What is a "Responsible Material" Anyway?

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Introduction

The United States is possibly the greatest consuming nation the world has ever known, with access of many of its citizens to conveniences of daily living at levels well above those of kings and princes of antiquity. Overall, the proportion of global consumption accounted for by the United States is four to five times higher than the U.S. proportion of global population. The U.S. is also a massive net importer of both raw materials and finished goods, causing in the process substantial impacts to the landscapes and environments of other nations. In view of the high global impact of U.S. consumption, it is worth considering whether Americans bear any responsibility for seeking to understand the negative impacts of their consumption on other geographic regions and for doing what they can to minimize those impacts. It is difficult to convincingly argue that they do not.

If you are a manufacturer, distributor, or consumer a relevant question is whether you are reasonably certain about where the raw materials or products you purchase come from, and what the likely social, economic, and environmental impacts of their production are at the point of origin. If the answers to either of these questions is "no," or if there are significant and negative impacts that remain unaddressed, then it is probably fair to ask whether you really care.

If you do care about impacts linked to your corporate or individual consumption, your concern may lead you to such questions as: What is responsible production? What is a responsible material? And what steps might you take to improve your performance on the global responsibility scale? A growing number of mechanisms are available to answer these and similar questions, and to help you determine production impacts. There are also systems for verifying responsible production on an ongoing basis. These are the topics of this article.

Responsible Materials

Google the term "responsible material" and the result may yield only a few hundred hits. However, doing the same thing for several related terms – "environmentally responsible material," and "socially responsible material" – yields almost 7 million hits for each. These two terms describe concepts that are quickly moving into mainstream thinking within society at large.

Environmentally Responsible Materials

Within North America, some of the earliest actions to promote environmental responsibility occurred in the early 1990s. From its inaugural edition in 1992 **Environmental Building News** (now *BuildingGreen.com*) was described as a "monthly periodical on environmentally responsible design and construction;" it marked the beginning of a steady stream of builder-oriented articles that raised questions about the environmental implications of established construction practices, and called attention to building products and technologies that could improve environmental performance.

In 1993 President Clinton signed Executive Order 12873, entitled "Federal Acquisition, Recycling and Waste Prevention." A section of the Executive Order indicated that "...EPA shall issue guidance that recommends principles that Executive agencies should use in making determinations for the preference and purchase of environmentally preferable products..." In response to Clinton's mandate, The Environmental Protection Agency established the Environmentally Preferable Purchasing (EPP) Program. Five years later, Executive Order 13101 directed all federal agencies to develop and implement environmentally preferable purchasing guidelines. In both the 1993 and 1998 presidential directives, and in the EPA's EPP Program, the use of environmental life cycle analysis in comparing materials is encouraged, as is the use of recovered, recycled, and bio-based products (although political maneuvering early in program development succeeded in preventing most wood products from being included in this designation). Moreover, **Federal agencies are strongly encouraged to use third party, non-governmental standards-setting organizations to identify environmentally preferable products and services**. Today, all federal agencies, including the Department of Defense, are actively involved in environmentally preferable purchasing.

An *environmentally preferable product* is one that has a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. Product comparisons may consider raw materials acquisition, production, manufacturing, packaging, distribution, reuse, operation, maintenance, or disposal.

Executive Order 12873 (1993); EPA Preferable Purchasing Program (2006).

A number of governmental units follow guidelines similar to those of the federal agencies in their purchasing programs, including several states (Minnesota, Massachusetts, California, and New Jersey), and a number of counties (most notably King County [Seattle], Washington), municipalities, and universities nationwide. Comparable programs are in place across Canada. Development of environmentally preferable product guidelines is ongoing, with new products and product assessment standards evolving on a more or less continuous basis. Numbers of participants in EPP programs are also increasing each year.

Minnesota's Environmentally Responsible Purchasing Program

Product Codes

EE = Energy Efficient
LT = Less Toxic
PB = Plant-based
RB = Rebuilt
RC = Recycled Content (post-consumer)
RK = Reduced Packaging
EM = Remanufactured
RE = Repair
US = Used
WC = Water Conserving

Department of Administration, State of Minnesota, 2006.

Within the private sector, environmental responsibility is increasingly being acknowledged as simply a part of doing business by organizations worldwide. Annual reports, advertising, public statements, and corporate and company actions reflect a recognition of the importance of a commitment to environmental responsibility. Within the forest products industry this is manifested by widespread development and adoption of various forms of forest and wood products certification and an accompanying commitment to sourcing of wood supplies that are

verifiably legal. Even among forest products companies that have long enjoyed reputations as highly responsible environmental leaders, discussions in forests and boardrooms are different than only a few years ago, with clearly more attention to environmental concerns and a broader array of environmental measures.

An example of a stated commitment to corporate environmental responsibility is provided by Starbucks:

Starbucks is committed to a role of environmental leadership in all facets of our business.

We fulfill this mission by a commitment to:

- Understanding of environmental issues and sharing information with our partners.
- Developing innovative and flexible solutions to bring about change.
- Striving to buy, sell and use environmentally friendly products.
- Recognizing that fiscal responsibility is essential to our environmental future.
- Instilling environmental responsibility as a corporate value.
- Measuring and monitoring our progress for each project.
- Encouraging all partners to share in our mission.

In short, the *environmentally preferable products* and *environmental responsibility* genies are out of the bottle and unlikely to go away.

Socially Responsible Materials

Today, the concept of social responsibility in raw material and product purchasing is less well developed and accepted than environmental responsibility. Fundamentally, socially responsible materials or products are those acquired, produced, and distributed in such a way as to promote human rights, fairness, and decent working conditions throughout their global supply chains.

Social responsibility in the marketplace is most well developed in Europe where fair trade and ethical trade are recognized and promoted through product branding. As described by the European Commission, f*air trade* initiatives are designed to support marginalized producers in developing countries (most often in the agriculture and handicraft sectors) by improving their market access, guaranteeing fair prices and stability of revenues, and providing direct and advanced payments. Such products are brought to market through trading organizations that purchase fair-trade items from small producers and cooperatives and then sell them in specialized outlets (such as Oxfam) and through the use of fair trade branded or certified products that are sold through normal commercial channels. Examples of fair-trade labels used within the European Union are *Max Havelaar, Transfair*, the *Fairtrade Mark* and *Rattvisemarkt*.

Ethical trade focuses on such issues as labor rights throughout the supply chain, attention to the well-being of local communities and the rights of indigenous peoples, respect for laws and encouragement of ethical behavior within countries of origin, and environmental protection. Determination of adherence to ethical trade standards on the part of manufacturers or suppliers is

based on monitoring, auditing, and/or certification. An example of ethical trade labels is provided by those targeting the use of child labor in the production of rugs, clothing, toys, and other items.

Reporting Environmental and Social Performance and the Triple Bottom Line

It is increasingly common for businesses to refer to environmental and social performance in their communications. As noted by Tschopp (2003) "McDonald's issues a "social responsibility report." Levi Strauss & Co. maintains a code of conduct known as the "global sourcing and operating guidelines." Nike, GM, Canon, 3M, and Ben & Jerry's all issue similar types of reports on sustainability or social responsibility." There are now standards for reporting environmental and social performance, the best known of which are those of the Global Reporting Initiative (GRI).

A concept that has been discussed for some time that is now widely recognized by corporate leaders is the triple bottom line – financial, environmental, and social. Many of the largest and best known international firms, including Stora Enso, UPM-Kymmene, Proctor and Gamble, Patagonia, Ford, and IKEA today measure corporate performance using not only financials, but environmental and social measures as well. As a sign of changing standards for corporate performance and reporting, a number of leading accounting firms now offer consulting and analytical services on environmental and social issues.

Global Reporting Initiative™

"The Global Reporting Initiative's (GRI) vision is that reporting on economic, environmental, and social performance by all organizations becomes as routine and comparable as financial reporting. GRI accomplishes this vision by developing, continually improving, and building capacity around the use of its Sustainability Reporting Framework. An international network of thousands from business, civil society, labor, and professional institutions create the content of the Reporting Framework in a consensus-seeking process."

http://www.globalreporting.org

Making the Case for Corporate and Individual Responsibility

As recently as only several decades ago the world was a mysterious place. The Far East was, well, far away, as were the jungles of the Amazon and the diamond mines of South Africa. So, when raw materials or products from such places found their way into world markets most of those in the distribution chain knew little or nothing about the specifics of their origin, and had little opportunity to find out. However, rapid expansion of global multi-modal communication networks and air travel infrastructure has brought the far reaches of the world within the realm of ordinary citizens in developed and developing countries alike. Information is only a click of the mouse, a flick of the remote, an inexpensive plane ticket, or a call to a raw material or product certifier away. These changes have, in turn, changed literally everything.

It is no longer acceptable for a manufacturer to plead ignorance as to the origin of raw materials, or for a distributor to fail to use due diligence in seeking to understand fully the implications of producing, distributing, using, and disposing of goods in his or her product line. Distributors, large volume buyers, and individual consumers alike expect top quality at competitive prices, but they also increasingly expect verifiable assurances that neither environmental damage nor human misery is linked to their purchases. The world's leading firms have already discovered this reality, and are moving forward quickly to change the way that they do business. A similar and more broad-based trend now appears to be developing among smaller firms and across a number of industries.

The Bottom Line

Environmental and social responsibility are no longer esoteric academic concepts in the international community, but increasingly common measures of organizational performance within both the public and private sectors. Going forward, financial performance alone is unlikely to be viewed as a sufficient measure of success. A number of mechanisms and support networks are available today to organizations that wish to emulate societal leaders and embrace new ways of doing business. Changing the paradigm means thinking in new ways, adopting new strategies, developing new partnerships, and using new metrics for measuring performance.

For those who do care about impacts linked to corporate or individual consumption of materials it is important to translate that concern from a concept to a behavior. Individuals can proactively seek out products from responsible sources, and ensure that those companies they buy from regularly are aware of their interests and concerns.

Corporate leaders can begin to take greater responsibility for the impacts of products provided to customers. To a certain extent customers today are at the mercy of what is on the shelves. While the comment is often heard that "customers aren't asking for responsible materials," it is undoubtedly the case that customers aren't asking for irresponsibly produced materials either! With change clearly in the wind, it makes sense to place a high priority on beginning the learning process and adapting to a new reality.

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This report was prepared by

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