

# **Confindustria for Sustainability**

# Charter of Environmental Sustainability Principles

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**Practical Guide** 

January 2012

#### **PREFACE**

Sustainable development and the green economy are the great challenges that our society and our business system have to face in their aim to increase industrial competitiveness and contribute to the growth and the welfare of our Country.

Companies, institutions and the civil society need to cooperate to build a new economic model based on the respect for the environment and attention to the scarcity of resources. These objectives could be achieved by adopting and sharing sustainability principles, and by spreading clean technologies and promoting informed consumption behaviors.

Italian companies are committed to this course of action: they already cooperate actively with institutions, local communities and trade partners and they have implemented policies and measures to control their own environmental impact, make an efficient use of resources, design eco-friendly products and reduce waste.

By following this path, the industrial system will profit from new development opportunities while gaining a competitive advantage at international level and managing to turn the economic crisis into a growth opportunity.

However, the efforts undertaken by industry must be accompanied and supported by a predictable and reliable regulatory framework, which will allow to develop practical solutions and plan long-term investments.

The Charter of Environmental Sustainability Principles and the Practical Guide aim to reaffirm Confindustria's commitment in this field and stimulate member companies towards the continuous improvement of their activities.

Emma Marcegaglia

#### INTRODUCTION

Confindustria Charter of Environmental Sustainability Principles provides a milestone for member companies and associations to assess their progress in their path towards sustainable development.

However, the drafting of the Charter is only a first step in this direction as the Sustainable Development Commission of Confindustria believes that especially small sized companies need to be further supported in reaching these objectives.

This is why we have decided to draft a Guide as a user-friendly tool for managers and their teams. The Guide can be used by companies for different purposes: (a) as a tool for assessing their company profile and state of play with regard to sustainable development criteria; (b) as a pool of actions to be undertaken; (c) as a dynamic tool to assess the progress of the different actions undertaken by the company.

The Guide gathers the experiences of several members of the Commission who have worked in the most advanced companies and associations as experts on quality, environment and safety. I wish to thank them for having joined us in this bottom-up exercise which will be of great use to our companies and to our association. I wish to thank them for having spent their efforts on this knowledge transfer throughout these months.

In our work, which has led to the drafting of the Charter and the Guide, we have always been driven by the belief that the widest participation from Italian companies and entrepreneurs in the challenge towards sustainable development will contribute to make our economy more technologically advanced and competitive, and our Country a better place to live in.

Aldo Fumagalli Romario

Chairman Sustainable Development Commission

### **Charter of Environmental Sustainability Principles**

Companies are called to operate in an increasingly globalised market. As they grow, they are faced with the internationalisation of the economy, which they strongly support.

In their path towards development and economic growth, companies pursue a strategy for generating wealth, while ensuring the combination of competitiveness, environmental sustainability and social responsibility, as crucial criteria for success and core elements of a genuine enterprise culture.

Companies are aware that the protection of the natural and social environment is a primary community interest. Therefore, their aim is to achieve development goals while improving their environmental performance.

Environmental sustainability is one of the pillars of development. It should be pursued through a synergy between the industrial system, the institutions and the social partners, with the aim to promote a shared pro-active and responsible commitment, which will drive a virtuous cycle of "mutual emulation".

In this effort, companies hope to be increasingly supported by a smooth and consistent regulatory framework which will be clear and enforceable both at national and international level, to respond quickly and effectively to emerging challenges and opportunities. For this purpose, promoting rewarding instruments for voluntary initiatives is useful.

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In line with the above principles, Confindustria has decided to adopt a Charter of Environmental Sustainability Principles. The Charter is meant as a signpost to direct member companies and has taken stock of their differences in size and in the activities they conduct. The Charter sets out shared principles and indicates the actions needed for a uniform and gradual progress towards greater environmental sustainability by outlining realistic and achievable goals for Italian companies.

Therefore, member companies and organizations that voluntarily adhere to the Charter commit themselves to integrate these principles and commitments in their activity and their growth paths.

## 10 "Principles" for 10 "Commitments"

## 1. "Achievement of short, medium and long term environmental sustainability objectives

Set environmental protection as an integral part of company activity and growth path.

#### 2. "Adoption of a precautionary approach"

Assess the impact of activities, products and services to manage the environmental aspects according to a preventive approach and promote the use of best available technologies.

#### 3. "Efficient use of natural resources"

Promote the efficient use of natural resources, with particular attention to the rational management of water and energy resources.

#### 4. "Control and Reduction of environmental impacts"

Control and, where possible, reduce emissions into air, water and soil; achieve further reductions of waste production and more efficient waste management by privileging recovery and reuse against disposal; take steps to limit the effects of industrial activities on climate change; promote the protection of biodiversity and ecosystems.

#### 5. "The central role of innovative technologies"

Invest in research, development and innovation to develop processes, products and services which have increasingly reduced environmental impacts.

#### 6. "Responsible product management "

Promote responsible management of products or services throughout the entire life cycle to improve performance and reduce environmental impact, including information to customers on product "end-life" management.

#### 7. "Responsible management of the supply chain"

Promote the preservation of the environment in the management of the supply chain by involving suppliers, customers and stakeholders as primary actors in their own sustainability policy.

#### 8. "Awareness and training"

Promote activities of information, awareness and training to involve the company and its organisation in implementing their own environmental policy.

#### 9. "Transparency in relations with stakeholders"

Foster relationships with stakeholders based on transparency to promote a shared approach in environmental policies.

#### 10. "Consistency with international activities"

Act consistently with the principles endorsed in this Charter in all the Countries where the company carries out its activities.

#### **Practical Guide for Companies and Associations**

This document is a Practical Guide for the implementation of the Environmental Sustainability Principles contained in Confindustria's Charter. It is a tool providing guidance and support to all businesses and business associations that voluntarily adhere to the Charter. The Guide enables a company to "self-assess" with regard to its own environmental sustainability performance. For each principle and commitment it provides tools and actions that can be integrated in the company activity, according to type of activity and business size. In particular, the left column suggests a few practical actions for each of the ten values, while the right column shows examples of activities and tools for their implementation. For self-assessment, it is not necessary that the proposed instruments are implement, altogether; what is needed is consistency between the company activity and the actions outlined in the left column.









Evaluation Criteria: <sup>100</sup> not yet implemented, <sup>100</sup> in the pipeline, <sup>100</sup> launched, <sup>100</sup> Operating at full capacity/irrelevant for the company

	10 "Values" for 10 "Commitments"	Self-evaluatio	n Notes & possible actions/tools
1.	Achievement of short, medium and long term environmental sustainability objectives		
a.	Adoption of an environmental policy targeted to the company size and activities and focused on continuous improvement of environmental performance and pollution prevention	© ⊚ ⊚ े	signed by top management     shared with all staff     shared with all stakeholders     periodically assessed

		8	assessment of the different stages of the production process according			
		<del></del>	to qualitative and quantitative environmental inputs and outputs with specific regard to:			
b.	Knowledge of interactions between business activities and environmental impacts	<u> </u>	<ul> <li>raw materials supply</li> <li>natural resources consumption</li> </ul>			
	and environmental impacts	<b>&amp;</b>	<ul> <li>air emissions</li> <li>water discharges</li> <li>waste production and management</li> <li>soil use</li> <li>noise emissions, vibrations and electromagnetic fields</li> </ul>			
c.	Identification of areas for priority actions and of measurable targets for the improvement of the environmental performance	<b>७</b> <b>७</b>	<ul> <li>identification of improvement targets to be achieved within a planned timeline (for each thematic area)</li> <li>identification of areas for priority actions to fill the gap between objectives and state of play</li> </ul>			
d.	Planning of activities to achieve environmental management targets	© ⊚ ⊗	<ul> <li>identification of resources and means that are needed</li> <li>consistency of the improvement plan with the company budget</li> <li>time planning</li> </ul>			
e.	Regular review and updating of environmental management targets	<u> </u>	in addition to monitoring progress towards the achievement of the targets, the review should assess the effectiveness of the measures			

Self-evaluation

10 "Values" for 10 "Commitments"

Notes & possible actions/tools

	10 "Values" for 10 "Commitments"	Self-evalu	ation	Notes & possible actions/tools		
		<del></del>		undertaken		
		9				
		0				
2.	Adoption of a precautionary approach					
		<u> </u>				
a.	Knowledge of local environmental conditions	<del></del>		knowledge of specific local critical areas		
		<u> </u>		<ul> <li>setting up communication with stakeholders</li> </ul>		
		0				
	Assessment of potential environmental impacts during the design stage of new products and processes or of their modifications	9		regulatory constraints		
b.		<del></del>		<ul> <li>economic sustainability</li> <li>sustainability goals adopted</li> </ul>		
		9		<ul><li>impact extent</li><li>availability of technological and management solutions</li></ul>		
		0				
C.	Use of environmental indicators aimed at ensuring the most accurate knowledge of company environmental performance development	<b>8</b>		Indicators are tools used to monitor the environmental performance of production process, as well as to check the effectiveness of actions undertaken towards sustainability goals. These indicators, developed		

	10 "Values" for 10 "Commitments"	Self-evaluation	Notes & possible actions/tools
	•		
		<del></del>	on the basis of a parameter which is not influenced by production spikes or downturns (e.g, per unit of product or raw material use), may cover the following environmental aspects:  • water consumption and recycling where possible
		<b>e</b>	<ul> <li>energy consumption</li> <li>amount of renewable energy used</li> <li>amount of energy saved</li> <li>amount of raw materials used</li> </ul>
		<b>&amp;</b>	<ul> <li>use of recycled or recovered materials</li> <li>amount of emissions into the atmosphere</li> <li>amount of water emissions</li> <li>waste production</li> <li>percentage of waste recycled / recovered / prepared for reuse</li> </ul>
d.	Adoption of voluntary environmental management tools, such as:		
		<b>8</b>	
	■ UNI EN ISO 14001: 2004 - «Environmental management	<del>*************************************</del>	
	systems»	<u></u>	
		<b>&amp;</b>	
	<ul> <li>Regulation (EC) n. 1221/2009 – EMAS - «Eco-Management and Audit Scheme»</li> </ul>	9	
		<del>***</del>	
		<u></u>	

10 "Values" for 10 "Commitments"	Self-evaluation	Notes & possible actions/tools
	8	
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■ UNI ISO 14064:2006 – «Greenhouse gas»	<del></del>	
- UNI ISO 14004.2000 – «Greenhouse gas»	<u></u>	
	8	
<ul> <li>UNI CEI EN 16001:2009 or ISO 50001 – «Energy management system»</li> </ul>	8	
	, 😊	
	<u> </u>	
	<b>&amp;</b>	
	8	
<ul> <li>Regulation (EC) n. 66/2010 – Ecolabel – European Label fo</li> </ul>	r 😁	
high quality eco-friendly products	<u> </u>	
	<b>&amp;</b>	
<ul> <li>UNI ISO 14025:2006 – Environmental labels and declarations</li> <li>Type III environmental declarations</li> </ul>	S	

	10 "Values" for 10 "Commitments"	Self-evalua	ation	Notes & possible actions/tools
		<del></del>		
		<b>e</b>		
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		8		
	■ SA 8000 or UNI ISO 26000:2010 – Social Responsibility	<del></del>		
		<b>e</b>		
		<b>&gt;</b>		
	<ul> <li>Any other voluntary program (Life Cycle Assessment, Environmental Product Declaration, Global Compact, Responsible Care, FSC – Forest Stewardship Council, etc.)</li> </ul>	3		
		<del></del>		
		9		
		0		
e.	Appointment of one/more dedicated members of the staff responsible for environmental management	8		environmental manager /environmental management operator
		<del>9</del>		<ul> <li>energy manager/ energy operator</li> <li>appointment of a team responsible for environmental and</li> </ul>
		<b>9</b>		<ul> <li>energy management</li> <li>assignment of specific environmental tasks or targets (e.g.</li> </ul>

	10 "Values" for 10 "Commitments"	Self-evaluation	Notes & possible actions/tools
3.	Efficient use of natural resources	<b>&amp;</b>	reduction of consumption, more efficient waste management etc.) to other operational staff members  delegate responsibilities and authority on Environment and Energy Management
a.	Progressive reduction of the amount of raw materials used in the production process	<b>◎ ◎ ◎ ○</b>	<ul> <li>design products with low raw materials and energy content and with low presence of hazardous substances</li> <li>design product (shape, thickness, components) with reduced use of materials</li> <li>reduction of waste generated as a consequence of inaccurate assessment of purchase volumes and deterioration of old batches</li> </ul>
b.	Use of recycled/recovered materials and by-products	<b>3</b>	<ul> <li>when choosing raw materials, evaluate content of recycled material</li> <li>re-use of waste in the production process</li> <li>use of by-products resulting from other production processes</li> <li>installation of equipment and set up of operations for waste processing</li> </ul>
C.	Efficient use of water resources	<b>⊗</b>	<ul> <li>monitoring consumption and efficient use of water in the production process</li> <li>industrial water recycling systems</li> <li>recovery and use of rainwater</li> </ul>

	10 "Values" for 10 "Commitments"	Self-evaluation	Notes & possible actions/tools
		8	
		8	energy analysis, mapping of consumption, energy audit
d.	Efficient use of energy	<del></del>	<ul> <li>protocols for production processes and auxiliary services</li> <li>systems aimed at increasing the efficiency of air conditioning and heating</li> <li>design of product and production lines according to energy use</li> </ul>
		<b>e</b>	<ul> <li>measures to increase the efficiency in ventilation systems</li> <li>use of energy efficient lighting</li> <li>use of energy saving measures in buildings (walls and roofs insulation, replacing windows with elements of low</li> </ul>
		<b>&amp;</b>	transmittance, low thermal systems, etc)
	Improve efficiency of plant production	<b>8</b>	
e.		<del></del>	<ul> <li>adoption of more efficient components and/or processes</li> <li>reducing consumption of auxiliary services</li> </ul>
		9	conversion and upgrading
		0	

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4.	Control and Reduction of environmental impacts	d Reduction of environmental impacts	
a	Definition of measures for the containment and reduction of emissions into the atmosphere		monitoring of emissions     systems to reduce pollutants
b.	Elaboration of measures for containment and progressive reduction of emissions into water	· ·	<ul> <li>measures to reduce pollutants in water discharges</li> <li>monitoring of water discharges</li> <li>purification plants and operating procedures</li> </ul>
c.	Adoption of measures for efficient waste management	measures for efficient waste management	adoption of measures to reduce waste volume and its content of hazardous substances     efficient use of disposed packaging materials     increase of percentage of waste set for reuse, recycle or recovery     selection of waste disposal facilities with low environmental impact as an alternative to landfill disposal

Self-evaluation

10 "Values" for 10 "Commitments"

Notes & possible actions/tools

	10 "Values" for 10 "Commitments"	Self-evaluation	Notes & possible actions/tools			
d.	Adoption of measures to reduce noise pollution	© ©	<ul> <li>monitoring of noise emissions</li> <li>systems for reducing noise emissions</li> <li>purchase of machinery and equipment with a lower noise impact</li> </ul>			
e.	Adoption of measures aimed at containing impacts on biodiversity	<b>⊘ ◎ ◎ ○ ○</b>	<ul> <li>implementation of biodiversity mapping systems and impact assessment at operational site</li> <li>implementation of specific measures e.g. protection of habitats of endangered species, protection of biologically-important water resources, limitation of pollutants in waste water into sea/river, forests protection through afforestation/reforestation)</li> </ul>			
f.	Visual impact mitigation in facilities and infrastructure	© ©	<ul> <li>adoption of design solutions to reduce impacts on landscape (i.e. shapes, colors and materials) for new or refurbished facilities and infrastructure</li> <li>tree planting</li> <li>mitigation measure through barriers designed by using landscape engineering criteria</li> </ul>			
5.	The central role of innovative technologies					

	10 "Values" for 10 "Commitments"	Self-evaluation	Notes & possible actions/tools
	Investments in innovation processes	29	
a.		<del></del>	eco factory- production processes targeted to reduce environmental impact
		<u></u>	participation in research projects and development
		8	
	Investments in product innovation	8	improvement of environmental and energy aspects of raw
b.		<del></del>	materials • eco design -product lines made in accordance with
		9	environmental sustainability criteria  • development of multifunctional products or products with
		8	integrated functions
	Investment and research solutions aimed at using renewable energy sources	2	
c.		<del>***</del>	research, design, production in the areas of production plants from renewable sources (i.e. hydro, solar photovoltaic, solar
		<b>e</b>	thermal, geothermal, wind, biomass), multi-generation systems, electric mobility
		8	
d.	Investments aimed at increasing energy efficiency	2	<ul> <li>use of more efficient components and/or processes</li> <li>loss reduction</li> </ul>

	10 "Values" for 10 "Commitments"	Self-evaluation	Notes & possible actions/tools			
L						
		<del>©</del>	<ul> <li>power factor correction/ inverter /timer/automatic shut-off of utilities</li> <li>smart/twilight lighting systems</li> <li>implementation of sustainable mobility projects/car sharing</li> </ul>			
		<b>e</b>	<ul> <li>replacement of electric motors with high efficiency motors</li> <li>high-efficiency cogeneration systems, regeneration systems</li> <li>insulation and reduction of heat loss through thermal imaging</li> <li>measures to promote energy efficiency in end uses</li> </ul>			
		<b>&amp;</b>	• measures to promote energy emidency in end uses			
		8				
e.	Research and development of technologies and processes aimed at reducing the use of hazardous substances and increasing the use of substitutes	<del>*************************************</del>	<ul> <li>use of systems to map hazardous substances</li> <li>application of sector Best Available Techniques (BAT) to limit</li> </ul>			
		9	the use of hazardous substances			
		<b>&amp;</b>				
6.	Responsible product management					
a.	Analysis of environmental aspects related to the different stages of the product lifecycle	<b>⊗</b>	<ul> <li>use of renewable and recyclable materials</li> <li>during product design, attention to requirements of durability, serviceability, interchangeability, standardization, etc.</li> <li>accompany product with information on proper use and</li> </ul>			
		9	disposal  product energy efficiency			

	10 "Values" for 10 "Commitments"	Self-evaluation	Notes & possible actions/tools
		8	
7.	Responsible management of the supply chain		
	Use of environmental performance criteria for the selection of suppliers of products and services	2	<ul> <li>qualifying suppliers on the basis of environmental criteria (i.e.</li> </ul>
		<del></del>	suppliers who have adopted a voluntary Environmental Management scheme)
a.		9	<ul> <li>sharing company environmental policy and the Charter of Principles with the suppliers</li> <li>buying sustainable products and services (Green</li> </ul>
		8	Procurement)
	Use of distance communication tools to reduce travel	<u>@</u>	
b.		<del>9</del>	<ul><li>video conference</li><li>distance learning</li></ul>
		9	<ul> <li>adoption of tele-working systems and customer supplier interaction (e.g. areas ftp,etc)</li> </ul>
		0	
C.	Adoption of criteria for efficient road transport	<u></u>	
		<del>©</del>	<ul> <li>route redrafting</li> <li>load efficiency and vehicle overload</li> </ul>
		9	<ul> <li>use of intermodal solutions</li> <li>use of vehicles with improved environmental performance</li> </ul>
		8	

	10 "Values" for 10 "Commitments"	Self-evaluation	Notes & possible actions/tools
8.	Awareness and training		
	Awareness initiatives to involve staff in reaching environmental sustainability goals	<u>⊗</u>	<ul> <li>meetings and other internal communication tools (e.g. Intranet)</li> <li>posting and spreading of information material</li> <li>targeted initiatives (theme days, awards, etc)</li> </ul>
a.		9	
		8	
	Implementation of training courses	80	<ul> <li>mapping of needs and centralization/rationalization of training programs</li> <li>company Intranet accompanied by thematic sessions</li> <li>tools to assess effectiveness of training programs</li> <li>staff training for key environmental management positions newly recruited staff and when redefining tasks</li> <li>information and training activities for contractors</li> </ul>
b.		<del>©</del>	
		<u></u>	
		8	
9.	Transparency in relations with stakeholders		

	10 "Values" for 10 "Commitments"	Self-evaluation	Notes & possible actions/tools
a.	Communication and promotion activities on company environmental sustainability policies and actions	8	<ul> <li>drafting of environmental reports, environmental statements, sustainability budgets</li> <li>advertising</li> <li>organisation of free guided visits to the site</li> <li>environmental education activities on the territory</li> </ul>
		<del></del>	
		9	
		8	
	Initiatives to strengthen common commitments and share experiences and skills for companies belonging to the same sector	<u></u>	<ul> <li>participation in regional or sectoral working groups</li> <li>promotion of "Green Business Networks"</li> </ul>
b.		<del></del>	
		<u> </u>	
		8	
10.	Consistency with international activities		
	Investing in environmental projects in third countries	2	<ul> <li>participation in projects aimed at mitigating climate change</li> </ul>
a.		<del>©</del>	
и. 		<b>9</b>	(e.g. CDM and JI)
		8	
b.	Transfer of technology and know-how in the environmental field	2	participation in events to update on process and product

	10 "Values" for 10 "Commitments"	Self-evaluation		Notes & possible actions/tools			
		<del></del>	<del></del>	<ul><li>innovation</li><li>participation in and/or support to development projects related</li></ul>			
		8		to environmental issues <ul><li>agreements with universities or other research centers,</li></ul>			
		0		<ul> <li>organisation of initiatives on environmental innovation</li> <li>participation in public-private cooperation programs sponsored by governmental/ministerial institutions</li> </ul>			
	Share skills and objectives with local suppliers and business partners	8		<ul> <li>development of sector projects for environmental product</li> </ul>			
		<del>00</del>					
C.		9		innovation			
		0					