Retailer & Education Green Chemistry Webinar Series

Training and Incentivizing Merchants to Purchase Sustainable Products - Three Perspectives

February 4, 2015

GREEN CHEMISTRY & COMMERCE COUNCIL
Business Mainstreaming Green Chemistry
Today’s Speakers

JASON PEARSON
Executive Director,
Sustainable Purchasing Leadership Council

ROB KAPLAN
Sustainability Director,
Walmart

LARRY GARCIA
Sr. Environmental Analyst,
Seattle City Light
10 Trillion
DEFORESTATION

OVERFISHING

SWEATSHOPS

DISCRIMINATION
“Our acquisition of goods and services creates a carbon footprint nine times that of our buildings and fleet, put together.”

Dan Tangherlini
Administrator
US General Services Administration
Could we collaborate to launch a shared program for guiding, measuring, and recognizing leadership in sustainable purchasing?
The timeline...
Launch Event

Viewed by 1000+ organizations in 46 countries. Hosted at American University. Moderated by Joel Makower and broadcast by GreenBiz group.

Chat [Technology]

Julia F: UL has over 1400 standards which are developed through open consensus-based processes.

Dave Barbier: How do we get the recorded version of the presentation?

Julia F (David) 

Marc Kinter: I have heard of the Sustainability Consortium - they are based at the University of Arkansas.

nathan: Is this a lot like

nathan: Contents: http://www.sustainabilityconsortium.org

Beth Holst: That's it.

David Hyatt: I am at the University of Arkansas - have written academic case studies on NWP and the sustainability consortium.

Julia F: That would be a good question to ask.

Joshua Martin: Yes, I asked about TSC and the Consumer Goods Forum. How is $PLC positioned in relation to these.

Multiple Attendees are typing...

3 Panel Conversation

Joel Makower, GreenBiz Group (moderator)

Alison Kinn Bennett, US Environmental Protection Agency

Chris O'Brien, American University

Jason Pearson, Sustainable Purchasing Leadership Council

Yalmaz Siddiqui, Office Depot

Information

All audio for today's event will be served through your computer speakers. Please submit all questions into the Q&A Feed to the left. Slides for today's event are available for Download Slides Here.

Name Size

SPLC_Webcast 10 MB

SPLC_Webcast 1 MB

SUSTAINABLE PURCHASING LEADERSHIP COUNCIL
Founders Circle formed

- American University
- APEX Clean Energy
- Arizona State University
- Bloomberg
- Caesars Entertainment
- CIPS Sustainability Index
- City of Portland, OR
- City of San Francisco, CA
- City of Washington, DC
- DEKRA
- Dell
- Domtar
- Ecolab
- EY
- Fair Trade USA
- FedEx
- Goodyear
- Green Circle Certified
- King County
- Lockheed Martin
- Michigan State University
- Nova Scotia
- Office Depot
- Portland Community College
- SCS Global
- Sustainble Purchasing Leadership Council
- State of California
- State of Michigan
- State of Minnesota
- U.S. Department of Agriculture
- Waste Management
- Wilson-Forbath Products
Strategic Partners engaged

2013

2014

2015
Website launched

Welcome.
We are a community of professionals dedicated to using the power of sustainable procurement to advance local and global quality of life.

Join us.

We convene a COMMUNITY of leaders.
The Council brings together visionary professionals from institutions, suppliers, government, standards bodies and NGOs to simplify, optimize and standardize the practice of sustainable procurement. Together, we can leverage the trillions of dollars spent by organizations to drive social, environmental, and economic sustainability.

We will offer GUIDANCE for implementation.
The Council's membership collaborate with each other and with other partners to supply purchasers with the best available hot spot and product-specific guidance in a manner that prioritizes high-impact areas of spending and that supports procurement processes commonly found in the public and private sector.

We propose a LEADERSHIP recognition program.
Just as the USGBC’s LEED program provides a shared platform for guiding, measuring, and recognizing leadership in green building, the Council proposes a shared platform for guiding, measuring, and recognizing leadership in sustainable procurement.

www.sustainablepurchasing.org
Membership opens

A big tent.
Principles for Leadership in Sustainable Purchasing

Version 1.0
Adopted April 2014

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www.sustainablepurchasing.org/principles/
Principles for Leadership in Sustainable Purchasing

An organization demonstrates leadership in sustainable purchasing through:

- **Understanding.** Understanding the relevant environmental, social, and economic (ESE) impacts of its purchasing.
- **Commitment.** Taking responsibility for the relevant environmental, social, and economic (ESE) impacts of its purchasing by committing to an action plan.
- **Results.** Delivering on its commitment to improve the relevant environmental, social, and economic (ESE) impacts of its purchasing.
- **Innovation.** Actively promoting internal and external innovation that advances a positive future.
- **Transparency.** Soliciting and disclosing information that supports a marketplace of innovation.

These criteria outline a framework for specific actions. The SPLC recognizes that timelines for achievement will vary across criteria and market sectors based on the availability of tools and resources to implement representative actions; products and services that effectively improve the relevant ESE impacts of an organization’s purchasing; and practical tools and resources to measure that improvement.

www.sustainablepurchasing.org/principles/
Guidance for Leadership in Sustainable Purchasing
Version 1.0
Guidance for Leadership in Sustainable Purchasing Version 1.0

https://www.sustainablepurchasing.org/guidance/
Chapter Overview

Chapter 3 provides guidance to help organizations ensure that their Sustainable Purchasing Program will be strategic, i.e., that actions taken will meaningfully improve the environmental, social, and economic performance of an organization's purchasing.

To this end, the Chapter introduces a structured process for prioritizing:

1) overall strategies — e.g., “Scope 3 GHG reduction strategy” or “supplier diversity strategy” — that advance the organization’s goals, and

2) specific projects and actions that will advance those strategies.

The Guidance assumes that the Program Leader identified in Chapter 2 will use this process iteratively to facilitate the collaborative planning and implementation of an appropriate set of strategies that, over time, cumulatively enable the organization to achieve a leadership level of sustainable purchasing performance.

Prioritize.

The Importance of Prioritization

Leadership requires prioritization. Organizations that demonstrate leadership in sustainable purchasing prioritize each operational component of their program by focusing on strategies that offer the greatest opportunity to improve the overall environmental, social, and economic performance of their supply chain, typically by following two parallel and related lines of strategy inquiry:

- What do we buy, and why does it matter?
- Which categories of spending offer the best opportunities for us to advance a positive environmental, social, and economic future?

A Sustainable Purchasing Program cannot be a strategy as a whole if it doesn’t answer — or at least grapple with — these two questions.

The Challenges of Prioritization

Prioritization is not easy. The two fundamental questions that leadership organizations ask — “What, P?” and “From whom, P?” — are deceptively simple, yet hard to answer, in practice. Internally, it can be difficult to collect, validate, and classify organization-wide spend data. Externally, supply chain information may be incomplete, inconsistent, or inaccessible. And even if data is available, methods for using this data to estimate the environmental, social, and economic performance of goods and services are often approximate, and sometimes controversial. Further, alternate assessments of alternatives to current practice may be equally daunting. This means that quantitative assessments may not be possible at all, and expert knowledge, if accessible, may be required as substitute.

While satisfactory answers may not always be available, however, leaders nevertheless strive to answer these questions because of their importance to ensuring that a Sustainable Purchasing Program actually delivers meaningful results.

Otherwise, an organization could invest years in strategies that deliver minimal environmental, social, and economic benefits — never to discover that its well-intended efforts had actually done more harm than good.

The Strategy Cycle: A Structured Process for Prioritization

This Guidance proposes the “Strategy Cycle” as a structured process for addressing the diversity of factors that may influence an organization's strategic prioritization process. The Guidance assumes that in most cases, an organization will use a Strategy Cycle to guide the process of prioritizing one or more high-level strategies for its sustainable purchasing program, and then use successive Strategy Cycles to further develop each of those strategies. The following section provides an overview of Strategy Cycles, and the remainder of Chapter 3 provides a step-by-step guide for using Strategy Cycles to develop a highly effective Sustainable Purchasing Program.

https://www.sustainablepurchasing.org/guidance/
Running Multiple Strategy Cycles

A Program may have more than one Strategy Cycle running at the same time. A large company may have enough staff to have a cycle focused on geosynthetic recycling at the same time that it has another cycle focused on identifying and addressing labor and human rights risks in the supply chain. Or, a hotel chain may decide to support two independently operated locations in areas of overlap focused on food sourcing.

Additionally, the project plan that results from a Strategy Cycle could require years to fully implement. For example, if the Strategy Team identifies an opportunity to ramp up for external a life months as a type of opportunity to push the improvements, the project plan they develop for how the organization should approach that contract renewal will likely have a timeline that extends into the administration of the new contract. Or, if one of the plans is to take the vehicle fleet’s fuel economy by 5 mpg, that may take three years of fleet turnover to accomplish.

During the implementation phase, the Program Leader’s role primarily plays a facilitator role, checking in on progress and making sure that the required training and resources are delivered. The project plans themselves are usually carried out by staff who are expert in specific areas of the organization’s operations or contracting. Additional performance tracking is generally the only long-term responsibility the Program Leader or their staff pick up with each Cycle. For this reason, a single Program Leader can facilitate multiple Strategy Cycles one after another, or even simultaneously.

The diagram shows how the Strategy Cycle enables an organization to grow its Program intensively and strategically. After the organization makes the commitment to launch a Sustainable Purchasing Program in the middle of Year 1, it invests the next year conducting a Strategy Cycle that analyzes all of the organization’s spending for a wide range of supply chain impacts in order to identify the areas where the organization has the greatest opportunity to improve its supply chain’s environmental, social, and economic performance.

The resulting Strategy Plan contains project plans for four new strategy Cycles that would divide deeper into each of four priority areas. The first implemented a Strategy Cycle to develop its Electricity Strategy, which included those projects to be implemented over the next year. The next Strategy Cycle developed a Supplier Diversity Strategy, which included two projects under the guidance of an Implementation Team. The IT Strategy developed next resulted in only one project, with a delay, because the organization’s best opportunity came when its primary IT contract came up for renewal.

Finally, the while the Human Rights Strategy was being developed, the organization had the capacity to simultaneously run a second Electricity Strategy Cycle because there was so little overlap between the personnel required for the two Strategy Teams. The two projects resulting from the second Electricity Cycle became part of the overall Electricity Strategy, augmenting the trading and reporting of performance that was already happening for that Strategy.

https://www.sustainablepurchasing.org/guidance/
Purchasing Category Guidance for
Chemically Intensive Products

Subcategories
- Boilers and Cooling Towers
- Water Treatment Programs
- Cleaning and Sanitizing Products for Facilities Care
- Landscaping and Irrigation Management (excluded in public release)
- Paints and Coatings (excluded in public release)

Technical Advisory Group
Beth Bold, Practice General Health
David Riedel, PhD, Sustainable Methods Institute
David Sackett, U.S. Environmental Protection Agency
Jessica Choy, San Francisco, Dept. of the Environment
Larry Garcia, City of Seattle
Lynne Olson, Boeing
Matthew Garrett, Lockheed Martin
Sandra Carrion, U.S. Department of Energy
Sara Calefberg, U.S. Green Building Council
Stephen Ashkin, Green Cleaning Network
Steven Benner, Consumer Specialty Products Assoc.
Timothy Sedi, American Coatings Assoc.

https://www.sustainablepurchasing.org/guidance/
SPLC Summit
May 2015

https://www.sustainablepurchasing.org/summit15/
Rating System
begin development

2013
2014
2015

REGISTERED
SILVER
GOLD
PLATINUM
Rob Kaplan
Sustainability Director, Walmart
CHEMICAL USE REDUCTION

Chemical Approval and Alternative Assessment Program

Larry Garcia
Senior Environmental Analyst

www.seattle.gov/light
OUR MISSION

Since 1905, City Light has delivered clean, renewable, low-cost, reliable power to its customer-owners. A recognized national leader in environmental stewardship, City Light has saved enough energy since the mid-1970s to power the households of four cities the size of Seattle for a year. In 2005, City Light became the first utility in the country to be carbon neutral and remains the only utility in the country to be net-zero carbon generating. As a publicly owned municipal utility, Seattle City Light is committed to delivering the best customer service experience of any utility in the nation.
“Every human being is now subjected to contact with dangerous chemicals from the moment of conception until death”

Rachel Carson
Silent Spring
CHEMICAL USE REDUCTION POLICY

• Departmental Policy and Procedure DPP II – 365 – 3
• Effective April 2003
• Purpose
  – To reduce SCL’s overall use of hazardous materials
  – To increase the use of less harmful alternates
“What is the use of a house if you don’t have a decent planet to put it on”

Henry David Thoreau
CHEMICAL APPROVAL POLICY

• Managers and workers select the least hazardous chemical
• WRTK coordinators for each work unit
• Assistance from Health & Safety and Environmental Affairs
• Chemical Approval Process
CHEMICAL APPROVAL PROCESS

• Product submitted to the Chemical Approval Program Coordinator
• Tiered hazard ranking
• Higher hazard products prompt an alternative assessment
  – Need assistance from the end user
  – May need assistance from engineering
HAZARD RANKING

• Value Based
  – Aquatic Toxicity
  – Flammability

• City Light examples:
  – Use no carcinogens if safer alternatives exist
  – Use the least flammable option
  – Use no persistent bioaccumulative toxins if safer alternatives exist
STANDARDIZATION

• Green criteria in contracts
  – High volume products
  – High hazard materials
• Increase use of vendor contracts
• Limit purchasing
  – Credit cards
  – Purchase orders
• Adopt universal standards
• Purchase the minimum amount needed
• Disposal costs for dangerous waste usually exceed purchase costs
• Product shelf life
DESIGN

- Process change
- Improved O&M
- Product changes
- Closed loop recycling
- Material substitutions
# APPROVALS AND HAZARD TIERS

## Possible Approvals

<table>
<thead>
<tr>
<th>Tier</th>
<th>Approval Status</th>
<th>Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td>Not Approved</td>
<td>carcinogen, severe acute toxin, persistent bioaccumulative toxin, reproductive hazard, powerful sensitizer</td>
</tr>
<tr>
<td></td>
<td>Substitute If Possible</td>
<td></td>
</tr>
<tr>
<td>Tier 2</td>
<td>Substitute If Possible</td>
<td>flammable, toxic</td>
</tr>
<tr>
<td></td>
<td>Not Approved</td>
<td></td>
</tr>
<tr>
<td>Tier 3</td>
<td>Preferred Product</td>
<td>readily biodegradable</td>
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<tr>
<td></td>
<td>Preferred Product - WT02</td>
<td></td>
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<tr>
<td></td>
<td>Substitute If Possible</td>
<td>low toxicity</td>
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<tr>
<td>Tier 4</td>
<td>Preferred Product</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Preferred Product - WT02</td>
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</tr>
</tbody>
</table>
We stand now where two roads diverge.

But unlike the roads in Robert Frost’s familiar poem, they are not equally fair. The road we have long been traveling is deceptively easy, a smooth superhighway on which we progress with great speed but at its end lies disaster. The other fork of the road – the one less traveled by – offers our last, our only chance to reach a destination that assures the preservation of the earth.”

Rachel Carson
Silent Spring
OUR COMMITMENT

Building on a legacy of clean hydro power, Seattle City Light partners with customers to secure a green energy future. We are leaders in providing innovative ways to conserve electricity and invest in renewable resources.
Thanks for joining us!

For more information about the GC3:
www.greenchemistryandcommerce.org