

REPORTING TODAY

Sending the wrong message

One of the most significant customer touchpoints is the moment when a product arrives at a customer's door. This physical transfer of goods provides a direct interface and customer experience, one that can either demonstrate—or completely discredit—a company's claims of environmental awareness and resource efficiency.

The issue at hand is packaging.

How many of us have recently received a huge cardboard box, often via priority mail or express delivery, only to cut through layers of packing tape, polystyrene padding or air cushions, and wrapping paper, only to find a slim envelope containing a gift certificate or a computer activation code? (Ann Taylor and Apple, please take note.) The practice of overpackaging not only produces large amounts of waste but also uses excess fuel and generates additional carbon emissions during product transport. Perhaps companies overpackage because they are genuinely unaware of the environmental or cost implications. Perhaps they are seeking to create a unique brand experience through packaging. Whatever the reason, the practice increasingly engenders consumer annoyance that can last long after the product itself has been used or discarded.

Sustainable packaging design relies on internal communication and coordination among the marketing (responsible for product presentation and branding), environmental (responsible for materials and energy use), and shipping (responsible for safe transport of goods) areas. Companies must carefully examine whether their packaging and shipping practices support or detract from their stated commitment to responsible resource use. They should work to design appropriate packaging

and product-delivery methods that, while allowing for experiential brand presentation, acknowledge customers' increasing preference for more waste-conscious practices.

Packaging is not a new issue (remember those cardboard display boxes for music CDs?), yet it is one that has acquired a new urgency. Energy and raw-material prices are rising, pressure from retailers such as [Wal-Mart](#) is spurring companies to rethink and reduce packaging, and consumers are becoming more savvy about comparing a company's environmental words with its deeds. The recent and extensive media coverage of bottled water as the ultimate in [excessive packaging](#) is but one example of this newfound awareness.

Many companies are taking steps in the right direction. In the software industry, customers can often choose to purchase and download tax-preparation, anti-virus, and other software directly from company websites. Mattel has led the toy industry in reducing the use of wiring, ties, and cardboard in its [display boxes](#). And recognizing that packaging extends to shopping bags that customers take home directly from stores, retailers such as [IKEA](#), [Stop&Shop](#), and [Whole Foods](#) are encouraging shoppers to purchase reusable totes in lieu of the ubiquitous "paper or plastic".

The unspoken communication concerning product packaging may well be the most memorable. Currently, 87% of American consumers say they are more likely to buy from companies that commit to environmentally friendly practices. The day may soon be upon us when the company that visibly extends environmental responsibility to product delivery is the one that wins—and keeps the customer.

¹ BBMG [Conscious Consumer Report](#), November 2007.

NEW AND NOTEWORTHY

Greenest companies disclose the most

Upon reviewing 191 corporate responsibility reports, [researchers at the University of Toronto](#) concluded that good environmental performers are more likely to disclose their environmental efforts voluntarily than poor performers. Moreover, companies pushed into disclosure by negative media coverage are more likely to "greenwash" their polices than to improve them.

European sustainability websites scrutinized

Jungle Rating has released its [study of best practices](#) in online sustainability communications, which examines the websites of Europe's leading corporations. Key trends identified include the need to create an online, personal stakeholder experience and establish an online stakeholder dialogue.

FTC to review green marketing guidelines

The [Federal Trade Commission](#) will begin updating the "Green Guides"—principles for environmental marketing materials—in January 2008. The revision process reflects greater public scrutiny of green advertising claims.

"Accounting for Sustainability" project launched

The December 2007 launch of the [Prince of Wales "Accounting for Sustainability" project](#) will help organizations measure their environmental and social impacts, with a particular emphasis on clear and consistent reporting.

REPORT REVIEWS

Each month, we evaluate a corporate responsibility report for [Ethical Corporation](#) magazine. Click on the following links to read our most recent reviews:

- > [IBM 2006 Corporate Responsibility Report](#)
- > [Johnson & Johnson 2006 Sustainability Report](#)
- > [Barclays PLC and HSBC Holdings plc 2006 Corporate Responsibility Reports/ Comparison Review](#)

Conference Board EHS Legal Council Forum

October 23-24; Atlanta, Georgia

A [Conference Board](#) gathering of environmental, health, and safety lawyers and sustainability experts held at Coca-Cola's headquarters in Atlanta yielded excellent presentations and lively discussion on such salient topics as legislation on energy and climate change, integrating sustainability into operations and product stewardship, and corporate responsibility reporting. Participants generally agreed on the need to build relationships with stakeholders; identify and address key corporate responsibility issues; and ensure, whether through internal controls or external verification (though there was some debate regarding the benefits of assurance) that information reported is accurate.

Net Impact Annual Conference

November 1-3; Nashville, Tennessee

More than 1,700 MBA students and professionals gathered at the Owen Graduate School of Management at Vanderbilt University for the [15th annual Net Impact conference](#). Participants chose their own conference curriculum from myriad sessions grouped under conference tracks including Business and the Environment, the Business of Health, Corporate Impact, International Development, Leadership and Career, and the Social Sector.

The highlight of the conference was the opening keynote by Yvonne Chouinard, founder of [Patagonia](#). Mr. Chouinard charted Patagonia's history, and in one example, discussed how Patagonia is less nimble than competitors due to the full life-cycle analysis of each new product in development. The company, however, has been successful in retaining loyal customers, primarily because of Patagonia's consistent emphasis on high-quality and environmentally sensitive goods. And with 900 job applications for each opening, the company has its pick of talent to

ensure continued innovation. Despite Mr. Chouinard's pessimistic outlook on the planet's future, his reflections on running a responsible company provided great insight into the benefits and challenges of operating in the "sustainability sweet spot" between business and social interests.

SRI in the Rockies

November 3-6; Albuquerque, New Mexico

More than 700 Socially Responsible Investment (SRI) professionals attended [SRI in the Rockies](#) to discuss topics including climate change, indigenous peoples, Darfur, shareholder rights, and community investing practices. The discussion of shareholder rights was particularly timely, as the SEC was in the midst of deciding whether to restrict the shareholder resolution process. Tim Smith, Director of Walden Asset Management, highlighted his efforts to gather petitions and engage the SEC on this matter. Former Congresswoman Claudine Schneider and Dr. Richard Sandor, Chairman and CEO of the Chicago Climate Exchange, encouraged attendees to approach climate change proactively by supporting the use of renewable energy and challenging corporations to do the same. Overall, the event provided an excellent forum for practitioners to discuss industry issues. According to co-organizer Steve Schueth, the conference was vital to the continued professionalization of the social investment community.

STANDARDS UPDATE

AccountAbility Holds AA1000 Consultation in New York

[AccountAbility](#) invited assurance providers, consultants, academics, and company representatives to attend a consultation on its AA1000 assurance standard on December 5. The 13 attendees made several recommendations for improving the standard, including better defining terms, developing a framework and protocols to promote consistency across assurance processes, and requiring assurance providers to undergo an accreditation process before they can conduct assurance under the AA1000 standard. AccountAbility will conduct 18 such sessions around the world and will consider the resulting recommendations, together with those

made on its wiki platform, in developing the new standard, which is scheduled for publication in late 2008.

AccountAbility welcomes all interested parties to submit revisions to the AA1000 Sustainability Assurance Standard via the [wiki platform](#), which is designed to enhance transparency and access to the standard development process.

Comments Sought on GRI Financial Services Sector Supplement

The draft [GRI Financial Services Sector Supplement](#), compiled by a working group of financial institutions and their stakeholders from investment, labor, and civil society is now available for public review. The public comment period will end on January 10, 2008.

Net Impact announces report verification services

[Net Impact's](#) new [MBA Assurance Protocol](#) matches MBA students with companies looking to improve their corporate responsibility reporting through AA1000-based, third-party assurance at no cost. Interested companies can download the [application request form](#) for an initial consultation.

ANNOUNCEMENT

Framework: CR recognized for diversity

In October 2007, Framework:CR was certified as a woman-owned business by the [Women's Business Enterprise National Council](#).

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