CITY BLITZ Need & Opportunity: Global to Local

June 7, 2018



Do Good. Do Well. **Win.**™



Who are the potentially interested stakeholders?



What is our common denominator (globally)?



What is the current global direction?



SUSTAINABLE DEVELOPMENT KNOWLEDGE PLATFORM













What is our common denominator (locally)?





How big is the LA County footprint?

Breaking down the details:

- 19th largest economy in the world
- 37 county departments
- 88 cities
- More than 10M in population
- Close to 250,000 businesses with more minority- and women-owned business than any other in the nation
- \$24.2 billion budget for contracts for goods and services
- LACERA (Los Angeles County Employee Retirement Association)
 - More than 165,000 members
 - More than 62,000 benefit recipients
 - Approximately \$50B in assets under management

- Who has the biggest footprint?

Employer	Employees
County of Los Angeles	107,500 ¹
Los Angeles Unified School District	90,800 1
City of Los Angeles (including DWP)	49,500 ¹
University of California, Los Angeles	46,200 ²
Federal Government (non-Defense Dept.)*	45,000 ³
Kaiser Permanente	36,900 ⁴
State of California (non-education)	29,900 ³
University of Southern California	18,900 ⁴
Northrop Grumman Corp.	16,600 ⁴
Target Corp.	15,000 ⁴
Ralphs / Food 4 Less (Kroger Co.)	13,500 ⁴
Bank of America	13,000 ⁵
Providence Health & Services	13,000 ⁴
Long Beach Unified School District	12,800 ¹
Metropolitan Transportation Authority (Los Angeles County)	12,800 ¹
Walt Disney Co.	12,500 ⁴
Albertsons / Vons / Pavilions	12,400 ⁵
Cedars-Sinai Medical Center	11,600 ⁴

	1
AT&T Inc.	11,500 ⁵
United Parcel Service (UPS)	10,800 ⁴
Home Depot	10,600 ⁵
Boeing Co.	9,500 ⁵
Wells Fargo	9,200 ⁴
ABM Industries Inc.	8,500 ⁵
California Institute of Technology	8,200 ⁴
Fedex Corp.	7,900 ⁵
Edison International	7,600 ⁵
AHMC Healthcare Inc.	7,000 ⁶
Allied Universal	6,600 4
City of Long Beach	6,300 ¹
Dignity Health	6,100 ⁴
Universal Services of America	5,900 ⁶
Southern California Gas Co.	5,600 4
Costco Wholesale	5,500 ⁴
Warner Bros. Entertainment Inc.	5,400 ⁴
Amgen Inc.	5,300 ⁴
Long Beach Memorial Medical Center	5,200 ⁴
Raytheon Co.	5,200 ⁴
NBCUniversal	5,000 ⁴



How significant is this market?

Based on sustainability reporting standards and frameworks, there are 100+ organizations producing lists, rankings, ratings, and scorecards of the "top companies" and "most sustainable" companies.







What are the potential issues of concern?

Environmental

- Materials
- Energy
- Water
- Biodiversity
- Emissions
- Effluents and Waste
- Products and Services
- Environmental Compliance
- Transport
- Supplier Environmental Assessment
- Environmental Grievance Mechanisms

Human Rights

- Non-discrimination
- Freedom of Association & Collective Bargaining
- Child Labor
- Forced /Compulsory Labor
- Security Practices
- Indigenous Rights
- Supplier Human Rights Assessment
- Human Rights Grievance Mechanisms

Labor Practices& Decent Work

- Training and Education
- Employment
- Labor/Management Relations
- Occupational Health & Safety
- Diversity & Equal Opportunity
- Equal Remuneration for Men and Women
- Supplier Assessment for Labor Practices
- Labor Practices Grievance Mechanisms

Economic

- Economic Performance
- Philanthropy
- Market Presence
- Indirect Economic Impacts
- Economic Inclusion
- Procurement Practices

Society

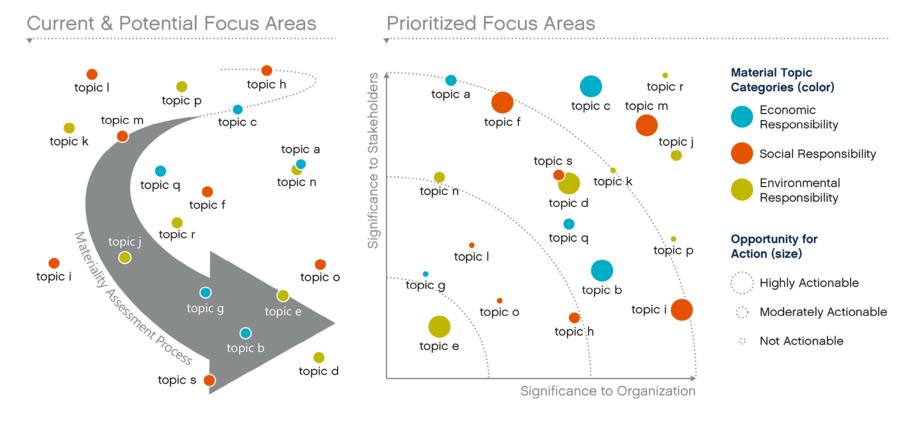
- Anti-Corruption
- Public Policy
- Anti-competitive Behavior
- Local Communities
- Supplier Assessment for Impacts on Society
- Grievance Mechanisms for Impacts on Society

Product Responsibility

- Customer Health & Safety
- Product & Service Labeling
- Marketing Communications
- Customer Privacy
- Product Compliance

Materiality Assessment Process

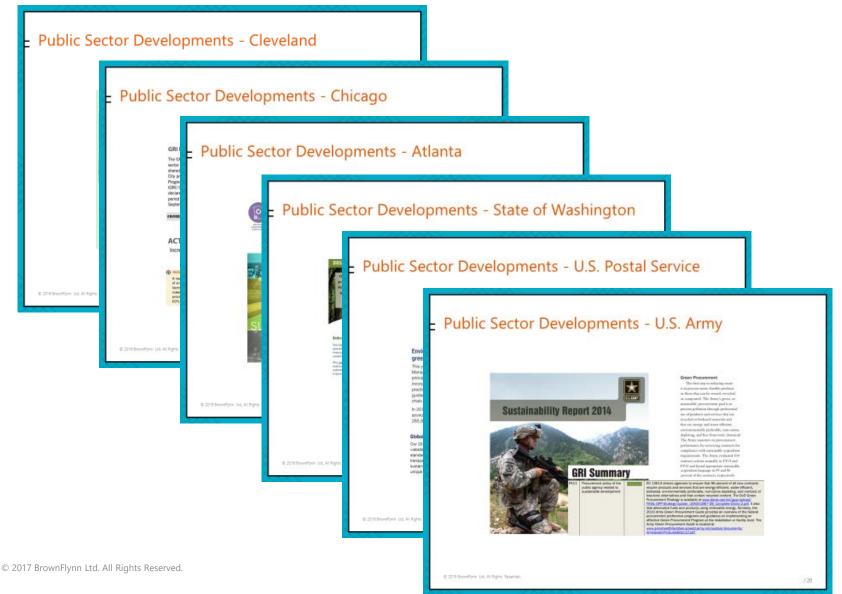
BrownFlynn's materiality assessment is an objective process that will help verify focus areas, uncover any blind spots, prioritize, and determine what's most actionable.



Who is actually doing this?



Public Sector & Supply Chains (evolving)



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City of Atlanta

2015 - 2016 GRI Report on Sustainability Metrics for City of Atlanta March 22, 2017



SUSTAINABILITY REPORT

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power tog

Identifying Important Issues

Step 1: Identification

Principle 1: Stakeholder inclusiveness

Beginning in 2010, the Atlanta Mayor's Office of Sustainability organized several sessions with stakeholder that included the participation of more than 300 individuals across the City representing neighborhoods, schools, business, community organizations, and government agencies.¹²

[G4-19,20]: List Material Aspects & Boundaries

Principle 2: Sustainability Context

This GRI report presents a broad reference to the issues of sustainability with the goal of communicating the magnitude of the impact of the City of Atlanta at local, regional, and global level. Stakeholder identified 6 areas of impact (see lable 3): It is GRI report describes how these areas of impact are related to the long-term organization strategy, risks, and opportunities, including supply chain topics for the City of Atlanta administration.

Step 2: Prioritization

Principle 3: Materiality

During the programmed sessions, stakeholders prioritized the 6 areas of impact described in Table 3 and their respective goals using a sustainability matrix.

Step 3 & 4: Validation and Review

Principle 4: Completeness and Principle 1& 2: Stakeholder inclusiveness and Sustainability Context

Once the areas of impact and goals were prioritized, the Mayor's Office of Sustainability convened several additional sessions with stakeholder groups and experts to validate the 6 areas of impact as well as to discuss possible metrics required for each of the areas.

Table 3. Areas of Impact (Material Aspects)

	Economic		Social	
6 Areas of Impact	Growing Business	Transportation & Mobility	Land Use	Education
Urban Agriculture	Х		Х	Х
Climate Resilience & Renewables	Х	Х	Х	Х
Energy Efficiency	Х		Х	Х
Alternative Fuel Vehicles	Х	Х		Х
Waste Diversion	Х		Х	Х
Watershed Protection	Х		Х	Х

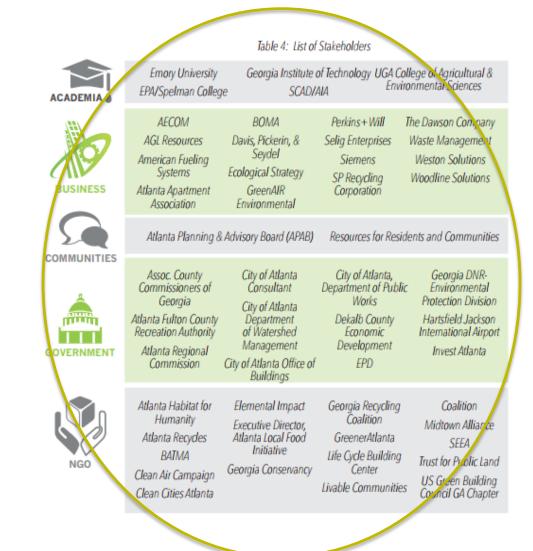
Engaging Stakeholders & Reaching Consensus

[G4-26]: Stakeholder Engagement Approaches

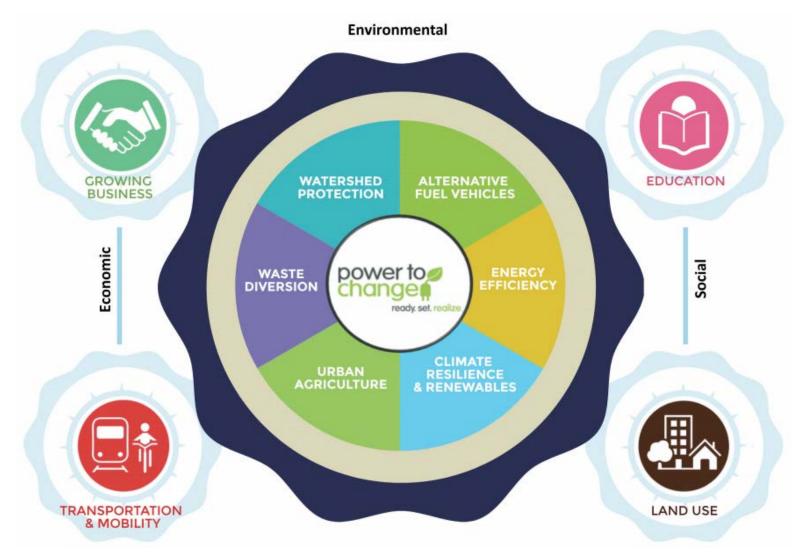
The City of Atlanta approaches to engage stakeholders are the following:

- Regular planned stakeholder engagement events organized with partner organizations. One example of this type of event is the Sustainable Atlanta Roundtable (SART).¹⁵ This event is organized in conjunction with Sustainable Atlanta and the Southface Energy Institute. The event takes place the first Friday of every month from 7:30 am to 9:00 am. The SART event is open to the general public.
- Participation in events organized by stakeholders and partner organizations,
- Participation in media shows such as TV news, newspapers, and radio shows,
- · Emails and on-line surveys to stakeholders, and
- Personal call and snail-mail to stakeholders.

Many events for stakeholder engagement took place during the years 2011 and 2012 for the identification and validation of materiality described in this report. The Power to Change 2.0 Engagement Plan was revised in 2012 and early 2013 and included multiple meetings with all the different stakeholder groups. For more information on stakeholders, visit: http://p2catl.com/about/stakeholders/.



Creating an Initiative



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State of California



CIO \$283 billion



CIO \$188 billion





CIO \$91 billion Procurement \$6 billion



Procurement \$9 billion

NYC COMPTROLLER STORY

NYC Comptroller influences industry on sustainability measurement, management and performance reporting

Comptroller's Office oversees over \$150B in pension investments and seeks long term sustainability of these retirement funds

- Fiduciary responsibility of investing and protecting the Fund for more than 237,000 retirees and beneficiaries and more than 344,000 City and affiliated employees
- Monitors and manages:
 - Traditional financial and reputational risks of the Fund
 - Alignment with the basic values of the constituents, such as workers rights and environmental concerns
- Recognizes regulatory (i.e., Dodd-Frank) and nonregulatory (i.e., Sustainability Reporting) market developments will have an influence on the resilience of investment portfolio

Evolution of the NYC Comptroller story

July 2012 - ".... the New York City Comptroller's Office secured agreements from Apple, Dell, HP and Intel, who agreed to encourage, and in many cases require, their major suppliers to issue sustainability reports encompassing both environmental and social issues. Together, these firms represent more than 50 percent of the personal computer market, making them some of the most exposed to risk."

<u>June 2013</u> – <u>How corporate reporting</u> <u>improved **Microsoft's** supply chain</u>, GreenBiz

<u>December 2013</u> – <u>Incorporating</u> <u>sustainability into supply chain</u> <u>management: A look inside **Intel's** approach,</u> GRI Newsletter

City of Cleveland – Rewarding Transparency

LOCAL PRODUCER, LOCAL FOOD PURCHASER, & SUSTAINABLE BUSINESS PROGRAM



SUPPORTING LOCAL & SUSTAINABLE BUSINESSES









*Approved programs for SUBE Sustainable Business Certification:

Option #1



Global Reporting Initiative www.globalreporting.org

Option #2



Carbon Disclosure Project (Performance band of A, B or C) www.cdproject.net (212) 378-2086

Option #3



Green Plus Program www.gogreenplus.org (919) 408-7556

FREQUENTLY ASKED QUESTIONS

How do I participate? Is registration required?

To participate, you must be certified with the City of Cleveland's Office of Equal Opportunity as a Local Producer and/or Local Sustainable Business Enterprise. For additional information, please visit their website at: www.city.cleveland.oh.us/oeo

To complete the online application through the Certification and Compliance Reporting System, B2Gnow, please visit the website at:

https://cleveland.diversitycompliance.com

Can I receive multiple discounts?

Yes. You can receive multiple discounts or credits up to 4% bid discount or four evaluation credits for all three incentives.

- Sustainable Businesses (SUBE) must be certified by an approved rating system*
- Can be combined with MBE/FBE/CSB certification bid discounts to receive up to a maximum of a 9% bid discount or nine evaluation credits

How do I receive the Local Food Purchaser bid discount or evaluation credit?

Your submitted bid or proposal should include schedules and attachments indicating your commitment and ability to purchase a minimum of 20% local food. OEO determines compliance with the Local Food incentives.

Is there additional documentation required for Local Food Purchasers?

Yes. Local Food Purchasers must show invoices to demonstrate 20% local food purchases over the length of the contract.

Sustainable Pittsburgh

The Solution

To address this need for a credible sustainability performance platform, we developed performance programs tailored to southwestern PA's unique sustainability needs and opportunities that targets different sectors. They are based on market-selected practices and peer-reviewed by knowledge experts. SP's sustainability performance programs include:

- <u>Sustainable Pittsburgh Challenge</u> (for businesses, nonprofits, colleges/universities, local governments, and K-12 schools –formerly known as the Green Workplace Challenge)
- Sustainable Small Business Designation (for small businesses)
- SWPA Sustainable Business Compact (for mid to large businesses)
- <u>Sustainable Pennsylvania Community Certification</u> (for municipalities and taken statewide in partnership with the PA Municipal League)
- <u>Sustainable Pittsburgh Restaurants</u> (for restaurants operating in southwestern PA)
- I Am Sustainable Pittsburgh (for individuals interested in becoming more sustainable at home, at work, and in their communities)

These voluntary programs provide a pathway for organizations to advance their sustainability goals and objectives, resulting in positive impacts for the organization, the local community, and for the region.

UMass Dartmouth



Net Impact UMass Dartmouth

UNIVERSITY SUSTAINABILITY REPORT: a report card on successes & efficiencies

CAMPUS GREENING PROJECTS

MORE GLOBAL FIRSTS: sustainability reports for our local communities

About / Join

Who we are and what we do Student testimonial letter



History & awards:

- Gold Chapter 2011-2013 Silver Chapter 2009-2010 Small Chapter of the Year Runner Up 2010 Established 2007

Click here to learn more or join.

sustainability reporting for a university

1st A level GRI-guided report (2010) 1st A+ level GRI-guided report (2012)

- carbon emissions cut 25% in 3 yrs.
- students volunteered 190,000hrs/yr. energy efficiency = reduced costs

Click here to learn more.

First-in-the-world achievements in First-in-the-world achievements in sustainability reporting in our community

Search this site

City of Fall River: 1st A level GRI-quided city report 1st GRI-guided city report in USA Town of Dartmouth: st A level GRI-guided town report
1st GRI-guided town report in USA

Click here to learn more.

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What are the potential issues of concern?

Environmental

- Materials
- Energy
- Water
- Biodiversity
- Emissions
- Effluents and Waste
- Products and Services
- Environmental Compliance
- Transport
- Supplier Environmental Assessment
- Environmental Grievance Mechanisms

Human Rights

- Non-discrimination
- Freedom of Association & Collective Bargaining
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- Human Rights Grievance Mechanisms

Labor Practices& Decent Work

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Economic

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- Philanthropy
- Market Presence
- Indirect Economic Impacts
- Economic Inclusion
- Procurement Practices

Society

- Anti-Corruption
- Public Policy
- Anti-competitive Behavior
- Local Communities
- Supplier Assessment for Impacts on Society
- Grievance Mechanisms for Impacts on Society

Product Responsibility

- Customer Health & Safety
- Product & Service Labeling
- Marketing Communications
- Customer Privacy
- Product Compliance

CITY BLITZ

Where do you see the opportunities? The challenges?

How should we decide on the most relevant metrics?

Who needs to be at the table?

Who should be in charge and responsible?

What are the goals, objectives, targets, and timelines?

Where do we find the resources to fund such an effort?

What are the other big questions we need to address?

Thank You

For more information on BrownFlynn's services, please visit www.brownflynn.com or contact us below.

Mike Wallace

Managing Director (424) 320 3501 mikew@brownflynn.com



Do Good. Do Well. Win.™

About BrownFlynn





About BrownFlynn

- Award-winning corporate responsibility and sustainability consulting firm founded in January 1996
- 100% of our business is derived from sustainability consulting, communications and training services
- First U.S.-certified Global Reporting Initiative training organization,
 Organizational Stakeholder and first Community Leader
- Since 2006, BrownFlynn has advised clients on the GRI, producing GRI-based reports and utilizing the framework as a robust management tool
- Founding member of U.S. Business Council for Sustainable Development
- Extensive experience in guiding regional, national and global clients on their sustainability journeys, with extensive experience in the health care industry
- Training and Consultancy Partner with Boston College Center for Global Citizenship (BCCCC)
- Advisory Board Member and Chair of Ratings & Rankings and Responsible Supply Chain Councils for the Corporate Responsibility Association (CRA)
- BrownFlynn is registered as a: Cleveland Small Business (CSB), Female Business Enterprise (FBE), Local Producer Enterprise (LPE), Small Business Enterprise (SBE), and a Disadvantaged Business Enterprise (DBE)

Our Expertise

Giving Companies the Confidence to Take Action that Delivers Value

- Understand Your Landscape
- Set Your Direction
- Tell Your Story
- Engage Your Stakeholders



Representative Clients

Our clients are regional, national, and global in footprint and operate in a variety of industries:

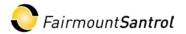






















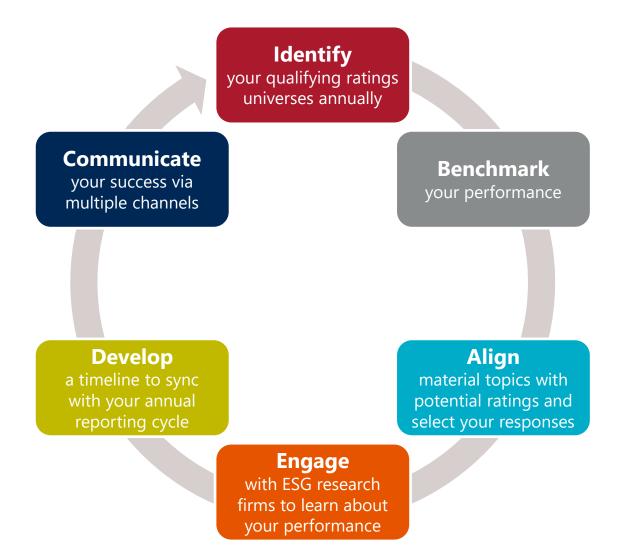




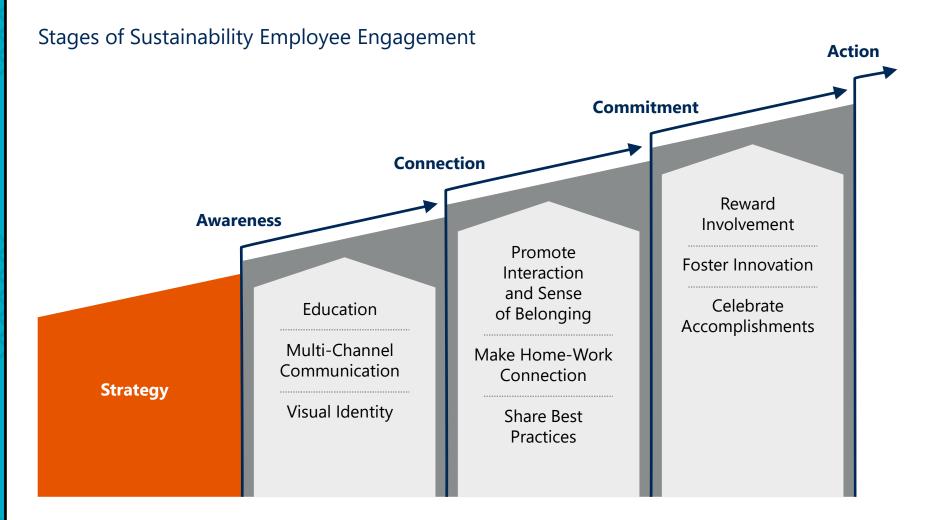




BrownFlynn Framework for Prioritization[™]



The BrownFlynn Engagement Pathwaysm



Our GRI Experience

- 3M
- Altria Client Services
- American Electric Power
- ArcelorMittal
- Baxter
- BNY Mellon
- Bristol-Myers Squibb
- Campbell Soup Company
- Carnival
- ConAgra Foods
- Consumers Energy
- Dell
- Eastman Chemical
- Eaton Corporation
- Energizer
- Fairmount Santrol
- Forest City Enterprises
- Fortune Brands

- General Motors
- Georgia-Pacific
- Green Mountain Coffee
- Highmark
- KeyBank
- Layne Christensen
- Limited Brands
- MillerCoors
- Monsanto
- Mosaic
- Pfizer
- Sodexo
- Target
- Tennessee Valley Authority
- The Dow Chemical Company
- ThyssenKrupp Elevator America
- Unimin Corporation
- Waste Management



I am conscious of resources I HAVE INTEGRITY I AM ACCOUNTABLE I do my best the first time THINK FIRST I am resilient I AM DEDICATED I am responsive I AM CREATIVE I am open-minded I AM GENUINE I SEEK OPPORTUNITIES I am valued I TAKE ACTION I listen actively I embrace laughter and levity I make a difference I TAKE RISKS

I VALUE OTHERS' OPINIONS

I am an outstanding communicator

I always think "we"

We Are BrownFlynn.