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Application Summary

ID Number: P.052

Project: Partnership for Wetlands Conservation

Contact: Ms. Sarah R. Opperman
Dow Chemical Company
2020 Willard H. Dow Center
Midland, MI 48674-

Telephone:
(517) 636-5832

Summary: The Partnership for Wetlands Conservation is a public/private partnership supporting the North American Wetlands Conservation Act. It commits conservation expertise and \$6 million to preserve endangered wetlands acres. Dow employee volunteers also coordinate habitat projects on and near Dow property.

NOTE: Some technical evaluators provided written opinions, based on their view of the criteria. The following is included for your background only.

Comments: Effective partnership to prevent loss of biodiversity. Protection, restoration or enhancement of 10,00 acres of wetlands has helped conserve America's rich biological heritage. Commitment of partners to preservation of biodiversity is evident from amount of funds invested (\$3.2 million). Moreover, there has been active participation by all partners to ensure the sustainability of effort.

P.052

#5. Partnership for Wetlands Conservation

For more than 20 years, Dow employees have been developing and implementing conservation projects on and near company property. This grassroots dedication led the company to forge an innovative public/private partnership.

Comprised of Dow and three premier conservation organizations: Ducks Unlimited, Inc., The Nature Conservancy and the National Fish and Wildlife Foundation, the objective is to preserve and protect North America's endangered wetlands. Specifically, the Partnership for Wetlands Conservation was formed to provide tangible support for the North American Wetlands Conservation Act, passed in December 1989.

Now in its third year, the partnership is making wetlands acquisition and restoration projects a reality throughout North America. Dow's commitment of \$3 million over a four-year period, of which \$2.5 million is directed to help implement the North American Waterfowl Management Plan (NAWMP), making it the largest corporate financial donation to this effort. It also triggers matching funds from the Foundation, which in turn is enlarged by other NAWMP partners, such as Ducks Unlimited and The Conservancy.

Since 1990, \$3.2 million has been earmarked (\$1.6 by Dow with matching grants by the NFWF) and expertise dedicated (primarily by Ducks Unlimited and The Conservancy) to support (#?) diverse projects. These include the Hillman Marsh in Ontario, Canada; the ACE Basin in South Carolina; Peach Point in Texas; the Mandalay Marsh in Louisiana; the Parrott Ranch in California and the Delhomme Reserve in Texas. In all, the partnership is providing funds and conservation expertise to protect and enhance more than 10,000 acres of North America's critical wetland habitats.

The Conservancy estimates that more than 70 percent of our country's most threatened and endangered species depend on some kind of wetlands ecosystem. This stewardship project stretches beyond immediate results to benefit future generations of wildlife and humans alike.

Conservation is more than contributing funds; it means participating, too. Dow employee volunteers have established committees that develop local wildlife habitat conservation projects. With encouragement and financial support from Dow, they establish partnerships with community environmental and civic organizations. Beyond the \$2.5 million, Dow has earmarked \$500,000 of the grant for habitat projects on or near Dow property. Four of these projects have been officially certified by the Wildlife Habitat Enhancement Council, a 1991 honoree. This hands-on involvement is a highly effective conservation education tool. It also improves employee-management relations.

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#6. Answer the following questions for Partnership (A)

1. Who are the partnership's members? What are their roles? What resources do they bring to the partnership?

Members include The Dow Chemical Company, Ducks Unlimited, Inc., The Nature Conservancy and the National Fish and Wildlife Federation. All four members of the partnership serve on a committee to solicit project ideas and designate funding and management oversight. Dow is donating \$3 million, the Foundation has committed matching grants. Ducks Unlimited and The Conservancy are largely responsible for implementing wetlands projects.

2. What are the partnership's specific environmental or conservation objectives? Has a sustainable plan of concerted action for meeting these needs been established?

The partnership's objective is to provide tangible support of the North American Wetlands Conservation Act, passed in 1989, which seeks support through the North American Waterfowl Management Plan. A plan was established and initiated in May 1990 and is being implemented on schedule. A committee comprised of the four partners meets regularly to develop plans for the next stage and to assure long-term protection and enhancement of wetlands. Beyond the actual projects, related educational opportunities are increasing awareness among broad groups -- ranging from communities to employees to school children -- of the need for, and plight of, our endangered wetlands.

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3. How is the partnership distinctive or innovative? What obstacles, environmental or otherwise, does it overcome?

This partnership links Dow with highly effective premier conservation organizations to preserve and protect critical wetlands throughout North America. These respected groups have organized their individual strengths -- including financial support and conservation expertise -- to address a well-defined and vital environmental issue. Beyond this North American program, local partnerships have developed with Dow employee volunteers and the community conservation and civic organizations. The project is a model for the popular term: "Think globally, act locally".

○

4. What measurable environmental or conservation benefits has the partnership produced?

More than 10,000 acres of wetlands have been protected, restored or enhanced since the partnership was formed in May 1990. Projects cover key wetlands zones throughout North America, from Ontario, Canada to California. Just as important is the educational process underway as a result of increased awareness in these projects, and the commitment of community partnerships -- some founded by Dow employees -- to restore and enhance wildlife habitats locally.

5. What aspects of the partnership can be modeled by others and transferred to other settings?

This partnership epitomizes the extensive benefits of a public/private cooperative venture. The key to success is establishing common goals and pooling resources to make a more significant impact than if one partner acted alone. The partnership meets regularly to discuss and agree on annual agendas, and in so doing establishes a strong working relationship which not only benefits wetlands, but creates new opportunities for joint projects.

Application Form-1992

Please read the application form carefully and provide all information requested. Please type or print clearly. Supplementary pages should follow the format of this form as closely as possible. Incomplete applications will not be considered.

1. Select the Award category for which you are competing:
(Note: A program may be entered in only one category. See descriptions of categories in Question 6.)

- (01) Partnership
- (02) Environmental Quality Management
- (03) Innovation
- (04) Education and Communication

2. Name of the project or program described in this application:
Partnership for Wetlands Conservation

3. Name of Award Applicant(s): (Use separate sheet, if needed)

Mr. Mrs. Ms. Miss Dr.

Name: Frank Popoff

Title: President and CEO

Organization: The Dow Chemical Company

Address: 2030 Willard H. Dow Center

City: Midland State: MI Zip: 48674

Telephone: 517-636-0816 Fax: 517-636-5832

4. Program contact who can answer questions regarding the application:

Mr. Mrs. Ms. Miss Dr.

Name: Sarah R. Opperman

Title: Group Manager, Science & Environmental Communications

Organization: The Dow Chemical Company

Street: 2020 Willard H. Dow Center

City: Midland State: MI Zip: 48674

Telephone: _____ Fax: _____

NOTE: The Selection Committee will rely heavily on Questions 5-6 in determining how well the application meets the award criteria.

Please attach a one-page (not to exceed 500 words) summary, suitable for publication, which provides a complete overview of the application. The one-page response should be clear, concise, and should emphasize quantifiable results or benefits of the program.

6. A-D: Please answer *only* the following Award criteria questions pertaining to the specific Award category for which you are applying. (For example: Partnership category, answer questions A1-A5; EQM, B1-B7; Innovation, C1-C5; Education, D1-D5).

Answers should be clear, concise and *should emphasize quantifiable results or benefits* of the program. Each answer to a sub-question should not exceed 100 words. Taken as a whole, all answers to criteria questions should not exceed two pages.

A. PARTNERSHIP: awarded to diverse organizations or groups that have fostered cooperative approaches to environmental needs at the local, regional, or national level.

1. Who are the partnership's members? What are their roles? What resources do they bring to the partnership?

2. What are the partnership's specific environmental or conservation objectives? Has a sustainable plan of concerted action for meeting these needs been established?

3. How is the partnership distinctive or innovative? What obstacles, environmental or otherwise, does it overcome?

4. What measurable environmental or conservation benefits has the partnership produced?

5. What aspects of the partnership can be modeled by others and transferred to other settings?

B. ENVIRONMENTAL QUALITY MANAGEMENT: awarded to organizations which have demonstrated that environmental values can be integrated into sound management decisions and objectives. (Note: This category reflects broad-based organizational approaches. Special programs or projects may be more appropriate for entry in one of the other three award categories.)

1. What are the organization's environmental policies and objectives?

2. How has the organization's top management demonstrated commitment to these policies and objectives? Do the policies demonstrate commitment beyond legal compliance?

3. What are the organization's environmental standards for its product(s) and operations? (Explain how they go beyond legal constraints and how they relate to management control mechanisms.)

4. How are these policies and objectives incorporated in the: a) Day-to-day management of the organization; b) Organization's decision-making about research and development, long-range planning, capital, and operating budgets?

5. How are these policies and objectives reflected in the organization's relationships with employees, customers, suppliers, and the general public?

6. What are the organization's control mechanisms that give decision makers objective data to measure continuous performance improvement toward its short- and long-term environmental objectives?

7. What quantifiable, sustained environmental quality results in products and processes have resulted from the organization's environmental approach?

C. INNOVATION—awarded to individuals, organizations and groups who have demonstrated exceptional creativity or pioneered new approaches in the development and/or execution of technologies, programs, projects, or services that are environmentally sound and economically sensible?

1. What is the purpose of the technology, program, project or service?

2. How is the technology, program, project, or service distinctive or innovative? What obstacles, environmentally or otherwise, does it overcome?

3. How is the technology, program, project, or service superior to other approaches? Does it offer a viable alternative to a problem for which no solutions previously existed?

4. Can the technology, program, project or service be replicated in an economically feasible manner?

5. What are the measurable, net long-term environmental benefits or results of the technology, program, project, or service?

D. EDUCATION AND COMMUNICATION—awarded to individuals, organizations, or groups which have developed educational or informational programs that inspire respect for the environment and raise the public's environmental literacy.

1. What is the program? What are its environmental or conservation objectives?

2. Who is the program's audience? How large is the audience? How is the program's effect on the audience determined?

3. What is original or distinctive about the program?

4. What are the measurable results or benefits produced by the program? How does the program promote the development of an environmental ethic and make a positive contribution to environmental awareness?

5. How can the program be used or modeled by others?

NOTE: The following questions are for informational purposes.

7. How long has the technology, program, project or service been operational?

Two years

8. Which of the following most accurately describes the applicant(s)? (Check more than one, if applicable.)

- (01) National Business or Industry
- (02) Regional or Local Business or Industry
- (03) National Nonprofit Organization or Foundation
- (04) Regional or Local Nonprofit Organization
- (05) Local or State Government/Government Agency
- (06) Educational Organization
- (07) Voluntary Civic Organization
- (08) Trade or Professional Society
- (09) Youth Organization
- (10) Labor Organization
- (11) Individual
- (12) Other (Please describe): _____

9. If business or industry, which of the following best describes the type of business or industry?

- (01) Agriculture/Forestry
- (02) Aerospace
- (03) Communications
- (04) Construction
- (05) Electronics/Computers
- (06) Energy
- (07) Engineering
- (08) Environmental Services
- (09) Financial Services/Insurance/Real Estate
- (10) Manufacturing—Chemical
- (11) Manufacturing—Other
- (12) Mining
- (13) Recreation
- (14) Trade—Wholesale
- (15) Transportation
- (16) Utilities—Electric, Gas or _____
- (17) Other (Please describe): _____

10. Which of the following most accurately describes the environmental program under consideration for an award? (Check more than one, if applicable.)

- (01) agriculture
- (02) air quality
- (03) conservation
- (04) education—general public
- (05) education—academic
- (06) energy
- (07) environmental quality management
- (08) forestry
- (09) hazardous waste remediation
- (10) international
- (11) natural resources

- (12) pollution control
- (13) recreation
- (14) recycling
- (15) solid waste
- (16) source reduction/pollution prevention
- (17) water quality
- (18) wetlands
- (19) wildlife and fish resources
- (20) Other (Please describe): _____

11. If applicable, list the sources of the program's support and the percentage of support provided, including grants and in-kind contributions of goods and services. (Use separate sheet if needed).

Source The Dow Chemical Company % 50

Source National Fish & Wildlife Foundation % 50

Source _____ % _____

12. Please estimate the cost to develop the program or project, including approximate value of in-kind contributions of goods and services:

\$ 6 million

12 If the project is ongoing, what is the annual cost?

..2 million

14. Please indicate which of the following are the primary audiences, beneficiaries, or users of the program or service, and estimate how many persons are served: (Select up to 3 categories.)

Type	How Many People
(01) <input type="checkbox"/> Business or Industry	_____
(02) <input type="checkbox"/> Trade or Professional Society	_____
(03) <input checked="" type="checkbox"/> Government	<u>NA</u>
(04) <input type="checkbox"/> Educational Organizations	_____
(05) <input type="checkbox"/> Youth	_____
(06) <input type="checkbox"/> Community or Public Interest Groups	_____
(07) <input type="checkbox"/> Local Community or Local Public	_____
(08) <input checked="" type="checkbox"/> General Public	<u>NA</u>
(09) <input checked="" type="checkbox"/> Employees	<u>30,000+</u>
(10) <input type="checkbox"/> Customers or Clients	_____
(11) <input type="checkbox"/> Other (Please describe): _____	_____

15. Has the program been honored with any other environmental or conservation awards in the past five years?

No

16. In one paragraph (not to exceed 50 words), please summarize the program, its objectives and what it has accomplished. Use space provided below. This paragraph should be suitable for use in a catalog, database or brochure.

The Partnership for Wetlands Conservation is a public/private partnership supporting the North American Wetlands Conservation Act. It commits conservation expertise and \$6,000,000 to preserve endangered wetlands. Since 1990, it has allocated these resources to over 10,000 wetlands acres. Dow employee volunteers also coordinate habitat projects on/near Dow property.

17. Please include 3 one-page letters of recommendation attached to the application when it is submitted for consideration. Letters should be addressed: "Attention: Award References." References should have first-hand knowledge of the environmental program, service, or technology and should offer a candid evaluation of its success or effectiveness. References may also include users or beneficiaries of your program.

NOTE: Letters of recommendation must accompany the application when it is submitted to CEQ. Letters sent directly to CEQ will not be considered. Please list the references in the spaces below.

Name: Joyce M. Kelly
Title: Executive Director, Wildlife Habitat Enhancement Council
Street: 1010 Wayne Avenue, Suite 1240
City: Silver Spring State: MD Zip: 20910
Telephone: 301-588-8994 Fax: 301-588-4629

Name: William C. Ashe
Title: Director, National Fish and Wildlife Foundation
Street: Weir Hill Road
City: Sudbury State: MA Zip: 01776
Telephone: 508-443-0498 Fax: 508-443-2898

Name: John C. Sawhill
Title: President and Chief Executive Officer
Street: The Nature Conservancy
1815 North Lynn Street
City: Arlington State: VA Zip: 22209
Telephone: 703-841-5300 Fax: 703-841-1283

18. Please sign below to indicate that all applicants agree a) to abide by the rules and requirements of the awards competition, and b) that all information submitted is true and accurate to the best of their knowledge.

Signature: Sarah Opperman Date: 3/21/92
Title: Group Manager Organization: The Dow Chemical Company
Telephone: 517-636-3270

How to Apply

Completed applications must be postmarked by May 22, 1992 and mailed to the:

The President's Environment and Conservation Awards
Council on Environmental Quality
The White House
722 Jackson Place, NW
Washington, DC 20503

All information submitted with the application should be considered public information and becomes property of the President's Challenge Awards program.

Award recipients will be notified in Fall 1992. Recipients must be willing to assist the President's Challenge Awards program in making nonproprietary information about their environmental programs available to others who wish to replicate their success.

Application Format

Please submit one original and four photocopies of your application. You may include up to 10 pages of supporting materials. (NOTE: Photocopying both sides of a sheet of paper will be considered two-pages.) Any oversized items must be reduced to fit a standard 8.5" x 11" page format.

Supporting materials may include items such as brochures, photographs, press clippings, and graphs depicting the program's results. The materials may not be used as a substitute for written responses to Questions 5 and 6.

The order of pages in the submitted application should be as follows:

- 1. 4-page application (Questions 1-20)
- 2. 500-word overview summary (Question 5)
- 3. 2-page responses to criteria questions (Question 6)
- 4. 10 pages of supporting materials
- 5. 3 letters of recommendation (Question 17)

NOTE: The entire package should be stapled in the upper, left-hand corner. Any items sent over the 10-page limit of supporting materials will be disregarded and not reviewed by the technical evaluators and selection committee. Do not put the application or backup materials into a binder, notebook or plastic cover.

OMB Control No. 0331-0002, (Exp. 2/95): As required by the Paperwork Reduction Act, CEQ estimates that completion of this application will take 10 hours. Send comments regarding the collection of this information, including suggestions for reducing the paperwork burden, to CEQ and also to: Paperwork Reduction Project, Office of Management and Budget, Office of Information and Regulatory Affairs, 725 17th Street, NW, Washington, D.C., 20503

#5. Partnership for Wetlands Conservation

For more than 20 years, Dow employees have been developing and implementing conservation projects on and near company property. This grassroots dedication led the company to forge an innovative public/private partnership.

Comprised of Dow and three premier conservation organizations: Ducks Unlimited, Inc., The Nature Conservancy and the National Fish and Wildlife Foundation, the objective is to preserve and protect North America's endangered wetlands. Specifically, the Partnership for Wetlands Conservation was formed to provide tangible support for the North American Wetlands Conservation Act, passed in December 1989.

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Since 1990, \$3.2 million has been earmarked (\$1.6 by Dow with matching grants by the NFWF) and expertise dedicated (primarily by Ducks Unlimited and The Conservancy) to support (#?) diverse projects. These include the Hillman Marsh in Ontario, Canada; the ACE Basin in South Carolina; Peach Point in Texas; the Mandalay Marsh in Louisiana; the Parrott Ranch in California and the Delhomme Reserve in Texas. In all, the partnership is providing funds and conservation expertise to protect and enhance more than 10,000 acres of North America's critical wetland habitats.

The Conservancy estimates that more than 70 percent of our country's most threatened and endangered species depend on some kind of wetlands ecosystem. This stewardship project stretches beyond immediate results to benefit future generations of wildlife and humans alike.

Conservation is more than contributing funds; it means participating, too. Dow employee volunteers have established committees that develop local wildlife habitat conservation projects. With encouragement and financial support from Dow, they establish partnerships with community environmental and civic organizations. Beyond the \$2.5 million, Dow has earmarked \$500,000 of the grant for habitat projects on or near Dow property. Four of these projects have been officially certified by the Wildlife Habitat Enhancement Council, a 1991 honoree. This hands-on involvement is a highly effective conservation education tool. It also improves employee-management relations.

#6. Answer the following questions for Partnership (A)

1. Who are the partnership's members? What are their roles? What resources do they bring to the partnership?

Members include The Dow Chemical Company, Ducks Unlimited, Inc., The Nature Conservancy and the National Fish and Wildlife Federation. All four members of the partnership serve on a committee to solicit project ideas and designate funding and management oversight. Dow is donating \$3 million, the Foundation has committed matching grants. Ducks Unlimited and The Conservancy are largely responsible for implementing wetlands projects.

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3. How is the partnership distinctive or innovative? What obstacles, environmental or otherwise, does it overcome?

This partnership links Dow with highly effective premier conservation organizations to preserve and protect critical wetlands throughout North America. These respected groups have organized their individual strengths -- including financial support and conservation expertise -- to address a well-defined and vital environmental issue. Beyond this North American program, local partnerships have developed with Dow employee volunteers and the community conservation and civic organizations. The project is a model for the popular term: "Think globally, act locally".

4. What measurable environmental or conservation benefits has the partnership produced?

More than 10,000 acres of wetlands have been protected, restored or enhanced since the partnership was formed in May 1990. Projects cover key wetlands zones throughout North America, from Ontario, Canada to California. Just as important is the educational process underway as a result of increased awareness in these projects, and the commitment of community partnerships -- some founded by Dow employees -- to restore and enhance wildlife habitats locally.

5. What aspects of the partnership can be modeled by others and transferred to other settings?

This partnership epitomizes the extensive benefits of a public/private cooperative venture. The key to success is establishing common goals and pooling resources to make a more significant impact than if one partner acted alone. The partnership meets regularly to discuss and agree on annual agendas, and in so doing establishes a strong working relationship which not only benefits wetlands, but creates new opportunities for joint projects.

The Toronto Sun
June 6, 1990

JOHN KERR



Outdoors

Dow is for the birds

Bashing big business for polluting our waterways and destroying wildlife habitats is a popular sport, and there's no doubt it's been deserved. But, often, there's a flip-side. And, hopefully, the recent activities of Dow chemical divisions are the way of the future — business investing in protecting areas for fish and wildlife.

The latest benefactor has been the 193-hectare Hillman Marsh, located on Lake Erie about five km north of Point Pelee National Park. Fluctuating lake levels alternately flooded and drained the marsh, making it an inferior backwater, rather than a major wildlife and waterfowl producer.

All that's changed this spring thanks to Ducks Unlimited Canada (DU) and Dow Canada (DC).

DU is restoring and stabilizing the marsh by constructing a system of dykes and pumphouses to maintain water levels and by diverting polluted Hillman Creek away from it, said Greg Wild, DU's southwestern Ontario regional technologist.

The marsh is expected to become a major waterfowl breeding and stop-over site, rivaling Point Pelee, as well as supporting upland game such as deer and smaller birds and animals.

DC has pledged a record-breaking \$250,000 (U.S.) to DU to offset its costs of \$507,000 for the Hillman Marsh project. The first \$175,000 installment was presented to Dr. Duncan Sinclair, DU's outgoing president, late last month in Sarnia by Dave Buzzelli, president and chief executive officer of DC, and Dennis Lauzon, vice-president for DC's Sarnia manufacturing division.

Some cynics claim such moves are little more than publicity stunts from polluters seeking to become sociably acceptable among conservationists and environmentalists. Perhaps. And perhaps big business is waking up to the fact that society will no longer tolerate dirty manufacturing that destroys our ecosystems.

Who cares what the motives are. We all benefit — hunters, passive wildlife users, and, of course, this poor abused earth and its birds and animals.
Hats off to Dow Chemical.

...

Contribution Targets Wetlands

The Dow Chemical Company recently announced a new four-year "Partnership for Wetlands Conservation" with Ducks Unlimited, Inc., The Nature Conservancy and the National Fish and Wildlife Foundation to preserve America's endangered wetlands.

Dow's \$3 million contribution for wetlands protection and restoration to the conservation groups represents the largest corporate financial donation ever to benefit the North American Waterfowl Management Plan — an

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agreement between the U.S. and Canada to preserve more than 5.5 million acres of critical wetland habitat.

Dow's first installment of \$1 million was presented to the National Fish and Wildlife Foundation which has pledged to match the contribution on a one-to-one basis with congressionally appropriated funds.

"Let me emphasize how much we value our partnership with these organizations," said Frank Popoff, president and chief executive officer of The Dow Chemical Company, referring to the conservation groups. "I think that all of us here today recognize that conservation and environmental protection are challenges best met by public/private sector partnerships."

Three keystone wetland acquisition and restoration projects of the NAWMP will be the first beneficiaries of the partnership. These include the ACE Basin in South Carolina, Peach Point in Texas and the Hillman Marsh in Ontario, Canada. Dow has also earmarked \$500,000 of its contribution to protect, conserve and restore wetlands on and near its corporate properties.

In accepting the \$1 million contribution on behalf of Ducks Unlimited, The Nature Conservancy and the National Fish and Wildlife Foundation, James D. Range, chairman of the Foundation, said, "Dow's contribution is one of the most significant to benefit conser-



National Fish and Wildlife Foundation/Dave Menke

vation that has been made by a corporation. No less significant is Dow's leadership in restoring wetlands on its own property."

Ducks Unlimited and The Nature Conservancy will identify and implement the targeted wetlands projects as well as provide wetlands management expertise. Additional projects will be announced as the partnership develops over the next four years.

Dow's concern for environmental protection is also demonstrated by its aggressive waste reduction, product stewardship and plastics recycling programs. The company's involvement in wetlands preservation is only one example of "Conservation 2000," Dow's re-dedication to environmental conservation and protection. ■

CHEMECOLOGY

July/August 1990

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May 20, 1992

The President's Environment and Conservation Challenge Awards Council on Environmental Quality
722 Jackson Place, NW
Washington, DC 20503
Attention: Award References

To the Selection Committee:

I am pleased to endorse the nomination of the Dow Chemical Company for the President's Environmental and Conservation Challenge Award in the partnership category.

I am quite familiar with Dow's long-standing commitment to wetlands and wildlife habitat protection. As part of its Partnership for Wetlands Conservation, the company has allocated \$500,000 to protect, conserve and restore wetlands and wildlife habitat on and around Dow property. While Dow employees have already embraced opportunities to help wildlife at a number of locations, these funds have enabled employee wildlife committees to substantially expand their efforts on behalf of native plants and animals.

Four of these projects have been certified by our organization for meeting the highest standards of wildlife protection. These sites are located in Dalton, Georgia; Granville, Ohio; Joliet, Illinois; and Freeport, Texas. To qualify for this certification, each site is required to develop a formal wildlife management plan which successfully addresses how food, water, cover, and living space are provided for targeted wildlife. At Dow's Joliet site, for example, employees increased the size of an existing wetland threefold to 170 acres. It's an outstanding example of how a corporation's people and resources can be used to better the land and its ecosystem.

Through its attitude and performance, Dow has demonstrated continued leadership in the corporate community in the area of environmental responsibility. I encourage you to give their nomination serious consideration.

Sincerely,

Joyce M. Kelly
Executive Director
Wildlife Habitat Enhancement Council

Board of Directors
Philip X. Masciantonio
S. Steel Group
Richard L. Erdmann
Chair
Conservation Fund
Michael P. Lawlor
Secretary-Treasurer
Dowling-Ferris Industries
Donald J. Barry
World Wildlife Fund
Murray W. Brockman
I. du Pont de Nemours & Co.
Magalen O. Bryant
Wildlife
John Clark
Consumers Power Co.
Matthew B. Connolly, Jr.
Ducks Unlimited, Inc.
Henry Diamond
Everidge & Diamond
Ralph Grossi
American Farmland Trust
George R. Lamb
Jackson Hole Preserve Inc.
Jack Lorenz
Wakarusa League
erry Martin
Dow Chemical U.S.A.
Robert L. Mayville
Vulcan Materials Co.
Sheila Raviv
Burson-Marsteller
Dennis E. Wheeler
Coeur d'Alene Mines Corp.
Dr. Michael Zagata
Transco Energy Co.
Joyce M. Kelly
Executive Director
Wildlife Habitat
Enhancement Council



NATIONAL FISH AND WILDLIFE FOUNDATION

WEIR HILL ROAD
SUDBURY, MA 01776
(508) 443-0498
FAX: (508) 443-2898

May 20, 1992

The President's Environment
and Conservation Challenge Awards
Council on Environmental Quality
The White House
722 Jackson Place, NW
Washington, D.C. 20502

Attention: Award References

To the Selection Committee:

The National Fish and Wildlife Foundation (NFWF) is pleased to recommend the DOW Chemical Company for the President's Environmental and Conservation Challenge Award, in the partnership category.

DOW, over a three year period, is contributing \$3,000,000 to protect our Nation's wetlands and migratory bird resource. It has formed a partnership with Ducks Unlimited, Inc., The Nature Conservancy, and the NFWF in exactly the type of initiative envisioned under the North American Wetlands Conservation Act, passed by Congress and signed by President Bush in 1989. Over 10,000 acres of wetlands have been protected or restored in California, Texas, South Carolina, Louisiana, and Ontario, Canada, with these DOW funds.

DOW's grant and the formation of this partnership is fundamental to the success of the North American Waterfowl Management Plan (NAWMP). Not only does it benefit the NAWMP, but its activities in South Carolina and Texas (ACE River Basin and Delhomme) bring substantial benefits to your Coastal America program. The NFWF is committed to matching DOW's contribution, dollar for dollar, because of its value to these programs.

Beyond these efforts, DOW also has taken a leadership role in restoring wetlands on its own property, with employees volunteering their time to implement these projects.

It has been a pleasure to participate within this partnership over the past two years. I heartily support this effort and recommend it for this distinguished honor.

Sincerely,

William C. Ashe, Director
North American Waterfowl
Management Plan



1815 North Lynn Street
Arlington, Virginia 22209
(703) 841-5300
Fax: (703) 841-1283

John C. Sawhill
President and Chief Executive Officer

May 20, 1992

The President's Environment and
Conservation Challenge Awards
Council on Environmental Quality
722 Jackson Place, NW
Washington, D.C. 20503

ATTENTION: AWARD REFERENCES

To the Selection Committee:

I am pleased to recommend The Dow Chemical Company for the President's Environmental and Conservation Challenge Award in the partnership category.

Dow exhibited extraordinary leadership and innovation in creating the Partnership for Wetlands Conservation. As the lightning rod in this effort, Dow is illustrating the business sector's critical and intrinsic role in preserving our environment.

A biologist would explain that an "ecotone" is the border zone where different kinds of natural communities overlap. For example, where a forest meets a marsh or a river meets the ocean. It is in these ecotones where the diversity of life becomes strongest. This is an apt analogy for our partnership. These public/private ecotones coalesce unique resources and tools to make a tremendous contribution.

I am proud of the progress our partnership is making. Having worked with Dow on this effort since 1990, I deeply appreciate not only the financial investment, but also Dow's sincere dedication to enriching the world we all share.

I believe Dow -- and the Partnership for Wetlands Conservation -- is deserving of this prestigious award.

Best regards.

Sincerely,

A handwritten signature in black ink, appearing to be "John C. Sawhill", written over the word "Sincerely,".

DUCKS UNLIMITED FOUNDATION

DUCKS UNLIMITED FOUNDATION

DUCKS UNLIMITED FOUNDATION

DUCKS UNLIMITED FOUNDATION



1990-1991

ANNUAL REPORT



DUCKS UNLIMITED FOUNDATION

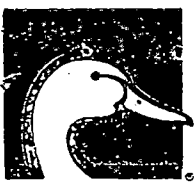
DUCKS UNLIMITED FOUNDATION

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DUCKS UNLIMITED FOUNDATION

DUCKS UNLIMITED FOUNDATION



**DUCKS
UNLIMITED
INC.**

NATIONAL HEADQUARTERS
One Waterfowl Way
Long Grove, Illinois 60047
(708) 438-4300

President
John E. Walker
Galveston, Texas

May 21, 1992

P. 052

Chairman of the Board
Harry D. Knight
Williamsburg, Virginia

**The President's Environmental and
Conservation Challenge Awards
Council on Environmental Quality
722 Jackson Place NW
Washington, DC 20503**

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Matthew B. Connolly, Jr.
Long Grove, Illinois

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Peter N. Pund
St. Charles, Illinois

Executive Secretary
Kenneth V. McCreary
Long Grove, Illinois

Attention: Award References:

Gentlemen:

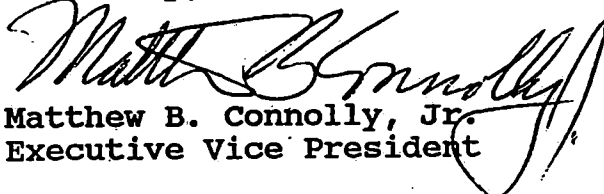
I am writing to strongly endorse the nomination of the Partnership for Wetlands Conservation in the partnership category of the President's Environmental and Conservation Challenge Award.

The partnership is comprised of the Dow Chemical Company, The Nature Conservancy, the National Fish and Wildlife Foundation and Ducks Unlimited, Inc. Dow's contribution is unprecedented in magnitude -- both in dollars and international scope.

The partnership was formed in 1990 and has already enhanced wetlands property throughout North America. The ACE Basin, encompassing 350,000 acres, has been a massive undertaking and the partnership's contributions are invaluable. Through this group, Peach Point in Texas has new water control structures to retain scarce freshwater, assuring permanent marshes for wildlife. The partnership also has reconstructed a 477 acre marsh -- Hillman Marsh on the Lake Erie shoreline of Canada -- into a new haven for wetland wildlife.

On behalf of Ducks Unlimited, Inc., I'm proud to add my endorsement of the Partnership for Wetlands Conservation and appreciate your serious consideration.

Sincerely,


Matthew B. Connolly, Jr.
Executive Vice President

CONSERVATION 2000: Dow's Commitment To Wetlands & Wildlife Habitat Protection

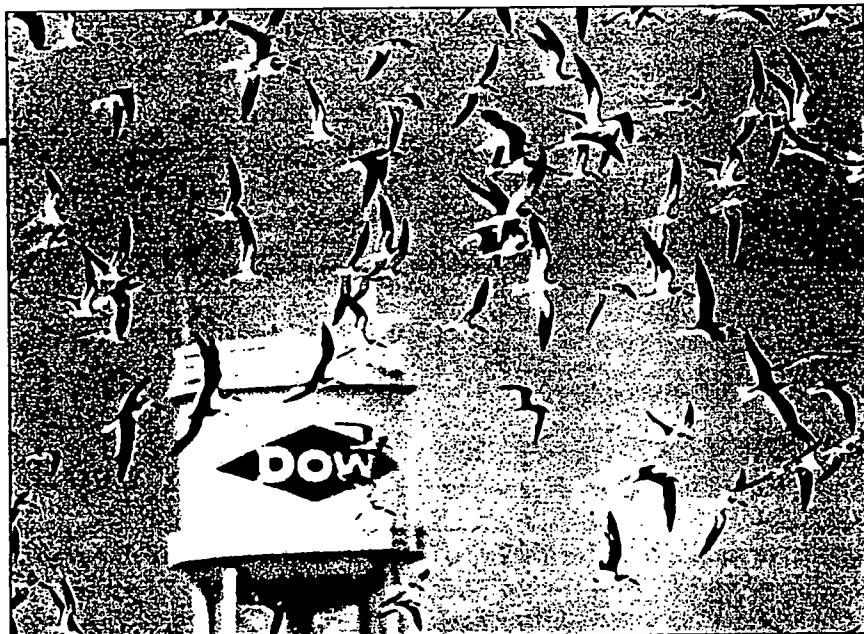


Photo: Ed Cristr

A parking lot at Dow's Texas Operations in Freeport has been covered with shells and turned into a nesting ground for these Black Skimmer birds.

CONSERVATION 2000

A DOW COMMITMENT
TO PROTECT
THE ENVIRONMENT



We've come to realize that it's not enough just to operate our plants safely and reduce our emissions. Protecting the environment includes preserving and restoring vital natural resources such as wetlands and other places where animals eat, sleep and breed. That's why at Dow facilities throughout the United States and Canada, you will find conservation and restoration projects that range from birds nesting at a parking lot filled with oyster shells, to a 150-acre preserve, to rearing ponds for redfish and wall-e.

In the past decade, through donations of money, land and the time

and energy of thousands of Dow employees, we've worked to save and restore more than 60,000 acres of endangered wetlands on and near Dow property. In addition, we're partially financing the preservation and enhancement of another 380,000 acres of wetlands throughout the United States and Canada through partnerships with government agencies, industry, community groups, and conservation and other organizations. And, now we're starting to do even more conservation work on or near Dow properties.

This new thrust comes from our CONSERVATION 2000 initiative, launched in May 1990.

(over)

EDITOR'S NOTE:

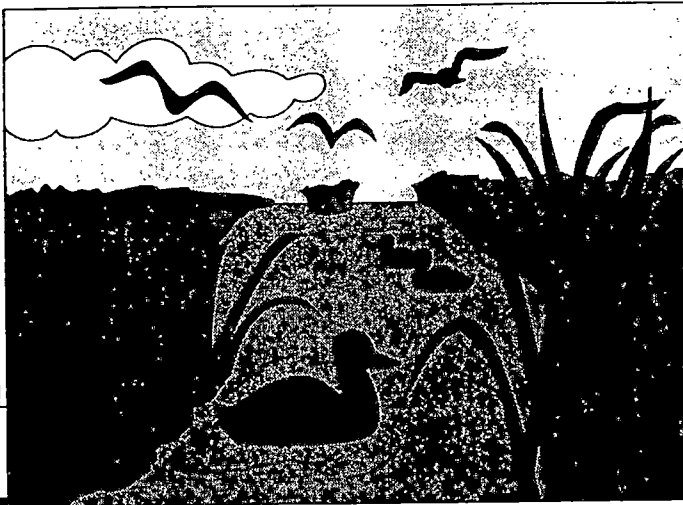
The Environmental, Health and Safety function wanted to share this information to multiple audiences via a picturesque brochure. But due to economic considerations, we are using the existing Dow Today format and established distribution system.

DOW FAST FACTS

A look at the importance of wetlands

Did You Know?

Wetlands provide habitat for waterfowl, pheasants and other wildlife.



Wetlands also act as a filter to remove pollutants from water thereby improving the quality; absorb water which prevents flooding; recharge farm wells; and produce timber, fish and game.

On May 23, 1990, Dow joined forces with three premier conservation organizations - Ducks Unlimited, Inc., The Nature Conservancy and The National Fish and Wildlife Foundation - to form the "Partnership for Wetlands Conservation." Dow's contribution to the partnership is a donation of \$3 million over a four-year period to partially finance projects that preserve and

protect North America's wetlands. Dow's contribution through CONSERVATION 2000 represents the largest corporate financial donation ever to benefit the 6 million acres of critical wetlands habitats included in the agreement between the United States and Canada - called the North American Waterfowl Management Plan.

The first \$1 million installment Dow

presented to the partners in 1990 provided financial assistance to key preservation projects at the sprawling 350,000-acre ACE Basin, south of Charleston in South Carolina's low country; the 10,311-acre Peach Point Wildlife Management Area in Brazoria County, Texas; and the 900-acre Hillman Marsh Conservation Area in Ontario, Canada.

On September 17, 1991, Dow presented our partners the second installment - \$550,000. That donation provided partial funding for the 7,000-acre Mandalay Marsh, a wetlands complex lying along the Louisiana Coast within the Bayou Penchant Basin; the 14,000-acre Parrott Ranch, located along the Sacramento River in north-central California; and the 2,227-acre Delhomme Reserve in Texas.

Of Dow's total financial contribution of \$500,000 to the Hillman Marsh Conservation Area, Dow Canada's \$285,000 donation is the largest ever to a Ducks Unlimited Canada project. Dow Canada also donated another \$30,000 to help make an on-site nature center an educational tool.

"Dow has long been involved in the conservation of wetlands and wildlife habitats on and near our corporate properties. This new thrust under CONSERVATION 2000 renews and broadens our efforts to leave the land and its ecosystem as we found it - if not better."

Frank Popoff,
Dow president and CEO,
May 23, 1990

"Dow's contribution is one of the most significant to benefit conservation that has been made by a corporation. No less significant is Dow's leadership in restoring wetlands on its own property."

James D. Range, chairman of the board,
National Fish and Wildlife Foundation
May 23, 1990



Photo: Wayne Adjack

"... The level of commitment and the depth of vision Dow has exhibited in this "Partnership for Wetlands Conservation" program should serve as an inspiration to all corporations - large and small - to establish their niche in the conservation movement and move forward with dispatch.

"When you get right down to it, this is a gift of life, and what greater gift is there?"

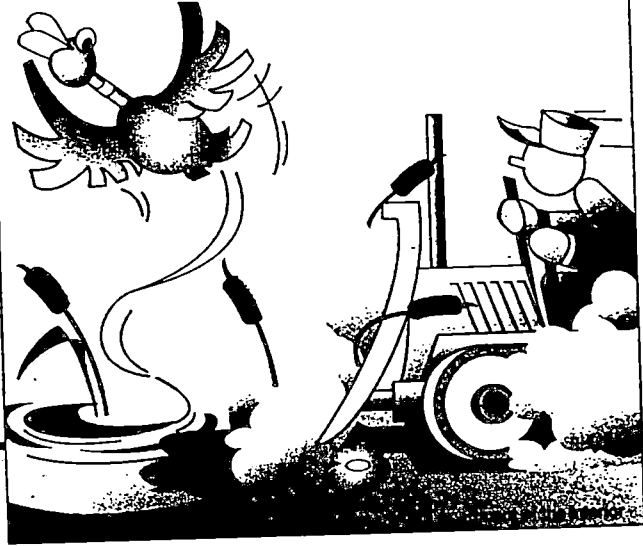
John Ernest Walker, president,
Ducks Unlimited, Inc.
May 23, 1990

DOW FAST FACTS

A look at the statistics that show our wetlands preservation progress

Did You Know?

A thousand acres of wetland habitat are destroyed daily.*



Through Conservation 2000, Dow is contributing \$3 million for wetlands protection and restoration, the largest corporate financial donation ever to benefit the North American Waterfowl Management Plan. Under the Plan, Canada and the U.S. seek to protect more than 6 million acres of important wetlands in North America.

Our commitment to the "Partnership for Wetlands Conservation" also includes using \$500,000 of that \$3 million to protect, conserve and restore wetlands and wildlife habitat in and around Dow property. It's an incentive for Dow employees - our working "environmentalists" - to do even more "great things."

Projects underway include the construction of a wildlife rehabilitation/release cage to care for animals in Granville, Ohio; conversion of a 60-plus acre area of now fallow land into a wildlife area and nature trail at the Hanging Rock plant in Ohio; enhancement of a wooded area at the Riverside plant in Missouri, and an eight-acre seasonal wetlands in Pittsburg, California.

Tens of thousands of geese, ducks, wading birds, shore birds and songbirds drop by or nest in the 2,227-acre Delhomme Reserve in Texas.





MICHIGAN DIVISION

Our environmental efforts begin at home, in and around the communities where we live and work. In 1985, for instance, Dow's Michigan Division donated 51 acres of prime

wetlands to Ducks Unlimited, Inc. That land, just east of Dow's Ludington plant, is a haven for ducks, swans and geese. Additionally, as part of a partnership, we donated 43 acres of land at that plant site and \$12,000 worth of equipment for construction of a walleye rearing pond - to bring the species back to the Ludington area.

We are donating \$132,000 over a three-year period to the development of a wetland site which will be incorporated into the educational activities at the Chippewa Nature Center in Midland, Michigan.

Officials tour one of 30 wetlands sites in four mid-Michigan counties being restored through a partnership of Dow, General Motors Corporation and Michigan state conservation agencies.



Photo: Anita McKeith

EASTERN DIVISION

Dow's Eastern Division facilities in Dalton, Georgia; Granville, Ohio; and Joliet, Illinois, are among the company's four sites to be recognized for meeting high standards of environmental enhancement by the Wildlife Habitat Enhancement Council (WHEC). Dow's Freeport, Texas, facility also has received such certification from WHEC, a national non-profit coalition of individuals, corporations and environmental groups that helps companies improve their lands for wildlife.

"The plans and projects at these Dow facilities are biologically sound and beneficial to wildlife and deserve public recognition and support," said Joyce Kelly, executive director of WHEC. "Dow and its employees who have established these wildlife programs have made substantial long-term commitments to wildlife protection."

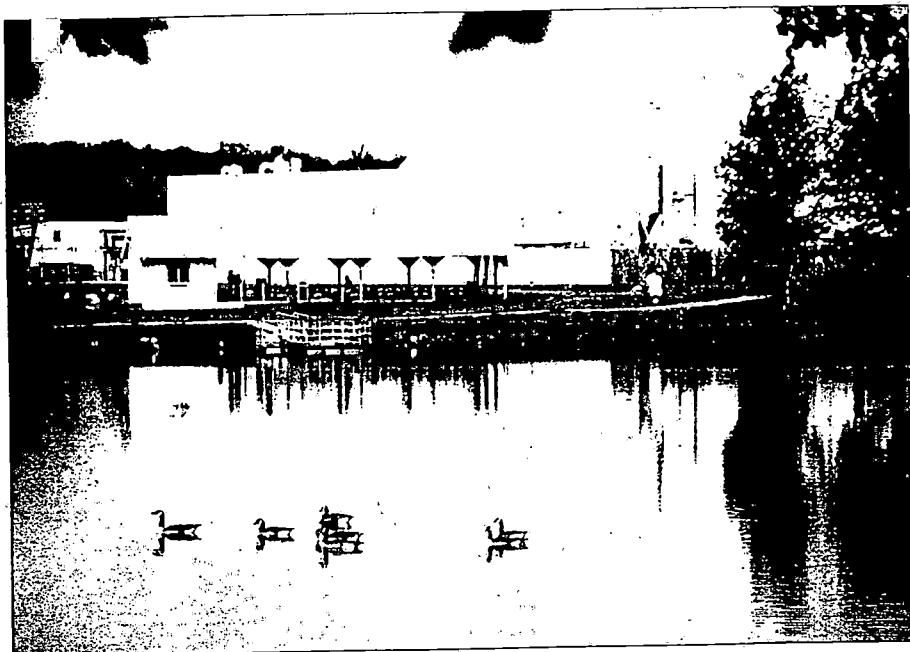


Photo: Ty Wittwer

Each year, migrating geese rest and nest at the pond on the 1 1/2-acre wetlands at the Granville Research and Development Center. The wildlife habitat at the facility also contains switch grass and prairie flower areas, and a nature trail with nesting boxes for various species of birds. The wildlife habitat committee sponsors an annual photography contest and an "Adopt-A-Bluebird" program.

LOUISIANA DIVISION

At the Grand Bayou Operations facilities, we have a fledgling "Dow for Ducks" program where employees' families build wood duck nesting boxes from kits that were made at the carpenter shop there. Some of the plywood for the project was "recycled" from the production plants. Of the 60 duck boxes built in 1991, the majority were donated to the Louisiana Department of Wildlife and Fisheries. The rest of the boxes were put up at the division's Brine Production Facility in Napoleonville.

That donation was in addition to the more than 46,000 acres of land in and adjacent to the Atchafalaya Basin, which Dow donated to the state of Louisiana in 1981 to be used as wildlife management areas open to the public.

"The significance of your donation (Atchafalaya Basin land) in tangible terms of acreage and future-related public benefit alone cannot be overstated."

Gary L. Hickman,
then area manager of the U.S. Department of Interior Fish and
Wildlife Service in Jackson, Miss.
December 1981

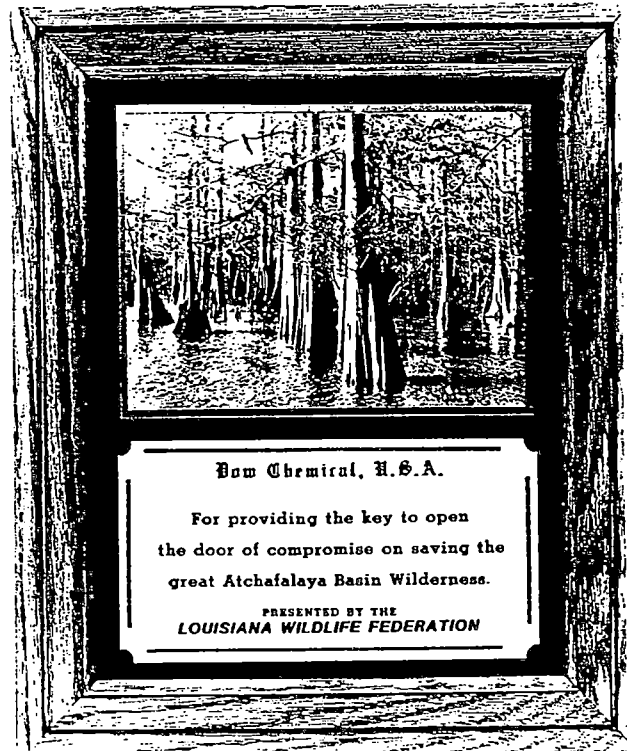


Photo: Gleason Photography

TEXAS OPERATIONS

The Dow folks in Texas have a fish story to tell: a nature preserve; a hatchery on the way; and a parking lot that really is for the birds. Each year, about 150 species of birds land

at the Dow Nature Refuge in Lake Jackson, Texas. The site contains plantings of wildflowers and trees. And nesting boxes for several species of songbirds, wood ducks

and screech owls. Dow also has donated 60 acres of land in Lake Jackson and is assisting in the development of a world-class marine hatchery.

From April to August every year since 1968, orange and black-billed skimmer birds have taken over this shell-covered parking lot at the Freeport, Texas, plant. The lot now serves as a rookery for the largest black skimmer nesting colony on the Texas coast and the only nesting ground located inside an industrial complex. An annual "Skimmer Open House" at the plant remains a popular attraction.

Texas Parks and Wildlife officials like these two men assist in harvesting redfish reared in a 12-acre pond at Dow's Freeport, Texas, plant. More than 12 million redfish fingerlings have been raised there since 1985.



Photo: Ed Critt

WESTERN DIVISION

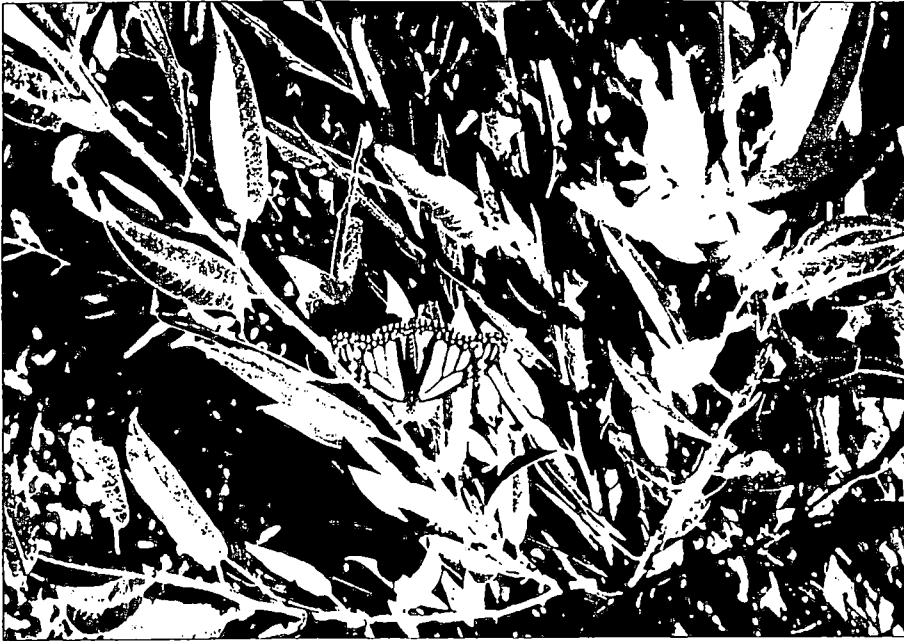
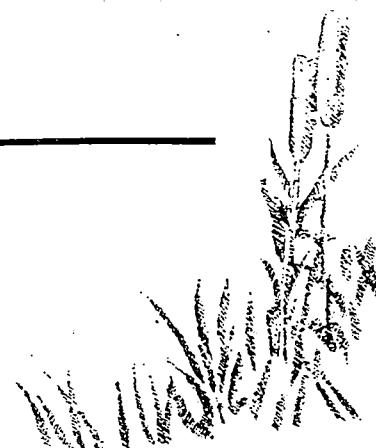


Photo: Western Division



Many Monarch butterflies like this one frequent the 150-acre Dow Wetlands Preserve in Pittsburg, California. Lying on the eastern portion of Dow's Pittsburg plant and adjacent to the San Joaquin River, the preserve features both tidal salt marsh and upland grass areas. The preserve is home to numerous wildlife species and several rare native plants.

WESTERN CANADA DIVISION

Protection of the environment has played an important part in Dow Canada's \$800 million Hydrocarbons Project, which is designed to produce the feedstock ethylene for

the petrochemical industry. To reduce the overall environmental impact of this business expansion, a 220-acre "Wildlife Greenbelt" is being built to surround the project site in Fort Saskatchewan, Alberta, Canada. The area now hosts a variety of wildlife species including white-tail deer, red fox, red-tailed hawks and waterfowl.

Initiated in 1989 and scheduled for completion in 1993, the greenbelt will consist of 74 acres of wetlands and 145 acres of landscaped areas. The area now features over 14 different species of wildflowers native to Alberta, producing an array of colors.

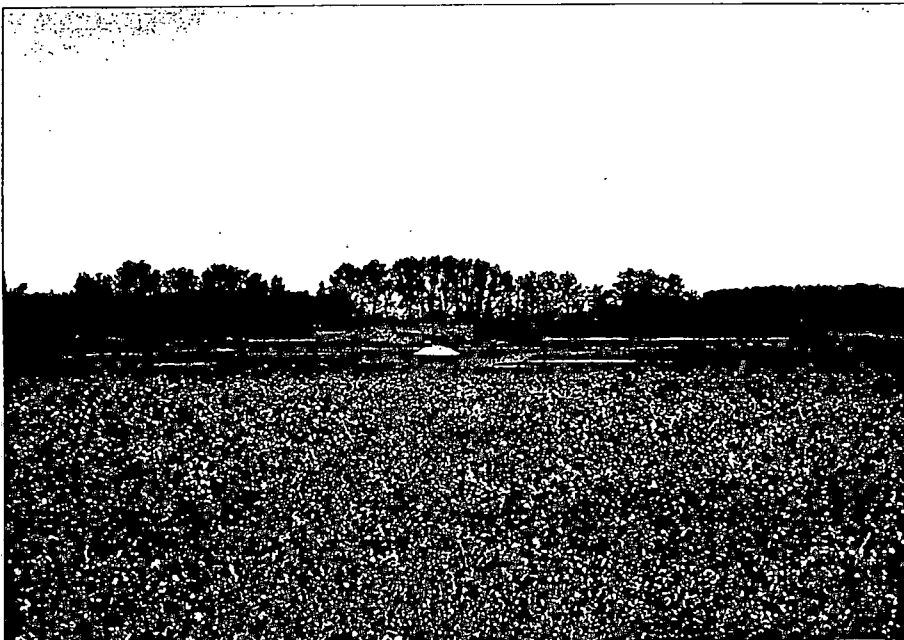


Photo: Gerry Emas

DOW TODAY

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Editor: Jan Larson; Editorial Assistant: Cheryl Schultz; Contributing Editor: Anthony Hebron;
Graphics: Dow Graphic Communications.

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Application Summary

ID Number: Q.001

Project: Environmental Management and Conservation at IBM

Contact: Mr. John F. Serino
IBM Corporation
208 Harbor Dr.
Stamford, CT, 06904-

Telephone:
(203) 973-7750

Summary: IBM demonstrates that a large company can institutionalize and practice environmental protection and conservation through visionary policies, sound practices, executive leadership and employee commitment. IBM's proven record of accomplishments results from meeting or exceeding government regulations and, where none exist, by setting and adhering to its own stringent standards.

NOTE: Some technical evaluators provided written opinions, based on their view of the criteria. The following is included for your background only.

Comments: Outstanding program, strong and clear package. Very impressive recommendations from outside experts. Note clear policies from Chairman. Goals include energy conservation, waste reduction, recycling CFC reductions, and air emission reduction. Evidence of awards and other employee incentives. Both real time incident reporting and long range plans and research. Goal achievement is tracked and statistics are supplied in the package. Notes 22 awards for the program in past 5 years.

Over the years, IBM's approach to environmental issues has been improving. Now IBM has committed to do what's right for the environment and established the comprehensive program. IBM generously donated millions of dollars to various organizations and research institutions to facilitate knowledge growth and technology transfer.

IBM is an innovator and leader in this field. They are using their market clout to improve not only their environmental record, but that of its suppliers-even in the developing world.

Leadership position in CFC reduction, toxic air emissions. IBM has been engaged on all fronts for years -- not recent conversion. Forefront of technology to protect environment. Has applied IBM's management excellence to integrated approach throughout organization worldwide. Environmental policies clearly stated and aggressively implemented. Invested substantial funds when industry was in downturn -- evidence of real commitment.

Heavy on policy and guidelines. Ahead of curve on air toxics. Good support letters. sound policy. CFC reductions.

Q.001

Question 5

**Environmental Quality Management,
Respect for the Planet at IBM**

IBM has a long-standing commitment to environmental protection.

In 1967, 1971 and 1974, IBM issued worldwide policies on safety, the environment and conservation. Each has been strengthened over the years. These policies, and our subsequent actions, often were initiated before government regulations were issued. The enclosed Corporate Policy 139 is the latest affirmation of objectives that have been woven into IBM's business fabric for decades.

A corporate vice president oversees worldwide environmental affairs. Daily operations are guided by written instructions and practices concerning environmental protection. Compliance responsibilities are well-defined. Environmental considerations are integral to research, development and in relationships with customers and are applied equally wherever IBM does business.

IBM's long-standing waste management hierarchy calls for reducing, reusing, recycling, and as a last resort, safely treating and disposing. Over the past decade-plus, more than \$1 billion has been invested in upgrading facilities and implementing approaches, such as secondary containment with leak detection and above-ground tanks and piping. All new construction incorporates state-of-the-art environmental protection. In 1978, IBM established a safe PCB incineration program, and in the same year, initiated a worldwide groundwater monitoring program.

IBM has a comprehensive assessment program, including corporate audits. Environmental Impact Assessments are prepared for every product and process. All sites annually submit Environmental Master Plans, which are consolidated and used by management to assess performance and identify areas for improvement.

All plants are prepared to handle potential environmental emergencies, with trained employees, proper equipment and community coordination. A worldwide computer network is used to provide immediate notification of problems, alert other locations to exposures and prevent potential recurrences.

IBM's goal to eliminate CFCs from processes and products by 1993 is six years ahead of the Clean Air Act targets. IBM has established a similar goal to stop using methyl chloroform by 1995, six years ahead of the Clean Air Act requirements.

IBM's programs have produced results, including the following:

- o Reduced CFC emissions worldwide by 83% from 1987 through 1991
- o Reduced generated hazardous materials worldwide by 48% from 1985 through 1991 and recycled 87% of them in 1991
- o Achieved 58% recycling of solid waste worldwide
- o Conserved 4.1 billion kilowatt-hours of energy worldwide since 1986
- o Reduced SARA releases by 62% from 1987 through 1990, including a 76% reduction in air emissions
- o Achieved an exemplary OSHA record

Over the years, IBM has extended its commitment to the environment -- from its daily operations to philanthropic efforts to facilitate knowledge growth and technology transfer. Examples include a \$6.5 million donation to the United Nations to support the Global Resource Information Database and a \$25 million grant program for environmental research at universities and research institutes. IBM encourages its employees to volunteer their time for environmental causes and supports those activities through such means as matching grants to organizations in which employees are involved.

In summary, through visionary policies, sound practices, employee leadership and commitment, environmental protection and conservation are ingrained within IBM.

Question 6.

B. ENVIRONMENTAL QUALITY MANAGEMENT

1. What are the organization's environmental policies and objectives?

The objective of IBM's Corporate Policies is to govern actions within IBM to ensure they reflect the company's value system. The policies addressing our commitment to protect the environment direct us to provide a safe and healthful workplace, be an environmentally responsible neighbor, respect natural resources by conserving and recycling, develop environmentally friendly products, use processes that do not adversely affect the environment, ensure energy efficiency throughout our business, assist in developing technological solutions to global environmental problems, meet or exceed all applicable government requirements and set stringent standards where none exist, and conduct rigorous audits of our compliance.

2. How has the organization's top management demonstrated commitment to these policies and objectives? Do the policies demonstrate commitment beyond legal compliance?

IBM's Corporate Policies are issued by the Chief Executive Officer. The Corporate Staff is responsible for issuing the supporting directives. Unit executives are held accountable for the environmental activities of their units. Many of IBM's programs supporting these environmental policies were instituted prior to governmental regulations and standards. IBM thus set many of its own stringent standards where none existed in law. Examples of IBM's efforts taken prior to government requirements include replacement of underground storage tanks with above-ground tanks, utilization of double-walled piping and secondary containment, initiation of groundwater monitoring at all plant sites, and efforts to eliminate CFCs.

3. What are the organization's environmental standards for its product(s) and operations?

IBM's Corporate Policies are supported by Corporate Instructions which implement the policies through mandatory uniform practices that control our operations worldwide. They range from chemical reporting requirements to release prevention, from emergency planning to hazardous waste management, from control of contractor chemicals to energy management. A listing of the Instructions is attached.

Our product-related Instructions address the identification and control of potential adverse environmental effects of our products and processes, whether through IBM's processes or those of our contractors. They cover such areas as product safety, pollution prevention, energy efficiency, and activities associated with end-of-life product disposal.

4. How are these policies and objectives incorporated in the: a) day-to-day management of the organization; and b) the organization's long-range planning, capital and operating budgets?

IBM's operations are carried out in accordance with our Corporate Instructions and are audited against them. Our Corporate Practices provide further guidelines and direction. Reportable incidents are reported in real-time through our on-line reporting system, as are additional items included under IBM's more-comprehensive internal reporting requirements. Pollution prevention is an important objective in our product design, development and manufacturing decision-making. Both long- and short-range planning are assisted through our Environmental Master Plan Program, wherein all manufacturing operations report their environmental activities, and capital/expense plans annually to their upper-management and Corporate Headquarters.

5. How are these policies and objectives reflected in the organization's relationships with employees, customers, suppliers, and the general public?

All IBM employees are expected to operate in accordance with our Corporate Policies and Instructions. IBM's Business Conduct Guidelines also require employees to maintain IBM's standards in protecting the environment. We require our third-party contractors to maintain environmentally responsible operations. We have initiated product return programs in some countries to provide cradle-to-grave management of our products for customers. We share information and emergency plans with residents of the towns in which we operate. IBM also transfers technology on reducing ozone-depleting chemicals through publications and membership in ICOLP, and has published technical information on reducing waste in packaging.

6. What are the organization's control mechanisms that give decision-makers objective data to measure continuous performance improvement toward its short- and long-term objectives?

IBM has vigorous self-assessment and audit programs which include environmental, chemical, energy and safety audits. They are performed by local management, headquarters staffs, and the Corporate Audit staff. The results of these audits are reported to upper-management and the Corporate Environmental Affairs staff, and ultimately to the Chairman and Board of Directors. Performance results are reported annually through the master planning program. They are also reported, internally and externally, in IBM's Environmental Report, a copy of which is attached. Our impact assessment program ensures evaluation of the environmental consequences of our products.

7. What quantifiable, sustained environmental quality results in product and processes have resulted from the organization's environmental approach?

IBM's US manufacturing sites achieved a 65 percent year-to-year reduction in CFC emissions (from 1990) for a cumulative reduction of 92 percent since 1987. The company's US methylchloroform emissions declined 89 percent over the same period. IBM reduced its generation of hazardous waste worldwide 48 percent over the past five years, and 87 percent of the waste generated in 1991 was recycled. We recycle 57 percent of our solid waste worldwide. Through our energy conservation programs, IBM saved 4.1 billion kilowatt hours worldwide since 1986, which equates to a reduction of 420,000 tons of carbon dioxide per year.

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Respect for the Planet at IBM**

Q.001

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- o Reduced CFC emissions worldwide by 83% from 1987 through 1991
- o Reduced generated hazardous materials worldwide by 48% from 1985 through 1991 and recycled 87% of them in 1991
- o Achieved 58% recycling of solid waste worldwide
- o Conserved 4.1 billion kilowatt-hours of energy worldwide since 1986
- o Reduced SARA releases by 62% from 1987 through 1990, including a 76% reduction in air emissions
- o Achieved an exemplary OSHA record

Over the years, IBM has extended its commitment to the environment -- from its daily operations to philanthropic efforts to facilitate knowledge growth and technology transfer. Examples include a \$6.5 million donation to the United Nations to support the Global Resource Information Database and a \$25 million grant program for environmental research at universities and research institutes. IBM encourages its employees to volunteer their time for environmental causes and supports those activities through such means as matching grants to organizations in which employees are involved.

In summary, through visionary policies, sound practices, employee leadership and commitment, environmental protection and conservation are ingrained within IBM.

Question 6.

B. ENVIRONMENTAL QUALITY MANAGEMENT

1. What are the organization's environmental policies and objectives?

The objective of IBM's Corporate Policies is to govern actions within IBM to ensure they reflect the company's value system. The policies addressing our commitment to protect the environment direct us to provide a safe and healthful workplace, be an environmentally responsible neighbor; respect natural resources by conserving and recycling, develop environmentally friendly products, use processes that do not adversely affect the environment, ensure energy efficiency throughout our business, assist in developing technological solutions to global environmental problems, meet or exceed all applicable government requirements and set stringent standards where none exist, and conduct rigorous audits of our compliance.

2. How has the organization's top management demonstrated commitment to these policies and objectives? Do the policies demonstrate commitment beyond legal compliance?

IBM's Corporate Policies are issued by the Chief Executive Officer. The Corporate Staff is responsible for issuing the supporting directives. Unit executives are held accountable for the environmental activities of their units. Many of IBM's programs supporting these environmental policies were instituted prior to governmental regulations and standards. IBM thus set many of its own stringent standards where none existed in law. Examples of IBM's efforts taken prior to government requirements include replacement of underground storage tanks with above-ground tanks, utilization of double-walled piping and secondary containment, initiation of groundwater monitoring at all plant sites, and efforts to eliminate CFCs.

3. What are the organization's environmental standards for its product(s) and operations?

IBM's Corporate Policies are supported by Corporate Instructions which implement the policies through mandatory uniform practices that control our operations worldwide. They range from chemical reporting requirements to release prevention, from emergency planning to hazardous waste management, from control of contractor chemicals to energy management. A listing of the Instructions is attached.

Our product-related Instructions address the identification and control of potential adverse environmental effects of our products and processes, whether through IBM's processes or those of our contractors. They cover such areas as product safety, pollution prevention, energy efficiency, and activities associated with end-of-life product disposal.

4. How are these policies and objectives incorporated in the: a) day-to-day management of the organization; and b) the organization's long-range planning, capital and operating budgets?

IBM's operations are carried out in accordance with our Corporate Instructions and are audited against them. Our Corporate Practices provide further guidelines and direction. Reportable incidents are reported in real-time through our on-line reporting system, as are additional items included under IBM's more-comprehensive internal reporting requirements. Pollution prevention is an important objective in our product design, development and manufacturing decision-making. Both long- and short-range planning are assisted through our Environmental Master Plan Program, wherein all manufacturing operations report their environmental activities, and capital/expense plans annually to their upper-management and Corporate Headquarters.

5. How are these policies and objectives reflected in the organization's relationships with employees, customers, suppliers, and the general public?

All IBM employees are expected to operate in accordance with our Corporate Policies and Instructions. IBM's Business Conduct Guidelines also require employees to maintain IBM's standards in protecting the environment. We require our third-party contractors to maintain environmentally responsible operations. We have initiated product return programs in some countries to provide cradle-to-grave management of our products for customers. We share information and emergency plans with residents of the towns in which we operate. IBM also transfers technology on reducing ozone-depleting chemicals through publications and membership in ICOLP, and has published technical information on reducing waste in packaging.

6. What are the organization's control mechanisms that give decision-makers objective data to measure continuous performance improvement toward its short- and long-term objectives?

IBM has vigorous self-assessment and audit programs which include environmental, chemical, energy and safety audits. They are performed by local management, headquarters staffs, and the Corporate Audit staff. The results of these audits are reported to upper-management and the Corporate Environmental Affairs staff, and ultimately to the Chairman and Board of Directors. Performance results are reported annually through the master planning program. They are also reported, internally and externally, in IBM's Environmental Report, a copy of which is attached. Our impact assessment program ensures evaluation of the environmental consequences of our products.

7. What quantifiable, sustained environmental quality results in product and processes have resulted from the organization's environmental approach?

IBM's US manufacturing sites achieved a 65 percent year-to-year reduction in CFC emissions (from 1990) for a cumulative reduction of 92 percent since 1987. The company's US methylchloroform emissions declined 89 percent over the same period. IBM reduced its generation of hazardous waste worldwide 48 percent over the past five years, and 87 percent of the waste generated in 1991 was recycled. We recycle 57 percent of our solid waste worldwide. Through our energy conservation programs, IBM saved 4.1 billion kilowatt hours worldwide since 1986, which equates to a reduction of 420,000 tons of carbon dioxide per year.

Application Form-1992

Please read the application form carefully and provide all information requested. Please type or print clearly. Supplementary pages should follow the format of this form as closely as possible. Incomplete applications will not be considered.

1. Select the Award category for which you are competing:
(Note: A program may be entered in only one category. See descriptions of categories in Question 6.)

- (01) Partnership
- (02) Environmental Quality Management
- (03) Innovation
- (04) Education and Communication

2. Name of the project or program described in this application:
Environmental Management and Conservation at IBM

3. Name of Award Applicant(s): (Use separate sheet, if needed)
 Mr. Mrs. Ms. Miss Dr.

Name: Arthur J. Hedge, Jr.

Title: IBM Vice President, Environmental Affairs

Organization: IBM Corporation

Street: 208 Harbor Drive

City: Stamford State: CT Zip: 06904

Telephone: 203-973-7777 Fax: 203-973-7771

4. Program contact who can answer questions regarding the application:
 Mr. Mrs. Ms. Miss Dr.

Name: John F. Serino, Jr.

Title: Director, Corporate Environmental Programs

Organization: IBM Corporation

Street: 208 Harbor Drive

City: Stamford State: CT Zip: 06904

Telephone: 203-973-7750 Fax: 203-973-7092

NOTE: The Selection Committee will rely heavily on Questions 5-6 in determining how well the application meets the award criteria.

5. Please attach a one-page (not to exceed 500 words) summary, suitable for publication, which provides a complete overview of the application. The one-page response should be clear, concise, and should emphasize quantifiable results or benefits of the program.

6. A-D: Please answer *only* the following Award criteria questions pertaining to the specific Award category for which you are applying. (For example: Partnership category, answer questions A1-A5; EQM, B1-B7; Innovation, C1-C5; Education, D1-D5).

Answers should be clear, concise and *should emphasize quantifiable results or benefits* of the program. Each answer to a sub-question should not exceed 100 words. Taken as a whole, all answers to criteria questions should not exceed two pages.

A. PARTNERSHIP: awarded to diverse organizations or groups that have fostered cooperative approaches to environmental needs at the local, regional, or national level.

1. Who are the partnership's members? What are their roles? What resources do they bring to the partnership?

2. What are the partnership's specific environmental or conservation objectives? Has a sustainable plan of concerted action for meeting these needs been established?

3. How is the partnership distinctive or innovative? What obstacles, environmental or otherwise, does it overcome?

4. What measurable environmental or conservation benefits has the partnership produced?

5. What aspects of the partnership can be modeled by others and transferred to other settings?

B. ENVIRONMENTAL QUALITY MANAGEMENT: awarded to organizations which have demonstrated that environmental values can be integrated into sound management decisions and objectives. (Note: This category reflects broad-based organizational approaches. Special programs or projects may be more appropriate for entry in one of the other three award categories.)

1. What are the organization's environmental policies and objectives?

2. How has the organization's top management demonstrated commitment to these policies and objectives? Do the policies demonstrate commitment beyond legal compliance?

3. What are the organization's environmental standards for its product(s) and operations? (Explain how they go beyond legal constraints and how they relate to management control mechanisms.)

4. How are these policies and objectives incorporated in the: a) Day-to-day management of the organization; b) Organization's decision-making about research and development; long-range planning, capital, and operating budgets?

5. How are these policies and objectives reflected in the organization's relationships with employees, customers, suppliers, and the general public?

6. What are the organization's control mechanisms that give decision makers objective data to measure continuous performance improvement toward its short- and long-term environmental objectives?

7. What quantifiable, sustained environmental quality results in products and processes have resulted from the organization's environmental approach?

C. INNOVATION—awarded to individuals, organizations and groups who have demonstrated exceptional creativity or pioneered new approaches in the development and/or execution of technologies, programs, projects, or services that are environmentally sound and economically sensible?

1. What is the purpose of the technology, program, project or service?

2. How is the technology, program, project, or service distinctive or innovative? What obstacles, environmentally or otherwise, does it overcome?

3. How is the technology, program, project, or service superior to other approaches? Does it offer a viable alternative to a problem for which no solutions previously existed?

4. Can the technology, program, project or service be replicated in an economically feasible manner?

5. What are the measurable, net long-term environmental benefits or results of the technology, program, project, or service?

D. EDUCATION AND COMMUNICATION—awarded to individuals, organizations, or groups which have developed educational or informational programs that inspire respect for the environment and raise the public's environmental literacy.

1. What is the program? What are its environmental or conservation objectives?

2. Who is the program's audience? How large is the audience? How is the program's effect on the audience determined?

3. What is original or distinctive about the program?

4. What are the measurable results or benefits produced by the program? How does the program promote the development of an environmental ethic and make a positive contribution to environmental awareness?

5. How can the program be used or modeled by others?

NOTE: The following questions are for informational purposes.

7. How long has the technology, program, project or service been operational?

Early 1940s, formal corporate programs 1967, 1971 and 1974

8. Which of the following most accurately describes the applicant(s)? (Check more than one, if applicable.)

- (01) National Business or Industry
- (02) ___ Regional or Local Business or Industry
- (03) ___ National Nonprofit Organization or Foundation
- (04) ___ Regional or Local Nonprofit Organization
- (05) ___ Local or State Government/Government Agency
- (06) ___ Educational Organization
- (07) ___ Voluntary Civic Organization
- (08) ___ Trade or Professional Society
- (09) ___ Youth Organization
- (10) ___ Labor Organization
- (11) ___ Individual
- (12) ___ Other (Please describe): _____

9. If business or industry, which of the following best describes the type of business or industry?

- (01) ___ Agriculture/Forestry
- (02) ___ Aerospace
- (03) ___ Communications
- (04) ___ Construction
- (05) Electronics/Computers
- (06) ___ Energy
- (07) ___ Engineering
- (08) ___ Environmental Services
- (09) ___ Financial Services/Insurance/Real Estate
- (10) ___ Manufacturing—Chemical
- (11) ___ Manufacturing—Other
- (12) ___ Mining
- (13) ___ Recreation
- (14) ___ Trade—Wholesale
- (15) ___ Transportation
- (16) ___ Utilities—Electric, Gas or _____
- (17) ___ Other (Please describe): _____

10. Which of the following most accurately describes the environmental program under consideration for an award? (Check more than one, if applicable.)

- (01) ___ agriculture
- (02) air quality
- (03) conservation
- (04) ___ education—general public
- (05) education—academic
- (06) energy
- (07) environmental quality management
- (08) ___ forestry
- (09) hazardous waste remediation
- (10) international
- (11) ___ natural resources

17. Please include 3 one-page letters of recommendation attached to the application when it is submitted for consideration. Letters should be addressed: "Attention: Award References." References should have first-hand knowledge of the environmental program, service, or technology and should offer a candid evaluation of its success or effectiveness. References may also include users or beneficiaries of your program.

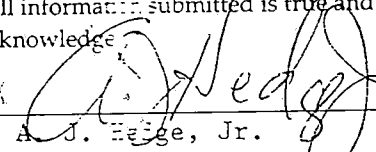
NOTE: Letters of recommendation must accompany the application when it is submitted to CEQ. Letters sent directly to CEQ will not be considered. Please list the references in the spaces below.

Name: See attached.
Title: _____
Street: _____
City: _____ State: _____ Zip: _____
Telephone: _____ Fax: _____

Name: See attached.
Title: _____
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City: _____ State: _____ Zip: _____
Telephone: _____ Fax: _____

Name: See attached.
Title: _____
Street: _____
City: _____ State: _____ Zip: _____
Telephone: _____ Fax: _____

18. Please sign below to indicate that all applicants agree a) to abide by the rules and requirements of the awards competition, and b) that all information submitted is true and accurate to the best of their knowledge.

Signature:  Date: 5/21/92

Title: IBM Vice Pres. Organization: IBM Corporation.
Environmental Affairs
Telephone: 203-978-7777

How to Apply

Completed applications must be postmarked by May 22, 1992 and mailed to the:

The President's Environment and
Conservation Challenge Awards
Council on Environmental Quality
The White House
722 Jackson Place, NW
Washington, DC 20503

All information submitted with the application should be considered public information and becomes property of the President's Challenge Awards program.

Award recipients will be notified in Fall 1992. Recipients must be willing to assist the President's Challenge Awards program in making nonproprietary information about their environmental programs available to others who wish to replicate their success.

Application Format

Please submit one original and four photocopies of your application. You may include up to 10 pages of supporting materials. (NOTE: Photocopying both sides of a sheet of paper will be considered two-pages.) Any oversized items must be reduced to fit a standard 8.5" x 11" page format.

Supporting materials may include items such as brochures, photographs, press clippings, and graphs depicting the program's results. The materials may not be used as a substitute for written responses to Questions 5 and 6.

The order of pages in the submitted application should be as follows:

1. 4-page application (Questions 1-20)
2. 500-word overview summary (Question 5)
3. 2-page responses to criteria questions (Question 6)
4. 10 pages of supporting materials
5. 3 letters of recommendation (Question 17)

NOTE: The entire package should be stapled in the upper, left-hand corner. Any items sent over the 10-page limit of supporting materials will be disregarded and not reviewed by the technical evaluators and selection committee. Do not put the application or backup materials into a binder, notebook or plastic cover.

OMB Control No. 0331-0002, (Exp. 2/95): As required by the Paperwork Reduction Act, CEQ estimates that completion of this application will take 10 hours. Send comments regarding the collection of this information, including suggestions for reducing the paperwork burden, to CEQ and also to: Paperwork Reduction Project, Office of Management and Budget, Office of Information and Regulatory Affairs, 725 17th Street, NW, Washington, D.C., 20503

Question 5

**Environmental Quality Management,
Respect for the Planet at IBM**

IBM has a long-standing commitment to environmental protection.

In 1967, 1971 and 1974, IBM issued worldwide policies on safety, the environment and conservation. Each has been strengthened over the years. These policies, and our subsequent actions, often were initiated before government regulations were issued. The enclosed Corporate Policy 139 is the latest affirmation of objectives that have been woven into IBM's business fabric for decades.

A corporate vice president oversees worldwide environmental affairs. Daily operations are guided by written instructions and practices concerning environmental protection. Compliance responsibilities are well-defined. Environmental considerations are integral to research, development and in relationships with customers and are applied equally wherever IBM does business.

IBM's long-standing waste management hierarchy calls for reducing, reusing, recycling, and as a last resort, safely treating and disposing. Over the past decade-plus, more than \$1 billion has been invested in upgrading facilities and implementing approaches, such as secondary containment with leak detection and above-ground tanks and piping. All new construction incorporates state-of-the-art environmental protection. In 1978, IBM established a safe PCB incineration program, and in the same year, initiated a worldwide groundwater monitoring program.

IBM has a comprehensive assessment program, including corporate audits. Environmental Impact Assessments are prepared for every product and process. All sites annually submit Environmental Master Plans, which are consolidated and used by management to assess performance and identify areas for improvement.

All plants are prepared to handle potential environmental emergencies, with trained employees, proper equipment and community coordination. A worldwide computer network is used to provide immediate notification of problems, alert other locations to exposures and prevent potential recurrences.

IBM's goal to eliminate CFCs from processes and products by 1993 is six years ahead of the Clean Air Act targets. IBM has established a similar goal to stop using methyl chloroform by 1995, six years ahead of the Clean Air Act requirements.

IBM's programs have produced results, including the following:

- o Reduced CFC emissions worldwide by 83% from 1987 through 1991
- o Reduced generated hazardous materials worldwide by 48% from 1985 through 1991 and recycled 87% of them in 1991
- o Achieved 58% recycling of solid waste worldwide
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In summary, through visionary policies, sound practices, employee leadership and commitment, environmental protection and conservation are ingrained within IBM.

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B. ENVIRONMENTAL QUALITY MANAGEMENT

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ATTACHMENT - QUESTION 17 REFERENCES

Robert W. Fri
President & Senior Fellow
Resources for the Future
1616 P Street, N.W.
Washington, DC 20036
Tel: 202-328-5000
Fax: 202-939-3460

J. William Futrell
President
Environmental Law Institute
1616 P Street, N.W.
Washington, DC 20036
Tel: 202-328-5150
Fax: 202-328-5002

John Quarles, Partner
Morgan Lewis & Bockius
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Washington, DC 20036
Tel. 202-467-7000
Fax: 202-467-7176

Craig G. Robertson
President
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Harrisburg, PA 17110-9307
Tel: 717-652-6832
Fax: 717-657-1611

Allan J. Topol, Partner
Covington & Burling
1201 Pennsylvania Ave., N.W.
P.O. Box 7566
Washington, DC 20044
Tel: 202-662-6000
Fax: 202-662-6291

Governor Pete Wilson*
State of California
State Capitol
Sacramento, CA 95814
Tel: 916-445-2841
Fax: 916-445-4633

*IBM is applying for the award as an entire company.
Governor Wilson's letter addresses the portion of IBM
with which he is familiar.



Robert W. Fri
President and Senior Fellow

May 11, 1992

The President's Environment and
Conservation Challenge Awards
Council on Environmental Quality
The White House
722 Jackson Place, N.W.
Washington, D.C. 20503

Attention: Award References

Dear Sir/Madam:

I am writing to urge your favorable consideration of the application of IBM for the President's Environment and Conservation Challenge Awards.

IBM's environmental program has been recognized for its aggressive and successful efforts toward pollution prevention. Best known among them is the rapid reduction in CFC emissions at IBM plants worldwide. Additionally, IBM has been a leader in going beyond current regulatory requirements to contain toxic air emissions and other pollutants. These and other accomplishments are, I am sure, well-documented in IBM's application.

Less visible than these outward results, however, are the internal strengths of IBM's environmental program. For example, IBM gives its own environmental awards, which entail both top level recognition in the company and generous financial prizes. Similarly, the company has instituted a \$25 million grant program to support environmental research outside IBM. I have been able to observe these programs first-hand, and so have some sense of their worth, which is considerable. But they should also be seen as examples of IBM's internal commitment to environmental improvement.

It is this combination of visible accomplishment and internal commitment that seems to me to be particularly praiseworthy. I hope that you will share this view as you consider IBM's application for the President's Awards.

Sincerely,

Robert W. Fri



Environmental Law Institute

1616 P St. NW
Washington, DC 20036

Telephone 202/328-5150
FAX 202/328-5002

May 14, 1992

The President's Environment & Conservation
Challenge Award
Council on Environmental Quality
722 Jackson Place, N.W.
Washington, DC 20503

Re: 1992 Award Nomination

Dear Colleagues:

I recommend International Business Machines Corporation (IBM) for the President's 1992 Environment and Conservation Challenge Award for Environmental Quality Management.

I first became familiar with IBM's environmental leaders in 1982 when they approached me to ask my advice in recruiting additional environmental professionals in an expansion of IBM's environmental programs. The IBM approach was in dramatic contrast to the message from many other corporations that were reducing environmental staff and commitments, claiming the impact of the 1982 recession and citing assurances from federal government leaders that environmental enforcement would be relaxed.

In my capacity as President of the Environmental Law Institute, I supervise ELI's Corporate Associates program which has enrolled more than 100 corporations. The ELI staff work with corporate staff on environmental education and corporate environmental policies. I have become personally acquainted with many IBM management, technical, legal, and other professional people who are responsible for IBM's environmental program. They are dedicated environmental professionals and are evidence of IBM's commitment to environmental leadership. They seek to meet or exceed all government requirements and, where none exist, to set stringent standards of their own. IBM is at the forefront of technology to protect the environment and funds environmental research at universities and other research institutions.

J. William Futrell, *president*

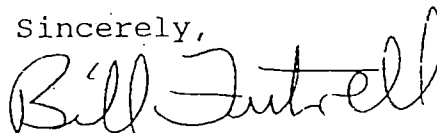
board of directors: Grover Wrenn, *chairman* • Ann Powers, *secretary-treasurer*

Elizabeth Bauereis • Michael Bean • William Bondurant • Leslie Carothers • Anthony Celebrezze, Jr. • David Challinor • David Chittick
Richard Dewling • Brock Evans • Frank Friedman • Edmund Frost • David Hayes • Oliver Houck • Nancy Maloley • Langdon Marsh • Craig Mathews
James Moorman • Edmund Muskie • Helen Petruskas • John Quarles • Michael Richardson • James Rogers • David Sive • Allen Smith • Turner Smith
James Gustave Speth • Robert T. Stafford • Donald Stever • James Strock • Lee Thomas • Michael Traynor • Nicholas Yost • David Zoll

IBM's environmental management is proactive and frequently acting in advance of government requirements. For example, in 1978 it began to monitor the groundwater at all of its industrial sites worldwide and to remediate any contamination it found. Long before legally mandated, IBM replaced its underground tanks with above ground tanks, and installed extensive double-walled piping and secondary containment at its industrial facilities worldwide to protect the environment. It began to develop alternatives to CFCs well before the Montreal Protocol, enabling it to reduce its emissions worldwide by 83% from 1987 through 1991, with the goal of eliminating CFCs entirely from its products and processes by year end 1993, again well before legal requirements.

IBM is an outstanding environmental citizen. I am pleased to endorse IBM for recognition of its long-standing and enlightened commitment to the environment by recommending it for the President's Award for Environmental Quality Management.

Sincerely,

A handwritten signature in cursive script that reads "Bill Futrell". The signature is written in dark ink and is positioned above the typed name.

J. William Futrell
President

MORGAN, LEWIS & BOCKIUS

PHILADELPHIA
LOS ANGELES
MIAMI
LONDON
FRANKFURT

COUNSELORS AT LAW
1800 M STREET, N.W.
WASHINGTON, D.C. 20036
TELEPHONE: (202) 467-7000
FAX: (202) 467-7176

WASHINGTON
NEW YORK
HARRISBURG
SAN DIEGO
BRUSSELS
TOKYO

May 4, 1992

JOHN QUARLES
DIAL DIRECT (202) 467-7150

President's Environment and Conservation
Challenge Awards Program
The White House
722 Jackson Place, N.W.
Washington, D.C. 20503

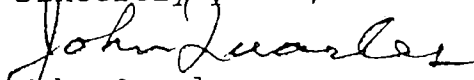
Attention: Awards References

I recommend the International Business Machines Corporation (IBM) for the Environmental Quality Management Award. As an environmental lawyer with 20 years experience, including over 6 years at EPA as General Counsel and then Deputy Administrator, I have worked with IBM as a member of several environmental projects and can attest firsthand to its consistently constructive approach to protecting the environment.

IBM was a leading member of the National Environmental Development Association's Clean Air Act Project; NEDA/CAAP was the first industry group to support President Bush's proposed amendments to strengthen the Clean Air Act and worked hard to achieve their enactment. IBM is a member of the RCRA Corrective Action Project and the Clean Air Implementation Project to constructively shape environmental regulations. IBM is also a leader in the Superfund Settlements Project, which has encouraged cooperation between industry and government to expedite hazardous waste cleanup.

I have seen IBM's commitment to environmental protection as an invited speaker at its 1990 International Environmental Conference. IBM assembled 150 of its environmental professionals from around the world and presented a variety of speakers and workshops to stimulate their creative solutions to environmental problems. In both its internal efforts and its leadership at the national policy level, IBM has been consistently ahead of the curve, treating total compliance with legal requirements as an absolute minimum and pushing toward more advanced levels of pollution prevention and environmental enhancement. IBM has an outstanding record of accomplishment in the environmental field and is committed unequivocally to advancing the public interest in environmental quality. I heartily recommend IBM as a recipient of the President's Environmental Quality Management Award.

Sincerely yours,


John Quarles

May 12, 1992

The President's Environment and
Conservation Challenge Awards
Council on Environmental Quality
The White House
722 Jackson Place NW
Washington, D.C. 20503

Attention: Award References

Sir or Madam:


The purpose of this letter is to provide a recommendation for the IBM Corporation's Environmental Quality Management program. For the past twenty years, I have been a consultant to industry, state governments and the U.S. EPA on environmental issues relating to groundwater. Since 1980, my work has included groundwater quality consulting to IBM plant sites and IBM's Corporate Environmental Programs staff. I have provided these services to IBM at nearly thirty sites, including manufacturing, research, distribution, warehousing and repair facilities. One of my principal tasks has been to provide corporate-wide review of IBM's Groundwater Protection Program. In this role, I have observed the workings of IBM's environmental program from the corporate vice president level to the plant technician level. Based on this experience, I have made the following observations regarding IBM's program:

1. Environmental policies and objectives are clearly stated and well-understood at all levels of environmental management.
2. The commitment of IBM's management team to these policies and objectives is unambiguous and has generated a high level of environmental sensitivity at all levels of the corporation.
3. IBM has regularly implemented environmental programs ahead of State or Federal regulatory requirements. One example is the Groundwater Protection Program, which was begun by IBM in 1978, years before EPA-mandated programs were required. IBM's programs have also gone well beyond the EPA-mandated performance standards (e.g., air and water discharge standards and elimination of CFCs).
4. Environmental managers and staff have established procedures for protecting the environment and have effectively communicated these procedures and the need to follow them to operations personnel. Compliance with these procedures is also systematically tracked and audited by environmental programs staff.
5. Vendors (like myself) are oriented to IBM's programs and are required to fully comply with those programs (e.g., spill control and cleanup).
6. Bulletin board and conference room displays of IBM's Market Driven Quality program are evident in the environmental departments at every site I visit. These displays demonstrate IBM's commitment to measuring the level of performance achieved by its environmental programs and to communicate those measurements to staff and management. These measurements are also consistent with IBM's philosophy that "what gets measured, gets done."

In conclusion, based on my twelve-year exposure to IBM's Environmental Quality Management program, I strongly recommend this program for the President's 1992 Environment and Conservation Challenge Award.

Very truly yours,

GROUNDWATER SCIENCES CORPORATION



Craig G. Robertson, PG, CGWP
President

COVINGTON & BURLING

1201 PENNSYLVANIA AVENUE, N.W.

P.O. BOX 7566

WASHINGTON, D.C. 20044

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May 6, 1992

ALLAN J. TOPOL

DIRECT DIAL NUMBER

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ACHESON HOUSE

46 HERTFORD STREET

LONDON W1Y7TF ENGLAND

TELEPHONE: 44-71-495-5655

TELEFAX: 44-71-495-3101

BRUSSELS CORRESPONDENT OFFICE

44 AVENUE DES ARTS

BRUSSELS 1040 BELGIUM

TELEPHONE: 32-2-512-9890

TELEFAX: 32-2-502-1598

The President's Environment &
Conservation Challenge Awards Program
Council on Environmental Quality
The White House
722 Jackson Place, N.W.
Washington, D.C. 20503

Attention: Awards References

Dear Sir/Madam:

I am writing to recommend the selection of IBM for the President's Environmental Challenge Award.

In the period since 1981, I have been privileged to serve as IBM's primary outside legal counsel for environmental matters and have observed first hand IBM's handling of all environmental matters. During this period, I have had extensive opportunity to observe many other large American companies individually and as members of industry groups. I have absolutely no doubt that IBM's environmental program has exceeded that which has been pursued by any other company for this entire ten year period.

IBM has not been content with minimal compliance with environmental laws. The company's objective, in writing and in practice, is to "meet or exceed" environmental requirements. Again and again I have observed instances in which the company took action far in excess of what the law required. Three examples will suffice. In the 1970s, IBM assembled and stored, at great cost to the company, PCB containing items such as capacitors (rather than land fill them) until there was a safe facility for their incineration -- a facility that IBM helped to create. In the 1970s, IBM undertook an extensive groundwater monitoring study at each of its plant sites, years before Superfund was passed. Similarly, IBM initiated a program to remove all CFCs from its products and processes, well before legal requirements were imposed.

Much of the cooperative approach between industry and EPA that has developed in the Superfund area owes its origin to IBM. It was IBM, as a major generator at the Seymour Indiana site, who organized the PRPs and then developed the structure for a negotiated consent decree settlement that later became the norm. IBM regularly educates its plant personnel in environmental matters. The company has interacted successfully with communities such as San Jose, California, Greencastle, Indiana and Endicott, New York, where manufacturing operations from an earlier era led to groundwater problems which now must be remediated.

Most significantly, the ten years in which I have witnessed IBM's exemplary approach to environmental issues is the same period in which the company has faced new challenges in the computer business and watched its profits decline under the onslaught of foreign competition. IBM has not, however, wavered in its commitment to do what's right for the environment. Environmentally desirable programs have not been shelved as being "too costly." Again and again, the company has shown its commitment to environmental excellence regardless of where the business cycle stands.

I cannot think of a more worthy recipient of this award.

Very truly yours,


Allan J. Topol



GOVERNOR PETE WILSON

May 13, 1992

The President's Environment and
Conservation Challenge Awards
Council on Environment Quality
The White House
722 Jackson Place, N.W.
Washington, D.C. 20503

Attention: Award References

I am writing to recommend International Business Machines Corporation (IBM) San Jose for the President's Environment and Conservation Challenge Award.

IBM invented the world's first computer disk drive in San Jose 36 years ago and today employs more than 19,000 people in California, most of them in the Bay Area, as the result of that breakthrough.

IBM San Jose has a well established record for environmental management leadership that spans more than two decades.

Earlier this month, IBM San Jose was recognized by the Environmental Protection Agency with its prestigious Administrator's Pollution Prevention award for CFC emission reduction over the past five years.

An environmental Impact Assessment is made on every product and process prior to its transfer into manufacturing. This aggressive manufacturing strategy has IBM's San Jose operation aimed squarely at a "zero discharge" goal.

IBM's specific accomplishments in pollution prevention and reduction speak to the quality of the company's commitment to the environment:

- A 90% reduction of hazardous waste shipped since 1986.
- A 95% reduction in CFC air emissions since 1987 coupled with a 99% reduction in usage.
- In a six year period, the recycling of 81 million pounds of metal and 61 million pounds of paper.
- In 1991, IBM became the first company in the San Francisco Bay Area to recycle polystyrene from its cafeterias.

STATE CAPITOL • SACRAMENTO, CALIFORNIA 95814

The President's Environment and
Conservation Challenge Awards
May 13, 1992
Page Two

As California's drought continues, IBM has demonstrated a working commitment to water and energy conservation. Last year, 48% of its water needs were met with reused water and energy consumption, which was increasing 6% per year, has now decreased 8% in just the first year of an aggressive conservation program.

The evidence of IBM San Jose's dedication to environmental protection is overwhelming. Their commitment to human resources, plant upgrade, process refinements plus training and education demonstrates the extent to which the company has instilled environmental protection practices throughout its operations.

It is because of this commitment, the outstanding achievements and the role model it sets for other companies in our state that I heartily recommend IBM San Jose as a recipient of the President's Environment and Conservation Challenge Award.

Sincerely,



PETE WILSON

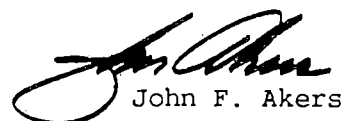
Number 139
November 29, 1990

SUBJECT: Environmental Affairs

IBM is committed to environmental affairs leadership in all of its business activities. IBM has longstanding corporate policies of providing a safe and healthful workplace and safe products (Policy Letter Number 127), protecting the environment (Number 129), and conserving energy and natural resources (Number 131), which were initiated in 1967, 1971, and 1974, respectively. These policies continue to guide our operations, and they are the foundation for the following corporate policy objectives:

- o Provide a safe and healthful workplace, including avoiding or correcting hazards and ensuring that personnel are properly trained and have appropriate safety and emergency equipment.
- o Be an environmentally responsible neighbor in the communities where we operate and act promptly and responsibly to correct incidents or conditions that endanger health, safety, or the environment, report them to authorities promptly, and inform everyone who may be affected by them.
- o Maintain respect for natural resources by practicing conservation and striving to recycle materials, purchase recycled materials, and use recyclable packaging and other materials.
- o Develop, manufacture, and market products that are safe for their intended use, efficient in their use of energy, protective of the environment, and that can be recycled or disposed of safely.
- o Use development and manufacturing processes that do not adversely affect the environment, including developing and improving operations and technologies to minimize waste, prevent air, water, and other pollution, minimize health and safety risks, and dispose of waste safely and responsibly.
- o Ensure the responsible use of energy throughout our business, including conserving energy, improving energy efficiency, looking for safer energy sources, and giving preference to renewable over nonrenewable energy sources when feasible.
- o Assist in the development of technological solutions to global environmental problems, share appropriate pollution prevention technology and methods, and participate in efforts to improve environmental protection and understanding throughout industry.
- o Meet or exceed all applicable government requirements. Where none exist, set and adhere to stringent standards of our own and continually improve those standards in light of technological advances and new environmental data.
- o Conduct rigorous audits and self-assessments of IBM's compliance with this policy, measure progress of IBM's environmental affairs performance, and report periodically to the Board of Directors.

Every employee and every contractor on IBM premises is expected to follow the company's policies and to report any environmental, health, or safety concern to IBM management. Managers are expected to take prompt action.


John F. Akers

DISTRIBUTION: Lists "A" and "B"

Number 127
April 7, 1967

SUBJECT: Responsibility for Safety

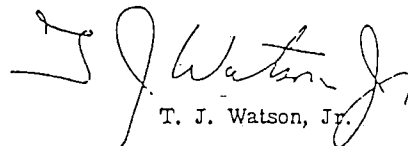
Every manager has personal and individual responsibility for the safety of all persons reporting to or assigned to him. In executing this responsibility, the manager is encouraged to utilize the assistance provided by staff departments. However, this in no way reduces his own obligation to insure that his personnel are properly trained in safety practice and in the use of emergency equipment.

Safety and emergency equipment are to be provided as required. Training and instruction in safety procedures is mandatory. Safety programs must be commensurate with definable hazards and periodically evaluated and updated to reflect changes obsoleting existing equipment.

Line management will ensure that all products, tools, test equipment and other devices conform with existing safety design criteria and are maintained so as to perform as designated. Operating procedures assuring safe operation of this equipment shall be provided.

Each Corporate Staff Director, as a part of his responsibility for his functional area, will determine that the line organizations' safety and emergency equipment practices are reasonable, adequate, current, and thoroughly understood.

The Vice President, Personnel, is responsible for reviewing safety programs; effecting coordination between the different areas of the business; assisting in establishing educational programs as required; assisting in the employment, training, and upgrading of personnel involved with safety as requested; and ensuring a reasonable degree of uniformity throughout the Company in the procurement and use of safety and emergency equipment.



T. J. Watson, Jr.

EFFECTIVE DATE

Immediately
Supersedes President's Letter No. 2, dated April 16, 1959

DISTRIBUTION

Distribution Lists "A" and "B"

Number 127D
October 2, 1990

SUBJECT: Responsibility for Health and Safety

IBM is committed to provide a safe and healthful work environment and safe products. There can be no compromise in protecting the health and safety of our employees and customers.

All IBM managers have personal responsibility for protecting the health and safety of all persons in the work environment. They must take positive actions to avoid or correct potential health and safety hazards. To accomplish this, management must ensure that IBM employees, and others for whom they are responsible, are properly placed and trained, perform safely, and, where appropriate, are provided proper safety and personal protective and emergency equipment.

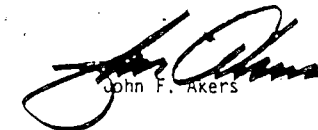
Every manager involved in the development, manufacture, installation, service or disposal of IBM products is responsible for ensuring that the product or process meets our requirements for health and safety, including necessary precautions for those who come in contact with them.

Corporate staff heads, as a part of their responsibility for a functional area, will determine that the line organization's health and safety practices are reasonable, adequate, current, and thoroughly understood.

The personnel staff head is responsible for developing uniform medical and health program policies for all IBM employees, for reviewing policy implementation, for overseeing all human health research programs, and for effecting coordination between the different areas and staffs of the business.

The environmental affairs staff head, with the counsel of appropriate corporate staffs, will prescribe the practices that must be followed to discharge IBM's responsibility for environmental programs. Further, the environmental affairs staff head is responsible for developing safety policy and shall have oversight responsibility for chemical management and product/process safety.

The IBM U.S. manufacturing and development staff head, with the counsel of appropriate corporate staffs, is responsible for establishing worldwide uniform chemical management and product/process safety programs. Appropriate reviews will be implemented to ensure control and accountability for program activities at IBM locations.



John F. Akers

Replaces Corporate Policy No. 127C, dated July 24, 1984.

DISTRIBUTION: Lists "A" and "B"

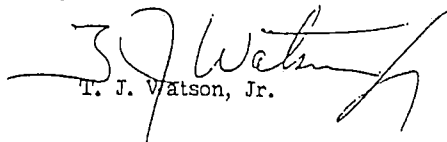
IBM *Corporate Policy*

Number 129
May 26, 1971

SUBJECT: IBM's Environmental Responsibility

Line management in IBM must be continuously on guard against adversely affecting the environment. This effort must include constant attention not only to the waste incident to producing a product but also to the consequences of the processes established during product development.

The Real Estate and Construction Division, with the counsel of various staff groups, as appropriate, will prescribe the practices that must be followed to discharge this responsibility. The Corporate Staff -- particularly Engineering, Programming & Technology; Manufacturing; Personnel Plans and Programs; and Service -- is responsible for assuring the excellence of performance of the line organizations in pursuit of this objective. In all instances, of course, we must meet or exceed all relevant statutory and regulatory requirements.


T. J. Watson, Jr.

EFFECTIVE DATE

Immediately

DISTRIBUTION

Distribution Lists "A" and "B"

IBM *Corporate Policy*

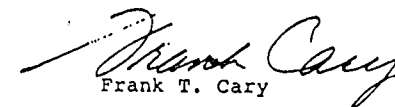
Number 129B
July 30, 1979

SUBJECT: Environmental Protection

IBM will reduce to a minimum the ecological impact of all of its activities. Management in IBM is expected to be continuously on guard against adversely affecting the environment and to seek ways to conserve natural resources.

Although IBM is not in a business which creates severe pollution problems, IBM is committed to:

- Meet or exceed all applicable government regulations in any location.
- Establish stringent standards of its own where government regulations do not exist.
- Attempt to utilize nonpolluting technologies and to minimize energy and materials consumption in the design of products and processes.
- Minimize dependence on terminal waste treatment through development of techniques to recover and reuse air, water and materials.
- Assist government and other industries in developing solutions to environmental problems when appropriate opportunities present themselves and IBM's experience and knowledge may be helpful.


Frank T. Cary

Replaces Corporate Policy No. 129A, dated May 24, 1973

DISTRIBUTION: Lists "A" and "B"

Number 131
September 9, 1974

Number 131A
September 28, 1989

SUBJECT: Conservation

It is the policy of IBM to conduct all activities in such a manner that conservation of energy, raw materials and commodities remains a permanent way of life for the Company.

The 1973-74 oil crisis forcefully demonstrated that with planning and imagination we were able to reduce our fuel and power consumption significantly. This, in turn, led us to develop ways to make more efficient use of raw materials and commodities which were in short supply. It is not enough, however, to react to a crisis situation. Conservation must be a deliberate and continuing policy of management.

Therefore, I expect each operating unit to cooperate fully in national energy conservation programs, give high priority to conservation of energy, raw materials and commodities in the design and manufacture of our products and -- wherever practicable -- develop substitutes for materials in short supply. Similarly, I expect managers at all levels to implement this policy by personal example -- whether it be in switching off lights or in the consumption of office supplies.

This is good business practice and serves the broader purpose of helping to conserve the world's limited resources.


F. T. Cary

DISTRIBUTION: Lists "A" and "B"

SUBJECT: Conservation and Recycling

It is IBM's policy to conserve energy and raw materials, to recycle commodities and to help protect the environment.

The oil crisis of the early 1970s forcefully demonstrated that with planning and imagination we were able to reduce our fuel and power consumption significantly. The solid waste disposal crisis now confronting the United States and other countries gives us an additional challenge to reduce waste by making more efficient use of raw materials and recycled commodities. Recognizing the need for prudent energy use and global environmental protection, while maintaining safe and healthful workplaces, management must strive to keep its focus on both energy conservation and materials recycling.

Therefore, I expect each operating unit to cooperate fully in conservation programs, giving high priority to energy efficient operation of our facilities and processes and to conservation of energy and raw materials in the design and manufacture of our products. You should also emphasize the use of recyclable packaging and components, the recycling of used commodities, and the purchase of recycled materials. Similarly, I expect managers at all levels to implement these policies by personal example--whether it be in simply turning off equipment or lights or in the prudent purchase, consumption, and recycling of supplies and materials.

This approach is good business practice and serves the broader purpose of helping to conserve the world's limited resources.


John F. Akers

Replaces Corporate Policy No. 131, dated September 9, 1974

DISTRIBUTION: Lists "A" and "B"

LIST OF IBM CORPORATE INSTRUCTIONS AND PRACTICES
Relating to environmental affairs

The following are titles of IBM's Corporate Instructions and Corporate Practices relating to environmental affairs. These documents serve to implement corporate policies and establish mandatory uniform practices worldwide. Each outlines requirements and responsibilities as appropriate. They are a reflection of the comprehensive nature of IBM's management system.

CORPORATE INSTRUCTIONS:

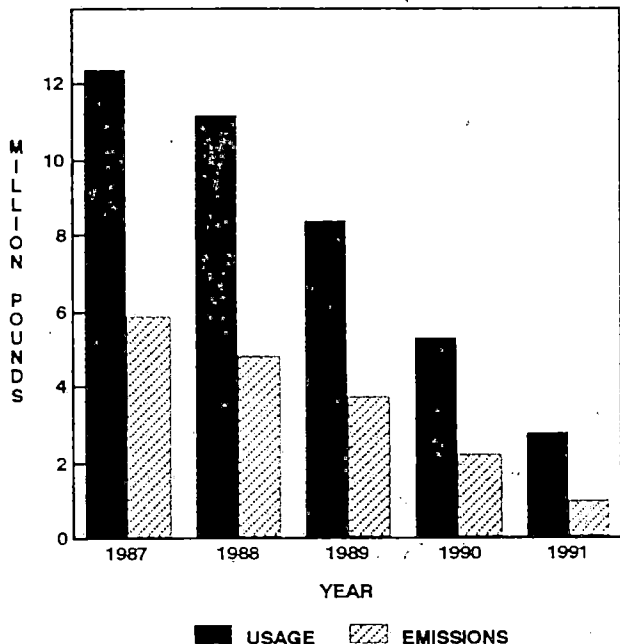
- Chemical Data System (CDS) /European Chemical Data System (ECDS)
- Control & Management of Hazardous Chemicals Which May Produce Adverse Health Effects
- Control of Contractor Chemicals
- Customer Engineering Safety Inspection
- Electrical Safety
- Environmental Impact Assessment
- Environmental Programs
- Environmental Release Prevention
- Human Health Research
- IBM Medical and Health Programs
- IBM Safety and Industrial Hygiene Programs
- IBM Use of Animals
- Labelling of IBM Field Use Materials and Supplies Containing Hazardous Chemicals
- Master Planning for Plant, Laboratory and Headquarters
- Office Ergonomics for Visual Display Products
- Product Safety Incident Management
- Product Safety Review Board
- Reporting to the Consumer Product Safety Commission
- Environmental Affairs Focal Point
- Safeness of IBM Products
- Safety and Health Considerations in Contractor and Vendor Relationships (IBM Vendor/Supplier Evaluation)
- The Emergency Planning Program
- Toxic Substance Control
- Energy Management
- Environmental Evaluation of Suppliers
- Hazardous Waste Disposal Vendors
- Product Disposal Vendors
- Environmental Investigations for Transactions Involving Interests in Real Estate

CORPORATE PRACTICES:

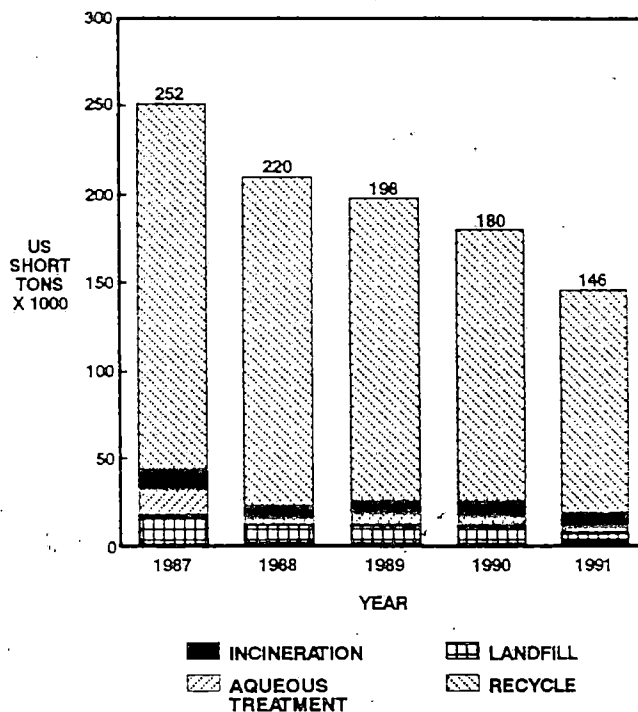
- Air Effluent Criteria
- Bulk Chemical Tank Farm Design
- Chemical Distribution Center Design
- Containment of Industrial Liquids
- Environmental Impact Assessment - Plant Siting
- Environmental Impact Assessment - Product/Process
- Environmental Monitoring Procedure
- Industrial Wastewater Discharges
- Outdoor Noise Criteria
- Sanitary Liquid Waste Effluent Criteria
- Waste Management

EXAMPLES OF IBM'S ACCOMPLISHMENTS

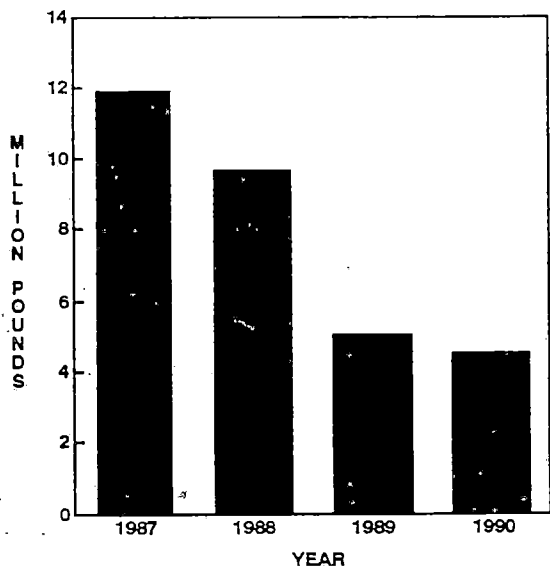
**IBM's CFC-113 USAGE & EMISSIONS
WORLDWIDE
1987-1991**



**IBM's HAZARDOUS WASTE MANAGEMENT
1987-1991**

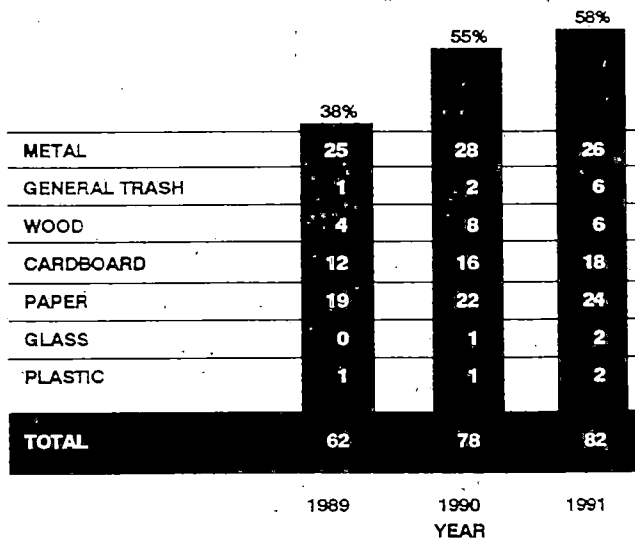


**IBM's SARA TOTAL RELEASE INVENTORY
IBM U.S.
1987-1990**



Not including delisted chemicals
(1991 data not yet compiled)

**IBM RECYCLED MATERIALS WORLDWIDE
U.S. SHORT TONS X 1,000**

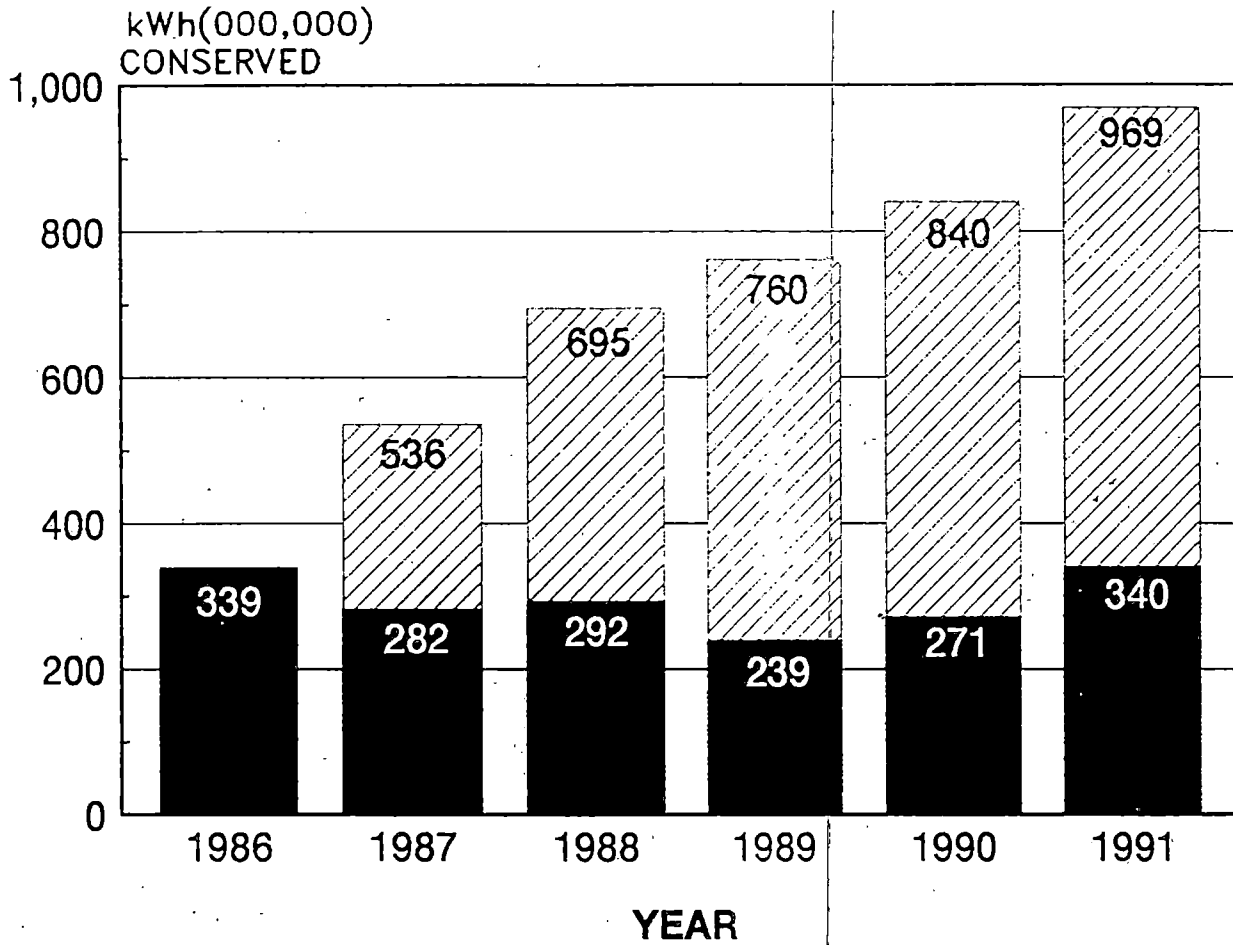


TOTAL NONHAZARDOUS
WASTE IN THE
ABOVE CATEGORIES:

162 143 141

ENERGY CONSERVATION

Cumulative kWhrs



■ ACTUAL YEAR RESULTS

▨ PREV. YR. CARRY-OVER

Cumulative savings over six-year period = 4.1 billion kWh
 Cumulative effect of savings from previous years
 has been discounted by 25% per year

For Release:

IMMEDIATE



International Business Machines Corporation
Armonk, New York 10504

Contact: Brian D. Doyle
(914) 765-6432

IBM ANNOUNCES ENVIRONMENTAL RESEARCH PROGRAM

ARMONK, N.Y., May 14, 1991. . . IBM today announced a major research program intended to encourage the use of computer-based technology in the study of environmental problems.

The multi-million dollar program will provide funding, equipment and technical support for selected research projects over several years. It is designed to address problems of concern to both industry and the general public, such as groundwater pollution, ozone depletion and waste disposal.

"IBM is sponsoring this research to promote a better understanding of the many complex factors that adversely impact our environment," said Arthur J. Hedge, Jr., IBM vice president, environmental affairs. "We believe computer technology can help bring about innovative new solutions to difficult environmental problems, and ultimately improve our quality of life."

The program will be initiated with universities and research organizations in the United States and then expanded to other parts of the world. It is intended to promote cross-disciplinary collaboration and stimulate the international transfer of technology.

IBM will invite qualified researchers to submit preliminary project outlines, after which a review committee will request formal proposals on selected projects.

An IBM advisory committee, including representatives from the environmental, scientific and business communities, will then evaluate the formal research proposals and nominate candidates for final selection by IBM.

Although this program will be offered on an invitation basis, interested parties may obtain guidelines by writing to: Program Director, Environmental Research Program, IBM Corporation, 208 Harbor Drive, Room Number 4C-29, P. O. Box 10501, Stamford, Conn., 06904-2501.

This initiative complements IBM's longstanding corporate environmental policy. IBM is dedicated to ensuring health and safety in the workplace, protecting the communities in which it operates and contributing to the understanding and solution of environmental problems.

#



International Business Machines Corporation
Armonk, New York 10504

Contact: Brian D. Doyle
(914) 765-6432

**IBM AWARDS \$235,000 TO EMPLOYEES IN U.S., EUROPE AND ASIA
FOR ENVIRONMENTAL, SAFETY INNOVATIONS**

ARMONK, N.Y., November 19, 1991. . . International Business Machines Corporation has awarded \$235,000 to employees in the United States, Europe and Asia for contributions to environmental management and employee safety, the company announced today.

IBM's annual Environmental Affairs Technical Excellence Awards, announced earlier this year, provide up to \$50,000 for innovative technical accomplishments that contribute to IBM's environmental, safety and energy objectives.

Six awards were presented to the following 22 employees in the U.S., the United Kingdom and Japan.

-- Dr. Bernard S. Meyerson of IBM's Thomas J. Watson Research Center, Yorktown Heights, New York, received a \$50,000 award for inventing the "Silane Gas Flow Restrictor," a device that reduces hazards associated with a gas used in semiconductor manufacturing. The device has improved safety at IBM plants and has been shared with universities and other companies.

-- Dr. June Andersen, Michael H. Carroll, Don E. DeLeo, Jon S. Drier, R. Douglas Howard, Jr., and Ming Ko of IBM's San Jose, California, site shared a \$50,000 award for developing parts-cleaning processes that replaced chlorofluorocarbons (CFCs) with water and hot air drying techniques. The processes, which helped reduce San Jose's CFC emissions 96 percent between 1987 and 1990, are being implemented at other IBM locations and shared with companies worldwide.

-- Peter E. Carr, Alicia Dean, John A. Fitzsimmons, Janos Havas, Barry C. McCormick, Michael J. Migliore, Jon H. Nansen and Prabodh R. Shah of IBM's East Fishkill, New York, site shared a \$50,000 award for replacing J-100, a toxic and corrosive mixture used in semiconductor manufacturing, with a safer solution. The new "IBM Photoresist Stripper" is recyclable and reduces hazardous waste and air emissions.

-- Hiroshi Naitoh and Shigemi Sakamoto of IBM's Yamato, Japan, development laboratory shared a \$30,000 award for implementing an innovative environmental impact assessment and education module for product development. The program helped reduce the use of hazardous materials and established a training course for development engineers.

-- Mark T. Kerr, Jeffrey J. Miller and Chuck A. Tuson of IBM's Research Triangle Park, North Carolina, site shared a \$30,000 award for publishing "Environmental Design Guidelines for IBM Packaging Engineers." The reference book, used in IBM packaging operations worldwide, provides guidelines for reducing, reusing and recycling packaging materials, as well as for eliminating CFCs and heavy metals. The guidelines saved IBM more than \$10 million in 1990 alone.

-- Patrick Hagan and Brian L. Robertson of IBM's Greenock, Scotland, site shared a \$25,000 award for introducing a water-based spray system that replaced CFCs in the cleaning of circuit boards. Greenock used the technology to completely eliminate CFCs from its manufacturing processes.

The employee awards complement IBM's long-standing safety, environmental and conservation policies. IBM is dedicated to ensuring health and safety in the workplace, protecting the communities in which it operates and contributing to the understanding and solution of global environmental problems.

Think

REPRINT

VOLUME 58 • NUMBER 1 • 1992

Update on
Safety, Energy
And the
Environment

IBM

IBM and the Environment

IBM's long-standing commitment to the environment begins with a safe and healthy workplace. It extends to every community where we do business, and to the global environment. In short, by practicing respect for the Earth we all share, we try to live up to our company's basic belief in respect for the individual.

I believe this Special Report by *Think* magazine shows how seriously IBMers take their environmental responsibilities. Over the years, they have built an admirable record in job safety, energy conservation

and environmental protection. We are proud of that record. At the same time, we also recognize our responsibility to continue building on our accomplishments.

We are committed to conducting IBM's business in the most responsible way possible. And we sustain that commitment from year to year through the unstinting contributions of thousands of IBM employees who make it part of their way of life to do the right thing for their fellow IBMers, their communities, and their planet.



A handwritten signature in dark ink, reading "John F. Akers". The signature is written in a cursive, flowing style.

JOHN F. AKERS
CHAIRMAN OF THE BOARD.

Update on Safety, Energy And the Environment

by Ed Grimm

Anyone who thought that when the sun set on Earth Day 1990, the environmental movement would settle into its own kind of twilight has by now thought otherwise. The con-

cerns remain strong, they are worldwide, and industry is paying attention to them.

For companies like IBM, this represents no sudden revelation. As far back as 1967, IBM began establishing worldwide policies for safety, conservation, and the environment. In this arena, however, you're only as good as your latest initiative. Even a recent honor like the World Environment Center's 1990 Gold Medal, awarded IBM for international corporate environmental achievement, can quickly gather dust in the public's mind.

The pace of developments, the pitch of public concern, the pressure on business and government to act responsibly—all are abundantly in evidence.

In April, the second World Industry Conference on Environmental Management was held

in Rotterdam. Its key message: Environmental issues have become global and they involve the entire international business community. This June, in Rio de Janeiro, a United Nations conference on the environment will deal with such foremost ecological issues as climate change, forestry, and biodiversity.

• Polls show that at least 70 percent of consumers prefer products that are environmentally safe. The *Financial Times* of London reports that "business is re-examining the environmental impact of manufacturing, the raw materials used, energy employed, effluents and emissions produced, and the final disposal of waste products."

• A nationwide poll, reports *The Wall Street Journal*, reveals that 8 out of 10 Americans consider themselves environmentalists "who

Speaking of Incentives

Two new programs recognize the achievements of individual employees and IBM locations in environmental matters.

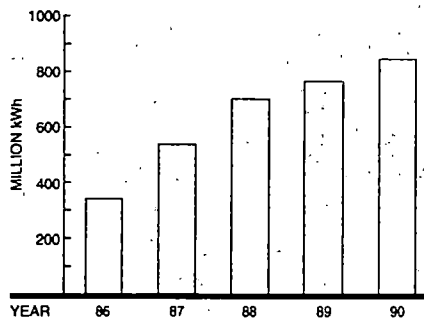
The Environmental Affairs Technical Excellence Award will be presented annually to individuals for technical and innovative accomplishments that further IBM's environmental objectives. The maximum award is \$50,000.

This year, the first annual IBM Chairman's Environmental Affairs citations will be presented to the two IBM locations that have contributed most to progress in environmental, energy, and safety and industrial hygiene programs. Citations will be awarded in two categories: manufacturing, development, and research locations; and locations in organizations such as marketing and services and operating unit headquarters.



PETER BONING/IAISON INTERNATIONAL

ENERGY CONSERVATION CUMULATIVE kWhr (IBM Worldwide)



NOTE: These annual figures represent results from each new conservation programs, plus results from previous years (which are discounted by 25 percent per year). Savings prior to 1986 are not included in this chart.

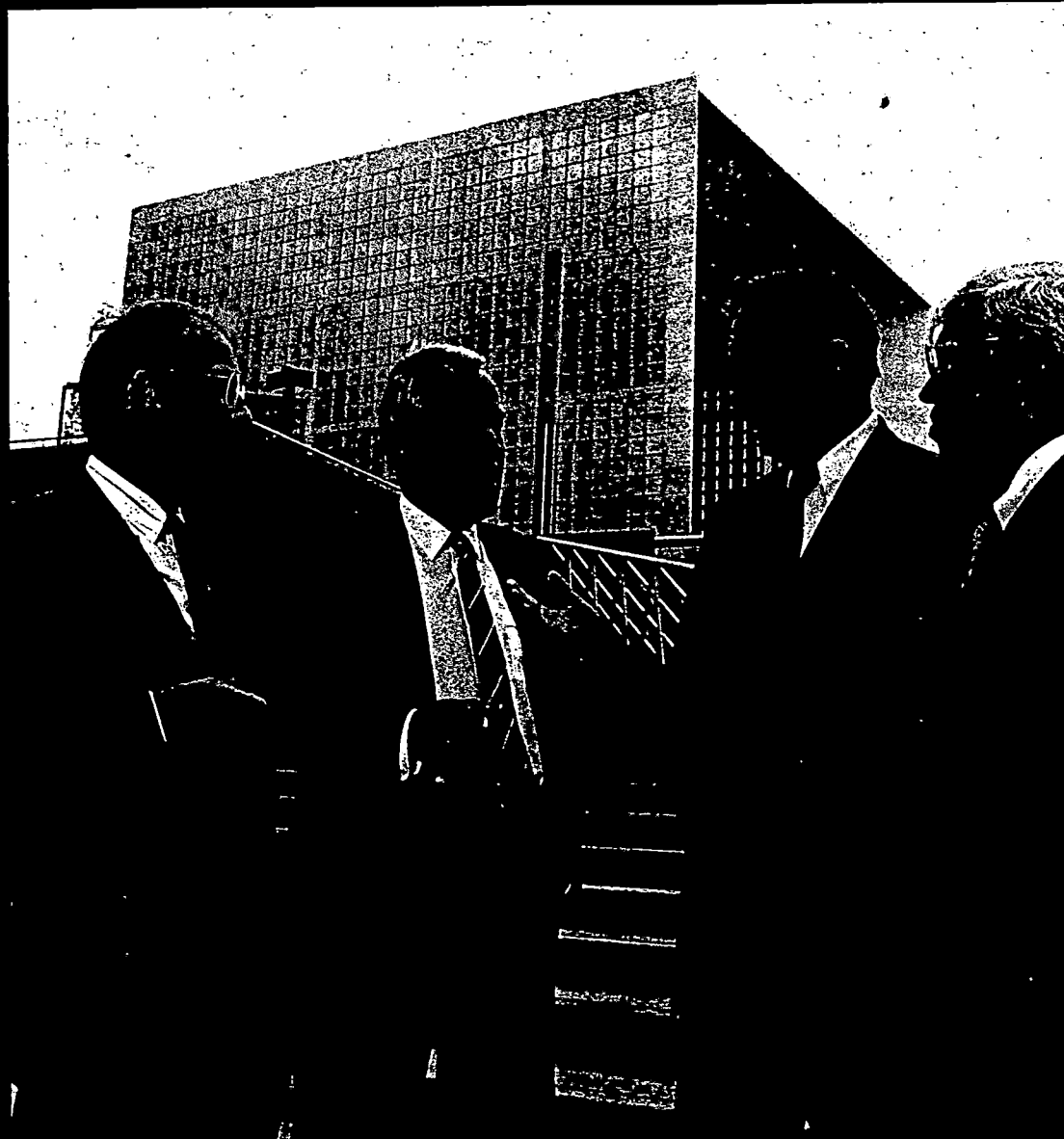
when fuels are burned to generate electricity, these savings also eliminated the emission of hundreds of thousands of tons of CO₂.)

An energy data bank, established during the 1973 energy crisis, tracks 400 locations worldwide. From 1985 to 1990, IBM has saved \$151 million on energy costs. Now, a new five-year plan calls for savings through conservation of 4 percent annu-

Horst Beck adjusts air conditioning at IBM's Sindelfingen, Germany, plant to ensure peak efficiency.

ally. While many locations are doing well, says Dick Ireton, there's ample room for improvement.

With energy conservation now part of one of those no-nonsense internal audits, evidence of that improvement will be eagerly sought. □



Art Hedge, second from right, IBM vice president, Environmental Affairs, talks strategy in Paris with, from left, Hartmut Rhotert, Carl-Hugo Bluhme, and Dick Ireton. Rhotert is chief ecologist, IBM Germany; Bluhme is vice president, Environmental Strategy, IBM Europe; and Ireton is director of energy programs at CHQ's Environmental Affairs.

NICOLAS ROUX/HIISON INTERNATIONAL

recognize the need for substantial — and in some cases even profound — shifts in their own life styles” and are adding businesses to

What's New and Notable

Establishment of a corporate staff for environmental affairs, consolidating the corporate safety and industrial hygiene, environmental, and energy functions.

Corporate Policy #139 on environmental affairs.

A \$10 million research program in which IBM will provide a portion of cash and equipment to universities and research institutions for the study of environmental problems.

An environmental awards program for both individual employees and IBM locations.

Expanded internal audit procedures to measure progress and uncover problems at IBM sites.

Significant progress in reducing chlorofluorocarbons, chemical releases, and hazardous wastes, and in recycling solid wastes.

Energy savings in 1990 of 271 million kilowatt hours worldwide.

earn “the green label.”
Increasingly, if sometimes warily, business people and environmentalists are drawing together. “There’s a revolution under way in many companies,” says Environmental Protection Agency Administrator William Reilly. “They know it’s not only good for the environment, but it’s good for their bottom line, their profits.”

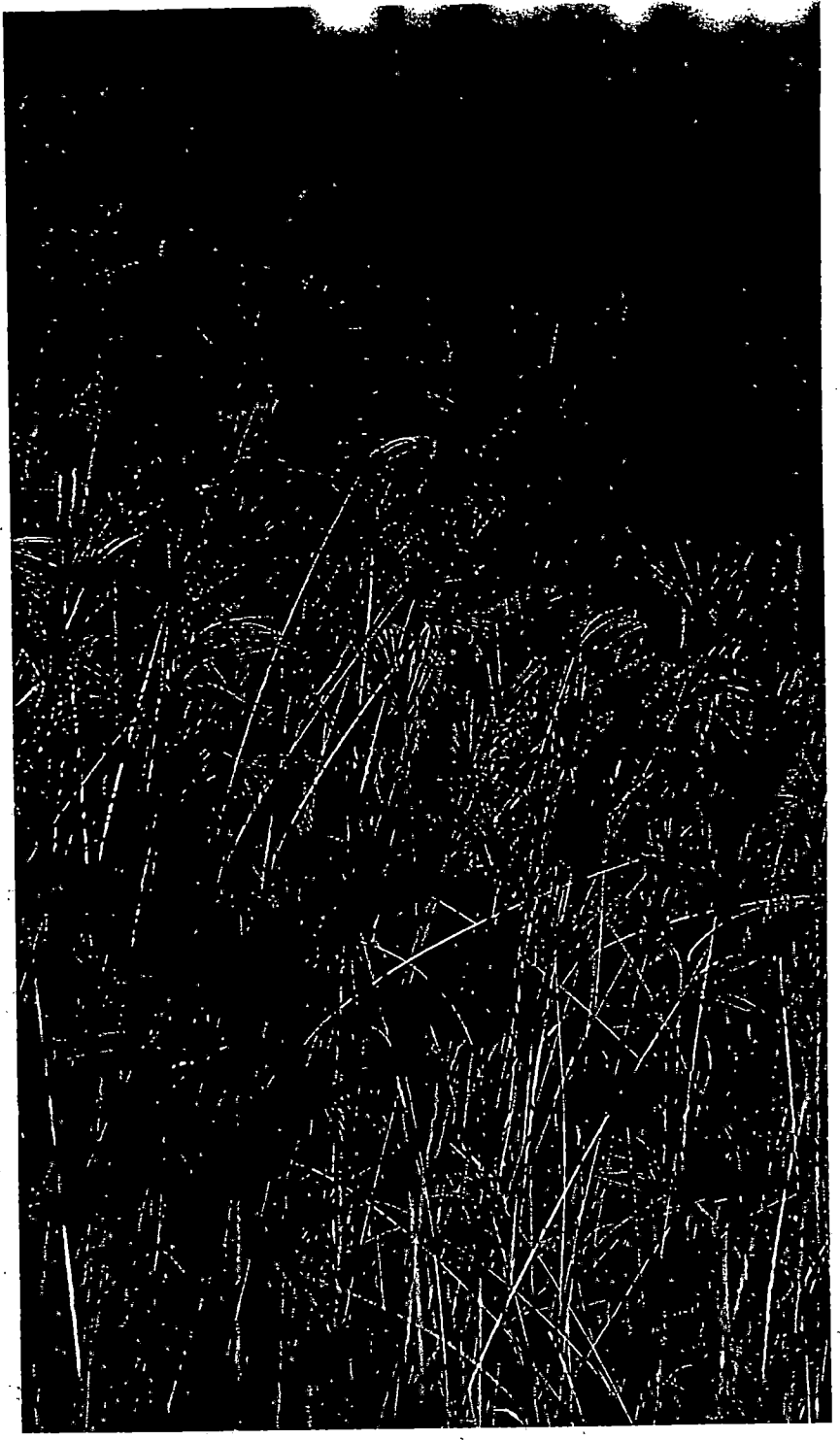
What's Been Happening

What kind of mark is IBM making on this broad canvas of opportunity and concern? Last year, *Think* magazine reported on the company’s environmental undertakings. This is an update on current programs and new developments.

On November 29, 1990, Corporate Policy #139 reaffirmed IBM’s long-standing commitment to environmental affairs.

A new corporate staff for environmental affairs headed by IBM Vice President Art Hedge also was established. The Hedge message is clear: “We have to foster openness and build trust. We can be proud of our record, but we need to improve in anticipating problems. And we need to have everyone involved in the effort.”

This year’s initiatives





Left: Georgina Cortes studies willowy stalks of Pasto Rhodes grass growing near IBM's Guadalajara, Mexico, plant. Above: Cortes and Rodolfo Maza check water samples at the site's Sanitary Water Treatment facility. Once treated, the water is used to help irrigate the site.

include a \$25 million research program in which IBM will provide grants of cash and equipment to universities and research institutions for the study of environmental problems, and the establishment of Environmental Affairs awards for IBM employees and locations.

In May, IBM joined the roster of companies participating in the EPA's new project for the voluntary reduction of toxic emissions. The company has also become a member of the Industry Cooperative for Ozone Layer Protection, an international group fostering technology transfer.

IBM "stewardship projects" forward in many countries: the reforestation of Mexico's Chapultepec Park, a new environmental course at Kyoto University, "Clean Up Australia Day," support for the London Ecology Center, and helping an international commission clean up the Rhine River flowing through three European countries.

What about the question of cost savings? Does the environmental investment really pay for a business like IBM?

Without a doubt, says Art Edge. "Take our CFC [chlorofluorocarbon] reduction program, for example. It's much cheaper to use water than chemicals. And lining our tanks and piping systems is a lot less expensive than managing a groundwater problem.

"These measures are not just good citizenship. They're also good business."

Measurements, as well as audits, count. In addition to self-assessments and peer reviews, every IBM location is now a candidate for the full-on, rigorous audit conducted by corporate internal auditors. "Corporations are more and more in the fish-bowl," says Earl Wunderli, legal counsel, "and we have to have solid facts to report, both to our own management

and to outside organizations." Each audit is expected to last about five weeks.

In the past year, too, both the Environmental Master Plan (EMP) and Environmental Incident Reporting System have been expanded.

"Our data are getting better," says Mike Metzger, program director of environmental affairs compliance and quality. "We're even starting a mini-EMP for the nonmanufacturing and development sites."

A review of what's happening in the three main areas of safety, the environment, and energy — as well as the new emphasis on product development — shows an all-cylinders effort throughout the company.

Safety First of All

At the IBM Japan plant in Fujisawa, they raise a special flag every morning, representing their focus on safety. Since November 1981, the plant has logged over 36 million man-hours without a lost-time injury. The plants at both Fujisawa and Yasu have been commended

Hideki Takahashi and Shinichi Naitoh raise the flag for safety over IBM's Fujisawa, Japan, plant. The plant recently marked a decade without a lost-time injury.

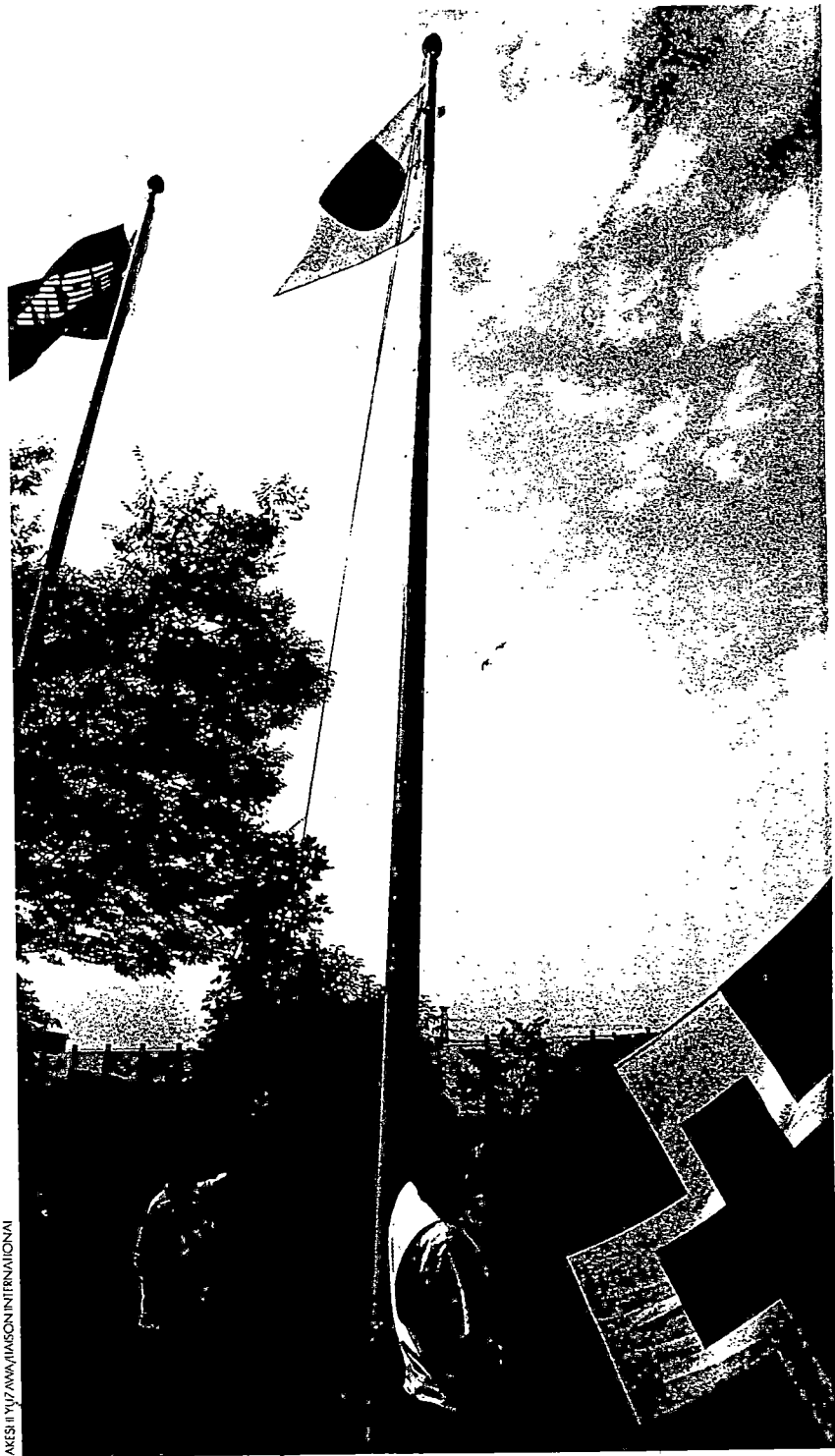


PHOTO BY YUICHI YAMASAKI FOR ENR

LOST-TIME INJURY RATE

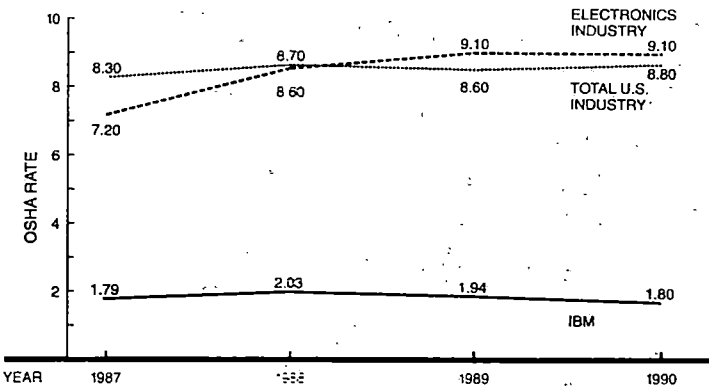
(Per 100 Employees)

COUNTRY		1987	1988	1989	1990
FRANCE	IBM	0.65	0.57	0.55	0.46
	PEER INDUSTRY	1.10	1.00	1.10	1.10
ITALY	IBM	0.49	0.47	0.43	0.32
	PEER INDUSTRY	2.50	2.60	2.50	2.50
U.K.	IBM	0.56	0.47	0.38	0.33
	PEER INDUSTRY	1.70	1.40	1.20	1.30

NOTE: Because of the differences in recording requirements, a direct comparison between countries is not appropriate. The peer industry rate is an average rate for companies doing the same type of work as IBM does in that country.

U.S. WORK-RELATED INJURY/ILLNESS RATE COMPARISONS

(Rate per 100 Employees)



NOTE: These are the rates for total work-related injury/illness cases reported under the Occupational Safety and Health Act (OSHA). In addition to lost-time cases, they include cases that required medical treatment.

by the Japanese government for their impressive safety records.

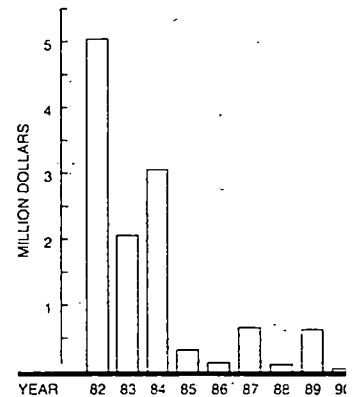
Worldwide, IBM's occupational injury rate is well below the average of other companies performing similar work. This low rate has saved IBM US an estimated \$50 million in workers compensation costs during 1990. In the United States, IBM has not incurred a single citation or penalty from any federal or state occupational safety and health agency since mid-1988.

"We make it a way of life to take action long before the danger arises," says Frank Reid, program director of environmental health. In the case of hazardous silane gas, that meant studying its properties to determine how problems could be avoided. "We did research and designed controls," says Reid, "and we shared the information with manufacturers, suppliers and users."

Current safety efforts include defensive driver training (which reduces insurance rates for company-leased vehicles), a stack of booklets on everything from semiconductor clean rooms to video display terminals, training for emergency response teams, and cooperating with communities

FIRE LOSSES

(IBM Worldwide)



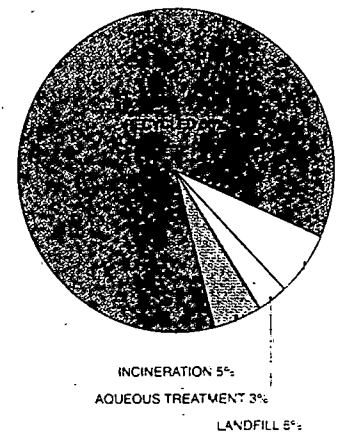
on emergency planning. In Boulder, Colo., a new corporate manufacturing ergonomics program office has set up shop.

Hazardous Wastes

The objective here continues to be directed at not generating hazardous wastes in the first place. Ideally,

HAZARDOUS WASTE MANAGEMENT

(IBM Worldwide 1990)

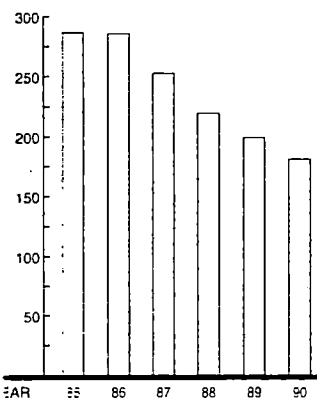


that means source reduction. Often, this can be accomplished by modifying or re-engineering manufacturing processes, which can themselves represent cost savings. When wastes are generated, the idea is to recycle or reuse them. Over the last years, approximately 84 percent of all hazardous wastes have been recycled worldwide, most of them on site. And hazardous wastes themselves have been reduced by 37 percent over that same span.

"Disposing of wastes in designated landfills is only a last resort," says Aaron Cobb, program manager, corporate environmental programs. "I've cut the volume of waste disposed of this way by more than two-thirds. And at our Austin site, for example, we're down to zero landfill."

TOTAL HAZARDOUS WASTE

(in Millions Worldwide)



Solid Wastes

Solid gains can be reported here. In 1988, IBM set itself the goal of recycling 50 percent of all that wood, metal, paper, glass, and plastic from its manufacturing sites by 1992. As of 1990, the worldwide figure was already at 52 percent.

Examples of IBM's initiatives include new packaging guidelines for suppliers, purchase catalogs that feature parts and supplies made with both recycled and recyclable material—and the reusable "IBM cup" now used by employees at most U.S. sites when the urge comes for coffee or tea. (Last year, at Kingston, N.Y., alone, almost a million paper cups were saved.)

In packaging, white boxes are out and brown ones are in. "A white box typically has white paper glued onto a brown box," explains Ron Cohen, program manager, corporate environmental programs, "and that involves bleaching, which requires chemicals; and gluing, which complicates recycling." At Boulder, they've found paper with recycled content that works just fine with high-speed copiers and printers.



Chlorofluorocarbons

IBM's goal is to eliminate these ozone-depleting chemicals from all products and processes by the end of 1993. That's six years ahead of the international timetable set by the Montreal Protocol.

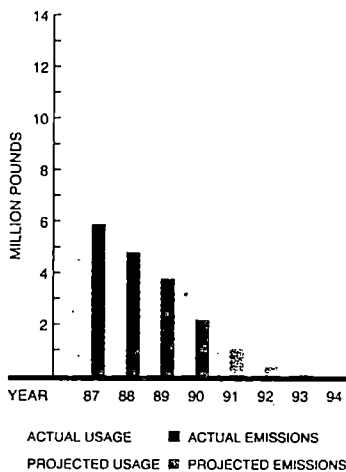
The report card here shows a worldwide reduction of CFC emissions of 63 percent since 1987. Nowhere is that downward curve more pronounced than at San Jose, which, based on 1987 data, had been called the Number One CFC-113 emitter in the United States. San Jose has now cut those emissions by 96 percent, largely through the use of new water-cleaning methods that will, according to June Andersen, manager of environmental programs at the site, have paid their way within three years.

These are "stunning

Left: Alain Lessard checks the density of solvent leaving the recycling system before it is reused in component manufacturing at the Bromont, Canada, plant. Right: Mike Carroll inspects aqueous rinse compartments in the head disk assembly area at San Jose. Aqueous processes have replaced earlier cleansing methods, once major sources of CFC emissions at the plant.

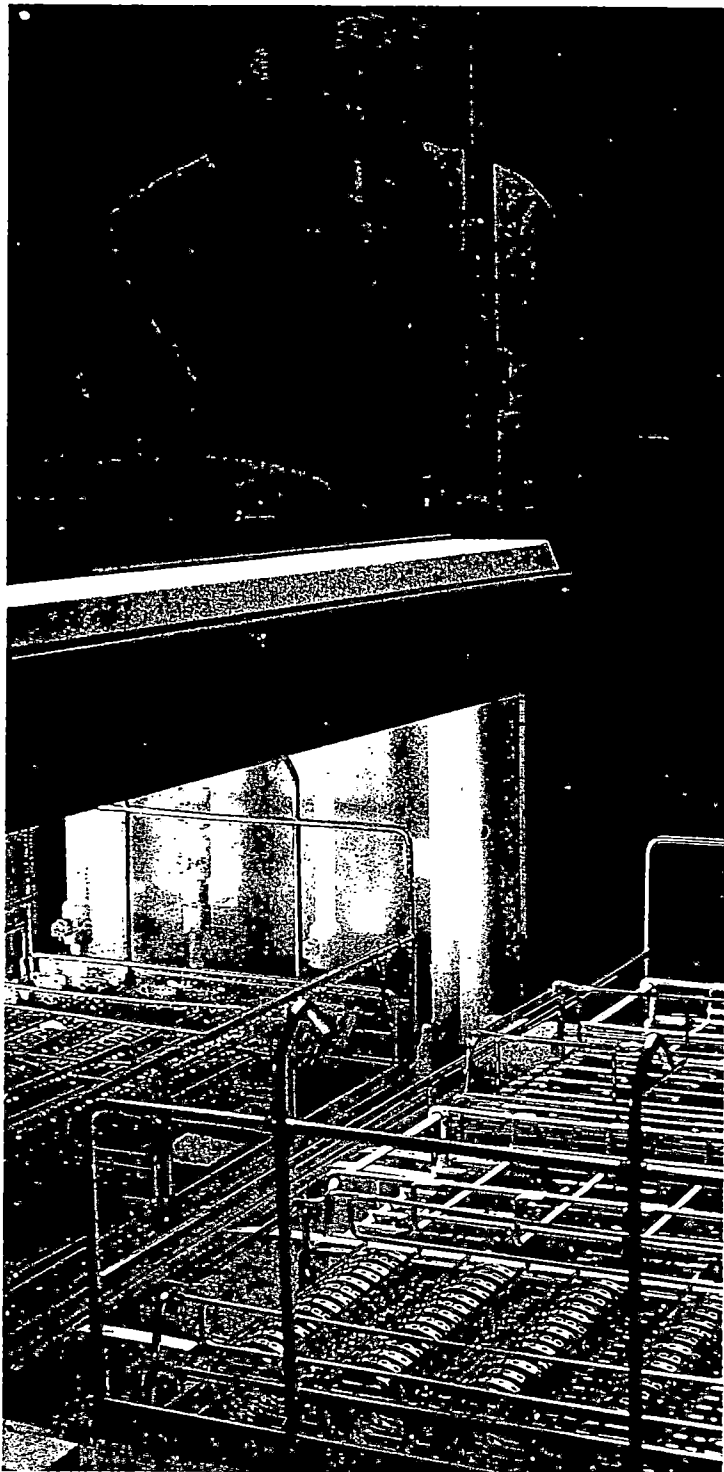
CFC-113 USAGE/EMISSIONS

(IBM Worldwide)



reductions," says the San Jose *Mercury News*, commenting on the new data, and when Dave Wood, spokesman for the National Toxics Campaign Fund, looked at the overall reduction figures of IBM's U.S. plants (down 47 percent in 1990 from 1989 levels), he pronounced them "very good numbers."

There's another troublesome chemical called methyl chloroform, which is not a CFC but does deplete the ozone. Its time, thanks again to the introduction of alternate processes, is also running out: The amounts emitted by IBM in the U.S. have been reduced by 90 percent since 1987. The goal is elimination by the end of 1995 — six years ahead of U.S. Clean Air Act requirements.

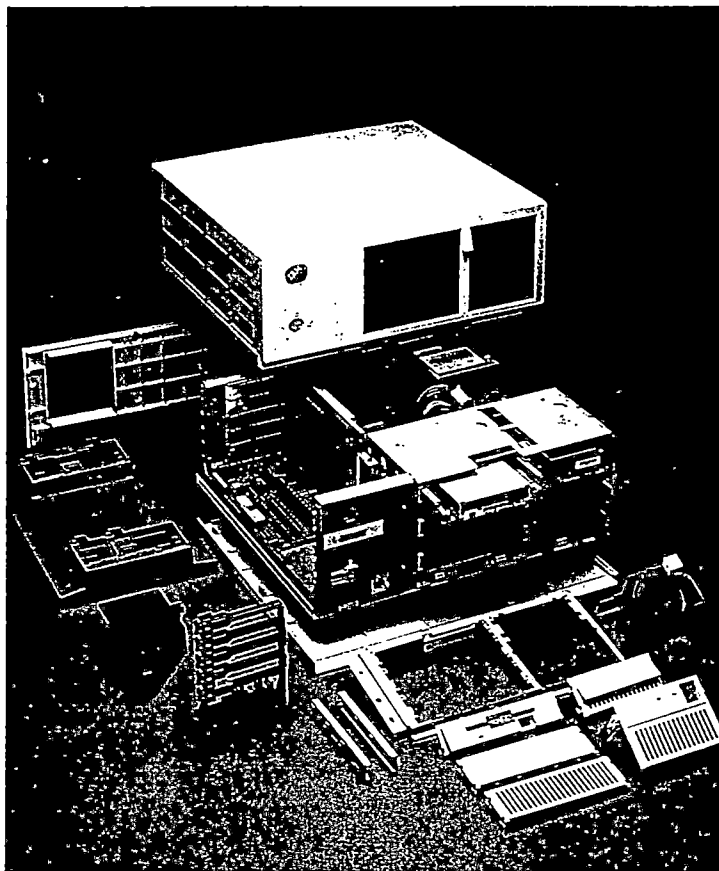


Chemical Releases

It's a gentle name, but it stands for tough enforcement. SARA, the Superfund Amendments and Reauthorization Act that requires all major U.S. chemical users to report their yearly release figures of more than 300 heavily used chemicals. SARA reports releases by IBM US sites have been reduced by 62 percent between 1987 and 1990.

Last May, the EPA released data showing that industrial releases of toxic chemicals to the environment and off-site transfers for treatment were down an average 18 percent between 1987 and 1989. IBM's reductions for that same period? Fifty-six percent.

Whether they're troublemakers or not, chemicals call for close monitoring. Acting on the general belief of "the



Use of a single type of plastic and innovative assembly techniques make PS/2 Model 40s easier to recycle when their useful days are over.

fewer, the better." IBM is working to cut its total of chemicals used worldwide.

"The secret is to get everybody involved, not just the chemicals coordinator," says Diana Bendz, director of product safety and chemical management. "If someone has a Eureka-type idea for a new process that will require fewer chemicals, we want to know it, and we encourage the individual to get it pub-

lished so that other companies will know about it."

Product Development

"Each new product has to be better than its predecessor," says Bill Brady, program director, safety, chemical and environmental programs. "It's that simple." IBM's goal of increasing product recyclability is being realized through products like the Personal System/2 Models 40

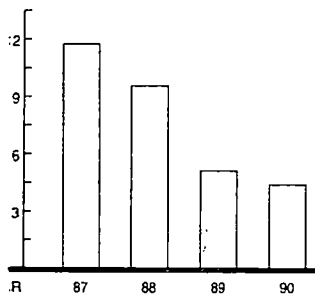
and 57, developed at Boca Raton, Fla., and manufactured at Research Triangle Park, N.C. "They have been developed to be easily put together and taken apart using 'design for disassembly' or 'snap technology,'" says Brady. "We've eliminated many of the fasteners."

What's more, the new PS/2 models are made with a grand total of one type of plastic. Heretofore, dozens of plastics were involved in PS/2 production. This simplifies not only our manufacturing process, but also eventual product disposal and recycling. It saves money, too. "When you're buying just one plastic," explains Brady, "you can buy in large volumes."

Energy Conservation

Electricity accounts for 87 percent of IBM's total energy bill, and a lot of it involves that simple on/off switch in an office or other work area. In 1990, even though IBM's worldwide use of electricity was up, new conservation efforts still managed to save 271 million kilowatt hours. "That's like taking 50,000 cars off the road," says Dick Ireton, director of energy programs. Savings since 1986 are over 3.1 billion kilowatt hours. (Because carbon dioxide is released

**SARA TITLE III
TOXIC RELEASE INVENTORY
(M US)**



NOTE: SARA stands for the U.S. Superfund Amendments and Reauthorization Act of 1986. Figures in this chart exclude de-listed chemicals in order to avoid overstating reductions.

2.
JUN 8 1992

HOUSE OF REPRESENTATIVES
WASHINGTON, D. C. 20515

J. J. PICKLE
10TH DISTRICT, TEXAS

June 3, 1992

Mr. Michael R. Deland
Council On Environmental Quality
722 Jackson Place, N.W.
Washington, D.C. 20503

Dear Mr. Chairman:

Please accept my endorsement of the nomination of the IBM Corporation for the President's Environment and Conservation Challenge Award. Because IBM operates a large printed circuit board manufacturing plant within my Congressional District of Austin, Texas, I have come to know the environmental record of IBM Austin, as well as that of the IBM Corporation as a whole.

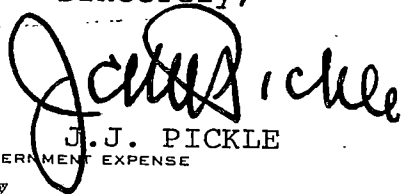
In many respects, the accomplishments of IBM Austin mirror those of the entire IBM Corporation in such areas as reduction of chemical emissions, elimination of ozone depleting chemicals, and waste recycling. Since 1987, IBM's U.S. manufacturing sites have reduced chemical emissions reported in the annual Toxic Release Inventory (TRI) by 62%. For the same period, IBM Austin achieved a 66% reduction of TRI chemical emissions.

You may also be aware that IBM has targeted year-end 1993 for the elimination of all CFCs used in its manufacturing. In fact, Austin eliminated all manufacturing use of CFCs in 1989, and it expects to completely end its use of a second ozone depleting chemical, MCF, by the end of this year.

Finally, IBM's world-wide record of recycling is exemplary. Currently, throughout its operations, IBM recycles 89% of the hazardous wastes it generates. IBM Austin has achieved a 93% recycle rate for its hazardous wastes, with the remaining 7% sent to incineration. The Austin site ceased land disposal of such wastes in 1989.

I have no doubt that many worthy candidates will come to your attention, but I am extremely impressed with IBM's efforts and commitment to protect our environment. I encourage your consideration of IBM Corporation for the President's Environment and Conservation Challenge Awards.

Sincerely,


J. J. PICKLE

JJP:MKK
Stamped

International Business Machines Corporation

Office of the IBM Vice President
Environmental Affairs

208 Harbor Drive, P.O. Box 10501, Stamford, CT 06904-2501

May 22, 1992

President's Environment and Conservation
Challenge Awards Program
The White House
Council on Environmental Quality
722 Jackson Place, N.W.
Washington, DC 20503

Ladies and Gentlemen:

On behalf of the IBM Corporation, I am pleased to submit our application for the President's Environment and Conservation Challenge Awards in the category of Environmental Quality Management.

IBM has taken its environmental responsibilities very seriously for many years. Our commitment begins with safety in the workplace. It extends to the communities around the world where we do business and beyond to the global environment. In short, we expand our company's basic belief of respect for the individual by practicing respect for the planet. The comprehensive and anticipatory nature of our approach has provided IBM a quality environmental management program of which we are proud.

We trust our application is consistent with your requirements and would be pleased to provide any additional information or answer any questions about IBM and the environment.

We appreciate the opportunity to submit this application and thank you for your consideration.

Sincerely,



A. J. Hedge, Jr.

/gdn
Enclosures

Environmental Affairs

IBM is committed to environmental affairs leadership in all of its business activities. IBM has longstanding corporate policies of providing a safe and healthful workplace and safe products (Policy Letter Number 127), protecting

the environment (Number 129), and conserving energy and natural resources (Number 131), which were initiated in 1967, 1971, and 1974, respectively. These policies continue to guide our operations, and they are the foundation for the following corporate policy objectives:

■ Provide a safe and healthful workplace, including avoiding or correcting hazards and ensuring that personnel are properly trained and have appropriate safety and emergency equipment.

■ Be an environmentally responsible neighbor in the communities where we operate and act promptly and responsibly to correct incidents or conditions that endanger health, safety, or the environment, report them to authorities promptly, and inform everyone who may be affected by them.

■ Maintain respect for natural resources by practicing conservation and striving to recycle materials, purchase recycled materials, and use recyclable packaging and other materials.

■ Develop, manufacture, and market products that are safe for their intended use, efficient in their use of energy, protective of the environment, and that can be recycled or disposed of safely.

■ Use development and manufacturing processes that do not adversely affect the environment, including developing and improving

operations and technologies to minimize waste, prevent air, water, and other pollution, minimize health and safety risks, and dispose of waste safely and responsibly.

■ Ensure the responsible use of energy throughout our business, including conserving energy, improving energy efficiency, looking for safer energy sources, and giving preference to renewable over nonrenewable energy sources when feasible.

■ Assist in the development of technological solutions to global environmental problems, share appropriate pollution prevention technology and methods, and participate in efforts to improve environmental protection and understanding throughout industry.

■ Meet or exceed all applicable government requirements. Where none exist, set and adhere to stringent standards of our own and continually improve these standards in light of technological advances and new environmental data.

■ Conduct rigorous audits and self-assessments of IBM's compliance with this policy, measure progress of IBM's environmental affairs performance, and report periodically to the Board of Directors.

Every employee and every contractor on IBM premises is expected to follow the company's policies and to report any environmental, health, or safety concern to IBM management. Managers are expected to take prompt action.

Application Summary

ID Number: Q.012

Project: Boston Park Plaza Hotel and Towers Environmental Action Program

Contact: Mr. Tedd Saunders
Saunders Hotels Company, Inc.
64 Arlington St.
Boston, MA 02116-

Telephone:
(617) 457-2413

Summary: The Boston Park Plaza Hotel has created an environmental campaign which encompasses more than 85 initiatives throughout all departments of the hotel. This program has clearly shown that this competitive service industry can make dramatic changes and maintain its high quality of service and standards. This family owned and operated landmark property has successfully aligned business with environmental action.

NOTE: Some technical evaluators provided written opinions, based on their view of the criteria. The following is included for your background only.

Comments: Interesting program as it asserts environmental quality can be attained in a hotel without compromising guest comfort. Deserves a close look. Amenity dispensers (non-throwaway) replace bottles of shampoo, etc. Hotel has good written policies, good management, guest environmental surveys, checklists for meeting planners -- to conserve, range of recycling, and energy conservation measures. Overall, the hotel is an excellent small candidate.

Unique program of source reduction to minimize wastes known as a "Green Project". Project is well implemented as supported by the supplemental documents. Program can be a model to other hotels that waste reduction can work and help our environmental quality.

Seems to be an example of sincere commitment which is shared with patrons in an industry that has not been noteworthy for its environmental innovation.

Very well integrated into all facets of Hotel. Large initial investment. Greatly reduced energy, water consumption, reduced waste. Good education for public & employees; good incentive programs for employees. Strong leadership from top management; impressive record during a recession.

Family-owned hotel; employee groups; 85 actions; good support letters. Simple, common sense program. Highly replicable. Different from most EQM programs.

Q.012

OVERVIEW

5. The Boston Park Plaza Hotel has created an environmental program whose magnitude clearly outlines how a company can make dramatic ecological changes, while maintaining extremely high service and quality standards.

Since 1990, 85 initiatives have been put into place encompassing all major departments of the hotel. The boldest innovation in the program is the creation of new, elegant amenity dispensers for all 1100 guest room bathrooms. On an annual basis, this eliminates nearly 2 million one-ounce plastic bottles from the wastestream. The resulting cost savings have been redirected to where it counts--improving the product quality of the shampoo, conditioner, body gel and handsoap. The Boston Park Plaza is the first hotel in the country to take this bold step. ✓

There is a distinct balance between initiatives which can be strictly categorized as efficient plant operations, and those additional creative efforts which round out a truly comprehensive approach. In reality, there is much overlap between the two because efficient business is environmentally sound business.

Other major initiatives include the installation of 1,686 new thermopane windows in all guest rooms at a cost of \$980,000. Nine recycling initiatives are now in place including steel, #1 and #2 plastics, glass, white paper, computer paper, cardboard, telephone books and aluminum. Other steps include solid waste reduction, energy and water conservation, hazardous waste elimination, education and communications. Working at all levels of the company to integrate this program, a 'green team' of enthusiastic employees volunteered to work alongside management and help spread the word. Division Heads now meet monthly for the sole purpose of discussing environmental goals and accomplishments.

What distinguishes this program from many other 'green efforts' is managements commitment to incorporating environmental action into every facet of the hotel. Spearheading the program is Tedd Saunders. As the hotel's Environmental Program Director, Tedd has made a personal commitment to establish his family's business as a model for integrating voluntary environmental solutions into everyday business practice. ✓

To date, the hotel has invested more than one and a half million dollars in the program. In return, nearly a half million dollars of new business can be directly attributable to decisions based on the hotel's environmental changes. ✓

The key to creating a successful environmental action plan is to formulate one that is affordable and feasible to initiate and to maintain. Benefits include a healthier bottom line from improved efficiency and better use of resources, loyalty from increasingly earth-conscious employees and customers, and opportunities to present a positive public image.

The Boston Park Plaza has clearly learned that a long-term perspective, top management's commitment and an integrated approach of the program across all departments can balance economic viability with ecological responsibility. This is merely good and efficient business practice in the 1990's. The hotel can continue to operate a first-class operation and at the same time, make a commitment to preserve our precious planet.

CRITERIA QUESTIONS

6. B1. The Boston Park Plaza's Environmental Policy was written and approved and is the foundation of this program. It asks that solid waste reduction, energy and water conservation, hazardous waste elimination, education and communications be considered in every decision. This policy recognizes that this campaign has the capability to set an example for the hotel industry, for diverse businesses, and for individuals themselves. A strong educational, communications and outreach component has been critical to affect this kind of extensive change at the hotel.

Our publicly displayed policy requires that... 'we pledge to maintain the superb standard of quality which we have provided our guests throughout three generations of hotel ownership'.

6. B2. The environmental program was created and spearheaded by Tedd Saunders for his family business. He devoted a year and a half to the creation of the program and to lay the hands-on approach and groundwork for its integral role it would now play in the hotel. President, Gary Saunders is responsible for weighing the issues and the financial investments of the property, and works together with Division Heads to create viable, realistic business decisions, keeping the environmental policy in mind.

There are a number of reasons why this program was able to take hold. Most of the initiatives are voluntary, and designed not for regulatory compliance, but as good efficient business. In 1992, The Massachusetts Water Resources Authority will increase the water and sewer bill for The Boston Park Plaza by 23%, valued at \$150,000. The hotel has already conserved more than 15 million gallons of water annually with the installation of low-flow showerheads and aerators, as well as air-cooled machinery, and additional laundry conservation measures are in store for 1992. The Boston Park Plaza is now investigating additional creative financing opportunities to offset the cost of increased water rates.

6. B3. The hotel's environmental program will include any changes which will not negatively influence the guests experience and expectations. From the projects inception, it was important to maintain a high standard of service and quality with each new environmental solution. It is a creative rethinking of standard business practices with common business sense. One good example is shredded paper which can't be recycled due to its bulky nature. As part of a property-wide ban on styrofoam, and as an alternative to polystyrene shipping pellets, the hotel uses shredded paper from nearby offices to pack all out-going boxes. In addition, a small card is included in the package to educate and encourage the receiver to do the same. All hotel stationery, and collateral materials are printed on 100% dioxin-free recycled paper with the same elegant design and presentation. To date, 80% of office supplies are purchased from products made with recycled materials. The Saunders have personally tested all new showerheads, bathroom amenities and recycled products at home to make sure that they meet hotel standards.

6. B4. Critical to the long-term success of the program is the cooperation of an enthusiastic employee 'green team' working together with Division Heads to create new environmental ideas. Under the supervision of a dedicated Environmental Program Director and with the on-going research and development contributed by a paid consultant, the program maintains constant visibility and activity throughout the property.

Since the inception of the program, two guest surveys have been undertaken to assist the hotel to better understand guests needs as they relate to the environmental goals. In a survey conducted in the Fall of 1990, 94% of the hotel's guests said they preferred a room with environmental changes. This encouraged the hotel to take the bold initiative to change bathroom amenities. In an industry where quantity is synonymous with quality, the hotel has now installed an elegant dispenser system. By cutting out the repetitious packaging of nearly 2 million one-ounce plastic bottles, the hotel is able to use its money where it counts, by serving its guests all-natural aloe-based amenities which include shampoo, conditioner, hand soap, body gel, and mouthwash. Not only is the hotel able to provide higher quality products, but now offer guests additional amenities.

A focus group is being created for a review of new vegetarian, natural and low-cholesterol menus which will be available upon request by meeting planners and guests. This market research will enable the hotel to meet the demands of its customers as we test for food taste, presentation, quantity and pricing of these environmental and healthful alternatives.

6. B5. The hotel industry is customer driven. Employees represent the hotel's standards at every interaction with guests and vendors. It is important that employees clearly understand the goals and objectives of the program and the long-term commitment that has been made to the environment. It is the responsibility of management to create an aggressive communications plan showing how the campaign directly affects each of the employees, and also encourages and recognizes their participation. The hotel's newsletter includes an environmental column translated in French, and Spanish and a housekeeping meeting was conducted in French, Spanish and Creole. Two Environmental Action Awards have been created. An annual Environmental Award recognizing employee environmental leadership is awarded by the Saunders Family. The quarterly Environmental Action Award recognizes achievements and is awarded by managers in recognition of their employees' environmental efforts.

A letter has been distributed to all hotel vendors alerting them to the environmental policy and encouraging them to consider their impact on the environment. In a letter to travel agents, the hotel listed a number of environmental steps a company should make, from double-sided copying to auditing lighting and water use. Recommendations and guidelines have been compiled in a conference planner advising meeting planners on ways to conduct 'green meetings.

Eco-educating plaques are placed at each light switch and in every bathroom. They provide guests and employees with an astounding environmental fact and also ask for a call to action. A letter is placed in each guest room to inform guests about the Environmental Action Plan. It too, offers environmental tips to try at home.

6. B6. It was important in the early stages of this program to allow employees to feel comfortable with the concept of developing environmental initiatives in their areas. At the outset, top management advised the accounting department, not to place heavy pressure on accountability and financial goals for recycling or source reduction. It was crucial in the early stages of implementation that procedures and job responsibilities be successfully instituted. Entering Year Two of the Program with enthusiastic employee support in place, the hotel has established a series of monitoring programs and departmental goals. Quarterly reports have been developed for dumpster load reduction, energy and water conservation, along with white paper recycling.

Professor James Post of Boston Universities' School of Management is using The Boston Park Plaza as a case study for on-going research efforts on managing for environmental excellence for National Wildlife Federation's Corporate Conservation Council. Over the past six months, Post has interviewed top management and met with Division Heads. His doctoral students will work this summer with the hotel to establish a series of monitoring programs to track and measure performance and assist in establishing guidelines for long-term goals. The hotel welcomes this kind of collaborative effort with Boston University, and views its partnership as important to help establish a role of leadership for other hotels, the service industry, and business in general.

6. B7. The Boston Park Plaza's on-going program presently incorporates 85 initiatives and continues to expand. With numerous environmental initiatives, balancing with long-term and short-term investments and savings, it is the hotel's goal to be self-liquidating and ultimately revenue generating. Qualifiable and quantifiable environmental results include the following: **Landfill savings-** 185.3 tons of cardboard, glass, paper, plastics, and steel; 4,000 pounds of telephone books. The hotel's amenity dispensers will save nearly 2 million one-ounce plastic bottles from area landfills. **Energy Savings-** 340,000 kw of power from energy and lighting conservation projects. **Water Savings-** 15 million gallons of water annually from showerheads, aerators and air-cooled machines.

The President's Environment and Conservation Challenge Award

APPLICATION FORM

1. Award Category: 02. Environmental Quality Management
2. Name of Program: The Boston Park Plaza Hotel and Towers Environmental Action Program
3. Name of Award Applicants:

Mr. Tedd Saunders Environmental Program Director Saunders Hotels Company, Inc. 64 Arlington Street, Boston, MA 02116 Tel.: 617-457-2413 FAX: 617-426-2060	Mr. Gary Saunders President The Boston Park Plaza Hotel and Towers 64 Arlington Street, Boston, MA 02116 Tel.: 617-457-2300 FAX: 617-426-2060
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4. Program Contact:
Mr. Tedd Saunders
Environmental Program Director
Saunders Hotels Company, Inc.
64 Arlington Street
Boston, MA 02116
617-457-2413 FAX: 617-426-2060

7. The Boston Park Plaza Environmental Campaign began as a simple white paper recycling initiative. In March of 1990, Tedd Saunders presented the Executive Officers of Saunders Hotels with a proposal to create a comprehensive environmental campaign. Two years later, this campaign covers more than 85 environmental initiatives incorporating source reduction, recycling, hazardous waste elimination, energy and water conservation, education and communications.
8. Applicant Description:
02- Local Business
9. 17- Other: The Boston Park Plaza Hotel and Towers is the largest independent, family-owned and operated hotel in the United States.
10. 03- conservation
06- energy
07- environmental quality management
14- recycling
16- source reduction/pollution prevention
17- water quality
11. Numerous non-profit environmental organizations have asked The Boston Park Plaza for support. The Swan Fund has been developed to underwrite the cost of function room space to assist organizations to conduct environmental meetings, and conferences at the hotel. To date, EarthDay USA, New England Businesses for Social Responsibility, LEAD Boston and MassRecycle have received support totalling \$875.
12. In 1991, the hotel invested \$1.8 million dollars towards environmental conservation measures. These projects range from \$1.2 million for thermopane windows to employee environmental awards at \$575. In addition, professional fees totalled \$28,900. Labor has been absorbed into regular job responsibilities and therefore not included here.
13. With numerous environmental initiatives balances with long-term and short-term investments and savings, it is the goal of this program to be self-liquidating and ultimately revenue generating.
14. Primary audiences and number of persons served:
09- Employees #500
07- Local Community #300,000.
10- Customers or clients (guests) #500,000.
15. Awards:
- The Boston Park Plaza was awarded the American Lung Association of Massachusetts' 1991 Environmental Health Award. Tedd Saunders received the award on behalf of The Boston Park Plaza.
 - The Boston Park Plaza was awarded the 1992 New England Environmental Award in recognition of a business that has significantly contributed to an improvement in the quality of the environment in New England. It is given by the New England Environmental Expo and judged by an Executive Committee of prominent New England scientists, industry leaders, and academicians.
 - The Boston Park Plaza received a tree from EarthDay USA in recognition of the Saunders long-term commitment and the leadership role they have taken in the business community.
 - Discovery 500: Massachusetts's Honor Role for Discovery and Innovation. Nominated by the Massachusetts's Office of Travel and Tourism and The Greater Boston Visitor and Convention Bureau, this award recognizes the Saunders family's environmental leadership.

- The Boston Park Plaza was nominated for Renew America's Searching for Success Award. Award recipients are to be notified in June 1992.

16. Summary:

The Boston Park Plaza Hotel has created an environmental campaign which encompasses more than 85 initiatives throughout all departments of the hotel. This program has clearly shown that this competitive service industry can make dramatic changes and maintain its high quality of service and standards. This family owned and operated landmark property has successfully aligned business with environmental action.

17. Please include 3 one-page letters of recommendation attached to the application when it is submitted for consideration. Letters should be addressed: "Attention: Award References." References should have first-hand knowledge of the environmental program, service, or technology and should offer a candid evaluation of its success or effectiveness. References may also include users or beneficiaries of your program.

NOTE: Letters of recommendation must accompany the application when it is submitted to CEQ. Letters sent directly to CEQ will not be considered. Please list the references in the spaces below.

Name: Dr. James E. Post
Title: Professor of Management and Public Policy
Street: 621 Commonwealth Avenue
City: Boston State: MA Zip: 02215
Telephone: 617-353-4162 Fax: 617-353-2564

Name: Alicia Hills Moore
Title: Associate Editor, Fortune Magazine
Street: Time & Life Building, Rockefeller Center
City: New York State: NY Zip: 10020
Telephone: 212-522-1212 Fax: 212-522-0316

Name: Bruce Anderson/Denise Gaumer
Title: President, Earth Day USA/ Director of Communications, Earth Day USA
Street: P.O. Box 470
City: Peterborough State: NH Zip: 03458
Telephone: 603-924-7720 Fax: 603-924-7855

18. Please sign below to indicate that all applicants agree a) to abide by the rules and requirements of the awards competition, and b) that all information submitted is true and accurate to the best of their knowledge.

Signature: [Signature] Date: 5/8/92
Title: _____ Organization: _____
Saunders Hotels Company, Inc.
Telephone: _____
617-457-2413

How to Apply

Completed applications must be postmarked by May 22, 1992 and mailed to the:

The President's Environment and Conservation Challenge Awards
Council on Environmental Quality
The White House
722 Jackson Place, NW
Washington, DC 20503

All information submitted with the application should be considered public information and becomes property of the President's Challenge Awards program.

Award recipients will be notified in Fall 1992. Recipients must be willing to assist the President's Challenge Awards program in making nonproprietary information about their environmental programs available to others who wish to replicate their success.

Application Format

Please submit one original and four photocopies of your application. You may include up to 10 pages of supporting materials. (NOTE: Photocopying both sides of a sheet of paper will be considered two-pages.) Any oversized items must be reduced to fit a standard 8.5" x 11" page format.

Supporting materials may include items such as brochures, photographs, press clippings, and graphs depicting the program's results. The materials may not be used as a substitute for written responses to Questions 5 and 6.

The order of pages in the submitted application should be as follows:

1. 4-page application (Questions 1-20)
2. 500-word overview summary (Question 5)
3. 2-page responses to criteria questions (Question 6)
4. 10 pages of supporting materials
5. 3 letters of recommendation (Question 17)

NOTE: The entire package should be stapled in the upper, left-hand corner. Any items sent over the 10-page limit of supporting materials will be disregarded and not reviewed by the technical evaluators and selection committee. Do not put the application or backup materials into a binder, notebook or plastic cover.

OMB Control No. 0331-0002, (Exp. 2/95): As required by the Paperwork Reduction Act, CEQ estimates that completion of this application will take 10 hours. Send comments regarding the collection of this information, including suggestions for reducing the paperwork burden, to CEQ and also to: Paperwork Reduction Project, Office of Management and Budget, Office of Information and Regulatory Affairs, 725 17th Street, NW, Washington, D.C., 20503

SUPPORTING MATERIALS

Page One: •The Boston Park Plaza Hotel and Towers Environmental Policy was distributed to all employees in August 1991 along with a letter from the Saunders Family. At the time of this announcement, the implementation plan and a financial commitment from ownership was firmly in place.

Page Two: •The boldest innovation in the program is the creation of new, elegant amenity dispensers for all 1100 guestroom bathrooms. On an annual basis, this eliminates nearly 2 million one-ounce plastic bottles from the wastestream. The resulting cost savings have been redirected to where it counts--improving the product quality of the shampoo, conditioner, body gel and handsoap. This is the first hotel in the country to take this bold step.

- Eco-educating brass plaques have been placed by all light switches and in all bathrooms. They provide an astounding environmental fact along with a call to action.

- In the Fall of 1990 a survey was conducted of 1000 guests to provide insight into their expectation and interests in environmental actions.

- An in-room guest letter is the hotel's gentle introduction to its guests of the environmental program.

Page Three: •As part of the hotel's outreach program, a Meeting Planner has been created to assist others to plan 'green meetings'.

- A vendor letter has been distributed to encourage and challenge other companies to take similar actions and to alert them of our new policies and procedures.

Page Four and Page Five: •One creative environmental solution to source reduction is the hotel's clever use of shredded paper. Since it cannot be recycled due to its bulky nature, the hotel uses it to pack all out-going packages. This also eliminates the use of polystyrene pellets as part of the hotel's ban on styrofoam. A card is included in each package to encourage the receiver to try similar earth-friendly actions.

- The Boston Park Plaza has received both local and national coverage for its environmental achievements. It has been noted in Business Week, USA Today, Wall Street Journal, along with consumer magazines, hospitality and environmental trades. It was featured on Christian Science Monitor's 'Good Green Earth' and nationally on 'Weekend Travel Update' and 'Environmental Update' news syndication. It was featured on Boston's WBZ TV Editorial as a company whose program is genuine and a business practice for others to follow.

OVERVIEW

5. The Boston Park Plaza Hotel has created an environmental program whose magnitude clearly outlines how a company can make dramatic ecological changes, while maintaining extremely high service and quality standards.

Since 1990, 85 initiatives have been put into place encompassing all major departments of the hotel. The boldest innovation in the program is the creation of new, elegant amenity dispensers for all 1100 guest room bathrooms. On an annual basis, this eliminates nearly 2 million one-ounce plastic bottles from the wastestream. The resulting cost savings have been redirected to where it counts--improving the product quality of the shampoo, conditioner, body gel and handsoap. The Boston Park Plaza is the first hotel in the country to take this bold step.

There is a distinct balance between initiatives which can be strictly categorized as efficient plant operations, and those additional creative efforts which round out a truly comprehensive approach. In reality, there is much overlap between the two because efficient business is environmentally sound business.

Other major initiatives include the installation of 1,686 new thermopane windows in all guest rooms at a cost of \$980,000. Nine recycling initiatives are now in place including steel, #1 and #2 plastics, glass, white paper, computer paper, cardboard, telephone books and aluminum. Other steps include solid waste reduction, energy and water conservation, hazardous waste elimination, education and communications. Working at all levels of the company to integrate this program, a 'green team' of enthusiastic employees volunteered to work alongside management and help spread the word. Division Heads now meet monthly for the sole purpose of discussing environmental goals and accomplishments.

What distinguishes this program from many other 'green efforts' is managements commitment to incorporating environmental action into every facet of the hotel. Spearheading the program is Tedd Saunders. As the hotel's Environmental Program Director, Tedd has made a personal commitment to establish his family's business as a model for integrating voluntary environmental solutions into everyday business practice.

To date, the hotel has invested more than one and a half million dollars in the program. In return, nearly a half million dollars of new business can be directly attributable to decisions based on the hotel's environmental changes.

The key to creating a successful environmental action plan is to formulate one that is affordable and feasible to initiate and to maintain. Benefits include a healthier bottom line from improved efficiency and better use of resources, loyalty from increasingly earth-conscious employees and customers, and opportunities to present a positive public image.

The Boston Park Plaza has clearly learned that a long-term perspective, top management's commitment and an integrated approach of the program across all departments can balance economic viability with ecological responsibility. This is merely good and efficient business practice in the 1990's. The hotel can continue to operate a first-class operation and at the same time, make a commitment to preserve our precious planet.

A focus group is being created for a review of new vegetarian, natural and low-cholesterol menus which will be available upon request by meeting planners and guests. This market research will enable the hotel to meet the demands of its customers as we test for food taste, presentation, quantity and pricing of these environmental and healthful alternatives. ✓

6. B5. The hotel industry is customer driven. Employees represent the hotel's standards at every interaction with guests and vendors. It is important that employees clearly understand the goals and objectives of the program and the long-term commitment that has been made to the environment. It is the responsibility of management to create an aggressive communications plan showing how the campaign directly affects each of the employees, and also encourages and recognizes their participation. The hotel's newsletter includes an environmental column translated in French, and Spanish and a housekeeping meeting was conducted in French, Spanish and Creole. Two Environmental Action Awards have been created. An annual Environmental Award recognizing employee environmental leadership is awarded by the Saunders Family. The quarterly Environmental Action Award recognizes achievements and is awarded by managers in recognition of their employees' environmental efforts.

A letter has been distributed to all hotel vendors alerting them to the environmental policy and encouraging them to consider their impact on the environment. In a letter to travel agents, the hotel listed a number of environmental steps a company should make, from double-sided copying to auditing lighting and water use. Recommendations and guidelines have been compiled in a conference planner advising meeting planners on ways to conduct 'green meetings'.

Eco-educating plaques are placed at each light switch and in every bathroom. They provide guests and employees with an astounding environmental fact and also ask for a call to action. A letter is placed in each guest room to inform guests about the Environmental Action Plan. It too, offers environmental tips to try at home.

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Boston's Eco-Logical Travel Alternative.

ENVIRONMENTAL POLICY

"If one individual convinced two people to do something for the environment, and the next day each convinced two more people, and so on, and so on... it would take less than a month to get everyone in the United States to take some kind of action."

-- anonymous


We at The Boston Park Plaza Hotel & Towers are taking dramatic action to help secure our future and to make our world a cleaner, safer place for ourselves and for our children.

With the implementation of this sweeping environmental program--unprecedented in scope--we are setting an example not only for the hotel industry, but also for diverse businesses, and for individuals themselves. We have scrutinized our hotel operation and have identified every area where we can reduce waste, recycle materials and conserve energy and water. We also pledge to maintain the superb standard of quality which we have provided our guests throughout three generations of hotel ownership.

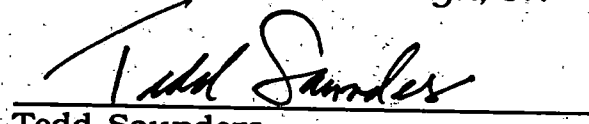
Through this ambitious environmental program we hope to educate both our guests and ourselves, to foster an environmental conscience and to effect positive change that will extend far beyond The Boston Park Plaza Hotel & Towers.

"Is civilization progress? The final answer will be given not by amassing our knowledge, or by the discoveries of our science, but by the effect our civilized activities as a whole have upon the quality of our planet's life."

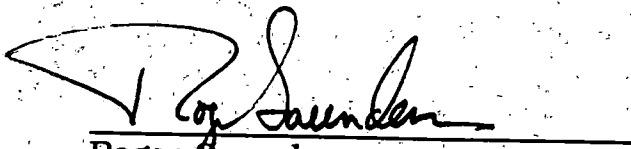
-- Dr. Charles A. Lindbergh, Jr.



Gary Saunders
President



Tedd Saunders
Environmental Program Director



Roger Saunders
Chief Executive



Joseph Malone
Managing Director

Cyndee Bochino
Rosy Schwindeman
Jill Hirshberg

The Insider



Personnel
Ext. 2249

August 15, 1991

Volume No. 12

August 1991



Printed on Recycled Paper

Dear Fellow Employee:

Just over a year ago, we asked ourselves how we, as a family-operated hotel, could make changes in the way we operate that would benefit our environment as well as the hotel.

This question has resulted in a very ambitious campaign in which we have made changes in all departments in ways that affect not only you and our daily operations, but also demonstrate our long-term commitment to the earth.

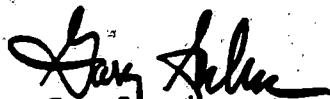
We recognize that these changes do not happen overnight, but we have made the commitment to these environmental standards and will continue to work towards them. We are proud to announce that we have made many accomplishments, among them, to name a few, are the following:


- * White paper recycling: saving 153 trees over the past 15 months.
- * Purchasing and Food & Beverage have eliminated all styrofoamTM products and reduced paper and plastic use throughout the hotel.
- * We have recycled more than 60,000 cans in the last 6 months alone.
- * Engineering has installed energy-saving thermopane windows in 75% of the building.
- * Engineering has installed water saving devices to save more than 10.6 million gallons of water annually. This has also reduced our hot water use by nearly 30,000 gallons annually.
- * Our housekeeping department is now using a mixing station for biodegradable cleaning products, and now reuse their cleaning dispensers.
- * IDA distributes furniture, linens and blankets to local veterans shelters when no longer used at the hotel.

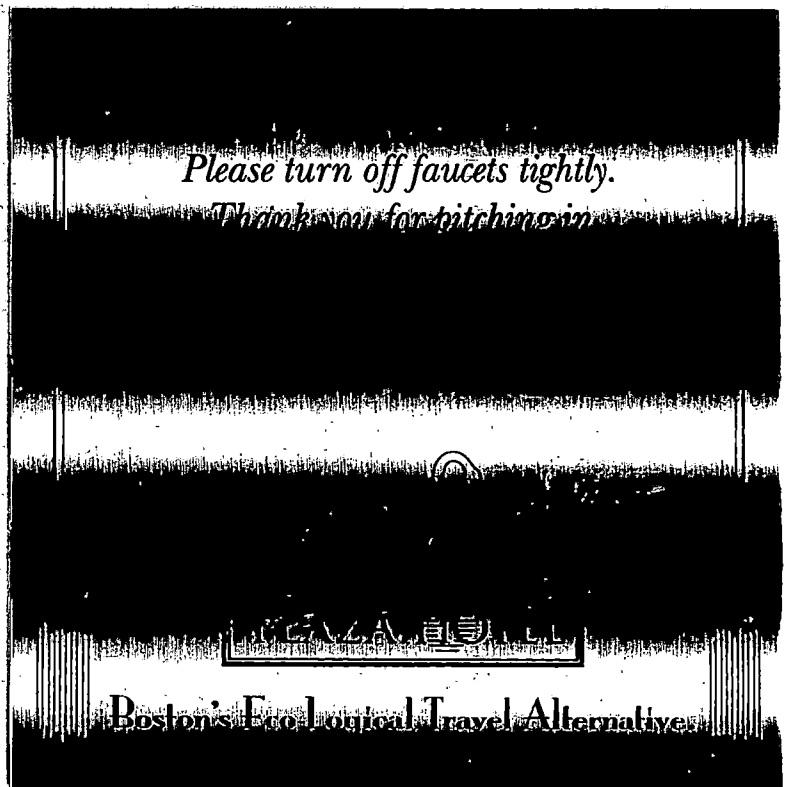
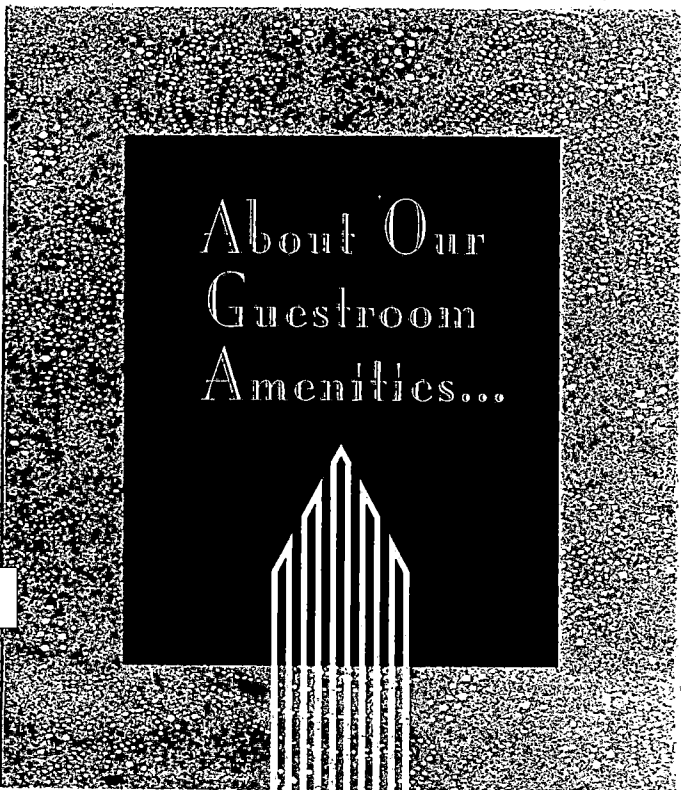
These are some of the things we are doing, and there are numerous other things we can do. Many of your fellow employees have been involved in identifying these changes, and we encourage all of you to let us know of others.

Attached you will find our Environmental policy which states our goals for extending the planet's life. Our Environmental Program is unprecedented in the hospitality industry, and can offer us a competitive advantage which we can use to market ourselves better. We will continue to implement procedures in each department in an effort to continue our progress, and we will need your input and cooperation.

For all you efforts, past, present and future, we want to thank you. We also want you to understand this policy is a long-term commitment. We should all be proud of our achievements and recognize we are leading our industry in this unprecedented effort to benefit our earth and our children.


Gary Saunders
President

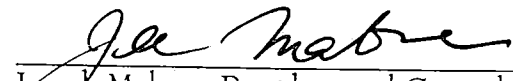

Tedd Saunders
Environmental Program Director



Dear Guest Of The Boston Park Plaza...

We, at The Boston Park Plaza,
are currently evaluating what we can do to help protect this fragile earth.
And we'd like your help.

To ensure that any proposed changes will not inconvenience
you, our guest, we've developed this survey. Please take a few moments now
and fill it out. Then, once these changes are made, we hope
you'll be back to take a second look.


Joseph Malone, President and General Mgr.
The Boston Park Plaza Hotel & Towers

About The Boston Park Plaza's Environmental Action Program



We are borrowing it from our children.

NATIVE AMERICAN SAYING

Our Environmental Action Program

In 1991, The Boston Park Plaza Hotel completely revamped its policies and procedures to incorporate a new business philosophy; one that weighs the environmental impact of everything we do and touch.

What exactly have we done?

To date, we have implemented more than 65 hotel-wide initiatives, including:

- Recycling programs for white paper, steel, cardboard, shipping pallets, aluminum, glass and plastic.
- An employee fund initiated with the proceeds from redeemable soda cans.
- The elimination of styrofoam, plastic tableware and aerosols throughout the hotel.
- On-going donation of all linens, blankets and furniture to local veteran shelters.
- Printing of all stationery and forms on 100% dioxin-free recycled papers.
- The creation of an in-room amenities dispensing system that will eliminate the use of nearly two million plastic containers annually.
- The installation of new double glazed windows, faucet aerators and energy-efficient showerheads in all 977 guest rooms.

And look at some of the results!

Small actions add up to big savings. In our first year alone we saved:

- 10.6 million gallons of water
- 300 trees (via white paper recycling)
- 100,000 sets of plastic dishware
- 29,000 gallons of fuel oil

And this is just the beginning. To quote an ancient Chinese proverb: "The journey of a thousand miles begins with a single step".



Checklist for Meeting Planners

There are many simple steps to a more environmentally-sound meeting. Here are some guidelines that have worked well for other Boston Park Plaza clients:

1. Establish clear environmental guidelines long before your meeting or conference takes place. For example:

Printed on 100% dioxin-free recycled paper

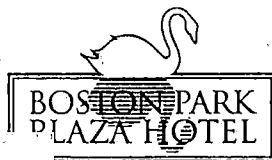


To discuss having a meeting or event at
The Boston Park Plaza Hotel, call 617-457-2243.

For room reservations call 800-225-2008.

For more information about our
Environmental Action Program, call 617-457-2486.

To fax the hotel, dial 617-423-1708.



Boston's Eco-Logical Travel Alternative™

The planet is a unit. No one nation can share the price.

We are all in the greenhouse together."

ROBERT REDFORD

What Others Are Saying

BUSINESS WEEK

"Saunders Hotels is remaking its landmark Boston Park Plaza Hotel & Towers into an environmental showcase."

ASSOCIATED PRESS

"What began with a modest white paper recycling program has grown into an unprecedented environmental campaign having an impact on every department."

TRAVEL TRADE

"The Boston Park Plaza Hotel has instituted changes that allow the hotel to take an aggressive and active approach to saving the environment."

ENVIRONMENT TODAY

"(The hotel) shows what can happen when a business adopts a comprehensive environmental policy. Perhaps the boldest move for a hotel that competes in the luxury market was eliminating most of the packaged toiletries and other amenities in favor of permanent dispensers."

HOTEL & MOTEL MANAGEMENT

"They decided to target not only guestrooms, but the entire hotel, and have spent approximately \$1.5 million on environmental improvements. Twenty-five employees volunteered to join the hotel's Green Team."

AMERICAN LUNG ASSOCIATION

Presented The Boston Park Plaza with the Association's 1991 Environmental Health Award.

EARTH DAY USA

Selected The Boston Park Plaza as host hotel for its 1991 National Earth Day Organizers Conference.



Not Just A Hotel In Boston. Boston's Hotel.™

May 5, 1992

Mr. Paul Derba
James J. Derba, Inc.
1 Griffin Way
Chelsea, Mass. 02150

DIRECT DIAL
617-457-2221
FACSIMILE
617-426-5603

Dear Mr. Derba:

Over the past nineteen months The Boston Park Plaza Hotel and Towers has totally re-examined its impact on the environment. Resulting from this thorough self examination we have a program that is setting the benchmark for the hospitality industry.

A partial list of our initiatives include: the introduction of zinc-free bio-degradable cleaning products, the elimination of all styrofoam[™], recycling of all white and computer paper, cardboard, #1 and #2 plastic, steel, as well as glass bottles and aluminum cans, the re-use of shipping pallets, 55 gallon drums, and laser printer cartridges. We have also reduced our water and energy consumption by 10.6 million gallons without sacrificing customer comfort.

The aforementioned initiatives, in conjunction with almost 85 other projects, not described above, have resulted in greater employee pride, reduced operating costs, as well as, increased visibility and market share.

On behalf of our entire Company I ask that, knowing our stance on waste and the environment, you examine your products and the way in which you deliver them to us. In keeping with our long-term environmental policy we will be interested in working with vendors who are rethinking the environmental impact of their business decisions.

We feel it's time for business to align with the environment for everyone's sake. Should you wish to discuss some of your ideas with us, please call Bob Bornstein, Director of Purchasing at 617-457-2274. Please join us in this most important cause.

Sincerely,

Gary L. Saunders
President

Robert J. Brown
Vice President and
Corporate Controller

P.S. As part of our total ban on styrofoam we use shredded paper instead of polystyrene pellets as packing for all outgoing boxes.

BOSTON PARK PLAZA HOTEL & TOWERS

61 ARLINGTON STREET
BOSTON, MASSACHUSETTS 02116-3912
TELEPHONE (617) 426-2000 FAX (617) 426-1708
OPERATED BY SAUNDERS HOTELS COMPANY

Do this special
on wastes
Se
ovato

Environment Today

THE NEWSMAGAZINE OF ENVIRONMENTAL AND POLLUTION CONTROL

October 1991

Vol. 2, No. 8



Environmental Program Director Tedd Saunders and shipping manager Lewis Floyd at the Boston hotel's materials recycling center. "By restructuring the way we think, we can change the ways in which we operate to incorporate our environmentally sound business practices," says Saunders.

Guests appreciate hotel's environmental policies

Boston's 977-room Park Plaza Hotel shows what can happen when a business adopts a comprehensive environmental policy. Aided by a "Green Team" of 25 employee volunteers, the family-owned hotel spent 16 months reviewing standard operating procedures and developing ecological alternatives.

Examples: adding faucet aerators and low-flow shower heads in all rooms, installing 1,642 thermopane windows, switching to energy-saving lighting, using biodegradable cleaners and adopting a hotel-wide recycling program for cans, bottles, paper, steel and shipping palettes. Employees now use recycled paper in offices and

reusable tableware in the cafeteria. Food scraps are picked up by local farmers for animal feed.

Perhaps the boldest move for a hotel that competes in the luxury market was eliminating most of the packaged toiletries and other amenities in guestrooms. Some are now offered instead in permanent dispensers. Others are available on request.

In a recent survey of 1,000 guests, 81% said they never used a shower cap and wouldn't mind if it were simply available on request. Almost 90% said the same about shoeshine kits. Overall, 96% of the guests said they would prefer a room that encompassed the environmental changes. ■

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Hotel & Motel Management

THE NEWSPAPER FOR THE LODGING INDUSTRY

H&MM • NOVEMBER 4, 1991

Boston Hotel Benefits From Saunders' Sincerity

By Kathy Seal

H&MM Contributing Editor

BOSTON—What would it take for a hotel to be completely "green"—that is, environmentally friendly to the max? The Saunders family, which owns and operates the 977-room Boston Park Plaza Hotel & Towers here, is trying to find out.

Two years ago, Tedd Saunders, who has owned a photography business and worked in both advertising and marketing, broached the idea of creating environmentally sound guestrooms at the Park Plaza. He and brother Gary already recycled, avoided using harmful cleaning supplies and installed water- and energy-saving devices in their home.

"I guess I have an environmental mind-set," said Tedd Saunders (whose father, Roger, is chairman of the board of the AH&MA and c.e.o. of Saunders Hotels Co.).

Rather than hiring a consulting firm, Tedd Saunders undertook the ecology project himself, with assistance from Liz Kay, a local specialist in environmental issues and media relations. The two decided to target not only guestrooms, but the entire hotel. They decided to involve the property's work force in the effort. Since February 1990, Saunders Hotels has spent approximately \$1.5 million for environmental improvements at the Park Plaza.

"I wanted to incorporate a viable business decision with something beneficial to society."

Programs include recycling of cans, bottles, white paper, cardboard, steel, plastic and shipping pallets; use of dioxin-free recycled stock for all new paper products; distribution of reusable mugs to every employee; reuse of shredded papers for packaging outgoing materials; and replacement of disposable tableware in the employee cafeteria with china, glass and silverware.

Waste-Cutting Efforts Build

Local pig farmers pick up food scraps from the hotel to use as feed, and shelters for veterans receive cast-off furniture, linens and blankets. Saunders Hotels decided to do away with miniature bathroom amenities and installed dispenser systems for shampoo, conditioner, soap, mouthwash and body lotion. When implemented hotelwide, this program will eliminate almost 2 million plastic containers per year.

Management also conducted a survey of 1,000 Park Plaza guests; it revealed that 81 percent surveyed never use a shower cap and 89 percent never use the shoeshine kit. Now, these two amenities are made available only when guests request them.

Saunders Hotels has undertaken numerous water and energy conservation measures. The largest expenditure has been close to \$1 million for installing 1,265 thermopane windows, which will save about \$65,000 annually in energy costs.

Other changes include installation of compact fluorescent lighting and energy-efficient light fixtures and ballasts (the latter at a savings of about \$18,000 annually) and replacement of a hotel chiller with a turbo modulator.

Power rotation now reduces power usage and demand, and variable

speed motors that pace output with demand have replaced several older motors found in exhaust systems and other air-supply systems. Tedd Saunders estimated that savings from the environmental programs have amounted to \$150,000.

Tedd Saunders stressed that he has implemented the "green hotel" concept not only from the top down but also from the bottom up. Twenty-five employees have volunteered to join the hotel's "Green Team," which looks for ecologically sound alternatives for standard operating procedures. Management encourages input from its employees.

For example, the Park Plaza's food and beverage manager recently decided to return for re-use to its supplier the 70 cardboard pastry boxes the hotel receives each week. The director of purchasing suggested replacing paper mats used by roomservice with linen ones.

While management has not approached leadership of the hotel's union, Tedd Saunders said insuring union commitment to the hotel's environmental program is a long-term goal. Rousing employees from apathy and making them "part of the solution" is his greatest challenge, said Tedd Saunders.

Employees Are Innovators

He employs a one-on-one approach to solve that problem, soliciting employee input on potential solutions in a department and letting them know they can make a difference. For example, members of the hotel's catering department met recently to decide how to spend the money received from recycling cans and bottles.

The "greening" of the Boston Park Plaza has not been without marketing advantages. Management has hired a public relations firm to tout the program, and sales staff are being trained to mention the program as a "soft sell," Tedd Saunders said.

Sales staff also offer to supply groups with the names of vendors of recycled paper and locations of recycling centers to use during conventions. Two conventions—the National Association of Aquarium Directors and the Fly Rod and Reel Show—already have booked the hotel because of its ecology program.

Publicity has brought so many phone calls to the Boston Park Plaza that Tedd Saunders and Liz Kay recently formed "Ecological Solutions," an environmental consulting firm. They are now discussing implementation of ecological programs at several hotels and other companies, Tedd Saunders said.

Although the project has saved money, brought publicity and increased business, Tedd Saunders insists his motive for greening the Boston Park Plaza was not financial.

"It was a project my heart was in," he said. "I wanted to incorporate a viable business decision with something beneficial to society."

VIEW
A TALK BY
PRESIDENT SAAL
PAGE 24

BusinessWeek

AUGUST 12, 1991

A MCGRAW-HILL PUBLICATION

\$2.50

PERSONAL COMPUTERS THE COMING DECADE

On the 10th anniversary of IBM's PC, the industry is in turmoil. Will IBM, Apple, working still dominant tech

How v the year

PAGE 58

Developments to Watch A 'GREEN' HOTEL MAY BRING IN THE LONG GREEN

First, there were environment-friendly products such as laundry detergents that use no phosphates and pesticides that forgo petrochemicals for nature's own insect killers. Now, a Boston organization plans to bring the "green revolution" to notorious consumers of throwaway products, from sample toiletary bottles to cleaning supplies: hotels. Saunders Hotels & Towers is remaking its landmark Boston Park Plaza Hotel & Towers into an environmental showcase. Disposable utensils will be banned from the cafeteria. Dishes and kitchens, paper, steel, and glass will be routinely recycled. And all 977 guest rooms are getting energy-efficient shower heads and double-glazed windows—plus bathroom dispensers to eliminate the annual need for 2 million plastic bottles of shampoo and lotion. The hotel's "greening" is already pulling in that other kind of green. Publicity about the new ecological approach has helped land two upcoming conventions.



\$1.95

MARCH 1992

Good Housekeeping

38 Pages from **LIVING WELL**
The New **GH/American**
Medical Association Magazine

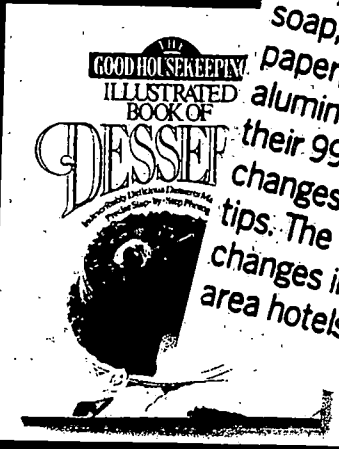
**SCHOOLS THAT
MAKE
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**ARE YOU
WEARING THE
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**PREVIEW!
Recipes from C
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A Rose

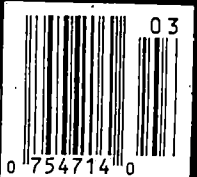


... Boston's Park Plaza Hotel for a two-year-old environmental campaign. They've installed low-flow showerheads — which alone saved eight million gallons of water (plus 27,000 gallons of heating oil) last year — and energy-efficient windows. They've done away with plastic shower caps and replaced plastic bottles (two million a year) with dispensers for shampoo, soap, and body lotion. And they recycle paper, cardboard, glass, and steel and aluminum cans. Pamphlets in each of their 997 guest rooms explain the changes and offer at-home conservation tips. The owners plan to make similar changes in their two other Boston-area hotels.

Justin Novak

of TV's "Coach"
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Hotel's greener pastures



CONSCIENTIOUS: Seamstress Clarissa McLean and executive housekeeper Lewis Ware, above, discuss making slightly damaged linens into chef's aprons at the Boston Park Plaza Hotel. At right, the hotel's housekeeping staff — from left, Adolfo Callejas, Norma Allen, Filomena Santos, Christina Cordero, Jackie Bullard and Elby Santos — converted the money made from recycling guests' returnable bottles into new vacuum cleaners.



COVER STORY

Conservation effort pays off in Boston

By Kevin Maney
USA TODAY



By Shawn Henry, SABA
TEDD SAUNDERS: Got vendors involved.

BOSTON — The Boston Park Plaza Hotel's 1920s-era elegance drips from every corner of its lobby. Overhead, crews on rafters clean two chandeliers the size of Volkswagen Beetles. People drifting through the lobby have no way of knowing that the crews are, for the first time, cleaning with environmentally safe ultrasound devices rather than pungent chemical solvents.

Upstairs, the rooms are grand but homey. An arriving guest wouldn't notice the water-saving shower heads or energy-saving windows. Maybe the guest would spy the environmental tips printed on recycled paper and placed on the table or the classy brass plate on the bathroom door asking that faucets be turned off tightly and noting that each adult uses 2 million gallons of water a year.

But chances are that most people who stay at the Boston Park Plaza will never realize it has one of the most ambitious environmental programs in the service industry.

The person behind the program is Tedd Saunders, environmental-program director for the hotel his family bought and renovated in 1976. Saunders took a chance by foisting ecology on a hotel where rooms cost \$120 to \$170 a night. Any sign of skimping on amenities or luxury would send guests fleeing to competitors.

Yet the program has been good for the bottom line.

"The environmental program isn't aimed at saving mon-

USA TODAY • THURSDAY, JUNE 11, 1992

Please see COVER STORY next page ►

COVER STORY

Hotel surprised by green payoff

Continued from 1B

ey — it's aimed at doing the right thing," says Saunders' brother Gary, president of the hotel. "But we learned that you can make a profit by doing the ecologically right thing, and that's been a surprise to us."

In the past year, the hotel has pumped \$1.8 million into the program — \$1.2 million of it for the one-time cost of putting in 1,686 high-tech thermal windows. The environmental program is saving \$150,000 annually in energy costs and more from recycling. Water use has been cut 18 million gallons a year to 100 million gallons as water costs are rising rapidly in Boston.

In the past eight months, the hotel says, it has lured \$750,000 in new convention business directly because of the program. Jim Golden, vice president of the Energy Efficient Building Association, was partly responsible for shifting next year's Building Solutions conference to the Boston Park Plaza. Attending engineers will get the chance to see the hotel's efforts up close. "Hotels are among the least-energy-efficient buildings of all," Golden says. "To see a hotel with such an active program is a treat."

Outsiders are impressed. The hotel has been raking in awards from environmental groups and making pages of green newsletters. Tedd Saunders has become an environmental consultant. Jim Post, professor of management at Boston University and author of *Managing Environmental Issues: A Casebook*, says he studied the hotel as a model for "first-class service organizations committed to the environment."

Of course, the green hotel isn't going to save the world. But it is out front of an environmental surge in the industry. The Loews Hotels chain, for instance, is recycling paper and installing energy-saving equipment. Ramada International Hotels & Resorts has been donating money to environmental groups.

At the Boston Park Plaza, the environmental program has fused onto every layer of every department in the hotel. It is total environmental management in the way total quality management is supposed to work. Contributing to the cause has become a part of employee evaluations. "Everybody from dishwashers to general managers is coming up with ideas," Saunders says.

The kitchen staff saw waste when food was delivered on wooden pallets that were then thrown away. The pallets — up to 100 a week — are now given back to the vendor and re-used. A tiny cigarette burn used to mean a linen tablecloth would be thrown away. The housekeeping staff started making chef's aprons out of damaged tablecloths.

Purchasing Director Robert Bornstein has gone on an environmental rampage, buying everything from recycled stationery to rulers made of recycled plastic and back-room carpeting made from recycled plastic soft-drink bottles.

"There's a genuine commitment at the top," says Post, "and they have really infused this commitment throughout the organization."

Many of the ideas come directly from Saunders. He was behind moves such as the push to recycle all possible paper, cans and bottles and buy supplies in bulk to cut down on packaging. Now, the hotel uses soap and shampoo dispensers rather than individual plastic bottles. He banned foam cups and bought ceramic coffee cups for employees. He pushed for using more ecological cleaning liquids and energy-efficient lights. And he is experimenting with water-conserving devices in the hotel's toilets. He even replaced individually wrapped candies on conference-room tables with baskets of fresh fruit.

Saunders is completely involved. When he couldn't find a recycler to come to the hotel to pick up old telephone books, and a few staffers loaded them on a truck in a cold January rain and drove them to a recycling center.

Some investments have been easy to justify, especially when they immediately save energy or reduce waste. Others have required more creativity. The recycled paper stock costs 12% more than the old paper. To help offset that, pads provided to guests have been cut from 50 pages to 25 — Saunders says most pads were thrown out half-used, anyway.

Vendors have gotten involved, too — Saunders has demanded it. A food firm has found a way to deliver meat in bulk containers rather than shrink-wrapping every piece. A cleaning-supply company now sends liquids in 15-gallon drums. Says Saunders: "I hope they take this to other customers and we effect change beyond the hotel."

But how about guests? A number of individual travelers interviewed in the lobby said they were only vaguely aware of the hotel's environmental program. Saunders admits that except for a few conferences, he doesn't think many people stay at the Boston Park Plaza for its environmental policy. Nancy Mills of IVI Travel says "there's really not a lot of customers making requests for environmentally friendly hotels."

That could change in time. The hotel is just beginning an aggressive marketing campaign for the 18-month-old program. Saunders may at least be striking the right chord. At a time when the environment seems to most people like a gritty, monolithic undertaking, they might enjoy ecology's burnished elegance here. Says Saunders: "The environment has its own



EARTH DAY

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May 5, 1992

Make Every Day
Earth Day.

The President's 1992 Environmental & Conservation Challenge Award
Attn: Award References:

From: Bruce Anderson, President Earth Day USA and Denise Gaumer, Director of Communications

Gaylord Nelson
Founder
Earth Day

Chairman
Earth Day USA

This is one of the most unbelievable programs we have ever had the pleasure of reviewing. The overall commitment of the people and company designing and implementing this program is outstanding. The hotel and the creative team of Tedd Saunders and Liz Kay have designed a program that has measurable goals and benchmarks in place as well as plans and implementation procedures for restoration, protection and enhancement of the environment. This is not a superficial plan - they have gone to the very base of source reduction and conservation with hotel renovation, conversion to non-toxic cleaners, recycled office supplies, and water and energy efficient programs, and more. What is extremely impressive is the fact that they have considered all aspects of the environment and the effect of their program on all of these areas. They receive a 10 + in this area from us.

Bruce Anderson
President
Earth Day USA

This program is presently in the process of being replicated in two other Saunders properties, The Lenox and Copley Square Hotels. The Boston Park Plaza has created a "Green Project" with the Greater Boston Convention and Visitors Bureau to enroll and empower other hotels in the Boston area to make an environmental commitment. The hotel is also working with the city of San Francisco Solid Waste Division and the Hotel Council on similar efforts and Tedd is speaking to business and environmental groups around the country.

Earth Day USA
P.O. Box 470
Peterborough
New Hampshire
03458

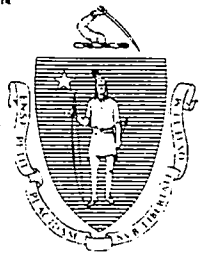
This project is so well created and implemented that it is very hard to consider not seeing its feasibility and sustainability. The sustainability comes into consideration with the enrollment of the employees and department heads. This program has been taken on so completely by the staff and management that it is now rolling ahead on its own with monitoring and benchmarks in place.

This program is not only meeting the needs of the Boston region, it is setting an example and the pace for the entire business community. Everyone is involved in making environmental lifestyle changes that benefit us all. Because of the hotel's environmental commitment, Earth Day USA decided to host their National Earth Day Organizers' Conference at The Boston Park Plaza. We were able to profile the commitment of the hotel to the conference attendees and from there they were able to go back to their communities and encourage participation by their area hotels. They receive a 10 + for this area from us.

603-924-7720
Telephone
603-924-7855
Fax

We are so impressed and pleased with this company's environmental commitment. They are a standard to be emulated by all of us. They carefully thought out all of the ramifications of their program before any implementation went into effect and spent a full year and a half implementing their program before they began publicizing it. They are committed to the long term for this program and other environmental efforts. We would place Tedd Saunders and Liz Kay within a top 1% of concerned people anywhere taking aggressive environmental action. They are extremely committed and dedicated to all of our environmental futures. We feel honored to know them and to have had the opportunity to work with them. They deserve your highest awards for extreme excellence.

Conserve Earth Day
April 22.



The Commonwealth of Massachusetts
Executive Office of Environmental Affairs
100 Cambridge Street, Boston, 02202

WILLIAM F. WELD
GOVERNOR

MARGO PAUL CELLUCCI
LIEUTENANT GOVERNOR

SUSAN F. TIERNEY
SECRETARY

(617) 727-9800

May 18, 1992

The Selection Committee
The President's Environmental Challenge Awards
Council on Environmental Quality
722 Jackson Place, N.W.
Washington, DC 20503

Dear Members of the Selection Committee:

I am proud to be able to recommend to you a program which I truly believe represents the "innovative spirit of a new era of environmental entrepreneurship". This is the environmental program in Boston's Park Plaza Hotel.

As we all know, man's economic and numerical expansion places increasing strain on the delicate balance of natural phenomena which contribute to the unique environment that has allowed man to flourish. Given this, common sense dictates that we all must become aware of the effect the daily operation of our lives has on our surrounding environment and must do our best to minimize any negative impact that results from our activities. Nowhere is this adoption of this type of thinking more important or more critical to the health of our environment than in the productive sectors of our economy.

The Park Plaza Hotel has recognized this situation and adjusted its operations accordingly. Not only has the hotel taken action to ensure that its own operations are environmentally friendly, but it has made a concerted effort to educate its customers, employees and suppliers to ways in which they can alter their own behavior to benefit the environment.

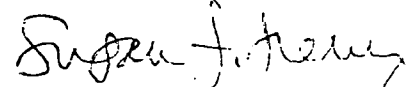
The extent to which environmental awareness is ingrained into every facet of the hotel's daily workings is quite remarkable. Each employee has been asked to evaluate his or her department and to search out opportunity's for increased environmental improvement. Not only does the hotel hope to improve its own environmental record in this way, but it believes that this constant exposure to environmentally sound practices will educate its employees so that they will modify their own behavior outside

of work and share their knowledge of environmentally sound behavior with others.

Most importantly, the Park Plaza Hotel has shown that being environmentally aware makes good business sense as well as ecological sense. Various changes made for environmental reasons (including the switches to energy efficient lighting and thermopane windows) have resulted in significant reductions in the overhead cost of operations. At the same time, surveys that the hotel has conducted have consistently shown that the vast majority of its guests approve of and appreciate the pro-active environmental stance the hotel has taken. The hotel's environmental policy has even been the overriding factor in the decision of at least two organizations to hold their conventions at the Park Plaza.

All in all, I feel that the Park Plaza Hotel would be an extremely worthy recipient of a President's Environment and Conservation Challenge Award. Not only are its efforts to reorganize its operations in an environmentally responsible manner commendable, but its concern with spreading its environmental awareness to others, and its success in proving the viability of an ecologically aware business philosophy will serve to abet the proliferation of this philosophy among other businesses and the general public.

Sincerely,



Susan F. Tierney
Secretary



THE COMMONWEALTH OF MASSACHUSETTS

EXECUTIVE DEPARTMENT

STATE HOUSE • BOSTON 02133

WILLIAM F. WELD
GOVERNOR

ARGEO PAUL CELLUCCI
LIEUTENANT-GOVERNOR

May 14, 1992

The Selection Committee
The President's Challenge Awards
Council on Environmental Quality
722 Jackson Place, N.W.
Washington, DC 20503

Dear Members of the Selection Committee:

In the Park Plaza Hotel, Boston is extremely lucky to have an establishment that has had the vision and the sense of responsibility to become a leader in the adoption of environmentally aware business practices. Although many private sector operations fear the structural changes and capital expenditures necessary to render their operations as environmentally friendly as possible, the Park Plaza Hotel has embraced every opportunity to move in this direction. In the process, the hotel has proved something that I have long felt to be true, environmental awareness and effective business practices are not mutually exclusive concepts. In fact, if applied and marketed effectively, as is done by the Park Plaza Hotel, ecological awareness can be used as a selling point to attract the growing number of consumers who are increasingly concerned by the plight of the environment.

The tangible results produced by the hotel's reorganization along environmentally sensitive lines are impressive: fifteen million gallons of water have been saved through conservation methods including the replacement of the ordinary showerheads previously in use in the hotel's bathrooms by low-flow showerheads. Energy use within the hotel has been sharply reduced by the installation of thermopane windows in all guest rooms. And many tons of refuse have been removed from the hotel's waste stream through the elimination of unnecessary packaging on products used by hotel guests and by aggressive programs to maximize the amount of recycled materials employed in hotel operations and to ensure the recycling of as much of its waste material as possible.

In implementing this program the owners and managers of the Park Plaza Hotel have been adamant in ensuring that the high standards of quality to which their patrons had grown accustomed were

not adversely impacted. To this end, they have closely monitored customer reaction to the changes and have incorporated customer input into the program so that any concerns customers had about service could be adequately addressed. The end result has been that, far from being a liability, the hotel's environmentally friendly policy has given it a competitive advantage in attracting environmentally aware customers.

Park Plaza's devotion to the environment and resultant environmental policy are truly to be applauded. I believe that the adoption of business practices that make ecological as well as business sense is a philosophy that is destined to spread. Operations such as the Park Plaza that take the lead in ushering in this change, and showing that it can work, are doing us all a favor.

Thank you in advance for your consideration in this matter.

Sincerely,

A handwritten signature in cursive script that reads "Bill Weld". The signature is written in dark ink and is positioned above the typed name.

William F. Weld
Governor

Boston University

School of Management
621 Commonwealth Avenue
Boston, Massachusetts 02215

Faculty Offices
Fax: 617/353-2564



May 4, 1992

President's Environment and Conservation Challenge Awards
Attention: Award References
The White House
Washington, D.C.

Distinguished Referees:

I am pleased to write in support of the **Boston Park Plaza Hotel** for the President's Environment and Conservation Award.

For the past three years, I have developed research and curriculum materials for the teaching of environmental management in business schools. This effort was sponsored by the Corporate Conservation Council of the National Wildlife Federation. I have interviewed two hundred business managers, studied 35 companies in detail, and reviewed the award applications of more than two hundred companies for various environmental achievement awards. This experience has provided a broad base of understanding regarding corporate trends in environmental performance. In this context, I am pleased to support the nomination of Boston Park Plaza Hotel for consideration by your committee.

Our research on how leading businesses learn to improve their environmental performance (project title: "Managing for Environmental Excellence") has shown that the companies learn in various ways. Learning generally proceeds from reactive behavior to anticipation of emerging issues and, eventually, to truly innovative "breakthrough" thinking and action. Companies are not "born" innovative, and only a few become innovative in every dimension of their environmental activity (waste reduction, energy efficiency, product/service design and delivery, community relations). Occasionally, a firm does break away from its industry peers in meeting environmental challenges however. That seems to be the case with the Boston Park Plaza Hotel.

Three things distinguish Boston Park Plaza's efforts:

First, it has developed a very **comprehensive program**. The initiatives taken to date span the hotel's operations and the list of "to do's" leave no aspect of the hotel untouched by a concern for environmental effects.

Second, the hotel has a very impressive **leadership commitment** from the Saunders family. The depth of the commitment has been tested and is genuine in my view. Their willingness to "break through" conventional views of what can be done during a recession in an industry that is notoriously sensitive to consumer attitudes is underscored by the replacement of throw-away amenities which are a huge contributor to solid waste. Risky business! Further, the willingness to make a substantial capital investment in energy conservation that cannot be quickly recovered testifies to the incorporation of environmental criteria into long term thinking. These examples support what I believe to be a quality leadership commitment that complements the more obvious activities of the "Green Team" and Tedd Saunders, the Environmental Program Director. Without such support, major changes cannot be made in an organization.

The third distinguishing feature is that **environmental policy affects all of the company's key systems** -- purchasing, maintenance and repair, employee training, operations, and long term planning. The program at the Boston Park Plaza Hotel is infused into every aspect of the business, into every employee's consciousness, and into every guest's awareness as well. The impacts are visible and the net effect is measureable and significant. There is, for example, a positive educational effect on employees who learn about non-toxic cleaners, recycling, and so forth. Those lessons are probably are going home every day to the Boston community.

I rank the Boston Park Park Plaza as a highly innovative firm in a very competitive service industry. The people of the Boston Park Plaza Hotel have learned how environmental concern and commitment can be an integral part of their business mission. They are meeting their challenges with imagination, enthusiasm, and a clear sense that "doing things right" is the right thing to do. They are a model for other family-owned businesses, for others in the hotel industry, and for all firms in service industries. The lessons learned can be replicated elsewhere and these people are willing to share their learning.

Sincerely,



James E. Post
Professor of Management & Public Policy

May 7, 1992
New York, N.Y.

Award Referees

The 1992 Presidents Environment and Conservation Challenge Award
The White House, Washington, D.C.

Distinguished Referees:

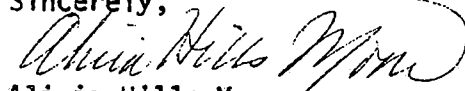
It has been my good fortune to visit the Boston Park Plaza and to see the unusual attention paid to environmentally-related matters by the hotel's President, Gary Saunders, and by its Director of the innovative Environmental Program, Tedd Saunders.

It is quite amazing, what has been accomplished in just two years of intensive effort at the Park Plaza, largest independently owned, and operated hotel in the country. In this period, Tedd Saunders personally initiated and directed almost 100 different ways by which pollution and waste were reduced, energy conserved, various resources redirected, in a commendable, ecologically-conscious, fashion without, apparently, any compromising of the noteworthy service and amenities which this hotel provides.

The hotel has imaginatively redesigned certain products for a substantial saving in plastic-container waste. It extensively recycles this material, as well as steel, aluminum, glass, paper. It has renovated the building on a broad scale to save energy. Very important, the Program Director's enthusiasm for these efforts seems to have been successfully conveyed to the hotel's staff, and to its suppliers as well. Apparently this genuine environmental commitment has contributed significantly to recent growth in the Park Plaza's business.

The Saunders' accomplishments should inspire others in the hotel industry and make the Boston Park Plaza a worthy candidate for your prestigious award.

Sincerely,


Alicia Hills Moore
Associate Editor

Application Summary

Number: Q.002

Project: 3 COM Corporate Environmental Policies

Contact: Mr. David J. Abramson
3 COM Corporation
5400 Bayfront Plaza
Santa Clara, CA 95052-

Telephone:
(408) 764-6621

Summary: 3 COM believes that pollution prevention and conservation ensure our success. 3 COM pioneered CFC replacement in 1991 and uses organic packaging. Conservation efforts include recycling 89% of all office paper, 98% of toner cartridges, 4 tons of cardboard annually. Employees voluntarily recycle, rideshare and work in a smokefree environment.

NOTE: Some technical evaluators provided written opinions, based on their view of the criteria. The following is included for your background only.

Comments: Many excellent initiatives: 1) Semi-aqueous cleaning of circuitboards (CFC reduction), 2) 88% office paper recycled, 3) replaced peanuts in packaging. Overall, the program is a bit weak in not being comprehensive. Indeed, it gives the impression of many good ideas from an enthusiastic committee, but it lacks structure that top down emphasis can give.

3 COM has taken a leadership role in implementing waste reduction, recycling and reuse strategies. It's accomplishment in phase-out of CFCs and other toxic chemicals as well as in recycling and conservation efforts are impressive.

A good small company program focused on recycling -- perhaps a citation candidate.

Pioneering the process of eliminating CFC's in large-scale productions. Effective management implementation of environmental ethic into all aspects of manufacturing process. Daring and aggressive leadership style that seeks to constantly push environmental performance.

Aggressive in several areas: executive council for implementation, first innovator in particular CFC replacement, ecofoam for packaging, drought resistant landscaping, energy efficiency, picked for social investing. Should consider expanding beyond CFC reductions, packaging and transportation.

Q.002

The President's Environment and Conservation Challenge Awards

When George Bush asked American businesses to step up its efforts and eliminate CFCs by 1995, 3Com Corporation of Santa Clara, California breathed a sigh of relief. In March 1991, the company had announced CFC-free manufacturing in its U.S. production facilities by the end of 1992, well in advance of international protocols on environmental toxins.

As a leading supplier of data networking products, 3Com Corporation has manufactured 4,000,000 network adapter cards, and began the process of eliminating CFCs in 1990. 3Com was the first company to use and deploy in large-scale production a semi-aqueous cleaning process for cleaning printed circuit boards with Dupont. Manufacturing works with suppliers to provide waste reduction and recycling opportunities, and works with vendors that offer environmentally sound products.

Following eight months of testing, 3Com replaced CFC-based "peanut" packaging with a substance that is completely biodegradable and non-toxic. 3Com was the first San Francisco Bay Area electronics manufacturer to use this new water-soluble packaging material.

Since 3Com ships 10,000 packages monthly throughout the world, the new material eliminates the equivalent of 1.7 million polystyrene coffee cups annually. Communications with suppliers and customers helped them understand usage and benefits of the new packaging. Each product shipment contains a one page guide telling customers how to dispose of the new packaging material. More than 50,00 of these mailers have been included in 3Com products.

3Com has always believed that pollution prevention, recycling and conservation is an important component of the company's success. The company has recycled newspapers, paper, aluminum and precious metals since 1987, and in 1990-1992 recycled more than 88% of its office paper. Employees use recycling bins for office waste, aluminum cans, newspapers and magazines. Employees are also surveyed annually regarding transportation alternatives, and more than 20% of them participate in ridesharing or public transportation.

As a global company, 3Com is continually improving its environmental performance. The corporate campus houses 1,200 people, and was designed for energy efficiency. Landscaping is drought tolerant, scaled to California's water shortage. 3Com's environmental program's tone is set and maintained largely by employee participation. New employees receive a glass mug along with a personal office paper recycling container during orientation to help attune them to the company's environmental culture. Since January 1, 1992, the company's headquarters facility no longer offers polystyrene cups. Recycled material is purchased and used in restrooms, and recycled paper is preferred in company documents.

No single individual is responsible for implementing the company's program. The Environmental Council, representing a cross-section of employees, meets monthly to strategize and report progress to management. Employees receive and exchange tips on environmental issues as part of this effort. Recommendations, such as adaptation of non-styrofoam packing by all the company's divisions are directed to specific groups for resolution.

The Environmental Council has ambitious goals, including using recycled paper for 50% of the company's communications reaching customers in FY 1993. The company receives updates on environmental progress via electronic communications.

1. What are the organization's environmental policies and objectives?

3Com is committed to global environmental protection and implementing environmental policies in our manufacturing processes and operations worldwide. Elimination of ozone-depleting chlorofluorocarbons in manufacturing and packaging of our global data networking products was a key objective. Exploring the usage of recycled-content, corrugated cartons, and increasing recycled-content shipping containers is a goal for shipping. Goals include 50% of collateral material and corporate stationery on recycled-content paper in FY 93. 3Com believes that pollution prevention, recycling and conservation of natural resources and energy are major elements in our corporate success.

2. How has the organization's top management demonstrated commitment to these policies and objectives? Do the policies demonstrate commitment beyond legal compliance?

Management has recognized the importance of setting environmental goals at the company since smoking was banned in company buildings in 1985. Moving beyond ad hoc implementation and toward formal adaptation of corporate environmental policy was directed by the CEO, and prompted the formation of the company's environmental council. Activities have included replacing chlorofluorocarbons in the manufacturing process and using organic packaging. Ridesharing programs are strictly voluntary and transcended any legal requirements. Drought tolerant landscaping and energy efficient building maintenance are integral to 3Com's headquarters design. ✓

3. What are the organization's environmental standards for its products and operations? {Explain how they go beyond legal constraints and how they relate to management control mechanisms}

3Com manufacturing and operations are chartered with producing environmentally safe global data networking products for customers. Manufacturing operations and site services personnel report to the environmental council with specific initiatives and work together to design and implement the annual environmental plan. The executive team is apprised of all major environmental developments and initiatives, which transcends legal requirements. The company contracts with an environmental consultant that helps ensure that all company processes are environmentally sound.

4. How are these policies and objectives incorporated in the day to day management of the organization; Organization's decision-making about research and development, long-range planning, capital and operating budgets?

From a quality standpoint, printed circuit boards cleaned with the non-CFC cleaner Axarel have lower ionic contamination and higher surface insulation resistance levels than boards defluxed with freon. This quality standard is checked on a daily basis, with management information systems reports posted on a real-time basis and available to any line worker or manager. Changes and movement toward environmentally safe packaging was directed and implemented as part of the company's packaging plan. Reduction and elimination of CFCs is part of the company's 3-year strategic cleaning plan prepared by manufacturing. ✓

5. How are the policies and objectives reflected in the organization's relationships with employees, customers, suppliers, and the general public?

The company's environmental efforts have been profiled in 3 separate San Francisco Bay Area television reports dealing with the environment during the last 15 months. The company has distributed posters to employees noting that 3Com is the global data networking company with global concerns in conjunction with its commitment to CFC-free manufacturing. Employees have each received a copy of the company's policy in a brochure entitled "Who We Are -- What We Believe." We exchange environmental policies with core suppliers, accelerating accomplishment of joint environmental goals through programs like common, reusable shipping containers.

6. What are the organization's control mechanisms that give decision makers objective data to measure continuous performance improvement toward its short- and long-term environmental objectives?

In 1991 the Parnassus Fund named 3Com one of the 4 most environmentally sensitive companies in the SF Bay Area. One of management's objectives is to fully participate with environmentally sensitive mutual funds, which is tracked through investor relations. Recycling data is provided on an annual basis to management, designed to show continuous and consistent improvement in both employee specific and manufacturing recycling efforts. Decision makers are comprised of environmental progress through electronic mail status reports from the environmental council.

7. What quantifiable, sustained environmental quality results in products and processes have resulted from the organization's environmental approach?

3Com recycles 88% of office paper purchased on a monthly basis. The equivalent of 1.7 million coffee cups was eliminated with conversion to organic packaging. Aluminum cans and 4 tons of cardboard are recycled by employees. 3Com pioneered use and deployment of semi-aqueous cleaning for adapter boards. Boards cleaned with the Dupont's Axarel have lower ionic contamination and higher surface insulation resistance levels than boards defluxed with freon. This quality standard is checked daily with real-time information available to line workers and management.

Application Form - 1992 Jan. 22 1992

Please read the application form carefully and provide all information requested. Please type or print clearly. Supplementary pages should follow the format of this form as closely as possible. Incomplete applications will not be considered.

1. Select the Award category for which you are competing:
(Note: A program may be entered in only one category. See descriptions of categories in Question 6.)

- (01) Partnership
- (02) Environmental Quality Management
- (03) Innovation
- (04) Education and Communication

2. Name of the project or program described in this application:

3Com Corporate Environmental Policies

3. Name of Award Applicant(s): (Use separate sheet, if needed)

Mr. Mrs. Ms. Miss Dr.

Name: David J. Abramson

Title: Corporate Public Relations Mgr.

Organization: 3Com Corporation

Address: 5400 Bayfront Plaza

City: Santa Clara State: CA Zip: 95052

Telephone: 408-764-6621 Fax: 408-764-5001

4. Program contact who can answer questions regarding the application:

Mr. Mrs. Ms. Miss Dr.

Name: David J. Abramson

Title: Corporate Public Relations Mgr.

Organization: 3Com Corporation

Street: 5400 Bayfront Plaza

City: Santa Clara State: CA Zip: 95052

Telephone: 408-764-6621 Fax: 408-764-5001

NOTE: The Selection Committee will rely heavily on Questions 5-6 in determining how well the application meets the award criteria.

5. Please attach a one-page (not to exceed 500 words) summary, suitable for publication, which provides a complete overview of the application. The one-page response should be clear, concise, and should emphasize quantifiable results or benefits of the program.

6. A-D: Please answer *only* the following Award criteria questions pertaining to the specific Award category for which you are applying. (For example: Partnership category, answer questions A1-A5; EQM, B1-B7; Innovation, C1-C5; Education, D1-D5).

Answers should be clear, concise and *should emphasize quantifiable results or benefits* of the program. Each answer to a sub-question should not exceed 100 words. Taken as a whole, all answers to criteria questions should not exceed two pages.

A. PARTNERSHIP: awarded to diverse organizations or groups that have fostered cooperative approaches to environmental needs at the local, regional, or national level.

1. Who are the partnership's members? What are their roles? What resources do they bring to the partnership?

2. What are the partnership's specific environmental or conservation objectives? Has a sustainable plan of concerted action for meeting these needs been established?

3. How is the partnership distinctive or innovative? What obstacles, environmental or otherwise, does it overcome?

4. What measurable environmental or conservation benefits has the partnership produced?

5. What aspects of the partnership can be modeled by others and transferred to other settings?

B. ENVIRONMENTAL QUALITY MANAGEMENT: awarded to organizations which have demonstrated that environmental values can be integrated into sound management decisions and objectives. (Note: This category reflects broad-based organizational approaches. Special programs or projects may be more appropriate for entry in one of the other three award categories.)

1. What are the organization's environmental policies and objectives?

2. How has the organization's top management demonstrated commitment to these policies and objectives? Do the policies demonstrate commitment beyond legal compliance?

3. What are the organization's environmental standards for its product(s) and operations? (Explain how they go beyond legal constraints and how they relate to management control mechanisms.)

4. How are these policies and objectives incorporated in the: a) Day-to-day management of the organization; b) Organization's decision-making about research and development, long-range planning, capital, and operating budgets?

5. How are these policies and objectives reflected in the organization's relationships with employees, customers, suppliers, and the general public?

6. What are the organization's control mechanisms that give decision makers objective data to measure continuous performance improvement toward its short- and long-term environmental objectives?

7. What quantifiable, sustained environmental quality results in products and processes have resulted from the organization's environmental approach?

C. INNOVATION—awarded to individuals, organizations and groups who have demonstrated exceptional creativity or pioneered new approaches in the development and/or execution of technologies, programs, projects, or services that are environmentally sound and economically sensible?

1. What is the purpose of the technology, program, project or service?

2. How is the technology, program, project, or service distinctive or innovative? What obstacles, environmentally or otherwise, does it overcome?

3. How is the technology, program, project, or service superior to other approaches? Does it offer a viable alternative to a problem for which no solutions previously existed?

4. Can the technology, program, project or service be replicated in an economically feasible manner?

5. What are the measurable, net long-term environmental benefits or results of the technology, program, project, or service?

D. EDUCATION AND COMMUNICATION—awarded to individuals, organizations, or groups which have developed educational or informational programs that inspire respect for the environment and raise the public's environmental literacy.

1. What is the program? What are its environmental or conservation objectives?

2. Who is the program's audience? How large is the audience? How is the program's effect on the audience determined?

3. What is original or distinctive about the program?

4. What are the measurable results or benefits produced by the program? How does the program promote the development of an environmental ethic and make a positive contribution to environmental awareness?

5. How can the program be used or modeled by others?

NOTE: The following questions are for informational purposes.

7. How long has the technology, program, project or service been operational?

5 years

8. Which of the following most accurately describes the applicant(s)? (Check more than one, if applicable.)

- (01) National Business or Industry
- (02) Regional or Local Business or Industry
- (03) National Nonprofit Organization or Foundation
- (04) Regional or Local Nonprofit Organization
- (05) Local or State Government/Government Agency
- (06) Educational Organization
- (07) Voluntary Civic Organization
- (08) Trade or Professional Society
- (09) Youth Organization
- (10) Labor Organization
- (11) Individual
- (12) Other (Please describe): _____

9. If business or industry, which of the following best describes the type of business or industry?

- (01) Agriculture/Forestry
- (02) Aerospace
- (03) Communications
- (04) Construction
- (05) Electronics/Computers
- (06) Energy
- (07) Engineering
- (08) Environmental Services
- (09) Financial Services/Insurance/Real Estate
- (10) Manufacturing—Chemical
- (11) Manufacturing—Other
- (12) Mining
- (13) Recreation
- (14) Trade—Wholesale
- (15) Transportation
- (16) Utilities—Electric, Gas or _____
- (17) Other (Please describe): _____

10. Which of the following most accurately describes the environmental program under consideration for an award? (Check more than one, if applicable.)

- (01) agriculture
- (02) air quality
- (03) conservation
- (04) education—general public
- (05) education—academic
- (06) energy
- (07) environmental quality management
- (08) forestry
- (09) hazardous waste remediation
- (10) international
- (11) natural resources

- (12) pollution control
- (13) recreation
- (14) recycling
- (15) solid waste
- (16) source reduction/pollution prevention
- (17) water quality
- (18) wetlands
- (19) wildlife and fish resources
- (20) Other (Please describe): _____

11. If applicable, list the sources of the program's support and the percentage of support provided, including grants and in-kind contributions of goods and services. (Use separate sheet if needed).

Source _____ % _____

Source _____ % _____

Source _____ % _____

12. Please estimate the cost to develop the program or project, including approximate value of in-kind contributions of goods and services:

\$ 100,000

13. If the project is ongoing, what is the annual cost?

\$ 20,000

14. Please indicate which of the following are the primary audiences, beneficiaries, or users of the program or service, and estimate how many persons are served: (Select up to 3 categories.)

Type How Many People

- (01) Business or Industry _____
- (02) Trade or Professional Society _____
- (03) Government _____
- (04) Educational Organizations _____
- (05) _____
- (06) _____
- (07) Local Community or Local Public 1.5 million
- (08) General Public _____
- (09) Employees 1,920
- (10) Customers or Clients 4 million
- (11) Other (Please describe): _____

15. Has the program been honored with any other environmental or conservation awards in the past five years?

- 1992 Clean Air Award
- Santa Clara, Benito County
- American Lung Association
- _____
- _____
- _____

16. In one paragraph (not to exceed 50 words), please summarize the program, its objectives and what it has accomplished. Use space provided below. This paragraph should be suitable for use in a catalog, database or brochure.

3Com believes that pollution prevention and conservation ensure our success. 3Com pioneered CFC replacement in 1991 and uses organic packaging. Conservation efforts include recycling 89% of all office paper, 98% of toner cartridges, 4 tons of cardboard annually. Employees voluntarily recycle, rideshare and work in a smokefree environment.

17. Please include 3 one-page letters of recommendation attached to the application when it is submitted for consideration. Letters should be addressed: "Attention: Award References." References should have first-hand knowledge of the environmental program, service, or technology and should offer a candid evaluation of its success or effectiveness. References may also include users or beneficiaries of your program.

NOTE: Letters of recommendation must accompany the application when it is submitted to CEQ. Letters sent directly to CEQ will not be considered. Please list the references in the spaces below.

Name: Robert L. Cohen
Title: Business Manager Du Pont
Street: Barley Mill Plaza
City: Wilmington State: DE Zip: 19880-0030
Telephone: 302-992-5046 Fax: 302-992-4442

Name: Margaret Leathus M.S. C.H.E.S
Title: Executive Director American Lung Association
Street: 1469 Park Ave.
City: San Jose State: CA Zip: 95126
Telephone: 408-998-LUNG Fax: 408-998-0578

Name: Joe Farned
Title: Sales Representative
Street: 245 South Spruce Ave
City: South San Francisco State: CA Zip: 94083
Telephone: 415-589-5577 Fax: _____

18. Please sign below to indicate that all applicants agree a) to abide by the rules and requirements of the awards competition, and b) that all information submitted is true and accurate to the best of their knowledge.

Signature: David J. Alderson Date: 5/21/92
Title: Corporate PR Mgr Organization: 3Com Corporation
Telephone: 408-764-6621

How to Apply

Completed applications must be postmarked by May 22, 1992 and mailed to the:

The President's Environment and
Conservation Challenge Awards
Council on Environmental Quality
The White House
722 Jackson Place, NW
Washington, DC 20503

All information submitted with the application should be considered public information and becomes property of the President's Challenge Awards program.

Award recipients will be notified in Fall 1992. Recipients must be willing to assist the President's Challenge Awards program in making nonproprietary information about their environmental programs available to others who wish to replicate their success.

Application Format

Please submit one original and four photocopies of your application. You may include up to 10 pages of supporting materials. (NOTE: Photocopying both sides of a sheet of paper will be considered two-pages.) Any oversized items must be reduced to fit a standard 8.5" x 11" page format.

Supporting materials may include items such as brochures, photographs, press clippings, and graphs depicting the program's results. The materials may not be used as a substitute for written responses to Questions 5 and 6.

The order of pages in the submitted application should be as follows:

1. 4-page application (Questions 1-20)
2. 500-word overview summary (Question 5)
3. 2-page responses to criteria questions (Question 6)
4. 10 pages of supporting materials
5. 3 letters of recommendation (Question 17)

NOTE: The entire package should be stapled in the upper, left-hand corner. Any items sent over the 10-page limit of supporting materials will be disregarded and not reviewed by the technical evaluators and selection committee. Do not put the application or backup materials into a binder, notebook or plastic cover.

OMB Control No. 0331-0002, (Exp. 2/95): As required by the Paperwork Reduction Act, CEQ estimates that completion of this application will take 10 hours. Send comments regarding the collection of this information, including suggestions for reducing the paperwork burden, to CEQ and also to: Paperwork Reduction Project, Office of Management and Budget, Office of Information and Regulatory Affairs, 725 17th Street, NW, Washington, D.C., 20503

The President's Environment and Conservation Challenge Awards

When George Bush asked American businesses to step up its efforts and eliminate CFCs by 1995, 3Com Corporation of Santa Clara, California breathed a sigh of relief. In March 1991, the company had announced CFC-free manufacturing in its U.S. production facilities by the end of 1992, well in advance of international protocols on environmental toxins.

As a leading supplier of data networking products, 3Com Corporation has manufactured 4,000,000 network adapter cards, and began the process of eliminating CFCs in 1990. 3Com was the first company to use and deploy in large-scale production a semi-aqueous cleaning process for cleaning printed circuit boards with Dupont. Manufacturing works with suppliers to provide waste reduction and recycling opportunities, and works with vendors that offer environmentally sound products.

Following eight months of testing, 3Com replaced CFC-based "peanut" packaging with a substance that is completely biodegradable and non-toxic. 3Com was the first San Francisco Bay Area electronics manufacturer to use this new water-soluble packaging material.

Since 3Com ships 10,000 packages monthly throughout the world, the new material eliminates the equivalent of 1.7 million polystyrene coffee cups annually. Communications with suppliers and customers helped them understand usage and benefits of the new packaging. Each product shipment contains a one page guide telling customers how to dispose of the new packaging material. More than 50,00 of these mailers have been included in 3Com products.

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3Com is committed to global environmental protection and implementing environmental policies in our manufacturing processes and operations worldwide. Elimination of ozone-depleting chlorofluorocarbons in manufacturing and packaging of our global data networking products was a key objective. Exploring the usage of recycled-content, corrugated cartons, and increasing recycled-content shipping containers is a goal for shipping. Goals include 50% of collateral material and corporate stationery on recycled-content paper in FY 93. 3Com believes that pollution prevention, recycling and conservation of natural resources and energy are major elements in our corporate success.

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Management has recognized the importance of setting environmental goals at the company since smoking was banned in company buildings in 1985. Moving beyond ad hoc implementation and toward formal adaptation of corporate environmental policy was directed by the CEO, and prompted the formation of the company's environmental council. Activities have included replacing chlorofluorocarbons in the manufacturing process and using organic packaging. Ridesharing programs are strictly voluntary and transcended any legal requirements. Drought tolerant landscaping and energy efficient building maintenance are integral to 3Com's headquarters design. ✓

3. What are the organization's environmental standards for its products and operations? {Explain how they go beyond legal constraints and how they relate to management control mechanisms}

3Com manufacturing and operations are chartered with producing environmentally safe global data networking products for customers. Manufacturing operations and site services personnel report to the environmental council with specific initiatives and work together to design and implement the annual environmental plan. The executive team is apprised of all major environmental developments and initiatives, which transcends legal requirements. The company contracts with an environmental consultant that helps ensure that all company processes are environmentally sound.

4. How are these policies and objectives incorporated in the day to day management of the organization; Organization's decision-making about research and development, long-range planning, capital and operating budgets?

From a quality standpoint, printed circuit boards cleaned with the non-CFC cleaner Axarel have lower ionic contamination and higher surface insulation resistance levels than boards defluxed with freon. This quality standard is checked on a daily basis, with management information systems reports posted on a real-time basis and available to any line worker or manager. Changes and movement toward environmentally safe packaging was directed and implemented as part of the company's packaging plan. Reduction and elimination of CFCs is part of the company's 3-year strategic cleaning plan prepared by manufacturing. ✓

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3Com Environmental Policy

As a leading global data networking company, 3Com is committed to environmental protection both in the communities where we work and in our end customers' communities. We are committed to implementing environmental policies in our manufacturing processes and operations worldwide.

3Com is committed to continually improving its performance in environmental protection and resource conservation.

- Eliminating the use of ozone-depleting chlorofluorocarbons in manufacturing and packaging of our global data networking products.
- Exploring the usage of recycled-content, corrugated cartons for shipping our global data networking products worldwide, and working to increase the use of recycled-content shipping containers.
- Increasing use of recycled-content paper for collateral material and corporate stationery.
- Participating in voluntary paper, aluminum can and other recycling programs that have yielded significant and positive results.

3Com believes that pollution prevention, recycling and conservation of natural resources are major elements in our corporate success as a leading global data networking company.

Who We Are — What We Believe

Innovate

FIRMS, from Page 1E: coverage "I've only seen," regular profit-sharing programs, flexible scheduling and a strong record of avoiding layoffs despite economic turbulence in the industry, Dodson says.

Parnassus also cites H-P's environmental efforts. The company now pays the postage so laser-printer customers can return their once-disposable toner cartridges for recycling. And it is moving faster than most companies to eliminate its use of chlorofluorocarbons, which are ozone-depleting chemicals used as a solvent in high-tech manufacturing. H-P plans to phase out CFC use by 1994, six years ahead of the deadline set by 53 nations.

ASK COMPUTER SYSTEMS INC.: The Mountain View publisher of software for manu-

facturing and inventory control systems stands high on Dodson's list because "it's the only large technology company headed by a woman," Sandra Kurtzig.

He also lauds the company for its relatively informal structure, which promotes communication across all levels of the company. "They also have good ethics," Dodson said.

3COM CORP.: The Santa Clara maker of computer networking systems announced a plan in March that will eliminate CFC use by June 1992, and it is testing a CFC alternative called Axaral.

The company also treats its employees well and has low turnover. 3Com laid off 250 employees this year — about 12 percent of its

workforce — but gave workers two months' severance pay.

That stands in contrast to Seagate Technology of Scotts Valley, which fell from Parnassus' favor because of the way it handled a layoff. Dodson says Seagate hired security guards to escort laid-off workers to their cars, didn't allow workers to clean out their desks and provided "very little" severance pay.

Dodson says Apple Computer Inc. of Cupertino normally would qualify for the Parnassus Fund, but it isn't in the portfolio because the fund cashed out on Apple after its stock doubled to about \$60 a share. With the stock continuing to drop — it closed Friday at \$41.50 — "it could be a buy again," Dodson said.

Protests? Sit-ins? Say it with investments

by Christopher Scanlan
Mercury News Washington Bureau

WASHINGTON — Increasing numbers of Americans are using a potent weapon — their investment dollars — to signal disapproval of such corporate behavior as tobacco exports and environmental pollution.

Social investors — who won't put their money behind weapons makers, South African investments, cigarette companies and, in this age of corporate greening, firms with dismal environmental records — are fueling what Money magazine calls "today's fastest growing money-management style."

Whether corporations are getting the message remains to be seen, although apartheid-toppling protests in South Africa this month demonstrated the power of economic activism. And there's strong evidence that investors can follow their conscience and at the same time make money.

"Not only does it make it easier to look in the mirror and know that when I spend the money it's been used well more than once," says social investor Peter deFur, 41, a

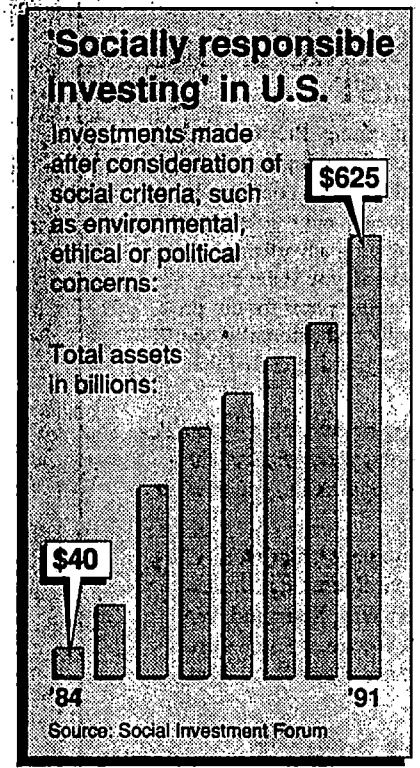
scientist with the Environmental Defense Fund in Richmond, Va. "But it also means that I know I'm a small part of the sum that will eventually make the difference."

What began in the 1920s with ministers' intent on avoiding "sin stocks" of companies linked with alcohol, gambling and tobacco has reached a record \$625 billion investment, according to the Social Investment Forum, a St. Paul, Minn.-based trade association of socially conscious investment professionals and investors.

Investors who reflect the rainbow of today's social and political beliefs are deliberately backing everything from yuppie ice cream companies to waste recyclers, while consciously avoiding firms that make birth control pills, cigarettes or do business in South Africa.

Examples of firms on the outs with social investors: General Electric for making weapons and nuclear power equipment and using birds to test jet engines, and American Home Products for selling infant formula in the Third World.

A favorite stock: Maytag Corp.,



Knight-Ridder News Service

with a long history of encouraging employees to suggest new products
See FIRMS Back Page

Investors with a cause rate 4 local firms high

By Mark Schwanhausser
Mercury News Staff Writer

You don't have to drive far to find socially conscious companies, according to Jerry Dodson, who scours the country for such candidates for his \$30 million Parnassus Fund. Of the 30 stocks in the San Francisco mutual fund, four are technology companies based in Silicon Valley:

TANDEM COMPUTERS INC.: Parnassus probes a company's record on environmental issues, employee relations, equal-opportunity hiring and business ethics, and Tandem is Dodson's local favorite because it scores well on a number of counts.

Dodson says the Cupertino computer maker is working to recycle office supplies and save energy. One small idea that's working: Tandem has installed sensors that turn off the lights if no one is in a room.

The company also is considered a good place to work, with outstanding service award programs, six-week paid sabbaticals for every four years' service, regular "beer busts" and open communications that allow workers to send electronic memos directly to the bosses.

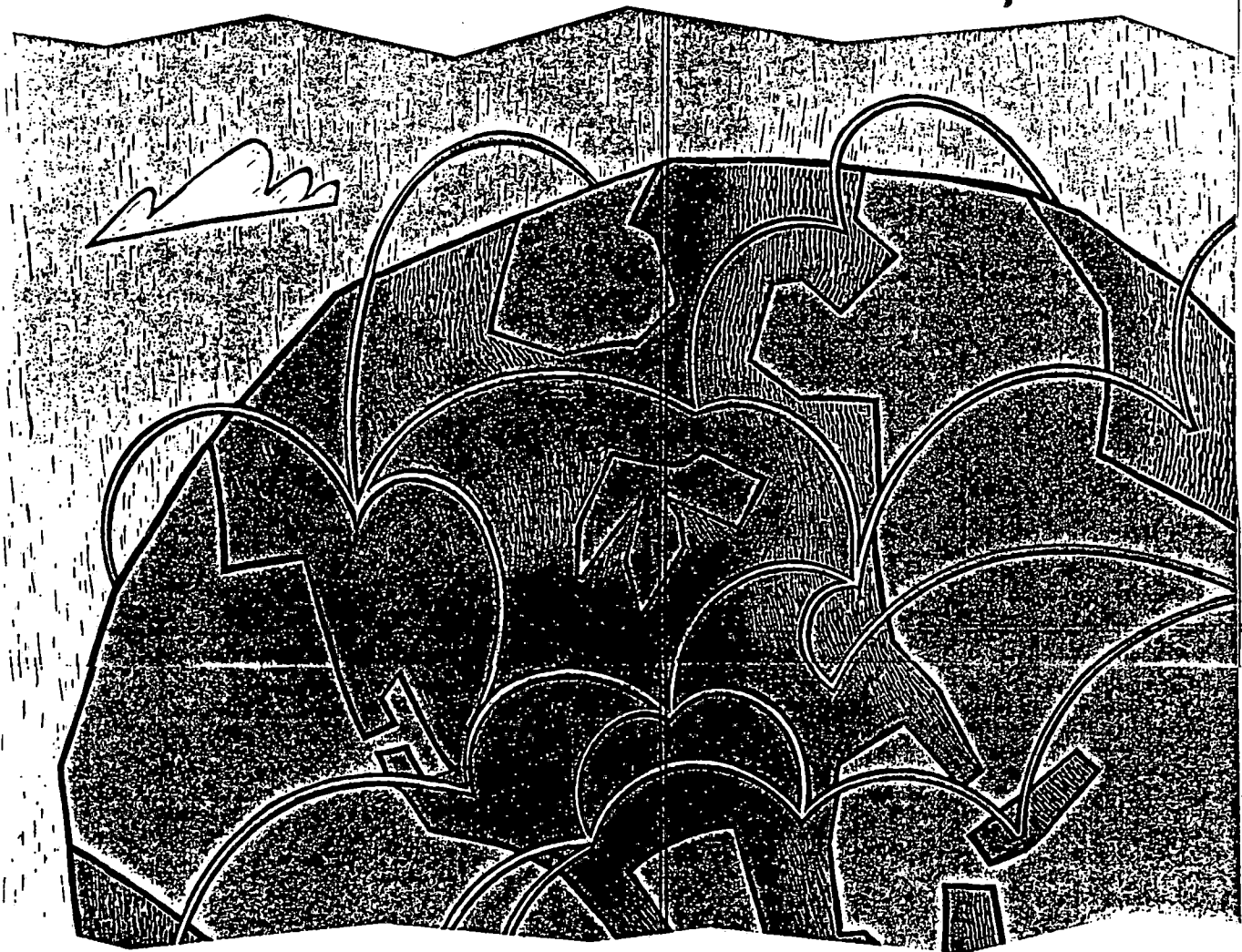
And though Parnassus faults Tandem because it lacks a woman or minorities on its board, Dodson said the company is hiring more women in management, including former Cupertino schools superintendent Yvette Del Prado, now Tandem's vice president of education and public affairs.

HEWLETT-PACKARD CO.: "The H-P Way" lives up to its press clippings, Dodson says.

The Palo Alto computer maker takes good care of its employees, with the best medical and dental

See INVEST, Back Page

3Com: The global data networking company




with global concerns

3Com

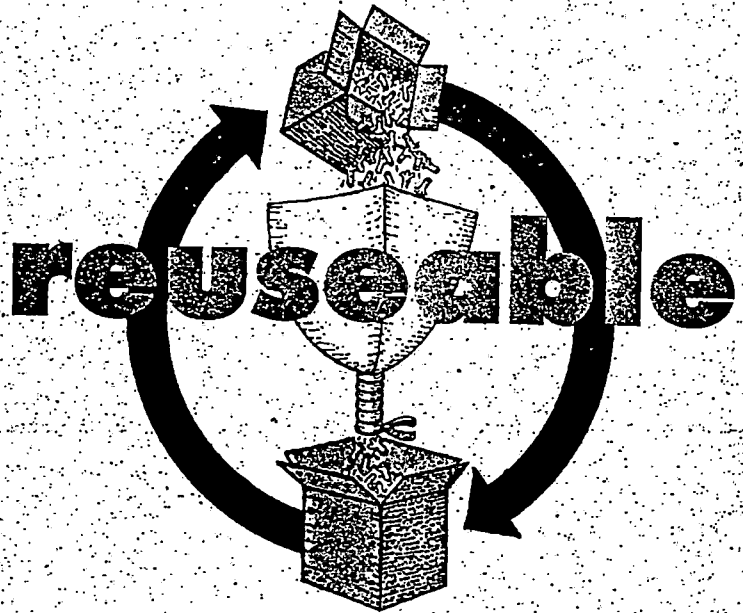
Commitment to

CFC-free manufacturing*

 Printed on recycled paper
*Chlorofluorocarbons (CFC)



Packaged to protect the product and our environment.



The packing pellets in this box are made of ECO-FOAM[®], a cornstarch-based organic material. Unlike polystyrene pellets, ECO-FOAM dissolves in water. You can do the environment a special favor by reusing these pellets in your own packaging.

As an environmentally responsible company, 3Com continues to explore ways to use recycled and recycleable materials. We're also joining in the global effort to stop atmospheric ozone depletion by making our U.S. manufacturing facilities completely CFC-free in 1992.



Printed on recycled paper
with soy-based inks.

**and it's
biodegradable.**



The 3Com logo is a trademark of 3Com Corporation. ECO-FOAM is a trademark of National Starch and Chemical Company.

Performance, Environmental Benefits Lead 3Com Corporation to DuPont Products

Nowadays, using a product that does the job while protecting the environment can help determine whether your company stays in business.

3Com Corporation chose DuPont's non-ozone-depleting AXAREL™ in September 1990 for post-solder cleaning of ethernet networking boards in its effort to phase out the use of chlorofluorocarbons (CFCs).

The Santa Clara, California-based company evaluated several cleaning processes, including hydrofluorocarbons (HCFCs) and aqueous and no-clean fluxes, before selecting AXAREL and the semi-aqueous process.

In addition to improved cleaning performance, AXAREL offered the distinct advantage of being able to be used in a closed-loop water recycling system, especially important in drought-stricken California.

Considering the Options

"We eliminated no-clean fluxes as an option because of the type of boards we produce," says Jack Gilbert, project engineering manager for 3Com, adding that "current formulations of no-clean fluxes tend to leave residues on a board. Any residues on a board are unacceptable to us."

Also, he says, "We ruled out HCFCs due to their ozone-depletion and global-warming potential, even though their indices are much lower than those for CFCs."

And while the aqueous cleaning processes 3Com tested yielded good results, they posed significant water-consumption and wastewater disposal problems.

Superior Cleaning Performance

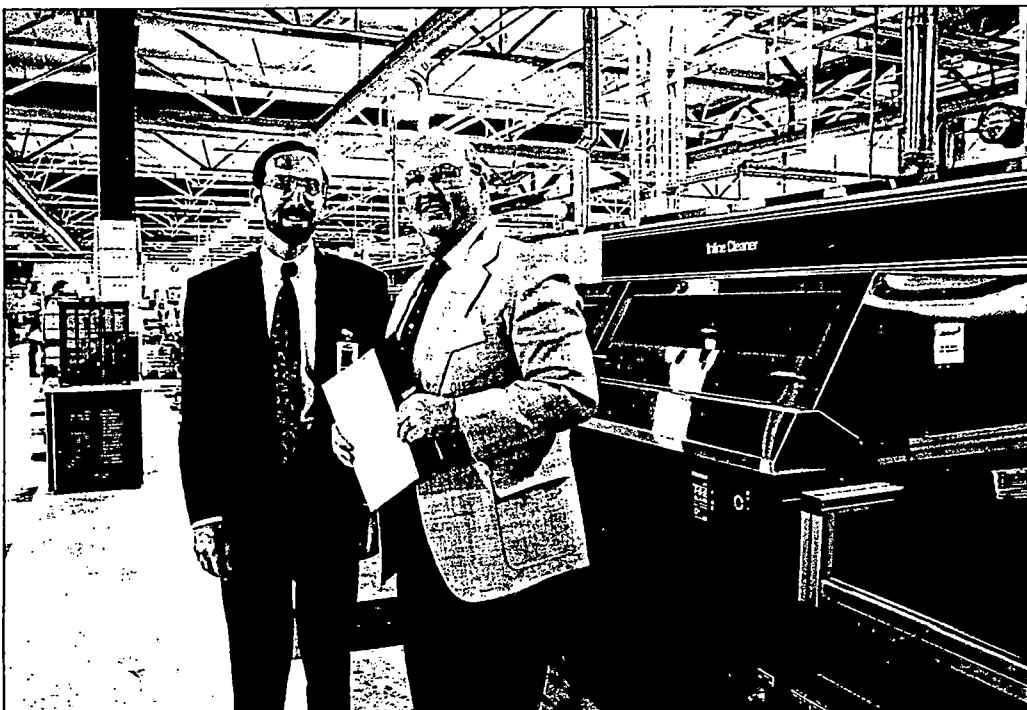
The company evaluated the semi-aqueous process using CORPANE Industries, Inc. equipment and AXAREL. When used with an RMA flux and an RMA solder paste, the process provided superior cleaning performance to defluxing with FREON® TMS, the azeotrope of CFC-113 and methanol that is the current industry standard.

3Com also found boards cleaned with AXAREL have lower ionic contamination and higher surface insulation resistance levels than boards defluxed with FREON TMS.

Environmentally Sound

Two semi-aqueous cleaning units are currently running, with possible plans for two more. 3Com also plans to upgrade its cleaning process to a closed-loop recycling system to reduce water consumption and to achieve zero water discharge.

Gilbert says AXAREL makes good business sense: "It has the ability to handle large-volume, in-line cleaning in a cost-effective, safe and environmentally friendlier manner that complies with all current and proposed regulatory requirements."



Santa Clara city councilman Vern Deto (right) along with Andy Verhalen (left), vice president and general manager of 3Com's Network Adapter Division, with some of the equipment 3Com uses for post-solder cleaning of ethernet networking boards.

TOM CAMPBELL

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ARMS CONTROL AND
FOREIGN POLICY CAUCUS

CONGRESSIONAL CAUCUS FOR
WOMENS' ISSUES

March 21, 1991

Mr. David J. Abramson
Public Relations Manager
3Com Corporation
5400 Bayfront Plaza
P.O. Box 58145
Santa Clara, California 95052-8145

Dear Mr. Abramson:

I wanted to take a moment and thank you for the tour of 3Com's innovative circuit board process. Its great to see local businesses take the lead in making our environment a better place to work and live. I'll let Congressman Campbell know of your company's success and contribution in environmentally sound business practices.

3Com's process of a safe, clean manufacturing production is testimony of American business committment to a cleaner, less pollutant world.

Again, thanks for the tour.

Best regards,

A handwritten signature in black ink that reads "Casey Beyer". The signature is written in a cursive style with a long horizontal stroke at the end.

Casey Beyer
Senior District Representative

3Com Recycling from 7/89 - 6/90

White Bond Paper	87,000 lbs.
Scrap Metals	45,200 lbs.
Computer Paper	35,000 lbs.
Aluminum Cans	16,000 lbs.
Plastics	12,000 lbs.
Toner Cartridges	1,263 lbs.
Precious Metals (Gold/Silver)	65 lbs.
Total Weight	196,528 lbs.

Responses Indicating Interest in Various Transportation Options

	Interest Level		
	Low	Med	High
Preferred carpool vehicle parking	232	90	43
3Com provide rideshare matching information	123	141	111
Info on shuttle from Lawrence train station	234	62	70
Tasman trolley to Great America	252	47	66
Sale of transit tickets at 3Com	207	78	80
Subsidy for using public transit	154	102	109
Vanpooling programs	188	119	60
Work-at-Home programs	81	79	211
Telecommuting programs	82	99	173
Info on alternative transportation resources	61	136	176
Commute/Transportation Day at 3Com	117	135	117

The Top Three:

