



The Sustainability Consortium (TSC)

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- Use of products by members



Today, the world is facing alarming sustainability challenges on multiple fronts.

How do we create a world in which people are living well and businesses can prosper within the limits of the planet?



By 2050, world population will surpass **9 billion** which requires active conservation of cropland, freshwater, energy, and biological resources

By 2020, global emissions will **increase by 33%** from 2002 levels which translates into a loss of 5% of annual GDP if no action is taken



Over **1.4 billion** people in developing countries live on \$1.25 a day or less

1.6 billion people are facing water shortage



Source: McKinsey Global Institute; World Economic Forum; The Guardian; The Climate Group, SMART 2020; IFAD Rural Poverty Report 2011



The Sustainability Consortium improves decision making for product sustainability throughout the entire product life cycle across all sectors.



“Enabling the consumer goods industry to do things that matter about things that matter.”



Vision

To advance science to drive a new generation of **innovative products** and supply networks that address environmental, social, and economic imperatives



Mission

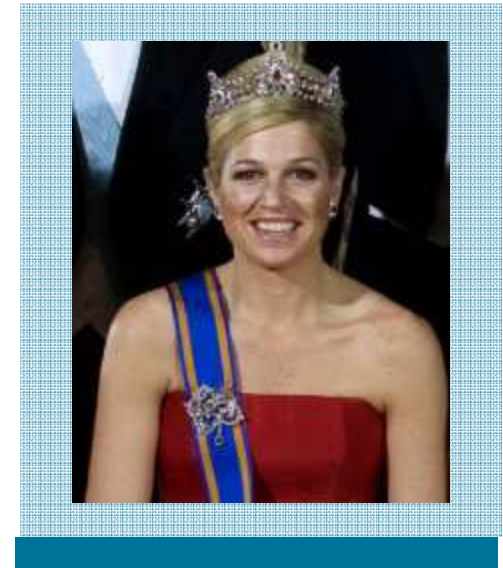
To design and implement credible, transparent and scalable science-based **measurement and reporting systems** accessible for all producers, retailers, and users of consumer products

Source: The Sustainability Consortium

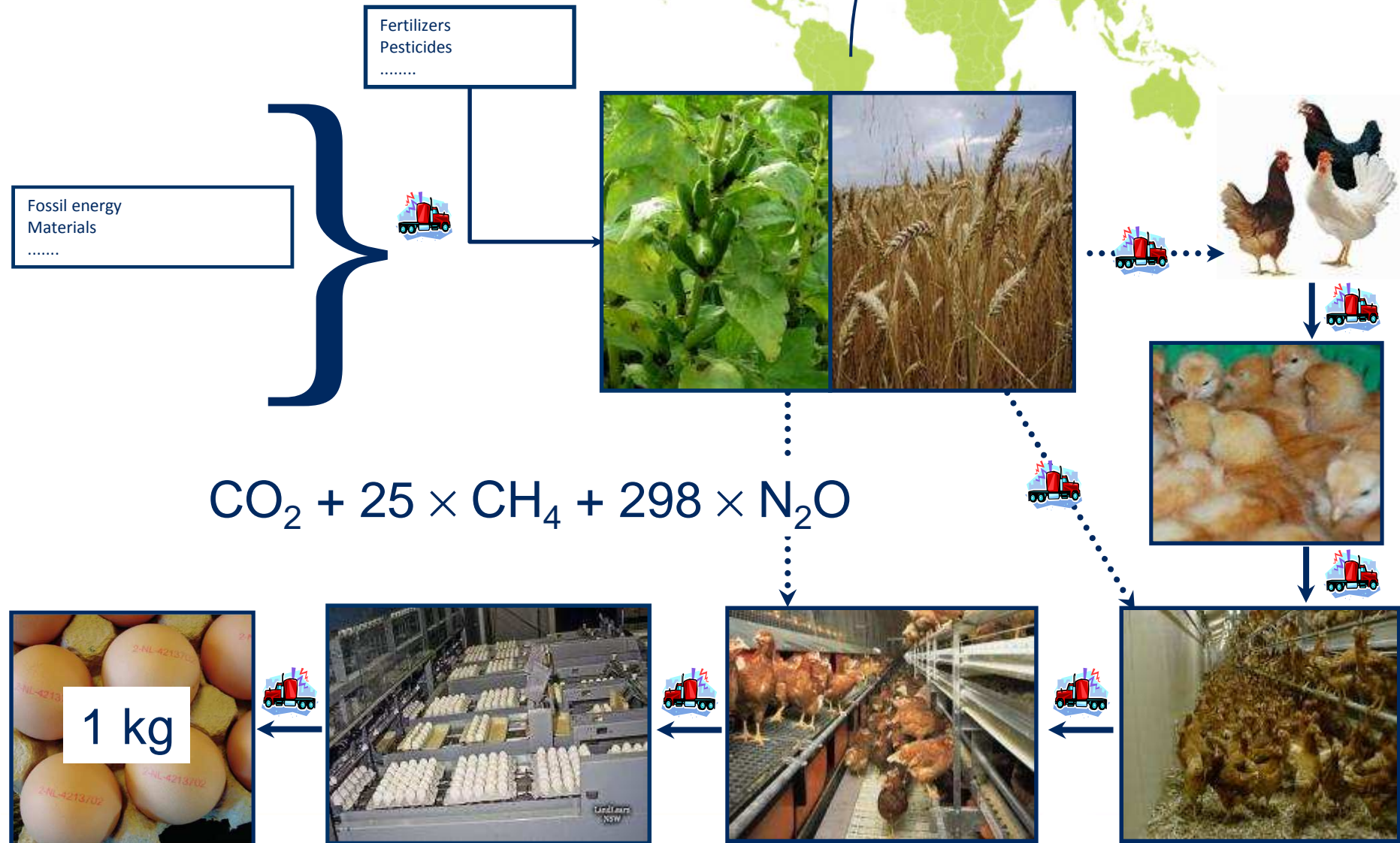


TSC Introduction

- ▶ Sustainability on product level using life cycle thinking
- ▶ Co-operation between Universities, NGO's and business
- ▶ Wageningen UR European coordinator
- ▶ Independent organisation
- ▶ Financing by company members (Support Universities, Defra, Dutch Min. of Economic)
- ▶ Started in July 2009
- ▶ All consumer (retailers) products
- ▶ Environmental and Social issues
- ▶ Offices in Europe, North and South America and Asia



Life cycle – table egg



Addressing product sustainability will play a big role in resolving challenges.



Nitrogen



Transportation



Dishwashing at Home



Raw Materials Extraction



Manufacturing of Components



At Home Usage



Cotton Production



Worker Health



Machine Washing & Drying



Source: TSC Product Category Dossiers



TSC is uniquely bringing together stakeholders and creates unparalleled opportunity for collaboration.

Credibility

Leading universities and NGOs using science-based approach to identify areas of adverse impact in the supply chain

Efficiency

Minimizing multiple similar efforts and reducing supplier burden of variable information requests

Harmonization

Creating clear agreed upon terms and definitions by all stakeholders
Identifying common life cycle stage metrics and reporting categories



Source: TSC



TSC is developing tangible tools to enable sustainable innovation across the value chain.

Current output

Future output



Product Category Level

- Broad product categories
- Qualitative assessment of hotspots¹



Product level

- Product-specific
- Quantitative tool to benchmark against baseline
- Impact

1 Areas of adverse environmental and social impact across product supply chain



TSC product category output has 3 major components...

Category Dossier



Collection of evidence on
product category
environmental and social
hotspots, and
improvement opportunities

Category Sustainability Profile (CSP)



Synthesis of product sustainability knowledge and improvement opportunities

Key Performance Indicators (KPIs)



Questions to measure and track product category sustainability

Source: TSC



TSC example Pork

Category Dossier	Category Sustainability Profile (CSP)	Key Performance Indicators (KPIs)
<p>Feed production hotspot:</p> <ul style="list-style-type: none">• Energy > 50% (Cederberg et al. 2009)• GHG >50% (Dalaard, 2007)• Nutrients (de Vries en de Boer, 2010)• Land use (Dolman, 2012)• Etc.	<p>Improvement opportunities:</p> <ul style="list-style-type: none">• Feed conversion• Feed additives• Feed formulation• Benchmarking• Precision agriculture	<p>KPI:</p> <ul style="list-style-type: none">• Feed conversion• % of pork fed with additives• Management/ guidelines/goals feed ingredients production

Source: TSC

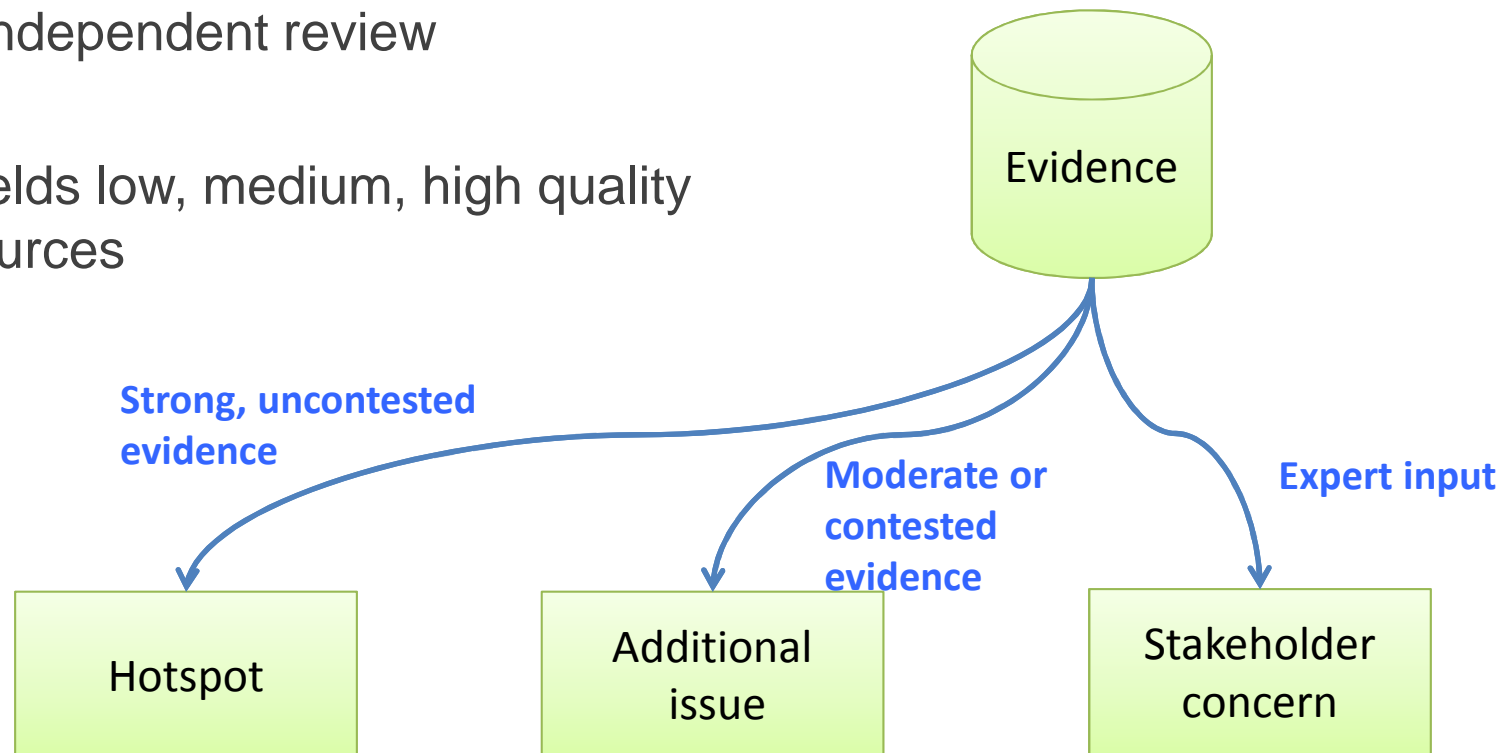


First we apply a decision tree to determine the quality of each source of evidence

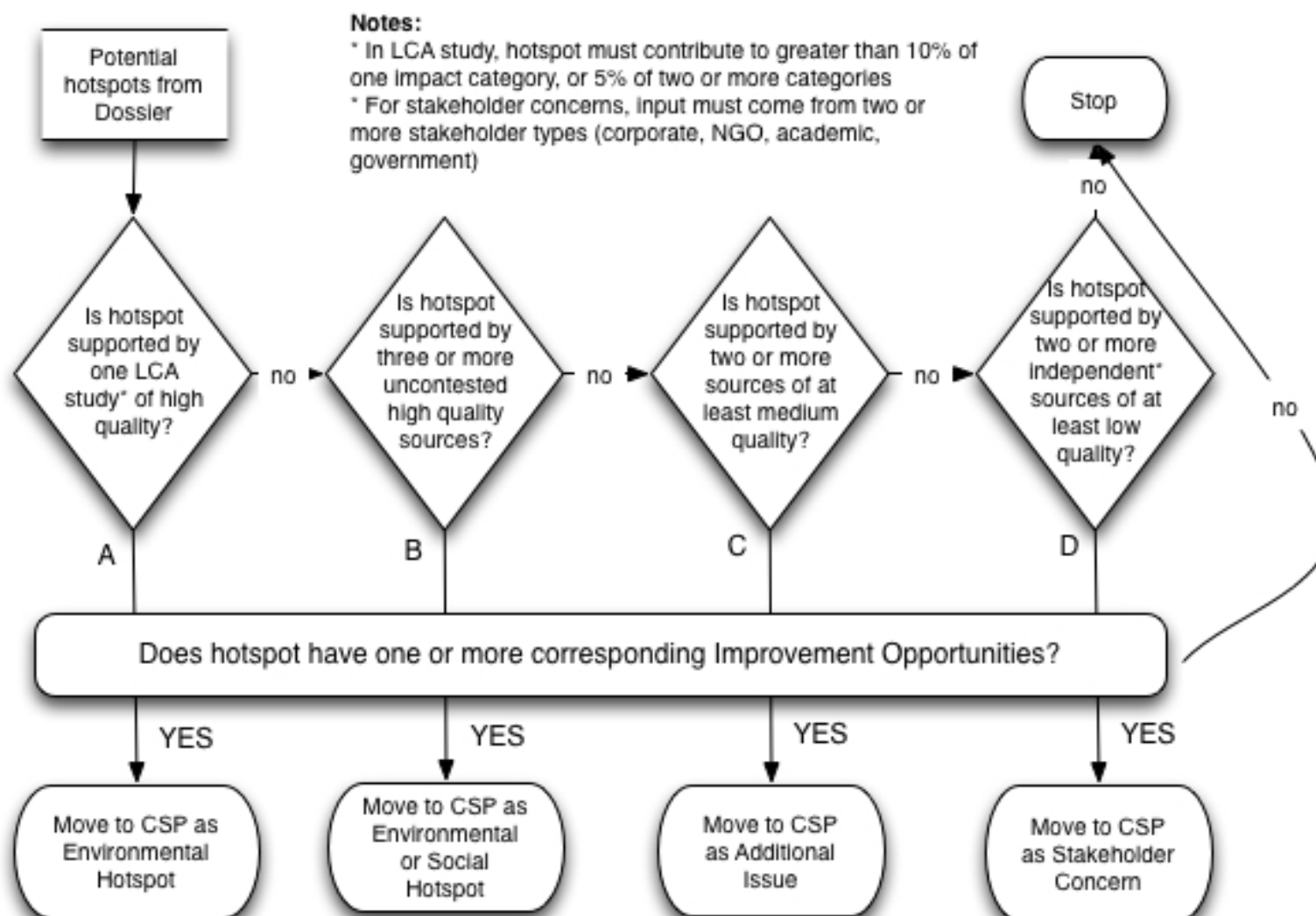
Each source measured by level of

- Transparency
- Independent review

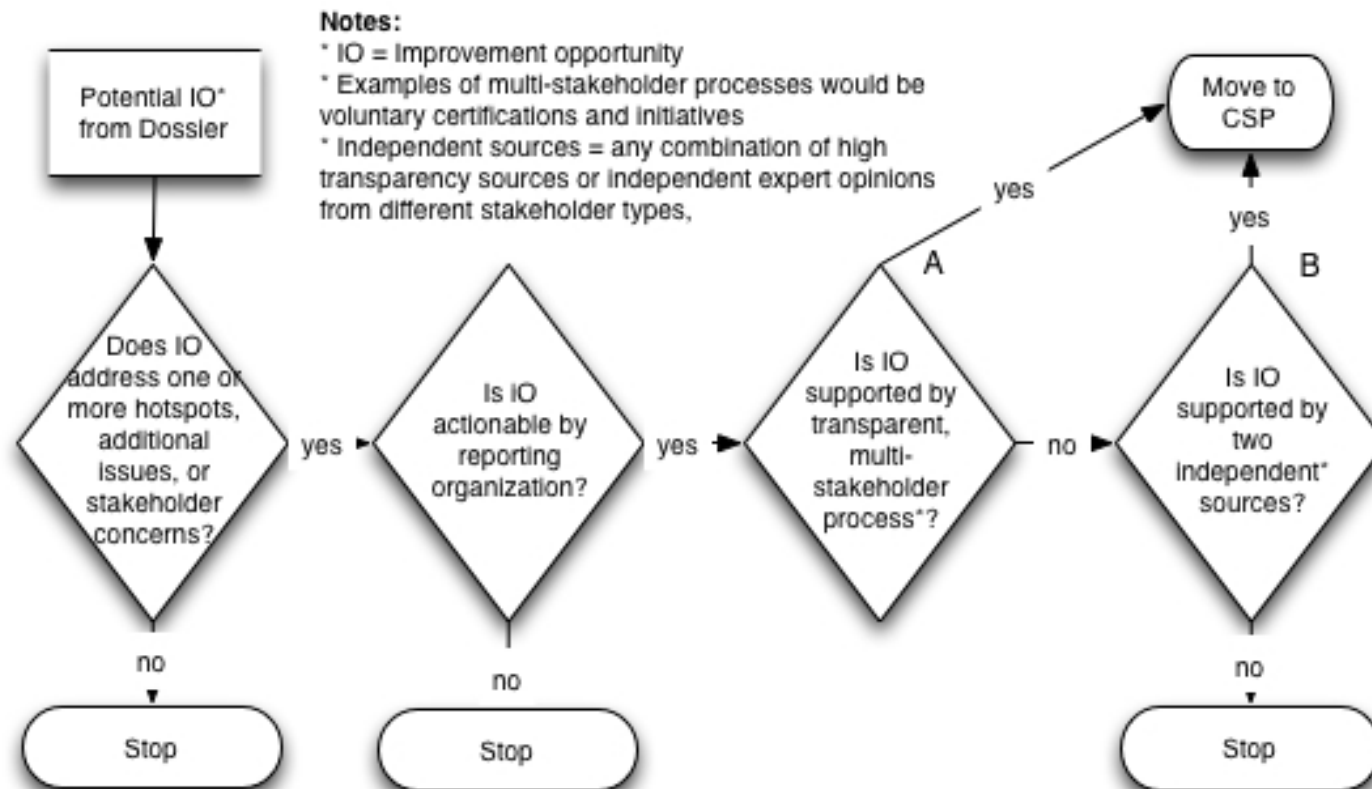
Yields low, medium, high quality sources



CSP Hotspot Decision Tree



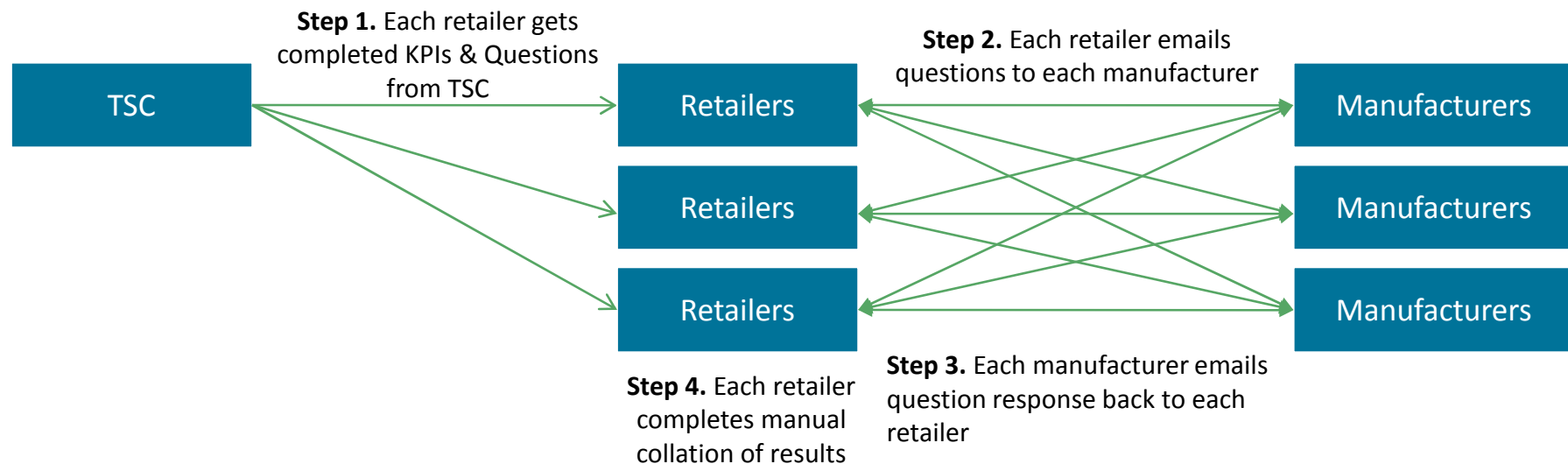
CSP Improvement Opportunity Decision Tree



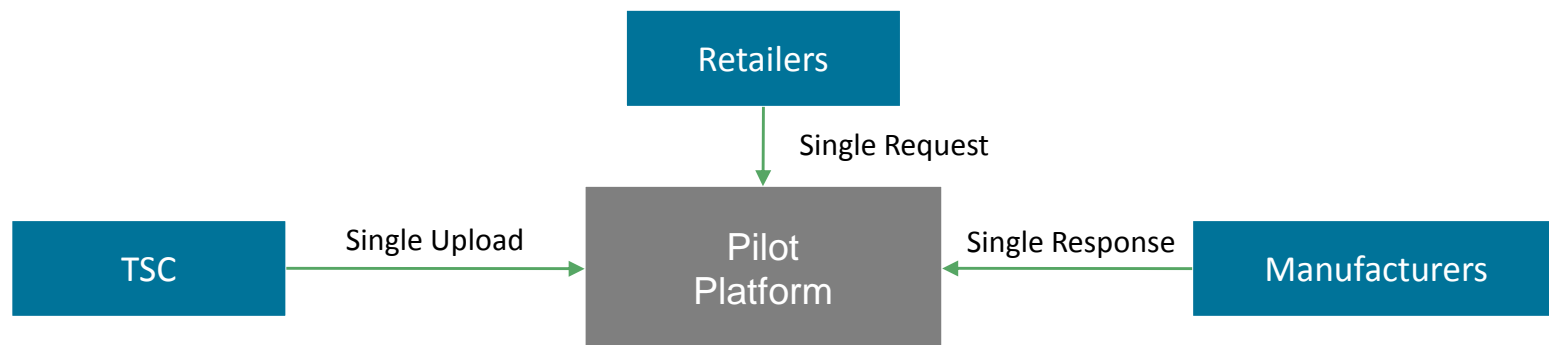
Pilot Reporting Platform

A simple software tool can cut significant time and effort for everyone involved

“Manual” Process



Process with Pilot Reporting Platform



Use of Product Category results in practice – Exchange of KPI scores

- Wal-Mart
 - Batch 1: 3000 suppliers responsible for 40 billion dollars of sales
 - Batch 2: 2000 suppliers
 - Batch 3: Starting soon
 - Toy wires: Save wires good for 8 times around the world
- Delhaize and M&S: Batch 1
- Ahold
 - Start 1st of January 2013
 - All own branded products by 2015
 - Co-operation with farmers organization (ZLTO) and Rabobank
- Pilots IT tool:
 - BASF, Disney, SAP, Mars, So Delicious Dairy Free, Darden and Best Buy



Product categories

Batch 1 (Finished August '12) and Batch 5

- Computers, Monitors, Televisions, Mobile Devices, Printers
- **Beef, Milk**
- Laundry Detergent, Surface Cleaners, Showering Products
- Toilet Tissue, Copy Paper
- Plastic Toys
- **Grains, Packaged Cereals, Bread, Beer**
- **Cotton**
- **Farmed Salmon**
- **Wine**

Batch 2 (Finished Nov '12)

- **Beans, Nuts, & Oils**
- CDs and DVDs, Printer Ink
- **Dairy**
- Paper- Facial tissue, greeting cards, paper towels
- Personal Care - Baby diapers, baby wipes, feminine/nursing hygiene
- **Produce**
- Small appliances
- **Sugars & Syrups**
- **Tea & Coffee**
- Plush toys

Batch 3 (Dec '12 – May '13)

- Aerosol air fresheners
- Hand & body lotion
- Lumber
- **Bananas**
- **Chocolate**
- **Farmed shellfish**
- **Wild caught fish**
- **Eggs**
- **Chicken**

Batch 4 (Feb '13 – July '13)

- **Berries/Small Fruit**
- **Pome fruits (Apples)**
- **Citrus**
- **Pork**
- Small Batteries
- Bicycle
- Hand Tools (unpowered)
- Flatware
- Aerosol air freshener



How are we different from others?

- ▶ Global
 - ▶ All sustainability issues
 - ▶ All consumer products
 - ▶ Implemented on large scale by business (1,2 Trillion Euro, 15 million employees)
 - ▶ Main stream (no small segment)
 - ▶ Concentrate on issues that matter
 - ▶ Strong link to improvement opportunities
-
- ▶ Impact!



TSC's membership represent over \$1.5 trillion in revenue...



...and are dedicated leaders in sustainability



TSC's working group structure focuses on major consumer goods sectors.



The Retail Consortium Working Group consists of Tier I retailer members

The Measurement Science Consortium Working Group consists of Tier I members



Four years ago, when I received an email from the wine team asking for an attribute in bulk shipping, **I would have spent two weeks on Google, and talking to people about wine, trying to understand if bulk shipping counted.** I probably would have told them no. My buyer would have sulked, given up on sustainability and we would have not made process in the wine category. **This year, I looked up the information in The Consortium's CSP's and KPI's.** I then checked this information against the supplier and wrote an email back that day approving the category.



Carmel McQuaid, Marks & Spencer



Voorbeelden TSC meetings

- 
- 1 april – 1 mei: Invullen vragenlijst rundvlees/zuivel
 - 15 Mei 13.00 -15.00 All members meeting: Bespreken KPI's Chicken/Eggs
 - 15 Mei 15.00 – 17.00 Update Werkgroep Food, Beverages and Agriculture
 - 15 Mei 9.00 -12.30 Supply Chain Taskforce Food
 - 28 Mei 17.00 – 18.00 Webinar Measurement Science: Impact Categorieën, Vragenlijst
 - 30 Mei 16.00 – 17.00: Webinar Dossier granen
 - 30 Mei 17.30 – 18.30: Webinar Dossier rundvlees/zuivel
 - 4 juni 18.30 – 19.30 Webinar CSP varkens
 - 19 juni 20.30 – 21.30 Webinar Verpakkingsgroep
 - 24 juni 17.00 -18.00 Webinar Algemene update SMRS

All members meeting Atlanta: 260 deelnemers

Tuesday morning

9:15-9:30 The Sustainability Consortium - Kara Hurst, CEO

9:30-10:15 Wal-Mart en Miller Coors: TSC in practice

10:15-11:15 New Developments in Implementation TSC products

11:15-12:00 Experiences pilots SAP Tool

Tuesday afternoon

13.00 – 17.00 Workshops

Introduction TSC, Food Waste, Plastics, IT Tool, Land use, EU footprint, Fertilisers, Metals, GIS tool commodities, Packaging

Wednesday morning

8.30 – 12.00 Supply Chain Taskforce: Tools and data exchange in supply chain

Wednesday afternoon

13.00 – 17.00 Food Beverages and Agriculture Working group

Thursday morning

8.30 – 12.00 Retail en Measurement Science

Thursday afternoon

13.00 -17.00 Corporate Advisory Council/Civil Society Council: Strategie TSC, meeting met Board, Business model etc.

Membership Dues Contributions

Corporations	Civil Society Organizations	Regulatory Entities
Tier I \$100,000 Annually (companies with more than \$500m annual revenue) \$25,000 Annually (fewer than 500 employees and/or less than \$500m in revenue)	Tier I \$25,000 Annually (non-profits with annual net assets more than \$50M US) \$10,000/Year (annual net assets less than \$50M US)	All Members \$10,000 annually
Tier II \$50,000 Annually (companies with more than \$500m annual revenue) \$10,000 Annually (fewer than 500 employees and/or less than \$500 in revenue)	Tier II \$10,000 Annually (non-profits with annual net assets more than \$50M US) \$5,000 Annually (annual net assets less than \$50M US)	

NOTE: All dues contributions are paid through a 501c3, institution of higher education. Consult a tax professional about the tax deductibility.

Scientific American

- Scientific American publishes top 10 World Changing Idea

“Innovations that will radically alter our lives”

- December 2012 list: The Sustainability Consortium
- TSC is labeled by Scientific American as the overarching measurement and reporting system.





THE SUSTAINABILITY CONSORTIUM

*The Sustainability Consortium is administered by
Arizona State University and University of Arkansas*

ASU GLOBAL INSTITUTE
of SUSTAINABILITY
ARIZONA STATE UNIVERSITY

 UNIVERSITY OF
ARKANSAS

 **WAGENINGEN UR**
For quality of life