

# Environmental Purchasing Ethics

by Brian Yeoman

**"**If we keep on doing what we have always done, we will keep on getting what we have always got." No topic more charges the passions of the purchasing profession than ethics. And well this should be. Our profession has a unique and sensitive position within higher education, and it is good that this is so.

I want to expand our application ethics beyond the obvious business applications by posing a few concepts that purchasing professionals should begin to consider and acknowledge. Henry David Thoreau once wrote, "What's the use of a house if you haven't got a tolerable planet to put it on?" Obviously, Thoreau was suggesting that if we do not exercise good land ethics, it will make no difference what beauty and functionality we have created upon the earth. We purchasing professionals play a critical role in that what we do everyday on behalf of many others has a direct effect on the planet and specifically upon the environment.

Oberlin College's David Orr says, "If today is a typical day on planet Earth, we will lose 116 square miles of rain forest." What has this got to do with a purchasing professional you might ask yourself? A great deal! What was the wood veneer on the suite of furniture you just specified? On the doors you just bought for the executive conference room, or for the donor wall in the new facility that just opened last month? Do you know where the wood was harvested? How it was obtained? Do you know from where the precious metals used in the latest piece of scientific instrumentation you just purchased were mined? What were the working conditions of the mine? How about the coffee you just contracted for in that new long-term contract for the food services operation on campus? Ever heard the term "free-trade coffee?"

This notion of environmental purchasing ethics has been developing for a long time. I may be getting a little ahead of the curve, but I remind you that in the summer of 2005 at the G-8 summit, the host, Great Britain's Tony Blair, had two major agenda items. Although terrorists had just bombed London, he held his ground and negotiated some very powerful commitments. The first was to se-

cure a commitment from the members to double aid to Africa to address poverty and healthcare issues. The amount of that deal was a staggering range of \$25 billion to \$50 billion. The second was global climate change, and although seven of the members were all are signatories to the Kyoto Accord, President Bush refused to engage in meaningful negotiations.

But Blair did prevail in one major sense in that he managed to secure Bush's public recognition that global climate change is happening and that there is no more argument about the fact of it. What the President was unwilling to do was to commit to a reduction of greenhouse gases because he feared the consequences to the American economy. He said he wanted time for technology to address the solutions. Blair allowed the President this small space, but the fact is that this crucial recognition by the President is the "drop of the other shoe." The 800-pound gorilla has blinked, balked, stopped, and sneezed. My suspicion is that corporate America and the leadership of higher education will take note of this huge shift. It will mean that one of those NAEB lynch pins, accountability, will have just shown up on the university presidents' doorsteps.

What does this mean to the Purchasing department? Data will drive this issue. You will soon see a new consultancy in environmental footprinting spring forth. These consultants will inventory the emissions of greenhouse gases both directly and indirectly on campus. Who are they going to get that data from, do you suppose? Who do you think will have to understand the footprint concept better than anyone else because it is going to turn into an evaluation criterion for every good or service Purchasing will buy? It will be the Director of Purchasing who will play the critical role.

Now, just so you don't think I've lost my marbles, I'll let you in on a few things. The private sector has been preparing for this for years. They knew that 2008 was going to create the kind of pressure from the rest of the world that no incoming first-term President could deny. There are a number of responses.

The first is the notion of free-market con-

sortiums to voluntarily reduce greenhouse gas emissions. There are three of significance already existing in the United States today. At their core is the idea that you put emitters of greenhouse gases together with scientists and with people who want to do something about greenhouse gases but who can't because their business is really tertiary to emissions. Then you ask the question of an emitter, "If you were to do a project to reduce emissions of CO<sub>2</sub>, NOX, MOC, or SO<sub>4</sub>, how should you be rewarded?" The obvious answer is compensation. Who would pay? And how would you document the reduction in the emissions since we are not part of Kyoto and we have no agreed-to platform? The consortium hires the scientists. They create the metrics. You negotiate, you agree. Now, you say to those who want to do something, "What is it worth?" One way is to look to Europe and observe the worth of trading these emission reductions. They are valued in response to the market forces of supply and demand. Certificates are created, which correspond to measurable units of reduction. The certificates are licensed and insured. And, voila! You have the development of a greenhouse gases futures market as the good guys line up. The emitters figure out how to do two things: first, to execute the projects and make money, and second, to document the story for the public relations value. The "rock-sucking tree-huggers" don't badmouth them anymore. They are now environmentally sensitive and support their community. They are doing good things, and here is the evidence.

Allow me to further amaze you and try to convince you that this is not some graduate student's wild dream. This is real, and we are very fortunate to have three visionary member institutions that are participating in this process in a big way. I would not think that anyone would argue that the University of Oklahoma, Tufts University, and the University of Iowa are the kind of places dominated by "rock-sucking tree-huggers."

You might well be asking yourself, why is global climate change an ethics issue? Because we have a social responsibility. Our responsibility in higher education is enormous. We use fossil fuels in a big way. Some

of us directly, because our campuses generate their own electricity, and just about all use natural gas or fuel oil for heating. And indirectly, we are accountable because many of our campuses buy all of their utilities from commercial sources. We also operate huge fleets of buses to transport students, we operate large fleets of vehicles all burning fossil fuel, and we have huge annual travel budgets flying billions of miles on fuel-guzzling airplanes. A little more indirectly in that we build our campuses in places where mass transit doesn't reach us; our faculty, staff, and students must use personal automobiles in a concentrated manner. How many cars visit your campus every day?

Finally, we are consumers of stuff, lots of stuff... and all that stuff has to get to campus some way. And all the manufacturers of that stuff had to consume energy in the form of fossil fuels to make it. Our environmental footprint, if you really think about it, is probably much larger than all of the Fortune 500 put together (except perhaps for the energy companies). Our country comprises only 4%

of the world's population, and yet, with respect to the most impactful greenhouse gases, we are responsible for 27% of the global emission. So... ethics it is, because, I argue, we are one of the prime users of greenhouse gas-generating products in the nation. It is time we awaken.



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The three universities mentioned above belong to the Chicago Climate Exchange (CCX). The CCX Web site is [ccx.com](http://ccx.com). I strongly encourage you to investigate the program and brief your bosses on a wonderful glimpse of the future.

Remember, you too can do great things!