

SMaRT[©]



National Consensus Sustainable Product Standard
LCA / EPD+HPD



Key SMaRT Partners

TRANSPARENCY

Perkins+Will works with MTS with USGBC, White House & NASDAQ on SMaRT, Green Stocks / Bonds & Climate Resilience.

“When an activity raises threats of harm to human health or the environment, precautionary measures should be taken even if some cause and effect relationships are not fully established scientifically.”

– The Wingspread Conference on the **Precautionary Principle** was convened by the Science and Environmental Health Network, 1998.

Encouraging material health in the built environment.

expanding design capacity



PERKINS
+ WILL

Key SMaRT Partners

Sustainable
Furnishings
Council
works with MTS
with NASDAQ
on SMaRT,
Green Stocks
/ Bonds.

Kathy Ireland
DESIGNINGreen Leader

Some personal faves...

Dessert: My mom's chocolate chip cookies (or Chef Andre's!)

Play: Wicked

Treasure: Artwork of our children Erik, Lily, and Chloe

Garment: Valentino gown given by Dame Elizabeth Taylor

Color: Green

"We've all been too careless with the beauty of our God-given planet. We must protect, honor and live with design that is gracefully green."



why not?

Where to find real green

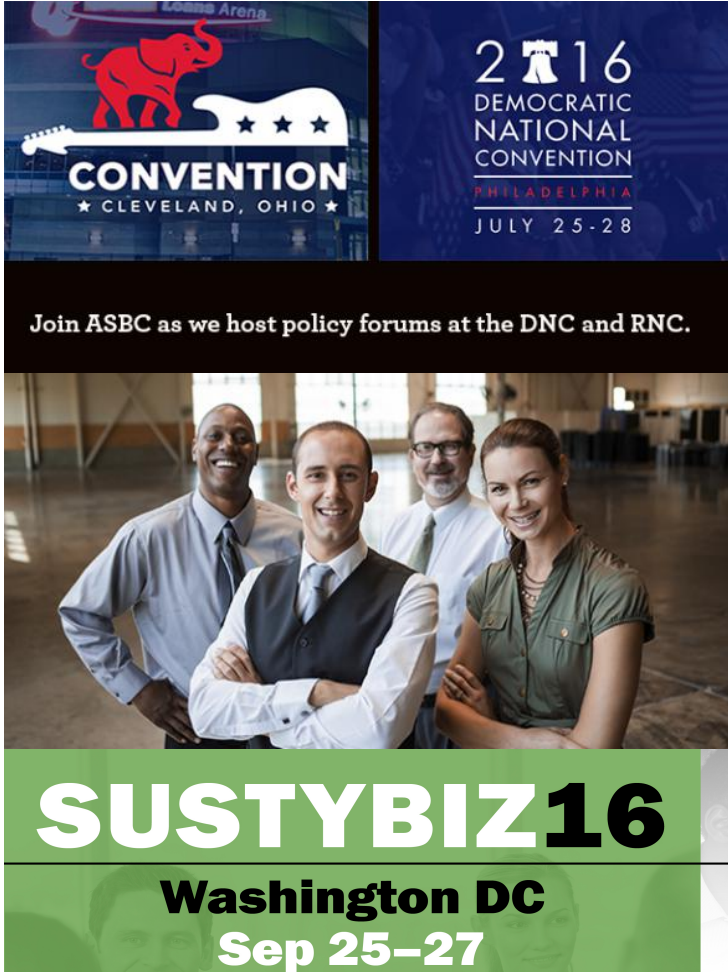
why green?



sustainable
FURNISHINGS COUNCIL
sustainablefurnishings.org

Key SMaRT Partners

American Sustainable Business Council works with MTS with Morgan Stanley, White House & NASDAQ on SMaRT & Green Stocks / Bonds.



Join ASBC as we host policy forums at the DNC and RNC.

SUSTYBIZ16
Washington DC
Sep 25-27

1401 New York Ave., N.W., Suite 1225
Washington, DC 20005 | 202-595-9302 x101

"The work the American Sustainable Business Council is doing to build an economy that works for everyone is so important and vital to our country."

U.S. Senator Kirsten Gillibrand | D-NY



The American Sustainable Business Council advocates for policy change at the federal and state level that supports a more sustainable economy. The Council spans a growing network of business associations across the United States, representing over 200,000 businesses and 325,000 business executives, owners, investors, and others.

Looking Beyond the Elections
5th Annual Summit



AMERICAN
SUSTAINABLE
BUSINESS
COUNCIL

Why is There a Permanent Market Shift Affecting Product Sales?

- **Investors / Corporations are Very Aggressive on Climate Risk** due to well documented accelerating systemic damages in all market segments.
- **\$3.4 Trillion in Carbon Divestment in Last Two Years** (*Divest.org*), & over 60% of investors recognize substantial stranded asset risk / total devaluation for carbon industries (E&Y Investor Survey 2015).
- **Investors with Over \$70 Trillion in Assets Want to Buy Green Bonds & Stocks** causing \$70 billion / yr. rapidly growing profitable market as documented in *Green Bond Business Case* released at NYSE with **Knoll**.
- **Underlying Green Bond / Stock Assets are \$1.3 Trillion / yr. Industry**
 - Green buildings
 - Wind
 - Solar
 - FSC Certified Wood
 - Organic
 - Clean vehicles



Why is There a Permanent Market Shift Affecting Product Sales?

- **S&P Announced Highly Destructive Climate Credit Rating Downgrades** *required by law to warn investors.*
- **17 Attorneys General are Prosecuting Exxon for Climate Investor Fraud** *due to \$100 trillion near term resilience costs.*
- **Greenwash Standards Destroy Brand, Reduce Building Cash Flow, are Misleading & Thus Unlawful:** *government has not lost a case in 30 years of prosecutions against manufacturers, unlike any other field of law.*
- **SMaRT / FSC Are More Profitable, Less Risky & Preferred by Investors** *based on 10 yrs. of data released at NYSE*
- **Google (adopted SMaRT) & Other High Tech Companies Value Supplier Sustainable Product Certification More Than Product Price**



Why Have Leading Sustainability Standards Received Market Acceptance?

- Certified Organic Products
 - LEED green buildings
 - FSC certified wood
 - Clean vehicles
 - SMaRT & SFC

They Meet Leadership Standards Criteria

1. **Substantial pollution reductions:** no market demand for status quo
2. **Transparent & consensus standards**
3. **Credible global independent third party certification**
4. **Subsequent government adoption**



Why Have Leading Sustainability Standards Received Market Acceptance?

Certified Organic Products

- Yankelovich / Procter & Gamble (P&G) know that conventional consumer products' market share & profits are being eroded continually by products marketed with organic products especially at Whole Foods, resulting in firing of P&G CEO last year.
- The reason is the power of organic products including halo effect, substantial pollution reductions, resulting health & environmental benefits, & well documented increased profitability.
- USDA's organic product rule received overwhelming support.



Why Have Leading Sustainability Standards Received Market Acceptance?

LEED Green Buildings & FSC Wood

- **LEED Commercial is 50% of US Market** (new construction / retrofits) & the leading global standard (McGraw-Hill)
- **Over 90% of new National US Builder Homes are Green** (120,000 / yr.)
- **Success was Dictated by Former Consensus Nature of LEED, Substantial Pollution Reductions, & Government adoption.** Industry trade association control / greenwash of LEED materials credits destabilized LEED & material credits are in limbo.
- **LEED, FSC / SMaRT Documented as More Profitable, Less Risky, & Preferred by Investors over 10 yrs. in Wall Street *Green Bond Business Case* released at NYSE with Knoll leadership.**
- **CMP Underwriting Standards** measure increased cash flow & are required for higher green bond / stock credit ratings.



Where is the Market Power Affecting Products?

- **Environmental Groups (ENGOS) Caused Sustainable Product Market Trends since 1990.**



- **Started FSC Certified Wood** currently a \$40 billion / yr. industry
- **Helped Launch LEED** in 2000, appoint new USGBC CEO in 2006 after successful Campaign against industry attempt to control LEED.
- **Started Healthy Products'** campaign in LEED with SMaRT in 2007
- **Initiated Ongoing Negative Campaign Destroying LEED Brand** in 2014 when USGBC settled industry antitrust complaints by greenwashing LEED materials credits, causing immediate past USGBC CEO to resign.
- **ENGO Negative Campaigns Have Always Been Successful** – Home Depot, Wells Fargo, Kimberly-Clark, JPMorgan, Victoria's Secret, LEED. We told Mahesh, USGBC's new CEO this in a recent mtg. & he turned "white."
- **Public / Customers Believe ENGOS** on environmental issues ahead of news media, government, companies & lastly, industry trade associations.

SMaRT Products Also Meet the Market Acceptance Criteria

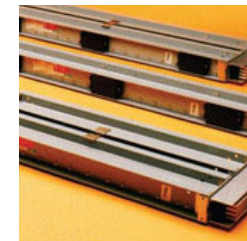
SMaRT 4.0 National Consensus Sustainable Product Standard



EATON
Universal
Power
Saver



ReGeneration
by Knoll®
Flex Back Net
Work Chair



EATON
POW-R-WAY
III BUSWAY

SMaRT Products Also Meet the Market Acceptance Criteria

- **Capital Markets are Most Powerful Driver of Certified Sustainable Products** since investors with over \$70 trillion in assets want to buy.
- **NASDAQ Green IPO / Corporate Bond November Event is Expected to Open up Long Term Market:** based on SMaRT, FSC, SFC & Clean Vehicle Standard.

GREEN IPOs / DPOs & Corporate Bonds



National Meetings & Virtual Town Hall for Manufacturers & Retailers, Nov. 10, 2016



Green Stocks & Bonds for Sustainable Manufacturing. *It's very easy to issue the First Green IPO or DPO (initial public offering / direct public offering for smaller companies) that can attract 3x or more of the capital due to substantial investor demand*

Sustainability supply chain metrics development and approval led by S&P / McGraw-Hill, Allianz Global Investors, UBS & National Wildlife Federation in national vote of approval, meeting green stock & bond regulatory requirements, measuring attributes increasing cash flow including energy / water efficiency, onsite green power, toxicity reduction, legally logged wood. Legally binding certification required.

Green Stocks, Bonds & Their Underlying Assets Including Certified Sustainable Products, are More Profitable, Less Risky & Preferred by Investors as documented in Wall Street's Green Bond Business Case released at NYSE with 10 years of data.

Green IPOs, DPOs & bonds are structured just like conventional. **Leading underwriters are available to assist.**

Clean vehicles are measured by fuel economy, tailpipe emissions & materials.



This Event identifies how to widely access cheaper capital for sustainability for any size company at any dollar amount.

NASDAQ In person venues with simultaneous virtual town hall access, & Press Conference on release of Updated Green Bond Business Case. For more info: [\(ASSC registration & background links\)](#)

Speakers (invited)

NYC: *Eileen Fisher*, CEO, Eileen Fisher Co., (welcome), *Cheryl Smith*, CFA, Ph.D., Managing Partner, Trillium Asset Management, LLC, *Vickie Tillman*, President, Morningstar Global Ratings

Minneapolis: *Hon. Mark Dayton*, Minnesota Governor (invited), *Steve Freeman* Room & Board, *Chad Abraham*, Piper Jaffrey Capital Markets

Santa Monica: *Hon. Gavin Newsom*, CA Lieutenant Governor, *Michael Brune*, Sierra Club CEO, *Jessica Alba*, CEO, Honest Co., (welcome), *Vince Scilliano*, CEO, New Resource Bank



SMaRT Products Also Meet the Market Acceptance Criteria

- **Consensus Underwriting Standard** developed by **Knoll**, S&P, Allianz Global Investors, UBS, National Wildlife Federation, is expected according to Morgan Stanley due to substantial investor demand, to cause issuance of Green IPOs.

GREEN IPOs / DPOs & Corporate Bonds



AMERICAN SUSTAINABLE BUSINESS COUNCIL

National Meetings & Virtual Town Hall for Manufacturers & Retailers, Nov. 10, 2016



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SMaRT Products Also Meet the Market Acceptance Criteria

Green Bonds & Stocks are:

- **Selling Out 3x + Pre- IPO Corporate** valuation providing company top mgt. & investors many \$ millions more, since investors with over \$70 trillion in assets want to buy
- **Providing Higher Credit Ratings** for publicly traded companies like **Knoll**
- **Increasing Competition** over level of corporate sustainability
- **Opening up Long Term Multi- \$ Trillion Markets**
- **Eliminating Substantial Market Confusion** over certified sustainable products

Higher Rated Green Property Bonds Are Being Structured with Morgan Stanley, Prudential, White House & Durst with SMaRT / FSC as part of underwriting standard which will have large market impact. Morgan Stanley, credit rating agencies, ASBC & CMP are announcing green property bonds' higher ratings in next several months.

GREEN IPOs / DPOs & Corporate Bonds



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SMaRT Products Also Meet the Market Acceptance Criteria

LCAs & Environmental Product Declarations (EPDs) Ignoring Toxicity & Key Product Stages Pursuant to ISO, are Misleading & Thus Unlawful in violation of Federal Trade Commission (FTC) Environmental Marketing Guides pursuant to Perkins+Will's White Paper, thus making certain LEED credits very risky.

- SMaRT EPD + HPDs preclude this problem by requiring 10 impacts plus toxicity & all product stages, thus complying with FTC as developed with **Knoll**.



What is SMaRT & who has adopted it? (Sustainable Materials Rating Technology)

- **SMaRT is to Products What LEED® is to Buildings**, global in scope, except SMaRT is the National Consensus Standard with prerequisites and optional credits
- **Global Brand Launched in 2002**, adopted by LEED in 2007 and extended to 2021
- **Fast Company Identifies as an Important Label**
- **Approved** for credit by the US, Canada, Australia and New Zealand Green Building Councils, & purchasing by Google, States of MN, WA, NY, MN League of Cities, and in Europe and globally through the **SMaRT Environmental+Health Product Declaration (EPD+HPD)**.
- **Is Capital Markets, Healthy Products, & Sustainable Purchasing Campaign Standard** of Perkins+Will, American Sustainable Business Council (ASBC), Sustainable Furnishings Council (SFC), Sierra Club, National Wildlife Federation, NASDAQ, MTS / CMP

Who oversees SMaRT?

The [Institute for Market Transformation to Sustainability](#) (MTS)

- A [non-profit public charity](#) based in Washington, D.C.
- An American National Standards Institute (ANSI) [Accredited Standards Developer](#)
- MTS unites leading environmental groups, manufacturers, purchasers and state and local governments
- Its goal is to increase the share of sustainable products to 90% of the market by 2030



Why did Leading Manufacturers, Purchasers, Governments & Capital Markets Choose SMaRT?

- Accessible
- Comprehensive / Multi-Attribute
- Transparent
- Quantified
- Global



Value of SMaRT

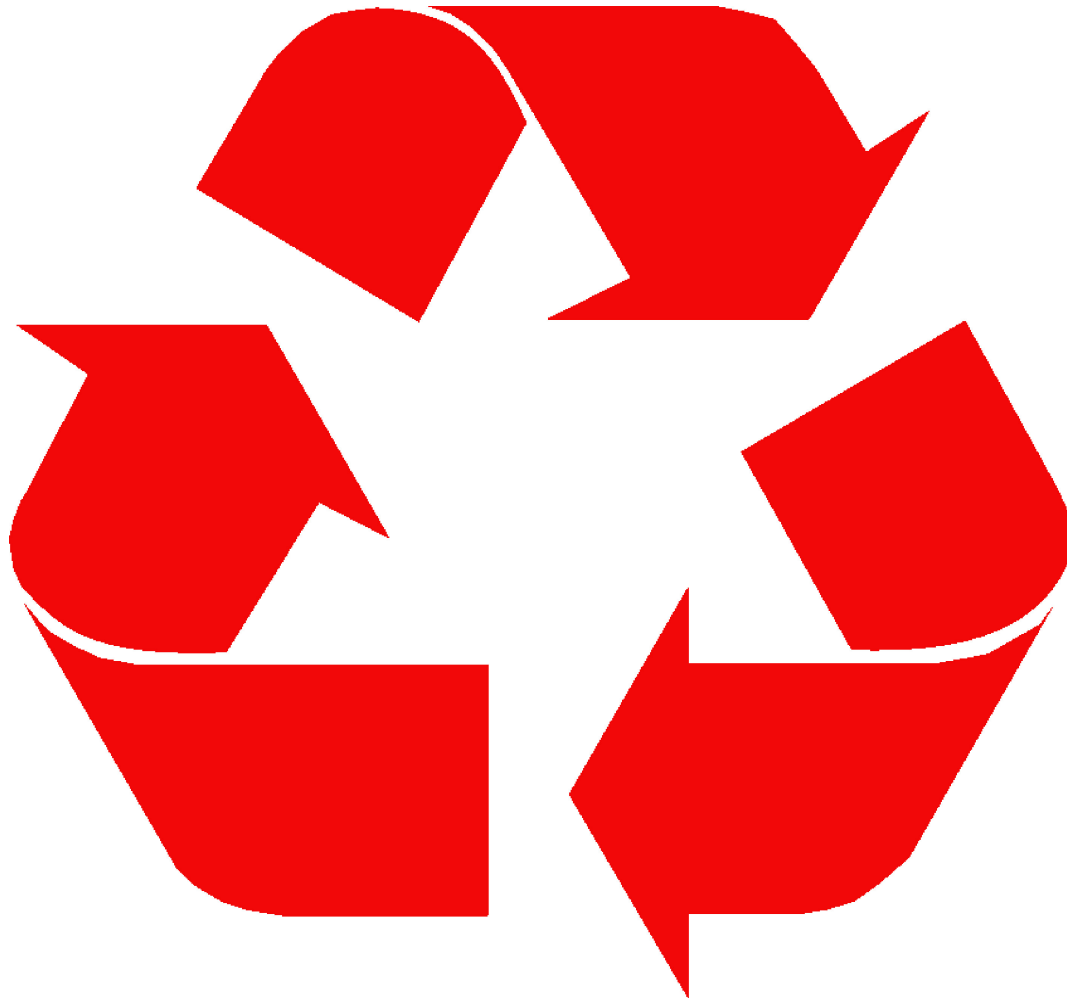
-- identified by Knoll Marketing & Environmental Departments





**Stops Dangerous Climate Change & Resulting
Ongoing Systemic Climate Damages**

Demysticizes sustainable products





**Eliminates market confusion based
on real metrics using sound science
and consensus**

The background of the slide is a large, scenic photograph of a mountain range. In the foreground, a calm lake reflects the sky and the surrounding greenery. Tall evergreen trees are visible on the right side of the frame. The sky is bright blue with scattered white clouds. A semi-transparent grey box is overlaid on the center of the image, containing the text.

Conserves natural resources & reduces waste



Facilitates design & process innovation

**Advances *Triple Bottom Line*:
environment, economy & social equity**

Improves quality of life





Improves stakeholder value





**Improves manufacturer share value
& good will**



SMaRT is

- **To products what LEED is to buildings**
- **Accessible** – Open, consensus, and affordable
- **Comprehensive** – Is a Leadership Standard incorporating leading standards, LCA, global supply chain & requiring global independent third party certification
- **Transparent** – Quantified, documented, independent certification, and accredited



EMERGENCY SMaRT® Standard 4.0

SMaRT Scorecard



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Fax 202-338-2800
Email MTS@sustainableproducts.com
Web www.mts-sustainableproducts.com

Let us create a standard to which the wise and honest can repair. George Washington

EMERGENCY SMaRT® Standard 4.0 promoting sustainable product achievement

Approved Consensus Standard 12-15-06. Editorial Changes 1-5-10.
2015 Imperative of the American Institute of Architects To Stop
Dangerous & Irreversible Climate Change

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Accelerating the Global Market Transformation to Sustainability
powered by recycled paper

SMaRT Resources

SMaRT®		Sustainable Materials Rating Technology®		MTS	
SMaRT® Consensus Sustainable Product Standard® Scorecard					
Yes	?	No			
Safe for Public Health & Environment (PHE) 34 Points					
1			PHE 1-1	Feedstock Inventory Documentation	Required 1
1			PHE 1-2	Input Stockholm Chemicals	Required 1
1			PHE 1-3	Output Stockholm Chemicals	Required 1
			PHE 2-1	Inventory Human and Ecological Health Chemical Emissions	2
			PHE 2-2	Inventory Air, Water & Waste Pollutants	2
			PHE 2-3	Reductions Beyond Compliance	8
			PHE 2-4	10-25% Reduction in Toxic Chemicals & Media Pollutants	2
			PHE 3-1	Minimize Indoor Air VOCs	1
			PHE 3-2	Minimize Indoor Carcinogenic VOCs	1
			PHE 3-3	Green Cleaning Procedures	1
			PHE 3-4	Green Primary Installation Materials	1
			PHE 4-1	25-50% Reduction in Toxic Chemicals & Media Pollutants	1
			PHE 4-2	Minimize Indoor Formaldehyde Emissions	1
			PHE 4-3	No PBDE Flame Retardants in Textile Product	1
			PHE 5-1	51-75% Reduction in Toxic Chemicals & Media Pollutants	2
			PHE 5-2	Supply Chain Inventory and Limit on Stockholm Chemicals	3
			PHE 6-1	No or De Minimis Toxic Chemicals & Media Pollutants	3
Renewable Energy & Energy Reduction (RE&ER) 42 Points					
Manufacturing Facility Only:					
1			RE&ER 1-1	Energy Inventory	Required 1
			RE&ER 2-1	1% Renewable Energy or 0.2-0.5% Energy Reduction from Inventory Baseline*	2
			RE&ER 2-2	Cleaner & Greener Certification Level 2	2
			RE&ER 3-1	2% Renewable Energy or 0.5-1% Energy Reduction	2
			RE&ER 3-2	5% Renewable Energy or 1.1-2% Energy Reduction	2
			RE&ER 3-3	8% Renewable Energy or 2.1-4% Energy Reduction	3
			RE&ER 3-4	Certification of Climate Change Emission Reductions	1
			RE&ER 4-1	11% Renewable Energy or 5-7% Energy Reduction	2
			RE&ER 4-2	15% Renewable Energy or 8-20% Energy Reduction	2
			RE&ER 4-3	20% Renewable Energy or 21-30% Energy Reduction	2
			RE&ER 5-1	25% Renewable Energy or 31-40% Energy Reduction	2
			RE&ER 5-2	35% Renewable Energy or 41-50% Energy Reduction	2
			RE&ER 5-3	50% or More Renewable Energy or 51-100% Energy Reduction	4
Upstream Stages:					
			RE&ER 5-5	1-8% Renewable Energy or 0.5-7% Energy Reduction	3
			RE&ER 5-6	10-15% Renewable Energy or 8-20% Energy Reduction	2
			RE&ER 6-1	10-27% Renewable Energy or 21-40% Energy Reduction	2
			RE&ER 6-2	28-35% Renewable Energy or 41-100% Energy Reduction	4
			RE&ER 7-1	Energy Pollution Reduction	2
					1%: 3 2%: 6
* For all Renewable Energy & Energy Efficiency (RE) percentages: Future energy reductions as measured by total energy reduced per square yard of product or over an entire facility involved in making the certified product. Point totals are additive for all percentages above 1%.					

MTS & SMaRT

• for more information on SMaRT see

mts.sustainableproducts.com/SMaRT_product_standard.htm

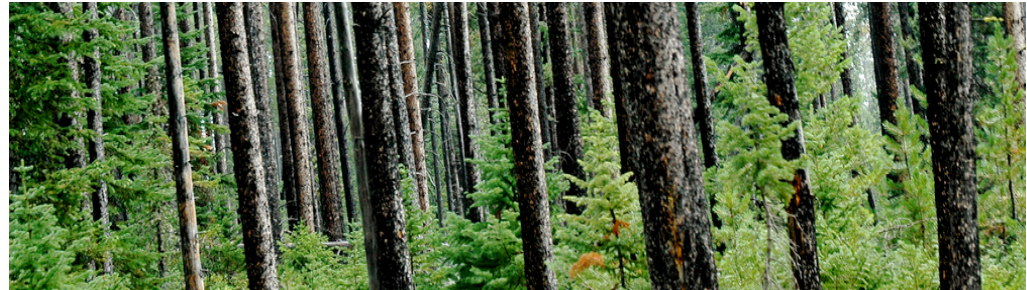
SMaRT Policies

- **SF6 Climate Change Pollutant Policy**
- **Carcinogen Policy**
- **Legal Operations Policy**
- **Environmental + Health Product Declaration (EPD+HPD) Policy & Product Criteria Rule**



Get SMaRT!

Thank you



Market Transformation to
Sustainability (MTS)

1511 Wisconsin Ave., NW
Wash., DC 20007
202-338-3131

mts.sustainableproducts.com