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Corporate responsibility and organisational efficiency:
why reducing your environmental impact is good for business

Many people are addressing the environmental impact of their everyday lives, from using less energy, to reducing their food waste, to using more sustainable forms of transport. Nine out of ten people in Britain have taken action to reduce their carbon emissions[1], although almost two thirds of people say they could do more[2]. However, this enthusiasm does not always translate to actions in the work place. There are some startling facts about the environmental impact of organisations, which include:

- In the UK, business produces almost half of our carbon dioxide (CO2) emissions[3].
- UK industry uses a total of 1.3 billion cubic metres of water every year – three times more than is actually needed[4].
- A PC monitor left on overnight wastes enough energy to laser print 800 pages[5]
- A photocopier left on over night uses enough energy to make 3,500 photocopies[6]
- If each of the UK's 10 million office workers used one less staple each day, 120 tonnes of steel would be saved each year[7]
- In 1980 before the introduction of the PC, world office paper consumption averaged 70 million tonnes a year – by 1997 it had more than doubled to almost 150 million tonnes[8]

Benefits to change

The bigger picture according to the Prime Minister suggests that over 400,000 jobs could be created over eight years through the move to a low carbon economy[9]. But even on an individual organisation-scale there are many benefits to taking action to reduce an organisation's environmental impact. These include:

- Save your business **money** by reducing waste of all kinds;

Being green minded can make a big difference to your bottom line. Saving resources is an efficient way to do business, and can save a significant amount of money. With rising energy costs, being resource efficient is becoming more important and can be the quickest way to save money. UK small and medium businesses (SMEs) waste around £1 billion worth of energy each year, and could save around £1,000 per employee a year through basic energy efficiency[10]. A local authority in Sussex ran a waste reduction campaign in two of its offices and found that better facilities for recycling and mechanisms for staff to use fewer resources meant it

[1] Christian Aid: http://www.telegraph.co.uk/earth/earthnews/5424819/Britons-turning-off-tumble-driers-over-global-warming-concerns.html

[2] Guardian / ICM: http://www.guardian.co.uk/environment/2009/sep/01/climate-change-poll

[3] The Carbon Trust: http://www.carbontrust.co.uk/cut-carbon-reduce-costs/reasons/why-save-carbon/pages/why-save-carbon.aspx

[4] Envirowise: http://www.envirowise.gov.uk/uk/Press-Office/National-Archive/The-Underwater-Office-businesses-urged-to-stem-the-tide-of-wasted-water.html

[5] Envirowise: http://www.envirowise.gov.uk/uk/Envirowise-in-Scotland/Public-Sector-Support-in-Scotland/Council-Offices/Council-Office-resource-issues.html

[6] Ibid

[7] Friend's of the Earth: http://www.foe.co.uk/living/articles/top_tips_waste.html

[8] UK Wastewatch: http://www.globalactionplan.org.uk/sites/gap/files/An%20Inefficient%20Truth%20-%20Executive%20Summary.pdf

[9] The Guardian, 6 March 2009

[10] The Carbon Trust and NetRegs: http://www.uknetguide.co.uk/Business/Article/Saving_Energy_In_The_Workplace-100239.html

reduced its waste by 40% in these areas, saving large amounts on waste removal costs as well as reduced stationery costs[11]

- Differentiate you from your **competition and attract customers**;

Many people are concerned about environmental issues, and would choose a product based on the company's attitude to corporate social responsibility. A DEFRA survey showed half of respondents would try not to buy products from companies whose ethics they did not agree with and would pay more for environmentally friendly products[12]. An Ipsos MORI poll indicated eight out of 10 people consider that a company's environmental reputation would affect their purchasing decisions, with a third saying it is very important[13]

- Improve **recruitment and retention**;

In a survey of graduates by BT, nearly half thought corporate social responsibility should be compulsory, and more than a third said that working for a caring and responsible employer was more important than the salary they earned[14]. Even in tough economic times, recruiting talented staff is crucial

- Prepare you for changing government **regulation and be risk-prepared**

Large public and private organisations that have used more than 6,000 MWh of electricity in 2008 will have to purchase and surrender allowances each year to cover their CO2 emissions under the CRC Energy Efficiency Scheme[15]. If your organisation, including any parent company and its subsidiaries, spends more than £500,000 a year in the UK on electricity, you are likely to be included in the scheme. There are other pieces of legislation around waste, packaging and pollution that need to be adhered to by all organisations

- Help you win **contracts and grants**

Public sector organisations and many grant-giving bodies will require an organisation to have an implemented environmental policy in place before they award contracts / provide funds. Is your organisation able to show that?

- Be a responsible organisation

It is undoubted that we are damaging our environment at levels not seen previously, and some of this damage will be long term. Organisations have a large impact on the environment, and improving the environment can have benefits for a local and international community.

Isn't it all about technology?

Yes, solar panels look good, but are technological fixes the answer to tackling issues such as climate change? Far from it. Whilst an organisation can install new technology, it needs to be used appropriately by staff. Consider this example. I buy a new hybrid car. It replaces my older diesel car. I feel great - I can drive with impunity now because I've done my bit for the environment by lowering my transport emissions. But have I? The car may have very low emissions, but it does still have some emissions. Whilst before I tried my hardest to cycle and walk more as I knew my old car was polluting, now my behaviour has changed and I'm using this car more because its "ok", so I may even be creating more emissions than before when I hardly used my car. It's also a whole new product, with all the pollution and resource use involved in making a new car, and those roads I'm driving around on aren't exactly impact-free in their making, from the materials used to the habitats

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[11] Karen Gardham: www.greenminded.co.uk/how-to-be-green-minded
[12] DEFRA 2008: http://www.defra.gov.uk/evidence/social/behaviour/documents/behaviours-jan08-report.pdf
[13] IPSOS MORI 2007: http://www.guardian.co.uk/environment/2007/nov/05/greenlist.ethicalliving1
[14] Personnel Today, 2007: http://www.personneltoday.com/articles/2007/08/02/41767/corporate-social-responsibility-is-more-important-than-salary-when-choosing-a-job.html
[15] The Carbon Trust / DECC: http://www.decc.gov.uk/en/content/cms/what_we_do/lc_uk/crc/crc.aspx

destroyed to create them. I may have made a good technological choice for the environment, but without the corresponding low impact <u>behaviour</u> it may all be worth little.

Key ways to help behavioural change:
- Incentivise through competitions, special offers, rewards for behaviour change and innovative ideas
- Lead by example so people know how to change, and so they know others are prepared to make the change
- Explain the reasons why you are making changes
- Make it as easy as possible, either with technology, for example set the printer up to automatically print double sided, or through simple means like putting a magazine file on desks where people can keep paper they've only used one side of for making notes on
- Give feedback when things are going well and where people have made a beneficial difference for the environment
- Most importantly, consult on all changes: ensure staff feel ownership of any changes that effect them by giving them input to the process

Six steps to change
Large or small, there are many things an organisation can do to reduce its negative environmental impact by following these six steps.

1) Find champions in your organisation
Don't start alone – find likeminded people in your workplace who can persuade the people in their teams that taking action is a positive and practical thing to do.

2) Build a case for change
Think about the business case for taking action, as outlined above. Take this to senior management / Directors / Trustees and show why taking action is good for business.

3) Assess where you are – baselining
If you don't know your environmental performance at the moment, how will you know if you're improving, and by how much? An audit of your impact can be carried out in as much detail as you require. At a minimum, you should gather information from bills on how much energy and water you use, and check your waste transfer notes to see how much waste you send to landfill. The Building Manager for your organisation or for the company who runs the building you use should be able to help with this. Assess how much people travel for work by checking expenses claims for car mileage and train tickets.

4) Consult with stakeholders to develop your policy, based on your key areas of impact
Think about what issues are important to you as a business – how will this policy match your ethos, and that of your stakeholders? Use this as a basis to develop your environmental policy. Your policy should identify your environmental impacts, identify a senior person who is responsible for it, set targets and resources needed to meet those targets, make a commitment to continual improvement and training for staff in understanding the policy, outline how the policy will be communicated both internally and externally, and be signed by the Chief Executive.

5) Develop an action plan with key staff who will lead on delivering targets in their area of work
The policy will need to be backed up by an action plan that will ensure you start making changes. Link each action to a member of staff whose responsibility it is to ensure the action is carried out. These actions should be in their normal work plan. Once you've done your audit, you will know where your main areas of impact are, and therefore what targets to set, depending on how ambitious you are to improve your performance. You may take all the work you have done so far and set up a formal environmental management system to monitor your performance.

6) Train all staff in their role in delivering the action plans and changing the culture of the organisation
You will need more than technological changes (see box one). All staff need to read and understand the policy at a minimum, and ideally all be trained in why and how to reduce their environmental impact. Key staff delivering targets may need specialist training and support. However, many actions are simple and should be assigned to the person whose role is most aligned to it. For example, Building Managers will understand how to monitor energy and make the building more energy efficient, and will understand the business need to use resources most efficiently, it may just need to be made more of a focus of their role, with set performance targets around reducing energy use.

But what can I do right now?
Keen to get going? Consider implementing some of these tips immediately or in the near future, whilst working to create a policy framework for delivering continual improvement. Many of these tips will also save an organisation money.

Energy
- Turn things off when not using them, particularly lights, computers (monitors use half as much energy when left on with no computer as to when they are being used) and chargers, which keep using electricity after the appliance is unplugged if they remain switched on
- Don't use energy if you don't have to e.g. is the heating on in a room that isn't used very often?
- Insulate and draft proof your building
- Make the most of natural light
- Invest in energy efficient equipment – get a loan from the Carbon Trust
- Maintain equipment and test it regularly so you know it is working efficiently

Waste
You can't beat the waste hierarchy – reduce, reuse recycle.
- Reduce – ask yourself whether you need that item in the first place. If you don't, don't get it. Then start to reduce the waste that you have been creating. For example – always print double sided to reduce paper use; if you do really need to print out emails press "print preview" first to check you are not printing any unnecessary pages; change your margin widths on documents so you can fit more on each page you print
- Reuse – get more out of the item you're using. For example – refill printer ink cartridges, if you make a mistake printing on one side of a sheet of paper, use the other side to take notes or put a few together to make a notepad, reuse packaging boxes and filler, donate furniture not needed anymore to charity
- Recycle – contact your local recycling company and recycle as much as possible including paper, cardboard, plastic bottles, cans, glass, textiles. Don't forget to close the loop – while you're busy recycling all that material it needs a market to go to. Buy recycled products

Transport
Transport accounts for around a quarter of carbon emissions in the UK. Reducing travel by unsustainable means is a key goal for business.
- Before you travel anywhere, think if it is a necessary trip, or could this work be conducted any other way? Flying can have the biggest impact on your carbon footprint. Telephone or video conferencing can be an efficient way to "meet".
- Use public transport wherever possible – develop a Staff Travel Plan to promote and incentivise more sustainable forms of travel. For example, if you are a large organisation, you could try and negotiate low cost travel passes with the local bus company
- Give a mileage allowance for staff who use their bicycles for work use
- If staff are driving to work encourage them to car share
- For any driving that has to be done, provide staff with fuel efficiency training

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Water
Less than 1% of the earth's water supply can be used for drinking. Unlike the common perception, water is a precious resource that we need to protect, yet we are literally flushing fresh drinking water down the toilet.
- Fix a dripping tap as soon as possible
- If a cistern was made before 1993 it probably uses more water than it needs, so use a "hippo" device (ask Southern Water for one) in the cistern, which can save up to three litres per flush
- When replacing urinals get waterless ones
- If you have an outside landscaped area, ensure a water butt collects water for watering plants
- Invest in water efficient equipment – the Enhanced Capital Allowance (ECA) scheme enables businesses to write off 100 per cent of the cost of qualifying plant and machinery against taxable profits in the year of purchase.

Purchasing
So, you've thought about the things your organisation does that directly effect the environment. But what about the things you are purchasing? PR firm Spada found that many FTSE 100 firms failed to define the environmental terms and concepts in their reports. Watch out for greenwash. Be wary of labels such as
"Natural"
"Green"
"Environmental"
"Sustainable"
They are not protected terms and they do not mean a thing unless you know how the product has been made, what it contains, and what impact its use will have.

Some labels to look out for to verify the environmental credentials of a product include:
- *EU Ecolabel*: this voluntary scheme allows the Eco label logo to be used for products and services that meet strict environmental criteria
- *Soil Association* certified organic – anyone processing a food product which they want to market as organic need certification, and one of the best known ones is provided by the Soil Association
- *Fairtrade Mark* - in the UK the Fairtrade Mark ensures a product meets the standard of the international fair-trade certification body. As well as ensuring workers get a fair wage for their work, did you know that Fairtrade standards require producers to reduce synthetic pesticide use, reduce energy use and waste, protect biodiversity, and bans the use of GMOs?
- *FSC* – Forest Stewardship Council runs a global forest certification scheme. This system allows consumers to identify, purchase and use timber and forest products produced from well-managed forests

When you're making purchases, ask questions such as
- Do I actually need this product in the first place, or can I use another item for the same job, refurbish a current product?
- Does the company I am buying from have an environmental policy and an environmental management system?
- What materials is the product made from, are they renewable or recycled?
- How far does the product travel when it's being delivered to the workplace?
- How many chemicals are used in the product?
- How much energy does the product use during use?
- How long will it last?
- Is the product easily repairable if it breaks down
- Is the product reusable / recyclable when I have finished using it?

Whole life cycle

When buying something, think "whole life cycle". If you were buying a washing machine based on the cost, you would take into account not only the purchase cost but the running cost of the machine over its whole life.

If Machine A cost £450, lasts 10 years and costs £20 a year to run, the total cost over five years would be £550. Machine B may only cost £350 to purchase, but if it only lasts 5 years and costs £40 a year to run the total cost over five years would also be £550 but you'd have to buy a new machine, so the cost would be more!

Do the same analysis on any items you're purchasing, and look at it in terms of its environmental impact. Don't just consider how much energy it uses to run it and how long it lasts, but consider the energy it took to make the machine, the pollution that may have been caused by its manufacture and extraction of materials for parts, whether parts are replaceable, is it reusable. The impact of an item can occur way before you've bought it and started using it. For example, one ounce of gold can produce up to 30 tons of toxic waste before it is even made into a ring…

What next?

Organisations in the UK, from the largest businesses to the smallest charities, have an enormous potential to improve their environmental performance. There is a robust business case for doing so, as well as a strong moral case to leave the planet in a better state than we found it, for us and for future generations and species.

If you want your workplace to be a more planet-friendly place, do use the resources below to make Sussex a greener place.

WRAP
WRAP works in the UK to help businesses and individuals reduce waste, develop sustainable products and use resources in an efficient way.
www.wrap.org.uk

The Carbon Trust
The Carbon Trust is a not-for-profit company providing specialist support to help business and the public sector cut carbon emissions, save energy and commercialise low carbon technologies.
www.carbontrust.co.uk

Business Link
Lots of advice on reducing your environmental impact and setting up an environmental management system. Useful tools on identifying where you can save money by going green, and what environmental legislation effects you.
www.businesslink.gov.uk/environment

Net Regs
Online information about environmental legislation
www.netregs.gov.uk

Enhanced Capital Allowances scheme
Enhanced Capital Allowances (ECAs) enable a business to claim 100% first-year capital allowances on their spending on qualifying plant and machinery. There are three schemes for ECAs:
- Energy-saving plant and machinery
- Low carbon dioxide emission cars and natural gas and hydrogen refuelling infrastructure

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- Water conservation plant and machinery

www.eca.gov.uk

Every Action Counts
Advice for community and voluntary sector organisations on sustainable development. Although the campaign is no longer active, the website still contains useful guides.
www.everyactioncounts.org.uk

Brighton & Hove Green Pages
A guide to greener living, featuring many local businesses in Brighton & Hove and around.
www.brightongreenpages.org

Book of Green
Featuring many green and ethical businesses across the UK, this guide is available online and in hard copy.
www.bookofgreen.co.uk

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