ROADMAP FOR SUSTAINABILITY ENGAGEMENT

Helping Cities Engage Their Business Communities for Prosperity
REV’s Roadmap for Sustainability Engagement is a comprehensive guide written specifically for municipalities, agencies, and business community organizations such as Chambers. It provides an overview of the changing sustainability landscape, and detailed examples, links, and resources to help you better serve your community and move your Climate Action Plan forward.

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A note to readers — This is an interactive PDF. The bolded blue text items throughout this document are hyperlinks providing more information.
Engaging the business community in sustainability is an important means of strengthening local economic development and prosperity. Businesses of all sizes are increasingly aware of the value of sustainability, providing a significant opportunity for municipalities, here in California and around the globe, to leverage that growing interest in support of local environmental and economic priorities.
In the past, the business community perceived sustainability as an add-on to the organization’s core-business — a nice-to-have, instead of a must-have basis of a sound business strategy. Businesses worked to meet required sustainability-related ordinances and mandates, but going beyond compliance was thought to be expensive and time-consuming with limited return on investment.

While this attitude still persists in small pockets, it is old school thinking and is rapidly shifting as more high visibility companies set examples. According to a recent G&A Institute report, 81% of S&P 500 companies now report on sustainability.

Views on “sustainability” have matured. Sustainability is now not only a part of reputation management and a means to realize actual dollar savings by reducing wasted energy, water, and materials – but also plays a key role in overall business strategy. A 2014 McKinsey & Company report found that alignment with a company’s business goals was the top reason organizations are addressing sustainability.

Even more importantly, sustainability is seen as a means to counter wasted potential from unhappy or unengaged employees and stakeholders. According to a 2015 Ceres report, the number of companies looking to engage employees on sustainability issues is increasing — up from 30 percent in 2012 to 40 percent in 2014. Among millennials especially, sustainability is seen as a strong driver of employee satisfaction. For example, a recent 2016 Deloitte survey found that millennials want to align themselves with and work for companies that focus more on purpose than profits.

“One reason for the shift may be that company leaders themselves believe the issue is more important. CEOs are twice as likely as they were in 2012 to say sustainability is their top priority. Larger shares of all other executives also count sustainability as a top three item on their CEOs’ agendas.”

Sustainability's Strategic Worth: McKinsey Global Survey Results
California’s audacious GHG emissions reduction goals coupled with its expected population growth highlight the urgent need for local governments to find more effective ways to advance sustainability. Because they share many similar sustainability goals, cities and municipalities in general are perfectly positioned to work with businesses to advance shared initiatives such as increasing energy efficiency, designing healthier workplaces, conserving and protecting water, and shrinking waste streams while also reducing their toxicity.

Offering local businesses support, networks, resources, and recognition, while also serving as an example, can set these establishments on a path toward positive collective impact and foster valuable relationships between local governments and their business communities.

Sustainable cities drive business growth, attracting desirable workforces by providing workers with an environment that offers walkability, public transportation, vibrant, mixed-use neighborhoods and a healthy environment. In turn, businesses are moving to sustainable cities for the diverse and educated workforce. Yet, due to density and office buildings, cities are responsible for 70% of global carbon dioxide emissions and the urgency to adopt more sustainable practices is high.

The question becomes: why aren’t cities doing more to leverage their relationships with business to address sustainability goals?

**CALIFORNIA’S EMISSIONS, POPULATION AND ECONOMIC GROWTH**

“As the City of San Jose and the local government, we want to showcase to other businesses here in San Jose that if we want them to do a certain action in sustainability we should show that same level of commitment on our end.”

Walter Lin, Municipal Energy Officer, City of San Jose

Image courtesy of CALmatters
According to the National League of Cities State of the Cities 2015 report, economic development tops the list of issues discussed in last year’s State of the City speeches and is a key focus of municipalities across America. Cities, towns, and counties work hard to attract business to their local area offering services and support to help organizations thrive. However, other issues and priorities such as housing and urban development, education, public safety, and infrastructure maintenance also vie for the attention of city leaders and managers.

Now, the changing climate and environment, and the current and potential regulatory response from the state and federal level are adding additional pressures to the work of local governments and commercial enterprises.

In the last 10 years, 18 pieces of climate change-related legislation have been instituted in California. These include AB341 Mandatory Commercial Recycling, SB375 Sustainable Communities & Climate Protection, and SB350 Clean Energy and Pollution Reduction.

With the passing of AB32 in 2006, every city in California is required to have a climate action plan (or other comprehensive approaches) to set municipal and communitywide GHG reduction targets to coincide with the statewide limit.

Yet moving these plans forward to achieve positive results is an ongoing challenge. The City of Palo Alto, for example, is making substantial inroads in their sustainability efforts, yet as they themselves point out, there is still quite a ways to go.

“Palo Alto has already reduced emissions by 37% since 1990; we’ve done this through the introduction of carbon neutral electricity in 2013, as well as other efficiency measures in both city operations and community resource use. It sounds like a lot, and it is! It’s far more than what most communities have done—but we have big challenges ahead:

- More than 60% of our remaining emissions come from transportation—people driving their cars into, out of, and around Palo Alto.
- More than 25% of our GHG emissions come from natural gas—to heat buildings and water, to cook food, and to fuel some vehicles.
- So dramatically reducing our reliance on fossil fuels must be a central part of any Palo Alto climate strategy.”

From the City of Palo Alto Climate Action Plan
Even though local businesses of all sizes feel the effects of changing energy prices, water conservation mandates, resource scarcity, regulations and local ordinances, and recycling requirements, many businesses still aren’t considering sustainability planning as the answer. They frequently lack the resources, knowledge base, and support network to move forward in a coordinated manner that supports community goals as well as their own business strategy and bottom line. A **2014 survey of businesses by Sustainability4SMEs** found that the top two hurdles to sustainability are a lack of information on how to implement plans, and the perception that initiatives interfere with other business processes.

Local governments are also resource challenged. They want their business community to thrive, but internally face many of the same challenges as business when it comes to efficiently running their agencies while servicing the community at large. Municipal climate action plans are often more goal-oriented than action-oriented. The “will” is there, but the “way” is lacking.

The obvious solution is for local governments to work in tandem with business communities, leveraging the growing awareness and interest in sustainability within the business community. The **Institute for Local Government**, sponsors of the **Beacon Program**, underscore the many benefits of engaging communities as part of a sustainable economic development strategy: helping communities attract and retain jobs for the long term, maintaining environmental quality, conserving resources, addressing economic disparities, promoting public health, and otherwise improving the city’s quality of life.
The joint World Wildlife Fund, ICLEI – Local Governments for Sustainability report, *Measuring Up 2015: How U.S. Cities are Accelerating Progress Toward National Climate Goals*, cites numerous examples of cities that have made astounding progress through business partnerships and active goal setting programs.

The benefits of an engaged, sustainability-oriented business community go far beyond just meeting GHG reduction goals. The economic benefits for individual organizations and local government can be equally impressive. When businesses do well, local economies thrive. Offering excellent business support and services based on a sustainability strategy makes a city more attractive to new and relocating establishments.

“A third characteristic shared among the cities [in the Measuring Up report] is that they have engaged the private sector to support their climate efforts. For example, Minneapolis entered into a public-private clean energy partnership with its utility companies. In Atlanta, commercial building owners actively participate in the Better Buildings Challenge program. In both of these examples, businesses have played a vital role in meeting the cities’ emissions targets, motivated by energy security, efficiency and cost savings, health and sustainability concerns, as well as the costs of climate change itself.”

*Measuring Up 2015*

“Contrary to the widely held assumption that pursuing emissions reduction goals will likely slow down the local economy, the experience in Portland shows that climate actions have actually reduced the cost of doing business and created more equitable, healthier, and livable neighborhoods. The number of green jobs are growing in Portland. Over 12,000 jobs in Portland can be attributed to the clean technology sector, including green building, energy efficiency, and clean energy. Portland is a national leader in innovative bicycling product manufacturing and services as well.”

*Measuring Up 2015*
THE ROADMAP: REACHING THE DESTINATION

Engaging with your business community can reveal and clarify the challenges your local businesses face. It is also a chance to share or develop citywide goals to confront climate change and support economic development. REV suggests six types of engagement strategies for the highest impact.

1. Promote local green businesses, for example on your city’s website. Do you know who in your community is California Green Business Certified? Who has obtained Zero Waste Certification? Help businesses leverage the effort they’ve put into the certification process by showcasing their efforts.

   **EXAMPLES**
   > The **City of Los Angeles Green Business Certification Program** recognizes and promotes businesses that volunteer to operate in a more environmentally responsible or sustainable manner.
   > The **Sonoma County Green Business Program** is a partnership of government agencies and utilities that assists, recognizes, and promotes local organizations, focusing on small- to medium-sized consumer-oriented businesses that volunteer to operate in a more environmentally responsible way.

2. Share your city’s sustainability achievements with local business constituents. Demonstrate your city’s willingness and leadership to work toward all aspects of sustainability.

   **EXAMPLES**
   > The **Beacon Award** recognizes a local government agency’s holistic approach to addressing climate change.
Partner with the local chambers of commerce and business organizations to sponsor and support networking opportunities where local businesses can collaborate with your city and each other and perhaps to even compete on sustainability goals.

**EXAMPLES**

> The *San Francisco Green & Blue Awards* celebrate outstanding accomplishments and leadership in the field of sustainability by City staff and departments.

> Partner with the local chambers of commerce and business organizations to sponsor and support networking opportunities where local businesses can collaborate with your city and each other and perhaps to even compete on sustainability goals.

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**SUSTAINABLE CITIES:**

- Create meaningful and long-term business-community engagement.
- Increase the likelihood of success in achieving local and state climate targets defined in AB 32 and SB 350, and State mandated water conservation measures.
- Shift the paradigm of city government to an action-oriented partner with business by providing resources and expertise.
- Enhance a business-friendly reputation attracting additional business innovators.
- Create a more desirable place to live, attracting and retaining a smart and diverse workforce.
- Set an example for other cities, enhancing overall status and reputation.

Act as a liaison between your city’s service providers, utilities, and your business community. Help promote local utility rebate and incentive programs and service provider programs such as free high efficiency toilet programs for businesses, schools and apartments.

**EXAMPLES**

> City of Oakland sponsors and promotes a wealth of networking opportunities. And *Oakland Earth Expo* highlights transportation, environmental health, waste reduction, water, energy, urban design, nature and community themes.

> The DOE-sponsored *Better Building Challenge SWAP* pits company energy management teams against each other in a reality-style web series.

> *REV Sustainability Circles®* engage like-minded organizations to learn together, share ideas, and inspire new thinking resulting in a 5-year sustainability action plan.

> Step Up and Power Down, a partnership campaign between PG&E and Northern California cities, provides participants with simple, energy saving strategies, tools and feedback to achieve a community energy saving goal.

> Dozens of cities such as *Sacramento, Palo Alto, Pasadena,* and *Pleasanton* list energy and water efficiency rebates and incentives for businesses on their city websites.
Offer awards and incentives for adopting sustainable practices

**EXAMPLES**

> PG&E and San Jose Mayor Sam Liccardo recognized 10 San Jose businesses as Energy Champions for taking simple actions every day to reduce energy.

> The Sustainable Quality Awards (SQA) inspire local businesses to adopt sustainable practices and support Santa Monica as a sustainable community.

Share best practices on sustainability and provide resources and expertise around regulations and permitting. Make it easier to access and understand rules, regulations. Reexamine permitting processes and redesign for ease-of-use where necessary.

**EXAMPLES**

> Petaluma’s Business Toolkit offers info and tips for starting a business in Petaluma or growing one that’s already there.

> The City of Berkeley’s Office of Energy and Sustainable Development has a wealth of resources to help Berkeley residents, businesses, and city government create a healthy urban environment.

### TOOLS AND RESOURCES

- League of CA Cities
- CA Institute for Local Governments
- BEACON Program
- Greenhouse Gas Protocol
- CA Green Biz Program
- ICLEI
- National League of Cities
- Sustainable Cities Institute
- Sustainable Cities
- California Green Communities
REV Sustainability Circles® provide a compelling opportunity for engagement with businesses and organizations within your city. The Sustainability Circle® program integrates the best of sustainability with behavior change to accelerate business impact. Our services are a hybrid of education, expert resources and tools, and individualized consulting that empower organizations to get tangible value out of sustainability — saving money and resources, enhancing employee engagement through increased purpose, reducing risk, and building resiliency.

The foundation of REV’s services is a peer-learning model that engages like-minded businesses, municipalities, and institutions to learn together, share ideas, and inspire new thinking. The outcome of the flagship 6-month Sustainability Circle program is a customized 5-year Action Plan that details initiatives and ROI, establishes the business case for sustainability, and drives a mindset of efficiency and sustainability into the culture of the organization.

**REV CIRCLE PARTICIPANTS:**
- Learn of shared pain points and ways to address them through sustainability planning & action
- Learn and share best practices, innovative ideas, resources, and references
- Gain up-to-date knowledge of programs and incentives relevant for their initiatives

**REV’S BROAD CURRICULUM OFFERS ORGANIZATIONS:**
- A comprehensive overview of sustainability
- Access to experts in HVAC, Lighting, Indoor Air Quality, Water, Green Business Practices and more
- A focus on behavior change and how to effectively design programs for change
- Awareness of the local collective environmental impact and benefits of collaborative efforts

“When the Sustainability Action Plan is specific and unique to each organization – it quantifies the savings in energy, water, waste and production costs and results in substantial savings. The Circles have led to a robust exchange of ideas, leading to solutions, better communication between the City and its businesses and organizations, and new approaches to sustainability from all parties.”

Daniel Smith, Director of Public Works, City of Pleasanton

When local government leaders work with REV to engage their business community in a REV Sustainability Circle of up to 10 local businesses and organizations in your city, you make a difference toward meeting climate action plan goals and building thriving communities.