

GREEN YOUR BUSINESS FOR GROWTH

How adopting a green growth strategy can give your organisation a competitive edge



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Sustainability equals profitability

By taking steps towards greening your business, we can help you access a slice of the green economy, which could now be worth over R60 trillion worldwide. This guide offers practical advice, showing you how to grow your business by taking action to improve your green credentials. By making your business more sustainable, green growth can lead directly to business growth.

Why get involved?

- According to research the global low-carbon and environmental market is worth over R60 trillion and employs over 28 million people.
- South Africa is committed to increasing its share in the global green economy. In 2010, the first national green economy summit was held, and in 2011 a countrywide initiative was introduced to create 300,000 new green jobs by 2020.
- It will boost the national economy - it is estimated that investment in the green economy in South Africa will increase GDP by over 2% by 2030.
- Funding is available. Since 2011, the Industrial Development corporation has allocated R7.6 billion for green industry projects and the Solar Water Heating Rebate Programme is accelerating solar heating deployment in domestic and commercial buildings.
- A small minority of business leaders think it is unlikely their companies will seek to benefit in some way from green growth.



Greening your business is a good way of reducing your overhead costs, but that's only one of the benefits. Promoting your green credentials helps you stand out against your competitors, creating unique selling points that will help you grow your business.

Our research shows that over 75 per cent of South African consumers think it's important to buy from environmentally responsible companies. Being recognised as a green organisation can boost sales, increase interest in your organisation, improve brand awareness and build brand loyalty.

This guide will help you take advantage of the benefits of green growth. It will help you assess how sustainable your business currently is, and show you how to green your products and services and reduce the environmental impact of your operation. It also describes how you can publicise your green credentials to increase your competitive advantage.

We've focused here on helping you to reduce your energy and carbon impact, but we've also directed you to other areas of sustainability such as reducing waste, and improving your use of other resources.



Case study

What other businesses are doing

When a five-star hotel reduced its carbon emissions by 11 per cent, it noted an increase in business and customer loyalty after promoting its energy efficiency measures.

“The entire team has been working hard to reduce its carbon footprint, and we have been very pleased by how much interest our guests have shown in becoming greener and more environmentally friendly,” said the hotel General Manager.

Five ways to benefit from green growth

Organisations can benefit from green growth in many ways. These range from cutting your overheads to developing new income streams, increasing your sales and improving employee engagement.

Figure 1 How to benefit from green growth

Benefit	Plan of action
Reduce your operating costs	Re-engineering the way you manage energy consumption will directly translate into lower overhead costs and higher profits. As energy costs continue to rise, reducing consumption and switching to renewable energy will become increasingly important. The PSEE can identify measures that will reduce your energy bills by up to 20%, or even more, many at little or no cost.
Increase your current sales and develop new income streams	Research has shown that over 75% of South African consumers think it's important to buy from environmentally responsible companies. You can respond to this demand by greening your current products and services and by introducing new solutions and technologies.
Strengthen your reputation and increase loyalty of your customers	Innovative companies taking positive action towards the environment are viewed more positively by their customers, suppliers and investors. The image of the company and its products are improved because stakeholders believe the company acts according to the principles of integrity and best practice.
Comply with standards and regulations	Operating a versatile green growth business strategy will ensure that your company complies with increasing regulatory pressures and limit the cost of environmental charges. The PSEE can provide advice on regulatory compliance and guide you through the support that is available.
Improve effectiveness of your employees	Employee morale is directly linked to productivity, retention and recruitment. Taking action will attract new talent and motivate your employees who will support you in driving your business in the right direction.

The green growth cycle

Adopting green growth as a strategy can give your organisation a real competitive edge in these economically challenging times. This guide breaks our approach down into easy-to-follow sections, with sample activities at every stage.

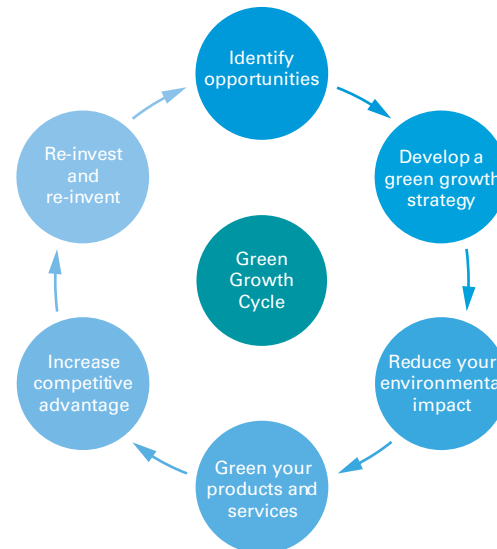
Identify opportunities for green growth

Each organisation will have different opportunities to make changes. The sustainability checklist on [page 8](#) will help you to identify where you are making good progress and what to focus on next.

Develop your green growth strategy

Use the opportunities identified in the sustainability checklist to embed green growth in your business plan. To fully achieve your objectives, you'll need to make sure you have support at a senior level.

Figure 2 The green growth cycle



Reduce your environmental impact

Reduce your carbon emissions and waste and minimise your energy and water consumption.

Green your products and services

Assess whether your current products and services are green enough to give you a competitive edge. Green your supply chain and consider eco designs for new products.

Make the most of your green credentials

Publicise and communicate your sustainability to customers and suppliers to gain a lead over your competition.

A 'virtuous circle' – look for further opportunities and re-develop your strategy

As you benefit from Green Growth through winning new business and reducing operational costs, you can re-invest in and re-invent your Green Growth strategy to keep a step ahead of your competitors.

Case study


What other businesses are doing

A drinks company's proactive engagement both up and down the supply chain has led to material carbon savings, as well as business benefits derived from lower costs, enthusiastic employees and more loyal customers.

"Our first focus has been to reduce our carbon footprint. We measured our carbon footprint from farm to fridge to the recycling bin, and are thrilled to say that in one year we reduced the footprint of our 250ml smoothie by 16 per cent," said a company spokesperson.

Identifying opportunities for green growth

Green growth checklist



Identifying opportunities for green growth

Complete the checklist below to understand how much progress you have already made and how ready your business is to capitalise on green growth. Answer the questions by inserting a single point score in each of the rows. At the end calculate your total score. A high score means that you have lots to shout about, while a low score means there are lots of opportunities you can take advantage of.

	Yes (3 points)	Partially (1 point)	Add to plan (0 points)
Energy and carbon reduction			
We collect our energy consumption data	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We set targets on our energy consumption	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We have introduced low/no-cost energy efficiency measures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We have invested in energy efficiency projects/measures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We have measured a reduction in our energy consumption	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We report our energy consumption	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We use on-site renewable energy sources	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We have engaged our employees in our energy strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We have achieved the Carbon Trust Standard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We make use of PSEE services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We have redesigned our products and services to reduce their impact on the environment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Managing waste and water			
We measure our waste and set targets for reduction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We have achieved cost savings through reduction in waste	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We have installed water saving devices in our premises	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We have re-designed processes to save water	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We have trained our staff to treat water as a scarce resource	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We communicate our sustainability commitments to our customers			
We have implemented a management system or won an environmental award	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We use Eco Labeling/Carbon Labeling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We advertise our 'green credentials' in trade press, website or newsletter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total points	<input type="text"/>	<input type="text"/>	<input type="text"/>
Results			
36-67 points	You have a well established carbon management programme. Your company performs very well in some areas, but there is always room for improvement. Please review this guide to find relevant advice.		
20-33 points	You have made some good progress. Familiarise yourself with this guide and contact us to find expanding on your green growth.		
0-19 points	There is much to do, but also lots of opportunity to capitalise on green growth in your company. Please review this guide in detail and contact us so that we can support you in developing your green growth strategy.		

Download the checklist (left) to understand how much progress you have already made and how ready your business is to capitalise on green growth. Answer the questions by inserting a single point score in each of the rows. At the end calculate your total score. A high score means that you have lots to shout about, while a low score means there are lots of opportunities you can take advantage of.

[Download](#)

Download the appendix by opening the attachments tab on the left of your screen, or through the Document/File attachments menu.



Develop your green growth strategy

Greening your business requires senior commitment. Use your checklist results from the previous section to help develop your strategy – aim to build on your strengths and improve your weaker areas. Embed this change in your business plan and environmental and energy policies, obtaining the senior level support you need to achieve the change.

Your customers may already be asking you about your environmental practices, and if they aren't yet they probably soon will. They may ask about your environmental policy, or to see your environmental management system. This may be to give them insight into how well your organisation is run, or because the companies you sell to want to green their own supply chains.

What are energy and environmental policies and what should they say?

An **environmental policy** is a statement you make as a company about the different ways in which you have an impact on the environment and how these are managed. It should be no longer than a page, should include hard targets

and should be signed by senior management, such as the managing director, to show that it has senior commitment. Our guide to [Making a business case for a carbon reduction project](#) provides useful advice if achieving senior support is a challenge.

An **energy policy** is a written document stating the way the organisation will use energy and what targets it intends to achieve. For example, 'We aim to reduce our energy consumption by 10 per cent based on 2010 levels and then by a further 5 per cent per annum'. Most energy policies comprise two documents. The first is a high-level statement containing the guidelines and principles that the business is committing to. The second is a more detailed document setting out specific energy management

objectives and targets along with the methodology for achieving these.

Publishing your environmental and energy policy on your website and including them in other communications will demonstrate your commitment. It is important to regularly revisit your policies and develop them.

ISO14001 and ISO are international standards that can certify your environmental management and energy management strategies. See [page 16](#) for further information.

See our sample environmental policy and energy policy in the [appendix](#).*

For more information on developing an energy policy, please see our [Energy management guide](#).

* Note that these policies can be downloaded and should be adapted to your own circumstances.

Reduce your environmental impact

When greening your business, a central priority is to reduce your energy consumption and carbon emissions as much as possible. In most businesses, there are obvious opportunities to do this.

Check your heating and cooling systems and their controls

“Heating costs rise by about 8 per cent for every 1°C of overheating”

Reduce your emissions by regularly maintaining your heating and cooling systems, and heating/cooling only the areas you need to, for the hours that they are in use. These simple actions can significantly reduce your heating bills. For more ideas download the PSEE’s [Heating, ventilation and airconditioning technology overview](#)

Check your lighting and its controls

“Lighting in a typical office can cost around R35/m² annually, but in the most efficient office should only cost about R10/m²”

There are many simple and inexpensive ways to reduce the energy consumption and costs associated with lighting without compromising health and safety or comfort levels. Are you using up-to-date lighting technology? Do you use the best type of lighting for different environments? For more information on carbon savings from lighting download our [Lighting overview](#)

Carbon savings in your work space

Whether you have office, workshop or factory space, there are often savings to be made from simple actions such as switching off IT equipment, through to improvements in factory plant and services such as motors and compressed air. For more information download: [Energy management guide](#)
[Compressed air technology overview](#)
[Motors and drives technology overview](#)

Monitoring and targeting

Do you look at your utility invoices and check meter readings regularly? This will help build a picture of your energy (and water) performance. Compare current consumption and costs with the previous year. Identify unexpectedly high consumption or unusual patterns of use so that quick action can be taken.

Case study

What other businesses are doing

When you trade on green credentials, you want to make sure you live up to them. This was the case for a home delivery service, which was supplying fresh organic vegetables, sustainably sourced fish and other ethically produced food. Keen to become more environmentally friendly, it commissioned several carbon surveys.

As a result of the survey recommendations, from light motion sensors to pipe insulation, the company saved 100 tonnes of CO₂ a year, reducing its energy bill by almost R400,000.

Minimising your waste

Minimise waste where you can. Reduce your bill for raw materials by minimising off-cuts and rejects in your production processes. Reduce the amount of packaging you use. Follow the waste hierarchy:

- **Eliminate or reduce:** You can reduce the amount of waste you produce in a number of ways, including simplifying and reducing the amount of packaging you use, reducing off-cuts and rejects, sending information electronically, purchasing material in bulk and using returnable containers.
- **Re-use:** Reduce your costs by re-using boxes and printer toner cartridges and use misprints and draft documents as scrap paper. Waste furniture and textiles may be of use to charities or to waste exchange groups.
- **Recycle:** Speak to your local recycling centre or waste management contractor to find out what materials they can recycle, and how they should be segregated.
- **Disposal:** This is the last resort after the steps above. Contact your waste management contractor to discuss options like recycling to make waste disposal more efficient and economic.

Reducing your water consumption

Most businesses now recognise that water is a scarce resource. When you save money by reducing your water consumption, you also reduce your waste water charges, achieving a financial benefit. Don't forget that there is also a carbon cost to the supply and transfer of water. Measure and monitor your water use, make staff aware of the importance of water saving, and invest in simple products to help reduce your consumption.



Green your products and services

Benefit from the market for green goods and services by redesigning your products and offerings. Ask your supply chain to do the same. Businesses which offer sustainable products and services stand out in the marketplace – so boost your sales and achieve green growth by responding to this demand.

Green products

- have increased energy efficiency, or run on renewable energy such as solar PV
- have lower levels of embodied carbon – they are made from materials which are less energy intensive to produce
- have a positive environmental effect in their use against peer products – for example, low temperature detergent
- are made from less hazardous materials
- are more straightforward to recycle, or are themselves made from recycled materials.

Green services

The service industry is already embracing the sales opportunities generated by offering green services that can be differentiated from standard options. Customers will often pay more for green options, as they are seen as ‘value-added’, even though, thanks to efficiency gains, they may cost less to provide. Examples include:

- Green holidays and breaks using low-carbon travel and accommodation.
- Food with low food miles and food packaging using minimal and recycled/recyclable material.

- Greener printing services, using water-based inks and recycled paper.
- Fashion, using textiles with a sustainable supply chain.
- Recycling services for commercial customers including waste paper and card, and batteries.

Your improvements must, of course, be genuine, relative to the marketplace. Using recycled packaging is not a benefit if you are using a lot more of it than your competitors.

Green your supply chain

To minimise carbon emissions you should also demand the same of your suppliers. It's important to look at your whole product supply chain, rather than just one part, to see all the opportunities to reduce emissions. You can then take positive action to reduce the total emissions, which will benefit everyone. It can also help you develop better relationships with your suppliers by helping them identify and eliminate inefficiencies in their own processes.

Green design

Green, or eco-design, takes into account the impact of a product/packaging throughout its lifecycle. When you're developing new products, bear in mind that the benefits of eco-design can include:

- lower production costs
- increased market share
- improved product quality and performance in use
- higher environmental performance
- longer product life
- better relationships with customers and suppliers
- continued compliance with legislation
- simplicity of recycling.

Case study

What other businesses are doing

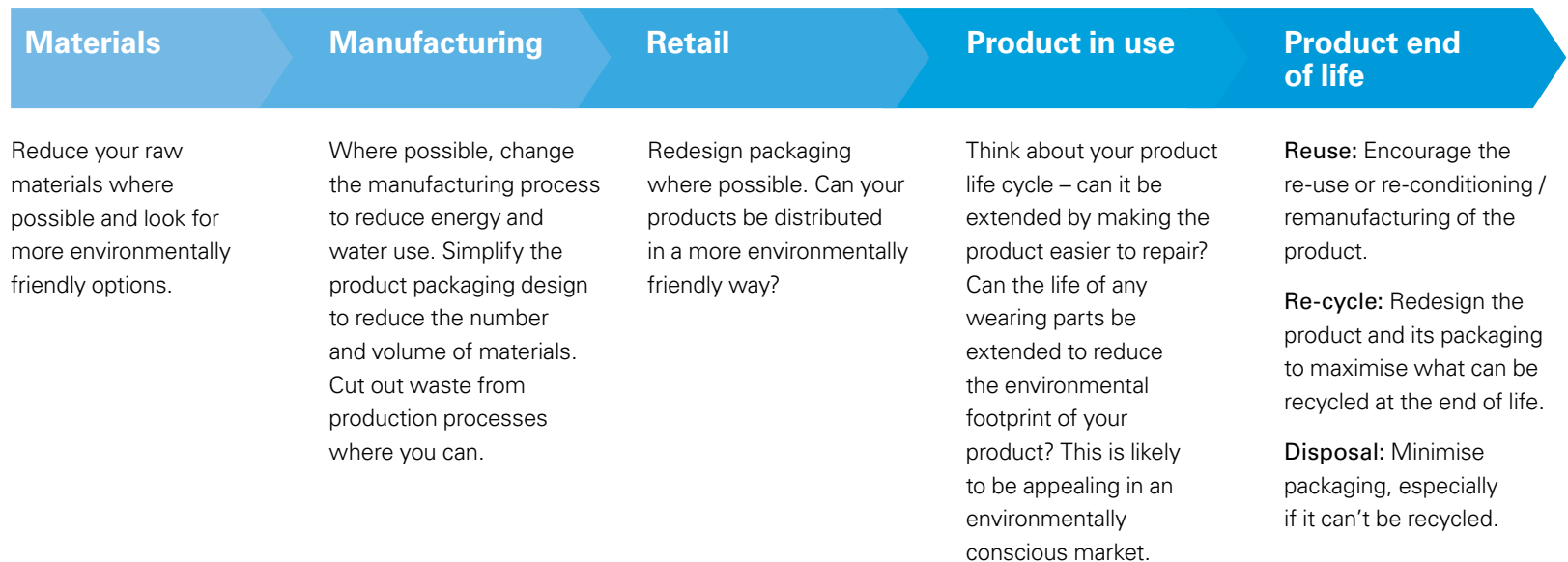
An office supplier specialising in 'green' equipment has seen an escalating appetite for sustainable goods. It increased its sales by 7 per cent even while industry benchmarks were down by 20 per cent. However, to protect further growth it needed independent verification from a credible body to vouch for its actions and achievements in cutting carbon so decided to certify with the Carbon Trust Standard.

"As an independent certification, the Carbon Trust Standard validates our sustainability claims and proves that we are genuinely committed to addressing our environmental impact. It provides both a focus and recognition for our efforts," said the company's Sustainable Development Director.

Green design considerations

If your organisation has recognised the benefits of green design and you would like to take advantage of this opportunity, here are some considerations you should bear in mind which reflect the various stages of a product's life.

Figure 3 Key considerations for green design of products and services



Increasing your competitive advantage

You have recognised the benefits of green growth for your organisation, acted on the opportunities and greened your operation, products and services. But to gain a competitive advantage, you need to make sure people know about it.

Publicise your achievements

Make your business, goods and services stand out from your competitors by exploiting the power of your sustainable business credentials.

Your business is a part of the green economy. Communicate it.

External communications

- Develop your branding to reflect the 'greenness' of your organisation and your products and services.
- Promote your green products/credentials through adverts, press releases or interviews.
- Write articles for green market focused publications and give presentations at conferences.

- Make sure that key sustainability information is clearly visible on your company website. This should contain your environmental policy, your targets for energy, carbon, waste, and water, and related achievements against these, compliance with any environmental management system, and any awards won.
- Highlight your organisation's achievements so far – any improvements in emissions data, investment plans, environmental features of your products and services that contribute to your unique selling points.
- Promote any recognised green/carbon accreditations you have gained. Many allow you to use their logos in your marketing materials.

Bidding for business

- Train your staff how to sell your sustainable business credentials.
- Have a well-rehearsed elevator pitch: a one-minute summary of the company's achievements, products and services, plans, and why you are a part of the green economy.
- Develop two or three PowerPoint slides covering environmental commitments to be used in presentations if bidding for business. These should include a brief summary of your environmental policy, targets, achievements and future plans.
- Consider putting information about your environmental achievements in your quotations and invoices. For example, 'did you know we have successfully reduced our carbon emission 20%?'

Publicity: getting it right

Your business' credibility counts, so make the changes real before you publicise them – don't be accused of 'green-wash'.

Take the following steps to avoid 'greenwashing' when marketing your environmental achievements:

- Ensure that self-made claims are accurate and specific
- Make sure that you have evidence to verify your claims
- Independently verify your green products with an eco label, e.g. for lifecycle footprints or sustainably procured materials. See [page 18](#) for more details
- Consider reporting on your progress using standardised guidelines, such as those set out in the Global Reporting Initiative (GRI)

Gaining an accreditation

Implementing an Environmental Management System (EMS)

An EMS can help you manage your resources, but it also demonstrates to your customers that you are committed to achieving high environmental standards. An EMS is a structured framework for managing an organisation's environmental impact. It helps to make sure that you meet your overall environmental objectives, as set out in your environmental policy, and that employees, contractors and suppliers know their roles and responsibilities in helping to achieve them.

Having your EMS certified through ISO14001 shows that you have adopted an industry standard approach and, importantly, that you are prepared to be independently audited as proof of this commitment. ISO50001 is a similar standard for companies focussing solely on energy, rather than wider environmental management. Many large private and public sector organisations are now asking for environmental policies and accreditations during procurement processes – don't be left behind. Find out more at www.iso.org.



The Carbon Trust Standard

As an additional form of accreditation, the Carbon Trust Standard is awarded to organisations that measure, manage and reduce their carbon footprint. It gives a clear message that action is being taken to reduce carbon emissions year on year. This is a strong sign of ongoing commitment, a clear sustainability credential and green growth driver.

Over 1,100 organisations have achieved the Carbon Trust Standard, including Van Dyck Carpets, the oldest South African carpet manufacturer, which reduced greenhouse gas emissions by 20.7% over two years. In total over 700 million tonnes of CO₂ has been certified with the Carbon Trust Standard.

Please visit the [Carbon Trust Standard](#) for further information.

Case study

What other businesses are doing

In September 2010, a software solutions company became one of the first software businesses to achieve certification with the Carbon Trust Standard. The business case for attaining this is two-fold: to support its claims to sustainable business practices, which is crucial to winning and maintaining new business, and to enhance its business proposition.

“Although we’re a small operation we believe we can set a positive example for others to follow. While taking action on climate change is absolutely the right thing to do, we saw an opportunity to incorporate the expertise and intellectual property that we’ve gained from the process into our customer offering. In short, we’re lowering our emissions while advancing our business,” said the company’s Managing Director.

Green or eco-labelling

There are a number of voluntary labelling schemes which use labels and logos to show that products have a green claim. These range from the recyclability of the packaging to the carbon footprint of the entire product. By adopting good green practices, organisations can seek the right to use these indicators of their high environmental standards.

Examples include:

- The Carbon Trust Carbon Reduction Label, which shows the carbon footprint of a product or service. It acts as a visual symbol of a brand's solid commitment to reduce their impact on the environment and reduce their carbon footprint over time.
- The South African Bureau of Standards energy efficiency standard. Visit www.sabs.co.za for more information.
- EcoStandard South Africa. Visit www.ecostandard.co.za for more information.
- To find out more about the guiding principles of eco-labels, review the ISO eco-labelling standards ISO14020 and 14021 at www.iso.org.

Environmental awards

Environmental Awards demonstrate to your customers that your organisation is committed to the green agenda. There may also be specific awards for your business sector, such as those run by the trade press or trade associations, that include an environmental category. If you achieve an award you will be able to publicise that fact, and also take advantage of any free press coverage that may accompany the award ceremony.



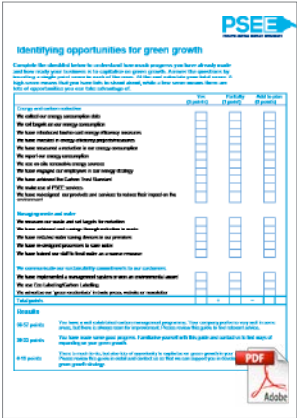
Evolve and grow greener

Follow this guide and the green growth cycle, and by re-investing the savings you make you can become more sustainable and more profitable. Green growth is good for your business, your employees, your customers and your future as well as being great for the environment. Grow yourself a greener and more successful organisation by taking full advantage of this exciting opportunity.



Appendices

Appendix 1: Green growth checklist



This checklist will help you identify opportunities for green growth in your organisation and assess your current performance.

[Download](#)
Download the appendices by clicking on the download icons.

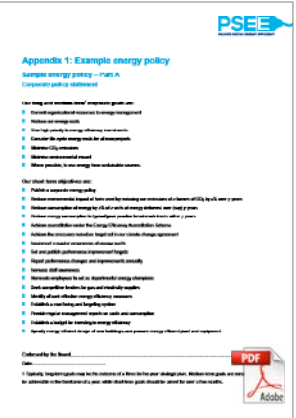
Appendix 2: Example environmental policy



This is an example environmental policy for you to adapt so it's suitable for your organisation.

[Download](#)

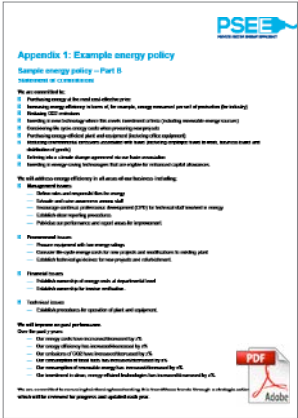
Appendix 3: Example energy policy



This is a sample statement of the principles and guidelines that your company could commit to.

[Download](#)

Appendix 4: Example energy policy



This is a sample statement setting out specific energy management targets and objectives, along with a methodology for achieving them.

[Download](#)

Plug into energy efficiency with PSEE

The Private Sector Energy Efficiency (PSEE) project aims to improve energy efficiency in industrial and commercial sectors across South Africa. PSEE offers a variety of services to help companies plug in to energy efficiency:

Website – Visit us at www.psee.org.za for our full range of advice and services.

➔ www.psee.org.za

Publications – We have a library of publications detailing energy saving techniques for a range of sectors and technologies.

➔ www.psee.org.za/Resources

Case Studies – Our case studies show that it's often easier and less expensive than you might think to bring about real change.

➔ www.psee.org.za/Resources



Remote advice – Call us on 0801 113 943 or visit www.psee.org.za to access independent, authoritative advice and our publications and tools.

Survey-based support – Review of energy use for medium-sized companies to identify energy savings opportunities and develop a suggested implementation plan.

➔ www.psee.org.za/Services/Medium-Companies

Strategic energy management – Holistic engagements for large companies to help improve operational energy efficiency and support the development of a comprehensive energy and carbon strategy.

➔ www.psee.org.za/Services/Large-Companies



The Private Sector Energy Efficiency (PSEE) programme aims to improve energy efficiency in commercial and industrial companies in South Africa through the provision of various services to assist companies in identifying and implementing energy saving measures. The PSEE programme is implemented by the National Business Initiative (NBI), supported by the Department of Energy, and funded by the UK Department for International Development (DFID).

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