



# GREEN WEEK *daily*

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## Ringling the changes

European Environment Commissioner Margot Wallström opened Green Week 2004 by sounding the bell at the conference's virtual stock market. The theme of the fourth Green Week is "Changing our behaviour" and during the event some 4,000 delegates will learn how they can help achieve sustainable development.

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Commissioner Wallström emphasised that sustainable development is not just an environmental and economic issue but represents a balance between environmental, social and economic needs. Achieving true sustainable development is a shared responsibility and everyone can now monitor his or her own environmental behaviour using the toolkit launched during Green Week (see tomorrow's paper).

Getting the right balance between "People, Planet and Prosperity" was the subject of the first conference session examining the vision, prospects and obstacles to further environmental progress. Commissioner Wallström opened the debate by looking at the progress towards sustainable development in Europe over the past five years, highlighting enlargement as a major step. The new Member States had all adopted EU standards and were being helped to upgrade their environmental infrastructures.

#### Driving on

Pieter van Geel, Secretary of State for the Environment, spelt out the environmental agenda for the upcoming Dutch Presidency. With new Member States, a new Parliament and a new Commission there was danger of an impasse but the Dutch hope to take advantage of the 'clean sheet' to make progress. A main theme will be the concept of sustainable innovation



Commissioner Wallström takes time out to get Green Week off to a resounding start.

working with the Lisbon agenda to enable competitive growth that is both dynamic and eco-efficient.

The Dutch presidency will also place emphasis on the REACH proposals, climate change and sustainable mobility. Traffic emissions, both in terms of pollution and noise, will need to be tackled, and Van Geel outlined proposals on diesel exhaust emissions, energy labelling for vehicles and eco-driving that could enable all drivers to make a contribution.

"The EU shines like a beacon of hope" in the world of environmental policy-making, according to Chris Davies Liberal Democrat MEP, "but words must be matched by action". The European Commission needs to take on a lead-

ership role in Europe to encourage consensus and keep a focus on long-term environmental issues; in particular, its enforcement procedures are too slow and cumbersome. Member States must be told that if they want to benefit from Structural Funding they have to deliver on environmental commitments. It will take some time for the new Parliament to settle in but Davies hopes it will be a force for progress.

Green MEP Alexander De Roo explained that "much has been achieved but we are only halfway there". Reform of the Common Agricultural Policy is needed and noise pollution, legislation on chemicals – particularly pesticides – and climate change should all be priorities.

### Latest Signals report sets off alarm bells



A wide-ranging and disturbing report on the state of Europe's environment shows that more needs to be done to halt the damage that human activities are still causing.

The European Environment Agency's latest study on trends in its 31 member countries, entitled *EEA Signals 2004*, was unveiled at Green Week yesterday.

It revealed growing evidence of the impact of climate change air pollution above safe levels in many European cities, and quantities of waste reaching unmanageable proportions. "As we look ahead to World Environment Day on 5 June, the key messages in this year's report highlight the need to make further progress in managing the environmental impacts of agriculture, transport and energy, in particular, as well as influencing changes in consumer behaviour," said Professor Jacqueline McGlade, Executive Director of the Copenhagen-based agency. She called for market-based instruments to reflect the true cost of exploiting the environment, and innovation in sustainable technologies and renewable energy. The number of climate-related disasters in Europe doubled in the 1990s, with the estimated cost of €10 billion per year still rising – money that could otherwise be spent on promoting economic growth and improving standards of living.

The full report is available at: <http://reports.eea.eu.int/signals-2004/en>

## Green Week welcomes new Member States

In the four years since its launch, the European Commission's Green Week has expanded to become one of Europe's leading fora for environmental debate, consultation, networking and exchange of ideas.

In 2004, Green Week takes place for the first time in an enlarged European Union of 25 nations, and the focus is very much on integrating the new Member States into EU environmental thinking and policy-making. The week attracts 4,000 participants and more than 60 exhibitors to Brussels, representing a huge cross-section of interests and demonstrating how

the environment is an issue that concerns us all. They include national, regional and local government decision-makers, businesses large and small, educators, academics and researchers, media, non-governmental organisations and lobby groups. This year, Green Week offers 27 different conference sessions, plus evening debates and films, as well as last night's



prize-giving ceremony for the prestigious European Environment Awards.

The art gallery has a display of the 50 top entries from the children's painting and photographic competition, sent in from around the world by youngsters aged between six and 16. Involving business is a major theme in 2004, with the innovative Green Stock Market attracting plenty of attention. Some 10% of Green Week participants come from the business sector, and this year there are also more speakers, an indication of the growing importance of green issues for industry and commerce.

This year, the organisers in the Commission's Environment Directorate-General are showing that "voting with money" is not just a slogan, by using green criteria to select suppliers and contractors. The hotels chosen have been selected on the basis of their environmental performance; materials are printed on chlorine-free paper; sustainable travel has been organised wherever possible; and catering and other services are all pledged to maintaining high environmental standards.

# Red carpet for Europe's environmental champions

Last night's environmental award ceremony brought a touch of Hollywood to Brussels as the winners of the coveted prizes, in four categories, took centre stage in recognition of their outstanding work in safeguarding Europe's environment and promoting green awareness.

The theatre at College Saint-Michel in Brussels was crowded for the lively European Environment Awards 2004 ceremony. Leading the show, Commissioner Margot Wallström, and Jan Leyers, a Belgian star of the music scene and TV presenter, performed very well, linked by irony and a humour-based chemistry. The pair looked like long-standing entertainers coming straight from the Oscars! They were supported by eight singers and dancers from the "Green" musical (a green-coloured remake of the famous "Grease"), that gave rhythm to the whole evening during which many

contenders from the new Member States were duly rewarded for their environmental efforts.

"This is a great opportunity to recognise and reward those who have made efforts to implement sustainable approaches in their sectors," declared Margot Wallström.

The Clean Marine Award is a brand new EU initiative, designed to encourage shipping owners and operators to reduce the harmful emissions that damage air quality and contribute to acid rain and smog. Emissions from shipping are a grow-

ing problem worldwide. A recent European Commission study estimated that by 2010, sulphur dioxide from ships in EU waters could be equivalent to 75% of the combined output from land-based sources including cars, trucks and industrial plants.

In 2002, a Commission Communication announced a new strategy to reduce airborne emissions from shipping, with the Clean Marine Award as an important incentive to ship and port operators and users. It offers recognition and positive publicity to the prizewinning pioneers that have



## Investing in the environment brings acclaim for businesses

Four outstanding European companies last night claimed their place as unrivalled pioneers in protecting the environment. They were the winners of the prestigious European Business Awards for the Environment, presented by EU Environment Commissioner Margot Wallström.



The winner, Matussière & Forest, and the nominee, Elpa, in the "products" category of the European Business Awards for the Environment.

The award-winning firms come from Hungary, France, the UK and the Netherlands. They range from the European subsidiary of a giant Japanese motor-parts supplier, to a firm working with manufacturers in India to transfer potentially life-saving water purification technology. What they all have in common is their readiness to develop and try out groundbreaking solutions to environmental problems.

Denso Manufacturing, for example, spent €50,980 last year on environmentally friendly measures. But it estimates that this far-sighted investment saved it over €139,000.

Securing a European Award brings companies international recognition that can boost sales and open up export markets. Rugby Ltd, in the UK, developed a new cement plant that

minimises waste and use of raw materials. Dr David Evans, the Environment Director, said the company was thrilled to be among the winners. "This justifies the confidence we had and the risks we took in developing the plant," he explained. "We hope the new design will influence other cement producers when they come to renew their plants."

French paper company Matussière & Forest has been committed to advancing recycling technology since the 1960s. "We shall continue implementing our sustainable development policy," promised spokeswoman Christine Guillemin. And Dutch company Nedap was equally delighted to win Europe-wide acclaim for its simple, cheap, solar-powered water purification unit. "It's great to be involved with something that is environmentally friendly and also has the potential to help so

many people in the developing world," said Tonnie Telgenhof.

The companies that came top in the four award sections were selected from among 12 final nominees which all achieved outstandingly high environmental performances. All of them earned their place in the European competition through entering and winning their national business award for the environment schemes.

### The winners: European Business Awards for the Environment

**Management Award:** Denso Manufacturing Hungary Ltd – A pioneer of sustainable development in the automotive sector.

**Product Award:** Matussière & Forest, France – 100% recycled coated paper 'V Green'.

**Process Award:** Rugby Ltd, RMC Group plc, UK – A novel technique for reducing sulphur dioxide emissions in the cement-making process.

**International Cooperation Award:** Nedap N.V., Netherlands – UV solar system 'Naijade'.

More information: <http://www.eu-environment-awards.org/>

made low-emission initiatives a priority, and helps to spread their examples of good practice across the EU. A five-strong jury chaired by Rolf Saether, former President of the Norwegian Shipowners' Association and founder of the Thor Heyerdahl International Maritime Environmental Award, selected the winners from two shortlisted nominees in each category. The winner of the operator's award, Reederei Rord Braren, from Germany, has led the way in developing criteria for environmentally friendly shipping, while the two Swedish winners have pioneered green technologies and operations.

The European Mobility Week Award rewards local authorities that make outstanding efforts to promote sustainable methods of transport in the context of European Mobility Week, which takes place every September across the EU. In 2003, 723 towns and cities participated in this fast-growing scheme. Three final nominees were selected from the 40 entries for this year's competition: Almada (Portugal), Las Palmas de Gran Canaria (Spain), and Ljubljana (Slovenia). The final winner, Ljubljana, made environment one of the key themes of the week's activities in 2003. On 22 September – a working Monday – it closed the city centre from 5h00 to midnight and encouraged people to travel in town, with-

out my car, using environmentally friendly methods of transport.

### The winners: Clean Marine Awards

**EU ship operator with low-emission operation beyond regulatory requirements:**

Reederei Rord Braren, Germany.

**EU shipper which uses low-emission ships to transport its goods:**

SCA Transforest, Sweden.

**EU authority which facilitates low-emission shipping or shore-side activity in port:**

Port of Gothenburg, Sweden.

### The winner: European Mobility Week Award

Ljubljana, Slovenia – Launch of permanent mobility measures.

### The Winners: Green Week Competition for Schools

**Drawings/Paintings 6-10 years:**

Zlata Zarova, 10, Klaipeda students self-expression centre, Lithuania.

**Photographs 11-16 years:**

Madis Tuul, 15, Viimsi Keskkool, Estonia.

More information: [http://www.europa.eu.int/comm/environment/greenweek/award\\_en.htm](http://www.europa.eu.int/comm/environment/greenweek/award_en.htm)

# Information is key

**Green Week workshops yesterday afternoon focused on the key question of involving European citizens in forming policy and taking decisions about their environment.**



“Involve to Evolve” examined recent progress towards giving people more information about the environment around them, and the obstacles that still stand in the way of transparent decision-making at both national and European level.

What are the essential characteristics of a good communications strategy? That was the theme of the workshop on “Learning from the Local Level”, which gave representatives from local and regional authorities, as well as non-governmental organisations, an opportunity to share ideas and good practice on strategies to reach the public.

The “Your Environmental Rights” session went straight to the heart of current debate on the new European Constitutional Treaty. With the EU

likely to adopt the Charter of Fundamental Rights as part of its Constitution, where do the individual's environmental rights fit into the picture? Do we need a new Charter of Environmental Rights?

## Step in the right direction

The European Union has come a long way down the road towards involving people in vital decisions about their environment, but there is still plenty of room for improvement.

Yesterday afternoon's “Involve to Evolve” workshop concluded that opening decision-making to more scrutiny and accountability, and better implementation of European legisla-

tion, are among the priorities for giving EU citizens more responsibility for and control over their environment.

Workshop moderator Willem Kakebeeke, from the Netherlands, who chaired negotiations on the 1998 Aarhus Convention on access to information and justice on environmental matters, outlined not only its achievements but also the issues left unresolved. The Convention, signed by all the EU-15 Member States, has been ratified by only five of them.

“Even those are not applying it properly,” claimed Maria Sanchez Miguel, a member of the European Economic and Social Committee, from Spain. She suggested the measure should be widened to give access not only to organisations active on green issues, but also those working to promote sustainable development in a broader context, such as trade unions.

## Expert advice

Vassilis Dorovinis, an environmental lawyer from Greece, drew attention to the cost of getting the expert advice needed to mount a successful legal challenge. Without an institutional framework for consultation, is only too easy for environmental considerations to get swept aside in the rush to complete major public infrastructure projects, he said, picking out the topical example of building for the forthcoming Olympic Games in Athens. The European Union itself does not always set a good example, argued Jos Dings, Director of an NGO for sustainable transport. “The way it took the decision to extend Trans-European Transport Networks does not deserve any prizes for transparency.” And he warned of the dangers of delegating crucial decisions to high-level technical working groups operating behind closed doors.

Without opportunities to influence decisions, citizens would take direct action, warned Jacques Pasquier, a member of globalisation activist José Bové's Confédération Paysanne. In

France, people were fined and imprisoned for destroying GMO crops and seedbanks. “But it was this civil disobedience that led to a rethink about the use of GMOs,” he added.

## A question of rights

“The law should recognise every individual's right to a clean and healthy environment,” insisted Ms Maguelonne Dejeant-Pons, from the Council of Europe, who opened the workshop on environmental rights. She went on to explain that for over 34 years, individuals and organisations have relied on the European Convention on Human rights to enforce environmental rights through the courts. Yet this Convention, which dates back to the Second World War, does not mention environmental rights, an omission which should now be remedied.

Individuals have used the Convention's right to privacy, family life and the home, as well as the right to life, to take up cases that affect their environment. And there have been success stories. Emissions from a waste disposal plant in Spain and the noise from night flights at Heathrow airport are two such examples cited by Ms Eva Brems, a professor at Belgium's University of Ghent. However, she said that these cases also show the limits of trying to enforce environmental rights using the European Convention.

## Community rules

Mr Valerio Onida, a judge at the Italian Constitutional Court, took a different line, arguing that it is the environment that has rights vis-à-vis the individual, not the other way round. For example, environmental protection limits how we use our land. The right to environmental protection, he concluded, belongs to the community as a whole rather than to individuals. The best way to protect it is through stronger environmental laws.

But all the speakers agreed that the right to know and be consulted about what is happening to the environment is crucial – which chemicals are being used, who is using them and in what products or processes ...

Mr Ludwig Kramer, from the European Commission, said this right is recognised in European law but in practice it is often bypassed, with only lip-service being paid to it. For example, it does not apply to nuclear issues or GMO crops.

There is only sufficient information on 3% of the chemicals being used, warned another speaker from the Commission, Ms Yvon Slingenbergh, who admitted that public authorities often lack the information they need to monitor the environment. It is a matter of balancing the interests of the public to know and of manufac-

turers to keep their commercial processes secret.

At the end of the day, all speakers urged individuals to stay vigilant, questioning and challenging the authorities that have been entrusted with looking after the environment.

## Effective communication speaks volumes

While sound environmental strategies and legislation are clearly essential, motivating public opinion is often the most immediate means of turning ideas into actions.

Because local authorities and organisations are closest to individual citizens, it is they who must bear most of the responsibility for educating the public in matters relevant to them – as well as proposing relevant solutions, providing the tools to implement them, and promoting interaction between the various stakeholders.

At the same time, feedback on best practices developed at the local level can be extremely valuable in identifying potential barriers and shaping the further development of policies at EU level. And all of this depends upon effective communications.

In a keynote address to this workshop, Prudencio Perera, Director, DG Environment, noted that in the public's mind environmental concerns currently rank below those relating to physical threat, health, unemployment, poverty and drugs. Yet, he pointed out, catastrophes such as food safety scares and conditions such as allergy and asthma originate mainly from environmental causes. Citizens must be aware, he said, that taking no environmental action can have huge costs.

## Sending the message

TV, radio and the press were the key media in the 20th century, while the internet will become increasingly important in the 21st century. Public bodies must become well versed in their use to create platforms at a local level that will persuade citizens to alter their habits. This requires creativity in promoting the positive benefits of, for example, disease reduction and personal security, rather than focusing on the negative aspects of environmental threat. Panel contributors also described several imaginative campaigns whereby approaching individuals and commercial organisations on a personal basis has proved an excellent way of triggering behavioural change.

The Commission is now in the course of preparing thematic strategies on sustainable resource management, and waste and recycling. By communicating their challenges, methods and results, the local authorities can have a powerful influence on the environmental future of the EU as a whole.

## A youthful perspective on Europe's birds



Zlata Zarova, 10, Lithuania. Winner of the Drawings/Paintings category of the Green Week Competition for Schools.

The children's awards are by now a well-established and appreciated part of Green Week. This time, the competition focused on birds, to coincide with the 25th anniversary of the Birds Directive, inviting children and young people to send in paintings, drawings and photographs of the birdlife around them.

Winners were invited to Brussels to receive their awards in person from Margot Wallström who describes children as “ambassadors for the environment” – especially sensitive to the natural world around them. The European Commission received over 5,700 entries this year. Both the prizewinners are from new Member States in the Baltics: an optimistic reminder of how enlargement has increased the EU's natural resources and wildlife habitats.

# Striking the right balance

Today, the focus at Green Week will be on the economic effects of environmental policy, under the main title "From an economic environment to an environmental economy".

It is often widely assumed that environmental policy has a detrimental effect on companies' economic performance and therefore acts as a 'burden' on the economy as a whole. While some firms have been very far-sighted in their application of the philosophy of sustainable development to their businesses, the prejudice persists among many company bosses that worrying about the environmental impact of their activities is an additional cost to be avoided.

However, recent analysis of the effects of environmental awareness have highlighted the benefits of this approach and put the disadvantages into a clearer perspective. For example, there are cases where companies have re-examined their production processes to assess the impact of pollution and have found ways to reduce their emissions and cut costs at the same time. Companies which develop new solutions to environmental problems stemming from manufacturing processes often gain a market advantage over their competitors. The development of innovative technologies to deal with environmental problems also creates new

opportunities for firms and sectors to develop, new employment possibilities and boosts overall economic performance rather than reducing competitiveness, as is often feared.

## Business rewards sustainability

In addition, sustainably managed companies are less wasteful, more innovative and attract skilled staff more readily. "Investments in sustainable development are as beneficial to the companies themselves as to society as a whole," says Professor Yvonne Scannell of the EU's European Business Awards for the Environment. The winners of these awards, which recognise special achievement in terms of sustainable development in management, products, processes as well as for international cooperation, were announced at a special ceremony yesterday.

But it is not simply a case of incentives to encourage companies to take the environment more seriously. Often firms cannot afford to ignore the environmental impact of their business practices. Financial institutions and fund managers have come

to realise that the performance of companies can be drastically affected by their effect on the environment. They prefer to invest in firms with good track records, knowing that public reaction to incidents of pollution or the plundering of natural resources is just as high a risk factor as bad financial management. There has been a massive growth in so-called ethical funds which only invest in firms with a verifiable commitment to high social and environmental standards in their businesses (see below). Some estimates put the value of this market at over €3,000 billion.

Moreover, improving a company's 'green' image can significantly boost its reputation among the general public, making it easier to attract investment and recruit and retain skilled staff. Research confirms that in the modern market place a firm's value is determined just as much by intangible assets, such as brand recognition and reputations, as it is by fixed property, like plant and equipment.

## Topping the agenda

Green Week will look at all these issues today and see how greater



environmental awareness by businesses is good for the economy. In the morning, there will be a debate entitled "Two sides of the coin", focusing on integrating environmental concerns into economic policies and vice versa, with the Commission's Director-General for Environment, Catherine Day, and Bjorn Stigson of the World Business Council for Sustainable Development, among others.

At the same time, there will be a session called "Eco business: a billion euro market" which will demonstrate how the environment can open up

important market opportunities. "Vote with money" will analyse whether 'green branding' has an influence on private and public purchasing, and will include a look at the different eco-labelling schemes. Other sessions will focus on the growing importance of sustainability criteria in investment decision-making, the use of natural resources, and green advertising. In the evening, there will be a special "Green Talk" event where a journalist will put tough questions to Steve Howard, the head of the UK Climate Group which represents those businesses taking the lead in tackling climate change.

## Money well spent on social responsibility

Putting money into socially responsible investment (SRI) funds – i.e. funds which have specific social or environmental criteria – has become enormously popular over the last decade.

According to research by the Lessius Hogeschool in Antwerp, the value of 'ethical' funds worldwide stood at over €3,000 billion in 2001. The US is still the world's market leader in socially responsible funds, accounting for over €2,500 billion, while European funds make up €390 billion. While these funds have grown in popularity and importance, there are still

concerns among financial institutions and other investors that such investments offer lower returns than general funds, or represent a higher risk. Investors tend to think that by limiting the range of firms a fund can buy shares in reduces the number of opportunities, thereby lowering the return and increasing the risk.

But academic research has shown that these funds tend to offer the same or even slightly better levels of return than those schemes without ethical or social objectives. For example, between 1999 and 2001, the Lessius Hogeschool studied the relationship between risk and return in ethical investment funds on behalf of four major Belgian financial institutions (Fortis, KBC, Mercator Bank and Dexia). The research revealed that there was no sustainable difference in the returns or the downside risk between sustainable and non-sustainable investment funds. The Hogeschool uses a stock market simulation system which has been set up at Green Week so that participants can try their hands at playing the market 'virtually'.

## Well worth the risk

Likewise, a study carried out in 2002 by Avanzi SRI research, a research and consultancy centre set up for the design of innovative tools for environmental, economic and social sustainability, found similar results. The centre looked at existing academic research into the performance of socially responsible funds which "demonstrated the absence of significant differences in the long-term performance/risk features of SRI products". It concluded that "historically, performances have been very close and often higher than the comparative financial benchmarks". The research also highlighted the fact that the range of socially responsible funds currently available in Europe should be able to satisfy each potential investor's personal risk/return preferences.

One theory for the strong performance of ethical funds is that by focusing on the gathering of ethical, social and environmental information about a company, the investor has an advantage over other investors and is therefore able to beat the market.

## Virtual success – your chance to 'invest'



During Green Week, visitors will have a chance to share the trials and tribulations of investing in sustainable companies. Located on the ground floor of the Commission's Charlemagne Building, the green stock market is a virtual market which will allow participants to buy and sell shares in sustainable and non-sustainable companies. Although the money is virtual and the companies are fictitious the market will also respond realistically to fictitious news messages released during the week. Stocks can be bought and sold throughout Green Week during coffee and lunch breaks. The objective of the virtual stock market will be to demonstrate that stocks of sustainable companies can provide the same or even better returns than investments in non-sustainable stocks.

The market uses the Xycoon exchange, a stock market simulation system developed by Patrick Wessa of the Lessius Hogeschool in Antwerp to train stock market traders to use modern statistical simulation techniques.

### Editorial information

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