

Environmental Management

Assignment 1, semester 1

1)

Business organisations today are under increasing pressures from various groups in relation to reduce their environmental impact and support sustainability. In this section of the assignment I will discuss and explain the nature of the pressures in general terms. In turn I will outline the various groups and the nature of pressures imposed.

National legislation laid out by the government is one of the key and most fundamental pressures which businesses face today. Guidelines are set out and principle legislation has been created such as the *Environmental Protection Act 1990*, the *Water Resources Act 1991* and the *Environment Act 1995*.

Although environmental legislation has been laid down, the government take a discretionary approach towards organisations. The governments set targets such as stating how much material has to be recycled per year. The Royal Commission on Environmental Pollution first outlined in concept of BPEO (Best Practicable Environmental Option) in its 5th Report. A BPEO approach was described as meaning the reduction or modification of waste generation and the direction of what waste remained to the environmental medium in which the least overall damage would be done.

European legislative pressure is a little more direct and assertive than national legislation. This is counteracted by the fact that the directives issued by the EU have to be translated by the member states and turned into national laws then enforced. Again dependent on the attitude of particular countries effects how these laws are enforced.

The environmental policies of the EU are based on:

- Prevention is better than cure
- The polluter pays
- Other policies should take environmental issues into account.

To set about achieving its targets as effectively as possible, the Fifth Community Action Programme on the Environment "Towards Sustainability" established the principles of a European strategy of voluntary action for the period 1992-2000, which would take account of all the causes of pollution (industry, energy, tourism, transport, agriculture, etc.).

This approach to environmental policy was confirmed by the Commission in the wake of its 1998 Communication on integrating the environment into European Union policies and by the Vienna European Council (11 and 12 December 1998).

Consumer demand pressures are the least structured but most troublesome to organisation. This is backed by consumers taking a 'green' attitude to the way they purchase goods and services. This is called 'Green Consumerism'. In the peak of the GM foods crisis in 2001 in the UK, supermarket chain

Iceland took an active approach and stopped stocking GM foods altogether and used it as a PR campaign in order to attract GM food concerned consumers to shop in their stores.

Commercial pressures which businesses endure are varied but are usually influenced by saving costs, generating revenue or avoiding unnecessary expenditures. Some environmental actions can lead to cost savings and companies will adopt these practices. Environmental performance will affect an organisations financial attractiveness in relation to investors, lenders and share price.

Other commercial pressures include 'green taxes' which have been imposed upon businesses, this will influence an organisations behaviour. Insurance premiums are also affected by a company's environmental performance. If a company appears to have a lower risk of environmental impact their premiums may be lower.

Environmental groups influence businesses directly and indirectly, they take active steps towards organisations which have a negative impact on the environment. These steps could be anything from a protest to something more severe such as bomb threats or sabotage. Although nowadays most environmental groups take a more diplomatic approach to reducing environmental impact such as working with the businesses. The pressure which environmental groups enforce is usually the most influential as it directly affects a company's image.

2)

In order for a business to reduce their environmental impact whilst maintaining sustainability, they will have to assess their environmental aspects which involve their activities, products and/or services then investigate which will have an impact.

For a business to reduce their environmental impact they would have to create or build upon their current EMS (Environmental Management System). The EMS is intended to result in improved environmental performance. Because a company's environmental performance is directly related to the effect that its activities have on the surrounding which it operates, the validity of an EMS is dependant on a comprehensive understanding of those elements of their activities that can significantly affect the environment.

In order to create a successful EMS, the company will have to produce guidelines and policies for involved employee's (either directly or indirectly) to follow and maintain. One example of these types of policies can be seen in that of the multinational oil production company British Petroleum. They have created documentation which employees who are involved in the maintenance of oil production and distribution are to adhere to. The set of documents are called 'Getting HSE Right – a guide for BP managers' (BP, 2001). It covers the company's values and policies towards environmental impact, risk management, crisis management, incident reporting, performance targets etc. By implementing this particular EMS to their managers, BP are

actively trying to reduce their environmental impact and pave the way for continued sustainable development.

A successful EMS will cover all aspects of activities which affect the environment, various impact categories include:

- Consumption/depletion of energy
- Consumption/depletion of natural resources
- Air contaminants
- Wastewater discharge
- Land contamination
- Hazardous waste disposal
- Solid waste disposal
- Noise
- Odour

Once the aspects have been identified, you can then investigate and identify the environmental impacts. This can be done by producing the relevant documents such as a pro-forma which employees can go through. Below is an example taken from '*Identifying Environmental Aspects and Impacts* - Marilyn R. Block, 1999.

Figure 3.2. Identification of environmental impacts.

Operational Area:			
Activity/Task:			
Aspect (from Figure 2.2):			
Form Completed by:			Date:
Yes	No	Questions	Impacts (Complete this section for any "yes" response.)
		1. Does any component of this aspect reenter the process from which it was generated?	List the component(s) and amount.
		2. Does any component of this aspect enter another internal process?	List the component(s) and amount.
		3. Is any component of this aspect sent off-site for recycling?	List the component(s) and amount.
		4. Is any component of this aspect sent off-site for reprocessing?	List the component(s) and amount.
		5. Is any component of this aspect sent off-site for reuse?	List the component(s) and amount.
		6. Is any component of this aspect emitted to the air (either directly or as fugitive emissions)?	List the component(s) and amount.
		7. Is any component of this aspect discharged to water?	List the component(s) and amount.
		8. Is any component of this aspect handled as solid waste?	List the component(s) and amount.
		9. Is any component of this aspect handled as hazardous waste?	List the component(s) and amount.
		10. Could this aspect contribute to an accident?	Identify the type of accident, the conditions under which it could occur, and the result.
		11. Could this aspect create an emergency situation?	Identify the type of emergency, the conditions under which it could occur, and the result.

Once environmental impacts are identified, each must be evaluated to establish the magnitude of the impact. Different companies will use different methods of assessment in investigating its environmental performance, this is dependent on the type and amount of activities they carry out. Some of the most common criteria for assessing environmental impact are severity, likelihood and frequency of an impact. This criterion will be measured using an indicator with several points i.e. 5 - being most severe/catastrophic and 1 - being most harmless. Other criteria which could be considered includes:

- Boundaries scale – global, regional, local, isolated
- Controllability scale – uncontrollable, indirectly influential, directly controllable
- Regulatory status scale – regulated by local authorities, company policy, unregulated
- Reportability scale – Government notification, corporate notification, management notification, not reportable

Additional considerations which could apply for bigger organisations may include:

- Stakeholder Concerns scale – concern to all parties, few parties, one party, no interested parties.
- Duration scale – Irreversible. 3 years or more, 12 months, short term.

Taking the last consideration into account recalls the Chernobyl Power Station incident which effected the close population for years to come resulting in illness, high infant mortality rate, mutations among humans, animals and plant life.

Once environmental impact assessment has been carried out and all aspects have been thoroughly covered and evaluated, steps can be taken to change bad practices or operations. The aspects which need to be altered or rectified can be done with the approach to implement sustainable development. For example if a company discovered they were using too much fossil fuels, steps can be taken to implement the usage of more eco-friendlier and cheaper sources of energy such as renewable energy – wind farms, hydro-power, solar power, etc.

3) Manufacturing Sector Kronspan Ltd.

Kronspan Ltd. is a multi-national company which manufactures MDF, sawn timber, chipboard and laminate flooring panels in many variations. As their main resource for operations is wood they have a huge impact on the

environment. Although their concentration for successful environmental performance lies predominantly with the consumption of natural resources, they have a huge effect on their local environment in terms of noise, odour and land and water pollution. Between the 29th March and the 9th October, the Environmental Agency had recorded evidence of a local waterway being contaminated with substances that are harmful to the local natural environment. They were fined 60,000 pounds for a number of the same offences. In the year 2003 they have been fined a total of 75,000 pounds for similar offences.

The company own and operate 6,500 hectares of woodland which is FSC certified which it mentions in its environmental policy (see appendix), but the policy is dated March 2001 and doesn't mention their efforts to support sustainable development.

In terms of environmental commitment, Kronospan Ltd. doesn't give the impression of being an environmentally aware organisation and the environmental section on their corporate web site gives very little insight to their Environmental Management System or plight to support sustainable development.

Service Sector BT Group Plc.

BT are the biggest and most established telecommunications company in the UK and though they are the oldest, even now they appear to be very in touch and aware of their environmental impact. On their web site (see appendix) they have a dedicated section outlining their Environmental Management System detailing which aspects they most impact upon.

They go into great detail on their environmental aspects and impacts and how they have strived to reduce them over the years by implementing new structures, practices and by altering activities and methods used in processing their operations. The web site covers:

- Environmental Management System
 - Our Environmental Policy
 - Environmental Prosecutions
- Fuel, energy and water
- Waste
- Transport
- Emissions to air
- Procurement and the environment
- Product stewardship
- Local impacts
- Benefits
- Payphones
- Glossary

Besides the commitment to letting interested parties know about their environmental efforts, there is another section detailing their support for sustainability (see appendix).

Retail Sector

The Body Shop

Probably the most recognised organisation in relation to supporting environmental issues and sustainable development. As well as doing a huge amount in protecting the environment, they also support and are actively involved in these issues:

- Against animal testing
- Supporting community trade
- Activating self esteem among people
- Defending human rights

Trying to make suggestions about how The Body Shop could improve environmental awareness and the support for sustainable development is almost impossible because as an organisation, The Body Shop is at the forefront of these issues, they just happen to be in the retail sector. The Body Shop have set the environmental benchmarks for companies to follow and have been very public in what they aim to achieve in relation to integrating economic growth and sustainable development.

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Bibliography

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