

## Managing our impacts

We are committed to operating in an environmentally responsible way, minimising any adverse impact our activities might have on the environment.

- Key impacts
- Environmental policies
- Cross-stakeholder consultation
- Working with local partners

We believe that all employees have a role to play in helping to build a "greener" Camelot and wish to help them understand their environmental responsibilities.

Environmental issues continue to rise up the corporate agenda, especially as major national and international initiatives begin to address the implications of global warming. Our environmental policies and practices need to keep pace with these developments.

### Key impacts

Our operations are mainly office-based in urban centres, with sales teams out on the road servicing our retailers. Our main product impacts come from the use of energy, paper and transport. We also have an indirect impact through our supply and distribution chains.

We comply with national regulation and have not incurred any fines over environmental regulation.

### Environmental policies

Our [Environmental Policy](#) sets out the management framework that shapes our efforts to control and minimise our impacts. It commits us to:

- Identify and manage our impacts
- Measure our environmental performance by establishing key indicators and agreeing to next step commitments
- Involve employees in environmental activities
- Consult with stakeholders on environmental issues.

In 2004/05, we met our commitment to **develop a formal energy policy and energy management practices**, ensuring that these are an integral part of our overall environmental management framework.

Our aim is to be as energy efficient as possible, as the most effective way of contributing to the conservation of natural resources, reducing pollution levels and CO<sub>2</sub> emissions.

We have four objectives for future energy consumption:

- To consume energy in the most efficient, economic and environmentally responsible way
- To apply the best energy-saving technologies and practices in all our operations
- To identify and seek achievable reductions in total energy consumption
- To promote staff awareness of the importance of energy consumption to local and global environmental issues.

Although we had committed to **developing a formal environmental management system** in 2004/05, for operational reasons, we were not able to fulfil this commitment. Our stakeholder dialogue process was rigorous enough to pick this up in the stakeholder consultation (see below) and we therefore have doubled our resources to make this commitment happen in 2005/6.

## Cross-stakeholder consultation

During the year, in line with the previous year's commitment, we held **an environmental seminar for representatives of local community organisations, environmental non-governmental organisations, suppliers, other companies seeking best practice, and one of our shareholders**. Attendees discuss energy and waste, the introduction of a formal environment management system, and our general approach to the environment.

The feedback from the seminar was very positive - all participants felt that it was a useful exercise in which they would like to participate again.

Participants endorsed the following recommendations - that Camelot should:

- Develop and implement an ISO 14001 - accredited environmental management system
- Identify and quantify our principal environmental impacts
- Consider ways in which we might promote environmental awareness with others.

These have fed into our next step commitments for 2005/06. See [Next steps](#).

## Working with local partners

The environmental seminar also recommended that Camelot should find opportunities to participate in local partnerships. In 2004/05, we worked with local recycling partners, invited local organisations to the environmental seminar and donated surplus office furniture and mobile phones to local charities. Our Interactive team held a team challenge event in co-operation with 'Groundwork', an environmental regeneration charity, as part of the campaign to win the 2012 Olympic Games for London. See [Investing in communities](#).

## Improving our performance

**We have engaged employees in our attempt to improve our environmental performance.**

### Employee action

In line with our commitment to **continue with staff engagement initiatives**, we launched an employee education and engagement programme in October 2004 in partnership with the environmental action charity 'Global Action Plan'. It was designed to raise awareness of environmental issues among Camelot employees, and to change their behaviour. See [case study](#).



On the day of launch, a team of volunteers 'The Green Team' talked to colleagues and explained some of the easy ways in which they could do their bit for the environment, such as turning off PC monitors when they are not in use and finding ways to recycle waste. Reusable plastic cups were distributed to all staff and there was an environmental quiz.

In 2004/05, with help from 'The Green Team' we met our commitment **to increase paper and plastic recycling by 5%** and:





- We reduced the number of disposable plastic cups in use by 50%
- We recycled six times more plastic, from 260 kg to 1788 kg
- We increased the amount of paper recycled by 107%
- We increased overall recycling levels by 181%, from 15.2 tonnes to 42.6 tonnes
- We switched off 20% more PC monitors every night.

In 2005/06, we plan to implement a number of new initiatives through 'The Green Team' programme.





### Energy use

We set a target **of reducing our total annual electricity consumption by 2%** in 2004/05. We did not achieve this and actually increased electricity consumption by nearly 1%. This was due to the purchase and use of new server equipment to host the National Lottery website, the new sales database and our intranet system. For 2005/06, our target is to reduce electricity and gas use by 2% (based on this year's figures). We plan to achieve this through our employee 'The Green Team' initiative.



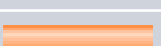
### Total electricity and gas used at Camelot main sites (kWh)

2004/05	 9,749,261
2003/04	 9,675,219
2002/03	 9,702,161
2001/02	 11,213,379

### Total electricity and gas used at Camelot main sites per employee (kWh)

2004/05	 10,845
2003/04	 10,762
2002/03	 12,503
2001/02	 14,892

### Total CO<sub>2</sub> produced (kgCO<sub>2</sub>)

2004/05	 6,248,002
2003/04	 6,117,741
2002/03	 5,647,843 *

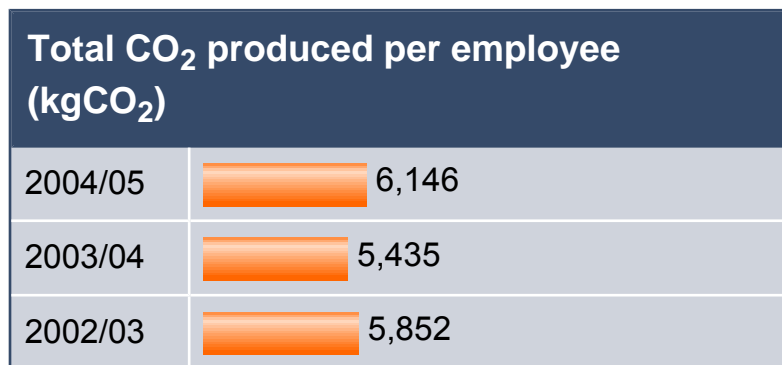
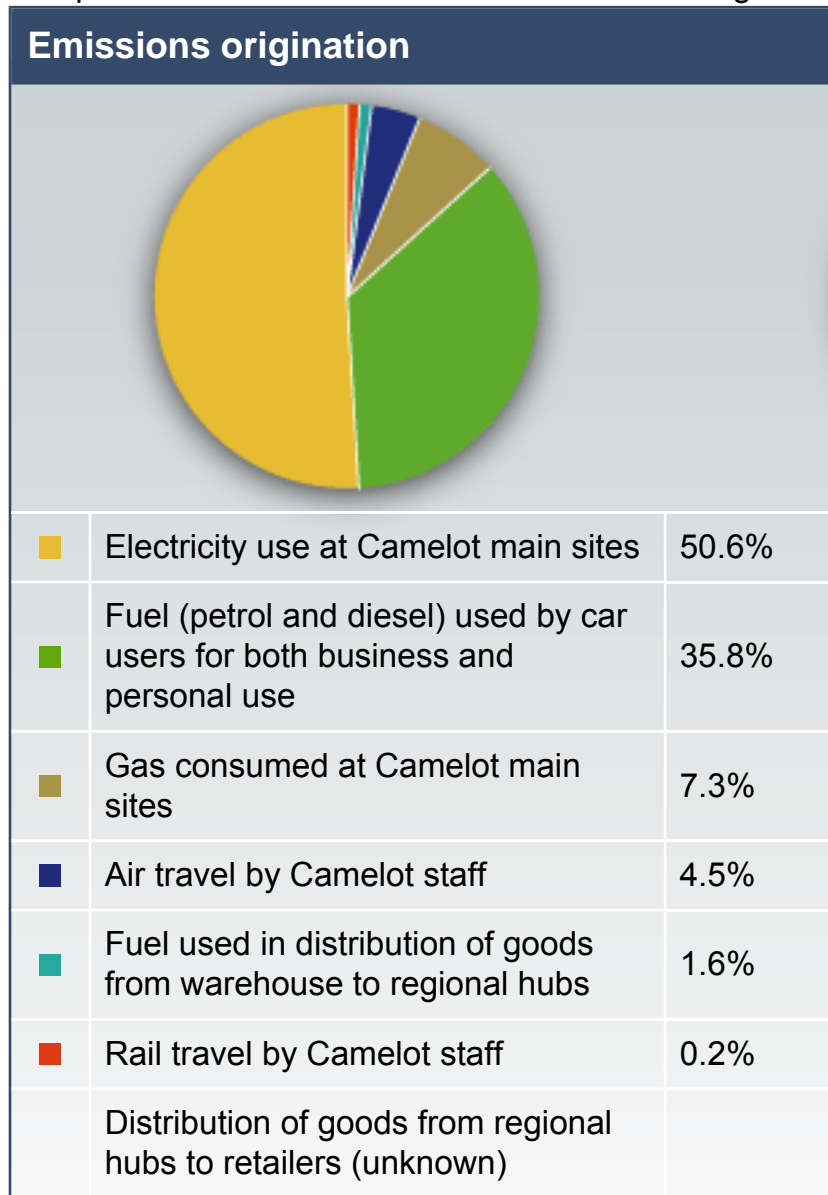
\* This figure excludes CO<sub>2</sub> produced as a result of distribution

Our electricity and gas consumption resulted in 3,618,074 kgCO<sub>2</sub> being produced. We will explore cleaner forms of energy in 2005.

We produced 2,233,703 kgCO<sub>2</sub> through both the personal and business use of company cars. We plan to convert our company car fleet (for sales people and other essential business car users) to diesel over the next three years, starting in 2005. Diesel is a more efficient fuel than petrol and emits less CO<sub>2</sub> per kilometre.

In addition, we measure the impacts of the distribution of material from our warehouse to a central hub. The emission amounted to 102,336 kgCO<sub>2</sub>. Beyond the hub, however, materials are distributed to retailers in shared forms of transport. We are therefore unable to report the total CO<sub>2</sub> emissions attributable to the distribution of materials to our 28,000 retailers. We have also committed to reducing the volume of goods we transport, by combining orders of scratchcards and consumables, and continue to work with our suppliers (especially our stationery supplier) to minimise the amount of packaging involved.

The pie chart below shows how the emissions originate.





For 2005/06 we aim to reduce our CO<sub>2</sub> emissions by 2% as a result of reduced electricity consumption, cleaner energy and switching car fuel from petrol to diesel.

## Paper consumption

Paper consumption in our offices is another priority for us. In 2004/05, the recorded usage increased but we believe this was due to improved data collection through collecting data on play slips, tickets and promotional material.



### Paper recycled at main Camelot sites (kg)

Target	Increase paper recycling by 10% at Watford in 2005/06	
2004/05		30,840
2003/04		14,917

In line with the previous year's commitment to **increase paper recycling by 5%**, and largely thanks to the efforts of 'The Green Team', we achieved an increase of 107%. Next year we intend to increase paper recycling by a further 10%.

Reducing waste at source is more important than increasing recycling. We have set a target of reducing overall office paper consumption by 5%

in 2005/06.

We used 2,508,703kg of paper in point-of-sale material, play slips, tickets and photocopying. Next year we will also report on the amount of paper used in scratchcards.

We will establish recycling infrastructure and formal auditing of performance at our offices in Liverpool and Northampton.




## Waste and Water

This year waste sent to landfill has gone up from 61,700 kg to 149,671 kg. This is mainly due to the number of office moves during the year.

### Waste sent to landfill (kg)

2004/05		149,671
2003/04		61,700
2002/03		122,322

### Waste sent to landfill per employee (kg)

2004/05		186.4
2003/04		84.8
2002/03		157.6

Water consumption has reduced this year by 20%. We recognise that water is not a major issue for us as we have limited consumption and no significant discharges to water. But we are always looking for

ways to improve, and 'The Green Team' tries to encourage employees to use less.

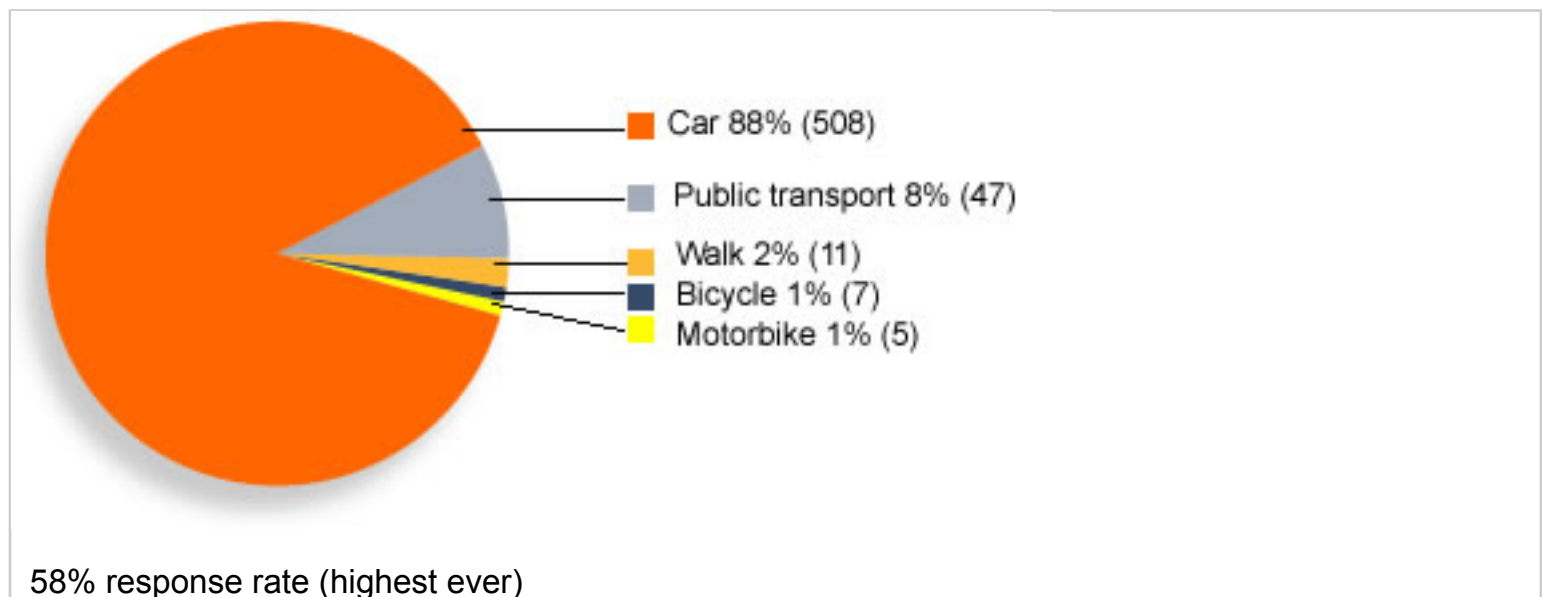
Water used (m <sup>3</sup> )	
2004/05	7,845
2003/04	9,822
2002/03	11,444
2001/02	5,548

Water used per employee (m <sup>3</sup> )	
Benchmark	11*
2004/05	8.7
2003/04	10.9
2002/03	14.8
2001/02	7.4

\* Benchmark: for companies seeking to make initial improvements; source DEFRA Environmental Reporting Guidelines

## Commuting to work

The majority of employees at our Watford office, where most of our staff are based, continue to drive to work. This is partly because our Watford office has poor public transport links. In 2004/05, our employee survey showed almost no change from the previous year. The way our staff commute is broken down in the pie chart below.







See indicator table for previous results in last years report

But we are working on improving the situation. For example, to reduce the need for private transport, we run a free minibus service for employees between our Watford office and Watford Junction railway station. It runs four times every morning and evening, and at lunchtime three days a week.

## In partnership with suppliers

We are committed to working with suppliers on environmental issues, in line with our overall [purchasing and tendering policy](#). During the year we evaluated and ranked our suppliers according to their social, ethical and environmental performance. This has not only improved our understanding of our impacts throughout the supply chain, but has also made our suppliers more conscious of their own impacts. See [Supply chain engagement](#).

### Suppliers operating an accredited environmental management system (%)

2004/05	 13
2003/04	 3
2002/03	 3
2001/02	 3

## Next steps

**In 2004/05 we met some of our environmental commitments, by developing an energy policy, increasing paper and plastic recycling, engaging employees in practical environmental improvements and consulting with environmental groups.**

In 2005/06, we aim to:

- Implement new initiatives through 'The Green Team' programme in order to
  - Increase paper recycling by 10% in Watford
  - Increase plastic recycling by 5% in Watford
  - Reduce paper consumption by 5% in Watford
  - Establish recycling in both Northampton and Liverpool.
- Introduce a formal Environmental Management System
- Report on the amount of paper used in scratchcards next year
- Reduce electricity consumption by 2% at main sites
- Transfer to diesel cars for all essential business car users over the next three years starting from May 2005 and reduce fuel consumption by 2%
- Reduce waste to landfill by 5%
- Reduce CO<sub>2</sub> emissions by 2%.

## Case study: The Green Team



### Camelot's volunteers 'The Green Team' have achieved some spectacular improvements in our environmental performance.

Working with the environmental group 'Global Action Plan', we recycled 62% more paper and 240% more plastic in 2004/05 in our main Watford office, compared with the previous year.

**Simon Cayless**, Business Improvement and Environmental Manager, says the team aims to change people's behaviour. "We knew it would be hard work," he says, "but I don't think we really appreciated how much of our time it would take. We met at least monthly and ensured that everyone had at least one action point that they 'owned' personally. We felt that was the best way to ensure buy-in and keep the momentum up. Inevitably, we've had to be as realistic and pragmatic as possible. We've had to move targets, for example, which can be very frustrating. But it's been necessary to keep things on track."

**Anne Pattberg**, Social Responsibility Analyst and current member of 'The Green Team', explains how they went about changing things.

"We began by auditing our environmental performance in the business. We designed a questionnaire to find out about employee behaviour. We had over 250 responses – around 35% of people working in our Watford office – which was great. We also carried out audits of what people were throwing away and how they were using energy in their working lives. We set up a site on the intranet and made sure that environmental messages were fed into the weekly management information cascade. And we launched a poster campaign, supported by email messages."

"On the launch of the poster campaign," adds **Simon**, "we ensured that we visited every employee face to face to get their support for what we were trying to do."

The Green Team members **Eddie Ferguson**, Health and Safety Manager, and **Chris Tyson**, Contact Centre Service Representative, have their own takes on what the work of the environmental team has meant for the business and for them as individuals.<sup>10</sup>

**Eddie** recognises that not everyone is capable of changing their behaviour at the first time of asking, and he's been using 'cake points' as an instrument of change. As he explains: "If any employee has a plastic cup of water on his or her desk rather than a re-usable beaker, then they are given one cake point. If anyone has put recyclable paper in their bin, then that's one cake point. Once you've collected three cake points, you have to buy cakes for everyone in the office. It's surprising how much it focuses people's minds."

**Chris** recognises there's a danger that The Green Team might come to be seen as the people who spend their time nagging everyone else about the environment. "You have to be willing to compromise and get people on your side," he says. "You have to bring things in gradually and not expect everything to change overnight. And you have to find ways of relating what people do in their offices to the bigger issues like global warming. You have to make it real for them."

What all The Green Team members appear to have discovered is that behaving in an environmentally responsible way in one part of your life inevitably has an impact on other parts of your life. As **Chris** explains,

"Being a member of 'The Green Team' isn't something that you do 9-5, it's a full-on commitment. I found that I was becoming just as focused on saving energy and waste at home as I was in the office. I hope we can get this message across to all employees. It's an obvious way of doubling our impact."

In March 2005, the team was able to audit their year's achievement. Among the key findings were a 15% (22 tonnes) decrease in waste to landfill and a 58% increase in recycling (from 32 tonnes to 51 tonnes).

That's pretty good, but the team is confident that much more can be achieved. Although Global Action Plan's formal involvement is at an end, the team is determined to move things on. As the project continues to develop, its priorities are changing. **Anne** believes that in future the issue of resource use at source will become increasingly critical.

"Even more important than recycling is simply to use less in the first place," she says.

As **Eddie** said: "We cannot overstate the untapped potential that waste and energy management have to offer Camelot in terms of employee involvement, cost reduction and improved energy performance."

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