



NATIONAL ASSOCIATION OF  
ELECTRICAL DISTRIBUTORS

Smart Tools for Smart Distribution®



# Inside Going Green:

*The Little Green Book of  
Corporate Sustainability*

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# Inside Going Green:

## *The Little Green Book of Corporate Sustainability*

Corporate sustainability is all over the news. What is sustainability, and how can it help your company's reputation and profits? What's the best way to leverage these trends to bring more value to your customers?



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At the heart of the sustainability movement is the desire to improve the quality of human life while maintaining an ecological balance of natural resources.

Overseas, sustainability regulations have already been enacted and implemented, giving international companies a competitive advantage over U.S.-based companies.

If—or most likely when—sustainability initiatives become regulated in the U.S., American companies need to be ready—or else they'll be left playing catch-up.

This guide examines the sustainability trends impacting the electrical industry, while also sharing best practices and ideas that you can implement in your company.

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**DEFINING SUSTAINABILITY:**  
*Sustainable development meets the needs of the present without compromising the ability of future generations to meet their own needs.*<sup>1</sup>

—UN Brundtland Commission Report

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# What is Sustainability?

Sustainability combines the social impacts of the Corporate Social Responsibility (CSR) movement with environmental concerns.

Important elements include: acting as a good corporate citizen and mitigating existing or anticipated adverse effects from business activities.<sup>2</sup>

These concepts are known as the “triple bottom line,” (also known as the “Three P’s”): people, planet, and profit. This business approach focuses equally on economic, environmental, and social impacts of business practices.



## Sustainability Drivers

Several factors are driving corporate sustainability. Increasingly, stakeholders are calling for businesses to reduce their environmental impacts.

The business community’s primary response is using greener design and construction methods. However, other trends, including supply push, demand pull, and regulatory mandates are driving sustainability initiatives in the corporate arena.

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### Did you know?

**83% of commercial real estate executives will seek LEED certification for buildings they plan to build within the next three years.<sup>3</sup>**

**—Turner Construction’s “Green Building Barometer” survey**

## Green Building

Green building rating systems focus on energy efficiency as the main means of reducing environmental impacts. LEED is the primary green building rating system and is making these practices and products more commonplace.<sup>4</sup>

In addition to energy efficient appliance labels, ENERGY STAR has an energy performance label for buildings. Buildings ranking in the top 25 percentile for energy performance in a given building class—15 total categories—are awarded the label.

Building owners and managers use the ENERGY STAR portfolio manager to measure current energy performance, set goals for improved performance, and track savings from energy efficiency improvements.

## Supply Push

Manufacturers are increasing the supply of sustainable products to the building market. Not only do they believe this is the right move, but also the smart move. This is especially important in light of regulatory trends moving from voluntary to mandatory compliance.

Interface, a manufacturer of modular carpet, is the most cited example of sustainability manufacturing innovation. *Mission Zero* is the company's commitment to completely eliminating its negative impact on the environment by 2020.<sup>6</sup> Interface enables customers to lease carpet service, so when a carpet tile needs to be replaced, the company ensures proper disposal and replacement.<sup>7</sup>

“More than 80,000 buildings across the country use the ENERGY STAR portfolio manager to earn the ENERGY STAR label.”<sup>5</sup>

### COMMERCIAL GREEN BUILDING RATING SYSTEMS:

- >> The U.S. Green Building Council's Leadership in Energy and Environmental Design® (LEED)
- >> The U.S. Environmental Protection Agency's (EPA) ENERGY STAR® buildings label

Interface uses an approach known as “cradle-to-cradle” product cycle. When the company reclaims carpeting, it separates the carpet fiber from the backing, allowing for the post consumer material to be recycled into new products with minimal contamination.

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**“CRADLE-TO-CRADLE”  
PRODUCT CYCLE:**

*Used or post-consumer materials are perpetually circulated into new products in closed loops, thereby maximizing the value of materials and dramatically reducing the volume of waste sent to landfills.<sup>8</sup>*

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## **Demand Pull**

Increasingly, customers influence the practices of manufacturers with their sustainability requirements. The Manager of Environmental Affairs for a major food processor described meeting its customer’s sustainability requirements, which include submitting evidence of Integrated Pest Management (IPM) and sustainable agriculture programs:<sup>9</sup>

“To provide Sysco with product, our facilities and growers had to meet their guidelines, which go beyond IPM to energy conservation, recycling, and how we handle chemicals in emergency situations. They choose a different facility to focus on each year. We’ve been working on certifying our facilities through their program for about five years.”



## REASONS FOR THE GROWING INTEREST IN SUSTAINABLE PRACTICES<sup>10</sup>

- >> Reduced energy costs
- >> Mitigated carbon risk
- >> Opportunities from the Obama administration's commitment to green issues
- >> Attractive ROI from well-designed sustainability initiatives

### Regulations

A number of directives from regulatory bodies in the U.S. and the European Union (EU) are establishing mandates for the sustainable use and disposal of hazardous substances in electrical and electronic equipment.<sup>11</sup>

The industry trend is moving from voluntary to mandatory compliance. While the cost and complexity of compliance is rising, so too are the penalties of non-compliance.

The EU has already implemented electrical and electronic equipment regulations, including The Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (RoHS) and the Waste Electrical and Electronic Equipment (WEEE) directives.

These regulations intend to substitute safer alternatives for some hazardous substances in electrical and electronic equipment as well as increase the recycling and reuse of this equipment.

*“The best strategy to preempt regulatory change is to adopt best practices before they are mandated, while maintaining communication with domestic and international regulators. A proactive approach can help minimize the disruption and cost of new regulations.”*

## Growth

The economic downturn is prompting many businesses to re-evaluate their value propositions and priorities.

This goes hand-in-hand with increasing eco-efficiency and creating long-term value through sustainable jobs and energy sources.

Sustainability initiatives continue to bring growth opportunities for businesses.



**26% increase**

IN THE NUMBER OF S&P 100 COMPANIES WITH SUSTAINABILITY REPORTS



**48% increase**

IN THE NUMBER OF S&P 100 COMPANIES WITH SUSTAINABILITY WEBSITES

—2008 Social Investment Forum (SIF) report<sup>12</sup>

“Companies are looking past the regulatory and compliance aspect of sustainable business practices. The companies that get it are beginning to look at the growth coming about as a result of sustainability.”<sup>13</sup>

—Marc Epstein, author of *Making Sustainability Work*

### **Benefits of Sustainable practices**

- >> 57% of executives said the benefits of pursuing sustainable practices outweigh the costs.
- >> Public companies that highly rate their sustainability efforts saw annual profit increases of 16% and share price growth of 45%. (*Causality cannot be inferred from this survey data.*)

—*Economist Intelligence Unit Study*



## The Business Case

Some businesses have been slow to adopt sustainability practices due to perceived barriers, like an undefined link between sustainability and profits, undeveloped sustainability goals, or a lack of funding for initiatives.<sup>14</sup>

However, evidence strongly suggests a connection between sustainability and profitability. A business case can be made for sustainability plans and goals.

### Sustainability Pays

Many of the firms engaged in planning and implementing sustainability find that sustainability pays. Sustainable practices reduce costs by improving efficiency, especially with energy expenditures.<sup>15</sup> Sustainable business practices can also open up new markets and improve a company's reputation.

## Did you know?

Revenues from GE's sustainable Ecomagination product and services reached \$17 billion in 2008, a 21% increase from 2007 revenues. GE now has 70 Ecomagination products, four times more than the company had in 2005.<sup>16</sup>

## Competitive Advantage

Electrical distributors can enhance their competitive advantage by offering customers value-added services to differentiate themselves from competitors. A distributor can further enhance its competitive position by demonstrating expertise in emerging green technology, regulations, and investment/financial incentives.

“Our customers’ interest in our green services is definitely increasing,” said Chris Studney, Business Development Manager, Electrical Distributors, Inc., Charlotte, NC.<sup>17</sup> “We can help contractors with LEED documentation and with getting points for a LEED project. Sometimes we help them get additional points by reducing lighting power density [watts per square foot].

“We also see sustainable purchasing requirements on bids. End users are more interested in how we operate as a company and whether or not we comply with their standard practices,” Studney said.

“*Being green may be a key factor in our ability to do business with some customers.*”

— Chris Studney,  
Electrical Distributors,  
Inc., Charlotte, NC.

### Recruitment

✓ 81% of college students and recent grads say it is important to work for a green company

✓ 79% say they would be more likely to accept a job offer at a green company over a conventional company when evaluating similar offers

—Experience, Inc. survey,  
career services provider,  
August 2008.<sup>18</sup>

## For More Information

See NAED’s *Sustainable Purchasing Programs Case Study*, part of a series on Sustainable Best Practices.

# Five Steps to Green Your Company



## STEP 1

### Vision

Many organizations start forming their vision of sustainability by examining sustainability frameworks, like the triple bottom line and corporate social responsibility.

Marsha Willard, Co-Founder of AXIS Performance Advisors, a sustainability consulting firm, suggests businesses begin by asking “What will our firm look like in a sustainable world?”<sup>19</sup> This question often triggers an important brainstorming session outlining some of the most important goals for a business.

For example, Southwire's vision of sustainability encompasses every aspect of its business. It frames the company's approach to business, the environment, social responsibility, well-being, and charity.

Winn Wise, Senior Vice President of Construction at Southwire, explains how the company built their sustainability program, "Led by our CEO, Stuart Thorn, we linked every business function into our sustainability management system."

Hubbell Lighting's subsidiary, Architectural Area Lighting (AAL), decided carbon-neutrality was an important aspect of its approach to sustainability.

*“When you look at our sustainability platform and our 2008 report, it represents the fundamental nature of how we operate our business.”<sup>20</sup>”*

*—Winn Wise, Senior Vice President, Construction, Southwire*



### GREEN YOUR COMPANY TIP:

- >> In the construction industry, many professionals consider studying to become a LEED Accredited Professional.
- >> See the Green Building Certification Institute for more information at [www.gbci.org](http://www.gbci.org).

“*Carbon neutrality is important to our customers, mainly architects. It’s a key trend in the building industry.*”

—*George Preston, AAL’s VP and General Manager*

George Preston, AAL’s Vice President and General Manager, describes the company’s approach:

“Two years ago, we realized a large portion of who we were and what we did was affecting the environment. So we asked, ‘How can we take that to the next level? How can we increase our sustainability?’ We worked to build that into our strategy, and it’s an ongoing effort. Going carbon-neutral was a natural extension of who we are.”

### For More Information

See NAED’s *Hubbell Lighting and AAL Lighting the Way Case Study*, part of a series on Sustainable Best Practices.

## Leadership

Many organizations establish sustainability task forces to oversee sustainability efforts. Senior management support is crucial.



Increasingly, companies are appointing Chief Sustainability Officers to their executive team. In addition to creating accountability mechanisms, leaders are supporting the professional development of internal staff in the field of sustainable business practices.

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## Did you know?

**25% of Fortune 500 companies expected to appoint Chief Sustainability Officers (CSO) as of January 1, 2008**

—*Chief Responsibility Officer magazine survey*<sup>21</sup>

Sustainability Competency and Opportunity Rating Evaluation (SCORE) certification is a general training for sustainability planning and assessment, offered by AXIS Performance Advisors.

## SURVEY SAYS

### Who's Responsible for Sustainability Performance in Your Company?

**33%** THE CEO

**26%** THE BOARD

**30%** VARIOUS OTHER POSITIONS

**11%** NO ONE SPECIFICALLY TASKED

—*Economist Intelligence Unit study*<sup>22</sup>

STEP  
3

### Strategic Initiatives

Company leaders should gather information on the current environmental impacts of their organization to determine reduction targets and strategic initiatives distinct to their particular business climate. Companies can then establish benchmarks by examining how their strengths intersect with growing opportunities in the green building market.

For example, LEED-certified projects are directly tied to more than \$10 billion of green building materials, according to a *Greener World Media* study.<sup>23</sup>

Scott Case, Executive Director of the EcoLogo green labeling program, recently spoke about green certification in the economic downturn.

“Companies are slicing their marketing budgets by 50-60% yet continuing to seek eco-certification. The economic challenges are forcing them to choose between investing in advertising, or in proving their claims are true and accurate. They’re seeking legitimacy and believe eco-certification is the better investment.”<sup>24</sup>

This information indicates green building and product labeling are bright spots in the current economy for the electrical industry. Distributors should consider greening their supply chain to take advantage of this growth market.



## Greening the Supply Chain

Greening the supply chain is both an innovative and crucial step for distributors to take. Hagemeyer's Green Products catalog exemplifies this point. The catalog features carefully selected industrial, electrical, and safety products supporting a broad range of customer sustainability goals.

"We recognized the need to package our products and services in a way that could help them easily identify opportunities," said Melanie Hardy, Manager of Sustainable Development at Hagemeyer. "The green catalog is a consolidated marketing vehicle incorporating demand from our customers with our own desire to become more sustainable."<sup>25</sup>

"The reception of the green catalog was phenomenal," said Hardy. "We've been tracking data from it and have seen sales growth. We focused the category sections around areas that make practical sense to our customers. We were already looking for creative ways to package our products, and we have a strong desire to be environmental stewards. The green catalog was a natural next step for us."



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## Did you know?

NAED, as well as distributors with European operations, have received inquiries regarding RoHS and WEEE customer compliance requests. Distributors that green their supply chains now and offer more sustainable alternatives to their customers will get ahead of anticipated regulatory changes. The U.S. Toxic Substances Control Act (TSCA), which regulates chemicals in the market, is expected to be updated in the near future.

## EMERGING PRODUCT CATEGORIES TO REDUCE ENVIRONMENTAL IMPACTS

### ✓ PVC-Free Wire and Cable

Nearly all electrical cable is either sheathed or insulated in polyvinyl chloride (PVC) or other halogenated plastics such as Teflon. PVC is inexpensive and routinely used, but it presents serious fire smoke hazards. Even before it ignites, it releases deadly gases such as hydrogen chloride.

Viable alternatives to PVC for electrical insulation and sheathing are halogen-free materials, LLDPE (linear low-density polyethylene) and XLP / XLPE (thermoset crosslinked polyethylene).<sup>26</sup>

The Healthy Building Network provides a list of PVC-free building materials; including electrical cables, conduit, and junction boxes.

This list includes several manufacturers of XLP/XLPE electrical cables, including General Cable, Cerrowire, and Southwire. Houston Wire and Cable also makes a line of low-smoke, near-zero halogen electrical cables called LifeGuard.

Many of these cables are lead-free and all are RoHS-compliant. The PVC-free cables have been used in highly-populated commercial applications where toxic smoke would be of particular concern, such as hospitals, subways, and university buildings.<sup>28</sup>

Dioxin, the world's most potent carcinogen, is released when PVC burns.<sup>27</sup>

### ✓ Low-mercury lamps

Supplying low mercury lamps helps customers get ahead of toxics regulations and perhaps garner a LEED point. The LEED for Existing Buildings Operations and Maintenance rating system establishes an upper limit of 90 picograms per lumen-hour for average mercury content of a facility's fluorescent lamps, with a recommended level of 70 picograms per lumen-hour.<sup>29</sup>

## Sustainable Operations Initiatives

Distributors may want to consider these additional sustainable operations initiatives.

- Fleet management and efficiency
- Reduced packaging and reusable containers
- Recycling
- Green warehouses

### Fleet Management

Managing vehicle fleets to use less fuel is an important part of reducing pollution and improving efficiency.

Telematics systems incorporate vehicle diagnostics software, wireless telecommunication, and location trackers into powerful tools for fleet management.

Early adopters of this technology include GE, PHH Arval, FedEx, and Wal-Mart.

### TELEMATICS

*The integrated use of telecommunications and computing. Recently, the term has been applied to the use of GPS technology integrated with computers and mobile communications technology in automotive navigation systems.*

Investments in telematics systems are often paid for in one year or less, with substantial returns on investment (two to ten times the initial investment).<sup>30</sup>

## Repackaging and Reusable Containers

Reducing the packaging on products delivered to the job site and using reusable containers represents other ways to increase operational sustainability.

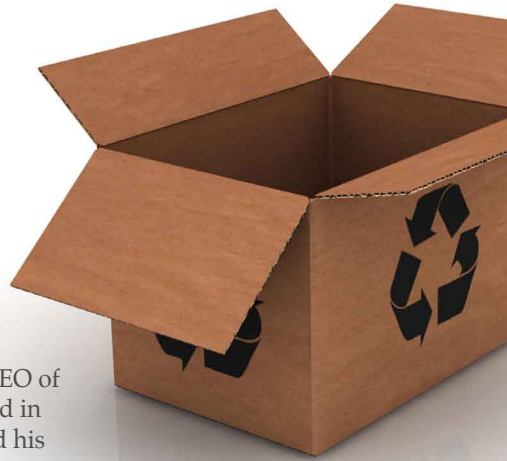
Vic Jury, the President and CEO of Summit Electric Supply based in Albuquerque, NM, explained his thoughts on reduced packaging:<sup>31</sup>

“I’ve had conversations with several suppliers about using reusable pallets instead of the typical wood pallets—what the industry calls ‘one-ways.’ The reusable pallets are designed to be like a deposit on a Coke bottle. They charge us for a pallet when they ship, and when they get it back, we get a credit.”

Wire and cable reels are another type of reusable packaging that electrical distributors and manufacturers can implement in their businesses. Wire manufacturer Southwire works with its customers to get reels returned to its manufacturing facilities for reuse.<sup>32</sup>

“*Our significant opportunities for becoming more sustainable are reducing packaging and logistics costs. There’s been an awakening in our industry to this issue.*”

—Vic Jury, President and CEO,  
Summit Electric Supply





## Recycling

Recycling is an essential aspect of sustainability, for internal operations and as an end user service. Electrical distributors and manufacturers are an essential link for proper disposal of mercury-containing lamps.<sup>33</sup>

Chris Studney, a LEED Accredited Professional with Electrical Distributors, Inc. based in Charlotte, NC, sees lamp-recycling as one aspect of the comprehensive recycling services the company offers its customers:

"We want to help our customers with as many environmentally conscious services as possible on a job. We are looking for new places where we can be of service. We sell pre-paid shipping boxes that easily allow customers to recycle lamps and ballasts. This piece of business is growing at a quick pace."<sup>34</sup>

## For More Information

On lamp and universal waste recycling, see *NAED's Lamp Recycling Services Case Study*, part of a series on Sustainability Best Practices.

## Green Warehouses

Green facilities and warehouses powerfully demonstrate a company's sustainability commitment to customers.

Gregg Laber, President of Green Mountain Electric Supply in Vermont, described his green warehouses:<sup>35</sup>

"We currently have plans for a zero energy building for our new facility in St. Johnsbury, VT; it will be a warehouse/office facility. We are waiting until the economy gets a little better before we break ground on it.

"It will have 240 solar panels on the roof that will provide all the power for the building. That building will only use 75% of what those panels will produce. The remaining 25% will be used to power our existing St. Albans facility, which is about 5,000 square feet."

“*The most recent facility we built for the business was very energy efficient. We used insulated concrete forms (ICF) to increase wall insulation values, which dropped our overhead expenses significantly. We use T8s and T5s everywhere we can.*”

—Gregg Laber, President, Green Mountain Electric Supply

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## Did you know?

Zero energy buildings have zero net energy consumption and carbon emissions due to energy efficiency measures and on-site renewable power generation.

# STEP 4

## Marketing and Sales

A company's sales force will have a difficult time selling a new product to existing and new customers unless they really understand it.

When Hagemeyer rolled out its Green Catalog, the company took a proactive approach to marketing green products and services:<sup>36</sup>

"When we launched the green catalog we knew we had to provide educational tools for our organization," said Melanie Hardy, Manager of Sustainable Development for Hagemeyer.

### GREEN YOUR COMPANY TIP:

- >> Provide training to staff on green terminology and trends.
- >> Provide sales collateral to help explain and sell sustainability benefits to customers.

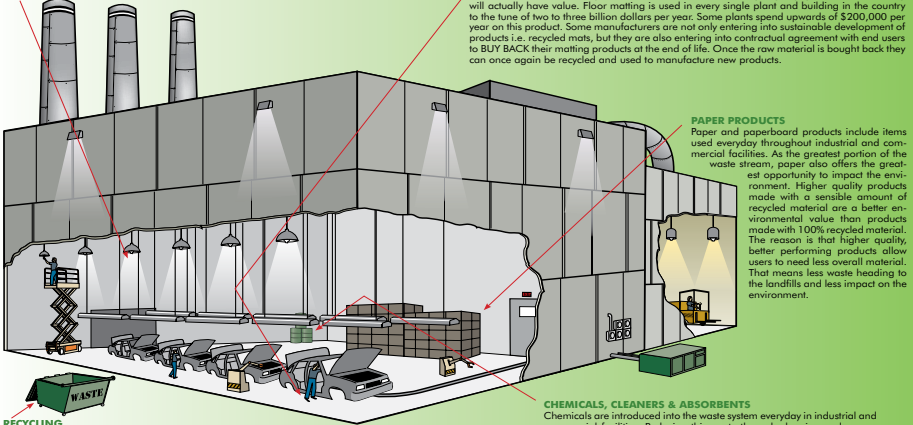
#### LIGHTING SYSTEMS

Reducing energy consumption is one of the quickest and most effective ways to impact both the environment and the bottom line. Lighting systems present many opportunities to reduce energy consumption. Occupancy sensors can save up to 40% of energy costs by turning off lights when not in use. Dimming systems create ample light, while using less energy. Fluorescent lights use up to 75% less energy and last 10 times longer without sacrificing performance. Also, the latest fluorescent technology contains less mercury, which also saves cost when it comes to the disposal of old lamps. Electronic ballasts use significantly less energy than magnetic ballasts; plus they are a big step towards complying with new code changes coming in 2010.

#### SAFETY & ERGONOMIC PRODUCTS

PVC (polyvinyl chloride) plastic, commonly referred to as vinyl, is one of the most hazardous consumer products ever created. PVC is dangerous to human health and the environment throughout its entire life cycle, at the factory, in our homes, and in the trash. When produced or burned, PVC plastic releases dioxins, a group of the most potent PVC cannot be effectively recycled due to the many different toxic additives used to soften or stabilize PVC, which can contaminate the recycling batch. Recycling of PVC is negligible, with estimates ranging from 0.1% to 3% of post consumer PVC waste being recycled.

In addition, with the cost of plastics and raw material continuing to go up, your old floor matting will actually have value. Floor matting is used in every single plant and building in the country to the tune of two to three billion dollars per year. Some plants spend upwards of \$200,000 per year on this product. Some manufacturers are not only entering into sustainable development of products i.e. recycled mats, but they are also entering into contractual agreement with end users to BUY BACK their matting products at the end of life. Once the raw material is bought back they can once again be recycled and used to manufacture new products.



#### RECYCLING

According to the EPA, over 220 million tons of solid waste and over 40 million tons of hazardous waste is generated in the United States each year. This waste is stressing our landfills and polluting our environment. Recycling reduces pollutants, saves energy, supplies valuable raw materials to industry, conserves resources for future generations, and reduces the need for new landfills and combustors. Plus, state and federal regulations govern the disposal of solid and hazardous waste, and make it costly if you dispose of them improperly.

#### CHEMICALS, CLEANERS & ABSORBENTS

Chemicals are introduced into the waste system everyday in industrial and commercial facilities. Reducing this waste through cleaning and proper sanitation helps prevent air and water pollution, as well as consuming fewer raw materials.

Hagemeyer created a brochure for sales staff that included a plant layout highlighting the greatest areas of green opportunity.



Hardy continued, “We wanted our sales professionals to be the experts. We wanted to help them understand green, sustainability, LEED, USGBC, and all the relevant terms, as well as how to approach the customers with this topic. We armed them with the catalog, as well as a brochure of a plant layout that included call-outs with the greatest areas of green opportunity.”

“*Green and sustainability is about solution selling and helping our customers meet their own environmental goals.*”

—Melanie Hardy,  
Hagemeyer

“In addition, we gave our sales organization literature on the green market with statistics, facts, and trends that helped them better understand the market. We will continue to prioritize educational opportunities and marketing material on this subject.”

**In addition to using conventional sales tools to educate sales people about green products (marketing collateral, competitive analyses, sales guides, demos, and price lists), consider the following methods:**

- ***Develop easy-to-read sales material*** and include graphic illustrations (staff will appreciate clear, less technical statements).
- ***Dedicate part of the company’s website*** to demonstrations, explanations (potentially computer-based training), and FAQ’s.
- ***Involve sales people*** at the beginning of the development cycle for new green products and services.
- ***Help sales managers develop an incentive plan*** encouraging early-stage sales of new products.
- ***Use case studies*** as a more powerful sales tool than demonstrations.

STEP  
5

## Performance

Numerous sustainability accounting tools exist to measure reductions in energy use, greenhouse gas emissions, waste generation, and water use.

Some organizations even compare their sustainability achievements against others in their industry through benchmarking tools.

Many organizations publish sustainability reports as a means of solidifying the commitment to sustainability.

The Global Reporting Initiative also provides a trusted and credible framework for sustainability reporting.

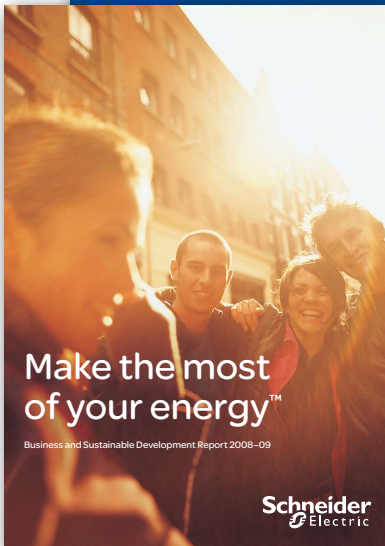
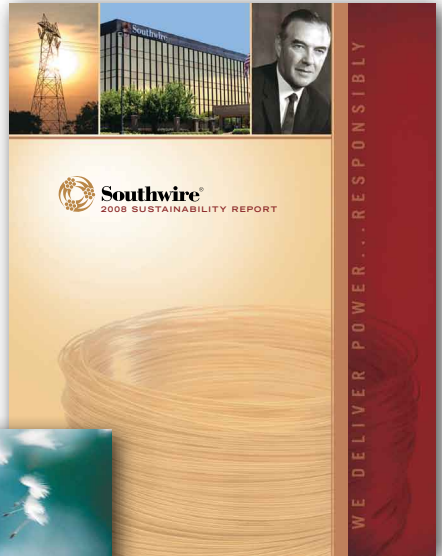
### SUSTAINABILITY REPORTING:

*Sustainability reporting is the practice of measuring, disclosing, and being accountable to internal and external stakeholders for organizational performance towards the goals of sustainable development.*



## For Example

Many electrical manufacturers publish sustainability reports, including Southwire, OSRAM SYLVANIA, and Schneider Electric. Most can be accessed online through their websites.



## For More Information

- » Refer to NAED's *Sample Sustainability Report* for more guidance on reporting.
- » See NAED's *Sustainability Performance Management Tools* at [TEDGreenRoom.com](http://TEDGreenRoom.com) to learn how to measure sustainability efforts.

## Conclusion

Sustainability is a useful framework for evaluating both economic and environmental inefficiencies. It not only examines how companies can be good corporate citizens while still making healthy profits, but it also emphasizes economic, environmental, and social impacts.

Trends are shifting. Companies are expanding their focus to the triple bottom line of people, planet, and profit. The architecture and construction industries are adopting green building measures while governments worldwide are increasing sustainable regulations regarding certain electrical equipment.

Coming with these trends is a new area of growth for the electrical industry. Government incentives, along with energy savings, are fueling factory retrofits, energy efficient products, and energy audits. Electrical distributors and manufacturers who become educated on sustainability opportunities will be ready for opportunities in this emerging market.

The five steps outlined in this booklet are practical methods that you can use to implement and communicate your sustainability initiatives. You'll find new opportunities as you work to green the supply chain, make your operations more sustainable, improve your marketing and sales, and measure your performance.



# Appendix

## Emerging Regulatory Framework Governing Sustainability Practices in Electrical Distribution

The European Union (EU) has been particularly proactive with electrical and electronic equipment regulations. The Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (RoHS) and the Waste Electrical and Electronic Equipment (WEEE) directives were “entered into force” by the EU on February 13, 2003. This legislation intends to substitute some hazardous substances in electrical and electronic equipment in favor of safer alternatives and to increase the recycling and reuse of that equipment.

There are four heavy metals (lead, cadmium, mercury, hexavalent chromium) and two categories of brominated flame retardants [polybrominated biphenyl (PBB) and polybrominated diphenylethers (PBDEs)] restricted under the RoHS directive. Certain applications of these substances have been temporarily exempted until safer alternatives become technically feasible.<sup>37</sup>

The WEEE directive promotes the re-use and recycling of electrical and electronic equipment, thus reducing the amount of waste going into landfills. The producers of electrical and electronic equipment are responsible for providing financing for the collection, treatment, recovery, and environmentally-sound disposal of that type of waste. The directive includes a minimum collection target of 4 kg (8.8 pounds) per inhabitant per year from private households. EU member states have to maintain lists of electrical and electronic equipment manufacturers. These lists must contain information about the quantities of waste each manufacturer collects on an annual basis.<sup>38</sup>

Other countries are following the EU example and enacting similar legislation. In fact, the EU is currently revising the WEEE directive to increase the amount of electrical and electronic equipment being recycled

and properly disposed of. The RoHS directive is also being revised to improve implementation, enforcement, and coherence.<sup>39</sup> A new EU regulation called REACH (Registration, Evaluation, Authorization, and Restriction of Chemical substances), enacted in June 2007, could add more substances to the RoHS list.

In the United States, the Toxic Substances Control Act (TSCA) oversees the 82,000-plus chemicals currently in the market. Under TSCA, the U.S. Environmental Protection Agency (EPA) must meet stringent requirements to prove that a chemical poses a health threat and needs to be restricted or banned.

This differs significantly from the EU's REACH regulations under which the manufacturers are responsible for proving that their products are safe.<sup>40</sup> REACH is more in line with the "precautionary principle," which holds that in the absence of scientific consensus on whether or not an action might cause irreversible harm to human health or the environment, those who are in favor of taking the action bear the burden of proof.<sup>41</sup>

As of May 10, 2008, TSCA is the subject of a series of hearings being held by the Commerce, Trade and Consumer Protection Subcommittee of the House Energy and Commerce Committee. They are considering if TSCA needs to be updated.<sup>42</sup>

## Endnotes

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## **Channel Advantage**

### **Partnership Companies:**

Advance Electrical Supply Co., Inc.

B & K Electric Wholesale

Border States Electric Supply

Butler Supply, Inc.

City Electric Company, Inc.

Consolidated Electrical Distributors

Cooper Industries

Crescent Electric Supply

Dakota Supply Group

Eaton Corporation

Electrical Distributors Co.

Electric Supply, Inc.

Electrical Engineering & Equipment Co.

Elliott Electric Supply

Fluke Corporation

GE Consumer & Industrial

Gexpro

Graybar Electric Company, Inc.

The Hite Company

HD Supply Company

Hubbell Incorporated

Hunzicker Brothers, Inc.

Independent Electric Supply, Inc.

Kendall Electric, Inc.

Kirby Risk Electrical Supply

Legrand North America

Lithonia Lighting

Lutron Electronics Co., Inc.

Maurice Electrical Supply Co., Inc./

USES I

Mayer Electric Supply Co., Inc.

McNaughton-McKay Electric Co.

OSRAM SYLVANIA

Panduit Corp

Philips Lighting/Advance

Revere Electric Supply Co.

Rexel, Inc.

Siemens Energy & Automation, Inc.

Sonepar USA

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