

# Corporate Social Responsibility & Freight:

*SmartWay Partners showcase their leadership and lessons learned*

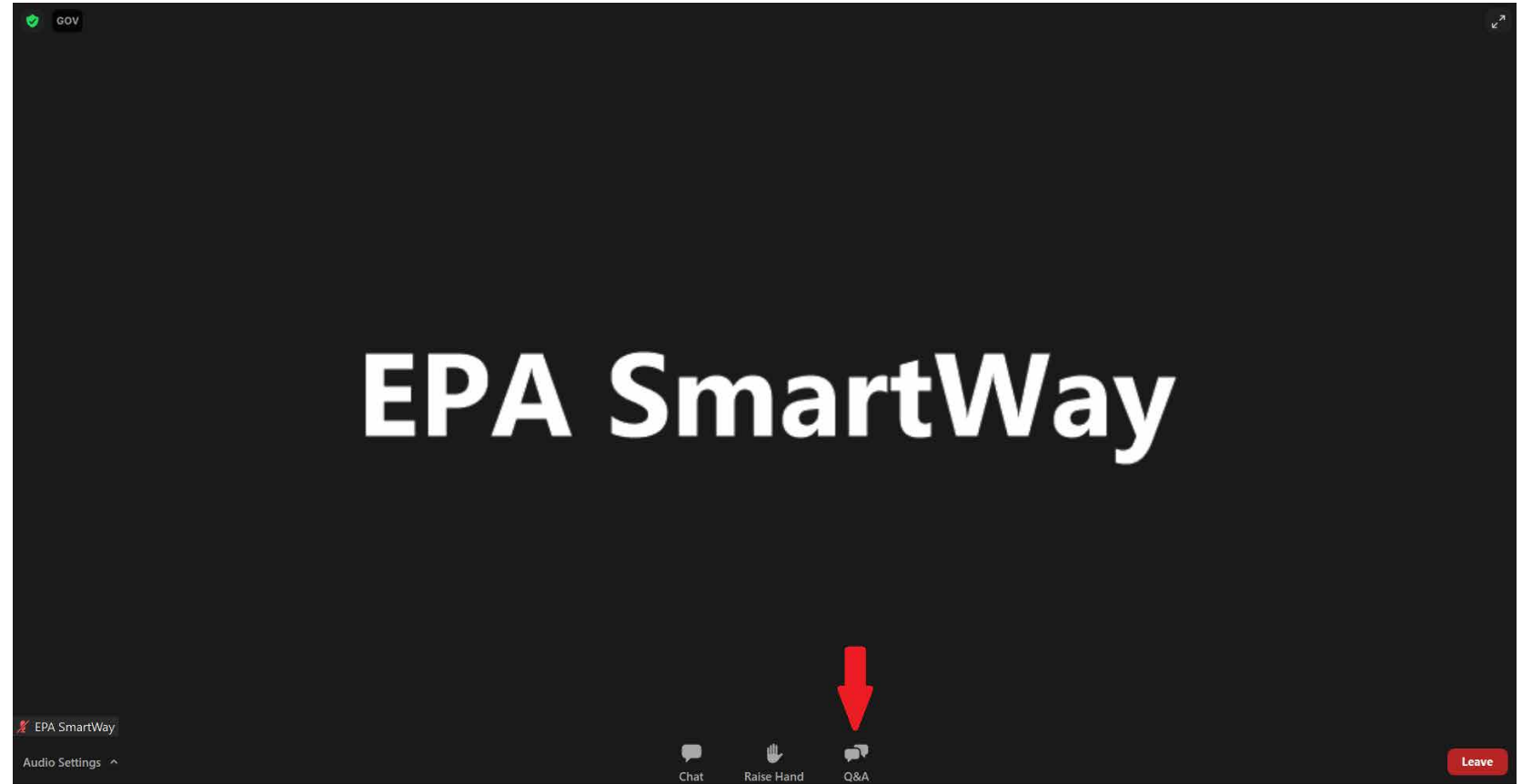


Sept 30, 2021

# Housekeeping



- Audio is available via your computer's mic/speakers or by phone.
- Submit a question or comment via the Q&A pane on your Zoom control panel.
- After the presentation, as time permits, our EPA hosts and presenters will answer questions submitted via the Q&A box
- Today's webinar is being recorded
- The presentation slides will be shared after the webinar
- Please complete the survey at the end of today's webinar



# Today's Speakers



**Buddy Polovick**  
Team Leader



**John Lozano**  
Logistics Manager



**Edgard Pezzo**  
Executive Director of Global  
Logistics and Containers



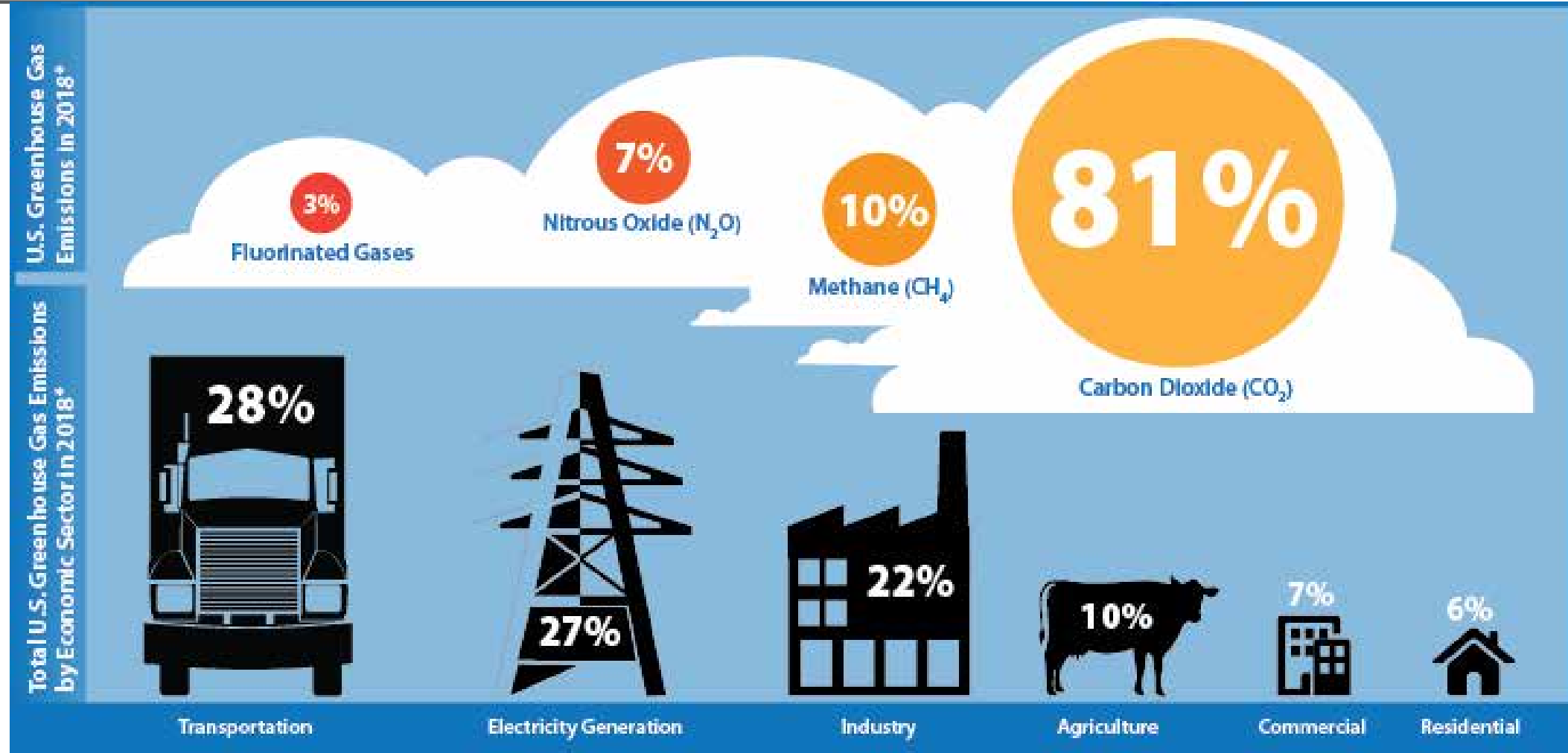
# Covered Today



- 🌿 Welcome
- 🌿 CSR drivers, challenges, opportunities
- 🌿 New SmartWay resources
- 🌿 Clif Bar's journey
- 🌿 General Motors' journey
- 🌿 Discussion and Q&A



# Sustainability Drivers: Environmental Impacts of Transportation



*Inventory of U.S. Greenhouse Gas Emissions and Sinks (EPA 2021)*

# Changing Needs of Industry

- **Customer and Consumer awareness**
  - Demanding corporate citizenship and accountability
- **Investor, Lender and Insurer requirements**
  - Assessing climate risk and business opportunities
- **Rising and volatile energy prices**
  - Fuel & driver wages are largest costs for truck carriers: 66% of operating costs (2019)
- **Globalization of supply chains**
  - Global opportunities and competition
  - Other countries' carbon reporting requirements





## SmartWay



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### Learn about SmartWay

[Why Freight Matters](#)

## SmartWay

[SmartWay & Sustainable Transportation Supply Chains](#)

[SmartWay Home](#)

### CSR and Sustainability Reporting

### Learn about SmartWay

[Why Freight Matters](#)

[Introducing Corporate Social Responsibility to Freight and Logistics](#)

[SmartWay & Sustainable Transportation Supply Chains](#)

[Resources on CSR and Freight Sustainability Planning](#)

### CSR and Sustainability Reporting

#### Introducing Corporate Social Responsibility to Freight and Logistics

[Resources on CSR and Freight Sustainability Planning](#)

# Introducing Corporate Social Responsibility to Freight and Logistics

This page provides a short introduction to Corporate Social Responsibility (CSR). If your company moves a lot of freight, you should consider including freight and logistics in a CSR or sustainability report to help account for freight and logistics.

- On this page:**
- [What is Corporate Social Responsibility?](#)
  - [Why Include Your Company in a CSR Report?](#)

## SmartWay

[SmartWay Home](#)

### Learn about SmartWay

[Why Freight Matters](#)

[SmartWay & Sustainable Transportation Supply Chains](#)

### CSR and Sustainability Reporting

[Introducing Corporate Social Responsibility to Freight and Logistics](#)

### Resources on CSR and Freight Sustainability Planning

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# Resources on Corporate Social Responsibility (CSR) and Freight Sustainability Planning

Corporate social responsibility (CSR) for large public companies around the world has become a business norm. Research shows that around 80% of all Fortune 500 and S&P 500 companies now issue a CSR report. Many private, large, medium and small businesses have joined their ranks and publish reports on a range of environmental, social and economic concerns.



This page provides resources developed by SmartWay, its partners, affiliates and other stakeholders. These resources highlight strategies and real-world examples of how companies integrate sustainability into the transport of goods in their supply chains. It also links to several voluntary guidelines and frameworks commonly used by companies to report their sustainability performance. Lastly, it includes background research on CSR and why more

- SmartWay Home
- Learn about SmartWay
- Participate in SmartWay
- Meet the SmartWay Partners and Affiliates
- Use the SmartWay Brand
- Global Collaboration
- SmartWay Latest News

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# Freight Sustainability Leadership



Learn about resources, examples and guidance for freight sustainability leadership for shippers, carriers, and logistics companies.

## Freight Efficiency and Emissions Reductions Leadership Actions

The most significant actions companies can do to demonstrate freight sustainability leadership are making decisions, conducting activities and employing technologies/strategies that yield emissions reductions from and improve efficiency in the freight sector. The information which follows is based on observations and experiences of SmartWay Partner companies that consistently exhibit superior environmental performance.



### Performance Benchmarking and Reporting Practices

## Internal Company Policies

- Create and institute a succession plan to carry on your company environmental commitment to track and report freight efficiency performance via SmartWay.
- Empower employees to make efficient freight efficiency and transportation decisions.
- Involve EPA SmartWay experts in your events/workshops for



## Industry Collaboration

- Share your freight sustainability strategies, lessons learned, and results with industry peers and your competitors to advance the freight sector.
- Collaborate with industry peers on efficiency initiatives such as co-loading, shared backhauls and other empty-mile reduction



## Environmental Performance

- Go beyond GHG reduction efforts to focus on reducing black carbon, particulate matter (PM) and nitrogen oxide (NOx) emissions to improve local air quality, especially in urban and/or disadvantaged communities exposed to harmful emissions.
- Shippers and Logistics Companies – improve or change product and/or packaging design to facilitate efficient trailer/container or rail car loading; reduce truck trips; facilitate idling reduction by



## Education, Publicity and Engagement

- Brand and market your company’s freight sustainability efforts:
  - As part of your company’s public-facing and consumer messaging;
  - To educate consumers, employees and suppliers on choices they can make to reduce GHGs and other pollutants.





# Improving Supply Chain Freight Performance:

## A Goal Setting Guide for SmartWay Shippers

Transportation and Climate Division  
Office of Transportation and Air Quality  
U.S. Environmental Protection Agency

### 1. STRATEGIES FOR IMPROVING YOUR ORGANIZATION'S FREIGHT EFFICIENCY PERFORMANCE

- A. Work with Your Team and Employees
- B. Work with Your Carriers and Logistics Service Providers
- C. Work within Your Operations
- D. Work with Your Suppliers
- E. Work with Your Customers
- F. Work with Your Community



### 2. GOAL SETTING GUIDANCE AND TIPS

## 03 Sample Performance Action Plan

Strategy	What	When	Objective	Status
<b>Strategy 1:</b> Optimize Packaging and Loading	Reduce weight and/or volume of packaging to drive more dense loading of freight which leads to fewer shipments and less emissions.	September 2022	Redesign packaging to increase product to package ratio.	Initiated
<b>Strategy 2:</b> Optimize Supply Chain Routing and Distribution	Redesign distribution network with more efficient network(s) which leads to fewer total miles and less emissions.	January 2023	Hire third-party logistics consultants to assess network design for optimal efficiency.	Initiated Assessment



# Driving Change through the Supply Chain

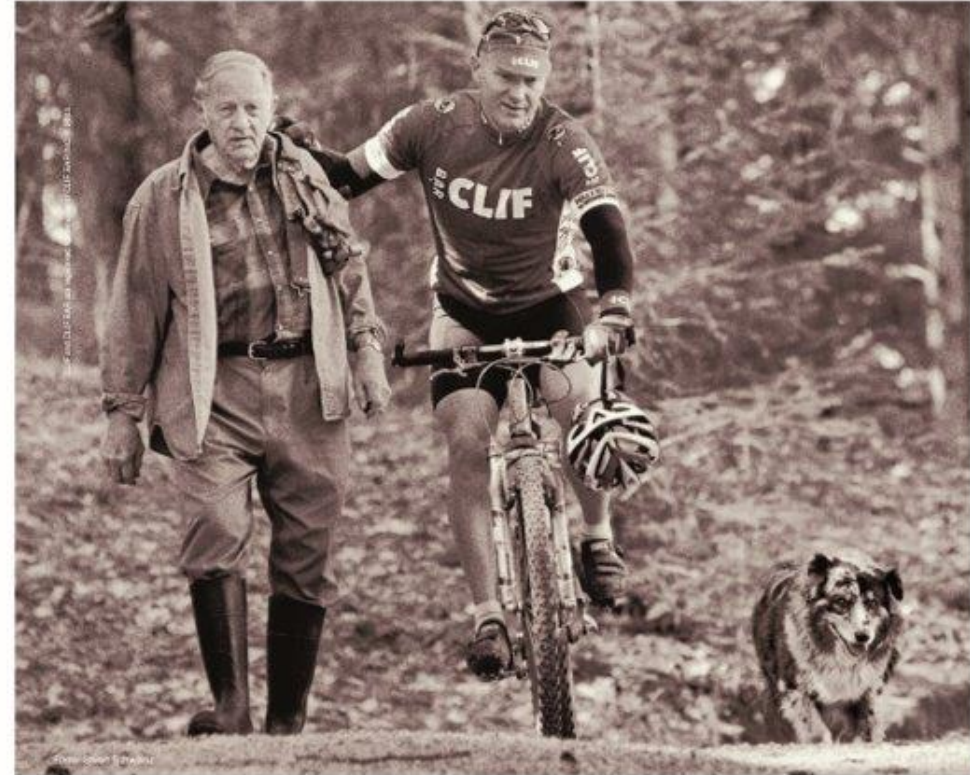
John Lozano  
Logistics Manager



## CLIF BAR & COMPANY

- Born on bike in 1992
- Organic energy food
- Family and employee-owned
  - 1100 employees
- HQ in Emeryville, California
- Bakeries in Idaho & Indiana

In 1990, my son turned 33 and moved into a garage.



He didn't have a regular job-job.  
Oh sure, he had time to race his bike.  
And rock climb. And play that trumpet in jazz  
bars until who knows when. And you can be  
sure nothing got in the way of those countless  
treks. Places I'd never heard of.  
We've had our moments through the years.  
But all this (pause) really gets a father wondering.

**Then he names Clif Bar<sup>®</sup> after me.**

I worry too much. — Clifford Erickson/ father of owner

For more of the Clif Bar story visit [www.clifbar.com](http://www.clifbar.com) (800) CLIF BAR



Every flavor made with  
certified organic ingredients



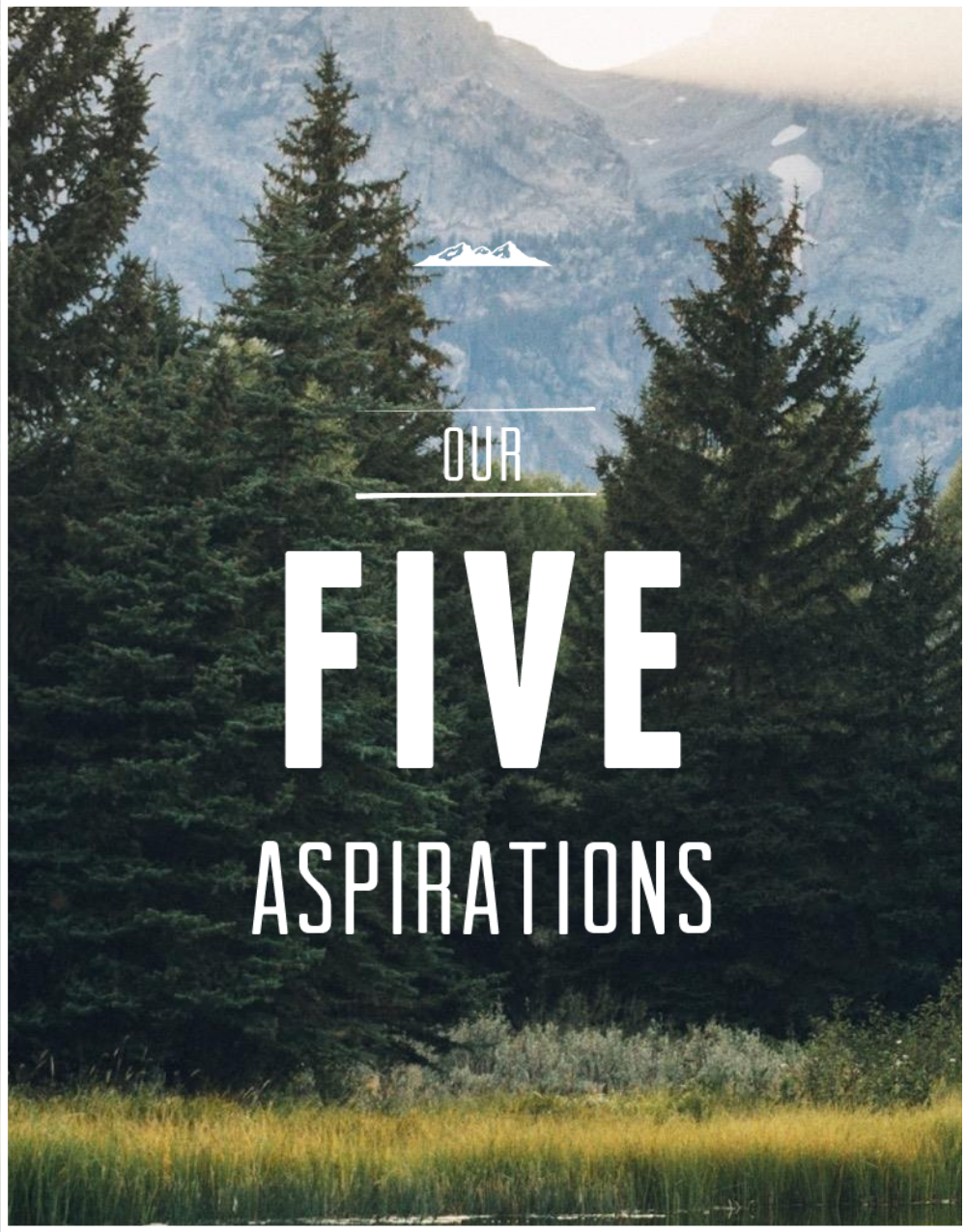
# ENERGY TO MOVE THE WORLD

- Energy & nutrition from plants'
- Responsibly sourced ingredients
- Sustainably made

When we move, we can move the world. That's why we're making plant-based energy foods with ingredients that are sustainably grown and responsibly sourced—like USDA certified-organic oats—to energize our bodies and the change we want to see in the world.

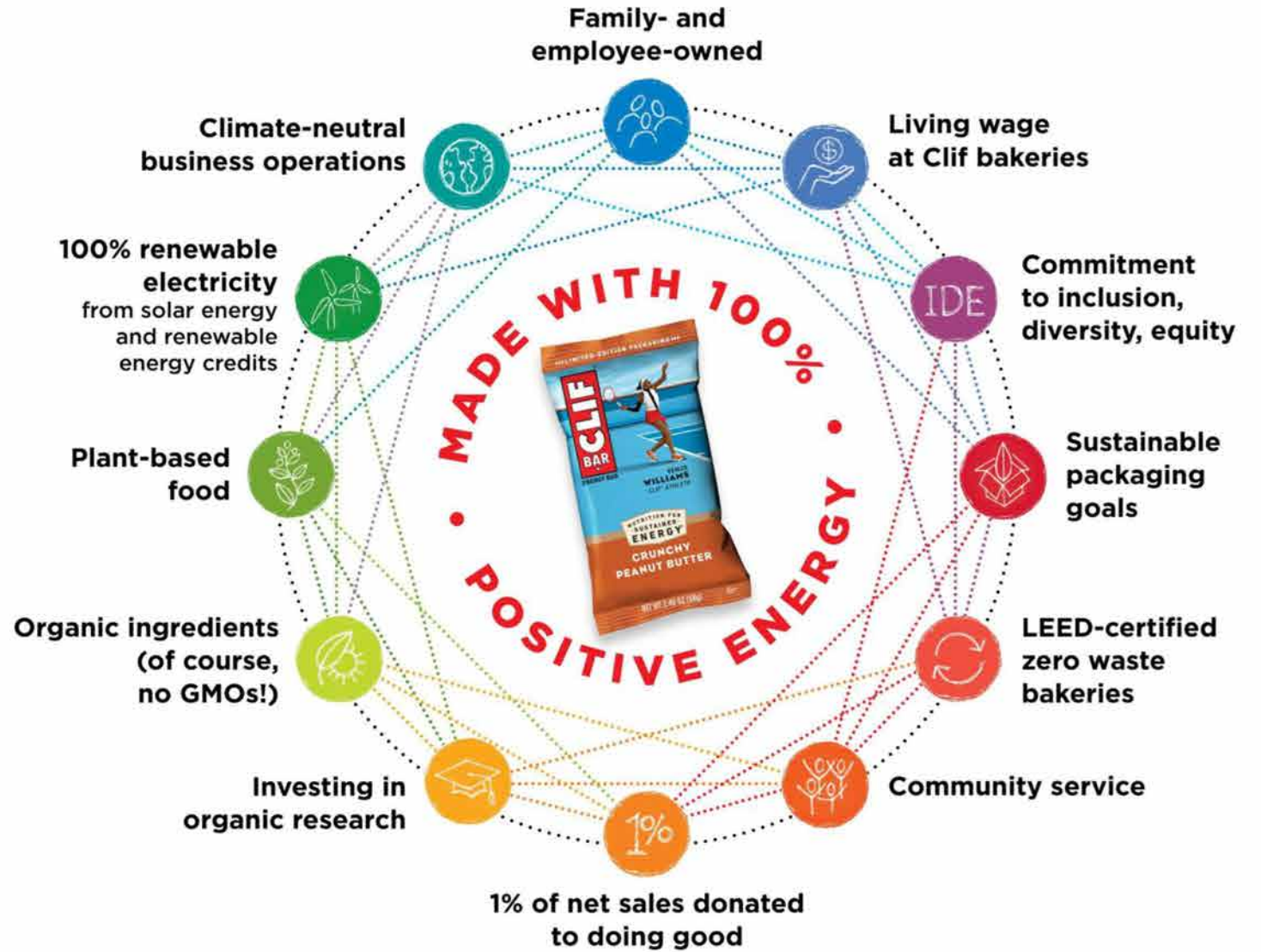
(Learn more: [www.clifbar.com/who-we-are/food-values](http://www.clifbar.com/who-we-are/food-values))







# What Goes into a Clif Bar?





## Partnerships are Key

- Internal Collaboration (Sustainability, Community, Food Supply)
- Supply Chain (Logistics Partners)
- External Partnerships (EPA SmartWay)





## Our Logistics Partners

*Finding like-minded companies is a priority for us.*

- Four 3PLs in North America and one 3PL in Europe
- Weekly meetings bring sustainability to life
- Commitment to learning & community service





# External Partnerships



Green Power  
for Clif facilities



Reducing emissions  
from transportation



Setting targets  
and reporting  
progress



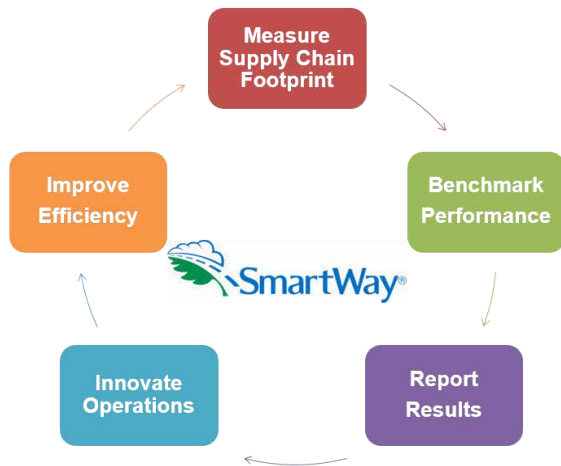
## How we use SmartWay

### GHG Emissions & Freight Footprint

- Carrier specific GHG emissions
- Insight into reduction opportunities
- Track progress by our 3PL partners

### Resource for Logistics Partners

- Drive awareness and change
- Reducing 3PL fuel use and impact
- Provides recognition from shippers



## Reducing our Footprint

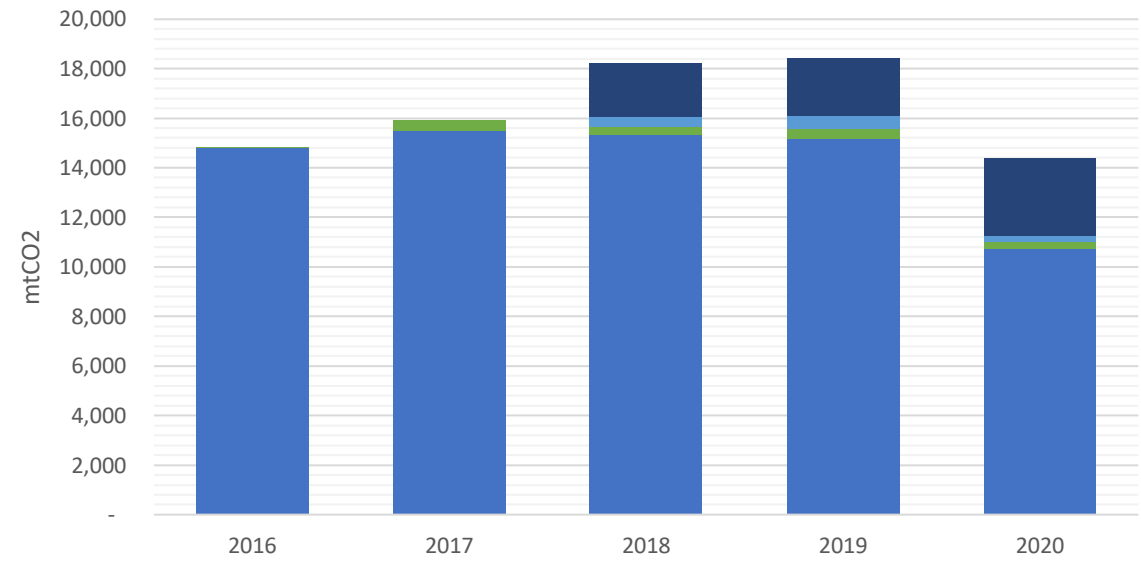
### Environmental performance improved

- Increased shipping by rail
- Optimized network
- Improved SmartWay scores
- Green power at two DCs (RECs & on-site solar)



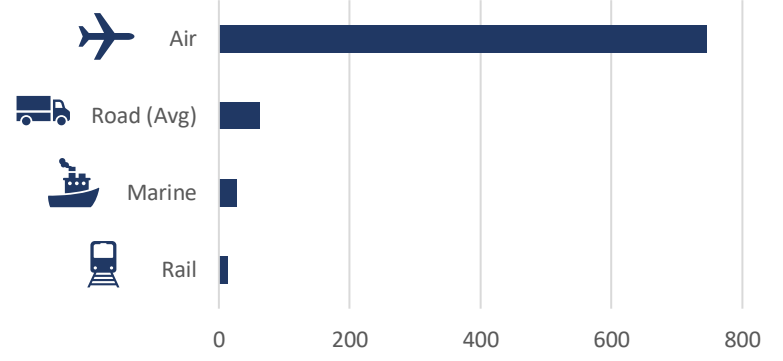
# Freight Carbon Footprint

Total Freight Emissions by Mode  
2016 - 2019



- Air
- Marine
- Rail
- Road

CO2 Emissions by Mode  
CO2 (g)/tonne-km



## What We've Learned

- Keep sustainability engagement a top priority
- We can improve our use of EPA SmartWay resources
- Exciting to be at the center of an industry undergoing transformation
- The strength of relationships is what matters





**Thank you  
John Lozano**



# GM North America Logistics Sustainability Update Edgard Pezzo



September 30, 2021



## KEYS TO T.I.R.E. SAFETY

Take 5 minutes every month to properly check your tires (including the spare) to ensure the safety of you, your passengers and other drivers.

**T.**



### Tread Depth and Wear

Using a penny, place the top of Lincoln's head into the tread. If part of his head is covered, the tread depth is still good. If you can see all of his head, then it is time to replace the tire.

**I.**



### Inflation

Check the air pressure monthly and before long trips. Poor inflation can cause premature wear, increased fuel consumption and tire failure.

**R.**



### Rotation

Ideally, tires should be rotated every 3,000-5,000 miles. When done consistently, this helps maintain proper handling, traction and helps you get maximum tread life.

**E.**



### Eye Check Every Day

Inspect your tires daily for penetrations, bulges, cracks, cuts and abnormal wear. Don't forget to check the tire edges for damage caused by misalignment or under-inflation.



# We Are General Motors



GMC



cruise



brightdrop

BUICK

We are committed to **SAFETY** in everything we do.

We earn **CUSTOMERS** for life.

We build **BRANDS** that inspire passion and loyalty.

We translate breakthrough **TECHNOLOGIES** into vehicles and experiences that people love.

We create **SUSTAINABLE** solutions that improve the **COMMUNITIES** in which we live and work.



100+ Facilities 12,358 Dealerships



~155,000 Employees

6.8M Vehicles



Sales to 83 Countries



# VISION

Zero crashes. Zero emissions. Zero congestion.



## GM'S WORLD VIEW

GM is committed to a future of:

**ZERO**  
CRASHES

**ZERO**  
EMISSIONS

**ZERO**  
CONGESTION

TECHNOLOGY WILL  
HELP UNLOCK THIS FUTURE





## Our most ambitious goal yet

OUR  
ELECTRIC  
FUTURE IS NOW

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Become carbon neutral in our global products and operations by 2040.

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Aspire to eliminate tailpipe emissions from new light-duty vehicles by 2035.

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Rooting our ambition in science by setting science-based targets to track our progress.

# Our Why

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We are acutely aware of the responsibility and opportunity to use our scale and resources to drive a better, more inclusive future for all. Our vision is one with zero crashes, zero emissions, and zero congestion. In this historic moment, our sights are set on the many ways we can drive sustainable value for each and every one of our stakeholders, but we can't take this journey alone.

We call upon our suppliers to partner with us as we take bold steps and decisive action to fight climate change and create a strong legacy for our planet. We are committed to a bright future for all.

“Now more than ever, I am struck by the opportunity to play a meaningful role in helping people thrive on a planet that is safe and sustainable.”

**Kristen Siemen**  
Chief Sustainability Officer  
General Motors

# Sustainability Team Formation



- GM Sustainable Supply Chain team established in early 2020
- Consists primarily of volunteers from across the organization
- Subdivided into Workstreams with different focuses/expertise





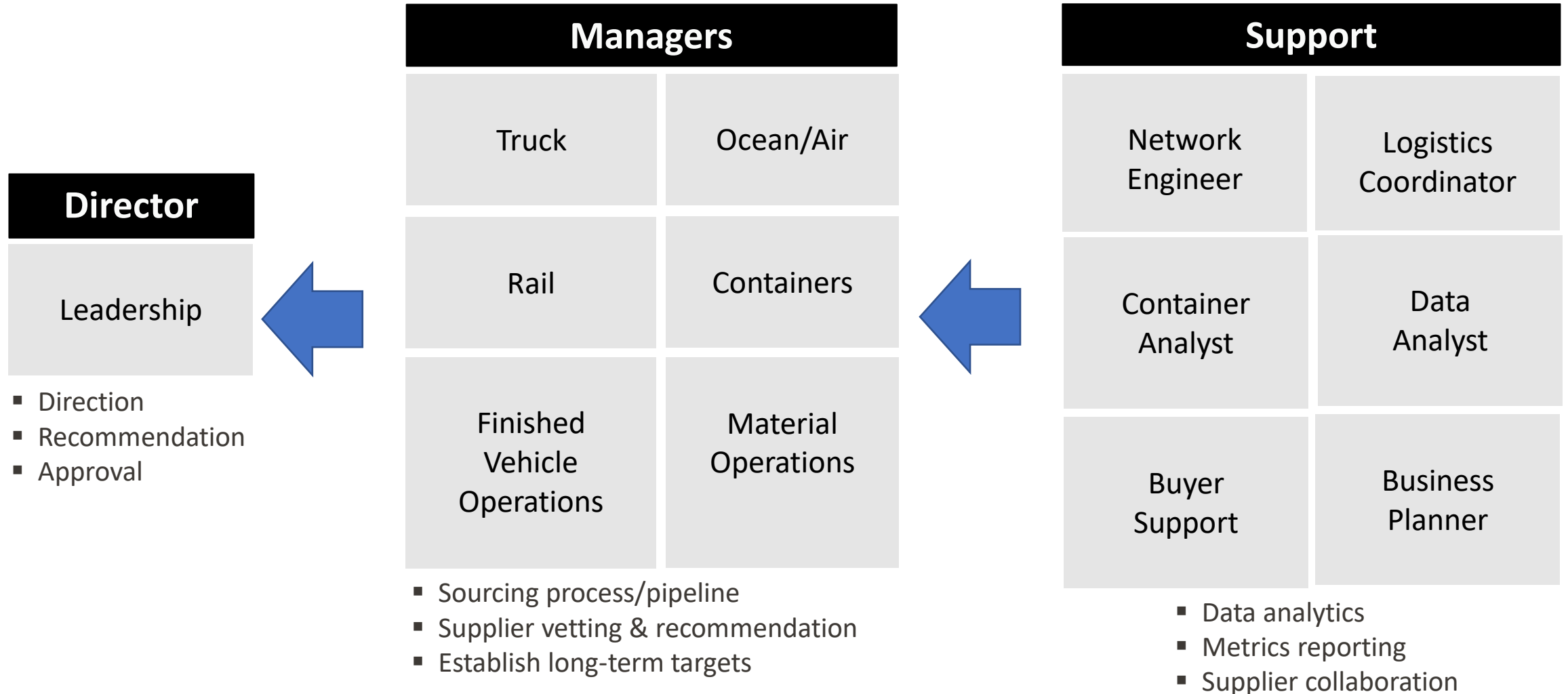
# General Motors Sustainable Purchasing Program Supplier Goals Framework

**\*Initial Enrolled Suppliers to include SSE suppliers, key indirect, and key logistics suppliers**

Level	All Tier 1 Suppliers	Enrolled Suppliers*
<b>0</b> Compliance	Terms and Conditions Supplier Code of Conduct	Score in EcoVadis CDP participation Industry specific participation (e.g. GPSNR)
<b>1</b> Commitment	Materiality assessment Goals in all 3 sustainability pillars (relevant, impactful, transparent, improving, UN SDG linked)	≥ 3% YoY absolute CO <sub>2</sub> reduction (scope 1 & 2) Actively support GM's commitment to sustainable materials and packaging Strong social sustainability commitment
<b>2</b> Growth	<div style="background-color: yellow; transform: rotate(-15deg); padding: 10px; font-weight: bold; font-size: 1.2em;">Under Development</div>	≥ 4% YoY absolute CO <sub>2</sub> reduction (scope 1 & 2) Sustainable procurement program Supplier to cascade goals into own supply base Minimum ratings (CDP, EcoVadis)
<b>3</b> Leadership		Industry Leader { <ul style="list-style-type: none"> <li>Leading innovator</li> <li>Ambitious targets (Scopes 1,2&amp;3 , SBTi, Zero Waste)</li> <li>Proactive actions</li> <li>Life cycle assessment (full)</li> </ul>



# Logistics Workstream – Roles & Responsibilities

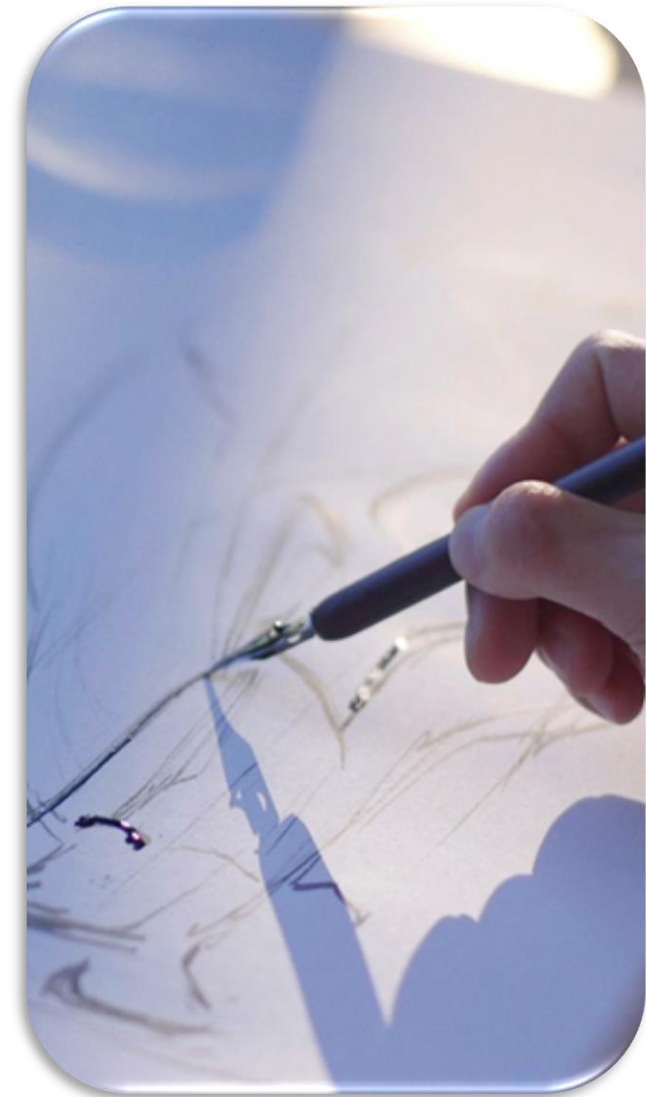


# Key Steps in Our Journey

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- Benchmark and learn from competitors and suppliers
- Utilize resources from organizations like the EPA, EDF, and BSR
- Connect with leaders in freight sustainability industry
- Set both short-term and long-term goals
- Share strategy with leadership and procurement teams
- Request those who are passionate to lead
- Ask for feedback from key stakeholders



# Our Strategy



## Logistics Sustainability

VISION

**Zero Crashes. Zero Emissions. Zero Congestion**

*Building a mindful, innovative supplier community to support health, well-being & our planet*

STRATEGIC  
PILLARS

### Disclosure

- SmartWay, CCWG
- CDP & EcoVadis
- Sourcing

### Measure

- Inputs/outputs
- Systems & tools
- Analytics

### Innovation

- Processes
- Equipment
- Education

### Reduction

- Energy
- Emissions
- Cost

KPIs

- % disclosing
- % APV
- Average rating

- Average payload
- Total miles
- CO2 per ton-mile

- # of projects
- # of innovations
- # trained

- Fuel use
- CO2/NOx/PM
- \$ per ton-mile

ENABLERS

**Supplier Engagement Framework • Workshops • Dashboards  
• Network Optimization • Partnerships • Investment**

# Logistics Workstream - Current Initiatives



## Supplier Engagement Framework

	Scope	Mode	Freight Sustainability Program	
GMNA	US/CA	Truck	SmartWay (EPA)	
		Rail		
		Barge		
		CCA		
	MX	Truck	Transporte Limpio (SEMARNAT)	
	Global	Ocean	Clean Cargo Working Group (BSR)	TBD
	Global	Air	Sustainable Air Freight Alliance (BSR)	

- Requesting all eligible logistics partners to participate in freight sustainability programs
- Integrating sustainability criteria (including SmartWay metrics) into the sourcing process
- Incorporating emissions data into business case analysis, scorecards, and internal KPIs

# Logistics Workstream - Current Initiatives (cont.)



- Recent integration examples of carbon calculation methodology:
  - **Business Case Analysis:** Evaluate the carbon footprint impact of various network alternatives (mode, frequency, supplier location, or equipment changes)
  - **Sustainability Dashboard (KPIs):** Summarize key sustainability metrics at a plant level

## Example ONLY: Sample Data To Illustrate Dashboard

	CO2 Emissions	NOX Emissions	PM Emissions	Logistics Mileage	Smartway Carrier %	Avg. Carrier Ranking
Metric	.57 tons/unit	.12 tons/unit	.09 tons/unit	349/Unit	63%	3.08
Plant Rank	3/16	4/16	4/16	8/16	12/16	12/16

Plant ranking and G/R/Y distinction to identify areas for improvement

# Closing Comments

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- GM is on an exciting journey to achieve our vision of zero crashes, zero emissions, & zero congestion
- Logistics is building a strategy founded upon collaboration and integrating sustainability into business decisions & KPIs
- A dedicated workstream with resources helps drive our progress
- Let me challenge you today to seek out passionate team members in your organization; provide the platform & voice for your teams
- Engage with suppliers to build an aggressive timeline to reduce carbon emissions
- **ACT & BE BOLD!!!!**





ZERO  
CRASHES



ZERO  
EMISSIONS



Thank you!

ZERO  
CONGESTION



[www.epa.gov/smartway](http://www.epa.gov/smartway)

[smartway\\_transport@epa.gov](mailto:smartway_transport@epa.gov)

**SmartWay Helpline**

**734-214-4767**