

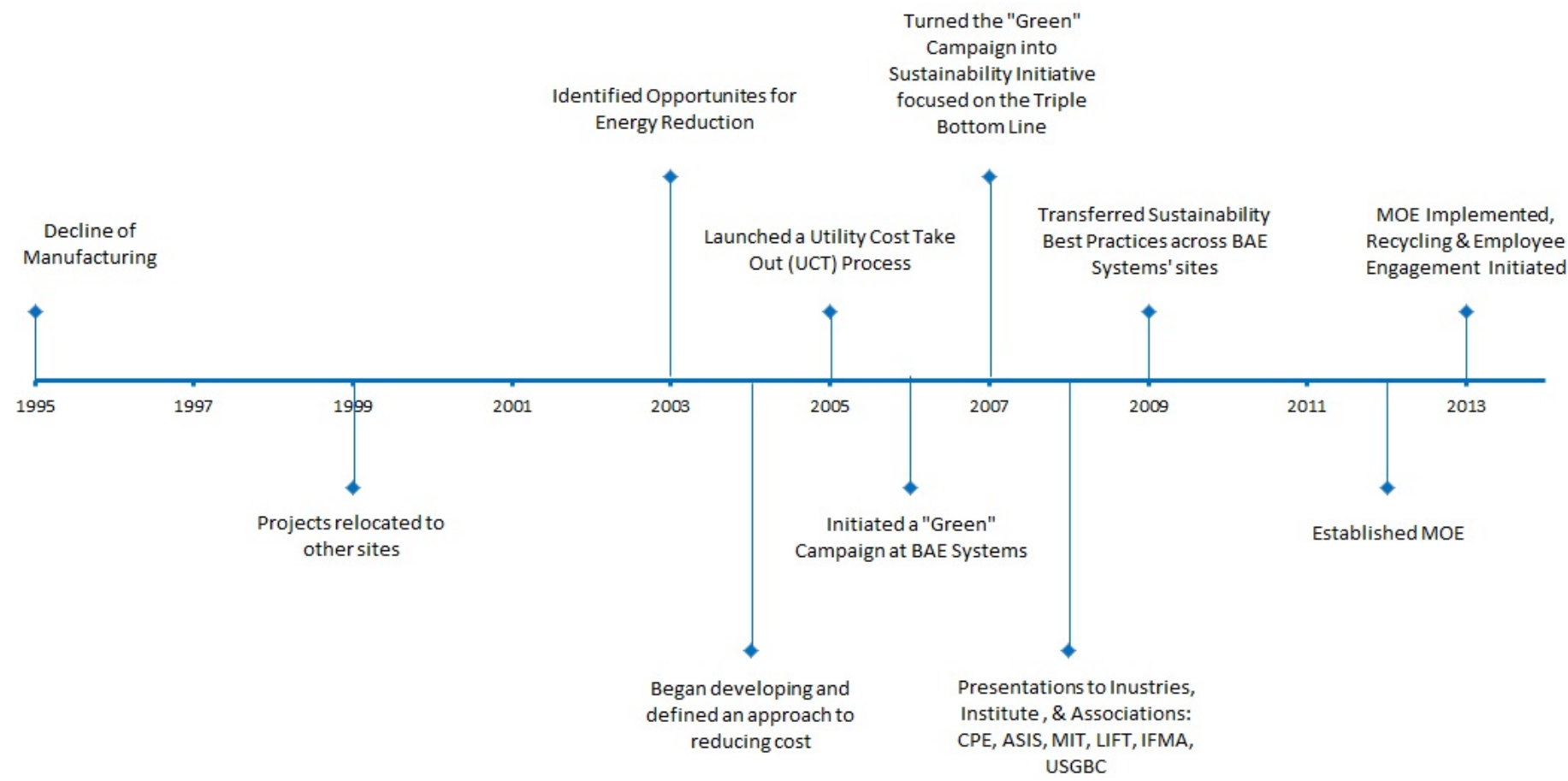
# Designing Employee Engagement Programs that Impact a Company's Triple Bottom Line

Morgan Rooney

June 2014



# BAE Systems – ES Sustainability journey line



# ES Sustainability highlights

## Energy & Utility Cost Savings

- Reduced total energy usage by 30.1M KWh since 2010
- Reduced total water consumption by 38.7M gallons since 2010
- Carbon reductions of 10% since 2010 (Scope I & II)

## Utility Cost Take-Out (UCT) program (est. 2005)

- Delivered >\$650K in CTO for 2013
- Monthly A/B team meetings reporting CTO /sharing best practices



## Manufacturing Operations Engagement (MOE) program (est. 2013)

- Identified \$231.6K in savings,\$42K executed
- Engages Manufacturing in CTO process

# ES Sustainability highlights

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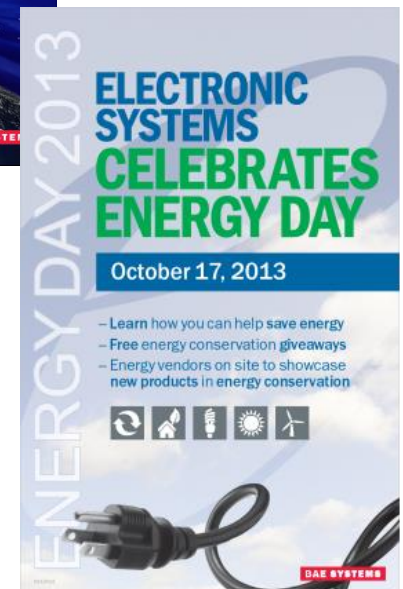
## **BAE Systems Sustainability Employee Engagement & Community Outreach**

*Get everyone ...Rowing In The Same Direction*



## General awareness training

- Global Sustainability website
- Sustainability Awareness Training
  - For all employees
  - Computer web-based
  - Company accredited
- Conduct sector-wide Earth Day & Energy Day Events



## Manufacturing employee awareness

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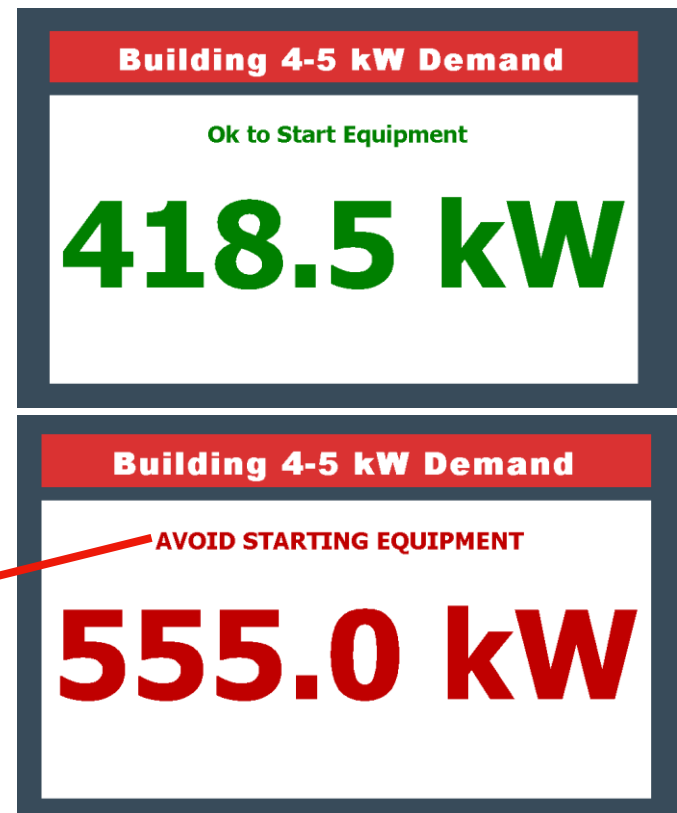
# Manufacturing employee awareness

- Decrease electrical load when the grid is in high stress
- Receive compensation from utility company
- Manufacturing Awareness

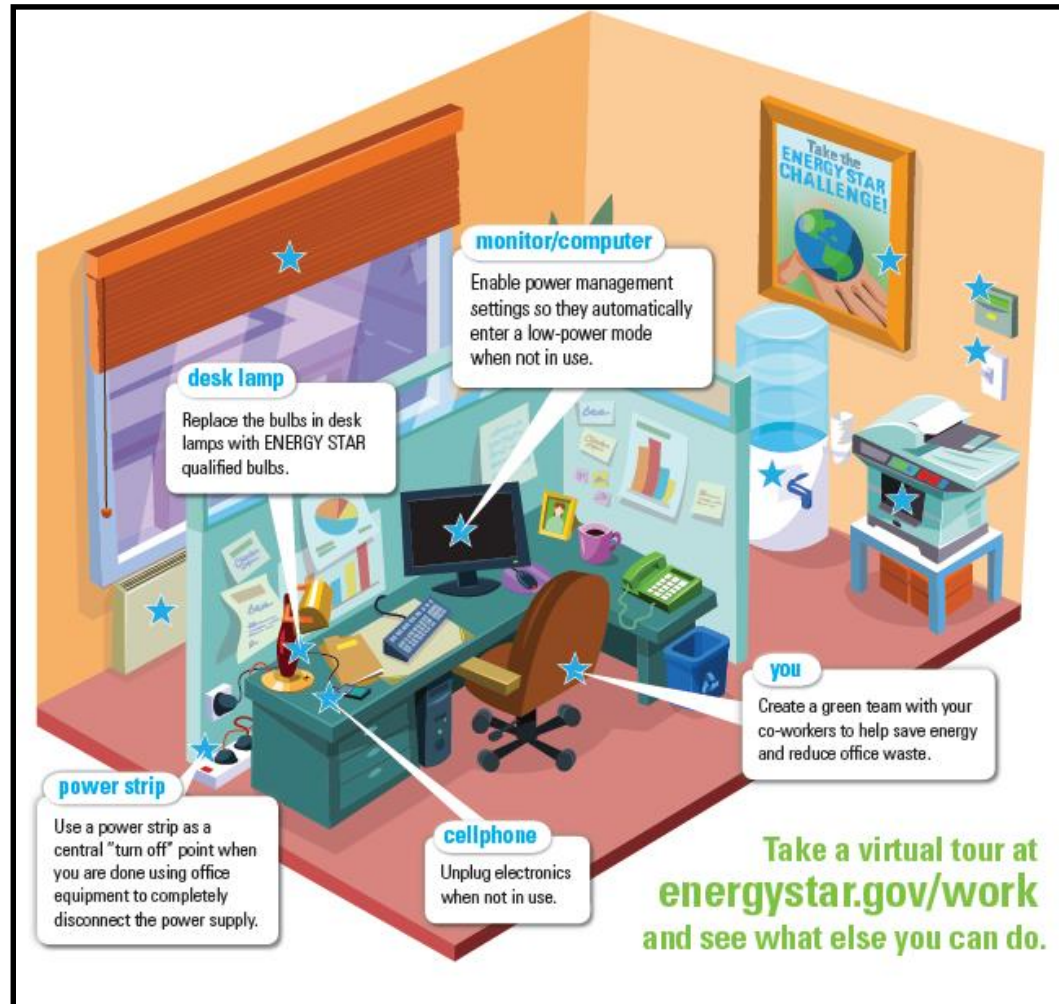
## Results:

- Provides additional revenue
- De-stresses grid to avoid failures/blackouts
- Micro-smart grid

\*Common sense will apply in all cases. No one expects damage to product, safety hazards or failure to deliver quality product on time. However, with reasonable coordination and cooperation, we can learn, grow, conserve, save and develop revenue with these types of actions. All these efforts help prevent the total collapse of the local area electrical grid.

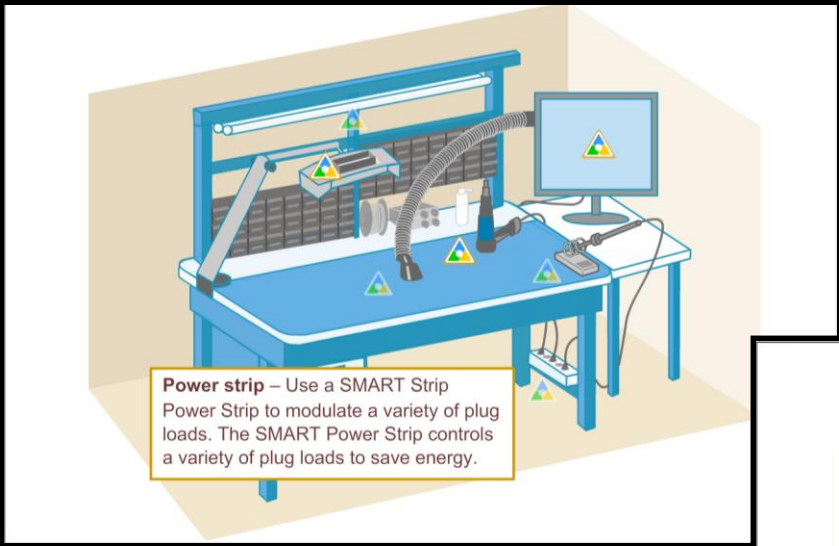


# Employee Energy Impact





# Employee Energy Impact



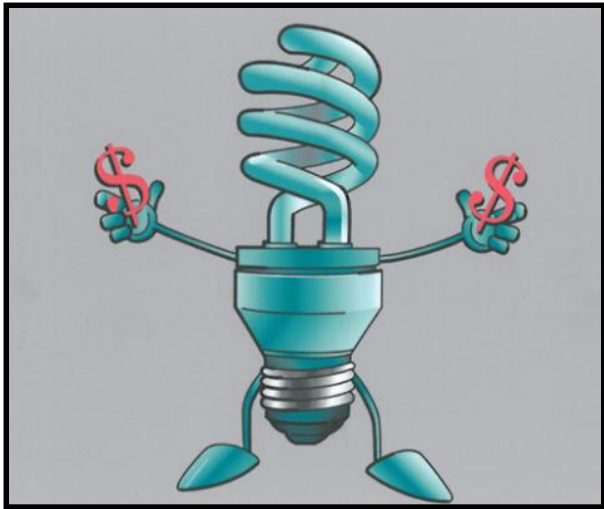
# Recycling Initiatives



## Encourage and motivate

- Innovative education

“Recycle, Recycle, it’s not hard to do,  
you can reduce the pollution and help  
the world too.”



# BAE Systems sustainability awards and recognitions

## Utility Cost Take-Out (UCT) Recognitions and Acknowledgements



**City of Austin**  
Austin Energy  
1000 Red River Street, Suite 1000  
Austin, TX 78701  
512.478.2000  
austenergy.com

**June 16, 2010**

Dear Mr. Smith,

On behalf of the City of Austin, I am pleased to announce that Austin Energy has been selected as the preferred provider for the City's Utility Cost Take-Out (UCT) program. This selection is a testament to the company's commitment to providing high-quality, cost-effective energy services to the City of Austin.

The UCT program is a long-term partnership between the City and Austin Energy. It allows the City to benefit from the company's expertise in energy management and its commitment to sustainable energy practices. The program will help the City reduce its energy costs and improve its energy efficiency.

Thank you for your continued commitment to the City of Austin and for your leadership in the energy industry.

Sincerely,  
  
 David L. Johnson  
 Executive Director, City of Austin



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Austin, TX 78701  
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 David L. Johnson  
 Executive Director, City of Austin



**Energy Management Team joins UCT Process with the Intrepid Museum**

The Energy Management Team, led by BAE Systems, Inc. (BAE), is proud to announce that it has been selected as the preferred provider for the Intrepid Museum's Utility Cost Take-Out (UCT) program. This selection is a testament to the team's commitment to providing high-quality, cost-effective energy services to the museum.

The UCT program is a long-term partnership between the museum and BAE. It allows the museum to benefit from the team's expertise in energy management and its commitment to sustainable energy practices. The program will help the museum reduce its energy costs and improve its energy efficiency.

Thank you for your continued commitment to the Intrepid Museum and for your leadership in the energy industry.

Sincerely,  
  
 [Name]  
 Executive Director, Intrepid Museum



**Sean Delaney presents the UCT Process to the Woman's Pathway Project**

Sean Delaney, Executive Director of the Woman's Pathway Project, is proud to announce that BAE Systems, Inc. (BAE) has been selected as the preferred provider for the project's Utility Cost Take-Out (UCT) program. This selection is a testament to BAE's commitment to providing high-quality, cost-effective energy services to the project.

The UCT program is a long-term partnership between the project and BAE. It allows the project to benefit from BAE's expertise in energy management and its commitment to sustainable energy practices. The program will help the project reduce its energy costs and improve its energy efficiency.

Thank you for your continued commitment to the Woman's Pathway Project and for your leadership in the energy industry.

Sincerely,  
  
 Sean Delaney  
 Executive Director, Woman's Pathway Project



**Morgan Rooney educates the Woman's Pathway Project on sustainable energy**

Morgan Rooney, Executive Director of the Woman's Pathway Project, is proud to announce that BAE Systems, Inc. (BAE) has been selected as the preferred provider for the project's Utility Cost Take-Out (UCT) program. This selection is a testament to BAE's commitment to providing high-quality, cost-effective energy services to the project.

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Thank you for your continued commitment to the Woman's Pathway Project and for your leadership in the energy industry.

Sincerely,  
  
 Morgan Rooney  
 Executive Director, Woman's Pathway Project



**National Grid**  
1000 Red River Street, Suite 1000  
Austin, TX 78701  
512.478.2000  
austenergy.com

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Sincerely,  
  
 [Name]  
 Executive Director, City of Austin



**US Green Building Council**  
1000 Red River Street, Suite 1000  
Austin, TX 78701  
512.478.2000  
austenergy.com

**June 16, 2010**

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Sincerely,  
  
 [Name]  
 Executive Director, City of Austin



**MVP**  
1000 Red River Street, Suite 1000  
Austin, TX 78701  
512.478.2000  
austenergy.com

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 Executive Director, City of Austin



**Public Service of New Hampshire**  
1000 Red River Street, Suite 1000  
Austin, TX 78701  
512.478.2000  
austenergy.com

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 Executive Director, City of Austin



**NYIT**  
New York Institute of Technology



**NSTAR**  
New York State Thruway Authority



**LIPA**  
Long Island Power Authority



**PSEG**  
Public Service Group



**ASIS**  
American Society for Information Science



**BOMA**  
Building Owners and Managers Association



**NATIONAL POLLUTION PREVENTION ROUNDTABLE**



**National Grid**

**BAE SYSTEMS**



# Awards and recognition

- **Seal of Sustainability**
  - Awarded by Sustainable Business Institute at U.S. Capitol on April 19, 2010, for overall corporate sustainability achievements
- **MVP2 Award**
  - Awarded by National Pollution Prevention Roundtable for Carbon Reduction
- **Building Operating Management – FMXcellence Award**
- **BAE Systems Chairman's Awards**
  - Bronze & Silver Winner, Gold Nomination - Utility Cost Take Out Process
  - Bronze & Silver Winner, Gold Nomination – Austin Water Reclamation Project
  - Bronze Winner – Building Energy Management System
  - Bronze Winner – Carbon Reduction Program



SUSTAINABILITY MEANS TAKING  
A CLOSER LOOK AT **EVERYTHING** WE DO.



INNOVATION



OPERATIONS



TALENT  
MANAGEMENT



RECYCLING



SUPPLY  
CHAIN



COMMUNITY



## Sustainability team graphic



- Pilot Sustainability Team established September 2013
- 13 **Volunteer** Members from Cross-Functional Departments
- Identified 12 Sustainability Projects to be Implemented throughout 2014
- Transfer Best Practice to Other Sites in 2014

**Identified Potential Cost Savings of \$100K -200K**

## Sustainability Committee – Identified ancillary benefits

- Cross-Functional Engagement
- Enhanced Diversity and Inclusion
- Improved Communication
- Cost Savings
- Environmental Benefits
- Improved Morale
- Team Building
- Supports Company Objectives
- Employee Engagement/Education
- Stronger Public Image



**Supporting multiple Corporate Initiatives:  
Diversity & Inclusion**

**Great Place to Work**

**Employee Engagement**

**Corporate Responsibility**

# Sustainability Committee – Purpose and charter

- Purpose: Ensure the sustainability of BAE Systems Electronic Systems by continuously improving in the following areas:
  - Lowering Operating Expenses
  - Reduce Energy Consumption
  - Lower/Waste Increase recycling
  - Conserve Water
  - Decrease Carbon Footprint

BAE SYSTEMS  
GREENLAWN

## SUSTAINABILITY COMMITTEE CHARTER



# Sustainability Committee – Team

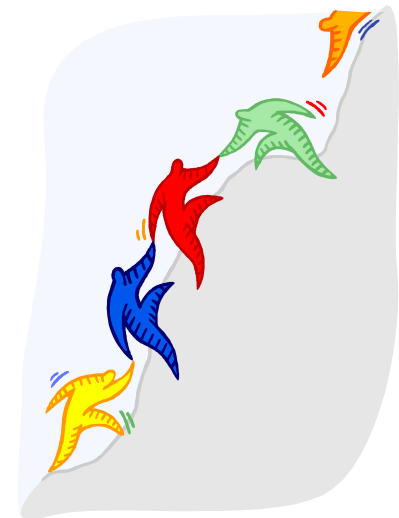
Sponsor: **Site Executive/Deputy**  
**ES Sustainability Manager**

Team Chair: Morgan Rooney

Team Members:

1. Director of Operations
2. Engineering Manager
3. Senior Human Resources Business Partner
4. Senior Communications Representative
5. Program Manager III
6. Safety, Healthy and Environment Principle Rep.
7. Principle Communications Representative
8. Program Engineering Manager
9. Energy Engineer
10. Sustainability Engineer
11. Facilities Manager
12. IT Lead

**The diversity of the group  
opened our aperture for  
additional & non-traditional  
sustainability opportunities**



# Sustainability Committee - Format

- Monthly Meetings – Second Tuesday of Month, Working Lunch
- Meetings to date
  - September : Kick-Off meeting
  - October : Project Review & Project Prioritization
  - November: Presentation to Site Exec., Security, SHE
  - December : Sub-Committee Delegation
  - January: Progress Report on Sub-Committee Implementation
  - February: Progress Report on Sub-Committee Implementation
  - March: Progress Report on Sub-Committee Implementation
  - April: Progress Report on Sub-Committee Implementation
  - May: Progress Report on Sub-Committee Implementation

**Committee established for 5 months with 12 projects  
with \$100-200K in savings identified**

# Sustainability Committee – Project prioritization overview

Project Prioritization Tool

Projects & Initiatives	Strategic Fit			Economic Impact			Feasibility		
	Alignment w/ Company Goals	Market Positioning	Core Capabilities	Cost Savings	ROI	Growth Potential	Technical Risk	Resources - Financial	Resources - People
Weighting	10%	10%	10%	15%	15%	15%	10%	10%	5%
Sustainable Opportunities with Consolidation Kiosk Implementation/Reinvigorate use of non-disposable cups	7	4	1	8	7	9	8	8	8
Supply Chain - Review packaging for reduction of waste	7	4	1	2	2	7	9	7	5
Carpooling	7	4	1	2	2	9	9	8	8
Install Air Curtains (Loading Dock Area)	7	4	1	8	9	4	9	7	8
Enhance Communications (Newsletter)	8	4	1	4	8	8	9	8	8
PC Energy Management - turn off monitors/motion sensor desktop lighting	7	4	1	9	8	9	8	8	8
Reduce number of printers/fax machines/copy machines	7	4	1	9	9	9	8	8	8
Compact server room. Get rid of servers and computers no longer in use	7	4	1	9	9	7	8	8	8
Excess MIL Spec Paint	6	7	1	4	1	2	8	8	8
Implement Compost/Community Garden	8	4	1	5	5	8	8	8	8
Enhance Recycling Program	8	5	1	5	6	8	8	8	8
Implement more sustainable cafeteria services	8	5	1	5	4	8	8	8	8
Mandatory ST001W	9	8	1	7	9	9	8	8	8
Motion Sensor Desktop lighting	7	5	1	8	8	8	8	8	8
Shuttles to and from Train Station	7	7	1	3	3	5	8	8	8
Reduce amount of computers per employee	8	5	1	8	9	8	8	8	8



Project Prioritization Tool

Note: Sort by selecting all cells then click "Data" in the navigation menu and "Sort". You can sort by Project Score (Largest to Smallest).

Project	Project Score	Strategic Fit	Economic Impact	Feasibility
Mandatory ST001W	7.5	1.8	3.8	2.0
Reduce amount of computers per employee	6.9	1.4	3.8	1.8
Reduce number of printers/fax machines/copy machines	7.3	1.2	4.1	2.1
Sustainable Opportunities with Consolidation Kiosk Implementation/Reinvigorate use of non-disposable cups	6.8	1.2	3.6	2.0
PC Energy Management - turn off monitors/motion sensor desktop lighting	7.0	1.2	3.9	1.9
Motion Sensor Desktop lighting	6.6	1.3	3.6	1.7
Enhance Communications (Newsletter)	6.4	1.3	3.0	2.1
Install Air Curtains (Loading Dock Area)	6.4	1.2	3.2	2.0
Enhance Recycling Program	6.2	1.4	2.9	1.9
Implement more sustainable cafeteria services	6.0	1.4	2.6	2.1
Carpooling	5.3	1.2	2.0	2.1
Implement Compost/Community Garden	5.1	1.3	2.7	1.1
Shuttles to and from Train Station	4.9	1.5	1.7	1.7
Supply Chain - Review packaging for reduction of waste	4.7	1.2	1.7	1.9
Compact server room. Get rid of servers and computers no longer in use	6.2	1.2	3.8	1.3
Excess MIL Spec Paint	2.9	1.4	1.1	0.5

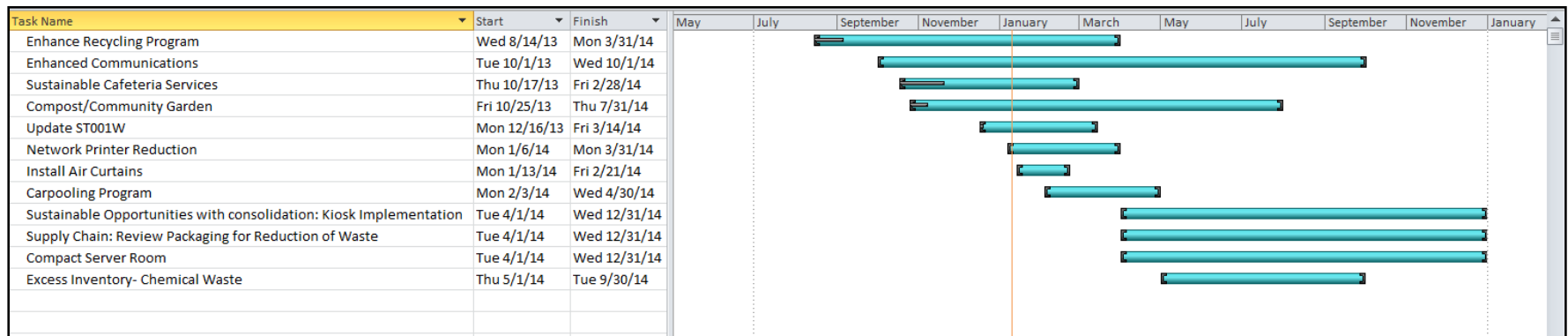


# Sub-Committee proposal template

Project Proposal		
Project Title	Network Printer Removal Process	
Team	Darryl Shaber Nick Daciuk Bob Hirner Steve Hannwacker Gary Nasta	
Approval		
Title/Position	Signature	Date
Project Description	Review Network Printers and Remove all Obsolete Printers	
Purpose & Objectives	Decrease utility costs Decrease Maintenance Costs Decrease paper usage	
Project Deliverables	Significant reduction of Network Printer. Significant reduction of consumables.	
Scope of Project & Possible Execution <ul style="list-style-type: none"><li>Obtain list of network printers</li><li>Conduct network printer audit</li><li>Remove all obsolete printers</li></ul>		
Timelines		
Review/Audit	January	January
Recommendations	February	February
Implement	February-March	March
Budget <ul style="list-style-type: none"><li>Labor to review/audit – 20 hours</li><li>Labor to Implement – 20 Hours</li></ul>		
Possible Challenges <ul style="list-style-type: none"><li>Employee cooperation</li></ul>		
Responsibilities & Coordination <ul style="list-style-type: none"><li>_____</li></ul>		

# Sustainability Committee – Project timeline

- 12 Sustainability Projects Identified
- ~ Half to be implemented in Q1
- Second half will begin implementation in Q2



**Total Estimated Potential Cost Savings of \$100K – 200K**

## Sustainability projects

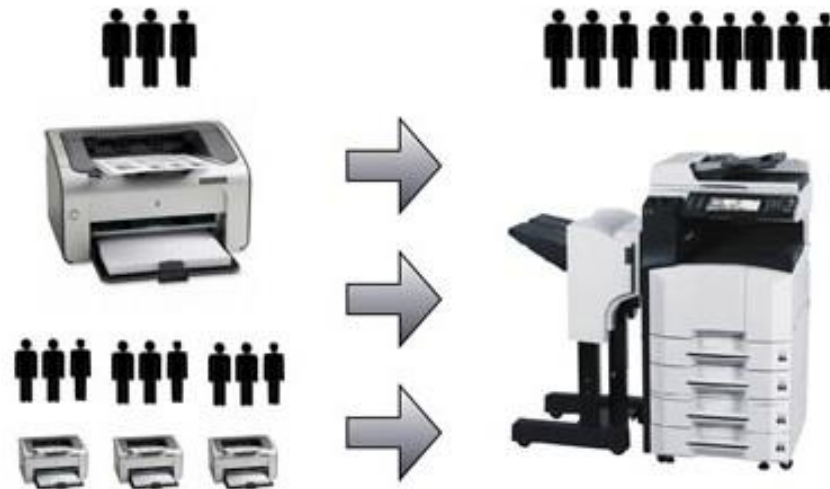
1. Network Printer Reduction
2. Excess Material Reduction
3. Enhance Carpooling Program
4. Install Air Curtains – Loading Dock Area
5. Compact Server Room
6. Augment Communications
7. Improve Recycling Program
8. Site-wide Sustainability Training – ST001W
9. Implement Compost/Community Garden
10. Supply Chain – Review packing for reduction of waste
11. Sustainable Opportunities with Site Consolidation – Kiosk Implementation
12. PC Energy Management



# Sustainability Committee - Project example

## Network Printer Reduction

- Team recognized opportunity to reduce the number of Network Printers on site
- Audit Performed:
  - 130 Network Printers
  - 40 – 60 Printers could be removed
  - \$1K per printer in maintenance savings
  - \$40K -\$60K total in savings identified



# Sustainability Committee - Project example

## Community Partnerships – Car-Pooling

- Developed partnership with *511NY Rideshare* through Huntington Chamber of Commerce
- Partnership developed to enhance site car-pooling program
- *511NY Rideshare* is a free service of the NY State Department of Transportation offering:
  - Ride matching Services
  - Vanpools and Shuttles
  - Parking Management
  - Guaranteed Ride Program
  - Attractive and cost-effective employee benefits

**511NY Rideshare**



# Sustainability Committee - Project example

## Community Partnerships – Community Garden

- Select members of Sustainability Team met with VP of Global Environmental Affairs & Safety and Director of Environmental Program at Estee Lauder in Melville, NY
- Mission was to research community garden implemented at Estee Lauder and share Sustainability Best Practices
- Gained knowledge on successfully implementing community garden in an office environment
  - Learned other Sustainability Best Practices including:
    - Kiosk Implementation
    - Password protecting Network Printers to eliminate personal printers





# Community garden implementation

## Community Partnerships – Community Garden

- 66 Plots (5X5, 10x10,10X20)
- 78 Employees Signed up (Over 10% of population)
- Sub-Committee Formed
- Local Nursery & Horticulturist on site on Earth Day to sell plants
- May 15 Held Ribbon Cutting
- Next phase – Hold Farmer's Market with Produce from Garden
  - Proceeds will go to local Charity



# What can you do?

## Senior Management/Leadership **Support & Promotion**

- Support
- Promotion

## Human Resources **Change Management**

- Education
- Clean Air NY Programs
- Information Programs
- Community

## Purchasing **Materials & Resources**

- Sustainable purchasing
- Energy

## Energy Team **Measurement & Benchmarking**

- Baseline Energy Consumption
- Benchmarking
- Promotions & Campaigns

## Information Technology **Energy Efficiency**

- ENERGY STAR equipment
- Data center efficiency
- Sleep Modes
- Computer shut-off policies
- Video conferencing

# Questions?

## Lead by example

### Help support ES' Sustainability Initiative



For more information, log on to the Sustainability website at [http://www.usa02.na.baesystems.com/es/it\\_adds\\_up/index.htm](http://www.usa02.na.baesystems.com/es/it_adds_up/index.htm)

PUBS-11\_057-02

**BAE SYSTEMS**

# **Questions?**

**Morgan Rooney -**  
**Morgan.Rooney@baesystems.com**

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