

# **SUSTAINABILITY PROGRESS REPORT COVERING FY2004 FOR WASHINGTON'S LOTTERY**

as required under Executive Order 02-03

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## **SECTION I: AGENCY INFORMATION, POLICY AND GOALS**

- **Agency contact information and responsible agency staff**
- The Lottery Sustainability Team: Carmen Acevedo-Perez, Susan Berger, Diane Bowers, Tim Brunner, Sue Flaig, Mari Garrison, Steve Hovelson, Terry Massoth, Linda Parque, Irene Ritchie, Stacy Sund, Connie Thompson, Bruce Eisentrout (chair, 664-4790)

- **Sustainability Policy Statement**

Washington's Lottery is committed to fulfilling its responsibilities under Executive Order 02-03 and will strive to model the principles of sustainability in its operations, fleet management, procurement, and facilities. We will make choices to enhance and/or change our daily business practices in order to reverse trends of natural system decline which threaten the economic health and social vitality of our state. We support long range planning for future generations in line with our mission to benefit education and communities.

- **Long Range Goals**

- Institutionalize sustainability as an agency value
- Raise employee awareness of sustainability in the workplace
- Minimize energy and water use
- Shift to clean energy for both facilities and vehicles
- Shift to non-toxic, recycled and remanufactured materials in purchasing and construction
- Expand markets for environmentally preferable products and services
- Reduce or eliminate waste as an inefficient or improper use of resources.
- Model environmental responsibility for our customers

## ***SECTION II: REPORTING ON OBJECTIVES***

### **Goal 1. Raise employee awareness of sustainability in the workplace.**

#### **Objective A. Educate all employees on the Lottery's footprint.**

**Measurement:** average of three scores for "footprint" questions on awareness survey

**Target:** 75% of employees answer accurately

**Results:** Initial score on awareness survey was 44% in November 2003.

Employees achieved a 39% score on a repeat survey in July 2004.

**Narrative description** of progress to date: We began the execution of our sustainability plan by posting it on an agency sustainability web site. We informed staff of the address orally and by email and we provided incentives to visit the web site.

**Success factors:** Although we have written several articles for staff newsletters, we have discovered that

- short, provocative, informative emails and skits at monthly employee meetings are a better way to communicate with staff.
- Approximately 50 emails on sustainability have been distributed since September 1, 2003.
- We have had one excellent outside speaker on the subject of sustainability and we will probably have another in the fall.
- We have just initiated our second employee contest to solicit ideas for revisions to the sustainability plan.

While the first contest did not yield a very high number of new ideas, it served to generate discussion within the Lottery about sustainability

Management support has been essential in getting time at employee meetings to make presentations on sustainability.

**Barriers and Challenges:** We found that directing staff to a web site as a means of informing staff about our plan was generally unsuccessful based on the low number of hits. We modified our tactics and decided to tell staff selected bits of the plan at monthly employee staff meetings. The committee did research to determine the Lottery's footprint in some selected areas. We incorporated the results in an agency wide survey in November 2003. We used the results of the survey to guide our efforts in employees. Our continuing challenge is to present information in such a way that people separate it from all the electronic and oral spam they are subjected to.

## **Goal 2. Minimize energy and water use**

### **Objective A. Reduce power consumption.**

**Measurement:** Percent reduction in kilowatt hours

**Target:** 3%

**Results** 3% reduction

**Narrative description** of progress to date: Previous conservation efforts left no easy measures to be taken. We focused on educating employees on the sources of power and we linked this objective to objective 3.A. to show them what could be done with the savings.

**Success factors:** Employee awareness has contributed to reduction of some wasteful practices. For example, employees have been more likely to turn off unused lights and space heaters.

**Barriers and Challenges:** The continued addition of network computer equipment to accomplish the agency mission results in an upward trend in electricity consumption.

### **Objective B. Reduce water use.**

**Measurement:** Percent reduction in usage

**Target:** 2%

**Results** 3% reduction from FY 03 to FY04. Headquarters water consumption inside the building went from 35,010 cubic feet to 33,880 cubic feet.

**Narrative description** of progress to date: Two strategies support this objective. The first calls for the installation of waterless toilets. Research has been done to identify vendors and to determine code issues. However the vendors have not been responsive to requests for information. A second strategy calls for installation of a cistern to provide water for watering plants. A rain barrel has been obtained. Installation requires connection to a downspout and construction of a base. To minimize cost, installation will be combined with another small project that is delayed pending the arrival of supplies.

**Success Factors:** The Sustainability Committee organized a presentation on water conservation for an employees meeting. Using a skit, we explained the connection between our efforts to conserve water and our desire to add plants to the headquarters. Since our engineering solutions have not yet been implemented, we attribute the reduction to changes in behavior due to our overall awareness campaign.

**Barriers and Challenges:** We have learned much about the code requirements surrounding installation of a waterless urinal, but vendors have not been cooperative in providing cost information. More time will be spent on follow-up with the vendors in the coming year. Since we have not yet installed the rain barrel, we have been unable to displace the use of tap water for watering plants. We are unable to measure water use at facilities other than our headquarters. Additionally the Lottery does not control the use of irrigation water for the grounds outside its headquarters.

## **Goal 3. Shift to clean energy for both facilities and vehicles.**

### **Objective A. Increase the purchase of green power.**

**Measurement:** Percent increase in green kilowatt hours

**Target:** 3%

**Results:** The Lottery purchased 4800 kilowatt hours per month additional green power, at a cost equal to the savings in objective 2.A., representing an increase of 100%. The Lottery now buys a total of 9600 kilowatt hours per month, approximately 22% of our electricity use.

**Narrative description** of progress to date: The primary tool to achieve this objective has been education on the environmental effects of power generation.

**Success factors:** Savings from reduced power consumption allowed the purchase of green power.

**Barriers and Challenges:** If we are unable to sustain the savings in electricity, green power purchases will require additional funding.

**Goal 4. Shift to non-toxic, recycled and remanufactured materials in purchasing and construction.**

**Objective A. Identify suitable, available options for conversion.**

**Measurement:** Number of product conversions

**Target:** 50

**Results:** One product, copy paper, was converted to a less toxic material.

**Narrative description** of progress to date: In the past all paper for our copiers/printers was made of 30% recycled paper, which is pretty good. This past year Central Stores made available paper from 100% recycled paper and chlorine free. 50% of our purchases is made from 100% recycled paper. The 100% recycled paper looks and prints just as good as the 30% paper. The 100% recycled paper costs \$0.82 per ream more than the 30% recycled paper. If enough state agencies purchase the 100% recycled paper the cost would go down.

**Success factors:** Central Stores is a big help to us in identifying and buying green products.

**Barriers and Challenges:** It is difficult for our small purchasing staff to research alternative products. It also becomes expensive to convert because “green” products seem to always cost more money. In particular, with Lottery Point of Sale material there are design challenges. Plastic is a predominant material and most items use a mix of plastics, each chosen for their particular attributes. For example, one large and widely distributed sales tool – the Lottery play center – is partially constructed of recyclable components. Not all pieces can be recycled by one method, however, so when these units become obsolete in the future, Lottery retailers or staff would have to spend valuable selling time disassembling them in order to recycle any of the pieces. When that happens, it will be a challenge to assess whether generating revenue or supporting sustainability is the priority.

We found the goal of 50 product conversions far too high and we intend to revise the goal to 5.

**Goal 5. Expand markets for environmentally preferable products and services.**

**Objective A. Increase “green” purchasing.**

**Measurement:** Percent of 5.A. strategies achieved

**Target:** 100%

**Results:** 75% (3/4 strategies accomplished)

**Narrative description** of progress to date:

First Strategy: Understand our current markets and research existing markets with potential for Lottery use. We set a target of 10% of our purchases to be “green”

purchases. We found it difficult to objectively score our progress and eventually decided to delete this strategy, concluding that it was no more than a precondition for the other strategies.

Second Strategy-Specify natural fibers in promotional materials (50% of promo purchases contain natural materials). Result 71% (15/21)

Third Strategy-Consider environmental impact of shipping and distance when purchasing (10% of contract awards made on a non-price basis). Result 50% (1/2 contracts)

Fourth Strategy-Acquire flat screen displays when replacing CRT's (100%). This last year we have acquired 39 flat screen monitors, 100% of those purchased. The benefit is they improve visual work performance, they eliminate geometric image distortion and flicker, reduce glare problems, computer vision syndrome, save space, and save energy.

**Success factors:** Motivated employees and staff enabled us to make progress even when the pathway to success was not clear.

**Barriers and Challenges:** The overall challenge is for the Lottery to identify green products that do the job at an acceptable price.

## **Objective B. Increase the availability of flexible vehicle fuels.**

**Measurement:** Percent of new vehicles classified as flexible fuel or gas hybrid

**Target:** 60%

**Results:** 100% (1/1) of vehicles in classifications with an alternative vehicle.

**Narrative description** of progress to date: The Lottery ordered its first hybrid sedan this year. Other vehicles due for replacement were vans, and there were no vans qualifying as either flexible fuel or gas hybrid on state contract. We excluded these from our calculations.

**Success factors:** Management willingness to try something new.

**Barriers and Challenges:** Some vehicle classes do not have an alternative fuel vehicle available. For example, the 2003 Dodge Caravan was certified as a flexible fuel vehicle, but the 2004 Dodge Caravan was not.

## **Goal 6. Reduce or eliminate waste as an inefficient or improper use of resources.**

### **Objective A. Increase awareness of how to re-use products.**

**Measurement:** Per cent of awareness survey respondents scoring 70% or above on re-use questions. (Later changed to average agency score on survey reuse questions.)

**Target:** 75%

**Results:** 74%

**Narrative description** of progress to date:  
Promote recycling of cardboard:

According to the survey 87.6% recycle cardboard at the office. We have two areas at Headquarters where employees can leave their cardboard boxes. We put a sign in the area for employees to flatten out the boxes. This process works most of the time. Since we started we have not noticed any clean cardboard in the garbage.

The challenge: The Yakima and Spokane offices do not have a system for cardboard recycling. The Everett office is limited to recycling cardboard and paper.

Promote use of refillable pens/pencils:

We have made a couple of announcements at employee meetings and had a display at about refillable pens. We have slightly increased the purchase of the refills, but have found that some refills are more costly than the actual pen. In the future we will carry only a small assortment of pens that are refillable.

The challenge:

The pen companies sometimes discontinue pens. It's challenging to find a pen that is reasonable priced, liked by most employees, and is refillable.

Bins:

We received small recyclable bins (no cost to us) that are made out of recyclable material. Each employee received one and they placed it by their desk. Now everyone has a container that they can fill with mixed paper and are able to carry it to a larger recycle container.

The challenge: Getting all employees to use them for recycling.

Re-use wall mounted whiteboards/corkboards:

Since we started this process we have had 2 known requests for corkboards. We were able to supply the employees on both accounts with a used one. Again we saved money and saved energy by not producing new ones.

The challenge: Convincing employees to use used cork and white boards.

Promote re-using file folders:

Fiscal year 03 we purchased 48 boxes of file folders. Fiscal year 04 we purchased only 10 boxes of file folders. The difference is 38 boxes less and a savings of \$266. We saved money, trees and energy by re-using the file folders.

The challenge: To get all employees on board re-using file folders.

## **Objective B. Reduce consumption of energy.**

**Measurement:** Percent of Objective 6.B. strategies achieved

**Target:** 100%

**Results** 75% (3 of 4 strategies achieved, one strategy abandoned)

**Narrative description** of progress to date:

The first strategy, substituting videoconferencing for travel, resulted in 117 videoconferences during the fiscal year. Included in the videoconferences was the first Lottery Commission meeting held via videoconference. This meeting cost \$3950 less than the same meeting the previous year. Lottery staff generated 903 travel vouchers in FY03, and 450 vouchers in FY 04. This reduction in travel means less demand on the nation's fuel supply, although it is impossible to determine any actual fuel savings.

The second strategy called for the acquisition of energy saving features on equipment. Equipment acquired by the Lottery during the year included computers, monitors, and a copier. All of them had energy saving features. The third strategy called for the reduction of copier paper and toner use. The Lottery reduced the use of copier paper from 2900 reams in FY 02 to 2016 in FY 04. This reduction means reduced demand for energy to produce toner cartridges and paper, and reduced energy to run the copier. The final strategy called for the conversion of printers to double sided operation. However, this was found to be either not possible, or not economically feasible due to the age of the various Lottery printers. However, we did replace two single-sided printers with double-sided networked copiers, achieving some progress.

**Barriers and Challenges:** The reductions we achieve contribute to reduced revenue for small companies that provide goods and services, possibly contributing to their financial decline.

### **Objective C. Increase awareness on how to prevent waste of resources.**

**Measurement:** Percent of awareness survey respondents scoring 70% or above on waste reduction questions (later changed to average agency score on survey waste reduction questions.)

**Target:** 75%

**Results:** 76%

**Narrative description** of progress to date:

First Strategy-Conduct ongoing campaign to eliminate junk mail (target 25% reduction. Staff were asked to deposit their junk mail in special boxes located throughout the agency, which has been collected and contacts have been made with those companies originating the mail requesting to be removed from their mailing lists. We have not seen a noticeable change in the amount of junk (bulk) mail being delivered to headquarters. As measured by CMS in their semiannual survey of incoming mail, the amount of incoming mail at Lottery headquarters went from 29.8” per week to 31.25” in July 04, a 5% increase. Although the survey includes both junk and first class mail, first class mail is a small, stable portion of the total received. These requests take several months to be updated in the mailing systems. This is an ongoing process, and we will continue to keep submitting requests to be removed.

Second strategy-Reduce unsolicited faxes; educate staff on dialing 800 removal numbers. (target 10% reduction in unwanted faxes.) The Sustainability Committee established collection boxes near faxes and a volunteer took on the job of corresponding with the originators of junk faxes. On an average, we have seen no progress in getting our numbers removed permanently from fax databases. There even seems to be an increase in the number of faxes coming in. Staff was asked to keep all unwanted faxes in special folders provided next to each fax machine. We collected 21 pages from February to March 04, and 116 pages from April to July 04. Once the request is made from those companies by calling the 800 numbers provided, they seem to stop for a while, then start up again. It does not appear that these requests are permanent. This is an ongoing process, and we will continue to keep submitting requests to be removed.

**Success factors:** Lottery employees have been cooperative in submitting their junk mail and faxes.

**Barriers and Challenges:** We are requesting removals one at a time, while the generators of faxes and junk mail buy mailing lists with millions of entries. Many companies do not respond to requests to be deleted from mailing and fax lists. Our measuring technique on unsolicited faxes may be unreliable due to a change in employee awareness of the program and thus their response may not be indicative of the amount of faxes we get.

## **Goal 7. Model environmental responsibility for our customers.**

### **Objective A. Increase players' recycling awareness.**

**Measurement:** Per cent of players correctly responding that lottery tickets are recyclable on the quarterly Lottery tracking study.

**Target:** 39% by the end of FY2005

**Results:** 31% in fourth quarter FY 04 tracking study results. This is an increase from 27% the first time the question was asked, in the second quarter FY 04

**Narrative description** of progress to date: The Lottery Sustainability Plan identified four strategies in support of this objective. We achieved considerable progress in each of them as described below.

#### **Promote advanced plays.**

This should actually be "Promote multiple draws". We sent 07 messages on Lottery terminals stating "DID YOU KNOW THAT ALL LOTTERY TICKETS ARE RECYCLABLE? TO SAVE ON PAPER, PURCHASE MULTIPLE DRAW TICKETS" from 3/5/04-3/8/04, and 3/9/04-3/11/04 at sign-on for a total of 7 times. There was an increase of 8.4 percent from FY04 Q1 to Q4 in multiple draws for all on-line products.

#### **Use top of 07 messages to remind retailers to recycle.**

Sent recycling reminder messages to retailers at sign-on for the following dates: 11/19/03-11/24/03, 3/5/04-3/8/04, and 3/9/04-3/11/04 for a total of 13 times. The number of messages sent was 163 percent of our goal.

#### **Promote recycling of sold Scratch tickets.**

Sent VFD (Video Fluorescent Display) messages from 11/19/03-3/17/04 for a total of 151 times. Sent Ticket Stock messages from 11/19/03-3/17/04 for a total of 151 times. Sent PLEX (Player Express-Lotto to go) messages from 11/19/03-6/30/04 for a total to date of 224 reminders.

**Add Recycled Tagline/Symbol to Printed Paper Materials.** All internally produced POS contains a recycling symbol, i.e., CAFR, PAFR highlight recycled paper and soy based ink. We achieved our target of 100 percent of our products to be marked.

**Success factors:** We were able to have recycling questions added to the Lottery tracking study, providing us with an accurate, ongoing means of verifying our progress toward the objective.

**Barriers and Challenges:** None identified

## **Objective B. Evaluate the feasibility of retailer/vendor partnerships in agency recycling.**

**Measurement :** Number of opportunities for partnering.

**Target:** One opportunity identified.

**Results:** Two opportunities were identified, contracts with Intralott and Publicis.

**Narrative description** of progress to date: Through a successful RFP Washington's Lottery was able to award a contract where the vendor produces and maintains Instant Ticket Vending Machines that use recycled parts, but still perform at a high level. The new ITVMs have a cabinet design that reuses cabinets from older model ITVM's. This cuts landfill usage significantly by reducing the need for more parts to be produced. It also reduces the amount of materials needed to produce those parts. We are on track to have 987 ITVM's replaced by November 5, 2004.

Through a successful Marketing Services RFP, Washington's Lottery's advertising agency will adhere to the following:

- Material used to present advertising concepts to the Lottery should be recyclable.
- POS materials developed by the vendor will be recyclable unless approved in advance by the Lottery. In this context, "recyclable" means that the material can be recycled through a collection system that exists in Washington State. The presence of a recycling symbol is not sufficient to meet this requirement. Vendor presentations on POS shall explain the materials used, and the recycling system to be employed. If a non-recyclable material is proposed for POS, the vendor presentation will explain why a recyclable material is not suitable.
- The printing vendor is required to pick up old advertising campaigns at the time of delivery of a new campaign, to be recycled in the appropriate manner.

### **Success factors:**

- Well written RFP's and a management team supporting sustainability concepts.
- Advanced technology and non-limiting contractual obligations.
- A vendor that shares a vision of sustainability.

**Barriers and Challenges:** GTECH, the Lottery vendor for on-line tickets, has explored using recycled paper for on-line ticket stock. GTECH finds recycled paper is too costly at this time. Also, reusable ink ribbons cannot be used in Lottery terminals due to performance issues.

- Timing and contracting limitations
- Increased business costs

## **Goal 8. Reduce pollution.**

### **Objective A. Increase employee awareness of pollutants.**

**Measurement:** Per cent of awareness survey respondents scoring 70% or above on survey pollutants questions. (Later changed to average score on pollutants questions on survey.)

**Target:** 75%

**Results:** 80%

**Narrative description** of progress to date. We did not complete the one strategy supporting this objective (Place smoking areas away from building air intakes), but many other awareness activities of the committee contributed to the high score on this objective.

**Success factors:** Skits, emails, and signs all contributed to increasing employee awareness of pollutants and led to the high survey score.

**Barriers and Challenges:** Uncertainty over union negotiations, an apparent discrepancy between state and federal law, and competition for resources combined to delay any concrete progress on the strategy, although we did conduct research on the requirements for smoking areas. Since we have accomplished many of our other objectives, time will be available to work on this objective in the coming year.

### **Objective B. Reduce Lottery contribution to pollution.**

**Measurement:** Per cent of objective 8.B. strategies accomplished

**Target:** 100%

**Results:** 100% (5/5 strategies achieved)

**Narrative description** of progress to date: 100 % of all used fluorescent bulbs at headquarters and the regions are disposed of safely. In the past fluorescent light bulbs were thrown into the garbage releasing mercury in to the air and into the landfills. One recycler provides special boxes for headquarters and the regions and when filled will pick them up.

Several plants were repotted, trimmed and new dirt was added to the plants in the building. These plants are showing new growth and improvement, especially the ones we repotted. 13 plants were added/adopted between the regions and Headquarters. Even our lunchroom has a plant and it is looking fine (with a baby). Volunteers make sure they have water. We did meet our goal, but the most important thing is these plants actually purify the air, absorb chemicals and put oxygen back into the room.

**Success factors:**

Communicated to all employees thru e-mails and employee meetings the importance of disposing fluorescent light bulbs properly.

We communicated with staff that having plants in the office brings:

- better air quality

- remind us of mother nature and is fun too
- reduce pollution

**Barriers and Challenges:** We have achieved our goal, but will have to remind employees on an on-going basis. Some employees have health problems and cannot have plants in their area, others do not want the responsibility of taking care of plant(s).

### **SECTION III: COMMUNICATION AND EDUCATION**

See objective 1A.

### **SECTION IV: STATEWIDE PERFORMANCE MEASURES**

- A.** Copy Paper Use, by quantity and paper type: 30% recycled, 2016 reams
- B.** Vehicle Miles Traveled, by agency fleet vehicles as well as personal vehicles: 830,188 miles in motor pool vehicles + 37,968 POV miles=868,156 miles
- C.** Fuel Purchases, by gallons and type of fuel: N/A
- D.** Average Fuel Efficiency of Vehicles in Agency Fleet: 21.1 mpg

### **SECTION V: NEW OR UPDATED GOALS AND OBJECTIVES**

The Lottery did not add or delete any goals or objectives for FY05. The Sustainability Team concluded that the existing goals and objectives adequately address the Lottery's involvement with toxic chemicals and meet our requirements under Executive Order 04-01.

For objectives 1.A., 6.A., 6.C., and 8.A., the method of scoring the results was changed to be the average of the correct scores on selected survey questions. This simplified the method of calculating scores. For objective 4.A., Identify suitable, available options for conversion, the target number of product conversions to non-toxic, recycled, and remanufactured materials was reduced from 50 to 5. We found that many of the products we are currently purchasing already qualify, so the number of opportunities for conversion is much smaller than we anticipated.