



# Reporting helps polish reputations

A growing number of company results now feature triple — even quadruple — bottom lines

BY GILL SOUTH

**P**UBLISHING your first environmental report to stakeholders can be an unnerving experience. It holds your company up for inspection, warts and all, listing everything about how you do things — from your electricity use to the kinds of cars in your fleet.

Most companies can always do better, so there is plenty of material there for nit-pickers.

But environmental reporting is generally good for a company's reputation. More local companies are embracing it, although some are still waiting and watching what others do.

Membership of the NZ Business Council for Sustainable Development has gone from 55 members to 73 in the last year and includes names such as The Warehouse, Fletcher Building, Telecom and Fonterra. Council members have total sales of \$44 billion a year, making sustainability mainstream, says communications manager Graeme Colman.

The other main sustainability organisation, the Sustainable Business Network, whose members are mostly small to medium-sized businesses, saw numbers grow 25 per cent last year to 650. Chief executive Rachel Brown says: "There are always early adopters, those who say, 'This is the way, truth and the light'. Then

there are others who will just say, 'I'm not bloody doing it . . . it's a phase and it'll go away'.

"What we see with more businesses is that their stance is helping them get contracts, especially with corporates and government."

The Small Business Network is there to help the uninitiated. "We still know there's a lot of people hearing about it but don't know what to do. At SBN, you get to . . . learn from other people and not to make the same mistakes."

Nick Jones, a management consultant who helps companies generate value from environmental reporting, says: "Some companies are worried it is going to cost and they are not going to get anything back."

A recent survey found 25 per cent of micro-businesses did not know where to go for help on environmental reporting and becoming sustainable.

"If every small business saved \$100 in energy every year, that's a heck of a lot of money. If lots of smaller businesses changed their cost management, it would stop huge amounts of stuff going to wastefills," he says.

Smart companies are marketing their efforts internally and externally.

"For SMEs, environmental reporting is really about informing stakeholders," says Nikki Wright, a PR specialist in sustainability whose clients include Urgent Couriers, Ricoh and EcoStore.

They are improving their bottom line profits, she says, and winning business because they are able to respond to tenders confidently.

Another trend Wright is seeing is more detailed sector reporting. Transport companies are invited to show the



efficiencies they have gained, for example, and laggards will be exposed.

"It seems a little bit backward not to report on the triple bottom line, or better still the quadruple bottom line," says Wright. With the latter, companies are reporting in four different ways: the financial/economic report; social — employees and community; environment — how is the company prepared for climate change?; culture — the policy on diversity.

"The term sustainability for an SME in this environment is about keeping your head above water. It's about keeping on with this business and retaining economic and financial sustainability by reducing ... consumption and looking at how the business could be more efficient."

Mark Lowndes, of Lowndes Associates, a commercial law firm which late last year went carbon-neutral, is reporting plenty of benefit from environmental reporting.

"We are finding new work from existing clients and new clients are approaching us," he says.

Going carbon-neutral cost a few tens of thousands of dollars. "It's definitely been profitable this year with savings achieved," he says.

There are some good role models in New Zealand. IAG, the insurance giant which owns State Insurance and NZI, tied for the prize of best sustainable reporting by a corporate in last year's NZ Institute of Accountants Annual Report awards. It has reduced fuel consumption by its car fleet 22 per cent, saving \$200,000 over the past two years. Air travel costs are also down 15 per cent.

Meanwhile, in an annual survey, nearly 75 per cent of staff recently cited the company's commitment to balancing economic, social and environmental factors as a reason for rating the company highly, says sustainability manager Kerry Butler.

Another corporate, Westpac, has topped the world's banks on the Dow Jones sustainability index for five of the past six years. In New Zealand, it has just switched half its car fleet to the Toyota Prius, which will lead to 51 per cent in CO<sub>2</sub> savings. The bank saves \$750,000 a year thanks to its various steps to reduce the business' impact on the environment, says Suzie Marsden, head of corporate responsibility.

"It's not just about our financial performance — it's about doing the right thing. It's not for commercial gain, but we have seen it impact positively on brand reputation and staff engagement."

There is a growing industry of consultants out there to help firms who want to maximise the rewards for their environmental reporting.

Peter Salmon, director of Moxie Design Group, a Wellington-based sustainable design and communications consultancy, says he is getting more approaches than ever. "The business case for sustainability has been driven around reputation, efficiency and staff retention," he says. "We think these are good ways to save money."

A survey had found that 32 per cent of New Zealanders were concerned about environmental solutions and would actively seek products and services and support companies that reflected their environmental and social values.

"A lot of this is common sense from a business perspective," Salmon says. ■

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