

Columns

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Ask the Experts

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Most Effective Company Responses to Global Warming

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What are the most effective company global warming response strategies?

Steve: While 'effective' will vary for each company and its respective business objectives and facilities, the strategic consulting I've provided to several companies recently is often based on a four-prong approach:

1. Think in terms of 'climate change' more than 'global warming.' Framing the issue in terms of climate change greatly increases the awareness of both the risks and business opportunities. This expands the issue's risks, and resultant risk management and business opportunity strategies, into more tangible scenarios of wider variations in rainfall/water availability (either more and less), wind/storm damage (presumably more), season shifting, etc. Since 'global warming' implies an AVERAGE temperature increase, I recommend incorporating both global and region-specific strategic planning perspectives.
2. Reduce greenhouse gas emissions from your own operations. This is where most companies can take the most action. Examples include developing a greenhouse gas (GHG) emission inventory and projecting future emission rates, then prioritizing reduction targets based on GHG type, warming potential and an expected or desired reduction target. Existing operations, processes and transportation (shipping and personnel travel) are the obvious areas to address, but future business plans must also be taken into account. Develop a prioritized list of projects, identify appropriate stages, assign responsibilities and schedule action with appropriate milestone checks to ensure continued applicability and progress.
3. Reduce greenhouse gas emissions from your suppliers. Your products, services and equipment will have climate change impacts imbedded in them; these, too, can be reduced. Of course, a large international company will have more ability to do this than a local print shop or consulting firm. Ask them to quantify the imbedded emissions. If they can't, give them the appropriate amount of time to do so; include the requirement in the purchase specification, then provide an incentive for confirmed reductions.



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4. Integrate the climate change response strategy into your business strategies.
This prong is more complex and sophisticated; it explores how your business can improve its portfolio to PROFIT from climate change. I helped one company think about ways to change its products/services for customers who have indicated a desire to reduce their emissions. Another company asked me to assist them with identifying growth-oriented acquisitions and new business ventures that will meet needs driven by the effects of global warming. I also included a scenario planning requirement into one company's sustainability guide -- certain sites will be required to consider various probabilities of flooding in excess of a traditional 100-year flood level when updating their risk management planning reviews.

Note: See also this month's [postscript](#) for our commentary on the global warming issue.

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Which companies have the most influence over ISO environmental standards?

Richard: I'm not close enough to the process to "name names." I was under the impression that, indeed, companies set the agenda and controlled the process with the International Organization for Standardization staff doing the coordination. An October 2004 report by the Pacific Institute changed my naive view. "[Who Develops ISO Standards? -- A Survey of Participation in ISO International Standards Development Process](#)" reveals that industry representatives comprised only one-third of participants in international meetings. Consultants, registrars and representatives from standard bodies constituted almost 40%.

Stakeholders in developing countries are significantly underrepresented. Western Europe dominates the voting base yet it represents only 6% of the world's population. This should all prove interesting during the development of a social responsibility standard, now in the proposal stage.

Without trying to sound too Machiavellian, I wonder if this lopsided representation may be one of the reasons we find ourselves still arguing over whether or not ISO 14001 adds value. It certainly is the bread and butter of its staunchest defenders: the consultants, registrars and representatives from standard bodies. This subject of value can become a heated discussion with some of these individuals.

For example, a senior manager from one of the registrars threatened me with a libel suit if I published anything negative about how his company operates. (The publisher decided not to include the name of the firm even though I supported the idea.) Recently, an executive from a standard setting organization got apoplectic when I suggested that an independent body review and critique a planned EPA proposal to study the effectiveness of management systems. He walked away in frustration and anger; he could not fathom that his own organization might be biased.

To me, all this "value challenge" is much ado about nothing. If you design any management system correctly and implement it as intended, you will gain value. Unfortunately, that is not the way that many of these systems are built -- it's all about checking off the certification box. Period. Bill Tokash, a consultant based in Chicago with Domani said it succinctly, "Paying for certification but not fully utilizing the benefits of the EMS is a lot like joining an expensive health club, not working out and then blaming the health club for not improving your fitness!"

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What well-known companies use wood from old-growth forests?

Jeff: That depends a lot on who you ask. As consumers, we all have some responsibility for the continued destruction of forested land. Your question implies that you want to take responsibility for the wood products which you buy -- I certainly wish there were more consumers who have that same commitment.

Of course the most effective and certain way to reduce impact on forests is to reduce the amount of wood and paper products you buy in the first place. Reduce-reuse-recycle is still the preferred route. But we all know that is not always possible, and so

the next step is to buy products that are least destructive to the environment. There are many resources on the web to help you shop smart.

Turning the question to the positive, probably the best way to determine if the products you purchase have come from sustainably harvested wood is to check for a certification label. [Forest Stewardship Council](#) certification is probably the most well-known, but there are several others which take similar approaches. The NGO [Rainforest Action Network](#) has a listing of certification schemes on its website, as well as a lot of information about preserving old growth forests, and individual company environmental policies. Other NGO's involved in sustainable forestry practices include [Conservation International](#), [Dogwood Alliance](#), and [Forest Ethics](#).

Another source of information is the [American Forest and Paper Association](#), which provides information on its own certification scheme, the Sustainable Forests Initiative, companies which have received certification, and information on industry environmental policies.

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What is your impression of the current slate of EH&S conferences and workshops? Are they worth the time and money?

Richard: Some are excellent; others are definitely a waste of resources.

For-profit conferences and workshops can be a mixed bag. Some organizers try to maximize profits by selecting speakers who may have little to offer, but are willing to pay their own way. They pass over the best speakers who are the recognized subject-matter experts on topics covered, but require compensation. Check to see who has been teaching the course and for how long. If the course has been around for many years and has been given by the same individual, it is a sure bet that it will be good.

Professional society and trade association conferences also vary widely. Organization Resources Councilors and the Conference Board carefully select their speakers to ensure that the material is of good quality and the delivery is done well. I recently attended the NAEM meeting in Orlando (formerly the National Association for Environmental Managers, now the Premiere Association for EH&S Professionals) and it was definitely worth the trip. The Auditing Roundtable is another meeting that is a sure bet.

But even with these "sure bets," there is a continuing problem with company-centric agendas which can include a parade of spokespersons engaging in public relations for their companies. Yes, they offer an optimistic vision of how great some things can be handled, but they also can be a depressing reminder to most attendees who are struggling just to maintain their basic programs.

For example, I recently talked to one EH&S VP who indicated that he does not go to professional or trade meetings because he is tired of hearing the upbeat, essentially, public relations presentations -- he wants substance and a deeper understanding of the issues and the "how-to." The point is that conference organizers need to urge their speakers to reveal not just the successes, but the challenges and issues these companies faced along the way; otherwise, these presentations will lose their relevance to the audience. The meetings offered by the [World Resources Institute](#) and the [Global Reporting Initiative](#) often address cutting-edge, sometimes controversial, issues and are very well attended.

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What is the market outlook for becoming a certified Responsible Care Management Systems auditor?

Steve: Mixed. From the demand side, there's a potential market of about 140 ACC member company headquarter audits by December 2005, 80 partner headquarter audits and 170 SOCMA member headquarter audits by December 2006, and roughly 600 ACC facility audits by December 2007. That's roughly 1000 audits over the next 36-38 months and 1,800 audits over the next 48-50 months -- an average rate of 7 to 9 audits every week from now until then. Of course, much of the activity will occur the last three to six months of each year.

This should make for an interesting situation. BEAC, one of the two auditor certification bodies, reports that eleven have applied for RCMS auditor certification (including me); two have been certified and five are currently recommended for certification. RAB, the other auditor certifier, has had thirteen apply for RC14001 auditor certification; none is certified yet.

There are several reasons for this lack of rush to auditor certification:

- Auditor certification requires relevant experience in both EH&SS and the chemical industry, as well as experience with EH&S management system audits, not merely environmental management systems audits,
- Initial signs are that auditor pay is quite low, especially considering the training, testing and expertise required (one audit service provider indicated to me that the pay for the entire audit TEAM will be \$1300/day, with a minimum of \$500/day per person), and
- The certification audit market is showing few signs of life at the present.

Thus, the market may see a classic supply/demand situation by June or July of next year, resulting in either of the following scenarios:

1. Audit service providers will be forced to a) staff the audits with interim-certified ISO auditors with little health, safety, security or chemical industry experience and/or b) experience the financial impact of a high demand/short auditor supply condition; or
2. A one-year delay in the headquarter audit certification deadline.

The problem with such a delay is that the ACC member company headquarter audits would then coincide with the ACC commercial partner and SOCMA member headquarter audits, exacerbating the certified auditor imbalance and forcing subsequent delays in those other deadlines.

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Postscripts: A Change of Heart on Global Warming? During the recent U.S. presidential election a great deal was made about the habit (on one side) or resistance (on the other) to change opinions and actions based on new information. The terms “waffle”, “flip-flop” and “stay-the-course” dominated the airwaves.

These phrases entered my domain more than ever recently as I've experienced new inputs on the global warming/climate change issue. In the past, I've viewed the science of global warming as a) real and b) partially due to human actions. However, my scientific/engineering background has kept me from being in either one camp or the other, as well as undecided as to what if anything to do about the situation. The science of global climate changes through the millennia and impacts of forest fires, volcanoes and other factors on atmospheric CO2 instills me with a sense of helplessness that anything we humans could possibly do to stabilize, much less reverse, the current trend. The intuitive pragmatist in me has said, “Let's just use half of the money and effort we spend on combating global warming to help eliminate the misery in people's lives NOW *and* develop/implement strategies in coping with the coming effects.”

New inputs have nudged me closer toward the ‘address global warming now’ camp. The first was the keynote presentation by Jonathan Lash, president of World Resources Institute (WRI), at the recent Environmental Excellence Forum, in which I participated. The fact is that WRI's [most recent report](#) details how several companies and organizations are doing real work now, basically ignoring international governmental action or inaction. This both admits that governments are more a part of the problem than the solution, and shows that a few companies are indeed taking leadership roles by not waiting for substantive government action.

Second, I read Carl Frankel's new book, [Out of the Labyrinth](#), which sets forth the compelling case for incorporating a depth dimension to our daily and professional lives -- not at the expense of our other dimensions, but in addition. Third, on my recent trip to

Australia I was enjoined with the recent [pre-release of a report](#) on the scientific forecasts of the real, tangible changes expected for that continent.

Thus, I've changed my opinion on the global warming issue -- not yet a complete 'flip-flop' but definitely a full side-step or two. And yet, the pragmatic view remains. With retirement looming on my horizon, a new strategy is coming into view. Instead of moving to the Carolinas, Florida or Arizona, maybe we'll stay here in New Jersey. By then, we'll have the warmer climate AND be closer to the new coastline. All of the benefits with none of the moving costs!

Has your opinion on this (or another) matter changed based on the inputs you've encountered? [Please let us know](#). We'll report back on your comments.

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Got A Question?

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