



How Can Organisations Be Encouraged to Take Sustainability and Environmental Impact Seriously?

IABM members sign up to a “[Business Standard](#)” which comprises of [eight criteria](#) that form an integral part of our organisation’s Terms of Membership, in which there is an obligation to minimise their corporate environmental footprint . Now whilst the IABM does not actively police adherence to those criteria, it does mean that our members have already embraced the idea that their business will benefit from an approach that seeks to minimise its environmental impact and to show a strong ethical integrity in its operations. Moreover, they have recognised that their decision to make these key concepts part of their publicised business strategy will influence the supply chain around them, both upstream to their suppliers and downstream to their customers.

A [recent event at the BBC](#) and a follow-up meeting afterwards, both of which the IABM participated in, also showed that there is a wider will within our industry to try to create strategies which prioritise the concept of sustainability. However, for many organisations, particularly now when business operating conditions are very tough, there is a reluctance to engage with these ideas, often because of the perception that for them to do so will have a negative effect on their operating costs. It is this perception that needs to be overcome.

What are the reasons for an organisation choosing to adopt and integrate practices that value sustainable, ethical and environmental protection concepts?

Putting it very simply, there is a three-way split:

1. We want to do it

Adoption of these concepts may be borne out of a desire to present a strong image of corporate social responsibility as part of their internal culture, which has evolved with the company or as part of the shared vision of the leadership team. In making this choice, they realise that the true benefits for this approach must go beyond that which may be seen only as “box-ticking” or “marketing green-wash.”

2. They want us to do it

Once a sizable organisation in a supply chain adopts such practices, then others may follow suit, just because they realise that this is seen as a desirable aspect of doing business. Indeed such a major player may demand its suppliers follow suit in order to achieve its own corporate objectives, so their decision is in part forced upon other organisations if they want to win new business or simply to retain their existing customer base. Consumers also play a part here, because campaigning groups, such as [Greenpeace](#), will highlight those organisations who they feel are acting most responsibly and identify those who are lagging behind. It is not a comfortable position for any organisation to have to defend itself against such lobbying, whether or not it is fair, especially in the age of social media such as Twitter where bad news spreads fast.



3. We have to do it whether we like it or not.

Another important influence is legislation and regulation and in our global marketplace, where thanks to internet commerce there are few if any national boundaries, this can be very significant. Not only are certain practices made mandatory, but others may be adopted in advance of actual legislative requirements, either as a pre-emptive measure or in order to stave off or mitigate the impact of legislation when governments look to implement it. Organisations cannot afford to ignore current and future requirements.

So what arguments will persuade businesses to move from a position where they feel coerced into adopting sustainable practices as a cost of doing business, to actively deciding that this is something they want to do and will benefit from?

For companies that have quality management systems in place under the ISO 9000 series of standards, management of their corporate environmental performance is really no different and they will often also adopt and integrate the ISO 14000 family of standards for environmental management alongside their quality management systems. They have already understood that the impact of failing either an environmental or a quality management systems audit can cause them to lose valuable contracts, or require urgent and expensive improvements demanded by clients to retain their orders. ISO have already recognised that quality and environmental systems go hand-in-hand with the publication of ISO 19011 which is a guideline for auditing both these systems in parallel. Ignoring these common business operating standards limits the growth potential of any organisation, even if they themselves are not certified to those standards.

Measuring and managing your environmental performance to show how sustainable your business is does of course incur costs. The difficulties in identifying and collecting accurate and relevant range of data necessary alone are a significant hurdle. One scheme to help with that is the [Global Reporting Initiative](#) (GRI) which produces guidelines for sustainability reporting. An [Ernst and Young survey](#) published recently on the value of sustainability reporting showed there were many tangible, including financial, benefits from the practice:

- more than 50% of those surveyed said that it improved their organisation's reputation
- more than 30% said that it improved employee loyalty (surprisingly, with employees being identified as the primary audience for the reporting in 18% of those surveyed)
- around 30% said they experienced increased consumer loyalty
- also around 30% said that it had helped them refine their corporate strategy
- waste reduction and other cost savings were experienced by more than 20%
- more than 20% said that it had enhanced their long-term risk management
- around 10% reported lower insurance rates and improved access to capital

A study published last year by [MIT](#) painted a similar picture, where 70% of respondents said that sustainability reporting now has a permanent place in their business and that they are experiencing improved profitability as a result. An academic study published in 2007 ["Does It Pay To Be Good"](#) also showed some statistical correlation between improved financial performance and corporate sustainability programmes.



The attitude of consumers to the environmental impact of your organisation also cannot be ignored, even if your activities are only of a business-to-business type and there are typically no direct interactions with domestic consumers. [Another study published this year](#) puts this argument across very strongly. In this study nearly a third of consumers say they want businesses to align their strategies better with social and environmental needs. A sizable majority, around 90%, want companies to go beyond the minimum standards required by laws that impact social and environmental issues. What is made clear in this report, is that it is not what you do but what you are seen to do, so communicating your corporate strategy and activities for sustainability effectively, backed up with credible evidence is just as important - which is why managing, measuring and reporting your organisations environmental performance is so vital.

All of these studies support the assertion that investing in the adoption of sustainable practices and measuring and managing environmental performance of an organisation does bring about real financial benefits that exceed the costs of doing so. It is these ideas that need to be promoted to those organisations who are reluctant to embrace sustainability and environmental impact management in their operations.