



Green and Competitive

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Why Organisations need to care about environmental management ?



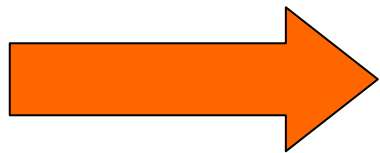
Conventional

- ◆ **consumer or community pressure**
- ◆ **potential cost savings**
- ◆ **environmental legislation**

Why organisations need to care about environmental management ?

Latest norms and thinking

- ◆ sustainability in the market : entry requirements;
- ◆ business or trade ethics in the world;
- ◆ environmental management as a core competence to create competitive advantage



It's about making business sustainable
It's about making life sustainable

The World Trends in Environmental Management

- ◆ **The 1991 Business Charter for Sustainable Development for Environmental Management by ICC;**
- ◆ **The 1992 Rio Declaration on Environment and Development;**
- ◆ **The Launch of ISO 14000 Standards in 1996;**
- ◆ **Increased Effort in Linking Trade/Finance with Environment in APEC, OECD, United Nation, and WTO**
- ◆ **Johannesburg Plan (2002) about “enhance corporate environmental and social responsibility and accountability”.**

Examples of New Trends

1. Netherlands

- ◆ **Adopt a policy document on the Environment and Economy in 1998**
- ◆ **Goal: sustainable, environmentally efficient economy**
- ◆ **Direction : decoupling of environmental pressure and economic growth: economic growth with a REDUCTION in environmental pressure**
- ◆ **World bench-marking of environmental leadership by sectors;**
- ◆ **EU Dutch presidency: “3 Cs – Clean, Clever, Competitive” movement**

Examples of New Trends

2. Japan

- ◆ adopt the Basic Environment Plan in 1994;
- ◆ goal: socio-economic system fostering sound material cycles, a “low environmental loading” society, and sound ecosystem
- ◆ 20% club for sustainable cities : long term target of 20% reduction of environmental burden
- ◆ greening government operations : demands for green products
- ◆ The 2004 Japan’s White Paper on Environment: **2.5 times increase of environment-related market by 2025, compared to 2000 !**

Examples of New Trends

3. China (1)

President Hu Jintao delivered a speech at the APEC CEO Summit on 19 Nov 2004.

“The sustainable development of the world economy is a major issue of immediate and far-reaching significance. It bears on the current development of the countries and the future of the entire mankind. Visionary political leaders and responsible business leaders alike should work together towards this end.”

Examples of New Trends

3. China (2)

“.....development should be pursued on the basis of high technology content, good economic returns, low resource consumption level, minimum pollution of the environment and fullest play of human potential. We should optimize the economic structure, change the way of achieving economic growth, pay closer attention to the conservation and comprehensive utilization of resources, advocate an environment-friendly way of production, life and consumption and bring about a virtuous cycle in both our ecological and socio-economic systems....”

Examples of New Trends

3. China (3)

State Environmental Protection Administration's “Environmental Label”

A national label for environmental friendly products. Developed technical standards for a total categories of 55, latest are furniture, wallpaper, shoes and ceramic products and glass dishware. In 2001, the number of labelled products reached nearly 1,000. It rose to 1,600 in 2002 and soared to 9,000 in 2003.

Green and Competitive



Environmental management should become, where it is not already the case, one of the highest management priorities of business

**World Business Council for
Sustainable Development, 1996
“Trade and Environment : a
Business Perspective”**

Competitive Advantage in the 21st Century



1980s and 1990s

- ◆ **cost leadership**
- ◆ **differentiation**
- ◆ **quality & customers' satisfaction**

21st Century

long-term cost leadership
differentiation in favour of green products and practices
quality & stakeholders' satisfaction
environmental performance of cities, firms, products or services

Value Chains



Professor Michael Porter
"Competitive Advantage -
Creating and Sustaining
Superior Performance"

The Importance of Environmental Management



Managers must start to realise environmental improvement as an economic and competitive opportunity, not as an annoying cost or an inevitable threat...

“**Competitive and Green** – Ending the Stalemate”, by Michael E.Porter and Claas Van Der Linde, in Harvard Business Review on Business and the Environment

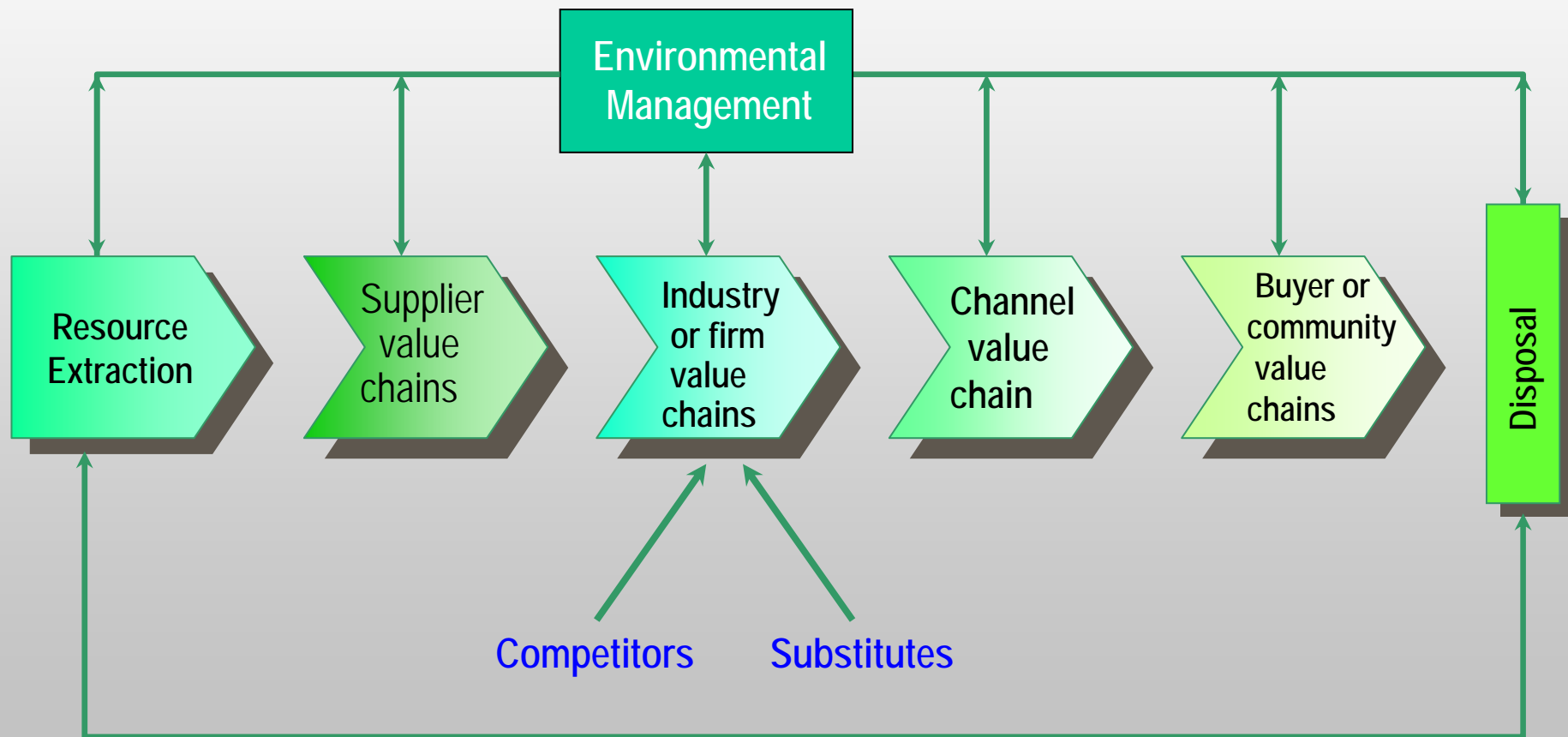
Green and Competitive



The concept of resource productivity opens up a new way of looking at this complex issue (ie. Ecology vs Economy).....

“**Competitive and Green** – Ending the Stalemate”, by Michael E.Porter and Claas Van Der Linde, in Harvard Business Review on Business and the Environment

The Role of Environmental Management in Value Chains



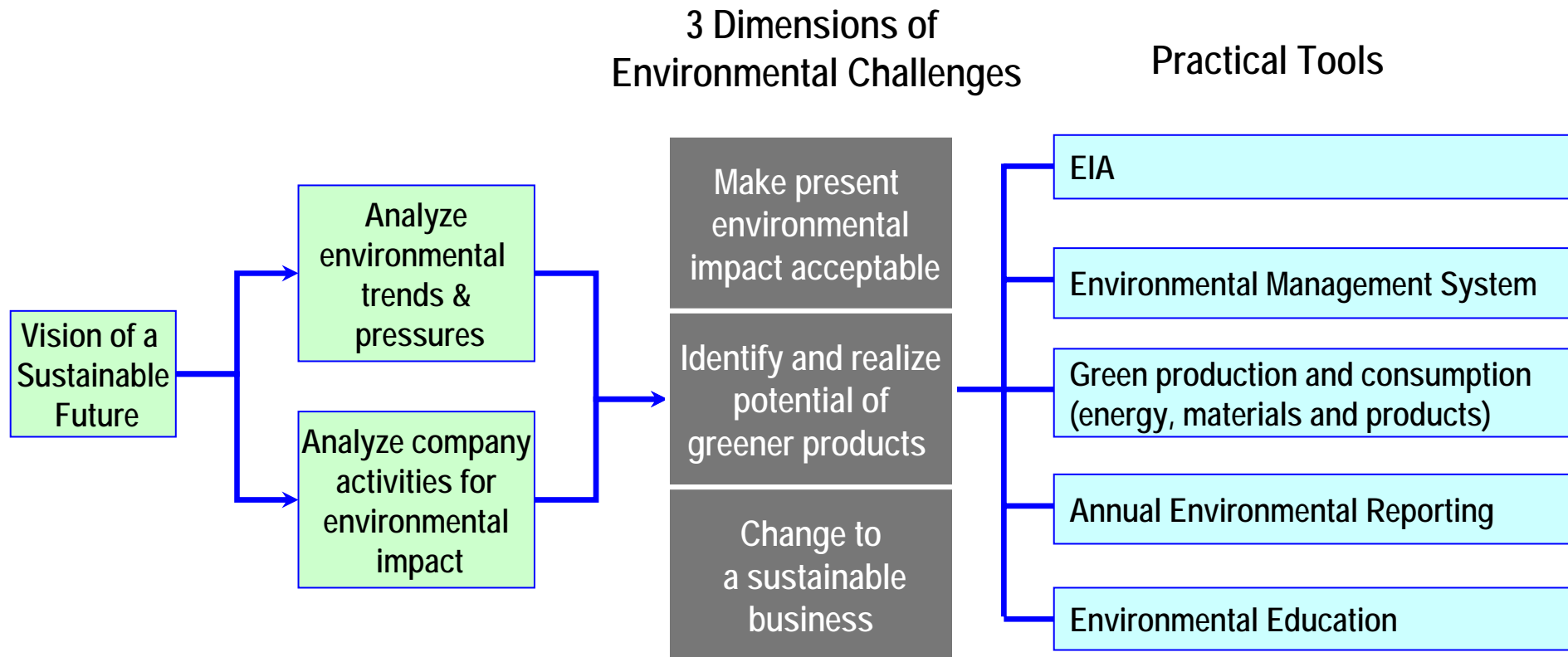
Green and Competitive



Environmental progress demands that companies innovate to raise resource productivity....

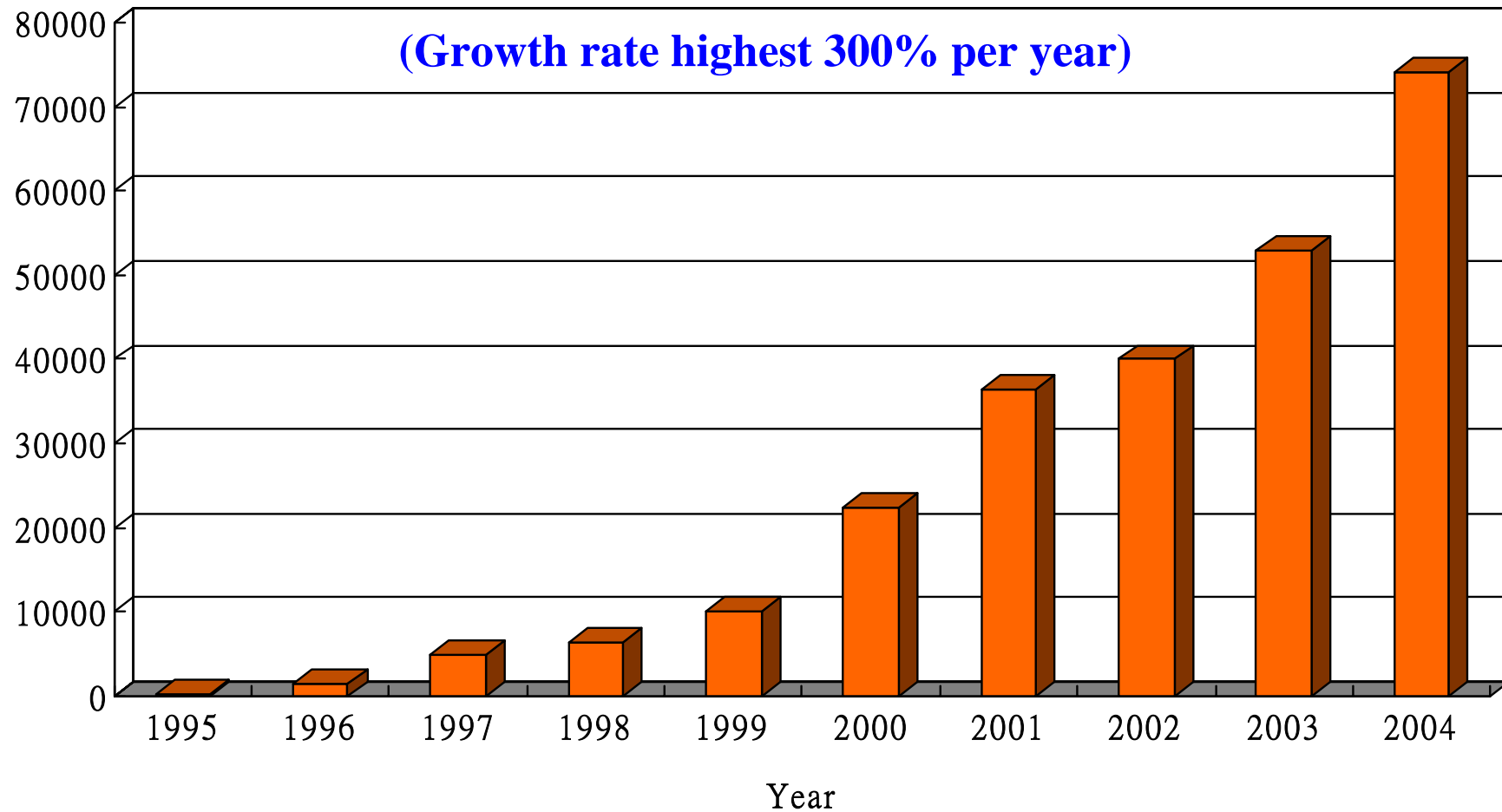
“**Competitive and Green** – Ending the Stalemate”, by Michael E.Porter and Claas Van Der Linde, in Harvard Business Review on Business and the Environment

Strategic Framework for Environmental Management



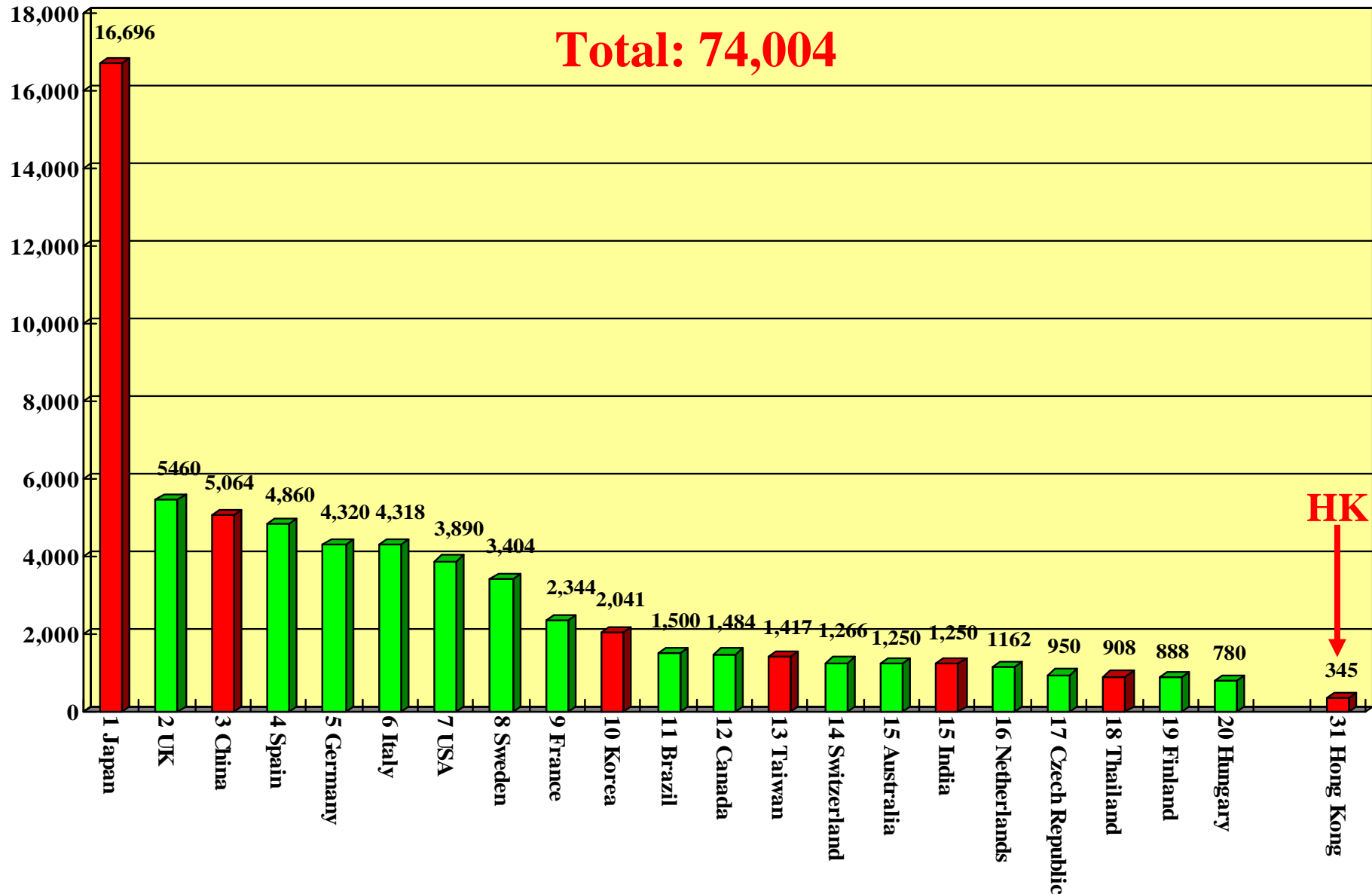
World Trends in ISO14001

No. of ISO 14001 Certificates



(Source of data: "The ISO Survey of ISO 9000 and ISO 14000 Certificates" officially published by the International Organization for Standardization, ISO)

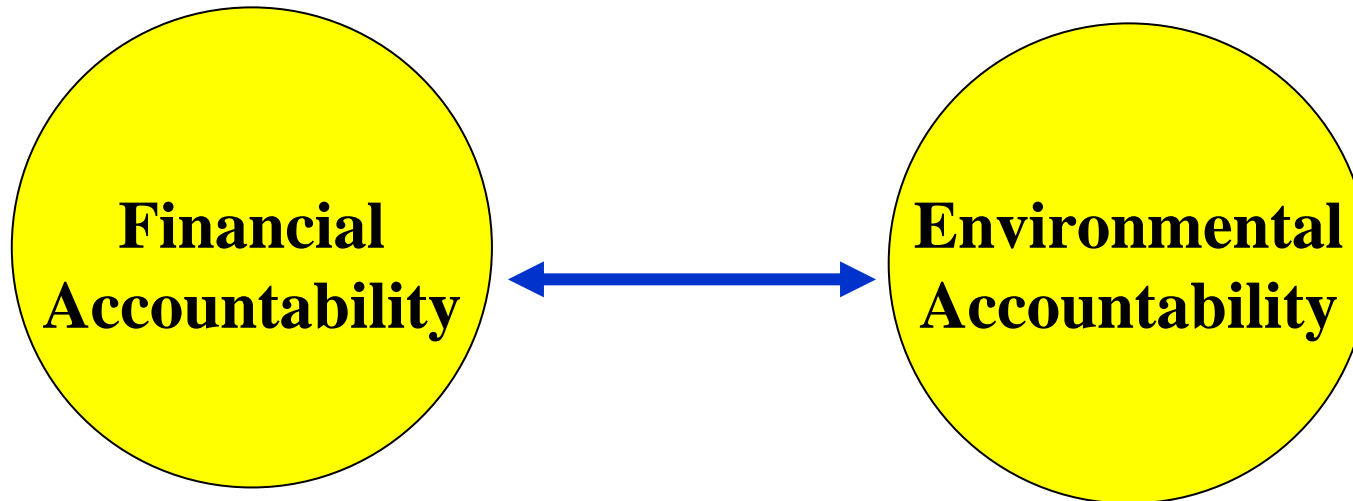
Number of ISO 14001 Certifications



The number of ISO 14001 certifications of the world as of October 2004.

(Source of data : provide by Mr. Reinhard Peglau at <http://www.ecology.or.jp/isoworld/english/analy14k.htm>)

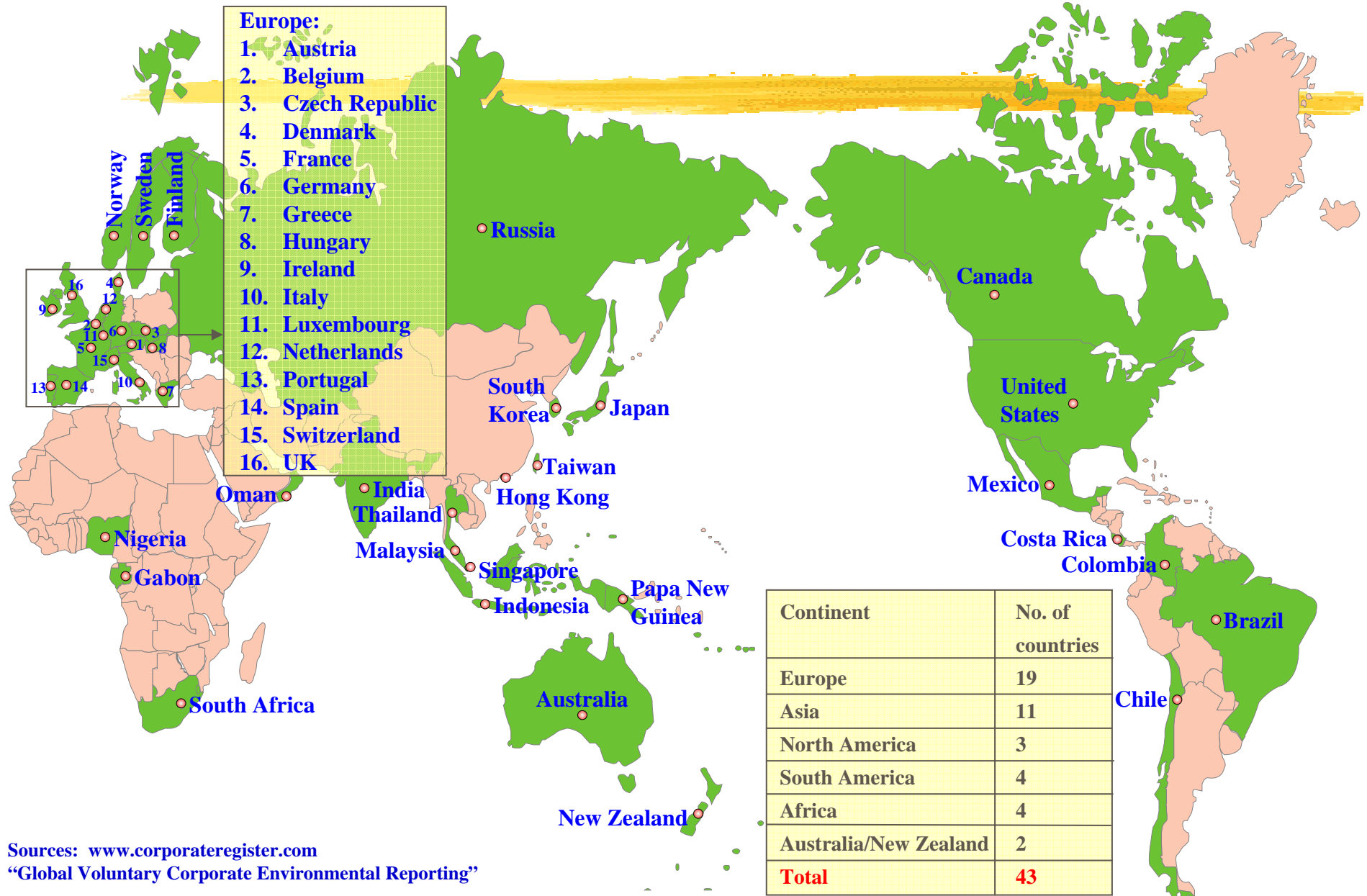
Environmental Reporting - a part of environmentally responsible management



- ◆ **Financial disclosure
annual report**
- ◆ **Financial
performance**
- ◆ **Revenues and
liabilities**

- ◆ **Environmental report**
- ◆ **Environmental
performance**
- ◆ **Environmental
benefits and liabilities**

International Trend on Voluntary Environmental Performance Reporting Who are reporting?



Sources: www.corporateregister.com
 "Global Voluntary Corporate Environmental Reporting"

Examples of Mandatory Environmental Performance Report

Legislative Requirement

1. Australia

- ◆ Corporations Law section 299 (1) (f) (1999)
- ◆ Financial Services Reform Act (2000)
- ◆ National Pollutant Inventory (1998)

2. Denmark

- ◆ The Law on Annual Accounts (2001)
- ◆ The Law on Green Accounts (1996)

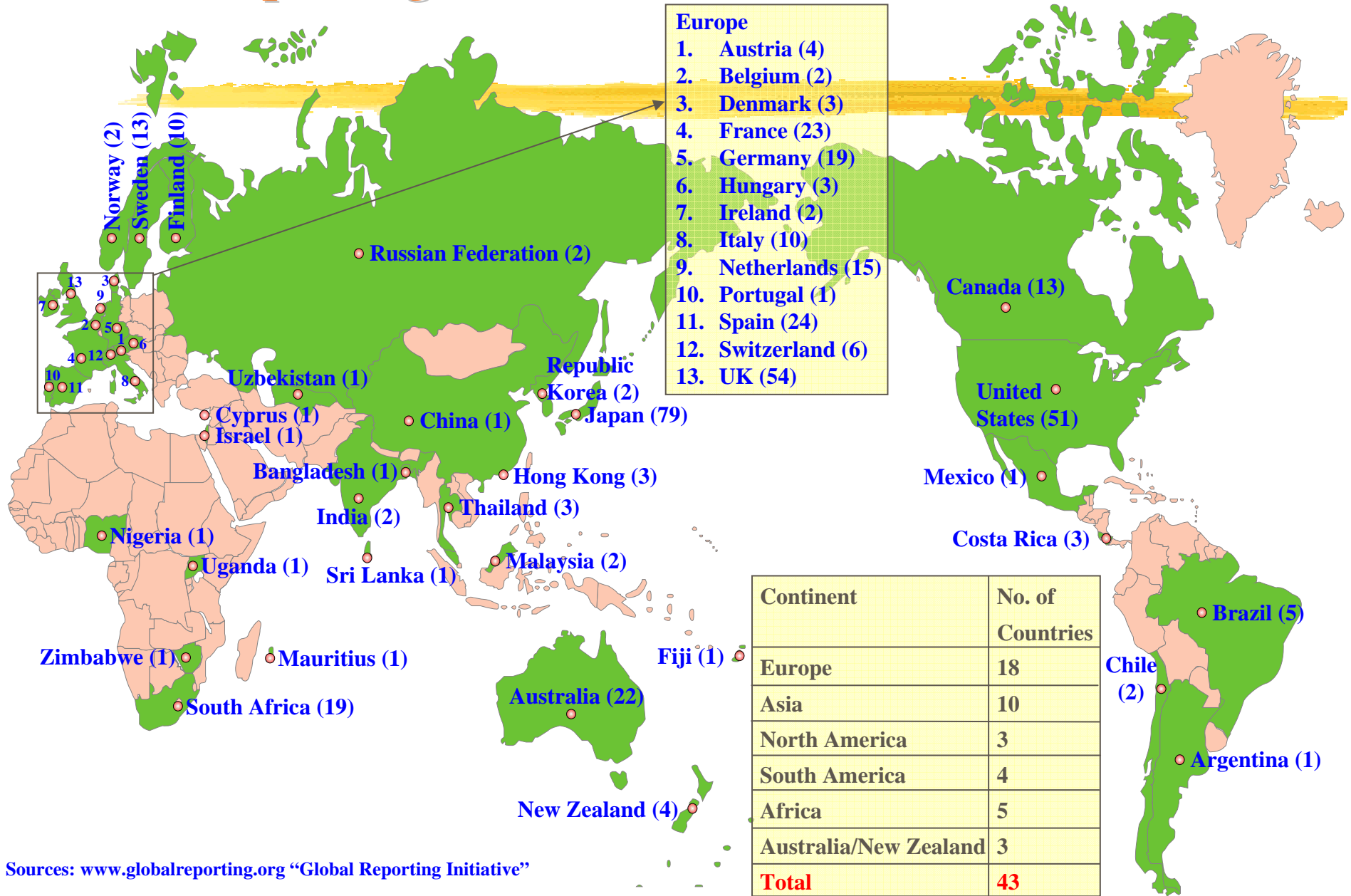
3. The Netherlands

- ◆ The Environmental Protection Act (1997)

4. USA

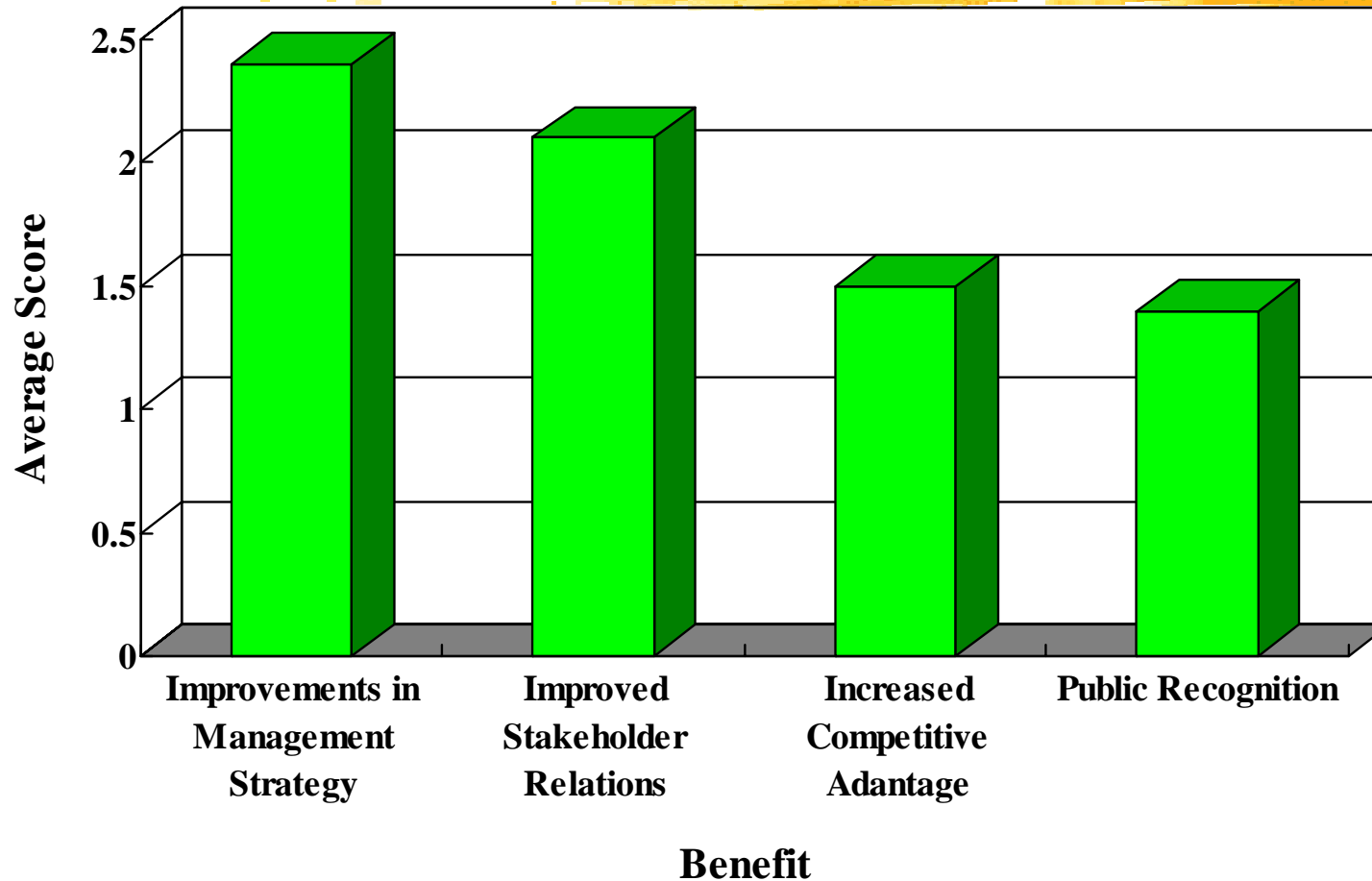
- ◆ Emergency Planning & Community Right-to-know Act (1986) - Toxic Release Inventory

New Trend on Sustainability Reporting Who are reporting?



Sources: www.globalreporting.org "Global Reporting Initiative"

Environmental Reporting - Why corporations are reporting ?



Average score based on 47 responses on a scale of 0-3

(Source of data : The 1998 survey on environmental reporting conducted by EAG ENVIRON, UK entitled "Solving the cost puzzle")



Where are we in Hong Kong?

The progress of Environmental Management within the Government



- ◆ **appointment of green managers in 89 departments and bureaux since 1994**
- ◆ **7 departments set up EMS; more in the pipeline**
- ◆ **all governments and policy bureaux to publish annual environment reports from 2000 onwards**

The New Environmental Management Initiative in 1998 Policy Address

Initiative

Environmental Management

To promote within the public sector environmentally responsible management by requiring all controlling officers within the Government to publish reports on their environmental policies and actions and by encouraging government-owned public corporations to do likewise.

Target

All Government departments, agencies and publicly-owned corporations to publish annual environmental reports from Year 2000 onwards.

**Policy Objectives
1998 Policy Address**

CARE FOR THE ENVIRONMENT

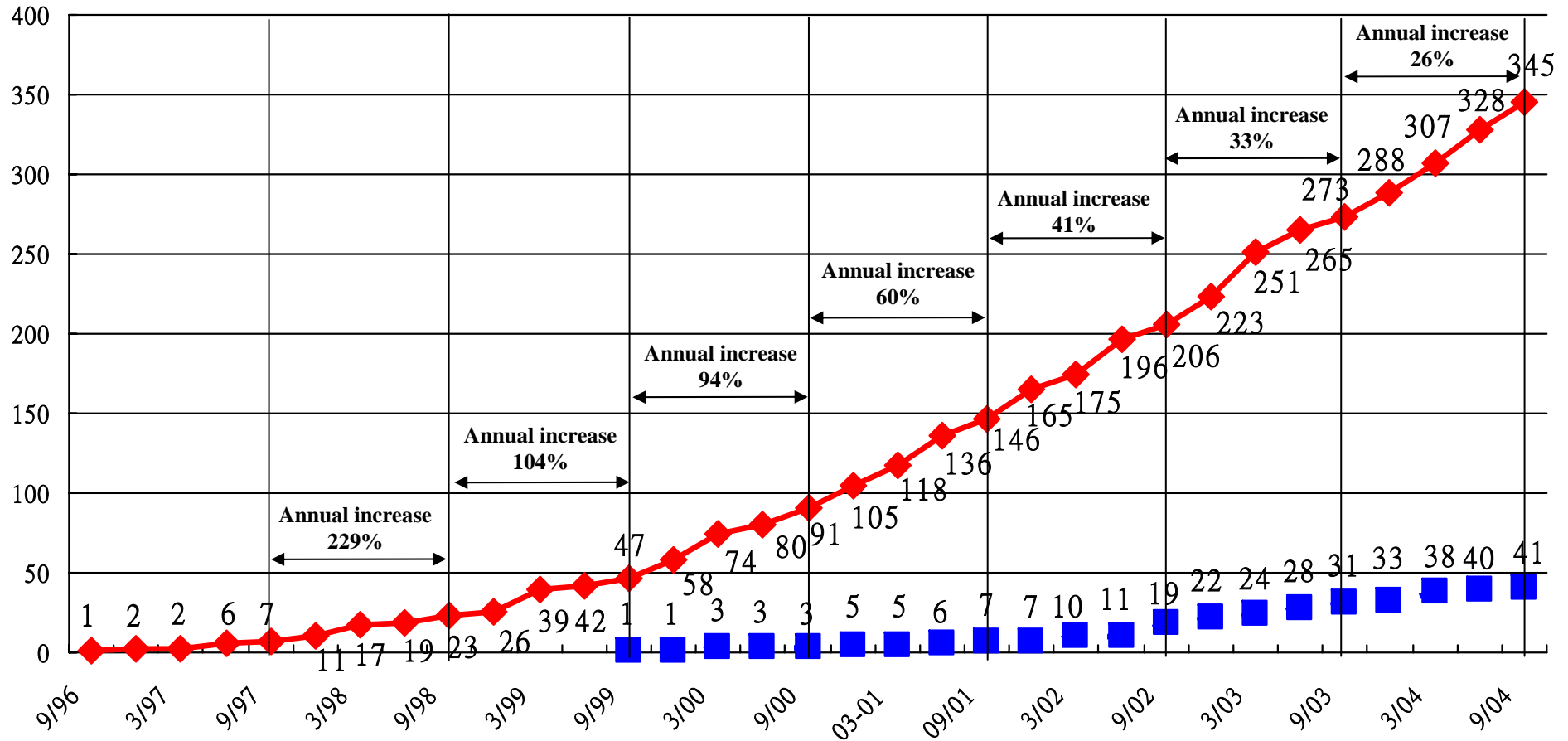
A Guide to Environmental Reporting
for Controlling Officers



Hong Kong
Environmental Protection
Department

Local trend of ISO14001 Certificates in HK

Average annual increase : 84%



Note :-

◆ Certificate still valid

■ Certificate withdrawn

Certificate by companies = 315

Distribution of ISO 14001 Certificates

(by Business Sectors)

Business Sector	Cert. No.	Business Sector	Cert. No.
Construction/Construction Materials	90	Landfill Related	7
Electrical/Electronic	64	Chemicals/Oil	5
Cleaning Services	23	Printing Services	5
Property Management	22	Hotel Services	4
Government Departments	21	Medical Services	4
E&M Engineering Services	17	Textile & Accessories	3
Transportation	13	Laboratories	2
Manufacturing	11	Toys	1
Sales/Trading	14	Food/Beverage	1
Metal Products	9	Recreational Club	1
Utilities (Electricity/Gas)	8	Others	13
Consultancy Services	7	Total:	345

為建造業中小企而建立環境管理資訊
及**ISO 14001**環境管理體系的支援

**Environmental Information and ISO 14001 Support for
Hong Kong SMEs in the Construction Sector**

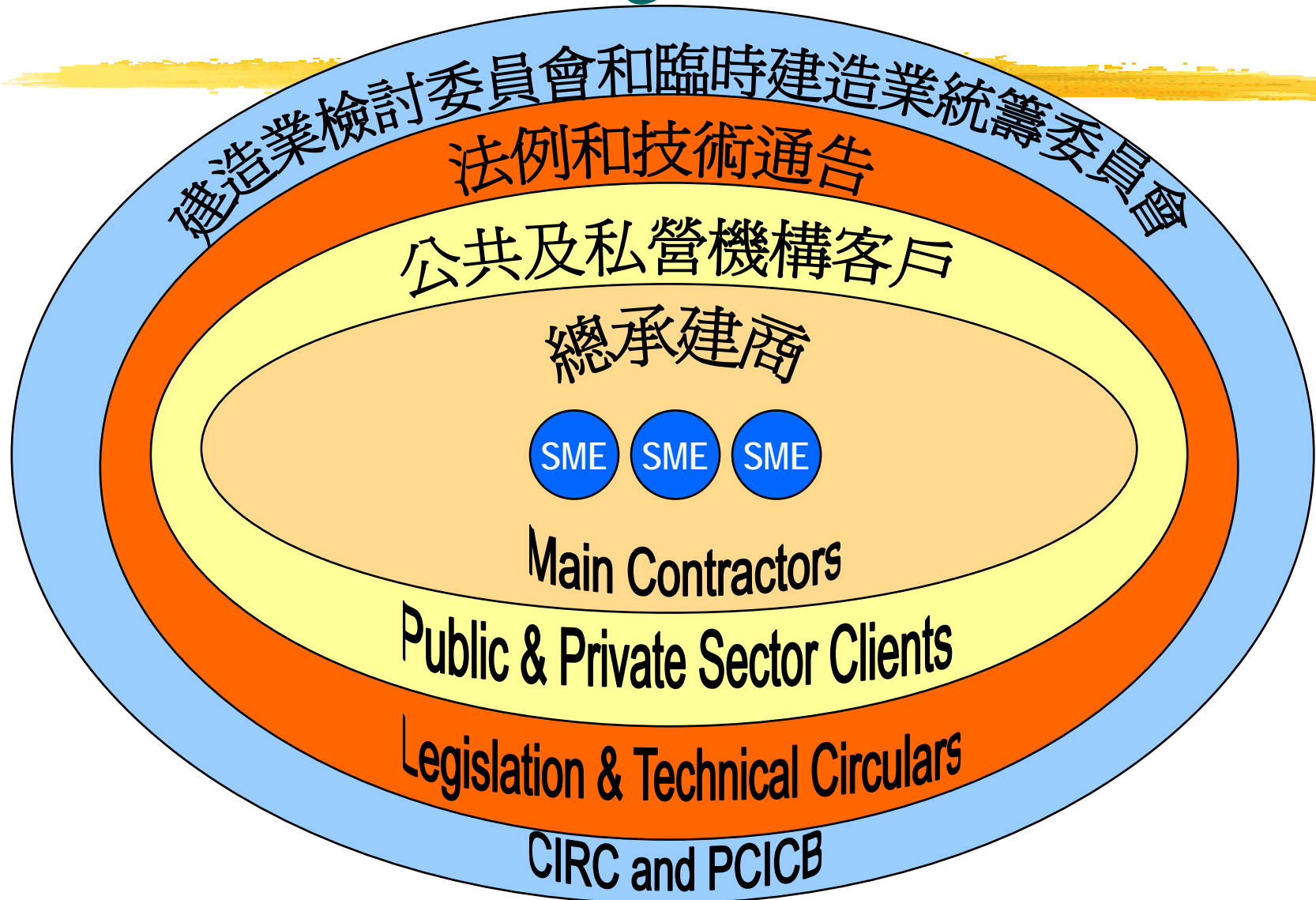
環保署研討會

中央圖書館, **2004年12月2日**

An Environmental Protection Department Seminar

Central Library, 2 nd December 2004

環保驅動者 Drivers for Change



環境管理體系支援套件 The Support Package

雙語
Bilingual !!!

免費
Free !!!



Where do we go from here?

An Environmental Management Vision for Hong Kong SAR in the 21st Century



**To become a centre of
excellence in environmental
management to create our
competitive advantage and
sustain an acceptable quality
of life.**

How to turn the vision into reality ?



- ◆ **let every organisation own the environmental responsibility and count for environmental performance**
- ◆ **embrace environmental management as a core business competence**
- ◆ **develop partnership among the government, the private sector and other institutions**
- ◆ **set out and implement a business charter focusing on concrete, measurable environmental actions, with continuous improvement**

You can make a difference as a citizen



- ◆ **purchases environmentally products and services**
- ◆ **asks for environmental performance of publicly listed companies, organisations or individuals**
- ◆ **supports environmental initiatives and polluters pay principle**

Closing



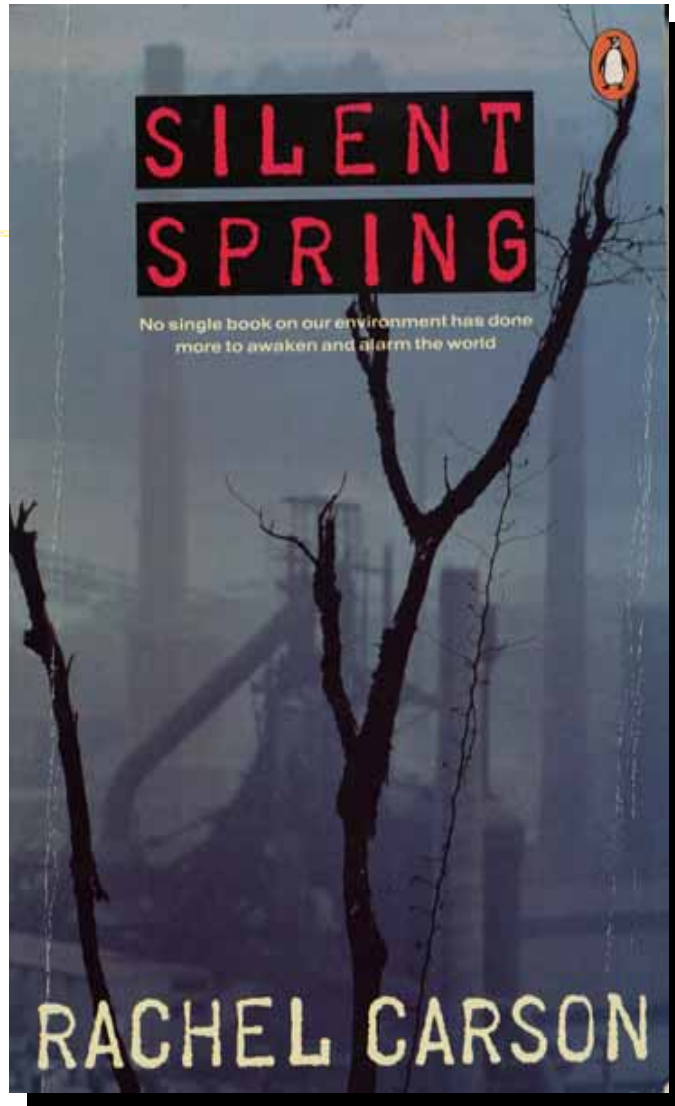
3 Real Stories

SILENT SPRING

WITH AN INTRODUCTION BY
VICE PRESIDENT *Al Gore*



RACHEL
CARSON



“.... Silent spring remains in the classic statement which founded a whole movement and should be read by everyone who is concerned about the future of the world....”

Penguin Science

(1907 – 1964)

The Nobel Peace Prize 2004 - Wangari Maathai (1)



**Wangari Maathai won 2004 Nobel
Peace Prize for her work to protect
the environment**

**"for her contribution to sustainable
development, democracy and peace"**



The Nobel Peace Prize 2004 - Wangari Maathai (2)



- ◆ **Main theme: tree plantings slow desertification, preserve forest habitats for wildlife and provide a source of fuel, building materials and food for future generations**
- ◆ **Founded the Green Belt movement, which has planted 30 million trees since 1977**
- ◆ **Promote ecologically viable social, economic and cultural development in Kenya and in Africa**
- ◆ **Holistic approach to sustainable development that embraces democracy, human rights and women's rights**

Founder and CEO of Body Shop - Anita Roddick ⁽¹⁾



“The business has existed for one reason only – to allow us to use our success to act as a force of change, to continue the education and consciousness-raising of our staff, to assist development in the Third World and above all, to help protect the environment. What we are trying to do is to create a new business paradigm, simply showing that business can have a human face and a social conscience”.

- Anita Roddick (1991)

Founder and CEO of Body Shop - Anita Roddick (2)



- ◆ **Retailer operating in some 50 countries with over 1,900 outlets spanning 25 languages and 12 time zones**
- ◆ **Roddick vision and the uniqueness of the Body Shop's fundamental "green" approach**
- ◆ **Ambassador for British Business for the UK Government since 2001**
- ◆ **Social responsibility, respect for human rights, the environment and animal protection**
- ◆ **Absolute belief in community trade are main values of The Body Shop company**



It's for our next generation

It's for you as well !

**“3 Cs
Clean !
Clever !
Competitive !!”**

