

Britain: Big business ignores government pleas to "get green"

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Big business has failed to meet Prime Minister Tony Blair's only environmental challenge: to publish environmental reports by the end of 2001. Blair issued the challenge in October 2000, but less than a quarter of the 350 largest UK companies have met the target, according to the government's own figures.

Public concern over the impact of big business on health and the environment has grown dramatically in recent years. A recent MORI poll found that 92 percent of the UK public believe "multinational companies should meet the highest human health, animal welfare and environmental standards wherever they are operating." The same poll also found that between 87 percent and 92 percent of people think the government should protect the environment, employment conditions and health, even when it conflicts with the interests of multinationals.

Blair's approach to big business on green issues has been to request minor changes, as a means of offsetting popular criticism while avoiding the introduction of legislative controls.

It was during a keynote address to the Confederation of British Industry in October 2000, that Blair told business leaders, "I am issuing a challenge, today, to all of the top 350 companies to be publishing annual environmental reports by the end of 2001." But the government's own figures indicate that only 79 of the top 350 companies (23 percent) are now producing substantive reports on their environmental performance, and only 24 (7 percent) of the other companies in the FTSE 350 have indicated their intention to do so. While 10 percent of other top 350 companies mention the environment in their annual reports, in many cases it is given only a few short paragraphs.

According to research by Pensions and Investments Consultants (PIRC), 60 of the FTSE 350 were already

producing environmental reports in 1998. This means that of the 290 companies for which the challenge was most relevant, only 19 (7 percent) have met the deadline.

The Friends of the Earth environmental group has called on the government to introduce a mandatory reporting regime for business, as exists elsewhere in Europe. Denmark, Norway, Sweden and the Netherlands all have legislation in place forcing companies to report on their environmental performance. Craig Bennett, corporate accountability campaigner at Friends of the Earth, commented: "The failure of big business to meet Downing Street's deadline on reporting is a snub to Blair and two fingers to the environment. It's time the Prime Minister ended his cosy relationship with big business and started doing what governments should do: regulating to protect people and the environment."

Professional bodies—and politicians—only ever promote environmental awareness and supposedly green policies when they calculate this will boost profits, enhance reputations and prevent regulation. A recent study by the Institute of Chartered Accountants in England and Wales warns, "If companies and the professions do not take a lead in developing realistic and understandable measures for non-financial information, regulators may well force their own ideas on them in the name of the public interest."

To encourage corporate UK to become "green", the Department for Environment, Food and Rural Affairs (DEFRA) issued guidelines in November for businesses to improve their environmental reporting. But in the bullet-pointed introduction explaining why companies should report on these issues, the reader is only given the financial benefits of companies improving the reporting of their green policies, rather

than the environmental impact.

The guidance states, “Producing a report on environmental policies and performance can improve your organisation’s reputation; aid communication with a wide variety of stakeholders; play a major role in improving your management of risk, and; help you to identify opportunities for savings in resources used and operating costs.” DEFRA had also found that of the quarter of the FTSE 350 companies that publish environmental reports, the amount spent on producing them varied from a few thousand pounds to a maximum of around £100,000, a drop in the ocean compared to their annual turnovers.



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