



BSR Conference 2010
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Closing the Loop: Minimizing Product Life-Cycle Impacts

Breakout Session Summary
Wednesday, November 3, 2010 | 2:45-5 p.m.

Speakers

- » **Paul Holdredge**, Product Stewardship Program Manager, Design for Environment, GE Healthcare
- » **Tom Polton**, Lead, Environmental Sustainability, Pfizer
- » **Robert C. ter Kuile**, Senior Manager, Energy and Climate Change, PepsiCo International
- » **Joel Tickner**, Associate Professor, Department of Community Health and Sustainability, University of Massachusetts Lowell
- » **Raj Sapru**, Director, Advisory Services, BSR (moderator)

Highlights

- » While companies increasingly quantify and communicate product sustainability attributes, the demand for increased transparency will likely lead to a need to communicate disaggregated and local impacts.
- » Life-cycle assessments and carbon footprints are not solutions in themselves; they are tools for helping companies identify opportunities for improvement.
- » Tools and indicators for measuring and communicating product sustainability should incorporate sector-specific considerations to allow appropriate comparison, but also provide flexibility to account for such differences as production region.

Memorable Quotes

"When we introduce a new material, one of the first questions I ask is, what will we do with it when it hits the recycling facility?"—Paul Holdredge, GE Healthcare

"Retailers are trying very hard with very limited skill sets and capacity to understand the chemicals in their supply chains and assess them. They are trying to move their supply chains toward safer materials."—Joel Tickner, University of Massachusetts Lowell

"A life-cycle assessment is really meant to help inform reduction activities. If you're doing it so that you can put a number on a package, there's no value there. The value is in knowing where your impacts are so that you can reduce them."—Robert C. ter Kuile, PepsiCo

Overview

Innovation for sustainability was a theme of this session. Sapru began by citing a GlobeScan survey that found that the top two activities in which business is showing leadership are innovating for sustainability and demonstrating positive social and environmental impacts. Sapru emphasized that while focusing innovation solely on sustainability may seem a lofty goal, there is evidence that many companies are on that journey. He then invited the panelists to speak about their approaches to developing more sustainable products.



At GE Healthcare, Holdredge's role is to integrate environmental sustainability criteria into the product design process. He approaches this through three key areas: materials, energy, and recycling (or end-of-life). While environmental compliance may have been the entry point, and increasing regulation is an ongoing driver, Holdredge aims to incorporate environmental goals into design beyond what is required. To reach this goal, he focuses on engaging design engineers, where his main challenge is to frame his work in a way that is not only accessible to engineers, but can also be incorporated naturally into the design process. He also looks for cues and inspiration from internal champions and knowledge centers, customers, and the regulatory landscape. In striving to stay ahead of the curve, Holdredge said he is very aware of the necessity and the challenge of trying to understand where sustainability drivers, constraints, and regulations will lead in the next five to 10 years.

Focusing on first steps, Polton said a product stewardship perspective had allowed Pfizer to provide an overarching story for some of its sustainability efforts. Once the pharmaceutical giant started looking at product stewardship, it realized that it was actually doing quite a bit—through green chemistry, green packaging, and a strong supplier evaluation program—but it lacked a cohesive way to talk about it. Polton said he is also looking for external signals and benchmarks to compare Pfizer's products to those of its competitors.

On improving product impact, ter Kuile spoke about PepsiCo's approach to product sustainability and the importance of stakeholder engagement and partnerships with suppliers. While the company has had great success—in its own manufacturing facilities, with key suppliers, and with many co-product manufacturers—replicating these efforts throughout the supply chain remains a challenge. He emphasized that while carbon footprinting had provided a good start, the company saw the need and opportunity to go further.

Tickner discussed many of the challenges in developing sustainable products. With expertise in green chemistry, Tickner emphasized that one of the most significant challenges is an inability to procure product chemical data. While many companies focus on getting data from first-tier suppliers, Tickner said, it is virtually impossible to get chemical data beyond that level. Given this lack of visibility, ensuring consumer safety is already a significant challenge, and ensuring safety throughout the supply chain is an even greater one. Tickner highlighted the role of consumers and retailers in driving more sustainable, safe product development.

The audience then split into breakout groups, in which participants had the opportunity to discuss challenges with each of the panelists. Issues included how to create an industry using waste as an input (with transport distance and small volume as barriers), securing internal resources, the cost of finding and implementing alternatives, and how to account for regional differences within global frameworks and standards.

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