

# Charities and environmental responsibility

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The Charity Commission logo consists of a green rounded rectangle containing the words "CHARITY" and "COMMISSION" in white, stacked vertically. Below the logo is a silhouette of a group of people walking on a path.

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# The legal framework

- Objects
- Powers
  - Must be exercised:
    - in furtherance of the objects
    - In the interests of the charity
- Trustees' duties
  - Maximise the charity's resources

# The legal framework

- Reputational risk
- S. 172(1)(d) Companies Act 2006
  - A director of a charitable company must act in the way he considers would be most likely to achieve the company's purposes and in doing so must have regard to the impact of the company's operations on the community *and the environment*

# Objects

- Explore the full scope of the objects
- Keep the legal duties in mind
- You are the experts!
- Demonstrate the link between the activities and the objects with evidence

# Objects – Relief of sickness/promotion of health

- *“...To protect and promote the health of the public...by research into the nature, causes, diagnosis, prevention, treatment and cure of all forms of cancer...”* (Cancer Research UK)

# Adopting a new object

- Unincorporated charities
  - S. 13 – cy-près occasion
  - S. 13(1A)(b) – social and economic circumstances
- Charitable companies
  - S. 64 – In interests of charity; not so radical to be outside the reasonable contemplation of the company's supporters

# 2007 seminar - what charities told us

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- Board sign-up
- Financial incentives, and barriers
- Motivation
- Funding
- Reporting

# Going Green research

## Charities and Environmental Responsibility

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# Charity Commission research carried out in 2008

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- In-depth telephone interviews with 21 charities

Sample ranged from locally based charities with less than two staff to charities operating internationally with large budgets.

Included: 3 environmental charities

18 non-environmental charities, including 7 that have developed an environmental aspect to their work

- A review of the top 30 charities' Trustee Annual Reports (based on income) over the period 2006-08 to see whether these charities had measured and reported on their environmental impact

## Key question areas:

- \* The ways in which charities are responding to environmental concerns
- \* Main drivers of environmental activity
- \* Main barriers to environmental activity
- \* Whether charities had developed environmental themes to their work, even though they were not an environmental charity
- \* Whether environmental charities were using their specialist knowledge to influence their internal processes / activity

# The ways in which charities are responding to environmental concerns

- Charities appear to be increasingly recognising and responding to environmental concerns.
- There are a range of ways in which charities are becoming 'greener' and enhancing their environmental sustainability.

# Examples of activity areas

- Recycling / re-use
- Suppliers
- Travel & transport
- Environmental management & policies
- Premises and technology
- Cost savings

# Drivers of environmental activity

- **Key finding:** Charities often implement environmental initiatives as a result of pressure from key individuals who are either working within, or closely associated with, the charity, rather than as a result of a strategic decision by trustees.
- There was a concern expressed that if such key individuals left, the momentum for environmental action would be lost.

# Barriers to taking environmental action

- Charities reported a range of practical, financial and attitudinal barriers.
- It was clear, however, that where there was pressure from key individuals, or the charity showed a willingness to change, then it was possible to overcome these barriers.

For example, one tool used to break down barriers was the eco-audit.

# Charities developing environmental themes

- There is evidence of charities developing environmental themes to their work where this approach is relevant to, and enhances, their purposes.

For example: **Woodbrooke Quaker Study Centre** who have introduced many green initiatives to maintain Centre grounds but also as part of educational purposes / providing instruction on social issues.

# Whether environmental charities are using their specialist knowledge to influence their internal processes / activity

The research showed us that specialist charities were indeed applying the good environmental practice that they promoted to their own internal procedures and back office activities.

## **For example: Friends of the Earth Trust Ltd**

An environmental charity operating nationally and overseas. any ways in which addressing environmental issues through its day-to-day operations:

- environmental audits;
- environmental monitoring programme
- 'green champions' on staff
- 'green induction' for all staff and volunteers
- refurbished building using sustainable materials.

# Reporting sustainability

- 30 charities' Trustee Annual Reports reviewed over the period 2006-08
- Number making an environmental statement increased slightly (from five charities to seven) and in some cases the level of information had increased and evolved.
- Five charities detailed their ethical investment policies in 2008.
- Improvements indicate positive trends but numbers still relatively low, possibly reflecting that environmental work relatively new.\*
- Next challenge to consider how best to measure environmental impact.

# The conclusions that we drew from the research



- Although not a legal requirement, developing environmentally sustainable practices is a **way of maximising effectiveness**.
- Environmental measures can have minimal cost & result in cost savings.
- Some charities rely on key individuals to play a critical role in helping them reduce their environmental impact. Consideration could be given to formal recognition of the effort of these individuals.
- Charities can learn from each other – e.g. by sharing practice and skills.
- More could be done to monitor the impact of charities' efforts – e.g. regular environmental audits.
- Funders need to see environmental initiatives as a legitimate cost to support charities in making progress in this area.
- Development of any future reporting requirements may help develop good practice in this area. Currently scope for charities to participate in awards such as the *ACCA Awards for Sustainability*.

# Resources on our website

CHARITY  
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- [www.charitycommission.gov.uk](http://www.charitycommission.gov.uk)
- Environmental responsibility page
  - Q&A
  - Carbon Trust ‘Charities: Energy saving opportunities for charitable organisations’
  - Useful links

# Contact us

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