



Going Green

Charities and Environmental Responsibility



The Charity Commission is the independent regulator for charitable activity. This is one of a series of reports that draws upon independent research that we have commissioned, as well as our own internal data, knowledge and experience of working with charities.

The purpose of these reports is to help increase understanding of an issue. They are part of our mission to help charities maximise their impact and comply with their legal obligations, to encourage innovation within the charitable sector and enhance effectiveness.

This report presents our findings from research into the ways in which charities are taking environmental responsibility. It contains ideas that you may wish to consider adopting, taking into account your charity's own particular situation.

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Foreword

All parts of our society are being encouraged to think about environmental sustainability, and the expectations on charities to address these issues are growing.

This research report supports our role to encourage all charities to critically assess what they do and to continuously review the effectiveness of their operations and working methods. Using charities' own experiences, it shows how they can play a fuller role in environmental issues, champion environmental sustainability and adapt their own working procedures to make key changes.

There are currently many initiatives which encourage charities to get involved in environmental sustainability. The *Third Sector Declaration On*

Climate Change, for example, drawn up by Every Action Counts, shows how charities can take action by offering a statement of intent on how they will tackle the issue of climate change, both internally and within our communities. The Carbon Trust has also recently published general energy saving opportunities for charities.

This report reflects the experience of charities taking environmental responsibility, from the most basic level to changes in ways they deliver their services. In showing just some of the ways in which charities are responding to environmental issues, it will hopefully inspire trustees who have not yet thought about this issue to start to do so.

Introduction

The world's attention has never been as focused on taking responsibility for the environment as in recent years. Every part of society, whether government, business or individuals, is being encouraged to operate in more environmentally friendly ways, to help sustain not only the quality of life we expect today but for generations to come.

Charities have a long established role in this arena, both through the direct work they do to improve the environment and through their own administrative systems.

Given that there are over 190,000 registered charities in England and Wales, there is real potential for even the smallest green initiative adopted by some, or all, of these charities to have a positive environmental impact.

In 2007, we met with a group of third sector organisations who had an interest in increasing the sustainability of their working practices and we subsequently published our guidance, *Environmental Responsibility: what role should charities play?*

This report looks at the range of environmental activity charities are carrying out, either directly as part of their charitable purposes, or indirectly through the way they run themselves. It highlights findings from interviews with a small cross-section of charities and brings to life their environmental activity. The report describes action that charities can take as good practice, and highlights some other innovative ideas for charities to consider.

Whilst a report of this nature cannot hope to reflect every aspect of charities' environmental work, we hope that the experiences of the cross-section of charities we have featured in this report are of interest and value to all.

'Public perception is changing. If charities want to keep their competitive edge, they have to be accountable and on the pulse of what the public is looking for. They may well decide that the organisations that take their own environmental performance seriously are the ones they want to invest in.'

Interview with an international non-environmental charity

Key findings

- Charities are increasingly recognising and responding to environmental concerns. Our research identified a range of ways in which charities are becoming 'greener' and enhancing their environmental sustainability.
- The research found that charities implement environmental initiatives often as a result of pressure from key individuals who are either working within, or closely associated with, the charity, rather than the result of a strategic decision by trustees. There was also concern that if such key individuals left, the momentum for environmental action would be lost.
- Charities reported a range of practical, financial and attitudinal barriers to taking environmental responsibility, but it was clear that where there was pressure from key individuals, or the charity showed a willingness to change, then it was possible to overcome those barriers.
- Some charities are supporting their approach to addressing environmental concerns with resources, for example through asking staff to take on an 'energy champion' role or by formally tasking staff with encouraging environmental activity within the organisation.
- There is evidence of charities developing environmental themes to their work where this approach is relevant to, and enhances, their purposes.
- The research found that some charity trustees are reluctant for their charity to carry out any environmental work, as they are concerned that it may not be a legitimate use of the charity's resources.
- Just under half of the charities surveyed either had, or were developing, a written statement that covered environmental issues.
- Some charities are carrying out environmental audits, but only a few charities appear to be carrying out energy efficiency tests.
- Some charities (including seven of the top thirty charities) now incorporate an Environmental Statement in their Trustees' Annual Report.

1. The legal and regulatory context

1.1 Legal requirements

The Charity Commission has statutory objectives both to promote the effective use of charity resources and to increase public trust and confidence in charities. As part of our work to deliver against these objectives, the Commission encourages charities to take environmental responsibility and to carry out environmental activity, consistent with their purposes.¹

The increased focus on this issue is underpinned by legal requirements. Some of these requirements apply to all charities, whereas some apply only to incorporated charities:

Charity law - Charities are required to act within their objects. This means that all of their assets must be used to further those objects, either directly or indirectly. Charity trustees also have a general duty to preserve and manage the charity's property in a way which furthers their charitable purposes.

Companies Act 2006 - Section 172 (1) (d) of the Companies Act 2006 introduced a new environmental duty for directors. Since October 2007, directors of charitable companies are required to act in a way that they consider to be the most likely to achieve their organisation's charitable purposes. In doing so, they must have regard to various matters, including the impact of the company's operations on the community and the environment. There are approximately 28,000 incorporated charities on the Commission's register of charities, and this is almost 15% of the total number on the register. All these charities need to comply with this duty.

The Energy Performance of Buildings (Certificates and Inspections) (England and Wales) Regulations 2007 SI 2007/91 - As from October 2008, all buildings require an Energy Performance Certificate whenever they are built, sold or rented out. The Certificate shows how energy efficient a building is.

1.2 Reporting sustainability

We have reviewed the top 30 charities'² Trustees' Annual Reports³ for the period 2006 to 2008 to see whether these charities have measured and reported on their environmental impact.

Between 2006 and 2008, the number of charities making an environmental statement increased slightly (from five charities to seven) and in some cases the level of information had increased and evolved. In addition, a further five charities detailed their ethical investment policies in 2008. Although

the improvements indicate positive trends, the numbers are still relatively low, possibly reflecting the fact that environmental work for some is still relatively new. The next challenge is to consider how best to measure evidence of environmental impact.

The most detailed disclosure of environmental activity was provided by two charities, which were not specifically environmental charities but had environmental themes at the core of their work.

¹ See Annex B for the answers to some common questions asked of the Charity Commission about charities and environmental activity.

² Based on the charities' income in 2006

³ Based on the charities income in 2006

The National Trust 205846

The Trustees' Annual Report included information on:

- analysis of the impact of climate change on the coastline which it owns;
- procurement of local food now being used in its restaurants;
- sustainable land management policies;
- the level of electricity usage and a commitment to investigate this;
- environmental grants to its properties; and
- plans to encourage people to buy local food and take steps to reduce their impact on the environment.

OXFAM 202918

The Trustees' Annual Report included information on:

- climate change in the Chair's report;
- a published aim to engage strongly with climate change;
- development of robust mechanisms for measuring its carbon footprint; and
- key performance indicators for environmental performance.

There is currently no Statement of Recommended Practice (SORP) requirement for charities to include this information in the annual report. However, the new environmental duty for directors in the Companies Act 2006 requires directors of charitable companies to take into account the impact of the company's operations on the community and the

environment. It is good practice, certainly for larger charities, to think about this issue in relation to their accounting information. For example, charities may choose to participate in good practice initiatives such as the *Accounting for Sustainability* project and the *ACCA awards for sustainability*.⁴

⁴ To find out more about *Accounting for Sustainability*, go to: www.sustainabilityatwork.org.uk
To find out more about the ACCA awards for sustainability reporting, go to: www.accaglobal.com/publicinterest

2. Drivers and barriers to environmental responsibility

Our interviews involved charities of all sizes, operating nationally or internationally, and with varying degrees of interest in environmental issues. The interviews aimed to highlight the different experiences that these charities had of these issues.

A range of factors were identified which were driving environmental activity and, similarly, a range of factors were identified which were creating barriers to charities taking action.

2.1 Drivers for engaging in environmental activity

A Mori poll in July 2007 found that 88% of people thought that the world's climate was changing and 78% of people thought that this would present a significant problem for future generations.⁵

It is clear that charities are recognising the growing emphasis on environmental concerns. Three of the charities interviewed cited the need to maintain their reputation as a driver for their environmental activity. The view of one respondent from an international charity was that every organisation and individual has a responsibility to do what they can.

Other drivers for non-environmental charities to take environmental action included:

- key individual(s) within the charity;
- pressure from service users/members;
- staff;
- trustees;
- individual awareness;

- landlords;
- scientific evidence;
- religious ethos;
- aim for excellence/best practice throughout the organisation; and
- core business.

A recurring theme was that key individuals within the charities instigated and pursued environmental initiatives. There was concern expressed that if a key individual left, the momentum could be lost.

Four charities that we spoke to mentioned a key individual, or individuals, within the charity who were drivers for increased environmental activity. Two charities said that their environmental activity was driven by their service users or members and two said that staff and volunteers carried out environmental activities for the charity in their own time.

"Our chief executive is very environmentally aware; loads of our volunteers are; one of our funders is; the City Council doesn't want anyone driving into the city; you cannot live here and not be at least aware of environmental issues."

A non-environmental charity based in the East of England

Some charities said that they had staff who were specifically tasked with the role of energy champions, or who were members of a 'green group'

whose purpose was to promote and encourage environmental activity within the organisation.

⁵ www.ipsos-mori.com/content/polls-07/green-britain-survey.ashx

2.2 Issues and barriers to taking action

Our interviews with charities found that the fundamental barriers which prevented them from carrying out more environmental activities were

a lack of resources, time and money. More than two-thirds of the interviewees mentioned these difficulties.⁶

“At the moment they’ve just got me dealing with environmental issues. In an ideal world it would be lovely to have a Head of Environment and a team of two or three people having responsibility for all these aspects of environmental improvement, but I think we’re a long way off having a team and budget assigned to it.”

Interview with a representative from a national non-environmental charity

Some charities, which were developing environmental themes as part of their work, reported difficulty in getting grant funding for environmental activities and one charity told us that it kept getting turned down for grants. This charity felt that the grant makers’ perception was that charities generate income and can therefore finance

this activity themselves. The charity was keen to stress, however, that it would welcome additional support for the environmental side of its work. This was also highlighted in a report by The City Bridge Trust which found that there are only a few funders who will make grants specifically for environmental improvements⁷.

City Bridge Trust 1035628

The City Bridge Trust is the working name of the grant-making arm of Bridge House Estates. It can use funds surplus to the building and maintenance of London Bridges, to make grants for charitable activity that benefits people in London.

When we met the charity it outlined its recent work under the third strand of its objects: ‘other charitable purposes for the general benefit of the inhabitants of Greater London in such ways as the trustees think fit.’ This work has included a number of ‘eco-audits’ that have been carried out on charities that they had given grants to, the findings of which were published in City Bridge Trust’s report: *Greening the Third Sector*. This report found that the main barriers to environmental activity were:

- the absence of a clear environmental policy;
- lack of awareness;
- shortage of funds; and
- practical obstacles, such as occupying rented accommodation.

The Charity now has a current programme of grant-aiding eco audits for charities in London.

⁶ 16 out of 21 charities

⁷ Greening the Third Sector, The City Bridge Trust, 2007

Restricted grant funding, however, was not the experience of every charity. One charity informed us of a successful funding bid to implement a new computer system, which helped the charity work more electronically and thereby reduce the use of paper.

There can also be barriers to using existing funding. One charity told us that it would be very reluctant to

engage in anything that had the potential to increase costs. Another said that the trustees would be reluctant to invest in anything that they saw as being outside their charity's objects and which would not provide a quick return.

The issue of environmental activity lying outside a charity's specific objectives was also raised as a barrier by some charities.

"Just as the third sector is increasingly challenged over whether our investment policies are properly aligned to our charitable objectives, so also do we need to consider whether our environmental performance is well integrated to the services we provide."

City Bridge Trust

In deciding whether or not to undertake any environmental work or activity, trustees should apply the same principles that they would apply when considering any other activity. The key question is 'Will this activity help to advance our charity's purposes?' The Commission can provide advice and guidance to charities if their trustees are unsure about whether specific activities fit within their objects.

In extreme cases, the governing document of the charity may need updating to reflect new activities. Certain charities will be able to make the changes under the terms of the charity governing document; others may need assistance from the Charity Commission.⁸

Other barriers to taking environmental action that were mentioned by one or more charities were:

- Insufficient storage space for recycling/re-using.
- Lack of information.
- Lack of knowledge.
- Difficulty in changing organisational culture.
- Difficulty getting people to change their habits.
- Conflicting priorities, such as the duty of care that requires a charity to provide a pension policy that

is the best available deal for its staff, but where this duty conflicts with the trustees' decision to provide an ethical pension policy from a supplier with an environmentally friendly investment portfolio.

- Buildings that are not environmentally friendly.
- Landlords/developers who are not interested in environmental issues.
- Difficulty in keeping up with, and making judgements about, environmental best practice.
- Not core business.
- Variations in individual staff and volunteers' attitude and willingness.
- Interested/knowledgeable staff and volunteers moving on.
- Perception that change should come via Government initiatives, not from individuals or organisations.
- Perception that environmental products and approaches may offer poorer quality than the alternatives.
- People who do not believe in climate change - according to a Mori poll in 2007, 8% of people do not think the world's climate is changing.⁹

⁸ Information about how to do this can be found in our Frequently Asked Questions 'Amendments to governing documents' on the Charity Commission's website www.charitycommission.gsi.gov.uk

⁹ www.ipsos-mori.com/content/polls-07/green-britain-survey.ashx

3. How charities are taking responsibility

In practice, we found that there are many ways in which charities are making a difference and are taking practical steps to address environmental issues. Often this was being done at a very basic level, showing what can be done with limited time and resources. Others were developing, or already had well-developed, procedures to increase environmental sustainability.

"I still think there's more we can do within our office; there always is in terms of keeping people up to date on best methods of being sustainable. In an organisation where everyone has a certain knowledge of environmental issues, there can still be problems. People here forget to turn things off; it makes me so conscious of just quite what we're up against with other organisations, when it's not specifically on their agenda."

Interview with an environmental charity in the South West of England

3.1 Recycling/re-use

Amongst the charities we interviewed, we found that recycling was the most widely embraced environmental activity. Every charity was recycling to some degree. All charities recycled paper, most recycled printer cartridges and, some recycled almost everything, including cardboard, plastic, glass and organic waste - although this was largely dependent

on the efforts of staff and volunteers at the charity concerned.

Some charities that we spoke to used local authority recycling facilities but some had experienced difficulty with this and found that there was a lack of such services available.

"One of the things we have struggled with in our shops and offices is the lack of [recycling] services available, although that is changing. Probably within the next 12-18 months we should be able to access some form of service for all our premises. It caused problems over the last few years but local authorities are doing more now."

Interview with a national charity

Sue Ryder Care 1052076

Sue Ryder Care provides compassionate care and support for people living with serious illnesses and conditions, as well as their families and loved ones. Sue Ryder Care is a leading provider of hospice care, neurological care and homecare, providing diagnosis through to specialist end of life care.

Examples of the green initiatives that the charity uses in its day to day work include:

- BOBB - 'Bring Our Bag Back' campaign. The charity has over 370 charity shops and, recognising the huge costs involved in providing free plastic bags to its customers, sought instead to use this money to provide healthcare services. The campaign asks customers to bring back their shopping bag on their next visit so that they can reuse it. Sue Ryder Care offers a range of reusable bags for sale from natural-fibre jute bags to requesting a 10p donation for a reusable plastic bag promoting the campaign.
- 'Rags2Riches' campaign. The charity, for the second year running, has joined forces with a local recycling network and community college to convert unwanted clothing and everyday reused and reclaimed materials into designer-inspired outfits.

Kay Barnes, who is the Business Development Manager at Sue Ryder Care, said: "[the charity] has launched a new strategy to highlight recycling and re-use to our supporters. This is a fantastic platform for us to reinforce our messages through a community based activity...as well as the environmental benefits of not throwing unwanted items away and not contributing to landfill. By donating unwanted items to our shops, local people can help Sue Ryder Care make a real difference to the lives of the thousands of people that we care for each year."

In addition, the charity, together with other third sector organisations, has signed the *Third Sector Climate Change Declaration*¹⁰, and they have made a commitment to help reduce their carbon footprint. The charity told us of its plans to become the most environmentally friendly retailer and of its plan to implement an Environmental Management System to achieve ISO 14001 accreditation. This management tool enables an organisation of any size or type to identify and control the environmental impact of its activities, products or services. The charity is working towards accreditation for its trading arm – Sue Ryder Care Direct, and the lessons and practices learnt will then be extended throughout the retail chain, which is far more complex due to the number of sites involved.

We found both an awareness and promotion of the benefits of recycling materials, as well as a wider awareness of recycling practices - for example, buying in products such as recycled paper. Other charities focused on the importance of recycling. For example, one charity that we spoke to highlighted how donated goods divert material from landfill as even rags could be passed onto merchants and recycled.

Composting was only carried out by two of the charities interviewed. Some charities said that they were unable to compost as they were operating in urban areas where the local authority did not collect organic waste.

¹⁰ For more information see www.everyactioncounts.org.uk/declaration

3.2 Suppliers

More than two-thirds of the charities interviewed said that they used local suppliers where possible, recognising the potential to reduce travel costs and carbon emissions when sourcing supplies. One charity, however, told us that they believed that demonstrating environmental responsibility for this issue was not just about looking at the proximity of local suppliers and that they took other 'environmental factors' into consideration when making these decisions.

Eight of the twenty-one charities said that they took other organisations' environmental approaches into account, at least to some extent, when choosing

suppliers or partners. Activity in this area was varied and included:

- A charity including, as part of its purchasing routine, an inspection of potential suppliers' policies and activities, in order to try to and assess their environmental credentials. For example, one charity told us: "If we're using an organisation to print one of our publicity documents, we look to see what materials they're using."
- An environmental charity using a green energy supplier.
- Having a focused environmental standard.

"We have a very focused environmental standard for printing. We only use vegetable inks and recycled paper and companies who do that 100%, so when they are looking for work that's a question we ask. Our magazine, which is sent to all our members, is produced on 100% recycled paper, uses vegetable-based inks, and is wrapped in 100% biodegradable material."

Interview with an environmental charity

3.3 Travel and transport

Over two-thirds of the charities interviewed had either a formal or informal travel or transport policy. We found that many charities had introduced various incentives to encourage greener travel within their organisations, including:

- cycle parking and other facilities for cycling to work, such as showers and changing rooms;
- loans for cycles; and
- cycle maintenance costs.

Other initiatives included the use of electric taxis and car sharing.

There was, however, recognition that there was a need for car use in some circumstances, for example to carry heavy equipment. One charity told us that

it needed to transport young people across the city safely and in these circumstances saw the car as the most satisfactory way to do this.

Some charities offered staff the option to work from home, eliminating the need for travel into work. One charity we spoke to acknowledged that, in the winter, a member of staff's home needed to be heated, but this wouldn't necessarily be the case if the person was in the work environment. In these circumstances, the charity felt that home working was not always the best environmental solution. Another felt that working from home reflected the culture in the voluntary sector rather than being an initiative which had environmental advantages.

3.4 Environmental management and policies

Eight charities that we interviewed said that they had, or were developing, at least one policy or written statement that covered environmental issues.

One charity had a procurement policy that outlined basic ethical and environmental standards. The charity told us that the policy was not prescriptive

but aimed to bring attention to environmental issues when procurement decisions were being taken.

Another charity stressed that the key to introducing a policy was in its implementation and in ensuring that the policy was put into practice.

"You can create a nice policy but can you implement the policy, and if you can, has anything changed as a result?"

Interview with a national charity

One charity we spoke to called for a model policy that could be adapted for specific needs and circumstances. Although we are not aware of a model policy, at the end of this report we have listed sources of information that may help charities identify the key considerations when writing an environmental policy.

We did not specifically ask charities if they had environmental management systems¹¹ but, interestingly, two non-environmental charities said that they had gained an environmental accreditation (British Standard 8555).

"We looked at British Standard 8555 which was like a six-phase approach and thought that it was good for us because of the limited resources we have. We expect it to take us a long time to achieve the top accreditation, but if we proceed through these phases, one at a time, we can report back to our customers as we go along and they can see where we are making progress."

A non-environmental charity

Nine charities had carried out environmental audits and three were planning to do so¹². Six of the twenty-one charities in the sample were monitoring their environmental activity and/or impact in some way. Taking this action initially provided the charities with baseline information against which to measure change. The process of measuring this change can help charities focus on where and how to concentrate their activities.

Another non-environmental charity had started by calculating its carbon footprint and was keen to measure and monitor its impact. In the first year the charity reduced its footprint by just over five percent and in the second year by five percent again.¹³

One charity measured water consumption and energy consumption, and even had plans to do this hour by hour. In addition, it also kept records of the amount of waste disposed of and recycled.

Only two charities reported carrying out energy efficiency tests. However, those which do environmental audits almost certainly look at energy efficiency measures as part of the process.

¹¹ An environment management system (EMS) is part of the management system of an organisation, in which the specific competencies, behaviours, procedures and demands required for the implementation of an operational environmental policy for the organisation are defined. The implementation of a robust EMS, which may incorporate ISO 14001, should lead to improved environmental performance, including better and more consistent legal compliance.

¹² Environmental audits are intended to quantify environmental performance and environmental position. In this way, they perform an analogous function to financial audits. An environmental audit report ideally contains a statement of environmental performance and environmental position, and may also aim to define what needs to be done to sustain or improve on indicators of such performance and position.

¹³ For example, the Carbon Trust publication CTV036 - Charities Sector Overview looks at low and no-cost ways for charities to reduce their carbon emissions and manage their energy use more effectively. www.carbontrust.co.uk

3.5 Premises and technology

Our interviews found that some charities' premises acted as a barrier to these charities being more environmentally responsible but, for others, their premises were an enabler or driver for environmental activity. For example, charities often found that

because their buildings were old and/or rented, this presented real difficulties in terms of increasing energy efficiency. Other charities, however, told us that their landlord facilitated environmental activity, such as providing recycling facilities for tenants.

St Mary's Parish Centre (Ambleside) Trust 1093947

The charity operates locally within Cumbria and is a centre, for use by people within the local area, for meetings and leisure time facilities.

The Commission interviewed the charity recently and learned that the centre was opened in 2006 and already has some 'green' facilities such as double glazing, good insulation, and under-floor heating. It also uses long life light bulbs. The trustees have given thought to other environmental initiatives as a way of reducing costs. Although consideration has been given to major schemes such as solar panels, the trustees recognise that the charity can take minor action and still save money and reduce its carbon footprint. For example, the charity planned to make adjustments to the taps to stop the water running excessively and to make adjustments to the boiler so that the building was not wasting heating.

In order to assess efficiency levels and measure future progress, the trustees also planned to carry out energy efficiency tests for the first time.

The trustees have already put into action simple improvements. These include rationalising use of space to reduce unnecessary heating, adjusting thermostats in every room and providing a better controlled supply of water to urinals.

Our research found that much was being done within charity premises. Some of the charities we spoke to were making use of technology to reduce their environmental impact. For example:

- Changing to flat computer screens to reduce energy use.
- Investing in video conferencing equipment to reduce travel.
- Using Skype for meetings to reduce travel.
- Moving to electronic filing to reduce paper use.
- Using electronic mail to reduce paper use.

3.6 Cost savings

Just under half of the charities in our sample reported that some of their environmental activities saved money for the organisation. Most of these reported paper savings by either recycling or a move to electronic filing. One charity said that the amount

it spent on stationery had reduced by half since it implemented electronic filing. Another reported savings from reducing the grade of paper and the type of inks used.

3.7 Environmental, social and ethical issues

Almost two-thirds of the charities that we interviewed were keen to stress that environmental issues do not exist in isolation and that it was often

impossible to separate environmental issues from social and ethical factors.

“The people that climate change affects the worst are the poorest in the world so there’s a direct connection.”

Interview with an international charity

One charity told us that they were keen to develop an environmental management system for their trading arm, recognising that there were ethical issues arising in respect of many of the products they source. Products were not always sourced locally and might come from China and Asia. They had concerns about the potential use of sweatshops and issues of exploitation. They were keen to ensure that future trading activities took account of this type of ethical issue.

Because of the nature of their work, many of the charities interviewed saw no clear demarcation between environmental activities at work and

environmental activities at home. For example, a charity we spoke to told us that their local authority did not provide workplace collections for recyclable glass, so their staff and volunteers would take glass home to put in their domestic recycling.

One charity told us that it saw a direct connection between an improved environment and improvements in social issues such as a reduction in crime. Another said its activities were very much connected to social justice. One spoke of a direct connection between a community being able to develop and sustain itself and environmental sustainability.

4. Charities developing environmental themes

Many charities carry out a degree of environmental work to further their existing legal objects, despite having main purposes which are unconnected with environmental issues.

From the examples we looked at, where charities were involved in environmental activity it furthered their objects, and the activity itself dovetailed with and enhanced the existing work of the charity.

It was also clear that these charities were aware that their environmental activity had to comply with their objects.

Christian Aid 1105851 (incorporated)

Christian Aid is an international charity working with the world's poorest people, of all faiths and none, to tackle the causes and consequences of poverty and injustice, and to campaign for change. It works in around 50 countries with more than 650 local organisations, wherever the need is greatest. Its essential purpose is to expose poverty, to help in practical ways to eliminate it from the world and to challenge and change the systems that favour the rich and powerful over the poor and marginalised.

The charity's environmental campaigning work is driven by the direct effect of environmental change on poor communities. For example, it estimates that 182 million people in sub-Saharan Africa alone could die of disease directly attributable to climate change.

Christian Aid also works with its international partners to help them adapt to the impacts of environmental change, and is committed to reducing its own carbon footprint in its day-to-day activities.

We found one charity developing environmental themes in a variety of ways.

National Federation of Women's Institutes of England, Wales, Jersey, Guernsey and the Isle of Man 803793

This national charity provides women with educational opportunities, the chance to build new skills, and the opportunity to take part in a wide variety of activities and to campaign on issues that matter to them and their communities. We found that the charity has embraced many environmental projects to achieve these aims. For example, it has:

- Organised a composting campaign which encouraged members to reduce landfill by creating a compost bin for organic rubbish. The charity worked in partnership with WRAP (Waste and Resources Action Programme) which provided a series of home composting workshops.
- Established Eco Teams comprising groups of members who represent their households. By holding regular meetings, the groups learn how their daily actions affect environmental issues, including issues relating to water, energy, waste, transport and shopping. The Eco Teams share ideas and work together to learn how to make simple yet effective changes to their lifestyles to become more environmentally friendly and to save money.
- Set up a free taxi service from the rail and bus stations to encourage students at Denman College, the NFWI's Adult Education College, to travel on public transport.

Not all charities are fortunate enough to have facilities which easily lend themselves to participation in green issues. Many of the charities we spoke to

told us that they felt their facilities often dictated the type of environmental activities that they could pursue.

Woodbrooke Quaker Study Centre 313816

This charity has educational purposes, mainly for providing instruction in the understanding of Christianity and other religions from a Quaker perspective and training in present-day Quakerism, but also for providing instruction on social and economic questions and other aspects of intellectual culture. The charity has included many environmental aspects in its day-to-day work.

The charity is situated within an urban environment. The centre itself is in its own grounds, which include a conservation area. Part of this area has been designated a Site of Importance for Nature Conservation.

The charity has introduced many green initiatives as part of maintaining the land, including:

- gardening organically;
- producing its own food for the centre;
- composting;
- wormeries; and
- wildlife management.

In addition, the charity had introduced a sustainability policy called the Good Practice Menu which promotes a range of sustainable practices, including energy management requirements that advocate the use of low-energy light bulbs and state that appliances should be turned off and not left on standby. The main 'environmental' problems experienced by the charity, however, are with their buildings. The buildings on the site date back 200 years and any alterations to make them more environmentally friendly are difficult.

5. Environmental charities

Included within the sample of charities we interviewed were some charities established purely for environmental purposes. This enabled us to gain an insight into how charities were tackling environmental issues in society, and also gave us an insight into how these specialist charities were applying the good environmental practice that they promoted to their own internal procedures and back office activities.

Although charities have been working towards environmental causes for many years, environmental activity itself has only become a charitable purpose comparatively recently.

1999

Following public consultation, the Charity Commission recognised the promotion of urban and rural regeneration for the public benefit in areas of social and economic deprivation as a charitable purpose in its own right. *Promotion of Urban and Rural Regeneration (RR2)*.

2001

Acknowledgement of conservation and preservation of the environment as a charitable purpose in recognition of the increase in charitable organisations undertaking conservation activities. As a result of our review we concluded that 'conservation of the environment' now has a well-established meaning such that we can recognise it as a charitable purpose beneficial to the community. Further information can be found in our guidance *Preservation and Conservation (RR9)*.

2006

The Charities Act incorporated both these purposes into a single head 'the advancement of environmental protection or improvement'.

2007

The Charity Commission held a seminar which examined the Commission's role in encouraging environmental best practice in the sector.

2008

4th Commencement Order 1st April, provisions in the new Charities Act regarding the descriptions of charitable purposes came into force in 2008.

5.1 Environmental objects in action

Charities operating with environmental objects undertake a wide range of activities to help combat a variety of environmental issues, from tackling the causes and effects of climate change to the promotion of sustainable energy. We looked at the Register of Charities to get a flavour of objects and activities related to environment activity. These included:

- **Greener travel:** *“To preserve and protect the environment through the promotion of efficient methods of travel, including the sharing of vehicles.”* Dial-A-Ride (North Denbighshire) Limited 1071162
- **Waste & recycling:** *“To promote for the public benefit waste management practices which promote the conservation, protection, improvement and sustainability of the physical and natural environment in and around London.”* London Waste Action 1067460

In practice, this charity seeks to encourage refurbishment for re-use or reprocessing, so that the materials in a product can be made into new materials (recycled). Where neither of these approaches is economically possible, waste is processed to recover other intrinsic value such as energy.

- **Climate change:** *“To promote for the benefit of the public the protection of the world’s climate systems in such parts of the world and by such charitable means as the trustees may from time to time think fit.”* Climate Change Organisation 1102909
- **Sustainability:** *“... protection and improvement of the physical and natural environment by promoting long term sustainability and biodiversity of English woodlands....”* Forest Inspirations Charitable Trust 1122136

And: *“To promote the conservation protection and improvement of natural habitats and support the long-term sustainability of such habitats....”* International Eco Fund 1115374

- **Education & Arts:** The Eco Trust is a charitable trust which celebrates creative talent and inspires environmentally-friendly living, and greener, more sustainable, lifestyles. Its objects reflect this aim: 1) *To advance the education of the public by increasing their knowledge of, their appreciation of, and their engagement in the arts and culture and 2) To advance the education of the public by increasing their knowledge of, and awareness of, the environment and environmental sustainability.* Eco Trust UK1106959

In practice, this charity aims to promote a way of living which looks at the outcomes of society’s actions. It aims to promote understanding and the working with natural processes to show people the impact they have on our environment, and to help them take steps to reduce that impact by experimenting with alternative ways of living.

- **General:** Some charities’ objects are worded quite generally, affording the potential for very varied environmental activities (though this is not necessarily the case in practice). For example: *“To promote the protection for the benefit of the public generally of the countryside and the improvement of the environment with a view to preserving the physical and mental health of the public.”* Centre for Alternative Technology Limited 265239

Friends of the Earth Trust Limited 281681

Friends of the Earth Trust Limited is an environmental charity operating nationally and overseas. It described its aims in its most recent Summary Information Return as:

"... committed to the conservation, protection and improvement of the environment. It promotes sustainable development for the public benefit; campaigns; undertakes research, education and publishing; and provides an information service on environmental problems and their solutions."

The charity informed us of the many ways in which it was addressing environmental issues through its day-to-day operations.

For example, the charity carried out environmental audits in 2002 and 2006 and in 2007 set up an environmental monitoring programme to monitor and reduce the charity's own consumption of resources.

The charity has 'green champions'. These are a small group of people who encourage staff and volunteers to take environmental responsibility. They provide regular environmental monitoring reports for staff which show things like reductions in paper usage and increases in recycling, etc.

Part of the charity's regular induction programme includes a 'green induction' for all staff and volunteers. This induction raises awareness amongst new starters of the charity's 'green' internal procedures and what people are encouraged to do around the building, location of recycling points etc.

When recently refurbishing part of their building, the charity ensured that this was carried out using sustainable materials. For example, the desks were made of recycled paper. However, the charity did tell us that they were unable to do everything that they wanted to do. For example, the building occupied by the charity is very old and does not have double glazing, which reduces its energy efficiency. As the building is on a lease, the charity has considered it not viable to spend money on further energy saving measures. It is also trying to use space more efficiently throughout its working methods in the short term and, in the longer term, is looking at moving its head office.

5.2 Campaigning

From our research, it is clear that many environmental charities undertake campaigning to further the environmental work that they do. According to those we interviewed, campaigning is given a broad definition and includes, for example, raising

the awareness of staff and volunteers within the organisation, as well as supporting other voluntary sector organisations involved in environmental campaigning.

London Cycling Campaign 1115789

The London Cycling Campaign is a charity operating locally that aims to increase cycling in Greater London for the benefit of individuals, local communities and the wider environment. Its objects specifically include campaigning:

“The promotion of the conservation and protection of the environment ... and lobbying and campaigning in matters relating to cycling and other forms of transport.”

The charity promotes cycling in a variety of ways, including:

- provision of grants, advice on cycling to community groups and the general public, including facilitating access to grants for cycling initiatives;
- developing local group campaigns and activities; and
- promoting the benefits of cycling, such as improved health, reduced carbon emissions and a cleaner, more pleasant environment.

Examples of LCC’s work include:

- the London local cycling guides, produced in partnership with Transport for London;
- key input and organisation for the annual London Freewheel ride for thousands of cyclists; and
- contributing to road design improvement plans to benefit cycle users as part of the London Cycle Network project.

Interestingly, we also interviewed some charities who, even though they did not have environment-related purposes, still carried out some form of environmental campaigning.

One charity said that it wanted to do more political campaigning and had found our guidance *Speaking Out: Guidance on Campaigning and Political Activity by Charities* (CC9) useful when making decisions.

Conclusions and recommendations

- Whilst charity law does not require charities with non-environmental charitable purposes to engage in environmental activity, the Charity Commission supports and encourages all charities considering the development of environmentally sustainable practices wherever possible as a way of maximising their effectiveness.
- It is clear that all charities can make a difference through their activities. Many are already taking action to be more environmentally responsible and, for incorporated charities, the Companies Act 2006 provides a direct remit for them to do so.
- At present, some charities are reliant on key individuals playing a critical role in helping charities reduce their environmental impact. The support these individuals give is critical to the amount of environmentally responsible activity that charities carry out.
- Where appropriate, consideration could be given to formal recognition of the efforts of individuals. This could be by making environmental initiatives a distinct part of their job role, or by embedding initiatives into formal working processes and procedures of the charity.
- Environmental activity is an area where charities can learn from each other and there is the potential for charities to share knowledge, experience and practices. Previous research carried out by the Commission, *Collaborative Working and Mergers (RS4)*, found that collaborative working arrangements can work by sharing skills and experience for mutual benefit, even where charities operate in different fields.
- Although, environmental responsibility is an issue that charities are taking seriously, more could be done to monitor the impact of their efforts, for instance through the use of regular environmental audits and implementing an environment management system if feasible.
- The findings demonstrate evidence of concerns about funding for environmental initiatives. Funders need to see environmental initiatives as a legitimate cost to support charities in making progress in this area.

- Although environmental measures involving costly changes are not usually an option for charities, there is much that can be done which either costs very little or nothing at all. There are also ways in which engaging in environmental activity can result in cost savings, which adds to the need for all charities to consider this area of activity.
- Development of any future reporting requirements may play an important part in developing good practice in this area. In the meantime, there is scope for charities to participate in the *Accounting for Sustainability* project and the *ACCA awards for sustainability*.
- It is becoming increasingly clear that environmental sustainability is an issue that charities, like other parts of society, cannot afford to ignore. Charities exist to further their charitable purposes by meeting the needs of the beneficiaries they exist to serve. If, as part of wider activities to support this, there are ways of actively enhancing charities' reputations and making a positive difference, or by inaction having a potentially negative impact, then serious consideration to how to respond to this issue is needed.

Annex A – Research techniques

Our research for this report was purely qualitative in nature. We carried out telephone interviews with twenty-one charities, which had varying degrees of interest in environmental issues. These included locally based charities with less than two staff, as well as charities operating internationally with large budgets.

The charities included three environmental charities, eleven non-environmental charities, and seven non-environmental charities which had developed an environmental aspect to part of their work.

The interviewees were asked detailed questions about the charity's environmental activities and how these meshed with the charity's charitable aims and objectives.

Annex B – Some frequently asked questions of the Commission about charities and environmental activity

We have set out below some answers to questions charities have asked us about their environmental activities. We hope they are useful for charities thinking about what role they should play in improving the environmental responsibility of the way they work.

Q Some measures charities can take to improve the environmental impact of their premises and the way they work may result in cost savings. Others might involve a substantial cost – such as fitting solar panels for example. Are charities allowed to spend their money in this way?

A Yes, provided the trustees are satisfied that it is reasonable to do so and will enable them to achieve their charitable purposes effectively having considered the relevant factors. Where these measures will reduce costs for a charity, for example, shutting PCs off at the end of the day the charity will be maximising the use of their resources, which they are required to do in any event. Where a cost is involved, we think it's reasonable for trustees to do this where they have balanced the additional cost of environmental measures against other factors such as benefits to their reputation and donor confidence.

Q Where can we go for more practical information on in-house measures our charity can take?

A There are many resources charities can refer to for practical advice, including Defra (www.defra.gov.uk), Every Action Counts (www.everyactioncounts.org.uk), Carbon Trust (<http://www.carbontrust.co.uk/>) and Nottingham CVS (<http://www.nottinghamcvs.co.uk/green/index.htm>).

Q We are thinking of moving to new premises. What sort of environmental factors should we look for? What if ensuring we move to new premises that are energy efficient and environmentally friendly means it is more expensive?

A There are specialist organisations that can give good advice on building issues. As mentioned above, if choosing an environmentally-friendly premise involves a higher cost, trustees must balance the additional cost against other factors such as benefits to their reputation and donor confidence. It would be useful to think about other measures that could be taken, such as using 'green' energy suppliers and making sure the building has good insulation.

Q Do charities have to take environmental action?

A No. It is for the trustees to decide if becoming involved in environmental activities is in the best interests of the charity and the most effective way of furthering their charitable purposes.

Q We're a very small charity, so if we decide to spend money on in-house measures or divert resources to environmental activities as a means of furthering our objects, it's likely that it will take up a very high proportion of our time and resources. It's not fair that we can't do something to help the environment just because we can't afford to do other things at the same time.

A The questions for you are: how much time is likely to need to be devoted? How much is it going to cost? How effective is it going to be? If getting involved in environmental activities is going to take up an unreasonable amount of your time and resources for the long term, not only do you have to consider if that is an effective use of your resources, but also the reputational risks of getting involved or not.

Q Our charity's objects contain no reference to the environment. Are we allowed to promote the protection of the environment in our work, or would we be in breach of trust?

A The law requires charities to act within their objects, which means that all of their assets have to be used to further those objects directly or indirectly. The Commission would encourage charities to explore the full scope of their objects without acting outside them. If challenged, trustees must be able to demonstrate, with evidence, the link between their activities and how their charitable purposes are being fulfilled.

Q What sort of work could we do within our objects?

A In deciding whether or not to undertake environmental activity, trustees must apply precisely the same principles that they must apply in considering any other possible means of carrying out the charity's purposes. It is ultimately for the trustees to decide which activities best further the charity's objects, although the Commission can provide advice and guidance to trustees who are unsure. Some examples of charities which do not have objects for the preservation of the environment but may nevertheless carry out environmental work which furthers their existing objects could include:

- A charity with 'relief of poverty' objects delivering environmental projects because they have evidence that the effects of climate change are contributing to the poverty in certain parts of the world and that their efforts can help to reduce these effects.
- A charity with 'relief of sickness' or 'promotion of health' objects researching the effects of pollution on the causes of sickness, or how environmental factors affect the recovery of those with a particular illness.

Q Our objects just do not give us any scope to get involved and we'd like to change our objects. How do we go about it?

A Some charities may want to take things a step further and adopt an additional environmental-related object. Unincorporated charities are likely to require a Scheme from the Commission in order to change their objects and would need to satisfy the 'cy-près' test under section 13 of the Charities Act 1993. The amendments to the cy-près provisions introduced by the Charities Act 2006 set out that the current social and economic circumstances are appropriate matters to be considered when an unincorporated charity applies for a cy-près scheme. The meaning of 'social and economic circumstances' is not defined in the Act, but it is certainly possible that environmental issues may be of relevance here. Charitable companies must apply to the Charity Commission for consent to amend their objects under section 64 of the Charities Act 1993.

If in any doubt about what charities can and cannot do in terms of green projects under charity law then please contact us for advice and guidance.

Annex C – Resources

There are some resources that charity trustees and staff can use to help them consider environmental issues when administering their charity. While this is not a definitive or complete list, it does offer a good overview and a useful starting point.

The Charity Commission for England and Wales

The Charity Commission also produces a wide range of print and online guidance giving information and advice to charity trustees and the public on issues relating to charity law, regulation and best practice. The full list of guidance is on our website and in our publication CC1.

How to get in touch with us

More information about the Commission and a range of guidance for charities can be found on our website or by contacting Charity Commission Direct:

Telephone: **0845 300 0218**
(calls charged at local rate)
Typetalk: **0845 300 0219**
By post: **Charity Commission Direct**
PO Box 1227
Liverpool
L69 3UG

Sources of information

Sources of information have been grouped under the following headings:

- Training and assistance
- Procurement
- Travel information
- Reporting
- Ethical investment

Training and Assistance

Every Action Counts

Website: www.everyactioncounts.org.uk

Every Action Counts is an initiative supported by the Department for Environment, Food and Rural Affairs and is being delivered through a consortium of voluntary and community sector organisations. It provides advice and support to voluntary and community organisations which are looking to reduce their impact on the environment, tackle climate change and improve their local area.

Federation of Community Development Learning - sustainable development taster session packs

Website: www.fcdl.org.uk

As part of the Every Action Counts programme, the Federation has used community groups to promote the government's sustainable development message. They have produced sample training material which can be used with community group members, people working in the community and community development workers.

Carbon Trust

Website: www.carbontrust.co.uk

Works with organisations to reduce their carbon footprints and, with Charity Commission support, they have produced a publication specifically for charities *CTV036 - Charities Sector Overview*.

This publication looks at low- and no-cost ways for charities of all types and sizes to reduce their carbon emissions and manage their energy use more effectively. It covers lighting, heating and ventilation, building control, catering and general housekeeping as well as offering advice on creating and maintaining awareness.

Energy Savings Trust

Website: www.energysavingtrust.org.uk

Community Action for Energy (CAfE) is a programme from the Energy Savings Trust that is designed to promote and facilitate local community based energy projects.

CAfE is a network of people who share a common interest in community energy projects and ideas. Membership of the network is free and members can keep up to date with news on community-based energy initiatives, as well as hearing about funding opportunities, training sessions and other news from the network.

Action for Sustainable Living

Website: www.afsl.org.uk

Action for Sustainable Living (AfSL) is a charity that helps people to live more sustainably, focusing on simple changes that will make the world a better place to live in. They are currently active in Manchester, Trafford and Liverpool, and are open to working in other parts of the UK.

Groundwork UK

Website: www.groundwork.org.uk

Community Spaces (www.community-spaces.org.uk) is a £50 million open grants programme that is managed by Groundwork UK as an Award Partner to the Big Lottery Fund. The programme helps community groups create or improve green and open spaces so that the quality of life in neighbourhoods across England is enhanced.

Green Space Community Network

Website: www.green-space.org.uk

The network aims to create an environment in which relevant information is accessible and readily available, to enable community groups to quickly answer problems with constructive solutions based on the experience of others.

The Charities Facilities Management Group

Website: www.upkeep.org.uk

The Group looks at how charities can work to incorporate the principles of sustainable development in their day-to-day activities. Their members are interested in all aspects of sustainability, from energy conservation to ethical purchasing. The Group has prepared a model policy for charities to adopt.

Procurement

Some charities will want to investigate who their suppliers are or may want to research more environmentally friendly purchases or travel options.

Forum for the Future - Buying a Better World & the Sustainable Procurement Toolkit

Website: www.forumforthefuture.org.uk

Whilst this publication is aimed at larger organisations, it may be helpful for charities working with those public bodies which are using the toolkit.

Ethical Consumer

Website: www.ethicalconsumer.org

This not-for-profit social enterprise offers a range of independent research services for organisations, businesses and individuals.

Travel information

Department for Transport travel plan

Website: www.dft.gov.uk/pgr/sustainable/travelplans

This site provides information about travel plans, which are a package of measures produced by employers to encourage staff to use alternatives to single-occupancy car use.

Transport Direct - Britain's free online journey planner

Website: www.transportdirect.info

Transport Direct provides travel planning advice, and includes details of the CO2 emissions from planned journeys.

Reporting

There are currently no charity-specific projects on environmental reporting. However, the following projects have said that they would both welcome more charities participating in their work.

Accounting for Sustainability

Website: www.sustainabilityatwork.org.uk

The Prince of Wales launched a project in 2006 to encourage sustainable practice and reporting in business and other organisations. It aims to help organisations better assess the damage they cause to the planet and to take such factors into account in their decision-making process. The Sustainability at Work website is an aid to embedding sustainability throughout an organisation's activities including reporting.

ACCA awards for sustainability reporting

Website: www.accaglobal.com/publicinterest

The aim of the Awards is to identify and reward innovative attempts to communicate corporate performance, although they do not comment on performance itself. Their aim is to reward transparency.

Charities already reporting in their accounts

The following charities include information about their operational environmental impact or sustainability in their Trustees' Annual Report. Those disclosures take a variety of forms since there is at present no requirement to make such a disclosure and therefore no suggested or required format. Some of them also publish their policy document or details of their carbon footprint on their website.

Oxfam

Website: www.oxfam.org.uk

Eden Project

Website: www.edenproject.com/documents/EdenAnnual_Review_0607.pdf

National Trust

Website: www.nationaltrust.org.uk/main/w-annual_report_07.pdf

Christian Aid

Website: www.christianaid.org.uk see also www.christianaid.org.uk/ActNow/climate-justice/Index.aspx

Traidcraft Exchange

Website: www.traidcraft.co.uk

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This publication can also be accessed at the Charity Commission's website: www.charitycommission.gov.uk

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Charity Commission

Telephone: **0845 300 0218**

Typetalk: **0845 300 0219**

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