



REFRESHING LAW

Down to Earth

ESG

Anna Denton-Jones

March 2022

Overview

- What is it?
- What has this got to do with us?
- What is going on ‘bigger picture’?
- What can we do?





- Environmental
- Social
- Governance





Why is it important and why now?

- Black Lives Matter and Me Too
- Pandemic – put employers under the microscope
- Investor decisions
- Recruitment and retention
- Risk management
- Direction of travel
- War in Ukraine





Environmental

- The Intergovernmental Panel on Climate Change predicts the average global temperature in 2100 is likely to be between 3° C to 5.5° C above late 19th century levels if no action is taken to reduce global greenhouse gas emissions
- COP26 1.5° commitment- only reached with herculean effort





What is going on bigger picture?

- 90% world has net zero targets
- Equates to a fundamental alteration of the world economy
- Policy and Regulatory changes are coming





Climate Change Act 2008

- imposes a legally binding duty on the government to reduce the UK's carbon emissions by 100% by 2050 – June 2019
- <https://senedd.wales/media/jvue5rte/sub-ld14105-em-e.pdf> - February 2021





What is going on bigger picture?

- Bank of England 2015
 - Physical risks
 - Economic transition risks
 - Litigation risks
- Task Force on Climate Related Financial Disclosures
- Network for Greening the Financial System
- Sustainability Standards Board





UK business is responsible for

- 41.1 m tonnes waste



Lawyers starting to do their thing

- <https://www.bbc.co.uk/sounds/play/m000r4v>
S





The Chancery Lane Project

- Collective effort of lawyers led to the Climate Contract Playbook
- <https://chancerylaneproject.org/climate-clauses/>





Social

- Your impact on society
 - your staff
 - society





Governance

- Way in which organisations manage themselves
 - Themes:
 - Engagement
 - Whistleblowing
 - Pay ratios
 - Diversity
 - Criticism of glacial pace of change
- Culture
- Modern Slavery





European Directive

- Corporate Sustainability Due Diligence



REFRESHING LAW

Down to Earth



European Commission

- Communication on decent work worldwide for a global just transition and a sustainable recovery
- “DNSH” criteria: do no significant harm





Reputation

- Digital, social media driven age with coverage going ‘viral’





Accountability

- Staff may well be wanting you to take action
- Stakeholders will too
- Supply chain pressure
- Regulators flexing their muscles





What can HR do?

- (1) Ask the question and lead by example:
 - What are we doing in this organisation to manage those risks and be strategic on this issue?





- (2) Encourage staff to volunteer
 - Corporate Social Responsibility Policies
 - Sabbaticals
 - Garden Leave

With our prior approval, you may undertake volunteering activities at an environmental organisation during any period of Garden Leave.





- (3) Engage the staff
 - Raise awareness
 - Gather their ideas and support
 - Set up a:
 - sustainability
 - D&I group or committeeto champion the issue, set goals and review progress





- (4) Policy/Handbook include a policy tied into wider corporate objectives
 - Expenses/commuting
 - Homeworking policy
 - Flexible working
 - Dress Code and Uniform
 - Holidays
 - Whistleblowing
 - Disciplinary policy





- (5) Incorporate ESG into
 - recruitment
 - training and induction
 - anti-corruption and other procurement training
 - whistleblowing





- (6) Link executive pay and reward to sustainability/governance agenda





- (7) Set ourselves challenging targets
 - Increase under-represented in workforce
 - Closing ethnicity, age and disability pay gaps
 - Meaningful and secure jobs
 - Flexible working
 - Living Wage and financial security
 - Sick pay at levels where people can afford to rest and recover
 - Wellbeing



- (8) Use our purchasing power
 - Questions of of supply chain
 - Influence those we do business with





- (9) Audit where risks and opportunities are
 - In our sector





- (10) Beef up complaints mechanism
 - whistleblowing



Links

- <https://ukcop26.org/wp-content/uploads/2021/11/COP26-Presidency-Outcomes-The-Climate-Pact.pdf>
- <https://leadersaschangeagents.com/our-work/>
- Out of Office a book by Charlie Warzel and Anne Helen Peterson (the Big Problem and Bigger Promise of Working from Home).





REFRESHING LAW

Down to Earth

Contact us: adenton@refreshinglawltd.co.uk

Phone 02920 599993 or 07977 545480

www.refreshinglawltd.co.uk