Case Study: Caesars Entertainment

About Caesars Entertainment

Caesars Entertainment is the world’s most diversified casino-entertainment provider and the most geographically diverse U.S. casino-entertainment company. Since its beginning in Reno, Nevada, in 1937, Caesars Entertainment has grown through development of new resorts, expansions, and acquisitions. Caesars Entertainment’s resorts operate primarily under the Caesars®, Harrah’s® and Horseshoe® brand names, and also includes a family of casinos in the United Kingdom.

Greening Caesars Entertainment

Twelve years ago, employees at Caesars Entertainment could be found innovating ways to reduce energy use, water consumption, and waste. At a resort in Indiana, for example, the facilities director collected used cooking oil from the hotel kitchen and used it to fuel vehicles. Instead of squashing, ignoring, or questioning this employee behavior, the leadership of the world’s most geographically diversified casino-entertainment company elevated it. Based on employee efforts to drive sustainability, Caesars created CodeGreen, a company-wide environmental strategy with a focus of employee engagement, in 2007.

The company helped each of the more than 40 resorts assemble a CodeGreen team that implemented environmental impact programming. Both passionate employees and leaders from key functional areas – such as facilities, food and beverages, and human resources – participated on the teams.

As with any early stage program, CodeGreen had its struggles, including defining roles and responsibilities and developing a scorecard to track engagement. Eventually the program evolved into an enterprise-wide program that represents a best practice in sustainable operations. Since 2007, CodeGreen reduced fossil-fuel energy consumption by 21% per air-conditioned square foot; since 2011, it reduced absolute greenhouse gas emissions by 23%; and since 2008, Caesars reduced water use intensity by 22%.

In 2017, Caesars was one of 55 companies (only 14 of which are in the U.S.) that achieved a leadership level on Climate, Water and Supplier

...
Engagement rankings by the CDP (formerly the Carbon Disclosure Project), the nonprofit global environmental disclosure platform. Furthermore, in 2018 Caesars’ commitments to support climate change mitigation efforts were formally approved by the Science Based Targets initiative (SBTI).

The SBTI is a collaboration between CDP, World Resources Institute (WRI), the World Wide Fund for Nature (WWF), and the United Nations Global Contact (UNGC) to adopt a technical methodology considering planetary limits and helps companies define targets in line with best practice in the transition to a low-carbon economy. And in 2019, Caesars was one of the 3% of more than 5,000 applicant companies to earn a position on the CDP Supplier Engagement leader board for managing climate change.

Caesars also has five LEED certified buildings and an additional 13 properties that are operated in accordance with LEED building standards, and over 1.7 million square feet of construction according to LEED or similar standards. One hundred percent of its North American owned or managed hotel resort properties achieved a 4 Green Key rating or higher. Green Key is a rigorous program that ranks, certifies, and inspects hotels and resorts based on their commitment to sustainable operations on a scale of 1 to 5 keys, with 5 keys being the highest possible attainment.

Methods

How did Caesars achieve this success? According to Gwen Migita — Caesars’ Global Head of Social Impact, Equity & Sustainability — it required the same steps as any large-scale corporate initiative, including developing a solid strategy, establishing procedures, creating metrics, and obtaining companywide buy-in. She adds, however, that the single most instrumental element for success is “employee enthusiasm.”

CodeGreen can be considered a multi-pronged effort to empower employees to green their workplace. Migita considers it the job of her sustainability and Corporate Social Responsibility (CSR) teams to design ways that facilitate employee environmentalism across many areas, including:

- **Housekeeping.** Caesars’ housekeepers collect partially used bars of soap that are delivered to Clean the World, an organization that sterilizes, recycles, and distributes the repurposed soap to impoverished families across the globe. With every room they service, housekeepers are now helping to reduce solid waste and mitigate preventable infections, which tragically kill more than 6,000 children every day worldwide.

- **Bartending.** Caesars holds an annual CodeGreen Challenge through which properties compete for future CodeGreen funding. One element of the Challenge is the CodeGreen Cocktail — bartenders come up with eco-inspired drinks that are served in no-waste cups, using mint grown on property, honey from nearby vendors, and other locally sourced ingredients.

- **Construction.** Caesars chooses to follow green building practices outlined in the U.S. Green Building Council’s (USGBC) LEED requirements in all new construction.

- **Meetings.** Caesars’ events staff have developed a number of policies to help make meetings held at the company green, including paperless online event menus, meeting guides, and billing; china, flatware, and linens offered in place of disposable; energy-optimized lighting, heating, and air-conditioning; and water preset on tables only on request.

- **Marketing.** A volunteer task force of marketers helped Caesars’ CSR department create a catalog of ideas and templates for property marketing departments to easily and effectively execute cause campaigns in which the marketing messages inform customers of environmental issues such as climate change and the disappearance of bees.

- **Grounds.** The grounds departments at many properties use low-water landscaping, plant gardens, offer electric-vehicle charging stations, and otherwise do their part to green the world.

- **Any and all jobs.** Through the employee CodeGreen Challenge, any employee can develop an activation for their property to implement around environmental issues. Examples include the cocktail competition and Earth Hour, through which dozens of Caesars properties across the globe turn off their lights for an hour on March 30 in support of the environment and environmental awareness.

CodeGreen also extends beyond the worksite to employee homes. Employees are rewarded with Total Rewards Credits for adopting green practices at home, such as composting, which can be exchanged for everything from electronic tablets to vacations.

Business Value

CodeGreen is a catalyst inside the company to help it reduce both its operating costs and its overall environmental impact. First, CodeGreen’s reductions in energy, water, and waste have resulted in cost savings, with water reductions alone saving $1.6 million in annual water costs. Second, Caesars has data showing that employees who participate in CodeGreen have more than 10% higher levels of engagement, meaning they are willing to work harder and are thus more productive.

Finally, a test in one market found that informing guests of CodeGreen was associated with a 7% increase in their willingness to recommend Caesars to their families and friends (via a Net Promoter Score) and a 1.5% increase in sales, relative to a control group.

Conclusions

Research, such as EarthShare’s New Business Imperative white paper, finds that workers want to make a positive environmental impact from their jobs. Caesars shows that there are ways to engage a diversity of workers in the greening of their work while adding value to the business.