



GLOBAL SUSTAINABILITY UPDATE

One of the world's most active and influential groups working in the field of sustainability in commerce and industry is the **GreenBiz Group**. They have recently joined with the **Trucost** organisation, which specialises in the measurement and reporting of sustainability data, to produce their seventh annual report "**The State of Green Business 2014**" which is packed with information and insights likely to be helpful to anyone in the flooring industry who is involved in their company's efforts to be greener. The report is sponsored by **Price Waterhouse Cooper** supported by companies such as **Intel**, **Steelcase** and **BASF** and is available free on the GreenBiz website www.greenbiz.com. I cannot possibly do justice to the 100 page plus report in one article but I would like to highlight some of the points that they make which I feel are relevant to the world of flooring.

Overall they conclude that despite many positive and strong initiatives by companies around the world we cannot, as yet, see any measurable improvement in sustainability from data currently available. Apparently some of the positive impacts are being cancelled out by the recovery in the growth of global trade and the insatiable demand for goods in developing markets. However the report shows a significant positive shift in attitude and outlook by companies, investors and customers and a greater understanding by the public of the complex issues involved. There are also a number of new possibilities brought about by developments in technology which suggest that the measurable impacts looked for are simply taking longer to arrive than hoped, but arrive they will.

The report stresses that term "*Sustainability*" is somewhat narrowly focused and is taken to be synonymous with purely environmental issues such as preserving icebergs, rainforests and attractive animals like polar bears. These are clearly important but effective change cannot be achieved without the integration of environmental concerns with political, economic and social issues. For example no UK government could implement a green national energy policy without balancing all of these. Get it wrong and this would significantly increase the costs of our goods and services and potentially lead to wholesale jobs losses to countries with lower energy costs thus creating significant UK unemployment and poorer housing conditions as a result of increased fuel poverty. Oversimplification is reflected in some company sustainability reports and in their green claims with too much focus on issues such as recycling and energy and not enough on the environmental, social and economic impacts created throughout their supply chains. Sustainability includes the need to help create decent working and living conditions in countries supplying goods and raw materials and a concern for and action against the unsustainable way some resources such as wood and cotton are produced. There therefore seems to be a need for a useful working definition of "*Sustainability*?" I have always liked the definition provided by **Friends of the Earth, Scotland** which is neat and almost poetic in its simplicity:

"Sustainability encompasses the simple principle of taking from the earth only what it can provide indefinitely, thus leaving future generations no less than we have access to ourselves."

Friends of the Earth Scotland

However perhaps we need to use something a little less elegant if we are to include all of the key issues. The following from the **Thomas Jefferson Sustainability Council** may more closely meet the requirement and perhaps provides a more holistic checklist for any flooring company trying to assess their own sustainability profile

"Sustainability may be described as our responsibility to proceed in a way that will sustain life that will allow our children, grandchildren and great grandchildren to live comfortably in a friendly, clean, and healthy world. This requires that people:

- ***Take responsibility for life in all its forms as well as human work and aspirations;***
- ***Respect individual rights and community responsibilities;***
- ***Recognize social, environmental, economic, and political systems to be inter-dependent;***
- ***Weigh costs and benefits of decisions fully, including long-term costs and benefits to future generations;***
- ***Acknowledge that resources are finite and that there are limits to growth;***
- ***Assume control of their destinies;***
- ***Recognize that our ability to see the needs of the future is limited, and any attempt to define sustainability should remain as open and flexible as possible."***

Thomas Jefferson Sustainability Council

The report lists the main environmental impacts from manufacturing and commercial activities and describes a methodology and the metrics for attaching a monetary cost to these impacts which is known "Shadow Pricing". One of the conclusions is that if companies paid for their environmental impacts by way of taxes or levies then their profits would be wiped out. The report concludes that, although there are a great many, around 89% of environmental impacts come from just three sources:

- ***Greenhouse gas*** emissions of all types – **59%**
- ***Water abstraction*** – the process of taking water from any source, for irrigation, energy production, manufacturing, drinking water or other uses – **26%**
- ***Acid Rain and smog*** related emissions – including sulphur dioxide, nitrous oxides and ammonia for acid rain and nitrous oxides and carbon monoxide which form smog – **4%**

Looking at the Construction and Construction Materials industry then 23% of these impacts are said to come from the industry and 77% from the supply chain. This clearly demonstrates the need to look at whole life cycle impacts of manufacturing and commercial activities. The financial costs incurred as a result of these impacts such as, handling waste, clearing up pollution, dealing with human health issues and water shortages created around the world are reported to be running at around twice the revenues created by these activities. The report identifies 10 key sustainability trends that are emerging and gives examples from companies as diverse as **MillersCoors, Deloitte Consulting, Microsoft** and **MIT**. I will mention 4 of these which I found of particular relevance and will report on the others in a later article in this series. There have been notable developments in the following areas:

Collaborative efforts involving competitor companies and their supply chains are becoming increasingly effective in producing significant change in sustainable commerce. For example **McDonalds** while only purchasing around 2% of the world's beef is leading the way in converting a

million producers and suppliers to sustainable production with the cooperation of the **WWF** and **Rainforest Alliance**. There are now industry wide round table groups working on issues such as Sustainable Forests, Better Cotton Initiative, Responsible Mining Assurance and Sustainable Manufacturing. I have previously reported on the activities on the ZDHC group of major textile manufacturers and retailers committed to reducing hazardous discharges from their supply chains to zero by 2020. The Flooring Sustainability Partnership here in the UK is looking to work together on reducing waste across the whole flooring supply chain.

Chemical transparency is part of the effort to remove the most problematic chemicals from products and supply chains and is growing in momentum. I have reported extensively on developments in the REACH regulations and other legislation which is appearing around the world which is driving this together with the demands from brand leaders for full disclosure of chemical content from suppliers. I understand that the HSE is stepping up REACH enforcement activity in the flooring supply chain.

Green Energy now represents an increasing percentage of world power production having risen from 18.89% in 2008 to 20.34% in 2012. The most interesting development here is probably the new battery technologies now emerging which will allow the storage of surplus green energy created while the sun shines and the wind blows thus greatly increasing their efficiency and reducing costs.

Net Positive Buildings have developed after a phase when having a green building was a cause of much publicity and celebration. Now the standards set for green building status –such as the LEED certification programme - are seen as unchallenging and in most developed countries this is simply the norm for new buildings. A new generation of high performance buildings is emerging around the world which attain “net zero” use of energy, water and creation of waste.

All of the above provides challenges and opportunities for the flooring industry.

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