

# Sigma-Aldrich Volunteer Time Off Policy Rationale

## OVERVIEW

The ability to attract top tier talent will be key to Sigma-Aldrich's future success. To achieve this, Sigma-Aldrich must develop an attractive and engaging culture, specifically to the next generation of employees<sup>1,2</sup>. The Volunteer Time Off (VTO) Policy is an essential component to transforming the current culture and becoming a competitive employer. VTO policies have been linked to higher employee productivity, job satisfaction, and morale while decreasing employee absenteeism and turnover<sup>3</sup>. Effective employee engagement strategies have also been linked to greater business performance; one recent study showed a 19 percent increase in profit and 28 percent increase in earnings per share<sup>4,5</sup>.

## COMPARABLE COMPANIES

70%

of companies with more than 1000 employees polled in the Deloitte IMPACT Survey offer some form of VTO program including many of our competitors and local companies<sup>6</sup>

COMPANY	VTO ALLOTTED HOURS
Agilent	48
Bank of America	96
Cigna	8
Citi	8
KPMG	12
Life Technologies	16+
MasterCard	16
Merck	20
Savvis	8
Wells Fargo	24

## CURRENT COMPANY PERFORMANCE

	Needs Improvement	Average	Good
Morale			
Job Satisfaction			
Productivity			
Employee Retention			
Company Reputation			

■ = Focus area for improvement

## EXPECTED EMPLOYEE OUTCOMES

Employee volunteerism not only provides benefits to community organizations, but also delivers a number of positive outcomes to corporations including increased:



Sigma-Aldrich will focus on improving these three key indicators as they have a proven link to increased profits and have a positive impact on overall company culture<sup>4</sup>.

Employees who frequently participate in workplace volunteer activities are more likely to be proud, loyal and satisfied employees.

2x

more likely to rate the company culture as positive<sup>6</sup>

## TALENT ATTRACTION AND RETENTION

Companies with a thorough community engagement program, especially those with VTO policies are more attractive to young professionals. Millennials are:

70%

more likely to say a company's commitment to the community has an influence on their decision to work there<sup>6</sup>

2x

as likely to be very satisfied with the progression of their career when they have the opportunity to volunteer through their employer<sup>6</sup>

24%

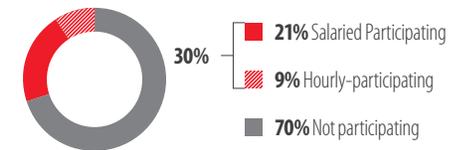
more likely to recommend their company to a friend when policies such as VTO are in place<sup>6</sup>

## RANKINGS

Ratings and rankings surveys increasingly require information and metrics on employee volunteerism. For example, 35% of the Civic 50 focused on employee volunteerism and employee engagement. With a fully implemented VTO policy, Sigma-Aldrich will have the opportunity to significantly improve on the Civic 50 and similar rankings surveys. Higher rankings will have a correlated positive effect on company reputation and talent attraction.

## COSTS

NUMBER OF US EMPLOYEES ELIGIBLE FOR VTO  
4,400 employees  
of that, 30% anticipated participation rate



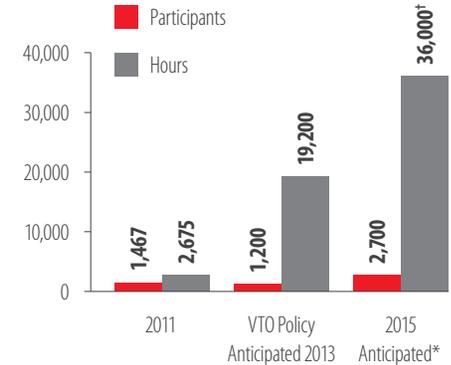
## HOURLY EMPLOYEE RELATED COSTS

Assuming 9% of NA participants are hourly:

Number of hourly employees utilizing VTO	396
Avg. Hourly Rate	XX
# of VTO hours per employee	16
Total Cost to S-A	XX

## GC1015 GOALS

The GC1015 Goal for Team Sigma-Aldrich dictates that there will be an average of 4 volunteer hours per employee by 2015.



\*Includes VTO policy and unpaid volunteer time

\*Minimum accepted number for GC1015 Goal attainment

<sup>1</sup> [http://blogs.hbr.org/hbr/hewlett/2012/03/strengthen\\_your\\_workforce\\_thro.html](http://blogs.hbr.org/hbr/hewlett/2012/03/strengthen_your_workforce_thro.html); <sup>2</sup> <http://www.fastcompany.com/1078972/corporate-volunteering-giving-time-make-profit>; <sup>3</sup> [http://blogs.hbr.org/hbr/hewlett/2009/09/helping\\_others\\_helps\\_yourself.html](http://blogs.hbr.org/hbr/hewlett/2009/09/helping_others_helps_yourself.html)  
<sup>4</sup> <http://www.towerswatson.com/research/7177>; <sup>5</sup> [http://www.towerswatson.com/assets/pdf/3848/Towers-Watson-EmployeeSurvey\\_power-of-three\(1\).pdf](http://www.towerswatson.com/assets/pdf/3848/Towers-Watson-EmployeeSurvey_power-of-three(1).pdf); <sup>6</sup> Deloitte Volunteer IMPACT Survey, 2011