

What's the right ESG framework for
your business and where do you start?

ESG FRAMEWORKS WORKSHOP

1ST MARCH 2022, CHAMBER OFFICES

G+C
Guernsey
Chamber
OF COMMERCE

**SUSTAINABLE
BUSINESS**



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- **What is the Sustainable Business Initiative?**
- **What is a sustainable business?**
- **Some key terminology**
- **Guernsey Context**
- **ESG frameworks / EMS**
- **Reporting & disclosure**
- **Sector Specific Workshop**
- **Appendix**

**To help
Guernsey
businesses
become more
sustainable...**



**...by inspiring
and informing
business and
influencing
government
policy**

A Sustainable Business

A SUSTAINABLE BUSINESS...



Embeds sustainable thinking, culture and leadership at the heart of its strategy and operations



Improves its own impact on every environmental factor based on the best scientific recommendations available



Enables others to improve their impact through the goods and services it provides.



Supports local and global initiatives to make the systemic change to a sustainable future possible.

Further reading:

[How your business can advance each of the UN SDGs](#)

3 STEPS TO SUSTAINABLE BUSINESS...

1

Decide to Act

Change won't happen until a decision is made, so make the case quick!

2

Appoint a Champion

Things only happen when it's someone's job, so make it someone's job!

3

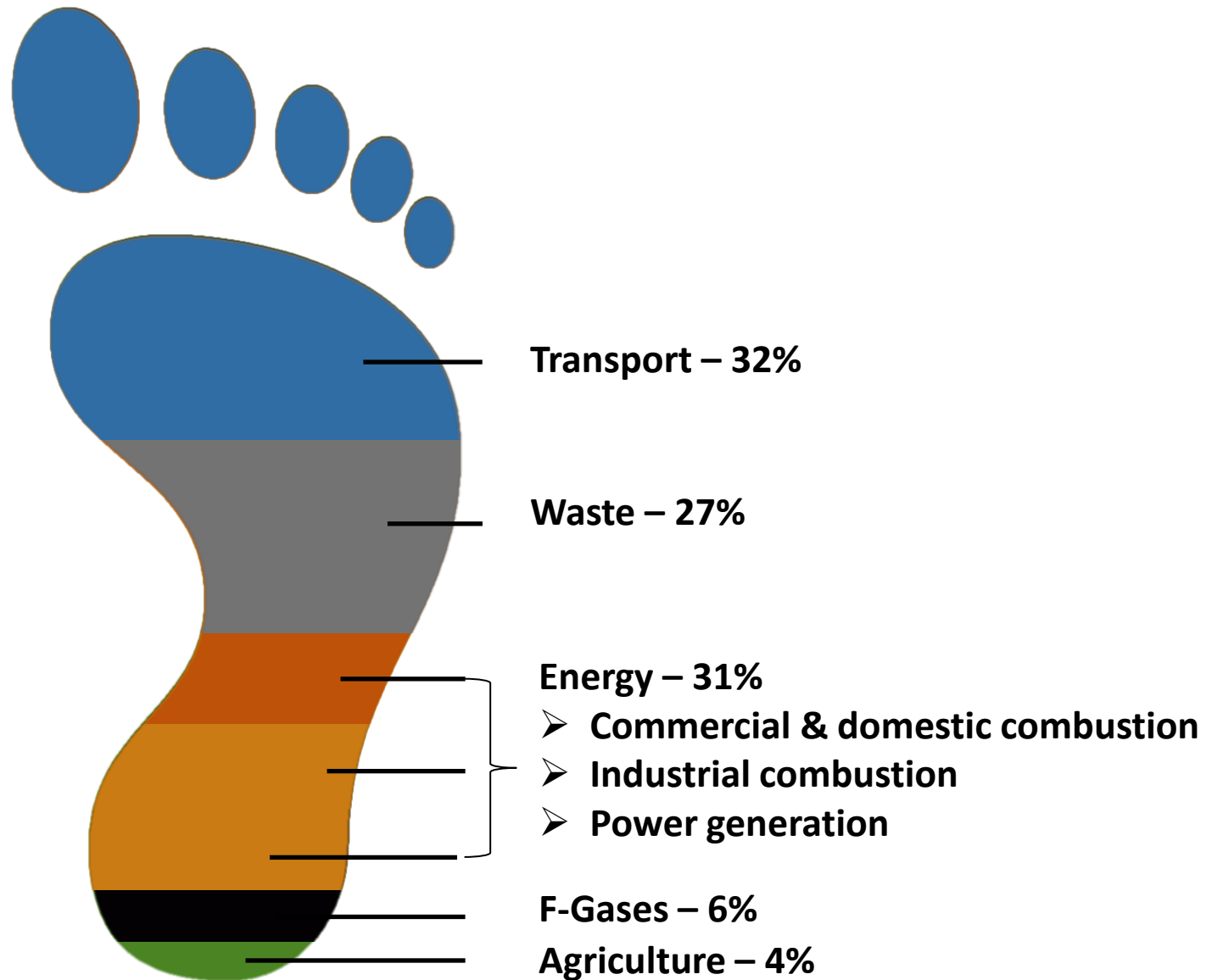
Apply a Framework

An Environment, Sustainability & Governance framework'll measure your impact now and help you plan for change



The Guernsey Context

Guernsey's Carbon Footprint



Guernsey's Climate Change Policy

- To legislate for a net zero target by 2050 at the latest
- To report annually on all emissions in scope
- To prioritise local sequestration and ensure any offsetting meets the highest international standards
- To look for economic opportunities in transition to low-carbon economy
- To set up an independent advisory body
- To create an adaptation plan
- To support a more effective shift to low-energy/low-emissions transport
- Alignment with Energy Policy, Strategy for Nature, Paris Agreement & UN SDGs

Emissions

Some Useful Definitions

Key Terminology: Sustainability and the UN SDGs

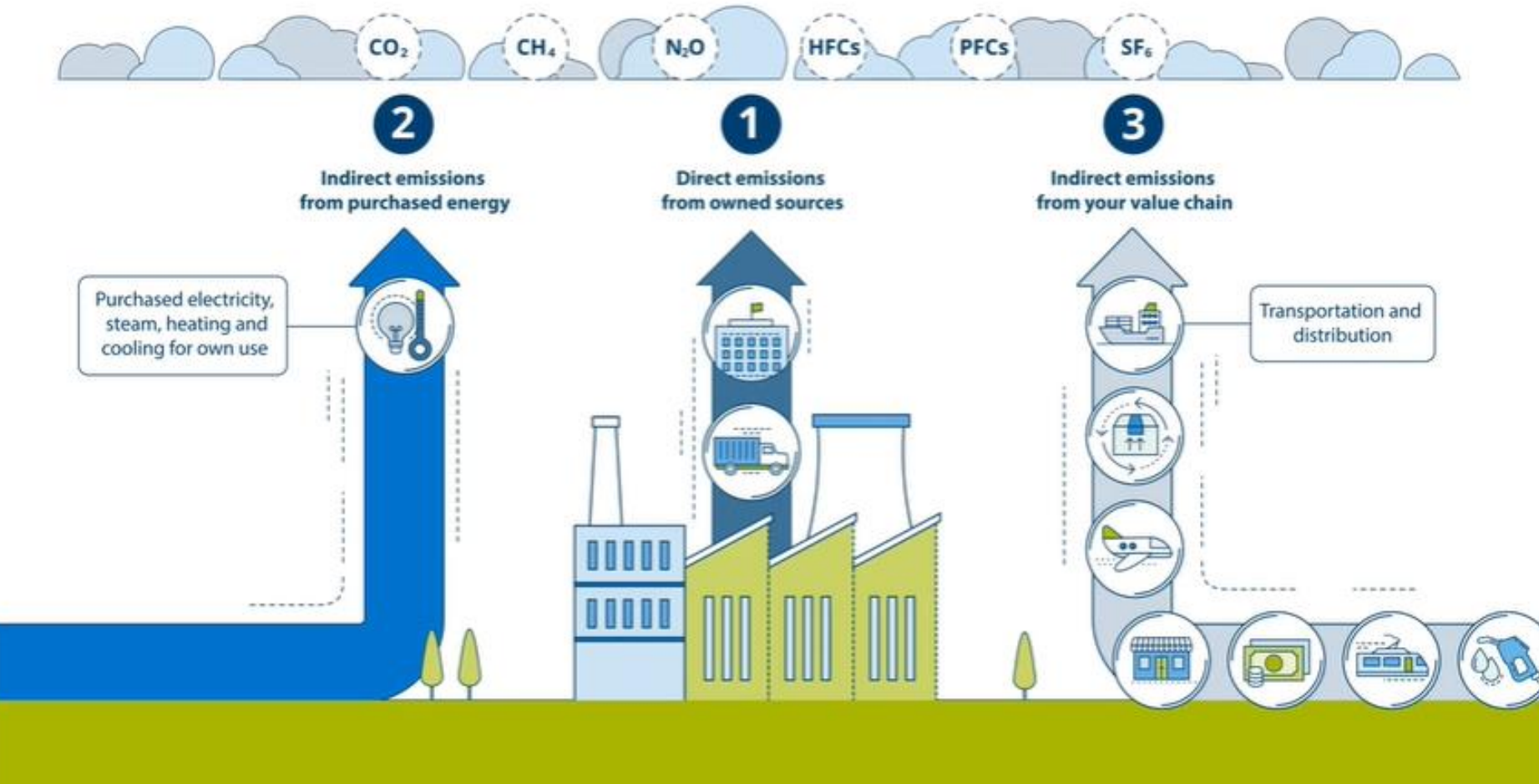


"Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs."

Further reading:

[How your business can advance each of the UN SDGs](#)

Key Terminology: Emission Scopes

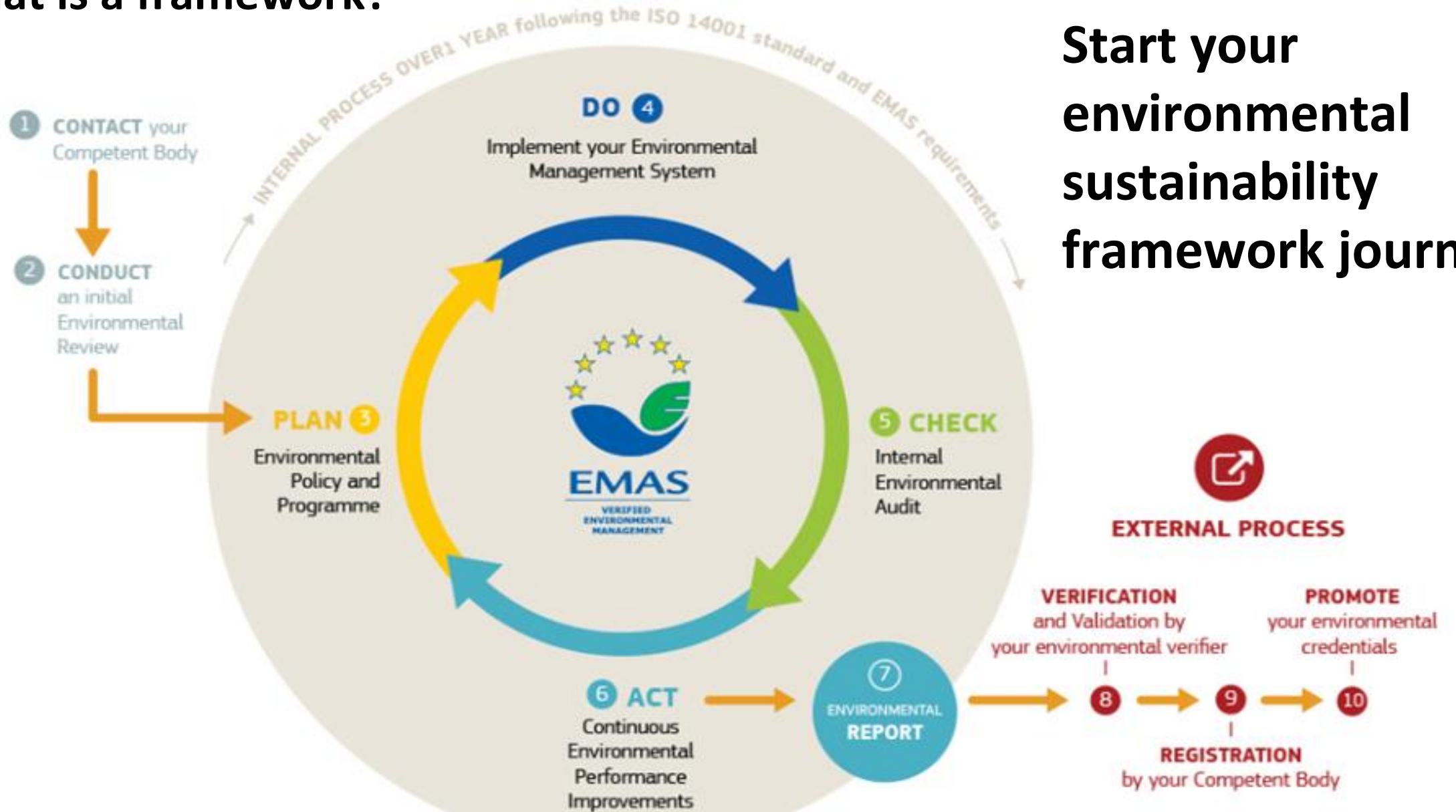


Scope 1 emissions - Building onsite energy use (e.g., space heating), Building refrigerants, Company Vehicles Fuel consumed by owned and leased vehicles
Scope 2 emissions - Purchased electricity, steam, heating & cooling for own use
Scope 3 emissions - Purchased Goods and Services, Capital goods, Upstream and Downstream Transportation & Distribution, Business Travel (incl. Remote Working), Employee Commuting, Leased Assets, Waste Generated in Operations, Investments

Scope 1 – 3 emissions focus on direct and indirect impacts. They do not include lifecycle emissions

The 3rd Step: Frameworks

What is a framework?



Start your environmental sustainability framework journey

Which Framework?

Its not a case of one size fits all



Considerations:

- Geographic location
- Industry specific
- Stakeholder drivers
- Business aspirations
- Budget considerations
- Business size
- Reporting and disclosure standards

Reporting and Disclosure

- Once you have identified an appropriate framework to work with, time to roll up your sleeves
- Start and end with data
- Each framework will require collection of data, usually to establish a baseline from which you can work to go through the waste/transport/ hierarchies
 - Have you committed resources to the data collection?
 - Have you identified the key people who will be responsible for the data collection?
 - If data will be disclosed publicly, do you need a second level of assurance to check the data?
- Internal teams will depend upon data required, ie HR for employee information (ie staff transport surveys), PA's for staff travel history, Operations for energy, heat and water data.
- What are the disclosure requirements for the framework you have chosen?
 - Format, timing, etc.
 - Ensure you have mapped the resources required
 - Engage external resources if needed

Workshop

Rollo de Sausmarez - Beyond Ltd

Bespoke strategic support

Co-founder and co-lead of the Chamber of Commerce's Sustainable Business Initiative, Rollo has helped many businesses across multiple sectors on their journey to net zero or greater sustainability.

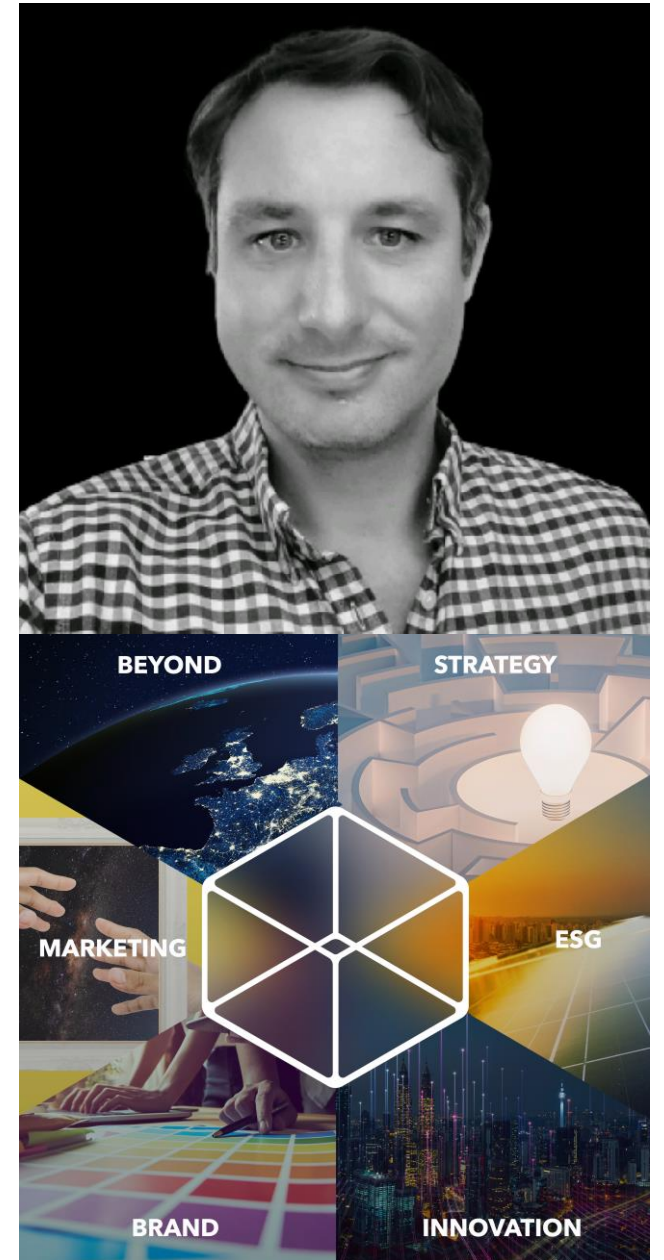
Rollo has 20 years of marketing and innovation experience and has recently started Beyond, a consultancy focussing on helping businesses develop a strategic approach to their Sustainability, ESG, Innovation and Marketing.



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Net Zero Now: The trusted route to Net Zero for SMEs

Net Zero Now is a sector-based initiative, seeking to provide practical assistance to SMEs hoping to begin their journey towards Net Zero.

- **Practical** – For busy organisations
- **Robust** – Scientifically credible



Johnny McCreesh

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CALCULATE



Emissions inventory must be calculated in accordance with the GHG protocol and must include all Green House Gasses (GHGs) and all relevant value chain sources over a 12 month period

MITIGATE



Emissions reduction targets must be compliant with SBTi ambition criteria for 1.5c and accompanied by credible delivery plans

COMPENSATE



Carbon credits can only be considered once reductions have been demonstrated, must be certified to recognized standards and the balance between avoidance and removal must align with the Oxford Principles.

COMMUNICATE



Climate plans and action must be shared transparently, and businesses should advocate for widespread adoption of paths to zero.



A netzeronow INITIATIVE

SUPPORTED BY



Pernod Ricard UK
Champions de responsabilité

Environmental & Social Impact Monitor Ltd (Guernsey)

Over 130 clients across 14 countries

ABOUT US

ESI Monitor (Environmental & Social Impact Monitor) provide compelling solutions for businesses to manage climate change transition risks, regulatory obligations, impact measurement, mitigation strategies, and disclosure. We also have a strong focus on the many opportunities the transition presents for our clients to develop new products, services, and market advantages.

Our experts are based in London, Brisbane, and the Channel Islands.



MARC LAINE
Managing Director



IAN CORDER
Director of Operations and Standards



FRED BETLEY
Sustainable Development Specialist



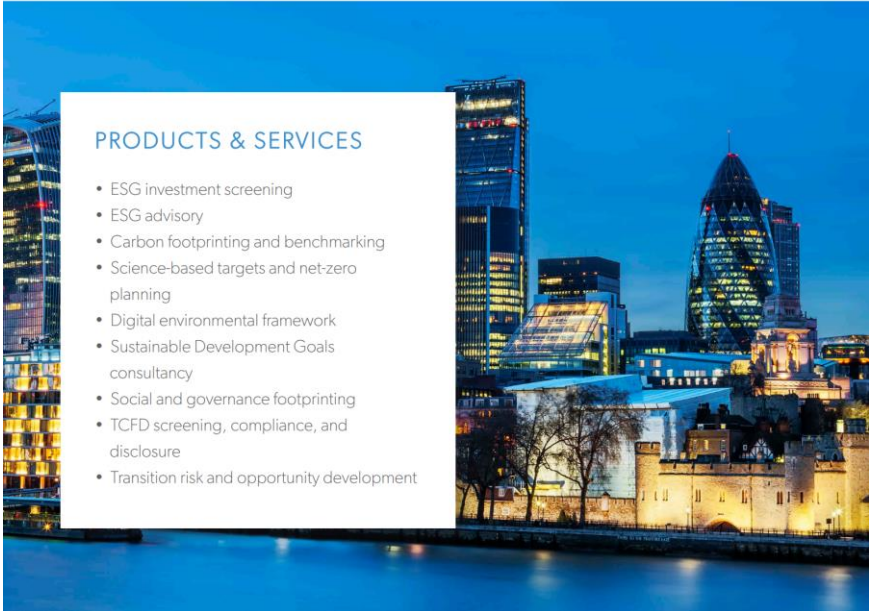
SYLVIE LAINE
Carbon Footprint Analyst



JON BUCKLAND
Associate Consultant / Lead Verifier



DR. MICHAELA BYROM
Associate Consultant / Microbiologist



IAM Advisory Introduction

- IAM Advisory is an investment advisory and consulting firm
- IAM has been a signatory of the UN Principles for Responsible Investment (PRI) since 2021
- Advisory to numerous clients who have put in place a Sustainable Investment Framework, adding an ESG lens to the way we monitor and select investment managers for our clients
- Working through the ESI Monitor framework to analyse our own carbon footprint



What's the most important bit for your business?

We do this by homing in on your company's most predominant ESG issues. Depending on your operations not all of these may apply in equal measure

E (Environment) – including greenhouse gas emissions, energy efficiency, hazardous waste, resource depletion and risks and opportunities

S (Social) – including issues such as working conditions, human rights, diversity and equal opportunity, occupational health and safety, local communities, and child labour.

G (Governance) – including anticorruption (including bribery), board independence and diversity, company policies and supply chain management.

Who are your key stakeholders?

It is valuable to pinpoint who you will be reporting to, so that you can ensure your framework and communication is suited for the appropriate audience.

- Customers
- Investors and shareholders
- Regulators
- Suppliers & distributors
- The media
- Your staff
- The general public

Which Reporting standards are important to you and your stakeholders?

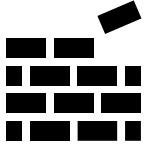
- Sustainability Accounting Standards Board (SASB)
- CDP
- Global Reporting Initiative
- Integrated Reporting
- Sustainable Development Goals (SDGs)
- Task Force on Climate Related Financial Disclosures (TCFD)
- GFSC
- Something else?

Some sector specific considerations



Finance/Professional Services

- Off-island transportation
- ESG rating of investments
- Disclosures



Construction

- Material sustainability
- Supply chain
- Waste



Retailers

- Lighting/ energy efficiency
- Supply chain



Hospitality

- Menu sustainability
- Food waste
- Deliveries



Online Retailers

- Server location and power use
- Delivery



Supermarkets

- Energy/Refrigeration
- Supply chain
- Food waste
- Packaging

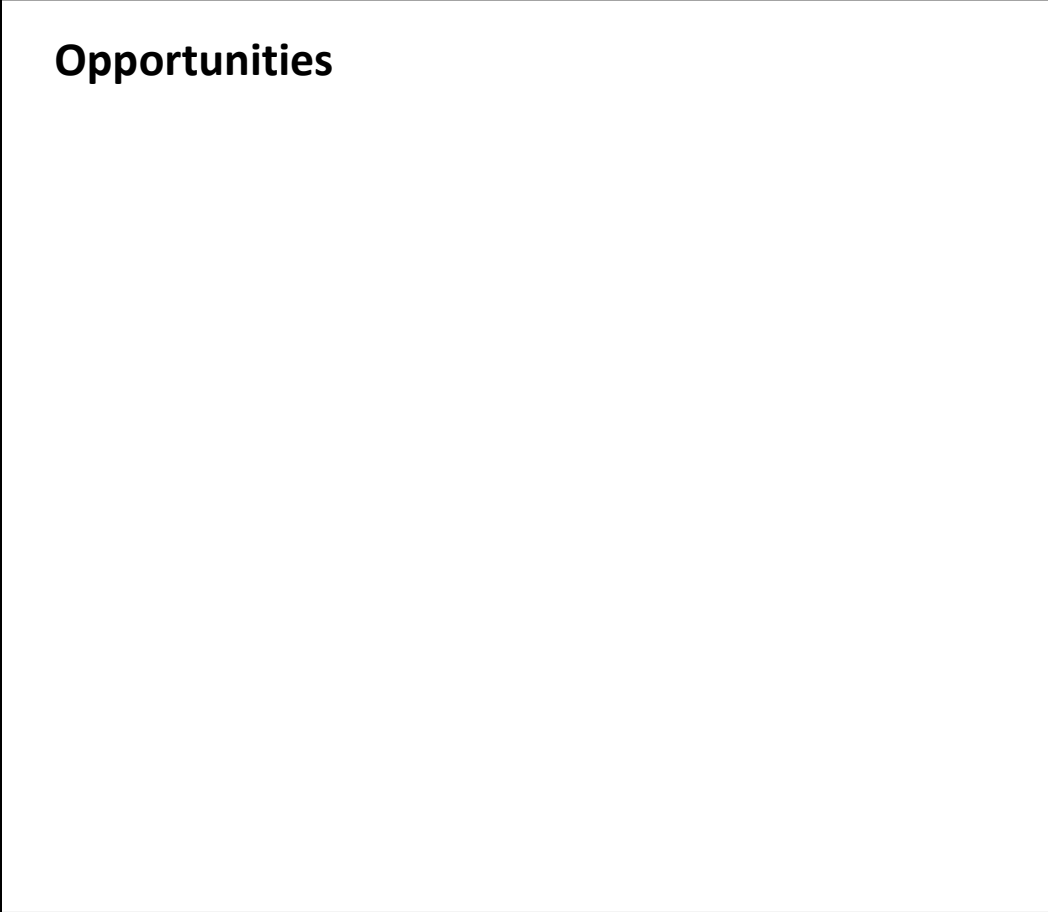
Further reading:

[SASB Directors Report: Sustainability issues most likely to impact financial performance of 77 industries](#)

Climate Change - Opportunities & Threats for your sector

This will help you understand what's important for you to measure and mitigate, and where to focus resources

Opportunities



Threats



Q&A

Find the Sustainable Business Initiative...
On [Facebook](#), on [LinkedIn](#), on the [Chamber website](#)



**SUSTAINABLE
BUSINESS**

Thanks for coming!

Find the Sustainable Business Initiative...

On [Facebook](#), on [LinkedIn](#), on the [Chamber website](#)



**SUSTAINABLE
BUSINESS**

Appendix

- Framework links:
- B Corp - <https://bcorporation.uk/>
- GIIA ESG Insurance framework - <https://giia.gg/giia-esg-framework/>
- ESI Monitor - <https://esimonitor.org/>
- Netzeronow - <https://netzeronow.org/>
- PRI - <https://www.unpri.org/>
- GRI - <https://www.globalreporting.org/>
- ISO 14001 qualification - <https://www.bsigroup.com/en-GB/iso-14001-environmental-management/>
- EMAS - https://ec.europa.eu/environment/emas/index_en.htm

Some opportunities for Guernsey

Eco-Tourism

Hydrogen

Green Finance

Bicycles & EVs

Micro-Generation & Renewables

Sustainable Construction

Insulation

ESG Services

Electric Boilers and Heat-pumps

Local Produce

Plant-based Diets

Sustainable Infrastructure

Blue Carbon

Mari-culture

Other local resources beyond the Sustainable Business Initiative:



Employers working together for
a sustainable future

Working together towards a common goal – a sustainable future for our local and global environment, community and economy.

www.guernseygreenforum.gg



UN CLIMATE CHANGE CONFERENCE UK 2021

Met Office

SCIENCE PAVILION

Guiding the path to net-zero through science

SCIENCE HAS TO MOVE TOWARDS SOLUTIONS

WE NEED TO ACT FASTER AT A GLOBAL LEVEL



DO TECHNOLOGY SOLUTIONS EXIST FOR INDIA?

UK STILL NEED 24/7 ACCESS TO POWER

THERE ARE PATHWAYS TO DIFFERENT WORLDS OF 1.5°



THE WORLD MAY NOT BE ABLE TO FULLY DECARBONISE BY 2050 SO ALL NATIONS WILL NEED TO ADD ADDITIONAL MEASURES TO BALANCE THE EQUATION

THINKING ABOUT HOW WE WORK, TRAVEL AND WHAT WE CONSUME



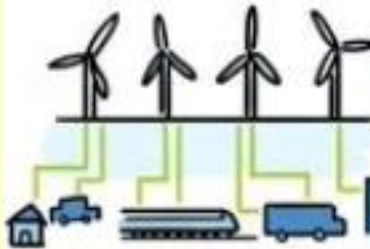
ENERGY EFFICIENCY

ELECTRIFICATION OF PROCESSES

SWITCH TO DE-CARBONISED FUELS

SCIENCE + TECHNOLOGY HAS TO PUSH THE FRONTIER

GROWING RELIANCE ON RENEWABLES



MULTIDISCIPLINARY SCIENCE IS NEEDED



THE TRANSITION HAS TO BE ACTIVELY DRIVEN



SCIENCE + SOCIAL ASPECTS TO EDUCATE AND ENACT CHANGE

SCIENCE POLICY SOCIETY

NEED FOR BETTER SCIENCE TO ACHIEVE NET ZERO BY 2050

BUT

WE'LL FALL OFF THE CLIFF IF WE DON'T START, AS THE SCIENCE WILL NEVER BE PERFECT

EXTERNAL PRESSURES CREATE OPPORTUNITIES FOR INNOVATION



WE HAVE TO NOT BE TOO FUSSY ABOUT HOW WE USE SCIENCE, SOMETIMES TRIVIALISING AND SIMPLIFYING CAN MAKE THINGS MORE ACCESSIBLE



Beyond the obvious reasons, why act?

ATTRACT & KEEP TALENT

The main priority for 86% of millennials to work for an ethical and responsible business

AMBITION

An ambitious business inspires ambitious and committed employees

ETHICS

It's the right thing to do

INNOVATION

The need to transition to the green economy will be a huge driver of innovation

REDUCED RISK

Sustainability gives a better appreciation and understanding of long-term risk

GROWTH

It attracts customers, investments and new business: Consumers now demand it.

RELEVANCE

Mark Carney: "Companies that don't adapt will go bankrupt without question"

REGULATION

Its already starting to kick in...and there's only more to come

SAVINGS

You will identify waste and that will lead to increased efficiency and ultimately reduced costs

1. DECIDE TO ACT

Change won't happen until a decision is made so make the case quick!

Convince leadership:



The Chapter Zero **free tool kit** is aimed at senior executives and board directors to help boards to hold informed and strategic discussions and respond effectively to the climate change challenge

Further reading:
[Download Toolkit](#)
[Visit the website](#)

Show there's an established route:

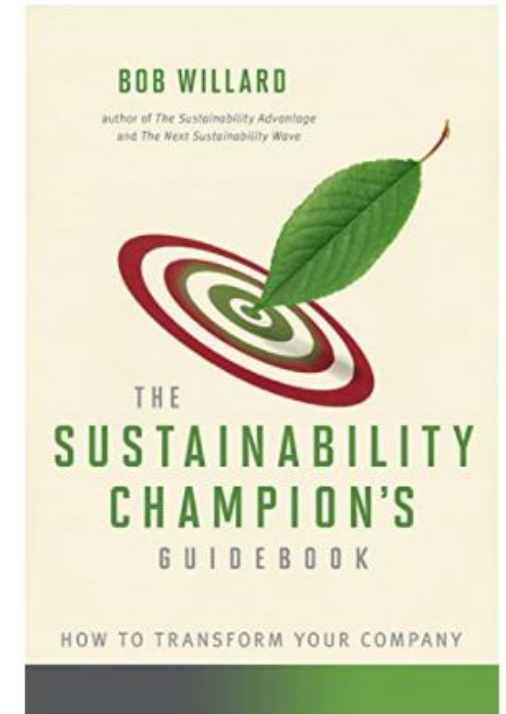


The Board Toolkit provides leadership with **a five step process** to protect enterprise value by minimising emissions and adapting to the impacts of climate change. It will enable non-executive directors to identify and respond to **climate-related risks** and **opportunities**.

2. APPOINT A CHAMPION

Things only happen when it's someone's job, so make it someone's job!

- Is there someone (or ideally a number of someones) who is (or are) already passionate about this?
- Define the scope of their work – is it realistic that this is purely just more work on top of business as normal?
- How can you support them?
 - Formally allocating time to the process
 - Changing your business strategy (and communicating that change)
 - Making it part of everyone's KPIs/objectives
 - Having a director in charge of it
 - Making it an agenda item at all board meetings
 - Investigating external resource as appropriate
 - Empowering them by being seen to act on their proposals



Further reading:

[Engaging employees to create a sustainable business](#)

[The Sustainability Champion's Guidebook](#)

Carbon Neutral	Net Zero
<p>Standard: PAS 2060 Standard https://www.bsigroup.com/en-GB/PAS-2060-Carbon-Neutrality/</p>	<p>Standard: Science Based Targets (SBTs) https://sciencebasedtargets.org/resources/legacy/2020/09/foundations-for-net-zero-executive-summary.pdf https://sciencebasedtargets.org/resources/files/Net-Zero-Criteria-Draft-for-Public-Consultation-v1-0.pdf</p>
<p>Definition due to be fixed shortly.</p>	<p>Definition shall be fixed into an internationally recognised standard by the SBT Initiative by the summer. Anyone diverging from that definition once the standard is set could be accused of greenwash if they claim to be net zero.</p>
<p>States of Guernsey have committed to net zero in Energy Policy & Climate Change Policy.</p>	<p>This has become the dominant way of demonstrating climate action internationally, and is what the UK has committed to (by 2050)</p>
<ol style="list-style-type: none"> 1. It can cover a whole organisation (scope 1-3), part of an organisation (scope 1-2), a business unit (just power generation) or even just a single project/product 2. <u>Similar to</u> net zero you must offset the same amount of emissions as you emit (within the defined boundary) 3. You must have a carbon reduction plan, but there is no requirement to demonstrate measurable emissions reductions 4. You can offset emission without significant reductions meaning you can offset immediately 5. You can use 'avoidance' offsets (e.g. the gold standard), these don't remove carbon from the atmosphere but do stop carbon from being emitted so are less rigorous than 'removal offsets' 	<ol style="list-style-type: none"> 1. It must a whole organisation (scope 1-3) 2. <u>Similar to</u> carbon neutral you must offset the same amount of emissions as you emit (within the defined boundary) 3. You must have a Science Based Target, meaning you have to reduce your emissions by 4.2% per year on an absolute basis (current calcs for a 1.5°C science-based target) 4. You must use only 'removal' offsets i.e. where carbon is removed from the atmosphere (for example by tree planting). 5. You cannot use avoidance offsets (i.e. activities that reduce emissions by preventing their released into the atmosphere such as stopping the conversion of grasslands to croplands and limiting timber harvest levels) <p>(NOTE: NZ will cover the scope 3 minimum boundary as defined by the GHG Protocol. Life cycle emissions shall not be required unless we construct a new power station, which may then be included as 'scope 3')</p>



This is the one that COP26 talks about

Greenwash

What do you need to know to avoid the pitfalls?

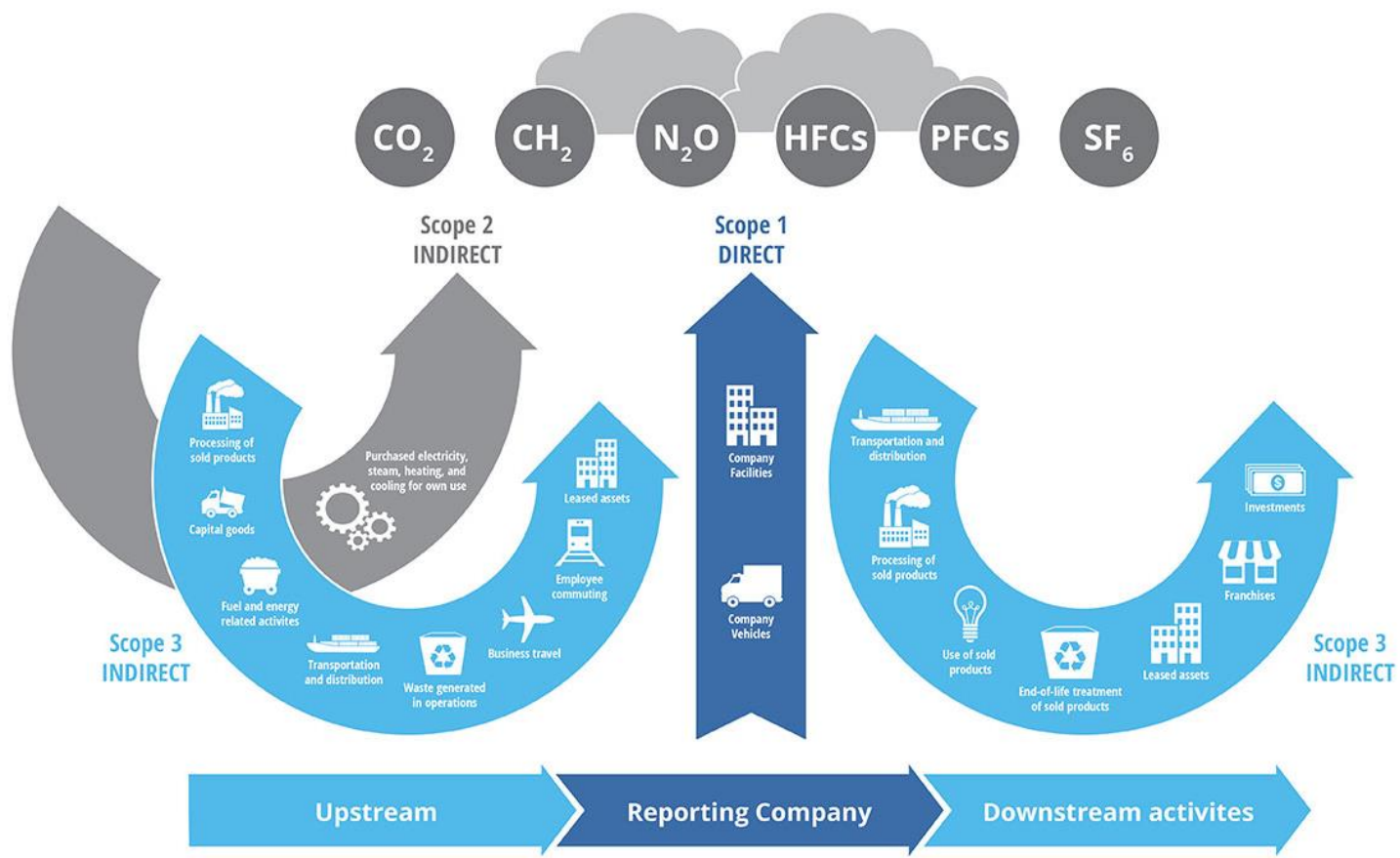
Don't do it!

- Don't communicate false data or "hide" the real environmental performance of a business
- Don't make claims about importance of environmental sustainability without supporting them with action
- Don't selectively disclose or give a false impression of transparency

DO

1. Have an environmental sustainability policy and strategy with goals and targets,
2. Maintain an action plan of realistic environmental sustainability tasks and initiatives to reduce a businesses' environmental impacts and improve performance
3. Ensure a feedback loop to validate the continuous improvement in environmental performance against the direction of travel aspired to by the business.
4. Document your progress





The Guernsey Context (& some useful hierarchies)

Guernsey Context

Tackling the top 3 issues in our annual 400,000 tons of CO2e (scope 1)

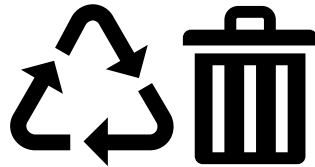
1



TRANSPORT

- What can you reduce or do differently?
- Do a Travel Plan to reduce solo car commutes
- Incentivise & facilitate active travel
- Optimise & decarbonise your fleet

2



WASTE

- Do a waste audit
- What can be prevented at source?
- What can be reduced?
- Optimise recycling through separation
- Focus on food waste (& coffee grounds)

3



COMMERCIAL & DOMESTIC COMBUSTION

- Reduce your energy demand
- Invest in energy efficiency e.g. insulation, appliances
- Convert to electric heating & cooling

Source: [Guernsey Annual Greenhouse Gas Bulletin 2019 \(12th March 2021\)](#)

Nb On-island power generation is biggest contributor in 2019, but in 2020 it comes from France and 93% renewable



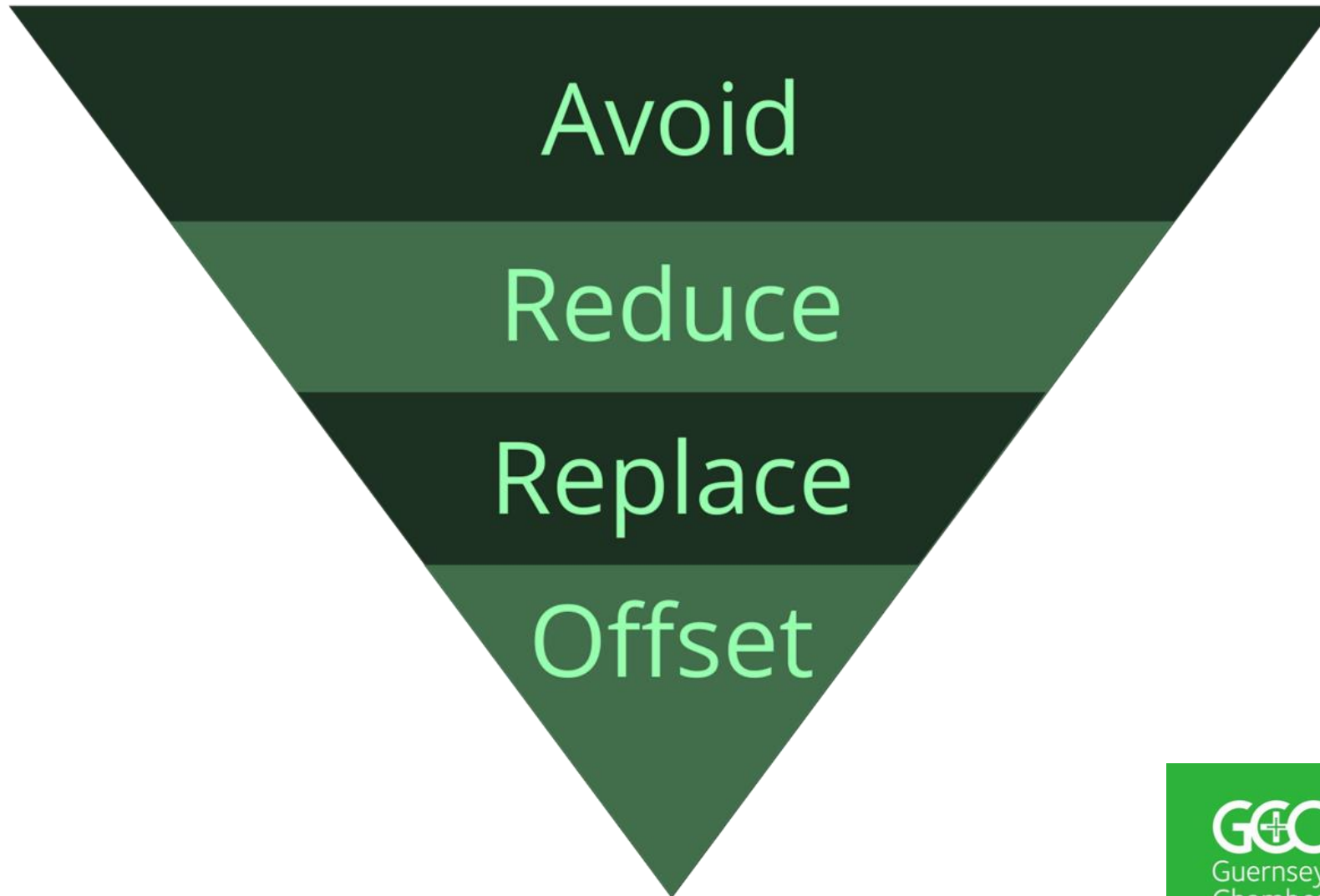
Transport Hierarchy

Use this to prioritise alternatives



Emissions Hierarchy

Use this to prioritise interventions around energy



Waste Hierarchy

Use this to prioritise how you deal with waste creation

