

An aerial photograph of a dark asphalt road that winds through a dense forest of green trees. Patches of white snow are visible on the ground between the trees. The road starts from the top, curves to the right, then loops back to the left, and continues downwards.

# GRAIN

## Help to Grow – Alumni Network Workshop

Sustainability – necessity and opportunity: A practical guide for SMEs

13 July 2023

## Grain Sustainability

Sustainability Strategy development:  
assessment, planning and implementation  
as well as communication.

Focused on creating a positive impact on  
people, planet and profit.

Providing competitive advantage.

Working across the built environment,  
logistics, manufacturing, education, logistics,  
packaging, technology, fashion, software  
services and financial services.



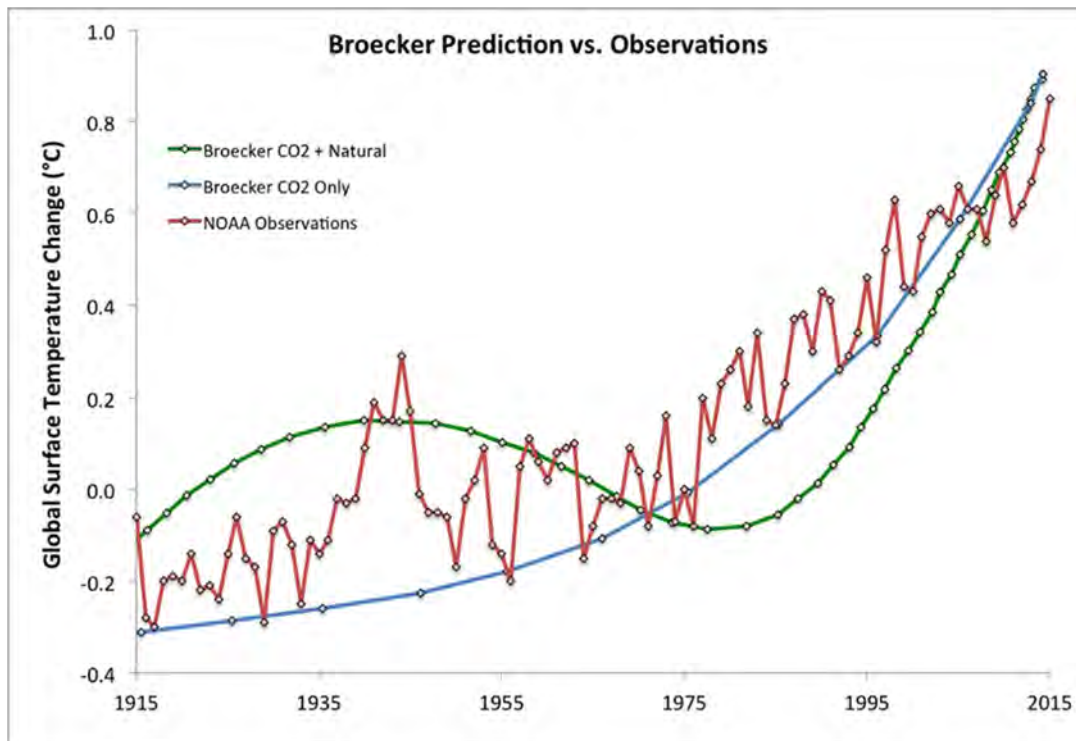
# What we'll cover today

- Introduction to sustainability
- Sustainability – why it is more important than ever
- Building your sustainability strategy
- Sticking points – and how to tackle them
- Building your sustainability narrative
- Communicating effectively



## It all started ...

Scientists warned US president Lyndon Baines Johnson about global warming already in 1965. Predicting the threat of CO<sub>2</sub> pollution and the rise of global surface temperatures surprisingly accurately.



Source: [Climate Files](#)

# Global risks



# Carbon pricing

What we Do / Data / Carbon Pricing Dashboard

## Carbon Pricing Dashboard

HOME

ABOUT

ETS & CARBON TAXES

CARBON CREDITING

WHAT IS CARBON PRICING?

RESOURCES

### KEY STATISTICS ON REGIONAL, NATIONAL AND SUBNATIONAL CARBON PRICING INITIATIVE(S)

65 Carbon Pricing initiatives implemented

45 National Jurisdictions are covered by the initiatives selected

34 Subnational Jurisdictions are covered by the initiatives selected

In 2021, these initiatives would cover  
**11.65 GtCO<sub>2</sub>e**, representing **21.5%** of  
global GHG emissions

Summary map of regional, national and subnational carbon pricing initiatives

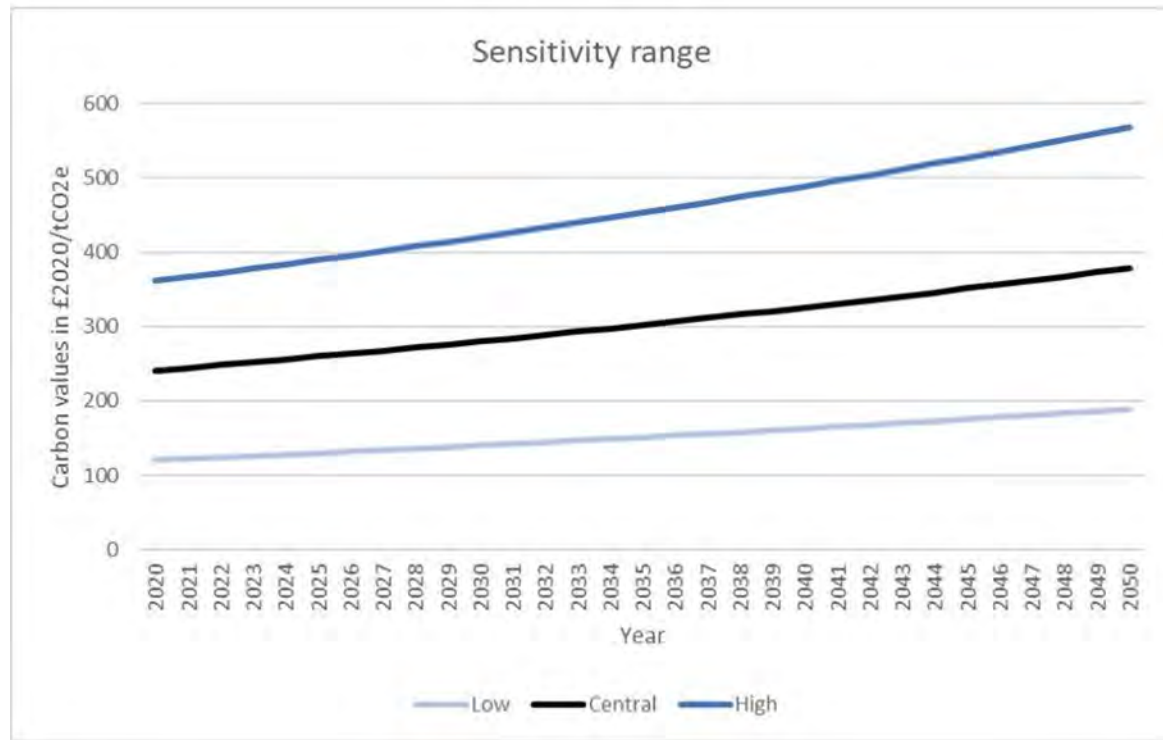


- ETS implemented or scheduled for implementation
- ETS or carbon tax under consideration
- ETS implemented or scheduled, ETS or carbon tax under ...

- Carbon tax implemented or scheduled for implementation
- ETS and carbon tax implemented or scheduled
- Carbon tax implemented or scheduled, ETS under consid...

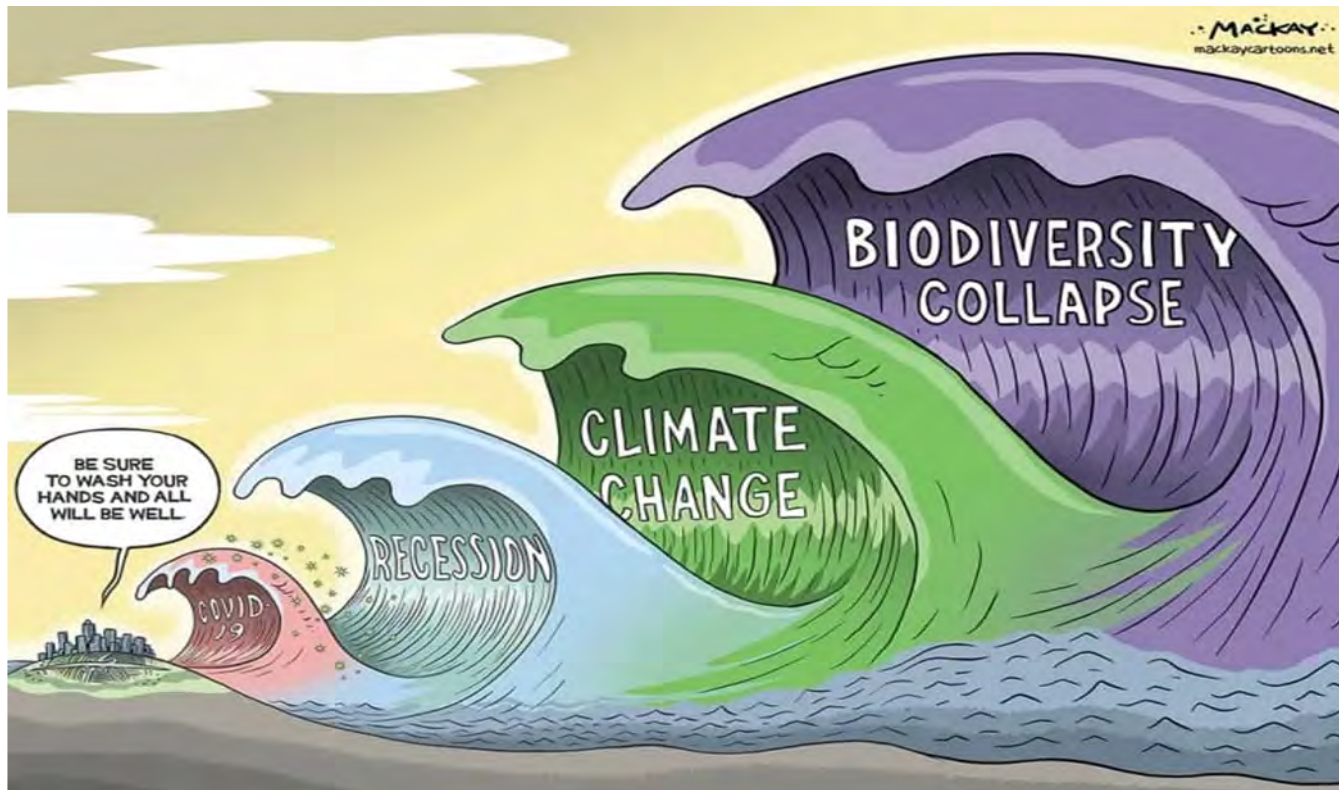
## Monetary value of emissions outlook

Government carbon value modelling numbers are scary and rising significantly with time. This graph is taken from "Valuation of greenhouse gas emissions: for policy appraisal and evaluation". While this is not directly relevant to the cost of carbon offsetting/reduction should you choose to, it highlights the risk of how much the value of carbon emissions is still in flux.



Source: <https://www.gov.uk/government/publications/valuing-greenhouse-gas-emissions-in-policy-appraisal/valuation-of-greenhouse-gas-emissions-for-policy-appraisal-and-evaluation>

## How are we doing?





# United Nations Sustainable Development Goals

While environmental risks dominate it is important that the risks are not to be analysed in isolation.

UN SDGs highlight how environmental, social and economic goals need to be achieved together to avert the risks.



Net Zero



**12,874** members overall

**115** countries

**49** states and regions

**1,148** cities

# Net Zero



**9,759** businesses

**8,821** of which are SMEs

**617** financial institutions

**1,146** education institutions

## CDP – Carbon Disclosure Project



**14,000** organisations disclose data

of which **13,000** companies disclose data

equal to **64%** of global market capitalisation



# SBTi – Science Based Targets Initiative



**2,253** companies

across **70** countries and **15** industries

equal to **33%** of global market capitalisation

# Carbon Neutral or Net Zero

	Carbon neutral	Net Zero
<b>Coverage</b>	Most times only covers Scope 1-2 or a product. Can cover carbon dioxide only or all greenhouse gases (GHGs).	Must cover all scopes i.e. the entire value chain and all GHGs
<b>What is it?</b>	<b>A snapshot in time:</b> where emissions released due to human activity are counterbalanced by carbon offsets elsewhere.	<b>A target state</b> where emissions released due to human activity are counterbalanced by removals. This requires a long term programme of reduction efforts.
<b>Guiding industry standard &amp; definition</b>	PAS2600 but in practice there is no single definition and meaning.	<b>Term defined by:</b> <a href="#">IPCC</a> - the main authority on climate change science <b>Criteria set out by:</b> Science Based Targets Initiative <a href="#">Net Zero Standard</a> (Oct 2021)
<b>Requirements</b>	Measuring GHG impact of a specific scope <ul style="list-style-type: none"> <li>reduction targets for that scope</li> <li>progress against targets</li> <li>offsetting the rest with certified carbon credits</li> </ul>	Deep GHG emissions reductions within 5-10 years time horizon <ol style="list-style-type: none"> <li><b>Near term (5-10 years):</b> Scopes 1+2: min 4.2% annual reduction + Scope 3: min 2.5% reduction</li> <li><b>Long term (2050 or sooner):</b> ca. 90% reduction in emissions across value chain</li> </ol>
<b>Use of offsets/ carbon credits</b>	<ul style="list-style-type: none"> <li>Offsets are a big part of the equation</li> <li>Carbon offsets that either result in carbon reductions, efficiencies or sinks</li> </ul>	<ul style="list-style-type: none"> <li><b>Offsets are not counted towards</b> progress, but contributions towards climate solutions along the journey are encouraged.</li> <li>Residual emissions need to be removed from atmosphere at the point of long term target</li> </ul>
<b>Watch out</b>	<ul style="list-style-type: none"> <li>Low scale of ambition</li> <li>Claims can be misleading in terms of the benefits delivered</li> <li>Sometimes is interchangeable with climate neutral.</li> </ul>	<ul style="list-style-type: none"> <li>The biggest impacts are often in Scope 3</li> <li>Some technologies and solutions that are needed to achieve the state may not yet be commercially available.</li> </ul>

# Net Zero and SBTi

	Net Zero	SBTi Science-based targets
Coverage	Must cover all scopes i.e. the entire value chain and all GHGs	Scopes 1+2 and at least 67% of Scope 3 and all GHGs
What is it?	<b>A target state</b> where emissions released due to human activity are counterbalanced by removals. This requires a long term programme of reduction efforts.	<b>A quantified commitment of</b> an organisation to reduce its contribution to climate change.
Guiding industry standard & definition	<b>Term defined by:</b> <a href="#">IPCC</a> - the main authority on climate change science <b>Criteria set out by:</b> Science Based Targets Initiative <a href="#">Net Zero Standard</a> (Oct 2021)	<a href="#">Science Based Targets Initiative (SBTi)</a>
Requirements	Deep GHG emissions reductions within 5-10 years time horizon <b>1. Near term (5-10 years):</b> Scopes 1+2: min 4.2% annual reduction + Scope 3: min 2.5% reduction <b>2. Long term (2050 or sooner):</b> ca. 90% reduction in emissions across value chain	Aligned to the <b>1.5 degree</b> global warming pathway: <ul style="list-style-type: none"> <li>50% reduction in Scopes 1+2 by 2030</li> <li>Targets for Scope 3 in line with at least 2 degree scenario (min 14-60%)</li> </ul>
Use of offsets/ carbon credits	<ul style="list-style-type: none"> <li><b>Offsets are not counted towards progress</b>, but contributions towards climate solutions along the journey are encouraged.</li> <li>Residual emissions need to be removed from atmosphere at the point of long term target</li> </ul>	<b>Offsets / removals not counted towards progress</b>
Watch out	<ul style="list-style-type: none"> <li>The biggest impacts are often in Scope 3</li> <li>Some technologies and solutions that are needed to achieve the state may not yet be commercially available.</li> </ul>	<ul style="list-style-type: none"> <li><b>Scenarios assumed only work if ALL organisations set and achieve them</b>, which isn't currently the case, so more ambitious action needed in reality</li> <li>The concept of "fair-share" is not built into the model</li> </ul>



# Building your sustainability strategy

Where are you on your sustainability journey?

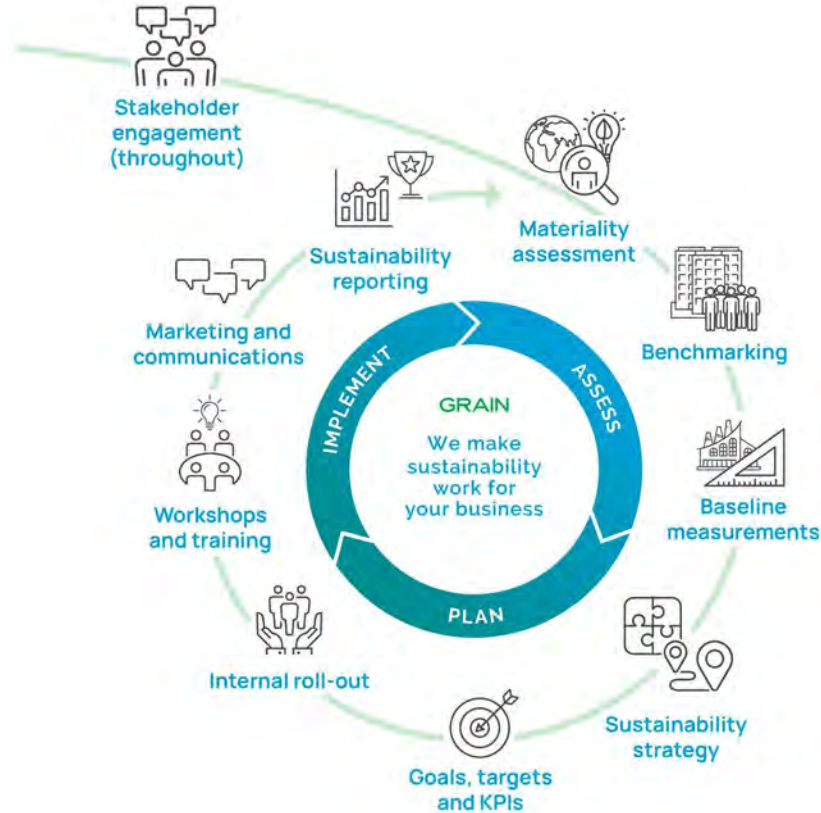
What are the biggest sustainability issues in your company today?



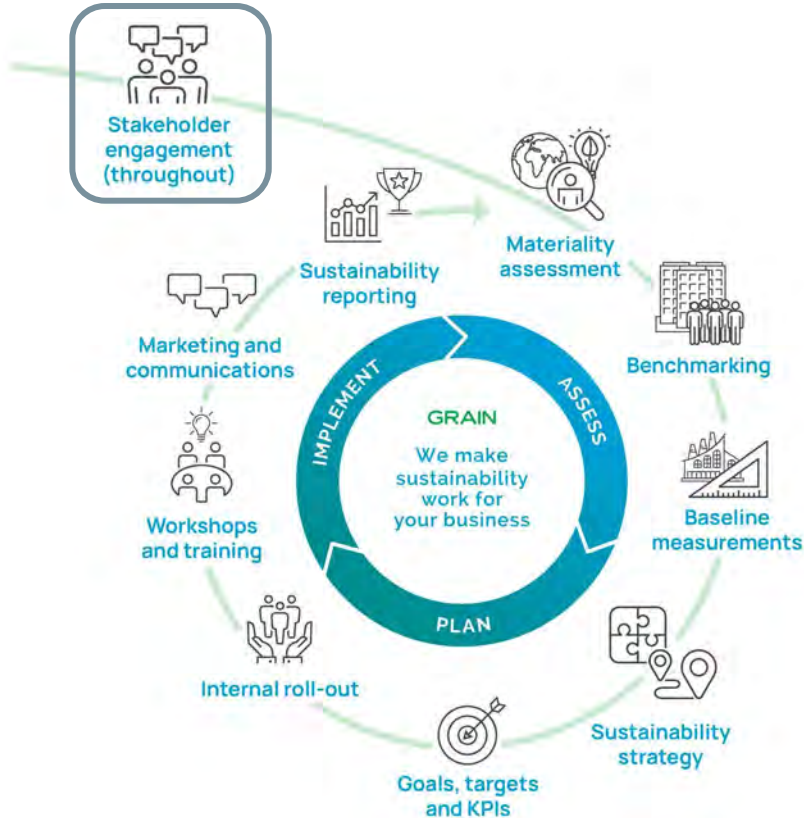
# Strategy 101

- Where are you now?
- Where do you want to be?
- How will you get there?
- How do you ensure success?
- How do you share your progress?

# How to deliver a sustainability strategy



# Stakeholder engagement



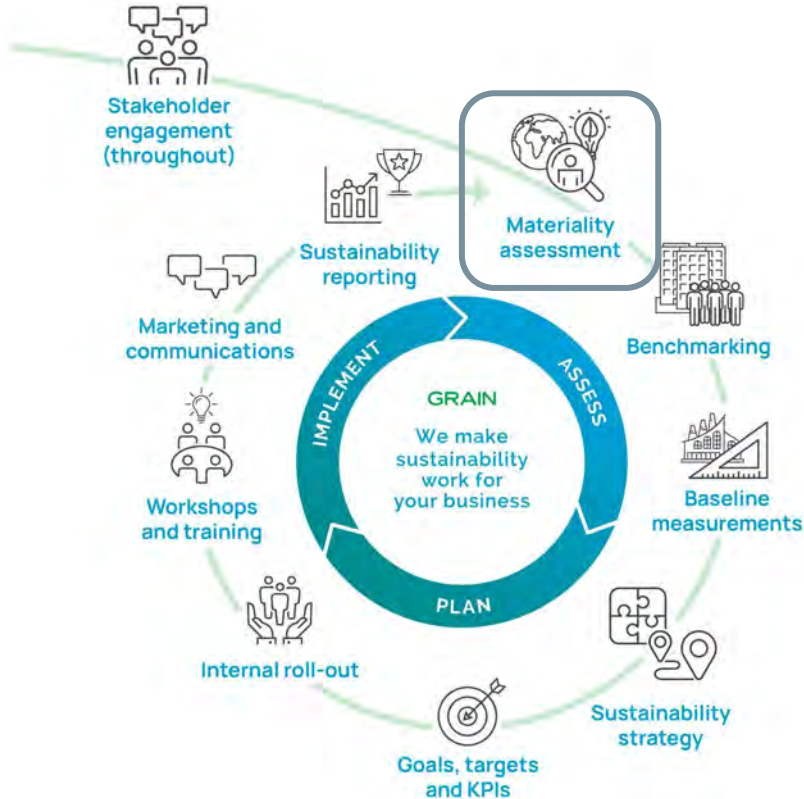
Key to success

Important to understand who all the stakeholders are

Process that listens

Keep engagement throughout

# Materiality Assessment



Create clear understanding of the organisation and its surroundings

- Online research
- Interviews
- Surveys
- Focus groups
- Site visits



## Material issues



Materiality considers “Relevant topics are those that may reasonably be considered important for reflecting the organization’s economic, environmental and social impacts, or influencing the decisions of stakeholders.” — Global Reporting Initiative (GRI)

Good sources of information:

- SASB standards
- GRI and sector guidance
- B Corp
- UN SDGs

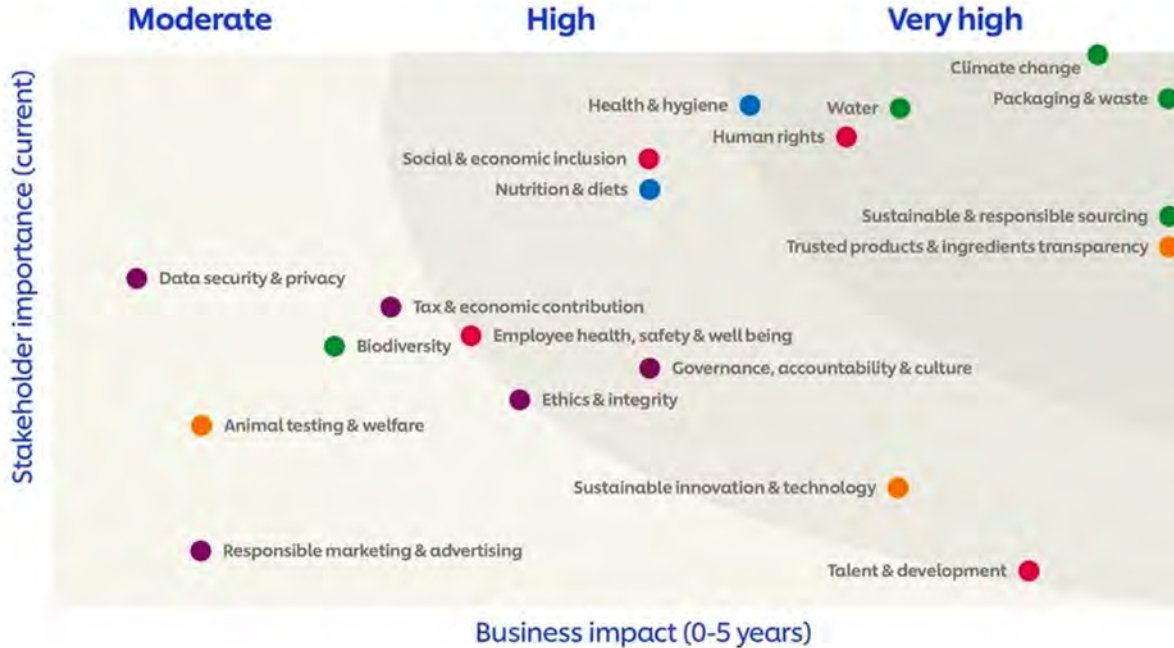
## Gaining insights

**Qualitative discussions**

**Quantitative data collection**



# Materiality in sustainability reports – Unilever



## The forces that shape our world

Every business is impacted by macro forces. These are the trends and events that are shaping our world and the role of business within it. Our latest macro forces analysis shows four distinct, but overlapping, shifts that will affect business and society over the next decade:

- Multi-polar world
- Environment under stress
- Digital and technology revolution
- Living differently



## Materiality in sustainability reports – Sharon Lee (30 FTE)

### Key sustainability focus areas

#### How we are approaching change for good

The materiality assessment helped us identify what matters most to us as a business and to our stakeholders. We have used the three-pillar ESG (environment, social, governance) model to group the key areas where we are taking positive action.

#### Environment

- Waste and recycling
- Packaging
- Shipping
- Energy and emissions
- Raw materials

#### Social

- Employee wellbeing
- Human rights
- Giving back

#### Governance

- Supply chain stewardship
- Stakeholder relationships
- Product innovation and quality

## Materiality in sustainability reports – Rupert Resources (27 FTE)

### > MATERIAL TOPICS

As part of our sustainability strategy development we've carried out a formal materiality assessment to identify topics with significant economic, environmental, and social impacts, or considered influential to the decisions of stakeholders.

#### Our approach to materiality

We have identified these priority material topics following a review of key issues addressed in the mining standards and sustainability frameworks, a review of reporting within our industry, and a round of interviews with a representative sample of stakeholders. We plan to revisit these topics regularly with our stakeholders to ensure we continue to focus on the subjects that matter.



#### Legacy

- > Role of metals and mineral exploration in society



#### Social

- > Community relations
- > Cultural heritage and tradition
- > Local economic development and job security



#### Environment

- > GHG & energy management
- > Biodiversity preservation & ecological impacts
- > Tailings & waste management

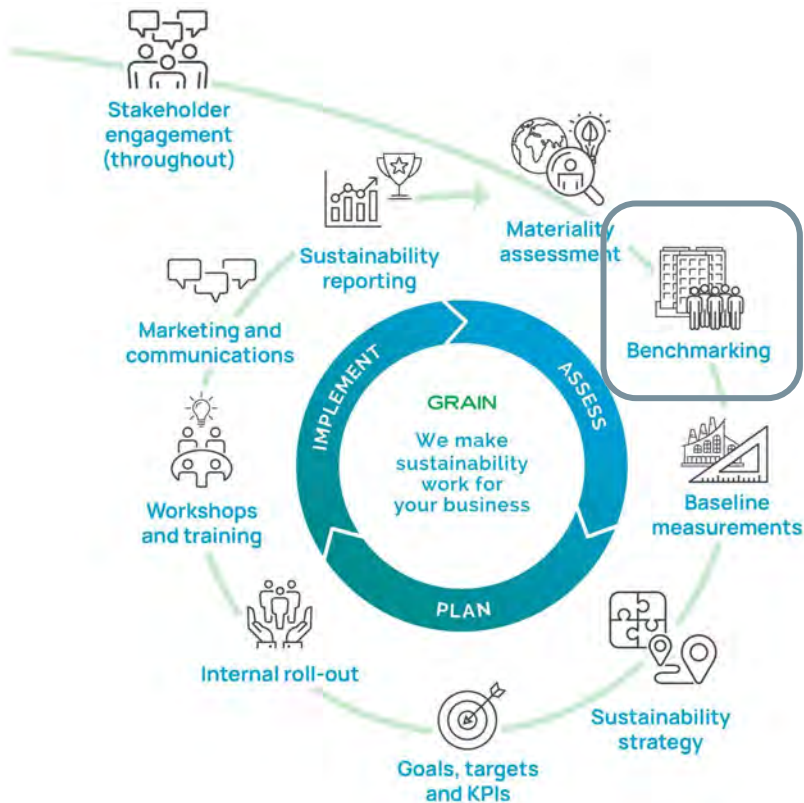


#### Governance

- > Legal & environmental compliance
- > Transparency, communication, and engagement



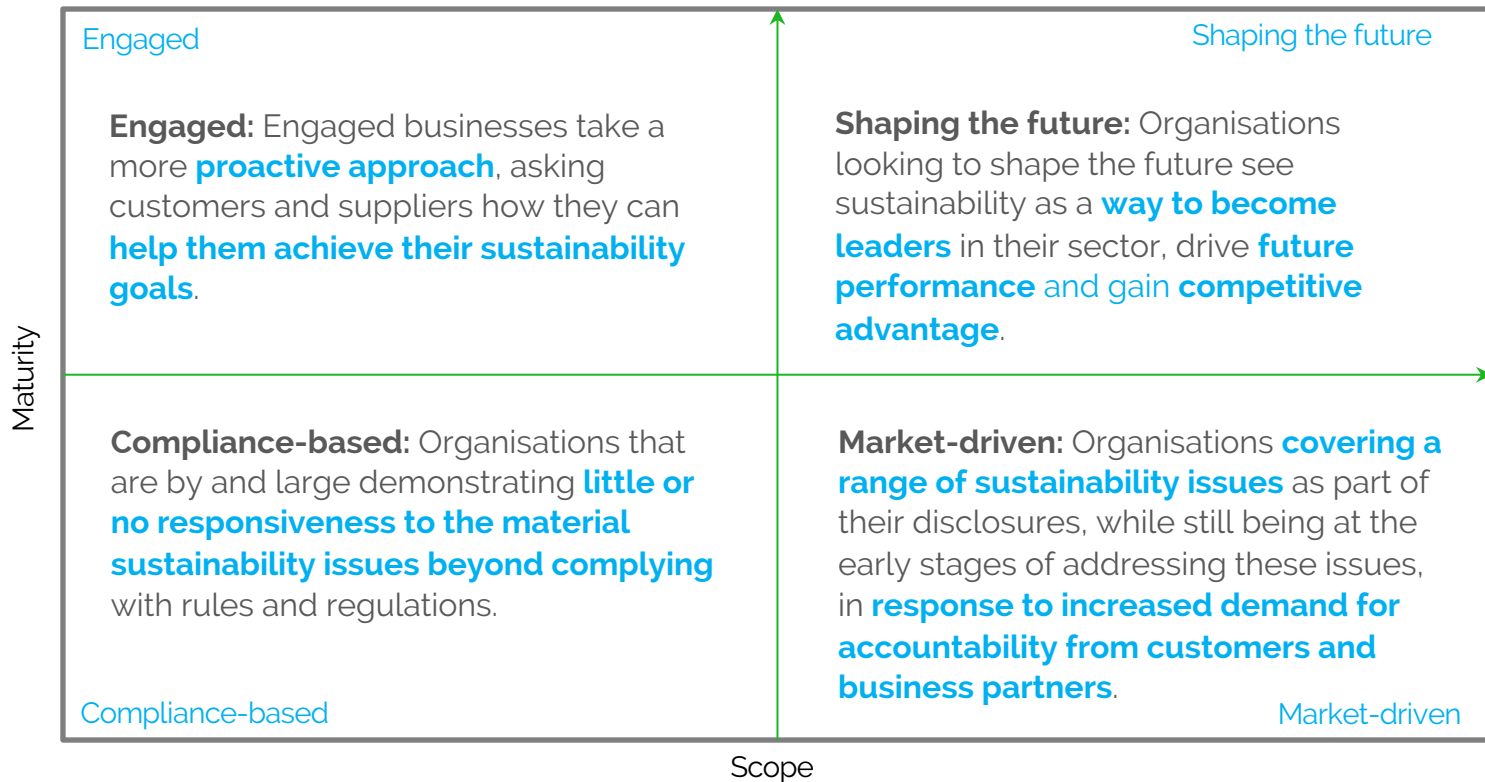
# Benchmarking



Deep dive into what others do

- Competitors
- Wider industry leaders
- Peers

# Benchmarking



# Baseline measurements



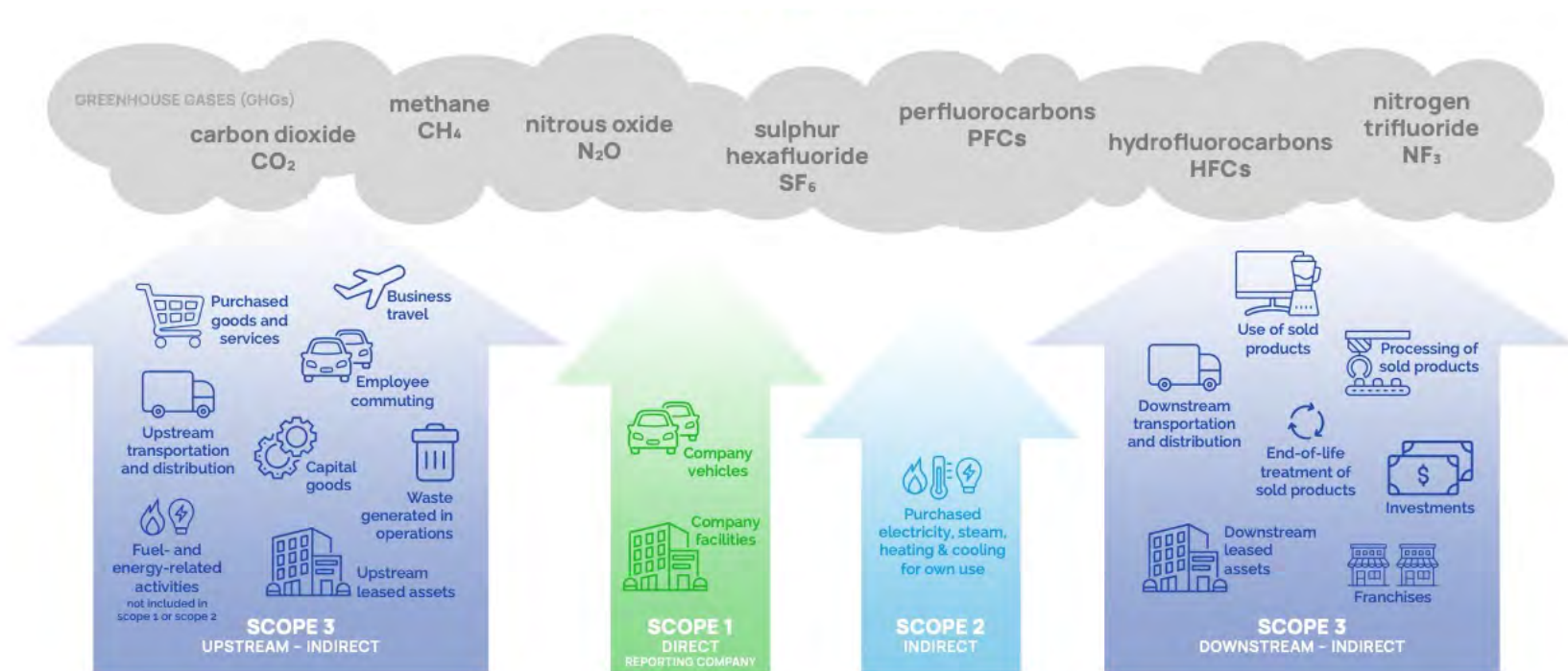
Measuring what's happening already

- Can be data driven, for example carbon footprint, or based on current metrics, e.g. number of suppliers undergoing a supply chain audit, or workforce split in terms of diversity.
- It can include detailing policies, certifications, or awards in place.

The aim is to create a gap analysis of where you are now, and where you want to be.

This helps to set the level of ambition.

# GHG Protocol: scopes and emissions



Emissions categories according to the GHG Protocol Corporate Standard

# What greenhouse gases are included?



## Carbon dioxide (CO<sub>2</sub>)

Result of burning fossil fuels, solid waste, trees and other biological materials and certain chemical reactions. Keeps the Earth from freezing solid, but if its concentration is too high, it causes global warming.

x 1

400 yrs



## Methane (CH<sub>4</sub>)

Sources include landfills, oil and natural gas systems, agricultural activities, coal mining, stationary and mobile combustion, wastewater treatment etc.

x 80

12 yrs



## Hydrofluorocarbons (HFCs)

Mostly used for cooling & refrigeration and were developed to replace ozone depleting substances.

x 3,790

20 yrs



## Nitrogen trifluoride (NF<sub>3</sub>)

Recently added to the list as its potency was not previously known. Mostly used in manufacture of LCD, some types of solar panels and chemical lasers.

x 17,000

550 yrs



## Nitrous oxide (N<sub>2</sub>O)

Also known as the “laughing gas”. Released from burning fuel, including coal-powered plants as well as from soil where N fertiliser has been used.

x 300

114 yrs



## Sulfur hexafluoride (SF<sub>6</sub>)

Used in electricity distribution systems and is the most potent greenhouse gas. This gas cannot be removed from the atmosphere.

x 23,500

000s yrs



## Perfluorocarbons (PFCs)

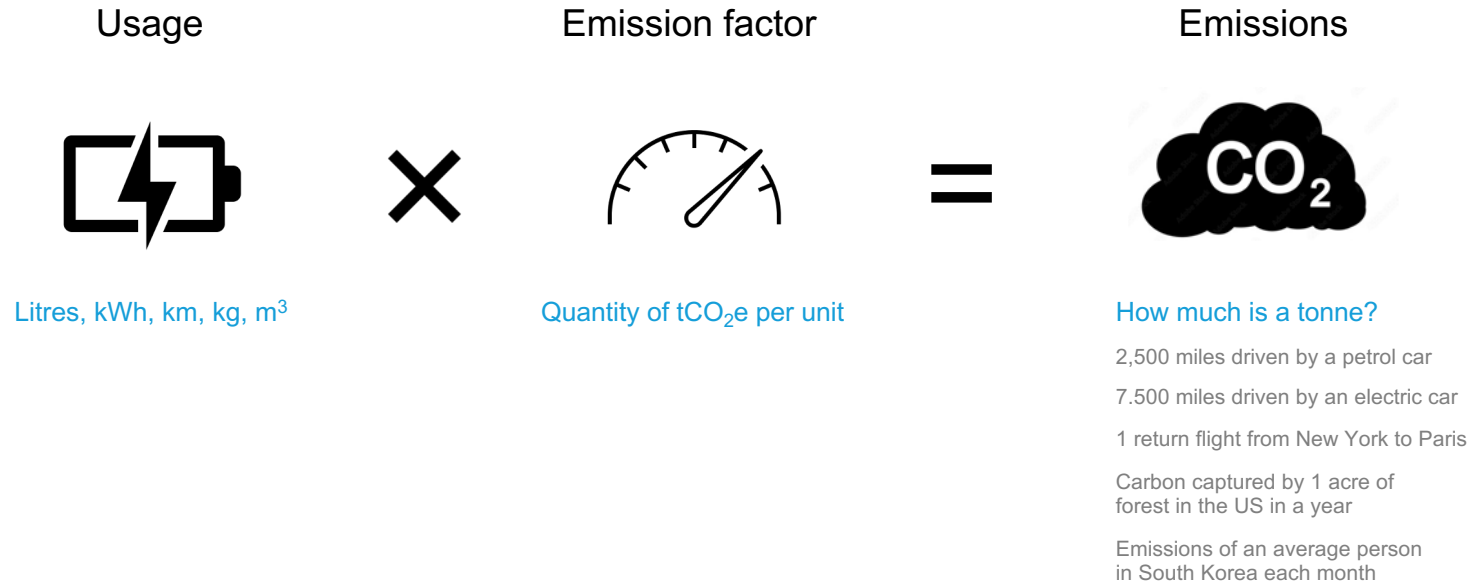
Primary aluminium and semiconductor chip production are major sources of global PFC emissions. Total emissions are small, but growing.

x 1,000s

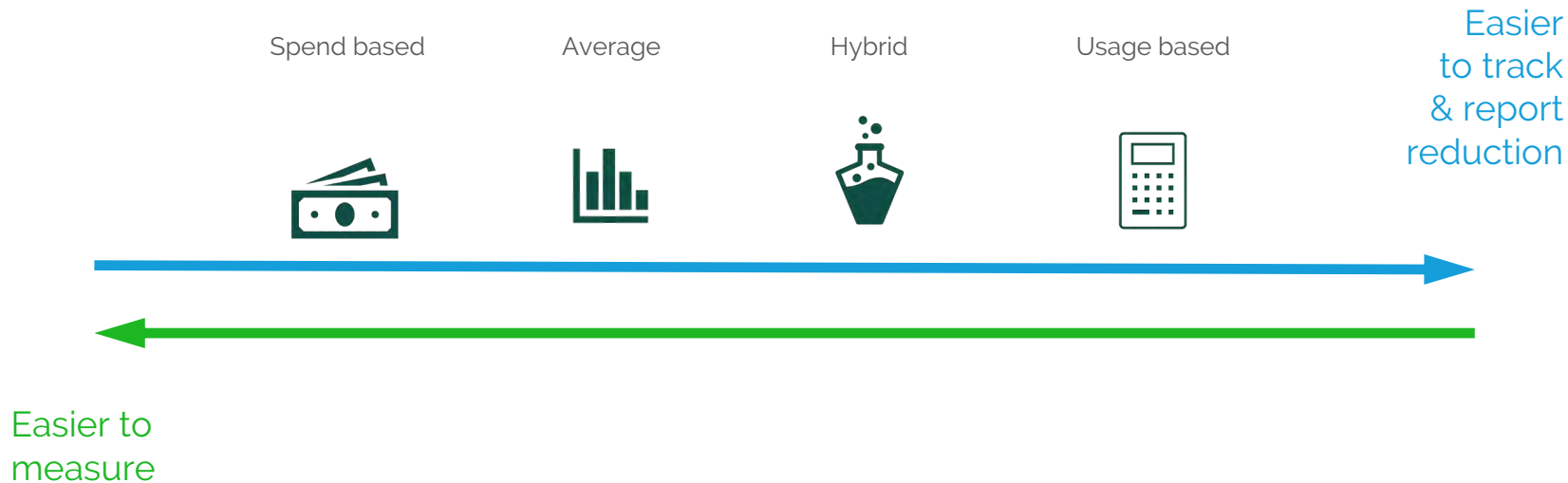
50,000's yrs



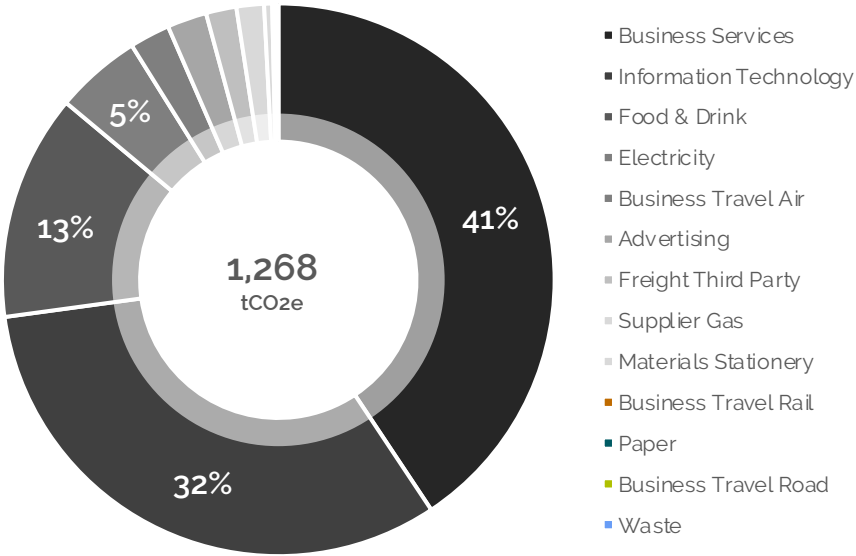
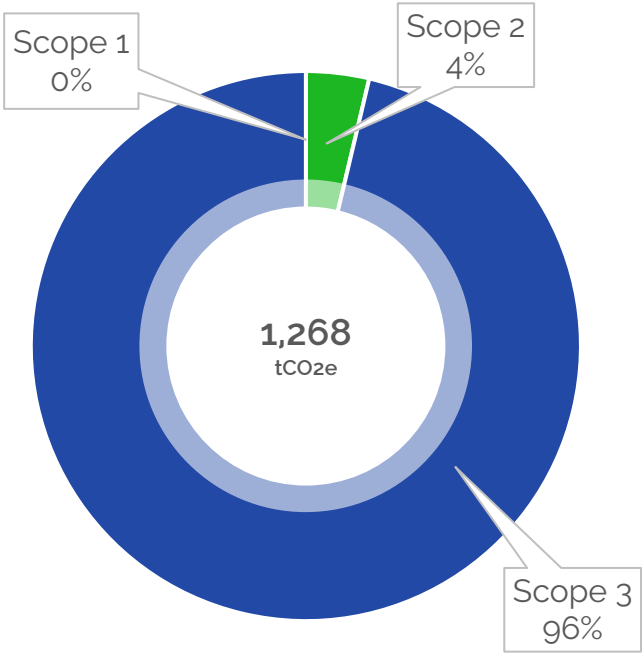
# How do we measure the carbon impact?



# Data quality



# Carbon footprint example – legal services company (250FTE)



# Sustainability strategy



The sustainability strategy brings together the different strands into a cohesive approach.

# What to consider in your sustainability strategy

- Level of ambition
- Overarching commitment
- Key focus areas, supported by different initiatives
- Targets, measures and KPIs
- Expected resources
- A pragmatic timeline, including a checkpoint to review progress, and adapt accordingly
- Underpinning activities, such as communications, governance and processes





# Frameworks and standards supporting your journey

People	Planet	Profit / Prosperity
Social	Environmental	Economic / Governance

## Reporting frameworks:

← SBTi →	Framework of targets to limit global temperature rise to 1.5°C
← CDP →	Environmental and supply chain evaluation and disclosure
← TCFD →	Alignment and disclosure of climate-related and financial risks
← SASB →	Industry-specific disclosures
← GRI →	Broad base of disclosure topics

## Broader strategic frameworks

← UNGC →	Annual communication on progress (COP) on UNGC 10 principles
← SDGs →	SDG reporting integrated with UNGC COP, B Lab SDG Action Manager
← B Corp. →	Annual report required under Ethics & Transparency impact topic
← ISO 14001:2015 →	Clause 7.4 requires internal & external stakeholder communications

## Compliance for large firms

← UK TCFD-aligned disclosures →	Annual report required on climate & financial risks, opportunities
← Directive 2014/95/EU →	Annual report required on environment, social, governance topics
← PPN 06/21 →	Reporting required for government contracts over £5 million

Define your sustainability strategy and create the values that bring your ambitions to life

## > OUR VALUES

### At the core

Throughout our mineral exploration and future mining activities we maintain a continuous focus on value creation and returns while ensuring the highest standards of environmental stewardship and responsible business conduct.

We've defined this set of core values which are embedded in our operations and guide us as we move forward.

### Responsible

We take ownership of our actions and impact on stakeholders, the environment and each other.

### Open

We are honest in our communications with our colleagues and other stakeholders, embrace diversity and are open to new ideas.

### Respectful

We work with integrity and are mindful of our colleagues and communities.

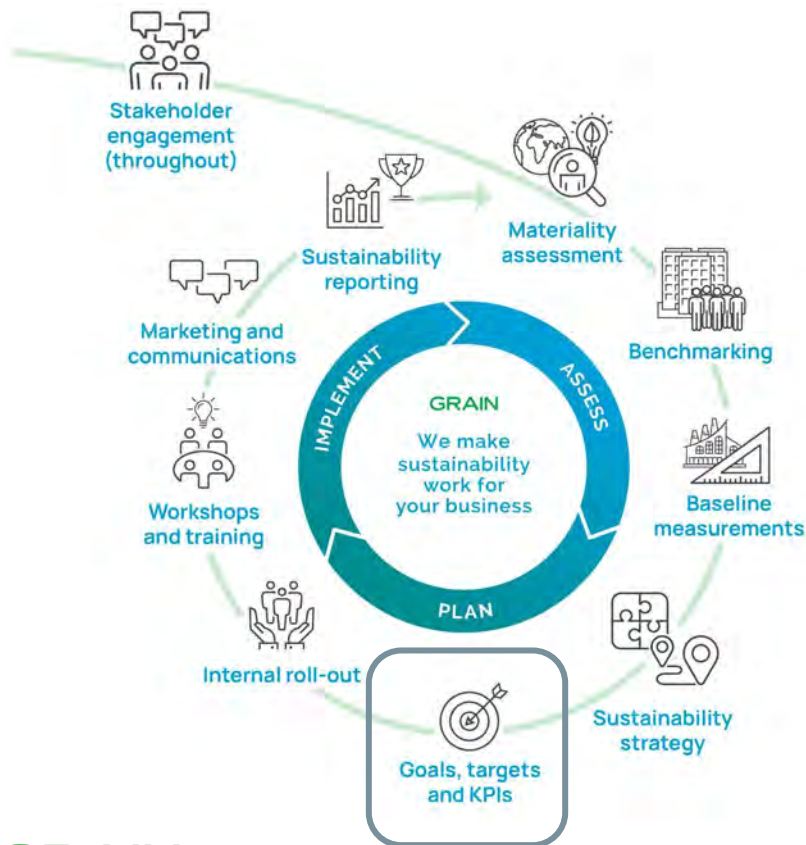
### Effective

We systematically meet our goals through considered and efficient application of our resources.

### Sisu

We are hardworking and resilient. We have *sisu*.

# Goals, targets and KPIs



## Measuring progress

- Identify clear targets and timelines
- Create checkpoints and KPIs
- Assign ownership
- Measure and report

Plan-Do-Check-Act principle of continuous improvement (ISO 9001 and ISO 14001)

# Setting targets, measuring progress and adapting goals

National Grid have a good example of clear targets for net zero.

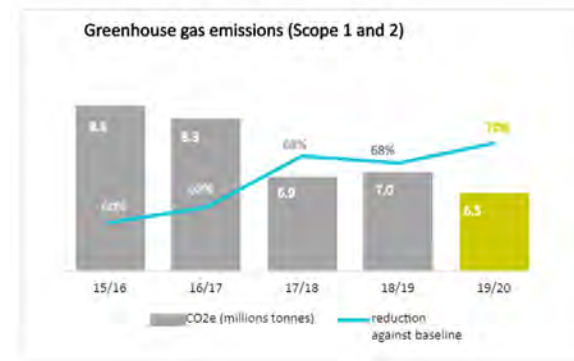
We've set ourselves the following targets:

## Group targets:

- reducing our own direct greenhouse gas emissions to net zero by 2050
- reaching a 70% reduction in greenhouse gas emissions by 2030 from a 1990 baseline
- implementing carbon pricing on all major investment decisions by the end of 2020
- increasing the energy efficiency of our own facilities.

## Targets for the UK:

- reducing the capital carbon of our major construction projects by 50% by 2020
- increasing the energy efficiency of our UK property portfolio by 10% by 2020.



Having outperformed our 2020 target by 25%, we have redefined our targets to reflect the greater ambition of the company.

We now aim to achieve net-zero by 2050, with new interim reduction targets of 80% by 2030 and 90% by 2040, from a 1990 baseline.

Our Scope 1 and 2 target aligns to a well-below two degrees pathway consistent with the ambition requirements of the Paris Agreement and Science Based Targets initiative (SBTi).

## Goals, targets and KPIs – Rupert Resources (27 FTE)

### > STRATEGIC GOALS AND KEY METRICS



#### Environment

**Goal:** Measure and report our environmental impacts including energy, emissions, water, waste, and biodiversity and set targets aimed at zero, net zero or net positive impacts.

**Key metrics**

- > Energy use
- > GHG emissions
- > Water use and recycling
- > Biodiversity net gain
- > Waste recycled



#### Social: Our communities

**Goal:** Support sustainable development of the communities in which we operate.

**Key metrics**

- > Value generated for the local economy
- > Number of jobs created
- > Local employment rates



#### Social: Our people

**Goal:** Foster the health and wellbeing of our workforce and keep our workforce safe.

**Key metrics**

- > Workforce remuneration
- > Staff turnover
- > Incident and near-miss rates



#### Governance

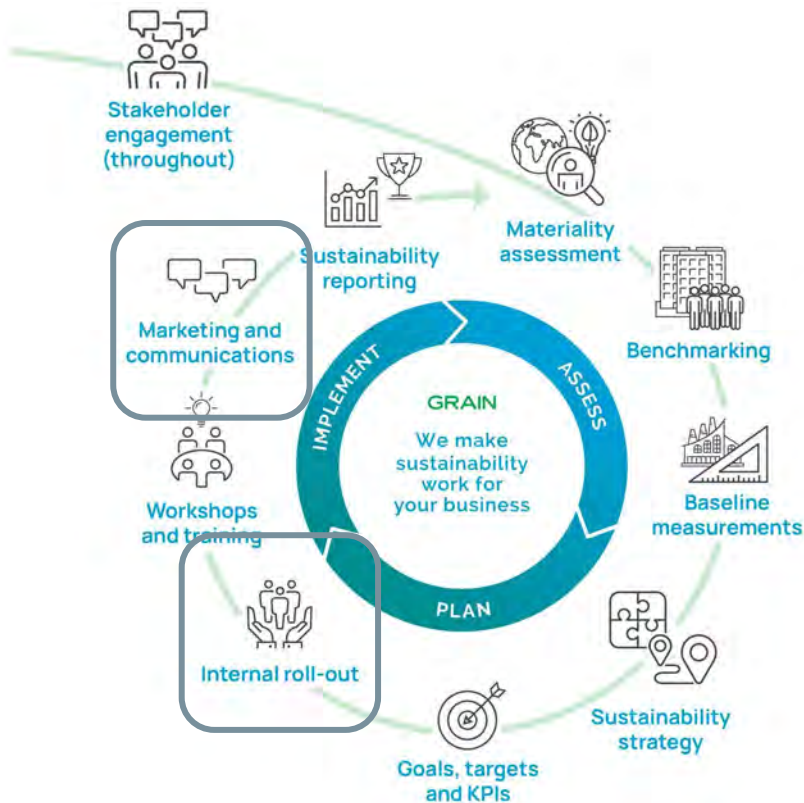
**Goal:** Embed sustainability principles in our operations and governance structures, meet or exceed the highest industry standards, and create shared value for stakeholders.

**Key metrics**

- > Executives with sustainability mandates
- > Executive compensation linked to sustainability targets and achievements



# Internal roll out



## Activating the strategy

- Internal launch first
- Key to empower employees and other stakeholders to become owners and ambassadors for the cause
- Create a strong and coherent presentation everybody is part of



Where are the sticking points?

## Reasons for resistance

Lack of exec  
buy in

Takes too  
long to do

How much  
is it going to  
cost us?

We don't  
have the  
information  
we need

It's just  
marketing ...

Who's going  
to do it all?

No-one's  
asking for it

...



## Engaging people on sustainability



Creating your  
sustainability story



WELCOME  
— WE ARE —  
OPEN



# Using a sustainability lens on your current activities to start building your narrative

What are you already doing?

What can you share externally or internally?

How does it tie into sustainability?

What's the story?

What are the outcomes / who benefits?



## Creating your narrative





## Challenge the norm

**Toilet paper for her**

LIGHT ROSY HUE & FRESH FLORAL SCENT

Special price - now **23%** higher!

**NEW**

Fits in your purse

every wipe • Feel more **empowered** with every wipe • Feel more empowered

**whogivesacrapt** • Follow

**whogivesacrapt** Small enough to hold in your delicate lady hand! Scented with only the most feminine of flowers! While admittedly we do think coloured toilet paper is fun, we'd much rather a world free from stereotypes, discrimination and ridiculous pink taxes.

The theme of this year's International Women's Day is **#BreakTheBias**, so we'd like to know: is there a 'feminine' cliché you want to see retired in 2022? Share it below and we'll flush it down the drain for you. **#WD2022**

1w

**loveofmayhem** Just give us pockets dammit!

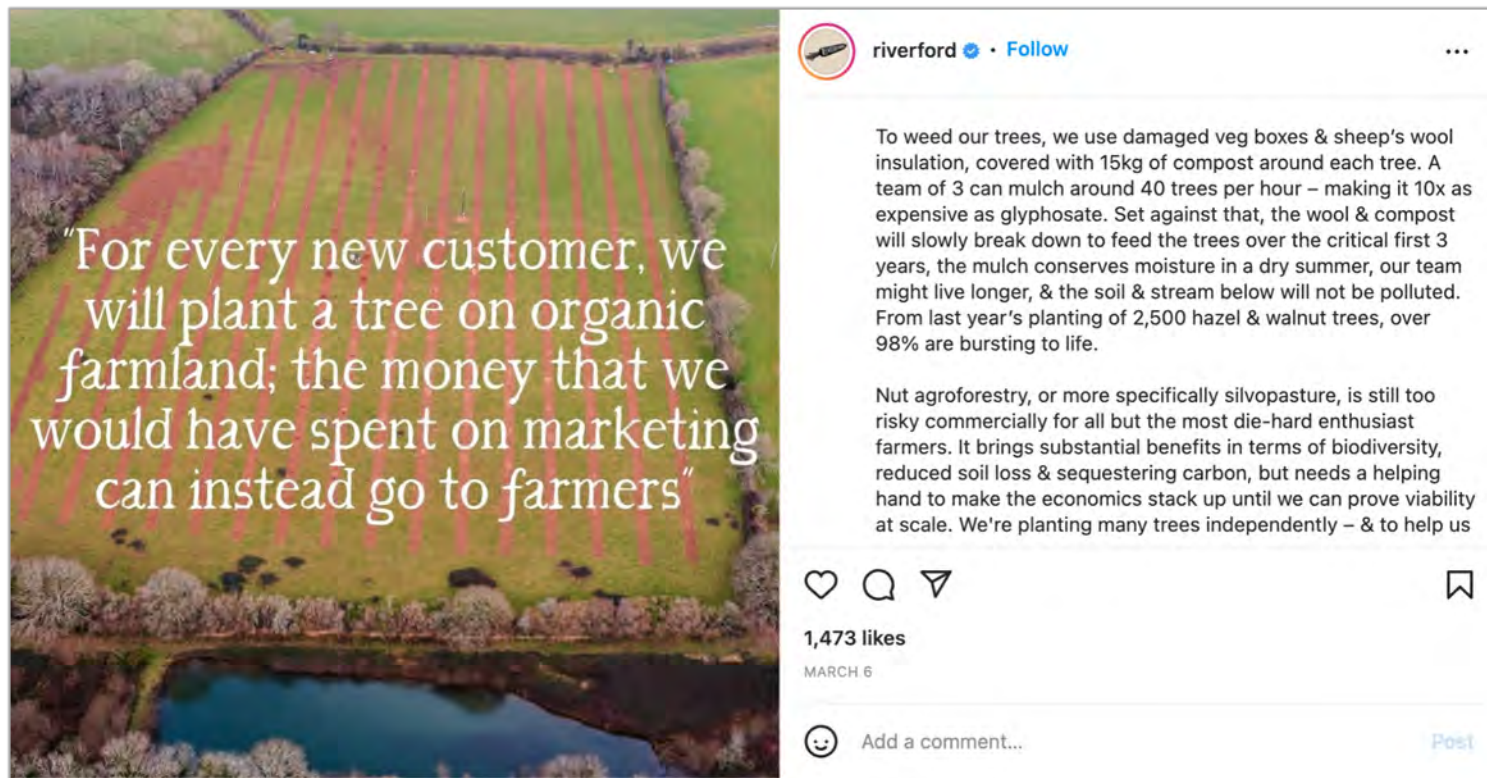
1w 509 likes Reply

4,597 likes

MARCH 7

Add a comment...

## Share your story



## Be a little different



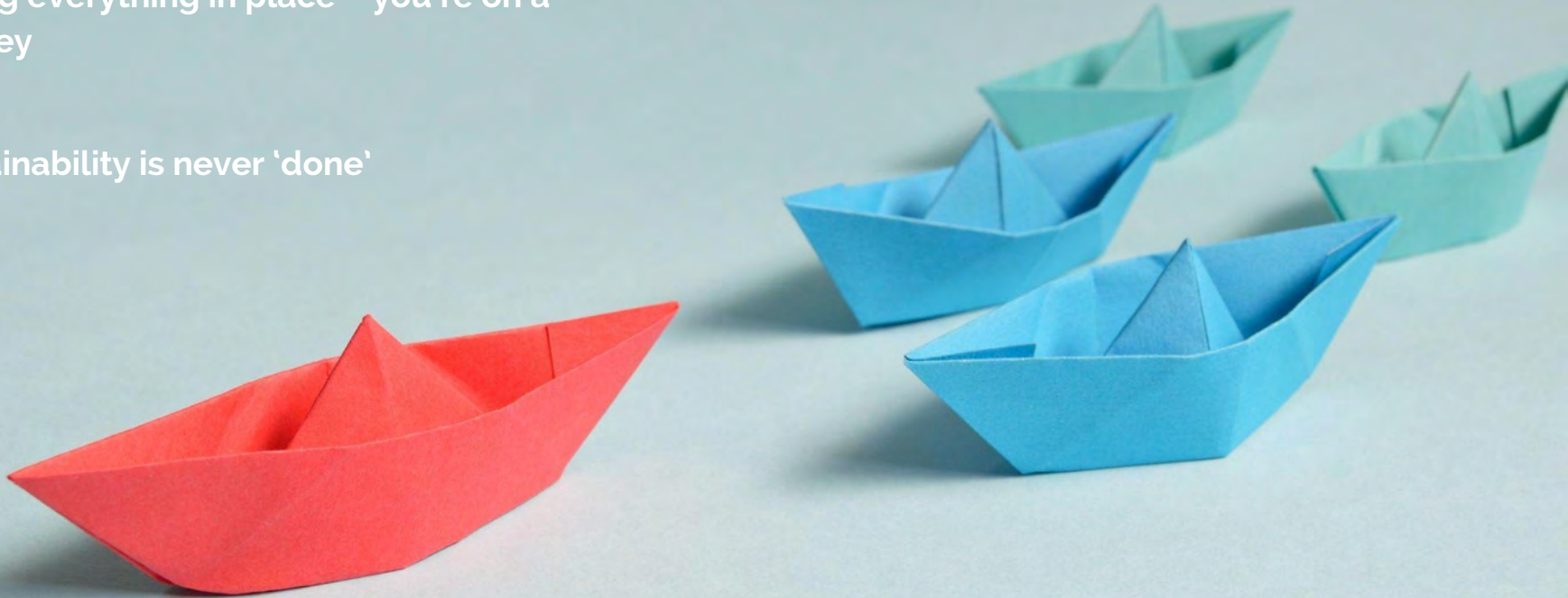
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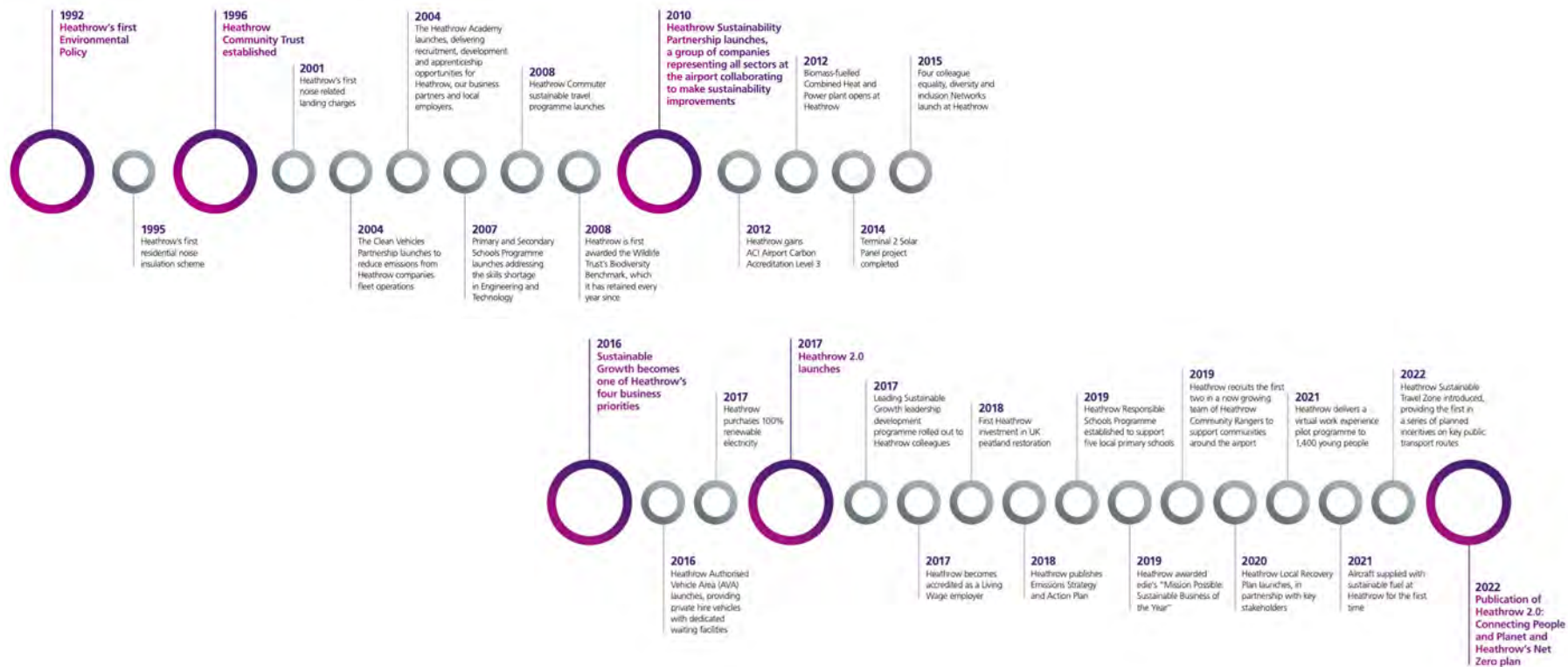
# Sharing progress

It's ok to talk about your ambition without having everything in place – you're on a journey

Sustainability is never 'done'



# It's a journey



# Connected communications

1

Do investors easily find information about ESG performance or responsible investments in the IR section?

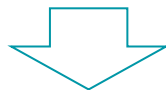


Is sustainability part of your corporate strategy?

Are you reporting on sustainability?

2

Can jobseekers find out about the diversity approach in the careers section or discover what volunteering initiatives are on offer?



Is sustainability part of your culture and values?

Are you presenting yourself consistently across recruitment sites like LinkedIn and Glassdoor?

3

Can customers find out about product responsibility or the company's sustainability on the website?

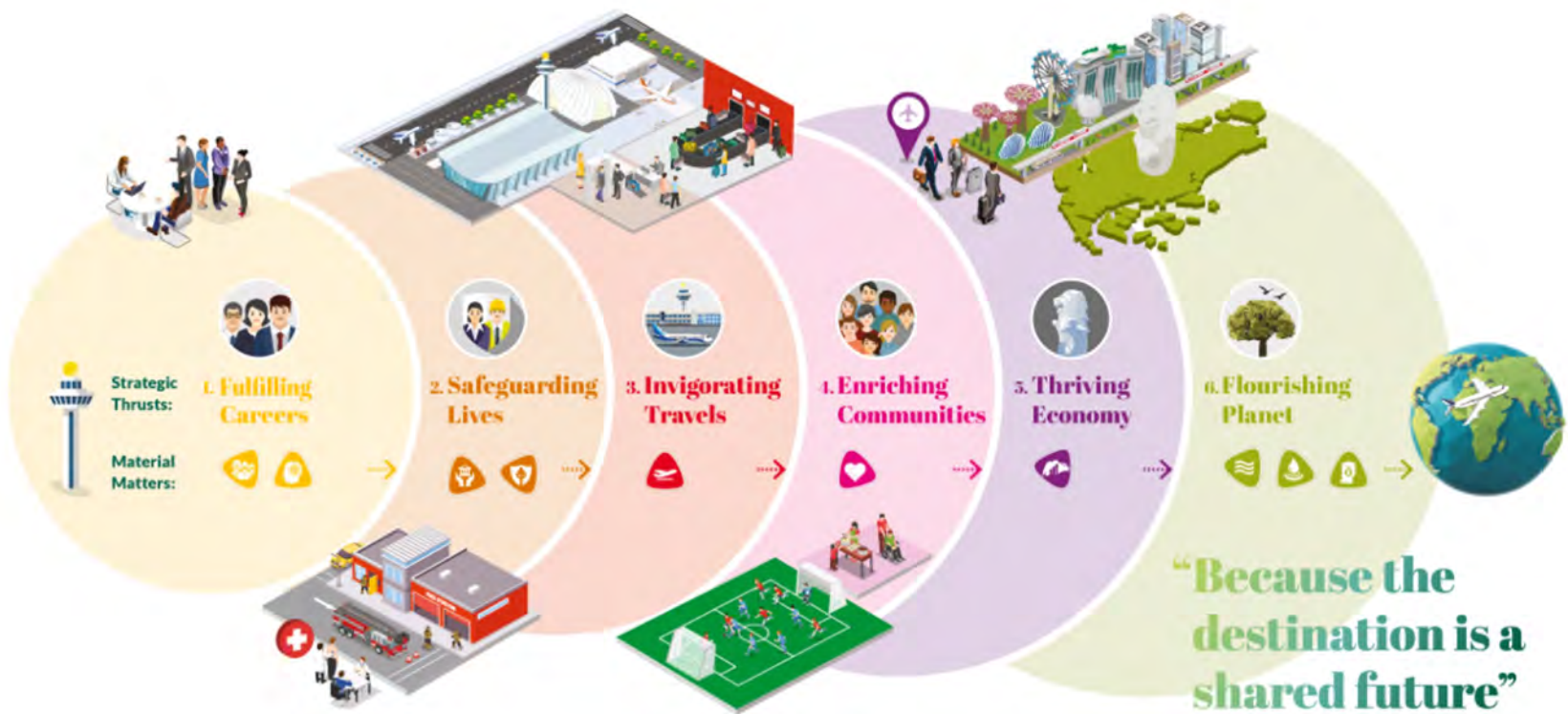


Is sustainability part of your product R&D and lifecycle?

Is sustainability information in your product and service descriptions?

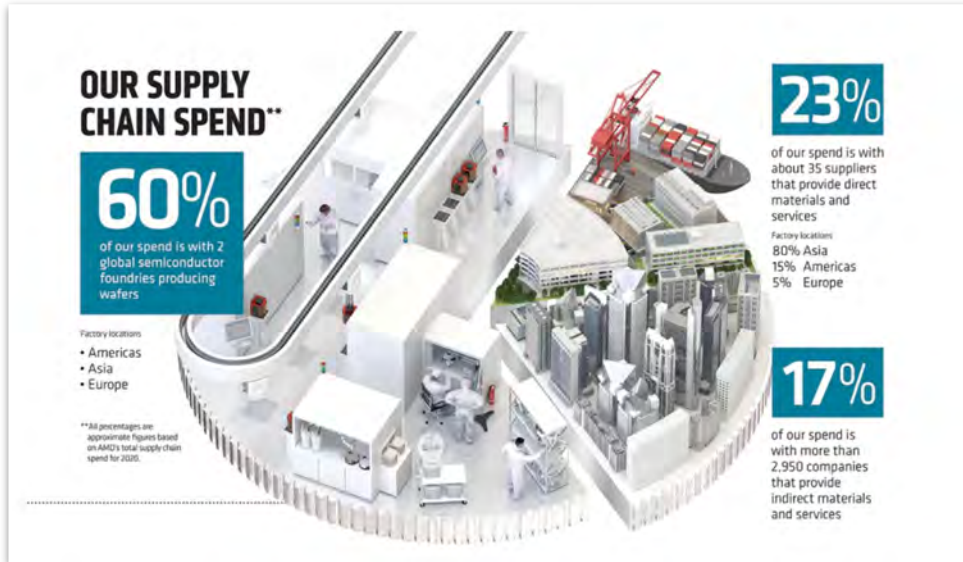
Are you linked with the comms teams across the business?

## Articulating your strategy



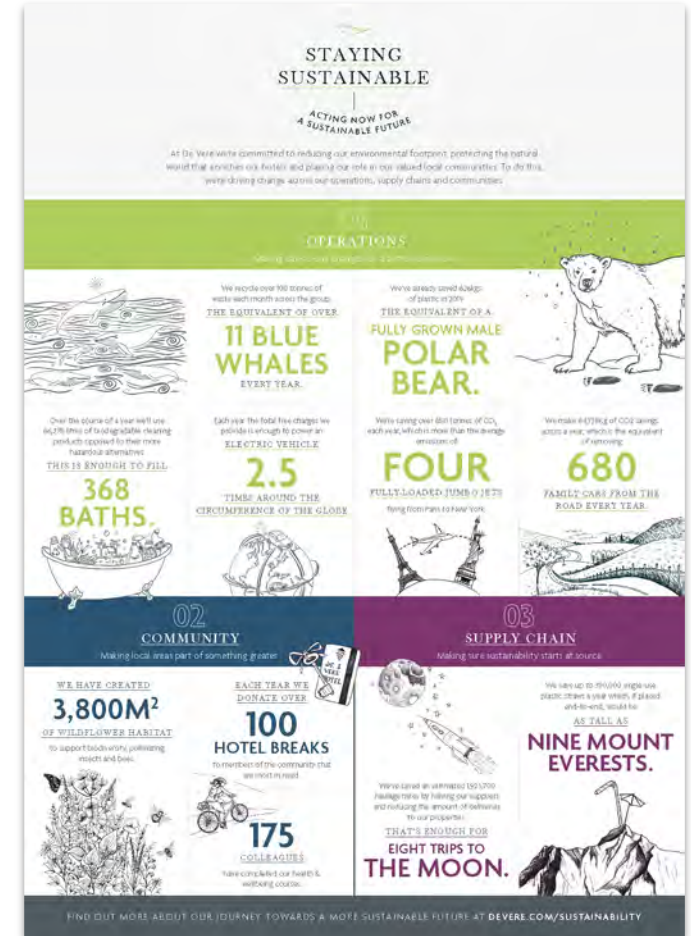


# Reporting progress



Source: [AMD](#)

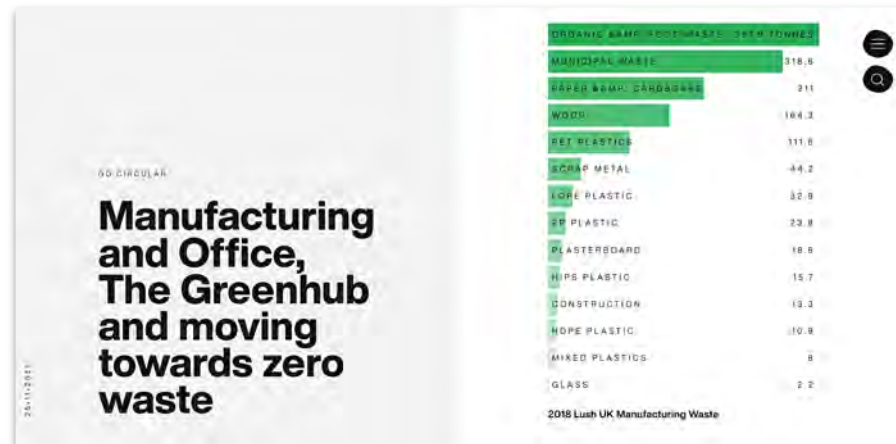
These are simple ways to explain complex subjects that work well across different channels.



Source: [De Vere](#)

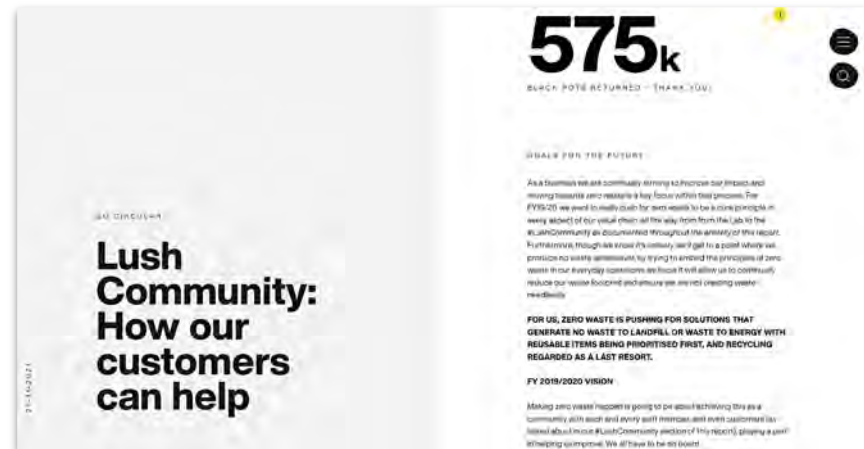
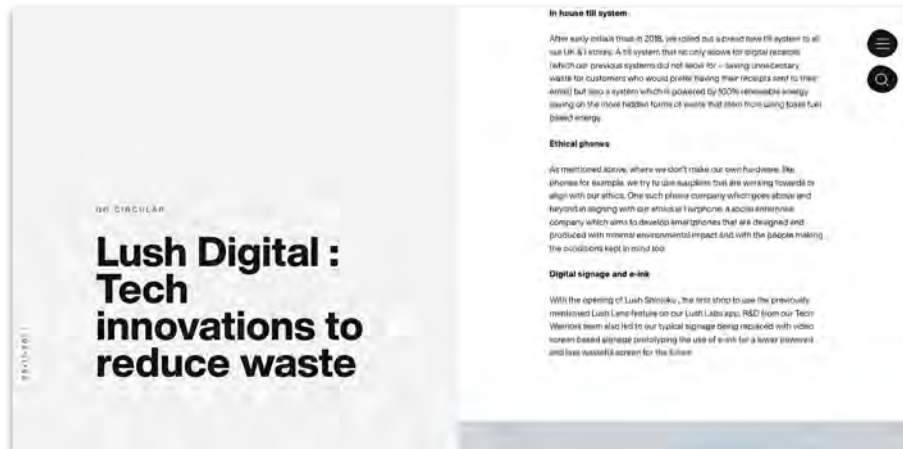


# It's not easy being green



LUSH are doing some great things. They are championing good causes and are sharing information on their website.

# It's not easy being green



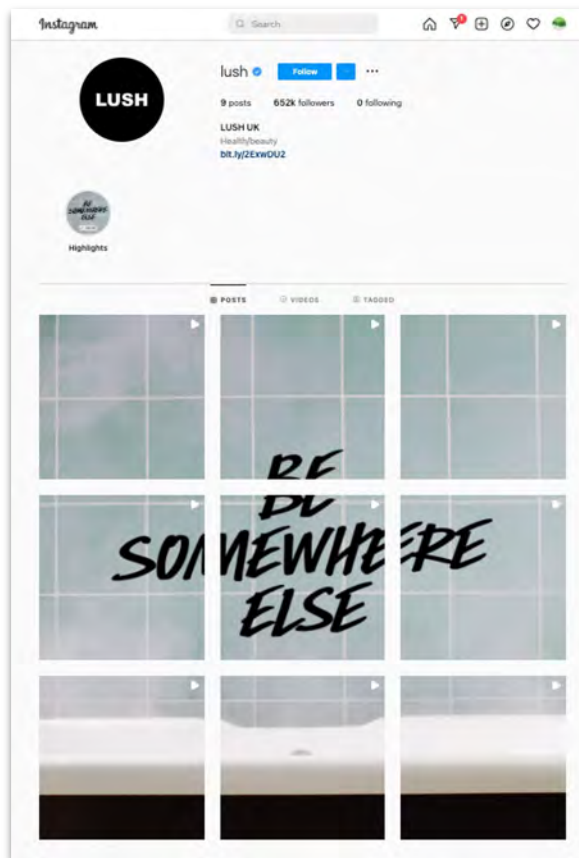
They have new innovations, and are owning their circular economy initiatives on plastics.

# It's not easy being green

But they aren't managing their Instagram – leaving it open for criticism.



**lush** Be Somewhere Else. Whether that's in a bath with a good book; taking some me-time with a facemask and a cuppa; or simply getting outside for some fresh air, we're encouraging our customers to stop scrolling and be somewhere else instead. We want to engage with you in places that look after you and your mental wellbeing. Read more via the Link in Bio.



**dxnnyjpg** Yet you as a company don't care for your employee mental and physical health. Dates, timestamps of instances occurring of employee neglect and disrespect, and hundreds of papers taken to court along with witnesses. You as a company might need to reform your managerial structure and actually enforce employee safety and correct mental well-being training to avoid bad rep from current and past employees. This campaign is a complete betrayal of your own (ex)staff and such a fake approach because it's well known that Lush do not take care of their staff. This won't go unnoticed.

11w · 11 likes · Reply



**yamusmere** any current or ex-employees of this musty company who are/have been mistreated need to take advantage of this abandoned account to post all about your experiences. these self-righteous bozos are still on twitter. lollll. 🙄

1d · 7 likes · Reply

# It's not easy being green

You are in: [Home](#) / [Lush Cosmetics Ltd](#)

## Lush Cosmetics Ltd

[Company profiles FAQs](#)

Share this:

Famous for its cruelty-free approach to cosmetics, Lush is a long-term leader in promoting non-animal testing solutions. It is also a Fair Tax Mark accredited company.

### Is Lush Cosmetics ethical?

Our research highlights some ethical issues with Lush, including environmental reporting, toxic chemicals, human rights and supply chain management.


However, they score well in workers' rights, animal testing, social finance and company ethos.


Below we outline some of these issues. To see the full detailed stories, and Lush's overall ethical rating, please sign in or [subscribe](#).


### People

Lush has taken a strong approach to sectors where human rights abuses have been exposed. Following reports of child and forced labour in mica supply chains, Lush stopped using the mineral in its products and started using synthetic mica, made from natural minerals.

In 2019, Lush received Ethical Consumer's worst rating for Supply Chain Management. It took a rudimentary approach to addressing difficult issues in the supply chain, for example, Lush's website stated that it did not employ staff on zero-hour contracts. However, its supply chain policy, outlining expected workers' rights, was poor as was its auditing and reporting and stakeholder engagement. It also had a subsidiary in Saudi Arabia and associate undertakings in Russia, Kazakhstan, Thailand and Pakistan. These countries all appear on our list of [oppressive regimes](#).



 Ethical Consumer Best Buy: No

 Boycotts: No

Ethical Consumer is really looking at the detail behind the operations – and inviting consumers to feedback to the brand.

## Credibility is key – International Women's Day

The Gender Pay Gap Bot highlighted the pay gap for companies who were promoting IWD on Twitter.

Media coverage was extensive, and engagement high.





## Transparency = authenticity



One of the ways we reduce our water use is with the use of water from a nearby burn.

Water is diverted up from the burn and stored in a tank ready for use. It cools our spirits using a heat exchanger before being returned to a holding tank to return to temperature. Once cooled it is released back into the burn without impacting the environment.

Unfortunately, it was out of action for part of 2020 resulting in more mains water being used than desired. Once up and fully running again we can reduce our overall usage.

Our beautiful distillery garden benefits from a butt for collecting rainwater. This keeps all our botanicals hydrated. We are also researching new ways to harvest rainwater for the benefit of the distillery.

**Target**

**2022    Reduce our water carbon footprint by 50%**

Honest, factual and engaging – resulting in an authentic message.

## Avoiding greenwash



## Credibility is key

What links these three companies?



The ASA (Advertising Standards Agency) has pulled their adverts for being misleading in terms of sustainability.

And finally...





A wide-angle photograph of a field of yellow rapeseed flowers in full bloom. The flowers are densely packed and stretch across the foreground and middle ground to a flat horizon. The sky above is a clear, vibrant blue, filled with large, fluffy white cumulus clouds. The overall scene is bright and cheerful, representing a healthy agricultural landscape.

# Thank you

[hello@grain-sustainability.com](mailto:hello@grain-sustainability.com)