



Responsible Purchasing Trends

Acknowledgments

Appreciation is owed to the members of the Responsible Purchasing Network (RPN) for all they do to shift procurement dollars in a responsible direction and for taking the time to tell us. Without their pioneering work and active participation in RPN, this report would not have been possible.

In particular, we deeply appreciate Dianne Lancaster, Jack Galt, and Nicole Smith, at the National Association of State Procurement Officials (NASPO), for partnering with RPN on this project and assisting in collecting survey responses from joint NASPO-RPN members.

Thanks also to Anne Maynard, Kim Puchir, and Dave Tilford at the Center for a New American Dream for assistance in designing the survey, working with members to maximize responses, and helping to edit and format the report.

Finally, we wish to thank TerraChoice Environmental Marketing, with whom we partnered to produce the 2007 and 2008 EcoMarkets reports, the forerunner to this Responsible Purchasing Trends Report.

Seán Sheehan



Special Projects Director,
Center for a New American Dream
Report author

Report Methodology

In February 2009, we surveyed 211 members of the Responsible Purchasing Network (RPN) and received 135 responses. Because RPN is a network comprised of voluntary members, the survey results represent self-selected organizations and therefore likely tend to reflect pioneering rather than mainstream practices.

Due to self-selection, there is no statistical margin of error, as there would be in a representative poll. However, accuracy is limited by respondents' consistent interpretation of questions and access to correct answers.

Results are presented in three main ways:

- 1) Data from the 2009 survey results – as a snapshot of the collective impact of RPN members;
- 2) Comparisons between all 54 responses from 2008 and all 135 responses from 2009 – to show network-wide developments and trends.
- 3) Comparisons between the 40 “veteran” respondents who answered the report survey in both 2008 and in 2009, with the 95 new respondents who joined RPN after the 2008 survey and have therefore only answered the 2009 survey – to show which practices are being quickly adopted and which take more time.

Responsible Purchasing Trends 2009

The Responsible Purchasing Trends 2009 report summarizes socially responsible and environmentally sustainable purchasing practices and trends among members of the Responsible Purchasing Network (RPN) in the year 2008, and identifies opportunities in the years ahead.

Download this report:

www.ResponsiblePurchasing.org

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Welcome!

New American Dream envisions a society that embraces a higher quality of life, a healthy environment, more fairness, strong communities, and a healthy economy. Our Responsible Purchasing Network is a key part of that vision.

When we look to the future, we see a green economy that operates in deference to citizen needs and ecological limits; where energy production and industrial processes do not exacerbate climate change nor degrade biological communities; where materials are continuously recycled back into manufacturing processes and little is wasted; where environmentally and socially preferable goods are widely available and competitively priced; and where consumers have the information needed to make informed choices—information about the economic, environmental, and social impacts associated with the entire life cycle of products.

By working with institutions to green their purchasing, RPN is reducing the environmental footprints of these institutions. The positive impacts go well beyond institutional footprints, however. Large scale purchasers command a tremendous share of the market. Turning such outsized purchasing power toward greener goods increases demand for these goods. The end result is a shift in the market that makes greener, safer products more accessible and affordable to everyone. And that brings us one step closer to a new American dream.

Bob Ferris



Executive Director,
Center for a New American Dream

Greetings Responsible Purchasers,

Thank you to members of the Responsible Purchasing Network for embarking with us on this green journey – by working together we magnify our power to shift the marketplace toward sustainability.

This report reflects the fruits of your efforts to protect human health and the environment by sharing resources and leveraging combined purchasing power to build demand for greener goods – together, the 135 survey respondents report spending an impressive \$4-\$10 billion on responsible goods and services in 2008.

In the year ahead, we look forward to working with our members to: 1) produce new Responsible Purchasing Guides (food services, carbon offsets, and LED lighting are in the works); 2) launch a Responsible Purchasing Exam; 3) advocate for harmonized sustainability standards and certifications; and 4) grow throughout North America and beyond.

Thank you again for your pioneering work in advancing socially responsible and environmentally sustainable purchasing.

Because Every Purchase Matters,

Chris O'Brien



Senior Director,
Responsible Purchasing Network

Executive Summary

Building an Influential Network

In 2008 the Responsible Purchasing Network (RPN) grew from 97 to 211 members, representing well over \$53 billion in annual procurement spend and employing over 750,000 people.

Responsible Purchasing Policy & Criteria

Two out of three respondents have a responsible purchasing policy and two thirds of the rest say they expect to adopt one.

Social and environmental concerns, such as durability, energy efficiency and greenhouse gas emissions, recycled content and recyclability, toxicity and human health, are considered by many to be nearly as important as conventional procurement considerations such as cost, quality and supply.

Responsible Purchasing in Practice

The majority of respondents say they “actually consider” social and environmental criteria in most of their purchasing and collectively report spending \$4-\$10 billion last year on socially or environmentally preferable goods and services.

Sustainability standards and certifications such as Energy Star, LEED, Green Seal, EPEAT and others, are widely recognized and used.

Many respondents report actually considering social or environmental issues even when they do not have a policy that specifically requires it.

New Members Bring Great Potential

While all but 11 respondents to the 2008 survey already had a formal or informal responsible purchasing policy, 43 of the 2009 respondents reported lacking such a policy – though 28 of those plan to adopt one.

Likewise, new members’ institutions consider social and environmental responsibility factors less frequently, publish fewer reports on their impact, and are less likely to allow price premiums than veterans, so there is great potential to shift far more spending in a responsible direction.

RPN Tools & Resources in Use

A majority of respondents report using Responsible Purchasing Guides and other RPN resources to green their procurement. Together, their institutions account for over \$42 billion in annual purchasing.

Measuring & Reporting Impact

Respondents report minimal use of calculators that measure social, environmental or cost benefits related to their responsible purchasing. Similarly, fewer than one in four claim to publish an annual report summarizing their responsible purchasing activities.

Forecasting Future Trends & Opportunities

Nearly all respondents expect to do more responsible purchasing in the next two years. Factors they claim would increase their responsible purchasing include: more competitive pricing and better selection of responsible goods and services, and more training and education in responsible purchasing.

Building an Influential Network

From January 2008 to January 2009, the Responsible Purchasing Network grew from 97 to 211 members. The 135 members responding to the survey report spending a collective \$53 billion annually, up from \$14 billion in 2008.ⁱ

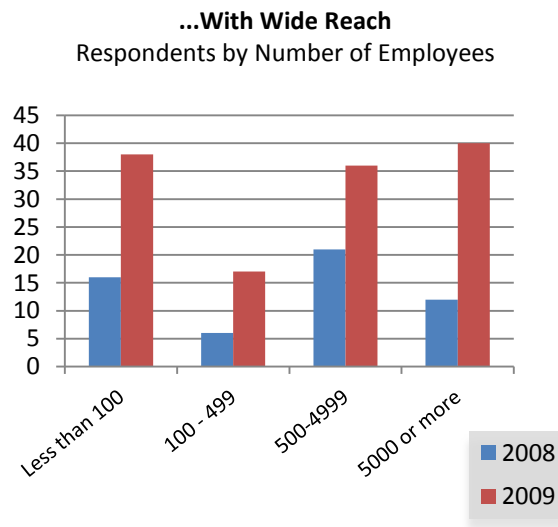
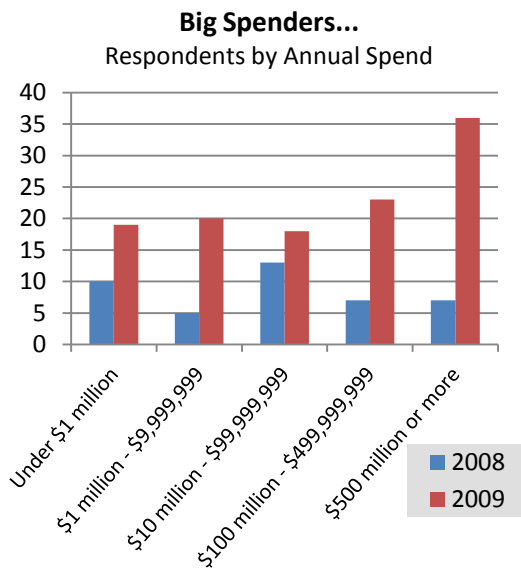
Respondents include government agencies, educational institutions, non-profit organizations, religious congregations, and corporations. Over 95% of respondents work for organizations in the United States, but results also include responses from Canada, Italy, Mexico, and Spain.

One in seven (15%) spend less than \$1 million annually, but nearly half (48%) control procurement budgets of more than \$100 million. Growth in this latter segment is largely

Responsible Purchasing Network members spend more than \$53 billion annually and employ almost a million people.

attributable to a joint membership program between RPN and the National Association of State Procurement Officials.

Three in 10 (29%) respondents employ fewer than 100 people, while another three in 10 (31%) employ more than 5,000 and the remainder (40%) fall in between. Collectively, they employ between 780,000 and 950,000 people.



Adopting Policies and Criteria

Two out of three (67%) respondents have either a formal (45%) or informal (22%) responsible purchasing policy. More than half (53%) of these policies were issued by a chief executive or governing body, while just under half (44%) were developed by stakeholder teams.

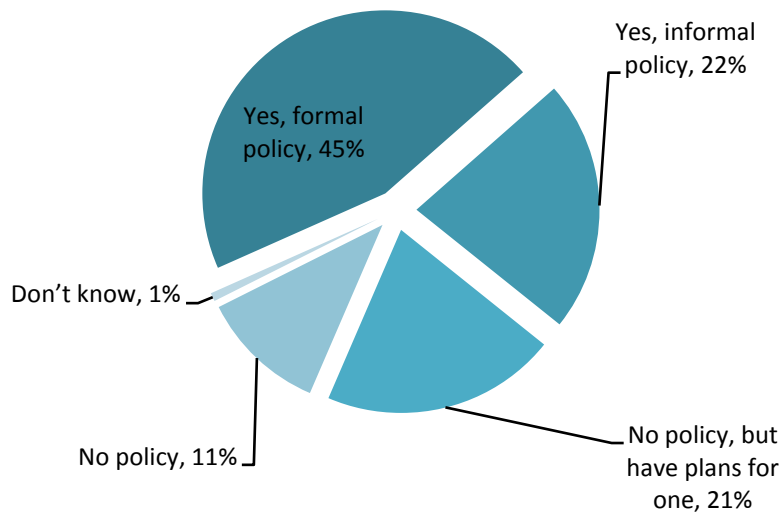
Eighteen members, representing more than \$1.4 billion in annual spend, reported using RPN resources to help develop their policies, and eight, representing approximately \$1 billion, say they used resources from other RPN members.

Two thirds of the members who report not having a responsible purchasing policy, say they expect to adopt one.

"RPN's Purchasing Guides were instrumental in helping us develop green buying guidelines for a variety of procurement requirement contracts."

Vincent Kitirattagarn,
Administrative Manager, DMSS
Green Team, City of New York

Responsible Purchasing Policies Are Prevalent
 Percentage of Respondents



The Many Facets of a Responsible Purchase

When asked about the importance of various purchasing factors, product performance (80% saying very important), availability (59%), and purchase price (55%) are top priorities, though environmental considerations, durability, and total cost of ownership were all rated important or very important by about nine out of 10 respondents.

In terms of environmental considerations, energy conservation (93% saying important or very important), recycled content (91%), and recyclability (88%) are the most widely held priorities (see table on next page for detail).

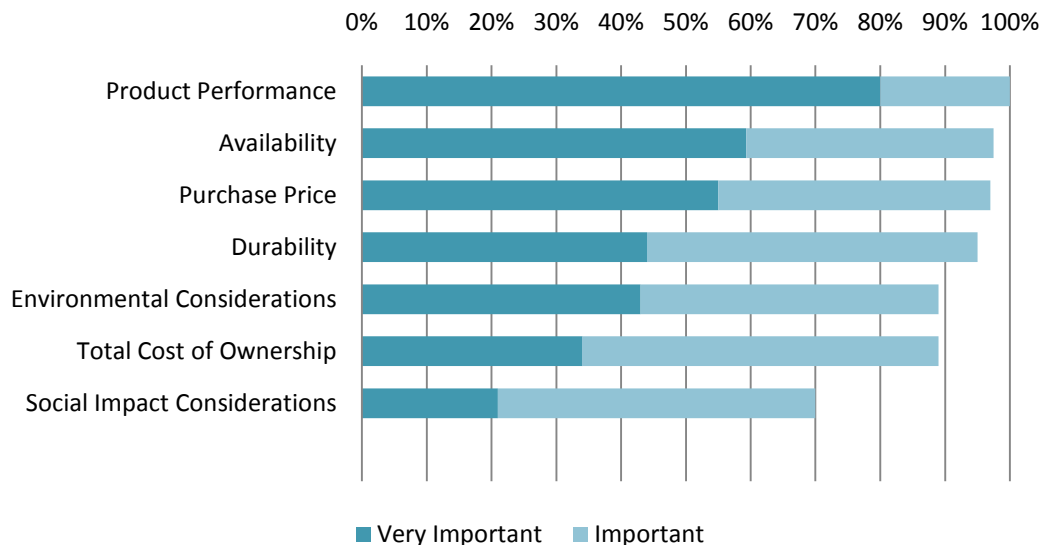
Social impact considerations were the least important, but were still rated important or very important by 70% of respondents.

These findings reflect RPN's view that responsible purchasing means considering social and environmental factors in addition to concerns about cost, quality, and supply. And that "cost" should include total lifecycle costs rather than just purchase price.

Importance of Various Purchasing Factors

Percent rating each factors as Very Important or Important.

Other options: Somewhat Important, Not Important.



Importance of Social & Environmental Issues in Purchasing Decisions

Issue	% Saying Important or Very Important	% Saying Very Important
Energy conservation	93%	64%
Recycled content	91%	54%
Recyclability	88%	45%
Human health	87%	47%
Toxics	83%	41%
Greenhouse gas	80%	45%
Water pollution	78%	34%
Sustainability	78%	38%
Air pollution	78%	29%
Water conservation	78%	29%
Reduced packaging	77%	30%
Reusability	72%	26%
Indoor air quality	71%	26%
Climate change	71%	39%
Bio-based alternatives	71%	23%
Volatile organic compounds	71%	27%
Biodegradable/compostable	71%	26%
Remanufactured	68%	22%
Sustainable forestry	64%	18%
Wildlife habitat	61%	21%
Ozone layer protection	57%	21%
Impact on marine environment	57%	19%
Biodiversity	56%	14%
Ancient forests preservation	54%	12%
Locally owned supplier	52%	20%

Other options: Somewhat Important, Not Important

Responsible Purchasing in Practice

Considering Environmental Factors in Purchasing Decisions

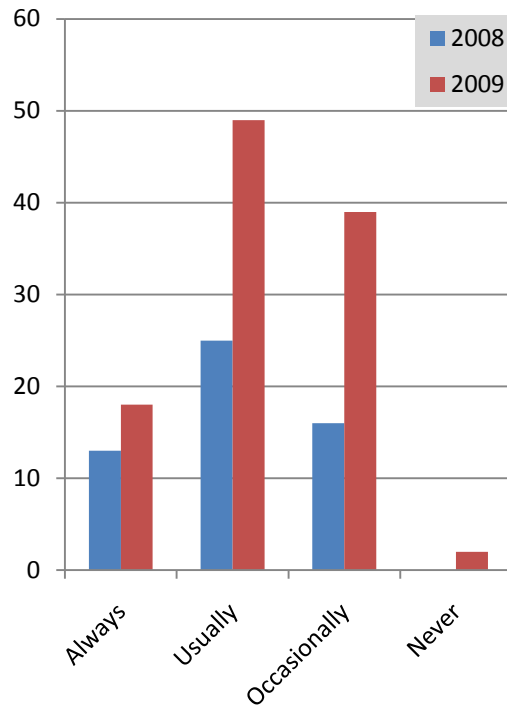
A majority of respondents (57%) either always (15%) or usually (42%) consider environmental factors in their purchasing decisions. Most also communicate green purchasing considerations to employees through training programs (55%) and announcements (55%), while fewer than one in 10 (7%) include green purchasing in employee evaluations.

57% always or usually consider environmental factors in their purchasing decisions.

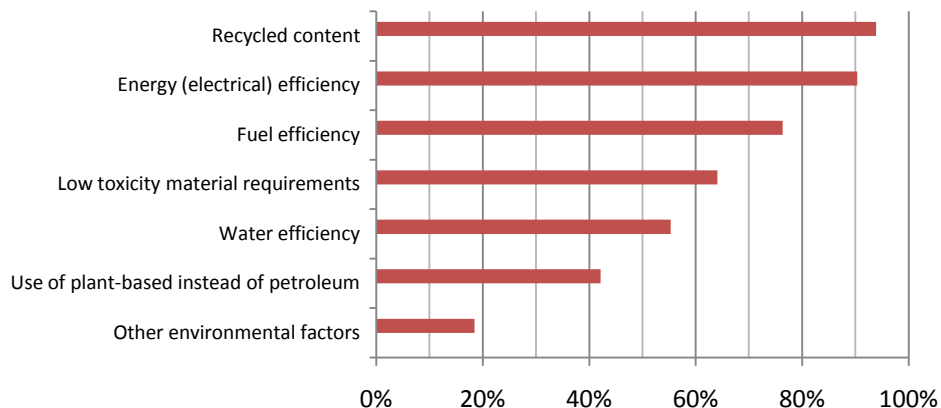
Nine in 10 respondents consider recycled content (94%) and electrical efficiency (90%) as criteria in purchasing decisions, while strong majorities also consider fuel efficiency (76%), low toxicity materials (64%), and water efficiency (55%).

Responsible Purchasing in Practice

Number of respondents by how often their organization "actually considers environmental factors in its purchasing decisions"



Percentage of Organizations Including Environmental Criteria in Purchasing Decisions

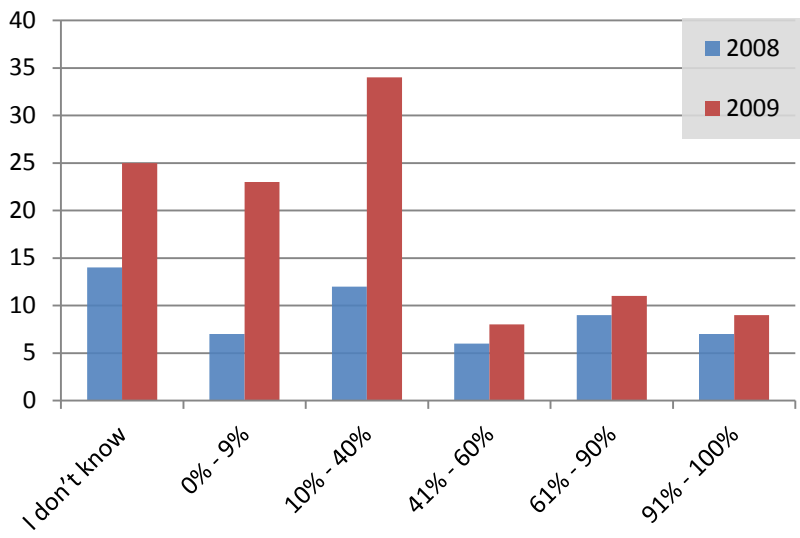


A Growing Consideration

One in five (20%) respondents indicates that at least 40% of all spending is influenced by social or environmental responsibility factors. This figure represents 28% of RPN veteran members and 18% of new members. So although respondents are already spending at least \$4-\$10 billion on goods and services that are influenced by social and environmental factors, there is still tremendous growth potential, even among the veterans.ⁱⁱ

Collectively, at least \$4-\$10 billion in annual spend is influenced by social or environmental responsibility factors.

Respondents by % of annual spending "actually influenced by social or environmental responsibility factors"



Utilizing Third Party Standards

Respondents report referencing more than 20 sustainability standards as procurement criteria. Energy Star is universally recognized, while nine out of 10 respondents also recognize LEED, Chlorine-Free, and Green Seal. As for actually putting standards to use, Energy Star is utilized by 94% of respondents while LEED, Green Seal and EPEAT are also used by a majority of respondents.

From 2008 to 2009, Green Seal, EPEAT, GreenGuard and EcoLogo all leapt into widespread recognition, while Energy Star, LEED, Green Seal, EPEAT, and EcoLogo also experienced large increases in utilization.



Most Utilized and Recognized Standards

Standard	Recognized/ Utilized
Energy Star	100% / 94%
LEED	91% / 70%
Green Seal	90% / 66%
EPEAT	81% / 61%
FSC (Forest Stewardship Council)	76% / 46%
EcoLogo (Environmental Choice)	87% / 46%
Chlorine-Free	90% / 45%
EnergyGuide	77% / 36%
GreenGuard	71% / 29%
USDA Organic	76% / 28%
Fair Trade Certified	72% / 28%
CRI Green Label	58% / 23%
C2C (Cradle-to-cradle)	70% / 20%
SFI (Sustainable Forest Institute)	59% / 19%
Green-e	51% / 19%
SCS (Scientific Certification Systems)	47% / 15%
DfE (Design for Environment)	61% / 15%
WaterSense	48% / 9%

Five Largest Increases in Use 2008-2009

Standard	2009	2008	Difference
Energy Star	94%	52%	+ 42%
LEED	70%	40%	+ 30%
Green Seal	66%	38%	+ 28%
EPEAT	61%	33%	+ 28%
EcoLogo	46%	24%	+ 22%

Five Largest Increases in Recognition 2008-2009

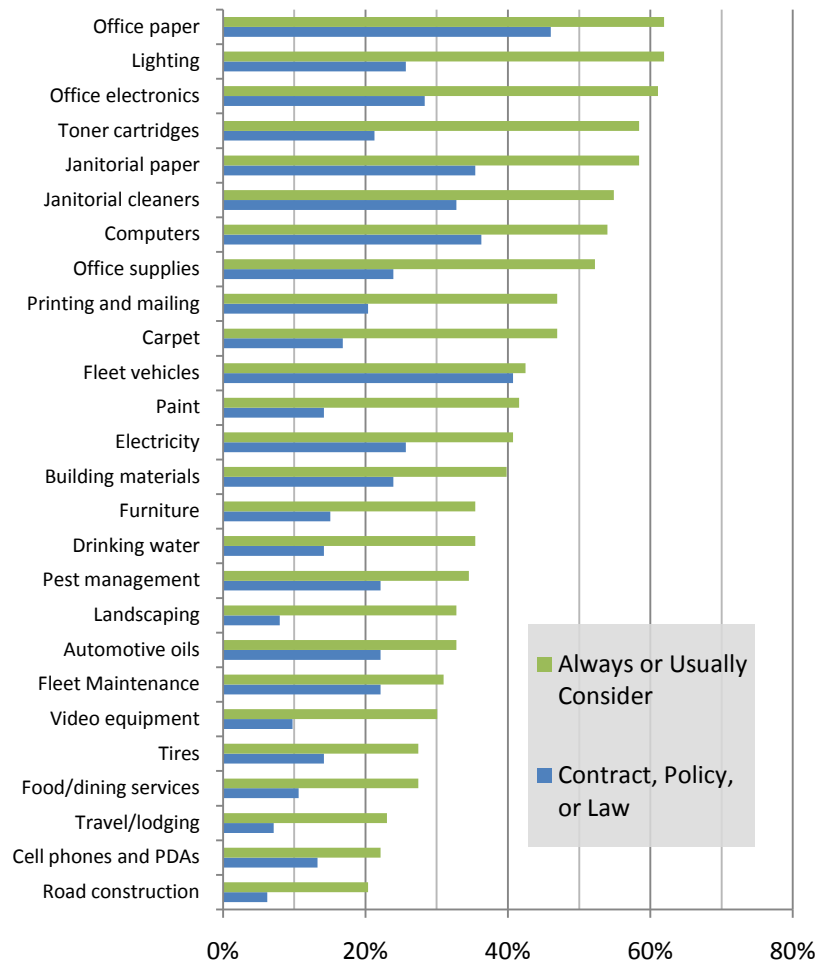
Standard	2009	2008	Difference
Green Seal	90%	51%	+ 39%
EPEAT	81%	56%	+ 25%
GreenGuard	71%	49%	+ 22%
EcoLogo	87%	67%	+ 20%
Energy Star	100%	81%	+ 19%

Screening a Wide Range of Products

Respondents report having contracts, policies, or laws requiring environmental considerations for more than two dozen product categories. However, many respondents report considering social and environmental factors regardless of whether it is mandated. The greatest number require and actually consider social and environmental factors for office paper.

Interestingly, more than six in 10 (62%) consider social and environmental factors in lighting even though only one in four (26%) say they have a contract, policy or law requiring it. Similarly, for toner cartridges, 58% actually consider, while only 21% must consider, social or environmental factors.

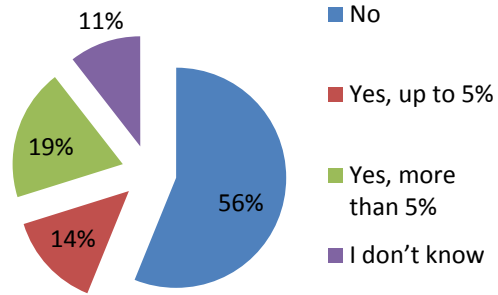
Requiring & Considering Social or Environmental Factors



Allowable Price Premiums Decreasing

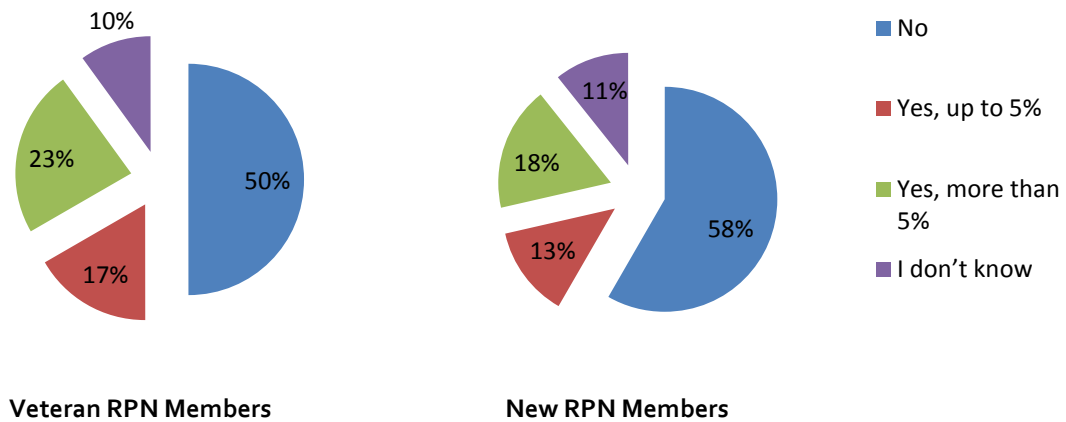
One in three organizations (33%) allows price premiums for socially or environmentally preferable products, but price premium allowances appear to be declining overall (44% allowed premiums in the 2008 report). RPN's membership growth provides a partial explanation for this decline, as only 31% of new members report allowing premiums compared to 40% of veterans. Other factors causing this decline are unknown but the recession and budget crises may be partly responsible.

Percent Allowing a Price Premium for Socially and/or Environmentally Preferable Products - All Respondents



One in five members allows a price premium of more than 5% for socially or environmentally responsible purchases.

Percent Allowing a Price Premium for Socially and/or Environmentally Preferable Products



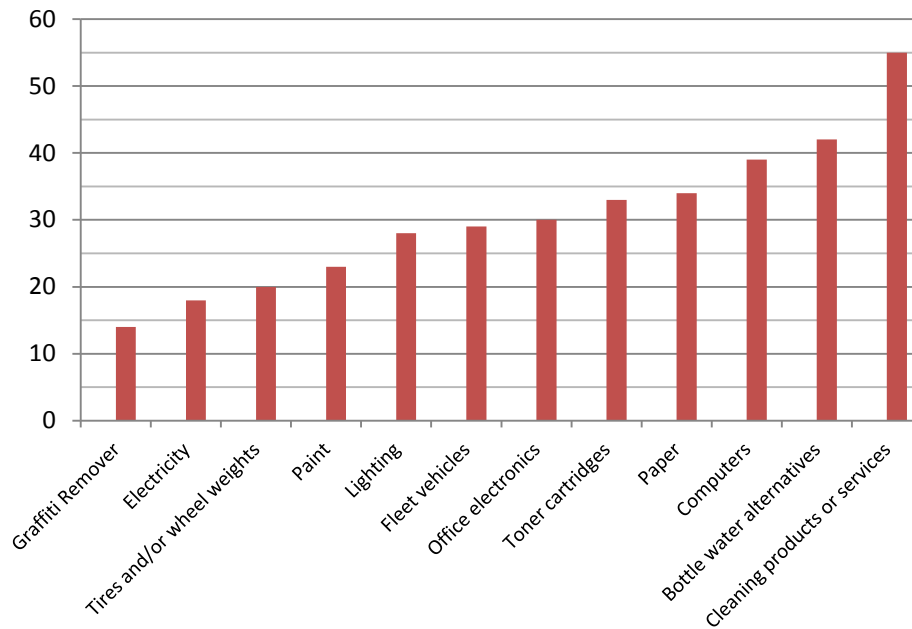
Utilizing RPN Resources

Respondents report strong utilization of RPN member resources in advancing their responsible purchasing initiatives.

A majority (54%) of respondents, representing \$42 billion in annual spend, used RPN resources to green their procurement in one or more of the 12 product categories covered by RPN's Responsible Purchasing Guides. For example, 55 institutions used Guides and other RPN resources to green procurement of cleaning products or services, 42 to implement bottled water alternatives, and 39 to shift computer purchases.

A majority (54%) of respondents report using Responsible Purchasing Guides and other RPN resources to green their procurement. Together, their institutions account for \$42 billion in annual purchasing.

Number of Institutions that Have Used RPN Resources to Green Their Procurement of Specific Products



Measuring & Reporting Impact

Most organizations do not yet seem to be comprehensively measuring or reporting on the impacts of their responsible purchasing programs.

Just one in five (19%) respondents used at least one of nine responsible purchasing calculators to quantify financial and/or environmental impacts. Together these organizations represent more than \$7.5 billion in annual spend. Most frequently used is the paper calculator – utilized by 14 organizations representing over \$4.7 billion in total annual spend – while computers, office electronics, cleaning products, toner, and fleet vehicles complete the top six.

Only one in four (25%) organizations published a report summarizing their responsible purchasing initiatives.

One in five respondents, together representing more than \$7.5 billion in annual spend, used responsible purchasing calculators to quantify financial and/or environmental impacts.

Percent of Respondents Publishing Reports on Green Purchasing Initiatives

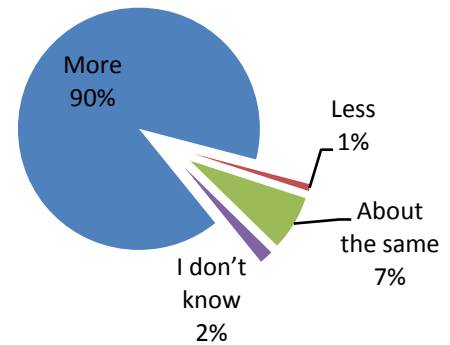


Forecasting Future Trends & Opportunities

RPN members are strongly committed to continuing or expanding their responsible purchasing activities. Nine out of 10 (90%) respondents say their organizations will be doing more responsible purchasing in the next two years.

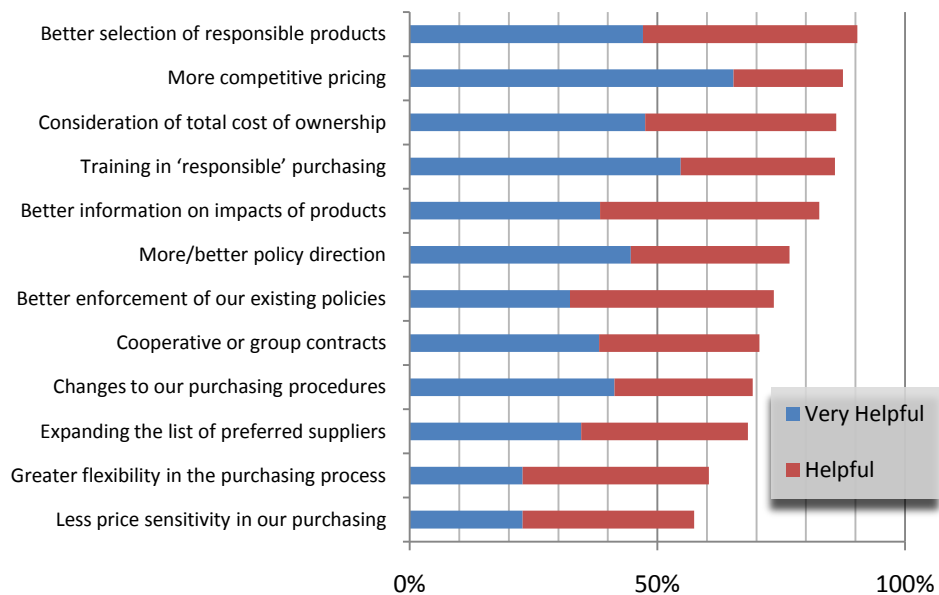
Respondents report that a number of factors could ease their adoption of responsible purchasing practices. Majorities said "More competitive pricing for socially/environmentally preferable products" (65%) and "Training/education in responsible purchasing" (55%) would be very helpful, while nine in 10 gave very helpful (47%) or helpful (43%) ratings to "Better selection of responsible products."

Nine out of 10 expect to do more responsible purchasing in next two years



Factors that Could Help Increase Responsible Purchasing

Percent Saying Very Helpful or Helpful
Other Options: Somewhat Helpful, Not Helpful



About the Sponsors



Responsible Purchasing Network

The Responsible Purchasing Network (RPN), at the non-profit Center for a New American Dream, was founded in 2005 as North America's largest network of procurement and sustainability professionals dedicated to socially and environmentally responsible purchasing. Through its membership program and consulting services, RPN offers tools and resources for building and managing purchasing programs that reduce negative impacts on human health and the environment without sacrificing cost, quality or supply.



National Association of State Procurement Officials

The National Association of State Procurement Officials is a non-profit association dedicated to strengthening the procurement community through education, research, and communication. It is made up of the directors of the central purchasing offices in each of the 50 states, the District of Columbia and the territories of the United States.

End notes

ⁱ The conservative estimate of \$53 billion in purchasing power was derived by tallying the low end of annual spend ranges reported by members. Responses marked confidential have been left out of this tally.

ⁱⁱ The conservative \$4 billion figure was derived by multiplying the low-end of each respondent's annual spend range by the low-end of that organization's responsibility consideration range, then tallying all responses together. The higher figure was derived by multiplying high-end by high-end and tallying.



Join RPN

Because Every Purchase Matters.

Membership Benefits:

- ▶ Model policies and specifications
- ▶ Green purchasing webinars
- ▶ Certified green products database
- ▶ Expert sustainability speakers
- ▶ Responsible Purchasing Awards

Consulting Services:

- ▶ Custom green specifications
- ▶ Green purchasing policies
- ▶ Life Cycle Analyses
- ▶ Green office audits
- ▶ Cost-saving green practices

“RPN provided us with the data analysis demonstrating the long-term, positive environmental effects made by shifting to more responsibly made products.”

*Perry Plumart, Deputy Director, Green the Capitol Office,
U.S. House of Representatives. Office of Greening the Capitol*

RPN's series of **Responsible Purchasing Guides** includes best practices, policies, specs, standards, case studies, calculators, group contracts, and green product lists for:



- ▶ Carbon offsets
- ▶ Cleaners
- ▶ Computers
- ▶ Drinking water
- ▶ Faith organizations
- ▶ Fleet vehicles
- ▶ Fluorescent lighting
- ▶ Food services
- ▶ Graffiti remover
- ▶ LED lighting
- ▶ Office electronics
- ▶ Office paper
- ▶ Paint
- ▶ Renewable energy
- ▶ Tires & wheel weights
- ▶ Toner cartridges
- ... and more coming soon

For **membership inquiries & consulting rates**, please contact:

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