



2009 Steering Committee Meeting Summary*

October 20th, 2009 Washington, DC – Ronald Reagan Center (Horizon)

*A full transcript is available upon request, but this is a condensed version representing the spirit and dialogue that occurred.

Attendance: *Steering Committee Attendees & Members 10-20-09.pdf*

Listing of TSC Contacts & Dates: *TSC Contacts & Dates.pdf*

Meeting Summary: pages 1-4

Sustainability Consortium Follow Up: page 4

Welcome and Introductions

After the Antitrust Statement was read, the meeting opened with a welcome and overview from the co-directors who highlighted the course of events that led to this first gathering. Feedback and questions were requested of all participants.

Key Points:

- The issue of engaging retailers in addition to manufacturers was a big topic of discussion.
- The case was made that this is not the “Wal-Mart” Index, but that is the perception we have to overcome to be successful. Manufacturers don’t want several different reporting mechanisms.
- The Consortium needs a broad set of retailers to make this successful.
- We want to work together, industry and academia to develop a science based approach for policymakers, consumers, buyers, and NGOs.

Target and Objectives of the Meeting

- Get input and feedback from our members and observers.
- Provide updates about the work to date, and proposed plans.
- Determine the role of the Steering Committee.

The Big Picture of both the Index & Sustainability Consortium (Facilitated)

The topic of Governance was introduced. Comments were made about the idea that the Sustainability Consortium and the Index Advisory Council are separate, but that the Index Advisory Council does not exist today.

Summary of general comments:

- Standardization, concern for multiple reporting systems.
- Simple, clear, easy to understand measurement system – a single voice is important.
- We need to show what we are working on is relevant and a pathway of where this is going.
- Continuous improvement based on real data.
- Collectively let the public know that land, air, water and climate are issues and we are working on how to do what we do better. We should be working on what will make the biggest difference.
- Balancing act to make things relevant, global, and consistent.
- Concern about sustainable consumption – can we just keep buying more and more?
- The Index has to provide consumers a method to use that enable everyone to make a true improvement worldwide.
- Need transparency and disclosure, and many good standards that can be followed to create a level playing field. Also need to leverage existing standards.
- This needs to consider environment, social and economic imperatives.
- Foster competition for consumer choice.
- Concerns about resource intensiveness to do this.
- You get what you measure, and if you don’t measure you don’t get change.
- How will we measure improvement? Per production process output, unit sales, or something else? We need to make sure we are really making the right changes.
- Business case – it needs to drive innovation and competition, be built on best information and designs, and focused around real world issues.

What role does governance play? Should it be owned by one institution, and who should own what?

Comments:

- Three buckets and respective responsibilities help develop an umbrella governance structure:
 - Business – The Index
 - Technical – requirements, metrics, methodologies, including scientific research

- Standards of Communication - Standard IT protocols, etc.
 - A draft index should be submitted to this council for review and approval.
 - Good governance comes with checks and balances. What are the thresholds if we or a member of the consortium is out of line with the directional drive? How will we have checks and balances?
 - Need to have good credibility.
 - Governance is important internally and externally. At the national and international level to prevent the abuse of fair trade. There have been issues in the past with other efforts. Certification versus labeling and the conflict of interest that certifications could pose was brought up.
 - Need for dialogue between players, there will be gaps that we need to recognize, and we need to allow for mistakes along the way, possible prototyping?
 - We have a mammoth chicken and egg problem to get through – TSC owns the technical science piece that helps guide the decision making (value judgments), and there is a dashed line separate from TSC to the governing body.
 - What are the roles, responsibilities? Who should be on this? How far can we go today?
 - Buckets:
 - Business to Business
 - Asian Retail Bodies
 - Agricultural presence (where impact happens, farms, etc.)
 - Consumer Presence
 - Academic Framework to involve NGOs, so not divisive
 - Larger NGO's on the planet
 - How do we start, what are the problems we want to solve?
 - CGF is already there, may be a natural place to bring people together.
 - The board should set up some high level goals and objectives with a committee to go and work this out. Strategic and practical issues need to be worked out. TSC needs to maintain its independence to be credible.
 - Broad categories to consider: Legal, technical, commercial, and policy representation will be needed.
 - There was discussion about one index or many, and requirements of data judgments and algorithms.
 - Data is needed for the index and this is the priority.
 - There were concerns about separating ourselves from the discussion, because the Consortium and the Index are tied together.
 - There are many examples of great working models, Business for Social Responsibility, EEIC, WRI (at a beta level).
- Question posed to Retailers: What would it take to be involved with or walk away from the consortium?*
- Benefits and cost. The challenge is selling it to our organizations that now is the time to be a part and have a seat at the table.
 - It is about what the information will drive. We would rather do something in collaboration with others. There is lack of diversity on the academic side, and seems geographical to the US.
 - What will make the difference is the checks and balances between the science and business.
 - CGF discussed, discussion looped back to retail involvement.
 - What does consumer facing look like? That is a big deal and we need consistency in messaging to avoid consumer overload.
 - Timing? Now or wait a year. We need a proposal and need to know who has veto power.

A vote was taken of the Steering Committee Members via show of hands, one vote per company, supporting a working group to develop a proposal to begin the process of establishing an external index governing body. The formation of this Working Group is being voted on currently and based on subsequent feedback, it was decided not to go directly to the Consumer Goods Forum, but take a step back and further investigate the options. Votes are due in by Steering Committee Members, one vote per company; by November 9, 2009 at 8:00 p.m. EST. Send votes to jay.golden@asu.edu or jjohnson@walton.uark.edu.

Consortium Structure for Your Review

Sectors, Cross Sector Working Groups, Enrolling NGO's – Suggestions of Appropriate Participants,

Identification of Missing Group

See slides for details, additional key points made:

- Auditing and evaluation is currently missing.
- Design is intended not to be over burdensome.
- No data is better than bad data.
- There will be a peer review process.

Comments from attendees:

- Concerns about academic independence was discussed, it was explained that different models being used in different sector pilots. We are learning what processes work, and will test drive outcomes. The consortium will have access to resources to explore different ways to present information to consumers.

- Supply chains in Asia are an obstacle we need to understand and figure out how to develop tools to support.
- Some concerns shared that we are taking on too much, and should stay focused on measuring and collecting the data in to an organized database.
- Questions to understand Use and Post-Use.
- Communication of the index – where is the marketing department to sell this to the public, retail, and manufacturers. This communication needs to start sooner than later. If we rely on companies, there will be mixed messages. Academics may not be right either.
- Missing folks from Capital Markets
- NGO Engagement

Sector Project Updates *See slides for details*

Chemical Intensive Products, Food & Ag, Electronics, Apparel Planning - Joby Carlson

- Liquid Laundry Detergent with many stakeholders involved.
- When asked for data, proprietary issues came up.
- Via comment and feedback survey, identified 60 different issues.
- Identify and prioritize, determine what is outside of scope, look for external resources.
- Developed Consortium-Wide and Sector-Specific Working Groups (WGs).
- Sector WG – Product Category Rules will develop a template for data collection for sector and product.
- Discussed aggregation at different levels, rules of the game, and need for consensus.
- Questions about how Social and Economic sustainability are addressed.

Wal-Mart Private Brands – Allison Campbell

- Building Sustainability into supply chains – quality improvements and cost efficiencies.
- Lifecycle Assessment something just begun to test to identify hot spots.
- Scale – what are the lessons learned.
- Criteria for products - High volume top selling groups.
- Steps:
 - Identify internal team
 - Kick off with a single supplier
 - Supplier completes survey
 - Collect info and conduct benchmarking session
 - Identify different hotspots
 - Earthster identifies the highest points of leverage
 - open and transparent system enables sharing of best practices across industries
 - confidential info not shared outside of company
 - Data comes to life, picture become clear
 - Sour Cream examples

Electronics – Kevin Dooley

Dell & HP recently joined. The sector has laid out a plan to develop data, tools, and methods to produce a holistic and valid assessment of the products' sustainability. This will include indentifying ways to map existing standards (EPEAT, EICC, and Energy Star) into a prototype Sustainable Product Index.

Earthster & IT Update - Jeff Rice *See slides for details*

Goal is to enable cost effective life cycle reporting in supply chains. A couple of key components:

Efficiency access, user friendly software, computation and publication standards, and accelerated development of product rules. It provides an industry average data framework, universal technology matrix, and open IO and social hot spot database. The value is that it organizes industry average data and enables templates and pre-linked classified data. Technical Review session in December:

Overview: December 2: 11:00 - 12:30 CST

In-depth reviews: December 10: 11:00 - 12:00 CST; December 16: 1:00 - 2:00 CST; December 17: 1:00 - 2:00 CST

Please contact Jeff Rice if interested in participating: JRice@walton.uark.edu

Update on other Sustainability Consortium Work (TSC)

Sustainability Consortium - Systems & Policy Report

- Proposed & Pending Legislation
- Eco-label & Certification Harmonization

What are some of the lessons learned?

What are the resources required for systems level approach.

Transatlantic Integration – because it is doable.

Other comments:

Engagement of Asia needs to be addressed because leading manufacturer in most industries (specifically China). Shouldn't just do what is easy. Who in China should we engage with?

Eco-labels: over 300 currently, what is the scope, is it 3rd party? Could we partner with organizations like WRI and others. There are different forces in the marketplace, how does this line up with what is being done with the SPI? How can we standardize, streamline, and harmonize this process?

Consumer Facing Research

While TSC will work on the scientific measurement systems and tools to provide the data for a Sustainable Product Index, making that information useful and meaningful to the consumer is important to understand. Part of this is the current landscape of eco-labels, but additionally we want to understand how to communicate the data effectively such that the Index leads to more sustainable purchasing and behavior.

Consumer Science Survey: November 12-25

Education & Training – Michele Halsell See slides for details

Current Programs:

- LCA Intensive Seminar; May 09
- LCA for Managers; August 09, Nov 17 09
- Supplier Sustainability Assessment Workshop; Sept 09, Dec 09

Coming Soon:

- GHG Inventory and Reporting; 90 min Webinar, Nov 12, 09
- LCA I, II, III; tbd

In development:

- Social Life Cycle Assessment
- Social Earthster & Social Hot Spot Development

Link to current training: <http://execed.uark.edu/sustainability>

Needs Assessment Survey: November 2 – 16 link:

https://waltonuark.qualtrics.com/SE?SID=SV_ch2RIRPcrA00jru&SVID=Prod

Steering Committee Role

- Future meetings should provide material and information in advance to allow internal sharing and gathering of feedback to bring to Steering Committee Meetings (company voice versus individual voice).
- Keep the meeting focused; right balance of updates, feedback/discussion, and time to make appropriate decisions.
- Assess whether or not consumer facing research is truly in line with the scope of TSC based on feedback from members, some members will have more interest in this area than others.
- The possibility of sub-groups to address international engagement, retail involvement, etc. was suggested.

Final Comments/Wrap up

- Government involvement – it is needed and they want to be involved (US and others). Considerations will need to be made to ensure compliance with FTC and FDA.
- Need to better understand the relationship between the Index and The Sustainability Consortium (Pilot Sectors).
- Re-emphasis on bringing China into the discussion, if companies have connections with Asian companies, please contact Jay or Jon.
- How do we include the right involvement of NGOs and some of the really bright minds, even though they may not have the money to be involved?
- Dates for upcoming meetings are needed with more advance notice.

The Sustainability Consortium Follow Up

Send out recommendation for a vote on how to form subcommittee to address Index Governance.	Done, results to be communicated by November 10, 2009
Compile summary of the meeting with dates for next meetings.	Done
Survey companies for research interests in Consumer Science Space.	November 25, 2009
Send out Proposed Standard Operating Procedures for vote by Steering Committee.	December 1, 2009
Communicate clear objectives/outcomes of the work with timelines.	In progress to be completed by December 1, 2009.