MANAGEMENT SYSTEMS AND SUSTAINABILITY AT GREEN MOUNTAIN COFFEE ROASTERS

New Hampshire Businesses for Social Responsibility

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Dennis Sasseville, Normandeau Associates, Inc.
Matthew DeLuca, Green Mountain Coffee Roasters
Today’s Presentation

Part 1 – Sustainability and “Good Works” – Dennis Sasseville
- How is sustainability defined in 2011?
- Business’ response to sustainability
- Establishing and maintaining a management system to support a sustainability program

Part 2 – The GMCR Experience – Matt DeLuca
- GMCR’s history of environmental stewardship and CSR
- Why a management systems approach?
- Progress to date and lessons learned
A Brief History of Environmental Management

Not sustainable....
Major Game-Changing Laws

- Clean Air Act (CAA)
- Toxic Substances Control Act (TSCA)
- Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA)
- Emergency Planning and Community Right-to-Know Act (EPCRA)
- Resource Conservation and Recovery Act (RCRA)
- Oil Pollution Act (OPA)
- Clean Water Act (CWA)
- Safe Drinking Water Act (SDWA)
- Occupational Safety and Health Act (OSHA)
The Non-regulated World

Figure 1. Unmet Environmental Needs

Unregulated
Environmental Aspects
= 80%
Problems & Opportunities

Regulated Aspects
= 20%
Problems & Opportunities

Public pressure to go beyond compliance
Cost of pollution reduction increases as pollution diminishes
Focused reallocation of effort

Vulc. Dept. of Natural Resources, June, 1999
What Is Sustainability?

... adopting business strategies that meet the needs of the business and its stakeholders today while sustaining the resources, both human and natural, that will be needed in the future. KPMG

Sustainability, or any strategic function, should not just answer the question, “What have you done for us today?” It should also work to answer the question, “What are you doing for us for tomorrow?” That's a much harder question to answer, but an important one.

Mitch Jackson, Vice President of Environmental Affairs & Sustainability, FedEx Corporation
Sustainability? Who’s Asking?

- Architects/Facility Managers = Green buildings, energy, LEED
- Ecologists = Species or habitat health and welfare
- Community Planners = Health and robustness of community
- SR Investors = Ethical organizations that certain pass screening criteria
- Climate Scientist = Global climate change
- Corporations = Integrated/Triple Bottom Line
Key Concepts of Sustainability

- Accountability
- Transparency
- Ethical behavior
- Respect for stakeholder interests
- Respect for the rule of law
- Respect for international norms of behavior
- Respect for human rights
- Sphere of Influence
- License to Operation
The Challenges Are Many

The path to corporate sustainability is paved with potholes and pitfalls:
It’s Your Business

“The way to make environment a business issue is to treat it like a business issue.”

Randy Price, Allied Signal Company, ca mid 1990s. Currently VP EHS for Consolidated Edison
Preventing Random Acts of Sustainability

All this is good.

- Many individual businesses and corporations have accomplished much so far (pat yourselves on the back now!)

But two big questions:

- Suppose my facility has barely started, or slipped back?
- How can I run my sustainability program more efficiently and effectively? (How can I best sustain the program?)
Consider a Management System (MS) Approach

- Not new, but MS being rediscovered as the ideal framework for developing and maintaining sustainability programs.
- The MS “driver” of setting formal Objectives and Targets can assure that sustainability or CSR initiatives are not “one off” events that may or may not attain their stated goals.
- MS can sustain the organizational programs even if the “champion” moves on.
What is a Environmental Management System (EMS)?

- A system for addressing the environmental policies, objectives, procedures, principles, authority, responsibility, accountability and implementation of an organization’s means for managing its environmental affairs.

- You can call it “Fred”
The Management System Model

Continual Improvement

Management Review
(Lessons learned. Affect change.)

Checking and Corrective Action
(What has been achieved. What needs more work.)

Environmental Policy Statement
(Your vision. What you stand for.)

Planning
(Your roadmap. How you are going to get there.)

Implementation & Control
(Make it happen. Get on with it.)
The Management System is the structure – it provides the framework that allows sustainability initiatives to achieve lasting success.
Preventing Random Acts of Sustainability

Getting Started:

- Form or re-form your green/sustainability team
- Conduct a customized Sustainability Opportunity Assessment (a gap analysis meshed with desired goals and strategies)
Preventing Random Acts of Sustainability

Sustaining Your Sustainability Program:

- Sustainability team adopts a formal MS framework with management’s input and support

- Fully develop that MS approach, incorporating current goals and programs as well as new initiatives

- Consider external certification & recognition through ISO 14001
Company Example: Xanterra

Privately held, premier owner and manager of hospitality properties, especially located in National and State Parks.

130 yr hospitality legacy (Fred Harvey Company)
7,400 employees
1.9 M guest overnights (2010)
Xanterra Parks & Resorts

Challenge:

- Create competitive differentiation within their service industry
- Create connection with visitors to national parks

Initiatives:

- Ecologix: branded MS program with third-party verification of its key environmental data
- ISO 14001 certified EMS
- Focus on employees as key drivers to save resources and carry the sustainability message
- Issue an annual sustainability report
Xanterra Parks & Resorts

Communications:

- Report made available online and in all hotel rooms and lobbies
- Signage in all restaurants/cafes on food origins
- Detailed data available in all RFPs
- Use of employee voices to tell the story

Xanterra's mission is to be the industry leader in park and resort hospitality. We are committed to practicing integrity and quality, maintaining positive relationships with our employees and clients, leading in environmental stewardship and creating unforgettable memories for our guests.
“Our business decisions balance economic viability with ecological responsibility. In the end (our) projects and hundreds of others like them must improve our environmental performance in measurable, demonstrable ways.”

Chris Lane, VP of Environmental Affairs
ATTENTION DRIVERS:

GREEN MOUNTAIN HAS AN IDLE REDUCTION POLICY. PLEASE TURN OFF YOUR ENGINES WHILE ON SITE AWAITING TO BE LOADED/UNLOADED.
Deficient Environmental Management

• priorities unclear
• no environmental goals / tracking / monitoring / correcting
• projects might not be impactful

ISO Certified EMS

• focused through policy and system for identifying how operations impact the environment,
• goals and targets for reducing impacts related to operations,
• tracking legal and other requirements,
• assigning roles and responsibilities, training, communication, documentation.
• establishing ways to monitor, identify and correct environmental problems.

We found ourselves

• limit focus to energy & waste
• goals only for some locations

Continuous Improvement

• Projects do not necessarily relate to goals
• Focused on infrastructure; not processes

• undefined
• compliance reactive
• loose operational controls
• uncertain how work relates to goals

GMCR SPECIALTY COFFEE BUSINESS UNIT
Purpose and Principles

Our Purpose is why we are here. We create the ultimate coffee experience – transforming the way the world understands business.

Three Key Factors

- Integrity is the foundation of all our decisions.
- Commitment to excellence is the road to great coffee and is the commitment to outstanding coffee experience.
- Family values guide our future. We use resources wisely and are responsible stewards of the planet.

Our Guarantees

- Communication – Open, honest, and trust.
- Collaboration – The most effective business models. Our decisions are made in collaboration with our partners, suppliers, and employees.

PERSONAL EXCELLENCE – Strive to give our best for ourselves, our co-workers, and the organization.

LEADERSHIP – At every level, we develop leaders that demonstrate a high level of competence, generate trust and bring out the best in themselves and those around them.
Consistent with the Waterbury (VT) Operation’s commitment to maintaining an EMS in accordance with the requirements of ISO 14001:2004, this guidance document describes the development procedure for identifying environmental aspects and impacts associated with the Operation’s activities, products and services, and determining which of those aspects and impacts is significant (and therefore requires further consideration).

The current list of environmental aspects is saved as an excel file:

2_WTBY_ENV_aspects_impacts_analysis_FORM_YYYYMONDD.xlsx

Where the YYYYMONDD corresponds to the effective date of the record.
The record can be found in the following location:
Questions/Discussions

What’s the use of a fine house if you haven’t got a tolerable planet to put it on?

Henry David Thoreau

Dennis Sasseville, Senior Associate
Normandeau Associates, Inc.
dsasseville@normandeau.com

Matthew DeLuca, Manager of Environmental Affairs
Green Mountain Coffee Roasters
Matthew.DeLuca@gmcr.com