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Ask the Experts

by Steve Rice & Richard MacLean
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Essentials for a Superb Corporate Environmental Policy Statement

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What are the essential elements for a superb corporate environmental policy statement?

Steve: Several years of experience and many client projects have led me to believe that superb corporate environmental policy statements have six essential elements in common. They all:

1. *Have focus* – What do you want the policy statement to achieve? Is it to be a vision statement, or present core values and principles? Is it meant to provide inspired leadership, or legal protection so that when employees do something wrong the company can say that the employee or contractor 'violated company policy'? Or is it to present a framework of procedures and responsibilities? It can do any of these, but should try to do only one. In addition, keep it to one page.
2. *Have relevant content* – If the policy's content is not relevant to the company's existing culture and operation, it might do more harm than good. Merely parroting the ISO requirements sends a clear signal that the focus of the policy is solely to meet the ISO requirement – not very inspiring.
3. *Are signed and dated* – The policy statement should be signed and dated by both the CEO and the highest level person in the company with ultimate line responsibility for environmental performance. Personal signatures demonstrate a personal commitment. If the names change, it should be resigned and dated by the new individuals as quickly as possible.
4. *Are posted, reviewed and renewed* – The policy statement should be posted on the company's web site and at each facility, in a place where all employees and visitors can readily see it. The best location is in the entrance lobby next to the building's receptionist. It should be reviewed every year or two to ensure current applicability and revised as appropriate.
5. *Are audited for conformance* – While companies and sites are frequently audited for conformance with regulatory and procedural requirements, few audit for conformance with their environmental policy. This is the ultimate in credible corporate governance because any deviations in conformance with the policy will be leading indicators of problems yet to come.

6. *Have supporting documents and resources* – These help employees understand and implement the policy, as well as cross-reference other relevant company documents and provide contact assistance.

While I have a compilation of my favorites, I'm hesitant to suggest any specific company's environmental policy statement as a blanket model for others to follow as one company's 'superb' statement may wreak havoc in another company with a different culture, background and style.

One compilation of policy statements is [Corporate Environmental Policies](#) (Graham and Havlick; Scarecrow Press; 1999), which compiled 237 companies' environmental policy or principle statements. It provided no analysis, unfortunately, and having probably been compiled in 1997 it is now also quite out of date.

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Is it worthwhile participating in environmental surveys? I am being inundated with these from outside organizations.

Richard: : Some are worth it; others are a waste of time and potentially detrimental to your company. The first question you must ask is, "What's in it for my company (and me)?" Unless there is some tangible benefit, you will have a hard time passing the straight face test if your boss asks why you spent the company's resources (i.e., your time) completing a particular survey.

Be extremely wary of a survey that asks for confidential information or information that you would not want to be published on the front page of the New York Times. There are exceptions, of course. If you know and trust the organization and the benefits justify your participation, the risks may be minuscule. For example, [Organization Resources Counselors](#) recently conducted a confidential survey on organizational staffing. The reputation of this organization, combined with a track record of two prior surveys on the subject, more than justify participation.

Some surveys are nothing more than marketing tools by vendors. This may be fine but, again, what are you getting out of it? Unless the organization doing the survey is providing a summary and analysis of the results, forget it. Some surveys are so poorly designed that the results are meaningless. Determining survey ineptness can be difficult; survey design is actually a rigorous science. It is impossible to summarize in a few words how to evaluate a survey. You will need to use your professional judgment to determine if it is meaningful. It helps, of course, if you are familiar with the organization and respect their professional credentials. Thus, any survey by Steve or me is beyond reproach (Note to reader: suppress laughter).

Surveys by major firms such as PricewaterhouseCoopers are generally well thought out. Some of the best surveys are by major universities, since they are done either by specialists or by students under the watchful eye of professors interested in research that can withstand the rigors of peer review. For example, Tufts University is studying the training, communication and accountability measures used in organizations employing environmental management systems. Participants in the study will be provided with a summary describing the range of activities found and identifying best practices. If your organization has an EMS and you would like to participate in the study, contact the researcher, [Carolyn Cooper](#), directly.

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Adding Business Value – Part III: What are specific examples of how EH&S groups can add business value and why are so many of the published case studies so mediocre?

Steve: There are really only two strategies for EH&S groups to pursue in their efforts to add business value: manage risk or create value.

Since the former is almost exclusively about reducing or eliminating negatives, the best examples come from the latter strategy – typically by generating revenue. Dupont's commercial safety training and consulting service may be the quintessential example of how a company's core EH&S competency can be used to create a value-added service. While the same can't be said for their ventures into the commercial hazardous waste incineration and environmental software markets, at least they tried.

Another successful example is Pitney Bowes' ergonomic advisory service. It became so popular with a business unit's customers that it was integrated into that business unit – perhaps the ultimate demonstration of business value.

While at BASF our group developed several services that frequently provided the divisions with more value than our entire department's allocated cost:

- *Ecology bonds* – By partnering with local communities, we floated tax-exempt municipal bonds to fund capital projects that improved environmental performance. Even with the cost of bonding and a premium paid to local authorities, the effort reduced the company's cost of capital by several million dollars a year. Not exactly revenue, but the divisions' controllers still smiled.
- *Competitive intelligence* – we transformed a core competency for conducting due-diligence reviews of public file reviews to a modified environmental, engineering and business review for [competitive business assessments](#). These results supplemented the business units' existing competitive intelligence efforts by providing verifiable, leading indicators on their competitors' process technology, production capacity and marketing strategies.
- *Air emission sampling and odor assessments* – Our in-house stack-sampling team provided knowledgeable stack sampling and analysis for various small and medium customers -- in exchange for higher per unit product pricing from them or a greater percentage of their raw material purchases, of course.

The remediation group also developed a finely-tuned expertise to recover remediation cleanup costs from former insurance policies, despite the insurance companies' claims of non-coverage. These recoveries were often on the order of several million dollars -- each.

As far as the case studies that get published, I agree with you – most are mediocre. The reason that the best ones do not get published is the same as why most of the best pollution prevention case studies never got published – the Pollution Prevention Paradox (P3), [which I wrote about in 1996](#). Restated, it presents the premise that if advanced EH&S management initiatives provide substantive value and competitive advantage, then why would any company want to tell their competition? As a result, usually only the high PR value / low business value case studies get published.

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I would like to change careers and work in sales & marketing for a company that creates green products. Do you know of resources where I can begin my job search?

Richard: First, I'll answer your question. Then, I'll give you some perspective.

There are a tremendous number of resources available to track down that perfect job. Go to the library and scan through several of the standard textbooks on job hunting. The ones that specifically deal with environmental careers are as follows:

- ***Green at Work 2nd Edition: Finding a Business Career that Works for the Environment*** by Susan Cohn
- ***The Complete Guide to Environmental Careers in the 21st Century*** by Kevin Doyle (Editor)
- ***Careers for Environmental Types & Others Who Respect the Earth*** by Mike Fasulo and Jane Kinney
- ***Great Jobs for Environmental Studies Majors*** by Julie Degalan and Bryon Middlekauff
- ***Opportunities in Environmental Careers*** by Odom Fanning and Mark Van Putten
- ***Careers in the Environment*** by Michael Fasulo and Paul Walker

One or more of these may be available at the library, however they are not expensive and can be ordered through the [GreenBiz.com Bookstore](#).

There are dozens of job search engines that are either low cost or no cost on the Internet. In addition to using a shotgun approach, you can target specific companies; more and more organizations are placing their jobs on their web sites. *Green at Work* by Susan Cohn lists hundreds of companies that are more "green oriented" and thus, more likely to hire professionals in your interest area. You can also use the Internet to search for companies that may have won special recognition for their products.

All this sounds upbeat and encouraging, but the truth is that finding a good job in today's economy is a challenge. It is particularly difficult for someone such as yourself, who does not have specific experience in green sales and marketing. Jacquelyn Ottman, president and founder of [J. Ottman Consulting, Inc.](#) and one of the country's leading experts on green marketing and author of *Green Marketing: Opportunity for Innovation*, summarized the current situation this way, "Given the fact that the business case for sustainability still needs to be

made, it is quite difficult to find a job in this area in large corporations.” Her advice is to think like an entrepreneur. Convince your prospective employer to create a position for you. Join a start-up that has sustainable technology like fuel cells, solar power or organically grown food or fiber, or create your own consulting firm.

Steve: You may want to search through the job listings at GreenBiz.com JobLink and SustainableBusiness.com, too.

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Is there any evidence that air quality permits reduce emissions or create pollution prevention initiatives?

Steve: The air emission permits themselves don't reduce emissions and wastes though the regulations upon which they are based do, and are intended to do so, to meet national or regional air quality standards.

I've not heard of any P2 requirements being incorporated into air emission permits, but I've seen quite a few contained in consent agreements and negotiated settlements that arise from air emission permit violations. The U.S. EPA recently issued [new guidelines](#) to promote the use of environmental management systems, which often contain a P2 component, in compliance assurance and enforcement

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With rising utility costs, how much are EH&S professionals' being asked to increase their emphasis on the identification, tracking, and reduction of facility energy consumption?

Steve: A lot. It is one of the most frequently cited performance measures that companies and facilities use.

This is because energy consumption is a real operating cost that can be measured readily, consistently and accurately. Thus, energy use and emissions appear on just about every published list of key performance indicators. For example, energy efficiency, as measured by BTUs consumed per pound of production, is one of just eleven performance measures that must be measured, tracked and reported for conformance with the [American Chemistry Council's Responsible Care Management System](#).

This emphasis has increased to the extent that several directors and managers I know now have the dual responsibilities of “environment and energy.”

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Where can I find an alternative energy mutual fund?

Steve: I didn't know of any quite that specific, so I checked around with my network. Rona Fried, of SustainableBusiness.com and publisher of The Progressive Investor, reports back that one fund, [New Alternatives Fund](#), would probably be the closest pick with a target alternative energy investment of 25%. That fund, she indicates, has many green energy companies in its portfolio, plus some others. She also notes that Craigmillar LLC has started a sustainable energy-based private equity fund, [Craigmillar Energy, LP](#), but it has a very high minimum – possibly on the order of \$50K.

Be aware, however, that such funds may be highly volatile (a high “beta”) since their market segment is so narrow, although that certainly is not true for the New Alternatives Fund. Finally, as noted a few months ago, many alternate energy companies are privately held, so will not be in public mutual funds' portfolios.

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Postscripts: Well Grounded. Although Starbucks initiated their *Grounds For Your Garden* [coffee grounds recycling program](#) in 1995, I became aware of it only a few weeks ago when our local (Florham Park, N.J.) Starbucks store began participating in the voluntary company-sponsored program.

According to Ben Packard of Starbucks, coffee beans are shipped to stores in silver-colored, moisture-proof bags. Participating stores simply refill the empty bags with their used coffee

grounds, then affix a label with useful background information and instructions. The grounds are provided free to customers for use either in their compost bins or directly on their gardens. Apparently larger stores also have arrangements with local compost operators.

This program works both sides of the waste elimination and resource recovery issue. Customers get free high-nitrogen, pH-neutral coffee grounds while stores eliminate or reduce their waste bags and grounds (grounds can be 17% of a store's waste by volume and 40% by weight, according to Ben). The program could achieve full resource reutilization if the silver bags that the beans are shipped in were also compostable.

Will Starbucks' *Grounds For Your Garden* save the world? Hardly. Is it a major step that enables Starbucks to become a 'Buffalo of Sustainability'? Certainly not. But it is inventive, free of government subsidy and provides a useful resource to others - for free. That counts for a lot.

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Got A Question?

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We can't guarantee that we'll answer every question, but we'll try.

Steve Rice is the founder and president of [Environmental Opportunities, Inc.](#), a strategic environmental management advisory firm and has worked for both Exxon and BASF in a variety of environmental management positions. [Richard MacLean](#) is president of [Competitive Environment Inc.](#), a management consulting firm in Scottsdale, Arizona. He also serves as the director of the [Center for Environmental Innovation, Inc.](#) and has held executive level health, safety and environmental positions in several Fortune 500 companies.

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