

Trading Up: Professional Associations and Sustainability

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Outline

- Perspective on Sustainability
- Perspective on Associations
- Examples of Association Initiatives
- Current Issues and Challenges
- Suggestions on Path Forward

stakeholders

CSR

social accountability

corporate governance

eco-efficiency

PEOPLE, PLANET, PROFITS

corporate sustainability

green policy

ecological sustainability

climate change

sustainable development

sustainability policy

socio-economic

TRIPLE BOTTOM LINE

the green spectrum where are you ?

Driver	Environment as cost	Environment as risk	Environment as impact on operations	Environment as source of opportunities	Environment as indistinguishable business factor
Characteristic Issues	Permitting costs	Fines, cleanups	P2, waste minimization	Customer / stakeholder interests	Sustainability
Approach	Minimize direct environmental expenditures	Minimize fines	Minimize total environmental costs	Maximize revenues	Maximize profits
Process	Acquire and comply with unrelated permits after operational decisions made	Develop regulatory compliance program	Integrate environmental programs	Include environmental issues in marketing and operational decisions	Fully integrate environmental issues into all aspects of business
Management Tool	Assign responsibility to individual	Auditing program	EMS	LCA, DfE performance measures	Single integrated management system
Thinking	Regressive	Cost / benefit	Progressive	Proactive	Fully integrated

Sustainable Development - 1987

Our Common Future. U.N. World Commission on Environment and Development. 1987.
Analysis at the level of the nation-state.

"Humanity has the means to make development sustainable - to ensure that it meets the needs of the present without compromising the ability of future generations to meet their own needs." (8)

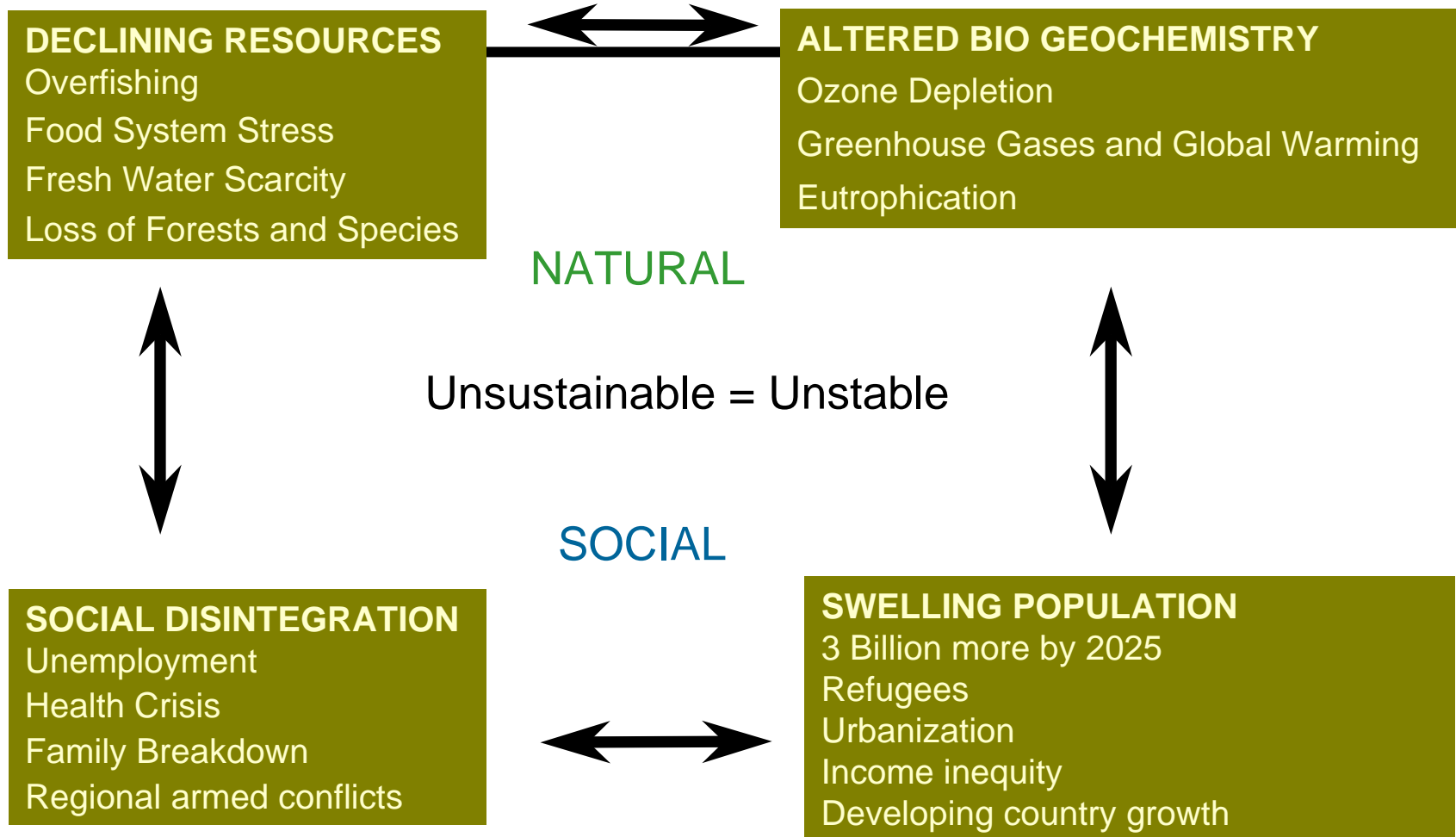
"No single blueprint will be found as economic and social systems and ecological conditions differ widely among countries." (40)

"Perceived needs are socially and culturally determined, and [SD] requires the promotion of values that encourage consumption standards that are within the bounds of the ecologically possible." (44)

SD "is a process of change in which the exploitation of resources, the direction of investments, the orientation of technology development, and institutional change are all in harmony [and enhance potential]." (46)

A Sustainable Future?

From 2003 IFC Workshop on Sustainable Finance, Central Europe



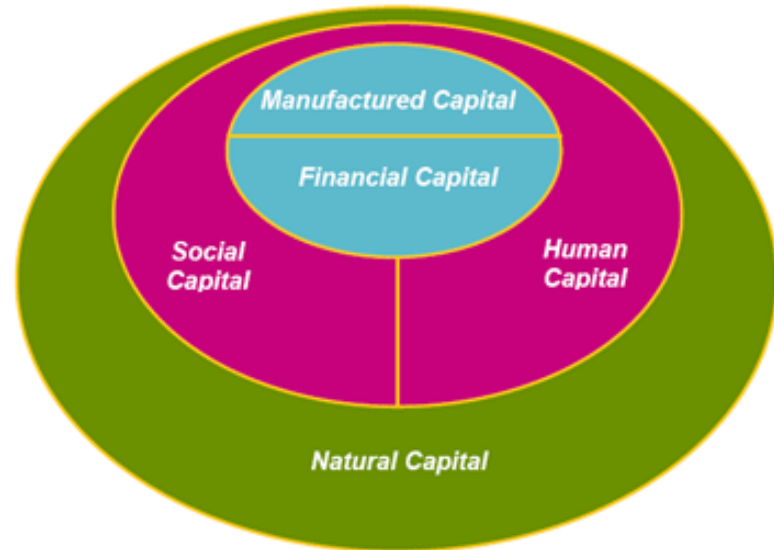
Crash of 2008 - 2009

- Crisis of Confidence driven by Crisis of Values and Crisis of Discipline
- Corporate governance? Ethical Corporations?
- Worldwide financial and economic collapse opens a window of opportunity for businesses and organizations to engage in intelligent transformation for a sustainable future.

Sustainability and the Five Capitals Model

- Forum for the Future, UK

- Sustainable development is a dynamic process which enables all people to realize their potential and improve their quality of life in ways which simultaneously protect and enhance the Earth's life support systems.
- At the corporate level, SD is a process through which organizations can begin to achieve a balance between their environmental, social and economic activities.
- ***Sustainability is the simultaneous delivery of environmental, social, economic goals.***



The Aspen Principles (2007)

- Long-Term Value Creation
 - Metrics
 - Communications
 - Compensation
- Deemphasize Earnings Per Share (EPS)
- Short-Termism constrains businesses from creating valuable goods and services, investing in innovation, and developing human capital
- Subscribers include Business Roundtable and U.S. Chamber of Commerce

The Future of Capitalism

- Caring Capitalism; Doing Well by Doing Good
- Sustainable Capitalism – Nature does not do bailouts (Al Gore and David Blood; Jonathan Lash)
- Capitalism As If The World Matters (2005 – 2007)
 - First *reform*, then *transform* today's variant of capitalism.
 - “Evolved, intelligent and elegant”; Earth is at the center; “All people are beneficiaries in recognition of our unavoidable interdependence.”
 - “[t]he core values that underpin sustainable development – interdependence, empathy, equity, personal responsibility and intergenerational justice – are the only foundation upon which any viable vision of a better world can possibly be constructed.” Jonathan Porritt
- Now a major new series of The Financial Times

Sustainability and the *Five Basics* Model

- Our Take on Sustainability

- Continuity and Operational Risk Management
- Compliance/Conformance Management Systems
- Three Responsibilities (Five Capitals)
- Performance – Leading Indicators and Scoring “Results”
- Continual Improvement – Lean and Six Sigma

Perhaps sustainability is just *good business* – doing what you are already doing, but much better. All of the five basics can be managed with an integrated management system.

Blog: <http://www.greenbiz.com/users/Robert-Pojasek>

Professional Associations

- Formal or Informal Band of Brothers and Sisters
- Trade Groups
 - influence development of regulations
 - obviate need for regulations by changing member practices
 - develop standards, sometimes tiered
 - form basis for club, keeping non-members out
 - provides recognition or privileges
 - help all members face challenges
 - provide information

Information Providers and Networks

- National Pollution Prevention Roundtable
- Great Lakes Regional P2 Roundtable
- Great Printers Project - PNEAC
- Michigan Business P2 Partnership
- National Metal Finishing Resource Center
- Smart Growth Network

Equator Principles – Financial Sector

Through Environmental and Social Assessment, evaluate and then manage through ESMS the following, if relevant

- Pollution Prevention and Abatement
- Labor and Working Conditions
- Community Health, Safety and Security
- Land Acquisition and Involuntary Resettlement
- Indigenous Peoples
- Cultural Heritage
- Biodiversity Conservation and Sustainable Natural Resource Management

Market Leaders: the Upside

Value added

- New products
- Eco-efficient product
- Eco-efficient process
- Green Premium
- New markets



- Permits
- Licenses
- Recruitment
- Fines
- Sabotage
- Shut down
- Brand erosion
- Crisis mgmt
- Market share loss
- Consumer boycott
- Distributor boycott

Loss avoided

Source: IFC Competitive Environmental Advantage Workshop, 2003

Planning and Community Development

- American Planning Association
- US Green Building Council
- Congress for the New Urbanism
- American Institute of Architects
- National Association of Homebuilders
- ICLEI – Local Governments for Sustainability
- National Charrette Institute

Manufacturing and Industry

- International Council of Chemical Associations
 - Responsible Care
- Institute of Scrap Recycling Industries
 - Recycling Industry Operating Standard (RIOS)
- Business Council for Sustainable Energy
- World Business Council for Sustainable Development

Items on Radar

- Carbon-constrained economy
 - GHG footprints (inventory)
 - Energy Efficiency
 - Embedded carbon
 - Disclosure
- Water Resources
- Valuations of Ecosystem Services

Trade Associations and Sustainability

- Work with members to view business through the lens of sustainability
 - Identify aspects and impacts (ISO 14001)
 - Determine relevance and significance (ISO 26000)
 - Recognize the five capitals in terms of wealth
 - Engage local communities
 - Commit to long-term value creation
- Develop policy or set of principles recognizing the five basics with explicit reference to sustainability

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