

Corporate Environmental Reporting



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CENTRE OF ENVIRONMENTAL TECHNOLOGY LIMITED



Time to Start **Corporate Environmental** *Reporting Now...*

More and more companies overseas are reporting on their environmental performance, whether it be a brief mention of their green activities in the annual report or a separate document to record their quantified emission targets to be achieved next year.

The fact that environmental reporting becomes an international trend is evident:

“ The 1996 KPMG international survey of environmental reporting shows that in the 13 major countries surveyed, environmental reporting has become part of the annual corporate reporting process:

Nearly three out of four companies include environmental information in the annual report. One in four companies produce separate environmental reports. ” *

This pamphlet serves to assist companies which are interested in taking up environmental reporting as a proactive and smart business move.

Why report ?

Creates market opportunities and enhances competitiveness

“ The report has acted as a useful marketing tool in winning business overseas. For example, partners in overseas joint venture have stated that they were more willing to work with companies that had a proven record in environmental management. The report has undoubtedly helped National Power to demonstrate this. ”

*Steve Adrian, Environmental Planning Manager,
National Power, United Kingdom*

Satisfies the community's right to know

“ Increasingly, our customers and a wider range of stakeholders are seeking assurance on the environmental, health and safety (EHS) aspects of the service we provide. We recognise this and believe that EHS progress must be both achieved and communicated, just as for the financial aspects of our business. ”

*Mr. Ross E. Sayers, Managing Director,
CLP Holdings, Hong Kong*

Improves access to funds, insurance and leases

“ In my view, quality of environmental management and reporting tell a lot about a company's management quality in general. An investor who ignores this clearly increases risk and misses out on opportunities. ”

*Carlos Joly, Senior Vice President,
Storebrand, Norway*

Raises staff commitment to improve environmental performance

“ Public reporting has been a good mechanism for us to inform and raise awareness of the target audiences. Within the company, staff welcomed the document as it brought together the range of actions the company is taking on the environment and this has motivated staff to take further actions. ”

*Dr. Stephen Hill, Group Environmental Policy Advisor,
National Grid, United Kingdom*

Reassures regulators and bridges communication with neighbours and other stakeholders

“ Publishing your own report will be an ideal opportunity to put information about your pollution loads into context and to explain how you are managing your impacts. ”

*Pam Allan, Minister for the Environment,
Australia's NSW*

How to get started ?

Here are nine simple steps :

1. Decide objectives of reporting.
2. Appoint responsible persons.
3. Identify target readers.
4. Decide on report content, format and distribution channels (local and overseas).
5. Collect information and process data, especially those that can be readily gathered from the existing management system.
6. Draft report and seek internal approval.
7. Obtain independent verification, if needed.
8. Publish report, invite feedback and provide a contact point for follow up.
9. Collect feedback and evaluate effectiveness of the report in preparation of next year's cycle.



Who reads it ?

There are many potential readers :

- Customers and Consumers
- Financial Investors, Bankers, Insurers and Shareholders
- Regulators and Legislators
- Employees
- Suppliers, Contractors and Joint Venture Partners
- Trade, Industry and Commerce Associations
- Local Communities
- Press and Media

For different businesses, some will be more important than others.

What content to include ?

The following fifteen point checklist* highlights the key elements to be included in a report. This provides a comprehensive template of a good practice. Companies are recommended to select and report on the issues that suit their own priorities, business focuses and target audiences.

Checkpoint	Contents
1.Organizational profile	Processes/activities and products/services Financial data Number of sites and geographical locations Number of employees Subsidiary businesses/joint ventures Inclusions/exclusions from the report
2.Environmental policy and commitment	Environmental policy Senior management commitment
3.Target audiences	Audiences
4.Environmental management	Responsible employees Management structure Environmental management system Audits and key findings Risk assessment and management techniques Training and internal awareness raising
5.Main environmental impact	Areas of environmental impact Controversial issues openly addressed Action programmes to minimize impacts
6.Data on release to the environment	Data on emissions to air Data on discharges to water Data on solid wastes produced Solid wastes management methods Use and release of hazardous materials Historical data to illustrate trends Changes in organization Performance measures chosen
7.Use of resources	Data on energy Data on transport fuel Data on non-renewable resources Data on water consumption Data on process raw materials Waste minimization measures

8. Performance indicators

Causes of significant environmental impacts
Impacts quantified
Data normalised (to take into account changes in production volume)
Changes in organization
Benchmarking with others

9. Targets

Quantified targets set
Targets distinguished from objectives
Targets are realistic and challenging

10. Legal compliance

Prosecutions and formal warnings
Fines
Breaches of consent permits
Causes and effects of the incidents
Measures taken to ensure future compliance

11. Product design/stewardship

Design to reduce environmental impact
Design for re-use or re-cycling
Product return / refurbishment schemes
Life-cycle assessment
Packaging reduction
Customer advice and support

12. Suppliers

Design to reduce environmental impact
Design for re-use or re-cycling
Product return / refurbishment schemes
Life-cycle assessment
Packaging reduction
Customer advice and support

13. Financial information

Environmental expenditure
Environmental provisions and liabilities
Environmental programme savings
Environmental accounting procedures

14. Sustainability

Quantifiable indicators of sustainability

15. Independent verification

Method of verification
What has and has not been verified
Accuracy and veracity of the report

* Extracted from the publication "Guide to Environment and Energy Reporting and Accounting 1997" by the Association of Chartered Certified Accountants (ACCA).

What format to adopt ?



There are many different formats for reporting. Companies can choose the format to meet their own business needs and requirements. Some commonly adopted options are :

- 'Stand-alone' environmental report
- A section on the environment as an integral part of the annual report
- Environmental newsletter
- Company brochure

Useful Information on Corporate Environmental Reporting

Publications

Advisory Committee on Business and the Environment (ACBE) guidelines: Environmental Reporting and the Financial Sector - An Approach to Good Practice — puts emphasis on the needs of the financial sector, includes examples of financial disclosures and environmental performance that have material financial implications.

ACBE

Department of the Environment

151 Buckingham Palace Road

London SW1W 9SS Fax : 0171 215 1621

Coalition for Environmentally Responsible Economies (CERES)

guidelines — aims to enhance reporting and help investors make informed decisions about which companies to invest in.

CERES

711 Atlantic Avenue

Boston

Massachusetts 02111

USA. Fax : 1 617 482 2028

E-mail : ceres@igc.apc.org

Corporate Environmental Reporting: Why and How ? — suggests an approach to reporting and discusses some of the emerging issues.

NSW Environment Protection Authority

799 Pacific Highway

PO Box 1135

Chatswood 2057 Fax : (02) 9325 5678

Website : <http://www.epa.nsw.gov.au>

Public Environmental Reporting Initiative (PERI) guidelines — in a general format applicable to most sectors and companies.

*Corporate Health, Safety & Environment
The British Petroleum Company
Britannic House, 1 Finsbury Circus
London EC2M 7BA
Fax : 071 496 4507
Website : <http://www.nortel.com/cool/habitat/commsol/peri.html>*

United Nations Environment Program (UNEP) guidelines — UNEP/SustainAbility published a report, *Engaging Stakeholders*, Vols 1 and 2 in 1996. Volume 1 : *The Benchmark Survey* covers international trends in corporate environmental reporting; introduces new and revised reporting and benchmarking tools. Volume 2 : *The Case Studies* focuses on the activities and perspectives of 12 very different users of corporate environmental reports.

*United Nations Environment Programme
39-43 Quai Andre Citroen
75739 Paris
Cedex 15, France Fax : 331 44 37 14 74
Website : <http://www.unepie.org>*

World Industry Council for the Environment (WICE) guidelines — based on input from and expertise of its members (90 enterprises representing a wide diversity of sectors from 21 countries) to provide information on what organizations can include in their reports.

*International Chamber of Commerce,
United Kingdom
14/15 Belgrave Square
London SW1X 8PS Fax : 071 235 5447*

Contact for Further Information

Business Environment Council

Room 201, 2/F, Jockey Club Environmental Building,
77 Tat Chee Avenue, Kowloon Tong, Hong Kong.

Tel. No.: 2784 3900

Fax No.: 2784 6699

Website address: <http://www.bec.org.hk>

This pamphlet is bilingual. For a copy of the Chinese version, please contact the above organizations.

