

Greening Supply Chains

4 studies in 5 minutes

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1 Do government green procurement programs actually green supply chains?

EU Environmental Procurement Guidelines

“Public procurement... will... stimulate the use of green standards in private procurement.”

Clinton Executive Order on Green Procurement

“the use of... environmentally preferable products and services by the Federal Government can spur private sector ...use of such products”

But have they?

1 Do government green procurement programs actually green supply chains?

Our approach:

- Examine municipal policies in California that require the government--but not private sector--to build green
- Do these policies stimulate green markets?

We found:

- Private-sector LEED Registrations increase faster in these policy-adopting cities, compared to other cities of similar size and greenness.
- These policies also increase the supply of LEED APs
- Both effects also spill over to adjacent cities

"Public Procurement and the Private Supply of Green Buildings,"
Simcoe & Toffel, 2012 Working Paper

2

How is climate change transparency fostered?

Two studies of the Carbon Disclosure Project (CDP)

Investors

- Firms targeted by environmental shareholder resolutions
- Also: when just industry peers were targeted

Government

- Firms facing threat of state GHG regulation
- Also: when just other industries were targeted

Buyer demands

- Multiple buyers, buyers with scorecards
- More responsive suppliers: faced GHG regulations, in more profitable industries

"Engaging Supply Chains in Climate Change," Jira & Toffel, 2013.

&

"Responding to Public and Private Politics: Corporate Disclosure of Climate Change Strategies,"
Reid & Toffel, 2009.

3

Codes of conduct to assess suppliers' labor and environmental practices

Which factories have better labor conditions?

- In countries with more labor treaties, esp. when supplemented with more protective domestic labor law
- In countries with more press freedom
- Serving buyer countries where issues are more salient

Future Q: What audit features best elicit improved practices?

“Reinforcing Regulatory Regimes: How States, Civil Society, and Codes of Conduct Promote Adherence to Global Labor Standards,” Toffel, Short & Ouellet, 2013 Working Paper

Thank you

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