



# Liz's Newsletter

Issue No. 8, October 2009

*As we approach the end of the toughest economic year we have seen in decades, I know I am not alone in hoping that 2010 will be a bit brighter. I also hope that we rebuild our economies in a more sane and sensible fashion, offering prosperity to all. I believe that the recalibration we have experienced in many aspects of our lives will result in consumers supporting businesses that act responsibly and give back to communities.*

*As you will see from my articles on sustainable agriculture as well as highlights from the recent Governors' Global Climate Summit 2, we need to include communities in developing countries in our strategies to operate responsibly and give back. It is not simply that they will be hit hardest by climate change and water scarcity, they are also a valuable part of the solution.*

*Best regards,  
Liz*

## Sustainable expansion of biofuels in the global and local context

Many experts recognize the importance of energy in advancing developing nations as the global economy grows. As the standard of living increases in these countries, there will be an increased demand for energy in rural communities as well as urban and industrial areas.

Responsibly produced biofuels can offer many benefits. They have the potential to lessen the world's dependence on fossil fuels and provide local sources of fuels and/or income for rural communities in developing countries.

Ensuring the sustainable expansion of biofuels requires a multi-faceted approach that supports both large-scale and small-scale production. Governmental mandates, international standards and certification are instrumental in promoting responsible production of biofuels that are internationally traded. However, these programs hold less value when biofuels are consumed domestically or traded in regions void of government mandates.

Responsible expansion of decentralized, community-level biofuels requires research, technological advances, promotion of better agriculture practices and improvements to processing facilities or operations.

In order to better understand which biofuels hold the most promise in these various  
(continued on page 2)

## Notes from the Governors' Global Climate Summit

I had the pleasure of attending the second annual Governors' Global Climate Summit that was held September 29<sup>th</sup> – October 2<sup>nd</sup> in Los Angeles, California. The Summit drew 14 U.S. governors of both parties, the premiers of seven Canadian provinces, five Brazilian governors, the governors of states and regions in France, Indonesia, Nigeria, South Korea, Senegal, and Ukraine as well as the mayors of London, England, and Toronto, Ontario. The Summit provided an opportunity for regional leaders and delegates to come together and send a united voice to urge world leaders to take immediate action to mitigate and adapt to climate change. This is an important message as world leaders at the upcoming UN climate conference that will be held in Copenhagen, Denmark from December 7-18 are expected to agree on a treaty to limit greenhouse gases (GHGs) to align global actions after the Kyoto Protocol expires at the end of 2012.

The Summit ended with 30 global leaders signing a declaration committing to work together to pursue clean transportation and mobility, support national climate change legislation, include forests in climate policy development, acknowledge the need for adaptation efforts and recognize the role of subnational governments in the discussions on the next global climate agreement being negotiated in Copenhagen. In addition to the declaration, Governor Schwarzenegger also signed a Statement of Intent with the United Nations Development Programme, stating that California will work with African nations in the fight against climate change. The Governor also signed an agreement with Governor Luo Zhijun of the Jiangsu Province of the People's Republic of China to form a partnership that will work towards mitigating climate change and advancing environmental sustainability. This state-to-province partnership is China's first-ever subnational agreement to reduce GHG emissions.

The level of commitment these leaders exhibit is commendable. And while the success of global efforts to stem climate change is in the hands of those that will be negotiating in Copenhagen, it is apparent that subnational leaders are poised to push the agenda from the bottom up if necessary. We must all recognize our own role in supporting this subnational leadership position. Businesses should engage with politicians to promote sensible, efficient and effective approaches that reward immediate action to combat climate change in ways that foster global partnerships, promote technological advances, advance research in developing countries and provide economic opportunities in a green economy.

We can mitigate climate change but our committed leaders need our support to overcome political barriers that currently hinder progress.

# Communicating your efforts through new channels

We are clearly in an era on non-traditional marketing and communication channels. From Twitter and Facebook to You Tube and the blogosphere, the value of word-of-mouth marketing has never been so valuable. Brands are increasingly using these new channels to market their products and corporate responsibility (CR) messages.

A Evian campaign, called "Live Young," (a troupe of infants breakdancing and roller-skating to hip hop) got more than 5.1 million views on YouTube worldwide within the first week (*Digits, Jul 10, 2009*). Sara Lee Deli's "Mama Saga" campaign uses daily challenges of parenting through a series of wry videos to provide parents with a daily laugh and ongoing dialogue, while also building brand awareness. These videos are promoted on Twitter and Facebook. Naked Juice has launched a program that asks consumers to send virtual bottles of juice to friends. Naked Juice donates five cents for every bottle passed to Keep America Beautiful's recycling initiatives.

In response to these shifts, companies are beginning to communicate their CR stories companies in different ways using multiple channels. In additional, they are increasingly using case studies, interactive tools or other, more personal approaches to communicating their efforts and challenges. For example, Gap Inc. has launched a corporate social responsibility site that includes You Tube interviews of employees, a map highlighting where specific projects are located, and a data dashboard that highlights key performance metrics by category. This approach allows them to update or add new information as progress is made and engages the visitor in ways that a traditional report can't. The visitor can pinpoint topics and regions they are most interested in, hear people's voices, and still have access to data to gauge the level of overall improvement. This allows the consumer to connect with the brand in a more engaging way.

Despite these new and dynamic vehicles, the substance of your communications will largely remain the same. It will be important that you focus on the most material issues for your company, report relevant, consistent and qualified metrics, clearly identify goals and the progress made toward them, and be able to substantiate all statements. Any reporting will be enhanced if it has received a third-party assurance. But communicating one's story is not simply restricted to CR reports. A priority stakeholder for all companies is their employees. They can be your best ambassador or worst critic. It is important to keep them informed of your successes and progress towards overcoming challenges. Appropriate ways to communicate to employees may include talking points for staff meetings, daily news stories via intranet sites or even brown bag presentations.

*"We have deepened our partnerships and renewed our commitment to work collaboratively to reduce GHG emissions and create a cleaner planet and stronger economy for the next generation. In signing this declaration we are sending a powerful message to the national leaders negotiating the next global climate agreement that we are ready for action. The time to act is now."*

**Governor Schwarzenegger**

## In the next issue:

- Assisting sourcing departments procure sustainable products
- Evaluating chain of custody options for certified commodities

## Sustainable expansion of biofuels

(continued from page 1)

scenarios, US Agency for International Development (USAID) commissioned a risk-benefit analysis of common first, second and third generation biofuels\* in the context of Asia. Some of the findings from the study include:

- Some crops such as sugarcane and sorghum reduce GHG emissions and have strong short-term potential.
- Algae has high energy content and great potential to reduce GHG emissions but is not likely to become commercially viable for 5-10 years.
- Decentralized, community-managed energy production systems can help support rural livelihoods, improve soil and water problems, and, if deforestation has not occurred, reduce GHG emissions.
- Capital grants, low-interest or guaranteed loans, demonstration projects, technical assistance, and research and development are needed to build capacity.
- Governmental mandates, international standards and certification are instrumental in promoting sustainable biofuels, especially the approximately ten percent of biofuels that are currently internationally traded.
- A remaining challenge is to get decentralized biofuels on policy-makers' agendas.

As we continue to support the expansion of sustainable biofuels, in addition to international standards and certification systems, we should consider how best to help rural communities develop responsible biofuel.

\* First generation biofuels are derived from grains (e.g. corn), starches (e.g. cassava), oil crops (e.g. oil palm, coconut, soy and rapeseed), sugarcane, sweet sorghum, and non-food plants (e.g. jatropha, pongamia). Second generation biofuels are derived from agricultural residue or dedicated "energy crops (e.g. switchgrass). Third generation biofuels include such crops as algae.

**Please let me know if you would like to discuss USAID's findings.**