Chapter Zero

Principles and frameworks for climate change strategy and action

Chapter Zero
The Directors' Climate Forum

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 Wold 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.

To find out more about Chapter Zero and have access to more resources and events, please visit and enroll as a member on **www.chapterzero.org.uk**

Eden McCallum is a management consultancy founded in 2000 with the simple idea that, working with independent consultants, we could deliver better work for our clients, with more senior teams and at significantly better value-for-money. 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 process of defining a strategy to respond to the net zero carbon challenge and then implementing it. Each stage has separate frameworks that may be useful as the Board guides the organisation through its journey.

To find out more about Eden McCallum, please visit our website **www.edenmccallum.com** To contact us, email **info@edenmccallum.com**

Contents

How to use this toolkit

This toolkit contains a wealth of detail and has been designed to provide a flexible resource for non-executive directors to dip into and out of as they wish.

There are links and buttons throughout to help you quickly navigate the toolkit:

- Hyperlinks are in **teal** and will take you straight to the section, linked page, frameworks or published online content.

Numerous examples and references are also incorporated:

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

Defining the strategy

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.

1. Prioritising climate change

- Suggests strategies for getting climate change on your Board agenda.
- Highlights frameworks, external information sources and illustrations to help catalyse and drive the climate change journey with the right level of direction and energy.

2. Defining the strategy

- Includes frameworks to help the Board add substance and clarity to their climate change strategy, ideally as part of the broader company strategy.
- 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.

3. Ensuring action

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

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.

	Prioritising climate change	Defining the stategy	Ensuring action
Board role:	• 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.	• 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.	• 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.
Tools in this section help:	• Raise the issues constructively: **peer comparisons**. • Help the Board understand and frame the issues relevant to your company: **8-force trend analysis** **Scenario analysis** **Stakeholder insight** • Generate **hypotheses** for where the benefits and risks might arise and therefore where the change effort should be focused.	• Establish the **baseline and measurement framework**. • Make choices about which initiatives to pursue in your climate change strategy: **Generate ideas**, building from the hypotheses Facilitate comparisons with **initiative templates** Select initiatives with a **prioritisation framework** • Create a **roadmap** over several horizons.	• Provide an **overview of the change management framework**, with more in-depth guidelines on: **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 A spark to start the fire

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 organisation to significant changes. Recent disruption from Covid-19 demonstrates the importance of understanding potential risks. 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* to the strategy, it's part of the 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 Clear accountability and governance at senior levels

Governance for climate change is at the most senior levels, reporting into the Board. Significant change will only happen with strong executive director support. 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. Specific initiatives and outcomes need to be owned by senior executives, not buried too deep in the organisation structure.

5 Organisational engagement is powerful

When the people in the organisation are engaged in defining the evolving solutions 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, enhanced market share, reduced waste and reduced risk. There may be opportunities to access new business areas and models. Carbon pricing is an important financial consideration in business cases.

8 It's a journey

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

Case studies show the benefits of 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 A company's level of ambition is a *conscious* decision

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 unquantified 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 dramatic impact on the business model and profitability can create a 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.

Defining the strategy

- 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 emissions are most significant.
- People from inside and outside the business can be engaged to generate ideas to improve emissions, improve operations or create new opportunities.
- 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.
- Set financial objectives using accepted frameworks and standards (Task Force on Climate-related Financial Disclosures and others).
- Ensure investment cases for all company activities include financial and climate change impact (incl. carbon pricing).
- Being part of industry bodies or forums helps to exchange ideas and drive continued improvement.
- Build innovation in climate adaptation into the firm's culture: actively encourage employees, suppliers, other stakeholders to participate.
- Continue to monitor key climate change metrics and provide clear feedback to specific stakeholder groups.

Companies featured in our case studies:

BURBERRY LONDON ENGLAND, drax, ERM, Go-Ahead, GROSVENOR, IHG, innocent, Landsec, Sainsbury's, sse, Unilever

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** for where the benefits might arise and therefore where the change effort should be focused.

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

"Climate change is not some topic we can talk about. … you've got to take real action." — MAERSK

"The moment of crisis has come and we need to act now to tackle climate change..." — Sainsbury's

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

Cargill

"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.
- Initiatives specifically in beef, soil health, shipping and forests – the latter including a $30m investment to drive innovative solutions to protect South American forests in economically viable ways for farmers.

Deloitte.

"With an increasing number of catastrophic, climate-related events affecting populations 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, and maximising the firm's support for clients' sustainability efforts.
- In the UK, the firm is targeting a 35% per FTE emissions reduction over the 10 years to 2021 (from 2010-11).

MAERSK

"Climate change is not some topic we can talk about …you've got to take real 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 suddenly find yourself in the wrong headline, even though you're doing the right thing."

Jim Hagermann-Schnabe (Chair)
22 January 2020

Actions

- Goal of being net zero by 2050. Has achieved a c.42% reduction in CO_2 emissions since 2008.
- Working to develop cleaner future fuels, and has launched Maersk ECO delivery (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

Ørsted

"Climate change is one of the defining challenges of our time. We must dramatically accelerate the transformation of the world's energy systems from fossil fuels to renewables to help protect our planet for future generations."

Henrik Poulsen (CEO)
22 January 2019

Rolls-Royce

"The aviation industry can – and must – go low carbon. We urgently need to pioneer flight without adding more CO_2 to the atmosphere. There is no single solution that will get us there. It will take genuine collaboration across industries and borders to make progress."

Warren East (CEO)
4 February 2020

Sainsbury's

"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

- By the end of 2019, 86% of Ørsted's energy generation was from renewable sources (up from 17% in 2006).
- The firm is working to be net zero in energy generation and operations by 2025.
- Ørsted has a goal of being net zero across energy trading and its supply chain by 2040.

Actions

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

Actions

- Sainsbury's has committed to investing £1 billion over twenty years towards becoming a net zero business across its own operations by 2040.

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

Circles highlighted in green are explained in more detail in the following pages.

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.
- UK's Met Office State of Climate reports show wetter winters and potentially higher risk of floods.

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.
- Significant investors led by e.g. Blackrock are starting to turn away from fossil fuel and actively seeking environmentally sustainable investments (see p.15).

5.
- Climate protests already disrupt businesses and can create negative PR.
(see Maersk quote)

6.
- NYU Stern research in 2019 found that 50% of consumer-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.

Sources: CarbonBrief, McKinsey, HRDirector, Sage, KFC, Burger King, Kellogg UK, New York Times, Orsted; BRITA Professional Life is Better Filtered" via HRD; NOAA, Met office, NYU Stern Research on IRI Purchasing data, Eden McCallum analysis

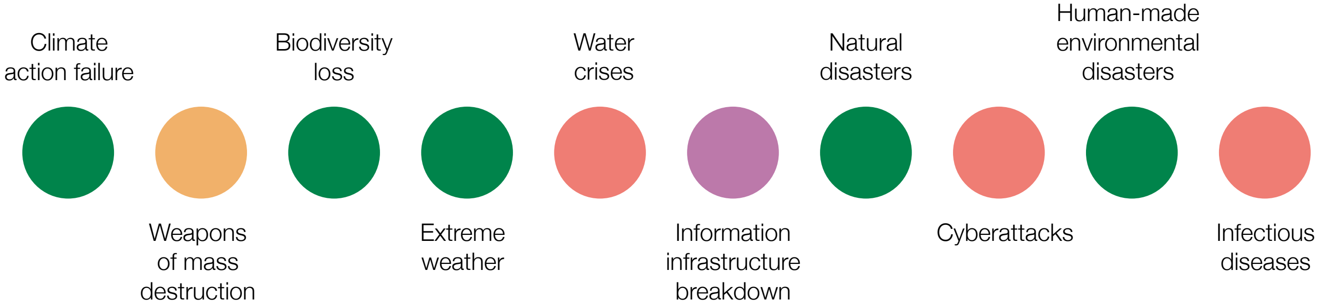
Trend analysis: Physical factors

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

Long-term risk outlook: **Impact**

Multistakeholders



Long-term risk outlook: **Likelihood**

Multistakeholders

Environmental   Economic   Geopolitical   Societal   Technological

Sources: World Economic Forum- the Global Risks Report 2020.

Factoring physical risks into Board discussions

Physical risks in early 2020 were 5 of the top 10 risks globally, according 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 supporting organisations to assess the financial impact of climate change 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, escalating to the Board where deemed significant or material.

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

The market for Green Bonds is growing rapidly, reaching $255bn globally in 2019, more than triple the 2016 figure. State-based green funding mechanisms such as the London Green Fund (£120m) and the London Energy Efficiency Fund (£500m) have also been launched.

Green Bonds and Sustainability Bonds are designed for specific environmental or sustainability goals:

- The London Stock Exchange describes eligibility criteria for Green Bonds as follows: "Proceeds are used exclusively to finance green projects, or projects with clear environmental benefits."
- 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).
- Issuers include financial and non-financial corporations, governments and not-for-profits. For example in November 2019 the London market saw issues from:

  Banks: Barclays and Westpac

  Energy companies: Ørsted and Fingrid

  Auto: Toyota Motor Credit Corporation

Note: *Key markets refers to Europe, US, Japan, Canada, Australia & New Zealand
Sources: BlackRock; UKSIF Oil Pressure Gauge 2019 survey of fund manager attitudes to investment in IOCs, FT, Jan 20 2020, FT 24 Feb 2020, london.gov.uk, lseg.com, London.gov.uk Global Sustainable Investment Alliance, Task Force on Climate-related Financial Disclosures status report 2019, Eden McCallum Analysis

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	**More impact**
Physical:	Occasional weather disruption in some locations	Catastrophic weather events everywhere
Shareholders:	Climate change measures only superficial	Climate change measures as important as financial returns
Pressure groups:	Occasional disruption	Stronger naming/shaming and frequent physical disruption of operations
Regulation:	Current levels of regulation	More regulation, global coordination, fines and ratcheting carbon prices

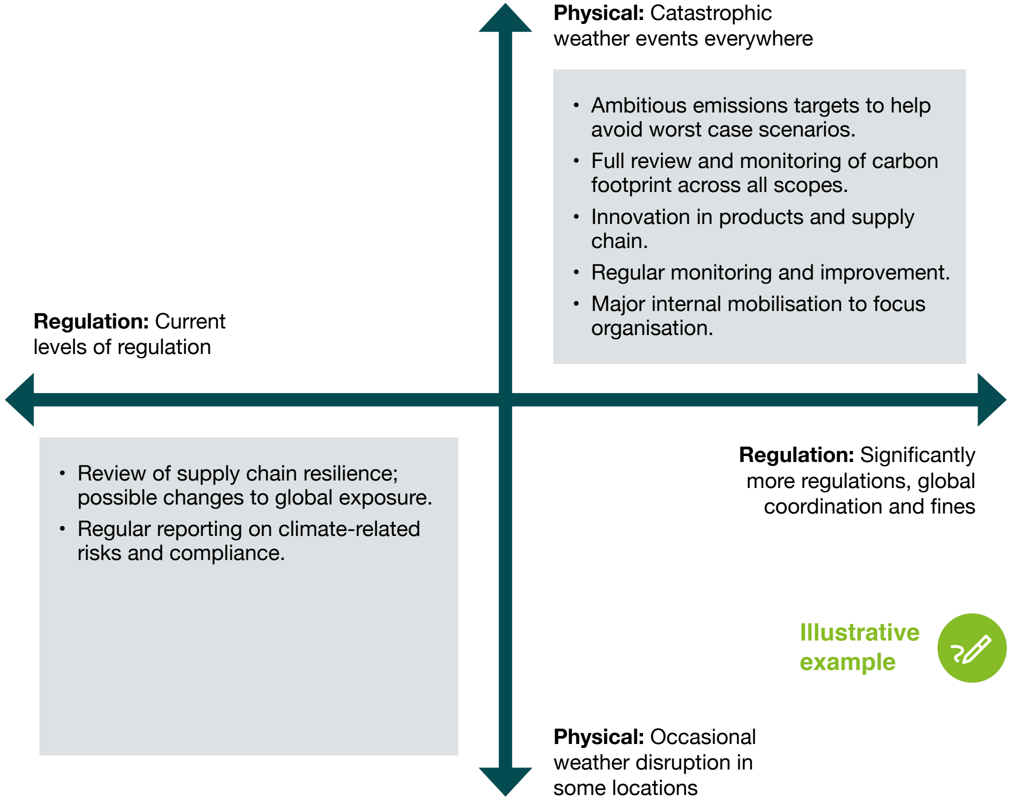
In a workshop setting, if two of these are plotted against each other, 4 quadrants are created. Business conditions in each of the 4 quadrants can be described by the participants – these are plausible future states.

For each of the 4, participants then evaluate how the company might respond.

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 cost of ‘doing nothing’ can be greater than the cost of making a climate change investment**.

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

Response to change in environment



See https://www.tcfdhub.org/case-study/ for a case study from Ricardo PLC that talks about using scenarios.

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	• Industry-wide studies (e.g. Boston Consulting Group survey of luxury customer attitudes). • Existing customer feedback.	• Employee engagement surveys. • Trade union engagement. • Exit interviews. • Feedback on recruitment processes and value proposition.	• Trade press. • Industry body publications and research. • Regular negotiations and other meetings.	• AGM and shareholder meetings. • Financial publications. • Surveys on investor attitudes.	• Media. • Government green papers.
New sources	• New primary market research: – Current attitudes – Evolving attitudes • Social media feedback.	• Apps and web-based employee feedback channels. • Feedback on specific environmental initiatives and communications. • Employee vox pop.	• Audits and surveys on environmental practices. • Reports on environmental efforts. • Expert interviews on climate topics. • Environmental consultancy engagements.	• Reporting and benchmarking tools e.g. Task Force on Climate-related Financial Disclosures, Global Reporting Initiative, Science Based Targets, Dow Jones Sustainability Index.	• Social media. • Community leader engagement. • Pressure groups.

* Section 172 of the Companies Act 2006 sets out that Directors should have regard to stakeholder interests when discharging their duty to promote the success of the company
Sources: Company interviews, SSE, Eden McCallum analysis

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.
- Risks are often the first category to be considered by boards, as risk management is a normal part of the Board's responsibilities.
- Measuring the potential financial cost of '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 savings/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 **Chapter Zero's 2019 Board Toolkit** 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/ efficiency opportunities	New markets and commercial opportunities
Physical	• Microclimate change • Higher chance of catastrophic loss – e.g. from natural disasters • Pathogen evolution			• Business resilience and agility development work • Insurance opportunities • New pharmaceutical challenges
Technology	• Missing opportunities to capture value from new trends • Costs and first mover risks of adopting new technologies	• Low carbon energy generation • Waste reduction • Innovation to improve materials and energy efficiency	• Improved delivery/distribution • More efficient buildings • Cheaper production: energy generation and supply chains	• New technologies • Internet of Things (IoT) • Energy alternatives • Food preservation
Employees	• Missing top talent if attracted by competitors' climate efforts • Reduced teamwork from increased homeworking	• Increased determination within purpose-driven organisations to act and drive change	• Chance to attract top talent to drive efficiency – and reduce cost of turnover/recruitment • Home working reduces office costs	• New skills, experience, expertise and values to leverage – including through greater diversity, fairness and inclusion
Competition	• Risk of competitors growing share & competitive advantages • Potentially costly to keep pace with larger competitors	• Industry cooperation to achieve big emission reductions in supply chain • Competition to win customer appeal on basis of environmental approach	• More efficient processes deliver competitive advantage and cost savings while delivering emission reduction	• Chance to get ahead of competitors by driving real improvements on topics that matter for stakeholders
Investors and lenders	• Divestment of 'vice industries' • More funding for sustainable businesses • Costly to report and monitor green initiatives	• Greater demand for transparent emissions and "impact" reporting	• Reduce financing costs in time if supply of green funding exceeds demand	• New access to funding and inclusion in green benchmark funds • Emissions linked green finance tools - 'positive incentive loans'
Society and pressure groups	• Targeted protests • Naming and shaming in social media + PR • Rejection of 'greenwashing'	• Industry and community cooperation to reduce emissions • Opportunities to shape policy and work with stakeholders	• Less packaging	• Green PR, investor relations and marketing opportunities
Customers/ consumers	• Risk of changing preferences, driven by negative publicity • Cost of developing environmental supply chains	• Growing fashion for green and ethically sourced products • Carbon tax/pricing avoided	• New market of plant-based meat substitutes creates opportunity for new low-cost supply chain	• New segments and products (e.g. meat free food, recycled textiles, eco-housing, electricity-powered cars)
Regulation	• Costly to implement and demonstrate compliance • Implementation may obstruct other commercial priorities • Fines for breach/ non-compliance	• Cap on emissions • Increasing use of renewables • Reduced waste • Construction and land use rules	• Less packaging • Subsidies for green investments • Lower power costs	• Opportunities to facilitate compliance • Chance for firms to build political capital

Source: Eden McCallum Analysis

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

As the strategy is defined, the Board will:

- 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."

Go-Ahead

"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 every office around the world."

ERM

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

Specialist consultancies can assess the carbon footprint across all operations. Definitions and 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.

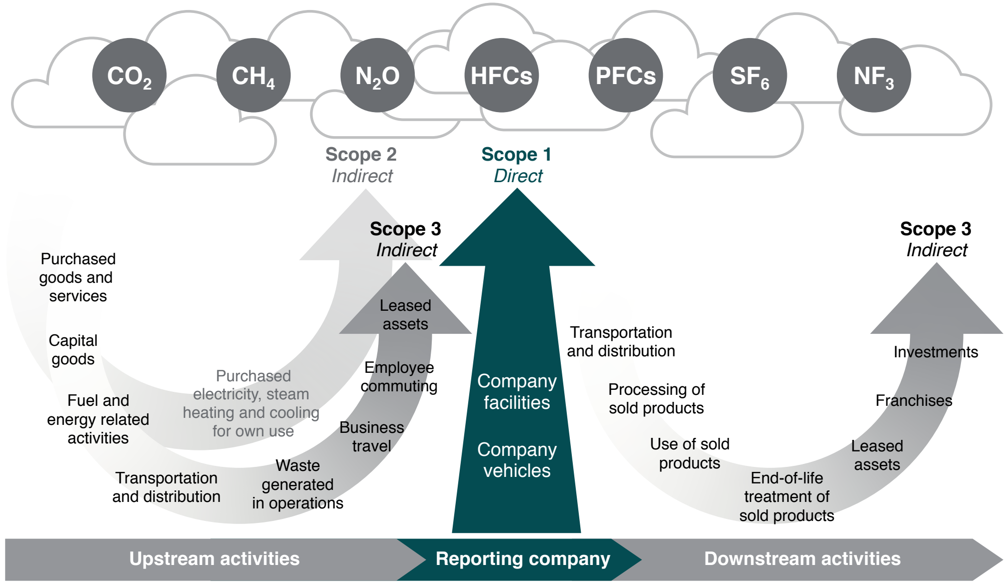
There are already standard ways of measuring most climate-related outputs. It is simpler to use these as they can then be tracked and reported on for the relevant stakeholders. Various organisations provide guidance:

- 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, for example) and some include carbon offsetting. As the definition evolves, it is important to 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

Source: Case studies, Eden McCallum research. For more information, click on the link. Other measurement standards include: GHG protocol and Global Reporting Initiative (GRI) for GHG emissions reporting, and also with broader environmental reporting standards including EU Non-Financial Reporting Directive, .ISO14001 and the UK's Environmental Reporting Regulations (SECR)

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.

Upstream/supply chain companies

Suppliers are invited to share ideas, especially if the scope 3 emissions account for a large part of the total.

Can be given to specific departments (e.g. chief supply chain officer) to develop ideas.

"Main contractors love working with us because we give them licence to explore and we treat them properly."

Landsec

"We have longstanding relationships with many of our suppliers so it's very natural for us to exchange ideas."

BURBERRY LONDON ENGLAND

Our company

Employees may be asked for ideas through regular forums or in their one-to-one meetings with line managers.

"Each business unit develops a Sustainability Action Plan every year. Our business leaders drive implementation supported by a volunteer network across every office around the world."

ERM

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

Go-Ahead

Downstream/distribution companies and customers

As various stakeholders, particularly distributors and customers, are asked for their views on what is important to them, they can also be asked for ideas.

"Our guests look at us as operators and as destinations, and ask how we're delivering on our commitments to sustainability and our broader social purpose."

IHG

*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 **initiative template** 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

Proposed initiative
- xx

Business rationale
- xx

Channels - xx

Required resources
- xx

Key partners
- xx

Dependencies and risks
- xx

Time to impact - Medium (TBC)

Carbon reduction potential
- xx

Profit potential (incl. risk mitigation)
- xx

Cost estimate
- xx

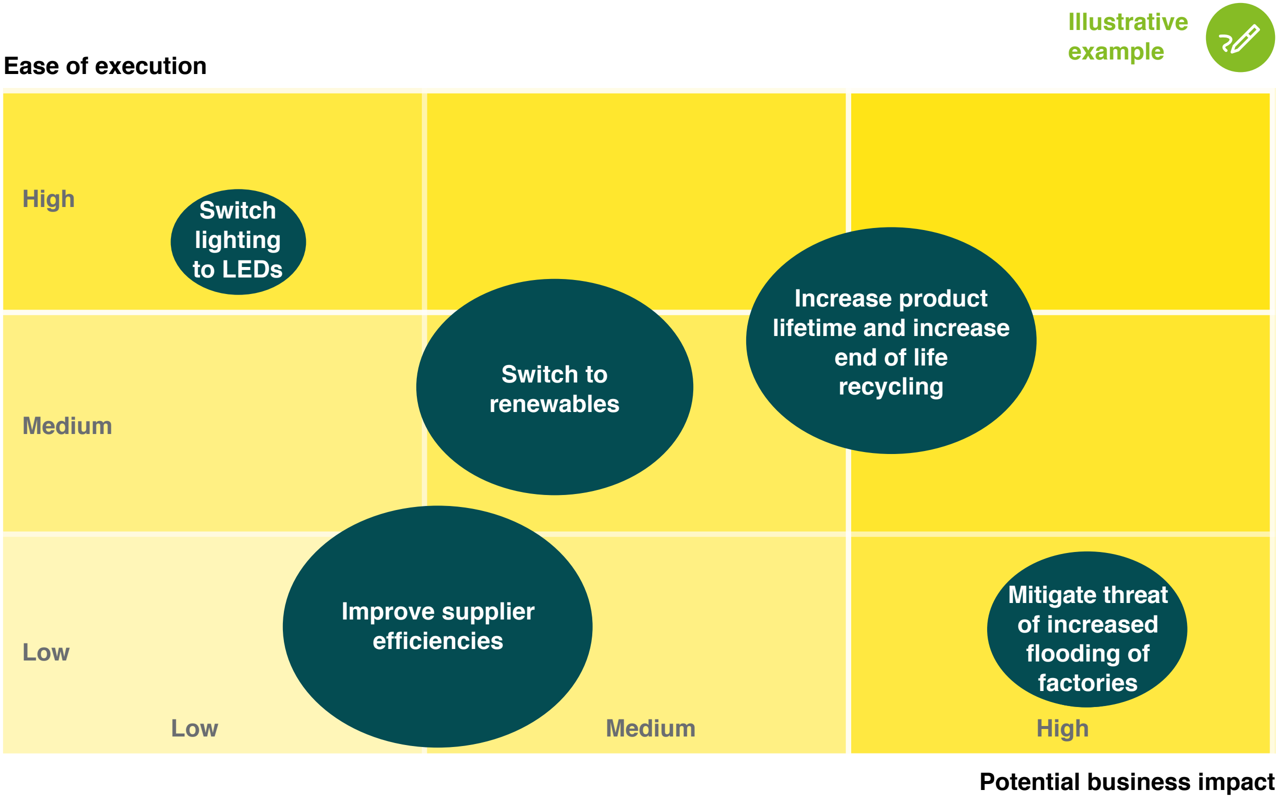
Illustrative example

Source: Eden McCallum experience

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



Source: Eden McCallum experience

Commentary

The change programme will include a series of initiatives. As the list of 'possible' initiatives is filtered down, the trade-offs might be based on 'impact' and 'ease'. 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.

This framework also allows non-financial measures to be used in prioritisation.

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.

Good business practices

Competitive differentiation

Game-changing innovation

Time to impact	Near term (<2 years)	Medium term (2-5 years)	Longer term (5+ years)
Scope 1*	• Drive low emissions in core office functions. • Optimise production processes and capture business efficiency gains.	• Net zero in office functions. • Drive low emissions in existing production processes and get benefits of low waste processes.	• Redesigning core business processes and products using new technology to minimise emissions and gain new economic benefits.
Scope 2*	• Identify low emission energy sources, and begin to shift to renewables.	• Shift in full to renewables. • Capture opportunities from new technologies (e.g. smart meters, local storage).	• Optimise energy management to minimise emissions and optimise business outcomes.
Scope 3*	• Encourage low emission commuting. • Quantify and analyse emissions throughout supply chain.	• Build environmental criteria into supplier selection processes. • Encourage low emission processes among suppliers.	• Negotiate with suppliers and customers to become net zero across value chain.

Illustrative example

Source: Carbon Trust, Eden McCallum Analysis
*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.

Detailing your roadmap

The three horizons capture the spectrum of climate change activity.

Illustrative example

	Horizon 1	Horizon 2	Horizon 3
Definition	Good business practices 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.	Competitive differentiation Optimise internal business practices, and advance existing technologies.	Game-changing innovation 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	• Replace light fittings with LEDs. • Replace vehicle fleet with zero emissions vehicles. • Encourage working from home.	• Drive efficiencies in production processes. • Update products and packaging to include more recycled and recyclable materials. • Use solely renewable power.	• 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	• Mature: widely adopted across industries.	• Developing: applied among leading firms, with technologies well established.	• Undeveloped: largely unproven, but potential for breakthroughs.
Sources of value	• Potential cost reduction, e.g. reduced energy and maintenance bills. • Increasingly 'purpose-driven' teams. • Compliance with regulations and government targets.	• Competitive differentiation among climate-driven consumer segments. • Cost advantages through optimised processes and from renewable power. • Greater constructive engagement with value chain players. • Captures value from government subsidies.	• Firm will be a leader in its field, and positioned to win in a net zero world. • Brand firmly associated with net zero. • 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	Varies by industry: • Potentially high for businesses that use high quantities of power (e.g. manufacturers, distributors). • Lower for services firms.	• Opportunities across industries – though likely to follow the Horizon 1 pattern (see left).	• Large potential for all businesses if successfully developed.

Source: Carbon Trust, Eden McCallum Analysis

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.

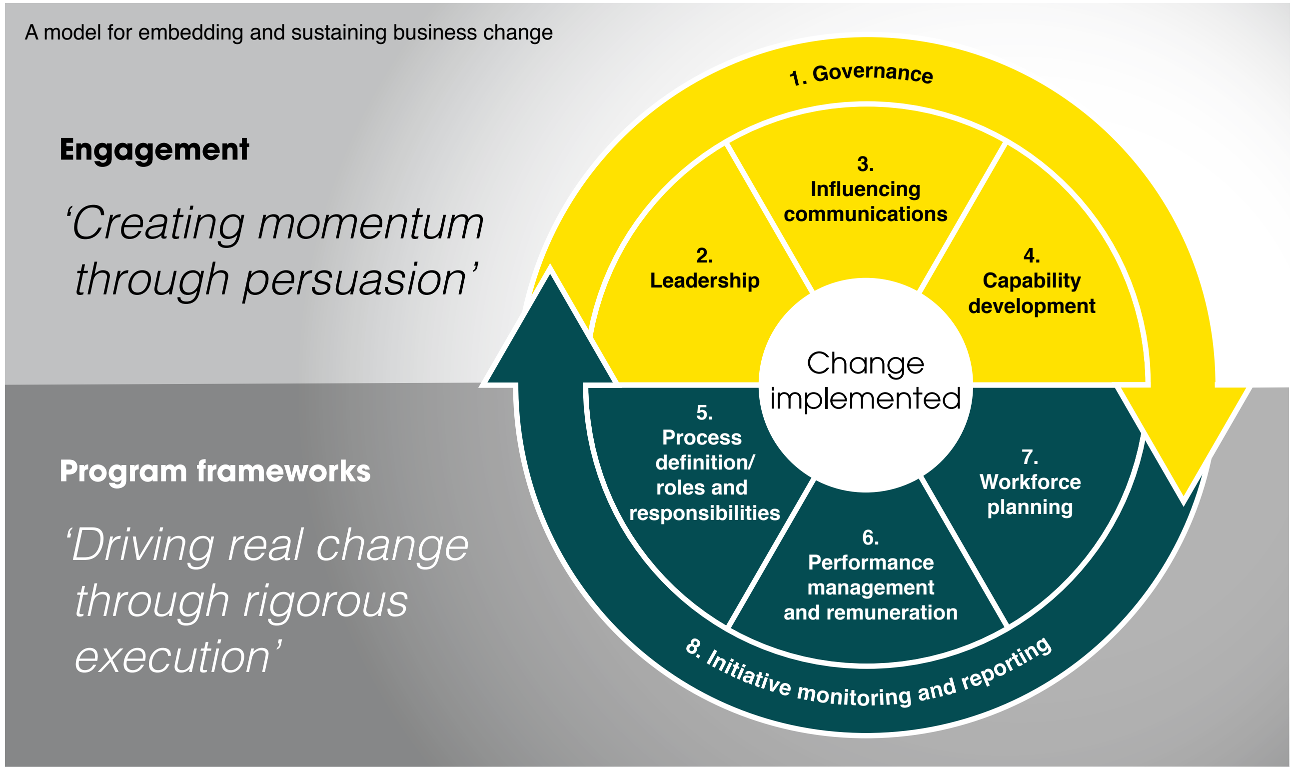
Toolkit

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.



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."

SSE

"ExCo members have individual goals on sustainability and give equal weighting to environmental, social and financial 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 Command of the (climate) subject

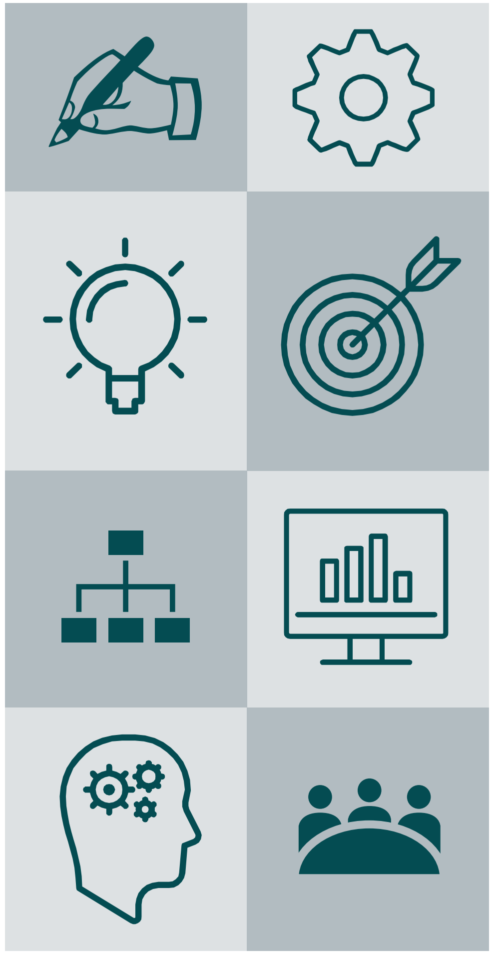
The board should ensure that its composition is sufficiently diverse in knowledge, skills, experience and background to effectively debate and take decisions informed by an awareness and understanding of climate-related threats and opportunities.

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. Such disclosures should be made in financial filings, such as annual reports and accounts, and be subject to the same disclosure governance as financial reporting.

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

Source: Chapter Zero website; WEF website: http://www3.weforum.org/docs/WEF_Creating_effective_climate_governance_on_corporate_boards.pdf

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."

Sainsbury's

"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."

SSE

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.

Quickly identify and fill gaps in 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 **'faces'** of new strategy and plan are (in addition to Climate Change/ Sustainability Directors).

Reviewing the internal and external **communications** 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 truly influencing and persuading 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."

Landsec

"Sustainability is part of our employee value proposition."

BURBERRY
LONDON ENGLAND

Observations and best practice

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

Reaffirm accountabilities at all 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 renumeration).

Board discussions

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

Understanding major 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."

sse

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

innocent

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 known, or figured out, before an 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?

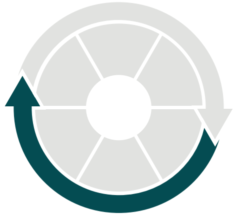
Understanding top 3 **change plan issues and risks**.

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
Governance	• How the Board is keeping oversight of climate related risks and opportunities. • How management is assessing and managing climate related risks and opportunities.	**GRI 102, 103, 201, 305**
Strategy	• Identifies short-, medium- and long-term risks. • Describes the impact of the risks. • Describes the resilience of the strategy under scenarios of 2°C or lower	**GRI 102, 103, 201**
Risk management	• How the organisation identifies, assesses and manages climate related risks.	**GRI 102, 103, 201, 305**
Metrics and targets	• Describes the metrics and targets used to assess and manage relevant climate related risks and opportunities.	**GRI 102, 103, 201, 302, 303, 305, 306**

For reference

2019 TCFD and GRI Presentation; TCFD

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

- Burberry committed to a baseline assessment of their carbon impact in 2012 and used that to develop both internal and publicly reported targets.
- Started annual submissions to Dow Jones Sustainability Index in 2014 – helped drive commitment internally and externally.
- Increasing employee and consumer concerns, including social media activity, catalysed climate change action.
- Cross-industry collaboration on climate change contributed to its prioritisation internally.

Defining the strategy

- The firm launched its second, broader and more ambitious sustainability strategy in 2017.
- They brought in external expertise to help define a 12-point plan that the firm is working to deliver. Developed in partnership with those experts, the plan is reviewed every six months.
- Current goals include using 100% renewable electricity by 2022 and meeting the Science Based Target to reduce operational emissions by 95% from 2016 to 2022, scope 3 emissions by 30% from 2016 to 2030.

BURBERRY
LONDON ENGLAND

Ensuring action

- Committing to public targets was key in shifting the conversation from Corporate Social Responsibility team to broader executive team.
- Organisational prioritisation is high: Head of Responsibility reports directly to CEO. A “Sustainability Steering Committee” includes CEO (Chair), COO/ CFO, Chief Supply Chain Officer, Chief People Officer.
- Target setting starts at the top: CFO/ COO champions Task Force on Climate-related Financial Disclosures (TCFD) work and drives finance team engagement.
- The firm regularly refines its carbon footprint measurement with the help of external consultants.
- It uses Science Based Targets to monitor its carbon reduction efforts.
- Climate change objectives are built into performance objectives.
- The firm’s commitments on climate change and sustainability are part of employee value proposition.
- The board addresses sustainability and climate change issues annually.

Source: Interviews, Company website

Drax

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

Prioritising climate change

- In December 2019 Drax became the first company in the world to announce an ambition to become carbon negative by 2030.
- Going carbon negative is viewed as critical to delivering the UK's 2050 net zero target and tackling the climate emergency, while also securing jobs in the sector and helping create clean economic growth in the post-Covid recovery.
- The company's purpose to enable a zero carbon, lower cost energy future is driven by an ambition to play a major role in the fight against climate change. *"If we are to defeat the climate crisis, we must do it in a way that unlocks jobs and economic growth, unleashes entrepreneurial spirit and leaves nobody behind."*

Defining the strategy

- Drax began converting from coal to sustainable biomass for electricity generation in 2003 and will end commercial coal generation in 2021 – a major milestone. Using biomass reduces emissions by >80% vs. coal.
- It is committed to only using sustainable biomass from managed forests where tree growth is greater than harvests.
- It is developing bioenergy with carbon capture and storage – a vital negative emissions technology that could remove millions of tonnes of carbon from the atmosphere and help the UK meet its net zero target. *"Sustainable biomass has a long-term role to play in the UK and global energy markets as a flexible and reliable source of renewable energy and a way of delivering negative emissions."*

Source: Interviews, Company website

Ensuring action

- Sustainability is embedded in Drax's purpose and strategic goals and reinforced by a committed CEO, chair and board.
- In 2017 Drax appointed a non-executive director with expertise in environmental, social and governance issues.
- In 2019 it strengthened its biomass sourcing policy and set up an independent advisory board of scientists and NGOs to ensure the biomass the company uses meets the highest standards. *"We're committed to continuously raising standards in biomass sustainability. 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."*
- Drax views strong stakeholder engagement with NGOs, local communities, policy makers and investors as vital.
- Exec remuneration rewards enabling a zero carbon lower cost energy future and sustainable long-term performance.
- Drax was one of the first companies to use an ESG debt facility with an interest rate linked to carbon emissions.
- Its woody biomass policy goes beyond UK & EU sustainability standards and regulations. *"Using sustainable biomass has helped Drax become the UK's biggest single source of renewable power and Europe's largest decarbonisation project. Ensuring the sustainability of the biomass we use is vital if we're to deliver negative emissions."*

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

- Environmental Resources Management (ERM) is a consulting firm providing environmental, health, safety, social, and risk services.
- The firm wanted to ensure it 'walked the walk' as well as 'talking the talk' in its core services to clients.
- Strong CEO leadership and governance has been crucial throughout the programme.

Defining the strategy

- In 2010/11, the firm launched its first corporate strategy with Sustainability at the core. Using a materiality approach, 7 topics were identified. The firm then set out a Policy and Approach, which remain at the core of its current program.
- The firm has set Science Based Targets to reduce direct emissions by 30% from 2014 to 2025 and indirect emissions by 11% from 2018 to 2025. To achieve these aims, the firm is transitioning to using renewable energy in its offices and reducing business travel and emissions from commuting.

ERM

Ensuring action

- A network of over 200 volunteers work across 160 offices in 40 countries driving change in every business unit – including tactical initiatives requiring local action.
- Senior programme leadership: Executive committee sub-committee includes the CEO, HR and Brand & Commercial leaders and a regional CEO. The Senior Leadership Team, Region and Business Unit leaders are also engaged.
- At times, the trade-off between client and commercial priorities and sustainability initiatives in a time-based professional services charging model can prove challenging for core team and employees alike.
- The Executive Committee and Board provide governance to the programme, ensuring accountability.
- A 3-year rolling materiality assessment is based on benchmarking, surveys and research to identify main issues for focus. From this, KPIs and targets are identified with programs to implement performance.
- The firm reports regularly and transparently on its progress against its sustainability performance targets including Science Based Targets in a Sustainability Report.

Source: Interviews, Company website

Go-Ahead

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

Prioritising climate change

- In 2017, senior management strategy workshops set in context of increasing global awareness of climate change led to realisation that they had to look at business in the context of climate change – *"We needed to pull this into a holistic strategy, covering all bases".*
- Climate change is also a priority for Go-Ahead's stakeholders, e.g. government bodies with their own emissions targets, and investors seeking evidence of the business' long-term sustainability.
- There are clear commercial benefits to acting on climate change – for example through reduced costs from fuel efficiency.

Defining the strategy

- Go-Ahead assembled a cross-functional team, including executive directors and CFO, to evaluate impact of climate change under 2° and 4° global warming scenarios.
- This led to detailed work on specific initiatives for each scenario e.g. decarbonising rail and bus fleet, evaluating bio fuels, sustainable investment opportunities etc.
- The firm now has a clearly articulated climate change strategy and goals. Three of the firm's five strategic priorities are focused on climate action – tackling climate change, raising supply chain sustainability and improving air quality.

Go-Ahead

Ensuring action

- Internal Climate Taskforce was created – cross-functional, led by 2 executive directors, reporting into CEO and CFO. Huge interest generated across business.
- Now evaluate projects through 4 lenses – climate, customer, cost and colleague impact.
- Climate goals and metrics included in KPIs/ reporting *"as a matter of course".*
- Go-Ahead's strong relationships with suppliers and partners enable the success of its Sustainable Supply Chain Charter.
- Go-Ahead is investing in innovation and upgrades to existing assets – e.g. hydrogen and full electric buses as well as innovative Extended Range Hybrid vehicles. The company is also piloting the world's first air filtering buses in Southampton. It aims to run a zero-emission bus fleet by 2035.
- It is committed to reporting in compliance with Task Force on Climate-related Financial Disclosures (TCFD) standards, and is exploring setting Science Based Targets.
- The firm has achieved the ISO 50001 standard for energy.

Source: Interviews, Company website

Grosvenor Britain & Ireland

CEO leadership and an executive offsite catalysed Grosvenor's approach to climate change.

Prioritising climate change

- Grosvenor's climate journey started in earnest in 2015, with a 10 year no regrets retrofit programme for its historic building stock.
- Grosvenor progressed its ambition through partnerships with organisations including UK Green Building Council and Better Buildings Partnership. Sustainability was integrated into the development and asset management activity although there was a lack of an over-arching, coherent strategy.
- This all changed in 2018 which represented a significant turning point.

Defining the strategy

- The Board agreed three "big green goals" in 2018, committing the business to net zero carbon, zero waste and increasing biodiversity.
- Grosvenor is targeting net zero operational emissions from all directly-managed buildings by 2030, and net zero emissions from all buildings in the portfolio by 2050.
- In early 2019, the CEO led a senior management team off-site; a two day curated programme with Cambridge Institute for Sustainability Leadership. The course had a profound impact on business leaders and was critical in aligning leaders and starting the education process.

Source: Interviews, Company website, FT

GROSVENOR

Ensuring action

- Since 2019, momentum has accelerated. A new Executive post was created; the Director of Sustainability and Innovation reporting to the CEO.
- An internal sustainability and innovation team was set up to transform the business and embed sustainability. It co-developed tangible roadmaps to 2030 with each business area. Each plan is owned by a top executive.
- All executive property decisions are scored against environmental and social outcomes as well as financial. Executives are measured on progress against the business' sustainability goals.
- The Annual Non-Financial Data Report that details emissions data has been published since 2015.
- There is explicit acknowledgement that behavioural change is needed to drive transformation.
- Sustainability is part of the recruitment process, and a "Sustainability Academy" has been formed to upskill existing employees.
- c.95% of the company's emissions are Scope 3, so influencing external stakeholders is crucial in driving carbon reductions resulting in a significant focus on collaboration with peers, tenants, partners and customers.
- The firm established a 'Supply Chain Charter' and 'Sustainable Development Brief', which set clear environmental and ethical standards for both the firm, and the suppliers it works with.

IHG

Conducting business in a responsible way is core to IHG's purpose of delivering "True Hospitality" for everyone. It is intrinsically linked to the long-term success of the company.

Prioritising climate change

- As IHG continues to grow, the Board and Executive Committee have taken the time to consider how it evolves its responsible business ambitions and targets as a core part of its long-term growth strategy.
- The firm takes seriously the challenges posed not only by climate change, but also water-stress and waste management, recognising both the impact its growing hotel portfolio has on the environment and the risks these challenges pose for the future.
- IHG evaluated a range of science-based targets. The exercise was grounded in the reality of how IHG and its partners operate as businesses and the industry as a whole.

Defining the strategy

- As a predominantly franchised business model, IHG is working collaboratively with third-party owners who operate and finance IHG-branded hotels to drive sustainable change, by demonstrating cost savings, efficiencies and environmental impact alongside the commercial value of operating a responsible business.
- Focus was on getting started with a practical solution: *"We didn't want to position this as a moonshot target – one we didn't know how to achieve. We recognised the difficulties of ensuring buy-in from all our stakeholders, so we developed an achievable, pragmatic plan."*

Ensuring action

- All IHG hotels globally are set carbon reduction targets, one of 10 key metrics a hotel's performance is measured on.
- The firm is reducing scope 3 greenhouse gas emissions from franchised hotels by 46% per sq m by 2030.
- Its online sustainability platform (IHG Green Engage), a global standard for all IHG hotels, helps hotels measure, report and manage their use of energy, carbon, water and waste, and provides more than 200 sustainable and efficient actions that hotels can implement to reduce their footprint.
- Collaboration across the industry and cross-sector is key if companies are collectively to combat climate change and the risks they face from it. *"We must all challenge ourselves to work towards a common purpose, that not only creates shared value but also drives greater momentum."*
- Building on the work to set science-based targets, IHG has also committed to implement the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD), and has begun developing a disclosure roadmap for the coming years. *"This public commitment is again a demonstration of how we're considering and integrating the risk of climate change into our long-term strategy."*

Source: Interviews, Company website

innocent

Focusing on reducing emissions from the big impact areas is central to innocent's approach. They view climate action as a 'team sport'.

Prioritising climate change

- innocent initiated their first carbon footprinting initiative in 2007. It was not perfect in terms of data, but it was a start. Since then the data quality has gradually been improved to a point where they measure emissions every quarter. The power of the data is to direct meaningful action in the right areas.
- innocent was certified as a B-Corp in 2018 and committed to becoming net zero by 2030.

Defining the strategy

- Sustainability has been a central value to innocent since it was founded, and net zero carbon targets are now at the core of their strategy.
- The firm believes that environment goals can be fully aligned with more standard business goals – e.g. current construction of "the world's most sustainable food factory" will improve product quality and reduce logistics costs.
- Once complete, innocent will share factory site designs and learnings publicly – *'we compete on the shelf, but [tackling climate change] is a team sport'.*

Ensuring action

- innocent works hard on gathering data to inform decisions and empower employees.
- It focuses on recruiting purpose-driven individuals, and has a strong eco-friendly culture: *'we have 550 employees who believe in it'.*
- It engages with supply chain partners (including growers and suppliers) to improve and innovate core processes to encourage partners to shift towards net-zero.
- Awards are presented to employees and suppliers for their environmental efforts.
- Assessing and tracking emissions throughout the supply chain has been central to the firm's work. Supply chain emissions are calculated on CO_2/litre juice basis.
- innocent has committed to setting Science Based Targets, and between 2015 and 2017 reduced emissions from making drinks by 5%, with substantial further reductions expected by 2023.
- The firm is currently assessing the most sustainable ways to offset emissions, and how much high-quality offsetting schemes will likely cost.

Source: Interviews, Company website

Landsec

Landsec's framing of climate action as core to 'the sustainability of the business' won support across stakeholder groups.

Prioritising climate change

- Landsec's initial action on climate change was focused on driving the efficiency of their buildings.
- Through mapping their key stakeholder groups (customers, communities, employees, partners and shareholders), it became clear that climate change was top of their agenda. Tackling climate change is in fact core to the *'long term sustainability of the business'.*
- The question then became 'what do we need to do to ensure that these stakeholder groups continue to support the business in 5, 10, 15, 25 years?'

Defining the strategy

- The firm highlighted seven of the UN Sustainable Development Goals as being highly pertinent.
- In 2016 it set, published and tracked clear targets for its strategic goal of "efficient use of natural resources" e.g. reduce carbon intensity (kgCO_2/sq m) by 40% by 2030 vs 2013/14 baseline for property under management for at least 2 yrs; procure 100% renewable energy across portfolio.
- Having achieved its carbon reduction target 11 years early, the firm set out new 5-point plan in April 2020 to become net zero carbon business by 2030.

Source: Interviews, Company website, Science Based Targets

Landsec

Ensuring action

- The executive committee initiated new strategic direction with sustainability at its core at a half-day workshop.
- The Board agreed to the plan, which has been enthusiastically supported by staff.
- Identifying and capturing quick wins such as LED lighting upgrades was key to setting momentum.
- "Sustainability Matters" training programme was launched to engage and empower all employees.
- Granting stakeholders freedom to drive innovation has been key – e.g. allowing contractors licence to explore ideas and innovate for sustainability.
- Group environmental KPIs are agreed by the Board every year and linked to remuneration for whole company.
- Landsec works with Science Based Targets and other external reporting bodies to develop targets and testing. The firm was the first property company to have an SBT-approved carbon reduction target.
- It uses an internal shadow price of carbon to evaluate investments and help quantify medium-term transition risk associated with the UK shifting to a low carbon economy.

Sainsbury's

Driven by the rising concerns of key stakeholders and their core brand value of living well, Sainsbury's has committed to achieving Net Zero by 2040.

Prioritising climate change

- Sainsbury's sees sustainability as part of their heritage – the agenda is not new. But the firm announced a much more ambitious plan in 2020: to reach net zero on scope 1 & 2 emissions by 2040. It has committed £1B to this.
- Increased stakeholder concerns around climate change were a key driver. *"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."*
- Competitors are acting too: Tesco, Aldi and Co-Op have all committed to emissions reduction targets.

Defining the strategy

- As part of sustainability planning, considered 1.5° global warming scenario. Showed clear need to re-frame their aims and what climate change means for whole business.
- Sainsbury's has set out 7 core areas of focus with stretching targets for each, including carbon, plastics and food waste. This is now *"a pillar of our corporate strategy."*
- Key initiatives include trialling electrical vehicles, working towards 100% LED lighting and achieving greater refrigeration efficiency.
- In addition, Sainsbury's will work with suppliers to set their own climate change commitments.

Ensuring action

- Committee for Corporate Responsibility and Sustainability is attended by the CEO and reports directly into the Plc board.
- 2040 plan has *"full backing"* of CEO and chair. Each of 7 core areas maps to a working group, with clear exec ownership. Groups are cross-functional and include subject matter experts and reps from across the business.
- Colleague engagement is strong due to committed leadership, clear, consistent messaging, and cross-functional teams. *"Colleagues are very passionate about this."*
- Driving data throughout the business is key to decision making and to understanding sustainability of a product at SKU level.
- Strong communications: launch of the firm's net zero plan was widely publicised, and it features prominently on the Sainsbury's website.
- Sainsbury's brings in external guidance where needed and is working with external partners (e.g. Carbon Trust, Woodland Trust) to develop plans and collate data. *"Collaboration with industry and others are key."*
- Firm has made public commitment to work with the Carbon Trust to assess emissions and set science-based targets for reduction. Results will be reported every six months.

Source: Sainsbury's website and interview *Note: scope 1 and 2 emissions

SSE

SSE's overall business strategy is sustainability, an approach that is supported by stakeholders and is defining the future business growth.

Prioritising climate change

- Prioritising climate change as an issue occurred as a process over twelve years, since the UK's 2008 climate change act.
- The power and impact of addressing broader ESG issues on stakeholders (customers, employees, shareholders, regulators and politicians) was significant – and transitioning to net zero was a strong next step.
- Sustainable business goals towards the net zero target have since become central to winning 'legitimacy' among stakeholders and generating commercial profit.

Defining the strategy

- The net zero transition is at the core of SSE's overall strategy of profitably generating and transmitting power by developing, operating and owning renewable assets.
- The firm has set major climate change targets against three of the four UN SDGs it is focusing on:
  - Cutting carbon intensity by 50% by 2030 vs. 2018 levels (having halved it between 2009 and 2017).
  - Trebling renewable energy output.
  - Accommodating 10m electric vehicles through electricity network flexibility and infrastructure.

Source: Interviews, Company website

Ensuring action

- Publicly announced a set of 4 commitments ('strategic pillars') - goals that SSE will reach by 2030.
- Delivery of these goals has been elevated from Exec to Board level – and is baked into all critical forums.
- Executive remuneration is now aligned to ESG.
- Chief Sustainability Officer reports to CEO.
- ESG has become core to the organisation's values partly due to strong support from employees and customers – being 'purpose-led' resonates strongly with these groups.
- SSE worked with PwC to develop new methodologies and tracking tools.
- Later, Total Impact Measurement techniques sought to quantify environmental impact (including visual amenity, biodiversity and cultural heritage) and the firm has committed to setting Science Based Targets.
- With a quantified baseline, sustainability projects can be selected based on their environmental impact.
- Some of the firm's recent rise in value has been linked to sustainability credentials, building further momentum for investment in low carbon infrastructure.
- 2017 Green Bond (€600m) – the largest issued by a UK company.

Unilever

Unilever's approach is focused on fulfilling its Science Based Targets and driving results across its value chain.

Prioritising climate change

- Unilever launched its Sustainable Living Plan in 2010, seeking to decouple business growth from the firm's carbon footprint - measured from sourcing to consumer use.
- Having prioritised reducing its carbon footprint, Unilever found that cutting energy in its factories and raw material use reduced costs.
- The Unilever Sustainable Living Plan has also helped make it the no. 1 consumer goods employer of choice for graduate students in over 50 countries and increased employee engagement and retention.

Defining the strategy

- Unilever believes sustainability is aligned with increasing business value, driving more growth and trust while reducing risk and cost.
- The company is working to reduce emissions across the value chain – including in offices and employee travel, transportation, refrigeration, manufacturing, and product design, including innovation to help consumers reduce their emissions, such as laundry detergents that work well at lower temperatures.

Ensuring action

- In specific segments, e.g. Seventh Generation, Unilever partnered with the Sierra Club in a call for action, asking mayors and civil society to commit to 100% renewable energy across the United States by the year 2050. 100 cities have signed up to date.
- Carbon reductions have helped to drive change, with c.€733m costs avoided since 2008. In some areas, sustainable sourcing has reduced price volatility.
- Unilever has set Science Based Targets of reducing scope 1 and 2 greenhouse gases by 100% by 2030 from a 2015 base year.
- Additionally, the firm has committed to reducing GHG emissions over the life-cycle of their products by 50% per consumer use from 2010 to 2030.

Source: Interviews, Unilever website

11 principles – detailed

11 principles have been generalised from the case studies of companies already advanced in their climate change journeys. These observations about leadership, insight, engagement, measurement, commercial discipline, planning and having an integrated approach demonstrate that, like other critically important issues facing any 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.

	Principle	Quotes from interviews	Explanation
Catalyst	**1. A spark to start the fire**	*"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**	A catalyst is needed to get climate change onto the agenda. This can be an analysis of climate change risks showing the likely resilience of the organisation to climate scenarios. Scenarios are an effective way to deal with uncertainty and can show how vulnerable the business is. Climate change risks are often the catalyst for broader sustainability strategies.
Leadership	**2. Championship from the top**	*"Your CEO has to lead this. (S)he has to have a clear view on what to do and why, and be supported by the Chair."* **– Burberry**	Most often, where businesses have made strong progress, it is because the sustainability agenda is championed by the CEO or Chair.
Governance and accountability	**3. Clear accountability and governance**	*"We created a cross-functional Climate Change Taskforce, led by 2 exec directors, including employees from all levels of the organisation, and reporting into the CEO and CFO... There was huge interest in this initiative across the business."* **– Go-Ahead**	Governance is at the most senior levels, reporting into the Board. Significant change will only happen with strong executive director support. It is critical to have the right accountability embedded at senior levels, e.g. Sustainability Directors reporting directly to the CEO; climate change committees made up of a broad mix of functional and business line heads. Specific initiatives and outcomes need to be owned by senior executives.
Insight	**4. If it matters to stakeholders, it should matter to you**	*"Your board has to have the stakeholders necessary for a sustainable business mapped out, today and tomorrow."* **– Landsec**	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.

11 principles – detailed (continued, 5-8)

	Principle	Quotes from interviews	Explanation
Engagement	**5. Organisational engagement is powerful**	*"Give your people the tools and inspire them."* **– Landsec** *"What was done in the past is not necessarily appropriate for the future. The culture of the business is fundamental to drive forward change."* **– Grosvenor Britain & Ireland**	When employees are engaged in defining the evolving solutions and are measured on the success of climate change initiatives, they are more motivated and effective in driving the change.
Transparency	**6. Transparency and collaboration drive continued improvement**	*"No one denigrated us for trying. Sometimes you have to just forge a way"* **– SSE** *"We compete with our competitors on the shelf, but sustainability is a team sport."* **– innocent**	Given the extent of unknowns and the risks of inaction, many companies operate in a spirit of transparency and collaboration. They are open with their ambitions and measures, even in the knowledge that these are not perfect.
Measurement	**7. What gets measured gets done**	*"Publishing our sustainability targets early on in our journey ensured they were owned internally and shifted the conversation from CSR team to the broader management team."* **– Burberry**	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 for Climate-related Financial Disclosures (TCFD) and Science Based Targets (SBT).
Commercial discipline	**8. Financial case for change is strong**	*"If the firm meets its three core goals of cutting carbon intensity by 50%, trebling renewable energy output, helping to accommodate 10m electric vehicles, it will be commercially successful. Trebling renewable output will cost c.£6bn, and there will be a return on that. These are business goals."* **– SSE**	As a company lowers emissions it also has the potential to achieve operational savings, enhance market share, reduce waste and reduce risk.

11 principles – detailed (continued, 9-11)

	Principle	Quotes from interviews	Explanation
Planning	**9. It's a journey**	*"It takes time to put the mechanisms and processes for change in place… And you can't pick and choose, you have to cover all bases well."* **– Burberry** *"Our more focused approach to having sustainability at the core of our business started 9 years ago. Change takes time and by focusing on our most important issues, we are improving our performance and delivering on our business strategy."* **– ERM**	It can take time to make deep and lasting change; be prepared for a journey of several years. Ensure you understand the evolving expectations of stakeholders over 10-20 years.
Integration	**10. Sustainability is not an add-on to the strategy, it's part of the strategy**	*"Our sustainability strategy is our business strategy."* **– SSE** *"This is not something we do on the side. Our net zero strategy is part of our corporate strategy and is embedded in business as usual."* **– Sainsbury's**	When sustainability targets and initiatives are part of broader corporate goals and initiatives, the mechanisms to implement successfully are already there.
Deliberate choice	**11. A company's level of ambition is a conscious decision**	*"We realised that climate change touched so much of our business. We needed to formulate a holistic strategy, which covered all bases."* **– Go-Ahead**	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 unquantified risks.

6. Where to go for more help

The World Economic Forum and TCFD

The World Economic Forum and Task Force on Climate-related Financial Disclosures are leading organisations helping to drive and support climate action.

WORLD ECONOMIC FORUM

The **World Economic Forum (WEF) Climate Initiative** provides a global platform to help raise ambition and accelerate climate action with a particular focus on collaboration across organisations and sectors. WEF also publishes a range of resources (e.g. re global risks, climate governance, etc.)

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

The Financial Stability Board (FSB) monitors and assesses vulnerabilities affecting the global financial system and proposes actions needed to address them. It formed the **Task Force on Climate-related Financial Disclosures (TCFD)** to develop voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers, and other stakeholders. In addition to the recommendations, it also provides a knowledge hub to help businesses understand and implement them.

For reference

Target and reporting initiatives

Below are selected additional well-recognised organisations focused on targets and reporting to drive and support climate action. Please see the Chapter Zero website for more resources.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Science Based Targets (SBT) is a collaboration between CDP, the United Nations Global Compact (UNGC), World Resources Institute (WRI), and the World Wide Fund for Nature (WWF) which champions, supports development of and independently assesses and approves SMART science-based targets set by businesses to reduce GHG emissions.

CDP

The **Carbon Disclosure Project (CDP)** is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. It also produces climate change related data, insights and articles.

GRI Empowering Sustainable Decisions

Global Reporting Initiative (GRI) is an independent international organisation that pioneered sustainability reporting. It helps businesses and governments worldwide understand and communicate their impact on critical sustainability issues such as climate change.

SASB Sustainability Accounting Standards Board

Sustainability Accounting Standards Board (SASB)'s mission is to help businesses around the world identify, manage and report on the sustainability topics that matter most to their investors. SASB standards differ by industry, enabling investors and companies to compare performance from company to company within an industry.

CDSB Climate Disclosure Standards Board

Climate Disclosure Standards Board (CDSB) is an international consortium of business and environmental NGOs. They are committed to advancing and aligning the global mainstream corporate reporting model to equate natural capital with financial capital, by offering companies a framework for reporting environmental information with the same rigour as financial information.

For reference

Investor and executive focused initiatives

Below are selected investor and executive focused initiatives helping to drive and support climate action. Please see the Chapter Zero website for more resources.

UN Principles for Responsible Investment (UNPRI) works with its international network of investor signatories to incorporate environmental, social and governance (ESG) factors into their investment and ownership decisions, including the inevitable policy response to climate change.

The **Institutional Investors Group on Climate Change (IIGCC)** is a European membership body for investor collaboration on climate change, covering all aspects of the investor agenda on climate change.

World Business Council on Sustainable Development (WBCSD) is a global, CEO-led organisation of over 200 leading businesses working together to accelerate the transition to a sustainable world, specifically targeting the realisation of the Sustainable Development Goals (SDGs).

The **Global Association of Risk Professionals (GARP)** is the world's leading professional organisation for risk managers. It supports its members to incorporate and adhere to sustainability standards and formalised risk planning driven by climate change.

Accounting for Sustainability (A4S) focuses on the global finance and accounting community and aims to transform financial decision-making to enable an integrated approach, reflective of the opportunities and risks posed by environmental and social issues.

For reference

Chapter Zero partner organisations

Chapter Zero works closely with these organisations to help drive and support climate action in the UK.

The **Carbon Trust's** mission is to accelerate the delivery of a sustainable, low carbon economy by helping organisations to reduce carbon emissions and increase resource efficiency. Their experts support organisations to set their strategic direction, conduct carbon footprinting and target setting, and develop climate action plans.

The **University of Cambridge Institute for Sustainability Leadership (CISL)** is a globally influential Institute developing leaders and solutions for a sustainable economy through interdisciplinary research. Their work focuses on collaboration between business, government and finance institutions.

The **Institute of Chartered Accountants in England and Wales** supports members to be professionally ready to mitigate the risk and maximise the opportunity of climate change, in particular with respect to financial reporting, risk management and governance.

The **Confederation of British Industry** is the UK's most effective and influential business organisation, representing over 190,000 businesses. Its role is to help businesses grow, the economy to prosper, and do good through job creation, innovation and investment.

The **Royal Institution** is an independent charity dedicated to connecting people with the world of science. Through events, master classes and lectures, it creates opportunities for everyone to discover, discuss and critically examine science and how it shapes the world around us.

For reference

Join us on the journey – we welcome you to a new chapter