

### SUSTAINABILITY MATTERS TM

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#### **Introducing UL Environment**

In an increasingly borderless world—one in which environmental stewardship and sustainability leadership are of paramount importance—UL Environment is a common thread, helping the world make, market, find, and trust greener, healthier products and services.

Over the last three years, we have grown tremendously. By listening and responding to the needs of the marketplace, we've introduced a number of new service offerings to help businesses achieve sustainability success.

From product testing, claims validations, and performance-based certifications to strategic consulting, environmental impact disclosure reports, and organizational certifications, UL delivers an array of solutions that help companies—as well as the marketplace—excel toward business and environmental sustainability.

#### Upcoming Tradeshows, Events, and UL Environment Webinars

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### A Letter from Sara Greenstein



Welcome to the inaugural issue of "Sustainability Matters," UL Environment's first newsletter!

My name is Sara Greenstein,

and it is with great excitement and enthusiasm that I introduce myself as UL Environment's new President.

Since UL Environment first entered the sustainability space more than three years ago, we've grown quite rapidly, having acquired TerraChoice/ EcoLogo® in 2010 and the GREENGUARD Environmental Institute/Air Quality Sciences in 2011. And, today, we are poised to experience even more growth in new and exciting ways.

We stand before you today as one organization with one shared mission: to advance global sustainability, environmental health, and safety by supporting the growth and development of environmentally preferable products, services, and organizations. We help companies achieve their sustainability goals and help customers find and trust products that will change the world for the better. Simply put, we help people make, market, find, and trust greener, healthier, more sustainable products.

Until our next issue, I welcome you to UL Environment—and to a critical exploration of matters of sustainability.

#### Sana A. Lhoenstein

Sara Greenstein President, UL Environment

#### **Introducing UL Environment**

(continued from cover page)

UL Environment offers a comprehensive portfolio of services to meet your business's sustainability needs:



**Environmental Claim Validations** lend credibility to singleattribute environmental claims.



**Environmental Product Certifications** demonstrate that products have superior environmental performance over the course of their lifecycle by confirming their compliance with stringent, multi-attribute environmental standards.



GREENGUARD Indoor Air Quality Certification communicates that a product has been scientifically tested for low chemical emissions, helping create healthier indoor



Environmental Product Declaration Certification provides third-party assurance that the full story of a product's environmental, health, and social lifecycle impacts have been disclosed in an internationally harmonized



**Product Emissions Testing** provides data on a product's chemical emissions, which can then be used for product development studies, certifications, specifications, and risk assessments.



**Sustainability Consulting** helps companies create sustainability-driven business solutions to increase market share and maximize profitability.



**Organizational Sustainability Certification** demonstrates that a company's business operations at an enterprise-wide level adhere to environmental best practices.



### Trend Spotting: Global Demand for Third-Party Evaluation

#### By Dr. Angela Griffiths / Head of Operations

The UL Environmental Product
Certification Program (which includes
Canada's EcoLogo® Program) is
experiencing significant growth, much of
which can be attributed to the widespread
adoption of our cell phone standard (UL
110). In the wake of Sprint's January 2012
announcement that all of its cell phones
are required to certify to UL110, a growing
number of cell phone manufacturers are
adopting the standard.

Additionally, we have seen increased demand for Environmental Product Certifications and Environmental Claim Validations in the office and janitorial/sanitation sectors in North America and Europe. These include certifications and claim validations that are based on UL-specific standards and criteria, as well as those of non-UL programs, such as the Tile Council of North America's GreenSquared™ program.

Clients of our Environmental Product
Certification program will also be pleased
to learn about our new service delivery
model from which clients will receive
support in their own language and their
own time zone, helping ensure that UL
Environment programs are implemented
consistently around the world. Fueled
by increasing global demand for our

programs, we are now working closely with UL Field Services to build out plans to provide customized, localized, excellent customer service to clients in Asia and Europe.

To make this possible, UL Environment is providing customized training to UL Field Auditors to develop them into UL Environment auditors beginning in North America and Asia. These new UL Environment auditors will work with Environmental Project Managers and our clients on local document collection, document review, and site audits. Final technical audit files will be reviewed and

approved by the Northbrook based Environmental Project Managers. We have successfully piloted this service delivery model in the United States, Korea, and Mexico, and plan to have it fully operational by the end of June 2012 in North America, Korea, Taiwan, Japan and China with delivery options throughout Asia by the third quarter 2012.

The marketplace, both locally and abroad, is demonstrating its appetite for third-party proof of sustainable leadership, and we expect to see this trend continue to grow across sectors and borders alike.

Figure 1 Certification and validation marks available from UL Environment















### **Indoor Air Quality:**

#### **Bridging the Gap Between "Green" and Healthy**

By Rachel Belew / Public Relations and Communications Manager

It's well-documented that green buildings offer a number of benefits, including reduced environmental impact; healthy returns-on-investment for architects, designers, builders, owners, and product manufacturers; and substantial energy cost savings for end-users. But sometimes, in our haste to protect the planet, conserve natural resources, and shrink our carbon footprint, we can overlook a critical piece of the green building puzzle: indoor air quality (IAQ).

"The greatest irony of sustainable design and construction is that, sometimes, the built environments we're creating don't sustain good IAQ," says Henning Bloech, executive director of the GREENGUARD Environmental Institute, part of the UL Global Network. In fact, Bloech says, some of the world's "greenest" buildings—those that meet strict environmental criteria for energy efficiency, site selection, water conservation, and material selection—fail to account for the quality of their indoor air.

Part of the reason for this is that many of the products and materials used to design and construct buildings emit a cocktail of chemicals called volatile organic compounds (VOCs),





which include potential carcinogens, reproductive toxins, odorants, and other irritants. Research has linked exposure to these VOCs to a number of health risks, including asthma and other respiratory ailments; headaches; eyes, nose, and throat irritation; and even a rare form of cancer. Compounding matters is that, the tighter a building envelope is, the more polluted the air inside the building can become. That's because the chemicals that off-gas from products can't be flushed out via natural ventilation and get trapped inside.

"Let's say a building is constructed almost entirely out of salvaged or repurposed material, helping divert landfill waste and reducing energy use associated with raw material extraction and manufacturing processes," Bloech says. "Certainly, that's terrific. But it's only one part of the picture. If, say, the adhesive used to hold down salvaged

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#### LEED 2012: Changes Ahead

#### Credit categories become complicated

#### By Mark Rossolo / Director of Public Affairs

The U.S. Green Building Council (USGBC) is getting ready to undergo the fourth, and likely final, round of public comments on proposed revisions to its 2012 version of the Leadership in Energy and Environmental Design (LEED®) program, known more commonly as LEED 2012. The USGBC membership will likely vote on the draft this summer and, if they approve it, LEED 2012 will be released during or close to Greenbuild in November.

Unless the USGBC makes significant changes to the latest draft of LEED 2012, the green building rating system as we know it will be substantially different.

All credit categories, from Energy and Atmosphere and Indoor Environmental Quality to Materials and Resources and Sustainable Sites, have been rewritten, and many have become quite complex, making it more difficult for LEED users to understand which green products qualify. This will have significant ramifications within the green products industry as many of these new credits could be skipped altogether.

The UL Environment public affairs team has been actively working with the USGBC and other stakeholders to try to strengthen LEED—and make it

easier for LEED users to understand—so that the rating system will raise the bar on sustainable building and design practices. We will continue to engage with the USGBC throughout the LEED 2012 development process to advocate for fewer complexities, and we will be sure to communicate to our customers and stakeholders how any approved changes to the rating system will affect them. This will ensure a smoother transition to LEED 2012.

The UL Environment Public Affairs team works with key public and private entities to help ensure that UL Environment

Certified products and services are recognized, referenced, and specififed by building and design professionals around the globe. Team members sit on a variety of committees and advisory boards that govern the development of green building codes, standards, quidelines, and procurement policies, advocating for the recognition and inclusion of UL Environment Certified products and services. The team also leads educational outreach efforts, including developing and presenting accredited continuing education units (CEUs) for architects and designers.





# The Sustainability Sweetspot:

Where "green" meets customer needs

#### By Lise Beutel / Senior Business Consultant

Sustainability has hit the mainstream. Boardrooms buzz with talk about sustainability of operations and more sustainable products. Yet, despite this, many executives still aren't convinced of the ROI in sustainability programs.

Too often, we see companies go to market with sweeping messages describing all of their sustainability, safety, and green initiatives—instead of tailoring their communications to their customers' needs. It's important to remember that sustainability programs must also make good business sense.

By using a market-based approach, sustainability strategies and initiatives capture value (brand equity, sales, and market share) by meeting customer needs where the market is right now.

Sustainability Value Mapping<sup>SM</sup>, a unique framework and process developed by UL Environment, matches market needs to science-based, credible sustainability benefits of a brand (or product). The goal is to uncover insights on immediate—as well as longer term—opportunities that will drive business growth from a company's sustainability program. The following example illustrates how Sustainability Value Mapping is carried out in practice.

#### **Clearly Clean Case Study**

Let's say "Clearly Clean Company" makes a glass cleaner for consumer markets. The competitive space is crowded and the company wants to increase sales and establish its glass cleaner as a sustainability leader in the marketplace. In this case, we would apply our Sustainability Value Mapping process, which involves several key phases.

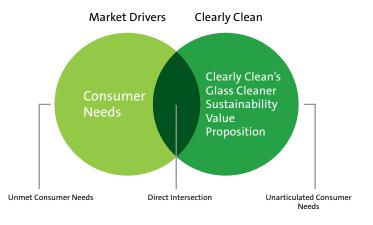
#### **Determine Market Needs**

Having consumer market insights is critical to success.

To determine consumer needs, Clearly Clean must first understand where "green" ranks among other product attributes; which green attributes are important; how consumers talk about the issues; and what the trends and emerging sustainability issues are.

Clearly Clean's market research reveals that consumers want a small, compact product because storage space at home is limited. They also want product packaging that is recyclable. And, they are really concerned about the health impacts of the glass cleaner: consumers need to trust that the product is nontoxic and safer for their children and families.

Figure 1





Proposition

The sustainability life cycle review for glass cleaner revealed four "hotspots" or critical focus areas (see Box 1 to the right).

To address these hotspots, Clearly Clean implements a number of sustainability initiatives—both within its own manufacturing operations and within its supply chain. For example, their new concentrated formulation reduces water use and, because it is much lighter to ship, helps reduce energy consumption for product shipment to stores. The company also created a bulk program whereby consumers can take their containers back to the store to be refilled. And, the company has submitted its products to a credible third-party for VOC testing, earning an environmental certification from a trusted ecolabeling organization. The Sustainability Value Proposition for Clearly Clean, then, is the series of sustainability benefits derived from its glass cleaner: its concentrated formulation, which uses less water, energy, and packaging; its refillable containers; and its earned environmental certification for low VOCs and toxins.

Map Market Needs to Clearly Clean's Sustainability Value Proposition

The following mapping process shows the initial step for Clearly Clean in capturing value by connecting sustainability initiatives with market needs.

Create the Right Strategies to Capture Value

Once the sustainability benefits are identified, companies like

Clearly Clean should then undertake strategies and tactics to disseminate these sustainability value propositions to their key audiences. These include:

• Marketing Communications Strategy:

#### Box 1

### CLEARLY CLEAN CLEANING PRODUCT'S LIFE CYCLE SUSTAINABILITY "HOTSPOTS"

- Water used during manufacturing
- Toxicity
- Energy used in shipping the products to store
- Disposal of packaging waste

Where there is a direct intersection between market needs and Clearly Clean's sustainability value proposition, a targeted marketing campaign will meet immediate consumer demands. The mapping process also uncovers where "push:pull" marketing With a "push" marketing strategy, the company must "push" the market/ consumers and educate them about the benefits.

- Sustainability Strategy Refresh: Where there are unmet consumer needs, in other words where Clearly Clean's sustainability value proposition does not meet current consumer demands, Clearly Clean should revisit and refresh their corporate and brand level sustainability strategies.
- Market Demand and Education
   Strategy: Where Clearly Clean offers
   sustainability benefits beyond current
   consumer demand, awareness of
   important sustainability issues and
   benefits can be created to establish a
   leadership position.

A market-based sustainability approach ensures that your company will realize the benefits and ROI from sustainability initiatives. To learn more, please contact

Figure 2

CLEARLY CLEAN'S
SUSTAINABILITY VALUE
PROPOSITION

Concentrated formulation
and less packaging as a result

Refillable containers

Eco-label certified for low
VOCs and toxics

MAPS TO
IMMEDIATE
CONSUMER NEED

Concern about
packaging waste

Healthy for families

strategies will have greatest benefit. "Pull" marketing is employed when the company can meet an existing consumer demand. "Push" marketing is employed when the company has sustainability benefits that are not currently being asked for by consumers.

Lise Beutel (lise.beutel@ul.com). ■

Please note that the Clearly Clean Cleaner example provided in this article is for illustrative purposes only and does not represent any particular product or constitute accurate consumer market research, hotspot analysis or findings.



## Product Transparency with Third-Party Certified EPDs

#### By Paul Firth / EPD Program Manager

The concept of transparency is gaining considerable traction in the green marketplace. The reason: institutional purchasers, specifiers, architects, and designers are increasingly demanding detailed, lifecycle-based product information to help them make more informed purchasing decisions. Until recently, the tool that provided this kind of transparency was only available in the European Union and Asia, but it is now available in North America: Meet the Environmental Product Declaration (EPD).

Similar to the notion of a "nutrition label," an EPD discloses detailed environmental impact information about a product across that product's lifecycle. Knowing a product's environmental impact story is empowering buyers like never before to evaluate and make product purchasing decisions.

EPDs have, at times, been confused with lifecycle assessments (LCAs), as both document lifecycle impacts. The difference, however, is that LCAs are components of EPDs, and only those LCAs that have been conducted according to

a globally harmonized set of guidelines, known as product category rules (PCRs), qualify. PCRs essentially serve as an accepted roadmap that products must follow on their way to creating an EPD.

Given the flexibility of LCA, achieving a third-party certified EPD provides

significant benefits. EPDs are not performance-based and provide the opportunity to make decisions based on the information that is deemed most important. When paired with performancebased certifications such as UL Environment or EcoLogo, you get the best of both worlds: an indication of sustainability performance with the transparency of how it performs in the areas of greatest concern to you. EPDs are also proving to be a catalyst for greater environmentally responsible manufacturing and purchasing behaviors.

This increased transparency is creating opportunities for sustainability innovation.

To learn more about EPDs and the EPD certification process, visit: http://www.ul.com/environment. ■



Interface's UL Certified EPD. Interface was the first manufacturer to certify its EPDs through UL.



### SQ® Program Launches Corporate Sustainability Standard and Free Assessment Tool

#### By: Gary Savin / Vice President

UL's **Sustainability Quotient (SQ) Program**, an enterprise level corporate sustainability certification program, finalized the **UL 880 standard for manufacturers** this past December and is now ramping up the program with a variety of services and tools. UL 880 is the SQ Program's first standard. Targeted at medium and large manufacturers, the standard provides for a third-party audit of a manufacturer's enterprise sustainability program, encompassing environmental, social, and governance indicators and metrics. In addition, the SQ Program has established readiness assessments, focus area certifications to parts of UL 880, and other services so that companies not yet ready for full certification may still tap into the SQ Program as they increase their sustainability efforts.

This spring, the SQ Program recently launched a free online assessment tool to further help companies get started. The tool, available at http://sustainabilityquotient.questionpro.com, allows companies to review their corporate performance against UL 880 indicators quickly. Upon completion of the survey, companies receive a report with a preliminary analysis of their sustainability initiatives relative to the requirements of the UL 880 standard.

The year ahead promises to be full of activity for UL's SQ Program as it begins enrolling more companies, adding new data management services, and continuing the development of UL 881: Sustainability for Service Sector Organizations. For more information, visit: www.ul.com/sq.





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flooring releases toxic chemicals into the air, then the so-called 'sustainable' building is actually doing more harm to its occupants than good. And that goes against everything green building and design stands for."

Statistics show that indoor air is two to five times more polluted than the air outside. And, after new construction or renovation, it can be up to 1,000 times more polluted. IAQ experts around the world therefore agree that practicing source control—that is, choosing nontoxic, low-emitting products to build and furnish a building—can help prevent the introduction of pollutants into the indoor air.

UL Air Quality Sciences (UL AQS) helps manufacturers understand the IAQ performance of their products

through scientific emissions testing and data analysis. UL's GREENGUARD Certification Program can then help manufacturers differentiate those products in the marketplace by demonstrating, through third-party substantiation, that the products have met stringent chemical emissions standards. GREENGUARD Certified products help satisfy hundreds of green building codes, guidelines, rating systems, and purchasing policies—a natural market demand driver that participating manufacturers can take full advantage of.

For more information on UL AQS product emissions testing services or the GREENGUARD Certification Program, contact us at environment@ul.com.

#### **Come See Us**

#### **Upcoming Tradeshows/Events**

#### **Speaking**

June 4-7 Sustainable Brands '12 San Diego, CA **SILVER SPONSOR** Panel Moderator: Libby Bernick

June 11-13

Chicago, IL

Exhibiting

May 17-19 American Institute of Architects (AIA) Washington, DC (Booth #3717)

Attending

June 5-7, 2012 Chicago, IL

#### **UL Environment Webinars**

How Do you Transform Sustainability Leadership to Market

Leadership?

May 22, 2012 - 11 a.m. EDT

Presenters: C. Patrick Lyn, Manager, High-Yield Pulp Marketing & Market Research, TEMBEC

Lise Beutel, Senior Business Consultant, UL Environment

Marketing Your Environmental Certifications

June 21, 2012 - 2 p.m. EDT

Presenter: Lise Beutel, Senior Business Consultant, UL

The Green Toy Market - Emerging Trends and The Business Case

for Toy Sustainability

June 26, 2012 – 2 p.m. EDT

Introduction: Susan DeRagon, Associate Director, Toys &

Premiums, UL STR

Presenters: Libby Bernick P.E., LEED AP BD+C, Vice President, UL

**Environment Consulting** 

Angela Griffiths, Executive Director, EcoLogo Program

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**UL Environment** 2211 Newmarket Parkway Suite 110 Marietta, GA 30067

W: ul.com/environment T: 1.888.485.4733

Share your sustainability matters and feedback: environment@ul.com Sign up at: www.ul.com/environment

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