



# UL 880

Standard for Sustainability for  
Manufacturing Organizations

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First Edition, Dated November 2, 2011

***Summary of Topics***

***This revision includes the following:***

***Revisions to the EPP Performance Indicator 23.4***

***Editorial Revisions***

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**UL 880**

**Standard for Sustainability for Manufacturing Organizations**

**First Edition**

**November 2, 2011**

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## INTRODUCTION

### 1 General

1.1 The most often cited definition of sustainability is human activity conducted in a way that meets “the needs of the present without compromising the ability of future generations to meet their own needs.”<sup>1</sup> In the marketplace, the term is used to address ideas and emerging systems of thought that include corporate social responsibility, corporate citizenship and environmental responsibility.

1.2 Sustainability has become an increasingly important business focus across all market sectors in both developed and developing economies due in part to growing recognition of, and sophistication in assessing, the real costs of externalities – that is, the negative environmental and social impacts attributable to everyday business activities such as the manufacturing and selling of products, the delivery of services, and other normal business operations. Moreover, the business world is changing to respond to emerging social and market forces that value companies that consider the effects of their operations, products and services on the environment and community. The ability to integrate environmental and social responsibility into business operations is fast becoming an indicator of good management, decreased risk, and the path to enhanced reputation. Achieving greater sustainability is becoming an important business driver that helps companies remain competitive and enhance their reputations among customers, shareholders, suppliers, employees, and the public at large.

1.3 However, while organizations have made progress over the last few decades in addressing their sustainability impacts, organizational sustainability as both a process and objective remains ill-defined. Without a standardized process for assessing and rating organizations, those who seek to evaluate the sustainability of organizations are hampered by skepticism borne of real or perceived “greenwashing” and confusion about what it means to be a sustainable business.

1.4 UL 880 seeks to address this gap by establishing a standardized assessment of organizations through an independent, third-party-verified process. UL and GreenBiz Group, the developers of UL 880, believe that adoption of such a process globally will facilitate the establishment of corporate sustainability practices as “business as usual”, and, eventually, will enable companies and their stakeholders to align day-to-day sustainability practices with aspirational goals and objectives.

### 2 The Standard

2.1 UL 880 provides enterprise-level sustainability requirements that are applicable across sectors and national borders. It covers a full spectrum of sustainability issues – governance for sustainability, environmental performance, work force practices, customer and supply chain practices, and community engagement and human rights practices. These requirements recognize the pioneering models of voluntary sustainability reporting frameworks such as the Global Reporting Initiative (GRI); international guidelines that address elements of organizational sustainability, such as International Organization for Standardization (ISO) 26000, Guidance on Social Responsibility; and a wide range of other standards and guidelines that address specific elements of sustainability. It provides credit to companies adhering to these organizational sustainability frameworks and rewards best practices in a series of indicators that must be verified by authorized independent third-party verifiers, and certified to be included in the UL 880 organizational registry.

<sup>1</sup>United Nations. 1987. Report of the World Commission on Environment and Development, General Assembly Resolution 42/187, 11 December 1987.

2.2 Developing requirements that address an organization's impacts across multiple sustainability-related concepts is inherently complex. Building upon the century of rigor at Underwriters Laboratories in establishing standards for product safety, the UL-GreenBiz Group team set out to create a standard that is comprehensible, capable of being consistently applied, credible, measurable and relevant to companies and their stakeholders. The result is a standard containing comprehensive corporate sustainability requirements for manufacturing organizations covering five domain topics – governance for sustainability, environment, work force, customers and suppliers, and community engagement and human rights – four categories of indicators – prerequisite, core, leadership and innovation – that are organized into four types – inventories and baselines, policies and procedures, performance, and reporting. Combined, this matrix provides a comprehensive, consistent, yet flexible framework that is applicable across diverse manufacturing organizations while helping companies who become certified under these requirements to differentiate themselves from their peers.

2.3 While the UL 880 framework provides much-needed consistency in assessing sustainability efforts across manufacturing organizations, measuring sustainability performance is difficult. Measuring performance is challenging even in arenas outside sustainability, such as finance, where there is a well-developed history of metrics and measurement. The complexity increases when it comes to sustainability, where there is often an enormous gap in understanding how an organization's business decisions and operations translate into positive or negative social and environmental impacts.

2.4 With this in mind, UL 880 is designed with a process of capturing performance data and incentivizing participating organizations to set targets and have their performance against those targets verified. In this manner, it is the intent of UL 880 to encourage organizations to develop performance data and reporting, such that over time these requirements will better enable organizations to link their organizational practices and performance to environmental, social, and financial objectives pertinent to not only their organization, but to broader objectives. In other words, UL 880 seeks to build a bridge between an organization's immediate needs with the needs of future generations.

### 3 Statement of Principles

3.1 The following core principles have guided the development of UL 880 indicators:

- a) **Aspirational and Achievable** – UL 880 establishes criteria that promote the adoption of best practices, but that are feasible to achieve.
- b) **Verifiable** – UL 880 criteria are written such that the verification and certification process is repeatable and consistent when rating different organizations within the same sector and when rating the same organization from one year to the next.
- c) **Leverages Existing Standards and Guidance** – A number of leading organizations have developed standards or guidelines that cover specific attributes of organizational sustainability. Whenever possible and appropriate, UL 880 should incorporate these by reference, with a priority given to company-wide, global, verifiable standards and reporting protocols.
- d) **Transparency and Disclosure** – Disclosure has become a core tenet of sustainability and good organizational governance. Disclosure in the context of UL 880 means that the text of the Standard will be available to all. In addition, these requirements are designed to help move organizations toward the goal of greater transparency in their own disclosure of sustainability-related risks and opportunities.

e) **Precautionary Approach** – The “Precautionary Principle”<sup>2</sup> concept has been introduced to encourage companies, government entities, organizations, communities, scientists, and others to take measures to reduce harm to human health and the environment from their activities when the potential for those activities to cause harm is not fully known. The “Precautionary Approach” is a decision-making process that requires a thorough exploration and careful analysis of a range of alternatives, as well as a duty to take anticipatory action to prevent harm. Any gaps in scientific data uncovered by the examination of alternatives will provide a guidepost for future research, but will not prevent the taking of protective action. These requirements seek to reward organizations that apply this concept in their business operations. In UL 880, this Approach pertains to Indicators 22.1□ Environmental Site Assessments (when identifying environmental risks and issues), and 24.2□ Product Design – Life Cycle Program Incorporation (core).

f) **Achieving Actual Improvements** – Companies certified under UL 880 should demonstrate tangible reductions in environmental and social impacts across their operations.

g) **Continuous Improvement** – The requirements of UL 880 should be dynamic and reflect current and leading thinking, practices and systems with the objective of assisting organizations in continually improving sustainability performance.

3.2 These requirements establish a uniform system for rating and certifying manufacturing organizations across a spectrum of environmental and social performance characteristics. These requirements are also intended to provide a roadmap for company and organizational sustainability by establishing verifiable criteria for certification.

<sup>2</sup>Derived from Principle 15 of the Rio Declaration on Environment and Development, published in a report on the work of the UN Conference on Environment and Development, otherwise known as the Earth Summit or Rio Summit, held in Rio de Janeiro in June 1992. Geneva: UNCTAD, 1992). United Nations Conference on Environment and Development, *Report on the United Nations Conference on Environment and Development: Annex I. Rio Declaration on Environment and Development*.

## 4 Scope and Intended Users

### 4.1 Definition of Manufacturing and Organization Size

4.1.1 UL 880, the Standard for Sustainability for Manufacturing<sup>3</sup> Organizations, is designed to cover the unique sustainability-related issues faced by large<sup>4</sup> and medium-sized organizations that fabricate tangible goods such as components, machines, source materials, or final products for sale to other organizations or directly to consumers.

### 4.2 Geographic Applicability

4.2.1 UL 880 contains many indicators based on North American guidance and best practices, equivalent indicators may be applied for manufacturing companies located outside of North America that seek certification to these requirements.

### 4.3 Intended Users

4.3.1 UL 880 is intended to enable procurement officials, customers, trading partners, investors, employees, and the public at large to consider company environmental and social performance in decision-making, thereby elevating the importance of these issues to organizations. It is intended for use by stakeholder groups including, but not limited to:

- a) Product manufacturers;
- b) Service professionals;
- c) Government and municipalities;
- d) Customers;
- e) Current and prospective employees;
- f) Suppliers;
- g) Regulators;

<sup>3</sup>Manufacturing: For the purpose of UL 880, manufacturing business activities pertain to involvement in market sectors including, but not limited to aerospace, automotive/transportation, industrial goods, chemicals, electrical and electronics, food and beverage, textiles and wearing apparel, heavy machinery and machine tools, medical equipment, pharmaceuticals and biotech, wood products and furniture, plastics and rubber, and remanufacturing, including independent and contract remanufacturing.

<sup>4</sup>Large Organizations: UL and GreenBiz Group realize that small businesses face unique sustainability challenges and opportunities that are not reflected in the current standard. For that reason, the threshold for verification and certification under UL 880 is above the size standards defined by the US Small Business Administration (SBA) as the upper limit for small business concerns. ULE will consider certifying organizations defined as "small" by the SBA on a case-by-case basis when an organization's market share or involvement in the supply chain of others suggests a larger organizational profile in its industry than its annual receipts or employee headcount indicate. See (<http://www.sba.gov/contractingopportunities/officials/size/index.html>) for more information.

- h) Non-governmental organizations;
- i) Environmental professionals;
- j) Policymakers;
- k) Academics; and
- l) Investors.

## 5 Architecture

### 5.1 Domains

- a) **Governance for Sustainability** – Including sustainability strategic planning, board oversight, internal stakeholder engagement, ethics policies, and creating the infrastructure and fostering the behaviors that create a culture of sustainability in the organization.
- b) **Environment** – Including product stewardship, sustainable resource use, environmental management systems, energy efficiency and carbon management, materials optimization, facilities and land use, habitat restoration, and waste prevention.
- c) **Work Force** – Including professional development, workplace integrity, employee satisfaction and retention, workplace health and safety, and employee health and well-being.
- d) **Customers and Suppliers** – Including fair marketing practices, product safety, customer support and complaint resolution, and sustainable supply chain management, monitoring and improvement.
- e) **Community Engagement and Human Rights** – Including community impact assessment, community investment, and human rights issues.

### 5.2 Baseline Year

5.2.1 Organizations seeking certification to these requirements shall use the common baseline year of 2005. This baseline year shall be applicable across all domains and indicators. Any reference to a baseline year used in this Standard shall refer to this baseline year. An exception shall be made for manufacturers that have launched operations after 2005 or that started collecting sustainability related data after 2005, in which case the Applicant shall establish an appropriate baseline in collaboration with the assessor. The Applicant shall reestablish its baseline if significant changes occur within the organizational boundaries applicable to the assessment. Examples of such changes include, but are not limited to the following:

- a) Acquiring or merging with another company;
- b) Divesting assets or resources; or
- c) Changing the mix of product and resources within the organizational boundaries.

### 5.3 Organizational Boundaries

5.3.1 In order to assess and verify an organization against these requirements, the Applicant and the verification entity shall agree on organizational boundaries via a thorough scoping process. These requirements will adopt the “control approach” – that is, an understanding of what aspects of its operation it directly or indirectly controls – for establishing the outer limits of an organization’s boundaries for purposes of assessment and verification. This control approach can take the form of either financial control or organizational control. As defined by the Greenhouse Gas Protocol developed by the World Resources Institute and the World Business Council for Sustainable Development, “A company has financial control over the operation if the former has the ability to direct the financial and operating policies of the latter with a view to gaining economic benefits from its activities.”<sup>5</sup> In the case of operational control, “A company has operational control over an operation if the former or one of its subsidiaries has the full authority to introduce and implement its operating policies at the operation.”<sup>6</sup> In order to simplify and clarify the organizational boundary assessment process, an equity share approach shall not be considered appropriate for these requirements.

5.3.2 For the purpose of certification to UL 880, an organization shall set its boundaries to include, at a minimum, its enterprise headquarters and global policies and one complete business unit, including all associated facilities or subsidiaries. The boundaries of the organization’s certification shall be a required element in communicating its certification results. These boundaries shall be applicable across all domains and indicators unless explicitly stated otherwise.

### 5.4 Indicators

5.4.1 UL 880 seeks to encourage the continuous improvement of assessed organizations through a four-step process of collecting data, establishing policies and procedures based on an analysis of that data, establishing and meeting performance targets that contribute to improved sustainability performance, and disclosing specific results achieved to stakeholders. To help convey this structure, each indicator has been marked as one of the following four types:

- a) **Inventories and Baselines** – denoted by the symbol:  $\Delta$

The measurement and aggregation of data with a defined starting point and a methodology for continued collection and maintenance.

- b) **Policies and Procedures** – denoted by the symbol:  $\square$

Operational processes and norms.

- c) **Performance** – denoted by the symbol:  $\diamond$

<sup>5</sup>The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard. The World Resources Institute and the World Business Council for Sustainable Development, p. 17.

<sup>6</sup>Ibid, p. 18

Measurable progress against goals set by the organization. For the purpose of this Standard, conformance to performance indicators is based on demonstrated improvement against previously established goals, articulation of new goals going forward, and in future years, verification of performance against those new goals. Performance against future goals shall be confirmed during recertification years.

These indicators are designed to promote and measure internal continuous improvement. As such, they measure an Applicant's performance against its own previous performance.

d) **Reporting** – denoted by the symbol: ○

Information to stakeholders about particular actions taken and results achieved by the organization.

5.4.2 For a list of all indicators and their associated points, please see Appendix A.

## 5.5 Weighting of Domains

5.5.1 UL 880 includes a comprehensive set of environmental, social, and governance sustainability indicators across five domains. This Standard does not include financial indicators, the third leg of the triple bottom line. Such issues are covered by sources of financial data that do not bear repeating in this Standard.

5.5.2 Points have been allocated to indicators based on type (described under 5.4) and an estimate of level of effort and effect on a company's sustainability operations. The combination of indicator types and point allocations result in a distribution of points by domain illustrated in Table 5.1 as follows:

**Table 5.1**  
**Point Allocations and Percentage Weightings**

Environmental		Social		Governance
Environment	456	Work Force	140	Governance and Sustainability
		Customers and Suppliers	235	
		Community Engagement and Human Rights	75	
<b>Totals</b>	<b>456</b>		<b>450</b>	<b>97</b>

## 6 Certification Requirements

### 6.1 Required and Optional Indicators

#### 6.1.1 General

6.1.1.1 Each domain includes prerequisites, core indicators, and leadership indicators, for a total of 1,003 possible points across all domains.

6.1.1.2 An Applicant shall first meet all prerequisites to be considered for certification. Those that do shall be certified for their sustainability efforts by meeting the requirements of one of the following:

a) **Focus Area Certification** – Applicant shall achieve points in at least each core indicator (though it need not achieve all available points in any individual core indicator) in select domains. There are four Focus Area certification options. An Applicant shall achieve three Focus Area certifications before seeking Full Certification.

- 1) Environment only;
- 2) Governance for Sustainability plus Work Force;
- 3) Governance for Sustainability plus Customers and Suppliers; and
- 4) Governance for Sustainability plus Community Engagement and Human Rights; or

b) **Full Certification** – Applicant shall achieve points in at least each core indicator (though it need not achieve all available points in any individual core indicator) across all five domains.

#### 6.1.2 Prerequisites

6.1.2.1 Prerequisites are required indicators. Applicants shall meet all eight prerequisites, identified in Table 6.1 below, in order to be considered for certification under these requirements. There are no points associated with prerequisites.

**Table 6.1**  
**Prerequisites**

Domain	Prerequisite
Governance for Sustainability	10□ Sustainability Policy (prerequisite) 14.1□ Ethics Policies (prerequisite) 14.3□ Environmental and Social Legacies (prerequisite)
Environment	17.2□ EMS (prerequisite)
Work Force	26□ Work Force Requirements (prerequisite) 29.2□ Occupational Health and Safety (prerequisite)
Customers and Suppliers	32.2□ Green Claims and Truth in Advertising (prerequisite)
Community Engagement and Human Rights	37□ Human Rights Requirements (prerequisite)

### 6.1.3 Core Indicators

6.1.3.1 To be certified, Applicants shall achieve at least the minimum points available in each of the 22 core indicators, identified in Table 6.2 below. Applicants shall earn up to 240 points across all core indicators. An Applicant need not achieve all 240 points to be certified.

**Table 6.2**  
**Core Indicators**

Domain	Core	Points Available
Governance for Sustainability	11.3○ Sustainability Reporting (core)	10
	13.1□ Employee Engagement (core)	10
	13.2□ Shareholder Engagement (core)	5
	13.3□ External Stakeholder Engagement (core)	10
Environment	18.2△ Greenhouse Gas (GHG) Inventory: Scope 1 and Scope 2 (core)	10
	18.4□ Energy and GHG Management Program (core)	8
	18.5◊ Energy and GHG Reduction Targets and Performance (core)	25
	19.2□ Water Use and Wastewater Policy (core)	5
	20.2△ Waste Inventory (core)	10
	20.3□ Waste Reduction Management Program (core)	8
	20.4◊ Waste Reduction Targets and Performance (core)	25
	22.2.1◊ Green Building and Leasing (core)	7
	23.2□ EPP Policy (core)	5
	24.2□ Product Design – Life Cycle Program Incorporation (core)	8
Work Force	27.2□ Performance Management System (core)	6
	28.2□ Diversity and Inclusion Policy (core)	5
	28.5□ Addressing Employee Concerns/Whistleblower Protection (core)	10
	30.2□ Access to Health Care (core)	5
Customers and Suppliers	33.2○ Customer Health and Safety Reporting (core)	10
	34.2□ Complaint Resolution and Customer Satisfaction (core)	8
	35.2□ Sustainable Supply Chain Code of Conduct (core)	25
Community Engagement and Human Rights	40.2□ Human Rights Risks Assessment (core)	25

#### 6.1.4 Leadership Indicators

6.1.4.1 Applicants shall earn up to 763 points for all other indicators (except the Innovation indicator described below). Applicants shall be required to secure points from leadership indicators to be recognized at higher levels of achievement under the certification program.

#### 6.1.5 Innovation

6.1.5.1 Applicants are encouraged to submit their own achievements for innovation recognition under. Such achievements shall be in any of the domains covered in these requirements and shall be considered in time for inclusion in the Standard as leadership indicators in the future. These submissions shall be documented and verifiable, and shall be subject to independent audit. For more information about possible areas of recognition, see Innovation Recognition, Section 41.

### 6.2 Documentation of Achievements

6.2.1 To conform to the requirements of UL 880, an Applicant shall provide documentation to the auditor for all prerequisites, core indicators, and each leadership indicator for which it seeks evaluation of conformance. The methodology for assessing whether an organization conforms to the requirements shall be documented and be of sufficient detail to provide confidence that the organization has correctly conformed to these requirements. The underlying raw data supplied as evidence of conformance shall not be made publicly available without the Applicant's consent.

### 6.3 Frequency of Evaluation

6.3.1 With the exception of specific performance indicators, as noted in Table 6.3 below, Applicants shall be reevaluated against the requirements every two years for recertification. During the interim year, Applicants shall be required to submit statements of attestation that their sustainability data remain unchanged or improved since the previous year's certification. Table 6.3 below illustrates the alternating certification/attestation/recertification periods.

**Table 6.3**  
**Certification/Attestation/Recertification Cycle**

Focus Area/ Yr	Year 1	Year 2	Year 3	Year 4...
Scenario 1: Single Focus Area				
Focus Area 1	Audit	Attestation	Audit	Attestation...
Scenario 2: Multiple Focus Areas				
Focus Area 1	Audit	Attestation	Audit	Attestation...
Focus Area 2	X	Audit		
Scenario 3: Full Certification				
Full Certification	Audit	Attestation	Audit	Attestation...

6.3.2 It shall be to the Applicant's benefit to seek re-certification in instances where continuous improvement could allow it to achieve a higher level of conformance.

6.3.3 Several performance indicators require Applicants to establish future goals. Applicants receive additional points for showing evidence that they are moving toward achieving these goals. An Applicant that initially achieves any points for a performance indicator of this type shall be reevaluated upon recertification to confirm that it is on track to achieve its own stated goals.

## 7 External References

7.1 Where applicable, these requirements invoke several other credible standards, guidelines, and vision documents, listed below, that have been developed to guide specific policies and practices that are important to sustainability for manufacturers. Any undated reference to a code, standard, or guideline appearing in the criteria of these requirements shall be interpreted as referring to the latest edition of that code, standard or guideline. The exception shall be in the case where the criterion explicitly states a certain version or date to be used.

- a) AccountAbility 1000 Stakeholder Engagement Standard, AA1000SES
- b) ANSI/AIHA Z10:2005, Standard for Occupational Health and Safety Management Systems
- c) ASHRAE 189, Standard for the Design of High-Performance, Green Buildings, <http://www.ashrae.org/publications/page/927>
- d) ANSI/ASHRAE 62-1:2007, Ventilation for Acceptable Indoor Air Quality
- e) ASTM E2173-07, Standards Guide for Disclosure of Environmental Liabilities, [www.astm.org/Standards/E2173.htm](http://www.astm.org/Standards/E2173.htm)
- f) BS OHSAS 18001, British Standard Occupational Health and Safety Assessment System
- g) California Proposition 65, Safe Drinking Water and Toxic Enforcement Act of 1986, <http://www.oehha.ca.gov/prop65/background/p65plain.html>
- h) Ceres, The 21st Century Corporation: The Ceres Roadmap for Sustainability, <http://www.ceres.org/ceresroadmap>
- i) CSA Z1000:2006, Occupational Health and Safety Management, the Canadian Standards Association
- j) Electric Code of Federal Regulations, Title 16: Commercial Practices – Part 260 – Guides for the Use of Environmental Marketing Claims, [http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=b2333ddf96abf25788ef3037ffcfb40a&tpl=/ecfrbrowse/Title16/16cfr260\\_main\\_02.tpl](http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=b2333ddf96abf25788ef3037ffcfb40a&tpl=/ecfrbrowse/Title16/16cfr260_main_02.tpl)
- k) Electric Code of Federal Regulations, Title 40: Protection of Environment, Part 261 – Identification and Listing of Hazardous Waste, <http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=de34e1d8d0a8d97af6733307ee129199&rgn=div5&view=text&node=40:26.0.1.1.2&idno=40>
- l) European Union Eco-Management and Audit Scheme (EMAS), [http://ec.europa.eu/environment/emas/index\\_en.htm](http://ec.europa.eu/environment/emas/index_en.htm)
- m) FTSE4Good Index Series, [www.ftse.com/Indices/FTSE4Good\\_Index\\_Series/index.jsp](http://www.ftse.com/Indices/FTSE4Good_Index_Series/index.jsp)
- n) Global Reporting Initiative (GRI), G3.1: Sustainability Reporting Guidelines, (requirements, guidelines and conformance levels), <http://www.globalreporting.org>

- o) Green Globes Assessment and Rating System, <http://www greenglobes com/about asp>
- p) Greenhouse Gas (GHG) Protocol, <http://www ghgprotocol org/>
- q) ICC, International Green Construction Code, <http://www iccsafe org/cs/igcc/Pages/default aspx>
- r) ILO Conventions, [www ilo org](http://www ilo org)
- s) ISO standards and guidelines, <http://www iso org>
  - 1) Quality management systems – Requirements, ISO 9001
  - 2) Quality management – Customer satisfaction – Guidelines for complaints handling in organization, ISO 10002
  - 3) Quality management – Customer satisfaction – Guidelines for dispute resolution external to organizations, ISO 10003
  - 4) Environmental management – Environmental assessment of site and organization (EASO), ISO 14015
  - 5) Environmental labels and declarations – Self-declared environmental claims (Type II environmental labeling), ISO 14021
  - 6) Environmental labels and declarations – Type I environmental labeling – Principles and procedures, ISO 14024
  - 7) Environmental labels and declarations – Type III environmental labeling – Principles and procedures, ISO 14025
  - 8) Environmental management – Life cycle assessment – Principles and framework, ISO 14040
  - 9) Environmental management – Life cycle assessment – Requirements and guidelines, ISO 14044
  - 10) Guidance on social responsibility, ISO 26000
- t) Occupational Health and Safety Assessment Series, OHSAS 18001
- u) OECD Guidelines for Multinational Enterprises, <http://www oecd org/dataoecd/56/36/1922428 pdf>
- v) Social Accountability 8000, SA8000, <http://www sa-intl org>
- w) UN Convention on the Elimination of All Forms of Discrimination Against Women, <http://www un org/womenwatch/daw/cedaw/text/econvention htm>
- x) UN International Convention on the Elimination of All Forms of Racial Discrimination, <http://www2 ohchr org/english/law/cedr htm>

- y) UN Global Compact, Business for Social Responsibility (BSR) Self Assessment Tool, <http://www.unglobalcompact.org>
- z) UN Global Compact, The Ten principles, <http://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html>
- aa) UN Global Compact, Supply chain sustainability, <http://www.unglobalcompact.org>
- bb) UN Guidelines for Consumer Protection, [http://www.un.org/esa/sustdev/publications/consumption\\_en.pdf](http://www.un.org/esa/sustdev/publications/consumption_en.pdf)
- cc) US EPA Design for the Environment, <http://www.epa.gov/dfe/>
- dd) US EPA Environmentally Preferable Purchasing (EPP), <http://www.epa.gov/epp/>
- ee) US EPA Summary of the Safe Drinking Water Act, <http://www.epa.gov/lawsregs/laws/sdwa.html>
- ff) US EPA Toxic Release Inventory (TRI) Program, <http://www.epa.gov/tri/>
- gg) US Family and Medical Leave Act, <http://www.dol.gov/whd/fmla/>
- hh) US Green Building Council LEED® Rating Systems, <http://www.usgbc.org>

ii) World Business Council for Sustainable Development, Vision 2050, [http://www.wbcsd.org/web/projects/BZrole/Vision2050\\_Summary\\_Final.pdf](http://www.wbcsd.org/web/projects/BZrole/Vision2050_Summary_Final.pdf)

## 8 Glossary

### 8.1 Acronyms

- 8.1.1 **AIHA** – American Industrial Hygiene Association
- 8.1.2 **ANSI** – American National Standards Institute
- 8.1.3 **ASHRAE** – American Society of Heating, Refrigeration, and Air-Conditioning Engineers
- 8.1.4 **BREEAM** – Building Research Establishment Environmental Assessment Method
- 8.1.5 **BSR** – Business for Social Responsibility
- 8.1.6 **CDP** – Carbon Disclosure Project
- 8.1.7 **CERES** – Coalition for Environmentally Responsible Economies
- 8.1.8 **DfE** – Design for the Environment

- 8.1.9 **EPD** – Environmental Product Declaration
- 8.1.10 **EPP** – Environmentally Preferable Purchasing
- 8.1.11 **FAO** – Food and Agricultural Organization of the United Nations
- 8.1.12 **GHG** – Greenhouse Gas
- 8.1.13 **GRI** – Global Reporting Initiative
- 8.1.14 **GTOS** – Global Terrestrial Observing System
- 8.1.15 **HMIS** – Hazardous Materials Identification System
- 8.1.16 **ILO** – International Labour Organization
- 8.1.17 **ISO** – International Organization for Standardization
- 8.1.18 **LCA** – Life cycle assessment
- 8.1.19 **LEED/LEED EBOM** – Leadership in Energy and Environmental Design/LEED for Existing Buildings: Operations and Maintenance
- 8.1.20 **OECD** – Organization for Economic Co-operation and Development
- 8.1.21 **OSHA** – Occupational Safety and Health Administration (U.S.)
- 8.1.22 **PCRs** – Product Category Rules
- 8.1.23 **UNEP** – United Nations Environmental Programme
- 8.1.24 **UNGC** – United Nations Global Compact
- 8.1.25 **USGBC** – United States Green Building Council
- 8.1.26 **WBCSD** – World Business Council for Sustainable Development
- 8.1.27 **WRI** – World Resources Institute

## 8.2 Terminology

8.2.1 **Air pollution** – The presence of contaminants or pollutant substances in the air that interfere with human health or welfare, or produce other harmful environmental effects.

8.2.2 **Alternative-fuel vehicle** – Any motorized vehicle that runs on fuels other than petroleum-based fuels. Examples include hybrid, fuel cell, and battery-electric vehicles.

8.2.3 **Applicant** – The company or individual who applies to UL for the certification to a standard.

8.2.4 **Biodiversity** – The number, variety, and genetic variation of different organisms found within a specified geographic region.

8.2.5 **Biopersistent** – A chemical or physical (fiber, particulate) toxicant that is not readily degraded in the environment or within the organism.

8.2.6 **Byproduct** – A production material that is not waste and possesses characteristics that make it ready for further use in the marketplace without any further processing.

8.2.7 **Carcinogen** –A chemical that can cause cancer in animals or humans.

8.2.8 **Chemicals of Concern** – A chemical that may be categorized in one or more of the following ways:

- 1) Persistent and/or bio-accumulative toxins (PBT)\*;
- 2) Reproductive/developmental toxicants\*;
- 3) Mutagens/carcinogens; and/or
- 4) Endocrine disruptors (EDs).

\*Reference Lists: National Toxicology Program (NTP), IARC, California EPA Proposition 65, European Commission DG Env Report M0355008/1786Q/10/11/00 Annex 1, Category I substances, Stockholm convention

8.2.9 **Child Labor** – Employment of children under the minimum legal age for employment in the country where the work is being completed.

8.2.10 **Closed Loop Water System** – A system in which water used in production is cleaned and recirculated for reuse in operations without evaporation or exposure to the atmosphere.

8.2.11 **Communication on Progress (COP)** – Within two years of declaring support for the UN Global Compact, an organization is expected to produce a Communication on Progress that reports, publicly, the organization's improvement against its stated goals and the 10 principles outlined in the Compact.

8.2.12 **Community Impact Assessment (CIA)** – Also called a Social Impact Assessment, a CIA is a methodical process to evaluate the potential effects of specific organizational policies, plans, project, and proposed facilities on the communities in which it current operates or seeks to operate. An effective stakeholder engagement strategy is essential for implementing effective CIAs.

8.2.13 **Composting** – Compost is organic matter that has been decomposed and recycled as a fertilizer and soil amendment. The compost itself is beneficial for the land in many ways, including as a soil conditioner, a fertilizer, addition of vital humus or humic acids, and as a natural pesticide for soil. Composting from materials from business and industry can be done onsite and offsite. Industrial composting systems are increasingly being installed as a waste management alternative to landfills, along with other advanced waste processing systems. Mechanical sorting of mixed waste streams combined with anaerobic digestion or in-vessel composting, is called mechanical biological treatment. See the US EPA site on composting for more information: <http://www.epa.gov/wastes/conserve/materials/organics/food/fd-compost.htm>.

8.2.14 **Design for the Environment (DfE)** – The systematic integration of environmental and human health factors into the design of products and processes to prevent pollution and conserve resources during the manufacture of those products. The US EPA's DfE partnership program is designed to identify safer chemical products. (<http://www.epa.gov/dfe/pubs/projects/formulat/label.htm>)

8.2.15 **Eco-label** – Product or service markers, often in the form of a label, service mark, or seal, that seek to make consumers aware of the imperceptible environmental contents of the product or to indicate that its production meets certain standards deemed to be socially desirable. (Reprinted from ILO Thesaurus 2005)

8.2.16 **Ecosystem** – A functional system that includes the organisms of a natural community together with their environment. (Reprinted from Access Science Dictionary from McGraw Hill)

8.2.17 **Environment** – The sum of all external conditions affecting the life, development, and survival of an organism.

8.2.18 **Environmental Justice** – The fair treatment and meaningful involvement of all people in an affected community, regardless of race, color, gender, national origin, or income, in considering investments and developments that affect the environment. The concept was developed to highlight the disproportionate risk that members of disadvantaged ethnic, minority, or other groups have suffered historically as a result of non-participatory or unfair decision making about environmental issues that affect these communities. (US Environmental Protection Agency, Environmental Justice, <http://www.epa.gov/environmentaljustice/>)

8.2.19 **Environmental Management System (EMS)** – Part of an organization's management system used to develop and implement its environmental policy and manage its environmental aspects. (Reprinted from Environmental management – Vocabulary, ISO 14050)

8.2.20 **Environmental Policy** – A statement by the organization of its intentions and principles in relation to its overall environmental performance, which provides a framework for action and for the setting of its environmental objectives and targets.

8.2.21 **Environmental Product Declaration (EPD)** – The documentation of an audited Life Cycle Assessment (LCA) of the environmental performance of a product, based on approved Product Category Rules (PCRs) in accordance with Environmental labels and declarations – Type III environmental declarations – Principles and procedures, ISO 14025

8.2.22 **Environmentally Preferable Purchasing (EPP)** – A process for selecting products or services that have a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose.

8.2.23 **Forced Area Certification** – Applicant must achieve points in at least each core indicator in this Standard (though it need not achieve all available points in any individual core indicator) in select domains (i.e., in the environmental domain or in the governance for sustainability plus one of the remaining domains). See 6.1.1.2(b) Full Certification, for additional certification path information.

8.2.24 **Forced Labor** – All work or services extracted from any person under the menace of any penalty or for which the person has not offered himself or herself voluntarily. (Reprinted from ILO Thesaurus 2005)

8.2.25 **Fossil Fuel** – Fuel derived from ancient organic remains. Examples are peat, coal, crude oil, and natural gas.

8.2.26 **Fuel-Efficient Vehicle** – A conventional vehicle that delivers higher miles per gallon (MPG) than other conventional vehicles in the same category.

8.2.27 **Full Certification** – Applicant must achieve points in at least each core indicator in this Standard (though it need not achieve all available points in any individual core indicator) across all five domains. See 6.1.1.2(a) Focus Area Certification for additional certification path information.

8.2.28 **Green Chemistry** – Also called sustainable chemistry, “is the utilization of a set of principles that reduces or eliminates the use or generation of hazardous substances in the design, manufacture and application of chemical products.” (Paul Anastas and John Warner, *Green Chemistry Theory and Practice*)

8.2.29 **Greenhouse Gas (GHG)** – Gases (e.g., carbon dioxide, methane, ozone, fluorocarbons) whose absorption of solar radiation helps accelerate the greenhouse effect, which is heating phenomenon caused by solar radiation becoming trapped in the atmosphere.

8.2.30 **Greenhouse Gas Protocol Initiative (Scopes 1, 2, 3)** – An international accounting tool widely used by government and business leaders to understand, quantify, and manage GHG emissions. Scope 1, 2, and 3 emissions are the GHG Protocol’s categories of direct and indirect emissions. According to the Greenhouse Gas Protocol Initiative website, the definitions of Scopes 1, 2, and 3 are:

- 1) Scope 1: All direct GHG emissions
- 2) Scope 2: Indirect GHG emissions from consumption of purchased electricity, heat or steam
- 3) Scope 3: Other indirect emissions, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the reporting entity, electricity-related activities (e.g. T&Dlosses) not covered in Scope 2, outsourced activities, waste disposal, etc.

(World Resource Institute and the World Business Council for Sustainable Development, “The Greenhouse Gas Protocol Initiative,” <http://www.ghgprotocol.org/>)

**8.2.31 Hazardous Substances** – Any substance that are known to pose a threat to human health and/or the environment. Typical hazardous substances are toxic, corrosive, ignitable, explosive, or chemically reactive and the legal use of many hazardous substances in industry is regulated by international, national and local laws.

**8.2.32 LEED EBOM (Existing Building Operations & Maintenance)** – Leadership in Energy and Environmental Design (LEED) is a voluntary, internationally recognized green building certification system that provides third-party verification of adherence to the standard. It was developed and is maintained by the US Green Building Council. The LEED for Existing Buildings Operations and Maintenance rating system is a set of performance standards developed to certify the operations and maintenance of existing commercial or institutional buildings and high-rise residential buildings of all sizes, both public and private, with the intent of promoting high performance, healthful, durable, affordable, and environmentally sound practices in existing buildings. (US Green Building Council, LEED for Existing Buildings, <http://www.usgbc.org/DisplayPage.aspx?CMSPageID=221#v2008>)

**8.2.33 Life Cycle** – The total impact of a system, function, product, or service from the extraction of raw materials through its disposal.

**8.2.34 Life Cycle Assessment (LCA)** – Compilation and evaluation of the inputs, outputs and the potential environmental impacts of a product system throughout its life cycle. (Reprinted from Environmental management – Vocabulary, ISO 14050)

**8.2.35 Life Cycle Impact Assessment (LCIA)** – Phase of life cycle assessment aimed at understanding and evaluating the magnitude and significance of the potential environmental impacts for a product system throughout the life cycle of the product. (Reprinted from Environmental management – Vocabulary, ISO 14050)

**8.2.36 Life Cycle Thinking** – The process of taking into account the environmental, social, and economic impact of a product from raw material extraction to consumption and disposal. (United Nations Environment Programme, Division of Technology, Industry, and Economics, Sustainable Consumption and Production Branch, Life Cycle & Resource Management, <http://www.unep.fr/scp/lifecycle/>)

**8.2.37 Material Flow Analysis (MFA)** – A method for analyzing the flows of material within a system. The goal of MFA in a company is to optimize production processes in such a way that materials and energy are used in the most efficient manner.

**8.2.38 Nonpoint Source Pollution** – Water pollution that affects a body of water from diffuse sources such as urban area stormwater runoff or runoff from agricultural areas.

**8.2.39 Packaging** – The process, content and technology used, and design of the enclosing material used to protect products for storage, sale, and use.

**8.2.40 Policy** – Documented guidelines that articulate the organization principles and its employees' response to known and knowable situations. Policies shall be approved through the organization's official governance mechanisms and managed and maintained by the organization's official policy function.

8.2.41 **Post-Consumer Content** – Content produced by households, commercial, or industrial facilities that has been diverted or recovered from waste streams and broken down and processed for use in new products or packaging. (Bright Hub, The Explanation of Post Consumer Content, <http://www.brighthub.com/environment/green-living/articles/72079.aspx>)

8.2.42 **Post-Industrial (pre-consumer) Content** – Scrap or waste recovered from the manufacturing process for reuse or recycling. (The Encyclopedia of Alternative Energy and Sustainable Living, post industrial content, [http://www.daviddarling.info/encyclopedia/P/AE\\_post\\_industrial\\_content.html](http://www.daviddarling.info/encyclopedia/P/AE_post_industrial_content.html))

8.2.43 **Precautionary Approach** – An approach to product development that requires manufacturers to take anticipatory action – or decide not to take certain actions – even in the absence of scientific certainty, should an activity raise the threat of harm to human health and the environment. (The Science and Environmental Health Network, Precautionary Principle, <http://www.sehn.org/precaution.html>)

8.2.44 **Process Water** – Water used for industrial processes and building systems, such as cooling towers, boilers, and chillers.

8.2.45 **Recovered Material** – Waste material (post-industrial content) or byproduct recovered or diverted from solid waste.

8.2.46 **Recyclable** – A term generally applied to consumable goods such as paper, plastics, glass bottles, a product or material is recyclable if it may be removed from the waste disposal stream, returned to its original raw material form, and reused as a raw material input for a manufacturing process.

8.2.47 **Recycled Content** – The proportion of pre-consumer or post-consumer recycled material, by mass, in a product or packaging.

8.2.48 **Remanufacturing** – A term generally applied to durable goods, remanufacturing retains the value-added cost of labor, energy, and R&D that were added to the basic cost of raw materials in a manufactured product or component. The process of remanufacturing reuses these value-added products or components that were used in previous products.

8.2.49 **Renewable Energy** – Energy derived from resources that are naturally replenished and can be sustained indefinitely. Potential sources include, but are not limited to, solar electric (photovoltaic), solar thermal, wind, geothermal, bio-gas, biomass, low-impact hydro and renewable cogeneration on-site or off-site, on- or off-grid. It is recommended that supporters of renewable energy, through the purchase of RECs and utility delivered products, seek third party certification, such as Green-e, EcoLogo or equivalent.

8.2.50 **Renewable Energy Credits or Certificates (RECs)** – Is equivalent to 1000 kWh of Renewable Energy. A REC represents the property rights to the environmental, social, and other non-power qualities of renewable electricity generation. A REC, and its associated attributes and benefits, can be sold separately from the underlying physical electricity associated with a renewable-based generation source.

8.2.51 **Right-to-Know** – A legal principle in the United States that individuals have the right to know the chemicals to which they may be exposed in their communities or the workplace.

8.2.52 **Solid Waste** – Any refuse or sludge from a wastewater treatment plant, water supply treatment plant, or air pollution control facility and other discarded materials including solid, liquid, semi-solid, or contained gaseous material resulting from industrial, commercial, mining and agricultural operations, and from community activities. (New York State Department of Environmental Conservation, What is Solid Waste, <http://www.dec.ny.gov/chemical/8732.html>)

8.2.53 **Source Reduction** – Any action that causes a net reduction in the generation of solid waste. "Source Reduction" includes, but is not limited to, reducing the use of nonrecyclable materials, replacing disposable materials and products with reusable materials and products, reducing packaging, reducing the amount of yard wastes generated, establishing garbage rate structures with incentives to reduce the amount of wastes that generators produce, and increasing the efficiency of the use of paper, cardboard, glass, metal, plastic, and other materials. "Source Reduction" does not include steps taken after the material becomes solid waste or actions that would impact air or water resources in lieu of land, including, but not limited to, transformation. (Section 40196 of the California Public Resources Code)

8.2.54 **Stakeholder** – Any individual or group affected by or who can affect the actions of an organization. Stakeholders include shareholders, employees, customers, regulators, community members, or suppliers.

8.2.55 **Supply Chain** – The network of organizations that cooperate to transform raw materials into finished goods and services for consumers. (OECD, "10th OECD Roundtable on Corporate Responsibility: Supply Chains and the OECD Guidelines for Multinational Enterprises," June 30, 2010)

8.2.56 **Sustainability** – Human activity conducted in a way that meets "the needs of the present without compromising the ability of future generations to meet their own needs." (United Nations, Report of the World Commission on Environment and Development, General Assembly Resolution 42/187 (1987)) In the marketplace, the term is used to address ideas and emerging systems of thought that include corporate social responsibility, corporate citizenship and environmental responsibility.

8.2.57 **Sustainable Consumption** – Decision-making about consumption that takes into account larger sustainability issues.

8.2.58 **Take-Back Programs** – Programs that enable manufacturers to take responsibility for return of products or packaging at the end of their useful lives for the purpose of recycling or landfill avoidance.

8.2.59 **Third Party Certification** – An assessment carried out by an impartial entity that is not part of the entity being assessed to ensure compliance with a publicly available technical specification.

8.2.60 **Tier 1 and Tier 2 Suppliers** – Tier 1 suppliers are the direct suppliers of materials used in products. Tier 2 suppliers are those suppliers that provide products, services, and invoice tier 1 suppliers.

8.2.61 **Toxicant** – Human-manufactured materials (solids, liquids or gases) that are carcinogenic, poisonous, or otherwise directly harmful to life in any form. This includes any chemical that, through its chemical action on life processes, and in sufficient doses, can cause death, temporary incapacitation, or permanent harm to humans or animals. This includes all such chemicals, regardless of their origin or of their method of production, and regardless of whether they are produced in facilities, in munitions or elsewhere.

8.2.62 **Waste** – Material from the generator or holder that does not possess characteristics or meet technical specifications for use in the marketplace without further processing and will be discarded or released to the environment.

8.2.63 **Waste Inventory** – An audit of the specific types and amounts of materials that make up a facility's waste stream. It is a tool for establishing a baseline for the types and quantities of waste leaving a building. The waste auditing process allows building managers to identify opportunities for diverting waste streams away from disposal in landfills or incineration facilities and toward reuse, recycling or composting.

### 8.3 Indicator Key

The following key lists the symbols used to identify indicator type. The appropriate symbol is listed with each indicator title for ease of reference.

Indicator Key:
Δ Inventories and Baselines
□ Policies and Procedures
◊ Performance
○ Reporting

## GOVERNANCE FOR SUSTAINABILITY

### 9 General

9.1 Consensus is building among business leaders, shareholders, consumers, and regulators that strategic oversight and effective management of sustainability-related risks and opportunities can improve an organization's performance. The intention of the Governance for Sustainability domain is to assess the extent to which the Applicant's leadership – its board, executive leadership and its senior management – incorporates sustainability as part of its fiduciary responsibility and ensures that sustainability issues are well managed throughout the organization. The criteria in domain, address the Applicant's sustainability planning efforts, its commitment to transparency, how it engages its shareholders and employees in setting and fulfilling its sustainability objectives, and how the Applicant implements its sustainability strategy through its organizational structure, management policies, corporate procedures, and the allocation of resources to steward this commitment effectively.

## 10 Sustainability Policy (prerequisite)

10.1 Applicant shall demonstrate that an organization-wide internally developed sustainability policy or formal statements of commitment are in place, and that the company is actively pursuing this policy or statements. Evidence of meeting this prerequisite shall include documentation confirming that the sustainability policy or statements have been communicated to all employees and are available on an internal or external corporate website or document available to all employees.

10.2 **Cross-reference:** See 14.1 Ethics Policies (prerequisite); 19.2 Water Use and Wastewater Policy (core); 22.3.2 Sustainable Land Use Policy; 23.2 EPP Policy (core); 28.2 Diversity and Inclusion Policy (core); and 35.2 Sustainable Supply Chain Code of Conduct (core), for additional policy indicators.

## 11 Sustainability Strategic Plan and Reporting

### 11.1 Sustainability Plan

11.1.1 Applicant shall earn five points for providing evidence that it has a corporate sustainability action plan that integrates goals, performance measures, and targets. The plan shall include, at minimum, goals and targets aligned with the five domains of this Standard – Governance for Sustainability, the Environment, Work Force, Customers and Suppliers, and Community Engagement and Human Rights. Sustainability performance shall be measured against baselines as determined by the Applicant.

### 11.2 Plan Review

11.2.1 Applicant shall earn five points for demonstrating that the organization's sustainability action plan and/or the sustainability section of the organization's strategic plan is discussed and formally adopted at least annually by the organization's executive leadership (highest level staff in the organization) and senior managers, and that it incorporates measurement and performance reporting. Evidence shall include documentation showing that the sustainability action plan is periodically addressed at executive leadership meetings.

### 11.3 Sustainability Reporting (core)

11.3.1 Applicant shall earn up to 10 points total for this indicator.

a) Applicant shall earn up to six points for making its sustainability plans and performance publicly available in organization-published reports and/or third-party voluntary reporting programs that meets the requirements below:

1) Two points for publishing one of the following:

- i) A GRI Level C G3 report; or
- ii) A publicly available report or combination of publicly available documents that cover equivalent content.

2) Four points for publishing a GRI Level B G3 report; or

3) Six points for publishing a GRI Level A G3 report;

b) Applicant shall earn two additional points for demonstrating evidence that its report has been externally assured by an accredited assurance provider; and

c) Applicant shall earn two additional points for disclosing its material environmental liabilities in its sustainability reporting or other public communications. At a minimum, this disclosure shall cover the following:

- 1) Cleanup of hazardous waste or substances;
- 2) Reclamation costs;
- 3) Disposal of contaminated equipment and materials;
- 4) Fines; and
- 5) Litigation costs.

11.3.2 This indicator corresponds in part with the following guidelines. The Standard Guide for Disclosure of Environmental Liabilities, ASTM E2173-07, or Environmental management – Environmental communication – Guidelines and examples, ISO 14063. An Applicant may demonstrate adherence to these as evidence that it meets the relevant requirements listed in 11.3.1 (a) – (c).

11.3.3 **Cross-reference:** See 14.4○ Political Contributions Reporting; 18.8○ GHG Voluntary Public Reporting; 19.6○ Water Use Reporting; 20.5○ Waste Reduction Reporting; 22.3.3.4○ Habitat and Ecosystem Conservation Report; 23.5○ EPP Reporting; 28.4○ Diversity and Inclusion Reporting; 29.5○ Occupational Health and Safety Reporting; 33.2○ Customer Health and Safety Reporting (core); 35.7○ Supplier Reporting; and 40.3○ Human Rights Reporting, for additional reporting indicators.

## 12 Board Oversight

12.1 Applicant shall earn eight points for demonstrating that the organization's highest governing body has a formal oversight role over the organization's implementation of its sustainability policy and monitors progress toward meeting the targets and performance measures articulated in its sustainability report. Evidence shall include documentation that the board has approved the Applicant's sustainability policy or statements of commitment, an existing board committee oversees the organization's sustainability efforts on an ongoing basis, and sustainability is officially included in the board charter.

## 13 Stakeholder Engagement

### 13.1 Employee Engagement (core)

13.1.1 Applicant shall earn 10 points for having procedures in place enabling employees to collectively engage in two-way communication with the highest governing body on social and environmental matters. Examples of evidence include the existence of active and officially recognized employee networking groups or volunteer "green" or "sustainability" teams that address these issues through the formal infrastructure of their networks, employee town halls, and/or campaigns designed to elicit employee feedback and encourage dialogue on these issues.

### 13.2 Shareholder Engagement (core)

13.2.1 Applicant shall earn five points for having procedures in place enabling shareholders to engage in two-way communication with the organization on social and environmental matters. Evidence shall include documentation of having participated in dialogue with shareholders around social and environmental issues, including with shareholder advocacy groups around shareholder resolutions if applicable.

### 13.3 External Stakeholder Engagement (core)

13.3.1 Applicant shall earn 10 points for demonstrating that it has developed and implemented a strategy for proactive external stakeholder engagement on sustainability issues. Evidence shall include the following:

- a) The methodology for identifying stakeholders, including racial and ethnic minorities, disadvantaged groups and other interest groups;
- b) How the organization identifies these groups' issues as they relate to its operations;
- c) The method of engagement;
- d) How the organization engages affected communities on specific initiatives through the planning, design, build, and implementation phases of projects; and
- e) How the organization integrates that feedback into its sustainability strategic planning processes.

13.3.2 An Applicant may demonstrate adherence to either/both of the following as evidence that it meets the external stakeholder engagement requirements of this indicator: AccountAbility's 1000 Stakeholder Engagement Standard, AA1000SES; or the International Finance Corporation's publication, Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets.

13.3.3 **Cross-reference:** See 38Δ Community Impact Assessment, for an indicator related to external stakeholder engagement.

## 14 Organizational Ethics

### 14.1 Ethics Policies (prerequisite)

14.1.1 Applicant shall provide evidence of documented ethics policies, available to all employees. At a minimum, such policies shall address the following:

- a) Prohibition on offering or accepting bribes, kickbacks, or facilitation payments to public officials or members of customer or supplier organizations;
- b) Anti-competitive prohibitions;
- c) Conflict of interest guidelines;
- d) Insider trading/dealing (if applicable); and
- e) Validity of financial reporting.

14.1.2 Applicant shall demonstrate that it provides training on organizational ethics policies that is delivered to all new employees at orientation, updated as changes are made to these policies, and made available to current employees on at least an annual basis. As used here, training may cover a broad range of approaches and tools such as traditional instructor-led courses, computer-based training, presentations, simulations, exercises, videos, and/or events.

14.1.3 **Cross-reference:** See 10 $\square$  Sustainability Policy (prerequisite); 19.2 $\square$  Water Use and Wastewater Policy (core); 22.3.2 $\square$  Sustainable Land Use Policy; 23.2 $\square$  EPP Policy (core); 28.2 $\square$  Diversity and Inclusion Policy (core); and 35.2 $\square$  Sustainable Supply Chain Code of Conduct (core), for additional policy indicators.

## 14.2 $\diamond$ Ethics Performance

14.2.1 Applicant shall earn up to 14 points for demonstrating the effectiveness of its policy and training program discussed in 14.1.

14.2.2 Applicant shall earn seven points for demonstrating that its implementation of its ethics policy and program has been effectively understood and implemented by its workforce. Evidence may include survey-based information indicating that the majority of its employees are aware of the policy and report that they perceive the organization to be committed to its ethics policies.

14.2.3 Applicant shall earn seven points for demonstrating the effectiveness of its training. Evidence shall include documentation of the diagnostic approach, tools used, the frequency of checkpoints, and shall cover the results of the training, including at a minimum participant reactions to the training as well as the extent to which participants improved knowledge and skills and/or changed attitudes as a result of the training. See Appendix AB14.2, for more information.

14.2.4 **Cross-reference:** See 35.6 $\square$  Supplier Sustainability Training Program, for an additional indicator that address the organization's commitment to employee training.

## 14.3 $\square$ Environmental and Social Legacies (prerequisite)

14.3.1 Applicant shall provide evidence that to verify that it conforms to one of the following:

- a) The Applicant shall attest that it has had no incidences of significant non-compliance with local, regional, or national law related to anti-competitive behavior, threats to ecosystems, human health and safety violations, workplace discrimination, and human rights issues in the period between its baseline year and the year of certification; or
- b) The Applicant shall provide documented evidence demonstrating that mitigation and/or remediation work plans have been prepared and implemented for all such legacies. If applicable, Applicant shall demonstrate that work is proceeding in accordance with timelines and requirements set forth in applicable settlement agreements or, in the case of environmental issues, voluntary cleanup program agreements.

#### 14.4 Political Contributions Reporting

14.4.1 Applicant shall earn 10 points for providing evidence of a written approval and oversight program regarding political donations and for providing documentation of having publicly reported all financial and in-kind contributions to political parties, individual politicians, political advocacy groups, and related institutions by country.

14.4.2 **Cross-reference:** See 11.3 Sustainability Reporting (core); 18.8 GHG Voluntary Public Reporting; 19.6 Water Use Reporting; 20.5 Waste Reduction Reporting; 22.3.3.4 Habitat and Ecosystem Conservation Report; 23.5 EPP Reporting; 28.4 Diversity and Inclusion Reporting; 29.5 Occupational Health and Safety Reporting; 33.2 Customer Health and Safety Reporting (core); 35.7 Supplier Reporting; and 40.3 Human Rights Reporting, for additional reporting indicators.

### 15 Creating a Culture of Sustainability

#### 15.1 Sustainability Program Roles and Responsibilities

15.1.1 Applicant shall earn up to 10 points for providing documentation to verify that it conforms to one of the following:

- a) Applicant shall earn 10 points for evidence that it has dedicated executive leadership responsible for its sustainability initiatives; or
- b) Applicant shall earn six points for evidence that it has dedicated staff below the executive level to manage and implement its sustainability initiatives.

15.1.2 Documentation shall include performance expectation requirements that illustrate how the organization integrates sustainability into management decisions and thinking for these positions. Alternatively, documentation shall include the full-time-equivalent (FTE) headcounts, position titles, organizational levels in relation to the CEO, and the percentage, by position, of paid versus volunteer time allocated to the organization's sustainability related concerns. Evidence shall include organizational charts and job or role descriptions.

#### 15.2 Compensation Linked to Sustainability Performance

15.2.1 Applicant shall earn up to 10 points for this indicator.

15.2.2 Applicant shall earn eight points for providing evidence that executive level compensation is linked to progress on sustainability targets. Evidence may include documents showing that remuneration of top-level executives is tied to achievement of sustainability related goals that are documented in the organization's sustainability action plan.

15.2.3 Applicant shall earn an additional two points for extending the requirement to senior management, or two additional points for having the requirement pertain to all employees across all business units.

### 15.3 Sustainability Training Program

15.3.1 Applicant shall earn up to 10 points for this indicator.

a) Applicant shall earn eight points for demonstrating that training on sustainability issues is made available to current employees on at least an annual basis. As used here, training may cover a broad range of approaches and tools such as traditional instructor-led courses, computer-based training, presentations, simulations, exercises, videos, and/or events. Evidence shall include documentation of one of the following:

- 1) Specific modules or targeted content covering functional areas relevant to the organization such as research and development, design, procurement, development, and supply chain; or
- 2) Documentation of specific modules and/or content covering all career levels in the organization; and

b) Applicant shall earn two additional points for demonstrating that training on sustainability issues is delivered to all new employees at orientation.

## ENVIRONMENT

### 16 General

16.1 This section focuses on the environmental dimension of sustainability for an organization's operations and product development, and addresses impacts upon living and non-living natural systems, including air, land, water and ecosystems. Environmental indicators cover the policies, practices, performance, progress and reporting mechanisms that can be utilized both to mitigate impacts and to restore natural systems. Indicators in this domain address how operations and land use affect the surrounding ecosystem, how the organization is selecting materials and other inputs for the development of products, and how efficient the organization is in using natural resources for both site and secondary activities.

### 17 Environmental Management

#### 17.1 General

17.1.1 Environmental management is a process by which an organization develops and implements a system to identify the environmental impacts of its operations and strategies and programs to mitigate or eliminate the impacts. The most common approach is the use of an Environmental Management System (EMS) guided by Environmental management systems – Requirements with guidance for use, ISO 14001. The EMS serves as a tool to improve environmental performance, gives order and consistency through resources, assignment of responsibilities, and focuses on continual improvement. A more comprehensive approach is the EU Eco-Management and Audit Scheme (EMAS) which is a management tool based on ISO 14001, that provides a methodology for environmental audit, policy development, system implementation, and requires independent third party verification and validation of the EMAS and results in a registry listing and certified eco-label.

## 17.2 EMS (prerequisite)

17.2.1 Applicant shall document that an Environmental Management System (EMS) has been developed, is in place, and that at a minimum includes the following:

- a) An environmental policy;
- b) Identification of environmental aspects and impacts;
- c) Legal and other requirements; and
- d) Objectives, targets and programs.

17.2.2 Documentation showing that the Applicant's EMS is certified to Environmental management systems – Requirements with guidance for use, ISO 14001, is not required but shall serve as evidence for this indicator.

## 17.3 EMAS for Enterprise-Wide or Primary Production Facility

17.3.1 Applicant shall earn 10 points for completing the EMAS, as applied to the whole of an organization or the organization's primary production facility. The EMAS is an environmental performance management tool covered in Regulation (EC) No 1221/2009 of the European Parliament and of the Council of 25 November 2009, [http://ec.europa.eu/environment/emas/index\\_en.htm](http://ec.europa.eu/environment/emas/index_en.htm) based on Environmental Management System (EMS) guided by Environmental management systems – Requirements with guidance for use, ISO 14001.

## 17.4 EMAS Audit, Verification, and Registration

17.4.1 Applicant shall earn up to eight points total for this indicator.

17.4.2 Applicant shall earn six points for providing evidence that it has received validation by reporting the EMAS Environmental Statement to a third party verifier.

17.4.3 Applicant shall earn two additional points for demonstrating it has submitted its validation statement to the EMAS National Competent Body for registration.

## 18 Enterprise Operations: Energy and Greenhouse Gas Management

### 18.1 General

18.1.1 Energy use is a large contributor to greenhouse gas emissions, and effectively managing and reducing energy use greenhouse gas emissions may lead to more efficient energy usage. This section focuses on the inventory of energy sources and greenhouse emissions, establishing policies and procedures that lead to energy use reduction, the actual performance of energy and greenhouse gas reductions, and the disclosure of such policies and performance.

### 18.2 $\Delta$ Greenhouse Gas (GHG) Inventory: Scope 1 and Scope 2 (core)

18.2.1 Applicant shall earn up to 10 points for this indicator.

18.2.2 Applicant shall earn eight points for documenting an annual inventory of direct (Scope 1) and indirect (Scope 2) GHGs that meets the following:

- a) Includes clear organizational and operational boundaries;
- b) Sources and usage by type (natural gas, electricity, vehicles, wind, etc.);
- c) Baseline consumption data; and
- d) Annual usage.

18.2.3 The inventory shall also include all emissions sources of the six major GHGs:

- a) Carbon Dioxide (CO<sub>2</sub>);
- b) Methane (CH<sub>4</sub>);
- c) Nitrous Oxide (N<sub>2</sub>O);
- d) Hydrofluorocarbons (HFCs);
- e) Perfluorocarbons (PFCs); and
- f) Sulfur Hexafluoride (SF<sub>6</sub>).

18.2.4 Applicant shall earn two additional points for documenting other GHGs in its inventory if they represent a material portion (typically five percent or more for most GHG inventory programs) of the entire inventory.

18.2.5 For a list of accepted GHG inventory programs and registries, see Appendix A1.

18.2.6 **Cross-reference:** See 24.2 $\square$  Product Design – Life Cycle Program Incorporation (core), for an indicator that relates to Scope 3 GHG emissions.

### **18.3 GHG Inventory Verification**

18.3.1 Applicant shall earn eight points by providing evidence that its GHG Inventory has been verified to a reasonable level of assurance by an accredited verifier. Third party verification shall be required at most once every three years to retain credit for this indicator.

### **18.4 Energy and GHG Management Program (core)**

18.4.1 Applicant shall earn eight points for providing evidence that it has a program for managing energy consumption and corresponding GHG emissions. The program shall detail management responsibilities, data management and control, and procedures for establishing targets for improved energy efficiency and energy reductions.

18.4.2 Certification to Energy management systems – Requirements with guidance for use, ISO 50001:2011, and recognition in The Climate Registry's leadership program at the Climate Registered Silver level is not required but will serve as evidence for this indicator.

### **18.5 Energy and GHG Reduction Targets and Performance (core)**

18.5.1 Achievement of at least the minimum number of points available from indicators 18.2 and 18.4 is a prerequisite for this indicator.

18.5.2 The purpose of this indicator is to reward Applicants for three things: first, for previous performance achievements; second, for setting targets for future performance; and third, for achieving their future goals. Consequently, in initial certification years, Applicants shall earn points only for past performance and, if applicable, future goals. Applicants shall earn the remaining points in this indicator in future certification years when they achieve their goals.

18.5.3 Applicant shall earn up to 25 points for providing evidence that it conforms to (a), (b), and in future certification years, (c) below:

- a) Applicant shall earn 10 points for demonstrating that, in the period before certification to these requirements, it met or exceeded previously established GHG reduction targets.
- b) Applicant shall earn an additional one point for either having established new targets that have an end date after the initial certification year, or for establishing new targets with a start date in the initial certification year. Such targets shall commit to reducing energy and GHGs emissions above and beyond previously stated targets. .
- c) Applicant shall earn up to 14 additional points for demonstrating that it is making progress toward its future goals. Documentation that the Applicant is on track to meet its targets shall serve as evidence for this requirement. If necessary, Applicant shall explain why it does not expect to meet its targets and what adjustments will be taken to get back on track.

## 18.6 ◊ Renewable Energy Usage

18.6.1 The purpose of this indicator is to reward Applicants for three things: first, for previous performance achievements; second, for setting targets for future performance; and third, for achieving their future goals. Consequently, in initial certification years, Applicants shall earn points only for past performance and, if applicable, future goals. Applicants shall earn the remaining points in this indicator in future certification years when they achieve their goals.

18.6.2 Applicant shall earn up to 25 points for providing evidence that it conforms to (a) and (b), and in future certification years, (c) below:

- a) Applicant shall earn 10 points for demonstrating that, in the period before certification to these requirements, it met or exceeded previously established renewable energy usage targets.
- b) Applicant shall earn an additional one point for either having established new targets that have an end date after the initial certification year, or for establishing new targets with a start date in the initial certification year. Such targets shall commit to increase its renewable energy usage above and beyond the previously stated targets.
- c) Applicant shall earn up to 14 additional points for demonstrating that it is making progress toward its future goals. Documentation that the Applicant is on track to meet its targets shall serve as evidence for this requirement. If necessary, Applicant shall explain why it does not expect to meet its targets and what adjustments will be taken to get back on track.

18.6.3 Alternatively, Applicant shall earn all 25 points for demonstrating that 100 percent of its energy is from renewable sources.

18.6.4 Renewable Energy Certificates (RECs) and carbon offsets from renewable energy programs shall be accepted as a means of achieving additional renewable energy levels when onsite and offsite sources are limited. For a list of acceptable Carbon Offset Standards and Programs, please see Appendix A2. For a list of acceptable RECs, please see Appendix A3.

## 18.7 □ Management and Use of Carbon Offsets

18.7.1 Achievement of at least the minimum number of points available from indicators 18.2, and 18.4 – 18.6, is a prerequisite for this indicator.

18.7.2 Applicant shall earn eight points for demonstrating how the use of carbon offsets complement other GHG management strategies. For example, indicating what percentage of the organization's GHG reduction targets are to be achieved through carbon offsets and explaining the organization's rationale for use of such carbon offsets shall serve as evidence for this indicator. Carbon offsets purchased shall be third party verified by an accredited verifier, registered with a recognized registry, and reductions associated with such offsets shall be claimed against the appropriate annual GHG inventory.

18.7.3 For a list of accepted Carbon Offset Standards and Programs, please see Appendix A2.

## 18.8 GHG Voluntary Public Reporting

18.8.1 Applicant shall earn five points for participating in a voluntary public reporting program where annual inventory and GHG emissions are reported and/or registered. Participation in the public reporting option for the Carbon Disclosure Project (CDP), The Climate Registry or similar programs is not required but will serve as evidence that the Applicant meets the requirements of this indicator.

18.8.2 **Cross-reference:** See 11.3 Sustainability Reporting (core); 14.4 Political Contributions Reporting; 19.6 Water Use Reporting; 20.5 Waste Reduction Reporting; 22.3.3.4 Habitat and Ecosystem Conservation Report; 23.5 EPP Reporting; 28.4 Diversity and Inclusion Reporting; 29.5 Occupational Health and Safety Reporting; 33.2 Customer Health and Safety Reporting (core); 35.7 Supplier Reporting; and 40.3 Human Rights Reporting, for additional reporting indicators.

## 19 Enterprise Operations: Water

### 19.1 General

19.1.1 According to the Organisation for Economic Co-operation and Development (OECD)'s, Environmental Outlook 2030, at current consumption rates, 47 percent of the world's population will live in high water stress areas by 2030. The production of certain products is water intensive and may put pressure on water sources. Although the effect of water scarcity on the economy and on sustainability could be profound, few companies consider management of water resources strategically. The intent of this section is to focus on an organization's water use inventories, reductions and discharges to reduce its negative impact on water supplies and quality. See Appendix AB19.1 for more information.

### 19.2 Water Use and Wastewater Policy (core)

19.2.1 Applicant shall earn up to five points for this indicator.

19.2.2 Applicant shall earn two points for documenting an enterprise-wide unplanned wastewater discharge prevention (including preparation for unplanned wastewater discharges) and remediation policy, formal statement of commitment, or procedural documentation illustrating how the enterprise manages and remediates unplanned discharges, or for providing evidence that it is not applicable. This shall be applicable to the organizational operations within scope of the assessment.

19.2.3 Applicant shall earn three points for providing written documentation of an enterprise-wide policy or formal statement of commitment, available to all employees, that articulates its commitment to water conservation in its own enterprise- and facility-level operations.

19.2.4 **Cross-reference:** See 10 Sustainability Policy (prerequisite); 14.1 Ethics Policies (prerequisite); 22.3.2 Sustainable Land Use Policy; 23.2 EPP Policy (core); 28.2 Diversity and Inclusion Policy (core); and 35.2 Sustainable Supply Chain Code of Conduct (core), for additional policy indicators.

### 19.3 $\Delta$ Water Use Inventory

19.3.1 Applicant shall earn up to 14 points for this indicator.

19.3.2 Applicant shall earn 10 points for documenting data on water use, consumption, efficiency and risks using the World Business Council for Sustainable Development (WBCSD) Global Water Tool (version 2009 or later), the indicators requested through the Carbon Disclosure Project's Water Disclosure Project questionnaire, the Water Footprint Network guidelines, and/or an internal data collection system that covers consumption, efficiency, and risk factors. These factors shall be benchmarked against the organization's baseline year performance and track improvement related to its baseline year performance.

19.3.3 Applicant shall earn four points for documenting data on wastewater use, consumption, efficiency and risks, including identifying unplanned wastewater discharges with a chemical or nutrient load above those permitted under the Clean Water Act, or as permitted by local and state jurisdictions if the latter requirements are more stringent, or for providing evidence that it is not applicable. Data shall indicate discharge by destination.

### 19.4 $\square$ Water and Wastewater Use Efficiency and Reductions Plan

19.4.1 Applicant shall earn up to 10 points for this indicator.

19.4.2 Applicant shall earn six points for providing evidence that it has a program to manage its water use to reduce total usage and increase recycling and reuse. The program shall detail management responsibilities, data management and control, and procedures for establishing targets for improved water efficiency and for reducing demands on water supplies and local waste water treatment systems for its processing plants or services locations.

19.4.3 Applicant shall earn two additional points for applying the program referenced in 19.4.2, to its wastewater from production with a goal of eliminating production-related wastewater discharge to external wastewater treatment programs.

19.4.4 Applicant shall earn two additional points for evidence that it has created and is implementing a management and control program to monitor its nonpoint source pollution with a goal of eliminating these contributions, or for providing evidence that this issue is not applicable to its operations. Evidence shall include nonpoint source pollution estimates, written procedures regarding nonpoint source pollution control beyond any applicable laws and regulations, and mitigation measures taken in response to the organization's nonpoint source pollution contribution to subsurface waters, surface waters, sewers that lead to rivers, oceans, lakes, wetlands, treatment facility and ground water since its baseline year.

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## 19.5 ◇ Water Use Targets and Performance

19.5.1 Achievement of at least the minimum number of points available from indicators 19.3 and 19.4, is a prerequisite for this indicator.

19.5.2 The purpose of this indicator is to reward Applicants for three things: first, for previous performance achievements; second, for setting targets for future performance; and third, for achieving their future goals. Consequently, in initial certification years, Applicants shall earn points only for past performance and, if applicable, future goals. Applicants shall earn the remaining points in this indicator in future certification years when they achieve their goals.

19.5.3 Applicant shall earn up to 25 points for providing evidence that it conforms to (a), (b), and in future certification years, (c) below:

- a) Applicant shall earn 10 points for demonstrating that, in the period before certification to these requirements, it met or exceeded previously established water use (including reuse of process water) efficiency targets.
- b) Applicant shall earn an additional one point for either having established new targets that have an end date after the initial certification year, or for establishing new targets with a start date in the initial certification year. Such targets shall commit to increase water use efficiency (including reuse of process water) above and beyond previously stated targets.
- c) Applicant shall earn up to 14 additional points for demonstrating that it is making progress toward its future goals. Documentation that the Applicant is on track to meet its targets shall serve as evidence for this requirement. If necessary, Applicant shall explain why it does not expect to meet its targets and what adjustments will be taken to get back on track.

19.5.4 For water reduction targets, Applicant shall use any of the calculation or reporting protocols included in the tools referenced in 19.3, including calculations suggested in the GRI G3.1: Sustainability Reporting Guidelines, indicator EN10, Percentage of total volume of water recycled and reused.

## 19.6 ○ Water Use Reporting

19.6.1 Applicant shall earn five points for providing evidence of participation in a voluntary public reporting program where annual inventory and water use efficiency and reductions are reported and/or registered. Participation in the Carbon Disclosure Project (CDP)'s Water Disclosure initiative is not required but shall serve as evidence that the Applicant meets the requirements of this indicator.

19.6.2 **Cross-reference:** See 11.3○ Sustainability Reporting (core); 14.4○ Political Contributions Reporting; 18.8○ GHG Voluntary Public Reporting; 20.5○ Waste Reduction Reporting; 22.3.3.4○ Habitat and Ecosystem Conservation Report; 23.5○ EPP Reporting; 28.4○ Diversity and Inclusion Reporting; 29.5○ Occupational Health and Safety Reporting; 33.2○ Customer Health and Safety Reporting (core); 35.7○ Supplier Reporting; and 40.3○ Human Rights Reporting, for additional reporting indicators.

## 20 Enterprise Operations: Solid Waste Reduction

### 20.1 General

20.1.1 The UN Environment Program Urban Environmental Accords include two actions related to solid waste reduction: Action 4, which is to establish a policy to achieve zero waste to landfills and incinerators by 2040, and Action 6, which is to implement “user-friendly” recycling and composting programs, with the goal of reducing by 20 percent per capita solid waste disposal to landfill and incineration in seven years from a 2005 baseline.

20.1.2 Diverting waste from landfills or incineration facilities by practicing and promoting reduction, reuse, recycling, and composting of materials can conserve natural resources and have a substantial impact on reducing greenhouse gas emissions. Recycling and waste prevention programs reduce energy and transportation needed to manufacture and ship resource-intensive products and packaging. Composting food and other organic material, instead of sending them to disposal, reduces the amount of methane produced in landfills.

20.1.3 The intent of this section is to focus on an organization’s policies and procedures that can prevent non-hazardous waste generation, divert waste from landfills and incinerators, and where generation of waste is unavoidable, to assure responsible disposal. This section also links in practice to the products section where emphasis is placed on waste prevention by maximizing the use of managed resources through product and packaging design, materials selection, reuse, recycling and/or composting of materials.

### 20.2 Waste Inventory (core)

20.2.1 Applicant shall earn 10 points for demonstrating that it has completed a waste inventory that provides data on baseline sources of waste from both operations and manufacturing activities, by total weight of solid waste by type (consumables<sup>7</sup> and durable goods<sup>8</sup>) and discard method.

### 20.3 Waste Reduction Management Program (core)

20.3.1 Applicant shall earn up to eight points for this indicator.

20.3.2 Applicant shall earn three points for providing evidence that it has a waste reduction management program. The program shall detail management responsibilities, data management and control, and establish measurable targets and implementation strategies for waste reduction.

20.3.3 Applicant shall earn five additional points for providing evidence that its waste management program includes waste reduction strategies that include waste prevention and recycling and at least one of the following:

<sup>7</sup>Including, but not limited to paper and cardboard, plastics, glass, toner cartridges, batteries, food waste and metals (list from LEED for Existing Buildings: Operations and Maintenance, September, 2008, MR Credits 7.1 and 7.2).

<sup>8</sup>Including but not limited to office equipment, appliances, power adopters, television and flat screens, other audiovisual equipment, and light bulbs (source, *ibid*).

- a) Reuse;
- b) Composting; and/or
- c) Byproduct reuse synergies.

20.3.4 Documentation on recycling shall include evidence that it provides recycling of both consumable and durable materials for which recycling is widely available unless it can be documented that no locally available markets exist for any of these materials. Documentation on byproduct reuse shall include details on the reuse applications and benefits achieved.

#### **20.4 ◊ Waste Reduction Targets and Performance (core)**

20.4.1 Achievement of at least the minimum number of points available from indicators 20.2 and 20.3, is a prerequisite for this indicator.

20.4.2 The purpose of this indicator is to reward Applicants for three things: first, for previous performance achievements; second, for setting targets for future performance; and third, for achieving their future goals. Consequently, in initial certification years, Applicants shall earn points only for past performance and, if applicable, future goals. Applicants shall earn the remaining points in future certification years when they achieve their goals.

20.4.3 Applicant shall earn up to 25 points for providing evidence of (a), (b), and in future certification years, (c) below:

- a) Applicant shall earn 10 points for demonstrating that, in the period before certification to these requirements, it met or exceeded previously established waste reduction targets.
- b) Applicant shall earn one additional point for either having established new waste reduction targets that have an end date after the initial certification year, or for establishing new targets with a start date in the initial certification year. Such targets shall commit to reducing waste above and beyond previous year's targets.
- c) Applicant shall earn 14 additional points for demonstrating that it is making progress toward its future goals. Documentation that the Applicant meets its targets shall serve as evidence for this requirement. If necessary, Applicant shall explain why it does not expect to meet its targets and what adjustments will be taken to get back on track.

20.4.4 Alternatively, Applicant shall earn up to 25 points for demonstrating evidence of both of the following:

- a) Applicant shall demonstrate that it has a zero waste goal in its strategic planning and/or operating procedures; and
- b) Applicant shall document that it is approaching zero waste by having eliminated at least 95 percent of total waste generated relative to its baseline.

20.4.5 **Cross-reference:** See 24.6◊ Chemical Alternatives Program, for an indicator that, if chosen by the Applicant as part of the certification process, should have an upstream impact on preventing pollution due to a reduction in volume and toxicities of chemicals utilized.

## 20.5 ◊ Waste Reduction Reporting

20.5.1 Applicant shall earn five points by providing evidence of annual public disclosure of the total amount of waste it generates in tons by type (consumable and durable), category (hazardous or non-hazardous<sup>9</sup>) and disposal method, as listed in Table 20.1 below. This report shall include how this information was determined, either through direct disposal by the Applicant or directly confirmed; information from waste disposal contractor; or from recycling/composting vendors who remove or receive recyclable materials and provide data on types and amounts of materials received. Applicant may use Table 20.1 below to report its aggregate results.

**Table 20.1**  
**Waste Reduction Matrix**

Disposal Method	Waste Type (Consumable or Durable)	Waste Category (Hazardous or Non-hazardous)	Tons (raw values)	Tons / \$1,000 (gross revenue)	Data Source
Landfill					
Recycling					
Reuse					
Recovery					
Incineration (or as fuel)					
On-site Storage					
Other (specify)					

20.5.2 **Cross-reference:** See 11.3◊ Sustainability Reporting (core); 14.4◊ Political Contributions Reporting; 18.8◊ GHG Voluntary Public Reporting; 19.6◊ Water Use Reporting; 22.3.3.4◊ Habitat and Ecosystem Conservation Report; 23.5◊ EPP Reporting; 28.4◊ Diversity and Inclusion Reporting; 29.5◊ Occupational Health and Safety Reporting; 33.2◊ Customer Health and Safety Reporting (core); 35.7◊ Supplier Reporting; and 40.3◊ Human Rights Reporting, for additional reporting indicators.

## 21 Transportation and Logistics

### 21.1 General

21.1.1 Until recently, organizations changed their logistics infrastructure to reduce costs and improve customer service levels. As interest in sustainability has risen, more organizations are focusing on the environmental effects of their logistics infrastructure, giving rise to a fortuitous convergence between greater environmental efficiency and cost reduction. The intent of this section is to focus on an organization's management of its logistics infrastructure to reduce its environmental footprint.

<sup>9</sup>Hazardous waste at the point of generation shall be defined by national legislation; non-hazardous waste is all other forms of solid or liquid waste, excluding wastewater. (GRI G3.1: Sustainability Reporting Guidelines, Emissions, Effluents, and Waste, EN22, Compilation, Section 2.1.)

## 21.2 $\Delta$ Transportation and Logistics Inventory

21.2.1 Applicant shall earn 10 points for demonstrating that it is using transportation management tools and systems to assess and baseline the environmental impacts of its logistics systems. Evidence shall include a description of the metrics used to document its inventory and may include the following:

- a) Average miles per gallon for fleet;
- b) CO<sub>2</sub> per ton-mile;
- c) Grams CO<sub>2</sub> per average cube feet or CO<sub>2</sub> per utilized cube feet;
- d) Percent of goods sourced from local/regional producers; and
- e) Percent of alternative or low carbon fuels.

21.2.2 For examples of inventory opportunities, see the U.S. EPA SmartWay site at <http://www.epa.gov/smartway/index.htm>.

## 21.3 $\square$ Transportation Strategies and Plan

21.3.1 Applicant shall earn six points for demonstrating that it has a strategy/policy in place regarding the application of sustainable transportation management practices.

21.3.2 The policy shall at a minimum include the following:

- a) Programs to control urban and port facility air emissions such as idle reduction procedures or frequency of vehicle maintenance;
- b) Measures to implement efficient distribution, shipping and delivery practices such as reducing mileage through backhauling and maximizing goods per shipment;
- c) Use of the most-efficient modes when feasible; and
- d) Any policies or programs that manage the impacts of traffic congestion or for noise management/abatement.

21.3.3 Adherence to the U.S. EPA Smart Way Program is not required but shall serve as evidence that it meets the requirements of this indicator.

## 21.4 ◇ Transportation Efficiency Targets and Performance

21.4.1 Achievement of at least the minimum number of points available from indicators 21.2 and 21.3, is a prerequisite for this indicator.

21.4.2 The purpose of this indicator is to reward Applicants for three things: first, for previous performance achievements; second, for setting targets for future performance; and third, for achieving their future goals. Consequently, in initial certification years, Applicants shall earn points only for past performance and, if applicable, future goals. Applicants shall earn the remaining points in this indicator in future certification years when they achieve their goals.

21.4.3 Applicant shall earn up to 14 points for providing documentation to verify that it conforms to (a), (b), and in future certification years, (c) below:

- a) Applicant shall earn five points for demonstrating that, in the period before certification to these requirements, it met or exceeded previously established transportation efficiency goals.
- b) Applicant shall earn an additional one point for either having established new targets that have an end date after the initial certification year, or for establishing new targets with a start date in the initial certification year. Such targets shall commit to increasing transportation efficiency above and beyond previously stated targets.
- c) Applicant shall earn eight additional points for demonstrating that it is making progress toward its future goals. Documentation that the Applicant is on track to meet its targets shall serve as evidence for this requirement. If necessary, Applicant shall explain why any targets were not met and what adjustments are taken to get back on track.

## 22 Facilities and Land Use

### 22.1 □ Environmental Site Assessments

22.1.1 Applicant shall earn up to six points for this indicator.

22.1.2 Applicant shall earn two points for providing evidence of completing an Environmental Site Assessment at a facility within scope of the assessment that identifies environmental risks and issues at an existing site or potential acquisition since its baseline year.

22.1.3 Applicant shall earn two points each for the second and third facility within scope of the assessment that meets the requirements outlined in 22.1.2.

22.1.4 Certification to the following for any one or more facility within scope of the assessment is not required but shall serve as evidence for this indicator, Environmental management – Environmental assessment of sites and organizations (EASO), ISO 14015; and the Standard Practice for Environmental Site Assessments: Phase 1 Environmental Site Assessment Process, ASTM E 1527-05.

## 22.2 Green Facilities

### 22.2.1 Green Building and Leasing (core)

22.2.1.1 Applicant shall earn up to seven points for this indicator.

22.2.1.2 Applicant shall provide evidence that it occupies buildings that conform to the rating system requirements of accredited green building certification programs, including, but not limited to: USGBC LEED New Construction and Existing Buildings (EBOM) rating systems; Green Globes Design for New Buildings and Retrofits and Continual Improvement of Existing Building (CIES) rating systems; the BREEAM Environmental Assessment Method for Buildings for New Construction and In-Use rating systems; the Comprehensive Assessment System for Built Environment Efficiency tool (CASBEE) of Japan; the Green Building (GB) Tool of Korea; China's Three Star System; and other equivalent national protocols. Points shall be awarded in accordance with one of the following:

- a) Three points if between 20 percent and 50 percent of its building square footage meets the requirements above;
- b) Five points if between 50 percent and 80 percent of its building square footage meets the requirements above; or
- c) Six points if 80 percent of its building square footage meets the requirements above.

22.2.1.3 Evidence shall include one of the following:

- a) Proof of certification or copies of the Division 1 construction documents specifying use of the rating system guidelines; or
- b) If leasing property, a copy of the green lease that conforms to Building Owners and Managers Association (BOMA) International Green Lease guidelines.

22.2.1.4 Applicant shall earn one additional point for showing evidence that at least one of its conforming green buildings received the highest-level certification under any of the protocols listed above

### 22.2.2 Green Cleaning and Maintenance Policy

22.2.2.1 Achievement of at least the minimum number of points available from indicator 22.2.1 is a prerequisite for this indicator.

22.2.2.2 Applicant may earn up to five points for this indicator.

22.2.2.3 Applicant shall earn three points for demonstrating that it has a green cleaning maintenance policy applicable at all facilities referenced in 22.2.1. The policy shall detail management and other staff responsibilities, data management and control, and procedures for establishing targets for improvement. In addition, this policy shall address the purchase of green cleaning services and materials in the following categories:

- a) Cleaning products and materials;
- b) Cleaning equipment; and
- c) Indoor integrated pest management.

22.2.2.4 The Applicant shall earn an additional two points for requiring that contracted cleaning services are certified by the Cleaning Industry Management Standard (CIMS)-Green Building (GB). The policy shall be in force at all owned or operated facilities and buildings.

22.2.2.5 Documentation that it meets the requirements of LEED EBOM, Performance Management credits 3.1 – 3.9 ; the Green Globes CIES, IAQ, Cleaning Contractor Contract, or the Green Seal GS-42 program on green cleaning, Section 5, is not required but shall serve as evidence for this indicator.

## 22.3 Land Use and Development

### 22.3.1 General

22.3.1.1 The World Business Council for Sustainable Development (WBCSD) in its Vision 2050 report states, "...15 of the 24 ecosystem services evaluated have been degraded over the past century. A rapid and continuing rise in the use of fossil fuel-based energy and an accelerating use of natural resources are continuing to affect key ecosystem services, threatening supplies of food, freshwater, wood fiber and fish." In recognition of this issue, the indicators in this section promote the following core sustainable development principles, which include the following:

- a) Development of land in a targeted, compact, and balanced manner;
- b) Promoting energy and resource efficient development and operations; and
- c) Preserving and protecting natural resources.

### 22.3.2 □ Sustainable Land Use Policy

22.3.2.1 Applicant shall earn five points for demonstrating that it has a written, enterprise-wide land use and land development policy or formal statement of commitment that limits or prohibits the use of land (owned, leased or managed) on wetlands, adjacent to water bodies and surrounding buffer land, on any part of a site located on a floodplain, existing agricultural lands, established hardwood forests, and any site involving the habitat of threatened species. This policy or statement shall be available to all employees on the company intranet or external website.

22.3.2.2 **Cross-reference:** See 10□ Sustainability Policy (prerequisite); 14.1□ Ethics Policies (prerequisite); 19.2□ Water Use and Wastewater Policy (core); 23.2□ EPP Policy (core); 28.2□ Diversity and Inclusion Policy (core); and 35.2□ Sustainable Supply Chain Code of Conduct (core), for additional policy indicators.

### 22.3.3 Habitat Protection and Ecosystem Services

#### 22.3.3.1 General

22.3.3.1.1 In the past several decades, human activity has altered ecosystems more rapidly and extensively than in any period in recorded history. Increasing demand for natural resources has resulted in significant and sometimes irreversible loss of habitat and diversity of life. The focus of this section is on organizational impacts on land and habitat in existing natural areas as well as those needing restoration to preserve vital ecosystem services such as water, food, soil, and the genetic diversity of flora, terrestrial and aquatic species.

#### 22.3.3.2 Threatened Species and Ecosystem Service Inventory

22.3.3.2.1 Applicant shall earn 10 points for documentation of an inventory of locations, sizes and characteristics of land owned, leased, or managed for productive activities or extractive use in, or adjacent to protected areas, and areas of high biodiversity value. Areas of high biodiversity value are those that possess a high degree of variation of life forms within a given ecosystem, outside protected areas. A qualified biologist, conservation organization, or government agency must complete this inventory.<sup>10</sup>

#### 22.3.3.3 Mitigating Impacts and Enhancing Site Ecology Plan

22.3.3.3.1 Applicant shall earn 10 points by documenting its strategies to reduce or mitigate impacts to natural habitats, including percentage of habitat protected or restored by type of habitat and status. These documents shall form a Conservation Plan and shall address future plans and targets for managing impacts regarding habitat loss or degradation, loss of biodiversity, or overall depletion of ecosystem.

22.3.3.3.2 Demonstrating adherence to either of these as evidence that it meets the requirements of the following is not required but shall serve as evidence for this indicator, LEED for Neighborhood Development, SLL Prerequisite 2, Option 3, and BREEAM Industrial LE4 Mitigating ecological impact.

#### 22.3.3.4 Habitat and Ecosystem Conservation Report

22.3.3.3.4.1 Applicant shall earn five points for publicly reporting on the significant impacts of its operations, products and services on biodiversity in protected and unprotected areas. Documentation showing that it has made its Conservation Plan publicly available is not required but shall serve as evidence for this indicator.

22.3.3.4.2 **Cross-reference:** See 11.3 Sustainability Reporting (core); 14.4 Political Contributions Reporting; 18.8 GHG Voluntary Public Reporting; 19.6 Water Use Reporting; 20.5 Waste Reduction Reporting; 23.5 EPP Reporting; 28.4 Diversity and Inclusion Reporting; 29.5 Occupational Health and Safety Reporting; 33.2 Customer Health and Safety Reporting (core); 35.7 Supplier Reporting; and 40.3 Human Rights Reporting, for additional reporting indicators.

<sup>10</sup>"A qualified biologist has a BA/BS or advanced degree in biological sciences or other degree specializing in the natural sciences, professional or academic experience as a biological field investigator, taxonomic experience and knowledge of plant and animal ecology, familiarity with plants and animals of the area including species of concern, and familiarity with the appropriate local, regional and national policies and protocols related to special-status species and biological surveys." (El Dorado County Code, El Dorado County, CA)

### 22.3.3.5 WRI Corporate Ecosystem Services Review (ESR)

22.3.3.5.1 Applicant shall earn eight points for providing evidence that it has completed the WRI\WBCSD Corporate ESR or equivalent. See Appendix AB22.3.3.5 for more information.

## 23 Organizational Environmentally Preferable Purchasing (EPP)

### 23.1 General

23.1.1 Many organizations have instituted purchasing policies that give preference to environmentally preferable products. The purpose of an EPP program is to ensure that purchasing decisions conform to the goals of an organization's environmental policy. In addition to clearly defining organizational goals, an EPP policy can also be of value to investors, who are increasingly viewing environmental policies as evidence of long-term planning and responsible risk management. A company-wide purchasing policy encourages sustainable purchasing practices in the organization and helps ensure that sustainability efforts do not fade with employee turnover.

### 23.2 EPP Policy

23.2.1 Applicant shall earn five points for providing documentation of an established organization-wide EPP policy for general operations and maintenance that is integrated into organizational operating procedures.

23.2.2 **Cross-reference:** See 10 Sustainability Policy (prerequisite); 14.1 Ethics Policies (prerequisite); 19.2 Water Use and Wastewater Policy (core); 22.3.2 Sustainable Land Use Policy; 28.2 Diversity and Inclusion Policy (core); and 35.2 Sustainable Supply Chain Code of Conduct (core), for additional policy indicators.

### 23.3 EPP Program

23.3.1 Applicant shall earn up to 10 points for this indicator.

23.3.2 Applicant shall earn six points for demonstrating that its EPP program covers consumable and durable materials and addresses the following criteria<sup>11</sup>:

- | a) Consumable purchases included in the program shall contain at least 30 percent postconsumer or 20 percent postindustrial material (e.g. paper, motor oil, carpets, plastic lumber).
- | b) Durable equipment purchases included in the program shall meet energy efficiency requirements, measured through of programs such as ENERGY STAR labeled (for product categories with developed specifications) or shall meet the energy requirements of the Standard for Environmental Assessment of Personal computer Products, Including Notebook Personal Computers, Desktop Personal Computers, and Personal Computer Displays, IEEE 1680.1.

23.3.2 revised December 21, 2011

<sup>11</sup>Consumables include, but are not limited to: office and janitorial paper products, toner cartridges, batteries, binders, and non-paper office products. Durables include, but are not limited to: electric-powered equipment (office equipment, appliances, external power adapters, televisions and other audiovisual equipment); furniture.

23.3.3 Applicant shall earn an additional four points for demonstrating that its EPP Program covers at least two of the following:

- a) Purchases contain at least 50 percent materials from forests certified to standards such as those accepted by the Programme for the Endorsement of Forest Certification (PEFC) or the Forest Stewardship Council (FSC);
- b) Purchases are sourced from suppliers that use renewable energy;
- c) Tissue and paper purchases specify unbleached or Totally Chlorine Free (TCF), Process Chlorine Free (PCF), Enhanced Elemental Chlorine Free (EECF) or Elemental Chlorine Free (ECF), manufacturing processes; and/or
- d) Paint, carpeting, adhesives, furniture, and similar purchases specify low volatile organic compounds (VOC) content, low or no formaldehyde, and no halogenated organic flame retardants.

23.3.3 revised December 21, 2011

#### 23.4 ◊ EPP Performance

23.4.1 Achievement of at least the minimum number of points available from indicator 23.3, is a prerequisite for this indicator.

23.4.2 *Deleted December 21, 2011*

23.4.3 Applicant shall earn up to 14 points by demonstrating one of the following. Data shall be provided for durables and consumables:

- a) Six points for demonstrating that 40 percent of total purchases (by cost) over the performance period meet the requirements of 23.3;
- b) Ten points for demonstrating the same for 60 percent of total purchases; or
- c) Fourteen points for demonstrating the same for 80 percent or more of total purchases.

23.4.3 revised December 21, 2011

23.4.4 *Deleted December 21, 2011*

### 23.5 EPP Reporting

23.5.1 Applicant shall earn five points for demonstrating that it publicly discloses quantified EPP performance targets listed in 23.4, for products and packaging on the criteria referenced in 23.3, as well as progress against the targets.

23.5.2 **Cross-reference:** See 11.3 Sustainability Reporting (core); 14.4 Political Contributions Reporting; 18.8 GHG Voluntary Public Reporting; 19.6 Water Use Reporting; 20.5 Waste Reduction Reporting; 22.3.3.4 Habitat and Ecosystem Conservation Report; 28.4 Diversity and Inclusion Reporting; 29.5 Occupational Health Safety Reporting; 33.2 Customer Health and Safety Reporting (core); 35.7 Supplier Reporting; and 40.3 Human Rights Reporting, for additional reporting indicators.

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## 23.6 ◇ Integration of Lifecycle Considerations in EPP

23.6.1 Applicant shall earn 14 points for demonstrating that the results of product level Life Cycle Assessment's (LCAs) and Environmental Product Declarations (EPD) are being used routinely for EPP decisions, for example, based on Environmental labels and declarations – Type III environmental declarations – Principals and procedures, ISO 14025.

## 24 Product Stewardship

### 24.1 General

24.1.1 In the past, most organizations gave little consideration to the potential impacts of product design upon the wider concerns of resource depletion, energy consumption, landfill pollution and toxicity. This section focuses on an organization's management approach to its products' environmental impacts from design and raw material acquisition through end-of-life. This requires consideration of the implications of materials selection to human health and the environment, sourcing, product architecture, manufacturing processes employed, energy efficiency and how consumables are used, as well as strategies to address end-of-product life management such as: remanufacture, parts' reuse, materials recovery and recycling or design for natural degradability.

### 24.2 □ Product Design – Life Cycle Program Incorporation (core)

24.2.1 The Applicant shall earn up to eight points for this indicator.

24.2.2 Applicant shall earn six points for providing documentation that it has a program that incorporates the use of Life Cycle Assessment (LCA) practices in its product design and development decisions. The intent is to ensure that potential impacts of material input, component and product choices are assessed from a life cycle perspective. The program shall conform to the following:

- a) Environmental management – Life cycle assessment – Principles and framework, ISO 14040;
- b) Environmental management – Life cycle assessment – Requirements and guidelines, ISO 14044; and
- c) Include one of the following from a life cycle perspective:
  - 1) Life cycle inventories;
  - 2) Life cycle assessments; or
  - 3) Key performance indicators based on LCA studies performed by the Applicant or others.

24.2.3 Applicant shall earn two additional points for incorporating all of the following in its life cycle program:

- a) Air, water emissions and waste (both solid and hazardous);
- b) Energy and fossil fuel resources;
- c) Non-renewable resource depletion (including material inputs); and

d) Scope 3 GHG emissions for activities associated with the production and transportation of the final products.

#### **24.3 Life Cycle Implementation and Decision Making**

24.3.1 Achievement of at least the minimum number of points available from indicator 24.2, is a prerequisite for this indicator.

24.3.2 Applicant shall earn eight points for evidence of the implementation of a decision-making process that uses the data derived from the implementation of the Life Cycle Assessment Process in 24.2, in making informed research and development, design, and product development decisions for both new products and in the redesign/modification of existing products.

#### **24.4 Life Cycle Impact Performance Improvement**

24.4.1 Achievement of at least the minimum number of points available from indicators 24.2 and 24.3, is a prerequisite for this indicator.

24.4.2 The purpose of this indicator is to reward Applicants for three things: first, for previous performance achievements; second, for setting aggressive targets for future performance; and third, for achieving their future goals. Consequently, in initial certification years, Applicants shall earn points only for past performance and future goals. Applicants shall earn the remaining points in this indicator when it achieves its goals.

24.4.3 Applicant shall earn up to 25 points for providing documentation to verify that it conforms to (a), (b), and in future certification years, (c) below:

a) Applicant shall earn up to 10 points for providing evidence that, in the period before certification to these requirements, it met or exceeded previously established targets based on the application of the LCA and implementation and decision-making processes discussed in indicators 24.2 and 24.3. Such evidence shall include the comparative data point(s) used (e.g., product category, average representation of top 10 percent of products sold by unit, industry average), and shall define reductions across the relevant elements as reported through the Life Cycle Program, established in accordance with 24.2.

b) Applicant shall earn an additional one point for either having established new annual life cycle impact performance improvement targets that have an end date after the initial certification year, or for establishing new targets with a start date in the initial certification year. Such targets shall commit to life cycle impact performance improvement above and beyond previously stated targets.

c) Applicant shall earn up to 14 additional points for demonstrating that it is making progress toward its future goals. Documentation that the Applicant is on track to meet its targets shall serve as evidence for this requirement. If necessary, Applicant shall explain why it does not expect to meet its targets and what adjustments will be taken to get back on track.

## 24.5 $\Delta$ Chemical Feedstocks Inventory

24.5.1 Applicant shall earn up to 14 points for this indicator.

24.5.2 Applicant shall earn six points for providing an inventory of all Priority Score = 2 and higher chemicals purchased for the manufacture of products, ranked by hazard and volume on a scale from 0 to 32 using the formula below. This inventory shall cover both Research and Development operations.

$$\text{Volume Quartile} \times \text{Hazard Score} \times \text{Hazard Multiplier} = \text{Priority Score}$$

24.5.2 revised December 21, 2011

24.5.3 The expressions used in this equation are defined below:

a) **Volume Quartile:** A value from 1 to 4 assigned to a chemical based on annual volume consumed by the Applicant.

- 1) First (bottom) quartile by annual volume consumed: 1
- 2) Second (medium) quartile by annual volume consumed: 2
- 3) Third (upper) quartile by annual volume consumed: 3
- 4) Fourth (top) quartile by annual volume consumed: 4

b) **Hazard Score:** Defined by using the HMIS Acute Toxicity Rating criteria and the Chemical Ratings Guide available for no charge online at: [http://www.jjkeller.com/webapp/wcs/stores/servlet/content\\_hmis-downloads\\_10151\\_1\\_10551\\_pc-32447](http://www.jjkeller.com/webapp/wcs/stores/servlet/content_hmis-downloads_10151_1_10551_pc-32447)

c) **Hazard Multiplier:** An assigned value of 2 if the chemical is identified as a Persistent Organic Pollutant (POP) or Persistent Bioaccumulative and Toxic (PBT)<sup>12</sup>, a carcinogen<sup>13</sup>, or an endocrine disruptor<sup>14</sup>. Otherwise, assigned a value of 1.

24.5.4 Applicant shall earn up to eight additional points for providing evidence of one of the following:

<sup>12</sup>For PBT status, refer to the following list: <http://esis.jrc.ec.europa.eu/index.php?PGM=pbt>. Please note that evaluation alone does not classify a chemical as a POP or PBT; rather, inclusion on the list indicates that the chemical fulfills the criteria of a PBT or POP or both.

<sup>13</sup>See IARC and California Prop 65. Chemicals listed on either as a carcinogen IARC Group 1 or Group 2 shall be considered a carcinogen for the purpose of this standard.

<sup>14</sup>A chemical is an endocrine active substance if it is a Category I substances listed in European Commission DG Env Report M0355008/1786Q/10/11/00 Annex 1. Available online at: [http://ec.europa.eu/environment/endocrine/strategy/substances\\_en.htm#report3](http://ec.europa.eu/environment/endocrine/strategy/substances_en.htm#report3).

- a) Applicant shall earn an additional four points for having no chemical in the inventory with a Priority Score greater than eight provided that the Hazard Multiplier = 1; or
- b) Applicant shall earn an additional eight points for having no chemical in the inventory with a Priority Score higher than four provided that the Hazard Multiplier = 1 and the Hazard Score is not greater than two. See Appendix AB24.5, for additional information.

#### **24.6 ◊ Chemical Alternatives Program**

24.6.1 Achievement of at least the minimum number of points available from indicator 24.5, is a prerequisite for this indicator.

24.6.2 Applicant shall earn up to 14 points for providing evidence that it has performed an alternative assessment for priority chemicals that meets any of the following:

- a) Eight points for demonstrating that an alternatives assessment has been conducted to determine what strategies can be implemented to reduce/replace annual consumption for the top 10 percent of chemicals chemical of concern. At a minimum, this assessment shall include the following categories of information:
  - 1) Characterize and prioritize end uses;
  - 2) Identify alternatives;
  - 3) Evaluate and compare alternatives;
  - 4) Select preferred alternatives; and
  - 5) Review selection; and/or
- b) An additional two points for each consecutive block of 10 percent of chemicals of concern assessed for alternatives, using the categories in (a) above, for up to six points total.

24.6.3 Applicant shall follow the Alternatives Assessment Framework of the Lowell Center for Sustainable Production or equivalent voluntary frameworks to complete this assessment (<http://www.chemicalspolicy.org/alternativesassessment.lowellcenter.php>). Alternatively, the Applicant shall provide documentation showing that it follows a mandatory alternatives assessment program.

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## 24.7 Design for Disassembly and Reprocessing

24.7.1 By designing and planning for safe disassembly, reuse and remanufacture, much of the embodied energy and production investment that goes into products can be retrieved after the consumer no longer requires the original item. Therefore, end-of-life products can become an asset rather than a liability.

24.7.2 Applicant shall earn eight points for demonstrating, in its product design process, use of a method for standardizing and identifying product parts and components to maximize the useful life of products and component parts. These methods shall render product parts safe and easy to disassemble, refurbish and upgrade for multiple uses by the original or subsequent users. The Applicant shall also facilitate maintenance, servicing, and reassembly. This may include the identification of resource content on manufactured items to enable eventual recycling.

## 24.8 Sustainable Packaging

24.8.1 Applicant may earn up to 14 points for this indicator. See Appendix AB24.8, for more information.

24.8.2 Applicant shall receive up to eight points for providing evidence that it conforms to one of the following:

- a) If the Applicant procures, but does not design its own packaging, it shall earn six points for demonstrating that it has applied the Greener Packaging Guidelines to Sustainability Claims or equivalent, and used the voluntary third party review recommendations provided by Greener Package.com. It shall earn an additional two points for demonstrating that its packaging has been certified by Greener Package.com via third party audit; or
- b) If the Applicant designs its own packaging, it shall earn up to eight points for demonstrating that it incorporates Sustainable Packaging Coalition (SPC) or Greener Package guidelines into packaging design.

24.8.3 The Applicant shall earn up to an additional six points for providing evidence that it conforms to one of the following:

- a) **25 percent Product Packaging:** Applicant shall earn three points for demonstrating that a minimum of 25 percent of packaging (by weight) is designed or procured in accordance with the guidelines listed above; or
- b) **More than 25 percent Product Packaging:** Applicant shall earn three points for meeting the requirements of (a), and shall earn one additional point for each 10 percent increment (by weight) of packaging over 25 percent that is designed or procured in accordance with the guidelines listed above, for up to six additional points total.

## 24.9 Products – End of Life Management

### 24.9.1 General

24.9.1.1 Indicator 24.7, is concerned with the design of products for reclamation, defined here to include reuse or reprocessing, or remanufacturing. This section covers how the organization develops, participates in and supports the end-of-life programs that enable product reclamation at the end of intended product life.

### 24.9.2 □ End of Life Management Program

24.9.2.1 Applicant shall earn eight points for demonstrating that it has established product reclamation programs that conform to one of the following:

- a) The Applicant has established such programs voluntarily and not as required by any applicable regulation at time of certification; the programs are well-established; they are widely available where economically viable end-of-life outcomes exist such as asphalt shingle recycling into asphalt pavement, concrete into road fill, bottle and can recycling; and they are promoted/ enabled by the manufacturer; or
- b) The Applicant has established a take-back program or participates in a take-back program established by another party.

### 24.9.3 ◊ End of Life Management Performance

24.9.3.1 Achievement of at least the minimum number of points available from indicator 24.9.2, is a prerequisite for this indicator.

24.9.3.2 Applicant shall earn up to 14 points for demonstrating that it is implementing the end of life management programs specified in 24.9.2, by providing evidence of conformance with one of the following:

- a) Applicant shall earn six points for demonstrating that its end of life management programs are implemented for 25 percent of total units sold; or
- b) Applicant shall earn eight points for demonstrating the same is implemented for 75 percent of total units sold.

## WORK FORCE

### 25 General

25.1 Organizations often say that their work forces are their most valuable resource. This domain covers company policies and programs that foster a positive work environment and engage and motivate employees, which are the foundation of a sustainable workplace.

### 26 Work Force Requirements (prerequisite)

26.1 Applicant shall provide evidence of organization-wide policies that cover, at a minimum, its commitments around the following concepts:

- a) Health and Safety;
- b) Freedom of Association and Collective Bargaining;
- c) Nondiscrimination;
- d) Transparency Around Disciplinary Practices;
- e) Fair Working Hours; and
- f) Equal Pay for Work of Equal Value.

26.2 Evidence shall include documentation of mechanisms used to monitor compliance with and the effectiveness of these policies. The Applicant shall also show evidence of a training program covering organizational work force policies that is delivered to all new employees at orientation, and made available to current employees on at least an annual basis. As used here, training may cover a broad range of approaches and tools such as traditional instructor-led courses, computer-based training, presentations, simulations, exercises, videos, and/or events.

26.3 This indicator corresponds with the following guidelines, standards, principles, and conventions. Demonstrating adherence to these protocols is not required but shall serve as evidence that it meets the related requirements of this indicator:

- a) Social Accountability, SA8000, Sections 3.1 – 3.6, 4.1 – 4.3, 5, 6, and 7;
- b) Natural gas – Guidelines to traceability in analysis, ISO 14111, Sections 6.3, 10.2;
- c) Occupational Health and Safety Assessment Series, OHSAS 18001;
- d) American National Standard for Occupational Health and Safety Management Systems, ANSI/AIHA Z10:2005;
- e) British Standard Occupational Health and Safety Assessment Series, BS OHSAS 18001;
- f) Canada Occupational Health and Safety management Standard, CSA Z1000;
- g) The following ILO Conventions:
  - 1) Freedom of Association and Protection of the Rights to Organize, C87;

- 2) Night Work of Young Persons (Industry), C90;
- 3) Workers' Representatives, C135; and
- 4) Occupational Safety and Health, C155

- h) UN Global Compact, Principles 3 and 6; and
- i) The Universal Declaration of Human Rights.

**26.4 Cross-reference:** See 28.2 $\square$  Diversity and Inclusion Policy (core); 29.2 $\square$  Occupational Health and Safety (prerequisite); and 37 $\square$  Human Rights Requirements (prerequisite), for related requirements and concepts.

## 27 Positive Work Environment

### 27.1 General

27.1.1 There are a number of actions an organization can take to facilitate cooperation, teamwork, and trust in the work environment. The following indicators are not intended to cover the full breadth of beneficial activities an organization may take to create a positive work environment. Rather, they are what we consider the core indicators necessary to establish the foundation of mutual respect that can contribute to a sustainable workplace, which contribute to sustainable operations, and help create a sustainable organization.

### 27.2 $\square$ Performance Management System (core)

27.2.1 Applicant shall earn up to six points for this indicator.

27.2.2 Applicant shall earn four points for documenting that an organization-wide Performance Management System is in place that includes processes for all employees to establish professional goals and individual development plans, enables employees and their supervisors to measure their actual accomplishments against those goals at least annually, and facilitates the recognition for high performance or resolution of low performance as necessary. Evidence shall include performance management procedural documentation, training materials for managers and employees, and sample performance records from which personally identifiable information has been removed.

27.2.3 Applicant shall earn one point for providing evidence that it recognizes in this Performance Management System each employee's volunteer efforts performed as part of the direct service or civic activities sponsored by or promoted by the organization.

27.2.4 Applicant shall earn one additional point for providing evidence that it integrates sustainability-related issues into its performance management system for all employees.

**27.2.5 Cross-reference:** See 39.2 $\square$  Organization Philanthropy, for an indicator that addresses the organization's community engagement activities.

### **27.3 Professional Development Training Program**

27.3.1 Applicant shall earn 10 points for demonstrating that it has a professional development program in place, applicable to all work forces and levels that is available to all full-time and part-time employees. Evidence shall include documentation of a career development program that incorporates training by work force and level. As used here, training may cover a broad range of approaches and tools such as traditional instructor-led courses, computer-based training, presentations, workshops, simulations, exercises, videos, events, and financial support for externally provided course work and degrees.

## **28 Fostering Workplace Integrity**

### **28.1 General**

28.1.1 Ethical conduct, that is, conduct that is fair and just, and that inspires confidence among employees and other stakeholders, is sound business practice. It is also essential for the success of an organization's sustainability-related goals. The indicators in this section are designed to highlight policies and practices that create the foundation for workplace integrity.

### **28.2 Diversity and Inclusion Policy (core)**

28.2.1 Applicant shall earn up to five points for this indicator.

28.2.2 Applicant shall earn two points for demonstrating a policy in place that promotes non-discrimination based on principles that employment, pay, promotion and termination of workers is made on the basis of abilities, not gender, "personal characteristics", or beliefs. "Personal characteristics" must include requirements such as race, color, national origin, age, religion, military service, and disability.

28.2.3 Applicant shall earn one additional point for inclusion of sexual orientation and gender identity in its nondiscrimination/inclusion policy.

28.2.4 Applicant shall earn two additional points for demonstrating evidence of a training program covering the organization's commitment to diversity and inclusion that is delivered to all new employees at orientation, and made available to current employees on at least an annual basis. As used here, training may cover a broad range of approaches and tools such as traditional instructor-led courses, computer-based training, presentations, simulations, exercises, videos, and/or events.

**28.2.5 Cross-reference:** See 10 Sustainability Policy (prerequisite); 14.1 Ethics Policies (prerequisite); 19.2 Water Use and Wastewater Policy (core); 22.3.2 Sustainable Land Use Policy; 23.2 EPP Policy (core); and 35.2 Sustainable Supply Chain Code of Conduct (core), for additional policy indicators.

### 28.3 ◇ Diversity and Inclusion Performance

28.3.1 Achievement of at least the minimum number of points available from indicator 28.2, is a prerequisite for this indicator.

28.3.2 Applicant shall earn up to 10 points for this indicator.

28.3.3 Applicant shall earn seven points for demonstrating that its implementation of its diversity policy and program has been effectively understood and implemented by its workforce. Evidence may include survey-based information indicating that the majority of its employees are aware of the policy and report that they perceive the organization to be committed to its diversity policies.

28.3.4 Applicant shall earn three points for demonstrating the effectiveness of its diversity training. Evidence shall include documentation of the diagnostic approach, tools used, the frequency of checkpoints, and shall cover the results of the training, including at a minimum participant reactions to the training as well as the extent to which participants improved knowledge and skills and/or changed attitudes as a result of the training. See Appendix AB14.2, for more information.

28.3.5 **Cross-reference:** See 14.2◇ Ethics Performance; 15.3◇ Sustainability Training Performance; 27.3◇ Professional Development Training Program; and 35.6□ Supplier Sustainability Training Program, for additional indicators that address the organization's commitment to employee training.

### 28.4 ○ Diversity and Inclusion Reporting

28.4.1 Applicant shall earn five points for disclosing publicly its board and work force diversity data, including the number of women and minorities (as defined by law in the jurisdictions in which the organization operates), on its board of directors and in leadership positions by job category or position title (e.g., executive director, vice presidents, managers, etc.).

28.4.2 **Cross-reference:** See 11.3○ Sustainability Reporting (core); 14.4○ Political Contributions Reporting; 18.8○ GHG Voluntary Public Reporting; 19.6○ Water Use Reporting; 20.5○ Waste Reduction Reporting; 22.3.3.4○ Habitat and Ecosystem Conservation Report; 23.5○ EPP Reporting; 29.5○ Occupational Health and Safety Reporting; 33.2○ Customer Health and Safety Reporting (core); 35.7○ Supplier Reporting; and 40.3○ Human Rights Reporting, for additional reporting indicators.

## 28.5 Addressing Employee Concerns/Whistleblower Protection (core)

28.5.1 Applicant shall earn 10 points for providing evidence of a confidential means for all workers – full-time, part-time, temporary and contractors – to be able to report any concerns, including but not limited to non-conformance with the organization's ethics policies, referenced in indicator 14.1, to any other organizational policies and procedures, or to regulatory requirements. Work force standards shall include adherence to organizational policies and procedures outlined in the prerequisites of these requirements. The Applicant shall show evidence that reports of non-conformance are investigated and addressed and that Applicant refrains from disciplining, dismissing, or otherwise discriminating against any personnel for providing information concerning observance of these standards or violations of any relevant federal or state laws or codes of ethics.

## 28.6 Employee Satisfaction and Retention

### 28.6.1 General

28.6.1.1 An increasing number of managers recognize that employee satisfaction and retention are key drivers of social and environmental performance while also being key indicators of the success of an organization's business. The business case includes the phenomenon that talented, motivated people seek employment with organizations that have demonstrated commitment to sustainability issues, and that engaged employees feel their voices are heard and feel empowered to make decisions that will make the organization's sustainability initiatives more successful. The indicators in this section are designed to highlight those leading workplace practices that contribute to the organization's sustainability efforts.

### 28.6.2 Employee Satisfaction

28.6.2.1 Applicant shall earn 14 points for demonstrating that it has policies and procedures in place to track employee work satisfaction across all work forces and levels, and that it has set and improved satisfaction achievement levels on average since its initial baseline assessment. Applicant shall establish improvement targets above previous targets. Evidence shall include indicators and tools used to measure employee perceptions of the effectiveness and openness of workplace communications, demonstration of professional appreciation, impartiality in hiring and promotions, employee pride in individual contributions to organizational goals, and the extent to which the organization's culture is inclusive. Evidence shall also include historical documentation of target employee satisfaction rates and raw and aggregate data results by work force categories determined by the organization (e.g., supervision, administration, engineering, etc.) since its baseline assessment.

28.6.2.2 This indicator corresponds with the requirements of The Great Place to Work Institute evaluation tools. Providing evidence that the Applicant remains a member of good standing on one of these or comparable lists is not required but shall meet the requirements of this indicator.

### **28.6.3 Employee Retention Inventory**

28.6.3.1 Applicant shall earn 10 points for having procedures in place to track voluntary turnover rates not associated with retirement and identify the drivers for its employee retention. Applicant shall also demonstrate that it has established increased retention targets against baseline data and that it has established policies or programs to address its retention drivers. Evidence shall include documented systems to track turnover rates, raw and aggregate turnover data for the previous five years or since the organization's founding if less than five years old, and historical documentation of target retention goals.

### **28.6.4 Flexible Work Schedules**

28.6.4.1 Applicant shall earn five points for providing evidence of company policy that is widely published and available on a company Intranet that establishes flexible work schedules, job-sharing, part-time, and other flexible work programs. Documentation shall include information about the positions and percentage of work force to which the policy is applicable.

### **28.6.5 Commuting Travel Policy**

28.6.5.1 Applicant shall earn five points for providing evidence of a company-wide policy, available to all employees, that articulates its commitment to reduce the total amount and negative effects of travel to and from work on employees and the environment. Documentation shall include information about all of the programs promoted by the company to effect this policy, such as:

- a) Public transit use through the provision of tax-beneficial passes;
- b) Free shuttle services to and from public transit stations;
- c) Incentives for carpooling, ridesharing, or vanpooling;
- d) Use of train or light-rail;
- e) Bicycling;
- f) Telecommuting;
- g) Use of web-based meetings; and
- h) Incentivizing purchase and use of fuel efficient vehicles.

Documentation showing conformance to the U.S. National Center for Transit Research's "Best Workplaces for Commuters Standards of Excellence" is not required, but shall serve as evidence for this indicator.

## 29 Workplace Health and Safety

### 29.1 General

29.1.1 Workplace health and safety programs are designed to prevent or mitigate workplace hazards and promote safety awareness, safe work practices, and health and hygiene at work. This section focuses on rewarding employers for more innovative practices in workplace safety that go beyond compliance with applicable laws.

### 29.2 Occupational Health and Safety (prerequisite)

29.2.1 Applicant shall provide documentation showing that it has an occupational health and safety management program in place to track, manage, and seek to minimize occupational hazards (workplace activities or circumstances that can cause harm if not controlled), risks (a gauge of the probability and severity of a harm), and physical harm resulting from an uncontrolled hazard to all workers. "All workers" refers to full-time, part-time, temporary, and contractors or vendors who operate on the Applicant's premises, defined by the boundaries established for the assessment. Evidence shall include documentation covering the following:

- a) Commitment of management;
- b) Clear roles and chain of responsibility;
- c) Processes for accident investigation and procedures for corrective action;
- d) Processes for periodic safety inspections and record of unsafe conditions and mitigation actions;
- e) Industrial hygiene to measure the release and human exposure to hazardous material used in the workplace, including in manufacturing, production, and research and testing laboratories;
- f) Procedures to protect worker health based on industrial hygiene data;
- g) Processes for occupational health surveillance consistent with ILO Convention concerning Occupational Health Services, C161, Night Work, C171, and that incorporates ILO 72 series covering technical and ethical guidelines on workers' health surveillance;
- h) Processes for two way communication between employees (as individuals or collectively such as through a union or through a labor representative) and management on the workplace safety and health issues relevant to the organization's operations;
- i) Training for every employee about the hazards of their position addressing hazardous material management and other topics applicable to the organization's operations (must address chemicals of concern); and
- j) A regular review process of the overall program.

29.2.2 Certification to one or more of the following is not required but shall serve as evidence for this indicator:

- a) Occupational Health and Safety Assessment Series, OHSAS 18001;
- b) British Standard occupational health and safety assessment series, BS OHSAS 18001;
- c) American National Standard for Occupational health and safety management systems, ANSI/AIHA Z10:2005; and
- d) Canada Occupational health and safety management standard, CSA Z1000;

29.2.3 **Cross-reference:** See 28.5  Addressing Employee Concerns/Whistleblower Protection (core), for information about employee protections for reporting nonconformance to this program among others.

### **29.3 Occupational Health and Safety System Audited**

29.3.1 Applicant shall earn 10 points for demonstrating that the occupational health and safety management system has been audited and verified by a third party.

29.3.2 Acceptable documentation may shall include evidence of US Occupational Safety and Health Administration (OSHA) Voluntary Protection Program (VPP) status, or certification by an accredited certifier to any of the following:

- a) Occupational Health and Safety Assessment Series, OHSAS 18001;
- b) British Standard occupational health and safety assessment series, BS OHSAS 18001;
- c) American National Standard for Occupational health and safety management systems, ANSI/AIHA Z10:2005; and
- d) Canada Occupational health and safety management standard, CSA Z1000;

### **29.4 Occupational Health and Safety Targets and Performance**

29.4.1 The purpose of this indicator is to reward Applicants for three things: first, for previous performance achievements; second, for setting targets for future performance; and third, for achieving their future goals. Consequently, in initial certification years, Applicants shall earn points only for past performance and, if applicable, future goals. Applicants shall earn the remaining points in this indicator when it achieves its goals.

29.4.2 Applicant shall earn 25 points for providing documentation to verify that it conforms to (a), (b), and in future certification years, (c) below:

- a) Applicant shall earn 10 points by demonstrating that, in the period before certification to these requirements, it met or exceeded previously established safety goals. Applicant shall provide documentation confirming that it resolved all safety and health problems as they arose. At a minimum, evidence shall include targets for the following elements:
  - 1) The range, nature, distribution and significance of workplace hazards, normalized by unit of output;

- 2) Incidence rates of injuries and work-related ill health by employee type (full-time, part-time, temporary, contractor), job category, other demographics;
- 3) Lost workdays due to injuries or work-related ill health;
- 4) Incidence Frequency and Incidence Severity rates;
- 5) Property damage;
- 6) Regulatory fines, noncompliance notices, and number of disciplinary actions;
- 7) Number of near misses, which are incidents where the action resulted in non-injury and no property damage, but that under different circumstances could have resulted in personal injury or property damage; and
- 8) Level of workplace air contaminants.

b) Applicant shall earn an additional one point for establishing annual targets in years following the certification year to enhance its health and safety practices and reduce its illness and injury rates from baseline year levels or previous year results, whichever is lower. At a minimum, goals shall be established for elements 1 through 8 above.

c) Applicant shall earn an additional 14 points for demonstrating that it is making progress toward its future goals. Documentation that the Applicant is on track to meet its safety targets shall serve as evidence for this requirement. If necessary, Applicant shall explain why any targets were not met and what adjustments are taken to achieve its targets.

## 29.5 Occupational Health and Safety Reporting

29.5.1 Applicant shall earn 10 points for providing a publicly available annual summary of its performance tracked according to the measures cited in 28.4◊ Occupational Health and Safety Targets and Performance.

29.5.2 **Cross-reference:** See 11.3 Sustainability Reporting (core); 14.4 Political Contributions Reporting; 18.8 GHG Voluntary Public Reporting; 19.6 Water Use Reporting; 20.5 Waste Reduction Reporting; 22.3.3.4 Habitat and Ecosystem Conservation Report; 23.5 EPP Reporting; 28.4 Diversity and Inclusion Reporting; 33.2 Customer Health and Safety Reporting (core); 35.7 Supplier Reporting; and 40.3 Human Rights Reporting, for additional reporting indicators.

## 30 Employee Health and wellness

### 30.1 General

30.1.1 Research studies on more holistic approaches to good health – those that go beyond a focus on freedom from disease to a focus on helping people learn to make healthy choices – indicate that people who make healthier lifestyle choices are happier, more productive, miss work less, and have lower overall healthcare costs.<sup>15</sup> In addition, health and wellness programs that provide access to additional support services help reduce employee stress, which also contribute to employee happiness and productivity. The intent of this section is to reward employers for providing comprehensive health and wellness programs that support the physical and emotional health of their employees.

### 30.2 Access to Health Care (core)

30.2.1 Applicant may earn up to five points for this indicator.

30.2.2 Applicant shall earn three points for demonstrating that it offers health care insurance to all full-time employees, within the organizational boundaries for the assessment, where a national, publicly funded health care system does not exist. Evidence shall include documentation about the health plan and orientation and educational material provided to employees describing enrollment options.

30.2.3 Applicant shall earn two points for demonstrating that it offers health care insurance or helps facilitate the provision of cost effective health care insurance to all full-time and part-time employees and contractors (who work more than 20 hours per week) within the organizational boundaries for the assessment.

### 30.3 Family-Friendly Benefits

30.3.1 As people live longer, many employees live with dual responsibilities of caring for children and caring for elderly parents. Yet, sometimes employees experience conflict between being responsible employees and being responsible family members.

30.3.2 Applicant shall earn up to five points for providing evidence of the following:

- a) Applicant shall earn two points for evidence that it grants all full-time employees job-protected leave, equivalent to the entitlements listed under the U.S. Family and Medical Leave Act, when they give birth, adopt a child, need to care for an ill family member, or need time off to recover from their own illness;
- b) Applicant shall earn an additional two points for evidence that a childcare program (e.g., subsidy, onsite childcare offering) is available for all full-time employees; and
- c) Applicant shall earn an additional one point for evidence of an elder care program (e.g., subsidy for eldercare services) is available for all full-time employees.

<sup>15</sup>Aldana SG. American Journal of Health Promotion 2001; 15(5) – 296-320; Riedel JE, Lynch W, Baase C, Hymel P, Peterson KW. American Journal of Wellness 2001; 15(3) – 167-191.

30.3.3 Evidence of the requirements for 30.3.2, shall include documentation about the programs and orientation and educational materials provided to employees describing program benefits and/or enrollment options.

### **30.4 □ Wellness Program**

30.4.1 Applicant shall earn five points for demonstrating the existence of a wellness program that is made available to all full-time employees and that, at a minimum, includes the following elements:

- a) An employee assistance program covering issues such as appropriate nutrition, parenting, financial and other related counseling. Evidence shall include documentation that programs are actively promoted to employees by methods such as Intranet website, newsletters, and posters displayed in appropriate locations in corporate facilities; and
- b) Participation incentives such as: engaging in fitness/health club programs, weight programs, lowered cholesterol and/or blood pressure, or smoking cessation programs.
  - 1) Wellness accounts that give monetary incentives such as monthly stipends for regular participation in fitness programs; or
  - 2) Discounts on benefits such as healthcare for participating in healthy behaviors such as:
    - i) Engaging in fitness/health club programs;
    - ii) Weight programs;
    - iii) Lower cholesterol and/or blood pressure; or
    - iv) Smoking cessation programs.

## **CUSTOMERS AND SUPPLIERS**

### **31 General**

31.1 Customers are increasingly expecting the companies with which they do business to implement sustainable business practices while providing quality, safe products and services. The intention of the Customers and Suppliers domain is to determine the extent to which the organization has aligned its sustainability goals throughout its value chain. This domain examines the following:

- a) Customer support, service, and complaint resolution policies and processes;
- b) Green marketing and product labeling practices;
- c) Product quality and safety monitoring through the product lifecycle; and
- d) Development and operation of a sustainable supply chain.

## 32 Fair Marketing and Communications

### 32.1 General

32.1.1 Communications about product quality, features and other conventional attributes have long been a critical part of product and service marketing. Organizations increasingly are providing sustainability-related information at the point of purchase as consumer awareness and interest in these issues rises. However, concerns about clear and accurate advertising overall and “greenwashing” specifically – that is, the practice of making false, unsubstantiated or misleading sustainability-related claims about companies or their products or services – undermine consumer confidence in and the growth of the overall marketplace for sustainable products and services. False or misleading claims about product attributes may even create hazards to human health or the environment. This section addresses the organization’s ethics and practices related to product marketing and communications.

### 32.2 Green Claims and Truth in Advertising (prerequisite)

32.2.1 Applicant shall meet the requirements of the revised (2010) Guides for the Use of Environmental Marketing Claims issued by the US Federal Trade Commission Act, Section 5. Commonly known as the Green Guides, the revisions address claims related to general environment benefit (green, eco-friendly); certifications and seals of approval regarding qualification of certifications; require qualified claims regarding degradable/compostable/ozone-safe/ozone-friendly, recyclable and toxic-free/non-toxic claims. In addition, the revisions address renewable materials claims, made with renewable energy claims, and carbon offset claims requiring that all claims must be substantiated and disclosed.

### 32.3 Environmental Product Declaration

32.3.1 Applicant shall earn up to 10 points for this indicator.

32.3.2 Applicant shall earn five points for providing evidence of labeling with respect to sustainability impacts, country of origin, proper discard or disposal for one published Environmental Product Declaration (EPD) for a product line manufactured by the operations within scope of the assessment. An EPD is the documentation of an audited Life Cycle Assessment (LCA) of the environmental performance of a product, based on approved Product Category Rules (PCRs) in accordance with Environmental labels and declarations – Type III environmental declarations – Policy and procedure, ISO 14025.

32.3.3 Applicant shall earn five additional points for providing evidence of a published EPD for a second product line manufactured by the operations within scope of the assessment.

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## 33 Product Safety

### 33.1 General

33.1.1 Providing safe products to customers in all its markets is a core sustainability issue. This section addresses the organization's fulfillment of its responsibility to sell safe products to consumers and to produce products in a manner that is in compliance with regulations and other voluntary product safety codes during the product lifecycle.

### 33.2 ○ Customer Health and Safety Reporting (core)

33.2.1 Applicant shall earn 10 points by providing evidence of disclosure of health and safety information about its products. Evidence shall include sample documentation in each of the categories for which the Applicant responds yes in Table 33.1 below:

**Table 33.1**  
**Customer Health and Safety Reporting**

Customer Health and Safety Criteria	Yes	No
Reporting to customers all health or safety issues related to the product content or its composition		
Reporting to customers regarding safe installation, where applicable, and use of a product		
Reporting to customers regarding safe storage of a product		
Reporting to customers about safe repair and servicing of a product		
Reporting to customers regarding proper recycling and/or disposal of a product		

33.2.2 This indicator corresponds with the following section of the OECD Guidelines for Multinational Enterprises: VII Consumer Interests.

33.2.3 **Cross-reference:** See 11.3○ Sustainability Reporting (core); 14.4○ Political Contributions Reporting; 18.8○ GHG Voluntary Public Reporting; 19.6○ Water Use Reporting; 20.5○ Waste Reduction Reporting; 22.3.3.4○ Habitat and Ecosystem Conservation Report; 23.5○ EPP Reporting; 28.4○ Diversity and Inclusion Reporting; 29.5○ Occupational Health and Safety Reporting; 35.7○ Supplier Reporting; and 40.3○ Human Rights Reporting, for additional reporting indicators.

### 33.3 ◊ Product Safety Performance

33.3.1 The extent to which an organization has adequate internal management systems to address product safety throughout a product's lifecycle is an important measure of the organization's commitment to sustainability throughout its value chain.

33.3.2 Applicant shall earn up to 25 points for provide documentation to verify that it conforms to one of the following:

- a) Applicant shall earn 25 points by showing evidence there have been no incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of any of its products during their product life cycles since its baseline year; or
- b) In the event of non-compliance, the Applicant shall earn 15 points for demonstrating that a remediation work plan has been prepared and implemented, and, where applicable, that work is proceeding in accordance with timelines and requirements set forth in settlement agreements or voluntary remediation agreements.

## 34 Customer Support, Service and Complaint Resolution

### 34.1 General

34.1.1 This section addresses the organization's attention to the customer experience and satisfaction with the quality of its products and services.

### 34.2 Complaint Resolution and Customer Satisfaction (core)

34.2.1 Applicant shall earn eight points for documenting a formalized system for customer satisfaction and complaint resolution that includes, but is not limited to the following:

- a) Product return policies;
- b) Prompt response to complaints;
- c) Warranty;
- d) Accessible maintenance and repair locations; and
- e) Redress procedures that are without charge to customer.

34.2.2 This indicator corresponds with the guidelines of Quality Management – Customer Satisfaction – Guidelines for Complaints Handling in Organizations, ISO 10002.

### 34.3 Certified to ISO 9001

34.3.1 Applicant shall earn 14 points if it meets the requirements of 34.2, and is certified to Quality management systems – Requirements, ISO 9001, by an independent third party certifier.

## 35 Sustainable Supply Chain

### 35.1 General

35.1.1 This section seeks to gauge the rigor of the organization's responsible focus on the sustainability performance of its suppliers, co-manufacturers, and contractors, and the extent to which it requires suppliers to meet the environmental and social standards that the company has established for itself. The number of points available for indicators in this section is greater than other sections of this Standard because of the importance of the supply chain to manufacturing sustainability performance.

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### 35.2 Sustainable Supply Chain Code of Conduct (core)

35.2.1 Applicant shall earn up to 25 points for this indicator.

35.2.2 Applicant shall earn 10 points for providing evidence that it has established a supply chain policy, code of conduct, or formal statement that includes a commitment to assess and monitor Tier 1 suppliers on, at minimum of the following:

- a) Regulatory compliance with all applicable environmental laws, occupational health and safety regulations;
- b) Safe working conditions;
- c) Respect for the basic human rights of employees;
- d) Prohibition of child labor; and
- e) Ethics policies.

35.2.3 Applicant shall earn 15 additional points for providing evidence that its supply chain policy, code of conduct, or formal statement includes a commitment to address and monitor Tier 2 suppliers on the same criteria listed in 35.2.2 (a) – (e).

**35.2.4 Cross-reference:** See 10 Sustainability Policy (prerequisite); 14.1 Ethics Policies (prerequisite); 19.2 Water Use and Wastewater Policy (core); 22.3.2 Sustainable Land Use Policy; 23.2 EPP Policy (core); 28.2 Diversity and Inclusion Policy (core), for additional policy indicators.

### 35.3 Sustainable Supply Chain Inventory

35.3.1 Applicant shall earn up to 28 points for this indicator.

35.3.2 Applicant shall earn up to 14 points for demonstrating that it maintains a baseline inventory of its Tier 1 suppliers. This inventory shall be ranked according to the supplier's anticipated ability to disrupt the Applicant's supply chain according to the following concepts:

- a) Applicant shall earn four points for providing evidence that it tracks its suppliers' adherence to the Code of Conduct elements referenced in 35.2;
- b) Applicant shall earn an additional four points for providing evidence that it measures the extent to which any dramatic shortage of the raw materials provided by the supplier, or used by the supplier in the manufacture of the product provided by the Tier 1 supplier to the Applicant, could disrupt the Applicant's supply chain; and
- c) Applicant shall earn up to six points for providing evidence of the following:
  - 1) Four points for demonstrating that it tracks sustainability baselines and benchmarks for its suppliers that include the following indicators:
    - i) Energy usage;
    - ii) GHG measurement and reporting; and
    - iii) Transportation fuel efficiency; and

2) Two additional points for demonstrating that that it addresses two out of the following four measures in evaluating its Tier 1 suppliers:

- i) Water usage;
- ii) Use of renewable energy;
- iii) Existence of an EMS; and/or
- iv) The amount of generated waste/waste material that is recycled, reused, and/or recovered.

35.3.3 Applicant shall earn an additional 14 points for demonstrating that it applies the concepts addressed in 35.3.2(a) and (c)(1) to its Tier 2 suppliers.

#### **35.4 $\Delta$ Sustainable Supply Chain Management and Monitoring Plan**

35.4.1 Achievement of at least the minimum number of points available from indicator 35.3, is a prerequisite for this indicator.

35.4.2 Applicant shall earn up to 25 points for this indicator.

35.4.3 Applicant shall earn 10 points for providing evidence that it maintains a Supply Chain Management and Monitoring Plan applicable to Tier 1 suppliers that includes the following:

- a) A description of the monitoring approach including a commitment to monitoring and site audits;
- b) An ongoing supplier scorecard process that covers the items in 35.3, including measurable sustainability goals against the sustainability indicators referenced in 35.3(c)(1) or (c)(1) and (c)(2), evidence of data collection and aggregation from Tier 1 suppliers, and timelines for improvement;
- c) Evidence of tracking and reporting; and
- d) Protocols for corrective action if goals are not met.

35.4.4 Applicant shall earn 12 additional points for providing evidence of written agreements of sustainable supply chain expectations between Applicant and Tier 2 suppliers.

35.4.5 Applicant shall earn three additional points for providing evidence of ongoing communications to employees, co-manufacturers and supply chain partners about supply chain sustainability requirements and progress. See Appendix AB35.4, for more information.