Environmental Management

Guidance for Managers

www.managers.org.uk

Introduction

As recently as a decade ago the environmental management agenda was still regarded by many organisations as, at best, a fringe issue. However, with the effects of increased natural resource use is beginning to have a noticeable negative effect on the world's climate, the green agenda is increasingly well recognised.

According to the Chartered Management Institute's "Lean and Green : Leadership for a low-carbon future" report (2009) over 80 per cent of managers regard energy usage as an important issue to their business – and around two-thirds of managers agree that carbon management will become increasingly important in the next three years.

This guide is designed to help stimulate thought on how best to raise awareness of, and manage, an organisation's environmental impact.

What is meant by environmental management?

This is a systematic approach whereby an organisation takes responsibility for the environmental impact of its activities.

The successful management of environmental impacts is to allow the use of energy, natural resources, and waste in a manner that ensures the long term sustainability of an organisation.

Is there any point?

The environment provides the resources for organisations to function, but in difficult economic times should environmental considerations be sidelined?

Should a manager be questioned how high it should be on the management agenda, then the indirect benefits of environmental management should be considered. The business case can be built on reduced energy and resource costs, increased innovation, and enhanced loyalty of customers and employees, showing benefits that might not be immediately apparent.

To be effective, however, organisations must be genuinely committed to developing their environmental strategy, policy and actions. It is unwise to adopt a "green-washing" approach, whereby superficial compliance is shown by an organisation. Although this may provide benefits of the business case in the short term, it is very likely to result in increased stakeholder dissatisfaction, once exposed.

Legal Case

There are numerous environmental regulations and laws which cover, for example, water quality, noise, emissions, and pollution control. Non compliance can lead to prosecution, fines, and bad publicity for organisations.

Looking to the future, the Carbon Reduction Commitment is an important, mandatory scheme to reduce the carbon emissions of thousands of public sector organisations and large businesses from April 2010.

Business Case

• Financial

Improving environmental performance often results in cost savings. Institute research shows that this is a driver for 77% of organisations surveyed.

• Reputation

Environmental awareness amongst customers is increasing. An organisation's environmental policies can be a differentiating factor in the market place.

This positive benefit can also be noted by your wider stakeholders such as employees, shareholders, local communities, and pressure groups.

• Risk Management

With increased environmental legislation, there is a possibility of penalties for non compliance – these are most likely to be financial and can run into hundreds of thousands of pounds. Other related costs include legal bills and loss of management time.

Compliance and engagement with environmental issues can also protect the sustainability of the business in the longer term.

• Recruitment & Retention

Environmental policies and practices can help improve the morale of existing employees, and can also act as an incentive to attract staff at all levels who may want their employing organisation to take environmental stances that are similar to their own. Almost three-quarters of managers say they would not want to work for an organisation with a poor environmental record.

Ethical Case

This is the view that environmental improvement ought to be taken because it is the right thing to do, irrespective of legal requirements or any business benefits that may arise from such action.

Whilst many environmental measures often have cost-savings attached to them, there are other measures which are good for the environment but have high initial costs or a long period to realise a return on investment. An organisation has to weigh up the pros and cons of taking such action, including an assessment of the costs of non-action.

Policy guidelines for environmental management

• Standards

Tools or standards are a useful means to reduce environmental impact, and to measure improvement by objective criteria. ISO 14001 is the most widely available standard in the UK. As it specifies continuous improvement in environmental performance, it provides a good structure for an organisation even while certification remains out of reach. Phased standards (BS 8555) can help organisations move towards the full ISO 14001 in a series of six steps. EMAS (Eco Management and Audit Scheme) is another example of a widely used standard for environmental management.

In some cases, for example in smaller organisations, accreditation to independent standards such as ISO 14001 may not be considered appropriate. Instead of initially developing formal management systems, a series of simple and progressive initiatives can move an organisation towards better environmental management. Examples could be, introducing a policy of purchasing more energy efficient equipment or carrying out a waste review.

The most recent standard to be developed for greenhouse gas emissions of goods and services is PAS 2050.

• Barriers

- • Lack of awareness among employees or senior management leadership
- • Denial of the issues
- • Resource constraints (financial, time)
- • Lack of guidance on legal requirements and standards available

These can all be issues impeding the effective implementation of a policy. Engagement at the top level of management, the boardroom, is crucial to develop a long term effective environmental plan. This highly visible commitment can help to overcome barriers or reservations which may exist in other parts of the organisation and ensure progress.

Communication is crucial to raise awareness of the issues and to engender employee engagement. Employees will often have good ideas which are often environmentally beneficial and cost saving in their departments. Harnessing this personal enthusiasm will allow for a better policy to be produced. A YouGov Poll reflected that 57% of respondents thought that taking responsibility for environmental management at work was a joint responsibility between themselves and the company.

Involving staff in this way also has the beneficial side-effect of increasing staff engagement in the company and their sense of empowerment and responsibility; it can also be a training ground and springboard for increasing staff involvement in other managerial issues.

Developing an effective programme

Suggested steps to take are:

- • Establish what the existing resource needs of your organisation are, by conducting an initial environmental review. This may include, for example, energy usage, water usage, waste recycling and other areas which are specific to your organisation. The outcome of the review will provide you with the basic information you need to manage your significant environmental impacts and to construct a meaningful policy.

- • Engage employees in debates to identify areas where environmental initiatives including cost savings can be made, whether large or small, and prioritise action.

- • Assess what the costs and benefits of action may be, but also consider what the costs of non-action are.

- • Ensure that the board and senior management agree a documented policy that develops out of these consultations and that it is communicated internally and externally.

- • Assign the responsibility for environmental management to a sufficiently senior manager, and provide her or him with the necessary support and resources.

- • Establish an environmental project group, raise awareness and train employees in aspects of implementing and delivering the policy and developing the environmental management system.

- Monitor progress in terms of environmental impact reduction and savings realised. Review the effectiveness of the actions taken, to allow progress to be maintained against longer term objectives.
- Set key indicators to enable successes to be measured and to determine whether further action is needed in certain areas.
- Communicate success, progress and ensure that ongoing challenges are routinely communicated to the board, employees, and wider stakeholders.
- Aim for continuous improvement, as company energy use and resource needs change. Monitor stakeholder priorities which may require taking a periodical look at the environmental commitments made by the organisation.
- Consider setting aside cost savings derived from environmental improvements to be used to support development of further environmental policy commitments.
- Stick to the SMART (Specific, Measurable, Achievable, Realistic and Time-bound) principles for setting environmental policy objectives.

Good Practice

While there are many factors that need to be taken into account in an environmental improvement programme, these are some of the more common cross-sectoral examples of actions to reduce environmental impact:

- **Water**
- Review the use of water at each site
- Consider installation of dual flush/hippo systems for toilets
- Push taps/motion sensitive taps
- Repair any leaks

- **Waste Resource**
- Carry out a waste review and implement waste minimisation strategy
- Can consumption be reduced, reused or recycled? (eg: single sided paper can be used as scrap paper before being recycled)
- Is there recycling of all paper, plastic, metal or card?

- **Premises**
- Ensure regular maintenance of the building is carried out

- Install Insulation
- Install Double glazing
- Install Solar panels
- Encourage the use of natural light and ventilation

- **Hazardous Chemicals**
- Ensure storage facilities are maintained
- Is clean up equipment provided and maintained?
- Can the chemicals used be substituted by environmental friendly products? (eg: cleaning chemicals)

- **Energy Consumption (carbon footprint)**
- Turn off electrical appliances (the Carbon Trust says that on average offices waste £6000 a year by leaving equipment on over weekends and bank holidays)
- Reduce thermostat temperature (1 degree can affect a heating bill by 10%)
- Consider teleconferencing e.g. Skype to reduce travel emissions and associated expense
- Is electricity obtained from 'green sources' or is self-generation an option?

- **Supply Chain**
- Ask your suppliers about their environmental management policies; include it as a requirement when tendering for services
- Adopt a Sustainable Procurement Policy to demonstrate commitment to suppliers and customers

- **Fauna/Flora**
- Are there any protected species of plant or animal on the site?
- Can the visual intrusion of the premises be reduced, for example by tree planting?

Prioritise programmes into short term, quick win aspects, and longer term projects. The successes of an environmental improvement programme should be communicated and celebrated, as it allows progress to be reviewed, generating further engagement and raised awareness at all levels both within and without the organisation.

Conclusion

The environment is a current hot topic, and one that is likely to grow in importance in the light of increasing global temperatures, decreasing natural resources, increasing energy prices and establishment of carbon trading pressures.

While arguments on the need for more government action or the existence of boardroom resistance may be raised, organisations must now rise to the challenge of working towards an environmentally efficient, low carbon economy. Those that do so now are likely to be more competitively positioned in the future.

Links for Further Information

Chartered Management Institute
www.managers.org.uk/gogreen
Provides the free full research report "lean and green: Leadership for a low-carbon future"; which looks at manager's attitudes to climate change and the extent of current activities

Business in the Community
www.bitc.org.uk
Provides a benchmarking index of companies and environmental performance

Business Link
www.businesslink.gov.uk
Practical free advice for small and medium businesses on the environment and sustainability

Carbon Trust
www.carbontrust.co.uk
Provides free information and resource on the move to a low carbon economy

Chartered Institution of Water and Environmental Management
www.ciwem.org
The leading professional body for those committed to the sustainable management and development of water and the environment; provides extensive resources on environmental management

Department for Energy and Climate Change
www.decc.gov.uk
Government department of energy and climate change

Defra
www.defra.gov.uk/environment/business/
The government's website encouraging low carbon, sustainable organisations

Envirowise
www.envirowise.gov.uk
Government sponsored free advice mainly from a waste management and resource use perspective

Institute of Environmental Management and Assessment (IEMA)
www.iema.net
Promotes best practice standards in environmental management, auditing and assessment

Natural England
www.naturalengland.org.uk
Government funded body with the aim of enhancing and conserving the natural environment

Net Regs
www.netregs.gov.uk
Environmental guidance for organisations across a range of sectors

Standards
EMAS
http://ec.europa.eu/environment/emas/

ISO14001
www.iso.org

IEMA Acorn Environmental Management Scheme (BS8555)
www.iema.net/ems/acorn_scheme/bs8555

PAS2050 (free to download)
www.bsigroup.com

This leaflet is available in electronic form www.managers.org.uk/environmentguide

This leaflet is printed on recycled stock from sustainable forests

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• work with **employers** to identify and develop the necessary management and leadership skills that drive performance

• influence **stakeholders** to address the challenges that face today's managers and leaders

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