

Creating a Robust Sustainable Business Recognition Program for New Jersey

A Concept Paper by Sustainable Jersey™ and Green Seal™

June 23, 2011

PURPOSE

Businesses play a critical role in creating a sustainable society, and a sustainable New Jersey. Whether the goal is to reduce greenhouse gases, water use and waste, improve air quality, or decrease the use of toxic chemicals, each sector of the economy – government, consumers and businesses must be involved for real progress to be made. However, implementing sustainable business practices often presents insurmountable obstacles for many types of small business. These firms rarely have the staff and resources to figure out what changes need to be made to reduce their environmental footprint and low profit margins can mean that any increase in costs are a major obstacle to making improvements. Although some changes may make financial sense by reducing operating costs or increasing branding and marketing exposure, small businesses need guidance to understand and implement best practices and they need recognition to ensure they reap the rewards of doing so.

Identifying best practices from a trusted source, and receiving support and recognition from the community of customers and state and local government, must be a critical element in any sustainable business effort.

This concept paper suggests a potential new program that would convene New Jersey and national experts to create a certification program for sustainable businesses in New Jersey under the Sustainable Jersey umbrella. The new certification program would vet and partner with existing standards and certification programs, and create new standards where needed, to provide a rigorous yet achievable set of performance standards for certain sectors of small business. This was identified as a need by the Sustainable Jersey Local Economies Task Force and is an evolution of an existing program component.

Following the Sustainable Jersey model, an open and shared governance structure that includes and supports existing New Jersey leaders and organizations would be established for the management of the program and creation of specific standards. Municipalities, state government, business leaders, experts, and NGOs would work together through the Sustainable Jersey model to develop the overall structure and priorities for the new Sustainable Business Recognition Program. Sustainable Jersey and Green Seal would conduct the technical work to develop the standards for specific industries, which would be vetted through an open and transparent process before being adopted by Sustainable Jersey.

BACKGROUND AND STATUS

Sustainable Jersey has an existing “Action” for a Green Business Recognition Program. It charges municipalities with developing criteria for green businesses and developing rewards for those that meet the criteria. Despite some early adopting stars, based on feedback from municipalities it

is clear that developing such a program is beyond the capacity of most municipalities to implement alone. Few municipal governments have the capacity to research, vet, and apply meaningful standards for specific industry sectors, to verify progress, or to develop a brand and reward structure that would motivate businesses to seek certification. However, it is clear that they are in a strong position to promote such a certification program to local businesses and residents (customers) and could play a strong role recruiting local businesses and devising rewards for their participation.

SJ has a Local Economies Task Force that has jurisdiction over this (and similar) Actions. The Local Economies Task Force agreed at the August 2010 meeting that SJ should move to the next step and develop standards for a targeted set of businesses and create a program certifying businesses to robust but achievable standards. At the May 27, 2011 meeting the Task Force reviewed an earlier version of this proposal and provided feedback, and a request for more detail on the strategy and proposed business sectors to be targeted. This proposal responds to that request.

APPROACH

In initial discussions with Task Force members and other key potential partners, the program was envisioned to have the following core characteristics:

- a. The program would target small businesses that have very little capacity for identifying and adopting best practices on their own. This means that the cost must be low, and the specific steps that need to be taken to become certified (procedures implemented internally) would be spelled out for them so they could be implemented by non-experts.
- b. To succeed, the effort must be a multi-faceted program that provides education, training, and support. Not simply a set of standards.
- c. The program standards would be calibrated to be achievable by a significant number of business (not just leaders and early adopters), but would be rigorous in that it would address the core issues of each type of business targeted, and would require independent verification. To achieve the certification would require some level of meaningful action to have been taken by the company.
- d. The program would target specific types of businesses and tailor standards to them based on the most significant sustainability impacts for that type of business. Thus, a dry cleaner could not be certified for having an energy efficient building if it was using a toxic cleaning process. Nor could a restaurant be certified without addressing how it sources food and disposes of food waste.
- e. The program would seek to utilize and amplify the good work of existing programs and standards through partnering or reciprocal agreements. If a credible standard/certification program exists that meets our standards, we could seek to recognize it and automatically confer the SJ certification.

IDENTIFYING BUSINESSES CLASSES FOR INITIAL STANDARD SETTING

We would begin by identifying common types of local businesses for the first sets of standards to be developed. We would seek information from NJBIA and municipalities working with SJ about the most prevalent small businesses in New Jersey municipalities. With this information in hand, the decision on which types of businesses to begin with would rely on four factors:

1. Does the type/class of business have a clear, discrete, and manageable set of core issues that it needs to address (e.g. cleaning solution for a laundry cleaner, food and food waste for a restaurant)?
2. Is there already a credible group, in particular a NJ group, already working in this area that can be partnered with, or whose work can be built upon? (e.g. NJ's Green Automotive Repair Program)
3. Is the class of business typically run as a small business that has the authority to change business practices locally, but has very limited capacity? This would mean that the businesses do not typically have access to Environmental Health and Safety professionals to rely on, and that they make their own decisions about business practices independent of a larger corporate decision making structure.
4. Is the class of business typically reliant on local reputation, local advertising, and word of mouth for its business, as opposed to national advertising and marketing?

Likely candidates for a first round of standards setting include:

- **Hotels and Hospitality:** This is a challenging sector; however significant work has already been done that we can look to build on. Green Globe, Green Key and Green Seal have developed successful standards and certifications for the Hospitality Industry.
- **Restaurants:** Restaurants appear, prima facie, to have a discrete clear set of core issues dealing with the sourcing and disposal of food. Both Green Seal and the Green Restaurant Association have developed programs for restaurants.
- **Dry cleaners/Clothing Launderers:** The core issues for this industry are the cleaning process used (and the toxicity of cleaning solutions) and the packaging waste created. There is additional urgency for creating a standard for this sector due to the confusion surrounding the term "organic cleaning" that is commonly used, but generally misunderstood.
- **Auto Repair and Auto Body Shops:** This is a complicated and multi-faced industry that would not appear to be a good candidate for "low hanging fruit". However, an existing certification has been created and is operational; run by the New Jersey Green Automotive Repair Council which may enable a partnership opportunity to make rapid progress. Green Seal also has a standard for Fleet Vehicle Maintenance.

- **Office Buildings:** There appears to be a core set of issues for office buildings based on the characteristics of the building, the energy expended in the buildings to operate office equipment and condition space for workers, and the sourcing of common office supplies such as paper. Working with Greener by Design, the Township of Woodbridge has launched a successful “Green Office Building Challenge” that has criteria and a points system.
- **Retail Establishments:** Similar to office buildings, there is a core set of issues dealing with creating and conditioning space for workers and customers. However, setting standards for this class of businesses is complicated by diverse upstream and downstream impacts of the myriad of products sold.

The US Green Building Council (USGBC) has LEED standards that could apply to the buildings (but not the other aspects) of a number of the sectors. For example, there is a LEED standard for retail establishments, for new construction, and for existing building operation and maintenance.

VERIFICATION

Verification that a business has met a standard generally involves trained reviewers or auditors. The cost of the review process, which is typically passed down to the businesses getting certified, is one of the main obstacles to small businesses. To keep costs down and have an expanded municipal role, we should attempt to have a program that educates and trains local volunteers, students, or municipal staff to serve as certifiers. State and county staff that have pre-existing relationships reviewing local businesses (like the NJDEP Stewardship Program or county health offices) could also play a role. We should also plan to work with universities in New Jersey to train certifiers in their programs.

As an action scoring points, Sustainable Jersey municipalities could provide certification review free of charge through volunteers on a Green Team (example Cranberry), or through municipal staff (Woodbridge). Other entities that might contribute to performing low cost certifications could include Main Street organizations, Business Improvement Districts, Counties, or the Meadowlands.

Such an approach focusing on local reviewers could simultaneously create green jobs for new reviewers and trainers of reviewers. And for those businesses lucky enough to be in a Sustainable Jersey community, keep costs down through volunteer of municipal efforts. This would help ensure that the program endures in NJ and is not dependent on outside organizations in the long run.

Training and certifying the reviewers is an important function that will need to be addressed.

SUPPORT FOR BUSINESSES

To help small businesses make progress toward certification will require a robust and multifaceted program of outreach, training, education, recognition and support. Some key elements to consider:

Outreach, Training, and Education: Simply writing a standard for business practices will not be enough. It will be necessary to reach out to local businesses, provide low or no cost training on implementing the various standards, and educate companies about how the requirements in the standard will improve the environment and their operations.

Recognition: To ensure that the certification is valuable to local businesses, it is necessary to develop a mechanism to recognize and promote the standard itself, and the businesses that achieve it. This will likely include work at the state level such as publishing green business directories and marketing the brand, and working with local and regional partners to provide local recognition. The work of Woodbridge, Cranford, and the Meadowlands Commission are exemplars of this.

Resources: Working with our partners, we should endeavor to identify and create new public and private resources that will help small businesses overcome the obstacles of time and cost that are associated with instituting new business practices. State, regional, county, and local government can provide technical support and potentially financial incentives.