

What's Happening at the Sustainability Consortium?

Welcome to the first issue of the Sustainability Consortium Newsletter! We will use this bi-monthly newsletter to keep you updated on all of the activities going on inside the Consortium.



Dr. Jay Golden



Dr. Jon Johnson

Clarity on Scope and Objectives

We have worked over the past month to clarify the Sustainability Consortium's scope and objectives. This will help us have a shared language and purpose internally, and will minimize confusion and false expectations from the outside. In the recent "Steering Committee Memo" our Co-Directors laid out a process and over-arching plan for moving forward in the development of "Sustainability Measurement and Reporting Standards (SMRS)" which are outlined below. We hope to gain input and ultimately alignment with our Stakeholders over the next few weeks.

Sustainability Measurement & Reporting Standards

Scientifically grounded and transparent processes and data for quantifying social and environmental sustainability.

1. An agreed upon set of category-specific impact areas to be reported.
2. Rules and standards on what data to collect, how to collect it, and how it should be reported.
3. Research to improve data quality and availability, and create new methods and processes as needed.
4. Method for prioritizing impacts that can provide greatest opportunity for improvement and that can have progress measured against possible trade-off's.
5. SMRS's & Systems Group ID issues & opportunities to drive positive social, economic and environmental change.

Retailer Engagement

One of our key priorities has been to increase Retailer Engagement. We are very excited to announce the addition of Best Buy and Ahold as Consortium members. Best Buy represents the largest electronics retailer in the United States and the 24th largest overall retailer in the world. Together with subsidiaries Geek Squad, Magnolia Audio Video, Speakeasy, Audiovisions, Pacific Sales, Jiangsu Five Star Alliance and Future Shop, Best Buy operates around 1,300 stores in the US, Canada, China and Puerto Rico. They will open stores in the United Kingdom in 2010. Ahold is Holland's largest food retailer and the world's 10th largest grocery chain with operations in 11 countries. They have over 3,500 owned stores and 3,000 through joint venture partners. We have great confidence based on many recent discussions that additional retailers will be joining this effort in the very near future.

"Operationalizing" the Consortium: Budgets, Operating Procedures, Communications, and more

We have an important obligation to our members to demonstrate integrity and prudence in our spending of funds, and to efficiently and effectively do our work. To that end, we are including our 2009/10 expenditures, and will officially begin a more formalized budgeting process involving the Steering Committee in April for the 2010/11 fiscal year. We are also including the draft Operating Procedures, the rules of the road, for your review and comment. While these will be updated and improved regularly, we hope to have Steering Committee approval and officially roll these out in April. Lastly, we intend to enhance our communication efforts starting with this newsletter, and work is underway to launch a much enhanced, more interactive website by April.

EVENT CALENDAR

FEBRUARY 25, 2010

Technical Review Session

Technical reviews will be hosted on the 4th Thursday of every month at 10:00am CST. Contact Jeff Rice for more info at JRice@walton.uark.edu.

APRIL 7 - APRIL 8, 2010

Steering Committee Meeting

Chicago, IL. Contact Lisa Firestone for more info at lisa.firestone@asu.edu.

MARCH 12, 2010

European Roundtable Meeting

Unilever Offices, London
Contact Lisa Firestone for more info at lisa.firestone@asu.edu.

IN THIS ISSUE

Sector Updates

Page 2

Consortium Updates

Page 3

Regulatory/Policy Updates

Global Engagement

Page 4

Bandwidth

The Consortium's staff and researchers are working hard to ensure we provide broad value to your organization. We are aiming to hit the "sweet spot" on requesting involvement and participation in important initiatives and working groups. We view these as value-added opportunities that are instrumental to our success, but also recognize there are limits in your bandwidth. We respect your time and personal constraints, and we are making every effort to make productive use of your involvement. Whenever possible and appropriate, we will utilize teleconferences or webinars.



Sector Updates

We are considering formally adopting the Global Product Classification (GPC) taxonomy managed by GS1 (<http://www.gs1.org/gdsn/gpc/>) as a way to define Sectors. This will bring clarity to our Sector definitions, and is a sound solution both technologically and organizationally, as it aligns with current IT plans and is retailer-focused. Each Sector would be defined by one of 36 GPC Segments; approximately two-thirds of these are relevant to a retail context. Tier 2 members will be able to participate in multiple Sectors, so the change would not impact on membership rights. Our Chemical Intensive Products Sector would become Home Care Sector and Personal Care Sector. Joby Carlson will still lead both Sectors, and will combine the two efforts where synergies exist. The Electronics Sector, focusing on computers, becomes the Computing Sector, and the Food Sector becomes the Food, Beverage & Agriculture Sector. More details of this will be discussed in your Sector Working Group meetings.



Computing Sector

The Computing Sector (formerly Electronics Sector) launched in January and consists of Best Buy, Dell, EPA, HP, Intel, and Toshiba, and Walmart. The Sector's initial focus is on laptops, desktops, and monitors and is on track to provide initial recommendations for SRMS in summer 2010. One of the objectives of the project is to learn how existing green standards such as EPEAT and ENERGY STAR can be used to report sustainability performance. The project is partnering with the University of California-Berkeley to provide LCA research, and with Massachusetts Institute of Technology, Carnegie-Mellon University, and Instituto Tecnológico Autónomo de México to develop a novel way of estimating carbon footprints from design attributes.



Food, Beverage & Agriculture Sector

The Food, Beverage, and Agriculture Sector is actively engaged in a number of activities to drive measurement and innovation in product sustainability. We have leveraged the University of Arkansas' work in life cycle assessment to develop industry representative life cycle data for a number of major commodity crops, and we are developing a process for accelerating the development of US agriculture data from published agriculture extension budgets. This information will be integrated into the Sustainability Consortium's database infrastructure and will provide the most detailed and extensive database for agriculture in the United States. We have also started a database of existing product category rules that are relevant for this sector and started a preliminary assessment of existing food and agriculture certifications and rating systems. This Sector will be meeting in March in Arkansas to review ongoing work and develop a sector research plan.

Home & Personal Care Sectors

As new product pilots are launched in the near future, the Chemical Intensive Products Sector will be splitting into two Sectors, the Home Care Sector and the Personal Care Sector. Both projects will continue to closely collaborate because of the synergies between the efforts and overlapping team members. We are on track to deliver on the objective of developing and piloting a process for evaluating and comparing the social, environmental and health impacts of products. Our efforts now include over ten different national and private brand manufacturers which together represent a majority of the U.S. Home and Personal Care Markets. Both Sectors will continue to create relationships with and involve NGOs, academic research centers and government agencies. Among other accomplishments we have:

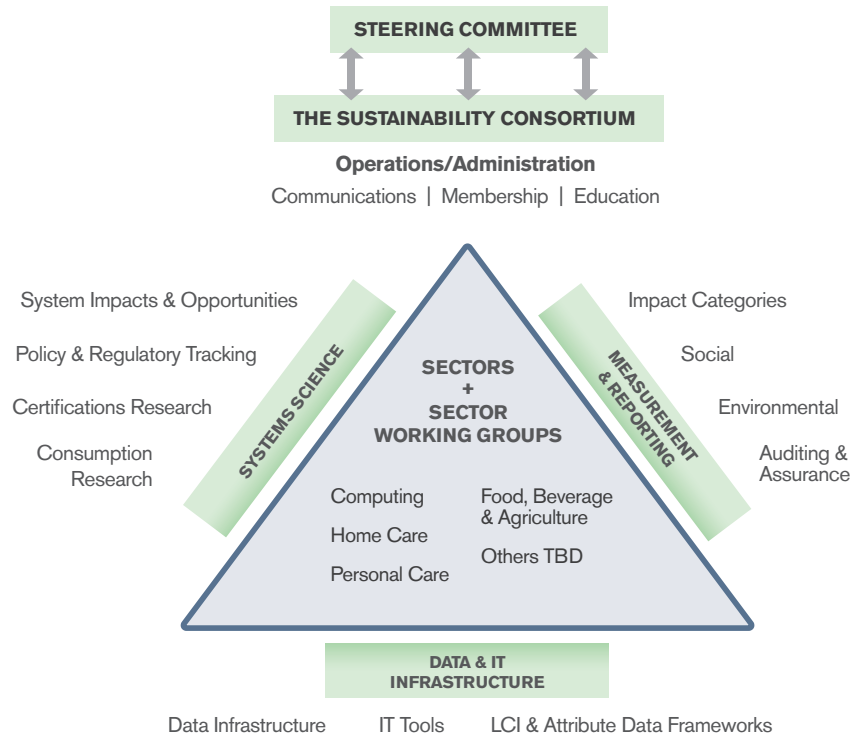
- Reviewed existing standards, labeling programs, industry initiatives and scoring programs
- Selected product and industrial classification systems that best meet the needs of the project
- Identified critical data gaps and environmental 'hot spots' for several product categories
- Introduced five new product categories; household surface cleaners, household cleaning aids, shampoos, air fresheners and face make-up
- Initiated the development of Product Category Rules for laundry detergents



SUSTAINABILITY CONSORTIUM

ACTIVITIES DIAGRAM

The Activities Diagram illustrates the current and proposed work of the Sustainability Consortium. It is intended to facilitate discussions during the next Steering Committee meeting.



IT Technology

Scalable product sustainability reporting in global supply chains is a monumental vision. The complexity of the task at hand will require innovative information technology solutions and standards. In order to accelerate the adoption of The Consortium's science into the economy, and to ensure that the data and platforms we're developing and supporting are integrated into the fabric of global business, we are creating an Information Technology and Tools sector working group. This group will be comprised of leading information technology providers and LCA software providers and will interact heavily with the data, systems and infrastructure project teams of the consortium. In partnership with an external standards organization, the sector will develop the data standards and protocols that allow product sustainability information to be shared in supply chains while protecting proprietary information. For more information contact Jeff Rice at jrice@walton.uark.edu.

Open IO Database

The Open Input-Output (Open IO) database was formally launched on December 17th in a Webmeeting with member companies of The Sustainability Consortium. The website can be found at <http://www.open-io.org>. The database provides cradle through consumer estimates of GHG impact per dollar of product. Future work will include the release of additional impact categories, and integration of Open IO into Industry Average Data Framework. For more information contact Evan Andrews at eandrews@walton.uark.edu.

Systems Working Group

Systems Working Group has begun data collection for use and post use impacts of certain product categories. A Product Impacts Database has been constructed for organizing the systemic impacts by temporal and geographical scale encompassing basic assumptions and specifications among the disparate data types. These data will support other working groups' efforts and research initiatives, as well as enable work toward model creation to capture the complexity of the impacts through the product life cycle. For more information contact Jay Golden at jay.golden@asu.edu.

Consumption Research Initiative

The Consumption Research Initiative has launched with the goal of establishing a scientific foundation for sustainability impacts in the consumer and post consumer use phase of product life cycles. The goal is to create pre-competitive research to support the sector working groups. If you are interested in participating within any area(s) of this effort, please contact Brittni Furrow, Research Coordinator, at brittni.furrow@asu.edu.

Eco-Labels & Certification

The Sustainability Consortium led by Duke University in partnership with WRI and Big Room launched in November the largest global survey yet conducted, which includes over 400 eco-labels. Duke University will be examining the scientific foundations, transparency and utility of incorporating existing certifications as part of the on-going TSC projects. It is anticipated a draft report will be delivered to the membership of the Sustainability Consortium at the April Steering Committee Meeting. For more information contact Dan Vermeer at dv24@duke.edu.

Social Hotspots Database Project

The Social Hotspots Database (SHD) project is aimed at creating a database and an analysis system that allows identification of social hotspots in product life cycles. These hotspots are activity production sites (unit processes) located in a region where a situation occurs that may be considered a problem, a risk, or an opportunity, in relation to a social theme of interest (including but not limited to human rights, work conditions, cultural heritage, poverty, disease, political conflict, indigenous rights). The SHD advisory board, which includes 13 experts and stakeholder representatives, had a successful kick-off meeting where the project was presented in depth and board members provided extensive input. The first phase of development ends February 1st - Stay tuned! For more information contact Catherine Benoit at cbenoit@sylvatica.com.

Regulatory / Policy Updates

The French consumer product labeling program, “Loi Grenelle 2 - article 85” was adopted by Senate with final adoption scheduled by Q2 CY10. This requires that beginning January 1, 2011, all products belonging to categories defined by subsequent decrees, must, by means of marking, labelling, billing, or any other appropriate method, inform consumers about the content of the product and its packaging in carbon equivalent and in other resources or environmental impacts, taking into account its full life cycle. This is being led by ADEME and AFNOR with stakeholders participation.

On February 2, 2010 the US Securities Exchange Commission issued an Interpretive Release for existing SEC disclosure obligations regarding the impact of climate change and climate-related risks that are material to public companies. For more information see Defining Issues - KPMG’s February 2010. No 10-8 Release and the SEC document www.sec.gov/rules/interp/2010/33-9106.pdf.

We continue to monitor and evaluate various state and national initiatives being proposed and will provide detailed overviews in upcoming newsletters. We will be formally launching our Regulatory / Policy working team under the Systems CWWG. If there are members of your organization interested in participating, please have them contact Jay Golden at jay.golden@asu.edu.



Global Engagement

We will be hosting an informative European Roundtable on March 12 in London at the Unilever London Headquarters. This event is aimed at bringing together industry, NGO’s and governmental representatives that are current or potential members of the Sustainability Consortium. Cambridge University in conjunction with Consortium Staff are leading this event. Additionally, key meetings in Asia will occur in February including Co-Director, Jay Golden, hosting a regional workshop at Hanyang University in South Korea.

Global NGO engagement is very important to the success of the Sustainability Consortium. Please feel free to forward to either Jay or Jon the names and contact information of any NGO’s your organization is currently working with and whom you believe will add value to the Consortium.

NEW MEMBERS

Ahold**

International group of quality supermarkets based in the United States and Europe.

Best Buy*

Multinational retailer of technology and entertainment products and services.

Ecolab**

Cleaning, sanitizing, food safety and infection control products and services.

Intel**

Leader in silicon products, processor technologies, and innovations.

L’Oréal*

International cosmetics and beauty company.

MillerCoors*

A leader in the American beer industry.

Syngenta*

World-wide agri-business through innovative research and technology.

Toshiba**

Diversified manufacturer and marketer of advanced electronic and electrical products and services.

*denotes Tier I member

**denotes Tier II member

Internships

YOUNG MINDS WORKING IN INDUSTRY



The Sustainability Consortium’s affiliated academic institutions have many bright students eager for professional experience. If your company is hiring interns or is interested in creating internship positions, please visit:

➔ sustainabilityconsortium.org/participate

CONTACT US

www.sustainabilityconsortium.org

Dr. Jay Golden

Arizona State University
P.O. Box 875502
Tempe, Arizona 85287-5502
Phone: +1 (480) 965-4951
Fax: (480) 965-8087

Dr. Jon Johnson

University of Arkansas
Business Building 475
Fayetteville, AR 72701
Phone: +1 (479) 575-6227