



Greening Supply Chains

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Presentation Overview

- ECO-Buy
- Green purchasing overview
- Engaging suppliers
- Examples and case studies
- Conclusion



ECO-Buy



Vision

That every purchasing decision made in Australia takes the environment into account, considers the full life-cycle of the product or service,

and

a vibrant market of suppliers exists to fulfil environmental purchasing needs.



What is green purchasing?



- Key premise: Every purchase impacts the environment
- It about buying products that are less damaging to the environment and human health and than competing products that serve the same purpose



Green product or green purchase?



Green product

Environmentally preferable to
products that serve the same purpose

Green purchase

Environmentally preferable to
products you are currently purchasing

And its all relative....



Choosing genuine green products



Is it necessary?
Fit for purpose?



Price, quality,
continuity of supply etc



What are the main environmental impacts of this type of product?

Does this product address any of these?

What proof is there?

How does this compare to other products in the marketplace or to what we already buy?

**green
screen**



Drivers in Health



Environment

Cost Savings

Staff

**Green Procurement
Drivers in Health**

Leadership

Improved health
outcomes

Reputation

Government

Why engage suppliers?



Good Practice

Learning

**Supplier
Engagement**

Sharing

Risk management

Leadership

Innovation

Partnership

CHALLENGE, CHANGE, CREATE!



ENVIRONMENTAL PURCHASING POLICY



ENDORSED BY:

A handwritten signature in black ink, reading "J. A. Egan".

John Egan
Divisional Manager
Corporate Strategy & External Affairs

A handwritten signature in black ink, reading "Rob Jakobi".

Rob Jakobi
Divisional Manager
Purchasing

PURPOSE

The purpose of this policy is to provide a purchasing framework that will advance the sustainable use of resources and reduce impacts on the environment and human health.

INTENT

TMCA will demonstrate to the community that our purchase decisions can:

- Improve markets for Environmentally Preferred Products
- Enhance environmental performance
- Be resource responsible
- Contribute to progress towards sustainability
- Respect the culture, customs and laws of countries affected.

SCOPE

This policy applies to the purchase of all products and services supplied to TMCA with the exception of vehicle parts, accessories and raw materials.

POLICY

TMCA will consider Environmentally Preferred Products in the sourcing process and purchase same whenever they perform satisfactorily and are available at a competitive price.

Contracts and Tenders

- General requirements
- Model clause
- Baseline requirements
- Desirable requirements



Model specification clause:

[Organisation] has a policy of purchasing catering that adheres to the Dietary Guidelines for Australian Adults (2003). Preference should be given to caterers that show that they can meet these guidelines.

Victorian Government – Multi-Function Devices (extract from tender document)

3.3 MFD requirements

3.3.1 ENVIRONMENTAL requirements

The Contractor(s) must provide MFD's that:

- a. Are Energy Star compliant, with Energy Star capabilities enabled
- b. Have low overall energy consumption in operation as well as standby and sleep modes
- c. Can have all components switched off by the user so that no standby power is being consumed
- d. Have document storage capacity (including the ability to code and store print jobs)
- e. Have duplex and page shrinkage (at least two pages to a page) printing and copying capabilities
- f. Are able to use paper with recycled content
- g. Are able to use paper which has previously been printed on one side
- h. Are able to use remanufactured toner cartridges, including third party remanufactured toner cartridges meeting required standards, with no effect on service agreements or warranties
- i. Have low operating noise levels

Victorian Government – Multi-Function Devices (extract from tender document)

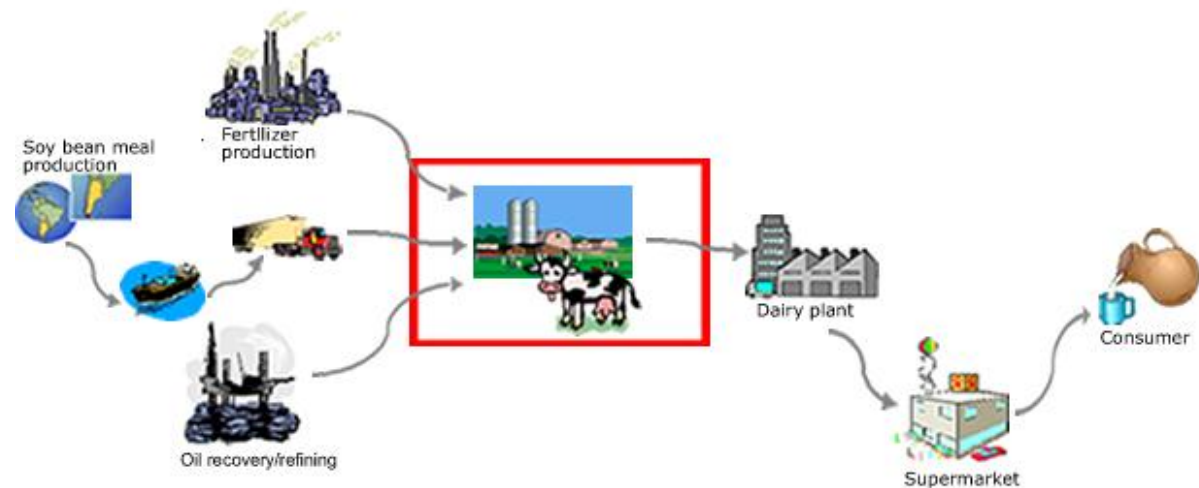
The following features are **highly desirable**:

- a. Units containing a percentage of recycled materials, and/or materials which can be recovered, remanufactured or recycled at the end of the unit's useful life. Contractor(s) are encouraged to provide innovative proposals for the disposal of equipment complying with environmental standards.
- b. Packaging should be recyclable or compostable, and should preferably include recycled content. Packaging take-back programs are encouraged
- c. The Victorian Government wishes to eliminate unnecessary packaging associated with MFD's. Preference may be given to an arrangement where, within the first 12 months of the contract, packaging reuse and reduction options, whilst still offering adequate protection to products, will be developed.
- d. Details of strategies and policies that manufacturers and/or suppliers have developed or are in the process of developing in the area of extended producer responsibility

Supplier Engagement: Foodprint



- Sustainable catering procurement
- Criteria development
- Setting the bar



Supplier Surveys



Step 1: Supplier Assessment

- starting with tier 1 in US

Step 2: Lifecycle Analysis Database

- via consortium of universities in collaboration with suppliers, retailers, NGOs and government to develop a global database of information on the lifecycle of products

Step 3: A Simple Tool for Consumers

- product information in a simple, convenient, easy to understand rating
- could take the form of a numeric score, color code or some other type of label



Sustainability Index: Supplier Assessment Questions

Energy and Climate *Reduce energy costs and greenhouse gas emissions*

1. Have you measured your corporate greenhouse gas emissions? (Y/N)
2. Have you opted to report your greenhouse gas emissions to the Carbon Disclosure Project (CDP)? (Y/N)
3. What are your total greenhouse gas emissions reported in your most recently completed report? (Enter total metric tons CO₂e, e.g. CDP6 Questionnaire, Section 2b – Scope 1 and 2 emissions)
4. Have you set publicly available greenhouse gas reduction targets? If yes, what are those targets? (Enter total metric tons and target date; 2 fields or leave blank)

Material Efficiency *Reduce waste and enhance quality*

- Scores will be automatically calculated based on your participation in the Packaging Scorecard in addition to the following:
5. If measured, please report total amount of solid waste generated from the facilities that produce your product(s) for Wal-Mart Inc for the most recent year measured. (Enter total lbs)
 6. Have you set publicly available solid waste reduction targets? If yes, what are those targets? (Enter total lbs and target date; 2 fields or leave blank)
 7. If measured, please report total water use from the facilities that produce your product(s) for Wal-Mart Inc for the most recent year measured. (Enter total gallons)
 8. Have you set publically available water use reduction targets? If yes, what are those targets? (Enter total gallons and target date; 2 fields or leave blank)

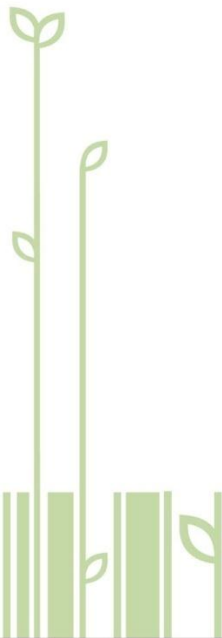
Natural Resources *High quality, responsibly sourced raw materials*

9. Have you established publicly available sustainability purchasing guidelines for your direct suppliers that address issues such as environmental compliance, employment practices, and product/ingredient safety? (Y/N)
10. Have you obtained 3rd party certifications for any of the products that you sell to Walmart? If so, from the list of certifications below, please select those for which any of your products are, or utilize materials that are, currently certified.

People and Community *Responsible & ethical production*

11. Do you know the location of 100% of the facilities that produce your product(s)? (Y/N)
12. Before beginning a business relationship with a manufacturing facility, do you evaluate their quality of production and capacity for production? (Y/N)
13. Do you have a process for managing social compliance at the manufacturing level? (Y/N)
14. Do you work with your supply base to resolve issues found during social compliance evaluations and also document specific corrections and improvements? (Y/N)
15. Do you invest in community development activities in the markets you source from and/or operate within? (Y/N)

Examples and Case Studies



ECO-Find

General Criteria

- Recycled content
- Water saving
- Energy saving
- Low-toxicity
- Biodiversity



Engagement Examples



DTF: Working with Officemax and ECO-Buy



ECO-Max range

Notebook State Purchase Contract



Environmental specifications for Desktop / Notebook
State Purchase Contract



GOLD



SILVER



BRONZE

Reduced toxicity



Waste minimising



IAQ

Energy saving



Recycled content



Water saving

Conclusion



- Green procurement is simply good procurement
- Good procurement is a two way conversation
- Green procurement is no exception
- Supplier dialogue will result in :
 - achieving environmental goals
 - improved health outcomes
 - Organisational benefits

