

BANDING

Together

From networking communities to formal coalitions, forward-looking companies are collaborating to raise sustainability standards.

Over the past decade, companies have been working overtime to monitor the environmental impacts of their operations—the use of water and energy, the amount of waste they send to landfills, or the amount of CO₂ emitted through their direct operations. The reason is obvious: Customers and investors expect nothing less.

For global firms, voluntary disclosure is no longer a differentiator; it's increasingly the norm. In the 2013 "KPMG Survey of Corporate Responsibility Reporting," 71% of the 4,100 responding companies said corporate responsibility (CR) reporting is part of their modus operandi. More than half (51%) include CR information in annual reports, up from 20% in 2011 and just 9% in 2008. "The high rates of CR reporting in all regions suggest it is now standard business practice worldwide," concludes the KPMG survey.

So how do forward-looking companies move beyond voluntary disclosure to redefine what sustainability means to them and their stakeholders? Many are differentiating by looking beyond environmental impacts to how they can provide social benefits through new products and services or the introduction of new business models.

Raising the Bar

Such is the case at Novelis, the world's largest producer of flat-rolled aluminum products and the largest aluminum recycler. By seeking to shift its resource stream away from raw materials and toward recycled content, the company is slashing carbon emissions as it strives to source almost exclusively from scrap, without raising costs for customers or compromising properties.

Since 2009, the recycled content in Novelis' aluminum has jumped from 30% to almost 50%, and it's forecast to reach 80% by 2020. Novelis' new *evercan*[™] product for beverage cans already consists of more than 90% recycled aluminum, a claim certified by SCS Global Services, an independent third party.

"We've elected to raise the bar across the industry but make available—in kind of an open-source method—how to get there," says Novelis president and CEO Phil Martens. "Therefore you're driving not just one company forward. You're trying to push an entire sector of an industry forward."

Novelis is a member of Sustainable Brands®, a global platform where nearly 1 million global sustainability, brand, and marketing professionals come together to learn, collaborate, and communicate in a common quest to drive business value while accelerating the shift to a sustainable economy. From con-



Better... Again and Again

With Novelis Aluminum

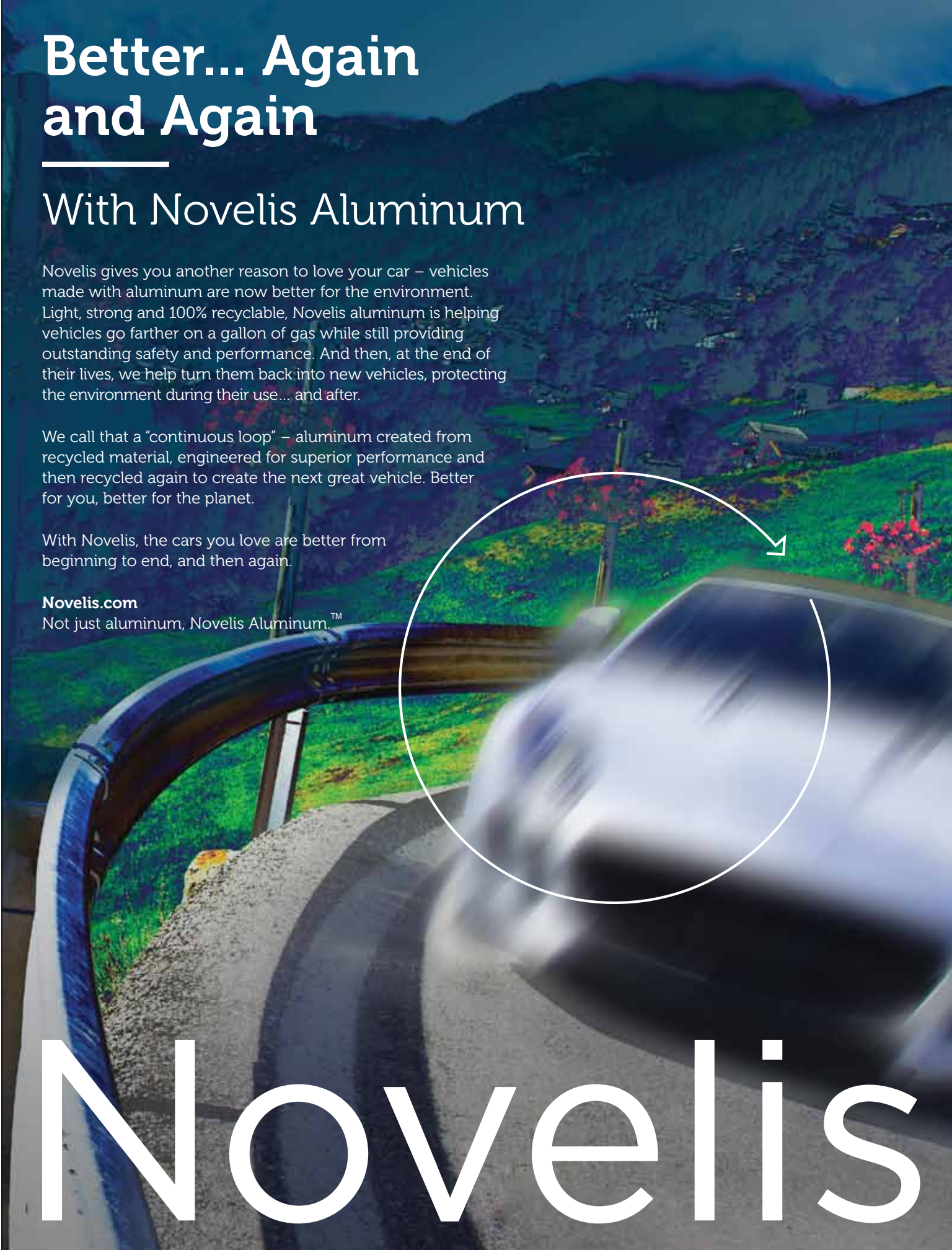
Novelis gives you another reason to love your car – vehicles made with aluminum are now better for the environment. Light, strong and 100% recyclable, Novelis aluminum is helping vehicles go farther on a gallon of gas while still providing outstanding safety and performance. And then, at the end of their lives, we help turn them back into new vehicles, protecting the environment during their use... and after.

We call that a "continuous loop" – aluminum created from recycled material, engineered for superior performance and then recycled again to create the next great vehicle. Better for you, better for the planet.

With Novelis, the cars you love are better from beginning to end, and then again.

Novelis.com
Not just aluminum, Novelis Aluminum.[™]

Novelis



sumer products to hospitality, firms are dropping 20th-century systems that are resource-intensive or inefficient, choosing instead pioneering new alternatives, says Sustainable Brands founder and CEO KoAnn Vikoren Skrzyniarz.

Having a forum for exploring possibilities and partnering to enable change makes sense, Skrzyniarz says, because no one has all the answers yet: "Our job is to point to future sources of opportunity, to help companies think through how to tap into these by innovating systems, processes, business models, brand value propositions, and methods for engaging stakeholders."

To establish and keep their edge, sustainability minded companies are signing on to voluntary initiatives that signal a commitment to the public good. More than 10,000 companies and other stakeholders in 145 countries have joined the United Nations Global Compact, which equips participants with resources for advancing the UN's Millennium Development Goals. In another example, more than 1,150 U.S. companies have registered since 2007 as B Corporations, which are chartered to serve the interests of communities, environment, and shareholders.

Firms are also partnering with nongovernmental organizations that aim to encourage responsible practices in the private sector. Novelis, for example, is a member of the World Wildlife Fund's Climate Savers program, which urges low-carbon leaders to act as change agents across their respective sectors.

When problems arise, companies are joining forces to raise standards and increase accountability. Membership in the Sustainable Apparel Coalition has doubled in the past two years, to 134. This comes in the wake of devastating Bangladesh fires that exposed unsafe working conditions and the need for new safeguards. Members are now collaborating to develop the Higg Index 2.0, which can be used to measure environmental impacts of business practices.

Consumers and investors expect nothing less than full disclosure on sustainability.

Doing business with a sustainability leader can bring its own measurable dividends.

On the transportation front, more than 3,000 companies have partnered with SmartWay, a free program from the Environmental Protection Agency. Participants upload information from their operations and supply chains, then rely on SmartWay to track performance against environmental benchmarks.

"Rather than businesses chasing after carrier data, SmartWay makes environmental performance data available to businesses, at no cost," says Karl Simon, director of the EPA's Transportation & Climate Division. "Businesses import this data into the shipper tool and can readily see which carriers and modes are the most efficient and cleanest for their shipping needs."

Responsible Message

FedEx Express, the world's largest express transportation company, has used the SmartWay program to improve fuel economy by 27% across its fleet. IT giant Hewlett-Packard is working exclusively with SmartWay carriers in its bid to lower emissions 20% by 2020. HP also puts the SmartWay logo on product packaging in the U.S. and Canada to send an environmentally responsible message about its brand.

On another front, Best Buy has leveraged SmartWay data to make strategic adjustments, including an increase in intermodal freight shipments from 54% of inbound loads to 58%. Result: a documented drop in carbon emissions by 2,500 metric tons. For carriers that move materials and goods, joining SmartWay opens up a world of business opportunities. Manufacturers, retailers, and others have access to EPA analyses of the types of vehicles and technologies they use. They also compete for prestigious environmental performance awards from the EPA.

Doing business with a sustainability leader can bring its own measurable dividends. In the automotive sector, designs for the new Jaguar XE and Ford F-150 pickup truck draw substantially on Novelis aluminum to make vehicles lighter, more efficient, and compliant with increasingly rigorous federal regulations.

Transitioning business in the 21st century toward a more sustainable economy is not without a set of complex challenges. What sits at the pinnacle is the value businesses find in forging partnerships that unlock innovation and opportunity, both for their organizations and for the planet. ●

10 great ways our partners have improved the landscape in the last 10 years.



SmartWay is an innovative, public-private partnership that helps companies improve their transportation supply chain efficiency and environmental performance. Since 2004, 3,000 top companies have registered with SmartWay. **To learn what companies will be doing in the next 10 years, visit epa.gov/smartway**

Any way you ship it, move it the SmartWay.