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## Edouard Michelin

The Need for Speed:  
Accelerating  
Progress in  
Sustainable  
Mobility

### INSIDE

CONSUMER MIND VS.  
CITIZEN MIND

WHO'S EDUCATING  
21ST-CENTURY EXECUTIVES?

CAN "GREEN" BE COOL?





**20 Cover Story: Start Your Clean, Green Engines**

Sustainable mobility is one of the most vital matters facing a wide range of global constituencies: governments, business and industry, communities and consumers. The issues involved are broad and complex. Challenge Bibendum, the international clean car racing event, was designed to leave political and commercial agendas behind, says Michelin's CEO Edouard Michelin. Indeed, the 2003 event continued to drive the dream that vehicles of the future can be clean, safe, reliable and fun to drive.

By Penny Bonda

**38 New Perspectives: Between Biology, Technology and Culture**

Building a cradle-to-cradle framework for the biotech debate.

By William McDonough and Michael Braungart

**42 Frontlines: Businesses for Green Power**

Corporate buyers commit to accelerating green power progress.

**44 Frontlines: Chain Reaction**

Improving the environment while providing value to the automobile supply chain.

By Rebecca Spearot and Gary Mayo

**46 Lifelines: Shopping for a Better World**

UNEP targets the retail and fashion industries as part of on-going efforts to promote "cool" green lifestyles.



**47 Editorial Index**

People and companies in this issue.

**48 Green Gateways**

Cool bytes and hot sites on the Internet.

**50 Frankel-y Speaking: Out of Box, Out of Mind**

We have more power than we realize.

By Senior Columnist Carl Frankel

**27 Special Section: Can Gas Be a Thing of the Past?**

We're not there yet, but many of the alternative fuels now being explored hold the promise of replacing traditional petroleum-based fuels—and the toxic fumes they emit.



**32 Special Section: Shifting Gears**

Environmental factors and market forces are helping to impact what—and who—is steering the future course for the auto industry.

**6 Between Yellow and Blue**

Will Environmentally Friendly Purchasers Please Stand Up?

**8 Headlines: Educating Effective Leaders**

Six MBA programs are recognized for environmental and social impact training.

**12 Headlines: Ascending Assets**

Social investment assets continue growth despite a decline in "unscreened" world.

**14 Newlines**

Actions and initiatives worth noting.

**18 Single Bottom Line Sustainability: When Will the Citizen Mind Go Shopping?**

Automakers claim a responsibility to consumer mind reality, but they better pay close attention to the citizen mind emerging.

By Paul Gilding

# Chain Reaction

Improving the environment while providing value to the automobile supply chain.

BY REBECCA SPEAROT AND GARY MAYO

**S**olid strides have been made to improve environmentally-related activities within the automobile industry over the past few years, but there are still many opportunities that can be tapped to further improve the environmental footprint of the industry while providing value to our companies by working within our supply chains. Recognizing these potential opportunities, several companies in the automobile industry worked together with General Motors (GM) and the Environmental Protection Agency (EPA) to create the Suppliers Partnership for the Environment (SP). SP's mission is to identify, address and pursue systematically the challenges and opportunities that are available within the automobile supply chain to improve the environment and, in addition, the bottom lines of our member companies.

## PERFORMANCE AND VALUE

The concept for SP came from a greening the supply chain pilot project involving General Motors, EPA and the National Institute of Standards and Technology (NIST). The assessment of the positive results of the pilot project indicated that if the program could be expanded to a broader range of original equipment manufacturers (OEMs) and automobile suppliers, the environmental footprint could be improved and business opportunities for companies within the supply chain could be expanded.

Building on the success of the pilot effort, leaders from GM and EPA began having discussions with leading automobile suppliers about the possibility of creating an innovative partnership between



automobile OEMs and their suppliers. During an organizational meeting in Washington, DC, on October 31, 2002, those companies agreed to create SP. They determined that SP's goal should be to improve environmental performance while providing value throughout the automobile supply chain. They also agreed that SP should be a forum for small, mid-sized and large automotive and vehicle OEMs and suppliers to work together, learn from each other, share best practices and work together on issues and activities of interest to the membership. In addition, objectives of the effort would be to move toward continual improvement of the environmental perfor-

mance of the automobile supply chain, to address the interests of shareholders, to provide a common auto sector approach to greening the supply chain and to learn from each other and share environmental best practices.

## WORK GROUPS ADDRESS SP'S MISSION

During the first year of SP, five work groups are actively addressing issues of interest to the membership. These five work groups include:

► **Design for the Environment (DfE) and Sustainability's** focus is on the development of a "Total Program" Life Cycle Management (LCM) decision-making tool

that is simple and fast, reacting to the needs of the auto industry rather than the present elemental approach to LCM of each automotive component using the more traditional complicated and extensive Life Cycle Analysis (LCA) tools.

► **Environment Business Integration** is developing an understanding of how environmental issues affect the business processes for both suppliers' and OEMs' value chains and methods and recommendations for integrating these issues into the procurement process.

► **Environmental Performance Metrics** is developing an industry-wide method for measuring improvement in environmental performance of suppliers and OEMs, and an associated reporting mechanism.

► **Energy Optimization** is developing recommendations for how to reduce energy consumption as well as how to educate and improve the understanding of the possible long-term effects of economic growth

developed a workshop format to train and support small and medium enterprises to help them understand the "leaning" and "greening" of corporate supply chains and the business value of integrating environmental issues into business processes. These technical assistance workshops are now being offered to all suppliers who join SP. They are based on the highly successful pilot project with GM's Saturn Corp. and its suppliers. To date, at each site visited, issues were identified during the workshop that had not up to that point been recognized—or in many cases, even discussed—by the supplier or the customer. Moreover, these SP Technical Assistance Workshops have identified and highlighted approximately \$1 million in potential savings and environmental improvements for participating suppliers.

#### EPA'S ROLE AND COMMITMENT

EPA has played an instrumental role in the creation of SP and is working in partnership with the organization by providing topics for special projects, information, tools and resources. EPA also brings to SP additional opportunities and the resources of other federal agencies such as the Department of Energy and NIST's MEPs.

"The Suppliers Partnership for the Environment establishes a forum where the Environmental Protection Agency and the automobile supply industry can work together to achieve common goals of environmental performance," said Stephen L.

Johnson, EPA's acting deputy administrator. "Through pollution prevention, smarter decisions can be implemented throughout the automobile manufacturing process that will benefit both the environment and a company's bottom line. We welcome this effort."

SP is a "member driven" organization that provides quantifiable value to all of its members through the efforts and involvement in work groups as well as through meetings and activities that have been identified by the SP membership. During SP's first year, solid progress has been made to move forward with the agenda that has been developed by its members. As SP enters its second year of activities, the organization will continue to expand the breadth and depth of its efforts so OEMs and all tiers of their supply chains can work together to improve the environment while also providing tangible value to many levels of the automobile supply chain. ®

"Through pollution prevention, smarter decisions can be implemented throughout the automobile manufacturing process that will benefit both the environment and a company's bottom line."

—Stephen L. Johnson, Acting Deputy Administrator, EPA

and other human activities on the climate system as they result from actions of the automobile supply chain. The goal: show that Energy Reduction = CO<sub>2</sub> Reduction = Cost Reduction.

► **SP Technical Assistance Workshops** are supported by EPA and administered by the NIST's Manufacturing Extension Partnership (MEP). This work group has

Rebecca Spearot, Lear Corp., is chair of the Suppliers Partnership for the Environment (SP). Gary Mayo, of Visteon Corp., is SP membership development chair. SP is a 501(c) (6) trade association headquartered in Washington, DC, whose member include: Ashland, Inc.; B.A.E. Industries; Chemico Systems, Inc.; Delphi Corp.; Detroit Chassis LLC; Federal-Mogul Corp.; Flo-Matic Corp.; Freudenberg-NOK; General Motors Corp.; GKN Sinter Metals; Guardian Automotive; Haas TCM; Johnson Controls, Inc.; Johnson Matthey; Lear Corp.; Motorola, Inc.; NSK Corp.; Petoskey Plastics, Inc.; Renosol Corp.; and Visteon. For more information about SP, visit [www.supplierspartnership.org](http://www.supplierspartnership.org).