



Electronics Sector Meeting
August 11-12, 2009 Dallas, Texas



Jay Golden
Your Friendly Facilitator

The Sustainability Consortium is committed to facilitating a robust and open exchange of ideas and information among its participants on the wide range of subjects relevant to the Consortium's mission. However, to avoid any possible problem under the antitrust laws, all participants are reminded that statements, communications and exchanges of information at any Consortium-related proceeding should directly relate to sustainability issues. Conversely, and even more to the point, absent prior written approval from the Consortium, there shall be no statements, agreements or exchanges of information regarding (1) what price any participant has or may charge for its products or services; (2) decisions to enter or leave any market or to not compete for any customer; or (3) any invitation, recommendation or suggestion not to deal or do business with any person or entity.

Participants also should avoid disparaging any person or entity, whether or not present. Any conduct that any of you observe or hear that you think might create an issue under the antitrust or any other laws, we ask that you immediately let Consortium co-Directors Jay Golden or Jon Johnson know and, if you have any questions about any legal issue, please contact Lisa Loo (Arizona State University Office of General Counsel) or Scott Varady (General Counsel for the University of Arkansas).



Have all come away with the same understanding on the vision and specifics:

- ❖ The Sustainable Product Index
- ❖ The Sustainability Consortium
- ❖ Advisory Councils...yes plural
- ❖ Role and Alignment of the Retail Community
- ❖ Role of Manufacturers
- ❖ Sector Partners and Sector Projects
- ❖ Consumer Facing
- ❖ Timelines

Provide and Overview of the Sustainable Product Index Overview (Jon Johnson)

- Background (Walmart Initiative)
- Drivers, Scope and Timelines of the Index
 - Users and Governance

Open Life Cycle Assessments (Greg Norris & Jeff Rice)

- Earthster Platform
- System Designs, Functionality
- Incorporation of Attributes such as EPEAT

Sustainability Consortium & Sector Projects (Jay Golden / Joby Carlson)

- What has been done
 - Products & Users
- Timelines / deliverables
 - Value

Wrap Up (Kevin Dooley)

Start to discuss how we work together, possible products and leverage existing attributes.

Existing Electronic Sector Programs

- Energy Star (US EPA)
- EPEAT (Jeff Omelchuck)
- EICC (Ted Reichelt)

Retailer Perspectives on Sustainability Indexing (Jon Johnson)

- Retailer viewpoints, opportunities, concerns, priority product types, decision criteria in using / not using an index, etc
 - Input on existing electronic sector programs

Electronics Sector Moving Forward (Kevin Dooley & Jay Golden)

- What is a good product to launch with initially? Focus is on the process at this stage.
 - Current technology vs. emerging technologies
 - Opportunities for wins
- Data availability - Existing programs & LCA efforts for that product category
 - Assignments and timelines
- Who else needs to be at the table moving forward
 - Advisory council meeting
 - Issues of consumer facing

Initial meetings are fluid, so the timelines are general guidelines. We will be free to modify the schedule as deemed appropriate, without going over time.

What is most important is an open 2-way dialogue so that all questions are answered and clarity and vision are explicit.

This meeting is more about discussion than it is about following slides.

Finally, what we are talking about the next two days, to create an industry wide transparent process to quantify and communicate the sustainability of consumer products is a transcending process.

We believe it will significantly aid all of us to innovate to address environmental, economic and social imperatives. If done right, it will also reduce consumer confusion (eco-bable).

But, with many major initiatives there will be skepticism and angst, so lets work through those issues.

1. Is this a Walmart only index... *NO, we are actively seeking global retailers of all types.*
2. Am I penalized in some manner if I don't participate with the Consortium.....*Absolutely Not.*
3. What are the business reasons and opportunities to be part of the process at the beginning.....*That's what the next 2 days are about, for you to make that determination.*
4. Does it make sense for the electronics sector to be a leader in developing the index systems....*we think so due to your sophistication but that's what we will work on together today and tomorrow.*

The Sustainable Product Index

Harmonizing a Complex World

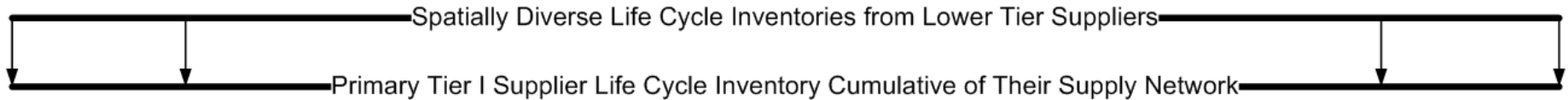


Dow Jones Sustainability Indexes

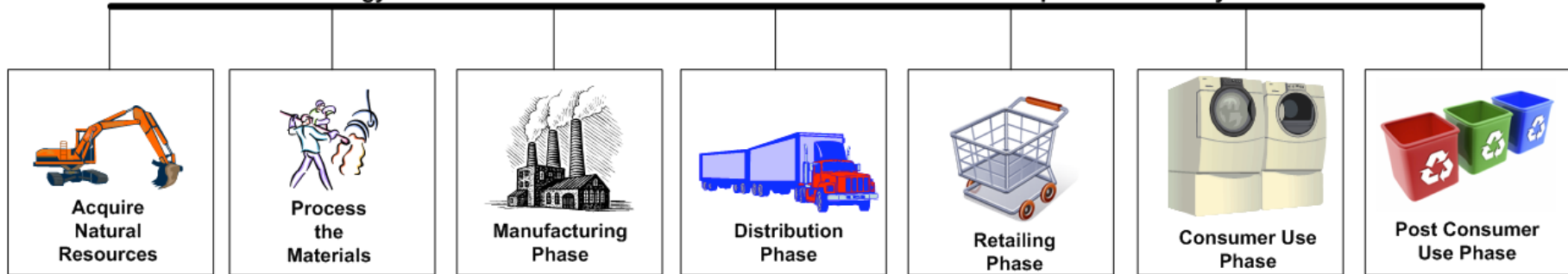
ClimateCounts.org

FSC Forest Stewardship Council

Background Drivers, Scope & Timelines of the Index Users and Governance



Input Inventory Considerations
Energy & Climate • Nature & Resources • Material Efficiencies • People & Community



Outputs & Emission Impacts
Energy & Climate • Nature & Resources • Material Efficiencies • People & Community

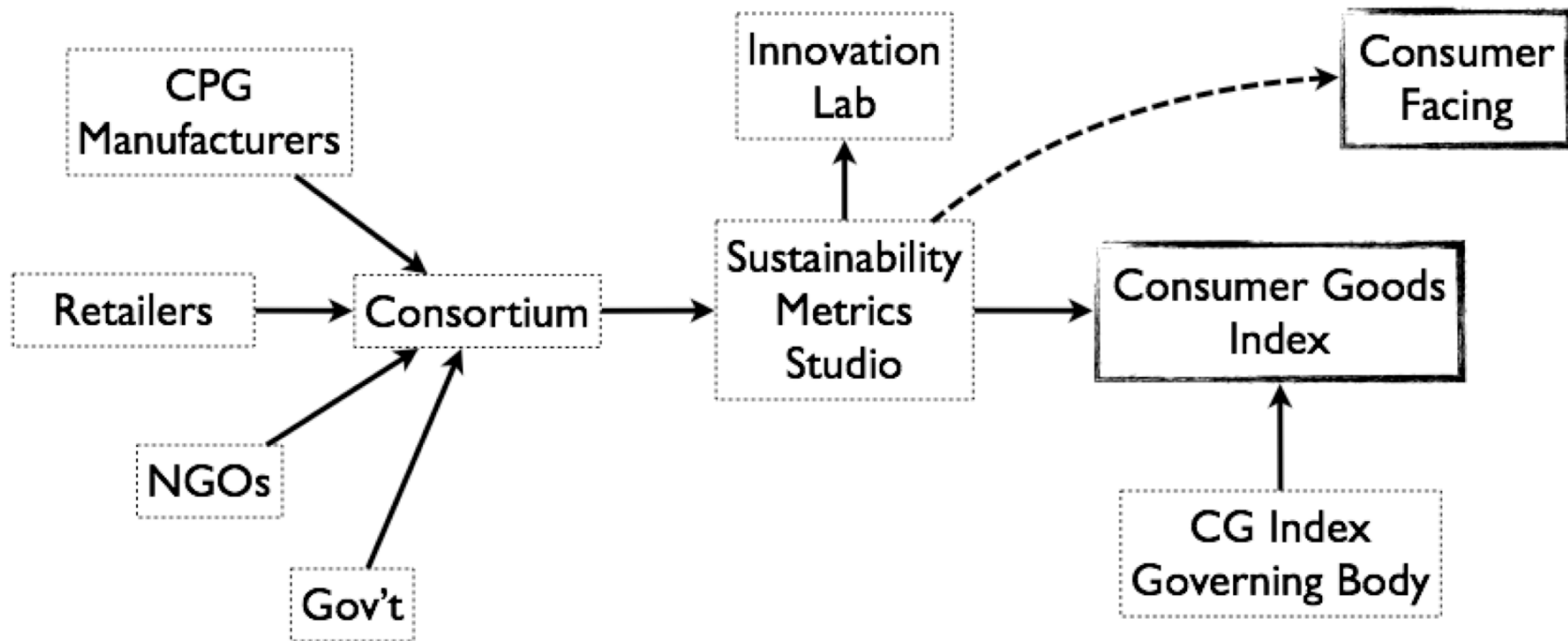
Inventories Feed Into a Quantitative Life Cycle Analysis Developed, Weighted & Vetted by the Sustainability Consortium

OUTCOMES INCLUDE:

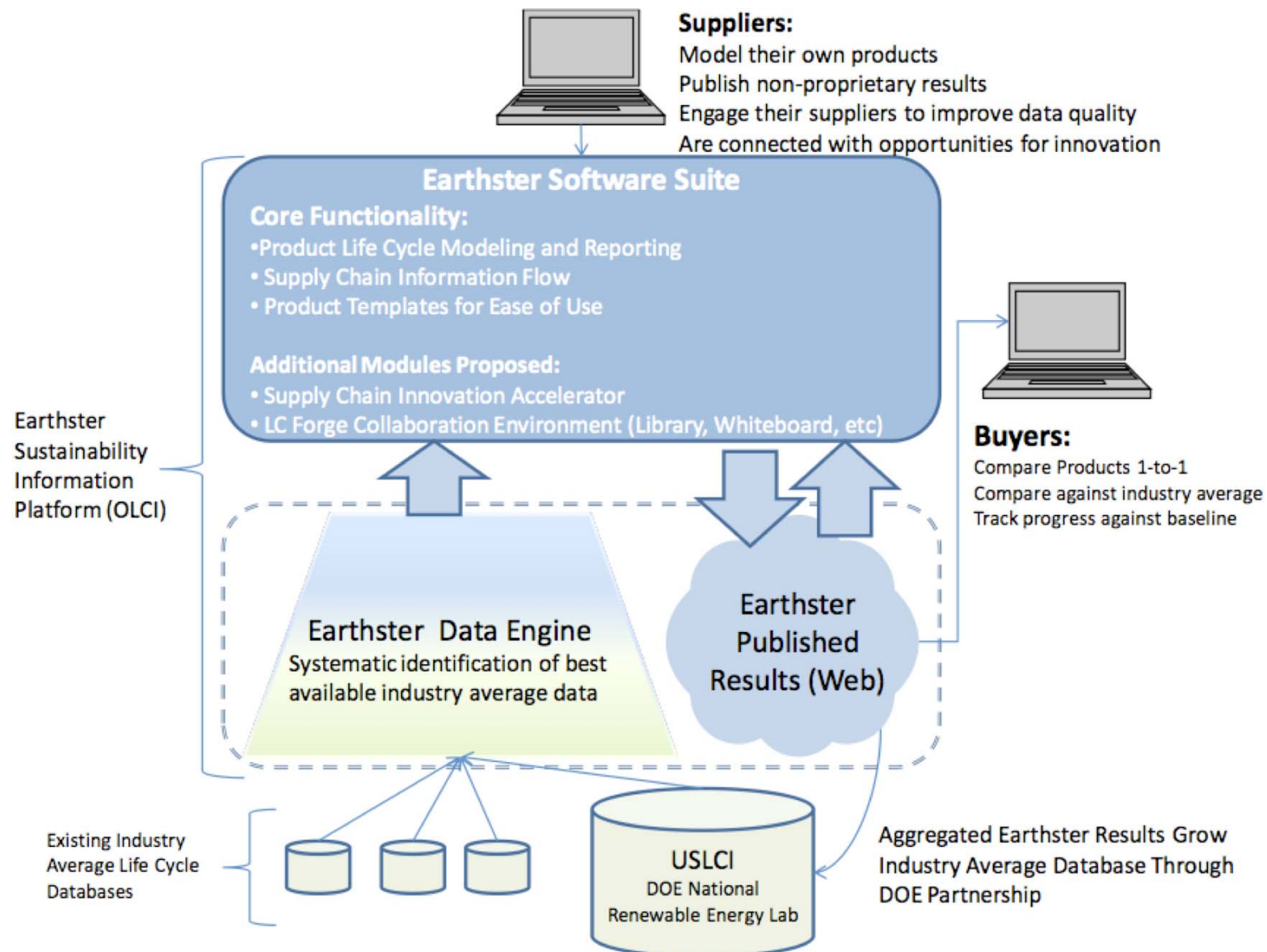


1. **Transparency** for consumers, retailers and manufacturers.
2. Allows buyers to make purchasing decisions based on a **scientifically validated** standard transparent data available to all manufacturers.
3. **Reduces burden** on supply network / manufacturers by not having to address multitude of different sustainability reporting systems.
4. All working with the **same definitions, metrics & attributes**
5. Drives **product quality**
6. Process that drives **innovation**
7. Find opportunities in the **full life cycle** to reduce impacts and provide insights to consumers and policy makers.
8. **Leverages** existing scientifically valid & transparent attributes

this is a partial list.



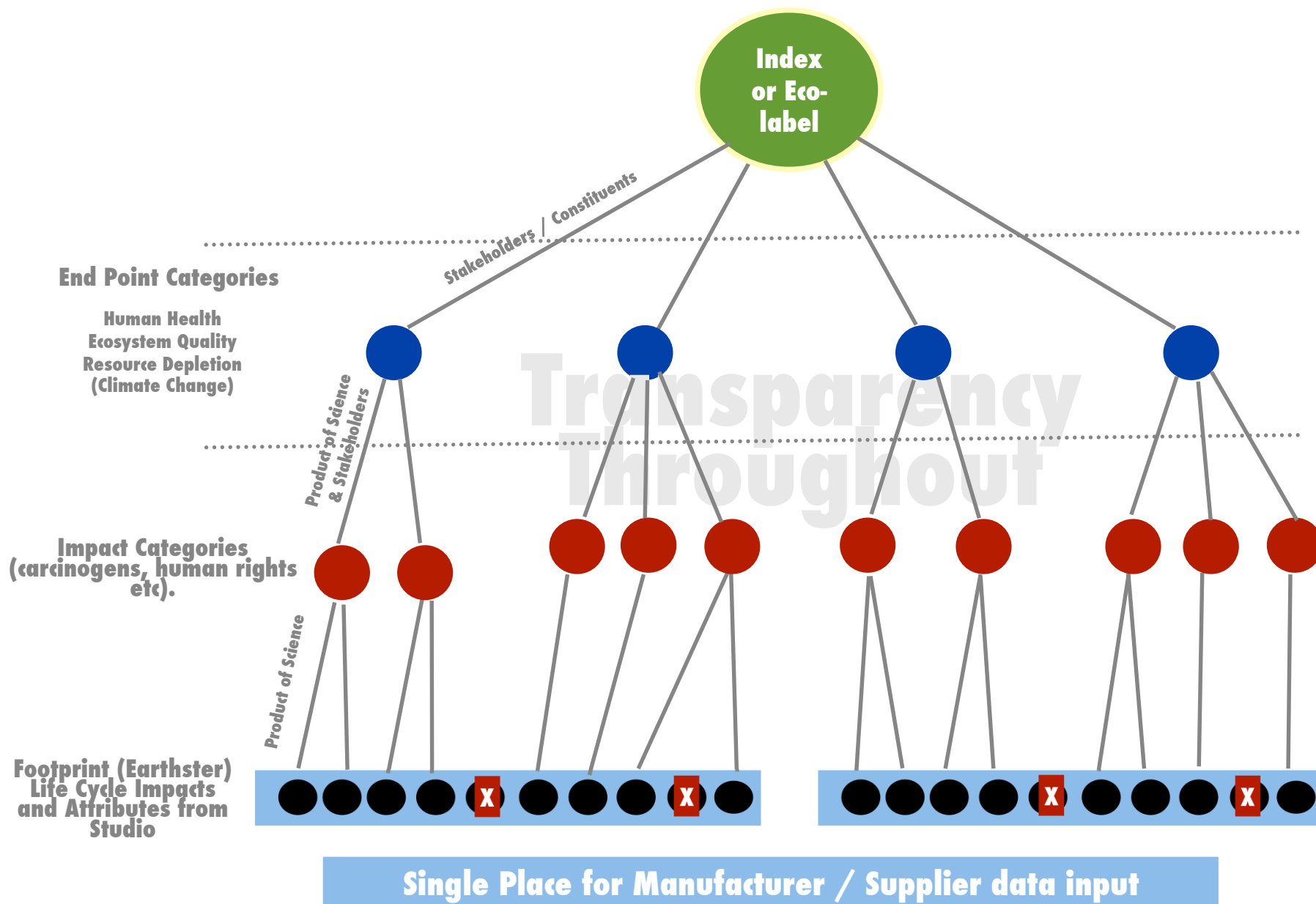
Open Life Cycle Assessment Framework



The system enables reporting of impacts **and attributes** of products and supply chains.

EPEAT – System of attributes under 8 impact categories:

- ❖ **Reduction / elimination of sensitive materials**
- ❖ **Material selection**
- ❖ **Design for end-of-life**
- ❖ **Product longevity / life cycle extension**
- ❖ **Energy conservation**
- ❖ **...**



deliverables

value

Industry Average Database Framework
UN Standard Product and Service Classification
UNSPSC Codes (20,000 existing)

Easy Efficient LCA by SKU when linked to Earthster
Empowered LCI data users

Open Input Output - Environment (US) (Global)
Open Input Output - Social (Global)

competitors Maplecroft for social OIO

Feeds industry average and identifies "hot spots" in product categories. At the heart of OLCI data. LCA Attribute on CSR. Essential to Efficient LCA by SKU

Life Cycle Studio

Calculator / can print off as a pdf and export into whiteboard

Whiteboard / interactive can take existing calculator LCA and modify inputs "what if" assumptions

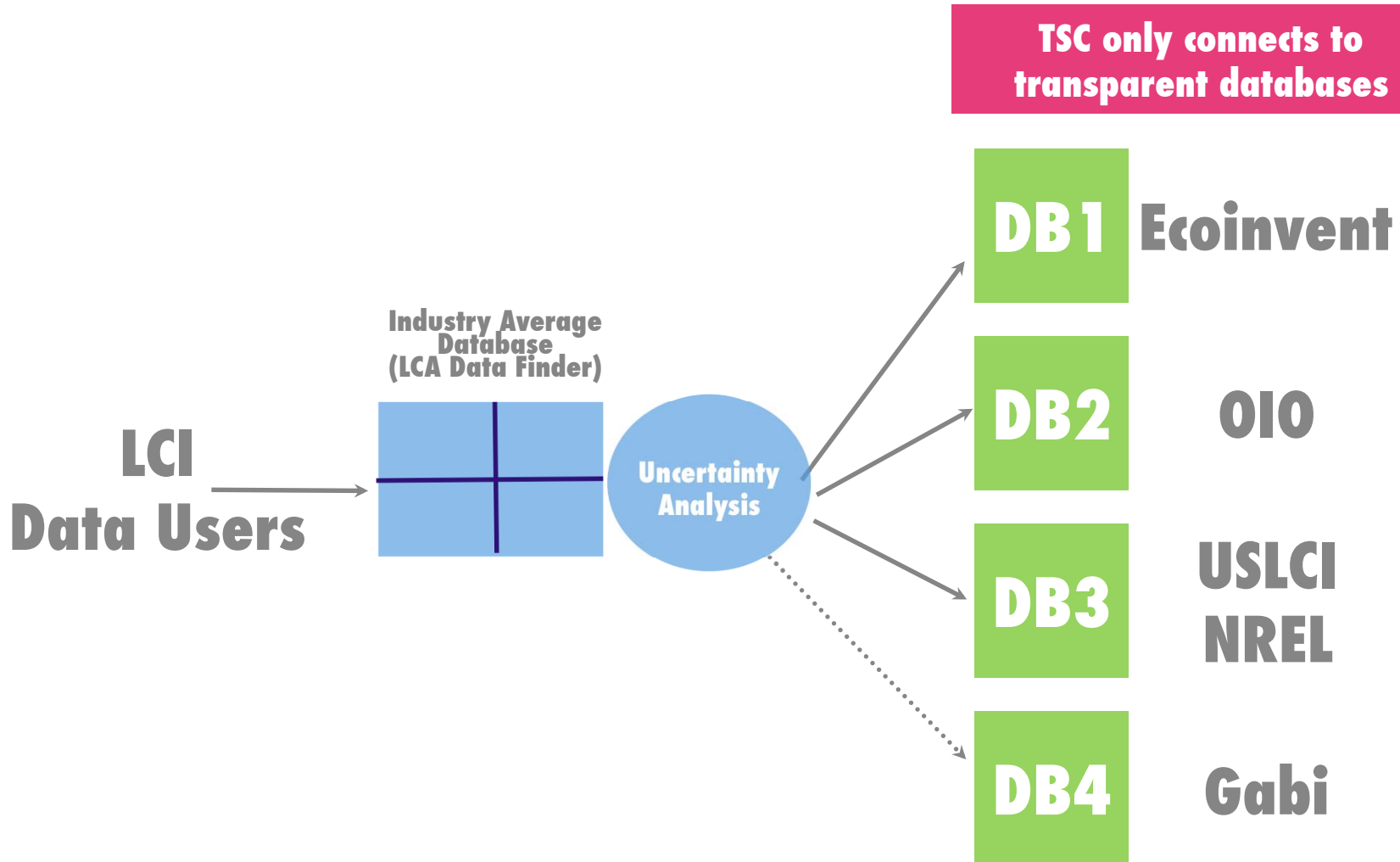
Archives / prior LCA's and peer reviewed articles

Full LCA (ie. consumer use phase)
Quantify product & system innovations and opportunities.

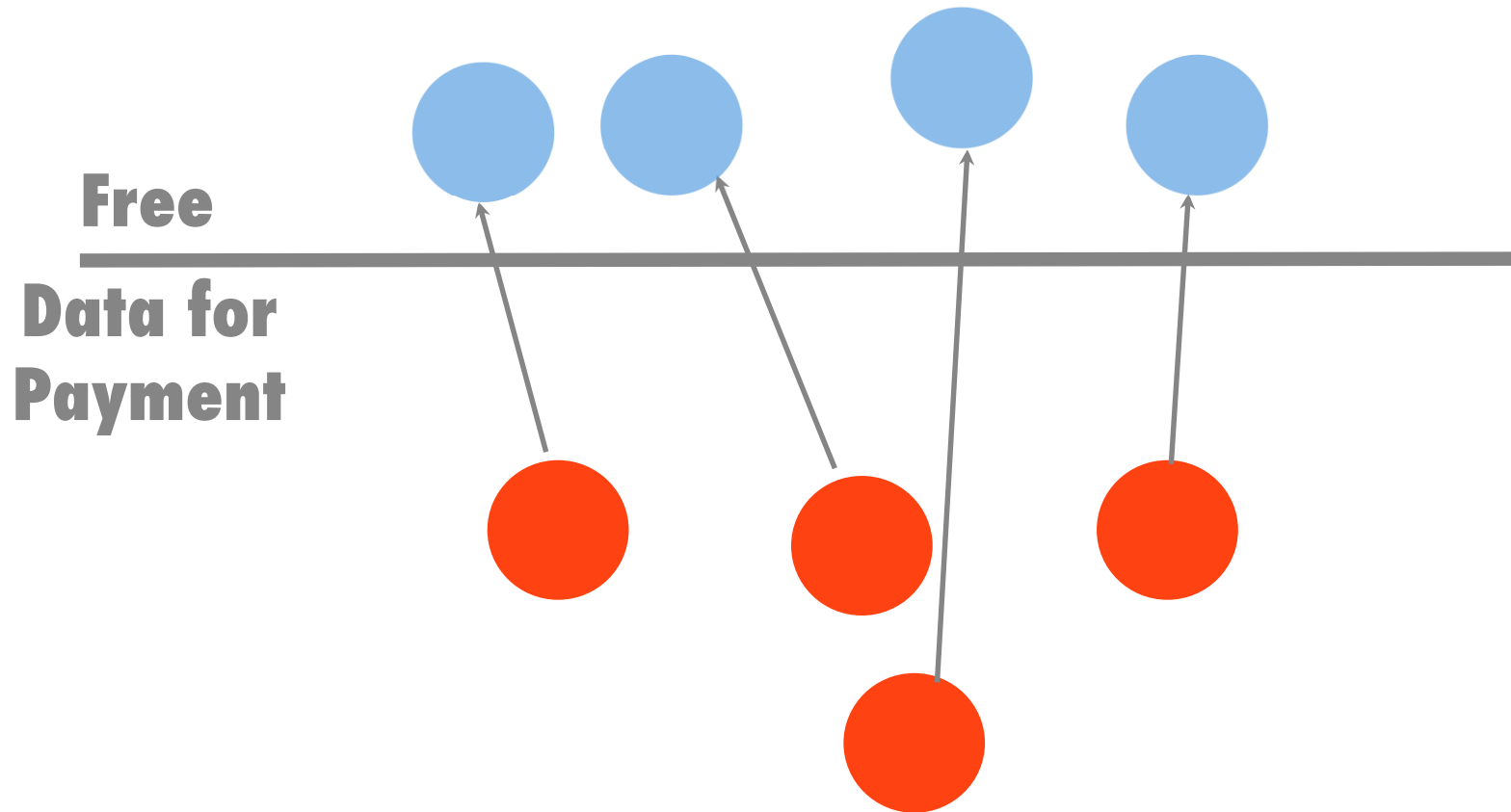
Super Accelerated
Consumer & Policy Maker Education
Credibility/ISO Police (Bogus LCA's)

Earthster 2.0 - scalable open source core, data standards etc.

Calculate & Publish SKU footprint
Supply Chain Specific Results (links to specific suppliers not industry averages)



this data made available by GMA



Sustainability Consortium Overview



MISSION STATEMENT

The **Sustainability Consortium** is an independent organization of diverse global participants that work collaboratively to build a scientific foundation that drives innovation to improve consumer product sustainability.

WHAT WE DO

The **Sustainability Consortium** develops transparent methodologies, tools and strategies to drive a new generation of products and supply networks that address environmental, social and economic imperatives. The Sustainability Consortium advocates for a transparent process and system, not individuals or organizations.

HOW WE DO IT - The Sustainability Consortium:

- ❖ supports a fully transparent process and system for all data, methods, and algorithms; participants will know how metrics are used to evaluate respective environmental and social impacts are derived (data explicitly acknowledges and reports uncertainty in a standardized way).
- ❖ leads a scientifically grounded approach to measuring, communicating and educating on the environmental, economic and social impacts of consumer goods and will identify opportunities for innovation across the entire product life cycle.
- ❖ organizing the user community of this data with new tools that empowers them.
- ❖ seeks to balance rapid growth, broad enrollment, cost effectiveness, and data/methods development; underlying databases will be widely accessible, affordable, validated, transparent and designed for continuous improvement.
- ❖ engages in modeling how innovations and changes in manufacturing and consumer use of products can address pressing sustainability imperatives around the globe.

- * Early access and training on tools used for product sustainability reporting**
- * Opportunity to provide feedback on product sustainability reporting systems as they evolve**
- * Interactions with retailers and governmental agencies engaged in indexing process**
- * Gain early access to data that contributes to innovations such as consumer use phase data**
- * Early insights that lead to innovation for your organization**
- * Leverage existing research programs undertaken by your organization / sector and,**
- * Advise the Consortium as we develop and distribute scientific recommendations on designing of ultimate retail indexing**

Founder Level Member
Retailers \$250,000/year
Business Partners \$100,000/year
Consultants \$100,000/year

Founder Level Members of The Sustainability Consortium will be active participants in the design and development of the tools and systems created for consumer product sustainability analysis.

Founders will also be recognized with special honor and distinction, which includes: name and/or logo recognition as a Founder on The Sustainability Consortium web sites, annual reports, and materials prepared for workshops, conferences and meetings. Founders will also receive the following benefits for each year of the three year commitment:

- **One (1) seat on The Sustainability Consortium Advisory Council**
 - **One (1) seat on a Sector Working Committee**
 - **Invitation to Quarterly Workshops**
 - **Invitation to Annual Meetings**
 - **Invitation to on-going Sector Meetings**
 - **Updates via Newsletters & Publications**
- **Participation in Specialized Training & Education Programs**

Tier II Level
(minimum expected commitment of 3 years)

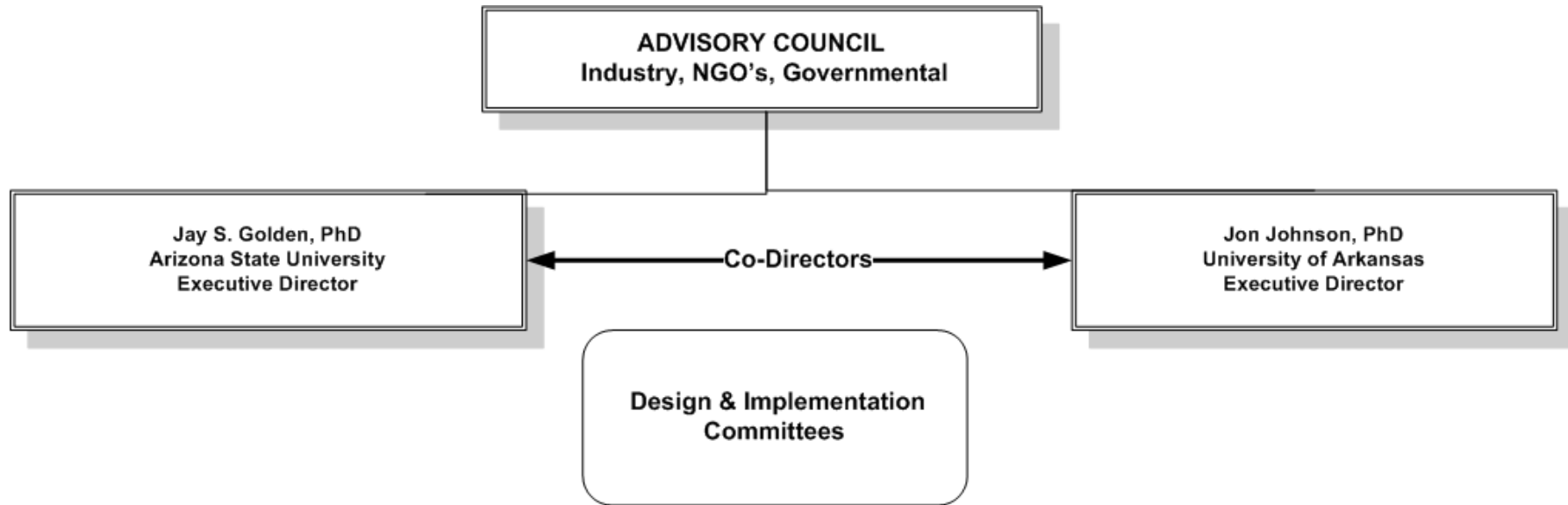
Business Member \$50,000/year

Small Business Member \$25,000/year
(For companies with less than 500 employees)*

- **One (1) seat on a Sector Working Committee**
- **Invitation to Quarterly Workshops**
 - **Invitation to Annual Meetings**
- **Invitation to on-going Sector Meetings**
- **Updates via Newsletters & Publications**

Government & Non-Governmental Organizations* \$10,000/year
(Does NOT include organizations representing a specific product, trade or business sector.)

- **Invitation to Quarterly Workshops**
 - **Invitation to Annual Meetings**
- **Updates via Newsletters & Publications**



RESEARCH DOMAIN Energy & Climate Material Efficiency	SECTORS Chemical Intensive Products Electronics	Specialty Foci Consumer Use Phase Post Consumer Use Consumer Facing & Education Systems Policy	RESEARCH DOMAIN Nature & Resources People & Community	SECTORS Food & Ag Textiles	FOCI Standards Validation Training Dist. / Retail Phase
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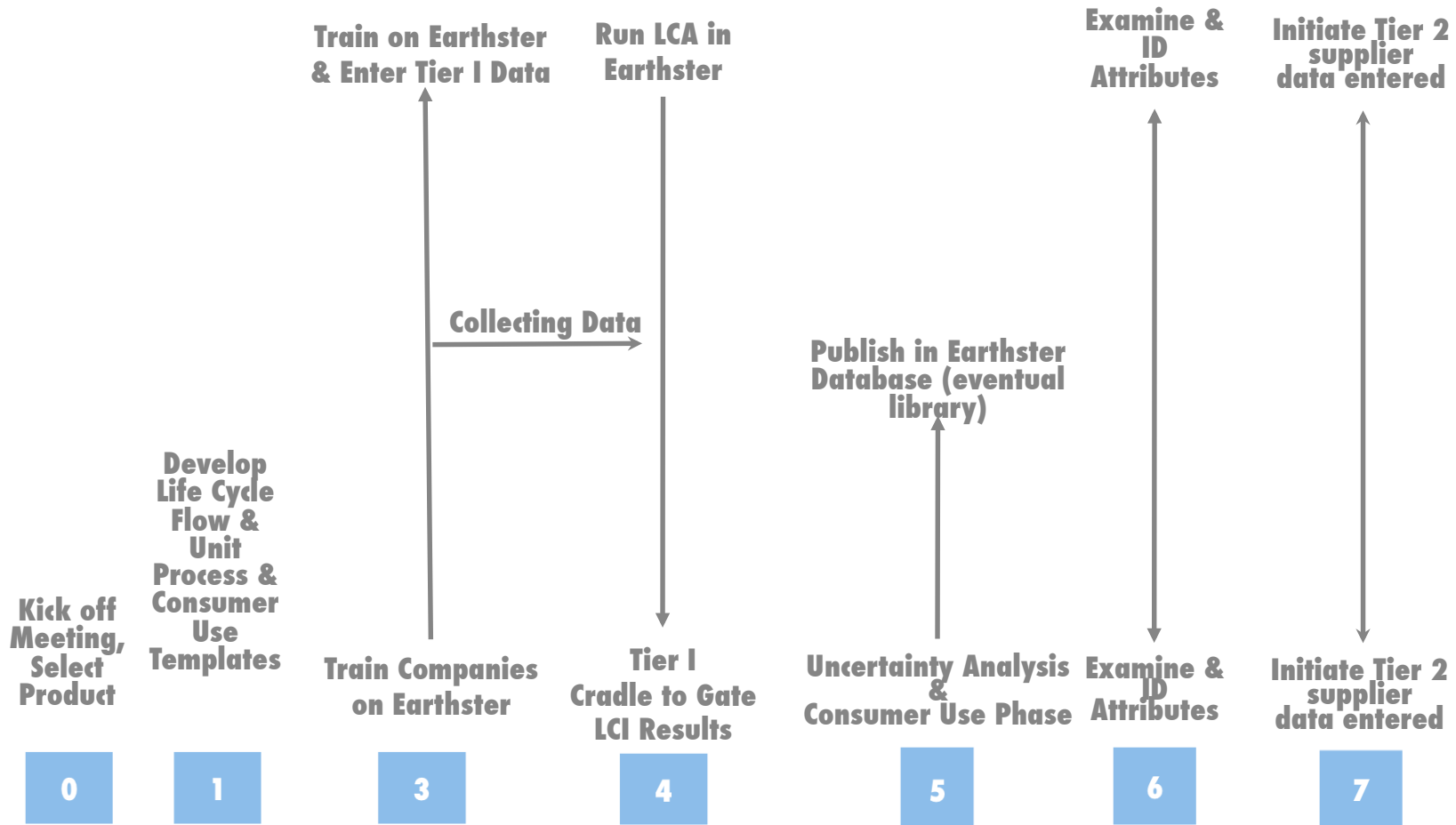
PARTNERS & GEOGRAPHIES
 Cambridge (UK/EU), Duke, Harvard, Stanford, U.C. Berkeley,
 Minnesota, Texas, Tec de Monterrey (Mexico), Chinese Academy
 of Sciences

Draft By Laws Advisory Council

- 4.4a** Comprised of a single representative from each Tier 1 Founder Level.
- 4.4b** In addition, at least 10% of the Council shall be comprised of persons from either NGO or Governmental agencies. These individuals shall be recommended by members of the Advisory Council.
- 4.4c** Members will seek to provide guidance to the Directors and Academic Council of the Consortium in establishing the research and education priorities of the Sustainability Consortium.
- 4.4d** Will seek to meet twice a year as a Council, no quorum is required.
- 4.4e** Will seek to meet annually with the Academic Council.
- 4.4f** Prioritize sector research projects and provide annually to the Academic Council.
- 4.4g** Agreement on the prioritization shall be by a simple majority of submitted rankings.
- 4.4h** Prioritize educational programs and provide annually to the Academic Council.
- 4.4i** Agreement on the prioritization shall be by a simple majority of submitted rankings.
- 4.4j** Review progress of on-going research and education projects
- 4.4k** Review and provide written recommendation reports from the Consortium including sector working groups to the Index Advisory Council & other appropriate external organizations.

1st Advisory Council Meeting to be October in Washington DC

Sector Partner Tasks



Sustainability Consortium Tasks

