

About the authors



Established in 2019, Chapter Zero's goal is to help chairs and non-executive directors address the challenge of the transition to a net zero carbon economy for their businesses, across the full spectrum of commercial activity. It is part of the World Economic Forum Climate Governance Initiative.

Chapter Zero supports the non-executive community in enhancing its knowledge, understanding and experience of this complex and critical business challenge through providing: learning events with experienced speakers where members can build their knowledge and their network; toolkits and other resources which facilitate boardroom discussion; and access to relevant content.

We have been delighted to partner with Eden McCallum to create this toolkit, drawing upon their knowledge of the climate change agenda and wealth of strategy development and organisational transformation experience.

Eden McCallum is a management consultancy founded in 2000 with the simple idea that, working with independent consultants, we could deliver better work. Today we offer world-class management consultancy with a deliberately agile approach, bringing our global team of independent consultants to the most pressing management challenges.

We are delighted to have partnered with Chapter Zero to develop this toolkit on a pro bono basis.

Through interviews and desk-based research, we have developed case studies of companies who are already making good progress in their climate change journeys. Building from these and borrowing from our own experience, we have created a three-stage approach to help non-executive directors understand the challenge and then implementing it. Each stage has separate frameworks that may be useful as the Board guides the organisation through its journey.

and events, please visit and enroll as a member on www.chapterzero.org.uk

To contact us, email info@edenmccallum.com

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How to use this toolkit

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Illustrative example  **For reference** 

1. Executive summary



Introduction

This toolkit is designed to help non-executive directors educate themselves on the business implications of climate change and provide a resource that they, their boards and executives can use to help design and implement a business response. As businesses look to 'build back better' post-Covid-19, we hope it is a useful source of information and inspiration.

The toolkit breaks the climate change journey into three phases:

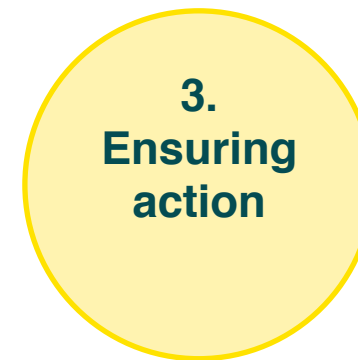
Prioritising climate change

'HÀQLQJ WKH VWUDWHJ\

Ensuring action

Insights are derived from **case studies** of companies that have already made good progress in their climate change journeys. Key lessons are summarised over the next 3 pages.



The last section provides **links to other organisations and resources** that can help businesses make further progress.



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What's in the toolkit?

This toolkit is made up of frameworks and case studies, structured around three phases in any organisation's climate change journey. We highlight the Board role at each phase and show how the toolkit can help. Non-executives can read this 3-page executive summary, or selectively dive deeper into frameworks and resources by clicking on the links.

 <p>Board role:</p>	<p>Prioritising climate change</p> <ul style="list-style-type: none"> Understand the relevant climate change issues for their business. Review or create a set of hypotheses for what the potential risks and opportunities are for your business; acknowledge that 'doing nothing' is not an option. Have a sense of the level of ambition your organisation wants to target and how it might measure progress; understand what 'net zero' means for your organisation. 	<p>Ensuring action</p> <ul style="list-style-type: none"> Contribute to and sign off the climate change strategy, ideally as part of the broader company strategy. Understand the key initiatives, why they were chosen and their likely impact. Create a view of the roadmap for change over various horizons. 	<ul style="list-style-type: none"> Sign off the implementation plans for the climate change strategy. Provide direct input to the governance, measurement, roles and accountabilities, remuneration and any organisational change. Ensure that appropriate capabilities and communications are in place. Encourage continuous improvement.
 <p>Tools in this section help:</p>	<ul style="list-style-type: none"> Raise the issues constructively: peer comparisons. Help the Board understand and frame the issues relevant to your company: <ul style="list-style-type: none"> 8-force trend analysis Scenario analysis Stakeholder insight Generate hypotheses that might arise and therefore where the change effort should be focused. 	<ul style="list-style-type: none"> Establish the baseline and measurement framework. Make choices about which initiatives to pursue in your climate change strategy: <ul style="list-style-type: none"> Generate ideas, building from the hypotheses Facilitate comparisons with initiative templates Select initiatives with a prioritisation framework Create a roadmap over several horizons. 	<ul style="list-style-type: none"> Provide an overview of the change management framework, with more in-depth guidelines on: <ul style="list-style-type: none"> Governance Generating engagement and enthusiasm Programme management best practices Initiative monitoring and reporting

→ Case studies illustrate the climate change journeys being taken by a variety of companies across different sectors



11 principles

The toolkit is based on an understanding of the practices observed in a range of companies already making strong progress on climate change action. They can be generalised into 11 broad principles.

- 1** **Clear accountability and governance at senior levels**

A catalyst is needed to get climate change onto the agenda. This can be an analysis of climate change risks – not just from physical changes but also from regulatory change, societal and competitive pressure – showing the likely resilience of the business. Scenarios are an effective way to deal with uncertainty and can show how vulnerable the business is.
- 2** **Climate change is not an add-on strategy**

When climate change targets and initiatives are part of broader corporate goals and initiatives, the regular organisational mechanisms to implement successfully can be used to drive progress in climate change.
- 3** **Championship from the top**

Where businesses have made strong progress, it is because the climate change agenda is championed by the CEO or Chair.
- 4** **Accountability embedded at senior levels**

Governance for climate change is at the most senior levels, reporting into the Board. It is critical to have the right accountability embedded at senior levels, e.g. Sustainability Directors reporting directly to the CEO; executive climate change committees made up of a broad mix of functional and business line heads.
- 5** **Organisational engagement is powerful**

When the people in the organisation are engaged and are measured on the success of climate change initiatives, they are more motivated and effective in driving the change.
- 6** **If it matters to stakeholders, it should matter to you**

Engaging with stakeholders and understanding what matters both today and in the future helps the Board set the ambition, understand risks and understand the scope of the challenge.
- 7** **Financial case for change is strong**

As the company lowers emissions it also has the potential to achieve operational savings, reduce market share, reduced waste and reduced risk. There may be opportunities to access new business areas and models. Carbon pricing is a business case.
- 8** **It can take time to make deep and lasting change; be prepared for a journey of several years. Evolving stakeholder perspectives over the next 10-20 years need to be factored into the thinking.**
- 9** **Transparency and collaboration are very helpful**

Operating in a spirit of transparency and collaboration within and across sectors. Continuous improvement is more likely if companies are open with their ambitions and measures, even in the knowledge that these measures are not perfect.
- 10** **What gets measured gets done**

Companies that have measured their baseline and made a public commitment to improvement say it helps to mobilise the organisation. They use accepted standards like Task Force on Climate-related Financial Disclosures (TCFD) and Science Based Targets (SBT).
- 11** **It is worth having a conscious, well-researched discussion on the level of ambition over a timeframe, otherwise the business can end up, by default, missing out on opportunities and being exposed to risks.**

Case study insights

Insights from the case studies demonstrate that, like other critically important issues facing a company, the tools and frameworks used in the disciplines of strategy development and change management are relevant and helpful to Boards as they seek to achieve real change.

Prioritising climate change

- When the Chairman and CEO are passionate and committed, it is much easier to set a more ambitious programme and make rapid progress.
- A sense of urgency to take positive action can be driven by a peer or competitor review.
- More often, the urgency arises from a thorough risk assessment (usually led by the risk team or audit committee). Risks from anticipated physical changes, competitor risks, regulatory risks or changing societal and customer attitudes bring the issue to life.
- Evaluating more alarming future scenarios and their potentially strong catalyst for change.
- It is critical to understand competitors and the perspectives of stakeholders (customers, employees, suppliers, shareholders, regulators, others). This helps set the level of ambition and scope of the challenge.
- As the issues become better understood, evaluation of business impact can move from risk reduction and resilience to emissions reduction, cost savings and enhanced market appeal.

Ensuring action

- Having raised climate change as a strategic issue, planning is done the same way as any other important strategic initiative.
- The journey needs to start with a baseline measure and a target. Science Based Targets (SBT) are commonly used. The best science should be used to constantly update targets. Having a public target is very mobilising.
- Part of the baselining process is to map where in the value chain the
- People from inside and outside the business can be engaged to generate ideas to improve emissions, improve operations or create
- Once the best ideas are shaped into initiatives, prioritisation frameworks help select the right mix of initiatives.
- Accountability is key: working with directors to take on and drive initiatives in their part of the business will build momentum.
- Initiatives and objectives can be phased over several horizons in a roadmap.

Ensuring action

- The World Economic Forum's governance model can be followed as transformation journeys are established. Best practices include clear accountabilities for progress, led directly by the Board and executive team.
- Link initiatives in the roadmap and progress on key metrics to senior individuals' performance objectives and remuneration.
- Communicate the vision and progress internally and externally.
- Employees may need new or different skills/capabilities. Companies may need new people to drive the change or a new organisation design.
- 4FU mOBODJBM PCKFDUJWFT VTJOH BDDFQUFE (Task Force on Climate-related Financial Disclosures and others).
- &OTVSF JOWFTUNFOU DBTFT GPS BMM DPNQBOZ and climate change impact (incl. carbon pricing).
- Being part of industry bodies or forums helps to exchange ideas and drive continued improvement.
- #VJME JOOPWBUJPO JO DMJNBUF BEBQUBUJPO encourage employees, suppliers, other stakeholders to participate.
- Continue to monitor key climate change metrics and provide clear

Companies featured in our case studies:



2. Prioritising climate change



What's in this section

This section contains frameworks, information and quotes to help catalyse and drive the climate change journey.



Board role

At the end of this phase, the Board will:

- Understand the relevant climate change issues facing the company.
- Have reviewed or created a set of hypotheses for what the potential risks and opportunities are for the business.
- Acknowledge that 'doing nothing' is not an option.
- Have a sense of the level of ambition it wants to target.
- Have a high-level view of what the change journey might look like for the organisation.



Toolkit

New tools are shown in the following pages that provide inspiration, direction and frameworks for deeper analysis, allowing NEDs to:

- Raise the issues constructively:
 - **Reviewing peer comparisons**: An initial scan of the relevant competitors or peers in your industry will provide a starting point and demonstrate that there is already momentum for change.
- Help the Board understand and frame the issues relevant to your company:
 - **8-force trend analysis**
 - **Scenario analysis**
 - **Stakeholder insight**
- Generate **hypotheses** GPS XIFSF UIF CFOFmUT NJHIU BSJTF BOE UIFSFGPSF XIFSF UIF DIBOHF FGGPSU TIPVME CF GPDVTF

“Without bold and decisive actions by all involved in the production of food, climate change will destabilize the food system.”



“Climate change is not some topic we can talk about. ... you've got to take real action.”



“The moment of crisis has come and we need to act now to tackle climate change...”



Reviewing peer comparisons 1

A scan of relevant competitors or peers in your industry will provide a starting point and demonstrate that there is already momentum for change. Searching annual reports and press coverage will provide relevant statements and, hopefully, actions too. Statements and actions from global corporate CEOs and Chairs are illustrated here.

Illustrative example



“Without bold and decisive actions by all involved in the production of food, climate change will destabilize the food system.”

“We are determined to innovate, scale and implement solutions together with producers, our customers and governments worldwide.”

David McLennan (Chair & CEO)
3 December 2019

Actions

- Commitment to reduce supply chain emissions by 30% per tonne of product by 2030.
- *OJUJBUJWFT TQFDJmDBMMZ JO CFFG TPJM IFBMUI TIJQQJOH BOE forests – the latter including a \$30m investment to drive innovative solutions to protect South American forests in economically viable ways for farmers.



“With an increasing number of catastrophic, J S P T H [L Y L S H [L K L] L U [Z H H L about you. You've got to take action ...we and geographies ...executives are beginning to acknowledge the business imperative of climate change. And they are beginning to act as they feel mounting pressure from stakeholders and threats to their own businesses.”

Sharon Thorne (Chair, Deloitte Global Board)
22 January 2020

Actions

- Seeking to reduce the environmental impact of its people, BOE NBYJNJ TJOH UIF mSN T TVQQPSU G Reducing CO₂ emissions since 2008 C J M J U Z efforts.
- *O UIF 6, UIF mSN JT UBSHFUJOH B reduction over the 10 years to 2021 (from 2010-11).



“Climate change is not some topic we can talk about. You've got to take action ...we need to basically reinvent the company. Get out of certain businesses so that you can invest in others. And you do need to reposition the company. Because otherwise you Z \ K K L U S ` Ä U K ` V \ Y Z L S M P U [O even though you're doing the right thing.”

Jim Hagermann-Schnabe (Chair)
22 January 2020

Actions

- (PBM PG CFJOH OFU [FSP CZ)BT BD Reducing CO₂ emissions since 2008 C J M J U Z
- Working to develop cleaner future fuels, and has launched Maersk Eco-Inventory (using biofuel to power certain vessels) and co-founded the 'Getting to Zero' coalition.

Reviewing peer comparisons 2

More illustrations from global corporate CEOs and Chairs.

Illustrative example



“The aviation industry can – and must – go low carbon. We urgently need to pioneer aircraft technologies to take the pressure off the atmosphere. There is no single solution that will get us there. It will take genuine collaboration across industries and borders to make progress.”

Henrik Poulsen (CEO)
22 January 2019

Actions

- By the end of 2019, 86% of Ørsted’s energy generation was from renewable sources (up from 17% in 2006).
- Ørsted has a goal of being net zero across energy trading

“The moment of crisis has come and we need to act now to tackle climate change... getting to this goal will be impossible without greater ambition from business.”

Warren East (CEO)
4 February 2020

Actions

- Rolls-Royce is working to reduce emissions of large aero engines (e.g., the Trent XWB), and developing all-electric aircraft technologies.



“The moment of crisis has come and we need to act now to tackle climate change... getting to this goal will be impossible without greater ambition from business.”

Mike Coupe (CEO) & Martin Scicluna (Chair)
28 January 2020

Actions

- Sainsbury’s has committed to investing £1 billion over twenty years towards becoming a net zero business across

8-force trend analysis

8 powerful and inter-dependent forces are driving the climate change agenda in businesses of all sizes. These categories can be used as a checklist for identifying where the critical issues for your business lie.

Framework



Illustrative examples

1.

- The Atlantic Basin Storm count by National Oceanic and Atmospheric Administration shows stronger and more frequent storms over 70 years.
- NOAAclimate.gov sees more intense droughts since mid 80's.
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2.

- Grid power is already shifting to decentralised, renewable and gas.
- Smart meters plus storage means businesses can produce and trade in power, reducing net cost.
- Smart buildings save money at the same time as reducing emissions.

3.

- A recent BRITA survey shows 86% of Millennials & Gen Z put employer's environmental performance near top of their concerns.

4.

- 4JHOJmDBOU JOWFTUPST MFE CZ F H... DLS... FOWJSPONFOUBMMZ TVTUBJOB CMF JOV... JUNFOUP... Q

5.

- Climate protests already disrupt businesses and can create negative PR. (see Maersk quote)

6.

- /:6 4UFSO SFTFBSDI JO GPVOE UIBU packaged goods (CPG) growth from 2013-2018 came from sustainability-marketed products despite representing only 16.6% of the category.

7.

- Competitors are looking to gain advantage by advancing their climate change and sustainability credentials e.g. vegan burgers by Burger King, KFC, McDonalds and more sustainable packaging by Kellogg.

8.

- The UK Climate Change Act mandates caps on the economy's carbon emissions through 'carbon budgets'.
- Subsidies, carbon trading and carbon pricing or taxes impose costs on high emission businesses, while creating opportunities for low emission technology. Further net zero policies are anticipated.
- Regulations and subsidy schemes are constantly updating which imposes further costs in monitoring and compliance.

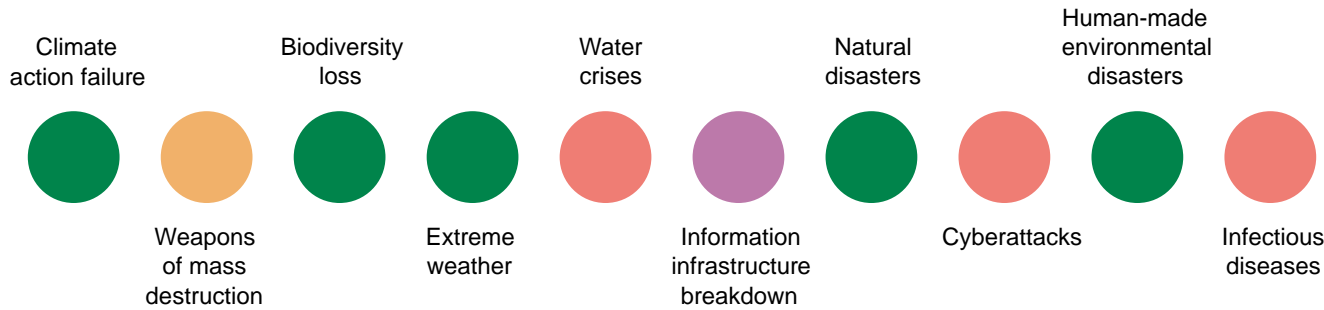
Trend analysis: Physical factors

The WEF ranks physical factors among the top 10 risks globally – NEDs can use this assessment as a way of raising the importance of climate change for any business.



World Economic Forum – Top Global Risks over the next 10 years

Impact Likelihood Multistakeholders



Impact Likelihood Multistakeholders



Environmental Economic Geopolitical Societal Technological

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Factoring physical risks into Board discussions

11ZTJDBM SJTLT JO FBSMZ XFSF PG UIF UPQ to the World Economic Forum, both in terms of their impact and likelihood.

As these risks become more likely and more impactful, businesses need to consider how resilient they are to the effects.

Task Force on Climate-related Financial Disclosures (TCFD) is TVQQPSUJOH PSHBOJTBUJPOT UP BTTFTT UIF mO on their business models.

In most companies, this assessment would be carried out by the audit committee or risk management function:

- Linked directly to their own risk register.
- Usually prompting discussions about mitigation strategies, FTDBMBUJOH UP UIF #PBSE XIFSF EFFNFE TJHC

To engage the Board in the discussion, another tool to use is **scenario analysis**.



Trend analysis: Investors and lenders

Investors and lenders are increasingly active in driving companies' climate agenda and in providing additional funds for climate change initiatives.



Factoring shareholder issues into Board discussions

Increasing interest and demand from fund managers for businesses to make sustainable investments, e.g.

- Blackrock's Larry Fink 2020 letter to CEOs "... Investors are increasingly reckoning with [climate change] questions and recognizing that climate risk is investment risk."
- UKSIF 2019 survey found that "80% of fund managers reported more interest from clients in fossil-free products compared to a year ago."
- Sustainable investing grew from 28% to 33% of total managed assets in key markets* from 2016-18.

The Task Force on Climate-related Financial Disclosures is supported by investors holding US\$118 trillion of assets.

Growth in popularity of sustainability indices such as FTSE Smart Sustainability Index, FTSE Environmental Markets Index, and the Dow Jones Sustainability Index. These are likely to become more stringent.

Fiduciary duties are now recognised as incorporating sustainability perspectives. For example, under new UK ESG regulations, pension funds have a duty to disclose their consideration of ESG factors, and their engagement with investee companies on those factors.

Green funding options

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(SFFO #POET BOE 4VTUBJOBBCJMJUZ #POET BSF EFT
or sustainability goals:

- The London Stock Exchange describes eligibility criteria for Green Bonds
BT GPMMPXT i1SPDFET BSF VTFE FYDMVTJWFMZ
QSPKFDUT XJUI DMFBS FOWJSPONFOUBM CFOFmU
- Additionally, within the LSEG Sustainable Bond Market, there are two further types of bond: Social Bonds and Sustainability Bonds (which combine Green and Social purposes).
- *TTVFST JODMVEF mOBODJBM BOE OPO mOBODJB
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saw issues from:
Banks: Barclays and Westpac
Energy companies: Ørsted and Fingrid
Auto: Toyota Motor Credit Corporation

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Scenario analysis

Board members can be engaged in thinking through ‘what if’ scenarios. Scenario planning is used in strategy development to evaluate different potential strategies when several aspects of the future business environment are uncertain.

Methodology

Which of the 8 forces are the most impactful and hardest to predict? Paint two ‘extremes’ on a continuum, e.g.

Less impact	
Physical:	Occasional weather disruption in some locations
Shareholders:	Climate change measures only superficial
Pressure groups:	Occasional disruption
Regulation:	Current levels of regulation

* O B X P S L T I P Q T F U U J O H J G U X P P G U I F T F B S F Q M P U U F E B H B J O
 # V T J O F T T D P O E J U J P O T J O F B D I P G U I F R V B E S B O U T D B O C F E F
 plausible future states.

' P S F B D I P G U I F Q B S U J D J Q B O U T U I F O F W B M V B U F I P X U I F D P N

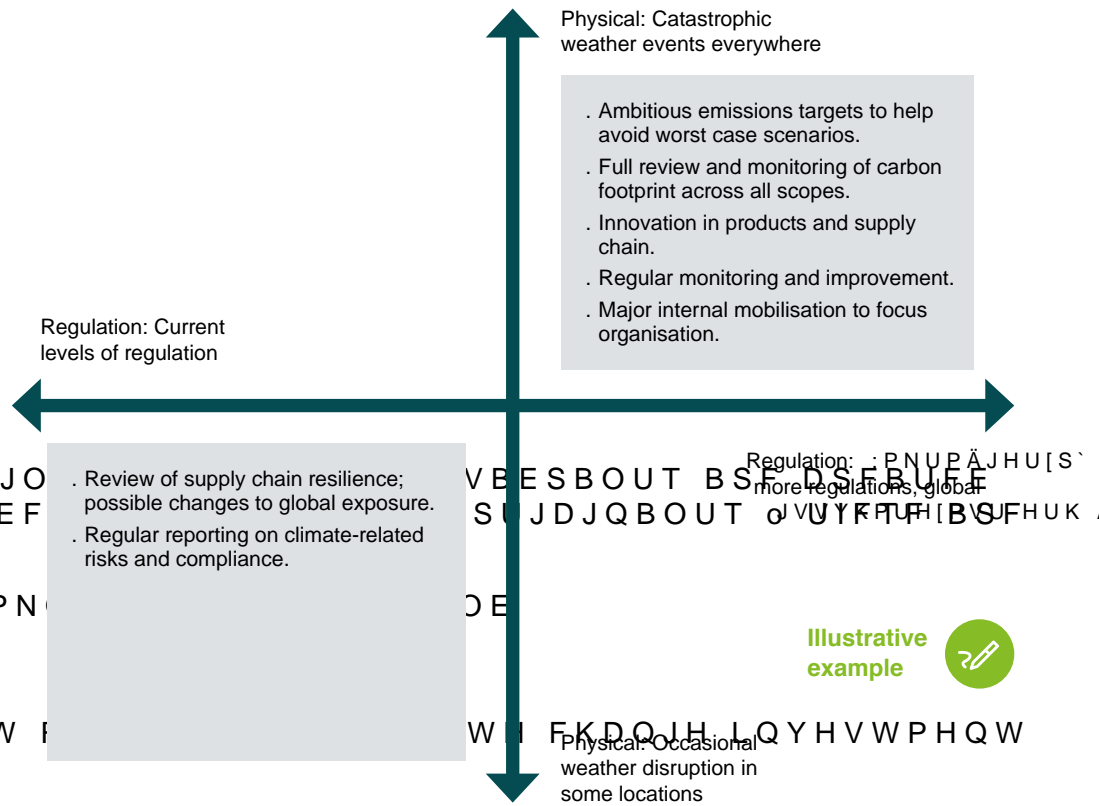
The intention is not to ‘bet’ or ‘guess’ which scenario is the most likely; it is a tool to help leaders identify how to protect their businesses from the worst outcomes and build resilience. **The potential**

F R V W R I † G R L Q J Q R W K L Q J · F D Q E H J U H D W H U W K D Q W K H F R V W F

The question can then be asked: **Should we take this action anyway?**

6 H H K W W S V Z Z Z W F I G K X E R U J F D V H V W X G \ I R U D F D V H V W X G \ I U R P 5 L F D U G R 3 / & W K D W W D O N V D E R X W X V L Q J V F H Q D U L R V

Response to change in environment





Stakeholder insight

Boards need to understand the climate-related views and preferences of stakeholders*. Having developed hypotheses, evidence and insight should be sought to validate the hypotheses and get a sense of how much change is required. Insights may be available from existing sources or new surveys may be required.

	Customers	Employees	Suppliers and channel partners	Investors and lenders	Communities
Existing sources	<ul style="list-style-type: none"> Industry-wide studies (e.g. Boston Consulting Group survey of luxury customer attitudes). Existing customer feedback. 	<ul style="list-style-type: none"> Employee engagement surveys. Trade union engagement. Exit interviews. Feedback on recruitment processes and value proposition. 	<ul style="list-style-type: none"> Trade press. Industry body publications and research. Regular negotiations and other meetings. 	<ul style="list-style-type: none"> AGM and shareholder meetings. Financial publications. Surveys on investor attitudes. 	<ul style="list-style-type: none"> Media. Government green papers.
New sources	<ul style="list-style-type: none"> New primary market research: <ul style="list-style-type: none"> Current attitudes Evolving attitudes Social media feedback. 	<ul style="list-style-type: none"> Apps and web-based employee feedback channels. Environmental initiatives and communications. Employee vox pop. 	<ul style="list-style-type: none"> Audits and surveys on environmental practices. Reports on environmental efforts. Expert interviews on climate topics. Environmental consultancy engagements. 	<ul style="list-style-type: none"> Reporting and benchmarking tools e.g. Task Force on Climate-related Financial Disclosures, Global Reporting Initiative, Science Based Targets, Dow Jones Sustainability Index. 	<ul style="list-style-type: none"> Social media. Community leader engagement. Pressure groups.

Hypothesis generation - why should we take action?

What is the case for taking action? There are usually four areas of impact arising from climate change initiatives, and these make a good basis from which to form hypotheses for your business. At this stage in the process, these are the first thoughts and ideas about where the organisation might be at risk or where it could find new opportunities.



Risk management and resilience

- The potential negative impact of not being prepared for physical, regulatory, carbon pricing or stakeholder changes can be evaluated.
- Risk management should be considered by boards, as risk management is a normal part of the Board's responsibilities.
- Inaction or 'doing nothing' about the risks can create a strong catalyst for change.



Emissions reduction

- Potential to reduce Greenhouse Gas (GHG) emissions across all scopes.
- Affects the company's support from stakeholders, including its 'license to operate'.
- New business models arising from low carbon technology will open opportunities for fast movers.



Cost reduction and efficiency

- Eliminating waste and sourcing cheaper forms of energy can reduce operating costs.
- Having real climate change reduction plans can improve morale and reduce staff turnover.



Market appeal

- Introducing products and services that are more sustainable will appeal to an increasing number of customers, potentially creating market advantage.

Note: if members of the Board are sceptical about the impact of climate change, please refer to [UK Government's Net Zero Strategy](#) where the science and facts are clearly laid out.



Hypothesis generation by trend

The trends will highlight future risks and opportunities. Understanding these will guide your choice of strategic initiative.

Illustrative example

	Risk management and resilience	Emissions reduction opportunities	Cost savings/ LIJPLUJ` VWVVY [P	New markets and commercial opportunities
Physical	<ul style="list-style-type: none"> Microclimate change Higher chance of catastrophic loss – e.g. from natural disasters Pathogen evolution 			<ul style="list-style-type: none"> Business resilience and agility development work Insurance opportunities New pharmaceutical challenges
Technology	<ul style="list-style-type: none"> Missing opportunities to capture value from new trends *VZ[Z HUK ÄYZ[TV]LY YPZRZ VM 	<ul style="list-style-type: none"> Low carbon energy generation Waste reduction 	<ul style="list-style-type: none"> Improved delivery/distribution 4VYL LIJPLU[I\PSKPUNZ Cheaper production: energy generation and supply chains 	<ul style="list-style-type: none"> New technologies Internet of Things (IoT) Energy alternatives Food preservation
Employees	<ul style="list-style-type: none"> Missing top talent if attracted by competitors' JSPTH[L LHVY[Z Reduced teamwork from increased homeworking 	<ul style="list-style-type: none"> Increased determination within purpose-driven organisations to act and drive change 	<ul style="list-style-type: none"> *OHUJL [V H[[YHJ[[VW [HSLU [– and reduce cost of turnover/recruitment /VTL ^VYRPUN YLK\JLZ VIJL J 	<ul style="list-style-type: none"> New skills, experience, expertise and values to leverage – including through greater diversity, fairness and inclusion
Competition	<ul style="list-style-type: none"> Risk of competitors growing share & competitive advantages Potentially costly to keep pace with larger competitors 	<ul style="list-style-type: none"> Industry cooperation to achieve big emission reductions in supply chain Competition to win customer appeal on basis of environmental approach 	<ul style="list-style-type: none"> 4VYL LIJPLU[WYVJLZZLZ KL S Chance to get ahead of competitors by driving real improvements on topics that matter for stakeholders 	
Investors and lenders	<ul style="list-style-type: none"> Divestment of 'vice industries' More funding for sustainable businesses Costly to report and monitor green initiatives 	<ul style="list-style-type: none"> Greater demand for transparent emissions and "impact" reporting 	<ul style="list-style-type: none"> 9LK\JL ÄUHJJPUN JVZ[Z PU green funding exceeds demand 	<ul style="list-style-type: none"> New access to ESG and inclusion in green benchmark funds , TPZZPVUZ SPURLK NYLLU ÄUHJL VVSZ loans'
Society and pressure groups	<ul style="list-style-type: none"> Targeted protests Naming and shaming in social media + PR Rejection of 'greenwashing' 	<ul style="list-style-type: none"> Industry and community cooperation to reduce emissions Opportunities to shape policy and work with stakeholders 	<ul style="list-style-type: none"> Less packaging 	<ul style="list-style-type: none"> Green PR, investor relations and marketing opportunities
Customers/consumers	<ul style="list-style-type: none"> Risk of changing preferences, driven by negative publicity Cost of developing environmental supply chains 	<ul style="list-style-type: none"> Growing fashion for green and ethically sourced products Carbon tax/pricing avoided 	<ul style="list-style-type: none"> New market of plant-based meat substitutes creates opportunity for new low-cost supply chain 	<ul style="list-style-type: none"> New segments and products (e.g. meat free food, recycled textiles, eco-housing, electricity-powered cars)
Regulation	<ul style="list-style-type: none"> Costly to implement and demonstrate compliance Implementation may obstruct other commercial priorities Fines for breach/ non-compliance 	<ul style="list-style-type: none"> Cap on emissions Increasing use of renewables Reduced waste Construction and land use rules 	<ul style="list-style-type: none"> Less packaging Subsidies for green investments Lower power costs 	<ul style="list-style-type: none"> Opportunities to facilitate compliance *OHUJL MVY ÄYTZ [V I\PSK WVSP[PJHS JH

3. Defining the strategy



What's in this section

This section contains frameworks, information and quotes to describe the process of creating a climate change strategy.



Board role

"T UIF TUSBUFHZ JT EFmOFE UIF #PBSE XJMM

- Sign off the climate change strategy; ideally as part of the broader company strategy.
- Understand the key initiatives, why they were chosen and their likely impact.
- Create a view of the roadmap for change over various horizons.

The non-executive directors may contribute to the idea generation in a Board strategy day or they may simply review and discuss papers presented by the Executive committee.

- The frameworks in this section might help the non-executives anticipate and understand what more advanced companies are doing as they frame and review their climate change strategies.



Toolkit

Tools in this section should help the Board to:

- **Establish the baseline and measurement framework.**
- Make choices about which initiatives to pursue as part of the climate change strategy.
 - **Generate ideas** for initiatives
 - Facilitate comparisons with **initiative templates**
 - Select initiative with a **prioritisation framework**
- Create a **roadmap** over several horizons.

“This was the only initiative in my 30-year career that united all 29,000 employees behind it.”

“Climate change is moving up the agenda for investors, customers, colleagues, legislators, the media... We had to recognise how much this issue was coming to the fore.”

Sainsbury's

“Each business unit develops a Sustainability Action Plan every year. Our business leaders drive implementation supported by a volunteer network across

L]LY` V]JL HYV\UK [^· ^VYS





Measuring the baseline

The case studies show the value of establishing a clear baseline as early as possible to measure the company’s carbon footprint, mapping out how the company’s activities – including upstream and downstream – create emissions. These will be used to track progress and report at Board level.

Measuring the baseline

4QFDJBMJTU DPOTVMUBODJFT DBO BTTFTT UIF DBSCPO GPPUQSJOU BPSPTT BMM POTSBUJROT % F m O J U J P O T B O calculation tools can be found at www.ghgprotocol.org. Support can also be found at the **Carbon Trust** and other consultancies.

Measures may be imperfect but form a clear baseline from which to track progress.

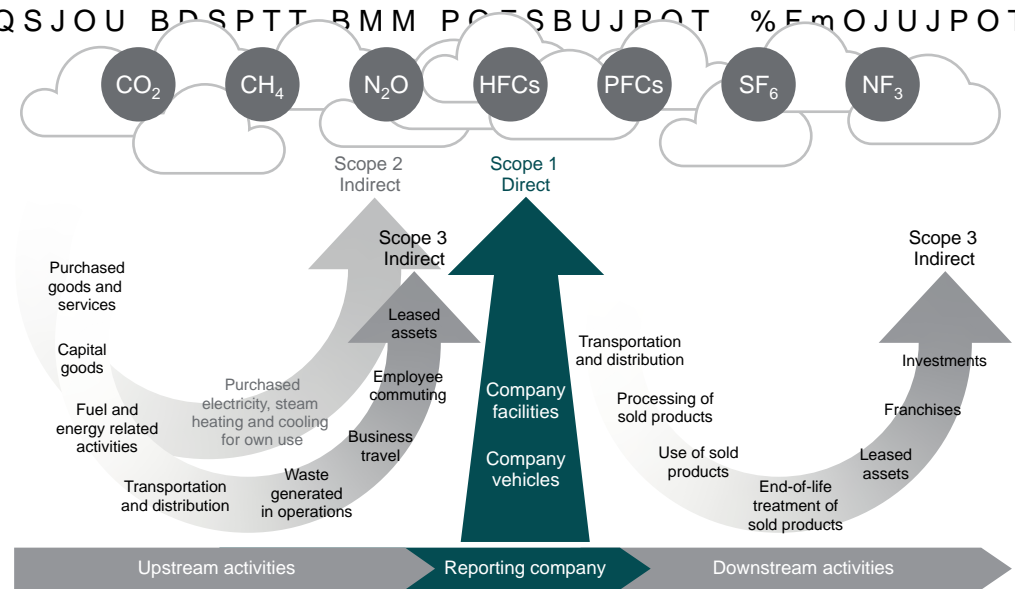
There are already standard ways of measuring most climate-related outputs. It is simpler to use these as they can then be tracked and reported on for the relevant stakeholders. Various organisations provide guidance:

- Task Force on Climate-related Financial Disclosures (**TCFD**)
- Climate Disclosure Standards Board (**CDSB**)
- Accounting for Sustainability (**A4S**)
- Science Based Targets (**SBT**) are commonly used for setting emission targets.

In some cases, companies innovate or work with universities to develop the right metrics for their organisation.

As companies set their ambition levels, many will want to understand what ‘net zero’ means to them and in what time frame. Different companies consider different scopes (net zero in scopes 1 and 2, GPS FYBNQMF BOE TPNF JODMVEF DBSCPO PGGTFUJJOH " T U I F E F m O J U J P O F W P M W E T J U J T J N Q P S U B O U U P consider the latest guidance.

Carbon Trust describes 3 scopes of emissions

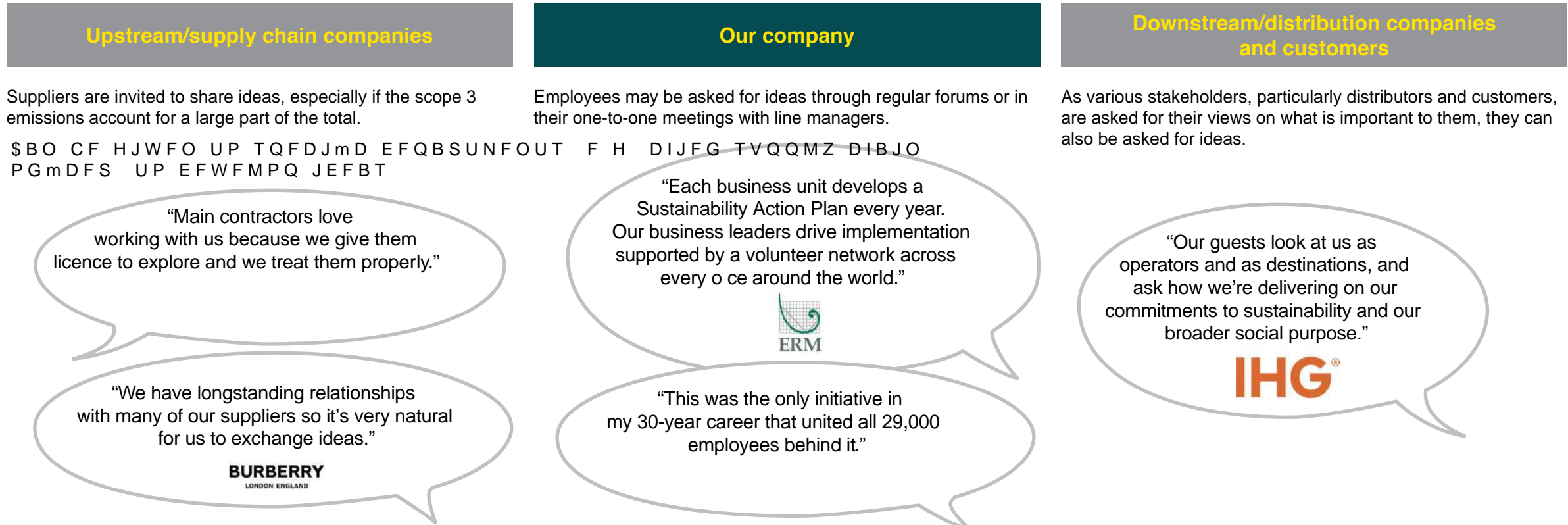


- Scope 1 covers direct emissions from owned or controlled sources.
- Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company.
- Scope 3 includes all other indirect emissions that occur in a company’s value chain (including in-use and ultimate disposal).

For reference

Generating ideas

What are the right initiatives? Bringing together the baseline measures across the full scope of the business and the hypotheses of potential benefits, teams can be engaged in generating ideas for initiatives the company could pursue. Stakeholders, especially employees, typically want to be engaged in idea generation and it builds their commitment to delivering improvements.



As working groups generate ideas for initiatives to reduce emissions, they should develop a high-level view of the rationale for pursuing it, the potential impact, resource required, timeframe and risks. An **L Q L W L D W L Y H W H P S O D W H** can guide the collection of information and allow initiatives to be compared.

Initiative template

A 'plan-on-a-page' template can inform prioritisation by concisely capturing salient details for each proposed initiative.

Name:		Date:		Version:		Business Unit:		Designed by:		Owner and ExCo Member responsible:	
Relevant Market Trends:											
Carbon impact 'xx			Related competitor activities 'xx			Required resources 'xx					
			Proposed initiative 'xx			Key partners 'xx					
			Business rationale 'xx			Dependencies and risks 'xx					
			Channels - xx			Time to impact - Medium (TBC)					
			Carbon reduction potential 'xx			Profit potential (incl. risk mitigation) 'xx			Cost estimate 'xx		

Illustrative example

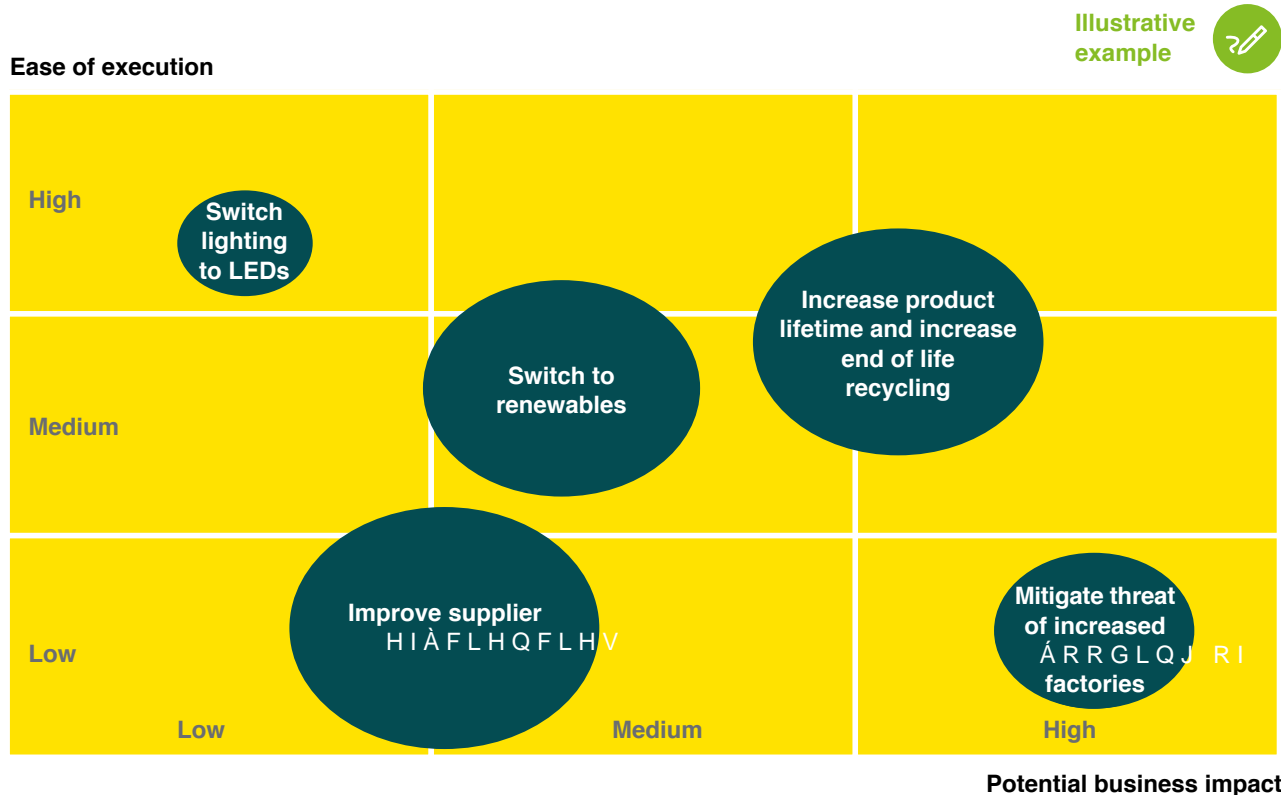


Prioritisation framework

Understanding the trade-offs between ‘ease’ and ‘impact’ helps to prioritise initiatives. The number and scope of the initiatives you pursue will depend on the urgency of the change required and the organisation’s capacity to handle each specific change initiative. Some initiatives might be mandatory – e.g. regulatory-driven – others will be discretionary.

Prioritising climate change initiatives

Commentary



The change programme will include a series of initiatives. As the list of ‘possible’ initiatives grows, ultimately the programme will probably include some from different parts of the matrix but highest priority would be the ones in the top right-hand corner.

Factors driving ease could include:

- Degree of control
- Financial cost and certainty/timing of return
- Complexity
- Proven technology
- Capability of the team

Factors driving the size of impact could include:

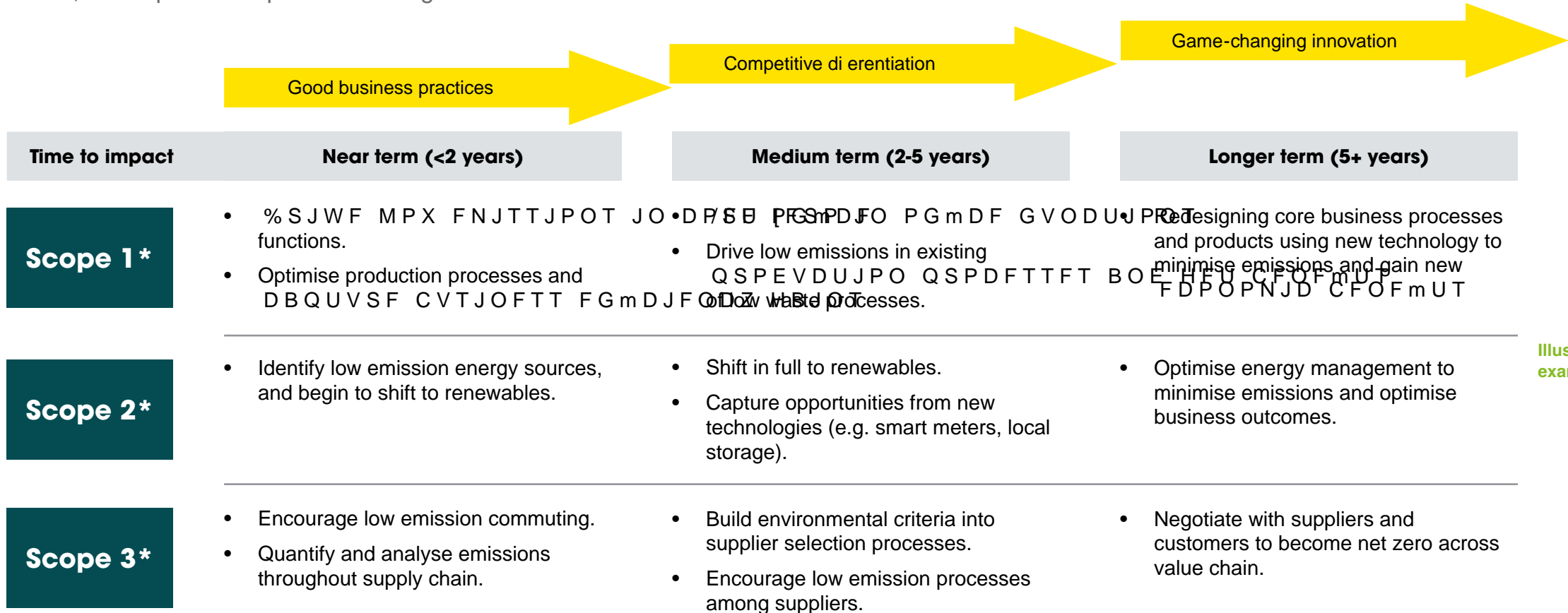
- Current level of emissions
- % reduction achievable
- Return on investment
- Public perception

Urgency and capacity of the organisation to manage the change will drive the overall shape of the change effort.



Building a roadmap

The initiatives identified can then be sequenced and grouped into planning horizons on a roadmap. Too much too quickly can lead to failure; it is important to pace the change over time.



Illustrative example



Detailing your roadmap

The three horizons capture the spectrum of climate change activity.

Illustrative example

	Horizon 1	Horizon 2	Horizon 3
+LÄUP[PVU			
	Focus on improving core business practices - typically involving improvements in scope 1 and 2 emissions, i.e. those generated through business practices, and by the chosen energy supplier.	Optimise internal business practices, and advance existing technologies.	Step changing business practices to drastically reduce internal emissions, and emissions generated by supply chain partners – both upstream and downstream.
Illustrative target	“We commit to our internal business practices and energy supply being carbon neutral by 2030.”	“We commit to engaging our suppliers to work with us on climate action.”	“We commit to having a net zero value chain by 2030.”
Examples	<ul style="list-style-type: none"> . 9LWSHJL SPNO[Ä[[PUNZ ^P[O 3,+Z . 9LWSHJL]LOPJSL ÄLL[^P[O aLYV LTPZ Z . Encourage working from home. 	<ul style="list-style-type: none"> . +YP]L LIJPLUJPLZ PU WYVK\J[PVU . Update products and packaging to include more recycled and recyclable materials. . Use solely renewable power. 	<ul style="list-style-type: none"> . Climate change at core of business decision making – e.g. selecting partners based on their climate change practices and commitments; designing core products with emissions in mind.
Maturity of technology	<ul style="list-style-type: none"> . Mature: widely adopted across industries. 	<ul style="list-style-type: none"> . +L]LSVWPUN! HWWSP LK HTVUN SL . technologies well established. 	<ul style="list-style-type: none"> . H.KPdeveped: Tzely Enpo . Undeveloped, but potential for breakthroughs.
Sources of value	<ul style="list-style-type: none"> . Potential cost reduction, e.g. reduced energy and maintenance bills. . Increasingly ‘purpose-driven’ teams. . Compliance with regulations and government targets. 	<ul style="list-style-type: none"> . *VTWL[P[P]L KPHLYLU[PH[PVU HTVUN . consumer segments. . Cost advantages through optimised processes and from renewable power. . Greater constructive engagement with value chain players. . Captures value from government subsidies. 	<ul style="list-style-type: none"> . UNPJSIP T P\$S K Y H]LSLHKLY PU P[Z ÄLSK H V K W V Z P [. world. .)YHUK ÄYTS` HZZVJPH[LK ^P[O UL[aLYV . Innovation capabilities to be embedded in wider business groups. . Drives business eligibility to win funding. . If achieved quickly, could pre-empt setting of tough regulatory targets.
Potential impact on reducing carbon footprint	<p>Varies by industry:</p> <ul style="list-style-type: none"> . Potentially high for businesses that use high quantities of power (e.g. manufacturers, distributors). . 3V^LY MVY ZLY]P JLZ ÄYTZ 	<ul style="list-style-type: none"> . Opportunities across industries – though likely to follow [OL /VYPaVU WH[[LYU ZLL SLM[<ul style="list-style-type: none"> . Large potential for all businesses if successfully developed.

4. Ensuring action



What's in this section

This section contains observed best practices, Board discussion topics and questions for NEDs to help ensure action is taken to deliver on your climate change strategy.



Board role

To support successful delivery of the strategy, the Board would:

- Sign off the implementation plans for the climate change strategy.
- Provide direct input to the governance, measurement, roles and accountabilities, remuneration and any organisational change.
- Ensure that appropriate capabilities and communications are in place.
- Encourage continuous improvement.



Toolkit

Tools in this section help the Board to have an overview of the change management framework, with more in-depth guidelines on:

- **Governance** – including links to World Economic Forum (WEF) guidelines on governance.
- **Generating engagement and enthusiasm.**
- **Programme management best practices.**
- **Initiative monitoring and reporting** – including links to Task Force on Climate-related Financial Disclosures (TCFD) guidance on reporting.

Change planning framework

Organisations sometimes struggle to embed change once a new strategy and plan has been agreed. This 8-part framework can help NEDs support the change programme once it has been proposed by the executive team.

\$ PRGHO IRU HPEHGGLQJ DQG V XVWDLQLQJ EXVLQHVV FKDQJH

‘Creating momentum through persuasion’

‘Driving real change through rigorous execution’



Governance

Setting up for success: Governance of climate change must reside at the most senior levels of the organisation with clear accountabilities.

“We saw a real step change when we elevated governance of our sustainability agenda from executive to Board level.”



“ExCo members have individual goals on sustainability and give equal weighting to environmental, social and nancial outcomes in making business decisions.”



GROSVENOR




Observations and best practice

Governance of climate change plans are managed at Board as well as Executive level.

Accountabilities are made very clear. There is no perfect answer to how to set up committees but a clear reporting line to the CEO and Board are important.

Climate change responses are embedded in other governance frameworks e.g. Risk Committee, and are managed together with other social and employee activities e.g. diversity and inclusion.




Board discussions

Agreeing key programme **accountabilities** for climate change response at both Board and ExCo levels.

Agreeing **mandate** of the Climate Change/Sustainability Directors.

Agreeing **internal governance** frameworks (committees, cadence and format of reporting).

Deciding **frequency and nature of external reporting.**

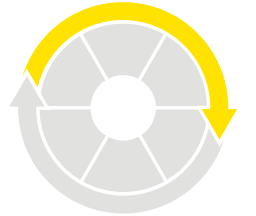


Further questions

How can we support our Climate Change and Sustainability Directors to continue to bring the right level passion, enthusiasm, challenge and insight over time?

Are programme accountabilities and interfaces between roles clear and understood?

Which of our forums and committees are the least effective and what can be done to improve their impact?

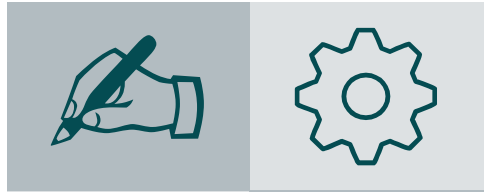


WEF governance guidelines

The World Economic Forum has published 8 specific guidelines on best practice in governance.

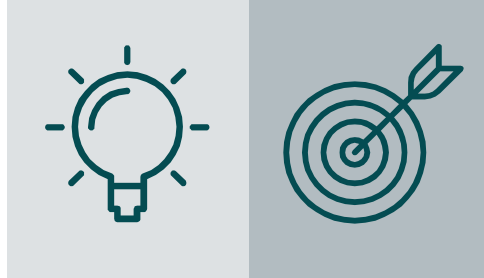
1 Climate accountability on boards

The board should be accountable for the company's long-term resilience with respect to potential shifts in the business landscape that may result from climate change.



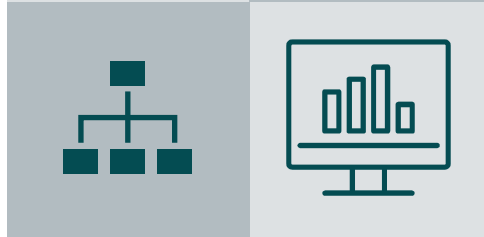
2 Board composition

Boards should have a mix of members with diverse backgrounds, skills, and experiences, including knowledge, skills, experience and background to effectively debate and take decisions informed by an awareness and understanding of climate-related threats and opportunities.



3 Board structure

As the stewards for long-term performance and resilience, the board should determine the most effective way to integrate climate considerations into its structure and committees.



4 Material risk and opportunity assessment

The board should ensure that management assesses the short-, medium- and long-term materiality of climate-related risks and opportunities for the company on an ongoing basis. The board should further ensure that the organisation's actions and responses to climate are proportionate to the materiality of climate to the company.



5 Strategic & organisational integration

The board should ensure that climate systemically informs strategic investment planning and decision-making processes and is embedded into the management of risk and opportunities across the organisation.

6 Incentivisation

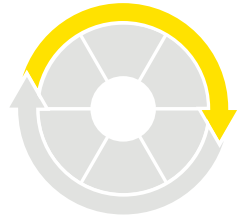
The board should ensure that executive incentives are aligned to promote the long-term prosperity of the company. The board may want to consider including climate-related targets and indicators in their executive incentive schemes, where appropriate. In markets where it is commonplace to extend variable incentives to non-executive directors, a similar approach can be considered.

7 Reporting and disclosure

The board should ensure that material climate-related risks, opportunities and strategic decisions are consistently and transparently disclosed to all stakeholders – particularly to investors and, where required, regulators. Reports and accounts, appropriate, and be subject to the same disclosure governance as other financial reports and accounts.

8 Exchange

The Board should maintain regular exchanges and dialogues with peers, policy-makers, investors and other stakeholders to encourage the sharing of methodologies and to stay informed about the latest climate-relevant risks, regulatory requirements etc.



For reference

Engagement

Creating the will and energy across all your stakeholders to move to new ways of working is key.

“You need the right partners, right expertise, strong leadership and commitment to drive engagement and make this work.”

“A coalition of people across the whole organisation, from treasury and investor relations to project managers, really helped drive the low carbon agenda from top to bottom.”

Observations and best practice

Recognise that the most effective change is iterative. And the strongest leaders bring people with them, but also demonstrate persistence over time.

Invest in strong communications for internal and external audiences.

2 V J D L M Z J E F O U J G Z B O C E T A M M H B C A T I O N S
the necessary capabilities needed to implement plans.

Board discussions

Agreeing **messages** CEO and Chair will send to employees, customers and the market.

Agreeing who the **¶ I D F H V** · of new strategy and plan are (in addition to Climate Change/ Sustainability Directors).

Reviewing the internal and External **U n V F O D J O H** plan.

Deciding material business cases relating to **capability development and investment.**

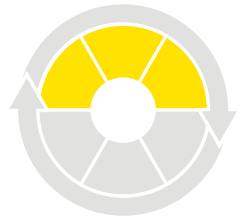
Further questions

Are our most respected leaders the ones who are championing our climate change response and plan?

How is our communications plan **U S V M Z J O n V F O D J O H** BOE Q F S T V B E J its various audiences?

What approaches, blueprints or methods can we take from others and adapt for us?

What are the most important gaps in our capabilities?



Programme frameworks

Rigorous execution and real change are underpinned by ensuring clear roles and responsibilities, aligning remuneration and performance metrics, and workforce planning.

“Remuneration and measurement are key. What doesn’t get measured doesn’t get done.”

“Sustainability is part of our employee value proposition.”

Observations and best practice

Review how the organisation is structured and its ability to cope with climate change issues.

3 F B G m S N B D D P V O U B C J M E S T A F T B n a j o B o n a M g
 levels and revisit reporting lines and team structures.

Reengineer individual reward and recognition against plan objectives (see next page for a drill down into performance management and remuneration).

Board discussions

Approving changes to **roles and responsibilities**, including major changes to Executive level roles.

Understanding and approving changes to core business **processes**.

Approving proposals from **Remuneration Committee** on alignment of reward (see next page).

Approving proposals on any changes to **shape and scale of the workforce** resulting from updates to operating models.

Further questions

What are the expected results from our initiatives?

What are the operating expense implications of updated remuneration proposals?

What are the expected savings and costs of changes to our workforce?



Monitoring and reporting

Having set the baseline measures, the organisation should continue to monitor progress and report to internal and external stakeholders. Many business leaders in climate change admit to not knowing the answers or having all the right information – but despite this they set targets, then monitor and refine them.

“No one denigrated us for trying. Sometimes you have to just forge a way.”

“Annual awards for sustainability progress to our suppliers help ensure momentum is built throughout our supply chain.”

Observations and best practice

Request regular updates by initiative so progress can be monitored.

Make it ok to fail and don't demand everything has to be perfect before initiative begins.

When things don't go to plan – provide support and input to get plans back on track.

Board discussions

Agreeing **frequency and format of reporting.**

Deciding right **time to communicate** results and success.

Conducting **initiative portfolio review** on an annual or bi-annual basis – what initiatives should stop, start and continue?

Understanding top 3 **change plan issues and risks.**

Further questions

What tangible actions can we (as Board members) take to unblock issues for day to day delivery teams?

Which initiatives seem to languish at 'amber' on status reports month after month... what do we need to do to shift them towards 'green?'

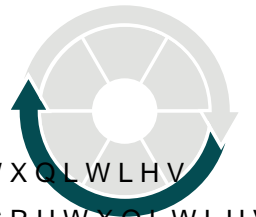
What examples of success can we highlight and celebrate?



Reporting standards

There are several different standards for the reporting of carbon emissions. Businesses should research and select the methodologies and reporting frameworks most applicable to them. The Task Force on Climate-related Financial Disclosures (TCFD) provides a helpful reporting framework, which aligns with the Global Reporting Initiative (GRI) standards.

TCFD framework categories	Illustrative reporting considerations	TCFD-recommended GRI disclosures
<p>Governance</p>	<p>‡+RZ WKH %RDUG LV NHHSLQJ RYHUVLJKW RI FOLPDWH UHODWHG ULVNV DQG RSSRUWXQLWLHV</p> <p>‡+RZ PDQDJHPHQW LV DVVHVVHQJ DQG PDQDJLQJ FOLPDWH UHODWHG ULVNV DQG RSSRUWXQLWLHV</p>	<p>GRI 102, 103, 201, 305</p>
<p>Strategy</p>	<p>‡,GHQWLÀHV VKRUW PHGLXP DQG ORQJ WHUP ULVNV</p> <p>‡'HVFULEHV WKH LPSDFW RI WKH ULVNV</p> <p>‡'HVFULEHV WKH UHVLOLHQFH RI WKH VWUDWHJ\ XQGHU VFHQDULRV RI f & RU ORZHU</p>	<p>GRI 102, 103, 201</p>
<p>Risk management</p>	<p>‡+RZ WKH RUJDQLVDWLRQ LGHQWLÀHV DVVHVVHV DQG PDQDJH FOLPDWH UHODWHG ULVNV</p>	<p>GRI 102, 103, 201, 305</p>
<p>Metrics and targets</p>	<p>‡'HVFULEHV WKH PHWULFV DQG WDUJHWV XVHG WR DVVHVV FOLPDWH UHODWHG ULVNV DQG RSSRUWXQLWLHV</p>	<p>GRI 102, 103, 201, 302, 303, 305, 306</p>



For reference

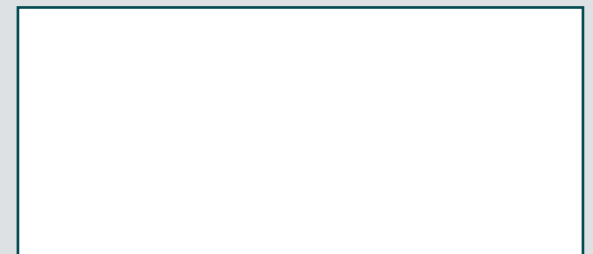
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5. Case studies



What's in this section

Case studies in this section demonstrate how companies have tackled different steps in the process and may provide inspiration for your organisation.



Each logo links directly to its case study

Burberry

Driven by employees and consumers, Burberry developed and publicly announced clear metrics to tackle climate change.

Prioritising climate change

‡%XUEHUU\ FRPPLWWHG WR D EDVHOLQH DVVH LPSDFW LQ DQG XVHG WKDW WR GHYHORS SXEOLFO\ UHSRUWHG WDUJHWV

‡6WDUWHG DQXDO VXEPLVLRQV WR 'RZ -RQH V X V W D L Q D E L O L W \ , Q G H [L Q 2 KHOSHG GULYH FRPPLWPHQW LQWHUQDOO\ DQG H[WHUQDOO\

‡,QFUHDVLQJ HPSOR\HH DQG FRQVXPHU FRQFHUQV LQFOXGLQJ VRFLDO PHGLD DFWLYLW\ FDWDO\VHG FOLPDWH FKDQJH DFWLRQ

‡&URVV LQGXVWU\ FROODERUDWLRQ RQ FOLPDWH FKDQJH FROWULEXWHG WR LWV SULRULWLVDWLRQ LQWHUQDOO\

'HÀQLQJ WKH VWUDWHJ\

‡7KH ÀUP ODXQFKHG LWV VFRQG EURDGHU DQG PRUH DPELWLRXV VXVWDLQDELOLW\ VWUDWHJ\ LQ

‡7KH\ EURXJKW LQ H[WHUQDO H[SHUWLHV WR KHOS GHÀQH D SRLQW SODQ WKDW WKH ÀUP LV ZRUNLQJ WR GHOLYHU 'HYHORSHG LQ SDUWQHUVKLS ZLWK WKRWH H[SHUW WKH SODQ LV UHYLHZHG HYHU\VLQJ PRQWK

‡&XUHQW JRDOV LQFOXGH XVLQJ UHQHZDEOH HOHFWULFLW\ E\ DQG PHHWLQJ WKH 6FLHQFH %DVHG 7DUJHW WR UHGXFH RSHUDWLRQDO HPLVVLRQV E\ IURP WR VFRSH HPLVVLRQV E\ IURP WR

6RXUFH ,QWHUYLHZV &RPSDQ\ ZHEVLWH

BURBERRY

LONDON ENGLAND

RQ



Ensuring action

‡&RPPLWWLQJ WR SXEOLF WDUJHWV ZDV N FRQYHUVDWLRQ IURP &RUSRUDWH 6RFLDO EURDGHU H[FXWLYH WHDP

‡2UJDQLVDWLRQDO SULRULWLVDWLRQ LV K UHSRUWV GLUHFWO\ WR &(2 \$ '6XVWDLQD LQFOXGHV &(2 &KDLU &22 &)2 &KLHI 6) &KLHI 3HRSOH 2IÀFHU

‡7DUJHW VHWWLQJ VWDUWV DW WKH WRS)RUFH RQ &OLPDWH UHODWHG)LQDQFLDO DQG GULYHV ÀQDQFH WHDP HQJDJHPHQW

‡7KH ÀUP UHJXODUO\ UHÀQHV LWV FDUERQ WKH KHOS RI H[WHUQDO FRQVXOWDQWV

‡,W XVHV 6FLHQFH %DVHG 7DUJHW WR PR HIIRUWV

‡&OLPDWH FKDQJH REMHFWLYHV DUH EXLO REMHFWLYHV

‡7KH ÀUP V FRPPLWPHQWV RQ FOLPDWH FK VXVWDLQDELOLW\ DUH SDUW RI HPSOR\HH

‡7KH ERDUG DGGUHVHV VXVWDLQDELOLW\ DQXDOO\

Drax

Drax is the largest decarbonisation project in Europe. The firm aims to be carbon negative by 2030.

Prioritising climate change

“We have a limited time to act on the climate crisis, we must do it in a way that unlocks jobs and economic growth, unleashes entrepreneurial spirit and leaves nobody behind.”

“Sustainable biomass has a long-term role to play in the 8. DQG JOREDO HQHUJ\ PDUNHWV DV D ÁH[LEOH DQG UHOLDEOH VRXUFH RI renewable energy and a way of delivering negative emissions.”

'HÀQLQJ WKH VWUDWHJ\

“Using sustainable biomass has unlocked jobs and economic growth, unleashes entrepreneurial spirit and leaves nobody behind.”

“Ensuring the sustainability of the biomass we use is vital if we are to meet our climate goals.”



Ensuring action

“Ensuring the sustainability of the biomass we use is vital if we are to meet our climate goals.”

“Our sourcing policy and an independent board to challenge us every step of the way will help to set the standard for others to follow.”

“Using sustainable biomass has unlocked jobs and economic growth, unleashes entrepreneurial spirit and leaves nobody behind.”

“Ensuring the sustainability of the biomass we use is vital if we are to meet our climate goals.”

ERM

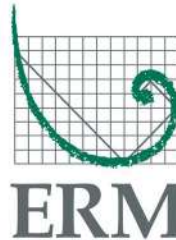
ERM's climate strategy focuses efforts on areas that will have the greatest impact in achieving the firm's Science Based Targets.

Prioritising climate change

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'HÀQLQJ WKH VWUDWHJ'

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Go-Ahead

Trialling innovative technologies and focusing on measuring emissions have been central to Go-Ahead's climate programme.



Prioritising climate change

‡,Q VHQLRU PDQDJPHQW VWUDWHJ\ ZRU RI LQFUHDVLQJ JOREDO DZDUHQHVV RI FOLP UHDOLVDWLRQ WKDW WKH\ KDG WR ORRN DV FOLPDWH FVDEDLQJ. We needed to pull this into a holistic strategy, covering all bases”.

‡&OLPDWH FKDQJH LV DOVR D SULRULW\ IRU *R \$KHDG.V VWDNHKROGHUV H J JRYHUQPHQW ERGLHV ZLWK WKHLU RZQ HPLVVLRQV WDUJHWV DQG LQYHVWRUV VHHNLQJ HYLGHQFH RI WKH EXVLQHVV. ORQJ WHUP VXVWDLQDELOLW\

‡7KHUH DUH FOHDU FRPPHUFLDO EHQHÀWV WR DFWLQJ RQ FOLPDWH FKDQJH ² IRU H[DPSOH WKURXJK UHGXFHG FRVWV IURP TXHO H\ÀFLHQI

'HÀQLQJ WKH VWUDWHJ\

‡*R \$KHDG DVVHPEOHG D FURVV IXQFWLRQDO WHDP LQFOXGLQJ H[HFXWLYH GLUHFWRUV DQG &)2 WR HYDOXDWH LPSDFW RI FOLPDWH FKDQJH XQGHU f DQG f JOREDO ZDUPLQJ VFHQDULRV

‡7KLV OHG WR GHWDLOHG ZRUN RQ VSHFLÀF LQLWLDWLYHV IRU HDFK VFHQDULR H J GHFDUERQLVLQJ UDLO DQG EXV ÀHHW HYDOXDWLQJ ELR IXHOV VXVWDLQDEOH LQYHVWPHQW RSSRUWXQLWLHV HWF

‡7KH ÀUP QRZ KDV D FOHDUO\ DUWLFXODWHG FOLPDWH FKDQJH VWUDWHJ\ DQG JRDOV 7KUHH RI WKH ÀUP.V ÀYH VWUDWHJLF SULRULWLHV DUH IRFXVHG RQ FOLPDWH DFWLRQ ² WDFNOLQJ FOLPDWH FKDQJH UDLVLQJ VXSSO\ FKDLQ VXVWDLQDELOLW\ DQG LPSURYLQJ DLU TXDOLW\

6RXUFH ,QWHUYLHZV &RPSDQ\ ZHEVLWH



Ensuring action

‡,QWHUQDO &OLPDWH 7DVNIRUFH ZDV FUIHD OHG E\ H[HFXWLYH GLUHFWRUV UHSRUV +XJH LQWHUHVW JHQHUDWHG DFURVV EXV

‡1RZ HYDOXDWH SURMHFWV WKURXJK OHG FRVW DQG FROOHDJXH LPSDFW

‡&OLPDWH JRDOV DQG PHWULFV “as a matter of course”.

‡*R \$KHDG.V VWURQJ UHODWLRQV KLSV ZLW HQDEOH WKH VXFFHVV RI LWV 6XVWDLQDE

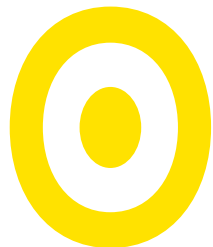
‡*R \$KHDG LV LQYHVWLQJ LQ LQQRWDWLRQ DVVHWV ² H J K\GURJHQ DQG IXOO HOHFV LQQRWDWLYH ([WHQG HG 5DQJHFRPSDQ\LV DOVR SLORWLQJ WKH ZRUOG.V ÀUVW DLU ,W DLPV WR UXQ D]HUR HPLVVLRQ EXV À

‡,W LV FRPPLWWHG WR UHSRUWLQJ LQ FRP &OLPDWH UHODWHG)LQDQFLDO 'LVFORVX H[SORULQJ VHWWLQJ 6FLHQFH %DVHG 7DU

‡7KH ÀUP KDV DFKLHYHG WKH ,62 VWD

Chapter Zero

Principles and frameworks for climate change strategy and action



**Chapter
Zero**

The Directors' Climate Forum

