Fact Sheet: “Green” Purchasing

Introduction
In addition to businesses improving their environmental performance with such things as waste reduction and energy efficiency strategies, procurement represents a significant opportunity for greening business. High-quality, “alternative” products and services that do less damage to the environment have entered the mainstream and are commonly available. Products are available with less packaging or recycled content, and many are manufactured using more sustainable methods. Re-used items are also good options for businesses. Many suppliers are also providing returnable containers, reusable or refillable options, and less packaging.

“Green” purchasing centers around environmental labeling, recycled content, toxicity reduction, recyclability, reusability, durability, energy efficiency, water conservation, reduced packaging, environmentally efficient suppliers, and the reuse of products.

By utilizing “green” purchasing practices, small businesses can reduce their impact on the environment, improve their public image and leverage new marketing opportunities.

Small businesses can achieve the same benefits as larger Fortune 500 firms, but often lack the necessary resources to do so. Time, expertise, or knowledge of where to turn for technical assistance is often a challenge. Even though small businesses may be constrained in the current economic climate, this “disruption” creates a more receptive attitude toward new ideas, particularly those with measurable dividends. Small businesses that engage in green business practices often experience 10% to 20% reductions in operating costs. Realizing these benefits, however, requires increased awareness and technical knowledge of green business practices.

Green business practices lead firms to a better work environment; a healthier workforce; more customers; and an increase in the bottom line.

- City of Spokane SMART Recognition Program

Selecting Products and Services to “Green”
Greening every product or service in your business would be a difficult, and costly, task. Therefore, developing a priority list of products and services to green will be helpful. Products and services may be good candidates to “green” if they:

- represents a significant proportion of the purchasing budget;
- contributes significantly to the waste or hazardous waste stream of your business;
- is purchased in large quantities;
- consumes large amounts of resources;
- have a poor stigma attached by the public (i.e. various cleaning compounds)

Environmental Labeling
Environmental and eco-labels often make it easy to determine whether or not a product has been evaluated for its impact on the environment. Environmental and eco-labeled products can range from anything from appliances to cleaning products to lodgings (i.e. hotels, golf courses, etc.).

Below are a few environmental and eco-labels commonly found in the U.S.
Despite the benefits of environmental and eco-labeling, overuse and abuse of these systems can occur. Consider the following when purchasing environmental and eco-labeling:

- Use these labels as the first basis for a purchasing decision, not the last.
- Learn about different certifying agencies and their certification criteria.
- Eco-labeling systems do not assess the whole market. There are other "green" products that have not been certified.
- Do your own comparisons wherever possible.

Misleading Labeling
"Green washing," or the use of environmental and eco-labeling to mislead consumers, has become more prevalent during the last decade. Many suppliers are looking to capitalize on consumers' concern for the environment. Commonly used "green washing" labels include "environmentally friendly," "green," and "biodegradable." To avoid "green washing," remember:

- Environmental claims should be specific.
- Search for the highest environmental-achieving product that satisfies the minimum performance standards.
- Seek information that verifies manufacturers' claims.
- Read labels carefully and be on the alert for marketing gimmicks and whether or not a product has been certified.

Choosing Green Products and Services

- **Buy durable and reusable**
  Reduce purchasing and disposal costs to eliminate all unnecessary and disposable goods. Durable goods are long lasting, providing quick return on investment and recognizable savings. The elimination of disposable products also reduces the amount waste your business creates and thus must pay to dispose of.

- **Buy recycled products**
  Many recycled products are enhanced for better performance and have competitive prices. There are a wide variety of recycled products available today:
  
  - Glass/metal/plastic products
  - Paper and paper products
  - Printer cartridges
  - Packaging materials
  - Re-refined oils
  - Recycled antifreeze
  - Recycled solvents
  - Plastic pallets
  - Lubricants
  - Retread tires

- **Energy/water efficient**
  In addition to the environmental benefits, energy/water efficient purchases can result in substantial cost savings. Investing in these technologies requires the consideration of long-term benefits, including payback period.

- **Avoid purchasing hazardous materials**
  Hazardous waste is not only unsafe and harmful to the environment, but it can create unnecessary costs for your business (i.e. special disposal fees, etc.)

- **Buy a minimum amount of packaging**
  It is important for all businesses to reduce the amount of packaging associated with the products being purchased. This can be accomplished by making conscience-purchasing decisions based on minimal packaging and bulk buying. In turn, business costs will decrease as packaging costs are reduced.

Benefits of Greener Purchasing
The following list contains a number of excellent reasons for businesses to "green" their purchasing practices.

- **Reduce costs**
  Environmentally friendly purchasing policies create an opportunity for cost savings. Purchases are examined from a different perspective, looking beyond the initial cost and applying long term costs and benefits, including unnecessary purchases, reduced material handling, and accrued disposal costs.

- **Improve efficiency**
  Greener purchasing includes reduced packaging, consumption, and toxicity. In turn, a reduction in handling time is realized.

- **Reduce liability/create a safer work environment**
  Every effective 'green' purchasing policy includes specific mention of the replacement and reduction of hazardous materials. With fewer toxic materials within the facility, there is less risk of employee injury, and considerable improvement in air quality. Improved air quality can significantly improve the employee efficiency and reduce the amount of necessary sick leave.

- **Show corporate leadership**
  Adopting 'green' purchasing policies can improve the image of your business. Social and environmental responsibilities are increasingly more important aspects of businesses in today's market. According to a number of research studies and polls, environmentally and socially proactive companies outperform the market average.

- **Satisfy consumer demands**
  In order to optimize business with your target market, it is essential to be aware of the needs of the consumers. A growing concern of many
consumers is the environment and sustainability. In turn, many businesses have tailored their purchasing and manufacturing processes to reflect the demands of their consumer market.

- **Communicate, Communicate**
  Like all other aspects of greening your business, communication is key. Poor communication can lead to misunderstanding, inefficiency, and conflict. Talk to your employees about planned changes, from purchasing agents to managers to plant workers. Have a mechanism in place for everyone to provide input and feedback. Suppliers need to know what to expect from your company, including products involved, product criteria and timelines. Don't forget to inform your customers and the general public about your environmental initiatives.

**National Energy Conservation Partners and Resources**

- Eco-Efficiency Centre – [www.eco-efficiency.dal.ca](http://www.eco-efficiency.dal.ca)
- ENERGY STAR – [www.energystar.gov](http://www.energystar.gov)
- U.S. Environmental Protection Agency – [www.epa.gov](http://www.epa.gov)

**Local Energy Conservation Partners and Resources**

- Avista Utilities – [www.avistaultilities.com](http://www.avistaultilities.com)
- SMART Business Recognition Program - [www.developingspokane.org/incentives/green_incentive](http://www.developingspokane.org/incentives/green_incentive)
- Spokane Neighborhood Economic Development Alliance SNEDA – [www.sneda.org](http://www.sneda.org)
- Spokane Neighborhood Action Programs (SNAP) – [www.snapwa.org](http://www.snapwa.org)
- Spokane Transit Authority – [www.spokanetransit.com](http://www.spokanetransit.com)
- Sustainable Local Investment Partnership (SLIP) – **Jim Wavada (509) 358-7894**
- Waste Reduction Assistance Program (WRAP) – [www.solidwaste.org](http://www.solidwaste.org)

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