

Business case for thinking green

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Whatever the size of the firm, belief in the eco cause drives real change, says Alastair McCall

Better training, greater awareness and improved communication on green issues characterise the 60 businesses included in the second Sunday Times Green List to be published next week.

Our unique survey of almost 21,000 employees shows how much they want to be green with a rise this year in the average employee green score to 73.4% from 69.8% in 2008.

"This is a significant shift," says Will Ullstein, director of innovation with Munro Global, the market-research group and partner with The Sunday Times in producing the Green List. "Underpinning this overall rise in companies' green scores are fundamental changes in corporate practice covering reducing waste, improved environmental training, encouragement of good green working practices and bosses willing to lead from the front.

"All the companies on the Green List have realised that you can't achieve lasting change if you don't bring your workforce with you."

The employees of our greenest businesses say there is plenty of evidence this year of businesses changing long-established working practices. The score for companies not being perceived by employees to be producing too much waste is up from 56.5% last year to 63%, the 6.5 percentage point rise being one of the sharpest in year-on-year scores.

They say environmental issues are at the heart of how their companies do business, the 74.2% green score here representing a 4.3-point rise on 2008 — which is both encouraging and necessary with the Carbon Reduction Commitment due to come into force for up to 20,000 of Britain's largest organisations from next year (see panel below).

More workers are being encouraged to car-share or use public transport to get to and from work, the score rising from 54.8% to 61.7%, up 6.9 points in the past 12 months with the same rise achieved for staff receiving adequate environment training, up from 63.3% in 2008 to 70.2% now. Internal communications about green issues are also improved, up 6.2 points on last year to give a green score of 78.8%.

Perhaps as a consequence of better training and communications, employees are showing a greater literacy with environmental issues, evidenced by a 5.6-point rise to give a green score of 65.8% for improved understanding of carbon footprints.

Richard Caseby, managing editor of The Sunday Times, said: "We might have expected staff interest with green initiatives to decline as they and their bosses coped with economic distractions. The reverse appears to be true."

High levels of engagement are reflected in the total of 99 companies that registered for this year's competition, which was open to all businesses in the UK. We received many more approaches from firms that considered entry but held back, perhaps put off by the level of detail

Green shoots: Luke Harman and Rebecca Jones at Mediacom, where staff compete to grow the best vegetables on their office balconies



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BEST GREEN COMPANIES

Staff make it happen

IF you want to "green" your company, there is no better starting place than your staff. That was the view taken by the London office of Mediacom, the global media-planning business, in an initiative that is now being copied by its branches in several other countries.

"Once a year we have a consultation called 'If I ran the company'," said managing partner Gavin Duke, "and a couple of years ago the winning entry said 'We want to be carbon neutral'. The case was well-argued so we decided to make it happen."

The first step was a carbon audit. This established that the UK operation, which turns over about £1 billion a year and has 600 employees, was producing emissions equivalent to 2,300 tons of carbon dioxide a year. "We examined the sources — electricity use, transport, waste and so on, and then set about each in turn, methodically, using the principles reduce, re-use, recycle," said Duke.

Electricity was by far the greatest source of emissions. The company signed up to a green tariff for its Holborn office, installed long-life lightbulbs, movement-sensitive floor lighting and programmed computers to hibernate after 20 minutes. Paper usage was cut by curbing unnecessary printing, increasing double-sided printing, ending subscriptions to unwanted magazines and newspapers and increasing recycling. Staff were encouraged to cut down on business travel and cycle to work.

It was not possible to wipe out the carbon footprint entirely, so the company bought carbon offsets to achieve the neutral goal. "The offsets cost us about £20,000 a year but that is more than compensated for by the savings we have achieved. I would estimate them at about £40,000," said Duke.

The latest venture is turning office balconies into vegetable gardens, planting grow bags with tomatoes, chillies and pumpkins. Mac Stephenson from the international department was picked to run this scheme because he has an allotment. "Staff are divided into teams and there will be a 'best-looking tomato' contest at the end of the summer," he said. "It shows people how easy it is to grow vegetables."

"It's a bottom-up approach with serious management support. It's what people wanted here," said Duke. "But it's not an overt thing when we're dealing with clients. However, when they come into the building they notice the difference, and we're now seeing questions about sustainability creeping into tender documents and so on."

FORCED TO CUT CARBON

THE Carbon Reduction Commitment comes into force in April 2010. It is designed to stimulate energy efficiency across the economy, including large companies, local councils, universities and other public-sector bodies. They will be obliged to join its carbon-trading scheme, calculating their carbon emissions and then buying carbon credits against future emissions. Failure to comply will result in penalties of up to £500,000. Companies will be named and shamed in league tables showing who is doing most to cut emissions.

required about corporate practices or the searching nature of the employee survey.

All the firms making the top 60 were subjected to rigorous data verification by Bureau Veritas to ensure they were achieving the levels of recycling and energy consumption claimed in their submissions, and that their environmental management systems were as described. Where discrepancies were found, scores were adjusted. Many were subjected to a site visit from Bureau Veritas environment consultants.

"It takes a brave chief executive to submit their business to the level of scrutiny required of this competition," said Caseby. "Only the most scrupulous, making genuine changes to their environmental footprint, made the final cut."

Within the overall competition that produced the Green List five smaller contests took place:

- Big and mid-sized companies (with

more than 250 employees) with high environmental impact (14 companies in this category made the overall top 60);

- Big and mid-sized companies with medium environmental impact (11 companies);

- Big and mid-sized companies with low environmental impact (11 companies);

- Small companies (with between 50 and 249 employees) with high and medium environmental impacts (18 companies);

- Small companies with low environmental impact (six companies).

Two new awards will be made this week recognising the special challenges facing larger companies trying to be greener:

- Best big company for corporate environmental strategy;

- Best big company for employee engagement.

And from them all, one firm will be chosen for the ultimate accolade: best green company in Britain.

The competition attracted businesses ranging in size from supermarket Tesco with 185,000 employees to office-supplies firm Wiles Greenworld with 50.

The top 60 remained balanced in terms of size with 12 big companies (with 5,000 or more employees), 23 mid-sized firms (with 250 to 4,999 employees) and 25 small enterprises (with 50 to 249 employees).

The range of environmental impacts was also wide, taking in several construction firms — such as Carillion, Skanska, Willmott Dixon, Wates Group and Morgan Lovell — as well as small, low-impact concerns such as Explore, the travel agency.

Across the Green List as a whole there are 16 high-impact companies, 27 medium and 17 low-impact firms, again reflecting the equality of opportunity for businesses of all sizes and impact to succeed in this list.

Meaningful changes to environmental practices were what really scored in our

survey. Alongside energy consumption (gas and electricity) we recorded water use for the first time this year. The proportion of companies achieving at least a 3% year-on-year reduction in consumption of these services was 30%, 42% and 43% respectively. Meanwhile, three-quarters of the top 60 companies achieved either a 10% reduction in waste produced or a 10% increase in waste recycled in at least one of three waste streams nominated for examination in the survey.

Improvements like these could be achieved by many other companies. And the evidence provided by employees of the firms that made it on to our list suggests that other organisations which are still hanging back, reluctant to embrace green issues, might soon find themselves forced into action by the concerns and demands of the people they employ.

Additional reporting by Alan Capps