



Backgrounder:

Sustainability Purchasing Network Survey and Market Trends

December, 2006

The Sustainability Purchasing Network

Established in British Columbia in 2005, the Sustainability Purchasing Network (Network) connects corporate, not-for-profit, academic, labour, and government organizations in their sustainability purchasing efforts. The Network exists to educate, connect, and inspire action among organizations in their efforts to develop and improve sustainability purchasing practices. The Network intends to influence positive environmental, social, ethical, and economic impacts for British Columbia and beyond.

What is Sustainability Purchasing?

Sustainability purchasing is a management process used to acquire goods and services ("products") in a way that gives preference to suppliers that generate positive social and environmental outcomes, and that integrates sustainability considerations into product selection so that impacts on society and the environment are minimized throughout the full life cycle of the product. Sustainability purchasing entails looking at what products are made of, where they have come from, who has made them, and how they will be ultimately disposed—even considering whether the purchase needs to be made at all.

Survey Background

The Fraser Basin Council received funding in the fall of 2005 to launch a "Sustainability Purchasing Network" to help organizations improve their sustainable purchasing practices and advance sustainability in BC. The Network undertook a survey of current and potential participants to develop a portfolio of relevant and effective products and services.

This survey was distributed to 173 organizations, primarily in the Greater Vancouver area, to determine their key training and information resource needs as well as the degree and nature of their interest in peer dialogues and collaborative initiatives. It was distributed February 7, 2006, and generated a response rate of 39%, with 68 organizations completing the survey.

Survey respondents were primarily businesses; however, nearly one-quarter were non-profits, 13% from government, and the remaining a balance of labour, public institutions, and co-operatives. There was a balanced representation of micro (25 or fewer employees), small (26-250 employees), medium (251-500 employees), and large (over 500 employees) companies. The survey found that 75% of responding organizations have sustainability purchasing efforts underway.

The Sustainability Purchasing Network, a program of the Fraser Basin Council, includes a 12-member Steering Committee dedicated to achieving a positive impact on society and the environment through strategic supply chain management. Network sponsors include BC Hydro, Bell, Hemlock Printers, The Co-operators, The Ethical Funds Company, Fraser Basin Council, Mills Basics, Mountain Equipment Co-op, Novex Couriers, Tides Canada Foundation, Vancity and Salt Spring Coffee.



Market Trends and Sustainability Purchasing

Businesses, governments, and organizations around the world are developing sustainability purchasing policies and programs to manage social and environmental issues in their supply chains, reduce their impact on the environment, and align their purchasing practices with their values. Operations along supply chains (involving procurement) can overlap with issues of corporate risk and reputation, and many more companies now view sustainability procurement as an important business issue. Increasingly, BC organizations are using the power of purchasing to influence change in the marketplace to improve environmental and social conditions.

On the following pages are details on the purchasing policies of several organizations now engaged in sustainability purchasing:

The City of Vancouver
Vancity
The Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games (VANOC)
Bell Canada
Hemlock Printers
Mills Basics

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Purchasing Organizations

City of Vancouver

The City of Vancouver's Ethical Procurement Policy and the associated Supplier Code of Conduct currently covers purchases made by the City attributed to food and clothing goods and services. The policy specifies standards associated with workplace conditions, labour practices, health, safety, and the environment. The current policy represents a purchasing power of roughly \$400,000 dollars per year.

In October 2006 Council ratified a recommendation to expand this policy to include a broader number of goods and services.

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Vancity

Vancity Credit Union's Procurement Policy and the associated Ethical Policy (2003) govern all corporate purchasing decisions, representing an annual purchasing envelope of \$75 million.

The policy specifies standards associated with ethical business practices, environmental leadership, respect and fair treatment, and healthy and peaceful communities. In 2005, Vancity introduced a new corporate target, namely, to become carbon neutral by 2010. As part of its strategy, Vancity will be including a performance standard in all future "requests for proposals" which requires suppliers to specify how they and their services work to minimize their carbon footprint.

Vancity is committed to working to manage social, environmental, and ethical issues in its supply chains, as well as expanding sustainability purchasing know-how in the broader community through the Sustainability Purchasing Network.

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The Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games (VANOC) Sustainable Procurement

Sustainability is a major component of the VANOC procurement activities. By integrating sustainability principles of environmental performance, aboriginal participation, and social inclusion within the core procurement processes, VANOC will employ one of its most effective tools toward hosting a successful and sustainable 2010 Winter Games. It is expected that such sustainable procurement activities will stimulate market demand for sustainable practices, products, services, and technologies, thereby increasing sustainability awareness within and beyond the Olympic Movement.

VANOC will apply the sustainability objectives to contracts for goods and services through the integration of sustainability into the procurement process. This integration includes the following key activities:

- Establishing generic and customized sustainability specifications for bid documents; the customized sustainability specifications are developed for strategically targeted opportunities;
- Developing sustainable proposal evaluation criteria and weightings as an important factor in competition among suppliers and licensees;
- Incorporating sustainability performance requirements and objectives as contractual requirements with the successful proponents;
- Monitoring supplier and licensee performance towards achieving VANOC's sustainability objectives; and
- Publicizing significant success stories as a means of spreading awareness.

The implementation of sustainable purchasing activities throughout VANOC will be achieved through staff training workshops and other tools.

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VANOC — Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games
COVAN — Comité d'organisation des Jeux olympiques et paralympiques d'hiver de 2010 à Vancouver



BELL Canada - Olympic Sustainability Strategy

Bell Canada has been connecting communities for more than 126 years and is committed to remaining a responsible contributor to the communities in which they do business. Bell believes that by balancing economic, environmental, and social objectives, they minimize risks, seize new opportunities, and in many instances, realize significant collective gains.

Bell is committed to seeking products and services from responsible suppliers: people and companies who demonstrate a strong commitment to sustainable development and adopt health and safety, labour, and ethical principles that ensure the well-being of their employees. All new suppliers are required to complete an environmental questionnaire; environmental considerations are part of all contract negotiations, followed by ongoing monitoring.

Bell measures suppliers on indicators, such as the registration of environmental standards and ability to transact business electronically.

In 2005, Bell had nearly 6,000 suppliers across Canada helping the company serve 28 million customer connections. As a Premier National Partner to the 2010 Olympic and Paralympic Winter Games, Bell will deliver a value-in-kind commitment of \$60 million—to supply wireless and connectivity solutions to stage and broadcast the Games—serving a final audience of more than two billion people. Purchasing guidelines for the Olympic technology build include third-party environmental assessments, re-use of existing infrastructure, recycling of conduits, ducts, construction materials and telecom infrastructure, replacement of vegetation, and the use of online technologies to reduce paper documentation.

For information on Bell's products and services, please visit www.bell.ca, and for corporate information on BCE, please visit www.bce.ca.

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Suppliers

Hemlock Printers

Hemlock, a locally owned and operated printing business, has been working closely with clients, not-for-profit organizations, and paper mills to scale up the demand for environmentally progressive printing papers with a reduced environmental footprint. Hemlock subscribes to standards set out by the internationally recognized Forest Stewardship Council (FSC) certification program, and has established internal systems that foster preference by clients to FSC certified papers and greater post-consumer recycled content.

By educating clients on environmentally sound paper choices, Hemlock has seen a 52% increase in FSC certified paper purchases in its second year as a FSC certified printer compared with its first year (a FSC certification date in May 2004). Recognizing the growing demand for environmentally progressive papers among its client base, and an increased supply availability of FSC-certified papers, Hemlock has set a target to print exclusively on FSC certified papers, with preference given to papers with higher post-consumer waste content by July of 2008. Hemlock's annual paper consumption is 4500 tonnes—over four million kilos. To provide a snapshot of the environmental opportunity, by converting half of its annual paper purchases to 100% post consumer waste recycled content, the following reductions in natural resource use would be realized: 54,000 trees, 20,000 gallons of water, and 9.4 million lb CO₂ emissions. (*Estimates are made using the Environmental Defence Paper Calculator, www.papercalculator.org*)

On the supply side, Hemlock is on a path of influencing key suppliers and paper mills to increase recycled content, and to join the FSC chain-of-custody certification system. *On the demand side*, Hemlock continues to collaborate with, and provide education for, the local purchasing community. The Sustainability Purchasing Network and its workshops and learning circles are invaluable in this regard.

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Mills Basics

Mills Basics, a locally owned office products retailer and printer, has served the Greater Vancouver Area since 1949. For the last five years, Mills has offered a wide assortment of sustainable products, including such items as copy paper, pens and markers, desk accessories, and recycled printer cartridges.

Since 2004 market demand for its sustainability product line has grown considerably. A 30% post consumer content paper line was added to the Basics label in 2004. By the end of that year, sales of this product represented a mere 3% of all bond paper products sold (2,858,000 of a total of 91,628,000 sheets). At the end of 2006 (September year-end), 30% post consumer copy paper represented 47,559,000 sheets sold (of the total 181,015, 000 sheets of bond paper products), representing a jump to 26% of total bond paper being sold. The paper line is offered at a competitive price.

In spring 2006, the Pilot Pen Corp of Japan choose Mills Basics to introduce its new *Be Green* line in the market. The *Be Green* line includes pens, markers, and highlighters made of at least 70% post consumer content, with the same quality and price as their original counterparts. After a successful pilot phase and positive response from customers, the Basics National Office has added these products to the 2007 Basics catalogue. Mills anticipates the sales of the *Be Green* line will take a portion of the non-post-consumer product sales.

In accordance with its own corporate responsibility, Mills Basics also offers such services as empty printer cartridge pick-up for recycling, cardboard box pick-up, and a hiring policy for underprivileged downtown eastside residents through the BOB (Building Opportunities through Business) program.

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