



With the release of the Stern Review on the economics of climate change and the draft Climate Change Bill, it is clear that improving environmental efficiency should now be a board level issue. John-Paul Warner explains.

the financial case for resource efficiency

■ **To be commercially resource efficient is to design and deliver every business process with zero waste in mind, and companies are under more pressure than ever to reduce their environmental impact.**

However, research by the *Financial Director* magazine found that just 35% of companies generating £100m revenue or less are considering green issues at the outset of business decisions.

Similarly, while 81% of SMEs surveyed by resource efficiency programme Envirowise in 2007 said they view the environment as a 'quite' or 'very' important issue, in reality only a third (33%) have actually set practical action in motion.

These companies will undoubtedly face rising pressure from customers and shareholders to demonstrate a commitment to resource efficiency, particularly with far-reaching legislation such as the Waste Electrical and Electronic Equipment (WEEE) Directive and Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) Regulations now a reality in 2007.

business benefits

Crucially, the potential benefits to a company's bottom line are enormous. Businesses could save as much as £1,000 per employee per year by reviewing areas

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By identifying waste at all stages of the manufacturing process, from design and procurement through to assembly, packaging and transport, a company can often identify significant cost efficiencies as well as opportunities to innovate.

One consumer electronics firm has identified potential savings of more than £600,000 after taking steps to redesign the packaging on one of its popular product lines, with support from Envirowise.

Water is also a resource of considerable value and water efficiency will be back on

the agenda as the hot summer months approach. Businesses that adopt a systematic approach to water reduction typically achieve a 20-50% decrease in the amount of water used. This can translate into significant monetary savings – not only on water supply costs but also on wastewater disposal charges.

case study

Baring Asset Management, a global investment company employing 460 people in central London, worked with Envirowise to identify opportunities for water minimisation within the office environment. By installing volume adjusters in the company's 58 toilets, for example, water use through flushing has been reduced by 260m³ / £350 per year. An estimated 1,200m³ / £1,600 per year was also saved by installing PIR sensors on urinals – avoiding unnecessary flushing during the night and at weekends.

An awareness of the business benefits of reducing a company's environmental impact is an issue that everyone from accountants, solicitors and management consultants could offer as added value to their clients in the year ahead. ■

John-Paul Warner – Media and Communications Manager, Envirowise

Envirowise is a Government-funded programme dedicated to putting the sustainable use of resources at the heart of UK business practice. For free, practical advice and information on resource efficiency please visit www.envirowise.gov.uk or call the confidential Envirowise helpline on 0800 585 794.