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EGUIDE

Small Steps Towards Sustainability

Insights from Green Supply Chain Leaders

August 2022



An Achievable Path to Sustainable Supply Chains

The focus on sustainability within supply chains has become increasingly more popular, and rightfully so.

Studies indicate that Scope 3 emissions, which are those that occur within a company’s supply chain, can account for between 65% and 90% of total emissions. In recent years, sustainability has shifted from a “nice-to-have” to a “priority” for companies that are serious about mitigating the growing impact of their supply chain.

Companies across industries and of all sizes are identifying solutions to “green” their supply chain and combat the effects of climate change. Yet, for smaller and mid-sized companies that lack the resources and capacity of bigger ones, the path towards sustainability can feel daunting, confusing, and at times uncertain.

Flexport has interviewed sustainability champions from partners, like Cotopaxi, Framework, Klean Kanteen, O My Bag, and Tricon Energy, to rewrite the playbook for companies who might not know where to start. No matter the sector, these companies have all begun their journey towards sustainability with sound data—a step they’ve taken with Flexport.org as their partner.

We’ve synthesized **the five most critical learnings** along the way to help make sustainability achievable for everyone:

1. Start with a Materiality Analysis — Elizabeth Carlson, Tricon Energy
2. Get Clear on Your Motives — Annie Agle, Cotopaxi
3. Deliver on Your Promise — Brett Renlund, Klean Kanteen
4. Build it Into Your Model — Amanda McElmurray, Framework
5. Collaborate Creatively for Change — Elizabeth Carlson, Tricon; Femke Lotgerink, O My Bag; Annie Agle, Cotopaxi



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Start with a Materiality Analysis

ELIZABETH CARLSON, TRICON ENERGY

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Get Clear on Your Motives

ANNIE AGLE, COTOPAXI

3

Deliver on Your Promise

BRETT RENLUND, KLEAN KANTEEN

5

Collaborate Creatively for Change

FEMKE LOTGERINK, O MY BAG & OTHER CONTRIBUTORS

Five Key Learnings to Make Sustainability Achievable

From Sustainability Champions

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Build it Into Your Model

AMANDA MCELMURRAY, FRAMEWORK





1

Start with a
Materiality Analysis



If you don't have years of sustainability expertise internally, there are a lot of universities, NGOs, consultancies, and other outside partners like Flexport that can do that first materiality analysis with you, or for you.

Interview With Elizabeth Carlson

Chief Sustainability Officer, Tricon Energy

What I find to be most helpful when starting is just a simple materiality analysis. Or you could call it a social and environmental risk and impact assessment of the company's operations, which includes the supply chain. That doesn't have to mean an intensive third party assessment or a very detailed and skilled process. It just means looking at who the company impacts, who are its stakeholders, and how do different activities interact with people and the environment.

There are great standards and guidelines already out there. Just to name a few: the Global Reporting Initiative standards, the IFC's social and environmental performance standards, IPIECA for the energy industry, and various governmental agencies that offer fantastic tools that walk you through the process. Many industries have specific guidance documents, or value chain analyses that you can draw from, as well.

I think it's important to go through that process of sitting down and thinking about those impacts as a team. You don't have to be a 15 or 20-year sustainability veteran, but at least find ways to take different perspectives and understand how the company relates to different stakeholders and communities throughout its operations.

I've spent a lot of time in my career making the business case for sustainability, and that case is strong. Of course, with each action, each plan, and each strategy, there is a business case to be made around, "Why are we taking this route as opposed to that route? Why are we focusing on carbon footprint, or circular economy, or social inclusion, as opposed to the many other things that you could focus on?" And that's why having a materiality assessment is so important. It can really show where impact is strongest, what your stakeholders care about, and what your risk is in the long term.

We're doing well as a company—now, how do we really make sure that our success is not just financial, but that it's also having a positive impact on our employees, on our communities?

Interview With Annie Agle

Senior Director Impact & Sustainability, Cotopaxi

The first step you should take is getting really clear on your motives and your mission. I think there's this tendency in the sustainability space to put tactics before motives, but especially with supply chain, it can feel like a never ending onion. The layers can be overwhelming!

Start by thinking big picture—what kind of business do you want to be in 20 years? How are you defining sustainability? What should your impact look like? If you can get really clear on these details, you can bring everyone along with you. It shouldn't just be all sorts of random incremental things, one after another. That can come across as greenwashing, which can be frustrating for your entire team and very confusing for consumers.

I remember when we first wanted to calculate our emissions, Flexport was an easy place where we could start building that momentum. Start with something that's a quick win, but also significant. Be willing to adapt and change, too. Don't get so locked into a certain tactic or a certain approach, that it's taking you away from the mission.

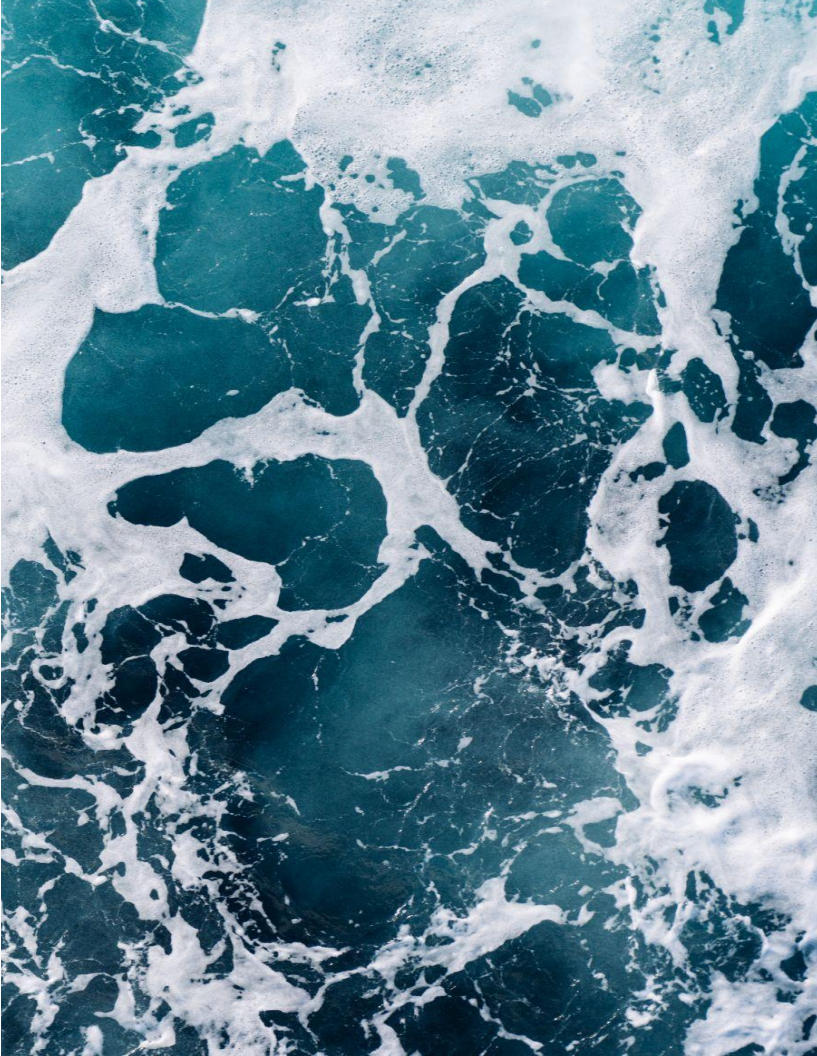
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Once you’re really clear on your motives and mission, then think about the one thing you could do this year, this quarter, this week, to help you deliver that mission, most effectively. Prioritizing is so critical.



2

Get Clear on Your Motives





3

Deliver on
Your Promise

Interview With Brett Renlund

Director, Global Operations, Klean Kanteen

As a certified B-corporation, Klean Kanteen relies on accessible data about the environmental impacts of its supply chain. Traditional freight forwarders provided the company with little visibility into their data, and no estimates of their carbon emissions were available at the time of quote. This led to manual calculations and laborious reconciliation.

“Even though we had just gone through this big evaluation process and selected new freight forwarders, the work [Flexport] was doing with carbon calculation piqued my interest,” said Brett Renlund, Director of Global Operations. Once on-boarded onto the Flexport platform, Klean Kanteen got to evaluate the company side-by-side with its traditional freight forwarders. “That was the game changer. It didn’t take long before we were ready to switch the bulk of our freight to Flexport. It was a no-brainer.”

For Klean Kanteen, the ability to be deliberate in decision-making when it comes to environmental impacts is central to the company’s mission. “Flexport helps us to plan better, and strategize to avoid air shipments whenever possible. That control makes all the difference in the world,” said Renlund.

“ Our bottom line is about more than just profit. Flexport gives us the ability to make hard trade-offs, and hold ourselves accountable. It helps us walk the walk in terms of sustainability.

Interview With Amanda McElmurray

Logistics Manager, Framework

For a company that's trying to set up a sustainability program, I think there are two ways to look at it. If you're a new company, this thinking needs to be done when you're creating your business model. You've got to see sustainability as an integral part of the business and as something that needs to happen throughout your operations. If you're an existing company, of course, this can be something that's a bit more challenging.

With Framework, it's really built into our business model. First, having an upgradable and repairable consumer electronic means you don't have to change out your whole device. Rather, you can actually repair and upgrade as needed throughout the years to minimize waste. And next to that, it's building out our sustainability programs that continue to solve other issues—new recycling paths, thoughtful materials sourcing, and automating our carbon offsets with Flexport.

“The easiest way to approach this is to first look at your largest areas of impact, and start there. For example, if you're in consumer goods, look at your overall lifecycle of your product and ask questions like, “Does this have a recycling path?”



4

Build it Into
Your Model





How do we extend our pillars of sustainability to the community and create a future that we all want to see?

ELIZABETH CARLSON, TRICON ENERGY



5

**Collaborate Creatively
for Change**

1. Engaging Employees

At Tricon, we launched a sustainability incentive program, which gives a financial incentive to employees who take action at home. These actions can include installing solar panels, purchasing an electric vehicle, contracting a renewable energy plan, or getting an e-bike for commuting to work. This reflects one of our goals of creating a culture of sustainability internally. Within the community, Tricon is looking at how we take action on zero waste, inequality, and emissions.

– Elizabeth Carlson, Tricon Energy

2. Engaging Leadership

Make sure to get the right people on board. Sustainability is not something one can pursue alone, you need to have all the relevant stakeholders involved in your mission. It's important that sustainability is not seen as an activity that's separate from your supply chain—it should be core to your business strategy. In order to achieve actual change, you need to start by surrounding yourself with the right people internally.

– Femke Lotgerink, O My Bag

3. Engaging Suppliers

Through Cotopaxi's grant program, we've been able to provide over 40,000 workers with direct services in the factory. We view those factory spaces as potential community center points that can facilitate deliveries for both aid and care. Our suppliers might live on the other side of the world from us, but they're a part of our family, as well as our company. We will always aim to do more and do better when it comes to improving the quality of life for textile apparel workers.

– Annie Agle, Cotopaxi



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About Us

Flexport.org—the impact arm of Flexport—was created to optimize logistics for social and environmental impact. We work with trusted international aid agencies and nonprofits to deliver relief supplies wherever they’re needed and helping organizations meet their sustainability goals with greater ease and lower costs. Since 2016, Flexport.org has delivered over 16M lbs of aid to 60+ countries; reached 100M+ people with shipments funded by the Flexport.org Fund; and helped more than 300 companies offset their carbon emissions from shipping.

Want to get advice for your business? Contact us: carbon@flexport.org