AILUNA

BUSINESS MATTERS



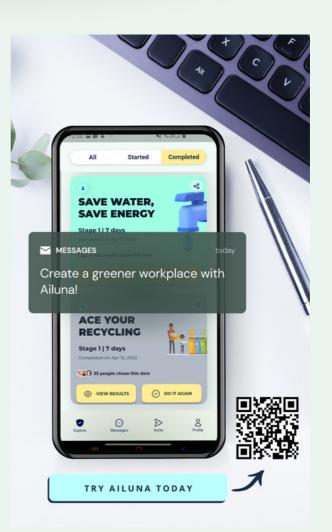
HABITS WITH IMPACT

Ailuna is a sustainability engagement app which makes it fun to develop habits that are good for you and the planet

WELCOME

Welcome to Ailuna's first enterprisefocused newsletter, created to further
support our community with driving
sustainability in the workplace.
Employee engagement around
sustainability is our passion and
purpose. And to add some more P's to
this paragraph, balancing People,
Planet and Profit is the challenge of
our time as business leaders. Hopefully,
this newsletter will serve as a useful
tool for helping you and your
organization with finding this balance.

We plan to share fantastic resources and some of the future-focused, practical information that inspires us and enables us to do our part in advancing sustainability through workforce activation. After all, it's the action of People that drives the outcome on Planet and Profit.



PIONEERS WANTED:

Employees' and customers' appetite for thoughtful action on issues that matter is huge. So is the cost of inaction. The clock is ticking. Let's get going!

Download the Ailuna app, for free. The easiest and fastest way to try out Ailuna and start taking steps toward sustainability.

Schedule a demo call to learn how Ailuna can help drive activation and engagement around your organization's policies, goals, and objectives

During the demo call Lars Ronning, Ailuna's founder, will share case studies of how companies are using Ailuna to create impactful change. He will demo Ailuna and share some of the ingredients in Ailuna's secret sauce. You can expect to come away with ideas for immediately implementing effective employee engagement tools and how Ailuna can help you tackle business challenges in the complicated, yet critical, world of sustainability.



DEMYSTIFYING THE SHARING ECONOMY

We've all heard about the big names (hint: one that starts with a U and one with an A) that have brought the sharing economy into the mainstream. But there is so much more to this growing, and inherently sustainable, segment. To find out more, we reached out to **Eleanor Tucker**, a **Sharing & Gig Economy** Consultant, and author of an upcoming book on the topic.

Eleanor describes the sharing economy as using technology to allow an individual to **swap**, **lend or rent** out their assets, belongings, or skills to other people. There are significant benefits in terms of sustainability, as there are many items that we own that are only used occasionally, so why not share these with others and avoid excessive purchasing of new low-usage items

Let's take the example of a camper van, which typically spends 40+ weeks of the year sitting on the owner's drive, not being used. **The sustainability advantage of sharing** this item is not related to emissions caused by driving around the countryside, but the much more significant environmental impact of production. The bottom line is fewer vehicles being manufactured is better for the planet.



The personal advantage of the act of sharing is an **economic** one - the renter gets to earn an income from others using their items, and the user pays less to borrow that item than the cost of purchasing something new.

The third benefit is a **community** one - what starts out as a virtual connection through a sharing app turns into a more physical connection through using that item by connecting with others who share our interests.

THOUGHT-PROVOKING SHARING ECONOMY DATA AND PLATFORMS TO KNOW

Food – if food waste was a country it would be the third highest emitter of greenhouse gases in the world - driven by household waste, so find a way to share the items that you do not consume. An example food-sharing app is **Olio**, the advantage being that it reduces the cost of buying food for those who can use it.

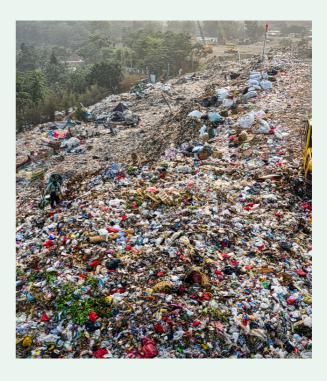
Fashion - the fashion industry is responsible for about 10% of global carbon build-up, producing more CO2 than the aviation industry - driven by the amount of plastic used in production plus the impact on the landfill from clothes being thrown away. From a sharing perspective there are lifestyle apps like Loanhood and By Rotation which allow loaners and borrowers to swap clothing items locally.

Household items - In 2021, 57 million tonnes of electric waste was discarded globally, which outweighs the Great Wall of China, the world's heaviest human construction - where neighbours can share larger items such as garden furniture and garage tools through apps like **RentMy** and more informally through Facebook or WhatsApp groups.

Furniture - In the UK we get rid of more than 300,000 tones of reusable furniture every year - through sharing apps like Homebound or She-Iff you can use furniture for a period of time either returning it at the end of the rental period or paying an additional amount to own it outright.

Cars - even for an electric vehicle, 46% of its total carbon footprint is generated before the car is first driven where peer-to-peer community carsharing platforms like Karshare and **Hiyacar** allow owners to rent out their vehicles by the hour or the day to people locally, changing the need for individual car ownership, particularly in cities.

In terms of employee-related opportunities, one interesting carsharing example is Liftshare, which supports 700,000 users to car-share journeys with other members, saving an average user around £1,000 per year. There is a specific commuting proposition for businesses called "Liftshare for work".

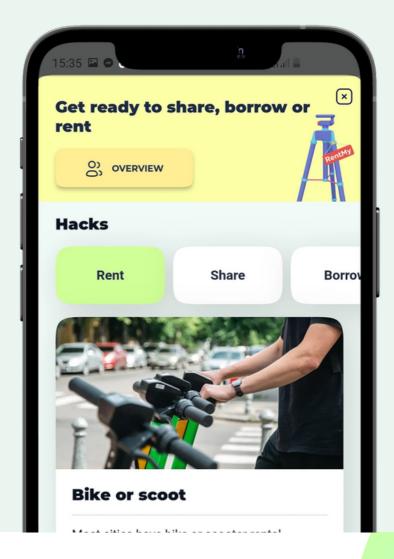


PROMOTING SHARING WITHIN YOUR ORGANIZATION

The data and anecdotes clearly indicate that the **sharing economy benefits people**, **planet and profit**. To incorporate this into your workplace you might start with **educating and inspiring teams** to try sharing – for example by creating partnerships with app providers and then incentivising usage of sharing platforms as an employee benefit or a perk. There could also be cohorts of office-based employees who create their own informal sharing networks – for example having a clothes swap rail every month, or a food sharing initiative where one day a week employees bring unused food into the office and share it with others.

And **Ailuna can help too** as there's a one-day action called <u>"Get Ready to share,</u> <u>borrow or rent"</u> which includes a lot of hints, tips, and hacks to support employees to experience renting or borrowing for the first time.

It all starts by **raising awareness of the sharing concept**, and then you can build up from there.



EFFECTIVELY EMPOWERING EMPLOYEES TO TAKE ACTION

Empowered and engaged employees are good for business. And a great way to empower and engage employees is to help them develop long-lasting and impactful habits that are good for them, for your organization, and for the planet. In his book Atomic Habits, James Clear explains why small habits make a big difference. It's the marginal gains of achieving every 1% improvement that adds up to the final result. Financial advisors tell us that putting money into pension multiplies over time through compound interest. And the same is also true that building good habits is the compound interest of self-improvement.

The notion of Atomic Habits is not just to focus on what constitutes a 'good' habit it is also to put in place a system where regular practice or routine of those habits creates an outcome where compound growth can be achieved.



The key components of that system are to focus on creating cues related to time and intention. James reports on UK research on building better exercise habits where those groups that simply tracked their exercise reported 35% success. But for the group who were asked to create an individual plan for exercise - specifying a time and place - achieved a 91% success rate.

The researchers concluded that a user creating an implementation intention is key to them performing a new habit.

In effect, they are creating a cue that "when situation X arises, I will perform response Y."

This reinforces the notion that sustainability apps that simply provide information will not be as effective as those. like Ailuna, that focus on the drivers of behaviour change.

A further example of this comes from **Katie Patrick** in her book "**How to save the world**" where she contrasts an education approach versus a behaviour-based approach. The education approach of just communicating and sharing information won't lead to as effective a result as a behaviour approach - the difference being that people act upon it.

| Education approach | Behaviour approach |
|--|---|
| Put up facts about waste on posters and do a leaflet drop on staff desks | Give everyone in the office something that will change their behaviour (like a reusable water bottle to save plastic) |
| Get an environmental leader to talk about the impacts (of not taking action) | Install equipment that makes it easy for those new bottles to be used |
| Go to a conference on the topic | Get everyone to write a pledge to use these new facilities and display them prominently in the office |
| Ask staff to watch videos on the topic | Add a smiley/sad face next to the new equipment when usage goes up or down |
| Write on the company blog about the intention to reduce waste | Chart the change in usage over time and display the results for all employees to see |

In effect, what Katie has listed in the behaviour approach column above are the components of a system that will lead to behaviour change - creating the cues on which implementation intention is based - creating pledges, providing feedback on usage and making visible the collective results for everyone to see. This is because **taking action changes our beliefs** - science tells us that as one action leads to another, an internal process of self-persuasion goes hand in hand with a deepening engagement and self-awareness of knowing how to act.



THE ROLE OF BEHAVIOUR **CHANGE APPS IN YOUR ORGANISATION**

When it comes to sustainability, the core building block that digital apps provide is simple habit choice - providing information, hints, and tips to raise the comprehension of the user around what they should be doing. This content can be delivered in a variety of formats in a way that is easy for the user to consume.

But what most apps ignore is the behavioural trait that, when it comes to taking action, people do not always do what they say. This is known as the intentionaction gap and can lead to a false hypothesis that well-intentioned pledges translate into direct action. In reality, there will be a noticeable drop-off when it comes to results, meaning that most apps will fail to deliver the desired collective outcomes.

Learning from behavioural science tells us that it is essential to generate a response from the user in order for action to be taken.

In our feature around demystifying the Sharing Economy, we discuss the role that technology can play to allow an individual to swap, lend or rent out their assets, belongings, or skills to other people. The rise of the sharing economy has generated a whole range of digital apps that have made it easier for users to find opportunities for sharing - both lenders and renters.

It's easy to find out about these sharing apps - they are just a few clicks away from the results of every search engine. So how do you decide what good looks like?



WHAT YOU SHOULD LOOK FOR IN A BEHAVIOUR CHANGE APP

A good sustainability app should be designed around the hypothesis that building new habits - whether that is sharing or sustainability behaviour change - can be hard. To be successfully deployed within a business requires a structured engagement program. It's all about creating a cohort of employees collectively creating new habits which can be reinforced through awards, community support, hacks, tips & tricks.



Reporting is also key – through a habit tracker that should provide a fun and easy way to ensure the user sticks to their new behaviours, staying accountable without becoming overwhelmed. It should be possible in the app to keep a record, typically updated at the end of each day, where the user marks which new tasks were succeeded with.

Ailuna has these features, and the latest **leaderboard development** is further evidence of how we believe that behavioural science holds the key for organisations to implement **employee-led sustainability change**.

HOW AILUNA WAS DESIGNED TO BE DIFFERENT

Ailuna is a behavioural change app that is targeted at solving key employee sustainability issues in three innovative ways:



1 BEHAVIOUR CHANGE ENGINE

Through our proprietary behaviour change engine and action development tool - built and iterated over a number of years using behavioural/motivational science and usability experts, allied to extensive user feedback.



2 TYPE OF DATA CAPTURE

The data we collect creates, rewards, and reinforces changes in user behaviour. It helps fulfill the desire of employees, teams, and companies to participate in being able 'do' something meaningful in important areas - through small, achievable everyday actions in the office or at home.



3 EASE OF SET UP

Ease of set up, rollout, and mobilisation - all the essential tools and functionality are ready to use in our App so that HR/Sustainability professionals can build momentum, maximise quick participation, and dovetail with existing internal initiatives across their campaigns and initiatives

In this way, Ailuna for Business provides enterprises with accountability for the combined efforts of its employees in becoming more sustainable. There are two factors at play here - the inputs which are the actions taken by cohorts of employees (tracked by the app) and the outputs which are the impact this has on the sustainability objectives and goals of the enterprise.

To be successful, both go hand in hand.

LEADERBOARDS & TEAM MANAGEMENT

The early adopters of the enterprise-based Ailuna for Business are showing how it is possible for employees to take those important first steps in engagement regarding sustainability. **There are two key steps for businesses to take:**

Create a series of actions around a relevant ESG theme

Drive engagement to take these actions across departmental teams

Our research into habit-building behavioural science shows how important it is to get users to **focus on one change at a time**, raising conscious awareness and then learning by doing. This means that once employees start to take on new challenges then their attitudes and beliefs will change.

The key decision to make therefore is to decide on the key themes that are most relevant to the ESG agenda. This provides a clear organisational focus for internal communications around why it is important to take action.

TURNING A THEME INTO A PROGRAMME

Once a theme is determined then specific actions can be selected and communicated across the employee base that makes up an overall campaign. A programme can be defined for a specific time period in which users take these actions. Ailuna can package those actions into actual programmes delivered by the app.

For example, this is what increasing sustainability awareness might look like as a business engagement theme:



It is also key that each business sustainability theme has a series of successful outcomes that represent the combined impact of employees completing these actions. This means that there is a link between the small steps that individuals take and the overall collective impact. Not only is this good for moving the dial when it comes to **the road to net zero**, but it is also highly motivating for the community of users taking the action – they all are playing their part.

DRIVING ENGAGEMENT THROUGH LEADERBOARDS

The Ailuna for Business app brings these themes to life through leaderboards.

Whilst the campaign is live, employees are encouraged to take and complete the actions, for which they earn **experience points (XPs)**. These show up on their individual tracker, showing each user how many actions they have completed and the XPs they have earned.

The newly released leaderboard feature provides an aggregated team view that shows those **employees who have engaged the most**. These are the users who have earned the highest amount of XPs during the campaign. A calendar view allows the user to calculate how many days are left before the campaign runs out, providing a stimulus cue for them to engage.

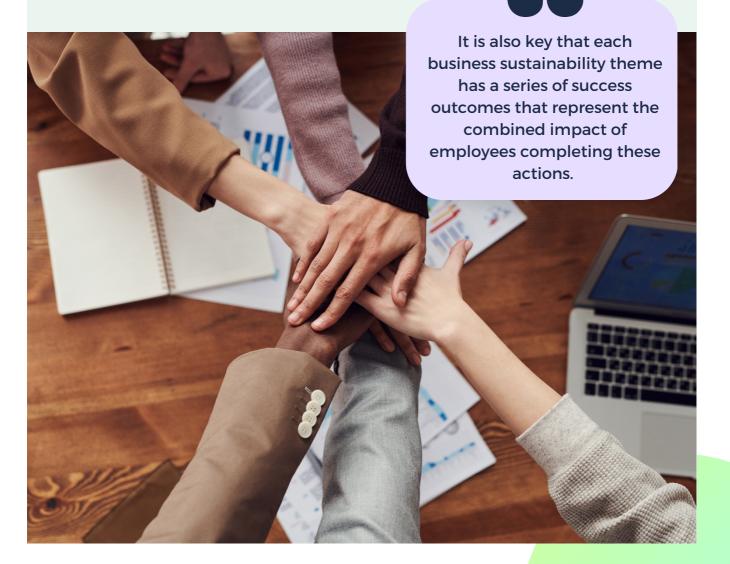


These leaderboard positions are visible throughout the campaign, **creating peer pressure to do more**. This can create competition not only between individuals but also across departmental teams and between sites.

At the completion of the theme, there are gold, silver, and bronze medal winners for the most engaged users who get recognition for their accomplishments by their medals being displayed on their profiles.

These medals can be awarded at a departmental team level, with announcements being made within the community space within the app to provide recognition of their success. The **team chat** feature can also be used as part of the engagement process – before, during, and after the campaign – using the leaderboard as the display mechanism to show progress and encourage participation.

Whilst not everyone can be a winner, behavioural science tells us that no one wants to get left behind.





DON'T MISS OUT!

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