

Co-operative Financial Services - Climate change management

'Example of Excellence'

"By driving the market for sustainable energy technologies like wind and solar, Co-operative Financial Services has shown it is prepared to take financial risks that should allow other companies to bring these into the mainstream. It has done this through its investment choices and through the way in which it has showcased technology for its own use. In its submission the company showed us how commitment to the environment has been turned into commercial advantage and as a consequence it has clearly been embedded in the heart of its business strategy."

Judging panel

Positioning the company as an ethical and sustainable business, Co-operative Financial Services has linked energy efficiency to climate change and cut its CO₂ emissions, saving £252,000.

Co-operative Financial Services (CFS) is an industrial and provident society comprised of Co-operative Insurance Society (CIS) and The Co-operative Bank. CFS' commitment to sustainability is underpinned by the values of the Co-operative movement, and it seeks to be amongst the world's leading businesses when assessed on its response to global climate change, an integral part of its approach to sustainability.

Process

CFS' approach to sustainability seeks to serve the interests of all six Partners (shareholders, customers, staff, suppliers, society and the Co-operative movement) involved in its activities. In 2004 CFS became the first, and only, major financial services provider in the world to secure total business ISO14001 certification for its environmental management systems.

Recognising that energy use is a significant source of carbon dioxide emissions in the UK, the Bank and CIS have reported on their energy consumption and CO₂ emissions since 1998 and 2000 respectively. Since 1998, the Bank's Ethical Policy has included a commitment to "...not invest in any business whose core activity contributes to global climate change through the extraction or production of fossil fuels". CIS' Ethical Engagement Policy states that it will encourage businesses to "Reduce reliance on fossil fuels – which contribute to climate change – and increase their use of renewable energies and energy efficiency."

Impact

In total, the Bank's ethical and ecological positioning contributed to about 34% of the Bank's profitability for 2004 (£44.8m). Energy efficiency improvements reduced energy use by 6.6GWh, saving £252,000. A halon replacement programme has reduced the combined global warming potential of the Bank's air conditioning and fire control systems by 92% since 1998. Since 2000, the Bank has offset almost 200,000 tonnes of CO₂ on behalf of its customers through its Green Mortgage programme.

96% of CFS' electricity is now supplied from renewable sources. CFS and CIS have respectively installed both the largest-ever micro-wind turbine and solar power installations in the UK. CFS' eight-year power purchase agreement with Ecotricity will avoid over 3,870 tonnes of CO₂ each year and save CFS an estimated £250,000 over the contract lifetime by avoiding fluctuations in electricity prices.

www.cfs.co.uk