

Session 1
**Different Stages in the Process of Growing to a
High Level of Environmental Management**

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Introduction

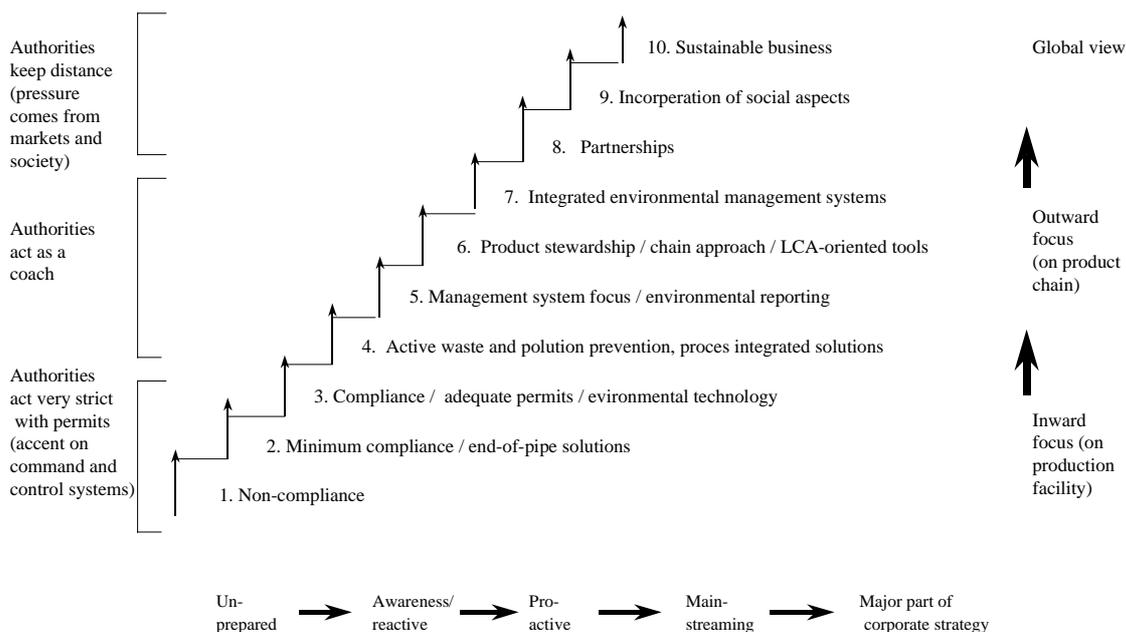
About 30 years ago protection of the environment became a global issue. Society started all kinds of activities to improve the environment and to reduce negative environmental effects. In many cases the awareness of threats to the environment started with the discovery of (hazardous) waste issues and the effects of air and water pollution. Today a number of companies have introduced environmental management systems and many companies are developing global concepts for sustainable development and sustainable business. These concepts are based on the integration of three components : environmental, social and economic acceptability.

Process of improvement

Recently some studies and investigations were done on the process of improvement of environmental management. One of the observations was that different stages can be distinguished in the process of growing from 'zero' to a high level of environmental management and beyond that to a high level of sustainable business. Every stage has specific characteristics. Policy instruments to activate companies to improve their environmental performance can only be effective if they fit with the particular characteristics.

The figure (enclosed) shows in a comparative form the (10) different stages that can be distinguished in the process of growing to a high level of environmental management and beyond that to a high level of sustainable business. On the horizontal axis there is a scale for the mindset of companies. Vertical on the right side, there is a scale for the focus of a company and vertical on the left side, there is a scale for describing the role of authorities at the different stages. The figure shows for every stage the specific characteristics.

Figure 1
Different stages in the proces of growing to a high level of environmental management



Characteristics of the different levels

The characteristics of the different levels can be described as follows :

1. The starting point. A company that doesn't comply to the environmental permits, there is no awareness of the environmental effects of the process and the products. Attitude is defensive.
2. A company with a minimum compliance to the environmental permits. End-of-pipe solutions are used for environmental improvements. There is a little awareness (awareness is growing). The attitude is reactive.
3. A company that complies to the permit and to recent environmental standards. Environmental technology is common practice. The company is an active player.

In the first 3 levels, the focus of the companies is very much inward. Authorities act very strict. Policy from authorities to these companies is practised by command and control systems.

4. A company that is actively working on waste and pollution prevention. Continuously looking for process integrated solutions. The company has more knowledge of environmental effects than the regulatory authorities.
5. A company that is working with a reliable environmental management system. Reporting to stakeholders about activities and results is common practise.
6. A company that is not only focussing on the manufacturing process but also on the environmental effects of the products they produce. The focus is on the total product chain. A cradle-to-grave approach for products becomes common practise.
7. The environmental management system has become an integrated environmental management system. That means that the scope is on the process, the products and the services. The company actively participates in the product or material chain.

The focus of companies in the levels 4-7 is changing from inward to outward. Companies are very much orientating along the product line. And the results from improvement activities appear also in other parts of the chain. The environmental strategy from the company becomes a part of the corporate strategy.

A strict attitude from authorities to these companies is not necessary because the companies are very active by themselves and because they are aware of their responsibilities. The authorities can act more as a coach or counter part.

8. A company that starts a dialogue, or in some cases a partnership, with social or environmental action groups about their environmental or sustainable performance. They start the last part of the way to total sustainability.
9. Social aspects are fully incorporated in the management approach and the corporate strategy of the company.
10. A company that has incorporated all elements of sustainable business.

The focus of companies in the levels 8-10 has become a global view. Sustainable business is a major part of their corporate strategy. There is a continuous dialogue with stakeholders about environmental, economic and social aspects. Authorities can keep some distance. The company is in dialogue with society.

This 'model' is based on developments in improvement of environmental management in industry in general and has no special focus on the recycling industry. This is not a problem, for this subject the recycling industry doesn't differ from other industrial sectors. This model is recognized by industry and authorities. It is a usual concept of 'managing of change'. Growing of awareness leads to management involvement, pro-activity, a wider focus and more visible activities to society.

Relation with ESM for recovery activities

Developing an ESM-concept for the recycling- or recovery industry, the following aspects has to be taken into consideration:

- The recycling industry plays an important role in the material chain and provides a lot of benefits for the environment. Recycling is directly connected to sustainable resource management.
- The recycling industry operates in a competitive environment. In case of some materials the price fluctuates all the time and the difference between the price of recycled material and virgin material can be very small.
- Generally speaking, recycling industries do not differ from other industries (a recycling facility includes major pieces of equipment, representing big investments, is regulated by authorities, is subjects to the industrial laws of the country where it operates, has to produce range of specified products, is part of business community and has the same responsibilities to society as other industries).
- National sovereignty must be respected, local and regional conditions should be taken into account (standards applied by some countries might be inappropriate for other countries for reasons of economic costs or social effects) and negative trade restrictions on recyclables must be avoided (trade restrictions on recyclables can create negative consequences to the environment particular in fast growing developing countries where a big need is for secondary materials).
- Illegal and informal recovery facilities should be excluded from the ESM-concept.

Conclusions and recommendations

- Recovery and recycling taking into consideration environmental, social and economic aspects should be encouraged and promoted by ESM.
- Countries (especially non-OECD-countries) should have a good access to the recycling market and to the "products" coming from the recycling market.
- ESM may not cause distortions of the market.
- ESM should encourage the process of improvement of the environmental performance of the recycling industry through better management and technology.
- The improvement of environmental management and the introduction of environmental management systems is a 'natural' step-by-step process. The different levels can be characterised by attitude, awareness and company focus. The ESM-activities and tools should fit with the characteristics of the different levels. The ESM-concept should be flexible and anticipate the fact that there are companies that provide a lot of benefit for the environment, but at same time, have a low or medium level environmental management performance. The ESM-concept should stimulate the improvement process instead of giving negative judgement to companies who are not yet so far in the process of improvement.