MAKING THE BUSINESS CASE FOR EHS: Report Shows Companies Can Be Environmentally Progressive & Increase Revenue

For the senior management in many companies, money is the bottom line. That is, unless they're legally required to reduce greenhouse gas (GHG) emissions or take other environmental actions, they'll only do so if you can prove that it'll reduce costs or increase revenue. Their fear is that such voluntary initiatives will drain funds that could be used to make the company more profitable. A recent report by the non-profit group Climate Counts provides some ammunition that you can use to show your senior management examples of major companies that have managed to be both environmentally progressive while increasing their revenue.

THE CLIMATE COUNTS REPORT

Climate Counts scored the largest 145 companies (by revenue) in 16 industry sectors. It assessed the companies on a 100-point scale using 22 criteria, which measure a company's efforts to:

- Assess their climate footprint;
- Reduce GHG emissions;

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Climate Counts'

- Support progress on climate legislation; and
- Communicate their efforts clearly and comprehensively to consumers.

Researchers used publicly available information from both self-reported sources and credible third parties, such as the Carbon Disclosure Project. (For more information on the Carbon Disclosure Project, see ‘How Companies Benefit from Voluntarily Reporting GHG Emissions.’)

The scorecard for each company is broken down into four sub-sections:

Review: Is the company taking inventory of their GHG emissions using an industry accepted accounting standard’ (22 possible points);

Reduce: Has the company articulated a strategy for reducing GHG emissions and has it succeeded in achieving actual reductions’ (56 possible points);

Policy Stance: Does the company explicitly support the need for comprehensive energy and climate policy or is there evidence it opposes such measures’ (10 possible points); and

Report: Is the company publicly disclosing information about its sustainability efforts and its progress toward carbon neutrality’ (12 possible points)

The higher the company’s score, the more committed it is to fighting climate change.

Scoring Scale

Climate Counts scores companies on a 100-point scale:

STUCK (12 points or less): These companies have little or no publicly available information on climate or emissions performance.

STARTING (13 – 49 points): These companies have all the basic components of a climate strategy in place.

STRIDING (50 – 84 points): These companies are making strong headway to reduce their climate impact.

SOARING (85 – 100 points): Due to the increasing number of striding companies, it

(See the box at right for scoring scale.)developed this
Unilever earned the top spot on thetier for those
scorecard for the second year in a row withcompanies
an unprecedented score of 91. The reportdemonstrating
found that the company ‘continues totruly exceptional
demonstrate exceptional leadership on itsleadership on
Sustainable Living journey to double theclimate change.
size of their business while reducing GHG
emissions by half by 2020.’ (See the box at[/box]
bottom for the top scorers in each industry
sector.)

Key take-aways from the report:

- Numerous companies, including five of the top six’Unilever, Nike, UPS, Levi Strauss & Co. and L’Oreal’demonstrated year-on-year revenue growth while decreasing absolute emissions across all or some business units.
- 66% of companies scored in 2012 have a publically available climate and energy strategy as compared to only 25% in 2007.
- 1,168,812: the combined 2011 GHG reductions in metric tonnes by the top five companies.

***Insider* Says:** Go here for the scorecard for each company, organized by industry sector.

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2012-2013 SECTOR LEADERS

Apparel/Accessories: Nike (89)	**Household Products:**L’Oreal (87)
Banks: Bank of America (86)	**Internet/Social Media:**Google (64)
Beer: Heineken (79)	**Large Appliances:**AB Electrolux (87)
Consumer Shipping:UPS (89)	**Media:**News Corporation (67)
Food Products: Unilever (91)	**Pharmaceuticals:**Johnson & Johnson (82)

Food Services: Starbucks (69)	**Technology (formerly Electronics):**IBM (86)
Home and Office: Herman Miller (66)	**Toys & Children's Products:**Hasbro (73)

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BOTTOM LINE

Few things are as compelling as real-life examples of companies successfully doing the things you want your company to do. The message from the top companies in the Climate Counts report is clear: Climate change poses a threat to business. So these companies are prioritizing the need to reduce GHG emissions and lower their carbon footprint'and doing so while operating profitable and even growing businesses. *The lesson*: If these companies can be environmentally progressive and still make money, your company can, too.

Insider **Source**

2012-2013 Annual Company Scorecard Report, Climate Change, Dec. 2012