

## S.C. JOHNSON AND THE ENVIRONMENT

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On behalf of the global family of S.C. Johnson, I am proud to be here to share with you our commitment to the environment and to introduce to you some of the S.C. Johnson and Son plans for improving the world in which we live.

Dedication to the environment is unusual among big companies. However, such dedication is nothing new to this company. For more than a century S.C. Johnson has tried to meet the highest standards for environmental health and safety in the industrial world; these are the very foundations of its corporate culture. This family-owned corporation is guided by basic moral and social principles, ideals which not only shape its thoughts, but inspire its actions. Everyone who works for S.C. Johnson and Son cares about the environment, not because it is prudent, or even fashionable to do so, the corporation cares about the environment because it is the right thing to do.

In 1936, the then-president, H.F. Johnson, Jr., set the standards for his company's environmental conscience when he organized a fact-finding mission to the heart of the Brazilian rain forest. He was concerned that the company's harvesting of Carnauba palm leaves was harming the environment. Even though the leaves were important in the manufacturing of wax-related products, Mr. Johnson said before he left that he would stop harvesting them, if his team of scientists found it to be damaging the rain forest. To his relief, Mr. Johnson found out that harvesting Carnauba palm leaves in Brazil was harmless. But the trip taught him more than that. Soon after his return from Brazil, Mr. Johnson wrote:

"Until recent years, American industry has used the raw materials employed in its manufactured products with little regard for future supply. The apparently limitless resources of this country no doubt fostered this practice and it was not until industry found itself embarrassed by actual shortages of raw materials that businessmen began to recognize the need for scientific research into the source of supply of raw materials, or technical research in the laboratory for synthetic materials to replace materials which nature had once provided so bountifully."

The spirit of this pioneering vision is embodied in the corporation's worldwide environmental policies, and is carried on in the practical application of those policies. In the 1950's it voluntarily installed catalytic converters to reduce emissions at its main manufacturing facility in the United States.

In 1975 S.C. Johnson made the unilateral and voluntary decision to remove all CFCs from aerosol products, a full three years before the United States legislated a ban on CFC propellants, and a remarkable 12 years before the historic Montreal Protocol called for a worldwide phase-out of CFC use. That commitment to resources and action continues today at S.C. Johnson and Son. The establishment in 1990 of an Office of Environmental Actions Worldwide to direct and monitor the impact of operations on the environment worldwide, emphasizes the fact that its environmental policies go beyond rhetoric, to action and results. Every day, the corporation meets the challenge of providing quality-performance household and industrial products while minimizing the environmental impact of their manufacture in each of the 46 countries in which it operates.

S.C. Johnson sets, or complies with, the highest worldwide standards for industrial conduct to protect human health and the environment. In its manufacturing it is constantly working to reduce the amount of waste produced, and is dedicated to recycling, in preference to all other practices of waste management and disposal. It is similarly dedicated to improving the environmental value of its products in their formulation and packaging. This means a continued phase-out of specific chemicals and, through conscientious source reduction, a minimization of the contribution of waste to landfills.

In balancing business growth and the impact of business on the environment, S.C. Johnson has long promoted sustainable development, a concept which requires the present generation of consumers to meet its own needs, without compromising the ability of future generations to meet theirs. Sustainable development requires a corporate state of mind that recognizes the total inter-relatedness of our world, and the ties that connect both our past, and present, to the future.

This concept of sustainable development has far-reaching implications for industrialists. Unlike the traditionally defensive approach taken by environmental protection regulations, which puts a host of restrictions on industry, sustainable development offers a positive challenge to business. The challenge is to devise ways of economic development that can allow growth to continue over time without destroying the natural resource base. In straightforward business terms, it means generating the maximum income from a given stock of assets without reducing the capital base.

The question, then, is not who is going to pay for sustainable development - that is a question reflecting the old defensive mentality of

environmental protection - but how can businesses fully integrate the value of the environment into their operations and thereby conserve the natural world for future generations? It is a question that businesses should not answer on their own. That is why, in practice, S.C. Johnson continues to promote this concept not only for the continued growth of the company, but as the basis for creating public policy and educational initiatives. Such efforts will increase public understanding of the impact of its products and services on the environment.

In addition to its internal and public initiatives, the best lessons the corporation can teach will continue to be set by example. Specifically, in the years to come the company will do the following:

- reduce the ratio of volatile organic compounds to total raw materials by 25% by the end of 1995;
- reduce the amount of use of virgin packaging materials by 20% by the end of 1995;
- increase the use of recycled packaging materials;
- reduce air, water and solid waste disposal manufacturing operations by 50% by the end of 1995;
- recycle virtually all paper, cardboard, plastic, glass and steel materials in the manufacturing and office facilities by the end of 1995.

S.C. Johnson and Son Hellas Ltd. has achieved the following:

- first company in Greece to discontinue CFCs in aerosol manufacture;
- over 40% reduction in the use of virgin packaging material;
- over 20% of its packaging made from recycled materials;
- over 30% reduction in manufacturing waste, achieved in 1993;
- virtually all manufacturing scrap recycled, where recycling facilities exist;
- over 80% of contributions since 1990 have gone to support the following environmental programs and organizations:

Biopolitics International Organisation  
Friends of the Trees - Society of Athens  
WWF  
Ecological Recycling Organization  
City of Aspropyrgos  
Community of "Nea Zoi", Aspropyrgos

There is more to a discussion about the environment than just science. Environmental issues, responses and actions also carry a moral dimension. This dimension is concerned with widening the intellectual horizons and deepening awareness of those aspects of life which make for a more civilized existence.

From its earliest days, S.C. Johnson has given considerable attention to this particular dimension, and normal company policy on the subject has existed for many years. Every year S.C. Johnson companies set aside pre-tax profits for social, cultural and educational endeavors within their local communities. Whether the money is used to support a theatrical production, an art exhibition, new hospital equipment, a tree planting project, or work of the National Trust, all these efforts help to improve the general environmental climate of the community.

The company's vision for the future is guided by the ideal that it can continue to direct its technological resources to protect this world for the future. At the same time it can pursue important new business opportunities that will make life better for all. The legacy of action on behalf of the environment is alive today in the global family of S.C. Johnson companies.

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**Michael Pagidas** is the General Manager of S.C. Johnson and Son Hellas Ltd.. He completed his marketing studies in the University of New York and worked, from 1973 to 1977, in Colgate Palmolive in New York. During the years 1977 and 1978 he worked in Standard Brands Food in New York. In 1982, Mr. Pagidas was honored with the Thomas B. Moffat Business Administration Award. He is also General Secretary of the Senior Executives Company.