



Bald Eagle population increase leads to listing upgrade, from Endangered to Threatened 1994 - President Clinton orders

CHALLENGES *Encouraging Sustainable Business Practices* FOR THE NEXT CENTURY

“A sustainable United States will have a growing economy that provides equitable opportunities for satisfying livelihoods and a safe, healthy, high quality of life for current and future generations. Our nation will protect its environment, its natural resource base, and the functions and viability of natural systems on which all life depends.”

The President’s Council on Sustainable Development

The Unmistakable Problem

Our industrial system transforms natural resources into nearly all of the products and services that we use—our food, our cars, our computers. These products ultimately return to the environment. This flow of materials, usually in an altered form, from nature to the economy and back is fundamental to our society. According to the World Resources Institute, the weekly per person consumption of natural resources is equal to 300 shopping bags filled with materials

Energy Efficiency = \$avings

A business can change its processes to save money and protect the environment. It is also less vulnerable to government regulations. These types of investments are generally low-risk and high-yield. The U.S. EPA’s Energy Star and ClimateWise programs have shown that switching to energy efficient technologies can save millions of dollars. Businesses in Region 10, saved over \$21 million dollars through these programs by using technologies such as compact fluorescent lamps, solar energy, and non-toxic materials. These companies made themselves more competitive, and more attractive to environmentally conscious consumers.

weighing as much as a large luxury car. In fact, a recent study says that for developing countries to duplicate the “American” standard of living will take in excess of three planet Earth’s worth of resources. Short of mounting a massive space exploration program, living within the carrying capacity of this planet is certainly a more cost effective and sustainable option.



The Road to Sustainable Business Practices

EPA and businesses have a history of interactions which span a range from antagonistic through synergistic. Before the 1970's, corporations were generally unprepared for the "command and control" approach to environmental protection. There were no industry goals for environmental performance. During the 1970's, with the increasing attention to environmental issues and the creation of the EPA, the corporate response was generally viewed as "reactive," in part to regulatory standards being created and enforced. During the 1980's, the industry goal was motivated mainly by avoiding additional costs. Companies stressed Total Quality Environmental Management and Stakeholder Participation. Beginning in the 1990's, the industry goal was to adopt the "eco-efficient" profit-center approach. Industries began using strategic environmental management systems, product stewardship,

design for the environment, and environmental cost accounting. The "Sustainable Development" era ahead, will be characterized by integrating sustainability principles.

The price of goods and services usually do not include environmental impact costs. There are few, if any, "sustainable" choices for the consumer, and often they are more expensive. For this reason, the Region 10 Evergreen program honors companies which integrate pollution prevention into business planning. Fifteen

Corporations, because they are the dominant institution on the planet, must squarely address the social and environmental problems that affect humankind.

Paul Hawken,
co-founder of Smith & Hawken, and
author, *The Ecology of Commerce*

companies have been honored in the past 4 years with Evergreen awards after demonstrating a commitment to the environment, achieving environmental results through

pollution prevention *and* providing greener purchasing options for the public. If businesses can offer consumers choices which support a healthy environment, they ultimately protect the source from which all revenue flows-- the planet's natural resources.

In Region 10, our philosophy is that the best way to prevent pollution is to move up the waste management hierarchy towards source reduction. Source reduction means reducing or eliminating the creation of wastes at the source. Changes in materials, practices, processes or design are the key to source reduction. However, a recent poll of 137 businesses in the Pacific Northwest show that less than 1% of businesses employ eco-efficiency. Clearly, there is much to be done to educate and encourage business to adopt cost-saving measures which also protect the environment.

Eco-Efficiency May Not Be Enough

Pollution prevention, waste minimization and source reduction are extremely important practices for the business sector and cost savings, for the small number of businesses which employ them, have been substantial. A growing number of observers, however, suggest that these eco-efficiency practices, while significant, may not be enough. Robert M. Day of the World Resources Institute states that "Eco-efficiency excellence will be necessary, but not sufficient, for doing business in the next millennium." He points out that eco-efficiency is a valuable concept both for society and business because it is in everyone's interest to drive waste out of our economic systems. Global trends, however, indicate that we are not even coming close to achieving what is needed for sustainable development. The

goal of sustainability is slipping further from our grasp.

Individual Choices are the Key

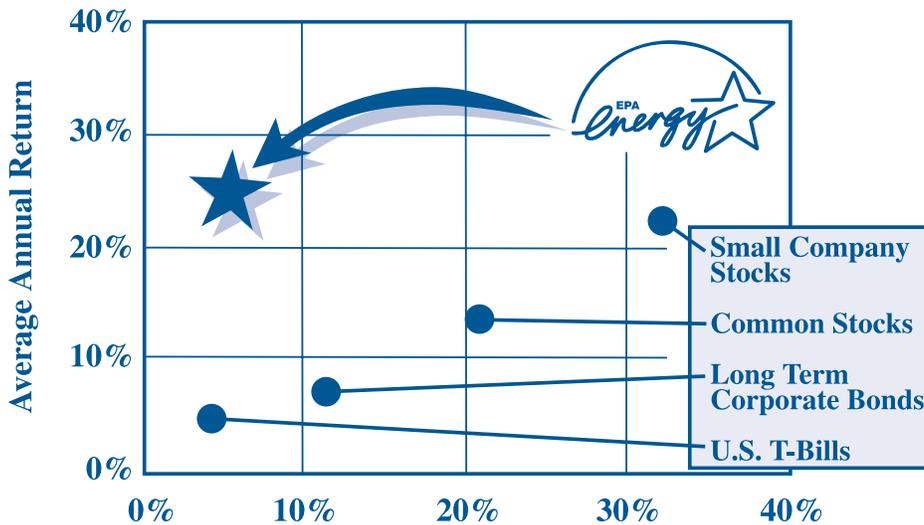
Meaningful steps towards sustainability for the business sector can mean many different things. From steps taken to improve efficiency and eliminate waste all the way to complete redesign of the way a company does business. One thing is clear, no business activity can be truly sustainable without being profitable. All major federal environmental laws are based upon the constitutional power of the Commerce Clause. EPA's environmental regulatory authority only extends within the parameters allowed by the rules and statutes as passed by Congress.

Most of the environmental problems are not caused by a polluting factory which can be simply permitted to

pollute less. It will take a holistic approach to environmental protection, working in concert with sustainability business leaders, transforming the current system by designing products in a whole new way.

You, as a consumer, can drive this change. Personal choices of consumers (what we buy, how we travel, where we live) actually create more of an impact than all industrial sources combined. In the Pacific Northwest, most air pollution is caused by wood smoke and automobiles. The portion of air pollution from large facilities is small in comparison. For more information about the power of personal choices, please visit Region 10's Sustainability Website at www.epa.gov/r10earth/sustainability. The choices you make will shape our environmental future.

Energy Efficiency Is A Superior Investment



Consumers, businesses, and organizations have a tremendous opportunity to make smarter equipment purchasing and investment decisions. Thousands of equipment purchases are made every day. People tend to buy the equipment that is the least efficient, thereby committing themselves to higher energy bills for the next 10 to 20 years, depending on the life of the equipment. At the same time, buyers overlook the investment opportunities represented by the more efficient equipment - investment opportunities with more than double the return on investment of other common options, such as money markets or U.S. Treasury bonds (see figure at left).

Richard, S., Hardy, B., Von Neida, B., and P. Mihlmester. 1998. *The Investment Risk in Whole Building Energy-Efficiency Upgrade Projects*. In the Proceedings of the 1998 ACEEE Summer Study on Energy Efficiency in Buildings.

We are all responsible for this planet, but business must take the lead because only business has the global reach, the innovative capability, the capital, and most important, the market motivation to develop the technologies that will allow the world to truly achieve sustainable development.

Harry Pearce, Vice-Chairman of General Motors