

# Implementation Workbook



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Today's leading companies realize that what's good for the environment is also good for business. But with so many issues and opportunities on the table, it can be challenging to know where to start or how to expand programs you may already have in place. We hope that Green Returns will provide the guidance to build on your efforts or get started today. This workbook will allow your company to identify the most strategic environmental opportunities and make the connection between environmental performance and business value.

Green Returns is a flexible approach designed to help a broad range of companies launch new initiatives and build on successful programs already underway. It includes a comprehensive set of resources to assist managers with identifying key opportunities, measuring impacts, and improving business and environmental performance.

The Green Returns approach was developed by Environmental Defense Fund in collaboration with Kohlberg Kravis Roberts and Co. (KKR) and tested with three portfolio companies. Through this effort, U.S. Foodservice, PRIMEDIA and Sealy Corporation, identified more than \$16 million in annual cost savings

and avoided 25,000 metric tons of greenhouse gas (GHG) emissions, 3,000 tons of paper products and 650 tons of material waste in the first year. KKR is expanding the initiative across its portfolio, and as other private equity firms and companies adopt similar approaches, the benefits will multiply.

Tested and proven to help identify significant opportunities for improving efficiency, cutting costs and reducing environmental impacts in five key environmental performance areas (KEPAs), Green Returns is implementable today across a range of companies. Why wait? This workbook provides the steps and resources needed to get started today. We invite you to adopt and adapt Green Returns to best suit your team, company and opportunity areas, and to provide us with feedback about your experience and results.

Best regards,



Tom Murray  
Managing Director, Corporate Partnerships  
Environmental Defense Fund

## How to use this workbook

This how-to workbook is intended to help companies of any size or sector get started or continue tracking and improving business and environmental performance. No matter where your company is, we believe Green Returns will help you systematically track, improve and communicate the value of your work. The approach and tools are flexible and captured in five simple steps: Align resources, Identify opportunities, Establish metrics & baselines, Develop goals & action plans and Act, measure and repeat. Together, these steps can be used for a pilot project or implemented fully in less than a year.

Each of the five steps in the Green Returns approach is detailed in a separate chapter that includes the following sections: About this step, Case study, Tasks, Key consider-

ations and Tools. These five sections are intended to help your team understand, adapt, and complete each step in the process.

In addition to your time and the guidance found in this workbook, there are a few more things that you will need to be successful.

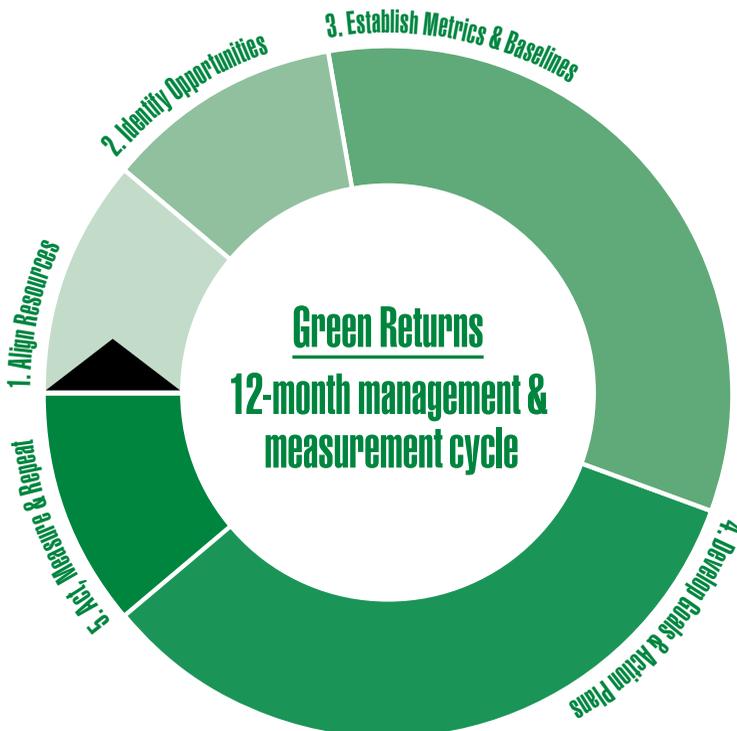
**People** — Success with Green Returns requires having the right people involved. This starts with senior management support and includes a dedicated team leader, effective project team and organizational buy-in.

**Data** — What gets measured gets managed. That’s why Green Returns requires the measurement and management of new performance metrics designed to improve

efficiency, cut costs and reduce environmental impacts.

**Resources** — Few companies have the optimal staff, time and resources to identify the most strategic business and environmental opportunities. Green Returns provides a flexible approach and workbook that companies can use to get started today.

**Commitment** — To realize the total value of Green Returns, companies should adapt this approach to meet their needs and commit to continuously integrating and improving the process over time. With these resources in place, the workbook offers a straightforward approach to improving business and environmental results that any company can adopt today.



# Align Resources





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## About this step

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The first step in the Green Returns approach is to set up for success by securing management's commitment and aligning the right staff and resources. Every company is different, and the time and effort needed for each step will vary based on the size and culture of your firm. Regardless of these differences, gaining buy-in from a senior "champion" and from other colleagues who will be called on

to participate (principally or intermittently) along the way can only improve the outcome. With key supporters and the right project team in place, your company will be well positioned to define and communicate clear responsibilities, objectives and timelines for the project.

The tasks, key considerations and tools included in this section will help you get started.

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**PRIMEDIA**

## Case Study — PRIMEDIA Aligning resources to cut paper costs



PRIMEDIA, a leading provider of print, Internet and mobile solutions for the rental and home-buying markets, increased online efforts and redesigned its publications to reduce paper use by 22% and material costs by \$2.9 million in 2008. The first step towards realizing these results involved aligning management and a project team around shared business and environmental objectives.

For many companies, the alignment step follows a similar course and includes pulling together a cross-functional team to develop

the project objectives and timeline. At PRIMEDIA, the focus was on reducing paper use, with the project team comprised of staff from marketing, finance and procurement.

To launch the effort and agree on goals and objectives, the team held a kickoff meeting that included the CEO, the CFO, the private equity sponsor and EDF. Garnering clear support and participation at the outset enabled PRIMEDIA to quickly progress to the next steps in Green Returns of identifying opportunities and establishing metrics.



FOREST

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## Tasks

**Establish senior management commitment**

**Recruit project lead and team**

**Review the Green Returns approach and the resources in this workbook**

**Define objectives and timeline**

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## Key Considerations

- » Is commitment from senior management required for successful initiatives at our company?
  - » Would the CEO, CFO or other senior leaders be willing to participate in the project kickoff and other meetings?
  - » Could our newsletter, intranet or other communication channels be used to communicate this effort to the broader organization?
- 
- » Who is the right person to lead the project team?
  - » What is the right mix of personnel and representation from diverse functional areas?
  - » Does our project team contain operations, financial and strategic perspectives of the business?
  - » Who else needs to be involved to ensure success?
- 
- » What additional resources are available?
  - » Are there trade associations, peer groups or other professional networks that may help us in staying up-to-date on best practices within our industry?
- 
- » What do we hope to accomplish?
  - » What are reasonable target dates for completing each step?
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## Tool — Sample Meeting Agenda

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You can tailor this sample meeting agenda to kick-off the Green Returns approach by gathering the necessary people and planning next steps. Consider visiting [edf.org/greenreturns](http://edf.org/greenreturns) for case studies and additional resources that may be helpful in a kick-off meeting.

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Your Company, PE Firm, Other Organizations  
Date

### Today's agenda

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#### OBJECTIVES

- » Select project team and lead
- » Review Green Returns approach and resources
- » Define objectives, timeline and next steps

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#### SCHEDULE

##### **9:00 – 9:30**

Welcome and introductions  
Senior management statement of goals and commitment  
Establish project team and lead

##### **9:30 – 10:30**

Review Green Returns approach and resources in this workbook

##### **10:30 – 11:00**

Define objectives and timeline for next steps

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#### PARTICIPANTS

Your Company  
CEO  
Head of Operations  
Head of Communications  
Operations Attendee  
Other Attendee

Private Equity Firm  
Sponsoring Managing Director

## Tool — Sample Alignment Summary

The most important part of the alignment step is to build a foundation for success by clearly defining roles, responsibilities and timelines. It may help to formally record decisions made in the meeting in a summary document you can share with participants in follow-up communications.

**Project lead**

**Project team and  
responsibilities**

**Kick-off meeting date**

**Follow-up  
meeting schedule**

**Proposed dates  
for step completion**

STEP 1

STEP 2

STEP 3

STEP 4

STEP 5



# Identify Opportunities





## About this step

In this step, the team will begin to evaluate its organization’s operations in relation to five key environmental performance areas, or KEPAs: greenhouse gas emissions (GHG), water, waste, forest products and priority chemicals. These KEPAs are not exhaustive: Your company may face environmental challenges outside the scope of these areas. But, they do cover the most common environmental concerns and are linked to the most material aspects of running a business. The objective is to use the KEPAs to assess operations and impacts across the company’s value chain and to identify the per-

formance areas with the greatest potential to improve business and environmental results.

To guide your project team in the evaluation and identification process, this chapter includes several helpful resources, including an explanation of the five KEPAs (below) and an Opportunity Assessment Table and Opportunity Prioritization Matrix in the Tools section. These resources will help you gauge current performance and identify the KEPAs that are most important for your organization to track and manage.

## What is a KEPA?

Green Returns focuses on five KEPAs to help companies measure, manage and improve performance. The KEPAs were selected because they are critical to protecting the environment and human health, have significant business impacts and are broadly applicable across a wide range of companies. They are intended to provide a focused and flexible way to assess performance and identify opportunities to improve efficiency, reduce waste and cut costs.

 **Greenhouse Gases**  
Climate change is the most pressing environmental challenge facing the world today and the link to the business sector is clear. A company’s GHG emissions are directly related to its operations, especially energy and fuel consumption. Growing concerns about climate change, pending regulations and fluctuating energy prices make reducing energy use and GHG emissions a top priority for forward-thinking companies.

 **Waste**  
Waste management **WASTE** is a costly responsibility with important impacts on the planet. Regardless of a company’s size or sector, it is important to maximize opportunities to improve sourcing, streamline operations and increase recycling as a means of reducing output of solid and hazardous waste and cutting material and waste disposal costs.

 **Water**  
Access to fresh water **WATER** is something that many individuals and companies take for granted. However, increasing population growth and a changing climate may alter this reality, especially for water-intensive industries such as manufacturing, agriculture and paper products. Companies that understand their water footprint and take steps to reduce it will gain an important competitive advantage today and in the future.

 **Forest Products**  
Paper, packaging and wood products are used pervasively in a broad spectrum of businesses. This is evident by the fact that paper products comprise more than 25% of the U.S. municipal solid waste stream. Companies that decrease their use of forest products not only reduce sourcing and disposal costs, but also help to minimize the range of environmental impacts associated with forest product production.

 **Chemicals**  
Growing public concern, an increasing business preference for “green” procurement, and the potential of future regulations are driving companies to reevaluate their chemical use. To stay competitive, many companies are adopting new chemical management strategies to better understand their current chemical inventories, reduce usage and hone selection. Improved chemical management can help companies reduce risk, optimize chemical choices, create better products and lower costs.



## Case Study — Sealy Pinpointing excess solid waste and fuel costs



Sealy’s project team, led by the vice president of supply chain management, started the “Identify Opportunities” step with a broad, holistic look at their business. They evaluated business trends, cost drivers, and existing operational efficiency and environmental efforts to gain an understanding of which KEPAs represented the highest impact for the company. As the largest bedding manufacturer in North America, Sealy sought to better

control the business and environmental impacts of its product manufacturing and distribution, leading the team to identify waste and GHGs as its high-priority KEPAs. The team hypothesized that they could find opportunities to reduce costs and environmental impacts through more efficient use of materials and optimized fleet operations, and set out to define the metrics needed to evaluate opportunities in these areas.



WASTE



GHG

## Tasks

- Review current environmental practices and metrics**

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- Assess environmental and business impacts across the company's value chain using the Opportunity Assessment Table on page 19**

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- Prioritize and select KEPAs using the Opportunity Assessment Matrix on page 20**

## Key Considerations

- » How does our performance compare to our key competitors?
- » What data gaps exist?
- » What additional data is available?
- » Are we able to measure the business impacts of our environmental initiatives?

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- » Do our operations impact or have the potential to impact the five KEPAs?
- » Do we have direct control or influence over our impacts on the five KEPAs?
- » Are our current or potential impacts significant in comparison to other industries or peers in the same sector?
- » Do the KEPAs represent a cost to the organization?
- » Are there short-term or long-term reputational risks or opportunities associated with the 5 KEPAs?
- » Would addressing these reputational risks or opportunities support the organization's business strategy and objectives?

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- » Which KEPA(s) represent our most significant environmental impacts?
- » Which KEPA(s) represent our most significant business impacts?

## Tool — Opportunity Assessment

Use the sample considerations to the right to evaluate the environmental and business impact (high, medium or low) of each value chain stage (Supply chain **S**, Operations & Facilities **O**, Distribution & Fleet **D**, and Use & Disposal **U**) on the five KEPAs. Capture your responses in the associated Opportunity Assessment Table (overleaf).

### Environmental Considerations

- » Do the organization's activities impact or have the potential to impact the KEPA? (H: Our core business impacts this issue, M: Our non-core business impacts this issue, L: Our business does not impact this issue)
- » Does the organization have direct control or influence over the impact on the KEPA? (H: Our choices directly affect our impact on this KEPA, M: We, along with our peers and other players in our industry, can affect our impact on this KEPA, L: We have no choices currently to change our impact on this KEPA)
- » Are the current/potential impacts significant in comparison to other industries or peers in the same sector? (H: We're one of the top companies in our industry, which influences this issue, M: We're not a major player in our industry, which influences this issue, L: Our industry does not influence this issue)

### Business Considerations

- » Does this KEPA represent a cost to the organization? (H: This currently is, or will be, a significant cost, M: This represents a cost, but not significant, L: This doesn't represent a cost and we do not anticipate it will)
- » Are there short- or long-term reputational risks or opportunities associated with the KEPA? (H: Our influential stakeholders care significantly about this issue, M: The general public cares about this issue, L: Few or no stakeholders care about this issue)
- » Would addressing the risks/opportunities support the organization's business strategy and objectives? (H: This issue directly supports our business and growth goals, M: This issue aligns with our business and growth goals, L: This issue does not relate to our business or growth goals)

## Tool — Opportunity Assessment Table

Capture your assessment of, and comments on, the environmental and business impacts associated with each KEPA in the table below. The table is divided into four major value chain segments to help pinpoint the area(s) in which the KEPAs are most relevant.

KEPA	Supply Chain	Ops & Facilities	Distribution & Fleet	Use & Disposal
<b>Greenhouse Gas</b> » Energy use (kWhs or BTUs) » GHG emissions (metric tons) » Energy costs (\$)	ENV H/M/L      BUS H/M/L COMMENTS:			
<b>Water</b> » Water use (gallons) » Water costs (\$)	ENV H/M/L      BUS H/M/L COMMENTS:			
<b>Waste</b> » Solid & hazardous waste produced (tons) » Solid & hazardous waste management & material costs (\$)	ENV H/M/L      BUS H/M/L COMMENTS:			
<b>Forest Products</b> » Paper, packaging &/or wood (tons) » Paper, packaging &/or wood costs (\$)	ENV H/M/L      BUS H/M/L COMMENTS:			
<b>Chemicals</b> » Priority chemical use (tons) » Management costs of priority chemicals (\$)	ENV H/M/L      BUS H/M/L COMMENTS:			

## Tool — Sample Opportunity Assessment Matrix

Use the matrix below to map your assessment of the environmental and business impacts related to each KEPA from the Opportunity Assessment Table on the previous page. This matrix is intended to determine the relative importance of each KEPA's impact along the value chain.



**Value Chain Stages**

- Supply Chain (S)
- Operations & Facilities (O)
- Distribution & Fleet (D)
- Use & Disposal (U)





# Establish Metrics & Baselines





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## About this step

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You can't manage what you don't measure. That's why the third step in Green Returns is focused on measuring and understanding your company's current performance for the KEPAs selected in Step 2. The goal is to select the right metrics and establish a baseline to evaluate current performance and progress over time.

Choosing consistent and comparable metrics that make sense for your company is critical for long-term success. The Environmental Performance Metrics Table in the Tools section provides examples of core (absolute) and management (productivity) metrics. For each selected KEPA (e.g., reducing GHG emissions from fleet operations), Green Returns recom-

mends developing both a core metric (metric tons of GHG emissions) and management metric (GHG emissions/\$ revenue).

Once you have narrowed in on the right core and management metrics, you need to select a baseline year for your initiatives. Selecting the right baseline year is important because it will serve as the starting point for this project and the yardstick for measuring future performance and progress. Green Returns suggests reviewing data from the past few years to identify any unusual trends before locking in the baseline year. Establishing these baseline metrics will enable your team to start building historical data by which to continually benchmark your progress and savings.

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## Case Study — U.S. Foodservice

### What gets measured, gets managed



U.S. Foodservice (USF), a national foodservice distributor, is leading the way in tracking and reducing GHG emissions from its fleet. “Our drivers are on the road 365 days a year, delivering high-quality food and related products to over 250,000 customers, including restaurants, hospitals, hotels, schools and governmental operations,” said Mike Frank, SVP of operations at USF. “Quality and timeliness are critical to our customers. That’s why we select fleet metrics that focus on efficiency and productivity.”

After reviewing available data, USF selected a baseline year and established core and management metrics to track fleet performance. Core metrics include absolute fuel use (gallons) and GHG emissions (metric tons). For its company-specific management metric,

USF chose gallons of fuel consumed per ton of product moved. Linking environmental performance to efficient product movement was key. With a good fuel data-collection process, USF tracked gallons consumed, but the weight of product moved was more challenging. Like many companies, USF tracks cases of product moved. However, since the composition of product cases can change over time and by company, this metric is not an ideal environmental performance measure.

In response, USF came up with an innovative solution. Weighing a representative sample of product annually and developing an annual average case weight allows for better year-over-year comparisons and benchmarking with other leading fleets.



GHG

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## Tasks

- Establish core (absolute) and management (productivity) metrics for the selected KEPAs using the Environmental Performance Metrics Table**
  - Collect historical data and establish baselines for core and management metrics**
  - Institutionalize data collection processes**
- 

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## Key Considerations

- » What metrics are currently tracked?
  - » What metrics are competitors using?
  - » What is the best management metric for our operations (e.g. revenue, unit, etc.)?
- 
- » What is the appropriate baseline year?
  - » How many years of data are available?
  - » Have there been any unusual business trends in the past few years that would impact the baseline?
- 
- » How should new data be collected over time?
  - » Who should be responsible for collecting and reporting data regularly?
  - » What resources are needed for ongoing data collection?
-

## Tool — Environmental Performance Metrics Table

The table below provides suggested core and management metrics for the five KEPAs. Consider using these or developing your own metrics to best capture company-specific performance improvements.

KEPAs	Core Metrics (ABSOLUTE)	Management Metrics (PRODUCTIVITY)
<b>Greenhouse Gases</b>  GHG	<ul style="list-style-type: none"> <li>» Energy use (BTUs)</li> <li>» Energy costs (\$)</li> <li>» GHG emissions (metric tons)</li> </ul>	<ul style="list-style-type: none"> <li>» Energy intensity (BTU/\$ revenue or unit)</li> <li>» GHG intensity (GHG/\$ revenue or unit)</li> </ul>
<b>Waste</b>  WASTE	<ul style="list-style-type: none"> <li>» Solid &amp; haz. waste produced (tons)</li> <li>» Solid &amp; haz. waste mgmt. costs (\$)</li> </ul>	<ul style="list-style-type: none"> <li>» Waste intensity (tons/\$ revenue or unit)</li> </ul>
<b>Water</b>  WATER	<ul style="list-style-type: none"> <li>» Water use (gallons)</li> <li>» Water costs (\$)</li> </ul>	<ul style="list-style-type: none"> <li>» Water intensity (gal/\$ revenue or unit)</li> </ul>
<b>Forest Products</b>  FOREST	<ul style="list-style-type: none"> <li>» Paper, packaging &amp;/or wood (tons)</li> <li>» Paper, packaging &amp;/or wood (\$)</li> </ul>	<ul style="list-style-type: none"> <li>» Forest product intensity (tons/\$ revenue or unit)</li> </ul>
<b>Priority Chemicals</b>  CHEM	<ul style="list-style-type: none"> <li>» Inventory &amp; mgmt. process (y/n)</li> <li>» Priority chemical use (tons)</li> <li>» Priority chemical mgmt. costs (\$)</li> </ul>	<ul style="list-style-type: none"> <li>» Chemical intensity (tons/\$ revenue or unit)</li> </ul>

# Develop Goals & Action Plans





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## About this step

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In the fourth step, your team will build on the work done in previous steps to establish an action plan for improving performance. At this point in the process, you have identified the KEPAs that are most relevant to your company, established core and management metrics for evaluating performance in the selected KEPAs, and developed baselines for your metrics to track progress over time. With this as a foundation, the project team can now develop a strategic action plan including current and new initiatives to help the company improve performance against selected metrics.

Developing the range of possible initiatives is frequently done by interviewing internal and

external experts and benchmarking against competitors. After a comprehensive list is developed, the project team can evaluate and select the initiatives with the potential for the largest environmental and business impacts. This will include comparing capital and operating costs, return on investment and environmental impacts of the various initiatives. After identifying the highest potential initiatives, the team will develop an action plan, including specific goals and timelines for implementation.

The case study, tasks and considerations included in the chapter will help guide you through this process.

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## Case Study — U.S. Foodservice Driving down costs and emissions



In 2008, U.S. Foodservice reduced GHG emissions from its fleet by over 4% compared to 2007. These savings came from specific efforts to improve fleet efficiency (measured with a management metric of gallons/ton of product moved), which reduced fuel costs by \$8.2 million and avoided 22,000 metric tons of CO<sub>2</sub> emissions (equivalent to more than 4,400 cars).

To achieve these results, the company developed an action plan that outlined specific fleet performance improvement initiatives, goals and timelines. The action plan was developed in consultation with internal and external experts—including engineers and equipment

manufacturers—that helped the company model the impacts of various best practices.

Through these conversations, U.S. Foodservice developed a discrete list of initiatives to improve fleet performance, including reducing idle times through driver training and automatic idle shutoff, installing maximum speed controls on vehicles and investing in technology solutions for more efficient delivery truck routing. The company's supplier partners were critical in the fleet optimization and helped the firm to launch and fine-tune the initiatives in pilot locations prior to broad application across the company.



GHG

## Tasks

- Identify the range of possible initiatives for improving performance against selected metrics**
- Select the highest impact initiatives**
- Develop an action plan with goals, timeline and incentives for improving performance**
- Communicate the action plan to the broader organization**

## Key Considerations

- » What internal and external experts could help identify opportunities to improve performance?
- » What are our competitors doing to improve performance in these areas?
- » Which initiatives will have the biggest business and environmental impacts?
- » Which initiatives will have the best return on investment?
- » What goals have our competitors set for improving performance in this area?
- » Are our goals aggressive, but achievable?
- » What is a reasonable timeline for achieving this goal?
- » Should we have an annual goal and a longer-term goal (e.g., three or five years)?
- » What else should be included in the action plan (e.g. roles, resources, metrics, etc.)?
- » What types of incentives will best motivate our workforce (e.g., public recognition, financial rewards, etc.)?
- » What communication channels are available to share this information with the broader organization?
- » How might the communications team help?

## Tool — Sample Action Planning Tool

Consider using this tool to help document, communicate and plan for launching specific company initiatives by KEPA. The sample below illustrates a company that has chosen to focus on initiatives to reduce GHG emissions from its fleet.

### Goals

- » What are we trying to accomplish?
- » What is our timeline?

### Sample — Fleet

- » Improve fleet efficiency and reduce fleet GHG emissions by X% in 2010

### Metrics

- » Which metrics will you use to measure success?

- » Core: Gallons of fuel and GHG emissions (metric tons)
- » Management: Gallons/ton of product sold or GHG/\$ revenue

### Initiatives

- » What specific initiatives will you undertake to achieve your stated goals?

- » Install speed and idling controls
- » Improve fleet routing
- » Enhance driver training and performance tracking

### Resources

- » What resources are required to execute the plan?  
(Capital equipment, communications, consultants, etc.)
- » Who will provide these resources?

- » Capital to buy technology and software, mechanic training to install, maintenance facility manager buy-in to begin installations, etc.

### Timeline

- » What are the key action and reporting deadlines?

- » Individual maintenance managers to complete installation of speed governors by Q3 2010
- » Financial managers to report on core & management metrics quarterly





# Act, Measure & Repeat





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## About this step

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The final step of the Green Returns approach focuses on the execution, evaluation and revision (if necessary) of your action plan. It's time to reap the benefits of your team's efforts by implementing the action plan and putting your metrics to work measuring the business and environmental results. The resources in this chapter are intended to help your team track and share these results.

Green Returns is no different than any other business process focused on tracking data and improving performance. The companies that

are most successful in capturing the benefits of environmental strategy understand that it is an iterative management process that's linked to good business strategy. The most successful companies will adapt this approach in ways that best fit their operations and culture, refine their goals and strategies over time, and take advantage of the broad range of returns that environmental management can deliver.

We hope that Green Returns helps to create measurable business and environmental results for your company today and in the future.

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**PRIMEDIA**



## Case Study — PRIMEDIA, Sealy, and U.S. Foodservice Proven business and environmental results



In 2008, the Green Returns approach helped PRIMEDIA, Sealy and U.S. Foodservice identify more than \$16 million in annual cost savings and avoid 25,000 metric tons of GHG emissions, 3,000 tons of paper products and 650 tons of solid waste. Over time, these savings will multiply, creating more value and further reducing impacts for all companies. Critical to these companies' ongoing success was the commitment to systematically engage employees, identify key opportunities, establish relevant metrics, set goals and track improvement. Most importantly, the three companies incorporated their efforts into day-to-day operations with the same rigorous communications,

metrics, incentives and accountability required of any effective strategic initiative.

This first year was just the beginning for PRIMEDIA, Sealy and U.S. Foodservice. Each company set new goals and expanded their initiatives for 2009. In addition, KKR is expanding this approach across its portfolio, including a new set of tools for best practice-sharing across the portfolio, quarterly data reporting and annual action plan evaluation. These continuing efforts have the potential to yield significant returns, including cost savings, growth, innovation and brand enhancement today and in the future.



GHG WASTE FOREST

## Tasks

- Execute action plan**
- Track and report performance against baseline & goals (quarterly)**
- Share results and best practices**
- Reassess KEPAs and amend action plans as needed**

## Key Considerations

- » Do we have the appropriate resources to implement the action plan?
- » Has staff been notified of new initiatives or operational changes?
- » What resources are needed for quarterly tracking?
- » Who is responsible for collecting and reporting results?
- » Who is responsible for reviewing results and sharing best practices?
- » Would stakeholders (e.g., employees, customers, investors) be interested in the results or best practices?
- » Could other portfolio companies, suppliers or partners benefit from implementing similar best practices?
- » Are the selected KEPAs still the most relevant and high impact for our business?
- » Should additional KEPAs be added to the action plan?
- » Are the goals still aggressive, but achievable?

## Tool — Sample Green Returns Data Tracking Template

This sample data template is meant to provide you with ideas for how organize and track Green Returns data. Ideally, a tracking template would include: quarterly data for both core and management metrics, annual goals and progress towards goals.

<b>KEPA Initiative</b>	GHG
<b>Goal</b>	Improve fuel efficiency and reduce fleet GHG emissions 2009 — Reduce GHG emissions from fleet by 10% compared to 2008 baseline 2011 — Reduce GHG emissions by 30% compared to 2008 baseline
<b>Actions</b>	Install speed and idling controls, improve fleet routing, and enhance driver training and performance tracking

Core Metrics	Baseline	2009			Total	% Change
	2008	Q1	Q2	...	2009 T	
Total fuel consumption (gal)	3,159,120	723,024	696,025	...	2,879,596	(8.8%)
Total fuel costs (USD)	12,236,622	1,586,430	1,616,399	...	6,840,374	(44.1%)
Product moved (tons)	183,250	52,766	54,089	...	219,767	19.9%
Revenue (Millions USD)	1,230	308	342	...	1,341	9.0%
Total GHG emissions (metric tons)	32,084	7,343	7,069	...	29,245	(8.8%)

Management Metrics	2008	Q1	Q2	...	2009 T	% Change
	GHG/product moved (metric ton/ton)	0.18	0.14	0.13	...	0.13
Gallons/ton of product moved	17.24	13.70	12.87	...	13.12	(23.9%)
Cost/product (\$/ton of product)	66.78	30.07	29.88	...	31.08	(53.5%)

## 2009 Results

Gallons saved	906,258
GHGs avoided (metric tons)	9,204
\$ saved through improved efficiency*	\$2,150,299

## Progress Toward Goals

2009 goal	88%
2012 goal	29%

\* SAVINGS REPRESENT ONLY THOSE THAT ARE DIRECTLY ATTRIBUTABLE TO COMPANY INITIATIVES TO IMPROVE FLEET FUEL EFFICIENCY IN 2009.

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## Tool — Sample Internal Communication

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Communicating with employees and stakeholders about your company's initiatives can play an important role in the iterative process and continued success of your program. Employees can help to uncover additional opportunities and refine processes already in place.

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Your Company, PE Firm, Other Organizations  
Date

Dear Company Staff,

I wanted to share with you the great progress we've made this year in our efforts to improve the efficiency of our fleet. In 2009, the first year of our new fleet initiative, we employed strategies that saved us over \$2.5 million and avoided over 9,500 metric tons of greenhouse gases from being emitted into the atmosphere. This is the equivalent of 1,900 average cars being taken off the road in 2009. Over the past year, our fleet drivers and maintenance staff have been working hard to test and install speed governors in all of our trucks and to pilot and adopt new, fuel-saving driving habits. Congratulations to all our staff who made this success possible.

We are continuing to improve this initiative in 2010 and will be rolling it out to the remainder of our fleet. In addition, we have decided to launch a new initiative aimed at reducing packaging waste at our distribution centers. Stay tuned for updates and ways to get involved in this project in the coming months.

Please feel free to reach out with questions or suggestions.

Thank you for helping us to achieve these outstanding environmental and financial results.

Thank you,

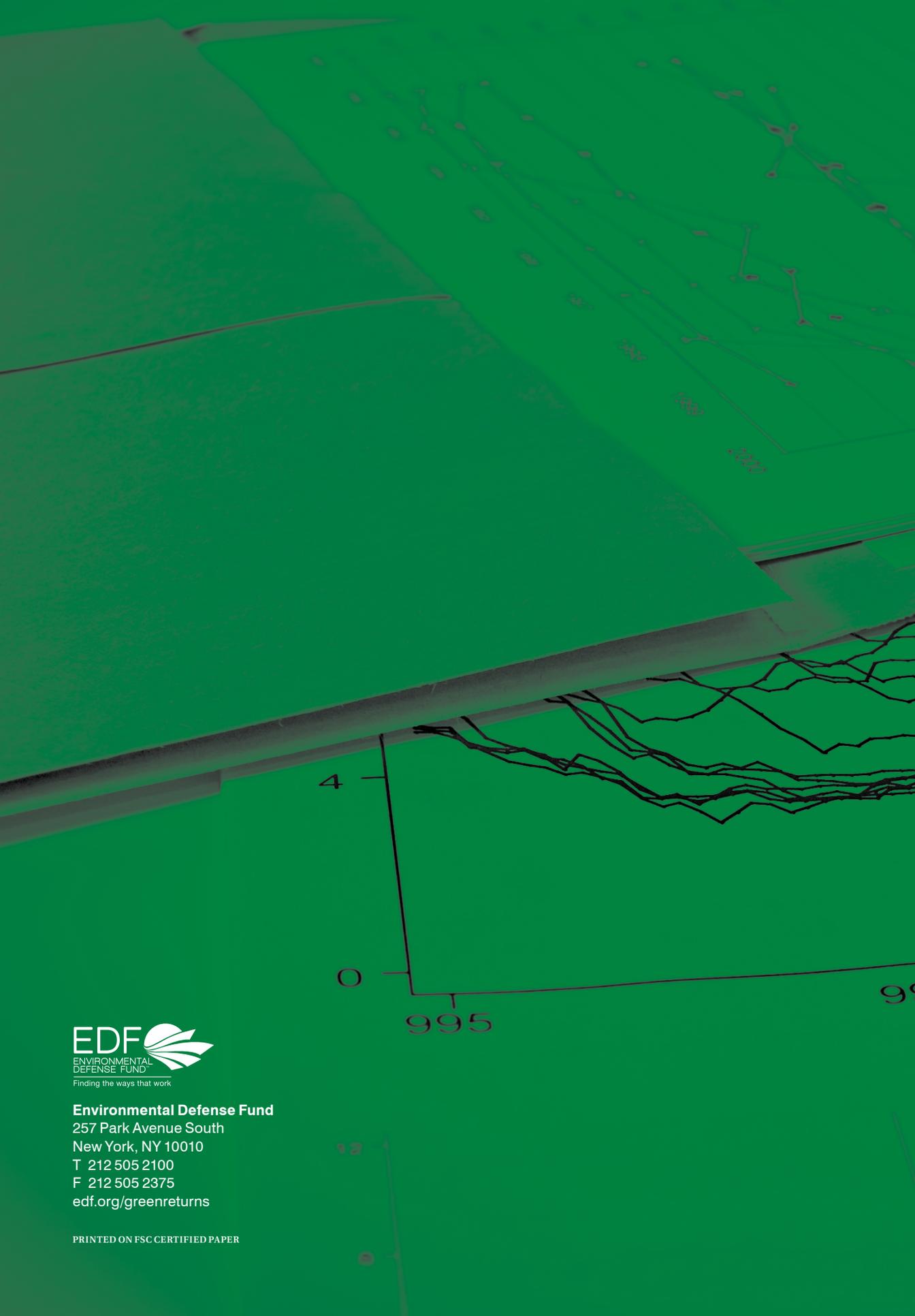
Chief Operating Officer











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