Concept and Significance of Green Purchasing

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What is “Green Purchasing”?

Balancing Q C D and E

Green purchasing
Find Fundamental Solution by Changing the Input

**Make the input green**
- Reduce input
- Non-hazardous material
- Easy-to-recycle
- Energy saving
- Resource saving

**Reduce the output**
- Waste
- Pollution
- Hazardous substances
- Carbon
- Dioxide

Recycling
Target fields of Green Purchasing

- Paper
- Office Supply
- Motorcar
- Printing
- Hotel & Meeting
- Distribution
- Cleaning
- Banking
- Electricity
- Energy
- Canteen
- Catering

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- Furniture
- PC
- Workwear
- Printer
- Food
- Electric Appliance
- Parts and Materials

- Lighting
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Principles of Green Purchasing

• **Principle 1** – Consider whether a product is needed before purchasing it or not.

• **Principle 2** – Purchase a product considering the various environmental impacts over its life cycle - from extraction of raw materials to disposal.

• **Principle 3** – Select suppliers who make a conscious efforts to care for the environment.

• **Principle 4** – Collect environmental information on products and suppliers.

Established by Green Purchasing Network (GPN)
Green Purchasing encourage environmentally conscious Management and eco-product development through the market
To be competitive in the global market, all the businesses “must” enhance green management.
• **Green Purchasing Network (GPN)**
  – Founded in 1996
  – 2,800 members (2,200 companies, 300 governments, 300 NGOs)
  – 15 Purchasing Guidelines, Product DB(12,000 products registered), Hotel DB, Award, Training/Seminar, etc.

• **Government - Green Purchasing Law**
  – Green Purchasing Law enacted in 2000
  – All the national institutions must draw up annual purchasing policy, implement, and report results.
  – 201 items are designated with criteria

• **Eco Mark Program**
  – Since 1989 by Japan Environment Association (JEA)
  – 5,000 certified products within 45 categories

Source: MoE Japan 2003
Employment Size of Environmental Business of Japan

More than million employment within several years

(thousand persons)

Source: MoE Japan 2003
Green Purchasing in Business Sector

Survey by MoE Japan in 2005 on 2,524 respondents (large sized companies):

- Already implemented: 57%
- Consider to introduce: 25%
- No plan: 18%
Green Purchasing in Public Sectors

- **All** the central government ministries practice green purchasing
- **100%** the 47 prefectural governments and 12 designated cities are engaged in green purchasing
- **68%** of 700 cities systematically implement green purchasing
- Particularly advanced areas: papers, office supplies, office furniture, OA & IT equipments, motorcars, uniforms, and electric appliances

*Survey by MoE Japan in 2005*
Products Areas where Japanese Institutional Purchasers practice Green Purchasing

Findings from survey by GPN in 2002

- Coping Paper: 90%
- Office Supplies: 90%
- Copiers and Printers: 75%
- Computers: 71%
- Uniform and Working Wear: 59%
- Motorcaes: 59%
- Lighting Apparatus and Lamps: 58%
- Office Furniture: 56%
- Home Electric Appliances: 50%
- Construction Materials: 38%
- Packages: 62%
- Parts & Materials: 56%
Concerns about Environmental Issues

- No concerns (42%)
- Having concerns as ever (30%)
- Having less concerns than ever (12%)
- Having stronger concerns than ever (1%)

Year 2000
Do You Prefer to Buy Eco-Products?

- Not motivated by environmental aspects: 6%
- Buying only eco-products: 1%
- Preferring eco-products as much as possible: 4%
- Taking into account environmental aspect to some extent as well as other aspects: 5%

Year 2001
Market Impact of Green Purchasing

Findings from survey by GPN in 2001

Sales of Green Products

- Increased: 74%
- Unchanged or decreased: 26%

N=673
Sales of lower emission and fuel efficient vehicles rapidly increased after enforcement of Green Purchasing Law.

Effect of Green Purchasing
Market impact – Surveyed by MoE, Japan
Green Purchasing Network

- Founded in February 1996 to promote green purchasing in Japan by the initiative of the Environment Agency.
- The mission of GPN
  - to promote the concept and practices of green purchasing.
  - to provide guidelines and information necessary for practicing green purchasing.
- Since then GPN has taken a leading role in promoting green purchasing in Japan.
More About GPN

- Independent non-profit organization
- **2,860 members** (Jan. 2006)
  - 2,261 corporations
  - 317 governments
  - 282 NGOs, NPOs
- Executive Committee
  - 39 members

*One of the largest environmental organizations in Japan*
Activities of GPN

- Conferences, Seminars, Exhibitions
- “Green Purchasing Award”
- Training Course
- Case study on success stories
- Newsletter, Website
- Promotion pamphlet, posters
- Regional Networks
- Annual Surveys
- Principles of Green Purchasing
- Purchasing Guidelines
- Products Database
- Hotel Database
- Information Plaza
Green Purchasing Guidelines for 15 Products and Service Areas

**Products**
- Printing and Copying Paper
- Copiers, Printers, Facsimiles
- Personal Computers
- Stationery and Office Supplies
- Office Furniture
- Motor Vehicles
- Refrigerators
- Washing Machines
- TV Sets
- Air Conditioners
- Toilet and Tissue Paper
- Lighting Equipment
- Uniforms and Work Wear

**Services**
- Offset Printing Service
- Hotels and Inns

**Suppliers Evaluation Checklist**
GPN Purchasing Guidelines

Personal Computers

1) Minimal power consumption during operation and standby mode (fulfilling requirements for “low energy consumption rate” as stipulated in the Law Concerning the Rational Use of Energy, and the International Energy Star program)

2) Capacity for upgrading and expanding functions in order to make long-term use feasible, and full maintenance service provided by the manufacturer

3) Designed to facilitate recycling and re-use of component parts

4) The manufacturer promotes the re-use of its own product after initial sale and usage, and endeavors to increase the recycling ratio of materials that cannot be re-used

5) Made with a large amount of recycled material

6) Does not contain lead, mercury, cadmium, hexavalent chromium compounds, or specific bromine-based flame-retardants (PBB, PBDE), to the utmost extent possible

7) When packaged with an in-house user manual, the manual is made and printed with consideration for the environment

[Information Requirements]
Use of PVCs (for the chassis of the PC, display, and keyboard)
GPN Products and Service Database

- **GPN Database**: 13 products area where purchasing guidelines exist
- **Green Purchasing Information Plaza**: Various products and services not listed in GPN database
- **Eco-Challenge Hotel Database**: Various products and services not listed in GPN database
About GPN Database

Product Environmental Performance Database

- More than 12,000 products registered
- About 600 companies participating
- 300,000 page-views monthly

Currently Japanese language only

Product Categories
- Printing and Copying Paper
- Copiers, Printers, Facsimiles
- Personal Computers
- Stationery and Office Supplies
- Office Furniture
- Motor Vehicles
- Refrigerators
- Washing Machines
- TV Sets
- Air Conditioners
- Toilet and Tissue Paper
- Lighting Equipment
- Uniforms and Work Wear
Users can get and compare environmental performance information for hundreds of registered brands.

**Example for “Copiers”**

<table>
<thead>
<tr>
<th>Brand name</th>
<th>Company</th>
<th>Copying speed</th>
<th>Energy Star</th>
<th>GP Law conformity</th>
<th>Power consumption for stand-by and off mode</th>
<th>Two-sided copying</th>
<th>Use of recycled plastics</th>
<th>Use of reused parts</th>
<th>Toner cartridge recycling</th>
<th>Use of PVC</th>
<th>Eco-Label certification</th>
<th>Price</th>
</tr>
</thead>
<tbody>
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</tbody>
</table>

Information format is consistent with relevant GPN Purchasing Guidelines.
Eco-Challenge Database for Hotels

• **Database specific to Hotels and Inns**
• Provides environmental performance information on hotels.
• Based on GPN guidelines
• **Self-declaration system**
• **Started in 2003**
• Any hotel meeting minimum requirements can be registered.
• **89 check points**
• **240 facilities are registered**
• From “Beginner” to “Top Class”
Conclusions

Key Factors for success in Japan -1

[First stage (1995-2000)]

• Pioneering activities by lots of environmentally conscious major companies and local governments, which stimulated competitors and neighbors.
• Green Purchasing Network (GPN) has succeeded to involve wide range of businesses, public and NGO sectors.
• GPN and its members succeeded to make a nation-wide big social trend.
• The Ministry of the Environment (MoE) backed up the voluntary movements and GPN.
• Success stories were introduced by the award and seminars by MoE and GPN.
• Businesses made considerable efforts to develop eco-products.
Conclusions
Key Factors for success in Japan -2

- It became much easier to get product environmental information from GPN Data Base, Eco-mark, suppliers catalog, etc.
- The movement was concurrent with popular trend of getting certificate of ISO14001.

[Second stage (2000-)]
- The mandatory Green Purchasing Law dramatically disseminated the activities among governmental sectors.
- Companies which products designated by the law worked hard to meet the criteria.
- EU RoHS directive accelerated corporate green procurement activities through supply chain.
Conclusions

• Customers already started green purchasing/procurement across the world and had made reasonable successes.

• Businesses are increasingly required to supply eco-products, eco-components, and eco-services from customers throughout the supply chain.

• To be competitive in the global market, businesses should enhance environmentally sound management, development of eco-products, and green purchasing.
Thank you for your kind attention.

GPN Website : http://www.gpn.jp