. Many employees included a range of headcounts for the teams, therefore the far right of the table includes a *Low* column in which the lower ranges were considered, a *High* column in which the higher ranges were considered, and an *Average Count* column which gives the average of the two. If the employee did not give a range, N/A appears in the *Low* and *High* columns, and their total count is given in the *Average Count* column. The *Count Summary* row displays averages of the columns above, giving an average headcount within each team as recommended.
by the nine employee structures. The *Extra Leadership* column was not averaged because the statistic is not meaningful to the analysis; as the tallies are accounted for in the *Average Count* column. The *Current Count* row displays the current headcount within each team as a comparison.

Because not everyone’s structure included the three teams explicitly, some assumptions had to be made. First, to conduct a headcount for the structure by Product Staff 4, the proposed team of 8 labeled “Compliance & Conformance” was split so that four team members were tallied under Product, and four under EH&S, in accordance with the responsibilities described. In his structure, Compliance Staff 1 split the Product Sustainability Team into distinct Product and Voluntary Certifications teams, but in Table 1 the headcount for those teams is combined under Product Sustainability. Compliance Staff 2 did not give an employee count for the Sustainability Team, therefore the cell was marked with N/A. Sustainability Staff 1 did not give an employee count for the Corporate Citizenship and Diversity positions, therefore one staff member was assumed to fulfill each position, as currently no one on staff holds these titles.

Table 1.

<table>
<thead>
<tr>
<th>Staff</th>
<th>Leadership Tiers</th>
<th>Sustainability</th>
<th>Product</th>
<th>EH&amp;S</th>
<th>Supply Chain</th>
<th>Extra Leadership</th>
<th>Low</th>
<th>High</th>
<th>Average Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department Head</td>
<td>2</td>
<td>7</td>
<td>7-8</td>
<td>5-6</td>
<td>5-6</td>
<td>1</td>
<td>25</td>
<td>28</td>
<td>26.5</td>
</tr>
<tr>
<td>Sustainability Staff 1</td>
<td>3</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>0</td>
<td>2</td>
<td>N/A</td>
<td>29</td>
<td></td>
</tr>
<tr>
<td>Product Staff 1</td>
<td>2</td>
<td>5</td>
<td>7</td>
<td>7</td>
<td>0</td>
<td>1</td>
<td>N/A</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Product Staff 2</td>
<td>1</td>
<td>4</td>
<td>9</td>
<td>7</td>
<td>0</td>
<td>1</td>
<td>N/A</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>Product Staff 3</td>
<td>2</td>
<td>3</td>
<td>7</td>
<td>5</td>
<td>0</td>
<td>1</td>
<td>N/A</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>Product Staff 4</td>
<td>1</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>0</td>
<td>2</td>
<td>N/A</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>Compliance Staff 1</td>
<td>2</td>
<td>5-6</td>
<td>10-12</td>
<td>5-6</td>
<td>0</td>
<td>1</td>
<td>21</td>
<td>25</td>
<td>23</td>
</tr>
<tr>
<td>Compliance Staff 2</td>
<td>1</td>
<td>N/A</td>
<td>7-8</td>
<td>7-8</td>
<td>0</td>
<td>1</td>
<td>18</td>
<td>20</td>
<td>19</td>
</tr>
<tr>
<td>Compliance Staff 4</td>
<td>1</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>0</td>
<td>1</td>
<td>N/A</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td><strong>Count Summary</strong></td>
<td><strong>2</strong></td>
<td><strong>5</strong></td>
<td><strong>6.5</strong></td>
<td><strong>6</strong></td>
<td><strong>1</strong></td>
<td><strong>N/A</strong></td>
<td><strong>20</strong></td>
<td><strong>21</strong></td>
<td><strong>21</strong></td>
</tr>
<tr>
<td><strong>Current Count</strong></td>
<td><strong>1</strong></td>
<td><strong>3</strong></td>
<td><strong>5</strong></td>
<td><strong>5</strong></td>
<td><strong>0</strong></td>
<td><strong>1</strong></td>
<td><strong>N/A</strong></td>
<td><strong>14</strong></td>
<td></td>
</tr>
</tbody>
</table>
C. Literature Review

According to recent studies, the sustainability department within a company can represent one of three fundamental structures, displayed in Figure 2, which are coupled with specific functions enabling increasing degrees of effectiveness within the company. The Central sustainability structure is typically characterized by one central sustainability leader with a few direct reports. Employees and executives may show excitement about the potential of sustainability, but large-scale engagement across corporate divisions has yet to occur. The function of a Central structure is usually reactive, focusing on regulation compliance and basic recycling programs. In the Integrated structure, sustainability leadership is typically a direct report to the CEO. Members of the sustainability department have been integrated into other departments in order to improve effectiveness, and sustainability champions are fostered throughout the divisions of the company. Employees feel united around and accountable for sustainability initiatives. The function of Integrated structures is typically proactive, including product efficiency and advanced recycling measures. In the Embedded structure, the sustainability department may no longer exist. Senior management considers sustainability in all decision making and the corporate and sustainability missions are one in the same.

In Figure 2, the measures that Company X is accomplishing in the Function column have been bolded. The sustainability department, though composed of a Central structure, is for the most part proactive in its initiatives. The
next step for the SD is to earn executive leadership and to integrate select staff members into other departments within Company X.

**Figure 2.**

**Sustainability Department Options:**

**Structure & Function**

<table>
<thead>
<tr>
<th>CENTRAL</th>
<th>REACTIVE</th>
</tr>
</thead>
</table>
| [Diagram showing central structure] | • Regulatory Compliance Focus  
• Basic Recycling Programs  
• Communication-Based Sustainability Activities Only |

<table>
<thead>
<tr>
<th>INTEGRATED</th>
<th>PROACTIVE</th>
</tr>
</thead>
</table>
| [Diagram showing integrated structure] | • Efficiency Measures  
• Changing Employee Behaviors  
• Recycled Materials in Products & Packaging  
• Sustainability Leadership is C-Level |

<table>
<thead>
<tr>
<th>EMBEDDED</th>
<th>SUSTAINABILITY DRIVES COMPANY</th>
</tr>
</thead>
</table>
| [Diagram showing embedded structure] | • Sustainability Drives Product Design  
• Global Innovation for “Zero Footprint”  
• Operating at a “Negative Footprint” |

**D. The Corporate Sustainability Structure Questionnaire**

The results of the Corporate Sustainability Structure Questionnaire can be seen in Appendix 3. The Manager of Sustainability for Company X completed the survey, but the submission was not included in the results. Instead, Company X has been benchmarked against most questions to indicate its performance.
comparatively. The results show that Company X is on par with the majority response for most of the questions. This is unsurprising once it is understood that the sustainability industry is rapidly growing and, like the SD in Company X, the sustainability departments of the respondents are likely not equipped to meet the growing demand of the field. This is demonstrated in Question 12, in which 73% of respondents indicated that there are problems with the current SD structure and/or its placement within their respective corporate hierarchies. Furthermore, Question 11 asked if the current number of employees working on traditional sustainability issues was sufficient to get the job done, in which 75% replied no. It is clear that sustainability departments across the country are experiencing the need to reorganize structure and expand.

Company X responded with the mainstream to most questions, with the exception of the question regarding the authority of the sustainability department. In Question Seven, which asks for the number of managerial tiers that sit between the head of the sustainability department and the CEO, 54% of the respondents reported that the head of sustainability was one tier away from the CEO. In Company X, however, the head of sustainability is 3 tiers from the CEO, consistent with just 15% of respondents. The results from the Corporate Sustainability Structure Questionnaire indicate that the sustainability department at Company X, like many surveyed, is not receiving the resources it needs to be the most efficient. Additionally, the authority of the head of sustainability position for Company X is lower than for the majority of the respondents.
**E. Fortune 500 Analysis**

In an effort to determine the most common leadership position of the sustainability figurehead within the electronics sector, an analysis of 58 companies within the Fortune 500, year 2012 spanning 10 specific industries was conducted. Results are displayed in Figure 3. The companies were further divided into three samples found in the key to the right of the graph. The number in brackets following the name of each sample indicates the number of companies included within that sample. The first sample, *Office Equipment & Software*, includes the competitors of Company X. The second sample, *Retailers*, is composed of retailers that sell electronics, which represent a portion of Company X’s customers. The third sample, *Remaining Companies*, represents all companies not included in the first two samples. Because Company X sells to other businesses, these companies likely represent a portion of Company X’s customers as well.

The primary result of the analysis is that the sample composed of Company X’s competitors, *Office Equipment & Software*, is leading the electronics sector with the highest level of leadership for the head of sustainability. This sample is a clear winner in having the most CSOs, VPs, and Directors as the head of sustainability. The bars on the right of the graph labeled *No CR Leadership* indicate companies that did not appear to have a sustainability department. None of the companies within the *Office Equipment & Software* industry are represented here. For clarification, the *Unsure Placement* category represents companies with sustainability leadership containing untraditional titles that did not fit into the other categories. The second result of this analysis is that the *Retailers* and *Remaining Companies* samples are tied
for having the most representation among the VP and Director positions. Assuming that high sustainability leadership equates to improved functionality of the department as described in the literature review, the representative customers of Company X have higher sustainability leadership positions on average than Company X. Because staying competitive and meeting the needs of customers are key drivers for Company X, the results of this analysis suggest that Company X should substantially raise the leadership position of its head of sustainability figurehead in order to improve competitiveness.

![Figure 3. Sustainability Leadership: FORTUNE 500](image)

58 Companies, 10 Industries

- Office Equipment & Software [9]
- Retailers [18]
- Remaining Companies [31]
F. Competitor Analysis

To focus the lens of the analysis further, Company X's top five competitors were benchmarked against certain parameters, as seen in Table 2. First, it was noted which competitors were listed on the Fortune 500 for the year 2012 in order to determine if each competitor had been included in the analysis above. Four of the five competitors were included in the previous assessment. Second, sustainability professionals state that in order for a company's sustainability efforts to be most competitive, the Board of Directors must have some investment in the topic. All of the competitors, including Company X, have Board of Directors that review sustainability progress in some form. Third, the sustainability leadership of each competitor was benchmarked. It was discovered that four of the six companies in the comparison have a VP as their sustainability figurehead. However, in the process of researching this information, it was impossible to decipher whether or not the sustainability VP positions reported directly to the CEO. One of the six companies has a Director level position as the head of sustainability, while Company X has a Manager in this position.

Table 2.

<table>
<thead>
<tr>
<th>Competitors within Industry</th>
<th>Fortune 500, 2012</th>
<th>Board of Directors: Monitors Sustainability</th>
<th>Sustainability Leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitor 1</td>
<td>Listed</td>
<td>Yes</td>
<td>Vice President</td>
</tr>
<tr>
<td>Competitor 2</td>
<td>Listed</td>
<td>Yes</td>
<td>Vice President</td>
</tr>
<tr>
<td>Competitor 3</td>
<td>Listed</td>
<td>Yes</td>
<td>Vice President</td>
</tr>
<tr>
<td>Competitor 4</td>
<td>Listed</td>
<td>Yes</td>
<td>Vice President</td>
</tr>
<tr>
<td>Competitor 5</td>
<td>Not Listed</td>
<td>Yes</td>
<td>Director</td>
</tr>
<tr>
<td>Company X</td>
<td>Not listed</td>
<td>Yes</td>
<td>Manager</td>
</tr>
</tbody>
</table>
V. COMPANY X SUSTAINABILITY DEPARTMENT:

RECOMMENDED STRUCTURE

A. Recommended Structure Description

The recommended structure for the sustainability department within Company X as a result of this analysis is given in two forms, in Figure 4 and Figure 5. Figure 4 gives the technical structure of the department, while Figure 5 demonstrates the number of staff that are integrated into other departments, and the number of staff that remain in the SD office. Sust. is used as an abbreviation for Sustainability within the figures.

It is recommended that the Manager of Sustainability advance to a position that is a direct report to the CEO. Because the Manager of Sustainability is already reporting to the CEO it makes sense to formalize this relationship in the structure. The title of Chief Sustainability Officer (CSO) was chosen over other executive titles because it would most improve the competitiveness of Company X. Compared to its large competitors, Company X is a small company with limited resources. The position of the CSO command respect and attention from stakeholders and ensure that the company is using its resources efficiently for long-term benefit. Forbes describes the purpose of the CSO as essential to new business opportunities and curtailing costs. As the traditional function within the Company X sustainability department has been focused largely on communications, the CSO position would offer the opportunity for resource efficiency and other sustainability innovations to
seep deeper into the company. As Forbes indicates, “the breadth, complexity and rapid evolution of sustainability issues require a C-level perspective.”

Two director level positions are present in the recommended structure, the Director of Sustainability Communications and the Director of Product & Operational Sustainability. These directors represent the two primary branches of the department, traditional sustainability and compliance, be it for product certifications, materials or EH&S. The directors would have staff members integrated into other departments, and thus would be the liaison between the sustainability needs of those departments and the CSO. The directors would also help determine the strategic direction in which to guide his or her reports.

The managers sit below the director positions. The Sustainability Communications department does not have a manager because the team is relatively small and each person has a multitude of responsibilities that require input from the director. There are three managers under the Director of Product and Operational Sustainability. The Manager of Product Sustainability and the Manager of Operational Compliance would ensure that their teams are accomplishing their respective goals. Legal Sustainability would be its own team under the Director of Product and Operational Sustainability. The current Corporate Environmental Attorney in Company X has absorbed the responsibilities of many past employees. For optimum performance it is recommended that he be the manager of a paralegal who can assist him with conducting research and drafting documents. The Supply Chain staff will be explained in detail below.
B. Integrated Structure Description

The Integrated Structure in Figure 5 is identical to the Recommended Structure of Figure 4 but formatted differently to uncover the primary communication pathways between the Sustainability Department and other departments. Staff positions in teal and green located on the left side of the structure would sit centrally within the SD, and staff positions in blue located on the right side of the structure would be integrated into other departments within the company. It is proposed that six staff be integrated into other departments in order to further educate company staff about the importance of sustainability, foster sustainability champions within those departments, and tailor sustainability initiatives to the respective departments’ needs. The integrated staff would report both to the CSO and to the head of their respective department.

Within the Sustainability division, it is recommended that one staff member integrate into the Corporate Communications Department in order to publicize Company X sustainability initiatives through external media and to submit applications for corporate environmental awards. Additionally, it is recommended that one staff member be integrated into the Sales Department and dedicate his or her time to responding to customer request for proposals and to better understanding the needs of the customer as they relate to corporate responsibility.

Within the Product & Operational Sustainability division it is recommended that two staff become integrated into the Product Development department. The responsibility of one staff member would be to conduct life cycle analyses on company products and advise the Product Development department on the most
environmentally conscious designs. The other staff member would work extensively with the Materials, Packaging, and Research & Development departments in order to understand the issues that are limiting sustainability in these areas and to help innovate to reduce the company’s environmental footprint. Furthermore, this employee could facilitate working with Product Development teams in order to enable products to be designed for environmental certification eligibility.

Additionally, it is recommended that Company X establish two sustainability positions within the Supply Chain department, which would report through a dotted line to the CSO. Currently, Company X does not have a designated position focused on corporate social responsibility within the supply chain. The responsibilities of the first sustainability supply chain position would be to advocate for human rights and supplier transparency. This person would screen potential suppliers to see how well they are meeting the Industry Association Codes of Conduct and local laws, and encourage Company X to purchase from the supplier with the best EH&S/ human rights track record. The second position would be for risk management and emissions reporting. This person would require that high-risk suppliers report on key performance indicators as well as greenhouse gas emissions data. With the intensification of climate change and resource depletion, it is imperative that Company X chooses suppliers that are active in protecting themselves from these risks.

Each team within the SD is connected to other departments (in purple) via dotted lines. These departments have been identified as having frequent
communication with the respective SD teams. As a result, the structure provides a pathway to establish a formal two-way network of communication between the teams and departments. The departments do not formally report to the SD nor does the SD formally report to the departments. Instead, point people should be identified in each department to supply information to the other. These communication pathways serve to strengthen interdepartmental relationships and facilitate further information sharing. Furthermore, when the CSO has a sustainability initiative for the company to adopt, established communication networks will facilitate a quicker implementation process.
Figure 4. Company X Sustainability Department: Recommended Structure

Top Leadership
- CEO

Executive Leadership
- CSO

Directors
- Sustainability Communications
- Product & Operational Sust.

Managers
- Product Sustainability
- Operational Compliance
- Legal Sust.

Staff
- Staff of 4
- Staff of 6
- Staff of 2
- Staff of 4
- Staff of 1

Figure 5. Company X Sustainability Department: Recommended Integrated Structure

Sit within the SD
- Sustainability Communications
- Product Sustainability
- Product & Operational Sust.
- Operational Compliance
- Legal Sust.

Integrated
- Human Resources
- Corporate Communications
- Marketing
- Global Sales
- Product Development
- Supply Chain
- Supplies
- Global Facilities

- 1 Staff
- 1 Staff
- 2 Staff
- 1 Staff
- 2 Staff
- Sust. Supply Chain - 2 Staff
- Materials
- Packaging
- Research & Development
- 1 Staff
- 1 Staff
- 4 Staff
- 4 Staff
- 1 Staff
- 1 Staff

27
A. Determining Staff Headcount

Headcount for each of the Sustainability Communications, Product Sustainability and Operational Compliance Teams was determined by a number of factors. First, information in the interviews describing current responsibilities and future workload was considered. Second, the recommended headcount numbers as summarized in Table 3 were examined. The Count Summary row shows the average recommended headcount for each of the teams as given by the nine staff structures. The Current Count row gives the most recent headcount of each team, and the Recommended Count row presents the headcount as recommended by the recommended structure. Both the Product Sustainability and Operational Compliance (EH&S) teams were given two more staff than the current structure in order to reduce the workload of present staff and to prepare the department for the increasing regulations and certifications that must be accomplished. Finally, the total headcount of the recommended structure includes nine new staff members, which would be necessary in order to effectively integrate sustainability throughout Company X for ultimate competitiveness.

Table 3.

<table>
<thead>
<tr>
<th>Comparisons</th>
<th>Teams within the Department</th>
<th>Department Staff Count</th>
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<tbody>
<tr>
<td></td>
<td>Leadership Tiers</td>
<td>Sustainability</td>
</tr>
<tr>
<td>Count Summary</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Current Count</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Recommended Count</td>
<td>3</td>
<td>5</td>
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</tbody>
</table>
The results of the questionnaire were also involved in determining the headcount for the Sustainability Communications team, in addition to the methods described previously. Data from Question Nine was used to create Figure 6 below. Figure 6 graphs the total employee count of companies that participated in the survey against the employee count of their Sustainability Teams within the greater sustainability departments within the companies. On average, the results indicate a positive relationship between company size and the size of its Sustainability Team staff. An $R^2$ of approximately 0.38 suggests that 38% of the variance in the size of the Sustainability Team staff is explained by the size of the company. The square root of this number reveals a correlation coefficient of 0.62 between these two variables. A linear best fit to this data suggests that an employee count of 13,000 (employee count at Company X) should correspond to a Sustainability Team of 6 staff members.

$$y = 0.0002(13,000) + 3.7448, \quad y = 6.3448$$

**Figure 6.**

*The red line marks the employee count of Company X. Its intersection with the regression line represents the number of staff that the Sustainability Team would be expected to employ.*
VI. LIMITATIONS

The primary limitation of the study was that information regarding the structures of corporate sustainability departments is not often released to the public. It would have been preferable to be able to benchmark the structure of Company X against the complete structures of each of its competitors for a more detailed analysis, but the information simply was not available. The second limitation is that though the SD at Company X was studied onsite for two months, it was not enough time to fully absorb the context in which the SD teams operate, including understanding the facilitators and barriers of communication between the SD and other departments.

VII. CONCLUSION

In conclusion, collectively the staff interviews, literature review, corporate sustainability structure questionnaire, Fortune 500 analysis and competitor benchmarking indicate one recommended course of action for the sustainability department within Company X. In order for the sustainability department to increase competitiveness and best capitalize on the benefits of sustainability, it is recommended that the departmental structure increase its headcount by nine staff members, become more stratified, and advance the head of sustainability to a position that directly reports to the CEO; namely, the position of Chief Sustainability Officer.
VIII. ACKNOWLEDGEMENTS

Acknowledgements are given to the advisor of this project, Dr. Jay Golden, for his guidance and advice through throughout the process of this study. Additionally, the entire staff of the Sustainability Department within Company X should be recognized for their cordial nature and willingness to be studied. A special thanks is given to the Manager of Sustainability for his willingness to engage in regular communication since the interview period to ensure that the author was updated with new developments within the department and that no question went unanswered.
IX. APPENDICES

A. Appendix 1

Company X
Sustainability Department

Staff Interviews
Documented Summer 2012

The 14 Sustainability Department staff members were interviewed with a set list of questions regarding responsibilities and opportunities for improvement within their positions. Edits have been made as needed to eliminate proprietary information and to protect the identity of Company X.
Department Head  
Corporate Manager of Sustainability

1. What is your official title with Company X?  
Corporate Manager of Sustainability

He has had this position for 7 years, he has been with Company X 14 years. He worked with Company X from 1993 consulting in EH&S.

2. What is your job in general?  
• Set corporate strategy for sustainability corporate responsibility, implement the strategy  
• EH&S compliance  
• He has programs, processes he has to develop. He is the media face, the spokesperson for Company X regarding sustainability issues.

3. What duties take up the most of your time?  
• It varies, depending on the issue of the company at the moment  
• He still has the classic EH&S piece as a manager.  
• Strategy development: determining what is next for Company X. This entails benchmarking, looking at customer requirements, regulatory requirements, evaluating Company X’s strengths and weaknesses and charting a course for the team’s success.  
  o Due to company culture or technology it is important to realize that a company may never be a leader in certain issues.  
• A lot of his time is spent selling sustainability to the different departments within the company and externally for the company. When he sees that sustainability could help another department he sets up a meeting with the manager. He is constantly asking his peers “what do you see coming?” If you are in the competition you should play to win.

4. What do you see as your most important responsibility?  
• Taking care of his team  
• Delivering on the strategy  
  o The two go hand-in-hand, he cannot deliver the strategy without his team.

5. What is your favorite part of your job?  
• The people.  
• Helping people solve problems, and seeing others succeed.  
• His freedom to be creative and innovative on the job.

6. Which other Sustainability Team members do you communicate with most frequently and regarding what topics?  
• All of them. It goes in spurts.  
• He and Sustainability Staff 1 spend the most time together regarding classic sustainability/corporate social responsibility  
• He also speaks with Product Staff 1 frequently about product issues

7. What other departments within Company X do you communicate with most frequently?  
• All of them. Development (many departments), Sales, and Marketing.  
• A close follow is the supply chain, Corporate Communications.  
• The least interactive is with Finance (investor relations, analyst reviews).

8. Do you have meetings with companies/organizations outside of Company X? Explain.  
• Customers: Yes. Sometimes as relationships with customers grow they become partnerships.  
• Partners: NGOs  
• Peers in industry organizations.  
• Educational centers.
9. **How could your job be improved?**
   - He needs more people and more resources. His position is unique in that he has authority without power. There is nothing really stopping or challenging him, he can get done what he wants to. The only limitations are people and resources.
   - He thinks they need a committed upper-level executive solely focused on sustainability.

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**SUSTAINABILITY TEAM**

*Sustainability Staff 1*

*Sustainability Team Lead*

1. **What is your official title with Company X?**
   Global Sustainability Analyst

2. **What is your job in general?**
   - To tell Company X’s Corporate Social Responsibility story to stakeholders: employees, customers, prospects, investors, analysts, NGOs, etc.
   - Identify gaps and address them by making adjustments to corporate social responsibility (CSR) strategy and creating supportive programs and policies.
   - Along with other CSR team members, set Company X’s short term and long term CSR strategy
   - The team decides how far to push sustainability within the business. Typically, they choose to push strongly for CSR and environmental sustainability programs. Because they are responsible for driving CSR and environmental sustainability, they push until someone pushes back. But they always keep the ultimate goals of the business in mind - guided by the stakeholder demands and line of sight to the customer. It is very important that initiatives become visible to the customer.

**Through the Months**

- **January:** June CSR report: Gathering data, writing, editing and getting the CSR website updated
- **April:** Earth month activities, Customer briefings
- **October:** IW Financial – investor survey: climbing the ladder of sustainability rankings. Customer briefings
- **May:** Dow Jones Sustainability Index
- **Rest of the year:**
  - Miscellaneous customer engagements: RFPs, quarterly business review, events, general request for assistance from customers who want to know the environmental impact of their product use.
  - Employee engagement efforts: sustainability speaker series, employee education seminars, etc.
  - Analyst engagements: BLJ, Gartner, etc.

3. **What duties take up the most of your time?**
   - **Per Year:** CSR takes up the most time.
   - **Daily:** Customer requests
4. What do you see as your most important responsibility?
Building a strong CSR story for Company X, which draws in customers and makes the account “sticky”.
• Start with a vision
• Look for evidence to support the vision with the progress Company X has already made
• Identify gaps
• Take action to fill the gaps: increase sustainability efforts throughout the company
• Update the Company X CSR story with all the new initiatives taking place, which she will include in the next years’ CSR report

5. What do you like most about your job?
• She has an awesome boss - a visionary that gives her room to grow, freedom to direct her own work and support when she needs it
• She loves her team members – they are very much a family in how they engage with one another and they work well together to achieve goals
• She loves that through her job she can have a positive impact – help protect the environment and improve the lives of individuals (employees of Company X, our suppliers, and the people that use their devices).

6. Which other Sustainability Team members do you communicate with most frequently and regarding what topics?
• Department Head: regarding customer accounts or related CSR strategy.

7. What other departments within Company X do you communicate with most frequently?

**Human resources:**
• Traditional HR: employee programs, benefits, attraction, retention, education etc.
• CSR side: diversity, philanthropy, volunteerism.

**Corporate Communications:**
• Internal: sustainability related articles on Company X’s internal web network
• External: media interviews, drawing positive attention to Company X’s sustainability programs in collaboration with Corporate Communications
• Social Media Ambassador: Facebook, Linkedin
  o Monitors the questions people are asking involving Company X and sustainability.
  o She writes stories and posts photos having to do with social citizenship
  o Company X news blog (external)
    ▪ Blog – she works with Corporate Communications to come up with story topics regarding CSR, and then she writes the stories.

**Supplies Team:**
• She gets the information she needs to tell the story with recycling products.
• Customer issues: Ex. A customer - wanted to be able to track how many cartridges they were buying and recycling as a company. She connected the right people to make this happen.

**Marketing:**
• Helps with marketing collateral (documents to leave behind that tells the Company X CSR story).
• Speaks with industry analysts that have questions about how to evaluate Company X’s sustainability efforts.

**Sales:**
• She answers customer questions about what they are doing in sustainability.

**Facilities:**
• Makes sure operations are functioning in a responsible manner by reducing water, waste, energy etc.

**Development:**
• There are a lot of legal and customer requirements regarding the environmental performance of our devices. The sustainability department learns about those requirements through stakeholders (via RFPs
or other interactions), takes the requirements to the Development Team and makes sure they can oblige. Then, she gets in touch with the customer to hopefully let them know: “Yes! We can do it!”

- She primarily contacts the Development Team about issues regarding energy and material use in products, with expanding focus on software solutions.

**Supply Chain:**
- Are the employees of suppliers being treated with respect for human rights?
- Conflict Minerals have been a big issue lately. A law was passed for businesses to try and verify that no conflict minerals are used in products. At Company X, the Supply Chain Department asks suppliers if they and their suppliers (as far down the chain as they are aware,) use conflict minerals. She is informed of the response and incorporates it into the CSR story.

**Packaging:**
- She hears from customers and stakeholders what they want regarding changes in packaging. She goes to the Manager of the Packaging Department to see if the changes can happen, and if so she incorporates them into the CSR story.

8. **Do you have meetings with companies/organizations outside of Company X?**
   Yes, many.
   - Customers and prospects are most frequent, NGOs and government agencies/ representatives
   - Trade associations: a trade group got together and talked about expectations for the industry regarding EPEAT and what the industry wanted to advocate.
   - Media, nonprofits: she meets/ has conference calls with someone from an outside agency about 3 times per week.

9. **How could your job be improved?**
   She would like to focus more of her time and efforts on CSR strategy, but the thousand daily things that come up during the day get in the way. Sustainability Staff 2 shares the “fire fighting” with her, but her time is split with other responsibilities such as doing corporate budgets.

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**Sustainability Staff 2**

At the time of this interview Sustainability Staff 2 had only been working with the Sustainability Department for a few months, most of it part-time.

1. **What is your official title with Company X?**
   Global Sustainability Analyst

2. **What does your job consist of?**
   Before joining the Sustainability Department she worked on budgets another department. She did not have enough work so she worked for Sustainability as needed, but it soon became a full time position.
   - She is still doing budgets for one-quarter to one-half of her time now. She took detailed Purchase Order (PO) budget duties from Sustainability Staff 1 when she moved over.
   - So far she has been learning more about what the position entails by sitting in on Sustainability Staff 1’s calls, going to meetings with subject-matter experts for CSR data, and working on Earth Month tasks. Thus far she has not had a lot of demand for working with customers within the verticals. She very much tackles work as it comes.
   - She has been working on the Carbon Disclosure Project (CDP)

3. **What duties (will) take up the most of your time?**
   She will begin to work on the customer (vertical) and community events, the CDP, life cycle analyses (LCAs), and CSR. She will fill out questionnaires and do presentations for investors, creating marketing posters for customers about how to use Company X’s products to generate the least amount of waste.
4. **What do you see as your most important responsibility?**
   Helping the sales representatives get the CSR story out to the public. Creating long relationships with customers.

5. **What is your favorite part of your job?**
   Making presentations and posters for customers, including education materials for Company X such as the CSR report. She really likes that within the Sustainability Department she can have the freedom to host events that she is interested in. She also likes being able to see the whole operation of the company through her position. Sustainability is global and company-wide within Company X, so whatever someone does something regarding sustainability (events, education) it applies to everyone! Past roles at Company X have been limited to a certain area of impact, but in her new role she can potentially reach people around the world.

6. **Which other Sustainability Team members do you communicate with most frequently and regarding what topics?**
   - Sustainability Staff 1 – For tasks and guidance
   - Product Staff 2 – provides the Blue Angel certification data that she uses in the education materials.

7. **What other departments within Company X do you communicate with most frequently?**
   - Budget,
   - Corp Communications for events
   - Sales teams, HR, Facilities for CDP data

8. **Do you have meetings with companies/organizations outside of Company X?**
   - Investors, customers within her verticals.
   - She will work with outside organizations to plan events in the community.

9. **How could your job be improved?**
   Too early to say.

10. **What do you envision as the ideal structure for the Sustainability Team within Company X?**
    Hard to say, she could see how EH&S and sustainability could split into two different departments; regardless she thinks both sides need help managing their workload.
    - If EH&S and Sustainability split into different departments, there could be more dedicated focus on both areas. The teams work nicely together because the EH&S work helps to give Sustainability a good CSR story to tell, but both teams could possibly receive more attention if they were separated.
      - There needs to be a lot of effort to get all the corporate departments on the same page regarding how the company should approach sustainability. However, each department has its own priorities and it may not view sustainability as important.

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**PRODUCT SUSTAINABILITY TEAM**

*Product Staff 1*

*Product Sustainability Team Lead*

1. **What is your official title with Company X?**
   Sustainable Products Engineer
   But more accurately: Product Energy Certifications Compliance Manager
2. What does your job consist of?
Making sure new product models are designed to be compliant with Energy Certifications, completing the certification applications for certifications like Energy Star, and predicting what the certification parameters will be like in the future.
  o In development, there are more Standards, which are optional, decided by public sentiments.
    ▪ However, products with Energy Certifications like Energy Star are required by key customers, and therefore Company X must meet these certifications in order to do business and gain customer loyalty.
  o At end of the life cycle there are more Regulations, which are not optional.

All the products come through the lab for Energy testing, so he gets to see each product and tell development teams the energy level that was measured compared to the target level they need for the certification. In addition, power consumption levels are publicly declared for each product.
  • He works with different aspects of the business and has the opportunity to see the development of many different products, their purpose, and how they relate to each other. He is a one-man show! It is pretty rare in the company to get the opportunity to work with so many teams, since most people are members of large teams and focus on a single product segment.
  • He is the secondary customer support for questions about product power consumption.
  • He develops the Product Energy message, gets buy-in to do what the customer wants, and passes the request along to the right people to make it happen.

Certification
  • EPEAT, Blue Angel, China
  • ITIC

Helping products meet environmental certifications, the primary being Energy Star and Blue Angel. He also works on the Mexican Energy Certification, and ships products to Israel to be tested for other certifications.

Strategy
  • Corporate Strategy for Energy Efficiency: What kind of new technology does the company need to be competitive? This could include a new application, feature, or risk assessment.

What do the models need to be like years down the road? What does the company need to do to get there?
  • Future products: New ideas
  • Current products: Company X only makes changes to current products when a vendor goes out of business, cost reducing the product (but maintaining the functionality) or if a certification changes. It is important that Company X make sure current products do not lose certifications.
    o Blue Angel & Energy Star certifications sometimes give an energy allowance to accommodate how many features a product has. However, the problem is that future revisions to the standards will make it easy for a simple product with few features to earn an energy certification, yet hard for more complex high-featured products for businesses. And essentially the latter represents all of Company X’s market.

3. What is your favorite part of your job?
  • Creating strategy
  • Working with customers

4. What duties take up the most of your time?
  • Dealing with the details of getting the products certified with Energy Star and Blue Angel.
    o He does the applications, working with the development teams, the whole cycle of getting the product certified.

5. What do you see as your most important responsibility to the company?
Strategy: getting accurate predictions for standards to develop products smarter in the future, so they do not have to be so reactive!
6. **Which other Sustainability Team members do you communicate with most frequently and regarding what topics?**
   - Product Staff 2: Blue Angel and Environmental Product Declarations
   - Sustainability Staff 1: She comes to him with questions from RFPs about energy issues

7. **What other departments within Company X do you communicate with most frequently?**
   Development teams, Embedded Systems, OEM Products Group, Marketing/Sales, Fed Sales, EMEA Sales and Compliance
   *Company X is a matrix organization

8. **Do you have meetings with companies/organizations outside of Company X?**
   Yes, the Information Technology Industry Council (ITIC) and the Energy Star Working Group and Environmental Leadership Council (ELC) within ITIC.
   - They will have speakers from recycling companies, EPA, EPEAT etc. Connections made at meetings within the industry are very important.
   - ELC is composed of worldwide IT companies focused on leading in the realm of sustainability. They have different branches that focus on world regions, so the ELC group mainly focuses on US concerns.
     - North America functions the same
     - Latin America typically does what the EU does because they most regulations are already translated.
     - Europe is “united” with its own regulations
     - Asia Pacific is very scattered because you have so many different languages, cultures, includes Australia and New Zealand.
     - Energy Star has calls 4 times per year depending on what is happening, they have a face-to-face meetings on average 2 times per year.

9. **How could your job be improved?**
   - He feels like a lot of responsibilities get dropped because they do not have the staff to fulfill them. At other companies his work is covered by multiple people.
   - He would rather not do the testing for selling in other countries, it is a lot of paper work and in the end you get a sheet of paper saying you can sell in another company and not get fined.

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**Product Staff 2**

1. **What is your official title with Company X?**
   Corporate Environmental Certifications Coordinator

2. **What do you do?**
   **Products**
   - Product environmental certifications: 3rd party - Blue Angle, Canada EcoLogo, Korea Ecolabel, Tiawan Greenmark, including (but not as actively): Ten Rings (china),
   - Self-declaration: European Computers Manufacturers Association (ECMA) 370/ The Eco Declaration (TED), and IT Eco.
   - Product legal requirements: Restriction of Hazardous Substances (RoHs), Registration, Evaluation, Authorization and Restriction of Chemical substances (REACH).
     - Tracking what is in the product, making sure it does not have certain substances or concentrations of substances. This is also handled by Product Staff 3 and Compliance Staff 1.
   - Product environmental profile sheets
   - Product delivery life-cycle: Interface between Product Development Teams and the Sustainability Product Team for all phases
6. What other departments within Company X do you communicate with most frequently?
   • All the Product teams
   • Supplies
   • Standards team – The head shares with her information from Germany
What do you do?

**Material Substances**
Ensures that products that are released are compliant to regulations. He manages the high level of tracking all regulatory and optional certifications that a project has, regardless of it being environmental or not.

- Ensures compliance with RoHS – restriction of hazardous substances for all products (6 heavy metal substances).
- Also ensures that all products are compliant with REACH from a content perspective (not registration.)
- To an extent, the registrations for all recycling and reporting in foreign countries ends up in the hands of a local person so that they can write it in the country’s native language.

Every manufacturer who works for Company X has to meet the requirements in the Company X Environmental Product Specification document, which he is in charge of updating.

- RoHS: Every piece of the product has to keep each substance below a certain limit
- concerned about chemicals that the users come into contact with
- REACH: Registration Evaluation Authorization and Restriction of Chemicals. They measure the concentrations via one product as a whole.
Concerned about chemicals that will affect the environment. Traditionally focused on man-made chemicals, but starting to include natural harmful substances too.

- REACH has **SVHCs**: Substances of Very High Concern. These things don’t require registration or restrictions yet, but research is being done to see which need to be added to the main list
- Reportable Substances – materials that are not yet on the REACH list (could be on SVHC) but they have to report them

**Global Services Staff 1:**
- Reviews material reports from manufacturers, checks the integrity of the data.
  - As of now there are no audits on manufacturers, you have to take their word that they are being accurate.
- Reviews the power rating label (ex. 120 volts)
- Publications: the China declaration label (CCC) – you declare whether or not you have RoHs substances to get it, she reviews the WEEE paragraph, which is available on the CD that you use to download the product software. She makes sure all the relevant information is in there.

**Recycling**
He follows recycling around the world at a high-level.

**WEEE (waste electrical and electronic equipment):** is very established in Europe. The Development team weighs each part, Global Services Staff 1 gathers the data for each product, sends it to Company X teammates in Europe do all the work to compile all the data.
- The reporting of weights determines how much they are required to recycle
- WEEE - EU regulation that is adapted by each country and changed a tiny bit.
  - He follows the Canada WEEE
- Company X pays fees
  - Company X has to pay fees for each model in every country its sold in that has some sort of recycling regulation: EU, India is working on it, China is working on it, Australia enacted it this year, The US (we do it by state, some states have it and some do not), in Brazil it is also done by state
- The industry uses a consulting company to help them keep track of all the countries and their progress.

**Group Collection:** Regional recycling sites will collect all hardware recyclables. Then, depending on market share value, they will divide up the cost of recycling the items by brand. They designate that each brand is responsible for paying for the recycling of a certain number of pounds per year. If fewer recyclables are turned in than expected the recycler that Company X contracts with is responsible for purchasing excess recyclables from another recycler to make up the difference. (Sometimes there are laws that all the recyclables need to be from a certain state/region, but sometimes not.) If the contracted recycler cannot find more recyclables, Company X must pay a fee. If more recyclables are turned in than expected, Company X is responsible to pay the normal price for the additional pounds.
- However, for some states (such as Connecticut) the exact number and weights of Company X devices are counted and Company X only has to pay to recycle those items.
- For NC, the state takes care of the recycling, and Company X just pays NC $15,000 per year regardless of how much is turned in.
- The extended producer responsibility: the person that made the device is responsible for getting rid of the device. It costs more to recycle the plastic than the value it will have after recycling, so the producer has to pay for it to be recycled or else the materials will never be recycled.

**His Recycling Management Job:** Keeping an eye on new things coming along and alerting people when issues arise. He has full responsibility for the US, he does the registration forms, writes the Purchase Orders and writes the checks.

**Basel Convention** –Document giving rules about exporting e-waste from your country for recycling with the purpose of avoiding human health issues. They are finding that the export controls are not working very well, they are considering labeling all e-waste as hazardous waste. But this will make it too complicated to reuse any parts. The intention is to avoid having human health hazards when this material is picked apart and burned in 3rd world countries.
ESTewards Certification - Associated with Basel: BAN (Basel Action Network) oversees the push to change Basel. ESTewards Certification: If you are recycling correctly, the process is not hurting people and you are not polluting the drinking water.

R2: Audits all the recyclers that want the R2 certification. The standard originated within the industry to make sure that companies are doing environmentally responsible recycling (and not grinding it up and sending it to the landfill).
- Customers ask to see if Company X is R2 or ESTewards certified
- They have independent auditors that come and certify that Company X is doing what they say they are doing.

Conflict Minerals
He plays a part but he does not track sourcing of the minerals.
- Supplier Based Management Department – manages relationships with suppliers and contracts. They want the suppliers to have a paper trail tracking minerals through the line of the suppliers all the way down to the origin. Company X contracts out manufacturing and can dictate if they want the manufacturer to use a specific supplier to get the needed materials or if the manufacturer has the freedom to choose their own suppliers.

3. What duties take up the most of your time?
Material Substance certifications – Lately this has not been taken up too much time because the system has become delayed.
- The recycling elements (payments, tracking etc.) take up a lot of time but he has to limit it to spend more time on substances.
- There needs to be a person who can do data entry for the PLN – Materials Compliance Central, because right now it does not contain any data. Every part needs the data. Right now he is spending a lot of time trying to make the PLN work right. It is released and functional but it has no data. PLN: if all the data was in it would be able to tell you every substance, the concentrations and what it weighs within every model.

In his vision, data collecting should be under the Materials Department, finding out who the suppliers are goes to SBM
- Environmental requirements – Sustainability department
- Uncovering multi-tiered suppliers to get contact info – Supply Based Management
- Gathering the data directly from these suppliers– Materials (also helps with recycling)

4. What do you see as your most important responsibility?
It should be: substance content – materials: gathering data and reporting.

5. Which other Sustainability Team members do you communicate with most frequently and regarding what topics?
- Product Staff 2 – She keeps the general product development, she keeps track of their progress, signoffs, and batteries.
- Compliance Staff 1- He knows more about the broader specifics of REACH (he does Chemical registration) so they will discuss if something needs to be added to the list.
- Sustainability Staff 1, Sustainability Staff 2 – They will come to him with questions from RFPs and regarding CSR report inputs.
- Compliance Staff 2 - Occasionally he will have to ask Compliance Staff 2 questions about when certain substances were banned.
- Product Staff 4 – Not much, but maybe in the future once PLM is more integrated he will have to fill in the product numbers

6. What other departments within Company X do you communicate with most frequently? Explain.
- Development – Connecting suppliers who will have answers about material substances questions
- Materials team
- Global Services Staff 1- But she is technically under different management
- PLM Team – (Part of IT)
- World Wide Financial Planning – US recycling under WEEE
• Product and Process Quality Assurance – They handle the CE mark (RoHS conformity)

7. **Do you have meetings with companies/organizations outside of Company X? Explain.**
   • He has calls with ITI, he actively participates in the Recycling Committee. He will also listen to the Materials call.
   • The recyclers
   • Most of the work with suppliers is done through Development, but once in a while he will have a call with suppliers
     o Most of his meetings are in a peer-type setting where they are sharing knowledge for the collective benefit.

8. **How could your job be improved?**
   Being able to focus more on following the regulations, making sure everything is working right. He is interested in going into the consulting role. His work with systems and data gathering could hugely help other companies. They have learned a lot as a team.

9. **What’s your favorite part of your job?**
   • The implementation of new systems, new processes

Right now they are struggling to keep up with the daily flow. It is great if you can get deep enough into something so that you could contribute and shape the outcome. He would love to have more time to become proactive to help Company X adopt new policies sooner, he just does not have enough time to devote to the cause. The department is very reactive instead of proactive.

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**Product Staff 4**

1. **What is your official title with Company X?**
   Corporate Industrial Hygiene Program Manager

2. **What is your job in general?**
   • Hazard Communications.
   • Communicates health and safety information about each product. Makes sure that the product does not have any health and safety issues (component/ingredient selection).
   • Toxicity
     o Within the company:
       ▪ When the products are being created, the department will come to him to see if they will have any adverse health issues.
       ▪ He sits in on meetings to advise Company X on what chemicals are safe to use for new products a few times a year.
     o Toxicity - Customers:
       ▪ Company X contracts with another company which:
         - Answers emergency calls, they are linked to poison control
         - Distribute Material Data Safety Sheets (MSDS) to customers who request them.
       ▪ He still gets about 5-6 customer calls per year personally asking about health and safety issues.

   • Material Safety Data Sheets (MSDS): First came out in 1988 with the Hazard Communication (Haz Comm) standard. Hazard Communication Standard – A way to get information from the manufacturer into the hands of the people who use the product so that they know how to use it safely. In the US, the MSDS is a performance standard.
9. How could your job be improved?

His work requires more time than he can give. There will be a crisis that has to be dealt with immediately, and while he is “fire-fighting” the rest of the work just sits there. The regulatory world has exploded, lead by

- Globally Harmonized System (GHS): The UN has been working on it in order to create a standard template for all SDS in different countries. That way, people would know where to look for certain issues and it would incorporate more icons and color. That way you could move chemicals across borders and everyone would have the information they need to make the decisions that need to be made.
  - But many countries had issues with certain things, the UN made a lot of compromises and now they are enforcing a global MSDS sheet but each country can decide to include or exclude certain sections.
    - This has been very difficult for him to implement because the GHS SDSs require different sorts of information than he was gathering before. For example, they are asking more detailed questions as to the results of the test in order to determine classifications.

3. What duties take up the most of your time?
   MSDS, and when he has to write a white paper in response to an issue.

4. What do you see as your most important responsibility?
   - Personally - advising Company X on their choice of chemicals, and speaking with customers who have concerns.
   - Company X – MSDS

5. What is your favorite part of your job?
   - Communicating with people, internal or external.
   - To figure out the answer to the question at hand and sharing it.
     - Sometimes when a customer calls in it is hard to decipher what their question is at first (they typically are distracted by the potential danger they or the trouble that a loved one might be in).

6. Which other Sustainability Team members do you communicate with most frequently and regarding what topics?
   - Product Staff 2 – voluntary product certification (Blue Angel)
   - Compliance Staff 1 – They share a lot of information.
   - The rest of it is sharing information internally. He is part of the Emissions CFT and helps to answer some questions in that group.

7. What other departments within Company X do you communicate with most frequently? Explain.
   - Development
   - Product Teams – they will have specific questions to be answered (We want to build this, what should we consider, or we have already built this – can we sell it?)
   - Legal department – what regulations applies to this particular product? The Sustainability department is essentially the center of regulations, because regulations apply to only health and safety and sustainability issues.
   - Facilities – On site industrial hygiene for employees. They manage the headquarters site, but they have corporate over-site for all Company X locations.

8. Do you have meetings with companies/organizations outside of Company X? Explain.
   Yes. The meetings are focused on a particular topic. He is trying to get more into sustainability with the American Industrial Hygiene Association.

45
Europe. He has to spend a great deal of time working to keep up with all the changing regulations. Implementing the GHS is taking a lot of time.

He is in the process of building a new website to have all the MSDSs easily available and searchable.

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**COMPLIANCE TEAM**

*Compliance Staff 1*

*EH&S Compliance Team Lead*

1. **What is your official title with Company X?**
   - *EH&S Compliance Team Lead*
     - WW Chemical Registration Coordinator
     - Corporate TSCA Coordinator
     - Product Environmental Team Lead
     - ISO 14001 Program Manager
     - Others as needed

- **What is your job in general?**
- Ensuring Company X and OEM partner products are in compliance with regulations in the countries they are imported into.
- Ensuring Company X development and manufacturing teams are aware of their responsibilities regarding TSCA and chemical registration, as well as working with them to ensure Company X’s products are in compliance.
  - Guiding the development and manufacturing teams to not use certain chemicals in our products or manufacturing processes.
- Ensuring the headquarter facility maintains 14001/18001 certification. Through audits, corrective action, management review, properly implemented systems, etc. Member of many teams associated with 14001/18001 (CFT, Audit, Safety Team, CAR/PAR, Aspect/Impact, Risk/Hazard, etc. and main presenter to Top Management).
- Helping out the Product Environmental Team as needed.

*Descriptions:*

- **14001/18001 Certification – International standards**
  - ISO 9000 - Quality standards, defect rates, corrective actions for defects
  - ISO 14001 – Environmental management system, concerned with the environmental impact of the business. It officially organized Company X’s internal protocol and filled in some of the holes they were missing. The standard is filled with “thou shall do this…” including having a policy, planning, etc.
    - Safety Team, Risk Team, Emergency preparedness committee, internal audit team,
    - Aspect impact team – looks at anything in the company that could potentially be an environmental risk.
  - 18001 – Almost identical wording and organization to ISO 14001 but regarding health and safety.

- **TSCA – Toxic substances control act. Only for the US.**
  - A number of other countries have laws similar to TSCA. He has to keep up with these changing laws in other countries.
What is the process for chemical registration?
• Worldwide he has to register chemicals for each of our product models. Also, at manufacturing locations they use process chemicals, so he has to make sure those chemicals are approved and properly registered in that country.
  o Each country has different regulations regarding which chemicals you can import. Each has a list of “approved” chemicals, restricted to certain volumes of each chemical.
  ▪ He typically doesn’t fill out the official registration forms because Company X has consultants in every country to fill out the paperwork in the native language.
• A complication is that they provide product for OEMs, so they have to do chemical registration for each of the products they provide to their customers.

• What duties take up the most of your time?
• Varies. During audits the 14001/18001 systems take up most of his time. At other times it is TSCA or Chemical registration and other times it is whatever crisis needs fixing.

• What do you see as your most important responsibility?
• He feels that the TSCA and Chemical Registration activities are the most important in the aspect they are directly related to sales. If these items are not completed then Company X and our OEM partners cannot import or sell their products.

• What is your favorite part of your job?
• The 14001/18001 activities are the most rewarding. He can get a clear view of making things better for the employees, environment and customers with these activities. Like revamping the shelter in place locations and having drills, or reducing the amount of packaging in our products, or reducing the amount of energy and water used on site, etc. Plus they work with the other sites to share these improvements.

• Which other Sustainability Team members do you communicate with most frequently and regarding what topics?
• Given that he has responsibilities for sustainability activities related to the products and the traditional EH&S related to the site, he communicates with everyone on the team on various topics.
• He speaks the most with:
  o Product Staff 4
  o Product Staff 2
• He speaks with Sustainability Staff 1 the least (mainly about CSR reporting, 14001/18001 activities and RFP/RFQ topics)

• What other departments within Company X do you communicate with most frequently? Explain.
• He deals with individuals and groups all over this site and other sites.
  o With TSCA and chemical registration mainly the development and manufacturing teams around the world.
  o With 14001/18001, especially with regards to auditing and safety team, he deals with people all over the site. This includes contractor cleaning crews all the way up to executives.

• Do you have meetings with companies/organizations outside of Company X? Explain.
• Yes. This is mainly driven by chemical registration activities. They have consultants who do work on behalf of Company X as well as suppliers of chemicals to discuss chemical registration regarding the chemicals they provide to Company X.

• How could your job be improved?
  o With the significant increase in WW chemical registration laws a significant increase in head count would be welcome. During the past few years Company X has had a number of cut backs in head count. Though these may have been necessary for company viability the reality of increasing regulations was not fully taken into consideration.
At this point Company X is in a position of reacting to new legislation, sometimes very late, rather than proactively monitoring and properly communicating new regulations before they have an impact on Company X and their OEM partners.

- More training and conferences would help as well. Networking with other companies and keeping up on new information is vital, but this has been significantly curtailed with budget cuts.

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### Compliance Staff 2

1. **What is your official title with Company X?**
   - Corporate Environmental Attorney

2. **What is your job in general?**
   - Corporate environmental oversight for Company X worldwide.
     - *Member of the chief executive officer’s crisis management team* (they hold a drill once a year where all direct reports meet – he addresses environmental issues.)
     - *Audit manager for corporate EH&S audits* – Manages process and audits, EH&S instructions, standards, the law of the country of the facility. Rentals or new land real-estate due diligence. They are required to do a phase 1 and sometimes phase 2 audit.
       - He has audited Company X affiliated properties and organizations in 9 countries.
         - He has a network of consultants around the world who accompany him on international audits, they serve as the translators and experts on the law of that country and the general area.
       - *American Society Test and Materials (ASTM)* - he wrote the corporate protocols and runs the environmental assessments. Whenever Company X donates property he drafts the environmental section and reviews the deed.
       - When an inspector comes to audit the Sustainability Department, they meet with: Department Head and himself.
         - *Legal EH&S based engineering responsibilities and corporate oversight for the Company X headquarters.*
           - Engineering responsibility for air programs
           - Title 5 for clean air act
           - Legal and engineering responsibilities for Company X site remediation.
         - *Legal research*
         - *Contracts and legal writing*
           - For Supply Based Management (SBM), he drafts the environmental section of the contracts and helps negotiate them when SBM is setting up new manufacturers, recyclers, or re-evaluating a current contract.

3. **What duties take up the most of your time?**
   - Auditing
   - Corrective Action Plans
   - Site based remediation
   - Keeping up with the environmental law and regulations in each different location. He has contacts that send him updates every so often to notify him about changes and implications in their region.

4. **What do you see as your most important responsibility?**
   - Making sure that Company X complies with regulations
5. What is your favorite part of your job?
   Legal problem solving.

6. Which other Sustainability Team members do you communicate with most frequently and regarding what topics?
   - Every one
   - Sustainability Staff 1: CSR – Sometimes he answers questions on RFPs regarding regulatory issues.

7. What other departments within Company X do you communicate with most frequently? Explain.
   General Legal, SBM frequently.

8. Do you have meetings with companies/organizations outside of Company X? Explain.
   Yes, for auditing and compliance requirements.

9. How could your job be improved?
   - He needs assistance! A legal intern would be really nice – or a paralegal: they can draft a lot of the documents and do the research.

Compliance Staff 3

1. What is your official title with Company X?
   Safety & Workers’ Compensation Coordinator

2. What is your job in general?
   - Conducting Trainings
     - Fork-truck training
     - Fire training
     - Hazardous communication training
   - Keeps training records
   - Safety glasses program
   - Account Corder
   - Workmen’s compensation
   - OSHA Log
   - Safety audits
   - Ergonomics - She finds appropriate furniture to match the needs of staff and consult about how to best use it.
   - Red Cross instructor

3. What duties take up the most of your time?
   - Ergonomics – There is a high demand for her services.
     - Consultations can take anywhere from 5 minutes to 1 hour depending on how many questions the staff member has.

4. What do you see as your most important responsibility?
   Making sure the OSHA records are kept up to date and attended to as they should be.

The safety issues around the campus are pretty mild.

5. What is your favorite part of your job?
   - Ergonomic assessments
   - Conducting trainings
   - She likes all of her duties - and the variety!
6. Which other Sustainability Team members do you communicate with most frequently and regarding what topics?
   • Compliance Staff 4 – EH&S and Safety audits
   • Product Staff 2 – They often audit together
   • Compliance Staff 1 – He is the team lead of the Company X Safety Team, of which she is a member
   • Product Staff 4 – Material Safety Data Sheets
   • But in reality she communicates with everyone as needed

7. What other departments within Company X do you communicate with most frequently? Explain.
   • Every department must have safety and EH&S audits
     o She casually helps train people about sitting ergonomically in their work chairs as she walks through the building
     o She helps inform contractors about how to use their equipment more ergonomically
   • The labs get special attention as her audit team helps them follow safety regulations.

8. Do you have meetings with companies/organizations outside of Company X? Explain.
   • At times she will communicate with office supply companies to order more office equipment for staff
   • American Red Cross – She may take classes, or attend a meeting.
   • Junior Achievement – Company X allows for time off in order to volunteer and teach at local schools.
     o She teaches middle school classes (usually 7 weeks long).

9. How could your job be improved?
   She is not sure! Her position is flexible so she can make improvements to processes as she goes along.

10. What do you envision as the ideal structure for the Sustainability Team within Company X?
    • Cross training is needed so that people have back-up in case they cannot complete their duties.
    • Sustainability needs more visibility and authority within the business in order to accomplish our goals. They need to be higher in the company hierarchy.

Compliance Staff 4

1. What is your official title with Company X?
   Sustainability Management Systems

2. What is your job in general?
   • Assists with site environmental compliance activities
     o Has responsibility for the Spill Prevention Control and Countermeasures (SPCC) Plan
     o Hazardous Waste Spill Contingency Plan
     o Groundwater Protection Plan
     o The site (storm water) permit
     o The site industrial user’s permit (sanitary sewer user’s permit)
     o The quarterly corporate EHS reports (completing the headquarter report and coordinating responses from sites worldwide)
   • OHSAS 18001 Management System program manager
     o Participates in the annual external audit of the 14001/18001 management systems. Underwriters Laboratories, the external auditor who comes in. They’re concerned about conformance to the 14001/ 18001 and will certify Company X accordingly.
     o Participates in the internal audits of the management system
     o Attends various meetings of the teams associated with the management system
     o Acts as team lead for the CAR/PAR team (Corrective action report / preventive action report)
• Document control administrator for the 14001/18001 management systems.

*The CAR/PAR team:*
Corrective Action Report / Preventive Action Report (CAR/PAR) – team that is part of the ISO 14001/OHSAS 18001 management system. It tracks audit findings and follows up to ensure that the problems are addressed. The audit team sends their notes to the CAR/PAR team (the teams have some overlapping members) who write up the CAR/PAR form (the “your department must fix these issues” form). The department must have the issues fixed within 1 year. The team contacts the department within a couple of weeks to see if the problems have been addressed. When they re fixed, the CAR/PAR team will sign off on the form saying the case is closed.

3. **What duties take up the most of your time?**
   • Trying to obtain information from others in a timely fashion is time consuming
   • The document control administrator duties take more time than they should. They include making sure that 254 documents in the management system are reviewed annually.
   • At present, data management and reporting for the storm water and sanitary sewer users permits is also taking some time;

4. **What do you see as your most important responsibility?**
   • Maintaining site compliance with the storm water permit, industrial user’s permit and the SPCC Plan requirements.

5. **What is your favorite part of your job?**
   • Interacting with others at the site and with external consultants or government agencies
   • She also enjoys the recordkeeping and documentation aspects of her job

6. **Which other Sustainability Team members do you communicate with most frequently and regarding what topics?**
   • Compliance Staff 1 - 14001/18001 management system activities
   • Compliance Staff 3 - power vehicle program reminders and compliance team activities
   • Product Staff 2 - management system and document related activities
   • Compliance Staff 5 - documents and waste related questions
   • Compliance Staff 2 - program activities/questions
   • Department Head - program status updates and document review activities

7. **What other departments within Company X do you communicate with most frequently? Explain.**
   • Facilities Maintenance regarding correcting problems revealed by various audits or inspections and collecting information required to document compliance with her permits and programs
   • Facilities Engineering regarding issues related to permits and programs.

8. **Do you have meetings with companies/organizations outside of Company X? Explain.**
   She works with external environmental consultants on issues related to the sanitary sewer permit, storm water permit and SPCC Plan. She will interface with the local and state government regulatory agencies with authority over the storm water and sanitary sewer permits.
Compliance Staff 5

1. **What is your official title with Company X?**
   Sustainable Resource Manager/ End of Life Management

2. **What is your job in general?**
   “Jack of all trades”. Management responsibilities for:
   - Hazardous (haz) waste
   - Facilities Recycling
   - Shipping/receiving dock management. He manages the EH&S aspects of the loading docks.
   - Permits regarding the loading docks. He writes permits, add people to the database, and audit the permit holders to ensure that they are compliant in their operations.

3. **What duties take up most of your time?**
   - Paperwork: auditing invoices, creating invoices, documents and training and check reconciliation.
     - All the accounting work he does is for the recycling program.
   - Recycling takes up 8-10 hours a week, hazardous waste is 15-20 hours a week

4. **What do you see as your most important responsibility?**
   Compliance – making sure everything (hazardous waste) is compliant with the USA Dept of Transportation, as he is routinely audited by many organizations.

5. **What is your favorite part of your job?**
   Versatility – he likes that he has the freedom to bounce around the Company X campus, that he is not stuck behind a desk. There is no one duty that he prefers over others.

6. **Which other Sustainability Team members do you communicate with most frequently and regarding what topics?**
   - Compliance Staff 4 – Documents regarding compliance issues with every program that he runs, and regarding the management of the shipping/receiving docks on site.
   - Compliance Staff 2- Hazardous waste issues, on site remediation.
   - Sustainability Staff 1 – Sustainability Performance Management software.

7. **What other departments within Company X do you communicate with most frequently? Explain.**
   - Accounting – Invoice transactions having to do with the recycling program

8. **Do you have meetings with companies/organizations outside of Company X? Explain.**
   Only with Vendors: Hazardous & non hazardous waste vendors, recycling service providers, etc.

9. **How could your job be improved?**
   He would like more work on his plate, he would like to become more efficient as an employee.

10. **What do you envision as the ideal structure for the Sustainability Team within Company X?**
    Since he is separate from the group he does not know enough about the issues involving the current structure to recommend change.
Of the 14 Sustainability Department staff members interviewed, nine recommended new internal structures for the department. The following are their recommendations for how to restructure the Sustainability Department within Company X. The structures are grouped by the highest position of management for the Sustainability Department.

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<th>Color Key</th>
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<tr>
<td>TOP LEADERSHIP</td>
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<td>EXECUTIVE &amp; INTERMEDIATE LEADERSHIP</td>
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<tr>
<td>DIRECTORS</td>
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<td>MANAGERS</td>
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<td>EXTERNAL REPORTS</td>
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<td>EXTERNAL REPORT STAFF</td>
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5 Structures

### Department Head
*Corporate Manager of Sustainability*

#### Top Leadership
- **CEO**

#### Executive Leadership
- **CSO or VP Sustainability**

#### Managers
- **Sustainability Sales & Marketing**
- **Product**
- **EH & S**
- **CSR Supply Chain**

#### Staff
- **Staff of 6**
- **Staff of 6-7**
- **Staff of 4-5**
- **Staff 4-5**

**Sustainability Sales & Marketing**
Each Sales/ Marketing team member would be a vertical expert.

**General Structure**
Each major area in the business would have a Sustainability Champion, who would have a dotted lined to the team in the Sustainability Department that is most relevant.
2. **Sustainability Staff 1**

*Sustainability Team Lead*

<table>
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<tr>
<th>Top Leadership</th>
<th>CEO</th>
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<tr>
<td><strong>Executive Leadership</strong></td>
<td>CIO</td>
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<td><strong>Directors</strong></td>
<td>CSR Communications</td>
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<td><strong>Managers</strong></td>
<td>Citizenship &amp; Philanthropy</td>
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<tr>
<td><strong>Staff</strong></td>
<td>Staff of 3</td>
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**CSR Communications**

As needs change seasonally, the team would share responsibilities for customer engagement, employee engagement, investor relations, analyst relations, marketing communications, sales support and media.

**Product Development**

One team member dedicated to new solutions development (including related work such as Life Cycle Assessments) in each of the following areas - Software, Hardware, Supplies and Services.

One team member dedicated to monitoring global legislation and earning / maintaining product certifications in each of the following geographies - North America, Latin America / Mexico, Asia Pacific, and Europe, the Middle East and Africa (EMEA).

**Operations & Facility Compliance**

One team member dedicated to coordinating operational and compliance efforts for each of the company’s business divisions.

Corporate program manager for each of the following – energy and water, manufacturing and industrial waste, employee health and safety, management systems (i.e. ISO 14001), and materials (chemical hygiene, import / export compliance, MSDS, etc).
### Product Staff 1

#### Product Sustainability Team Lead

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<td>Intermediate Leadership</td>
<td>VP Corp Comm.</td>
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<td>Managers</td>
<td>Sustainability Messaging</td>
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<td>Staff</td>
<td>Staff of 4</td>
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<td>Hardware Compliance</td>
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#### Top Departmental Positions

The CSO position is necessary in order to be a thought-leader in sustainability and accomplishments. Their responsibilities would be to represent sustainability at Company X to the media, create company strategy, and influence departments to move beyond their comfort zone to improve sustainability within the company.

The Sustainability Manager’s position would be to coordinate the efforts delegated by the CSO among the different branches below him/her.

#### Product Compliance Department

Company X should create a Product Compliance Department for the whole company. However, the sustainability certifications should be handled by a separate entity to keep the focus on environmental measures. The company needs to organize all the non-environmentally concerned certifications under one manager.
The Company Product Compliance Team would bring together all of the compliance and certification groups across the company under one manager. For example: Acoustics, EMC, Safety, Energy, Chemical Registration, SDS’s, etc.

The CSO Position

If the department intends on becoming a consulting entity, it will need a CSO as the figurehead to gain respect in the industry. The CSO would work particularly closely with the Public Relations Sustainability Team in order to drive sustainability efforts within the company.

Global Shared Services

In order to help lighten the workload from the employees that are responsible for multiple full-time jobs, there should be a team of people globally that handle busywork such as data entry and filling out RFPs.
EH&S Team

Full time position to manage compliance programs worldwide.
Sustainability Department Head as a VP but Not a Direct Report to the CEO

1 Structure

6. Compliance Staff 4

- Top Leadership
  - CEO

- Executive Leadership
  - 2 VPs

- Department Head
  - VP Sustainability

- Teams (no leadership)
  - Sustainability Team
  - Product Team
  - EH & S Team

- Team Staff
  - Staff of 5

VP Sustainability

This position should be on the same level as the current VP of Customer Experience, Quality, and Sustainability

Sustainability Team

This branch may also work well in Marketing/Sales

EH&S Team Needs

Full time position to inspect labs to ensure the standards are being followed, and to organize the Hazard Communication and Chemical Hygiene trainings.

Half time or full time position to conduct OHSAS/ISO audits.
SUSTAINABILITY DEPARTMENT HEAD AS A MANAGER

3 Structures

7. Compliance Staff 1
   EH&S Compliance Team Lead

   Top Leadership
       CEO

   Executive & Intermediate Leadership
       2 VPs

   Department Head
       Sustainability Manager

   Managers
       Sustainability Marketing
       Product
       Voluntary Certifications
       EH&S

   Staff
       Staff of 4-5
       Staff of 4-5
       Staff of 4-5
       Staff of 4-5

No commentary recorded.
Sustainable Practices Team Members
One person for each of the following roles:

• Executive Training Program Manager
• Sales & Marketing Program Manager
• Communications Program Manager (RFPs)

Compliance/Conformance Team Members
One person for each of the following roles:

• Chemical Notification Program Manager
• EPA Compliance Program Manager (Waste, Air, Water, Asbestos)
• OSHA Compliance Program Manager
• RoHS/WE Extension Program Manager
• ISO 14001/OHSAS 1800 Program Manager
• Global Voluntary Certifications Program Manager (Energy Star, Blue Angel, etc.)
• Global Hazardous Communications Program Manager (SDS, Customer H&S, Corporate and site)
• Global EH&S Audit Program Manager
Product/ Solutions Team

Covers: The formulations of supplies, hardware and cartridge housing, certifications and scorecards, end of life, solutions (currently there is a gap here) and energy.

Share information with the Development, Marketing, and possibly Legal Departments about needs for current and future products and solutions.

Work with the Development Department throughout the development process to obtain needed information and track sustainability needs.

Output: Certifications, MSDSs, Declarations, Chemical Registration Letters

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CSR/ Sustainability Team

Molds company sustainability strategy and goals from top down, shares the direction across the company.

Messaging:
CSR, operations and supply chain activities.
- Reporting, awards, indexes etc.

Product level/ solutions
- Reporting, awards sales collateral, training, delivery to Marketing/ Sales Departments.

Driving and organizing sustainability projects and community activities/ joint customer initiatives.

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Operations/ Compliance Team

Covers: ISO/OHSAS, Hazardous Communications/ CHP, labeling, chemical authority, Injury/ accident reporting, Contractor safety, Power vehicle, Waste

Some people want to move this team to the Facilities Department, but Facilities is always getting budget and personnel cuts. The Operations/Compliance Team is vital to the existence of the company; it cannot take the risk of reducing these efforts. The team must remain in the Sustainability Department in order to maintain its value.
C. Appendix 3

Corporate Sustainability Structure Questionnaire

The Duke University Institutional Review Board approved the following questionnaire for distribution. In the survey, the term corporate responsibility (CR) is synonymous with sustainability, but was chosen due to its broad application.

### 1. Respondent Information

<table>
<thead>
<tr>
<th>Qualified Survey Participants</th>
<th>Industry</th>
<th>Company Employee Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Residential</td>
<td>50</td>
</tr>
<tr>
<td>2</td>
<td>Sports</td>
<td>100</td>
</tr>
<tr>
<td>3</td>
<td>Investment</td>
<td>500</td>
</tr>
<tr>
<td>4</td>
<td>Energy Utility 1</td>
<td>520</td>
</tr>
<tr>
<td>5</td>
<td>Energy Utility 2</td>
<td>1,900</td>
</tr>
<tr>
<td>6</td>
<td>Renewable Energy</td>
<td>2,700</td>
</tr>
<tr>
<td>7</td>
<td>Education</td>
<td>2,800</td>
</tr>
<tr>
<td>8</td>
<td>Chemical</td>
<td>9,000</td>
</tr>
<tr>
<td>9</td>
<td>Energy Utility 3</td>
<td>20,000</td>
</tr>
<tr>
<td>10</td>
<td>Government</td>
<td>28,000</td>
</tr>
<tr>
<td>11</td>
<td>Hospitality</td>
<td>33,000</td>
</tr>
<tr>
<td>12</td>
<td>Technology</td>
<td>400,000</td>
</tr>
<tr>
<td>13</td>
<td>Not Given</td>
<td>Not Given</td>
</tr>
<tr>
<td><strong>Company X</strong></td>
<td><strong>Technology</strong></td>
<td><strong>13,000</strong></td>
</tr>
</tbody>
</table>
2. What is the CR Department called in your company?

<table>
<thead>
<tr>
<th>Response Rate</th>
<th>Includes the Term &quot;Sustainability&quot;</th>
<th>Does not include &quot;Sustainability&quot;</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>69%</td>
<td>31%</td>
</tr>
</tbody>
</table>

Company X

3. The structure of a company’s CR Department often goes through an evolution of stages through time. Which stage best describes the current status of CR at your company?

**CENTRAL** - Typically one central CR leader with a few direct reports. Employees and executives may show excitement about the potential of CR, but large-scale engagement across corporate divisions has yet to occur.

**INTEGRATED** - CR leaders exist throughout the divisions of the company. Employees feel united around and accountable for CR initiatives.

**EMBEDDED** - The CR Department may no longer exist. Senior management considers CR in all decision making and the corporate and CR missions are one in the same.

<table>
<thead>
<tr>
<th>Response Rate</th>
<th>Central</th>
<th>Integrated</th>
<th>Embedded</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>62%</td>
<td>38%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Company X

4. Title of the person who leads CR for the company.

<table>
<thead>
<tr>
<th>Response Rate</th>
<th>Coordinator</th>
<th>Manager</th>
<th>Director</th>
<th>VP</th>
<th>CSO</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>8%</td>
<td>38%</td>
<td>31%</td>
<td>8%</td>
<td>15%</td>
</tr>
</tbody>
</table>

Company X

5. Is the head of CR considered part of senior management?

<table>
<thead>
<tr>
<th>Response Rate</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>38%</td>
<td>62%</td>
</tr>
</tbody>
</table>

Company X
6. Does the head of CR report to a position that is considered part of senior management?

<table>
<thead>
<tr>
<th>Response Rate</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>85%</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Company X</strong></td>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>

7. How many tiers of management sit between the head of CR within the company and the CEO? (Do not include the head of CR or CEO in the count.)

<table>
<thead>
<tr>
<th>Response Rate</th>
<th>3</th>
<th>2</th>
<th>1</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>15%</td>
<td>15%</td>
<td>54%</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Company X</strong></td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

8. How many tiers of management exist in the CR Department, including the head of CR? Only include the tiers of employees who supervise others.

<table>
<thead>
<tr>
<th>Response Rate</th>
<th>3</th>
<th>2</th>
<th>1</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>15%</td>
<td>31%</td>
<td>46%</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Company X</strong></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>
9. Regardless of the current number, how many employees are needed within the CR Department to work on traditional “sustainability” issues regarding social and environmental impacts and the communication of the CR story? (Exclude EH&S, compliance, and product certifications, etc.)

<table>
<thead>
<tr>
<th>Response Rate</th>
<th>Company Employee Count</th>
<th>CR Staff Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>85%</td>
<td>50</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>100</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>500</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>520</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>1,900</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>2,700</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>2,800</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>9,000</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>20,000</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>28,000</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>33,000</td>
<td>8</td>
</tr>
</tbody>
</table>

10. Which of the following is the CR Department responsible for managing:

<table>
<thead>
<tr>
<th>Number</th>
<th>Category</th>
<th>Response Rate</th>
<th>Company X</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Corporate impacts on the natural environment</td>
<td>77%</td>
<td>✓</td>
</tr>
<tr>
<td>2</td>
<td>Corporate impacts on and partnerships with local communities</td>
<td>31%</td>
<td>✓</td>
</tr>
<tr>
<td>3</td>
<td>Philanthropy</td>
<td>23%</td>
<td>✓</td>
</tr>
<tr>
<td>4</td>
<td>Environmental Health &amp; Safety</td>
<td>23%</td>
<td>✓</td>
</tr>
<tr>
<td>5</td>
<td>The CR/ Sustainability Report (if applicable)</td>
<td>85%</td>
<td>✓</td>
</tr>
<tr>
<td>6</td>
<td>Product environmental certifications (if applicable)</td>
<td>38%</td>
<td>✓</td>
</tr>
<tr>
<td>7</td>
<td>CR communication to marketing/ sales</td>
<td>69%</td>
<td>✓</td>
</tr>
<tr>
<td>8</td>
<td>CR communication to stakeholders</td>
<td>92%</td>
<td>✓</td>
</tr>
<tr>
<td>9</td>
<td>Determining the CR strategy for the company</td>
<td>92%</td>
<td>✓</td>
</tr>
<tr>
<td>10</td>
<td>Supply chain evaluation/ Supply chain risk</td>
<td>38%</td>
<td>Partial</td>
</tr>
<tr>
<td>11</td>
<td>Direct interaction with customers</td>
<td>38%</td>
<td>✓</td>
</tr>
<tr>
<td>12</td>
<td>Other responsibilities not listed here?</td>
<td>62%</td>
<td>✓</td>
</tr>
</tbody>
</table>
11. Is the current number of employees working on traditional sustainability issues sufficient to get the job done?

<table>
<thead>
<tr>
<th>Response Rate</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>92%</td>
<td>25%</td>
<td>75%</td>
</tr>
<tr>
<td><strong>Company X</strong></td>
<td></td>
<td>√</td>
</tr>
</tbody>
</table>

12. Are there problems with the current CR Department structure and/or placement within the company hierarchy?

<table>
<thead>
<tr>
<th>Response Rate</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>85%</td>
<td>73%</td>
<td>27%</td>
</tr>
<tr>
<td><strong>Company X</strong></td>
<td></td>
<td>√</td>
</tr>
</tbody>
</table>
X. REFERENCES


iv Ibid 4


vi Ibid 2
